

Project Arbor



Materials Prepared for Discussion

DRAFT | Confidential

Preliminary | Subject to Further Review and Evaluation

June 2012



Process Overview

- Since beginning the process, Arbor and Qatalyst have held discussions with 14 parties:
 - Strategics (6):
 - Financial Sponsors (8):
- In addition to the parties mentioned above, other strategic parties and financial sponsors reached out to Arbor and/or Qatalyst following the Bloomberg article on June 6th
 - These parties are being qualified based on their specific interest and financial wherewithal, and guided towards working off of public information to deliver a more firm view on value before bringing them into the process
- [REDACTED] declined to engage in the process
- Nondisclosure agreements ("NDAs") have been entered into with 9 parties:
 - Strategics (1):
 - Financial Sponsors (8):
- Each of the above parties had a meeting with management and have conducted follow-up diligence. [REDACTED] had a meeting with Arbor's CEO on Monday, June 18th, that did not include confidential information; they have not yet been asked to sign an NDA
- Written indications of interest have been received from 4 parties, all financial sponsors:
 - [REDACTED]
 - [REDACTED] delivered a verbal indication
- The following parties continue to be engaged but have yet to submit an indication of interest:
 - Strategics (3):
 - Financial sponsors (3):

Summary of Preliminary Proposals



Equity Value ⁽²⁾ (\$MM)	\$1,654 - \$1,829	\$1,654 - \$1,754	\$1,504 - \$1,654	\$1,504 - \$1,554	\$1,454 - \$1,504
Premium to Unaffected ⁽¹⁾ CY12E Rev ⁽³⁾ CY12E EBITDA ⁽³⁾	50% - 66% 3.7x - 4.0x 10.5x - 11.5x	50% - 59% 3.7x - 3.9x 10.5x - 11.1x	37% - 50% 3.3x - 3.7x 9.5x - 10.5x	37% - 41% 3.3x - 3.4x 9.5x - 9.9x	33% - 37% 3.2x - 3.3x 9.2x - 9.5x

3

(1) Unaffected price based on Arbor price of \$22.63 as of June 5, 2012 (prior to Bloomberg leak).

(2) Capitalization, common shares outstanding, options and RSUs based on Arbor Management as of June 8, 2012. Assumes treasury stock method treatment of options. Balance sheet items based on 10-Q for the period ended March 31, 2012. Adjusted for pending \$100MM Archives.com acquisition.

(3) Multiples based on consensus analyst estimates as of June 21, 2012.



Summary of Preliminary Proposals (Continued)

(\$MM, except per share amounts)

	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>
Bid	\$34.00	\$37.50	\$34.00	\$36.00	\$31.00	\$34.00	\$31.00	\$32.00	\$30.00	\$31.00
Initial Bid	\$32.50	\$35.00	\$32.00	\$34.00 (Verbal)						
Equity Value ⁽¹⁾	\$1,654	\$1,829	\$1,654	\$1,754	\$1,504	\$1,654	\$1,504	\$1,554	\$1,454	\$1,504
Leverage Assumption⁽²⁾	5.75x – 6.25x available ⁽³⁾ , but proposal assumes 5.5x (\$905 – \$990MM available, but proposal assumes ~\$870MM)		5.5x – 6.0x (\$890 – \$971MM)		5.75x (Verbal) (\$930MM)		5.5x – 6.0x (Verbal) (\$890 – \$971MM)		5.5x – 6.0x (\$890 – \$971MM)	
Time Required	3 – 4 weeks for diligence, 4 – 6 weeks for financing (but financing could be accelerated if necessary)		3 – 4 weeks for diligence		Could be in position to sign the week of July 16, 2012 (4 weeks)		6 weeks for diligence		N/A	
Diligence	Standard business and confirmatory diligence; commercial diligence (market sizing) has already been completed		Standard business and confirmatory diligence; commercial diligence (market sizing) not referenced as work to be completed		Standard business and confirmatory diligence; commercial diligence (market sizing) not referenced as work to be completed		Standard business and confirmatory diligence; commercial diligence (market sizing) needs to be completed		N/A	
Advisors⁽⁴⁾										

(1) Capitalization, common shares outstanding, options and RSUs based on Arbor Management as of June 8, 2012. Assumes treasury stock method treatment of options. Balance sheet items based on 10-Q for the period ended March 31, 2012. Adjusted for pending \$100MM Archives.com acquisition.

