

# Glam Media

\$200,000,000

*Private Placement*

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*August 2007*

## CONTACTS

The sole purpose of this Executive Summary is to assist recipients in deciding whether they wish to proceed with a further review of Glam Media, Inc. ("Glam Media" or "Glam"). It is not intended to form the basis of any investment decision, or any decision to purchase securities of Glam. This Executive Summary does not constitute an offer to sell or a solicitation of an offer to purchase securities of Glam Media. Recipients understand that any offer of securities would be accompanied by appropriate documentation.

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## Company Overview

### What is Glam Media?

Glam Media is a Web 2.0 distributed media company that is number one in reach for women as reported by comScore Media Metrix. Glam runs owned and operated lifestyle websites and an online media network of publishers targeting women between the ages of 18 and 49. Glam Media is the fastest-growing web property in the United States based on the year over year increase in unique visitors from 782,000 to more than 19.1 million monthly unique visitors in June 2007.<sup>(a)</sup>

Glam Media consists of owned and operated websites such as its flagship website, *Glam.com*; the Glam Publisher Network of more than 350 popular lifestyle websites, blogs, and magazines; and syndicated content from leading media companies that are integrated into a brand advertising platform providing reach and relevancy to premium advertisers.

Glam Media was founded with a simple vision- to transform the creation, distribution and consumption of digital media by *packaging* relevant content with contextual brand advertising. Today, Glam has become the leading platform delivering premium brand display advertising on the web to a highly coveted female demographic online.

Glam Media is one of the first distributed media companies leveraging the increasing fragmentation in online media by creating a content and advertising platform that combines the power of owned media with a network of independent publishers, big and small media content owners and content syndicates. Glam also provides advertisers with a unique way to communicate and engage with their target consumers through narrowly targeted, highly customized advertorial campaigns for brand engagement.

The highly targeted composition and engagement of the Glam Media audience is one of the core assets of the business. Moreover, the Glam Media platform that has succeeded in becoming the leading provider of content and brand advertising to women today, can be applied to other market segments (e.g. the male audience, sports fans, etc.) and provide Glam Media with a significant growth opportunity.

### The Glam Media Solution

Glam Media monetizes its audience primarily through CPM-priced online display and video brand advertising. It offers a unique, trusted environment for advertisers wanting to reach and engage women online. Products and services for advertisers include: banner ads, video ads, advertorials (editorial commentary that mentions the advertiser's product), product placement, email, sponsorships, viral marketing, quizzes and games.

This creative, flexible approach has attracted premium brand advertisers such as *Lacoste, Reebok, Maybelline, Garnier*, among others. Prior to Glam Media, this sophistication, contextual relevancy and trust that advertisers find in the Glam Media solution, had only been available to advertisers from traditional glossy magazines.

### Operations

Glam Media has bi-coastal headquarters in Silicon Valley (Brisbane, California) and in New York as well as sales offices in six locations. Glam has approximately 75 employees and consultants in total, including 25 sales professionals and executives, 10 editorial staff and 25 in engineering and products.

<sup>(a)</sup> comScore Media Metrix, June 2007.

## Financial Summary

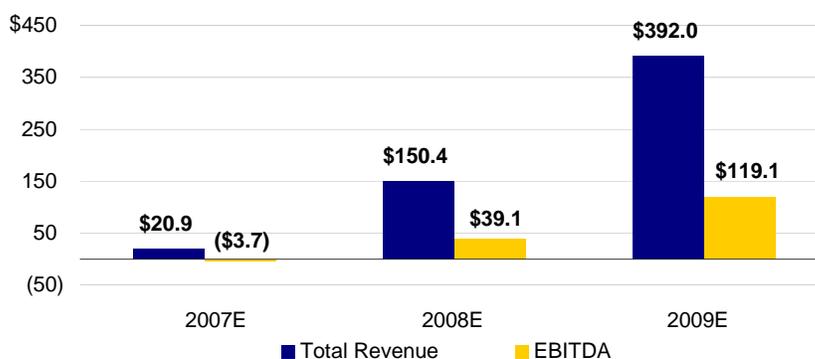
Glam Media's monthly unique visitors were approximately 31 million worldwide in May 2007, and 19 million in the United States alone in June 2007. Glam's sizeable audience has created a large supply of high quality online ad inventory that it monetizes primarily through direct channels, and increasingly also through select third-party agreements.

