

UBS Investment Research

The Active Network, Inc.

Solid Execution Leads to Good Quarter

■ Strong Technology Revenue Growth Contributes to Beat Quarter

ACTV reported Q4 results at the higher end of guidance for Revenue and Adj EBITDA (ex StarCite acquisition impact). Total revenue grew 23% Y/Y to \$76.0MM vs. our \$74.9MM and cons \$74.4MM. Adj EBITDA (ex StarCite acquisition) came at \$2.3MM (\$400K incl StarCite impact) vs. our / cons \$2.4MM. GAAP EPS came at (\$0.16), above our (\$0.23) and cons (\$0.22). Technology revenue was up 33% Y/Y to \$65.5MM and Marketing Services revenue was down 15% Y/Y to \$10.6MM.

■ Management Continues Executing on Strategy

Mgmt remains focused on execution and balancing strategic acquisitions with platform and product enhancements that attract and retain customers. Key areas of focus include integration of products where strong synergies exist (StarCite), new product development (for outdoors, swimming, endurance), and mobile / social.

■ Guidance

For 1Q12, ACTV expects total rev b/n \$89MM and \$93MM (\$91MM at midpoint), above cons \$87.9MM. Adj EBITDA (including \$5MM impact from StarCite acquisition) is expected to be b/n neg \$5MM and neg \$3MM (neg \$4MM at midpoint), below cons \$5.2MM. For FY12, ACTV expects total rev b/n \$425MM and \$435MM (\$430MM at midpoint), above cons \$409MM. Adj EBITDA is expected to be \$46MM-\$50MM (\$48MM at midpoint), below cons \$51MM. Our estimate changes are shown on page 2.

■ Valuation

Our \$22 PT is based on a 10-year DCF (11.5% WACC and 4.5% LTGR). Our new ests incorporate mgmt's 2012 guidance and impact from StarCite acquisition.

Highlights (US\$K)	12/10	12/11	12/12E	12/13E	12/14E
Revenues	279,600	337,390	432,115	521,437	590,969
EBIT (UBS)	(15,167)	(8,821)	(12,303)	24,673	44,993
Net Income (UBS)	(67,244)	(39,000)	(36,670)	1,707	13,011
EPS (UBS, US\$)	(9.50)	(1.08)	(0.62)	0.03	0.21
Net DPS (UBS, US\$)	0.00	0.00	0.00	0.00	0.00
Profitability & Valuation	5-yr hist av.	12/11	12/12E	12/13E	12/14E
EBIT margin %	-	-2.6	-2.8	4.7	7.6
ROIC (EBIT) %	-	(3.6)	(4.7)	11.6	27.4
EV/EBITDA (core) x	-	22.5	15.8	8.0	6.7
PE (UBS) x	-	NM	NM	NM	74.5
Net dividend yield %	-	0.0	0.0	0.0	0.0

Source: Company accounts, Thomson Reuters, UBS estimates. (UBS) valuations are stated before goodwill-related charges and other adjustments for abnormal and economic items at the analysts' judgement.

Valuations: based on an average share price that year, (E): based on a share price of US\$15.49 on 23 Feb 2012 19:40 EST

Brian Pitz

Analyst
brian.pitz@ubs.com
+1-212-713 9310

Brian Fitzgerald

Analyst
brian.fitzgerald@ubs.com
+1-212-713 2851

Brent Thill

Analyst
brent.thill@ubs.com
+1-415-352 4694

Global Equity Research

Americas

Internet Services

12-month rating **Buy**
Unchanged

12m price target **US\$22.00**
Unchanged

Price **US\$15.49**

RIC: ACTV.N BBG: ACTV US

24 February 2012

Trading data

52-wk range	US\$19.41-12.43
Market cap.	US\$0.84bn
Shares o/s	54.2m (COM)
Free float	54%
Avg. daily volume ('000)	82
Avg. daily value (m)	US\$1.1

Balance sheet data 12/12E

Shareholders' equity	US\$0.33bn
P/BV (UBS)	2.6x
Net Cash (debt)	US\$0.09bn

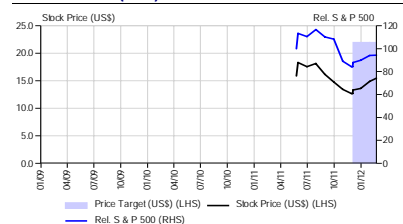
Forecast returns

Forecast price appreciation	+42.0%
Forecast dividend yield	0.0%
Forecast stock return	+42.0%
Market return assumption	5.3%
Forecast excess return	+36.7%

EPS (UBS, US\$)

	12/12E		12/11	12/10
	From	To	Cons.	Actual
Q1E	(0.22)	(0.45)	(0.14)	(2.72)
Q2E	0.06	0.06	0.13	(0.04)
Q3E	(0.02)	(0.03)	0.05	(0.08)
Q4E	(0.17)	(0.21)	(0.12)	(0.29)
12/12E	(0.35)	(0.62)	(0.06)	
12/13E	0.14	0.03	0.19	

Performance (US\$)



Source: UBS

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This report has been prepared by UBS Securities LLC

ANALYST CERTIFICATION AND REQUIRED DISCLOSURES BEGIN ON PAGE 14.

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Strong Technology Revenue Growth Contributes to Beat Quarter

Active Network reported Q4 results at the higher end of guidance for Revenue and Adjusted EBITDA (excluding the impact from StarCite acquisition). Total revenue grew 23% Y/Y to \$76.0MM vs. our \$74.9MM and consensus \$74.4MM. This was the company's third straight quarter with revenue growth above 20%. Adjusted EBITDA, excluding the impact of StarCite acquisition, came at \$2.3MM (\$400K including about \$1.9MM in severance costs related to the StarCite acquisition) vs. our \$2.4MM and consensus \$2.4MM. GAAP net loss per share was (\$0.16), above our (\$0.23) and consensus (\$0.22). Technology revenue was up 33% Y/Y to \$65.5MM and Marketing Services revenue was down 15% Y/Y to \$10.6MM

Registrations in Q4 increased 13% Y/Y to 17.3MM bringing Net Registration revenue to \$46.4MM. Average revenue per registration increased 4.6% Y/Y to \$2.68. For 2011, registrations grew 14% Y/Y to 80.3MM with revenue per registration at \$2.85. Some 51,300 organizations utilized Active's technology solutions, up 8% Y/Y.

Guidance

For 1Q12, Active Network guided for total revenue between \$89MM and \$93MM (\$91MM at midpoint), above consensus \$87.9MM. Adjusted EBITDA (including a \$5MM impact from StarCite acquisition) is expected to be between negative \$5MM and negative \$3MM (negative \$4MM at midpoint), below consensus \$5.2MM. For FY12, Active expects total revenue between \$425MM and \$435MM (\$430MM at midpoint), above consensus \$409MM. Adjusted EBITDA is expected to be between \$46MM and \$50MM (\$48MM at midpoint), below consensus \$51MM.

Although management explained on the call how purchase accounting affects their 2012 guidance, we believe it would be helpful to highlight here that the above guidance excludes about \$14MM in deferred revenue (most of which flows right through to the bottom line) from Active's recent acquisitions (mostly StarCite). If the company were not subject to these accounting rules, revenue guidance for FY12 would have been close to \$439MM-\$449MM (\$444MM at midpoint, up 32% Y/Y). Similarly, Adjusted EBITDA would have been about \$60MM for a margin of about 13.5% (more than 200bps improvement Y/Y).

Our estimate changes are presented below:

Table 1: UBS New vs. Old Estimates vs. Consensus

\$MM except per share	Q1 2012E			FY 2012E				FY 2013E		
	UBS	Consensus	Guidance	UBS	Original UBS	Consensus	Guidance	UBS	Original UBS	Consensus
Net Revenue	92.2	87.9	89 - 93	432.1	427.5	409.0	425 - 435	521.4	507.0	492.8
EBITDA	-3.7	5.2	(5) - (3)	48.3	47.6	50.6	46 - 50	90.0	82.4	69.4
Operating EPS	-0.35			-0.26	-0.20			0.38	0.29	
GAAP EPS	-0.45	-0.14		-0.62	-0.35	-0.06		0.03	0.14	0.19

Source: FactSet, UBS estimates

Management Continues Executing on Strategy

Active Network remains our small-cap top pick as we still believe the company is just beginning to realize the benefits of leverage built into its model. As our guidance clarification above has shown, if the company was not subject to purchase accounting rules on its recent acquisitions, 2012 guidance would have shown a very nice margin improvement over 2011. Management remains focused on execution and balancing strategic acquisitions with platform and product enhancements that attract and retain customers. As management shared on the call, back-end functionality (business automation) is the most sticky part of Active's offerings and where it invests about 90% of efforts and dollars. Other areas of focus include integration of products where strong synergies exist (StarCite), new product development (for outdoors, swimming, endurance), and mobile / social. In Q4 Active launched its mobile platform which allows customers to offer customized, branded iPhone and Android apps to consumers. With 19% of Active.com traffic in the quarter coming from mobile devices, the company plans to expand efforts in mobile.

