

China Media Quarterly Update

1st Quarter 2011

Quarter in Review

- In the first quarter of 2011, China's traditional media companies raised \$39.7 million through 1 IPO and new media companies raised \$281.7 million through 3 IPOs in the equity capital market.
- 2 M&A transactions and 5 private placement transactions were announced in the first quarter of 2011 in the traditional media sector whereas 10 M&A transactions and 31 private placement transactions were announced in the new media sector.

Sector Highlights

- 360buy.com, a leading online retailer focused on computer, communication, and consumer electronics products, obtained \$1.5 billion from Tiger and DST through its Series D round of fund raising.
- Beijing Galloping Horse, an integrated media company focused on TV and film production and distribution, obtained \$122.1 million through its Series B round of fund raising led by CCB International.
- Duowan.com, a leading online gaming vertical portal, obtained \$100.0 million from Tiger through its Series E round of fund raising.
- PPLive.com, an online video streaming media company, obtained \$250.0 million from Softbank through its Series E round of fund raising.
- Qihoo 360*, a leading internet security product provider, issued its IPO on the New York Stock Exchange and raised \$175.6 million.
- Shenzhen Division Video Communications, a company that provides network video communication solutions, issued its IPO on the Shenzhen Stock Exchange and raised \$86.1 million.
- Zbird.com, a leading online diamond and jewelry retailer, obtained \$50.0 million from Ceyuan Ventures and Fountain Vest through its Series C round of fund raising.

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About Cowen Latitude Asia

Cowen Latitude Asia, the wholly-owned Asia subsidiary of Cowen Group, Inc. (NASDAQ: COWN), is one of Asia's leading growth sector focused investment banks providing directly, or through its affiliates, a full range of capital markets, M&A advisory and private placement services. The Firm specializes in the growth sectors of Alternative Energy, Consumer, Health Care, Industrial, Media, Technology, Telecom and Aerospace & Defense.

Traditional Media

Selected M&A/Private Placements in Q1 2011

Date Announced	Transaction Type	Target Name	Acquirer/Investor Name	Transaction Value (US\$ MM)	%	Target Description
Advertising						
1/4/2011	Private Placement	Zhejiang Panshi Information & Technology	NewMargin Ventures	20.0	NA	Provides technology-based enterprise network marketing services, including effect analysis technical services for customers' targeted advertising
1/31/2011	M&A	Jingmao Film Media	Changyou.com Limited (NASDAQ:CYOU)	NA	50%	Provides plant-in advertising in movies and other film related advertising services
3/8/2011	Private Placement	Shanghai Hua Guang Chuanzhi OOH	Goldman Sachs Group	34.3	49%	An outdoor billboard division of Focus Media
Newspaper / Magazine / Book Publishing						
1/20/2011	Private Placement	Tianwen Digital Media Technology	Huawei Technologies; Central South Publishing & Media (SHSE:601098)	45.5	94%	A publishing company and a wholly-owned unit of Chinese state-owned Hunan Publishing Investment Holding Group
Production and Broadcasting						
3/14/2011	Private Placement	Original Force Digital Education	Tianjin Venture Capital	NA	NA	Creates 3D animation and games
3/22/2011	Private Placement	Beijing Galloping Horse Film & TV Production	CCB International, ChinaEquity Group, New Access Capital, Zero2IPO Ventures, Kaixin Investment	122.1	NA	Film production company
3/28/2011	Private Placement	X2 Drama Studio	NA	NA	NA	Stage drama show producer and organizer

Source: Company announcements, Capital IQ, Zero2IPO.com.cn, Quamnet.com, ChinaVenture.com.cn, Yahoo! Finance News, Investide.cn and PRNewswire.

