

SagePoint Communications Software & Services M&A Review for Q1 2010

An Analysis of Communications Software & Services
M&A Activity



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SagePoint's Viewpoint - Key Takeaways

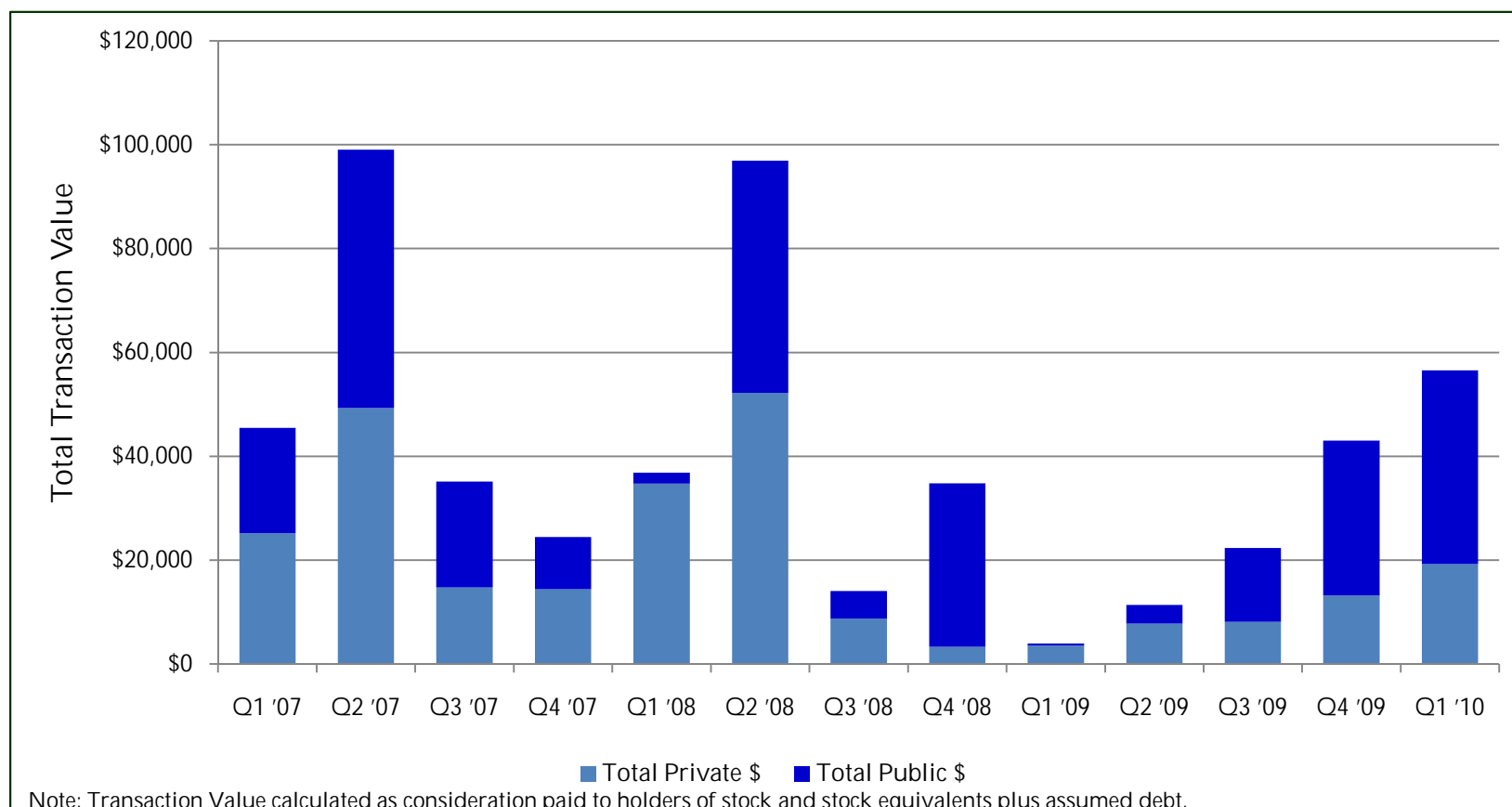
- Communications Software & Services M&A transaction volume continues to rebound strongly, up 8% from Q4
 - The uptick in activity is driven by increased activity in Connectivity/Mobility, Video/Multimedia, Messaging/Conferencing and Portals & Social Networking
 - The three most active segments are Portals & Social Networking, Search & Marketing and Messaging/Conferencing
- However, Software & Services M&A dollar volume dropped over 35% in Q1
 - Private dollar volume fell, but remains above the five quarters prior to Q4'09
 - Public dollar volume dropped dramatically with no deals over \$50M
- Larger private M&A transactions continued their rebound in Q1 with five \$100M+ deals while public M&A was dominated by smaller deals with no public deals above \$50M
 - Median private deal size increased again in Q1 to \$13M with Q4'07 the only higher period in the past three years
- Private M&A revenue multiples have skyrocketed to 4.6x, the highest level in recent years and 30% above the next highest quarter
 - 6 private M&A deals in Q1 commanded revenue multiples of 5x or higher
 - Public M&A revenue multiples remain at depressed levels in Q1 due to the predominance of smaller deals although it is difficult to draw reliable conclusions from so few data points

SagePoint's Viewpoint - Key Takeaways Continued

- The most active Software & Services buyers over the last 24 months include Cisco, Nokia, Google, NTT, Microsoft, Nuance, Sanoma and J2 Global
- Notable Q4 M&A transactions include:
 - CA's acquisition of Nimsoft (\$350M)
 - Apple's acquisition of Quattro Wireless (\$275M)
 - Open Market's acquisition of MX Telecom (\$104M)
 - Nokia's acquisition of Novarra (\$100M)
 - VMware's acquisition of Zimbra (\$100M)
 - Oracle's acquisition of Convergin (\$85M)
 - Shanda Games' acquisition of Mochi Media (\$80M)
 - Google's acquisition of Aardvark (\$50M)
- SagePoint expects to see the M&A rebound to continue to gain strength in 2010
 - SagePoint expects to see larger public deals return in 2010
 - SagePoint expects private M&A revenue multiples to remain strong, though they will likely settle down towards the historical range of 2.5-3.0x in 2010
 - SagePoint expects public M&A multiples to rebound to mid-to-high 2s in 2010 to reflect the rebound in the stock market and the willingness of buyers to entertain larger transactions