As the #1 web property for the women, Glam is able to attract seasoned sales professionals with significant experience selling online brand advertising. In addition to its direct sales force, Glam has also recently signed a partnership with Google that will enable Glam to offer additional search and text advertising through its owned and operated websites and its publisher network. Glam Media is able to garner high CPMs due to the quality of its content and the engagement of its audience.

Glam Media is expected to generate \$21 million in revenue in 2007, and grow to approximately \$150 million in 2008. The Company is projected to be EBITDA positive in Q4 of 2007, achieving margins of approximately 30% by YE2008.

## Projected Revenue and EBITDA Performance

(\$ in millions)



## Investment Opportunity

Glam Media is seeking to raise approximately \$200 million of a combination of equity and debt. Glam Media intends to use the proceeds finance acquisitions, international expansion, as well as for general working capital purposes.

## Investment Highlights

### #1 Women's Web Property In Terms Of Traffic Volume Within 20 Months After Inception

#### Top 10 US Women's Web Properties (monthly unique visitors in millions)

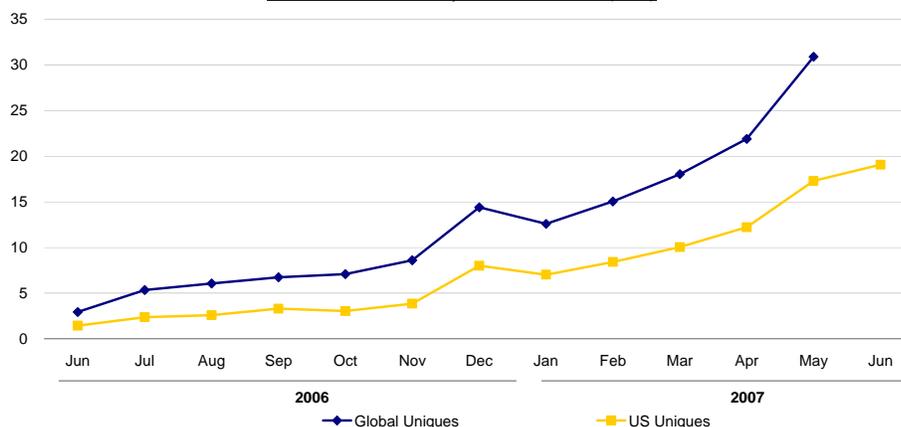
1	<b>Glam Media</b>	<b>19.1</b>
2	iVillage.com	15.5
3	AOL Living	10.3
4	Everyday Health	9.0
5	CondeNast Sites	6.7
6	Womensforum Sites	5.4
7	BabyCenter Network	4.6
8	BHG.COM	4.5
9	Sheknows	4.1
10	The Knot	3.5

Source: Media Metrix, June 2007

Glam Media has grown from 782,000 unique users in June 2006, to 19.1 million unique users in June 2007. By way of comparison, MySpace grew from 1.6 to 15.6 million unique users the year prior to its acquisition by News Corporation in July 2005. Glam has been ranked as the highest in traffic growth in the Top Web 100 web properties by comScore Media Metrix for the past 6 months. By May 2007, the Company had reached the #1 ranking (in terms of traffic) in the women's category, per comScore Media Metrix, within only 20 months after launch, beating iVillage/NBC which has held the top position for over nine years. Glam continues to be the #1 ranked website in the women's category with a 23% lead ahead of iVillage/NBC, 85% ahead of AOL Living and 185% ahead of all CondeNast websites combined.

Along with the Glam-owned web properties, the publisher network business model brings unique and up-to-the-minute content as well as heavy user traffic to the Glam Media. Glam's publishing partners are trendsetters, opinion-makers and active lifestyle, fashion, and beauty influencers. Access to the network content helps to reduce the up-front costs to Glam as well as the risks associated with developing content for the audience of women looking for the most current information and trends. To attract and retain publishers, Glam offers a comprehensive package of services including premium advertising, content marketing, editorial coverage, reporting, automatic payments, and integrated marketing. This publisher model creates channels of vertical content, drives traffic to Glam owned and operated websites, refers traffic to publisher websites and leads to deeper engagement as users share their interests and opinions with others.