We believe the company is in the early stages of a material, long-term opportunity. By phasing off duplicate R&D spend for legacy systems and by migrating off-line registrations to online, Active is just beginning to realize the benefits of leverage built into its model. Currently, the North American market is penetrated approximately 6% and presents a significant growth opportunity. Similarly, international revenue is just about 3% of total revenue for Active Network and the company is in the early stages of building international presence – just opened its fourth international office in Sydney, Australia in Q4.

Table 2: ACTV 4Q11 E vs. A (\$000's)

	Q4 11E	Q4 11A
Technology Revenue	\$63,627	\$65,478
Marketing Services Revenue	\$11,319	\$10,567
Total Net Revenue	\$74,947	\$76,045
% Y/Y Growth	22%	23%
% Q/Q Growth	(16%)	(15%)
Cost of Technology Revenue	33,086	34,976
Cost of Marketing Services Revenue	1,596	1,711
Total Cost of Net Revenue	34,613	36,626
% Y/Y Growth	23%	30%
% Q/Q Growth	(13%)	(8%)
Gross Profit	\$40,334	\$39,419
% Margin	53.8%	51.8%
Sales and Marketing	17,802	16,908
Research and Development	18,106	16,293
General and Administrative	10,044	14,193
Amortization of Intangibles	3,494	3,872
Stock Based Compensation	3,208	3,013
Adjusted Operating Income	(\$9,112)	(\$11,847)
% Margin	(12%)	(16%)
% Y/Y Growth	--	--
% Q/Q Growth	(685)	(860)
EBITDA	\$2,446	\$356
% Margin	3.3%	0.5%
% Y/Y Growth	(15)	(88)
% Q/Q Growth	(81)	(97)
Net Interest (Income) and Other (Income)	1,099	186
Adjusted Pre-Tax Profit / (Loss)	(\$10,210)	(\$12,033)
% Effective Tax Rate	(9%)	84%
Provision / (Benefit) for Income Taxes	919	(6,564)
Tax Adjustments for Non-GAAP Items	0	(3,553)
Minority Interest	0	0
Operating Net Income / (Loss)	(\$11,129)	(\$1,884)
% Margin	(15%)	(2%)
% Y/Y Growth	--	--
% Q/Q Growth	(454)	(160)
Accretion of redeemable convertible preferred	0	0
Tax Effect of Non-GAAP Entries	0	3,553
Reported GAAP Net Income / (Loss)	(\$14,337)	(\$8,482)
% Margin	(19%)	(11%)
% Y/Y Growth	--	--
% Q/Q Growth	--	--
Weighted Avg. Diluted Shares Outstanding	63,622	54,109
Operating EPS	(\$0.17)	(\$0.03)
% Y/Y Growth	--	--
% Q/Q Growth	(450)	(170)
Reported GAAP EPS	(\$0.23)	(\$0.16)
% Y/Y Growth	--	--
% Q/Q Growth	--	--
Expenses as % of Net Revenue		
Sales and Marketing	23.8%	22.2%
Research and Development	24.2%	21.4%
General and Administrative	13.4%	18.7%
Stock Compensation	4.3%	4.0%
Amortization of Intangibles	4.7%	5.1%

Source: Company reports, UBS estimates

Financial Model

Table 3: ACTV Income Statement (\$000s)

	F2011				F2012				F2011A	F2012E	F2013E
	Q1 11A	Q2 11A	Q3 11A	Q4 11A	Q1 12E	Q2 12E	Q3 12E	Q4 12E			
Technology Revenue	\$63,108	\$85,553	\$76,341	\$65,478	\$81,914	\$110,919	\$99,077	\$86,624	\$290,480	\$378,535	\$459,284
Marketing Services Revenue	\$9,604	\$13,452	\$13,287	\$10,567	\$10,276	\$15,739	\$15,413	\$12,152	\$46,910	\$53,580	\$62,153
Total Net Revenue	\$72,712	\$99,005	\$89,628	\$76,045	\$92,190	\$126,658	\$114,490	\$98,777	\$337,390	\$432,115	\$521,437
% Y/Y Growth	15%	21%	23%	23%	27%	28%	28%	30%	21%	28%	21%
% Q/Q Growth	18%	36%	(9%)	(15%)	21%	37%	(10%)	(14%)	--	--	--
Cost of Technology Revenue	32,988	38,707	38,291	34,976	44,070	49,914	47,260	45,305	144,962	186,548	220,458
Cost of Marketing Services Revenue	1,162	1,480	1,599	1,711	1,326	1,983	2,004	1,641	5,952	6,953	7,140
Total Cost of Net Revenue	34,134	40,148	39,838	36,626	45,270	51,792	49,158	46,829	150,746	193,049	227,128
% Y/Y Growth	22%	18%	28%	30%	33%	29%	23%	28%	24%	28%	18%
% Q/Q Growth	22%	18%	(1%)	(8%)	24%	14%	(5%)	(5%)	--	--	--
Gross Profit	\$38,578	\$58,857	\$49,790	\$39,419	\$46,920	\$74,866	\$65,332	\$51,948	\$186,644	\$239,066	\$294,309
% Margin	53.1%	59.4%	55.6%	51.8%	50.9%	59.1%	57.1%	52.6%	55.3%	55.3%	56.4%
Sales and Marketing	16,753	18,338	16,839	16,908	23,286	24,090	22,451	21,619	68,838	91,447	98,452
Research and Development	16,058	16,174	17,313	16,293	23,565	21,733	21,531	21,811	65,838	88,640	91,345
General and Administrative	10,165	11,058	10,411	14,193	15,509	15,324	13,695	12,010	45,827	56,537	57,985
Amortization of Intangibles	3,703	3,718	3,669	3,872	3,492	4,215	3,726	3,312	14,962	14,745	21,854
Stock Based Compensation	744	2,068	1,970	3,013	5,803	4,860	4,827	5,423	7,795	20,913	21,749
Adjusted Operating Income	(\$8,101)	\$9,569	\$1,558	(\$11,847)	(\$18,932)	\$9,504	\$3,930	(\$6,805)	(\$8,821)	(\$12,303)	\$24,673
% Margin	(11%)	10%	2%	(16%)	(21%)	8%	3%	(7%)	(3%)	(3%)	5%
% Y/Y Growth	--	386	--	--	--	(1)	152	--	--	--	--
% Q/Q Growth	--	--	(84)	(860)	--	--	(59)	(273)	--	--	--
EBITDA	\$2,570	\$20,406	\$12,704	\$356	(\$3,701)	\$25,754	\$19,024	\$7,220	\$36,036	\$48,296	\$90,013
% Margin	3.5%	20.6%	14.2%	0.5%	(4.0%)	20.3%	16.6%	7.3%	10.7%	11.2%	17.3%
% Y/Y Growth	137	72	36	(88)	(244)	26	50	1,928	43	34	86
% Q/Q Growth	(10)	694	(38)	(97)	(1,140)	--	(26)	(62)	--	--	--
Net Interest (Income) and Other (Income)	1,305	1,184	110	186	72	68	64	67	2,785	271	240
Adjusted Pre-Tax Profit / (Loss)	(\$9,406)	\$8,385	\$1,448	(\$12,033)	(\$19,005)	\$9,436	\$3,866	(\$6,872)	(\$11,606)	(\$12,574)	\$24,433
% Effective Tax Rate	13%	(21%)	(107%)	84%	(5%)	9%	18%	(10%)	126%	(25%)	4%
Provision / (Benefit) for Income Taxes	792	788	910	(6,564)	950	849	696	687	(4,074)	3,183	977
Tax Adjustments for Non-GAAP Items	(2,044)	(2,527)	(2,461)	(3,553)	0	0	0	0	(10,585)	0	0
Other / Amortization of Intangibles in COGS	(1,008)	(97)	(141)	(32)	0	0	0	0	(1,278)	0	0
Minority Interest	0	0	0	0	0	0	0	0	0	0	0
Operating Net Income / (Loss)	(\$7,146)	\$10,221	\$3,140	(\$1,884)	(\$19,955)	\$8,587	\$3,170	(\$7,560)	\$4,331	(\$15,757)	\$23,456
% Margin	(10%)	10%	4%	(2%)	(22%)	7%	3%	(8%)	1%	(4%)	4%
% Y/Y Growth	--	324	607	--	--	(16)	1	--	--	(464)	--
% Q/Q Growth	--	--	(69)	(160)	--	--	(63)	(338)	--	--	--
Accretion of redeemable convertible preferred	7,410	4,400	0	0	0	0	0	0	11,810	0	0
Other / Amortization of Intangibles in COGS	1,008	97	141	32	0	0	0	0	1,278	0	0
Tax Effect of Non-GAAP Entries	2,044	2,527	2,461	3,553	0	0	0	0	10,585	0	0
Reported GAAP Net Income / (Loss)	(\$18,352)	\$1,129	(\$1,432)	(\$8,482)	(\$25,758)	\$3,727	(\$1,656)	(\$12,983)	(\$27,137)	(\$36,670)	\$1,707
% Margin	(25%)	1%	(2%)	(11%)	(28%)	3%	(1%)	(13%)	(8%)	(8%)	0%
% Y/Y Growth	--	--	--	--	--	230	--	--	--	--	--
% Q/Q Growth	--	--	(227)	--	--	--	(144)	--	--	--	--
Weighted Avg. Diluted Shares Outstanding	8,617	36,877	53,701	54,109	57,759	59,287	60,115	61,014	36,072	59,550	61,029
Operating EPS	(\$0.83)	\$0.18	\$0.05	(\$0.03)	(\$0.35)	\$0.14	\$0.05	(\$0.12)	\$0.07	(\$0.26)	\$0.38
% Y/Y Growth	--	239%	421%	--	--	(19%)	6%	--	--	(458%)	--
% Q/Q Growth	--	--	(72)	(170)	--	--	(64)	(335)	--	--	--
Reported GAAP EPS	(\$2.13)	\$0.03	(\$0.03)	(\$0.16)	(\$0.45)	\$0.06	(\$0.03)	(\$0.21)	(\$0.75)	(\$0.62)	\$0.03
% Y/Y Growth	--	--	--	--	--	105%	--	--	--	--	--
% Q/Q Growth	--	--	(187)	--	--	--	(144)	--	--	--	--