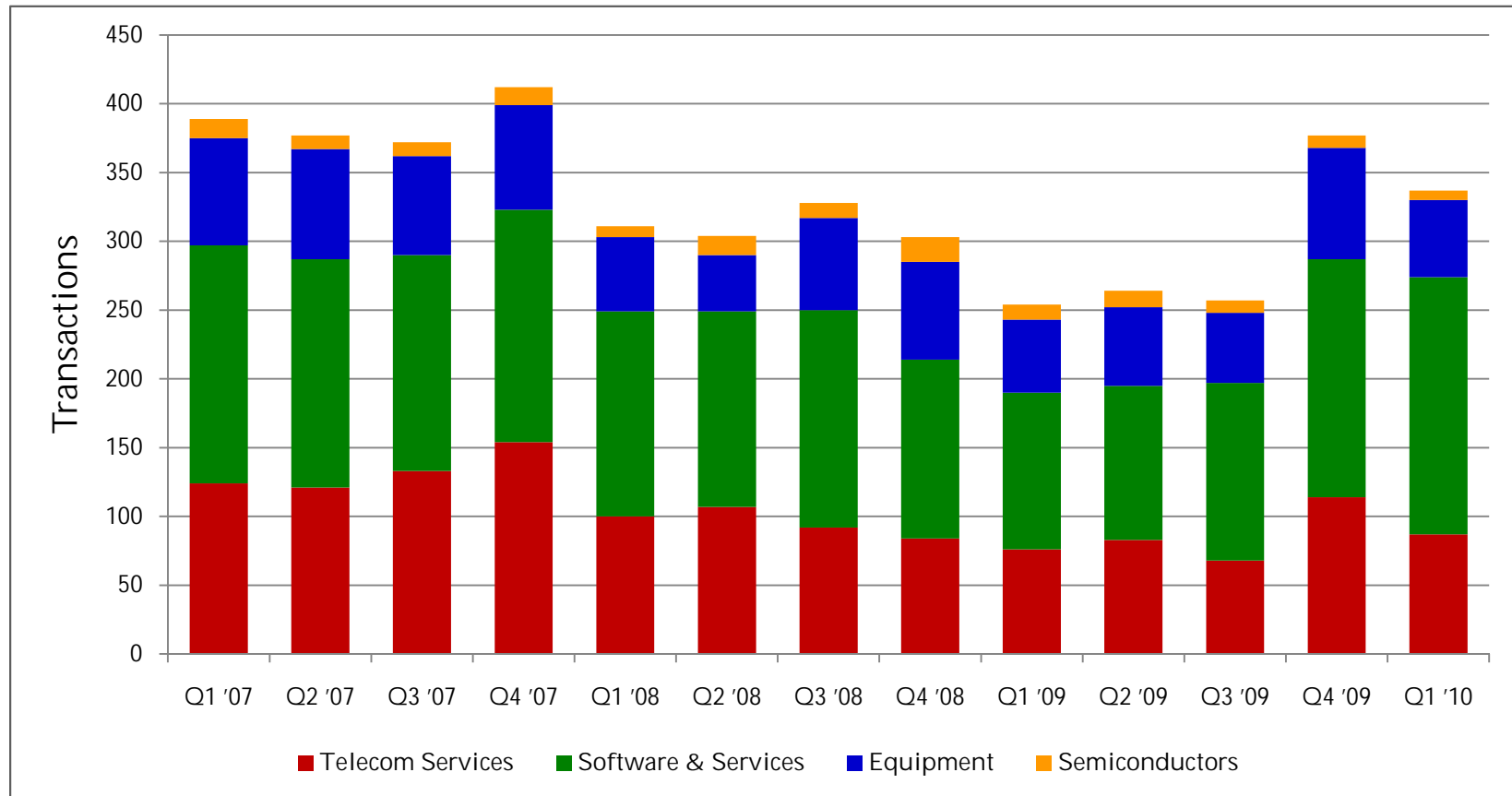
M&A Dollar Volume – Entire Communications Value Chain

- M&A dollar volume across the entire value chain was up over 30% in Q1'10 vs Q4'09 to its highest level since Q2'08
 - However, American Movil/Carso Global deal (\$35B) accounted for 50+% of the Q1 dollar volume
 - M&A dollar volume was up considerably for Telecom Services, down dramatically for Equipment, down considerably for Software & Services and relatively flat for Semiconductors
 - Prior Q2'08 peak driven by Verizon/Alltel (\$30B) and China Unicom/China Netcom (\$33B) transactions while Q2'07 peak was driven by Alltel (\$28B) and Intelsat (\$16B) take privates



M&A Transaction Volume – Entire Communications Value Chain

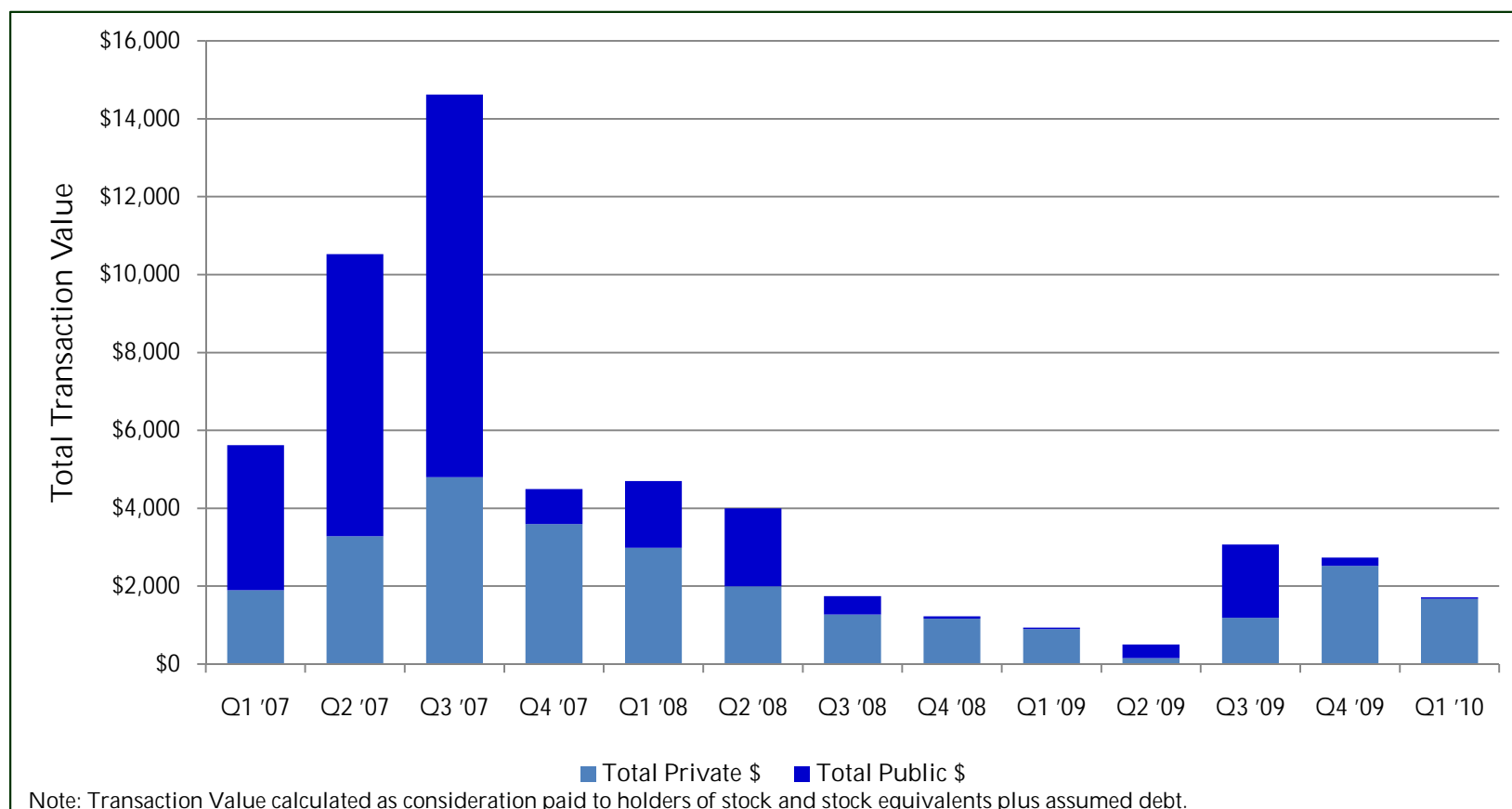
- Communications M&A transaction volume was up more than 30% in Q1'10 versus Q1'09 but came in approximately 10% below Q4'09 levels
 - Though not as strong as Q4'09, Q1'10 was still higher than any of the 7 quarters leading up to Q4'09
 - Only Software & Services saw an increase in transaction volume in Q1'10 versus Q4'09
- SagePoint expects M&A transaction volume to remain robust through 2010 and 2011
 - Early Q2'10 activity levels suggest that another strong quarter is underway



