

Attachment A

Demand Media

DMD

11-Feb-11

| Dec YE                 | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | DMD     | Ticker          |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------|
| YoY Change \$          |         | 28.2    | 51.6    | 75.0    | 100.0   | 125.0   | 125.0   | 125.0   | 200.0   | Nasdaq  | Exchange        |
| Total Revenue          | \$170   | \$198   | \$250   | \$325   | \$425   | \$550   | \$675   | \$800   | \$1,000 | 26%     | Rev Growth      |
| YoY Growth             |         | 16.6%   | 26.0%   | 30.0%   | 30.8%   | 29.4%   | 22.7%   | 18.5%   | 25.0%   | \$17.00 | Current Price   |
| COGS %                 | 57.7%   | 57.7%   | 48.0%   | 47.7%   | 47.0%   | 47.0%   | 47.0%   | 47.0%   | 47.0%   | 83.0    | Shares Out      |
| COGS \$                | \$98.2  | \$114.5 | \$120.0 | \$155.0 | \$199.8 | \$258.5 | \$317.3 | \$376.0 | \$470.0 | 1%      | Avg. Dilution   |
| Gross Profit           | \$72.0  | \$83.9  | \$130.0 | \$170.0 | \$225.3 | \$291.5 | \$357.8 | \$424.0 | \$530.0 | \$1,411 | Cap (M)         |
| Gross Margin           | 42.3%   | 42.3%   | 52.0%   | 52.3%   | 53.0%   | 53.0%   | 53.0%   | 53.0%   | 53.0%   | \$40    | Cash            |
| S&M %                  | 9.0%    | 10.1%   | 9.6%    | 9.4%    | 9.2%    | 9.0%    | 8.8%    | 8.6%    | 8.4%    | \$0     | Debt            |
| S&M \$                 | \$15.3  | \$20.0  | \$24.0  | \$30.55 | \$39.10 | \$49.50 | \$59.40 | \$68.80 | \$84.00 | 30%     | Tax Rate        |
| R & D %                | 8.4%    | 10.9%   | 10.0%   | 10.0%   | 9.8%    | 9.6%    | 9.4%    | 9.2%    | 9.0%    | 22.5    | P/E Multiple    |
| R & D \$               | \$14.3  | \$21.7  | \$25.0  | \$32.50 | \$41.65 | \$52.80 | \$63.45 | \$73.60 | \$90.00 | 15%     | Discount Rate   |
| G & A %                | 16.5%   | 14.4%   | 14.4%   | 14.0%   | 13.5%   | 13.0%   | 12.5%   | 12.0%   | 11.5%   |         |                 |
| G & A \$               | \$28.1  | \$28.5  | \$36.0  | \$45.5  | \$57.4  | \$71.5  | \$84.4  | \$96.0  | \$115.0 |         |                 |
| Operating Margin       | 8.4%    | 6.9%    | 18.0%   | 18.9%   | 20.5%   | 21.4%   | 22.3%   | 23.2%   | 24.1%   | \$29.59 | Intrinsic Value |
| Operating Income       | \$14    | \$14    | \$45    | \$61    | \$87    | \$118   | \$151   | \$186   | \$241   | 74%     | Up/Downside     |
| Taxes                  | \$4.3   | \$4.1   | \$13.5  | \$18.4  | \$26.1  | \$35.3  | \$45.2  | \$55.7  | \$72.3  |         |                 |
| Tax Rate               | 30%     | 30%     | 30%     | 30%     | 30%     | 30%     | 30%     | 30%     | 30%     |         |                 |
| Net Income             | \$10    | \$10    | \$32    | \$43    | \$61    | \$82    | \$105   | \$130   | \$169   |         |                 |
| Net Margin             | 6%      | 5%      | 13%     | 13%     | 14%     | 15%     | 16%     | 16%     | 17%     |         |                 |
| Market Value Using P/E | \$226   | \$216   | \$709   | \$968   | \$1,372 | \$1,854 | \$2,371 | \$2,923 | \$3,796 |         |                 |
| Cash Position          |         |         | \$40    | \$83    | \$144   | \$226   | \$332   | \$462   | \$630   |         |                 |
| Shares (M)             | 83      | 83      | 84      | 85      | 86      | 86      | 87      | 88      | 89      |         |                 |
| Period Share Price     | \$3     | \$3     | \$8     | \$11    | \$16    | \$21    | \$27    | \$33    | \$43    |         |                 |
| PV of MV 4 Years Out   | \$785   | \$1,060 | \$1,355 | \$1,671 | \$2,170 |         |         |         |         |         |                 |
| PV of Cash 4 Years Out | \$82    | \$129   | \$190   | \$264   | \$360   |         |         |         |         |         |                 |
| PV MV + Cash           | \$867   | \$1,189 | \$1,545 | \$1,935 | \$2,531 |         |         |         |         |         |                 |
| PV Value Per Share     | \$10.44 | \$14.33 | \$18.43 | \$22.86 | \$29.59 |         |         |         |         |         |                 |