

SagePoint Software & Services 125

Q1 2010 Performance Review

An Analysis of Public Communications, Internet and
IT Infrastructure Software & Services Companies
from a Valuation and M&A Perspective

June 2010

Prepared By:



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- SagePoint expanded its coverage universe from 350 companies to 400 companies to include a broader set of Communications, Internet and IT Infrastructure companies
- For Software specifically, SagePoint expanded the universe to include Data Management & Infrastructure and Security and broadened Network & App Mgt to Network & Systems Mgt, LBS to Mobile & LBS Applications and Content Distribution & Delivery to Mobile/Web Content & Games
- New companies added in the Data Management & Infrastructure segment
 - Autonomy, CommVault, IBM, Informatica, MicroStrategy, Netezza, Oracle, Red Hat, SAP, Software AG, Teradata, Tibco, VMware
- New companies added in the Security segment
 - ArcSight, Check Point, Commtouch, Fortinet, F-Secure, McAfee, SonicWALL, Sourcefire, Symantec, Trend Micro, Utimaco, Verisign, Wave Systems, Websense
- Changes to existing segments
 - Network & Systems Mgt - Added BMC, Compuware, Progress Software, Quest Software, SolarWinds and Dropped InfoVista, PCTEL
 - Carrier Back Office - Billing Services
 - Messaging & Conferencing - Dropped EasyLink
 - VoIP & Voice Applications - Dropped Chordiant, CounterPath
 - Connectivity & Mobility - Added Aplix and Dropped iPass
 - Mobile/Web Content & Games - Added Changyou.com, Giant Interactive, Netease.com, Perfect World and Dropped Buongiorno, Kongzhong
 - Portals & Social Networks - Dropped TheKnot
 - Search & Marketing Services - Dropped Melbourne IT

SagePoint Software & Services 125 Universe

		Market Segment											
		Network & Systems Mgt	Data Mgt & Infrastructure	Security	Carrier Back Office	Messaging & Conferencing	VoIP & Voice Applications	Video / Multimedia	Connectivity & Mobility	Mobile & LBS Applications	Mobile/Web Content & Games	Portals & Social Ntwks	Search & Mktg Services
1	Access Co								X				
2	Adobe							X					
3	Akamai										X		
4	Amdocs				X								
5	Ancestry.com											X	
6	AOL										X	X	
7	Aplix								X				
8	ArcSight			X									
9	AsialInfo				X								
10	Autonomy	X											
11	Avid							X					
12	Baidu										X	X	
13	Bitstream								X				
14	BMC	X											
15	CA	X											
16	Changyou.com										X		
17	Check Point			X									
18	Citrix		X						X				
19	ClickSoftware									X			
20	Commtouch			X									
21	CommVault		X										
22	Compuware	X											
23	comScore											X	
24	Constant Contact					X							
25	Convergys				X								
26	CSG Systems				X								
27	CyberLink							X					
28	Daum Comm.										X		
29	DG FastChannel											X	
30	DigiCore									X			
31	Digital River									X			
32	DigitalGlobe									X			

		Market Segment											
		Network & Systems Mgt	Data Mgt & Infrastructure	Security	Carrier Back Office	Messaging & Conferencing	VoIP & Voice Applications	Video / Multimedia	Connectivity & Mobility	Mobile & LBS Applications	Mobile/Web Content & Games	Portals & Social Ntwks	Search & Mktg Services
33	DivX							X					
34	Dolby							X					
35	DTS							X					
36	Enghouse Systems						X						
37	Fortinet				X								
38	F-Secure				X								
39	Giant Interactive										X		
40	Global IP						X						
41	Google												X
42	Gree											X	
43	IAC/InterActive											X	X
44	IBM				X								
45	Index Holdings										X		
46	Informatica			X									
47	InfoSpace												X
48	Infraware								X				
49	Intec Telecom				X								
50	Interactive Intel.						X						
51	Intermap									X			
52	Ituran									X			
53	j2 Global						X						
54	Keynote Systems	X											
55	Limelight Ntwks										X		
56	LivePerson					X							
57	LogMeIn								X				
58	Marchex												X
59	McAfee				X								
60	Meetic					X						X	
61	Microsoft		X			X							
62	MicroStrategy		X										
63	Mixi											X	
64	Myriad								X				

SagePoint Software & Services 125 Universe – Continued

		Market Segment											
		Network & Systems Mgt	Data Mgt & Infrastructure	Security	Carrier Back Office	Messaging & Conferencing	VoIP & Voice Applications	Video / Multimedia	Connectivity & Mobility	Mobile & LBS Applications	Mobile/Web Content & Games	Portals & Social Ntwks	Search & Mktg Services
65	NEOWIZ										X		
66	Netease.com										X		
67	Netezza		X										
68	NetScout	X											
69	NeuStar				X								
70	Neutral Tandem				X								
71	NHN											X	
72	NICE Systems						X						
73	Novell	X											
74	Nuance					X							
75	Openwave					X			X				
76	Opera								X				
77	OPNET Tech.	X											
78	Oracle		X										
79	Perfect World									X			
80	Premiere Global					X							
81	Progress Software	X											
82	Quest Software	X											
83	RealNetworks									X			
84	Red Hat		X										
85	Rovi							X					
86	SAP		X										
87	SeaChange							X					
88	Shanda Games									X			
89	Shutterfly										X		
90	Sina										X		
91	Smith Micro								X				
92	Software AG		X										
93	Sohu.com											X	
94	SolarWinds	X											
95	Sonic Solutions							X					

		Market Segment											
		Network & Systems Mgt	Data Mgt & Infrastructure	Security	Carrier Back Office	Messaging & Conferencing	VoIP & Voice Applications	Video / Multimedia	Connectivity & Mobility	Mobile & LBS Applications	Mobile/Web Content & Games	Portals & Social Ntwks	Search & Mktg Services
96	SonicWALL			X									
97	Sourcefire			X									
98	SRS Labs							X					
99	Sybase		X						X				
100	Symantec			X									
101	Synchronoss				X								
102	Syniverse				X								
103	TCS									X			
104	TechTarget												X
105	Teleperformance				X								
106	TeleTech				X								
107	Tencent									X			
108	Teradata		X										
109	Tibco		X										
110	TNS				X								
111	TradeDoubler												X
112	Trend Micro			X									
113	Universo Online											X	
114	Utimaco			X									
115	ValueClick												X
116	Verisign			X									
117	VIZRT							X					
118	VMware		X										
119	Wave Systems			X									
120	Websense			X									
121	Webtech									X			
122	XATA									X			
123	XING											X	
124	Yahoo Japan											X	X
125	Yahoo!											X	X

SagePoint's Viewpoint - Key Takeaways

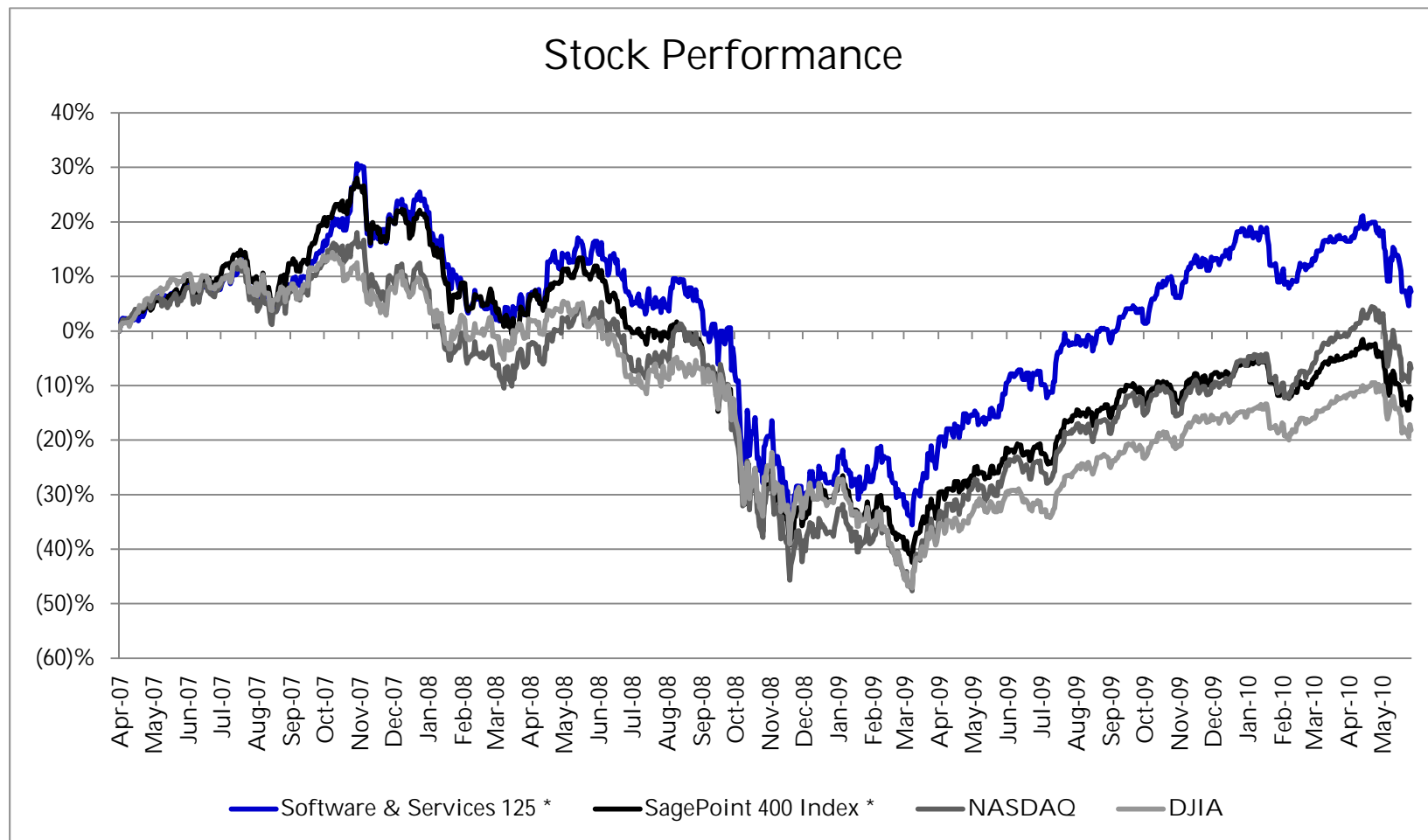
- Software & Services 125 performed well throughout Q1 but European economic concerns hit stocks in late April and left the Software & Services 125 down 10.3% from the beginning of Q1
 - Software & Services 125 companies posted a median drop of 3.3% since the beginning of Q1
 - Video/Multimedia and Connectivity & Mobility managed gains of 5.6% and 1.5%, respectively
 - Mobile & LBS Apps and Carrier Back Office both had double digit declines
- The vast majority of Software & Services companies are consistently delivering on expectations
 - 84% of the Software & Services 125 met or beat Q4 revenue targets while 68% met or beat EPS targets
 - Most Q1 surprises are positive with 19% beating EPS targets by 20% or more, however some companies continue to struggle with 13% missing by more than 20%
- The Software & Services 125 posted double digit median revenue growth for the first time in six quarters
 - Median revenue growth was 16.5% in Q1 and is expected to continue at 11% over the next twelve months
 - VoIP & Voice Applications segment projects the largest growth at 18% with Mobile & LBS Applications and Mobile/Web Content & Games close behind at 16%
- Median EPS growth decreased considerably in Q1 but still remains in the double digits at 15.4%
 - 22 companies posted EPS contraction despite revenue growth as vendors increased opex to fuel growth
 - Search & Marketing Services led median EPS growth at 61% with VoIP & Voice Applications and Video/Multimedia next in line at 38% and 29% growth, respectively
 - Mobile & LBS Applications lagged, down 40%, while and Portals & Social Networks were up just 1%
 - Median NTM EPS growth of 12% is projected with Video/Multimedia segment leading at 43% growth

SagePoint's Viewpoint - Key Takeaways Continued

- Software & Services 125 vendors began to spend again in Q1 to fuel innovation & growth
 - Median gross margins remained flat at 70.5%, near a three year high
 - Median R&D spending as a % of revenues rose to 13.9% from a 3 year low in Q4 as investment returned
 - Median SG&A increased to 37.7% of revenues from a 3 year low in Q4 as most vendors increased spending to fuel growth
 - Median net margins fell to 13.2% from a 3 year high in Q4
- Valuation multiples had stabilized until concerns around European economic uncertainty sent stock prices falling driving multiples 35-45% below their 2007 peak
 - Median LTM revenue multiple of 2.6x is 37% off the 2007 peak
 - Median LTM P/E multiple of 18.2x remains 45% off 2007 levels
 - Data Mgt & Infrastructure and Security segments command premium revenue and P/E multiples while Search & Marketing Services and Connectivity & Mobility trade at premium NTM P/E multiples
- M&A activity remained steady in Q1 and SagePoint expects continued deal activity in 2010
 - Notable Q1 deals included CA/Nimsoft (\$350M), Apple/Quattro Wireless (\$275M), Open Market/ MX Telecom (\$104M), Nokia/Novarra (\$100M), VMware/Zimbra (\$100M), Oracle/Convergin (\$85M), Shanda/Mochi Media (\$80M) and Google/Aardvark (\$50M)
 - With 36% of the Software & Services 125 below \$200 million in LTM revenues and 54% at market caps below \$1 billion, the sector remains fragmented which should be a catalyst for further consolidation
 - Hundreds of private Web 2.0 and mobile software and services companies will be looking for exits
 - Buyers may increasingly need to look outside for revenue growth as organic growth is slow to return

SagePoint Software & Services 125 Index Performance

- The Software & Services 125 has outperformed over the past three years due to H2'09 rally
- Concerns surrounding European economic stability resulted in a 10.3% decline since Q1 start
- Since beginning of Q1 Software & Services 125 has underperformed the SagePoint 400 (-6.1%), Nasdaq (-0.5%) and Dow Jones (-2.4%)

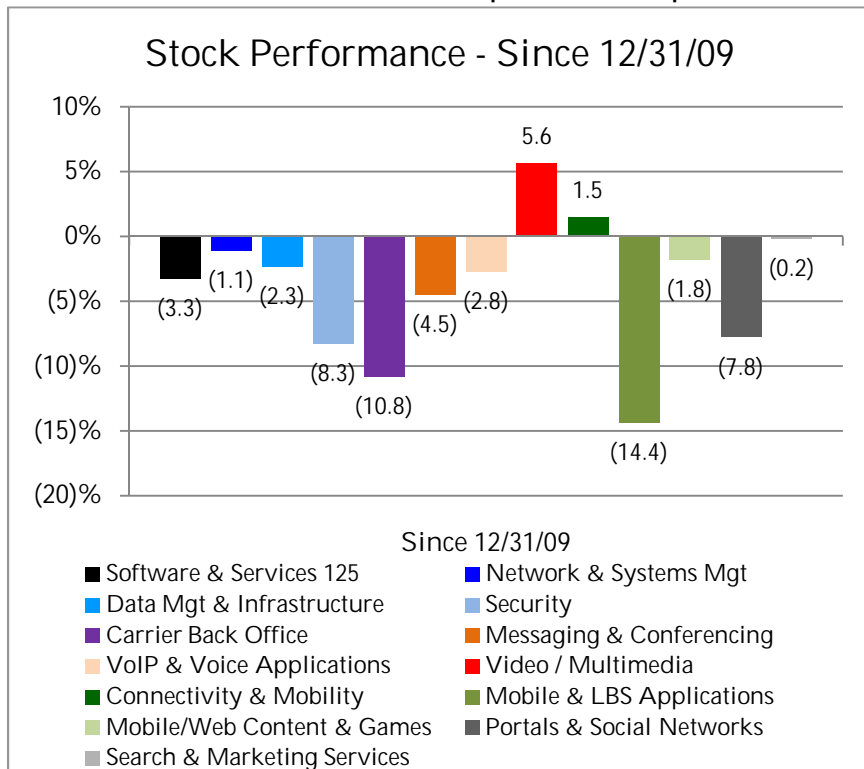


* Market Value weighted index

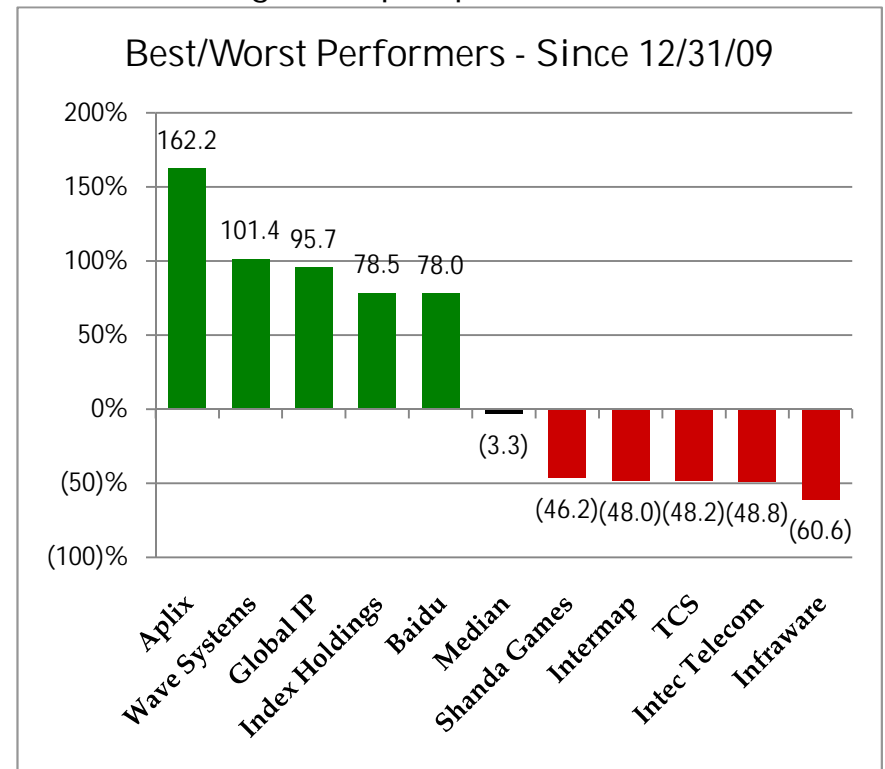
SagePoint Software & Services 125 – Q1 2010

Stock Performance Since Beginning of Q1

- The SagePoint Software & Services 125 slipped, down 3.3% amid European economic concerns
 - Video/Multimedia and Connectivity & Mobility managed gains of 5.6% and 1.5%, respectively
 - Mobile & LBS Apps and Carrier Back Office both had double digit declines
- Aplix gained 162% since the start of the year, posting triple digit revenue and earnings growth
 - Wave Systems posted 60% EPS growth while Index posted 100+% EPS growth despite declining revenue
 - Global IP shares surged on a well received follow-on offering and again on acquisition announcement
 - Baidu continues to outperform expectations with excellent future growth prospects