Communications Software & Services M&A – Q1 2010

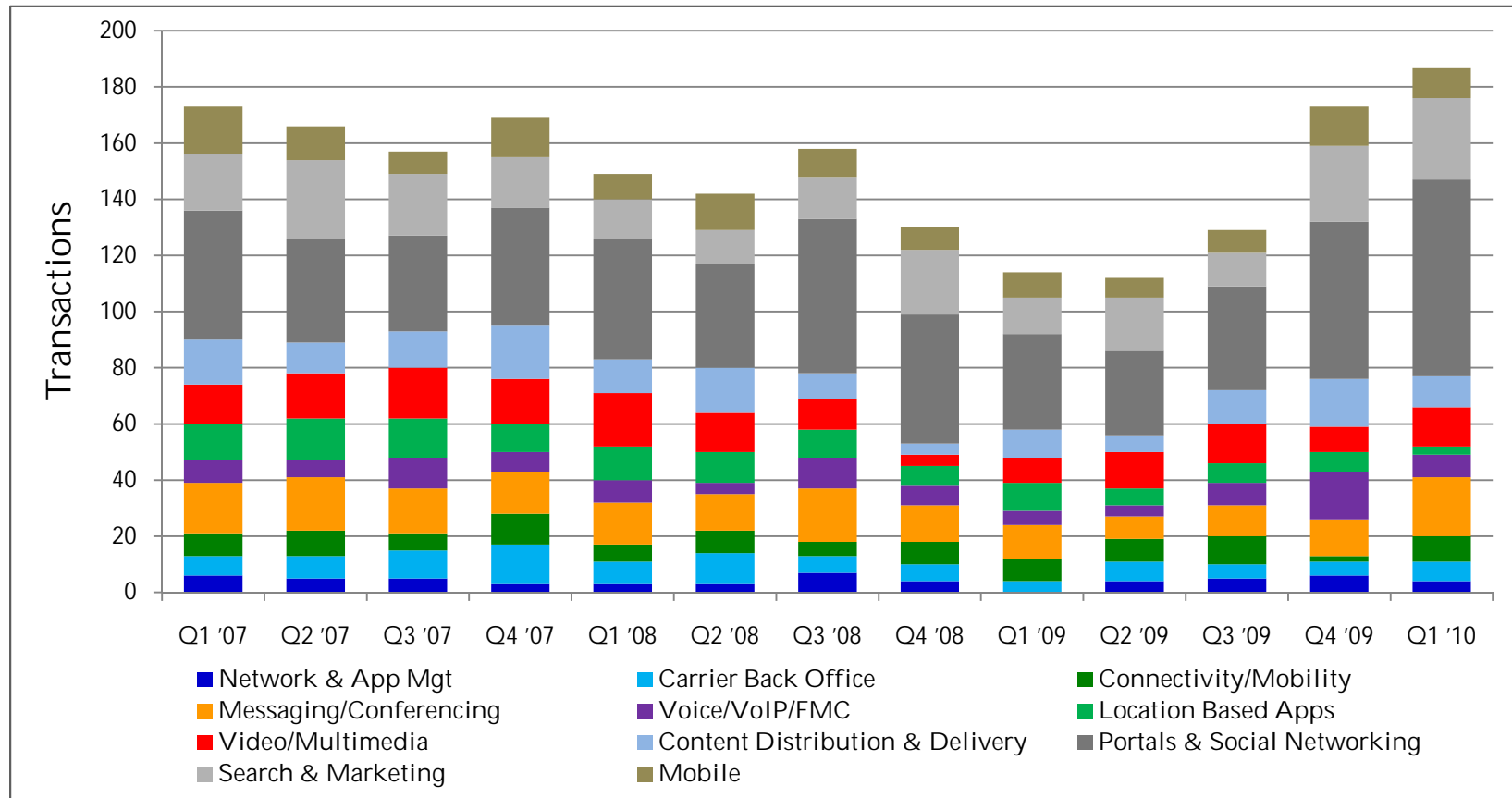
M&A Dollar Volume – Communications Software & Services

- Communications Software & Services M&A dollar volume dropped over 35% in Q1
 - Private dollar volume fell, but remains above the five quarters prior to Q4'09
 - Public dollar volume dropped dramatically with no deals over \$50M
 - Q2 and Q3' 07 peaks driven primarily by Microsoft/aQuantive (\$6B) and Nokia/Navteq (\$8B) deals
- SagePoint expects to see some larger public deals get announced later in 2010



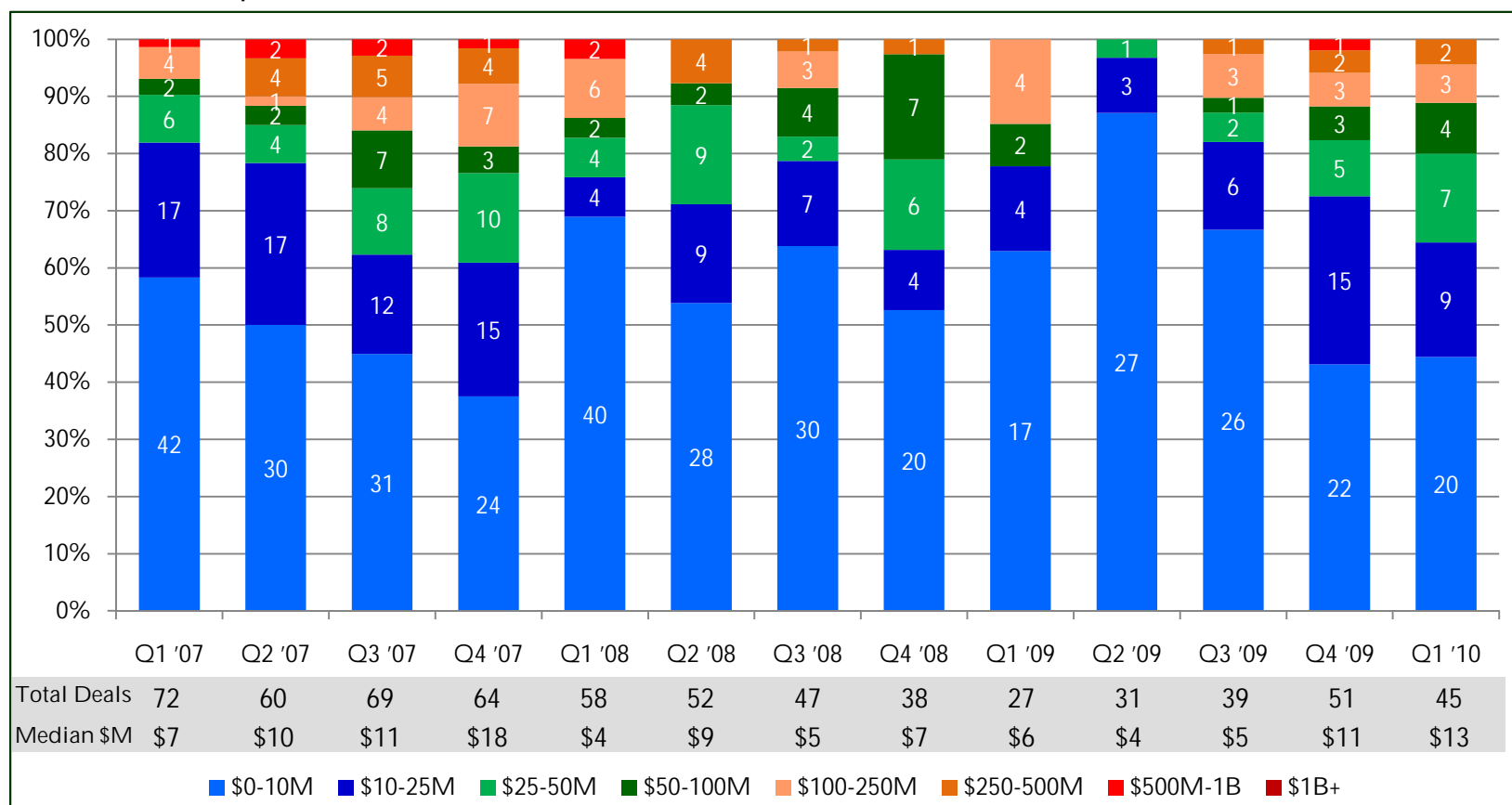
M&A Transaction Volume – Software & Services by Segment