Source: UBS estimates

Table 4: ACTV Balance Sheet (\$000s)

	F2011				F2012				F2011A	F2012E	F2013E
	Q1 11A	Q2 11A	Q3 11A	Q4 11A	Q1 12E	Q2 12E	Q3 12E	Q4 12E			
Cash & Cash Equivalents	\$60,831	\$157,507	\$139,023	\$108,699	\$111,508	\$147,642	\$139,829	\$122,345	\$108,699	\$122,345	\$197,556
Short-Term Marketable Securities	0	0	0	0	0	0	0	0	0	0	0
Accounts Receivable, net	45,776	55,706	61,192	66,469	63,358	88,873	84,315	74,069	66,469	74,069	96,054
Inventories	0	1,810	1,102	1,662	1,356	1,919	1,719	1,734	1,662	1,734	2,289
Prepaid Expenses and Other Current Assets	4,879	5,048	4,914	6,179	7,068	7,062	6,720	6,541	6,179	6,541	7,770
Current Assets	\$111,486	\$220,071	\$206,231	\$183,009	\$183,290	\$245,496	\$232,584	\$204,689	\$183,009	\$204,689	\$303,669
Restricted Cash	5,000	5,000	5,000	1,502	1,502	1,502	1,502	1,502	1,502	1,502	1,502
Property and Equipment, net	27,495	26,919	28,936	33,830	63,730	59,676	56,385	53,764	33,830	53,764	48,123
Software Development Costs	39,548	42,188	43,620	45,093	47,225	50,778	53,184	54,645	45,093	54,645	51,052
Long-Term Investments	0	0	0	0	0	0	0	0	0	0	0
Goodwill	213,513	213,406	213,357	289,637	231,937	231,937	231,937	231,937	289,637	231,937	231,937
Intangible Assets	40,401	35,162	32,429	44,023	63,513	59,359	55,805	52,705	44,023	52,705	31,671
Deposits and Other Assets	3,261	2,212	2,040	2,133	3,270	2,916	2,735	2,650	2,133	2,650	2,893
Total Assets	\$440,704	\$544,958	\$531,613	\$599,227	\$594,467	\$651,664	\$634,131	\$601,893	\$599,227	\$601,893	\$670,846
Accounts Payable	\$6,370	\$5,044	\$4,503	\$8,516	\$7,445	\$8,230	\$8,220	\$8,465	\$8,516	8,465	\$11,395
Registration Fees Payable	81,191	99,566	76,172	72,405	90,445	119,968	106,770	94,158	72,405	94,158	112,761
Accrued Expenses	39,552	31,715	36,103	41,106	50,066	48,271	46,806	44,989	41,106	44,989	52,481
Deferred Revenue	36,145	46,115	52,672	54,919	55,381	76,716	73,026	64,546	54,919	64,546	81,383
Current Portion of Debt	14,092	0	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital Lease Obligations - Current	2,133	1,997	2,906	3,317	3,476	3,566	3,566	3,380	3,317	3,380	4,101
Other Current Liabilities	1,735	2,564	2,576	42,613	16,032	19,283	21,845	25,344	42,613	25,344	42,984
Dividends Payable	0	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	\$181,218	\$187,001	\$174,932	\$227,876	\$227,846	\$281,036	\$265,234	\$245,882	\$227,876	\$245,882	\$310,106
Long-Term Debt	27,060	0	0	0	0	0	0	0	0	0	0
Capital Lease Obligations - LT	1,043	968	649	1,652	1,443	1,425	1,372	1,444	1,652	1,444	1,914
Other Long-Term Liabilities	5,080	5,325	5,644	6,147	7,471	7,491	7,138	6,818	6,147	6,818	7,897
Deferred Tax Liability	18,952	19,703	19,556	16,913	16,913	16,913	16,913	16,913	16,913	16,913	16,913
Total Liabilities	\$233,353	\$212,997	\$200,781	\$252,588	\$253,673	\$306,865	\$290,657	\$271,057	\$252,588	\$271,057	\$336,829
Convertible Preferred Stock	21,187	0	0	0	0	0	0	0	0	0	0
Redeemable Convertible Preferred Stock	378,536	0	0	0	0	0	0	0	0	0	0
Common Stock	11	55	55	58	58	58	58	58	58	58	58
Treasury Stock	(11,959)	(11,959)	(11,959)	(11,959)	(11,959)	(11,959)	(11,959)	(11,959)	(11,959)	(11,959)	(11,959)
Accumulated Other Comprehensive Income	10,317	10,038	7,318	7,923	7,923	7,923	7,923	7,923	7,923	7,923	7,923
Additional Paid-in Capital	75,732	599,171	602,194	625,875	645,489	645,489	645,489	645,489	625,875	645,489	645,489
Accumulated Deficit	(266,473)	(265,344)	(266,776)	(275,258)	(300,717)	(296,711)	(298,036)	(310,675)	(275,258)	(310,675)	(307,494)
Shareholders' Equity	\$207,351	\$331,961	\$330,632	\$346,639	\$340,794	\$344,799	\$343,475	\$330,836	\$346,639	\$330,836	\$334,017
Liabilities & Shareholders' Equity	\$440,704	\$544,958	\$531,613	\$599,227	\$594,467	\$651,664	\$634,131	\$601,893	\$599,227	\$601,893	\$670,846

Source: UBS estimates

Table 5: ACTV Cash Flow Statement (\$000s)