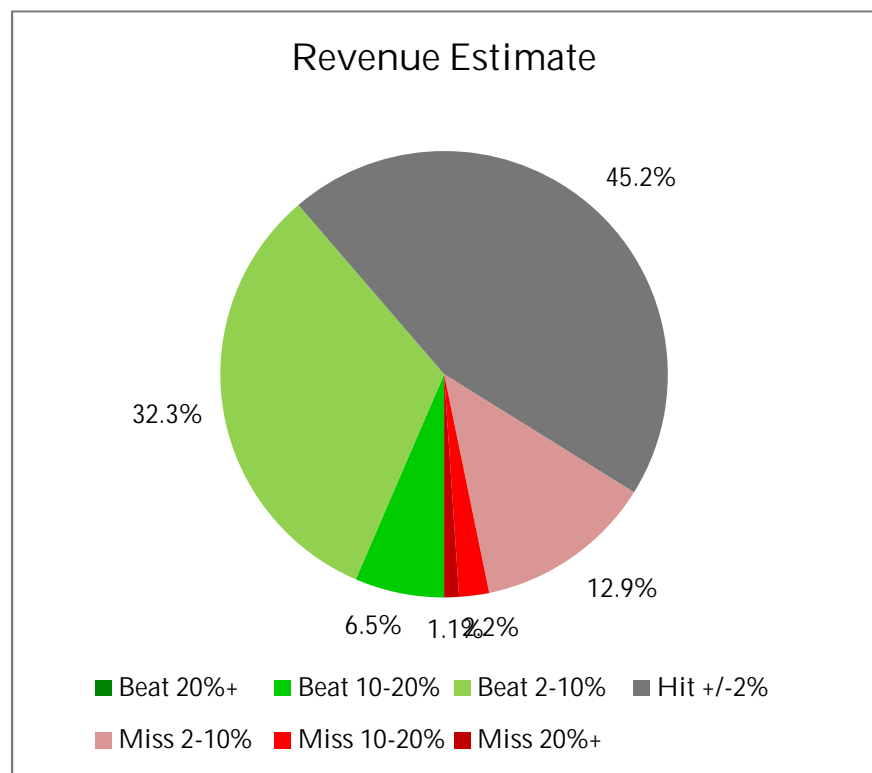
Source: SagePoint Advisors & Capital IQ



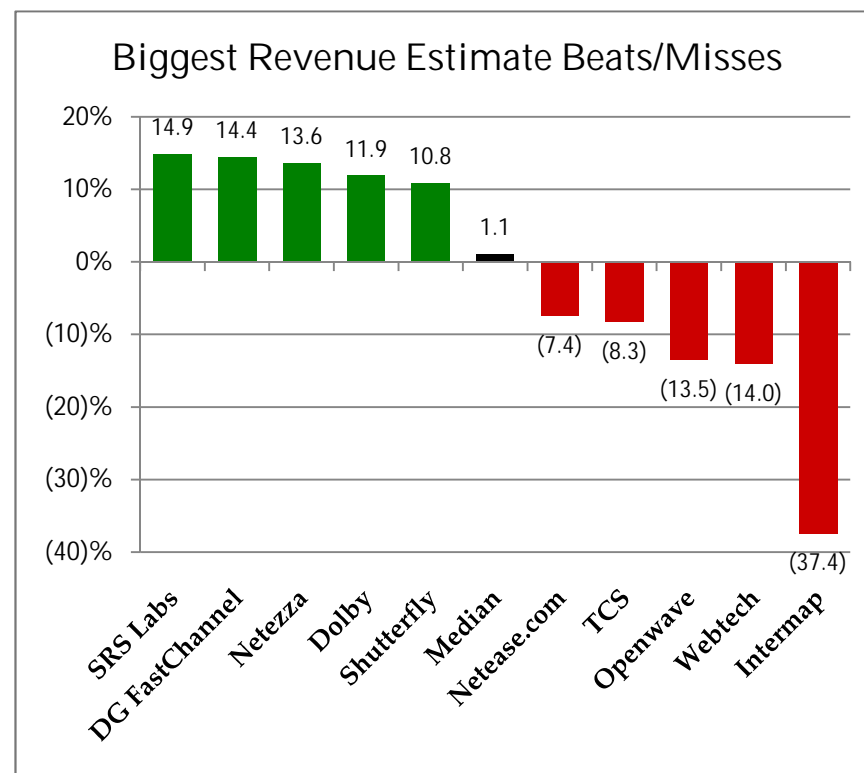
Source: SagePoint Advisors & Capital IQ

Q1 Performance Versus Analyst Estimates – Revenue

- More positive news again this quarter as 84% of the Software & Services 125 met or beat revenue estimates with 40% beating expectations versus 16% missing targets
 - SRS Labs, DG FastChannel, Netezza, Dolby and Shutterfly beat by 10-15%
- Intermap continues to miss significantly as the company struggles to transition from a fee for service to licensing model



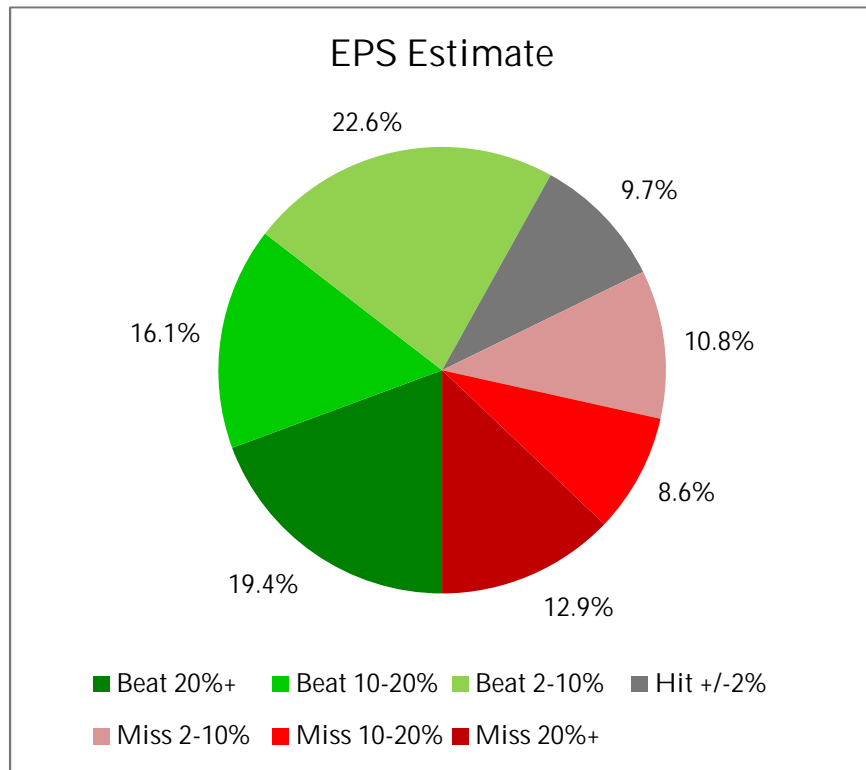
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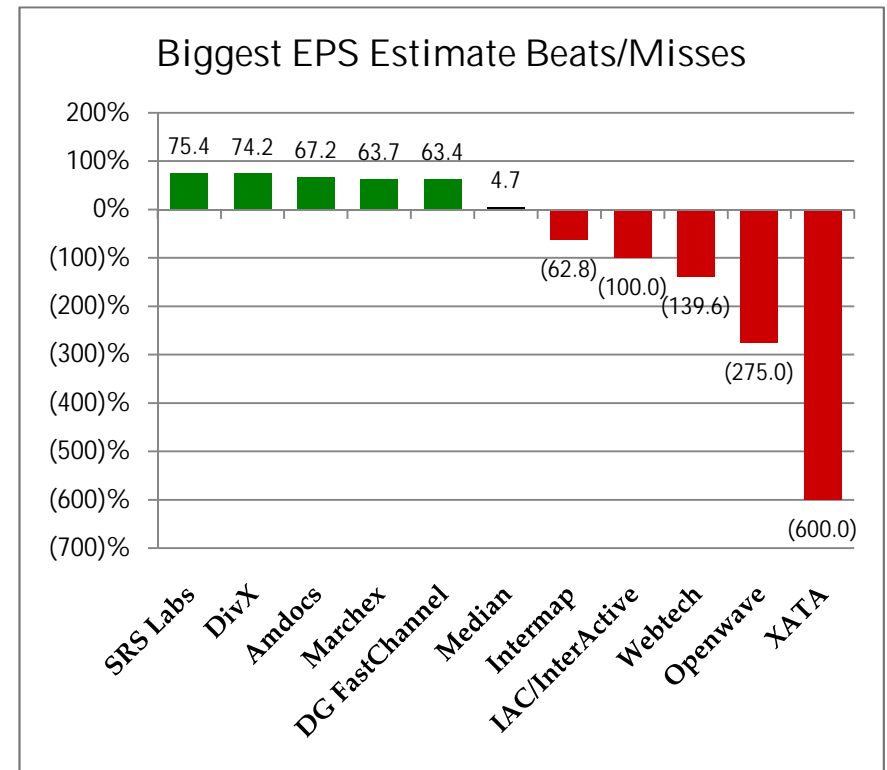
Source: SagePoint Advisors & Capital IQ

Q1 Performance Versus Analyst Estimates – EPS

- 68% of Software & Services 125 met or beat EPS estimates with 19% beating by more than 20%
 - SRS Labs beat due to high margins on catch up royalty payments
 - DivX revenue beat drove EPS surprise as emerging products outpace decline in DVD
 - Marchex, DG FastChannel and OPNET posted better than expected revenue and margin improvements
 - XATA's EPS miss was due to a revenue shortfall coupled with preferred dividend and refinancing costs
 - Openwave results came in below expectations in a typically weak quarter due to two slipped deals from top customers but outlook remains positive as the turnaround continues



Source: SagePoint Advisors & Capital IQ

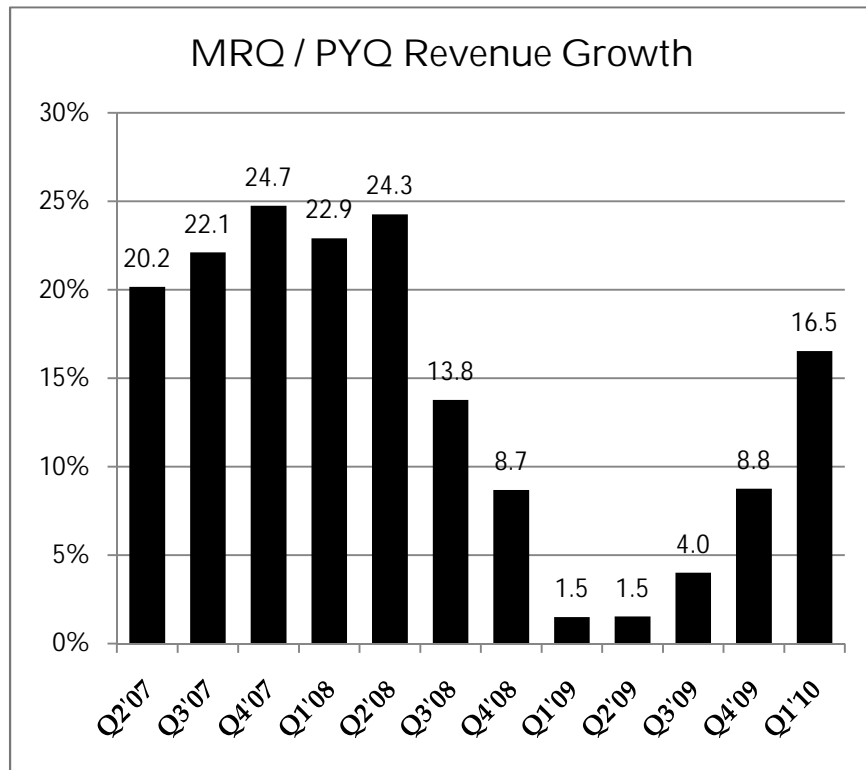


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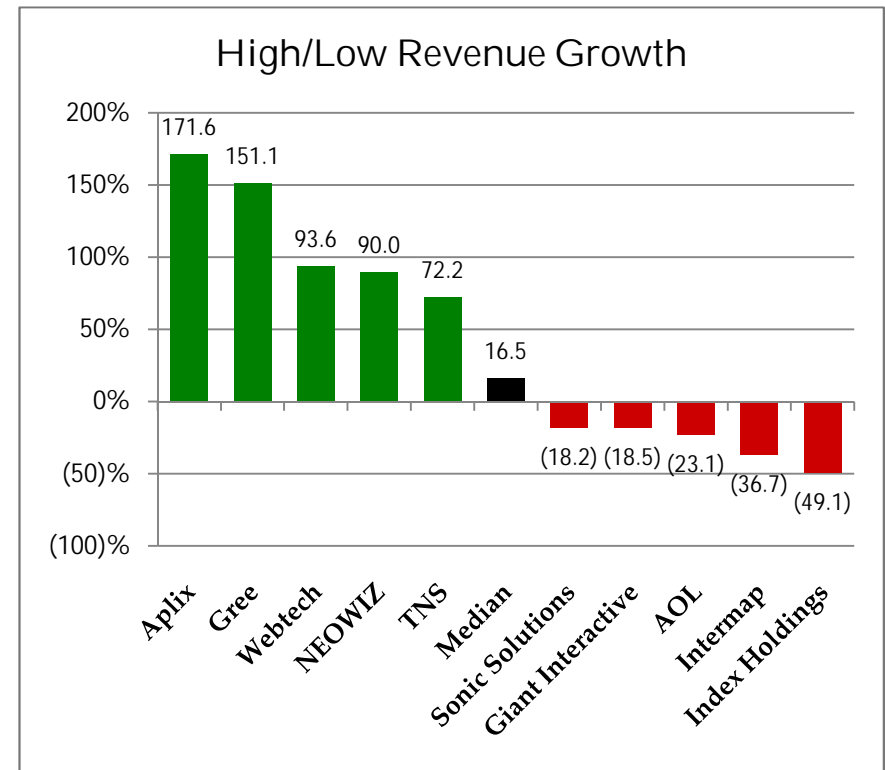
Note: Excludes companies projected to have a net margin between -1% and 1%

Operating Metrics – Revenue Growth

- Software & Services 125 posted double digit median revenue growth for the first time in 6 quarters
 - Aplix led revenue growth at 171.6% with Gree close behind at 151% on virtual gift sales
 - Webtech’s growth was buoyed by the acquisition of Grey Island
 - NEOWIZ grows on continued strength in games, particularly with overseas expansion going well
 - Index Holdings’ revenue contraction due to restructuring and sale of subsidiaries
 - Intermap revenue fell as the company struggles to transition its business model



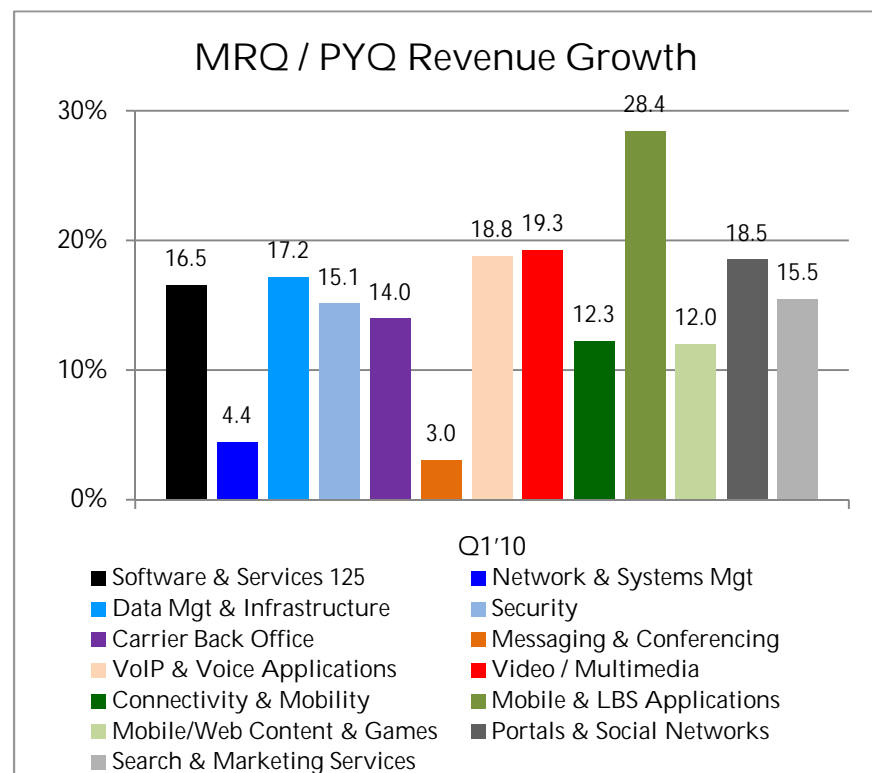
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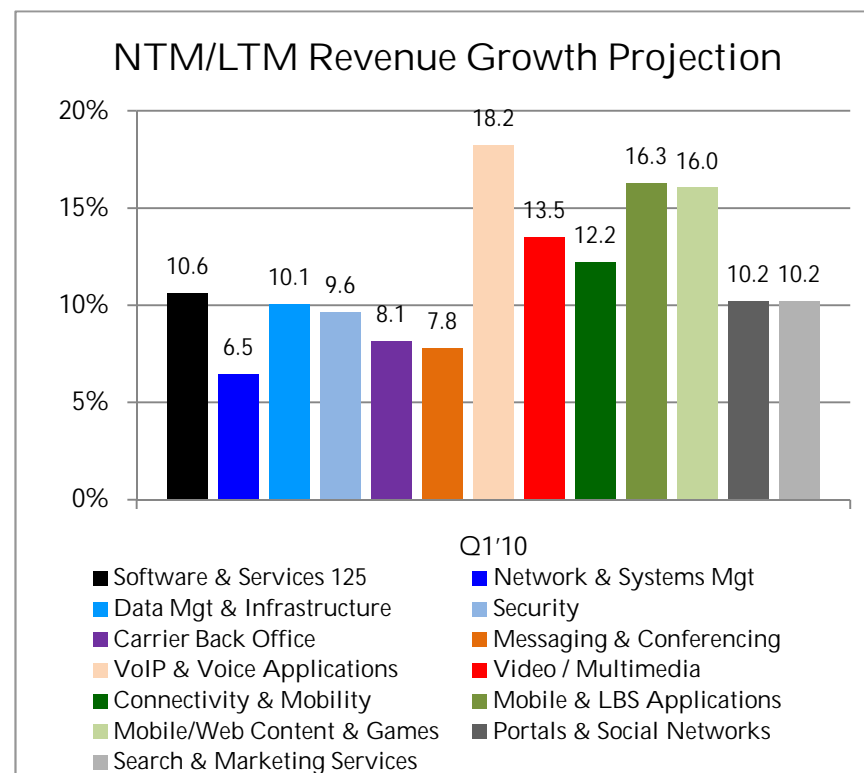
Source: SagePoint Advisors & Capital IQ

Operating Metrics – Revenue Growth by Segment

- Mobile & LBS outperformed strongly again this quarter with VoIP & Voice Applications, Video/Multimedia and Portals & Social Networks outperforming slightly
- Median NTM revenue growth of 10.6% is projected for the Software & Services 125
 - VoIP & Voice Applications segment projects the largest growth at 18% with Mobile & LBS Applications and Mobile/Web Content & Games close behind at 16%
 - Network & Systems Mgt, Carrier Back Office and Messaging & Conferencing are expected to lag at 6-8% growth



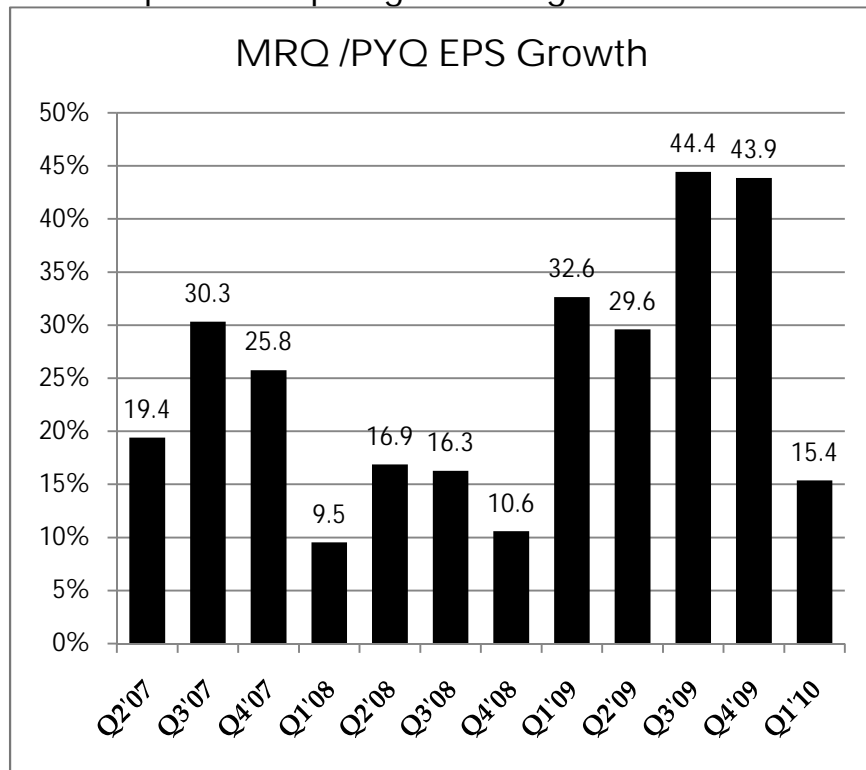
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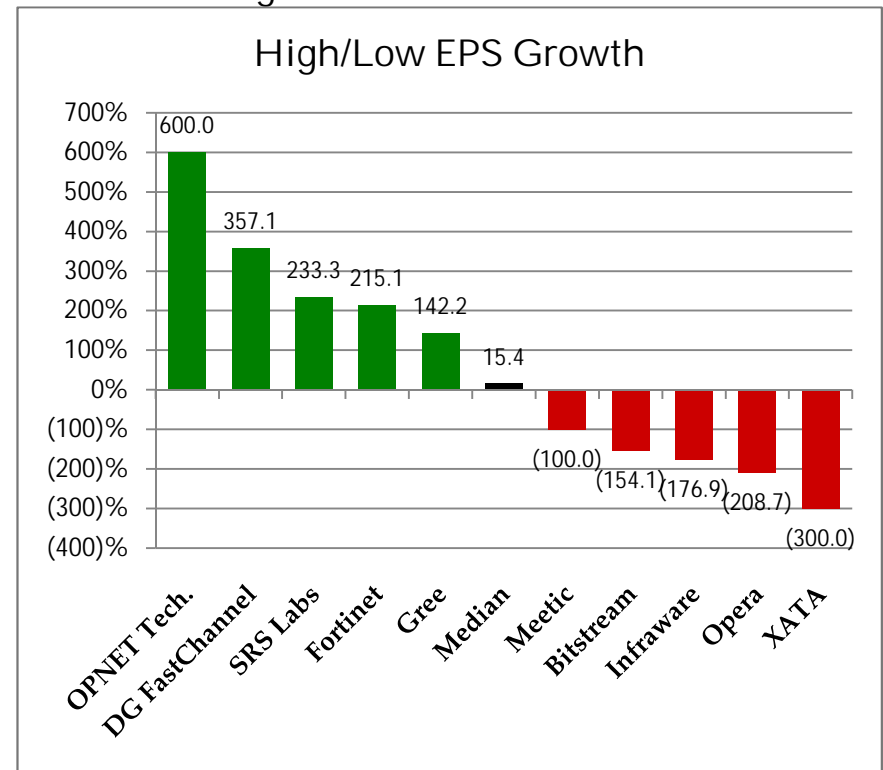
Operating Metrics – EPS Growth