- Software & Services M&A transaction volume continues to rebound strongly, up 8% from Q4
 - The uptick in activity is driven by increased activity in Connectivity/Mobility, Video/Multimedia, Messaging/Conferencing and Portals & Social Networking
 - Connectivity/Mobility and Video/Multimedia rebounded from weaker deal activity in Q4'09
 - Portals & Social Networking continues its explosive growth with its highest level of activity yet
 - The three most active segments are Portals & Social Networking, Search & Marketing and Messaging/Conferencing



M&A Transaction Volume by Deal Size – Private Targets

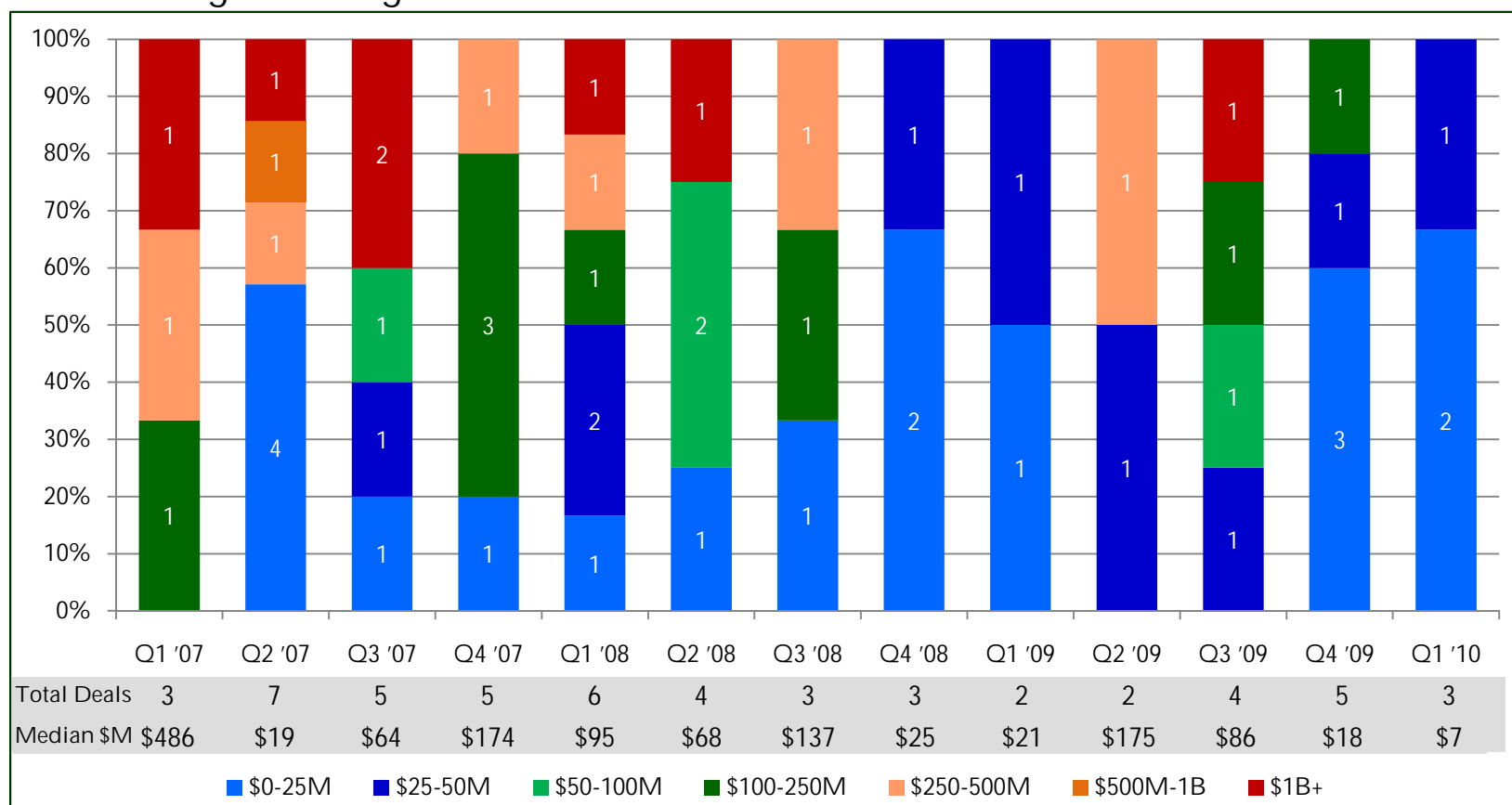
- Five \$100M+ private deals were announced in Q1, continuing the trend of large private deals
 - CA/Nimsoft (\$350M), Apple/Quattro (\$275M), OpenMarket/MX Telecom (\$104M), Nokia/Novarra (\$100M) and VMware/Zimbra (\$100M)
- Median private deal size increased again in Q1 to \$13M with Q4'07 the only higher period in the past three years
 - However, more than 60% of private deals were below \$25M in value which implies that distressed/early sales remain prevalent



Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

M&A Transaction Volume by Deal Size – Public Targets

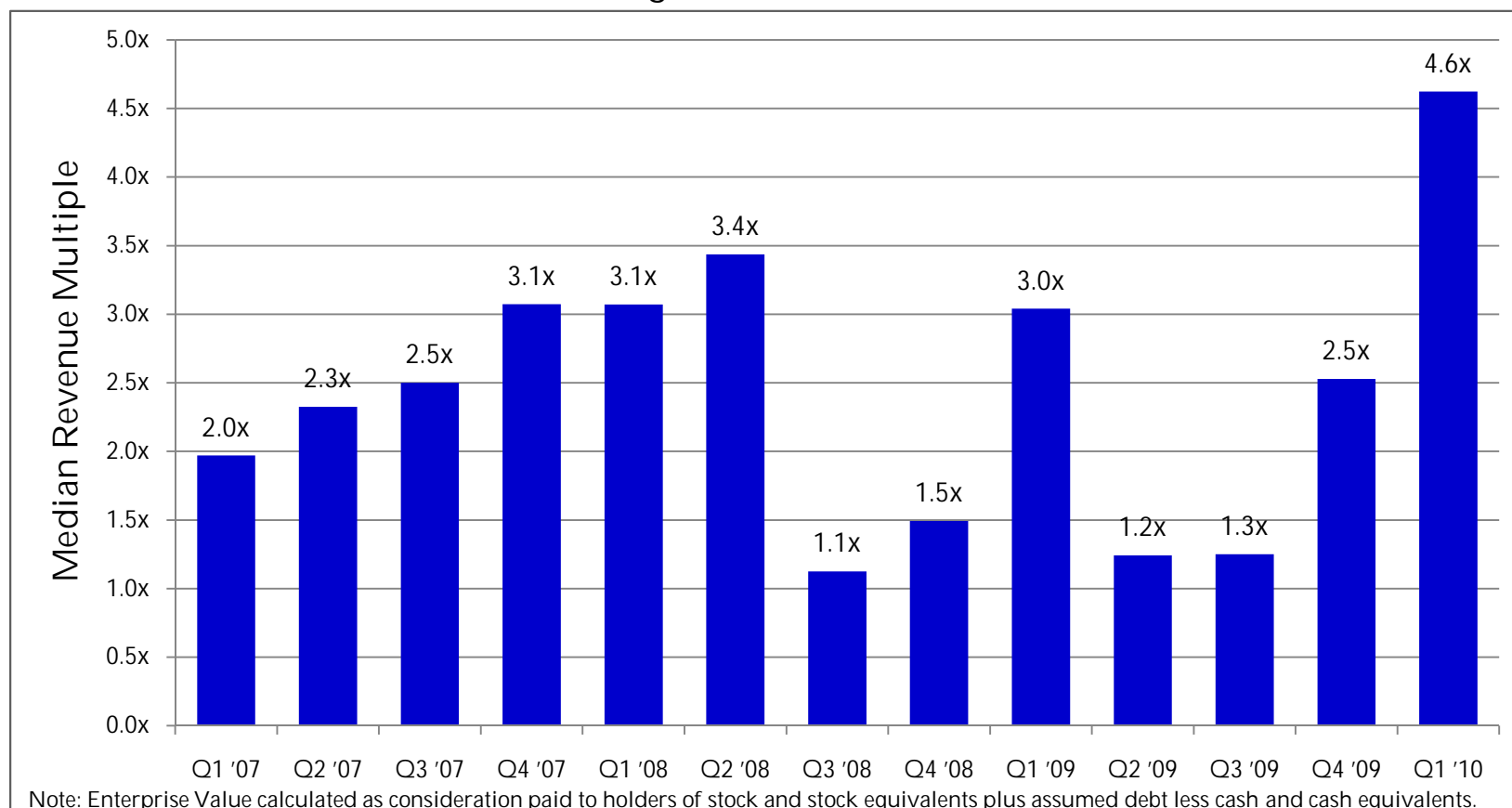
- The public deals announced in Q1 remain skewed towards smaller deal sizes with no deals above \$50M
 - The largest public deal announced in Q1 was Great Hill Partners/Spark Networks (\$36M) at a multiple of just 1.3x
 - The median public deal value has slumped to single digits and its lowest level in 3 years
- SagePoint expects to see some larger public deals return in 2010 as the M&A rebound continues to gain strength



Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

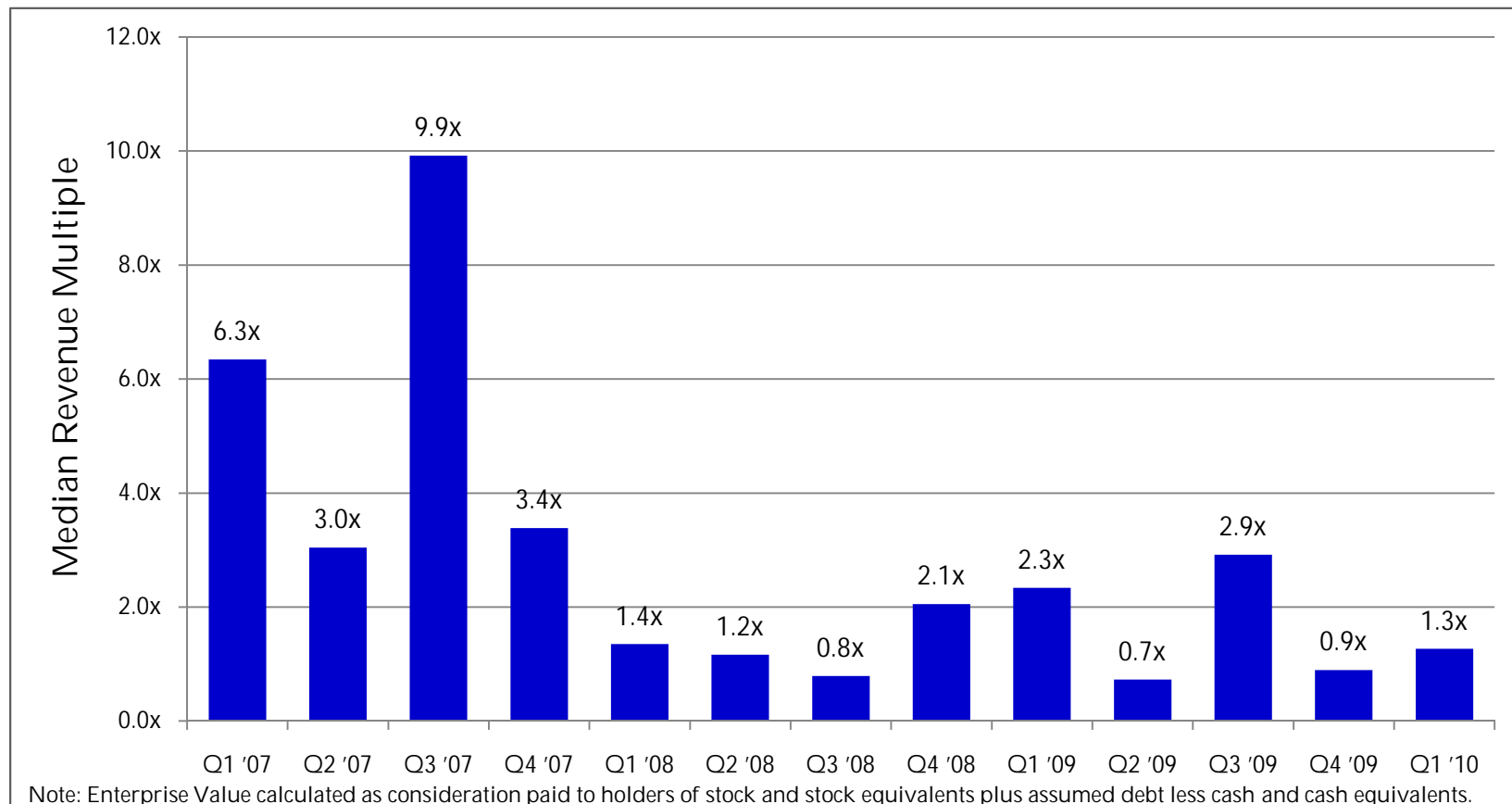
M&A Revenue Multiples – Private Targets

- Private M&A revenue multiples have skyrocketed to 4.6x, the highest level in recent years and 30% above the next highest quarter with several of the quarters bigger deals commanding strong multiples
 - Apple/Quattro (13.8x), Nokia/Novarra (12.7x), CA/Nimsoft (10.9x), SolarWinds/Tek-Tools (10.3x) and Oracle/Convergin (5.7x)
- SagePoint expects private M&A revenue multiples to remain strong, though they will likely settle down towards the historical range of 2.5-3.0x in 2010











M&A Revenue Multiples – Public Targets

- Public M&A revenue multiples remain depressed in Q1 due to the predominance of smaller deals
 - However, with so few data points it is difficult to draw broad conclusions
 - Q3'07 peak driven by Nokia/Navteq (10.0x), HP/Opware (15.1x) and Holtzbrink/Abacho (9.8x)
- SagePoint expects public M&A multiples to rebound to mid-to-high 2s in 2010 to reflect the rebound in the stock market and the willingness of buyers to entertain larger transactions