	F2011				F2012				F2011A	F2012E	F2013E
	Q1 11A	Q2 11A	Q3 11A	Q4 11A	Q1 12E	Q2 12E	Q3 12E	Q4 12E			
Net Income	(\$10,942)	\$5,529	(\$1,432)	(\$8,482)	(\$25,758)	\$3,727	(\$1,656)	(\$12,983)	(15,327)	(36,870)	\$1,707
Depreciation and Amortization	10,671	10,837	11,146	12,203	15,231	16,249	15,094	14,025	44,857	60,599	65,340
(Gain) Loss on Disposition of Assets	0	0	0	0	0	0	0	0	0	0	0
(Gain) Loss on Business Combination	0	0	0	0	0	0	0	0	0	0	0
Restricted Cash	0	0	0	3,498	0	0	0	0	3,498	0	0
Accretion of Discount on Debt	113	78	0	0	0	0	0	0	191	0	0
Earnings in Unconsolidated Equity Interests	0	0	0	0	0	0	0	0	0	0	0
Stock-Based Compensation	744	2,068	1,970	3,013	5,803	4,860	4,827	5,423	7,795	20,913	21,749
Allowance for Doubtful Accounts	338	150	102	338	300	278	331	344	928	1,253	1,475
Other / Charges	0	538	0	(35,828)	0	0	0	0	(35,290)	0	0
Funds From Operations	\$924	\$19,200	\$11,786	(\$25,258)	(\$4,424)	\$25,115	\$18,595	\$6,809	\$6,652	\$46,095	\$90,270
(Inc.) Dec. in Accounts Receivable	(11,704)	(10,093)	(5,757)	(5,277)	3,111	(25,515)	4,559	10,246	(32,831)	(7,600)	(21,985)
(Inc.) Dec. in Inventories	0	(1,810)	708	(560)	306	(564)	200	(15)	(1,662)	(72)	(554)
(Inc.) Dec. in Prepaid Expenses and Other Assets	(1,301)	(2,197)	968	(1,358)	(2,027)	361	522	264	(3,888)	(880)	(1,471)
Inc. (Dec.) in Accounts Payable	867	1,717	(1,345)	4,013	(1,071)	785	(10)	245	5,252	(51)	2,930
Inc. (Dec.) in Registration Fees Payable	40,524	18,375	(23,394)	(3,767)	18,040	29,523	(13,199)	(12,612)	31,738	21,753	18,604
Inc. (Dec.) in Accrued Expenses	7,046	(8,848)	5,363	45,543	(16,297)	1,476	744	1,362	49,104	(12,715)	26,211
Inc. (Dec.) in Deferred Tax Liability	787	783	254	(2,643)	0	0	0	0	(819)	0	0
Inc. (Dec.) in Deferred Revenue	1,458	10,003	6,628	2,247	462	21,335	(3,690)	(8,480)	20,336	9,627	16,837
Inc. (Dec.) in Deferred Rent	658	3	2	1,414	(49)	72	(53)	(114)	2,077	(145)	1,190
Change in Net Working Capital	\$38,335	\$7,933	(\$16,573)	\$39,612	\$2,475	\$27,474	(\$10,927)	(\$9,105)	\$69,307	\$9,918	\$41,761
Cash Flow from Operations	\$39,259	\$27,133	(\$4,787)	\$14,354	(\$1,949)	\$52,589	\$7,668	(\$2,295)	\$75,959	\$56,013	\$132,032
Purchases of Property and Equipment	(3,076)	(2,250)	(3,665)	(3,076)	(4,056)	(4,940)	(4,809)	(4,741)	(12,067)	(18,546)	(24,508)
Proceeds from Sales of PP&E	0	0	0	0	0	0	0	0	0	0	0
Cash (Paid) Received from Acquisitions, net	520	0	(4,602)	(57,700)	0	0	0	0	(61,782)	0	0
Sales of Short-Term Investments	0	0	0	0	0	0	0	0	0	0	0
Maturities of Short-Term Investments	0	0	0	0	0	0	0	0	0	0	0
Software Development Costs	(4,570)	(4,911)	(4,417)	(4,570)	(4,997)	(6,655)	(5,846)	(5,024)	(18,468)	(22,522)	(10,564)
Payment of Contingent Consideration	0	(625)	0	0	0	0	0	0	(625)	0	0
Net Cash Used in Investing Activities	(\$7,126)	(\$7,786)	(\$12,684)	(\$65,346)	(\$9,053)	(\$11,595)	(\$10,654)	(\$9,765)	(\$92,942)	(\$41,068)	(\$35,071)
Proceeds from Debt	0	0	0	0	0	0	0	0	0	0	0
Repayment of Long-Term Obligations	(3,364)	(38,264)	0	0	0	0	0	0	(41,628)	0	0
Proceeds from Exercise of Stock Options and Common Stock Warrants	914	1,846	312	0	0	0	0	0	3,072	0	0
Payments on Capital Lease Obligations	(145)	(1,088)	(974)	0	0	0	0	0	(2,207)	0	0
Proceeds from IPO, net	(250)	114,950	0	0	0	0	0	0	114,700	0	0
Repurchase of Unvested Common Stock	(13)	0	0	0	0	0	0	0	(13)	0	0
Proceeds from Issuance of Redeemable Convertible Preferred Stock, net	0	0	0	0	0	0	0	0	0	0	0
Excess Tax Benefit from Stock-Based Compensation Plans	0	0	0	0	0	0	0	0	0	0	0
Proceeds from Issuance (Repurchase) of Common Stock	0	0	0	20,668	13,810	(4,860)	(4,827)	(5,423)	20,668	(1,299)	(21,749)
Net Cash Provided by Financing Activities	(\$2,858)	\$77,444	(\$662)	\$20,668	\$13,810	(\$4,860)	(\$4,827)	(\$5,423)	\$94,592	(\$1,299)	(\$21,749)
Effect of Exchange Rate Changes	115	(115)	(351)	0	0	0	0	0	(351)	0	0
Inc. (Dec.) in Cash and Cash Equivalents	\$29,390	\$96,676	(\$18,484)	(\$30,324)	\$2,809	\$36,134	(\$7,812)	(\$17,484)	\$77,258	\$13,646	\$75,211
Beginning Cash and Cash Equivalents	31,441	60,831	157,507	139,023	108,699	111,508	147,642	139,829	31,441	108,699	122,345
Ending Cash and Cash Equivalents	\$60,831	\$157,507	\$139,023	\$108,699	\$111,508	\$147,642	\$139,829	\$122,345	\$108,699	\$122,345	\$197,556

Source: UBS estimates

Table 6: ACTV Revenue Build Up (\$000s)

	F2011				F2012				F2011A	F2012E	F2013E
	Q1 11A	Q2 11A	Q3 11A	Q4 11A	Q1 12E	Q2 12E	Q3 12E	Q4 12E			
Total Net Revenue	\$72,712	\$99,005	\$89,628	\$76,045	\$92,190	\$126,658	\$114,490	\$98,777	\$337,390	\$432,115	\$521,437
% Y/Y Growth	15%	21%	23%	23%	27%	28%	28%	30%	21%	28%	21%
% Q/Q Growth	18%	36%	-9%	-15%	21%	37%	-10%	-14%	--	--	--
					92,190	126,658	114,490	98,777			
Technology Revenue	\$63,108	\$85,553	\$76,341	\$65,478	\$81,914	\$110,919	\$99,077	\$86,624	\$290,480	\$378,535	\$459,284
% Y/Y Growth	15%	20%	22%	33%	30%	30%	30%	32%	22%	30%	21%
% Q/Q Growth	28%	36%	-11%	-14%	25%	35%	-11%	-13%	--	--	--
% of Total Net Revenue	87%	86%	85%	86%	89%	88%	87%	88%	86%	88%	88%
Net Registration Revenue	\$51,433	\$69,741	\$60,893	\$46,386	\$61,170	\$87,645	\$76,632	\$60,151	\$228,453	\$285,597	\$346,829
% Y/Y Growth	13%	15%	17%	18%	19%	26%	26%	30%	16%	25%	21%
Registrations	13,931	22,926	23,513	17,305	15,900	27,078	27,629	20,512	77,675	91,120	104,788
% Y/Y Growth	8%	7%	15%	13%	9%	15%	15%	15%	11%	17%	15%
Average Revenue per Registration	3.69	3.04	2.59	2.68	3.85	3.24	2.77	2.93	2.94	3.13	3.31
% Y/Y Growth	4.4%	7.8%	1.8%	4.6%	4.2%	6.4%	7.1%	9.4%	4.5%	6.6%	5.6%
Software Revenue	\$11,675	\$15,812	\$15,448	\$19,092	\$20,745	\$23,274	\$22,445	\$26,474	\$62,027	\$92,938	\$112,455
% Y/Y Growth	26%	49%	50%	92%	34%	20%	19%	13%	55%	50%	21%
Marketing Services Revenue	\$9,604	\$13,452	\$13,287	\$10,567	\$10,276	\$15,739	\$15,413	\$12,152	\$46,910	\$53,580	\$62,153
% Y/Y Growth	16%	28%	24%	-15%	7%	17%	16%	15%	12%	14%	16%
% Q/Q Growth	-23%	40%	-1%	-20%	-3%	53%	-2%	-21%	--	--	--
% of Total Net Revenue	13%	14%	15%	14%	11%	12%	13%	12%	14%	12%	12%

Source: UBS estimates

Table 7: ACTV DCF (\$MM)