- Median EPS growth for the Software & Services 125 decreased considerably in Q1 but still remains in the double digits
 - 21 companies posted revenue contraction and another 22 companies posted EPS contraction despite revenue growth as many vendors began to increase opex again to fuel growth
 - OPNET, DG FastChannel and Fortinet’s EPS Growth was due to revenue growth and expanding margins while SRS Labs’ EPS Growth was from catch up royalty payments
 - XATA’s revenue miss, preferred dividend and refinancing expenses hit the bottom line hard while Opera’s drop in gross margin and increased opex resulted in strong EPS contraction



Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with a net margin between -1% and 1% in the PYQ

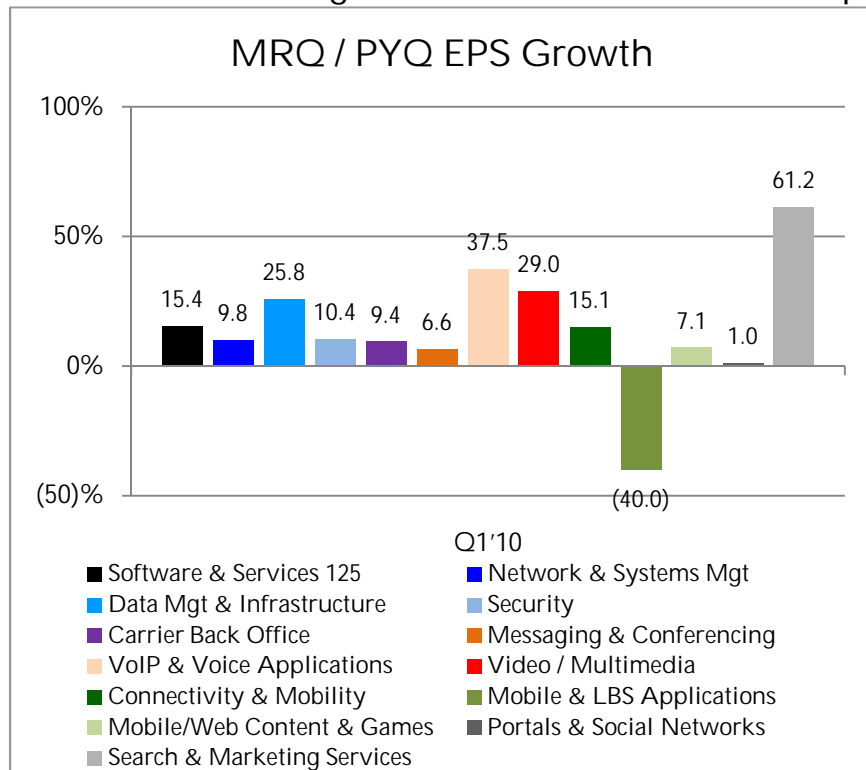


Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with a net margin between -1% and 1% in the PYQ

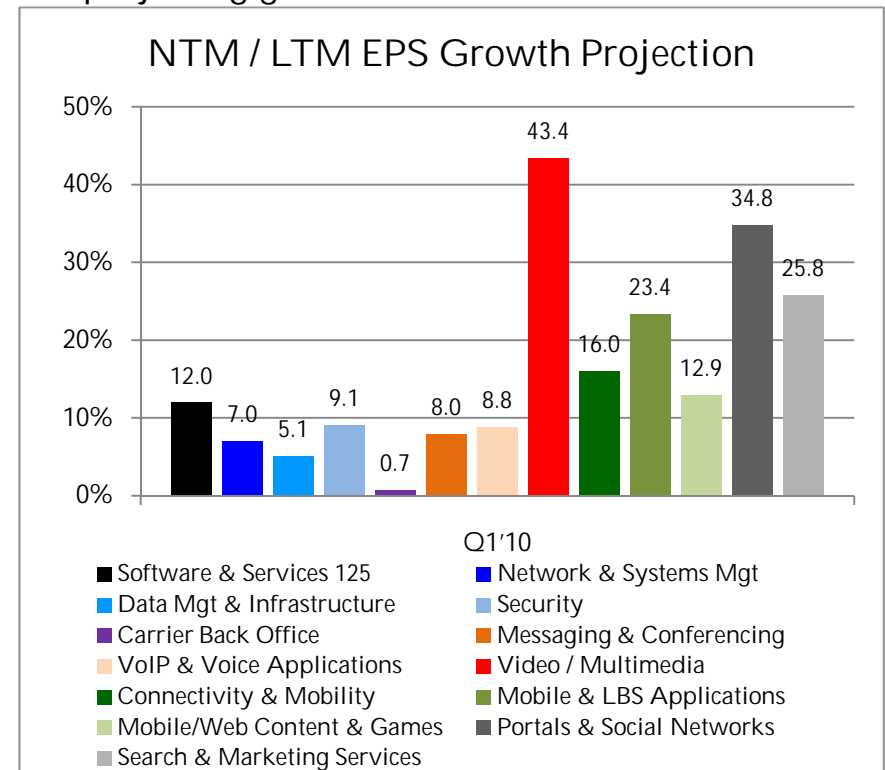
Operating Metrics – EPS Growth by Segment

- Search & Marketing Services led EPS growth at 61% with VoIP & Voice Applications and Video/Multimedia segments next in line at 38% and 29%, respectively
- Mobile & LBS Applications was the biggest loser, down 40% though Portals & Social Networks showed minimal growth
- Double digit growth is expected over the next twelve months
 - Video/Multimedia segment is projecting 43% median growth with Portals & Social Networks, Search & Marketing Services and Mobile & LBS Applications projecting growth of 2-3x the median



Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with a net margin between -1% and 1% in the PYQ

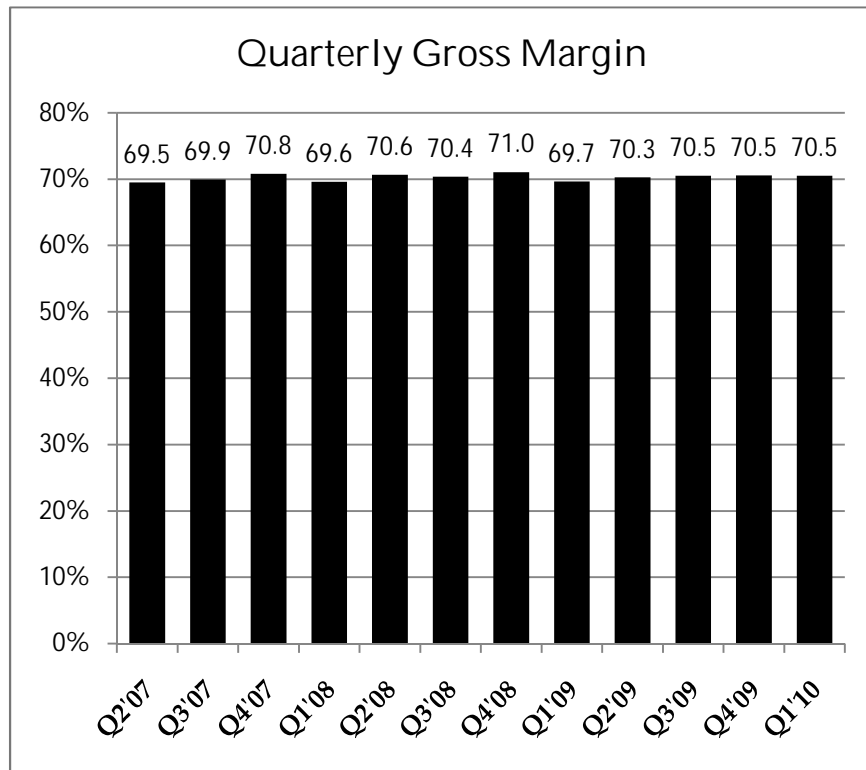


Source: SagePoint Advisors & Capital IQ

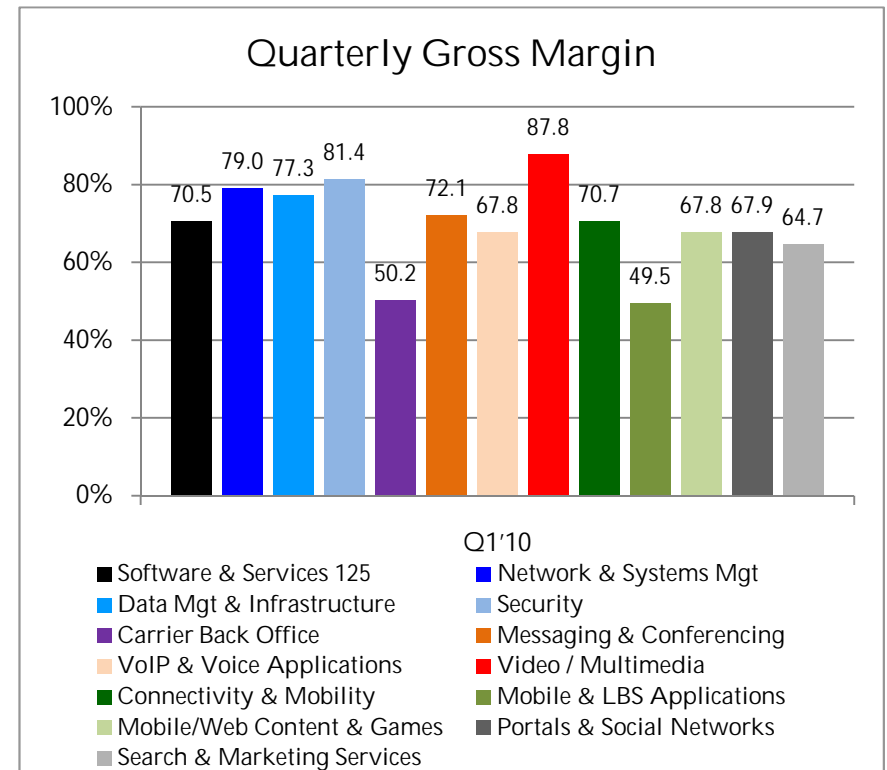
Note: Excludes companies with a net margin between -1% and 1% in the PYQ

Operating Metrics – Gross Margins

- Median gross margins remained flat at 70.5%, not far below the 3 year high of 70.8%
- Video/Multimedia, Security, Network & Systems Mgt and Data Mgt & Infrastructure posted the strongest margins as the fast growth of traffic and their highly specialized solutions enable high price points
- Carrier Back Office and Mobile & LBS Applications have the lowest gross margins as pricing pressure squeezes margins



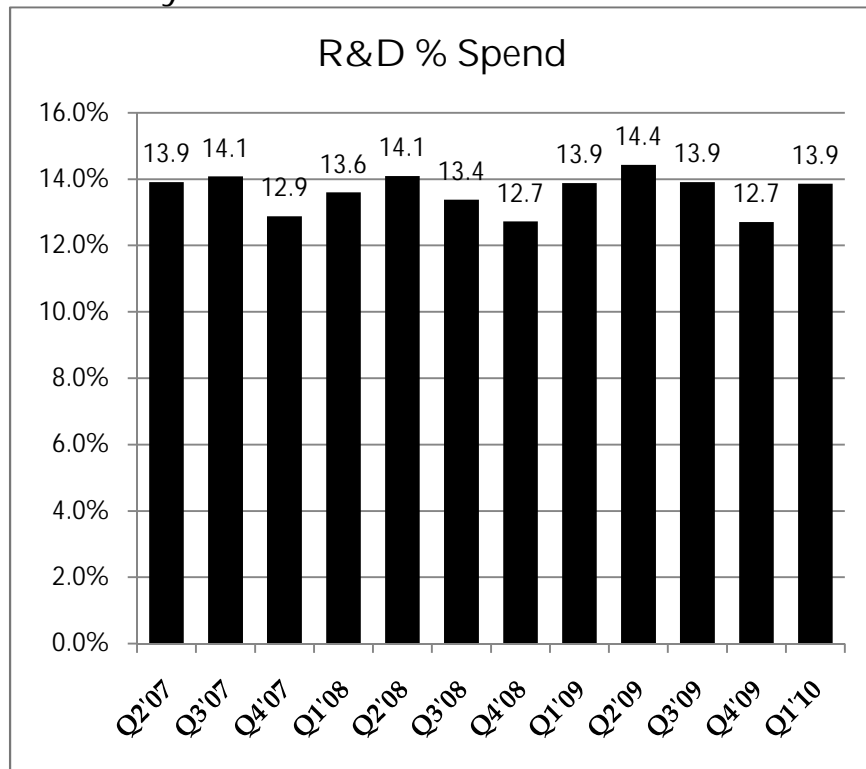
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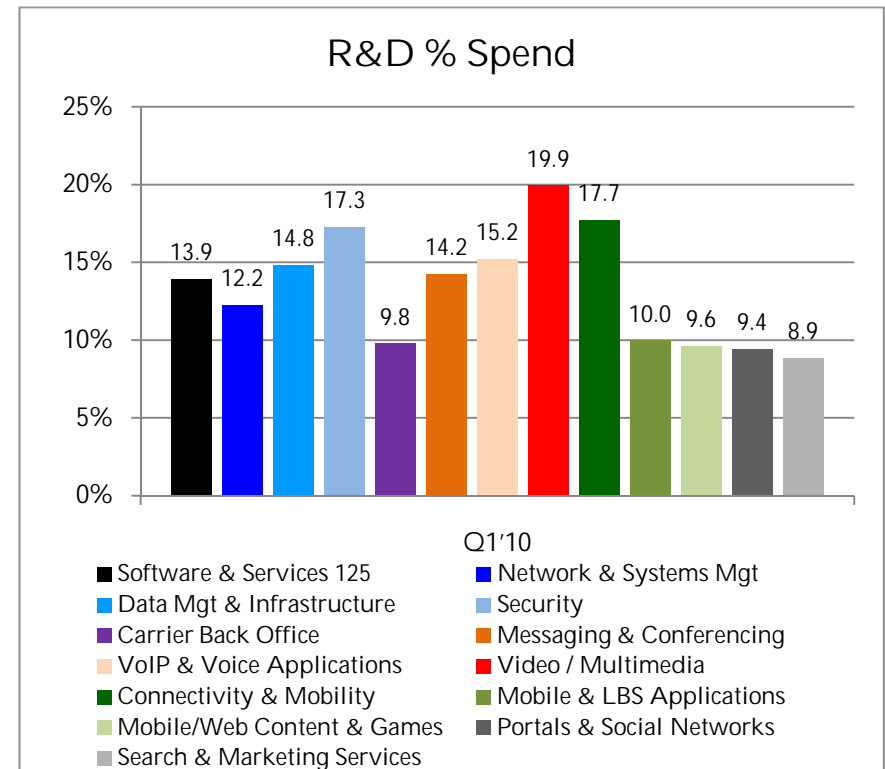
Source: SagePoint Advisors & Capital IQ

Operating Metrics – R&D as a % of Revenues

- Median R&D as a % of revenues rose to 13.9% after matching the three year low in Q4'09 as investment in R&D returns
 - Aggregate R&D was up 3.5% with Video/Multimedia, Connectivity & Mobility and Mobile & LBS Applications aggregate R&D up 11-17%
 - Several major players like Adobe, Google and Microsoft boosted aggregate R&D spend while SAP and Yahoo continued to make deep cuts
 - Video/Multimedia, Connectivity & Mobility and Security spend considerably more on R&D (17-20%) to stay ahead of the curve



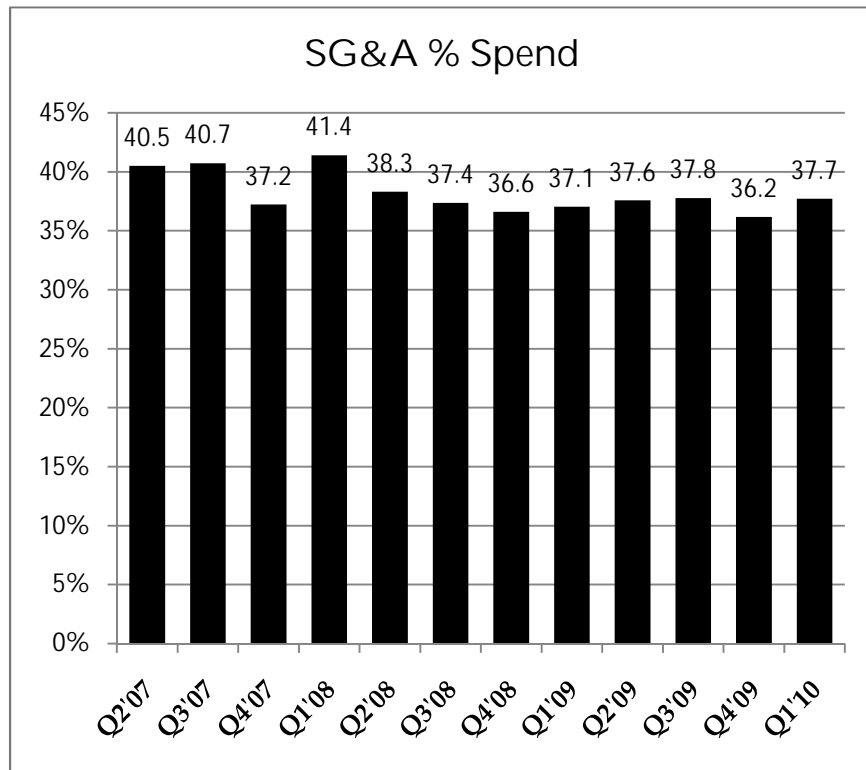
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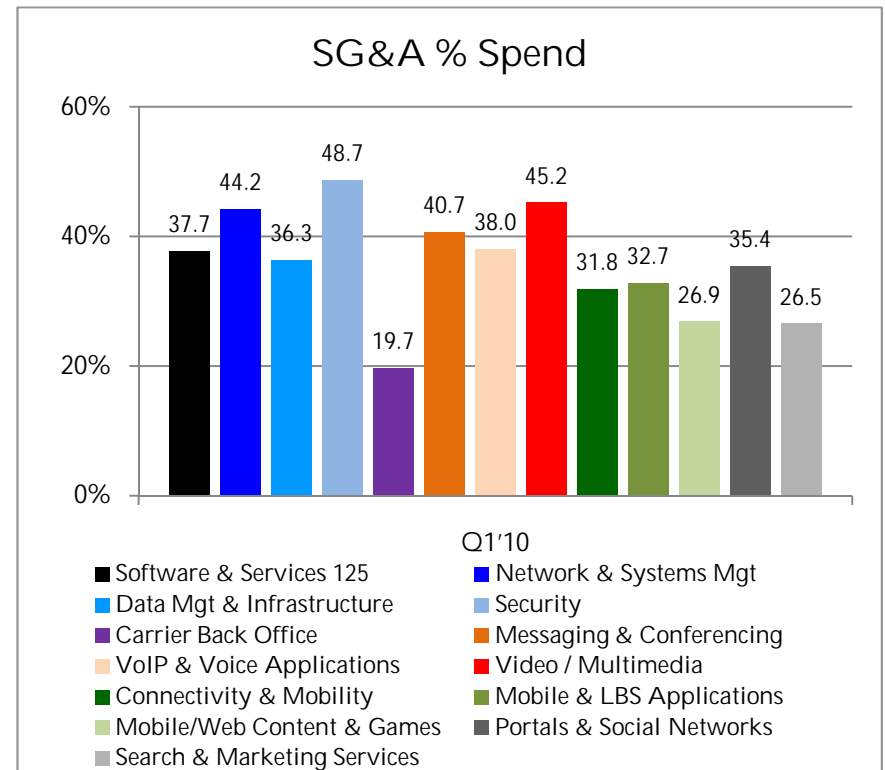
Source: SagePoint Advisors & Capital IQ

Operating Metrics – SG&A as a % of Revenues

- Median SG&A as a % of revenues rose to 37.7% as most software companies return to spending on SG&A to support growth
 - Aggregate SG&A spending fell 5.9% as most large software providers continue to cut costs
- Security, Video/Multimedia and Network & Systems Mgmt have the highest SG&A spend at ~45% or more
- Carrier Back Office segment operates with relatively low SG&A costs (~20% of revenue) as they sell directly to a limited number of carriers



