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24/7 Real Media Buys Real Media Korea

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Online ad network 24/7 Real Media said yesterday it would pay \$21 million to buy Real Media Korea in order to bolster its presence in one of the world's fastest-growing Internet markets.

The deal calls for 24/7 Real Media, New York, to pay \$5 million in cash and 10.7 million shares in exchange for the 91.3 percent of RMK it does not already own. The company estimates the shares are worth about \$16 million. The acquisition is slated to close in a month.

With the purchase, RMK will offer the full suite of 24/7 Real Media offerings, including its Insight Web analytics software and search marketing tools. RMK already sells 24/7 Real Media's Open AdSystem suite of ad-serving products to buttress its ad network, which sells advertising on behalf of Web sites.

24/7 Real Media said the acquisition would give it a foothold in a key Internet market. South Korea boasts 26.3 million Internet users, with a world-best 94 percent having broadband connections, according to the International Telecommunications Union. Online advertising is expected to boom in the region, quadrupling by 2007.

24/7 Real Media said RMK is already profitable and is expected to return a \$1 million profit this year on about \$11 million of billings. Jae Woo Chung will stay as president of RMK.

"Our business lends itself very well to being a global business," said David Moore, chief executive of 24/7 Real Media. "We think that the Asia market is ripe for us to enter in a manner that can be profitable as well. We see this acquisition as a platform to launch into other areas of Asia."

24/7 Real Media has offices in six European countries.