(2) Total leverage based on Management Case projected LTM EBITDA as of September 30, 2012, of \$162MM, unless otherwise provided.

(3) highly confidential letter provided for \$630MM of borrowing under a \$705MM senior secured credit facility and the issuance of \$275 - \$360MM of senior secured notes; leverage based on LTM EBITDA as of June 30, 2012.

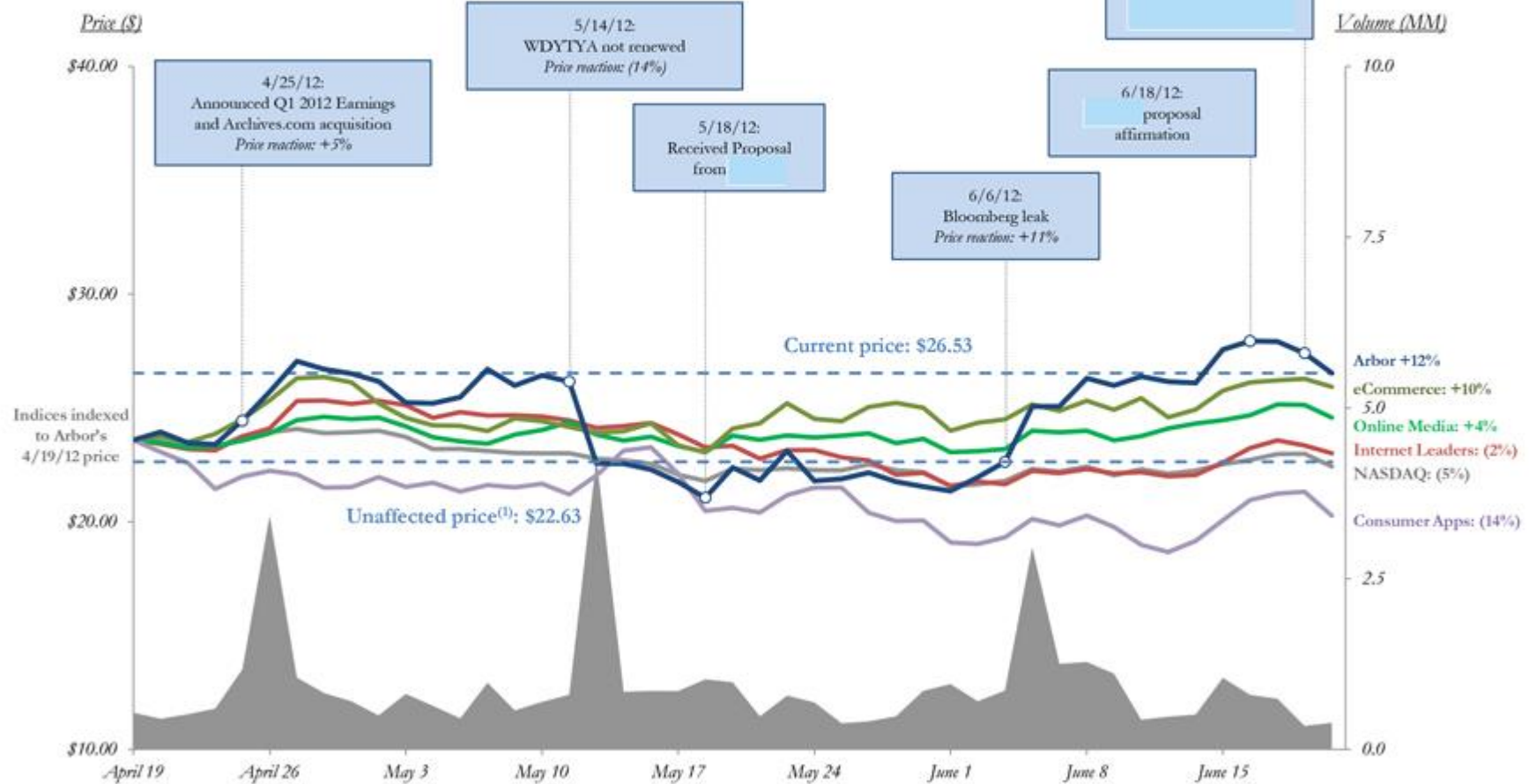
(4) Lending advisors reflect only the lending sources contacted by each party prior to submitting their indications; each party would likely involve additional lenders going forward.