Selected Capital Markets Transactions in Q1 2011

Pricing Date	Transaction Type	Exchange	Company Name	Sub-Sector	Amount (US\$MM)	Final Pricing (US\$)	Premium/ (Discount) to Market ⁽¹⁾	Price as of Mar 31 (US\$)	Market Cap as of Mar 31 (US\$MM)	Company Description
2/25/2011	IPO	SEHK	China 33 Media Group (SEHK:8087)	Advertising	39.7	0.23	NA	0.23	137.4	Operates and distributes printed media and audio programs on railway networks

⁽¹⁾ Premium/Discount to Market is calculated based on the closing price of the day of pricing
Source: Dealogic

New Media

Selected M&A/Private Placements in Q1 2011

Date Announced	Transaction Type	Target Name	Acquirer/Investor Name	Transaction Value (US\$ MM)	%	Target Description
Ecommerce / Search / Portals						
1/10/2011	Private Placement	Mainstream Shopping Network	Hodo Capital Management Co., Ltd.	27.0	NA	Online shopping platform
1/13/2011	M&A	17u	Tencent Inc. (SEHK: 700)	9.0	30%	Website that provides travel-related services and tickets ordering
1/13/2011	Private Placement	Masa Maso	Northern Light Venture Capital	NA	NA	Sells men's attires online
1/14/2011	M&A	Haibao.cn	CBSi	NA	NA	Online shopping websites on brand-name fashion products
1/14/2011	M&A	Kimiss.com	CBSi	NA	NA	Online shopping website on makeup and cosmetics geared towards female customers
1/17/2011	M&A	Mapscape	NavInfo Co., Ltd.	9.4	100%	Provides navigation software, solutions, and map translation services towards European automobile markets
1/18/2011	Private Placement	17yezi.com	Koolanoo	5.0	NA	Sells group tickets for travel-related items mainly hotel rooms and airplane tickets
1/18/2011	Private Placement	99taojin.com	Yunfeng Fund	7.6	NA	Sells gold and silver products and other expensive metal
1/20/2011	Private Placement	Lotour	SinoMedia (SEHK: 623)	4.6	NA	Information and services provider for travel-related areas
1/26/2011	Private Placement	PBA	Cai, Wensheng	NA	NA	Sells cosmetics online
2/3/2011	Private Placement	PPLive.com	Softbank	250.0	35%	Operates as an Internet TV broadcasting and online video streaming media company
2/15/2011	Private Placement	Yoyi Media	Oak Investment Partners, Steamboat Ventures, Gobi Partners	20.0	NA	Offers online advertising services
2/17/2011	Private Placement	Dinodirect.com	NA	NA	NA	Online shopping network
2/18/2011	M&A	Zhuna.cn	eLong, Inc. (NASDAQ: LONG)	NA	20%	Hotel reservation website
2/23/2011	Private Placement	Meyxi.com	NA	> 1.5	NA	E-commerce website selling purses and suitcases
2/24/2011	Private Placement	24quan.com	NA	> 10.0	NA	Group shopping website
3/1/2011	Private Placement	iClick Interactive Asia	SSG Capital Advisor, Sumitomo Corporation Equity Asia, Bertelsmann Capital Investment	NA	NA	A digital marketing agency delivering search engine marketing and direct marketing services
3/2/2011	M&A	Mecox Lane Limited (NASDAQ: MCOX)	Sina (NASDAQ: SINA)	66.0	19%	Online shopping website focused on apparel
3/2/2011	M&A	Mecox Lane Limited (NASDAQ: MCOX)	China Dongxiang (SEHK: 3818)	34.7	10%	Online shopping website focused on apparel
3/8/2011	Private Placement	China UMS	Youngor Group Co., Ltd. (SHSE: 600177)	34.1	3%	Service provider for UniPay
3/9/2011	Private Placement	Zbird.com	Ceyuan Ventures, Fountain Vest	50.0	NA	Online diamond and jewelry retailer
3/16/2011	Private Placement	Jumei.com	Sequoia Capital China	10.0	NA	Online cosmetics retailer
3/22/2011	Private Placement	Marry10.com Technology Co. Ltd	Taishan Invest AG	NA	NA	Matchmaking website
