

December 12, 2014

Financial Technology Partners LP FTP Securities LLC

Transaction Profile:

H E A R S T

acquires additional 30% stake in

FitchRatings

for \$1.97 billion, bringing its ownership to 80%

Courtesy of:



***The Only Investment Bank
Focused Exclusively on Financial Technology***

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Hearst Acquires Additional 30% Stake in Fitch for \$1.97 billion

Transaction Overview

Transaction Overview

- On December 12, 2014, Hearst Corporation announced that it will purchase an additional 30% of the Fitch Group for \$1.97 billion, bringing Hearst's equity interest to 80%
 - Hearst bought its first 20% stake in Fitch in 2006 and incrementally increased its investment in the Company since its first purchase; Hearst invested an aggregate of \$3.16 billion over 9 years to gain its 80% equity interest
 - Fimalac, a French holding company, will sell the 30% stake to Hearst and retain 20% equity interest in Fitch Group
 - The acquisition solidifies Hearst's continuing efforts to diversify into data, analytics and information-based companies
- Its rival ratings agency Standard & Poor's, is owned by McGraw Hill Financial, while Moody's Investors Service is part of the Moody's Corporation
- The transaction is expected to be completed in the first quarter of 2015

Previous Transactions

HEARST

FitchRatings

Date	Size (\$ mm)	Stake
12/12/14	\$1,965	Hearst acquires 30% stake in Fitch
02/09/12	\$177	Hearst acquires 10% stake in Fitch
07/26/09	427	Hearst acquires 20% stake in Fitch
03/15/06	592	Hearst acquires 20% stake in Fitch

Hearst Corporation Commentary

"We believe the credit rating, financial information and risk management services Fitch provides to the global financial community are critical in today's economy. Hearst continues to diversify into data and information-based companies while growing its world-class media assets."

– Steven R. Swartz, President and Chief Executive





"Since the beginning of our relationship with Fitch, it has seemed to me that the company fits perfectly into the profile of businesses in which Hearst should seek to expand. The record of advances in the business over that period shows that excellent management is in place, our partners at Fimalac are aligned with us in strategy for the future and the diversification from our highly-valued traditional portfolio is proving to be rewarding. Stepping up from 50 percent to 80 percent makes great sense and we're all excited."

– Frank A. Bennack, former CEO & current Executive Vice Chairman

Sources: Company press releases, The New York Times and Capital IQ.

Hearst Acquires Additional 30% Stake in Fitch for \$1.97 billion

Fitch Group Overview

Fitch Group Overview		Notable M&A Activity		
CEO:	Paul Taylor	Date	Size (\$ mm)	Target
Headquarters:	New York, NY			
Founded:	1913	03/14/14	na	
<ul style="list-style-type: none"> Fitch is a credit ratings agency that provides web-based financial information services to the financial community – the Company offers credit ratings, market research, and surveillance and analytical tools on various types of transactions (related to corporate finance, financial institutions, insurance, public finance, structured finance and global infrastructure) 		01/24/13	\$142	
<ul style="list-style-type: none"> The Company serves customers in the Americas, EMEA, Asia and Australia 		10/19/00	na	
<ul style="list-style-type: none"> Fitch Group is jointly owned by Paris-based Fimalac and New York-based Hearst Corporation 		03/07/00	560	

Fitch Divisions

Fitch Ratings	Fitch Ratings offers independent credit ratings and research, drawn from international markets and spans the entire fixed-income universe
Fitch Solutions	Fitch Solutions delivers credit market data, analytical tools and risk services to the global financial community through proprietary market-based content
Fitch Learning	Fitch Group acquired 7city Learning to merge with Fitch Training and create Fitch Learning; the combined business is a global leader in training with experience of delivering specialized technical training at all levels to business professionals
Business Monitor International	Business Monitor provides independent analysis and forecasts on countries, industries and emerging financial markets

Sources: Company website and Capital IQ.

Hearst Acquires Additional 30% Stake in Fitch for \$1.97 billion

Hearst Corporation Overview

FT Partners served as the exclusive strategic and financial advisor to KUBRA and its Board of Directors in its 80% sale to Hearst Corporation in September 2014






Hearst Corporation Overview

CEO:	Steve Swartz
Headquarters:	New York, NY
Founded:	1887
<ul style="list-style-type: none"> Hearst Corporation is one of the nation's largest diversified media and information companies; its major interests include ownership of 15 daily and 34 weekly newspapers, 29 television stations and more than 300 magazines globally Founded by William Randolph Hearst, owner of the newspaper company at the time, the Company's holdings have subsequently expanded to include a highly diversified portfolio of media interests The Hearst family is involved in the ownership and management of the privately held corporation 	

