

Leadership Newsletter

Technology, Media & Telecommunications

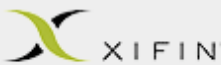








Winter 2015

GTCR Firm Update

GTCR was active throughout 2014 and year-to-date 2015, completing 51 acquisitions across the Technology, Media & Telecommunications, Financial Services & Technology and Healthcare industries. From our inception in 1980, GTCR has partnered with management teams to build and transform growth businesses, investing over \$10 billion in more than 200 companies. In 2014, we closed GTCR Fund XI, the firm's largest fund to date, with \$3.85 billion of limited partner equity capital commitments.

Technology, Media & Telecommunications Group Update

Since our last Leadership Report in Winter 2014, the GTCR Technology, Media & Telecommunications ("TMT") team has made three new platform investments: Fairway, XIFIN and Cision. In 2014, we also completed 11 add-on acquisitions at five portfolio companies and have been active in the capital markets. In total, we have invested more than \$580 million of GTCR capital in the TMT sector since the beginning of 2014.

TMT Core Verticals*				
SOFTWARE/ONLINE SERVICES	TELECOM & NETWORKS	DATA/INFO SERVICES	GOVERNMENT SERVICES/AEROSPACE & DEFENSE	MEDIA
				
		1	2	
				

*Please see the Appendix for a complete list of all of our investments in the Technology, Media & Telecommunications sector since 2007.

1 Formerly known as OneSource.

2 GTCR completed the sale of Six3 Systems to CACI International in November 2013.

TMT Portfolio Activity Since March 2014

AVENTION

Avention, Concord, MA

CEO: Steve Pogorzelski

Management Partnership: August 2011 | Platform Acquisition: October 2012

GTCR acquired Avention, a provider of business information and sales intelligence solutions, in October 2012 as a carve-out from InfoGroup. The Avention investment opportunity was the result of several years of proactive research in the information services sector focused on data providers to the business and sales research market. Avention had been historically undermanaged and undercapitalized, and GTCR believed the company's products could be improved through the addition of different data sources and investment in targeted sales and marketing.

In August 2014, Avention hired Steve Pogorzelski as CEO. Mr. Pogorzelski previously served as the chief revenue officer at Vocus and prior to that as CEO of ClickFuel and president of Monster Worldwide. As CEO, Mr. Pogorzelski will be responsible for accelerating Avention's growth as the company expands its global operations.

CAMP Systems, Ronkonkoma, NY

CEO: Ken Gray

Platform Acquisition: May 2012 | Recent Acquisition: April 2014



GTCR partnered with CEO Ken Gray and COO Vibby Gottemukkala to acquire CAMP Systems International in May 2012. CAMP is a market-leading provider of SaaS-based aircraft maintenance tracking workflow software and information services to business aircraft worldwide. The company helps aircraft operators and owners improve the safety of their aircraft, ensure regulatory compliance and enhance aircraft value at resale.

Consistent with GTCR's original investment thesis, CAMP extended its core offering into engine condition trend monitoring through organic growth and strategic acquisitions. Most recently, the company completed the acquisition of Honeywell's engine condition trend monitoring business in April 2014.

Cision, Chicago, IL

CEO: Peter Granat

Platform Acquisition: February 2014 | Recent Acquisitions: May 2014, September 2014, October 2014



GTCR partnered with CEO Peter Granat and CFO Jack Pearlstein to acquire Cision in February 2014 and Vocus in May 2014. The combined firm, rebranded as Cision, offers an expanded suite of cloud-based PR software platforms, supporting PR professionals with tools that enable them to identify key influencers, connect with target audiences, monitor traditional and social media and analyze effectiveness of PR spend.

GTCR identified the PR information and software market as an attractive area for investment following a multi-year proactive research effort focused on vertical software markets. Following the combination of Cision and Vocus, the company opportunistically expanded its product suite and geographic footprint through two key acquisitions: Visible Technologies, a leading provider of social media analytics, in September 2014 and Gorkana Group, a leading UK provider of PR software and services, in October 2014. Vocus Marketing Suite was spun out of the company in July 2014 and rebranded as OutMarket.