	2011A	2012				2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E
		Q1 12E	Q2 12E	Q3 12E	Q4 12E									
Revenue	\$337	\$92	\$127	\$114	\$99	\$521	\$591	\$661	\$733	\$808	\$888	\$973	\$1,065	\$1,166
% Y/Y Growth	21%	27%	28%	28%	30%	21%	13%	12%	11%	10%	10%	10%	9%	10%
EBITDA	\$36	(\$4)	\$26	\$19	\$7	\$90	\$99	\$106	\$118	\$130	\$145	\$164	\$185	\$209
% Margin	11%	(4%)	20%	17%	7%	17%	17%	16%	16%	16%	16%	17%	17%	18%
% Y/Y Growth	43	(244)	26	50	1,928	86	10	7	11	10	12	13	13	13
Implied Taxes on Operations	(\$46)	(\$0)	(\$2)	(\$3)	\$72	(\$0)	(\$20)	(\$22)	(\$24)	(\$27)	(\$30)	(\$34)	(\$38)	(\$43)
% Effective Tax Rate	126%	(5%)	9%	18%	(1,000%)	0%	21%	21%	21%	21%	21%	21%	21%	21%
Capital Expenditures	(\$12)	(\$4)	(\$5)	(\$5)	(\$5)	(\$25)	(\$28)	(\$32)	(\$35)	(\$39)	(\$43)	(\$47)	(\$51)	(\$56)
% Y/Y Growth	(18%)	32%	120%	31%	54%	32%	13%	14%	11%	10%	10%	9%	9%	10%
Change in Net Working Capital	\$69	\$2	\$27	(\$11)	(\$9)	\$42	\$13	\$29	\$20	\$29	\$28	\$30	\$32	\$36
Tax Benefit from NOL Carryforwards	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Acquisitions Not Reflected on Balance Sheet / \$	--	0	0	0	0	0	0	0	0	0	0	0	0	0
Unlevered Free Cash Flow	\$48	(\$5)	\$46	(\$0)	\$66	\$107	\$64	\$82	\$78	\$93	\$101	\$114	\$128	\$146
NPV at 12/31/11 Valuation Date and 11.5% WACC		(\$5)	\$44	(\$0)	\$59	\$91	\$49	\$56	\$48	\$51	\$49	\$50	\$51	\$52

Perpetuity Growth Rate / Terminal Value at 11.5% WACC					
3.5%	4.0%	4.5%	5.0%	5.5%	
\$2,050	\$2,196	\$2,363	\$2,556	\$2,780	

Implied Terminal Value / Terminal EBITDA Multiple					
9.8x	10.5x	11.3x	12.2x	13.3x	
\$2,050	\$2,196	\$2,363	\$2,556	\$2,780	

Median DCF Valuation at 12/31/11 Valuation Date	
NPV of Cash Flows and Terminal Value	\$1,343
Plus: Net Cash	104
Implied Equity Value	\$1,447
Implied Fully Diluted Shares Outstanding (MM)	65
Implied Equity Value per Share	\$22

WACC	Equity Value per Share				
	\$24	\$25	\$26	\$27	\$28
10%	22	23	24	25	26
11%	21	22	22	23	24
12%	20	20	21	22	23
13%	19	19	20	21	21
14%					

Source: UBS estimates

Table 8: Internet and Interactive Entertainment Comp Sheet Estimates

(\$MMs, except EPS)			Market Cap	Revenue				EBITDA				EPS ¹				FCF ²		12E Margin	
Company	Ticker	Rating	2/24/2012	UBS Estimate		Consensus		UBS Estimate		Consensus		UBS Estimate		Consensus		2012E	2013E	Gross	Operating
				2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E				
Interactive Entertainment																			
Activision	ATVI	Buy	\$14,177	4,633	4,889	4,585	4,758	1,806	2,009	1,627	1,814	0.96	1.05	0.95	1.05	2,012	1,600	67.2	30.9
Electronic Arts	EA	Buy	5,682	4,182	4,460	4,170	4,502	598	725	558	714	0.89	1.24	0.86	1.16	1,142	(\$596)	64.6	10.6
GameStop	GME	NR	3,223	--	--	9,946	9,962	--	--	834	859	--	--	2.87	3.16	435	467	--	--
TakeTwo	TTWO	Neutral	1,401	820	1,840	818	1,825	(\$28)	379	(21)	333	(\$0.66)	2.60	(0.64)	2.81	(\$69)	296	37.6	(\$5.0)
THQ Inc.	THQI	Neutral	41	801	409	808	457	(\$130)	(\$108)	(71)	(23)	(\$1.77)	(\$1.43)	(1.69)	(0.49)	48	18	24.9	(\$17.5)
Advertising & Related Services																			
Google	GOOG	Buy	198,030	36,136	42,245	35,355	41,924	19,711	23,732	19,055	22,634	43.88	50.45	42.41	50.03	13,508	19,926	85.3	47.9
Yahoo!	YHOO	Neutral	19,108	4,432	4,806	4,441	4,590	1,395	1,680	1,391	1,451	0.86	1.03	0.81	0.91	946	975	78.3	18.4
LinkedIn	LNKD	Buy	8,806	869	1,208	871	1,277	174	271	168	286	0.73	1.17	0.62	1.09	67	98	84.2	11.5
IAC / InterActiveCorp	IACI	Neutral	4,429	2,487	2,692	2,527	2,789	421	493	471	549	2.31	2.88	2.64	3.19	263	247	62.6	14.7
TripAdvisor	TRIP	Neutral	4,136	751	881	748	882	316	400	323	391	1.40	1.63	1.37	1.66	277	213	98.3	38.9
WebMD	WBMD	NR	1,424	--	--	557	518	--	--	122	126	--	--	1.22	0.46	102	12	--	--
ValueClick	VCLK	Neutral	1,702	715	777	712	794	224	236	221	251	1.20	1.30	1.18	1.40	156	159	59.7	30.1
AOL	AOL	Buy	1,806	2,114	2,070	2,109	2,088	317	317	313	304	0.88	1.02	0.39	0.56	207	98	36.5	8.9
EarthLink	ELNK	NR	796	--	--	1,330	1,335	--	--	293	316	--	--	0.15	0.30	--	(\$124)	--	--
comScore	SCOR	NR	759	--	--	278	323	--	--	58	70	--	--	0.19	0.46	--	46	--	--
Demand Media	DMD	Buy	705	339	399	341	390	92	135	94	115	0.31	0.45	0.30	0.39	69	104	0.5	1.0
Marchex	MCHX	NR	180	--	--	151	170	--	--	20	27	--	--	0.23	0.32	--	23	--	--
Zillow	Z	NR	816	--	--	103	146	--	--	22	36	--	--	0.27	0.62	--	14	--	--
United Online	UNTD	NR	466	--	--	890	--	--	--	142	35,001	--	--	0.81	--	--	112	--	--
Quinstreet	QNST	Buy	508	398	456	396	436	83	91	82	90	0.94	1.00	0.95	1.03	50	59	25.9	10.8
eCommerce																			
Amazon.com	AMZN	Neutral	82,854	63,449	79,661	62,788	80,516	3,316	5,253	2,348	3,673	1.60	3.44	1.31	2.70	2,836	6,701	22.0	2.1
eBay	EBAY	Buy	47,088	13,965	16,130	13,816	15,797	4,441	5,290	4,442	5,107	2.32	2.71	2.29	2.65	3,687	3,932	71.4	27.0
Groupon	GRPN	NR	12,320	.	--	2,356	3,000	--	--	379	805	--	--	0.29	0.83	--	582	--	--
Mercado Libre	MELI	NR	4,282	--	--	299	394	--	--	148	203	--	--	1.76	2.34	65	90	--	--
Digital River	DRIV	NR	647	--	--	432	496	--	--	94	113	--	--	1.36	1.76	--	45	--	--
Active Network Inc.	ACTV	Buy	840	432	521	409	493	48	90	51	69	(\$0.62)	0.03	(0.06)	0.19	37	108	55.3	(2.8)
OpenTable Inc	OPEN	NR	1,136	.	--	206	206	--	--	70	89	--	--	2.01	2.48	--	51	--	--
Online Entertainment																			
Netflix	NFLX	Neutral	6,260	3,742	4,431	3,649	4,244	163	527	96	387	(\$0.09)	3.00	(0.23)	2.59	(\$283)	355	26.8	1.3
Rovi Corp	ROVI	NR	3,781	--	--	773	882	--	--	362	414	--	--	2.54	3.10	--	314	--	--
Pandora	P	NR	2,101	--	--	276	418	--	--	3	7	--	--	(0.03)	0.00	--	(\$13)	--	--
TiVo Inc.	TIVO	Buy	1,450	234	263	191	237	(\$28)	0	(32)	(18)	(\$0.50)	(\$0.27)	0.54	(0.35)	(\$19)	20	57.5	(12.9)
Rentrak Corp	RENT	NR	246	--	--	91	100	--	--	5	7	--	--	(0.16)	0.13	--	6	--	--

(1) All figures represent "Operating EPS", defined to exclude SBC and 1x items as per Mgmt, except the following companies which are GAAP: ACTV, AMZN, NFLX, TIVO, VCLK