4

Catalyst
PARTNERS

Arbor Trading Performance During Process

April 19, 2012 (April Board Meeting) to June 21, 2012



Source: Capital IQ. Based on closing prices. Period spans IPO of FB.

(1) Unaffected price based on Arbor price of \$22.63 as of June 5, 2012 (prior to Bloomberg leak).

Selected Internet Leaders includes GOOG, AMZN, FB, EBAY, and PCLN. Selected eCommerce includes EXPE, VPRT, OPEN, and SFLY.

Selected Consumer Applications includes LNKD, ZNGA, NFLX, and P.

Selected Online Media and Consumer Services includes LACI, WBMD, MFWF, ACTV, ANGI, DHX, and DMD.

5



Arbor Trading Performance Since Leak

June 5, 2012 (Day Prior to Bloomberg Leak) to June 21, 2012



Source: Capital IQ. Based on closing prices.

(1) Unaffected price based on Arbor price of \$22.63 as of June 5, 2012 (prior to Bloomberg leak).

- 6 Selected Internet Leaders includes GOOG, AMZN, FB, EBAY, and PCLN. Selected eCommerce includes EXPE, VPRT, OPEN, and SFLY.
Selected Consumer Applications includes LNKD, ZNGA, NFLX, and P.
Selected Online Media and Consumer Services includes LACI, WBMD, MFWF, ACTV, ANGI, DHX, and DMD.



Arbor Trading Performance Since IPO

November 5, 2009 (Arbor IPO) to June 21, 2012

Legend
 e = earnings
 a = acquisitions



Source: Capital IQ. Based on closing prices.

(1) Unaffected price based on Arbor price of \$22.63 as of June 5, 2012 (prior to Bloomberg leak).

(e) 4/28/11 released Q1 2011 results and announced \$125MM share repurchase program, 7/28/11 released Q2 2011 results, 10/26/11 released Q3 results and announced \$50MM share repurchase program, 1/5/12 announced 2012 guidance and 1.703MM subscribers at end of 2011, 2/15/12: released Q4 2011 results, 4/25/12 announced Q1 2012 earnings
 (a) 6/14/10 acquisition of Genline.se for SEK53MM, 8/6/10 acquisition of ProGenealogists, 9/23/10 announced acquisition of iArchives, 4/25/12 Archives.com acquisition



Illustrative Arbor Metrics At Various Prices

(\$MM, except per share amounts)