Fairway, Alpharetta, GA

CEO: Kevin Gleason

Management Partnership/Platform Acquisition: January 2015

GTCR acquired Fairway in January 2015 in partnership with Adams Outdoor Advertising. Fairway is the fourth-largest outdoor advertising company in the U.S., with approximately 20,000 advertising displays throughout the Southeast, Southwest and Midwest. Adams Outdoor's management will operate Fairway, and Adams Outdoor will assume a minority ownership position in Fairway.

The investment in Fairway is the result of GTCR's history in the outdoor advertising and media industry and our proactive efforts to build management partnerships. The team plans to improve rate and occupancy across Fairway's billboards, implement impressions-based selling techniques and increase investment in digital technology.



Global Traffic Network, Los Angeles, CA

CEO: William L. Yde III

Platform Acquisition: September 2011

GTCR partnered with CEO Bill Yde to acquire Global Traffic Network ("GTN") in September 2011. Mr. Yde started the company as the Australia Traffic Network in 1997 and has since built it into a global leader in providing outsourced information content to radio and television stations. In exchange for traffic, news and other information reports, GTN receives advertising spots from radio stations, which it sells to a large national advertiser base.

As GTN continues to expand and penetrate key fragmented markets, Brazil and Canada represent significant growth opportunities. In Brazil, GTN expanded operations into the key metropolitan areas of Rio de Janeiro and Belo Horizonte in 2014, following the successful entrance into Sao Paulo.

IQNavigator, Denver, CO

CEO: Joe Juliano



Platform Acquisition: June 2008 / Recent Acquisition: January 2014

GTCR acquired IQNavigator (“IQN”), a leading provider of services procurement and optimization solutions to Global 2000 companies, in June 2008. IQN’s service offering enables companies to better source, procure, manage and measure all categories of indirect services. The platform supports multiple categories of services spend, including contingent/contract labor, IT projects and offshoring/outsourcing through a SaaS business model.

At the end of 2013, IQN hired Joe Juliano as CEO. Mr. Juliano is an industry veteran with significant software experience, most recently as the president of Red Prairie, a supply chain software company. Mr. Juliano executed on a number of key initiatives over the course of 2014, including the acquisition of ProcureStaff, a developer of vendor management system (“VMS”) applications, in January and the sale of IQN’s managed service provider business in August. Both of these events positioned the company to grow its leading VMS platform.



Land Lease Group, Oak Brook, IL

CEO: N/A

Management Partnership/Platform Acquisition: March 2012 / Exit: September 2014

GTCR formed Land Lease Group (“LLG”) in 2012 to acquire land interests underlying wireless communication and outdoor advertising sites. LLG controlled two origination platforms: Lease Advisors (“LA”) and TowerPoint Capital (“TwP”). Both LA and TwP are led by industry veterans with a track record of successfully originating site acquisitions at scale volumes with attractive internal rates of return.

GTCR partnered with Jarred Saba and LA in March 2012. In April 2013, GTCR partnered with John Gutowski and TwP to bolster production capabilities and increase scale in the industry. GTCR completed the combination of LA and TwP in 2013 under the LLG platform to originate assets into one common pool.

In September 2014, LLG completed a successful strategic sale of substantially all of its land interest assets.



Merlin Media, Fort Wright, KY

CEO: Randy Michaels

Management Partnership/Platform Acquisition: July 2011 |

Exit: January 2014

GTCR partnered with media veteran Randy Michaels in July 2011 to form Merlin Media. Mr. Michaels was previously CEO of Jacor Communications and Clear Channel Communications (following its acquisition of Jacor), two of the largest radio station groups in the country. Merlin Media was created to be a broadcast radio holding company.

Over the course of 2012 and 2013, Merlin Media sold its radio stations in the cities of New York and Philadelphia. Merlin Media's remaining stations in Chicago were transitioned to Cumulus Group as part of a local marketing agreement executed in January 2014.



Mondee, Foster City, CA

CEO: Mitch Gross

Management Partnership/Platform Acquisition: September 2011

GTCR partnered with a team of travel and technology industry veterans in September 2011 to form Mondee, a technology-enabled travel distribution business. In April 2013, the company hired Mitch Gross, the former president of Travelex and COO of Travel Guard, to lead Mondee through the operational phase of its business plan. Mondee distributes discounted airline inventory, primarily to the ethnic offline travel agent market, utilizing proprietary technology to help travel agents access unique content and maximize their effectiveness when serving consumers.