(2) FCF for non-covered companies are FirstCall means

(3) EA 2012E = Fiscal year ending 03/2012; 2013E = Fiscal Year ending 03/2013

(4) THQI 2012E = Fiscal year ending 03/2012; 2013E = Fiscal Year ending 03/2013

(5) TTWO 2012E = Fiscal year ending 3/2012; 2013E = Fiscal Year ending 3/2013

(6) TIVO 2012E = Fiscal year ending 01/2012; 2013E = Fiscal Year ending 01/2013

Source: FactSet, UBS estimates

Table 9: Internet and Interactive Entertainment Comp Sheet Valuations

Company	Ticker	Rating	Price 02/23/12	Price Target	Upside to Target	YTD Performance	Firm Value ¹ (\$MMs)	Firm Value / EBITDA 2012E	12-15E EBITDA 2013E	12-15E EBITDA CAGR	Price / Earnings 2012E	12-15E EPS CAGR	2012E P/E to Growth	Price / FCF / share 2012E	12-15E FCF CAGR	2012E FCF Yield (%)		
Interactive Entertainment																		
Activision	ATVI	Buy	\$12.17	\$16	28%	-1%	\$10,590	6x	5x	9	13x	12x	9	1.5	7x	9x	(4)	10.8%
Electronic Arts	EA	Buy	\$17.19	30	75	-17%	4,116	7	6	10	19	14	15	1.3	5	-	(41)	--
GameStop	GME	NR	\$23.29	--	--	-3%	2,904	3	3	--	8	7	--	--	--	--	--	--
TakeTwo	TTWO	Neutral	\$15.56	16.50	6	15%	1,260	--	3	-279	--	6	--	--	-	6	(205)	16.5%
THQ Inc.	THQI	Neutral	\$0.60	0.60	0	-21%	22	--	--	-67	--	--	--	--	1	2	(175)	42.8%
weighted average						-4%		5	5		12.6	11	8	1.1	5	6	-25	7.2%
mean						-5%		5	4		13	10	12	1.4	4	6	-106	23.4%
Advertising & Related Services																		
Google	GOOG	Buy	\$606.11	800	32	-6%	155,600	8	7	14	14	12	12	1.2	15	10	17	6.7%
Yahoo!	YHOO	Neutral	\$14.78	17	13	-8%	2,213	2	1	5	17	14	9	2.0	19	20	(3)	5.1%
LinkedIn	LNKD	Buy	\$91.46	110	21	45%	8,212	99	90	59	96	89	73	1.3	154	106	80	0.9%
IAC / InterActiveCorp	IACI	Neutral	\$45.53	47	3	7%	3,587	9	7	11	20	16	13	1.5	17	17	15	5.9%
TripAdvisor	TRIP	Neutral	\$30.59	29	-4	21%	4,333	14	11	18	22	19	15	1.5	15	21	2	4.9%
WebMD	WBMD	NR	\$25.27	--	--	-33%	1,123	9	9	--	21	55	--	--	--	--	--	--
ValueClick	VCLK	Neutral	\$20.49	19	-7	26%	1,724	8	7	4	17	16	5	3.2	11	11	(0)	9.5%
AOL	AOL	Buy	\$18.44	22	19	22%	1,465	5	5	3	21	18	13	1.6	8	18	(5)	5.6%
EarthLink	ELNK	NR	\$7.50	--	--	16%	1,210	4	4	--	51	25	--	--	--	--	--	--
comScore	SCOR	NR	\$22.99	--	--	8%	734	13	10	--	119	50	--	--	--	--	--	--
Demand Media	DMD	Buy	\$6.95	9	29	5%	619	7	5	23	23	15	15	1.5	9	6	14	15.9%
Marchex	MCHX	NR	\$4.83	--	--	-23%	143	7	5	--	21	15	--	--	--	--	--	--
Zillow	Z	NR	\$29.61	--	--	32%	739	34	21	--	111	48	--	--	--	--	--	--
United Online	UNTD	NR	\$5.21	--	--	-4%	624	4	--	--	6	--	--	--	--	--	--	--
QuinStreet	QNST	Buy	\$11.07	12	8	18%	471	6	5	10	12	11	9	1.2	11	9	11	11.0%
weighted average						1%		13	11		20	16	11	0.9	16	43	14	5.1%
mean						9%		15	13		36	27	18	1.7	29	36	14	6.7%
eCommerce																		
Amazon.com	AMZN	Neutral	\$178.89	195	9	3%	73,442	22	14	32	112	52	63	1.8	29	13	46	8.0%
eBay	EBAY	Buy	\$36.02	45	26	19%	36,617	8	7	16	16	13	15	1.0	13	12	11	8.2%
Groupon	GRPN	NR	\$19.39	--	--	-6%	12,216	32	15	--	67	23	--	--	--	--	--	--
Mercado Libre	MELI	NR	\$97.00	--	--	22%	4,159	28	20	--	55	41	--	--	--	--	--	--
Digital River	DRIV	NR	\$18.23	--	--	21%	281	3	2	--	13	10	--	--	--	--	--	--
Active Network Inc.	ACTV	Buy	\$15.49	22	45	14%	737	15	8	30	--	82	--	--	25	9	32	11.4%
OpenTable Inc	OPEN	NR	\$47.85	--	--	22%	1,086	15	12	--	24	19	--	--	--	--	--	--
weighted average						8%		19	12		77	38	40	1	20	11	29	6.9%
mean						6%		16	12		47	35	39	1	21	14	25	7.2%
Online Entertainment																		
Netflix	NFLX	Neutral	\$112.99	105	-7	63%	6,601	40	13	77	--	38	100	--	-	21	(236)	4.7%
Rovi Corp	ROVI	NR	\$34.37	--	--	40%	4,356	12	11	--	14	11	--	--	-	12	--	--
Pandora	P	NR	\$13.02	--	--	30%	2,010	706	297	--	--	--	--	--	--	--	--	--
TiVo Inc.	TIVO	Buy	\$12.00	14	15	34%	1,013	--	2393	(36)	--	--	--	--	8	-	(39)	--
Rentrak Corp	RENT	NR	\$22.33	--	--	56%	222	45	31	--	--	179	--	--	--	--	--	--
weighted average						46%		118	213		5	23	46	0.0	4	13	-108	2.6%
mean						35%		162	458		19	59	69.2	0.6	48	14	-138	8.3%

(1) Firm Value equal to Equity Value plus straight and convertible debt, straight and convertible preferred stock, and minority interest less cash and cash equivalents, marketable securities, and equity in unconsolidated affiliates.

Valuation metrics of non-covered companies are based on FirstCall mean estimates

(2) EA 2012E = Fiscal year ending 03/2012; 2013E = Fiscal Year ending 03/2013

(3) THQI 2012E = Fiscal year ending 03/2012; 2013E = Fiscal Year ending 03/2013

(4) TTWO 2012E = Fiscal year ending 10/2011; 2013E = Fiscal Year ending 10/2012

(5) TIVO 2012E = Fiscal year ending 01/2012; 2013E = Fiscal Year ending 01/2013

Source: FactSet, UBS estimates

The Active Network, Inc.