Communications Software & Services M&A – Q1 2010



Most Active Comm. Software & Services Buyers – Last 2 Years



Company	# of Deals		Communications Software & Services Transactions	
	Comm	SW/Svc		
	10	5	8/6/09 – QUALCOMM (GlobalTRACS Suite) - NA 8/26/08 - PostPath - \$226M 6/10/08 - DiviTech - NA	9/18/08 - Jabber - NA 7/22/08 - Pure Networks - \$120M
	8	8	9/28/09 - Dopplr - NA 9/11/09 - Plum Ventures - NA 1/27/09 - bit-side - NA 1/28/08 - Qt Software - \$154M	9/14/09 - Acuity Mobile - NA 7/24/09 - celllity - NA 9/30/08 - OZ Communications - NA 6/24/08 - Symbian - \$412M
	7	7	2/17/10 - Nextmail Corp. – NA 11/9/09 - AdMob, Inc. - \$750M 8/4/09 - On2 Technologies Inc. - \$109M 5/26/08 - 265.com Network Technology – NA	2/11/10 - Aardvark - \$50.0M 11/9/09 - Gizmo5 Technologies, Inc. - NA 7/29/08 - Omnisio Inc. - NA
	7	5	3/9/10 - X-Listing Co. Ltd. - \$10.3M 3/25/09 - Digital Forest Inc. - \$24.8M 7/2/08 - Panasonic Mobile & System Eng. - NA	9/11/09 - net mobile AG - \$63.0M 8/29/08 - MINICK Holding AG - NA
	6	6	12/15/09 - Prime Visibility Media Group, BreakingNews.com - NA 7/6/08 - MSN Israel - NA 6/17/08 - Navic Systems - NA	8/10/09 - EveryBlock - NA 7/1/08 - Powerset - NA 6/26/08 - MobiComp - NA
	6	6	2/12/10 - MacSpeech, Inc. - \$12.2M 7/14/09 - Jott Networks, Inc. – NA 9/26/08 - Philips Speech Recognition - \$96.4M	12/29/09 - SpinVox, Ltd. - \$105M 2/26/09 - ZI Corp. - \$34.4M 8/13/08 - SNAPin Software, Inc. - \$254M
	6	6	1/21/10 - HaziPatika.com Group - NA 9/9/09 - Olcsóbbat.hu Kft. - NA 6/12/08 - DAG Media B.V. - NA	12/14/09 - Golfsite.nl v.o.f. - NA 9/9/08 - Igglo Oy LKV, Internet portal - NA 4/9/08 - Mobilport.hu - NA
	6	5	2/1/10 - Realty Telecom Ltd. - NA 12/1/08 - MailWise LLC and Mijanda, Inc. - NA 5/15/08 - Phone People Holdings Corp. - NA	2/20/09 - CallWave, Inc., Virtual Fax - \$12.0M 6/4/08 - Mediaburst, Digital Faxing - NA



Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.



Acquiror	Target	Deal Rationale/Commentary
		<p>Nimsoft is a SaaS provider of monitoring software for physical and virtualized IT infrastructure, providing MSPs with complete visibility into the performance and availability of customers' business applications.</p>
<h3>Deal Summary</h3>		<p>The deal expands CA's presence into the emerging enterprises segment (\$300M-\$2B in revs), which CA believes will represent 25% of spending in their space by 2013 and where cloud computing and hosted/managed services are expected to play a central role. Nimsoft currently has 800 midmarket clients in 36 countries and CA believes there are over 14,000 companies within this segment.</p>
<p>Date: 3/10/10 Transaction Value: \$350.0M % Sought: 100% Consideration: Cash <small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		<p>CA paid a steep price but are getting a high growth revenue stream and access to SMBs, MSPs and international markets with potential for cross-selling.</p>
<h3>Valuation Metrics</h3>		<p>The exit provides a strong return on investment, particularly considering most of the investment was made during 2007 and 2008.</p>
<p>LTM Revenue Multiple: 10.9x LTM P/E Multiple: NA Multiple on \$ Invested: 9.5x</p>		
<h3>Investors</h3>		
<p>Goldman Sachs, JMI, Northzone, Sequel, Sutter Hill, Vista Ventures</p>		

Acquiror	Target	Deal Rationale/Commentary
		<p>Quattro Wireless is a mobile ad network allowing advertisers to reach audiences across mobile web, application and video platforms. P&G, Ford and Disney are just a few of the big names currently using Quattro Wireless.</p> <p>The deal comes on the heels of Google's \$750M acquisition of AdMob, a Quattro competitor, which Apple reportedly also made a bid to acquire as the fast growing mobile advertising segment continues to garner increased attention.</p> <p>Apple is looking for additional ways to monetize its iPhone platform and needed to gain understanding of the ad industry – acquisition was the best way to get there.</p> <p>By owning the ad network, Apple will be better able to integrate ads into the iPhone platform, as opposed to current implementations that result in opening the browser when an ad is clicked. Also, with users preferring free apps about 9 to 1, ads provide a way to help deliver more free apps. It will certainly extend ads to the iPad and possibly even to Apple TV at some point in the future.</p>
<h3>Deal Summary</h3>		
<p>Date: 1/5/10 Transaction Value: \$275.0M % Sought: 100% Consideration: Cash</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		
<h3>Valuation Metrics</h3>		
<p>LTM Revenue Multiple: 13.8x LTM P/E Multiple: NA Multiple on \$ Invested: 9.7x</p>		
<h3>Investors</h3>		
<p>Globespan Capital Partners, Highland Capital Partners</p>		



Acquiror	Target	Deal Rationale/Commentary
		<p>MX Telecom provides mobile payment and messaging aggregation services in Europe, United States and Australia.</p>
<h3>Deal Summary</h3>		<p>Amdocs is acquiring MX Telecom and combining it with its OpenMarket business that operates a mobile transaction hub. The joint business will provide a hosted platform to extend mobile payment and messaging capabilities through an integrated network and product portfolio.</p>
<p>Date: 3/23/10 Transaction Value: \$104.0M % Sought: 100% Consideration: Cash</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		<p>The deal helps to expand Amdocs offering beyond its current US footprint and provides more payment and messaging aggregator capabilities. It demonstrates Amdocs desire to expand its Interactive business and leverage emerging lifestyle themes such as creative billing and mobile payments.</p>
<h3>Valuation Metrics</h3>		
<p>LTM Revenue Multiple: 1.2x LTM P/E Multiple: NA Multiple on \$ Invested: NA</p>		
<h3>Investors</h3>		
<p>NA</p>		

Acquiror	Target	Deal Rationale/Commentary
 NOKIA Connecting People	 novarra	<p>Novarra is a mobile web browser provider. Current customers include Nokia, Motorola, Samsung, LG and others with deployments at a variety of service providers including Verizon, Vodaphone, Telecom Italia and Turkcell, reaching 1 billion subscribers.</p> <p>The acquisition moves Nokia into the increasingly contentious mobile browser arena allowing enhanced internet experiences, particularly on Nokia's lower-end handsets.</p> <p>Though slipping as a leader in the US and almost a no show in the smart phone market, Nokia remains very much a player in Europe and particularly in emerging markets where mobile phones will increasingly be the primarily web connection.</p> <p>Novarra's browser can compress data for faster rendering and less bandwidth consumption, giving it a key leg up in meeting the needs of mobile data users. It also supports Flash and has built in abilities to manipulate web pages to fit the mobile device's screen. These features will help Nokia provide high quality experiences and fast internet connections even in bandwidth constrained areas.</p>
<h3>Deal Summary</h3>		
<p>Date: 3/26/10 Transaction Value: \$100.0M % Sought: 100% Consideration: Cash</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		
<h3>Valuation Metrics</h3>		
<p>LTM Revenue Multiple: 12.7x LTM P/E Multiple: NA Multiple on \$ Invested: 1.3x</p>		
<h3>Investors</h3>		
<p>Fort Washington, JK&B, Kettle, Little Bear, Qualcomm, Pub Empl. of CO</p>		