Illustrative Share Price:	Illustrative Arbor Valuation Statistics													
	\$26.53	\$30.00	\$31.00	\$32.00	\$33.00	\$34.00	\$35.00	\$36.00	\$37.00	\$37.50	\$38.00	\$39.00	\$40.00	
Implied Transaction Premium														
	<i>Statistic</i>													
Premium to Price Prior to Bloomberg Leak	\$22.63	17%	33%	37%	41%	46%	50%	55%	59%	63%	66%	68%	72%	77%
Premium to Enterprise Value Prior to Bloomberg Leak	\$1,137	17%	32%	37%	41%	46%	50%	54%	59%	63%	65%	68%	72%	76%
Premium to Current Price	\$26.53	0%	13%	17%	21%	24%	28%	32%	36%	39%	41%	43%	47%	51%
Premium to Current Enterprise Value	\$1,332	0%	13%	17%	21%	24%	28%	32%	36%	39%	41%	43%	47%	51%
Premium to 30 Day Spot Price	\$26.43	0%	14%	17%	21%	25%	29%	32%	36%	40%	42%	44%	48%	51%
Premium to LTM High Share Price	44.70	(41%)	(33%)	(31%)	(28%)	(26%)	(24%)	(22%)	(19%)	(17%)	(16%)	(15%)	(13%)	(11%)
Premium to LTM Low Share Price	20.95	27%	43%	48%	53%	58%	62%	67%	72%	77%	79%	81%	86%	91%
Premium to LTM Average Share Price	27.32	(3%)	10%	13%	17%	21%	24%	28%	32%	35%	37%	39%	43%	46%
Premium to Price Prior to WDYTY-A Announcement	26.16	1%	15%	19%	22%	26%	30%	34%	38%	41%	43%	45%	49%	53%
Implied Valuation & Multiples														
Fully-Diluted Equity Value (1)		\$1,280	\$1,454	\$1,504	\$1,554	\$1,604	\$1,654	\$1,704	\$1,754	\$1,804	\$1,829	\$1,854	\$1,905	\$1,955
Fully-Diluted Enterprise Value (2)		1,332	1,506	1,556	1,606	1,656	1,706	1,756	1,806	1,856	1,881	1,906	1,957	2,007
Street Case														
Revenue Multiples														
	<i>Statistic (3)</i>													
CY12E	\$466	2.9x	3.2x	3.3x	3.4x	3.6x	3.7x	3.8x	3.9x	4.0x	4.0x	4.1x	4.2x	4.3x
CY13E	530	2.5	2.8	2.9	3.0	3.1	3.2	3.3	3.4	3.5	3.5	3.6	3.7	3.8
Adjusted EBITDA Multiples														
CY12E	\$163	8.2x	9.2x	9.5x	9.9x	10.2x	10.5x	10.8x	11.1x	11.4x	11.5x	11.7x	12.0x	12.3x
CY13E	188	7.1	8.0	8.3	8.5	8.8	9.1	9.3	9.6	9.8	10.0	10.1	10.4	10.6
Management Case														
Revenue Multiples														
	<i>Statistic (4)</i>													
CY12E	\$479	2.8x	3.1x	3.2x	3.3x	3.5x	3.6x	3.7x	3.8x	3.9x	3.9x	4.0x	4.1x	4.2x
CY12E - Pro forma for Archives.com (5)	501	2.7	3.0	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.8	3.9	4.0
CY13E	592	2.3	2.5	2.6	2.7	2.8	2.9	3.0	3.1	3.1	3.2	3.2	3.3	3.4
Adjusted EBITDA Multiples														
CY12E	\$171	7.8x	8.8x	9.1x	9.4x	9.7x	10.0x	10.2x	10.5x	10.8x	11.0x	11.1x	11.4x	11.7x
CY12E - Pro forma for Archives.com (5)	171	7.8	8.8	9.1	9.4	9.7	10.0	10.3	10.6	10.9	11.0	11.2	11.5	11.8
CY13E	210	6.4	7.2	7.4	7.7	7.9	8.1	8.4	8.6	8.9	9.0	9.1	9.3	9.6

Note: Current market prices as of June 21, 2012.

(1) Capitalization, common shares outstanding, options and RSUs based on Arbor Management as of June 8, 2012. Assumes treasury stock method treatment of options.

(2) Balance sheet items based on Form 10-Q for the period ended March 31, 2012. Adjusted for pending \$100MM Archives.com acquisition.

(3) Arbor (Street Case) projections based on consensus analyst estimates as of June 21, 2012.

(4) Arbor (Management Case) projections based on Arbor Management as of May 2012.

(5) Assumes Archives.com 2012E full-year revenue and adjusted EBITDA contribution of \$21MM and (\$1MM), respectively.