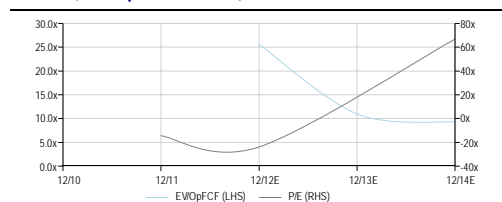
Income statement (US\$)	12/07	12/08	12/09	12/10	12/11	12/12E	% ch	12/13E	% ch	12/14E	% ch
Revenues	-	-	242,884	279,600	337,390	432,115	28.1	521,437	20.7	590,969	13.3
Operating expenses (ex depn)	-	-	(227,138)	(254,480)	(301,354)	(383,819)	27.4	(431,424)	12.4	(491,798)	14.0
EBITDA (UBS)	-	-	15,746	25,120	36,036	48,296	34.0	90,013	86.4	99,170	10.2
Depreciation	-	-	(36,079)	(40,287)	(44,857)	(60,599)	35.1	(65,340)	7.8	(54,177)	-17.1
Operating income (EBIT, UBS)	-	-	(20,333)	(15,167)	(8,821)	(12,303)	39.5	24,673	-	44,993	82.4
Other income & associates	-	-	0	0	0	0	-	0	-	0	-
Net interest	-	-	(3,847)	(4,833)	(2,785)	(271)	-90.3	(240)	-11.5	(175)	-27.0
Abnormal items (pre-tax)	-	-	0	0	0	0	-	0	-	0	-
Profit before tax	-	-	(24,180)	(20,000)	(11,606)	(12,574)	8.3	24,433	-	44,818	83.4
Tax	-	-	(2,439)	(1,924)	4,074	(3,183)	-	(977)	-69.3	(9,188)	840.1
Profit after tax	-	-	(26,619)	(21,924)	(7,532)	(15,757)	109.2	23,456	-	35,630	51.9
Abnormal items (post-tax)	-	-	0	0	0	0	-	0	-	0	-
Minorities / pref dividends	-	-	0	0	0	0	-	0	-	0	-
Net income (local GAAP)	-	-	(26,619)	(21,924)	(7,532)	(15,757)	109.2	23,456	-	35,630	51.9
Net Income (UBS)	-	-	(63,633)	(67,244)	(39,000)	(36,670)	-6.0	1,707	-	13,011	662.4
Tax rate (%)	-	-	0	0	0	0	-	4	-	21	412.5
Pre-abnormal tax rate (%)	-	-	0	0	0	0	-	4	-	21	412.5
Per share (US\$)	12/07	12/08	12/09	12/10	12/11	12/12E	% ch	12/13E	% ch	12/14E	% ch
EPS (local GAAP)	-	-	(4.54)	(3.10)	(0.21)	(0.26)	26.7	0.38	-	0.57	48.2
EPS (UBS)	-	-	(10.86)	(9.50)	(1.08)	(0.62)	-43.0	0.03	-	0.21	643.7
Net DPS	-	-	0.00	0.00	0.00	0.00	-	0.00	-	0.00	-
Cash EPS	-	-	(4.70)	(3.81)	0.16	0.43	162.5	1.20	181.6	1.20	-0.3
BVPS	-	-	4.21	3.89	6.40	5.94	-7.2	5.96	0.5	6.20	3.9
Balance sheet (US\$)	12/07	12/08	12/09	12/10	12/11	12/12E	% ch	12/13E	% ch	12/14E	% ch
Cash and equivalents	-	-	26,381	31,441	108,699	122,345	12.6	197,556	61.5	252,090	27.6
Other current assets	-	-	31,229	38,277	74,310	82,344	10.8	106,112	28.9	115,546	8.9
Total current assets	-	-	57,610	69,718	183,009	204,689	11.8	303,669	48.4	367,637	21.1
Net tangible fixed assets	-	-	26,742	28,181	33,830	53,764	58.9	48,123	-10.5	50,418	4.8
Net intangible fixed assets	-	-	290,268	285,334	378,753	339,287	-10.4	314,660	-7.3	285,963	-9.1
Investments / other assets	0	0	7,251	7,315	3,635	4,152	14.2	4,395	5.8	4,631	5.4
Total assets	-	-	381,871	390,548	599,227	601,893	0.4	670,846	11.5	708,649	5.6
Trade payables & other ST liabilities	-	-	101,155	131,073	185,263	220,538	19.0	267,121	21.1	294,548	10.3
Short term debt	-	-	131	1,630	42,613	25,344	-40.5	42,984	69.6	38,280	-10.9
Total current liabilities	-	-	101,286	132,703	227,876	245,882	7.9	310,106	26.1	332,828	7.3
Long term debt	-	-	41,402	33,553	7,799	8,262	5.9	9,810	18.7	10,187	3.8
Other long term liabilities	-	-	16,318	17,960	16,913	16,913	0.0	16,913	0.0	16,913	0.0
Total liabilities	-	-	159,006	184,216	252,588	271,057	7.3	336,829	24.3	359,928	6.9
Equity & minority interests	-	-	222,865	206,332	346,639	330,836	-4.6	334,017	1.0	348,721	4.4
Total liabilities & equity	-	-	381,871	390,548	599,227	601,893	0.4	670,846	11.5	708,649	5.6
Cash flow (US\$)	12/07	12/08	12/09	12/10	12/11	12/12E	% ch	12/13E	% ch	12/14E	% ch
Net income	-	-	(26,619)	(21,924)	(7,532)	(15,757)	109.2	23,456	-	35,630	51.9
Depreciation	-	-	36,079	40,287	44,857	60,599	35.1	65,340	7.8	54,177	-17.1
Net change in working capital	-	-	18,137	21,461	69,307	9,918	-85.7	41,761	321.1	13,429	-67.8
Other (operating)	-	-	11,184	6,539	8,723	22,166	154.1	23,224	4.8	24,313	4.7
Net cash from operations	-	-	38,781	46,363	115,355	76,926	-33.3	153,781	99.9	127,548	-17.1
Capital expenditure	-	-	(10,449)	(14,767)	(12,067)	(18,546)	53.7	(24,508)	32.1	(27,776)	13.3
Net (acquisitions) / disposals	-	-	0	0	0	0	-	0	-	0	-
Other changes in investments	-	-	(15,519)	(17,958)	(80,875)	(22,522)	-	(10,564)	-	0	-
Cash from investing activities	-	-	(25,968)	(32,725)	(92,942)	(41,068)	-55.8	(35,071)	-14.6	(27,776)	-20.8
Increase/(decrease) in debt	-	-	0	0	0	0	-	0	-	0	-
Share issues / (repurchases)	-	-	(8,514)	(4,349)	94,592	(1,299)	-	(21,749)	-	(22,619)	-
Dividends paid	-	-	0	0	0	0	-	0	-	0	-
Other cash from financing	-	-	0	0	0	0	-	0	-	0	-
Cash from financing activities	-	-	(8,514)	(4,349)	94,592	(1,299)	-	(21,749)	1573.9	(22,619)	4.0
Cash flow chge in cash & equivalents	-	-	4,299	9,289	117,005	34,559	-	96,961	-	77,153	-
FX / non cash items	-	-	-	(4,229)	(39,747)	(20,913)	-92.5	(21,749)	896.8	(22,619)	-55.3
Bal sheet chge in cash & equivalents	-	-	-	5,060	77,258	13,646	-	75,211	-	54,534	-
Core EBITDA	-	-	15,746	25,120	36,036	48,296	34.0	90,013	86.4	99,170	10.2
Maintenance capital expenditure	-	-	(10,449)	(14,767)	(12,067)	(18,546)	53.7	(24,508)	32.1	(27,776)	13.3
Maintenance net working capital	-	-	0	0	0	0	-	0	-	0	-
Operating free cash flow, pre-tax	-	-	5,297	10,353	23,969	29,750	24.1	65,505	120.2	71,395	9.0

Source: Company accounts, UBS estimates. (UBS) valuations are stated before goodwill-related charges and other adjustments for abnormal and economic items at the analysts' judgement. Note: For some companies, the data represents an extract of the full company accounts.

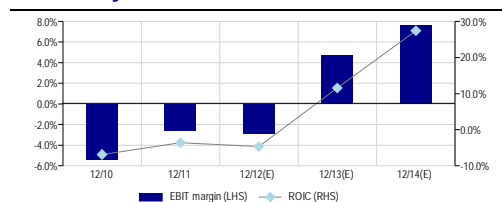
Company profile

Active Network is the leading provider of organization-based cloud computing applications. The company provides technology and marketing solutions for event organizers, community organizations, and consumer brands. Active Network serves a wide range of customers, including community and sports organizations, large corporations, small and medium-sized businesses, educational institutions, government agencies, non-profit organizations, and other similar entities.

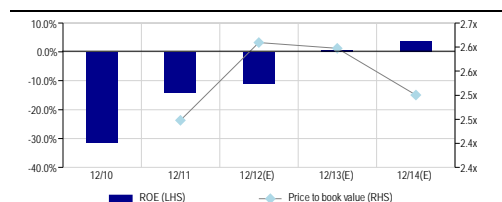
Value (EV/OpFCF & P/E)



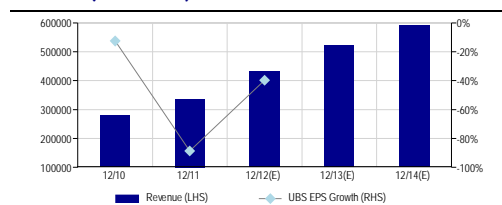
Profitability



ROE v Price to book value



Growth (UBS EPS)



The Active Network, Inc.

