

InMotion Pictures Acquisition of Altitunes December 2004

About InMotion Pictures

InMotion Pictures (“InMotion” or “the Company”) operates as a travel entertainment retailer for DVDs, portable electronics and accessories. The Company operates retail kiosks and stores in most major domestic airports and offers portable DVD players and DVD sales and rentals for airline travelers.

Transaction Background

The management team from InMotion Pictures met with Mercanti to discuss acquisition and financing opportunities. The Company was interested in expanding its geographic footprint and believed that Mercanti had the consumer retailing expertise to find the best partner to fit its needs.

Transaction Process

Management from InMotion previously held discussions with Altitunes, another airport retailer, about a possible combination. Prior to submitting an offer, Mercanti worked with InMotion to develop a sophisticated financial model to fit the needs of a potential transaction with Altitunes. Mercanti advised InMotion in structuring the transaction on terms favorable to the Company. Mercanti also assisted InMotion in negotiating the financing with its largest shareholder which funded the cash portion of the transaction consideration.

Successful Transaction Outcome

The deal brought together the combined 53 airport retail locations of InMotion and Altitunes with combined revenue of approximately \$40 million. Additionally, the acquisition allowed InMotion to add music and music-related offerings to their 26 U.S. airport locations, creating a powerful, in-demand retailing concept. The Company has an aggressive rollout schedule targeting a network of 150 locations within the next five years.



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