Glam Media Monthly Visitor Metrics (MM)



Source: comScore Media Metrix

Note: June 2007 global metrics will be published by the end of July; currently they are estimated at 34 million

### Large, Rapidly Growing Addressable Market

Wall Street expects global online advertising to reach \$81 billion by 2011, representing a 21% CAGR from 2006 to 2011. More specifically, US online advertising is projected to reach approximately \$25 billion in 2007, growing almost 20% to close to \$30 billion in 2008. Research estimates that online brand advertising growth, at a 20% CAGR from 2006-2010, will exceed online search advertising growth over the same period.

Not only is brand advertising rapidly shifting from offline to online, these advertisers increasingly understand that one of the most important value propositions for online advertising is the ability to target their ads for a very specific audience. Media properties targeting a particular market segment, generate and supply related content that attracts a relevant audience with similar demographic characteristics, allowing the advertiser to segment their audience and increase the effectiveness of their advertising spend, particularly useful for premium brand advertisers targeting a particular niche audience.

### Innovative, Turn-key Marketing Solution For Advertisers

Glam Media has developed a reputation amongst advertisers as a nimble and innovative provider of marketing solutions to a highly targeted audience of women.

Glam works closely with content providers, publishers, and brand advertisers such as *H&M*, *Oxygen Media*, *Procter & Gamble*, *Reebok*, and *Warner Bros.* to create the ultimate digital experience for women. Glam Media works with each advertiser to create a highly-customized campaign that meets their specific needs. For example, to promote *Oxygen Media's* new reality series *Fight Girls*, Glam created a video game to allow the audience to "experience" the brand and generate excitement about the show. *Reebok* struck an exclusive online deal with Glam Media to promote their new Scarlett Johansson line, with interactive features such as "How Well Do You Know Scarlett?" quizzes and wardrobe-matching games that ran on Glam-owned and publisher websites. In addition, *Paramount* promoted the release of the *Dreamgirls* DVD on the Glam Publisher Network, which *Paramount* determined was their most successful online campaign to date.

Advertisers and the agencies representing them are looking for ways to differentiate the products and services they are promoting. Glam Media has differentiated its advertising platform by constantly devising new marketing formats as well as extending the reach of the advertising campaign to the publisher websites, improving the ROI that an advertiser would experience from running a campaign exclusively on one portal site. In addition, this approach is applicable to multiple market segments. Glam can leverage the success that Glam Media has demonstrated in the female demographic by extending to new audiences and channels.

### Scalable, Flexible Technology Platform

The Founders of Glam Media have extensive experience funding and operating growth companies and, as a result, they understand the value of differentiated media technology. Glam has invested in and developed an end-to-end suite of proprietary ad serving and targeting technology called *Glam Evolution™*. This platform includes contextual, demographic and behavioral targeting coupled with its proprietary *BrandRank™* solution which dynamically ranks the ad inventory, based on its value to a particular advertiser, brand and campaign and the target consumer. *Glam Evolution* is a highly adaptive system that learns where the ad campaigns are successful for the brands and dynamically sends more ads where they are desired; significantly improving brand engagement.

Glam is currently developing a new web-based platform that will enable advertisers and publishers to control ad campaigns directly through an online marketing campaign management system.

### Blue-Chip Advertiser Customer Base

Glam Media has earned the trust of premium advertisers in charge of promoting some of the world's most famous luxury brands such as *Gucci*, *Reebok*, *Estee Lauder*, *Max Factor*, *Lacoste* and others. Glam has a 100% retention rate amongst its top advertisers.

Glam Media's advertiser base include some of the world's largest ad spenders as demonstrated by the table below.

Top 10 US Advertisers. Ranked by Advertising Spending Q1 2007 (\$MM)

1	Procter & Gamble	722.7
2	AT&T Inc.	512.2
3	General Motors Corp	480.9
4	Verizon Communications Inc.	459.3
5	Ford Motor Co.	421.4
6	Time Warner Inc.	404.3
7	Walt Disney Co.	341.8
8	Sprint Nextel Corp.	340.1
9	Johnson & Johnson	337.8
10	DaimlerChrysler AG	336.4
<b>Total</b>		<b>4,356.9</b>

Note: Glam clients highlighted in grey  
Source: TNS Media Intelligence, June 2007

The table below illustrates how Glam's advertisers are increasing their ad spend with Glam Media over time, due to the quality of the inventory as well as the proven ROI.