In 2014, Mondee focused on key internal operational initiatives, including the implementation of new front-end systems to better serve its customers. With the successful completion of these initiatives in 2014, Mondee shifted its focus toward continued product innovation.

Rural Broadband Investments, Overland Park, KS

CEO: Phil Spencer

Management Partnership: October 2012 | Platform

Acquisition: April 2013 | Recent Acquisitions: March 2014, May 2014

GTCR partnered with CEO Phil Spencer, CFO Rod Siemers and CTO Ken Johnson in 2012 to form Rural Broadband Investments (“RBI”) to acquire cable systems in small and mid-sized communities. Mr. Spencer and his team have deep industry expertise through prior experience at Windjammer Communications and Everest Communications. Together, GTCR and RBI acquired NewWave Communications in April 2013 as RBI’s platform investment. NewWave is a rural cable provider serving approximately 90,000 customers in Illinois, Indiana, Missouri and Arkansas.



RBI continues to execute on its strategic plan. In 2014, RBI completed the acquisitions of City Cable from the City of Poplar Bluff and select systems from Cass Cable. The company also completed the sale of select systems in Nevada in October 2014.

RBI hired David Dane in August 2014 as chief operating officer and chief customer officer. Mr. Dane brings a wealth of cable industry expertise to the company from his prior role as chief operating officer of Atlantic Broadband. Going forward, RBI will continue to focus on upgrading systems, increasing residential high-speed broadband penetration and growing commercial services presence.

XIFIN, San Diego, CA

CEO: Lâle White

Platform Acquisition: July 2014



GTCR acquired XIFIN in July 2014. XIFIN is a market-leading SaaS provider of billing and reimbursement solutions to clinical diagnostic laboratories. As part of the transaction, GTCR partnered with founder and CEO Lâle White. XIFIN's technology platform enables end-to-end connectivity from patient to payor, linking together the many stakeholders in healthcare delivery and optimizing for the best business and patient outcomes. XIFIN's technology plays a critical role in a laboratory's financial performance; as a result, the company has a stable recurring revenue base with high renewal rates and a history of consistent growth.

The investment in XIFIN is the result of GTCR's experience in the laboratory industry and our proactive efforts in the clinical diagnostics and healthcare IT sectors. Notably, XIFIN represents GTCR's most recent investment within healthcare IT, a continued area of focus for the firm.

Zayo Group, Louisville, CO

CEO: Dan Caruso

Platform Acquisition: July 2012 | Initial Public Offering: October 2014 | Recent Acquisitions: July 2014, January 2015

GTCR partnered with CEO Dan Caruso and other senior executives of Zayo Group to finance the acquisition of AboveNet in July 2012. Mr. Caruso and his team have a demonstrated track record of value creation both at Zayo, which they built over the course of seven years and 30 acquisitions, and previously at ICG Communications and Level-3 Communications. Zayo is a leading provider of fiber-based bandwidth infrastructure services with a combined network of over 81,500 route miles, 16,000 on-net buildings and 288,000 billable square feet of co-location space, providing its services to enterprise, carrier and government customers.



2014 proved to be a pivotal year for Zayo. In October 2014, Zayo completed an IPO of 21 million shares of its common stock, or 10% of the company's fully diluted equity ownership, at a price of \$19.00 per share. GTCR retained its shares after the IPO.

In July 2014, Zayo closed its acquisition of Neo Telecoms, a Paris-based bandwidth infrastructure provider with 300 metro route miles, more than 500 on-net buildings and nine co-location centers across France. In July, Zayo closed its acquisition of AtlantaNAP, a standalone data center and co-location provider in Atlanta, GA. In January 2015, Zayo announced an agreement to acquire Latisys, a co-location and infrastructure as a service (“IaaS”) provider. The acquisition will expand Zayo’s data center portfolio to 45 facilities within the U.S., France and the United Kingdom.

TMT Capital Markets Activity Since March 2014



Zayo Initial Public Offering

- » Completed \$458 million initial public offering in October 2014. Primary proceeds used for general corporate purposes, including the redemption of outstanding indebtedness, acquisitions and capital expenditures.
- » GTCR remains the largest shareholder in the company and did not sell any shares in the offering.
- » Morgan Stanley, Barclays and Goldman Sachs served as lead underwriters.