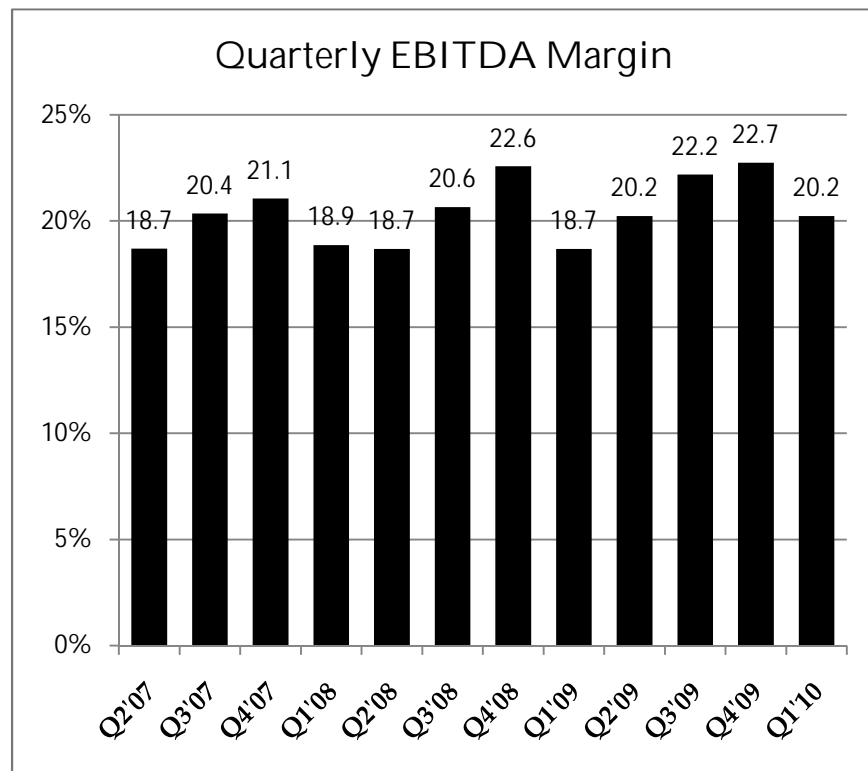
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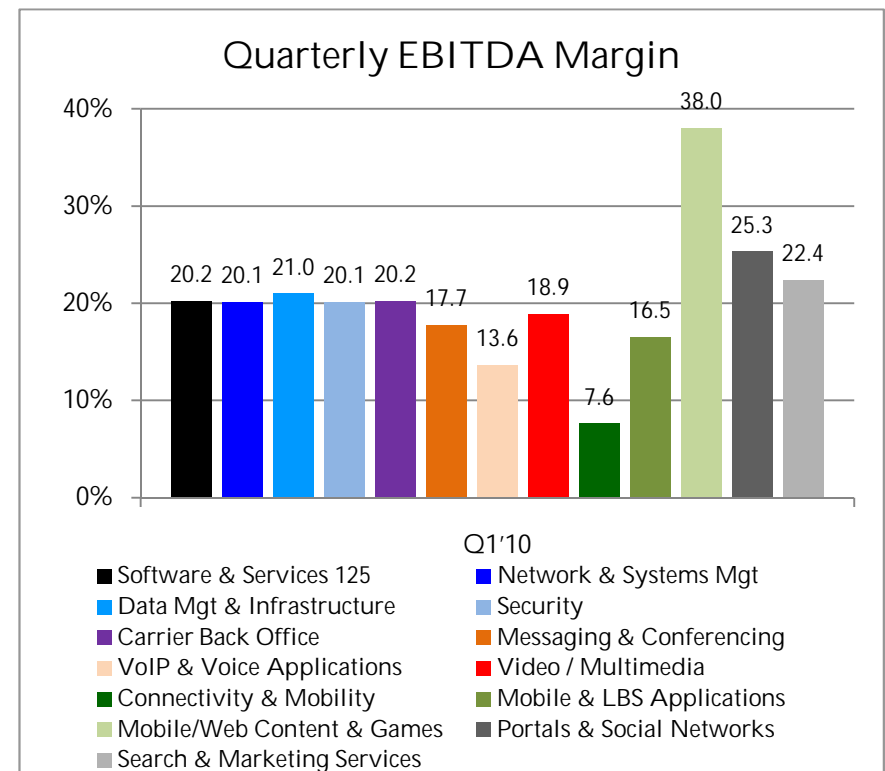
Source: SagePoint Advisors & Capital IQ

Operating Metrics – EBITDA Margins

- Median EBITDA margins slipped to 20.2%, still within historic norms as many software companies began to increase SG&A and R&D spending
- Mobile/Web Content & Games, Portals & Social Networks and Search & Marketing Services not surprisingly deliver strong EBITDA margins on high gross margins and lower R&D costs
- Connectivity & Mobility underperforms with just 7.6% EBITDA margins due to high R&D spending
 - VoIP & Voice Apps also underperform with weaker gross margins and higher opex



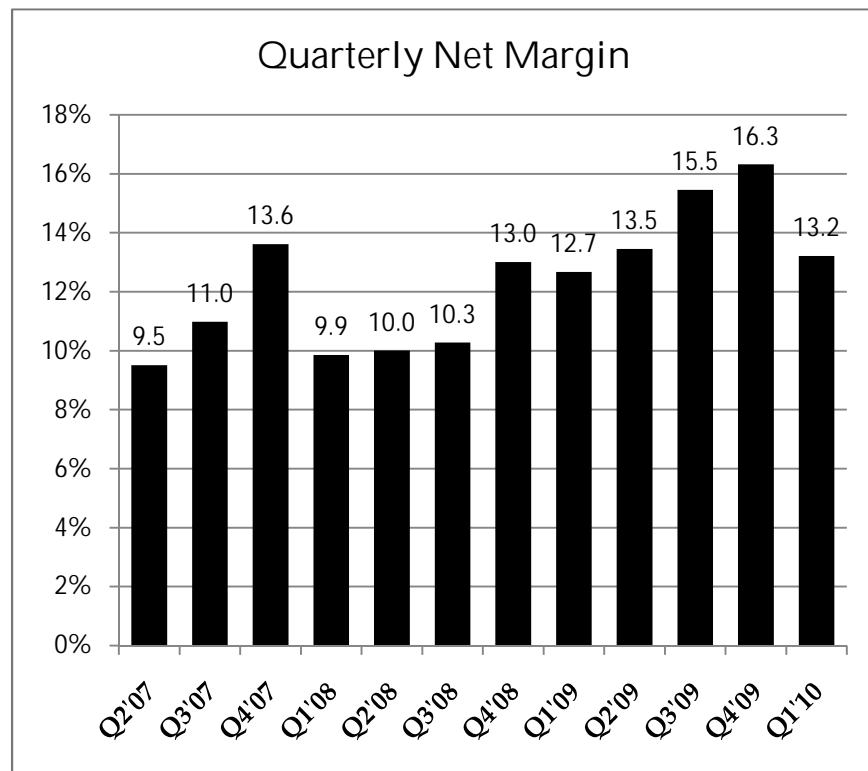
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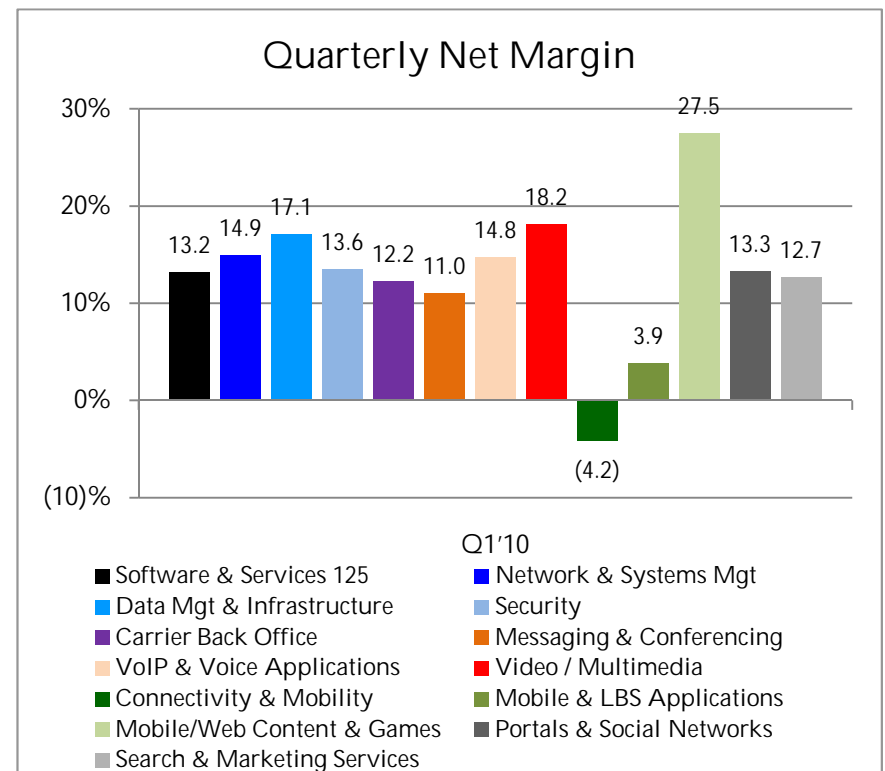
Source: SagePoint Advisors & Capital IQ

Operating Metrics – Net Margins

- Median net margins fell to 13.2% from a three year high in Q4'09
- Net margin decrease was driven by increased spending on R&D and SG&A, particularly at smaller vendors, as companies strive to innovate and fuel growth
- Connectivity & Mobility is the only segment with a negative median net margin with Mobile & LBS Applications also underperforming with just 3.9% net margin



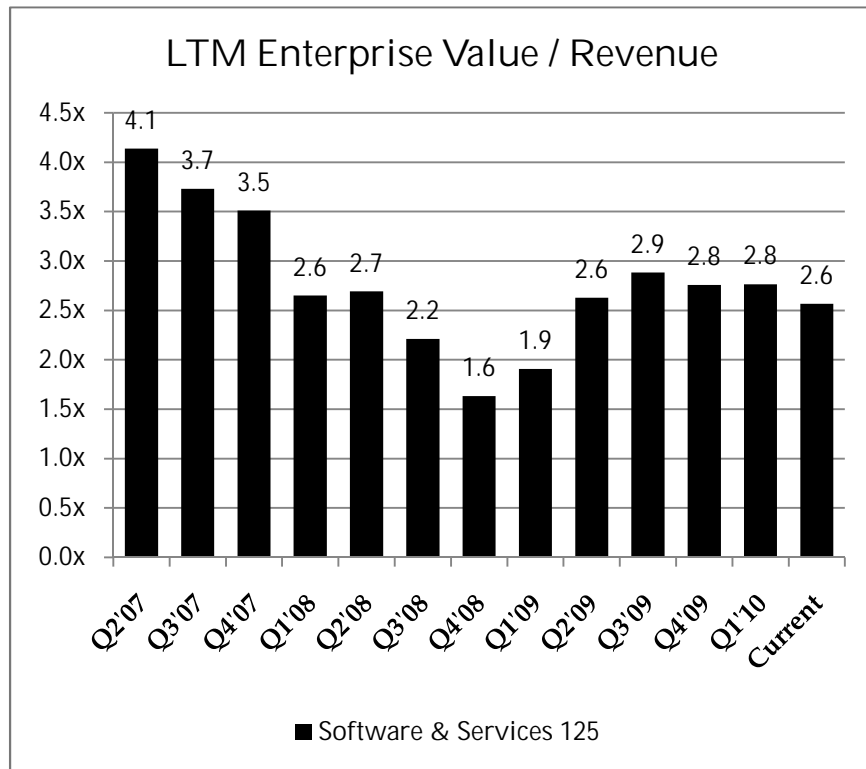
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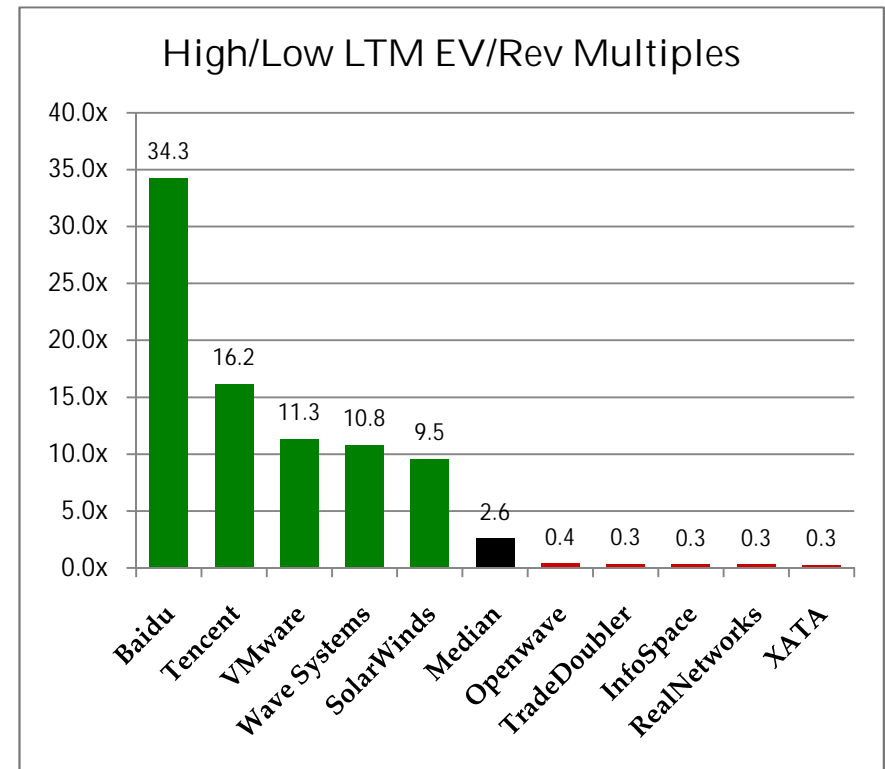
Source: SagePoint Advisors & Capital IQ

Valuation Metrics – LTM Revenue Multiples

- The median LTM revenue multiples had stabilized until concerns around European economic uncertainty sent stock prices falling driving multiples down to 37% below 2007 peaks
 - Asian Internet and mobile companies, particularly Baidu and Tencent, continue to trade at high multiples due to strong margins and growth
 - Investors appear willing to pay a high price for the strong growth and improving margins at VMware as the company is well positioned as the leader in its space
 - 16 of Software & Services 125 vendors are trading at less than 1x LTM revenues with 6 languishing at less than 0.5x



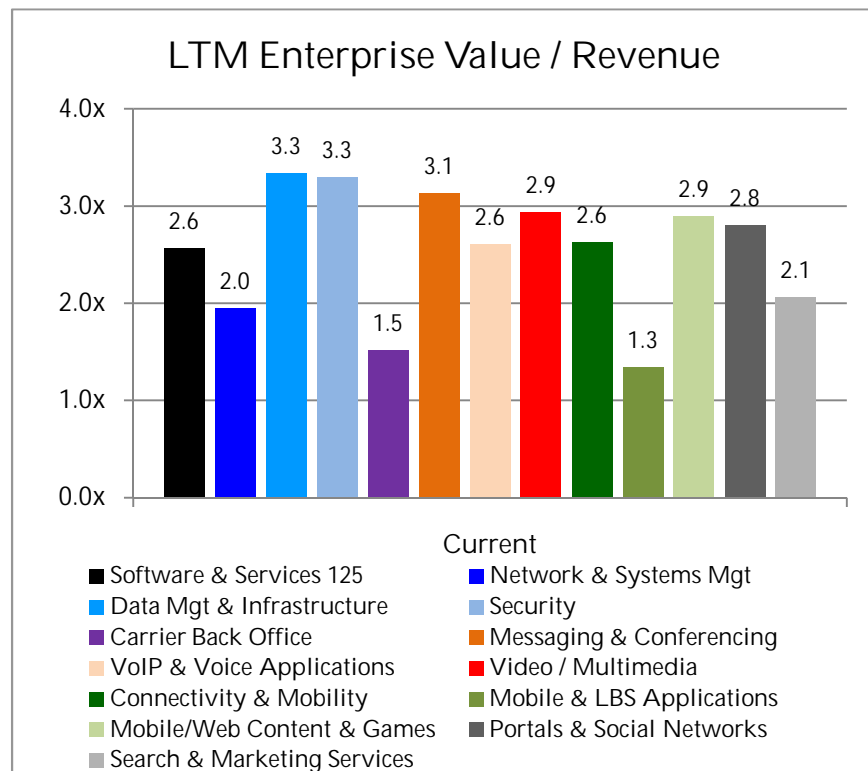
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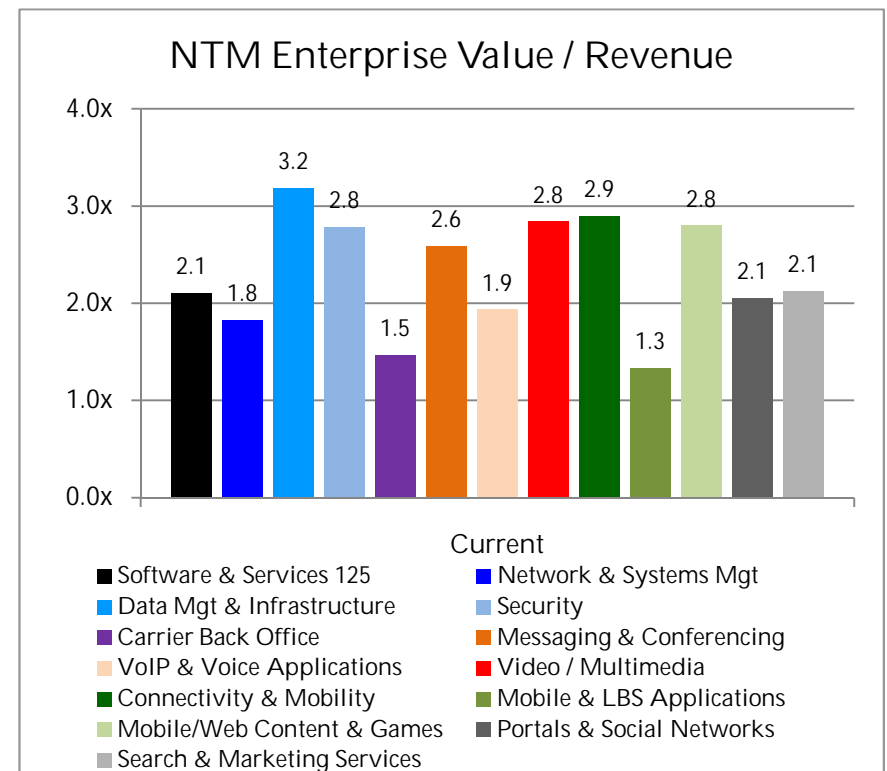
Source: SagePoint Advisors & Capital IQ

Valuation Metrics – Revenue Multiples By Segment

- Data Mgt & Infrastructure and Security segments command top median revenue multiples on an LTM and NTM basis
 - Video/Multimedia and Mobile/Web Content & Games also trade at premium median NTM multiples
 - Connectivity & Mobility NTM multiple higher than LTM due to several lower multiple companies without NTM projections
- Carrier Back Office and Mobile & LBS Applications segments trade at a discount



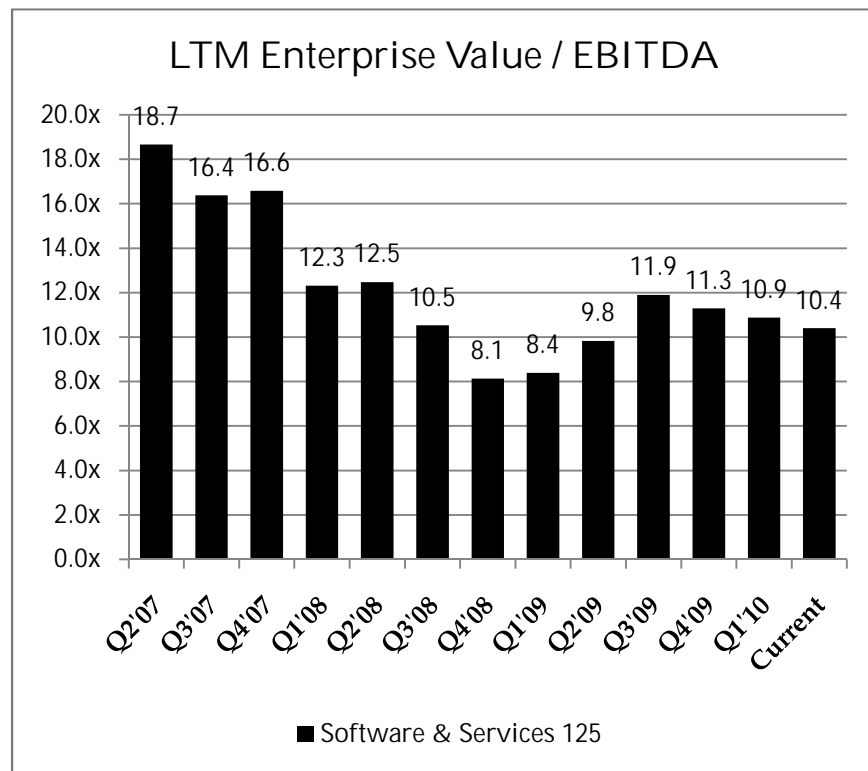
Source: SagePoint Advisors & Capital IQ



Source: SagePoint Advisors & Capital IQ

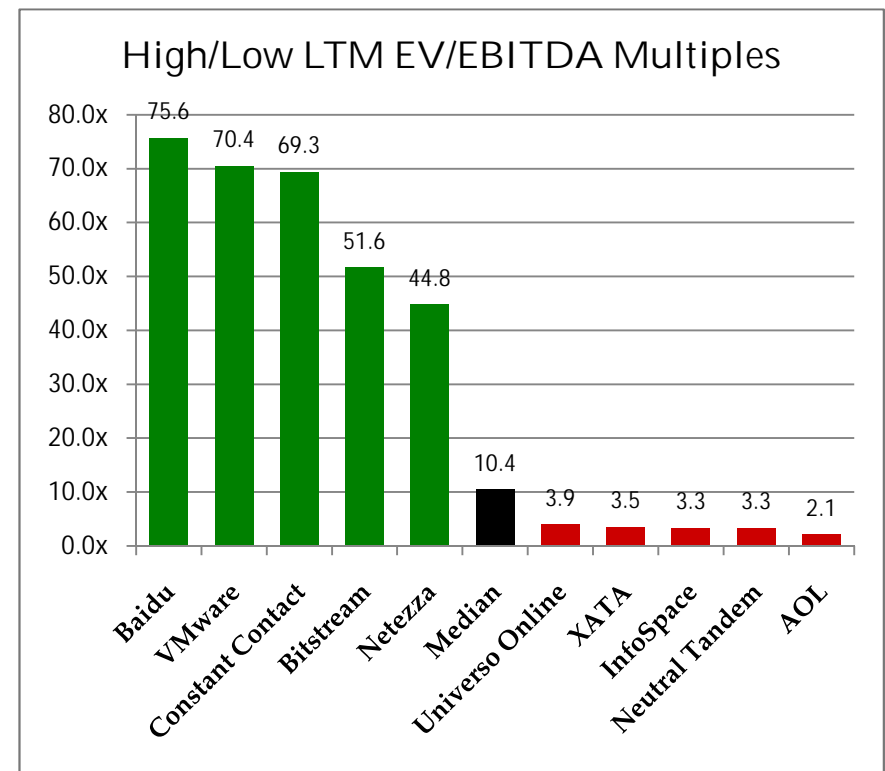
Valuation Metrics – LTM EBITDA Multiples