Selected Holdings



Recent Acquisitions / Investments

Announce Date	Target	Size (\$ mm)	Description
12/11/14		\$81	American sketch-comedy reality series based on the YouTube channel created by Brian Robbins
09/12/14		na	A professional networking service on the Facebook platform that helps users find jobs, sales leads and new hires
09/03/14		na	Provides customer interaction management solutions to some of the largest utility, insurance, financial services, health care and communication companies
12/02/13		na	Provides a fully integrated Software-as-a-Service application for homecare and hospice agencies
11/05/12		na	Develops and produces evidence-based clinical guidelines and software that are used by hospitals and the largest U.S. health plans in the United States, the United Kingdom and internationally

Overview of FT Partners

FT Partners Advises KUBRA in its Sale to Hearst

Transaction Overview and Rationale

Overview of Transaction

- On September 3, 2014, KUBRA announced its 80% sale to the Hearst Corporation ("Hearst")
- Backed by Clairvest, KUBRA provides billing and payment solutions to customers across multiple industry verticals via electronic and physical channels
- The Company has grown to be a leader in the emerging Customer Interaction Management industry

Significance of Transaction

- The acquisition increases Hearst's presence in both the billing and payments space (already owning CDS Global), while strengthening its foothold in the utilities vertical
- CDS Global provides customer relationship management solutions to publishers, direct marketing firms, etc.
- Clairvest realized proceeds equal to 13.5x invested capital and an internal rate of return ("IRR") of over 40% over eight years

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to KUBRA and its Board of Directors
- FT Partners leveraged its deep knowledge, extensive experience (understanding all the unique aspects of the Company's billing, payments, outsourcing, customer interaction and electronic commerce businesses) and broad industry relationships to help achieve a highly favorable outcome for stakeholders
- Successfully helped find a unique acquirer
- Transaction demonstrates FT Partners' continued success advising top-tier financial technology companies

Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its exclusive role as
sole strategic and financial advisor to*



in its 80% majority sale to

H E A R S T *corporation*



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Overview of FT Partners

FT Partners is the Leader in Financial Technology Investment Banking

FT Partners has advised on the most prominent M&A and financing transactions in the Financial Technology space

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

ShareholderInSite

in its sale to

IPREO

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is pleased to announce its exclusive role as sole strategic and financial advisor to

L2C inc

in its sale to

TransUnion

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is pleased to announce its exclusive role as sole strategic and financial advisor to

INSURANCE TECHNOLOGIES

in its sale to

MOELIS CAPITAL PARTNERS

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

WebEquity solutions

in its sale to

Moody's

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FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

cardsPRING

in its sale to

twitter

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its role as strategic and financial advisor to

MERCURY

in its cash sale to

vantiv

for total consideration of

\$ 1,650,000,000

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

Alpha

in its acquisition by

TMX Maple Group

valued at approximately

\$ 175,000,000

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

THE MARKETS.com

in its sale to

Capital IQ

A Division of Standard & Poor's

for total consideration of approximately

\$ 300,000,000

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

Zephyr ASSOCIATES, INC.

in its sale to

informa

for total cash consideration of

\$ 62,000,000

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

MERGENT

in the sale of its index business to

NASDAQ OMX

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

liquidnet

in its financing for approximately

\$ 250,000,000

valued at approximately

\$ 1,800,000,000

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to

ENVESTNET

in its

\$69,000,000
Initial Public Offering

valuing the equity at approximately

\$ 300,000,000

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FINANCIAL
TECHNOLOGY
PARTNERS

Overview of FT Partners

Award-Winning Investment Banking Franchise Focused on Superior Client Results

FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition



M&A Advisor Awards

- | | |
|------|--|
| 2014 | <ul style="list-style-type: none"> ■ Equity Financing Deal of the Year ■ Professional Services Deal of the Year, Above \$100mm |
| 2012 | <ul style="list-style-type: none"> ■ Dealmaker of the Year ■ Professional Services Deal of the Year, Above \$100 mm |
| 2011 | <ul style="list-style-type: none"> ■ Boutique Investment Bank of the Year ■ Deal of the Decade ■ <i>10 Deal of the Year Nominations Across 9 Categories</i> |
| 2010 | <ul style="list-style-type: none"> ■ Upper Middle Market Deal of the Year, Above \$500 mm ■ IT Services Deal of the Year, Below \$500mm ■ Cross-Border Deal of the Year, Below \$500mm |
| 2007 | <ul style="list-style-type: none"> ■ Dealmaker of the Year – Steve McLaughlin ■ Business to Business Services Deal of the Year ■ Computer and Information Technology Deal of the Year, Above \$100mm ■ Financial Services Deal of the Year, Above \$100mm |



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|-----------|---|
| 2006-2008 | <ul style="list-style-type: none"> ■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology |
|-----------|---|



Middle Market Financing Awards

- | | |
|------|--|
| 2008 | <ul style="list-style-type: none"> ■ Equity Financing Dealmaker of the Year – Steve McLaughlin ■ Information Technology Deal of the Year ■ Financial Services Deal of the Year |
| 2006 | <ul style="list-style-type: none"> ■ Financing Professional of the Year – Steve McLaughlin ■ <i>Financing Deal of the Year - Equity</i> ■ <i>Financing Deal of the Year - Debt</i> |