Fairway Acquisition Financing

- » Completed \$50 million mezzanine debt financing, led by Newstone Capital, to fund the acquisition of Fairway in January 2015.



Financing of Zayo’s Acquisition of Latisys

- » In January 2015, Zayo closed a \$700 million senior notes offering to fund the acquisition of Latisys Holdings. The notes will mature in 2023.
- » Goldman, Sachs & Co., Barclays, Morgan Stanley and RBC Capital Markets served as joint bookrunning managers on the offering.



Financing of Cision's Acquisition of Gorkana

- » Completed \$235 million add-on to existing credit facility to fund Cision's acquisition of Gorkana Group in October 2014.
- » Add-on financing led by Credit Suisse.



Cision and Vocus Acquisition Financing

- » Completed a \$325 million first-lien and \$115 million second-lien term loan, led by Jefferies in May 2014, in connection with the acquisitions of Vocus and combination of Vocus with Cision.
- » Term loan structured as delayed draw; \$260 million drawn at close in conjunction with acquisition of Vocus, and \$180 million drawn as combination completed in October 2014.



XIFIN Acquisition Financing

- » In July 2014, a \$75 million credit facility was raised to finance the acquisition of XIFIN, comprised of \$65 million in term notes and \$10 million of revolving notes.
- » GE Capital and Pacific Western Bank served as joint lead arrangers and bookrunners.



Cision Acquisition Financing

- » A \$50 million first-lien term loan was raised in June 2014 to fund the acquisition of Cision.
- » Financing led by Bank of Montreal, Ally and Capital One.



Zayo Add-On to Term Loan Facility

- » In May 2014, Zayo amended its credit agreement and completed a \$275 million add-on to its term loan facility.
- » Proceeds were used to retire debt, to fund the acquisition of Neo Telecoms Group and for general corporate purposes.
- » Barclays, RBC Capital Markets and Morgan Stanley served as joint bookrunners.



Thesis Definition

GTCR identified the public relations (“PR”) software market through a multi-year proactive research effort focused on attractive vertical software markets. We observed the increasing importance of comprehensive PR software solutions, driven by the proliferation of new media distribution channels and resulting complexity of campaigns. Despite this complexity, no software provider offered a comprehensive platform for professionals to manage the lifecycle of a campaign. While several vendors offered suites with multiple PR campaign modules, the feature sets were increasingly commoditized, and roughly half of professionals opted for point solutions such as Google News over software suites.

Based on these observations, GTCR developed a two-pronged investment thesis to pursue consolidation opportunities in PR software: (i) realize substantial cost synergies from eliminating duplicative back-office, go-to-market and content costs and (ii) accelerate revenue growth by leveraging the relative strengths of each software platform and investing aggressively in both product development and tuck-in acquisitions.

Thesis Execution: Phase I

After a year closely monitoring Cision’s performance, GTCR proactively approached its board of directors in October 2013 with a take-private proposal. Cision was chosen as the initial target due to a strong leadership team led by CEO Peter Granat and its brand recognition among U.S. customers. The Cision transaction was announced in February 2014 and substantially completed in April 2014.

GTCR separately approached Vocus’ board of directors with a proposal to take the company private. This acquisition was signed several days after Cision’s acquisition was substantially completed and closed a month later in May. The combination of Cision and Vocus satisfied both prongs of GTCR’s investment thesis, with meaningful cost synergies and opportunities to combine both companies’ best-of-breed functionality into one platform.

GTCR appointed Peter Granat as CEO and Jack Pearlstein as CFO of the combined company. Cision marked the fifth GTCR portfolio company CFO role for Mr. Pearlstein, who previously served as CFO of Six3 Systems, Solera Holdings, DigitalNet Holdings and AppNet.

Thesis Execution: Phase II

Following the combination of Cision and Vocus, GTCR and management continued to pursue tuck-in acquisitions to address unmet customer needs. In September 2014, Cision acquired Visible Technologies, a leader in social media insight and engagement tools. Visible's social intelligence platform fit nicely with Cision's news media platform to create a channel-agnostic view for customers of earned and owned media performance. In October 2014, Cision acquired Gorkana Group, a UK provider of PR software and services. The Gorkana acquisition provided Cision with scale in one of the largest PR markets in the world and offered improved breadth of news content for international blue-chip customers.