Valuation (x)	5Yr Avg	12/10	12/11	12/12E	12/13E	12/14E
P/E (local GAAP)	-	-	NM	NM	40.3	27.2
P/E (UBS)	-	-	NM	NM	NM	74.5
P/CEPS	-	-	NM	36.3	12.9	12.9
Net dividend yield (%)	-	-	0.0	0.0	0.0	0.0
P/BV	-	-	2.4	2.6	2.6	2.5
EV/revenue (core)	-	-	2.4	1.8	1.4	1.1
EV/EBITDA (core)	-	-	22.5	15.8	8.0	6.7
EV/EBIT (core)	-	-	NM	NM	29.2	14.7
EV/OpFCF (core)	-	-	NM	25.7	11.0	9.3
EV/op. invested capital	-	-	3.3	2.9	3.4	4.0

Enterprise value (US\$)	12/10	12/11	12/12E	12/13E	12/14E
Average market cap	-	841,888	839,558	839,558	839,558
+ minority interests	-	0	0	0	0
+ average net debt (cash)	9,447	(27,273)	(73,513)	(116,750)	(174,192)
+ pension obligations and other	0	0	0	0	0
- non-core asset value	(2,315)	(2,133)	(2,650)	(2,893)	(3,129)
Core enterprise value	-	812,483	763,395	719,915	662,237

Growth (%)	5Yr Avg	12/10	12/11	12/12E	12/13E	12/14E
Revenue	-	15.1	20.7	28.1	20.7	13.3
EBITDA (UBS)	-	59.5	43.5	34.0	86.4	10.2
EBIT (UBS)	-	-25.4	-41.8	39.5	-	82.4
EPS (UBS)	-	-12.5	-88.6	-39.6	-	NM
Cash EPS	-	-19.0	-	162.5	181.6	-0.3
Net DPS	-	-	-	-	-	-
BVPS	-	-7.4	64.2	-7.2	0.5	3.9

Margins (%)	5Yr Avg	12/10	12/11	12/12E	12/13E	12/14E
EBITDA / revenue	-	9.0	10.7	11.2	17.3	16.8
EBIT / revenue	-	-5.4	-2.6	-2.8	4.7	7.6
Net profit (UBS) / revenue	-	NM	NM	NM	0.3	2.2

Return on capital (%)	5Yr Avg	12/10	12/11	12/12E	12/13E	12/14E
EBIT ROIC (UBS)	-	NM	NM	NM	11.6	27.4
ROIC post tax	-	NM	NM	NM	11.1	21.8
Net ROE	-	(31.3)	(14.1)	(10.8)	0.5	3.8

Coverage ratios (x)	5Yr Avg	12/10	12/11	12/12E	12/13E	12/14E
EBIT / net interest	-	-	-	-	NM	NM
Dividend cover (UBS EPS)	-	-	-	-	-	-
Div. payout ratio (% UBS EPS)	-	-	-	-	-	-
Net debt / EBITDA	-	0.1	NM	NM	NM	NM

Efficiency ratios (x)	5Yr Avg	12/10	12/11	12/12E	12/13E	12/14E
Revenue / op. invested capital	-	1.3	1.4	1.6	2.4	3.6
Revenue / fixed assets	-	0.9	0.9	1.1	1.4	1.7
Revenue / net working capital	-	NM	NM	NM	NM	NM

Investment ratios (x)	5Yr Avg	12/10	12/11	12/12E	12/13E	12/14E
OpFCF / EBIT	-	NM	NM	NM	2.7	1.6
Capex / revenue (%)	-	5.3	3.6	4.3	4.7	4.7
Capex / depreciation	-	0.4	0.3	0.3	0.4	0.5

Capital structure (%)	5Yr Avg	12/10	12/11	12/12E	12/13E	12/14E
Net debt / total equity	-	1.8	(16.8)	(26.8)	(43.3)	(58.4)
Net debt / (net debt + equity)	-	1.8	(20.2)	(36.7)	(76.5)	NM
Net debt (core) / EV	-	-	(3.4)	(9.6)	(16.2)	(26.3)

Source: Company accounts, UBS estimates. (UBS) valuations are stated before goodwill-related charges and other adjustments for abnormal and economic items at the analysts' judgement.

Valuations: based on an average share price that year, (E): based on a share price of US\$15.49 on 23 Feb 2012 19:40 EST Market cap(E) may include forecast share issues/buybacks.

Brian Pitz

Analyst

brian.pitz@ubs.com

+1-212-713 9310

Brian Fitzgerald

Analyst

brian.fitzgerald@ubs.com

+1-212-713 2851

Brent Thill

Analyst

brent.thill@ubs.com

+1-415-352 4694

■ The Active Network, Inc.

Active Network is the leading provider of organization-based cloud computing applications. The company provides technology and marketing solutions for event organizers, community organizations, and consumer brands. Active Network serves a wide range of customers, including community and sports organizations, large corporations, small and medium-sized businesses, educational institutions, government agencies, non-profit organizations, and other similar entities.

■ Statement of Risk

Risks include 1) integration of recent acquisitions and impact on margins, 2) new business model and limited history of profitability, 3) difficulty attracting new customers and transitioning existing customers to ActiveWorks. Additional concerns include the failure to compete successfully against current or future competitors, failure to comply with data privacy laws and regulations, and inability to expand business outside North America. The company's failure to expand customers' use of its applications and to increase the percentage of participants who register through its website are two additional risks.

■ Analyst Certification

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UBS Investment Research: Global Equity Rating Allocations

UBS 12-Month Rating	Rating Category	Coverage ¹	IB Services ²
Buy	Buy	57%	36%
Neutral	Hold/Neutral	37%	35%
Sell	Sell	7%	17%
UBS Short-Term Rating	Rating Category	Coverage ³	IB Services ⁴
Buy	Buy	less than 1%	0%
Sell	Sell	less than 1%	12%

1:Percentage of companies under coverage globally within the 12-month rating category.

2:Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.

3:Percentage of companies under coverage globally within the Short-Term rating category.

4:Percentage of companies within the Short-Term rating category for which investment banking (IB) services were provided within the past 12 months.

Source: UBS. Rating allocations are as of 31 December 2011.

UBS Investment Research: Global Equity Rating Definitions

UBS 12-Month Rating	Definition
Buy	FSR is > 6% above the MRA.
Neutral	FSR is between -6% and 6% of the MRA.
Sell	FSR is > 6% below the MRA.
UBS Short-Term Rating	Definition
Buy	Buy: Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.
Sell	Sell: Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.

KEY DEFINITIONS

Forecast Stock Return (FSR) is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months.

Market Return Assumption (MRA) is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium).

Under Review (UR) Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation.

Short-Term Ratings reflect the expected near-term (up to three months) performance of the stock and do not reflect any change in the fundamental view or investment case.

Equity Price Targets have an investment horizon of 12 months.

EXCEPTIONS AND SPECIAL CASES

UK and European Investment Fund ratings and definitions are: Buy: Positive on factors such as structure, management, performance record, discount; Neutral: Neutral on factors such as structure, management, performance record, discount; Sell: Negative on factors such as structure, management, performance record, discount.

Core Banding Exceptions (CBE): Exceptions to the standard +/-6% bands may be granted by the Investment Review Committee (IRC). Factors considered by the IRC include the stock's volatility and the credit spread of the respective company's debt. As a result, stocks deemed to be very high or low risk may be subject to higher or lower bands as they relate to the rating. When such exceptions apply, they will be identified in the Company Disclosures table in the relevant research piece.

Research analysts contributing to this report who are employed by any non-US affiliate of UBS Securities LLC are not registered/qualified as research analysts with the NASD and NYSE and therefore are not subject to the restrictions contained in the NASD and NYSE rules on communications with a subject company, public appearances, and trading securities held by a research analyst account. The name of each affiliate and analyst employed by that affiliate contributing to this report, if any, follows.

UBS Securities LLC: Brian Pitz; Brian Fitzgerald; Brent Thill.

Company Disclosures

Company Name	Reuters	12-mo rating	Short-term rating	Price	Price date
The Active Network, Inc. ¹⁶	ACTV.N	Buy	N/A	US\$15.49	23 Feb 2012

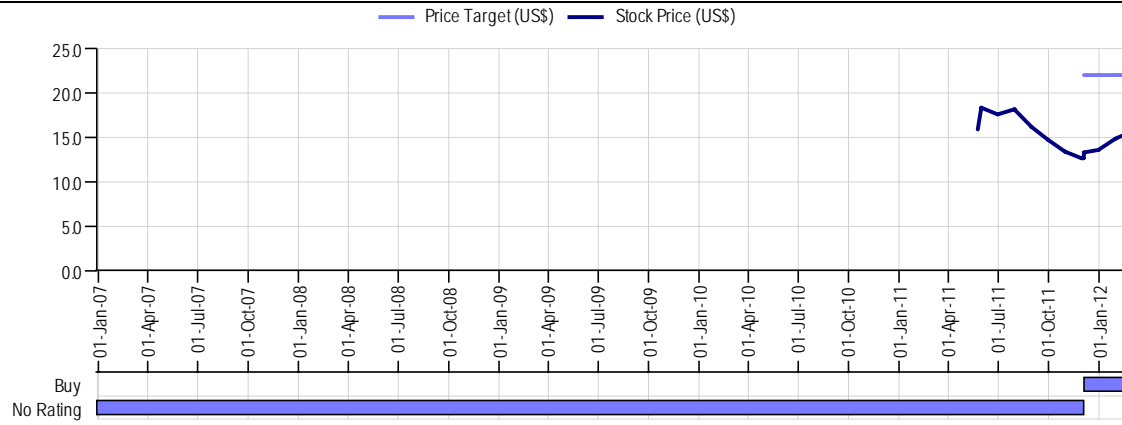
Source: UBS. All prices as of local market close.

Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date

16. UBS Securities LLC makes a market in the securities and/or ADRs of this company.

Unless otherwise indicated, please refer to the Valuation and Risk sections within the body of this report.

The Active Network, Inc. (US\$)



Source: UBS; as of 23 Feb 2012

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