- Median EBITDA multiples have fallen to 10.4x, 44% below their 3 year high as market prices fell coupled with EBITDA growth at approximately 70% of the Software & Services 125
 - VMware, Constant Contact and Netezza are all expected to deliver triple digit NTM EBITDA growth with Baidu not far behind at 85%
 - Bitstream is not yet at scale and trades based on a revenue multiple rather than EBITDA
- The five struggling vendors trading below 3.9x EBITDA generally experienced revenue contraction in Q1 and/or have poor growth prospects



Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM EBITDA margin below 5% and >20x mult

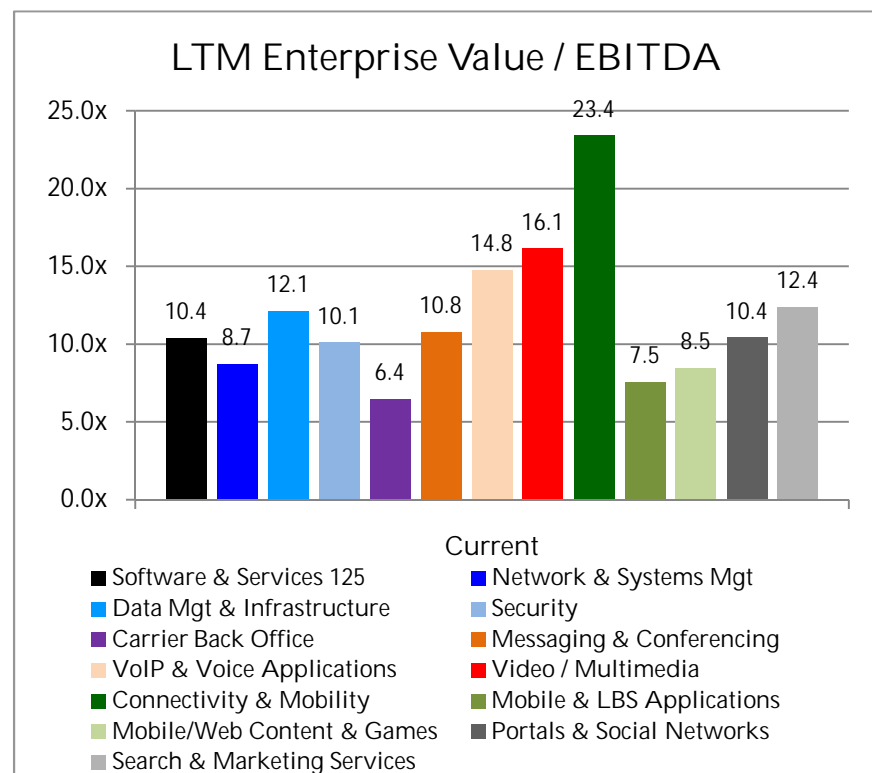


Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM EBITDA margin below 5% and >20x mult

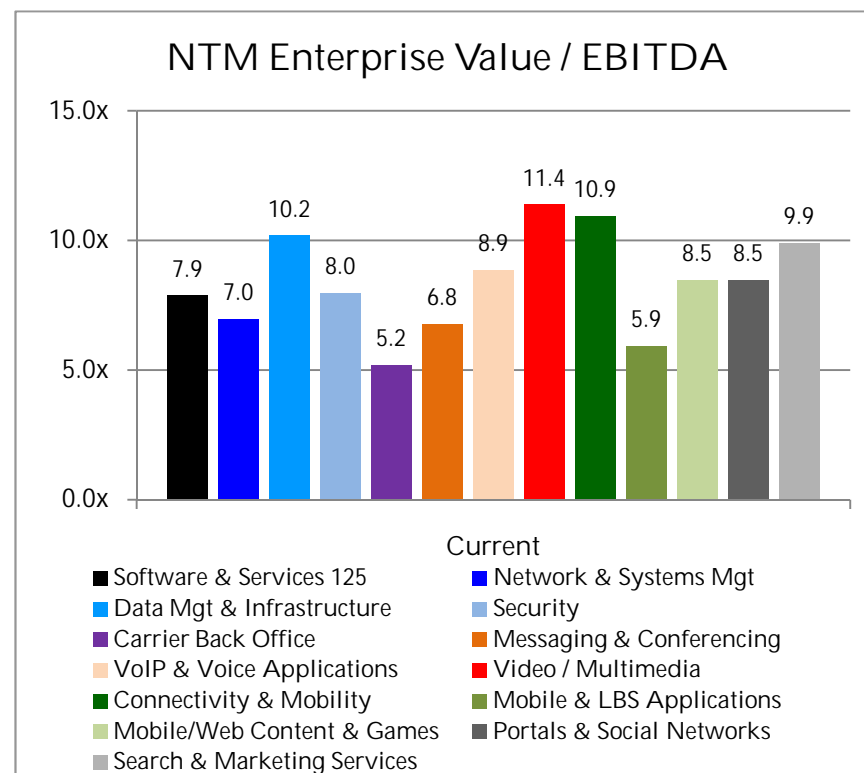
Valuation Metrics – EBITDA Multiples By Segment

- Most Software & Services segments are trading at rational range of 7-10x NTM EBITDA
- Video/Multimedia, Connectivity & Mobility, Data Mgt & Infrastructure and Search & Marketing Services trade at premium median EBITDA multiples on both an LTM and NTM basis
- Carrier Back Office and Mobile & LBS Applications underperform the median



Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM EBITDA margin below 5% and >20x mult

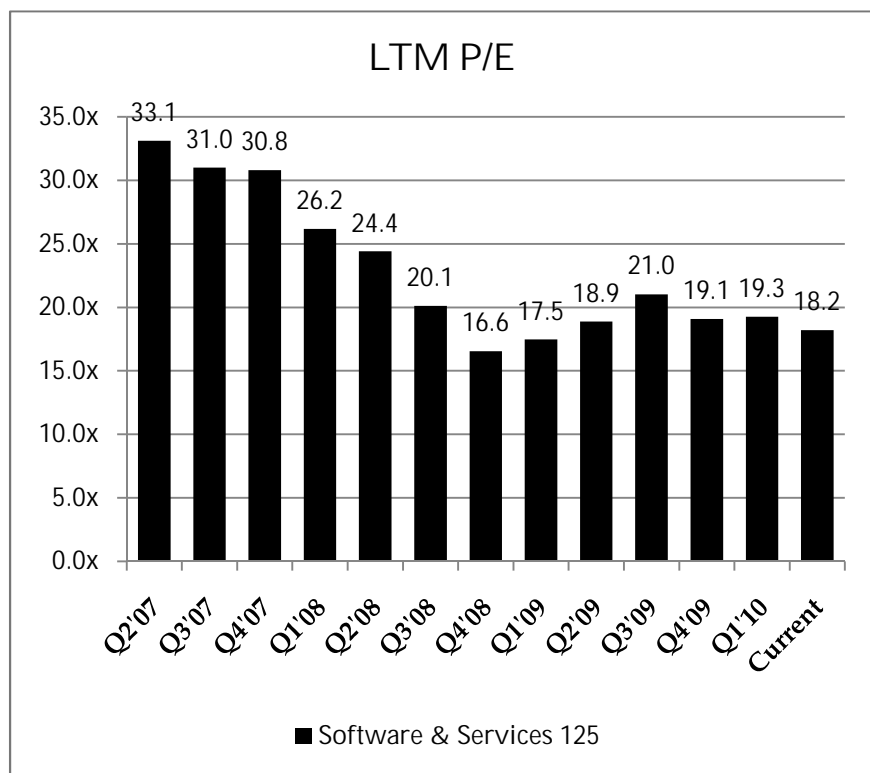


Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with a NTM EBITDA margin below 5% and >20x mult

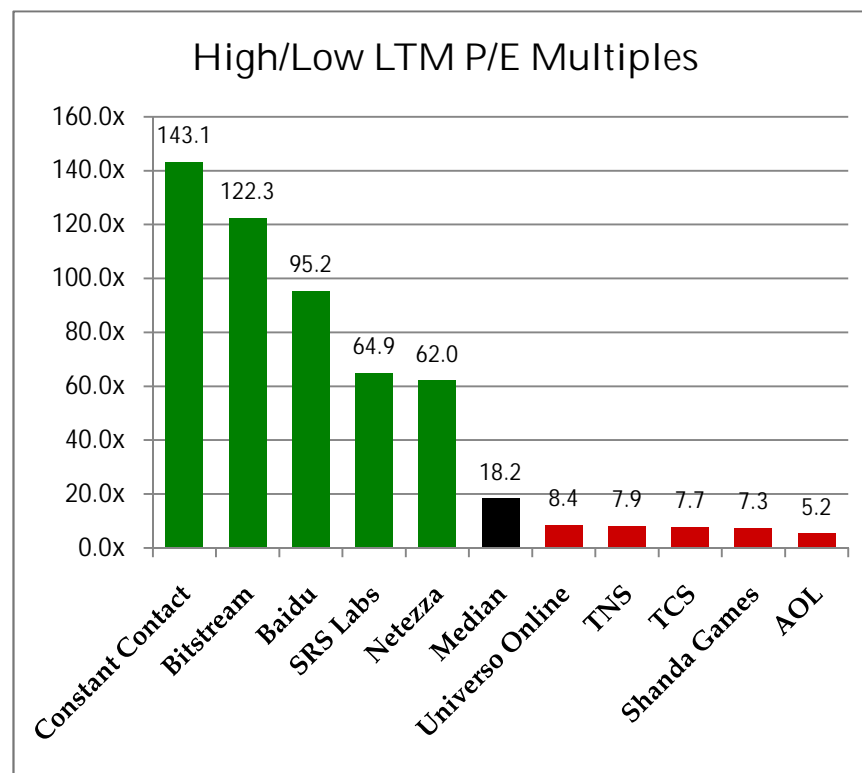
Valuation Metrics – LTM P/E Multiples

- Median P/E multiple slipped to 18.2x, 45% below 2007 peak levels
 - Constant Contact and SRS are expected to post triple digit EPS growth over the next twelve months with Baidu also expecting strong EPS growth
 - Netezza is projecting triple digit EBITDA growth
 - Bitstream is not yet at the scale and trades based on a revenue multiple rather than P/E
- 11 Software & Services 125 vendors trade at less than 10x EPS



Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM net margin below 2.5% and P/E >40x

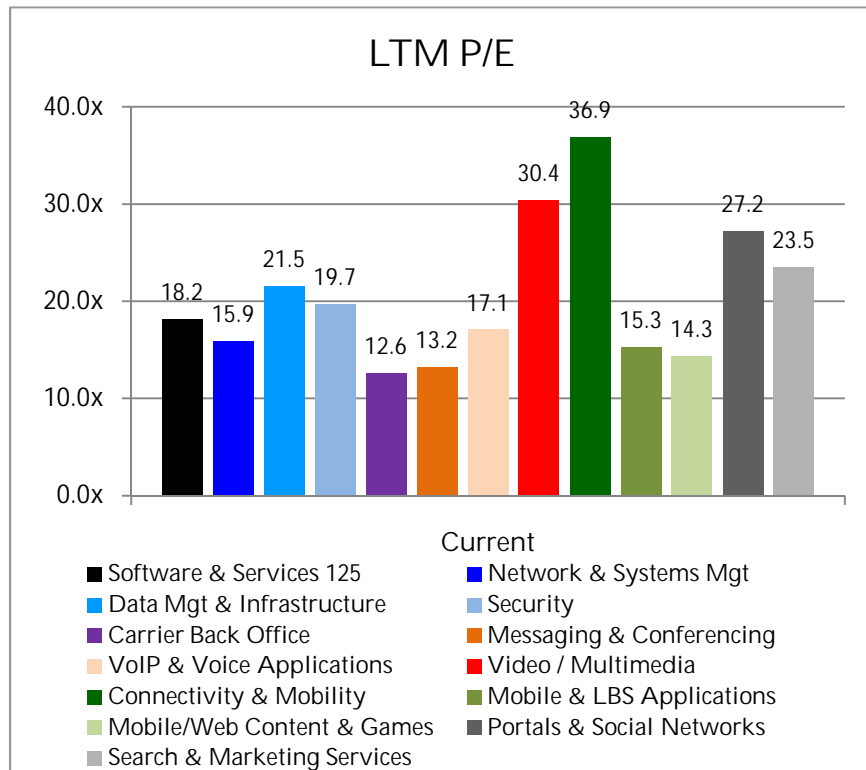


Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM net margin below 2.5% and P/E >40x

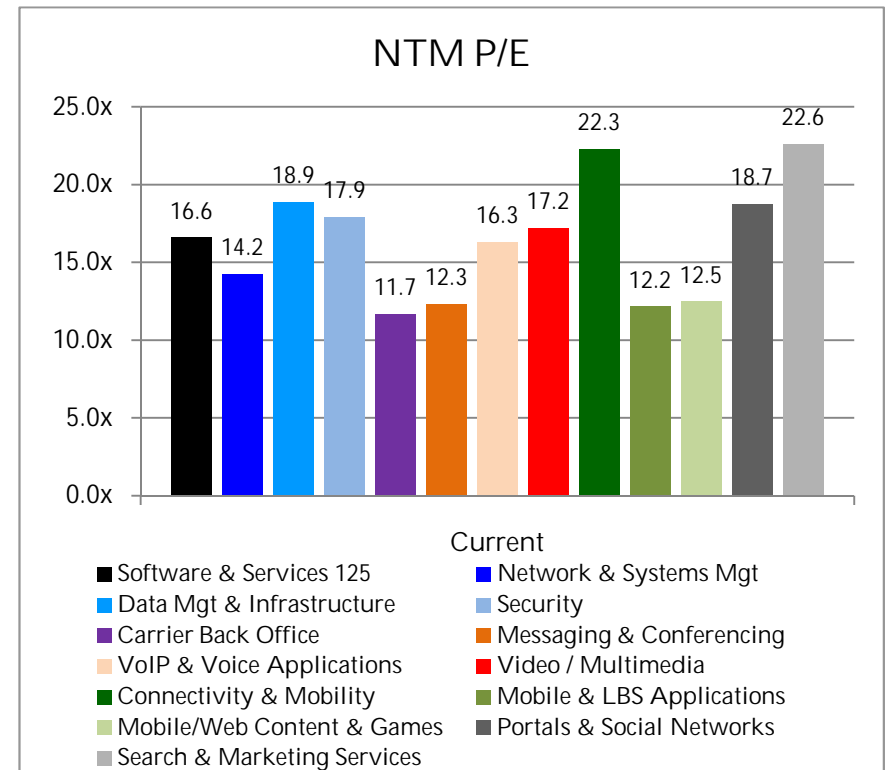
Valuation Metrics – P/E Multiples By Segment

- Software & Services 125 trade at a median NTM P/E multiple of 16.6x
 - Search & Marketing Services, Connectivity & Mobility and Data Mgt & Infrastructure trade at premium multiples of more than 20x NTM earnings
 - Portals & Social Networks and Security segments also trade at strong NTM P/E multiples of 18-19x
 - Carrier Back Office, Messaging & Conferencing, Mobile & LBS Applications and Mobile/Web Content & Games underperform with NTM P/E multiples in the 11.5-12.5x range



Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM net margin below 2.5% and P/E >40x

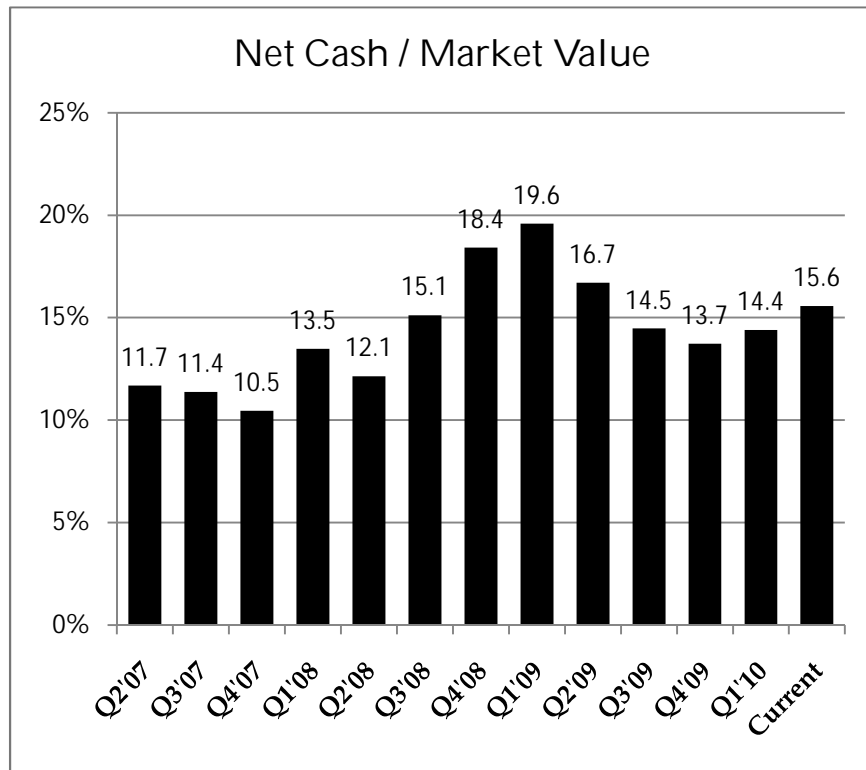


Source: SagePoint Advisors & Capital IQ

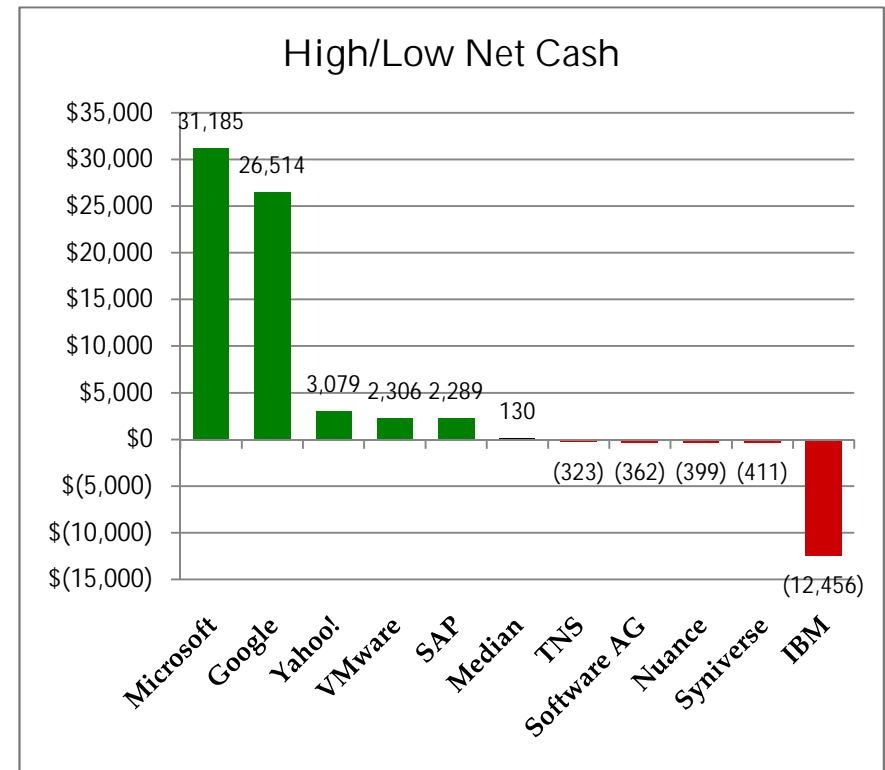
Note: Excludes companies with an NTM net margin below 2.5% and P/E >40x