The specific portfolio company identified is not representative of all portfolio companies. See the Appendix for a complete list of all investments in the Technology, Media & Telecommunications sector since 2007. Past performance is not a guarantee of future results, and there can be no assurance that any GTCR portfolio company will achieve comparable results or will be able to implement a desired strategy or objective. This information may not be used or relied upon for any investment purpose whatsoever and is not for existing or potential investors in any fund sponsored by GTCR or its affiliates. This information is for illustrative purposes only and GTCR expressly disclaims any obligation or undertaking to update or revise any information contained herein.

Spotlight: Acquisition of Fairway in Partnership with Adams Outdoor



Fairway: Investing in a Best-in-Class Management Team to Build a Leading Company

In January 2015, GTCR completed the acquisition of Fairway Media Group in partnership with Adams Outdoor Advertising. Fairway is one of the largest outdoor advertising companies in the U.S., operating approximately 20,000 bulletins, posters and digital billboard faces across key metro areas in the Southeast, Southwest and Midwest. The investment in Fairway illustrates GTCR's focus on leveraging The Leaders Strategy™ and finding creative ways to partner with outstanding management teams to acquire and grow market-leading companies.

Domain Expertise and Management Partnership as Key Differentiators

GTCR's partnership with Adams Outdoor and prior experience in the outdoor advertising industry contributed to our identifying Fairway as an attractive target and our successful completion of the transaction. GTCR was introduced to Adams Outdoor through our outdoor advertising and media space experience, including our successful investment in DeLite Outdoor Advertising. Since 1983, Adams Outdoor has been a preeminent provider of outdoor advertising solutions and has reinvented outdoor into the advertising medium of choice for its clients. CEO Kevin Gleason and CFO Abe Levine have successfully run the company for two decades and are widely regarded as best-in-class operators within the industry.

We identified Fairway as an attractive target with a hard-to-replicate network of high-quality outdoor advertising assets, largely located in attractive, growing southeastern markets. To further improve the equity value creation opportunities at Fairway, we proactively reached out to Adams Outdoor, Mr. Gleason and Mr. Levine to partner on the acquisition. Our unique partnership with Messrs. Gleason and Levine proved a key differentiator in the Fairway evaluation and due diligence process. Together, we found significant opportunities to enhance Fairway's strong customer relationships, optimize rate and occupancy among its billboards and continue investing in digital technology.

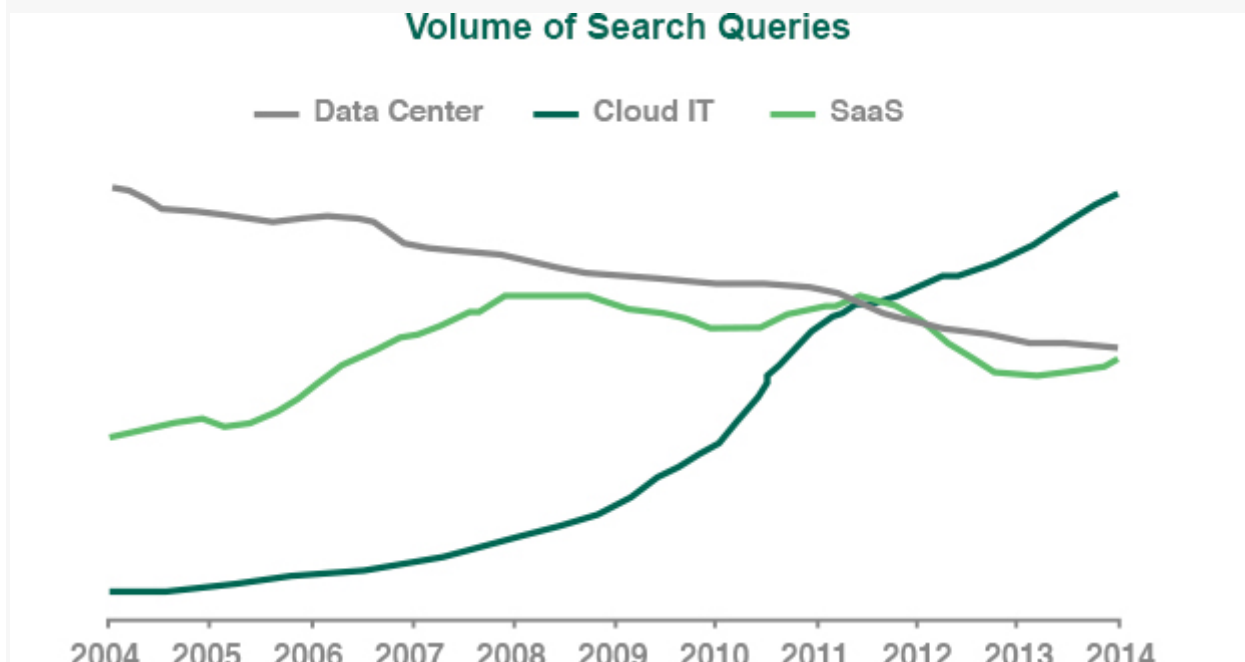
Creative Execution of The Leaders Strategy™

