



December 2009

Gorilla Nation, based in Los Angeles, California, is looking for small acquisitions which could, in turn, make the online advertising company an attractive target, President Brian Fitzgerald told this news service.

"We may look to merge with a similarly sized company to get revenues to a point where they would be meaningful," he said.

The private company, however, is not currently exploring a sale or public offering.

"Going public is not ideal. We're not looking to be a penny stock or do a reverse merger," Fitzgerald said.

The company is looking for vertically focused ad sales organizations in areas outside its core competency, such as health, travel and B2B, Fitzgerald said. Currently, Gorilla Nation's network of sites is focused on lifestyle and entertainment. Companies would ideally have USD 3m to USD 10m in annual revenue with five to 10 employees. Gorilla Nation is interested in both US and international acquisitions and would finance buys with cash and stock.

Gorilla Nation had 2008 revenues of USD 60.3m.

In 2007, the company raised USD 50m from Great Hill Partners and used the Jordan Edmiston Group as its financial advisor. It completed a smaller round with Great Hill a year later at a higher valuation, he said. Fitzgerald would not disclose the amount raised but said the private equity firm owned a "significant minority stake." The company is not looking for an additional capital raise, Fitzgerald said. Going forward, Gorilla Nation would conduct an M&A process internally.

Potential buyers for Gorilla Nation could include Internet companies and advertising agencies that have historically been acquisitive in the online advertising space, an industry banker said. These companies could include Google, which purchased DoubleClick for USD 3.1bn in 2007, WPP, which bought 24/7 Real Media in 2007 for USD 649m, as well as AOL and Microsoft.