

GP BULLHOUND PREDICTS ONLINE FASHION RETAILERS, CASUAL GAMING AND DIGITAL AGENCIES TO PROSPER IN 2009 AS IT LAUNCHES HUNT FOR THE FASTEST GROWING DIGITAL MEDIA COMPANIES IN EUROPE

London - 8th December 2008: Investment bank GP Bullhound has today forecast a broadly positive outlook for the European digital media sector in 2009 as call for entries open for the Media Momentum Awards and Top 50 league table of Europe's fastest growing online, mobile and technology companies (www.mediamomentum.co.uk).

Online Retail

According to GP Bullhound, specific sectors are likely to defy the economic downturn and continue to show strong growth in 2009. Online fashion retailers are likely to display unprecedented growth as consumers shift spending from the High Street to online.

Manish Madhvani, partner at GP Bullhound commented, "For years, traditional retailers have feared revenue cannibalisation and brand destruction from most e-commerce related activities. However, the key online fashion brands have now demonstrated that selling through the Internet can actually enhance brand perception through exceptional customer service, value added merchandise and exclusive online clubs."

In addition to the success of multi-brand sites such as ASOS, Net-a-Porter and Yoox, new online shopping models will see significant growth including private sales firms which deal with excess stock like Vente Privee and social shopping sites such as Kaboodle and Osoyou built around the entertainment and communal aspects of clothes shopping.

Mobile technology

GP Bullhound also believes that the mobile industry will see renewed interest and growth in 2009 following the success of the iPhone and developments such as the Gphone resulting in consumers taking 'PC' habits with them on the road. According to a recent M:Metrics survey iPhone users are ten times more likely to use web search, six-20 times more likely to view video content and 100 times more likely to access a social network.

"We believe the success of the iPhone third party application environment is forcing a shift in the way the mobile industry deals with developers, materially improving the business model for mobile software developers and Internet companies wanting to target the fourth screen," added Madhvani.

Digital Agencies

The growth in mobile is also likely to impact on the success of Digital Agencies which, due to their business models, have dominated the Media Monentum Top 50. While GP Bullhound expects to see a general slowdown in their growth in 2009, those agencies with strong mobile, web, social media and viral seeding teams are likely to benefit from convergence and the emergence of larger budgets in these areas.

Publishers

GP Bullhound expects 2009 to be a tough year for digital publishers with many expected to drop out of the list having either been acquired or have felt pressure on advertising revenue. Madhvani added, "Digital publishers will have to innovate to generate additional revenue streams via subscriptions and harnessing their stables of online users to generate incremental ecommerce revenues. We are seeing some of the key publishers add innovative services where readers can purchase the new goods and services they are reading about."

Online Gaming

There is considerable evidence that use of casual gaming sites increases in a downturn. GP Bullhound expects a number of these websites to feature heavily in 2009, particularly those

that charge per game or operate a subscription model especially old favourites such as King.com and new players Playfish, Gameduell and Spineworld.

2009 Media Momentum Awards

Entries are now open for the fifth annual Media Momentum Awards (www.mediamomentum.co.uk). The winners will be announced at an exclusive ceremony at Sketch on 13 May 2009. For the first time, this year's awards will be accepting entries from across Europe. Entrants must have a turnover of at least €500,000 in 2006 and €1.5million in 2008. The top 50 fastest growing companies will be ranked by their annual revenue growth rate between those financial years.

The 2009 Media Momentum Awards judging panel consists of leading digital figures including Martha Lane-Fox, co-founder of Lastminute.com and CEO of Lucky Voice; Anil Hansjee, head of M&A Google Europe; and Seb Bishop, International CEO of RED.

Manish Madhvani, GP Bullhound, said: "The media momentum awards and top 50 league table has over the past four years become the industry barometer for the digital sector and has established a reputation for identifying future stars of the digital media industry. As we head into 2009 it's never been more important for innovative and fast growing companies to demonstrate their success to peers, customers and potential investors. The 2009 media momentum awards are set to be the most exciting yet."

Last year's award winners include Mobile Interactive Group, YouGov, Net-a-Porter, The Search Works and Vibrant Media.

Notes to Editors

About GP Bullhound

GP Bullhound is Europe's leading investment bank focused on providing advice on mergers & acquisition and institutional capital raising in the technology sector. Established in 1999, the firm is Europe's most active advisor to fast-growing technology and digital media companies. Since 2001, GP Bullhound's banking team has successfully closed over 70 M&A transactions and private placements. This track record speaks for itself

GP Bullhound has three dedicated sector teams - Internet / Digital Media; Software / Services and; Semiconductors / Systems.

With offices in London and San Francisco, GP Bullhound keeps a constant eye on the local entrepreneurial community, venture market and corporate environment. This allows the firm to provide the best possible advice to its clients. GP Bullhound demonstrates thought leadership through its monthly research reports. These reports cover the new disruptive trends in the technology sector. Furthermore, GP Bullhound has founded and continues to manage important industry events including the highly recognised Investor Allstars and Media Momentum awards.