



Market Scan

Quadrangle Folds In Greenfield

Carl Gutierrez, 06.16.08, 4:20 PM ET



If you have to buy a media company these days, you're pretty much looking for an Internet business. Quadrangle Group, a privately held investment company that specializes in media and communications, went with the flow on Monday and said it would buy Greenfield Online, a provider of Internet surveys used by marketers, for \$426.0 million.

Greenfield had been trying to sell itself for some time, and it has until August 4 to try a little harder. The survey company has 50 days to solicit a better offer than the \$15.50 a share offered by Quadrangle, which represents a 16.7% premium over Friday's closing price of \$13.28. Greenfield stock gained 12.1%, or \$1.61, to \$14.89, in late trading, far enough away from the bid price to

indicate investors do not see a higher bid coming.

"The deal is definitely a good thing," said Sameet Sinha, an analyst at JMP Securities, "they're getting a good valuation--we had a \$15.00 price target and it's happened at \$15.50."

The company came public at \$13 a share in July 2004, and after a short-lived excursion to the \$23 range later that year fell to the \$5 range by the end of 2005. At that juncture, the company hired Albert Angrisani as its chief executive.

JMP's Sinha said Angrisani has a background in turnarounds. "Before Greenfield would take a survey, analyze the data, then give it to the client," Sinha said, "Angrisani though took the survey business and, realizing it was going to be highly competitive segment, decided to focus on beefing up the quality of the data and let the client analyze the numbers."

In a generally lackluster U.S. stock market, Internet companies have been a bright spot, attracting some notable buyers willing to offer significant premiums. Last month CBS picked up CNET Networks for \$1.8 billion in an effort to expand its online presence. (See: "CBS Longs Into CNET") Ask.com also announced it was buying Lexico Publishing Group, which owns a number of online reference sites such as Dictionary.com. (See: "Ask.com Builds Up From Basics") In March, Time Warner announced it was buying the social networking site Bebo for \$850.0 million. (See: "Time Warner Bags Bebo") There is also, of course, Microsoft's seemingly abandoned attempt to make Yahoo! its own.

Quadrangle was founded by Steven Rattner, formerly vice chairman of Lazard Freres, along with three other executives from that firm, in 2000. Rattner had previously been the No. 2 executive at Lazard, but was displaced when the company merged its London, New York and Paris arms.

Wilton, Conn.-based Greenfield, which provides online surveys to marketing companies, has had significant sales from its Internet survey business, and it saw better-than 50.0% growth over the last few quarters from its price comparison engine. For 2007, the company's profit jumped 51.8% to \$12.9 million in 2007 from \$8.5 million in 2006.