

Riverside Platform Buys Proxy Solicitor D.F. King, PR Firm

By **Shasha Dai**

Financial Services

2/12/2008 – **Sage Holdings**, a platform entity controlled by the Riverside Co., has made the first two acquisitions since its 2007 launch, acquiring proxy solicitation outfit D.F. King & Co. and public relations firm M:Communications (London) Ltd.

Total enterprise value of the two deals stands at \$180 million, said Riverside Partner Kai Koppen.

Sage has said that it plans to spend about \$200 million in acquisitions during the first phase of its growth, according to a June 2007 announcement.

Riverside sourced the deals in part through the industry network of Sage Chief Executive Oliver Niedermaier, a technology entrepreneur who started a venture in the 1990s and later sold it to software vendor Computershare Ltd.

New York-based D.F. King, which also has an office in London, was controlled by a group of management shareholders, said Koppen. The company specializes in proxy contests and tender offers for corporate control. Its clients include Exxon Mobil Corp, Deutsche Telekom AG, Home Depot Inc. and Morgan Stanley, according to Riverside.

London-based M:Communications was owned by co-founders Hugh Morrison and Nick Miles, former executives of public relations outfit Financial Dynamics.

The acquisitions have helped the company establish footholds on both sides of the Atlantic, said Koppen. Sage will further expand its reach by seeking additional purchases in Asia and continental Europe.

Riverside zeroed in on the financial public relations and proxy advisory sector due to "increased shareholder activism and globalization" as well as heightened regulation around good corporate governance, Koppen said. "We'll see these trends speed up...rather than go away," he said.

Another factor that Koppen said prodded Riverside into launching a single platform is the

convergence of financial public relations and proxy advisory services over the last few years.

"Small- and mid-cap companies are seeking full-service providers...in one-stop shopping," he said. Bigger companies, meanwhile, also tend to "pick the best-of-breed" of service providers, which Sage seeks to acquire.

Equity investment in the two deals came from the EUR320 million Riverside Europe Fund III LP, which closed in July 2007.

Houlihan Lokey & Zukin Inc. advised D.F. King in the transaction.