Balance Sheet Strength – Net Cash Position

- Median Net Cash relative to market cap has risen due to downward pressure on stock prices
- 29 companies have over \$500M in Net Cash which provides a war chest for acquisitions
 - Microsoft, Google, Yahoo, VMware and SAP all completed acquisitions in the past six months
- Only 1 vendor has a Net Debt / EBITDA ratio of more than 3x
 - The equity markets have reopened for companies looking to raise cash to pay down debt



Source: SagePoint Advisors & Capital IQ



Source: SagePoint Advisors & Capital IQ

Software & Services 125 Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price	Market	Enterprise	Cash	Debt	% Change	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R&D /
	5/28/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
Software & Services 125																			
Software & Services 125 Mean		8,366	7,698	1,196	515	1.6 %	3.4 x	2.8 x	15.1 x	9.6 x	25.7 x	21.0 x	1.3 %	12.8 %	2.0 %	16.2%	(4.3) x	38.8 %	13.7 %
Software & Services 125 Median		807	712	160	1	(3.3)%	2.6 x	2.1 x	10.4 x	7.9 x	18.2 x	16.6 x	1.1 %	3.1 %	4.7 %	15.6%	(2.1) x	37.7 %	13.9 %
Network & Systems Mgt																			
BMC	37.01	6,718	5,668	1,434	384	(7.7)%	3.0 x	2.8 x	8.3 x	6.4 x	13.9 x	12.8 x	(3.6)%	(15.6)%	(6.1)%	15.6%	(1.5) x	41.0 %	10.7 %
CA	20.25	10,421	9,387	2,584	1,550	(9.8)%	2.2 x	2.1 x	5.8 x	5.9 x	12.5 x	11.2 x	(1.8)%	(15.3)%	(6.1)%	9.9%	(0.6) x	41.3 %	11.2 %
Compuare	8.19	1,843	1,693	150	0	13.3 %	1.9 x	1.8 x	9.0 x	7.9 x	16.3 x	15.9 x	(0.1)%	(1.1)%	50.4 %	8.1%	(0.8) x	43.9 %	11.1 %
Keynote Systems	9.91	147	91	56	0	(9.2)%	1.1 x	1.1 x	8.4 x	7.5 x	14.8 x	NM	0.2 %	(9.6)%	(11.5)%	38.1%	(5.2) x	46.0 %	(44.5)%
NetScout	13.53	557	503	133	79	(7.5)%	1.9 x	1.8 x	8.5 x	6.9 x	15.6 x	13.9 x	0.7 %	0.6 %	4.8 %	9.7%	(0.9) x	48.1 %	13.3 %
Novell	5.83	2,031	1,051	980	0	40.5 %	1.3 x	1.3 x	8.3 x	6.7 x	18.2 x	20.3 x	0.0 %	6.2 %	6.6 %	48.2%	(7.7) x	50.6 %	19.3 %
OPNET Tech.	16.03	333	229	105	0	31.5 %	1.8 x	1.6 x	17.0 x	9.1 x	42.2 x	55.3 x	5.4 %	NA	60.0 %	31.4%	(7.8) x	42.0 %	24.6 %
Progress Software	31.94	1,347	1,137	211	1	9.3 %	2.3 x	2.0 x	10.4 x	7.0 x	16.5 x	14.1 x	0.2 %	13.4 %	14.5 %	15.6%	(1.9) x	43.9 %	18.3 %
Quest Software	19.36	1,732	1,381	414	63	5.2 %	2.0 x	1.9 x	9.0 x	6.9 x	15.0 x	14.2 x	(0.3)%	(10.3)%	(10.9)%	20.2%	(2.3) x	51.2 %	20.7 %
SolarWinds	18.96	1,289	1,210	104	25	(17.6)%	9.5 x	7.0 x	24.0 x	13.7 x	27.9 x	23.9 x	0.4 %	6.3 %	(3.1)%	6.1%	(1.6) x	44.6 %	10.6 %
Mean		2,642	2,235	617	210	4.8 %	2.7 x	2.3 x	10.9 x	7.8 x	19.3 x	20.2 x	0.1 %	(2.8)%	9.9 %	20.3%	(3.0) x	45.3 %	9.5 %
Median		1,539	1,174	180	13	(1.1)%	2.0 x	1.8 x	8.7 x	7.0 x	15.9 x	14.2 x	0.1 %	(1.1)%	0.8 %	15.6%	(1.7) x	44.2 %	12.2 %

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
Software & Services 125																		
Software & Services 125 Mean	613	2,437	3,051	190	789	1,073	1.49	1.36	3.64	20.2%	43.7%	24.0%	13.2%	56.6%	40.1%	68.0 %	20.6 %	10.5 %
Software & Services 125 Median	91	317	394	22	77	112	0.21	0.76	1.08	16.5%	19.8%	15.4%	10.6%	30.8%	12.0%	70.5 %	20.2 %	13.2 %
Network & Systems Mgt																		
BMC	491	1,911.2	2,017.7	163	684.9	887.8	0.65	2.66	2.89	2.5%	(8.3)%	1.6%	5.6%	29.6%	8.7%	77.0 %	33.1 %	24.6 %
CA	1,103	4,353.0	4,513.7	371	1,628.0	1,586.4	0.34	1.62	1.81	6.6%	7.5%	9.7%	3.7%	(2.6)%	12.0%	86.0 %	33.6 %	15.8 %
Compuare	230	892.2	957.6	45	187.2	215.0	0.17	0.50	0.52	(9.2)%	(38.4)%	(44.2)%	7.3%	14.8%	2.7%	69.3 %	19.7 %	17.2 %
Keynote Systems	19	80.0	80.6	2	10.9	12.1	0.10	0.67	0.12	(1.1)%	36.2%	(23.1)%	0.7%	11.6%	(82.2)%	47.8 %	10.7 %	7.5 %
NetScout	72	260.3	285.7	14	59.5	73.0	0.22	0.87	0.97	8.8%	14.6%	10.0%	9.8%	22.7%	11.7%	78.3 %	19.8 %	13.0 %
Novell	204	838.1	828.0	27	126.9	157.4	0.07	0.32	0.29	(5.4)%	(22.9)%	(12.5)%	(1.2)%	24.0%	(10.1)%	79.8 %	13.4 %	12.1 %
OPNET Tech.	34	126.3	144.2	4	13.4	25.1	0.14	0.38	0.29	19.1%	398.7%	600.0%	14.1%	86.6%	(23.7)%	77.0 %	12.9 %	8.6 %
Progress Software	128	500.8	557.1	32	109.5	162.1	0.53	1.93	2.26	5.5%	61.6%	35.9%	11.2%	48.0%	17.0%	85.2 %	25.4 %	17.1 %
Quest Software	171	700.8	732.2	35	154.0	201.0	0.26	1.29	1.36	3.4%	11.3%	13.0%	4.5%	30.5%	5.4%	90.3 %	20.4 %	14.0 %
SolarWinds	34	126.7	173.5	15	50.4	88.1	0.15	0.68	0.79	42.6%	41.6%	64.6%	36.9%	74.9%	16.7%	95.1 %	43.1 %	31.9 %
Mean	249	979	1,029	71	302	341	0.26	1.09	1.13	7.3%	50.2%	65.5%	9.3%	34.0%	(4.2)%	78.6 %	23.2 %	16.2 %
Median	149	601	645	30	118	160	0.20	0.78	0.88	4.4%	12.9%	9.8%	6.5%	26.8%	7.0%	79.0 %	20.1 %	14.9 %

Software & Services 125 Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price	Market	Enterprise	Cash	Debt	% Change	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R&D /
	5/28/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	Revenue	Revenue
Data Mgt & Infrastructure																			
Autonomy	25.32	6,117	5,995	911	789	3.7 %	7.5 x	NA	15.8 x	NA	29.7 x	NA	NA	NA	NA	2.0%	(0.3) x	31.0 %	14.3 %
Citrix	43.61	8,100	7,436	673	8	4.8 %	4.5 x	4.1 x	20.1 x	12.9 x	23.2 x	22.3 x	1.0 %	(3.7)%	(0.1)%	8.2%	(1.8) x	55.8 %	18.8 %
CommVault	22.54	973	798	175	0	(4.9)%	2.9 x	2.6 x	22.5 x	13.0 x	31.3 x	NA	1.0 %	9.3 %	9.1 %	17.9%	(4.9) x	60.5 %	12.0 %
IBM	125.26	160,627	173,083	13,979	26,435	(4.3)%	1.8 x	1.7 x	7.2 x	7.0 x	12.2 x	10.9 x	0.7 %	NA	1.6 %	(7.8)%	0.5 x	22.4 %	6.6 %
Informatica	25.80	2,369	2,216	354	201	(0.3)%	4.2 x	3.6 x	18.5 x	14.9 x	27.7 x	24.0 x	3.4 %	27.5 %	5.4 %	6.5%	(1.3) x	46.5 %	17.4 %
Microsoft	25.80	226,107	194,922	37,186	6,001	(15.4)%	3.3 x	3.0 x	7.8 x	7.2 x	13.2 x	11.7 x	0.6 %	11.2 %	5.9 %	13.8%	(1.2) x	28.7 %	15.3 %
MicroStrategy	77.06	908	676	232	0	(18.0)%	1.7 x	1.6 x	8.0 x	6.2 x	16.2 x	16.6 x	(1.3)%	(47.0)%	(46.1)%	25.5%	(2.7) x	55.5 %	13.2 %
Netezza	13.03	801	693	108	0	34.3 %	3.4 x	2.9 x	44.8 x	18.7 x	62.0 x	65.2 x	13.6 %	NA	(11.1)%	13.5%	(7.0) x	40.7 %	18.6 %
Oracle	22.57	113,281	111,894	17,489	16,102	(8.0)%	4.6 x	3.4 x	10.4 x	7.5 x	14.8 x	12.4 x	1.6 %	1.1 %	1.3 %	1.2%	(0.1) x	23.1 %	12.9 %
Red Hat	29.31	5,529	4,768	761	0	(5.1)%	6.4 x	5.6 x	30.8 x	19.7 x	41.3 x	39.8 x	1.4 %	(2.7)%	15.9 %	13.8%	(4.9) x	51.2 %	19.5 %
SAP	42.79	50,860	48,571	3,263	974	(9.7)%	3.2 x	3.4 x	10.4 x	9.2 x	15.8 x	16.1 x	2.8 %	(2.0)%	2.6 %	4.5%	(0.5) x	27.6 %	15.6 %
Software AG	97.96	2,813	3,174	217	579	(10.5)%	2.4 x	NA	8.5 x	NA	13.8 x	NA	NA	NA	NA	(12.9)%	1.0 x	30.6 %	8.8 %
Sybase	64.33	5,588	5,049	1,267	728	48.2 %	4.2 x	4.0 x	12.3 x	10.9 x	24.8 x	24.0 x	0.5 %	7.7 %	7.3 %	9.6%	(1.3) x	31.8 %	12.4 %
Teradata	31.94	5,331	4,619	712	0	1.6 %	2.6 x	2.4 x	10.8 x	9.4 x	19.8 x	18.9 x	6.2 %	NA	25.4 %	13.4%	(1.7) x	27.5 %	7.5 %
Tibco	11.41	1,896	1,660	279	43	18.5 %	2.6 x	2.4 x	12.0 x	7.8 x	19.3 x	16.7 x	4.5 %	3.1 %	17.6 %	12.4%	(1.7) x	41.3 %	18.1 %
VMware	66.21	27,032	24,726	2,756	450	56.2 %	11.3 x	8.8 x	70.4 x	25.6 x	61.9 x	49.0 x	7.0 %	12.9 %	17.0 %	8.5%	(6.6) x	44.8 %	21.6 %
Mean	38,646	36,892	5,023	3,269	5.7 %	4.2 x	3.5 x	19.4 x	12.1 x	26.7 x	25.2 x	3.1 %	1.6 %	3.7 %	8.1%	(2.2) x	38.7 %	14.5 %	
Median	5,558	4,908	736	326	(2.3)%	3.3 x	3.2 x	12.1 x	10.2 x	21.5 x	18.9 x	1.5 %	3.1 %	5.6 %	9.1%	(1.5) x	36.3 %	14.8 %	

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
Data Mgt & Infrastructure																		
Autonomy	194	804.1	NA	97	379.0	NA	0.21	0.85	NA	49.6%	55.8%	41.0%	NA	NA	NA	88.9 %	49.8 %	26.8 %
Citrix	414	1,659.3	1,822.4	87	370.5	576.9	0.40	1.88	1.96	12.3%	44.7%	25.0%	9.8%	55.7%	4.1%	91.2 %	20.9 %	18.2 %
CommVault	73	271.0	309.3	11	35.5	61.5	0.21	0.72	NA	30.8%	262.9%	133.3%	14.1%	73.4%	NA	87.4 %	15.0 %	13.1 %
IBM	22,858	96,907.0	100,906.9	4,821	24,032.0	24,689.3	1.97	10.28	11.47	5.3%	8.4%	15.9%	4.1%	2.7%	11.5%	43.6 %	21.1 %	11.4 %
Informatica	135	526.8	620.3	27	119.7	149.1	0.21	0.93	1.08	23.9%	27.8%	16.7%	17.8%	24.5%	15.8%	82.2 %	19.6 %	16.7 %
Microsoft	14,503	59,544.0	65,664.1	6,054	24,999.0	27,079.3	0.45	1.95	2.21	6.3%	11.1%	15.4%	10.3%	8.3%	13.4%	81.0 %	41.7 %	27.5 %
MicroStrategy	93	390.9	426.0	9	84.8	109.2	0.56	4.76	4.63	16.4%	(36.2)%	(21.1)%	9.0%	28.8%	(2.7)%	76.8 %	9.7 %	7.4 %
Netezza	58	203.4	241.9	6	15.5	37.1	0.04	0.21	0.20	28.2%	335.4%	33.3%	18.9%	139.8%	(4.9)%	66.0 %	9.8 %	4.4 %
Oracle	6,404	24,177.0	32,843.1	2,550	10,753.0	14,841.6	0.38	1.53	1.82	17.4%	10.9%	8.6%	35.8%	38.0%	18.6%	77.8 %	39.8 %	30.1 %
Red Hat	196	748.2	848.1	40	155.0	242.1	0.19	0.71	0.74	17.8%	28.7%	26.7%	13.3%	56.2%	3.8%	85.0 %	20.4 %	18.8 %
SAP	3,393	15,243.0	14,237.5	976	4,682.7	5,253.2	0.50	2.71	2.66	6.5%	9.0%	56.8%	(6.6)%	12.2%	(1.6)%	67.8 %	28.8 %	17.5 %
Software AG	338	1,316.6	NA	75	371.6	NA	1.33	7.09	NA	54.0%	28.9%	11.7%	NA	NA	NA	57.5 %	22.2 %	11.2 %
Sybase	294	1,197.0	1,258.2	97	412.0	462.1	0.60	2.59	2.68	9.9%	22.8%	22.4%	5.1%	12.2%	3.6%	70.7 %	33.2 %	17.7 %
Teradata	429	1,771.0	1,890.5	100	427.0	489.2	0.39	1.61	1.69	16.9%	35.1%	50.0%	6.7%	14.6%	5.1%	55.0 %	23.3 %	15.5 %
Tibco	155	643.5	705.3	27	138.4	212.9	0.12	0.59	0.68	16.7%	34.6%	33.3%	9.6%	53.8%	16.0%	72.5 %	17.7 %	13.1 %
VMware	634	2,187.2	2,806.6	132	351.2	964.2	0.32	1.07	1.35	34.7%	12.5%	28.0%	28.3%	174.6%	26.4%	82.9 %	20.9 %	21.1 %
Mean	3,136	12,974	16,041	944	4,208	5,369	0.49	2.47	2.55	21.7%	55.8%	31.1%	12.6%	49.6%	8.4%	74.2 %	24.6 %	16.9 %
Median	316	1,257	1,540	92	371	476	0.39	1.57	1.82	17.2%	28.2%	25.8%	10.1%	33.4%	5.1%	77.3 %	21.0 %	17.1 %

Software & Services 125 Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price	Market	Enterprise	Cash	Debt	% Change	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R&D /
	5/28/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	Revenue	Revenue
Security																			
ArcSight	21.66	736	604	132	0	(15.3)%	3.4 x	3.0 x	25.7 x	16.5 x	38.9 x	33.4 x	NA	NA	0.0 %	17.9%	(5.6) x	54.9 %	13.9 %
Check Point	30.67	6,413	5,371	1,042	0	(9.5)%	5.5 x	5.1 x	10.5 x	8.7 x	14.2 x	13.1 x	1.7 %	(0.1)%	5.0 %	16.3%	(2.0) x	27.8 %	9.9 %
CommTouch	3.48	81	65	16	0	(4.1)%	4.2 x	NA	18.8 x	NA	15.4 x	NA	NA	NA	NA	19.6%	(4.6) x	45.5 %	19.9 %
Fortinet	16.32	1,101	853	248	0	(7.1)%	3.2 x	NA	23.4 x	NA	32.6 x	NA	9.5 %	33.1 %	39.1 %	22.5%	(6.8) x	45.5 %	17.1 %
F-Secure	2.50	389	340	49	0	(36.2)%	1.9 x	NA	8.9 x	NA	16.2 x	NA	NA	NA	NA	12.5%	(1.3) x	51.9 %	24.8 %
McAfee	31.80	4,961	4,109	853	0	(21.6)%	2.1 x	1.9 x	9.7 x	5.8 x	12.9 x	12.1 x	(2.0)%	1.8 %	(4.4)%	17.2%	(2.0) x	42.0 %	16.7 %
SonicWALL	9.11	502	289	213	0	19.7 %	1.4 x	1.2 x	9.4 x	6.3 x	21.2 x	19.4 x	4.6 %	NA	23.7 %	42.5%	(7.0) x	41.8 %	17.5 %
Sourcefire	20.64	567	458	109	0	(22.8)%	4.1 x	3.4 x	32.2 x	17.1 x	35.0 x	39.2 x	5.2 %	(1.3)%	6.5 %	19.1%	(7.6) x	57.8 %	14.7 %
Symantec	14.17	11,320	10,147	3,044	1,871	(20.8)%	1.7 x	1.6 x	5.7 x	4.5 x	9.4 x	9.5 x	1.2 %	4.8 %	8.7 %	10.4%	(0.7) x	44.7 %	14.1 %
Trend Micro	29.16	3,893	2,612	1,282	0	(23.1)%	2.5 x	NA	7.0 x	NA	22.2 x	NA	NA	NA	NA	32.9%	(3.4) x	57.5 %	23.0 %
Utimaco	21.62	319	278	41	0	(2.5)%	3.6 x	NA	NM	NA	NM	NA	NA	NA	NA	12.8%	NA	54.0 %	21.3 %
Verisign	27.91	5,093	4,168	1,550	625	15.1 %	4.0 x	4.5 x	9.7 x	7.8 x	21.1 x	19.3 x	(0.4)%	3.2 %	4.7 %	18.2%	(2.1) x	35.0 %	7.7 %
Wave Systems	2.86	229	224	5	0	101.4 %	10.8 x	NA	NM	NA	NM	NA	NA	NA	NA	2.1%	NA	69.7 %	37.3 %
Websense	20.92	904	891	88	75	19.8 %	2.8 x	2.5 x	16.9 x	8.2 x	18.2 x	16.5 x	(3.4)%	11.4 %	(3.1)%	1.4%	(0.2) x	62.5 %	17.7 %
Mean	2,608	2,172	619	184	(0.5)%	3.7 x	2.9 x	14.8 x	9.3 x	21.4 x	20.3 x	2.0 %	7.6 %	8.9 %	17.5%	(3.6) x	49.3 %	18.3 %	
Median	820	728	172	0	(8.3)%	3.3 x	2.8 x	10.1 x	8.0 x	19.7 x	17.9 x	1.4 %	3.2 %	5.0 %	17.5%	(2.8) x	48.7 %	17.3 %	

