



CORPORATE FINANCE

Deal Announcement

ADVISORY

Web Clients, Inc. completed a recapitalization led by Thoma Cressey Equity Partners and Apax Partners. KPMG Corporate Finance LLC served as the exclusive financial adviser on this significant transaction in the online marketing industry.



Web Clients, Inc.



KPMG Corporate Finance

acted as financial adviser to
Web Clients, Inc. on a recapitalization
led by Thoma Cressey Equity Partners
and Apax Partners

May 2004

The Company

Web Clients, Inc., which has been providing high quality leads to advertisers since 1998, is an online direct marketing and Internet technology company that specializes in performance-based advertising and related services. Web Clients provides measurable results to clients using a network of more than 1,500 active affiliated Web sites, owned Web sites, proprietary tracking and technology, and innovative marketing solutions. The company derives its revenue primarily from the sale of leads generated through cost-per-action advertising, opt-in/co-registration, cost-per-sale advertising, custom co-registration, and off-line data sales.

The Situation

Web Clients' shareholders were seeking liquidity at a valuation that reflected the company's significant growth and profitability and a partner that could assist them in continuing to grow the business, diversify into other areas of online marketing, and become a fully integrated online marketing solutions company.

The Transaction

KPMG Corporate Finance LLC conducted a competitive process to identify the optimal counter-parties that would enable the shareholders to achieve their objectives while positioning Web Clients for future growth. KPMG Corporate Finance LLC developed significant interest through a controlled auction, coordinated management meetings and due diligence, and assisted the company in successfully negotiating a transaction with two leading private equity investors, Thoma Cressey Equity Partners and Apax Partners. In addition, CapitalSource Finance provided senior debt financing and participated as an equity co-investor. KPMG Corporate Finance LLC's extensive industry experience and knowledge of a broad range of financial and strategic parties was fundamental to its ability to deliver superior financial advice.

"KPMG Corporate Finance added significant value throughout the transaction and we could not have done it without them. Their knowledge of the industry and potential counter-parties was key to a successful conclusion. Most importantly, they closely managed the entire process, allowing us to focus on running and growing our business."

**Joshua R. Gray, Chief Executive Officer
Web Clients, Inc.**

KPMG Corporate Finance: Objectivity. Insight. Experience.

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As a leading middle market M&A adviser globally, KPMG Corporate Finance's global practice has the experience and service offering to meet our firms' clients' investment banking and strategic advisory needs. With 1,500 professionals operating in 51 countries, we have the global reach and industry knowledge to advise clients on mergers and acquisitions, sales and divestitures, buyouts, financings, restructurings, fairness opinions, and other strategic initiatives. In addition, we remain independent of financing sources, helping to ensure that our efforts are objective and aligned with clients' goals.

We welcome the opportunity to meet you, learn more about your company's objectives, and discuss our people and capabilities.

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