

Quarterly Industry Update

As of December 31, 2013

Industry: Online Advertising



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Online Advertising industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since December 31, 2012, the median 52-week share price return of the Online Advertising industry has increased by 35.1%. In the last quarter, the median price-to-earnings multiple increased from 25.8x to 50.3x.

Comparable Public Company Key Statistics

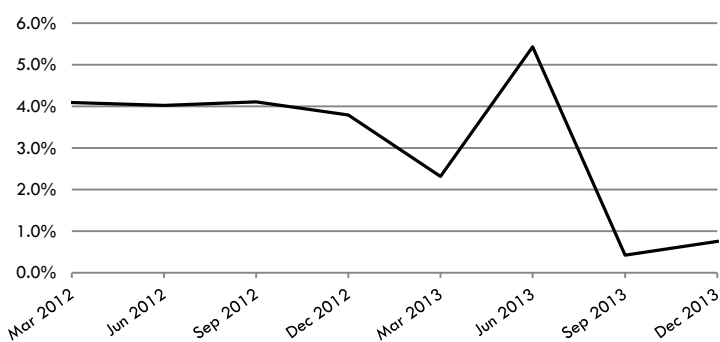
Median 52-Week Return	35.1%	Median EV/Revenue Multiple	2.1x	Median Price/Earnings Multiple	50.3x
Median 3-Year CAGR Return	-4.7%	Median EV/EBITDA Multiple	12.2x	Median EV/Gross CF Multiple	48.7x

Comparable Public Company Market Price Returns (As of December 31, 2013)

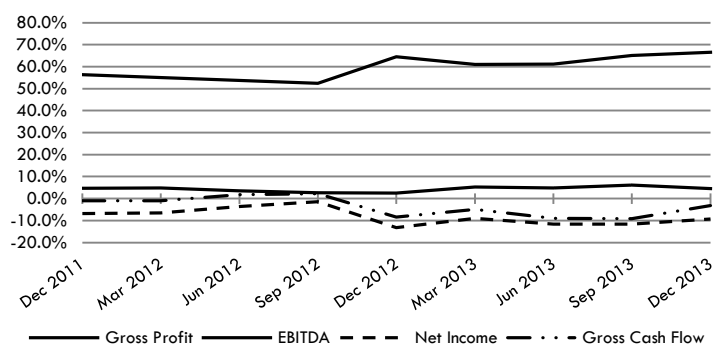
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Brightcove Inc.	56.4%	25.7%	56.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Blucora, Inc.	85.6%	26.9%	85.6%	62.9%	52.0%	31.0%	42.9%	32.4%	-3.2%	13.5%	-59.8%
Demand Media, Inc.	-37.9%	-8.7%	-37.9%	-6.9%	N/A	N/A	39.7%	N/A	N/A	N/A	N/A
comScore, Inc.	107.6%	-1.2%	107.6%	16.2%	8.6%	17.5%	-35.0%	-5.1%	27.3%	37.6%	-60.9%
QuinStreet, Inc.	29.3%	-7.9%	29.3%	-3.6%	-23.2%	N/A	-28.2%	-51.3%	N/A	N/A	N/A
Vocus Inc.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Marchex, Inc.	110.5%	18.8%	110.5%	17.6%	-3.2%	8.2%	-34.2%	-34.5%	87.8%	-12.9%	-46.3%
Bazaarvoice, Inc.	-15.3%	-12.7%	-15.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Inuvo, Inc.	40.9%	10.1%	40.9%	35.8%	-36.5%	16.9%	31.0%	-86.1%	50.6%	466.7%	-96.1%
j2 Global, Inc.	63.4%	1.0%	63.4%	33.3%	20.0%	20.1%	8.7%	-2.8%	42.3%	1.5%	-5.3%
RealNetworks Inc.	-0.1%	-11.7%	-0.1%	0.3%	-23.4%	-11.8%	0.8%	-55.4%	13.2%	5.1%	-42.0%
Local Corporation	-22.9%	-19.0%	-22.9%	-13.7%	-37.6%	0.3%	-3.3%	-67.3%	11.7%	273.6%	-67.7%
TechTarget, Inc.	23.6%	37.8%	23.6%	8.4%	-4.7%	9.7%	-5.0%	-26.4%	40.9%	30.3%	-70.8%
Median of Industry Public Companies	35.1%	-0.1%	35.1%	12.3%	-4.7%	13.3%	-1.3%	-34.5%	34.1%	21.9%	-60.4%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Online Advertising Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Online Advertising Industry

Date:	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013
EV/Revenues Multiple	1.2x	1.5x	1.3x	1.7x	1.5x	1.3x	1.5x	1.7x	2.1x
EV/EBITDA Multiple	8.0x	10.4x	11.3x	11.5x	11.1x	9.3x	9.6x	11.4x	12.2x
Price/Earnings Multiple	20.1x	24.0x	20.8x	17.4x	19.9x	18.2x	22.8x	25.8x	50.3x
EV/Gross Cash Flows Multiple	12.1x	19.8x	17.3x	25.9x	22.1x	18.7x	16.4x	37.9x	48.7x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Richard Reynolds or Steven Kam at 415-392-0888 for more information or questions in connection with this research report.