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
Security																		
ArcSight	50	176.6	200.2	10	23.5	36.7	0.17	0.56	0.65	28.5%	86.2%	(7.1)%	13.3%	56.1%	16.4%	79.2 %	19.4 %	11.8 %
Check Point	245	974.5	1,058.0	130	510.1	615.9	0.55	2.16	2.35	25.7%	25.5%	22.2%	8.6%	20.7%	8.8%	88.3 %	53.2 %	47.9 %
CommTouch	4	15.7	NA	1	3.5	NA	0.04	0.23	NA	15.1%	47.8%	136.8%	NA	NA	NA	85.1 %	22.9 %	24.9 %
Fortinet	70	267.7	NA	8	36.5	NA	0.08	0.50	NA	28.8%	76.3%	215.1%	NA	NA	NA	72.2 %	11.6 %	8.6 %
F-Secure	42	177.9	NA	9	38.1	NA	0.04	0.15	NA	4.4%	(1.4)%	1.7%	NA	NA	NA	93.6 %	20.8 %	12.7 %
McAfee	503	1,982.4	2,148.5	110	425.2	710.1	0.60	2.46	2.63	12.3%	19.6%	5.3%	8.4%	67.0%	6.9%	77.7 %	21.9 %	19.2 %
SonicWALL	55	208.8	232.6	10	30.6	46.2	0.12	0.43	0.47	17.4%	102.9%	71.4%	11.4%	50.9%	9.5%	74.2 %	17.3 %	12.4 %
Sourcefire	26	110.7	136.6	2	14.2	26.9	0.07	0.59	0.53	38.9%	442.5%	NM	23.4%	88.8%	(10.8)%	79.9 %	7.5 %	7.9 %
Symantec	1,531	5,985.0	6,219.7	464	1,790.0	2,252.6	0.40	1.50	1.49	4.3%	1.3%	5.3%	3.9%	25.8%	(0.5)%	84.9 %	30.3 %	21.2 %
Trend Micro	254	1,044.7	NA	80	375.7	NA	0.28	1.31	NA	9.6%	(8.0)%	(22.9)%	NA	NA	NA	83.0 %	31.6 %	14.9 %
Utimaco	NA	76.7	NA	NA	(0.5)	NA	NA	(0.52)	NA	NA	NA	NA	NA	NM	NA	74.9 %	(0.2)%	(12.9)%
Verisign	264	1,041.7	925.6	111	431.3	536.7	0.37	1.32	1.45	4.3%	11.7%	15.6%	(11.1)%	24.5%	9.7%	77.4 %	42.0 %	25.8 %
Wave Systems	6	20.7	NA	(1)	(2.3)	NA	(0.01)	(0.04)	NA	45.5%	52.5%	59.4%	NA	NA	NA	94.0 %	(11.8)%	(13.2)%
Websense	80	315.9	349.7	13	52.6	108.8	0.26	1.15	1.27	2.8%	(11.1)%	(29.7)%	10.7%	106.9%	10.1%	87.6 %	16.4 %	14.4 %
Mean	241	886	1,409	73	266	542	0.23	0.84	1.35	18.3%	65.1%	39.4%	8.6%	55.1%	6.3%	82.3 %	20.2 %	14.0 %
Median	70	238	638	10	37	323	0.17	0.57	1.36	15.1%	25.5%	10.4%	9.6%	53.5%	9.1%	81.4 %	20.1 %	13.6 %

Software & Services 125 Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price	Market	Enterprise	Cash	Debt	% Change	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R & D /
	5/28/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
VoIP & Voice Applications																			
Enghouse Systems	7.98	201	117	84	0	(2.8)%	1.5 x	1.2 x	7.0 x	5.3 x	16.9 x	17.9 x	(2.9)%	(39.6)%	0.0 %	41.9%	(5.1) x	32.0 %	15.2 %
Global IP	1.99	64	55	9	0	95.7 %	4.6 x	NA	NM	NA	NM	NA	NA	NA	NA	14.1%	NA	85.7 %	25.0 %
Interactive Intel.	17.93	313	241	71	0	(2.8)%	1.8 x	1.6 x	11.9 x	8.1 x	17.2 x	15.7 x	(0.1)%	3.0 %	(4.3)%	22.8%	(3.5) x	40.6 %	18.3 %
NICE Systems	29.81	1,862	1,574	288	0	(3.9)%	2.6 x	2.3 x	17.6 x	9.6 x	19.0 x	16.9 x	3.7 %	20.8 %	3.8 %	15.5%	(3.2) x	38.0 %	13.7 %
Nuance	17.04	4,961	5,360	462	861	9.7 %	5.2 x	4.2 x	23.0 x	10.6 x	14.8 x	13.7 x	4.1 %	(12.1)%	4.0 %	(8.0)%	1.7 x	34.9 %	13.9 %
Mean		1,480	1,470	183	172	19.2 %	3.1 x	2.3 x	14.9 x	8.4 x	17.0 x	16.0 x	1.2 %	(7.0)%	0.9 %	17.3%	(2.5) x	46.2 %	17.2 %
Median		313	241	84	0	(2.8)%	2.6 x	1.9 x	14.8 x	8.9 x	17.1 x	16.3 x	1.8 %	(4.5)%	1.9 %	15.5%	(3.4) x	38.0 %	15.2 %

Video / Multimedia																			
Adobe	32.08	16,888	15,709	2,672	1,494	(12.8)%	5.2 x	4.0 x	16.0 x	9.8 x	21.5 x	16.2 x	3.9 %	(0.3)%	7.5 %	7.0%	(1.2) x	45.2 %	20.3 %
Avid	13.48	513	438	74	0	5.6 %	0.7 x	0.7 x	NM	5.6 x	NM	NM	3.7 %	NA	(41.2)%	14.5%	NA	36.1 %	19.3 %
CyberLink	4.22	488	344	144	0	(1.5)%	2.3 x	2.0 x	10.2 x	6.7 x	16.7 x	12.5 x	NA	NA	NA	29.5%	(4.3) x	58.5 %	13.8 %
DivX	7.22	237	102	136	0	28.0 %	1.4 x	1.2 x	NM	18.4 x	48.1 x	NM	10.7 %	NA	74.2 %	57.1%	NA	54.9 %	28.6 %
Dolby	66.01	7,488	6,717	799	28	38.3 %	8.4 x	7.3 x	16.3 x	13.8 x	30.4 x	25.8 x	11.9 %	20.7 %	22.2 %	10.3%	(1.9) x	23.2 %	10.4 %
DTS	33.03	574	496	79	0	(3.4)%	6.0 x	5.7 x	20.2 x	16.9 x	52.4 x	36.6 x	7.2 %	19.8 %	8.5 %	13.7%	(3.2) x	57.0 %	11.4 %
Rovi	37.34	3,811	4,010	355	555	17.2 %	8.0 x	7.3 x	22.6 x	14.7 x	22.5 x	18.2 x	6.3 %	9.4 %	14.9 %	(5.2)%	1.1 x	26.2 %	19.9 %
SeaChange	8.35	259	183	76	0	27.3 %	0.9 x	0.8 x	13.5 x	6.1 x	NM	13.7 x	0.7 %	NA	(50.0)%	29.3%	(5.6) x	24.4 %	25.1 %
Sonic Solutions	11.89	363	306	57	0	0.8 %	2.9 x	2.8 x	NM	NM	NM	NM	0.0 %	215.5 %	NA	15.5%	(14.2) x	49.9 %	21.9 %
SRS Labs	9.08	132	99	34	0	23.9 %	3.6 x	2.9 x	27.6 x	13.0 x	64.9 x	29.8 x	14.9 %	21.4 %	75.4 %	25.4%	(9.4) x	59.5 %	22.5 %
VIZRT	3.12	203	153	51	0	(27.7)%	1.7 x	1.4 x	14.3 x	7.8 x	NM	16.1 x	NA	NA	NA	24.9%	(4.7) x	41.1 %	16.5 %
Mean		2,814	2,596	407	189	8.7 %	3.7 x	3.3 x	17.6 x	11.3 x	36.7 x	21.1 x	6.6 %	47.8 %	13.9 %	20.2%	(4.8) x	43.3 %	19.1 %
Median		488	344	79	0	5.6 %	2.9 x	2.8 x	16.1 x	11.4 x	30.4 x	17.2 x	6.3 %	20.3 %	11.7 %	15.5%	(4.3) x	45.2 %	19.9 %

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
VoIP & Voice Applications																		
Enghouse Systems	21	79.5	97.8	3	16.6	22.0	0.07	0.47	0.45	48.4%	6.9%	(22.2)%	23.1%	32.3%	(5.5)%	67.8 %	12.8 %	14.8 %
Global IP	3	12.1	NA	(2)	(6.7)	NA	(0.04)	(0.26)	NA	2.2%	NA	55.2%	NA	NA	NA	85.3 %	(43.7)%	(27.5)%
Interactive Intel.	35	137.0	151.3	5	20.2	29.7	0.22	1.04	1.14	18.8%	44.6%	37.5%	10.4%	47.0%	9.7%	70.3 %	14.3 %	11.8 %
NICE Systems	160	603.9	693.0	22	89.5	163.6	0.38	1.57	1.77	14.9%	1.6%	120.3%	14.8%	82.7%	12.7%	59.8 %	13.6 %	15.3 %
Nuance	273	1,040.4	1,266.4	54	233.1	506.5	0.28	1.15	1.24	19.1%	3.3%	16.7%	21.7%	117.3%	8.0%	66.5 %	19.7 %	29.2 %
Mean	98	375	552	16	71	180	0.18	0.79	1.15	20.7%	14.1%	41.5%	17.5%	69.8%	6.2%	69.9 %	3.3 %	8.7 %
Median	35	137	422	5	20	97	0.22	1.04	1.19	18.8%	5.1%	37.5%	18.2%	64.9%	8.8%	67.8 %	13.6 %	14.8 %

Video / Multimedia																		
Adobe	859	3,018.2	3,892.4	257	982.3	1,609.1	0.40	1.49	1.98	9.2%	(11.0)%	(11.1)%	29.0%	63.8%	32.7%	89.6 %	29.9 %	24.8 %
Avid	156	633.3	666.9	(3)	(1.9)	77.8	(0.12)	(0.29)	0.24	2.9%	55.3%	20.0%	5.3%	NM	181.0%	50.4 %	(2.2)%	(2.9)%
CyberLink	40	149.2	174.3	10	33.7	51.7	0.07	0.25	0.34	30.9%	NA	29.0%	16.8%	53.2%	34.5%	99.7 %	25.2 %	20.0 %
DivX	23	75.2	83.3	3	(0.3)	5.5	0.09	0.15	(0.08)	24.5%	NM	125.0%	10.7%	NM	(151.1)%	89.9 %	13.0 %	12.8 %
Dolby	243	799.8	924.0	142	412.8	485.2	0.76	2.17	2.56	19.3%	22.8%	26.7%	15.5%	17.5%	17.9%	87.8 %	58.2 %	36.2 %
DTS	22	82.2	86.9	8	24.5	29.4	0.22	0.63	0.90	25.9%	177.8%	4.8%	5.7%	19.8%	43.4%	97.9 %	35.2 %	18.2 %
Rovi	130	502.8	550.6	28	177.7	272.7	0.45	1.66	2.06	17.0%	(30.6)%	45.2%	9.5%	53.5%	23.9%	68.0 %	21.8 %	36.8 %
SeaChange	54	206.9	234.8	2	13.6	30.0	0.04	0.09	0.61	10.6%	(41.8)%	33.3%	13.5%	121.3%	563.0%	49.7 %	3.9 %	2.3 %
Sonic Solutions	26	104.3	107.9	3	4.0	4.8	0.03	(0.06)	0.01	(18.2)%	(18.3)%	(38.0)%	3.4%	21.7%	116.9%	69.5 %	12.0 %	(1.0)%
SRS Labs	8	27.6	33.8	2	3.6	7.6	0.10	0.14	0.31	47.0%	248.7%	233.3%	22.4%	112.6%	117.9%	99.2 %	18.9 %	18.3 %
VIZRT	24	92.0	110.8	2	10.6	19.5	(0.01)	(0.07)	0.19	37.8%	357.1%	66.7%	20.5%	83.4%	372.5%	58.4 %	7.6 %	(2.4)%
Mean	144	517	624	41	151	236	0.18	0.56	0.83	18.8%	84.5%	48.6%	13.8%	60.7%	123.0%	78.2 %	20.3 %	14.8 %
Median	40	149	174	3	14	30	0.09	0.15	0.34	19.3%	22.8%	29.0%	13.5%	53.5%	43.4%	87.8 %	18.9 %	18.2 %

Software & Services 125 Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 5/28/10	Market Cap	Enterprise Value	Cash	Debt	% Change 12/31/09	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R&D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
Mobile/Web Content & Games																			
Akamai	39.72	6,837	6,432	605	200	56.7 %	7.2 x	6.2 x	17.9 x	13.4 x	25.0 x	28.3 x	4.4 %	11.6 %	7.2 %	5.9%	(1.1) x	37.2 %	5.5 %
Changyou.com	26.56	1,370	1,104	265	0	(20.0)%	4.0 x	3.3 x	6.3 x	5.0 x	9.3 x	8.1 x	(0.4)%	NA	2.7 %	19.4%	(1.5) x	20.1 %	9.6 %
Digital River	27.54	1,091	706	394	9	2.0 %	1.8 x	2.0 x	9.2 x	11.8 x	18.2 x	33.8 x	1.2 %	6.2 %	25.4 %	35.3%	(5.0) x	52.5 %	15.9 %
Giant Interactive	7.09	1,610	875	738	2	1.0 %	4.8 x	4.0 x	7.3 x	5.8 x	13.9 x	12.5 x	2.3 %	NA	11.6 %	45.7%	(6.2) x	18.1 %	11.1 %
Index Holdings	98.74	378	675	59	356	78.5 %	1.2 x	1.5 x	14.1 x	10.3 x	NM	22.0 x	NA	NA	NA	(78.6)%	6.2 x	31.8 %	NA
Limelight Ntw ks	4.34	383	234	149	0	10.7 %	1.7 x	1.2 x	NM	10.9 x	NM	NM	6.5 %	68.6 %	35.5 %	38.9%	(102.7) x	45.8 %	7.3 %
NEOWIZ	34.56	729	716	171	64	(0.6)%	2.7 x	NA	NA	NA	15.9 x	NA	NA	NA	NA	14.7%	NA	34.7 %	NA
Netease.com	30.36	3,932	2,808	1,124	0	(19.3)%	4.6 x	3.4 x	8.5 x	6.7 x	14.3 x	11.2 x	(7.4)%	(6.8)%	(17.4)%	28.6%	(3.4) x	13.6 %	5.8 %
Perfect World	26.48	1,326	1,053	275	3	(32.9)%	3.1 x	2.8 x	5.7 x	4.9 x	8.5 x	8.0 x	(1.4)%	(8.8)%	(0.2)%	20.5%	(1.5) x	21.9 %	12.4 %
RealNetw orks	3.60	487	152	335	0	(3.0)%	0.3 x	0.4 x	NM	NM	NM	NA	1.0 %	(12.4)%	(14.0)%	68.8%	NA	41.8 %	27.0 %
Shanda Games	5.48	1,578	1,194	418	34	(46.2)%	1.7 x	1.6 x	4.3 x	3.9 x	7.3 x	7.3 x	(6.3)%	NA	(14.7)%	24.4%	(1.4) x	16.8 %	9.1 %
Tencent	19.29	35,302	33,492	1,972	161	(11.2)%	16.2 x	11.7 x	31.0 x	22.7 x	41.4 x	29.5 x	NA	NA	NA	5.1%	(1.7) x	18.2 %	NA
Mean		4,585	4,120	542	69	1.3 %	4.1 x	3.5 x	11.6 x	9.5 x	17.1 x	17.9 x	(0.0)%	9.7 %	4.0 %	19.1%	(11.8) x	29.4 %	11.5 %
Median		1,348	964	365	6	(1.8)%	2.9 x	2.8 x	8.5 x	8.5 x	14.3 x	12.5 x	1.0 %	(0.3)%	2.7 %	22.4%	(1.6) x	26.9 %	9.6 %

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
Mobile/Web Content & Games																		
Akamai	240	889.4	1,032.2	93	359.7	481.6	0.35	1.59	1.40	14.1%	14.0%	(18.6)%	16.0%	33.9%	(11.8)%	71.9 %	38.6 %	27.6 %
Changyou.com	72	278.1	334.7	46	174.5	219.4	0.75	2.85	3.26	17.0%	19.9%	5.6%	20.4%	25.7%	14.4%	92.5 %	64.1 %	55.2 %
Digital River	99	399.6	350.3	15	76.8	59.6	0.27	1.51	0.82	(4.1)%	(47.5)%	(51.8)%	(12.3)%	(22.5)%	(46.0)%	83.7 %	15.3 %	10.5 %
Giant Interactive	45	180.8	220.6	26	119.1	151.7	0.12	0.51	0.57	(18.5)%	(28.0)%	(20.0)%	22.0%	27.3%	11.4%	85.2 %	57.7 %	63.1 %
Index Holdings	114	567.9	454.8	18	48.0	65.7	1.40	(17.49)	4.49	(49.1)%	34.1%	104.9%	(19.9)%	36.8%	125.7%	41.4 %	15.5 %	4.3 %
Limelight Ntw ks	36	134.6	188.2	1	1.4	21.4	(0.06)	(0.29)	(0.03)	8.8%	NM	25.0%	39.8%	NM	89.4%	55.1 %	2.0 %	(14.2)%
NEOWIZ	80	263.1	NA	NA	NA	NA	0.71	2.17	NA	90.0%	NA	104.7%	NA	NM	NA	56.9 %	24.9 %	9.6 %
Netease.com	170	607.0	822.7	90	332.0	421.7	0.51	2.12	2.71	50.2%	19.7%	8.5%	35.5%	27.0%	27.6%	67.0 %	52.7 %	39.0 %
Perfect World	92	343.2	376.6	50	185.7	213.9	0.84	3.12	3.32	47.1%	42.3%	44.8%	9.7%	15.2%	6.5%	86.1 %	54.6 %	48.8 %
RealNetw orks	129	550.1	386.9	(2)	(17.9)	8.8	(0.08)	(0.16)	NA	(8.6)%	82.6%	(52.0)%	(29.7)%	149.3%	NA	61.8 %	(1.3)%	(8.2)%
Shanda Games	167	718.9	762.4	63	277.3	306.3	0.16	0.75	0.75	9.9%	NA	0.0%	6.1%	10.4%	(0.5)%	59.0 %	37.4 %	27.5 %
Tencent	619	2,073.4	2,868.4	331	1,080.4	1,473.0	0.14	0.47	0.66	68.8%	80.0%	69.7%	38.3%	36.3%	40.4%	68.6 %	53.5 %	42.2 %
Mean	155	584	709	66	240	311	0.43	(0.24)	1.79	18.8%	24.1%	18.4%	11.5%	34.0%	25.7%	69.1 %	34.6 %	25.4 %
Median	106	475	387	46	175	214	0.31	1.13	1.11	12.0%	19.9%	7.1%	16.0%	27.2%	12.9%	67.8 %	38.0 %	27.5 %

Software & Services 125 Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price	Market	Enterprise	Cash	Debt	% Change	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R&D /
	5/28/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	Revenue	Revenue
Portals & Social Networks																			
Ancestry.com	16.87	717	686	128	97	20.4 %	2.9 x	NA	9.9 x	NA	27.2 x	NA	4.7 %	(0.3)%	(36.0)%	4.3%	(0.4) x	46.9 %	15.4 %
AOL	20.63	2,202	2,009	262	70	(11.4)%	0.7 x	0.9 x	2.1 x	3.0 x	5.2 x	10.5 x	(2.7)%	13.4 %	19.7 %	8.7%	(0.2) x	20.1 %	NA
Baidu	73.21	25,466	24,747	719	0	78.0 %	34.3 x	19.9 x	75.6 x	40.8 x	95.2 x	55.7 x	7.2 %	33.1 %	29.8 %	2.8%	(2.2) x	16.6 %	9.4 %
Daum Comm.	61.33	807	754	54	1	1.7 %	3.0 x	2.7 x	9.8 x	8.5 x	NA	14.6 x	NA	NA	NA	6.6%	(0.7) x	149.5 %	0.0 %
Gree	64.47	2,876	2,706	169	0	4.9 %	8.5 x	NA	14.8 x	NA	29.6 x	NA	NA	NA	NA	5.9%	(0.9) x	35.4 %	NA
IAC/InterActive	23.46	2,601	1,191	1,527	118	14.5 %	0.8 x	0.8 x	10.4 x	5.0 x	58.6 x	27.2 x	9.9 %	47.3 %	(100.0)%	54.2%	(12.3) x	54.0 %	4.3 %
Meetic	24.68	562	505	63	6	(9.4)%	2.2 x	2.1 x	10.1 x	8.5 x	24.3 x	14.9 x	NA	NA	NA	10.2%	(1.1) x	53.8 %	NA
Mixi	4,799.16	742	612	130	1	(39.0)%	4.2 x	3.1 x	17.5 x	15.7 x	52.9 x	39.3 x	NA	NA	NA	17.5%	(3.7) x	64.4 %	NA
NHN	144.76	6,539	NA	639	221	(12.1)%	NA	NA	NA	NA	17.7 x	15.8 x	NA	NA	NA	6.4%	(0.8) x	NA	NA
Shutterfly	23.10	620	464	157	0	29.7 %	1.8 x	1.6 x	13.6 x	8.1 x	NM	44.1 x	10.8 %	352.4 %	18.9 %	25.3%	(4.6) x	41.4 %	26.6 %
Sina	37.37	2,277	1,550	828	100	(17.3)%	4.2 x	3.9 x	24.1 x	13.8 x	29.2 x	23.4 x	5.5 %	NA	22.0 %	32.0%	(11.3) x	27.4 %	9.0 %
Sohu.com	44.20	1,672	1,158	599	85	(22.8)%	2.2 x	1.9 x	5.2 x	4.5 x	14.0 x	11.8 x	1.0 %	(4.7)%	1.4 %	30.7%	(2.3) x	25.4 %	12.0 %
Universo Online	5.01	602	315	326	39	(7.0)%	0.8 x	0.8 x	3.9 x	3.6 x	8.4 x	14.3 x	NA	NA	NA	47.6%	(3.5) x	38.9 %	NA
XING	35.67	184	116	68	0	(19.2)%	1.8 x	1.7 x	6.8 x	5.3 x	NM	17.6 x	NA	NA	NA	36.7%	(4.0) x	13.2 %	NA
Yahoo Japan	348.78	20,426	19,068	1,490	131	16.6 %	6.3 x	5.7 x	11.5 x	10.1 x	22.6 x	19.9 x	NA	NA	NA	6.7%	(0.8) x	28.7 %	0.4 %
Yahoo!	15.34	21,247	18,168	3,242	163	(8.6)%	2.8 x	3.8 x	13.7 x	10.2 x	31.3 x	23.0 x	(4.8)%	10.5 %	57.1 %	14.5%	(2.3) x	26.5 %	16.7 %
Mean		5,596	4,937	650	65	1.2 %	5.1 x	3.7 x	15.3 x	10.6 x	32.0 x	23.7 x	3.9 %	64.5 %	1.6 %	19.4%	(3.2) x	42.8 %	10.4 %
Median		1,937	1,158	294	55	(7.8)%	2.8 x	2.1 x	10.4 x	8.5 x	27.2 x	18.7 x	5.1 %	13.4 %	19.3 %	12.4%	(2.3) x	35.4 %	9.4 %