Acquiror	Target	Deal Rationale/Commentary
		<p>Zimbra provides open source collaboration and email messaging software. Zimbra provides hosting and service providers an open alternative to Microsoft Exchange with a solution built to run in the cloud. Zimbra has shown early success with ISPs such as Comcast. It offers a free open source version and a paid professional edition with over 55M paid mailboxes. Zimbra was one of the most popular downloads from VMware's marketplace.</p> <p>VMware's strategy for Zimbra is to move up the stack and expand the portfolio of applications for vCloud.</p> <p>VMware purchased Zimbra for somewhere north of \$100M from Yahoo, who spent \$350M on Zimbra back in 2007. Despite 100% growth in revenue and subscribers, Yahoo never figured out what to do with Zimbra, aside from integrating with Yahoo Mail, as Zimbra grew in popularity within enterprises where Yahoo has less focus.</p>
<h3>Deal Summary</h3>		
<p>Date: 1/12/10 Transaction Value: \$100.0M % Sought: 100% Consideration: Cash</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		
<h3>Valuation Metrics</h3>		
<p>LTM Revenue Multiple: NA LTM P/E Multiple: NA Multiple on \$ Invested: NA</p>		

Acquiror	Target	Deal Rationale/Commentary
		<p>Convergin's industry-leading J2EE-based Service Broker platform enables communications service providers (CSPs) to manage services for a wide range of networks and application platforms. The solution allows CSPs to launch innovative services while transitioning from older networks to next-generation networks. Its products have been installed in over 15 telecom networks around the world, including T-Mobile and TeliaSonera.</p> <p>Convergin helps Oracle as it seeks to become the dominant provider of communications network software by providing integration tools for applications like voicemail, and convergence between various networks ranging from GSM cellular networks to landlines.</p> <p>MRV initially invested \$3M but in 2008 Pitango invested \$10M, acquiring MRV's shares in the process. The deal reportedly returns Pitango 7x their investment.</p>
<h3>Deal Summary</h3>		
<p>Date: 2/10/10 Transaction Value: \$85.0M % Sought: 100% Consideration: Cash</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		
<h3>Valuation Metrics</h3>		
<p>LTM Revenue Multiple: 5.7x LTM P/E Multiple: NA Multiple on \$ Invested: 6.5x</p>		
<h3>Investors</h3>		
<p>Pitango</p>		

Acquiror	Target	Deal Rationale/Commentary
 SHANDA GAMES		<p>Mochi Media provides tools and services to support game developers including its MochiAds online games ad network, MochiBot traffic monitoring tool, MochiLand information portal for the gaming community and the MochiSocial platform for developers to create and monetize distributed social games.</p> <p>Mochi publishes 15,000 games on about 40,000 web sites and has helped popularize many casual browser based games which are significantly cheaper and simpler to develop than massive multiplayer games like Shanda's World of Legend.</p> <p>The acquisition expands Shanda's reach from primarily advanced MMORPGs into more casual games, a fast growing subset of gaming. It also helps Shanda gain presence within the US market where Shanda is currently increasing its focus. It also helps expand Mochi's China penetration where 20% of its 140 million users are located.</p> <p>Mochi did not disclose revenue but said that the company had just recently become profitable.</p>
<h3>Deal Summary</h3>		
<p>Date: 1/12/10 Transaction Value: \$80.0M % Sought: 100% Consideration: Cash/Stock <small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		
<h3>Valuation Metrics</h3>		
<p>LTM Revenue Multiple: NA LTM P/E Multiple: NA Multiple on \$ Invested: 5.7x</p>		
<h3>Investors</h3>		
<p>Accel Partners, Shasta Ventures</p>		

Acquiror	Target	Deal Rationale/Commentary
		<p>Aardvark offers a social search application that enables users to ask very specific questions and find information from people in their extended social network through instant messaging and e-mail without wading through unrelated search results. The company was founded by ex-Google employees.</p> <p>As of Oct. '09 the site had just 90,000 users, 56% of which had asked or answered a question. 98% of questions were unique vs. ~60% on traditional search engines. 88% of questions were answered with the vast majority deemed "good" answers. Most questions and answers comes from mobile devices.</p> <p>The acquisition comes just days after the launch of Buzz, Google's social networking feature. The Aardvark acquisition may be an attempt to bolster its foray into social networking with some distinguishing features from Facebook and Twitter or perhaps just ensure that Google isn't missing out on search queries and opportunities to display ads.</p>
<h3>Deal Summary</h3>		
<p>Date: 2/11/10 Transaction Value: \$50.0M % Sought: 100% Consideration: Cash</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		
<h3>Valuation Metrics</h3>		
<p>LTM Revenue Multiple: NA LTM P/E Multiple: NA Multiple on \$ Invested: 8.3x</p>		
<h3>Investors</h3>		
<p>August Capital, Baseline Ventures</p>		

Appendix – Q1 Comm. Software & Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Network & Application Management				
1/14/10	GoAhead Softw are, Inc.	Silicon & Softw are Systems Ltd., EmbeddedMIND Division	NA	NA
1/26/10	SolarWinds, Inc. (NYSE:SWI); SolarWinds Worldwide, LLC; SolarWinds Softw are Europe Limited	Tek-Tools, Inc.	41.3M	10.3x
3/10/10	CA, Inc. (NasdaqGS:CA)	Nimsoft, Inc.	350.0M	10.9x
3/12/10	EXFO Inc (TSX:EXF)	NetHaw k Oyj	62.7M	1.3x
Carrier Back Office Software & Services				
1/12/10	Ericsson Telecomunicazioni S.p.A.	Gruppo Pride S.p.A.	NA	NA
1/19/10	Neqst Partner AB	Digital Route AB	NA	NA
1/20/10	CustomCall Data Systems, Inc.	Concretio.com, Inc.	NA	NA
2/10/10	Oracle Corp. (NasdaqGS:ORCL)	Convergin, Inc.	85.0M	5.7x
3/1/10	Syscotech Sdn. Bhd.	Viztel Solutions Bhd (KLSE:VIZTEL)	7.5M	NM
3/17/10	Soleo Communications, Inc.	Local Matters Voice and Wireless Division, Inc.	NA	NA
3/29/10	VPIsystems, Inc.	Elanti Systems, Inc.	NA	NA
Connectivity/Mobility				
1/7/10	Rightw are Oy	Futuremark Corporation, Mobile and Embedded Business Unit	NA	NA
1/19/10	Apperian, Inc.	DS Media Labs, Inc.	NA	NA
1/21/10	Mobixell Netw orks Inc.	724 Solutions, Inc.	NA	NA
1/27/10	Good Technology, Inc.	CloudSync, Inc.	NA	NA
2/3/10	QUALCOMM Inc. (NasdaqGS:QCOM)	Mango Technologies Pvt. Ltd., Mobile User Interface Softw are and PC-Based UI Customization Toolkit	NA	NA
2/11/10	Skyfire Labs, Inc.	Kolbysoft	NA	NA
2/11/10	Spiritel plc (AIM:STP)	Mobotel Management Limited	3.4M	1.0x
3/9/10	Metasw itch Netw orks	AppTrigger, Inc.	NA	NA
3/26/10	Nokia Corp. (HLSE:NOK1V)	Novarra, Inc.	100.0M	12.7x