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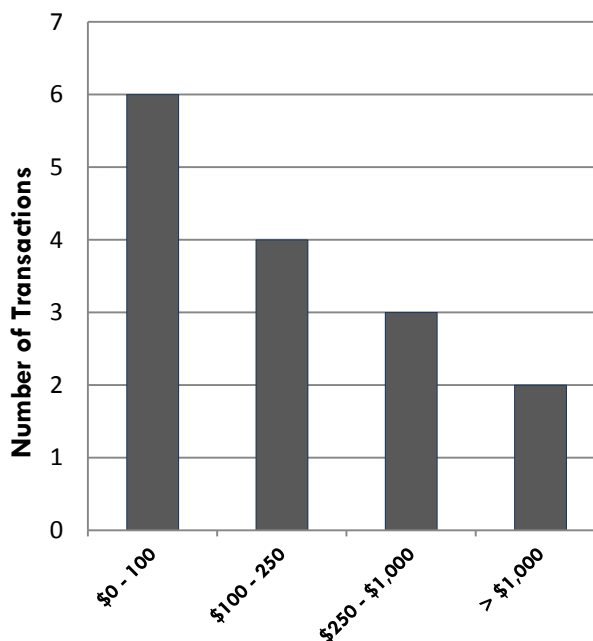
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
5/16/2013	Marketo, Inc.	\$13.00	6.1	\$78.8	\$75.9	\$3.6	\$65.9	(\$34.8)	(\$37.3)	(\$33.2)
3/21/2013	Marin Software Incorporated	\$14.00	7.5	\$105.0	\$57.2	\$10.8	\$59.6	(\$22.6)	(\$26.5)	(\$20.0)
11/20/2012	YY Inc.	\$10.50	7.8	\$81.9	\$163.6	\$0.0	\$105.9	\$14.0	\$9.5	\$17.9
9/19/2012	Trulia, Inc.	\$17.00	6.0	\$102.0	\$27.6	\$10.1	\$51.3	(\$8.0)	(\$11.2)	(\$6.0)
3/28/2012	Millennial Media Inc.	\$13.00	10.2	\$132.6	\$61.9	\$0.0	\$103.7	\$0.0	(\$0.3)	\$0.5
3/14/2012	Demandware, Inc.	\$16.00	5.5	\$88.0	\$42.9	\$4.0	\$56.5	\$2.1	(\$1.4)	\$5.0
3/1/2012	Yelp Inc.	\$15.00	7.2	\$107.3	\$43.8	\$0.0	\$83.3	(\$7.1)	(\$16.7)	(\$4.0)
2/23/2012	Bazaarvoice, Inc.	\$12.00	9.5	\$113.8	\$46.8	\$0.0	\$94.0	(\$19.5)	(\$22.6)	(\$17.5)
2/17/2012	Brightcove Inc.	\$11.00	5.0	\$55.0	\$47.3	\$7.0	\$63.6	(\$14.0)	(\$17.6)	(\$11.9)
2/9/2012	Synacor, Inc.	\$5.00	6.8	\$34.1	\$43.4	\$3.9	\$91.1	\$6.7	\$9.9	\$9.4
4/20/2011	Responsys, Inc.	\$12.00	6.6	\$79.4	\$76.0	\$0.3	\$104.8	\$18.9	\$9.6	\$24.3
1/25/2011	Demand Media, Inc.	\$17.00	8.9	\$151.3	\$488.5	\$0.0	\$252.9	\$50.3	(\$5.3)	\$67.4
2/10/2010	QuinStreet, Inc.	\$15.00	10.0	\$150.0	\$281.8	\$105.7	\$293.1	\$56.8	\$20.5	\$60.0
Median of All IPOs		nm	nm	\$102.0	\$57.2	\$3.6	\$91.1	\$0.0	(\$5.3)	\$0.5

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
2/6/2014	Responsys, Inc.	Oracle Corporation	\$1,697.7	100%
12/23/2013	Facilitate Digital Holdings	Adslot Ltd	\$15.5	100%
12/12/2013	Rhythm NewMedia Inc.	Blinkx plc	\$56.6	100%
11/6/2013	JumpTap, Inc.	Millennial Media Inc.	\$244.7	100%
10/16/2013	Optimal, Inc.	Brand Networks Inc.	\$35.0	100%
7/10/2013	ExactTarget	Salesforce.com	\$2,640.0	100%
3/5/2013	JWord, Inc.	GMO AD Partners	\$15.1	72%
8/13/2012	Buddy Media, Inc.	Salesforce.com	\$745.0	100%
6/12/2012	PowerReviews, LLC	Bazaarvoice	\$155.7	100%
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3/1/2012	Vertro, Inc.	Inuvo, Inc.	\$19.4	100%
2/24/2012	iContact Corporation	Vocus Inc.	\$235.9	100%
8/31/2011	Dotomi, LLC	ValueClick	\$292.4	100%
8/11/2011	AdXpose, Inc.	comScore	\$19.3	100%
7/22/2011	MediaMind Technologies	DG FastChannel	\$523.9	100%
Median of All Transaction Targets			\$155.7	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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