As a result of the transaction, Mr. Gleason, Mr. Levine and senior Adams Outdoor management will provide management oversight and day-to-day operational support. Adams Outdoor will also assume a minority ownership stake in the company. In partnership with Adams Outdoor, GTCR will seek to build upon Fairway's existing attractive asset base and leading market position, and further improve the company's sales, marketing and operational strategy to drive growth.

This investment represents another example of GTCR's execution of The Leaders Strategy™. We are enthusiastic about Fairway's prospects and look forward to continuing to build on the company's success with Adams Outdoor.

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TMT Spotlight Chart: Massive Shift from Data Center Co-location to the Cloud



Over the past nine years, there has been a massive shift in interest and spend from traditional data center and co-location to two “next-generation” computing alternatives—cloud infrastructure and SaaS. How do you think this trend will play out over the next five years, and which companies are best positioned to capitalize on it?

Source: Google Trends.

Note: Data Center represents sum of all queries for “data center” and “co-location” over the prior 52 weeks. Cloud IT represents sum of all queries for four notable cloud infrastructure providers, “Amazon Web Services,” “Google Cloud,” “Microsoft Azure” and “Rackspace,” over the prior 52 weeks. SaaS represents sum of all queries for “SaaS” and “software as a service” over the prior 52 weeks.

TMT Portfolio Company Executive Snapshot

Team Member Updates

Vice President

Neil Willis joined GTCR as a vice president in August 2014. Prior to joining GTCR, Neil worked as an associate at Clayton, Dubilier & Rice. Prior to his time at Clayton, Dubilier & Rice, he worked as an investment banking analyst at Morgan Stanley.

Neil holds an MBA from the Wharton School at the University of Pennsylvania, where he graduated as a Palmer Scholar, and a BA in economics with high honors from Dartmouth College, where he graduated *magna cum laude* and Phi Beta Kappa.

Associate

Pavel Gurevich joined GTCR as an associate in July 2014. Previously, he worked as an investment banking analyst in the Healthcare group at J.P. Morgan. Pavel graduated *magna cum laude* from Miami University with a BS in finance and supply chain and operations management.

Associate

Patrick Kissling joined GTCR as an associate in July 2014. He previously worked as an investment banking analyst in the General Industrials and Services group at Credit Suisse. Patrick graduated *summa cum laude* from the University of Notre Dame with a BBA in finance and a BA in Spanish.

Associate

Matt Louis joined GTCR as an associate in July 2014. Previously, he worked as an investment banking analyst in the Mergers and Acquisitions group at Bank of America Merrill Lynch. Matt graduated from Indiana University with a BS in finance and accounting.

Associate

King Leung will be staying for a third year.

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TMT Investments Since 2007

Avention

CAMP Systems

Cision

Classic Media

ExcelusHR

Global Traffic Network

Fairway

IQNavigator

Land Lease Group

Landmark Aviation

Merlin Media

Mondee

ReSurge

Rural Broadband Investments

Six3 Systems

XIFIN

Zayo Group

For a complete list of all active and prior GTCR portfolio companies, please visit www.gtcr.com.

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