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
Portals & Social Networks																		
Ancestry.com	64	236.1	NA	16	69.4	NA	0.08	0.62	NA	21.0%	6.9%	(46.7)%	NA	NA	NA	79.8 %	24.9 %	5.9 %
AOL	664	3,054.5	2,360.8	188	972.7	669.1	0.79	3.95	1.96	(23.1)%	(39.6)%	(44.4)%	(22.7)%	(31.2)%	(50.5)%	45.1 %	28.3 %	12.7 %
Baidu	189	722.0	1,243.1	89	327.4	606.0	0.20	0.77	1.31	59.7%	127.2%	134.9%	72.2%	85.1%	70.9%	73.3 %	47.1 %	37.2 %
Daum Comm.	70	248.9	283.2	24	76.8	88.5	1.06	NA	4.19	61.7%	515.5%	NA	13.8%	15.2%	NA	25.8 %	33.7 %	19.8 %
Gree	99	316.9	NA	56	182.5	NA	0.67	2.18	NA	151.1%	123.7%	142.2%	NA	NA	NA	92.2 %	56.9 %	32.8 %
IAC/InterActive	386	1,429.7	1,570.6	25	114.3	238.5	0.00	0.40	0.86	16.2%	416.0%	NM	9.9%	108.6%	116.0%	64.7 %	6.4 %	0.0 %
Meetic	53	230.1	246.0	0	50.2	59.7	0.00	1.02	1.66	15.0%	(100.0)%	(100.0)%	6.9%	18.8%	62.9%	67.9 %	0.0 %	5.6 %
Mixi	42	146.2	195.2	4	34.9	38.9	3.44	90.71	122.26	32.7%	(63.9)%	(87.1)%	33.5%	11.3%	34.8%	69.2 %	8.4 %	1.3 %
NHN	290	1,110.0	1,330.6	140	510.0	569.1	1.98	8.16	9.14	NA	NA	NA	19.9%	11.6%	11.9%	NA	48.3 %	NA
Shutterfly	46	256.2	287.0	(1)	34.1	57.2	(0.18)	0.23	0.52	27.0%	57.5%	28.0%	12.0%	67.6%	127.6%	50.6 %	(2.5)%	(10.3)%
Sina	85	369.8	401.8	22	64.2	112.5	0.34	1.28	1.59	15.2%	139.9%	47.8%	8.7%	75.2%	24.5%	56.6 %	25.8 %	26.2 %
Sohu.com	129	529.0	618.2	53	221.7	256.4	0.73	3.16	3.74	11.9%	(2.0)%	(36.5)%	16.9%	15.7%	18.4%	74.6 %	41.1 %	21.7 %
Universo Online	130	381.9	412.7	31	81.1	88.3	0.27	0.60	0.35	NA	NA	NA	8.0%	8.8%	(41.3)%	75.3 %	24.1 %	24.7 %
XING	17	64.8	70.3	4	17.1	21.9	0.32	(0.55)	2.02	20.8%	(5.8)%	(26.0)%	8.4%	28.4%	466.2%	61.5 %	23.3 %	10.2 %
Yahoo Japan	784	3,008.3	3,325.4	443	1,663.3	1,881.5	4.31	15.45	17.56	15.5%	14.1%	34.9%	10.5%	13.1%	13.6%	85.5 %	56.5 %	31.9 %
Yahoo!	1,597	6,477.2	4,820.5	358	1,323.1	1,776.5	0.15	0.49	0.67	1.1%	24.6%	87.5%	(25.6)%	34.3%	35.8%	55.8 %	22.4 %	13.3 %
Mean	290	1,161	1,226	91	359	462	0.89	8.56	11.99	30.4%	86.7%	11.2%	12.3%	33.0%	68.5%	65.2 %	27.8 %	15.5 %
Median	114	376	515	28	98	175	0.33	1.02	1.81	18.5%	19.4%	1.0%	10.2%	17.2%	34.8%	67.9 %	25.3 %	13.3 %

Software & Services 125 Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price	Market	Enterprise	Cash	Debt	% Change	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R&D /
	5/28/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
Search & Marketing Services																			
AOL	20.63	2,202	2,009	262	70	(11.4)%	0.7 x	0.9 x	2.1 x	3.0 x	5.2 x	10.5 x	(2.7)%	13.4 %	19.7 %	8.7%	(0.2) x	20.1 %	NA
Baidu	73.21	25,466	24,747	719	0	78.0 %	34.3 x	19.9 x	75.6 x	40.8 x	95.2 x	55.7 x	7.2 %	33.1 %	29.8 %	2.8%	(2.2) x	16.6 %	9.4 %
comScore	15.38	477	400	82	5	(12.4)%	3.0 x	2.4 x	21.7 x	10.5 x	21.4 x	59.5 x	2.5 %	6.0 %	4.4 %	16.2%	(4.2) x	52.4 %	14.0 %
DG FastChannel	42.47	1,206	1,255	51	100	52.1 %	6.2 x	5.2 x	14.9 x	11.6 x	38.6 x	26.6 x	14.4 %	26.4 %	63.4 %	(4.0)%	0.6 x	20.4 %	3.9 %
Google	485.63	154,667	128,153	26,514	0	(21.7)%	5.1 x	4.4 x	12.4 x	9.6 x	19.6 x	16.9 x	1.6 %	(0.4)%	2.4 %	17.1%	(2.6) x	15.0 %	12.1 %
IAC/InterActive	23.46	2,601	1,191	1,527	118	14.5 %	0.8 x	0.8 x	10.4 x	5.0 x	58.6 x	27.2 x	9.9 %	47.3 %	(100.0)%	54.2%	(12.3) x	54.0 %	4.3 %
InfoSpace	8.23	295	64	231	0	(4.0)%	0.3 x	0.2 x	3.3 x	1.8 x	23.5 x	15.3 x	(0.1)%	(1.0)%	(35.5)%	78.5%	(12.1) x	21.5 %	1.6 %
Marchex	5.07	178	144	34	0	(0.2)%	1.6 x	1.6 x	NM	22.5 x	36.2 x	NM	6.6 %	5.6 %	63.7 %	19.0%	(8.5) x	32.3 %	16.5 %
TechTarget	6.06	257	184	74	0	7.6 %	2.1 x	1.9 x	NM	9.0 x	33.7 x	22.6 x	3.5 %	14.5 %	(22.2)%	28.7%	(37.2) x	68.5 %	10.4 %
TradeDoubler	3.57	153	132	21	0	(45.4)%	0.3 x	NA	13.8 x	NA	22.7 x	NA	NA	NA	NA	13.5%	(2.1) x	19.4 %	1.4 %
ValueClick	11.63	946	786	160	0	14.9 %	1.7 x	1.9 x	6.4 x	6.8 x	18.2 x	19.5 x	(0.5)%	7.4 %	5.6 %	16.9%	(1.3) x	40.0 %	8.3 %
Yahoo Japan	348.78	20,426	19,068	1,490	131	16.6 %	6.3 x	5.7 x	11.5 x	10.1 x	22.6 x	19.9 x	NA	NA	NA	6.7%	(0.8) x	28.7 %	0.4 %
Yahoo!	15.34	21,247	18,168	3,242	163	(8.6)%	2.8 x	3.8 x	13.7 x	10.2 x	31.3 x	23.0 x	(4.8)%	10.5 %	57.1 %	14.5%	(2.3) x	26.5 %	16.7 %
Mean	17,702	17,702	15,100	2,647	45	6.2 %	5.0 x	4.0 x	16.9 x	11.7 x	32.8 x	27.0 x	3.4 %	14.8 %	8.0 %	21.0%	(6.6) x	32.0 %	8.2 %
Median	1,206	1,191	231	0	(0.2)%	2.1 x	2.1 x	12.4 x	9.9 x	23.5 x	22.6 x	2.5 %	10.5 %	5.6 %	16.2%	(2.3) x	26.5 %	8.9 %	

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
Search & Marketing Services																		
AOL	664	3,054.5	2,360.8	188	972.7	669.1	0.79	3.95	1.96	(23.1)%	(39.6)%	(44.4)%	(22.7)%	(31.2)%	(50.5)%	45.1 %	28.3 %	12.7 %
Baidu	189	722.0	1,243.1	89	327.4	606.0	0.20	0.77	1.31	59.7%	127.2%	134.9%	72.2%	85.1%	70.9%	73.3 %	47.1 %	37.2 %
comScore	36	133.3	169.2	3	18.4	38.1	0.16	0.72	0.26	18.0%	10.5%	14.3%	27.0%	106.4%	(64.1)%	71.3 %	9.5 %	13.9 %
DG FastChannel	54	203.7	239.1	23	84.2	108.4	0.32	1.10	1.59	30.9%	78.3%	357.1%	17.4%	28.7%	44.9%	66.9 %	42.6 %	14.7 %
Google	6,775	24,916.6	29,223.9	2,819	10,368.7	13,301.6	6.76	24.80	28.71	23.0%	23.3%	31.0%	17.3%	28.3%	15.8%	63.8 %	41.6 %	32.2 %
IAC/InterActive	386	1,429.7	1,570.6	25	114.3	238.5	0.00	0.40	0.86	16.2%	416.0%	NM	9.9%	108.6%	116.0%	64.7 %	6.4 %	0.0 %
InfoSpace	62	230.3	269.5	4	19.2	35.5	0.04	0.35	0.54	58.1%	133.2%	128.6%	17.0%	85.1%	53.7%	29.6 %	6.5 %	2.4 %
Marchex	24	90.7	93.1	1	4.0	6.4	0.04	0.14	0.04	(9.7)%	NM	100.0%	2.7%	61.4%	(73.8)%	47.3 %	4.3 %	5.5 %
TechTarget	21	89.1	97.6	(1)	2.0	20.4	0.02	0.18	0.27	13.9%	5.5%	100.0%	9.6%	930.5%	48.9%	74.3 %	(4.5)%	4.0 %
TradeDoubler	99	396.3	NA	3	9.6	NA	0.01	0.16	NA	(3.7)%	(22.5)%	(86.2)%	NA	NA	NA	23.1 %	3.4 %	0.4 %
ValueClick	96	466.6	415.5	26	123.4	116.4	0.14	0.64	0.60	(7.2)%	0.0%	(6.7)%	(11.0)%	(5.7)%	(6.8)%	73.4 %	26.7 %	12.2 %
Yahoo Japan	784	3,008.3	3,325.4	443	1,663.3	1,881.5	4.31	15.45	17.56	15.5%	14.1%	34.9%	10.5%	13.1%	13.6%	85.5 %	56.5 %	31.9 %
Yahoo!	1,597	6,477.2	4,820.5	358	1,323.1	1,776.5	0.15	0.49	0.67	1.1%	24.6%	87.5%	(25.6)%	34.3%	35.8%	55.8 %	22.4 %	13.3 %
Mean	830	3,171	3,652	306	1,156	1,567	1.00	3.78	4.53	14.8%	64.2%	70.9%	10.4%	120.4%	17.0%	59.6 %	22.4 %	13.9 %
Median	99	467	829	25	114	177	0.15	0.64	0.76	15.5%	18.7%	61.2%	10.2%	47.8%	25.8%	64.7 %	22.4 %	12.7 %



Introduction to SagePoint Advisors

SagePoint Advisors is a boutique investment banking firm providing merger, acquisition and strategic advisory services to technology and telecom companies and their venture backers.

Mission	To deliver the senior-level attention, trusted relationships and market insight on \$10-100 million M&A transactions that other investment banks reserve only for much larger transactions.
Services	Sell Side Advisory; Divestitures; Buy Side Advisory; Strategic Investments
Industry Focus	Software, hardware and services in the Wireless, VoIP, IP Video, Networking, Internet, Telecom Equipment, IT Infrastructure and Enabling Technology sectors
Offices	San Diego, CA

David P. Michaels - Founder & Managing Director



Prior to founding SagePoint Advisors in 2008, David Michaels was a Co-Founder, Partner and Managing Director at Montgomery & Co., a leading investment bank focused on serving emerging-growth technology companies and their venture backers. Mr. Michaels co-founded Montgomery's investment banking business in 1996 as the lead banker and played an instrumental role in building the business to over \$50 million in revenues and 80 employees. Mr. Michaels launched Montgomery's San Diego office in 2003 and established Montgomery as the dominant brand in the region. Mr. Michaels also ran the firm's Communications and Digital Media Technology practice areas for several years prior to his departure. During his 14 year tenure at Montgomery, Mr. Michaels advised CEOs and Boards on more than 75 corporate strategy, M&A and fund raising engagements.

Mr. Michaels has intimate knowledge of the strategic landscape, market dynamics and technology underpinnings of several high technology market segments including wireless infrastructure, software and services, voice, video and data infrastructure, software and services, storage infrastructure and software, networking equipment, Internet software and services and semiconductors. Prior to co-founding Montgomery's investment banking business, Mr. Michaels managed strategic consulting assignments for the firm including market entry analysis, acquisition search studies and strategic portfolio assessments.

Prior to joining the Montgomery in 1994, Mr. Michaels held various investment banking positions including a position within Bankers Trust Corporate Finance Department, where he helped execute merger and acquisition assignments such as sale mandates and valuation analyses. Prior to that, Mr. Michaels worked as a structural engineer at General Dynamics, where he assisted on the Advanced Tactical Fighter program. Mr. Michaels received an M.B.A. with an emphasis in marketing and entrepreneurship from the Anderson School of Management at UCLA and holds a B.S. in Mechanical Engineering from the University of Michigan.

Teak Murphy - Senior Associate



Prior to joining SagePoint, Teak worked as a Senior Associate with Enterprise Partners Venture Capital, the largest Southern California based VC firm, where he evaluated investment opportunities and worked closely with senior management and board members to successfully grow portfolio companies. Prior to Enterprise Partners, Teak worked as an Associate in technology investment banking at Montgomery & Co. where he spent three years working closely with SagePoint's founder David Michaels on buy-side and sell-side M&A transactions. Prior to Montgomery, Teak worked at Cowen & Co. advising technology companies on M&A and IPO transactions.

Teak's experience working on fund raising, mergers and acquisitions, and initial public offerings as both an advisor and investor provides unique insight into the needs of venture-backed companies. Teak graduated from the University of Southern California with honors, receiving a B.S. in Business Administration and Finance .

Primary Industry Focus – Communications & Networking

Value Chain	Wireless	VoIP	Video	Data
Services	Mobile messaging, content, search, LBS, social networking, gaming, etc.	VoIP service providers, voice search, website voice enablement, etc.	Cable & DBS, Internet video, conferencing, video delivery networks, etc.	Internet access, web hosting, co-location, SaaS delivery networks, etc.
Software	Mobile and fixed wireless application and infrastructure software, etc.	VoIP softphone client and server software, FMC software, etc.	Video encoding, transcoding, editing, sharing and player software, etc.	Networking & Internet client and server software, etc.
Equipment	Handsets and modules, fixed and mobile wireless equipment, etc.	VoIP handsets, gateways, IP-PBXs, SBCs, media servers, etc.	Cable & IPTV equipment, video conferencing, VOD, DVRs, STBs, etc.	WAN, LAN and optical data networking and telecom equipment, etc.
Semiconductors	3G/4G, WiMax, WLAN, & WPAN RF & BB ICs, etc.	VoIP DSPs and ASICs	Video encode/decode, processing and transport ICs, etc.	WAN, LAN, I/O storage and security networking ICs

Transaction Experience of SagePoint Team

 ...stay connected has been acquired by  August 2009	 has been acquired by Undisclosed Buyer November 2008	 has sold certain assets to Undisclosed Handset OEM October 2008	 Buyside Advisory 2008	 has been acquired by  April 2008	 has sold its assets to  \$10,000,000 October 2007	 has been acquired by  \$34,875,000 September 2007
 The Power of Touch Initial Public Offering \$82,500,000 Co-manage June 2007	 has been acquired by  January 2007	 Initial Public Offering \$167,440,000 Co-manager September 2006	 has been acquired by  August 2006	 has been acquired by  August 2006	 Senior Convertible Debentures \$5,000,000 Financial Advisor and Placement Agent July 2006	 has sold its SRAM assets to  January 2006
 Private Investment in Public Equity \$14,400,000 Co-Agent January 2006	 has been acquired by  October 2005	 has agreed to the sale of their NAS Software Intellectual Property to  \$50,000,000 May 2005	 has sold a minority stake to Strategic Investor 2005	 has been acquired by  August 2004	 the e-way of software has been acquired by  \$122,500,000 April 2004	 has been acquired by  March 2004
 has been acquired by  August 2003	 has been acquired by  December 2003	 has been acquired by  February 2003	 has been acquired by  April 2002	 Private Placement \$9,900,000 Placement Agent July 2001	 Private Placement \$11,000,000 Placement Agent May 2000	 the leader in emerging data technology has merged with  \$157,000,000 March 2000

Transaction Experience by Market Segment

SagePoint's Founder has led more than 75 M&A and fund raising engagements with deal experience across the entire communications and networking value chain.

Value Chain	Wireless	VoIP	Video	Data
Services	<ul style="list-style-type: none"> • Sale of Xumii to Myriad Group • Capital Raise for InfoSonics 	<ul style="list-style-type: none"> • Sale of AccessLine to Telanetix • Strategic Advisory for Voice 2.0 Service Provider 	<ul style="list-style-type: none"> • Strategic Advisory for DirecTV Reseller 	<ul style="list-style-type: none"> • Sale of Compute Intensive to Verio • Sale of GeoNet to Level 3 • Capital Raise for Speakeasy
Software	<ul style="list-style-type: none"> • Sale of Neven Vision to Google • Sale of SKY MobileMedia; 	<ul style="list-style-type: none"> • Sale of CrystalVoice to Global IP Solutions • Buyside Advisory for VOIP Softphone Vendor 	<ul style="list-style-type: none"> • IPO for Divx • Strategic Advisory for Mobile Video SW Vendor 	<ul style="list-style-type: none"> • Sale of LVL7 to Broadcom • Sale of Neteon to CA
Equipment	<ul style="list-style-type: none"> • Sale of Strix to Idream • Sale of Aiprime to Sierra Wireless 	<ul style="list-style-type: none"> • Strategic Advisory for Unified Messaging Vendor • Strategic Advisory for IP-PBX Vendor 	<ul style="list-style-type: none"> • Sale of Gyration to Philips • Sale of TIR to Philips 	<ul style="list-style-type: none"> • Sale of Network Physics to OpNet • Capital Raise for Raptor Networks • Sale of Procom to Sun
Semis	<ul style="list-style-type: none"> • Sale of CommAsic to Freescale • Peregrine Strategic Investment • Sale of Synad to ST 	<ul style="list-style-type: none"> • Strategic Advisory for Noise Cancellation IC Vendor 	<ul style="list-style-type: none"> • Sale of Vativ to Entropic • Strategic Advisory for Video Processing IC Vendor 	<ul style="list-style-type: none"> • Strategic Advisory for Storage Networking IC Vendor

Representative Buyer Relationships

Internet / Media	Service Providers	Communications Software / SaaS	Communications Equipment	Communications Semiconductors
         	         	         	        	         

Why Work With SagePoint?

- SagePoint delivers the senior-level attention, trusted relationships and market insight on \$10-100M transactions that larger investment banks reserve only for much larger transactions
- SagePoint's domain knowledge is world-class across the entire communications and networking value chain
- SagePoint has developed trusted relationships with the most active strategic buyers across the communications value chain
- SagePoint has the M&A expertise that comes only from decades of experience focusing on strategic transactions
- SagePoint's unwavering integrity and commitment to intellectual honesty ensures that we tell our clients what they need to hear to make sound business decisions
- At SagePoint, we offer sage advice that points our clients in the right direction to ensure an optimal outcome