3/22/2011	Private Placement	Yuwang Technology	Shanda Interactive Entertainment (NASDAQ: SNDA)	30.3	NA	C2C e-commerce service provider just founded
3/22/2011	M&A	T100	Efu.com.cn	NA	50%	A website that provides prediction of fashion trends
3/23/2011	Private Placement	MediaShare Ltd.	NA	NA	NA	Internet advertising service provider
3/24/2011	Private Placement	XIU.com	KPCB China	20.0	NA	An e-commerce website that provides fashion related B2C, B2B services and information, launched in March 2008 and based in Shenzhen
3/30/2011	Private Placement	Jumbomart.cn	Alibaba (SEHK: 1688), New Access Capital, Crescent Point Group	NA	NA	An integrated e-commerce service provider that provides marketing, IT service, logistic services for branded enterprises and retailers
3/30/2011	Private Placement	360buy.com	Digital Sky Technologies, Tiger Management LLP	1,500.0	NA	Online retailer focused on computer, communication, and consumer electronic products
3/31/2011	Private Placement	Aigou.com	Alibaba (SEHK: 1688), Softbank China Venture Capital, IDG Technology Venture	10.0	NA	Website about pets
Online Entertainment						
1/6/2011	Private Placement	Fanfou.com	Green Pine Capital Partners Co., Ltd.	NA	NA	Social networking website similar to twitter that offers blogs and instant messaging
1/7/2011	M&A	Chengdu Wushuang Studio	LineKong (Beijing) Technology Co., Ltd.	NA	NA	MMORPG developer
2/3/2011	Private Placement	PPLive.com	Softbank	250.0	35%	Operates as an Internet TV broadcasting and online video streaming media company
2/3/2011	Private Placement	Duowan.com Inc.	Tiger	100.0	NA	Makes game guides and provides information on games such as MMORPGs and console games
2/14/2011	M&A	Oberon Media, Inc.	CASH Group	10.0	90%	multi-platform casual-games company that makes PC, social, online, mobile and interactive TV games
2/16/2011	Private Placement	Kingnet	Zero2IPO Ventures, Matrix Partners China, KPCB China	15.0	NA	Designs and develops social games for Facebook
2/17/2011	Private Placement	Unwall	CNL Ventures	20.0	NA	Social network service provider
2/25/2011	Private Placement	Diandian.com	Innovation Works	> 2.0	NA	Social networking website
3/24/2011	Private Placement	Diandian.com	Sequoia Capital China, Ceyuan Ventures	10.0	NA	Social networking website
Wireless Value-Added Services ("WVAS")						
1/12/2011	M&A	Guangzhou U6 Wireless Technology Co., Ltd.	Moli Group	12.3	51%	Cell phone applications and games developer
3/17/2011	M&A	Beijing Tian Yi Xun Ling Tech Co., Ltd.	Zqgame.com	5.5	43%	Cell phone games developer

Source: Company announcements, Capital IQ, Zero2IPO.com.cn, Quamnet.com, ChinaVenture.com.cn, Yahoo! Finance News, Investide.cn and PRNewswire.

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1/13/2011	IPO	Chinext	Shenzhen Dvision Video Communications Co Ltd	Telecommunications-Equipment	86.1	1.19	NA	7.15	318.1	Provides network video communication solutions, including related hardware and software product development, manufacturing and related technical services
2/3/2011	IPO	NASDAQ	Trunkbow International Holdings Ltd	Telecommunications-Services	20.0	5.00	NA	4.07	148.6	Mobile payments and value-added service applications provider
3/31/2011	IPO	NYSE	Qihoo 360*	Internet	175.6	14.5	NA	29.59	2,277.8	Provides free Internet security products in China

⁽¹⁾ Premium/Discount to Market is calculated based on the closing price of the day of pricing

* Cowen underwritten offering

Source: Dealogic

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