Selected Glam Media Advertisers' Billings Over Time (\$000s)

	Total Billings		
	2006A	1H 2007	2H 2007E
Procter & Gamble	\$676	\$1,050	\$2,850
H&M	22	223	850
Disney	18	150	450
Oxygen Media	-	194	585
Kraft Foods	-	300	875
Nike	-	100	350

### Strong Financial Growth

Glam Media has generated a tremendous amount of online inventory in the women's vertical. The opportunity for Glam Media is to increase the ways to monetize the online advertising inventory it controls. Glam monetizes this through both a direct sales force and select third-party agreements. Glam Media has recently signed an advertising agreement with Google and is currently in discussions with other potential advertising partners.

Glam Media has experienced exceptional growth in the 21 months since its launch in September 2005. Revenue grew from \$94,000 in the first quarter of 2006 to \$1.6 million in the first quarter of 2007. Glam is in its initial growth stages and is building up its sales force. Q2 2007 revenue is \$2.2 million, a 38% sequential quarter-over-quarter growth rate.

Glam expects to be EBITDA positive by Q4 2007. There is a tremendous amount of operating leverage in the business, and EBITDA margins are expected to reach approximately 35% at steady state.

Glam Media expects to increase its number of sales people from 19 in August 2007 to 27 at the end of Q4 2007. These additional hires are experienced sales professionals and are expected to bring a considerable and immediate increase in sales revenue. As a result, quarterly direct sales revenue is projected to increase to \$5.2 million in Q3 2007, and \$10.9 million in Q4 2007. Glam has also invested in other opportunities with advertising partners, such as its recent contract with Google as well as other potential partners. These new revenue streams, as part of Glam's indirect sales, are forecasted to bring in \$0.3 million and \$0.8 million over the next two quarters, increasing total revenue to \$5.5 million in Q3 2007 and \$11.7 million in Q4 2007.

Over the next two years, Glam Media plans to continue expanding its sales force by adding approximately 20-30 salespeople per year. Direct sales revenue is expected to be \$111 million in 2008, reflecting an average quarterly growth rate of 39%. Glam plans to launch a self-service, web-based platform for its brand advertisers in 2008 and will continue to monetize traffic more effectively under partner programs. Indirect revenue is expected to ramp up to \$40 million and \$190 million in 2008 and 2009 respectively.

### Strong Executive Team With Proven Ability

Glam Media's initial concept and vision was first seeded in 2002, and was founded in 2003 by a core team of executives with significant experience in the Internet, technology and media industries. Glam Media's CEO and founder, Samir Arora, has successfully founded and sold multiple businesses, including *NetObjects* and *Tickle* (which was sold to *Monster Worldwide*). He also worked at *Apple Computer*, where he held key positions in business marketing, business development, and application software. He also currently serves as chairman of Information Capital LLC, a venture-capital fund based in Woodside, California, that invests in leading-edge "big idea companies" in consumer publishing, media, and technology.

Glam Media's other executives have significant experience in the women's content vertical in both traditional and online media as well as expertise in technology, sales, publishing and marketing. The operating staff has been recruited from companies like *Elle*, *Harper's Bazaar*, *eBay*, *NetObjects*, *Tickle*, and *Yahoo*. The editorial staff is led by veterans from *In Style*, *Elle*, *Harper's Bazaar*, *Vogue*, *The New York Times*, and *Ziff Davis*.

## Management and Board

<b>Name</b>	<b>Position</b>	<b>Affiliation / Past Experience</b>
Samir Arora	Co-Founder, Chairman and CEO	Former: Tickle, NetObjects, Apple Current: Information Capital, LLC
Ernie Cicogna	Co-Founder, CFO	Former: IBM, NetObjects, Turbolinux
Fernando Ruarte	Co-founder, Director, CTO and VP Engineering	Former: ViaFone, NetObjects
Theresia Ranzetta	Director	Current: Accel Partners
Tim Draper	Director	Current: Draper Fisher Jurvetson
Raj Narayan	Co-founder and Architect	Former: NetObjects, Ibizu, diCarta
Scott Schiller	Chief Revenue Officer, US	Former: AOL, Disney, MTV
Carl Portale	VP and Publishing Director	Former: Elle, Harper's Bazaar, Mirabella
Bernard Desarnauts	VP, Products and Marketing	Former: Borland, Bitfone, NetObjects, ViaFone
Dianna Mullins	Co-founder, VP, Glam Publisher Network Operations	Former: Brocade, NetObjects
Jennifer Salant	Senior Director, Business Development	Former: iVillage/NBC