

CoActive Marketing Group Acquires mktgpartners

Marketing Firms Combine to Elevate Alternative Marketing & Media Offering

NEW YORK, June 30, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- CoActive Marketing Group, Inc. (Nasdaq: CMKG) announced today that it has acquired privately-held mktgpartners. Both companies, based in New York, operate as full-service integrated marketing communications agencies and have core competencies ranging from brand strategy, digital marketing, consumer and trade activation, consumer promotions to experiential, sports, relationship and buzz marketing. The acquisition, which closed today, diversifies CoActive's client base, lessens client concentration, and is expected to be accretive to CoActive Marketing's earnings in its current fiscal year.

mktgpartners recorded \$14.1 million in gross sales and \$4.3 million in operating revenue in calendar 2007, and brings a strong team, premier clientele and rapidly growing business to the combined organization that reinforces and accelerates the strategies of CoActive. Founded in 2003, mktgpartners focuses on entertainment and sports marketing, experiential marketing and promotional media. Headquartered in New York, with additional offices in Chicago, San Francisco and Toronto, it supports a roster of some of the world's most recognizable brands including BIC, Boots, CBS, Jamba Juice, Nike VSP, and YouTube, among others.

CoActive Marketing Group announced results last week for its 2008 fiscal year (ended March 31, 2008), reporting gross sales of \$85.5 million, operating revenue of \$34.9 million, EBIT of \$2.9 million and fully diluted earnings per share of \$0.21. Fiscal 2008 results were a marked improvement over the previous year, reflecting 68% and 50% increases, respectively, in EBIT and fully diluted EPS, as CoActive transitioned its business to the delivery of integrated marketing programs and away from dependence on one-off events and promotions. These substantially improved results were realized despite a loss of \$0.04 per share in CoActive's first quarter of fiscal 2008 (ended June 30, 2007), which was primarily tied to the transition in business mix. The just-ended first quarter of fiscal 2009 is expected to show strong growth and solid profitability versus the first quarter of fiscal 2008.

CoActive Marketing Group, a 36-year-old company with 245 full-time and over 4,000 part-time employees, develops and manages integrated marketing programs designed to grow incremental sales and profits for national and local consumer products companies. In addition to its headquarters in New York, the company has offices in Chicago, Cincinnati and San Francisco, with a client roster that includes Coty, Diageo, Kikkoman, Nintendo, Pepsi, Procter & Gamble, and SAP, among others.

"It was apparent to us that mktgpartners was a great cultural fit and shared CoActive's vision of what is possible for brands that utilize alternative media and marketing to connect with consumers," said Charlie Tarzian, chief executive officer of CoActive Marketing Group. "We expect this strategic combination to immediately provide added value to clients, employees and shareholders, as well as exciting opportunities for the future."

"We fundamentally believe that the combination with CoActive Marketing Group addresses the client need to intrinsically link strong experiential and digital marketing capabilities to create human networks that connect to brands in meaningful ways," said Charlie Horsey, chief executive officer, mktgpartners. "We further believe that the combined organization will be able to better respond to our clients' desire to deliver high-value integrated programming that is scalable, measurable and contextually relevant."

Mr. Tarzian will remain chief executive of CoActive Marketing Group, and Mr. Horsey has been named CoActive's division president for entertainment, sports and events.

The consideration for the acquisition consisted of \$3.25 million in cash, and 332,226 shares of CoActive Marketing Group common stock, valued at \$1,000,000. Also in connection with the acquisition, CoActive issued 166,113 shares of restricted CMKG Common Stock, valued at \$500,000, to certain employees of mktgpartners who joined CoActive. Those shares, 42% of which were issued to Mr. Horsey, vest annually in equal installments over five years.

On June 26, 2008, CoActive closed on a \$5,000,000 senior secured credit facility with Sovereign Bank, consisting of a \$2,500,000 three-year revolving credit facility and a \$2,500,000 three-year term loan. CoActive used the proceeds of the term loan together with cash on hand to fund the cash portion of the purchase price for the mktgpartners acquisition.

About CoActive Marketing Group, Inc.

CoActive Marketing Group, Inc. (Nasdaq: CMKG) is an integrated marketing communications agency. The company's services include buzz and viral marketing, social media and consumer generated media, relationship marketing, experiential marketing,

event marketing, and multi-cultural and urban marketing. CoActive Marketing's programs help its clients profitably connect with consumers and create brand advocates. For more information, please visit www.cmkg.com.

About mktgpartners

mktgpartners is an integrated marketing communications agency specializing in entertainment and sports marketing, concept development, creative services, experiential marketing and promotional media. For more information, visit www.mktgpartners.net.

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