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Messaging/Conferencing				
1/12/10	iForem Inc.	Enmoda Inc.	NA	NA
1/12/10	Siemens Enterprise Communications S.A.S.	Cycos France S.A.S.	NA	NA
1/12/10	Unica Corp. (NasdaqGM:UNCA)	Pivotal Veracity, LLC	17.8M	4.7x
1/12/10	VMw are, Inc. (NYSE:VMW)	Zimbra, Inc.	100.0M	NA
1/20/10	Intelligent Communication Enterprise Corp. (OTCBB:ICMC)	Solesys S.A.	13.4M	NA
1/25/10	Cinnabar Ventures Inc. (OTCBB:CNBR)	YIPPY, Inc.	6.6M	NA
2/3/10	LM Ericsson Telephone Co. (OM:ERIC B)	SinglePoint, Mobile Aggregation Business	NA	NA
2/9/10	Proofpoint, Inc.	Everyone.net, Inc.	NA	NA
2/11/10	Telenity Inc.	Construia	NA	NA
2/12/10	Mox Telecom AG (XTRA:MOT)	Aglow Alicom Pte. Limited	NA	NA
2/15/10	Cloudmark, Inc.	Bizanga Limited	NA	NA
2/17/10	Google Inc. (NasdaqGS:GOOG)	Nextmail Corp.	NA	NA
2/19/10	Geos Communications, Inc. (OTCBB:GCM)	shoot it!, LLC	2.5M	NA
2/22/10	Raytheon Co. (NYSE:RTN)	Compucat Research Pty. Ltd.	NA	NA
2/23/10	Edserv Softsystems Limited (NSE:EDSERV)	Bridle Information and Technology Solutions Pvt. Ltd.	1.0M	NA
3/1/10	Avira GmbH	Avira Managed Security Services	NA	NA
3/8/10	Blackboard Inc. (NasdaqGS:BBBB)	Saf-T-Net, Inc.	33.0M	4.5x
3/17/10	DistributeYourArticles	ArticleSender	NA	NA
3/22/10	Informatica Corporation (NasdaqGS:INFA)	29West, Inc.	NA	NA
3/23/10	OpenMarket Inc.	MX Telecom Ltd.	104.0M	3.8x
3/24/10	Vibes Media, LLC	Zeep Mobile Inc.	NA	NA

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt. Transaction Value and Revenue per public filings and press releases if available, otherwise per analyst estimates. Partial year data is annualized if LTM data is not available. Deals with Public targets shaded.

Appendix – Q1 Comm. Software & Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Voice/VoIP/FMC				
1/14/10	Williams & Gallagher, LLC; Grindstone Partners, LLC; D Partners	TelStar Hosted Call Center Solutions Inc.	NA	NA
1/18/10	Rebtel Networks AB	Talkster International, Inc., Free World Dialing	NA	NA
1/20/10	Ifbyphone, LLC	Cloudvox	NA	NA
2/1/10	j2 Global Communications, Inc. (NasdaqGS:JCOM)	Realty Telecom Ltd.	NA	NA
2/3/10	Network Equipment Technologies Inc. (NasdaqGM:NWK)	Evangelize Communications, SmartSIP Product Line	NA	NA
2/12/10	Nuance Communications, Inc. (NasdaqGS:NUAN)	MacSpeech, Inc.	12.2M	NA
3/3/10	ESO Solutions Inc.	Poly Lingo	NA	NA
3/11/10	RadiSys Corporation (NasdaqGS:RSYS)	Pactolus Communications Software Corporation	NA	NA
3/12/10	MobileBits Holdings Corp.	MobileBits Holdings Corp., Prior to Merger with MobileBits Corporation	NA	NA
Location Based Applications				
1/20/10	Novasys S.A.	Tridoo SAS	NA	NA
2/9/10	Aditya Birla Minacs	Radifinity Solutions India Pvt. Ltd.	NA	NA
2/12/10	ESRI Australia Pty Ltd.	MapData Sciences Pty Ltd.	2.2M	NA

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Video/Multimedia				
1/5/10	Interna Solutions Inc. (TSXV:ITM)	Les productions Eventia Inc.	0.6M	1.4x
1/6/10	SeaChange International Inc. (NasdaqGM:SEAC)	VividLogic, Inc.	15.0M	2.1x
1/13/10	ubroadcast, Inc. (OTCBB:UBCI)	iVu Media Corp.	0.2M	NA
1/14/10	Pointstreak.com Inc.	STEVA Sports Software Inc	NA	NA
1/18/10	Tata Communications Limited (BSE:500483)	British Telecommunications plc, Mosaic Business	NA	NA
1/19/10	InterCall, Inc.	Stream57 LLC	NA	NA
1/22/10	AOL, Inc. (NYSE:AOL)	StudioNow, Inc.	36.0M	NA
1/31/10	Avid Technology Inc. (NasdaqGS:AVID)	Blue Order AG	NA	NA
2/3/10	Option NV (ENXTBR:OPTI)	iNEWIT	NA	NA
2/12/10	Cheetah Technologies, L.P.	Symmetricom, Inc., Video Quality of Experience Bus.	2.3M	NA
3/1/10	The X-Change Corporation (OTCPK:XCHC)	Notus Digital Network Corp.	NA	NA
3/10/10	KIT digital, Inc. (NasdaqGM:KITD)	Multicast Media Technologies, Inc.	25.8M	2.2x
3/10/10	Vestel Elektronik Sanayi Ve Ticaret AS (IBSE:VESTL)	Cabot Izmir Yazilim ve Donanim Ticaret Sanayi A.S.	1.1M	NA
3/15/10	Roundbox, Inc.	Jacked Inc.	NA	NA
Content Distribution & Delivery Services				
1/7/10	Motorola Inc. (NYSE:MOT)	SecureMedia, Inc.	NA	NA
1/8/10	Art Technology Group Inc. (NasdaqGM:ARTG)	InstantService, Inc.	17.0M	5.7x
1/21/10	Global Cricket Ventures Limited	Willow TV, Inc.	NA	NA
1/26/10	Finet Group Ltd (SEHK:8317)	Shenzhen Wireless Technology Development Co	32.2M	NA
1/26/10	ZOOM Technologies, Inc. (NasdaqGM:ZOOM)	Beijing Leimone Shengtong Culture Development Co.	7.2M	NM
1/27/10	Sony Electronics, Inc.	Convergent Media Systems Corporation	NA	NA
2/4/10	National Golf Emporium, Inc. (OTCBB:NGLF)	Idle Media, LLC, Web Properties	NA	NA
2/8/10	Creative Realities, Inc.	DOOHit Digital, LLC	NA	NA
2/10/10	Global Radio Network, Inc.	Wireless Village	NA	NA
2/10/10	VIZRT Ltd. (OB:VIZ)	Adactus AS	NA	NA
2/16/10	ReelzChannel, LLC	HollywoodPressTV.com	NA	NA

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt. Transaction Value and Revenue per public filings and press releases if available, otherwise per analyst estimates. Partial year data is annualized if LTM data is not available. Deals with Public targets shaded.

Appendix – Q1 Comm. Software & Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Portals & Social Networking				
1/4/10	Critical Path, Inc.	ShoZu Ltd.	NA	NA
1/4/10	Flixster, Inc.	IncFusion Corporation	NA	NA
1/6/10	Technology Solutions Partners, Inc.	Live Elements, Inc.	NA	NA
1/8/10	Cambridge Technology Enterprises Limited (BSE:532801)	Vox Holdings Inc.	NA	NA
1/8/10	Shanda Games Limited (NasdaqGS:GAME)	Shanghai Hongli Digital Technology, Ltd.	NA	NA
1/12/10	OBOZ.ua Internet Holding	HiBlogger.Net	NA	NA
1/13/10	AboutUs, Inc.	Jyte.com	NA	NA
1/13/10	Linktone Ltd. (NasdaqGM:LTON)	Letang Game, Limited	9.2M	NA
1/13/10	Zoocasa, Inc.	Avid Media, Inc., HomeRenovationGuide.com and HomeInteriorGuide.com	NA	NA
1/18/10	Drag The Bar LLC	PokerSw at Ltd.	NA	NA
1/18/10	Play LA Inc. (OTCBB:PLLA.F)	PokerNew sHeadlines.com	0.0M	NA
1/18/10	Wirehead Security LLC	Information-Security-Resources.com	NA	NA
1/19/10	Everleaf Gaming Limited	Universal Poker Netw ork	NA	NA
1/19/10	Voxeo Corporation	ClackPoint Collaboration Spaces	NA	NA
1/20/10	New sGator Technologies, Inc.	Tomoye Corporation	NA	NA
1/20/10	Teens in Tech Netw orks	Yazzem	0.0M	NA
1/21/10	Associated Northcliffe Digital Group Ltd.	Globrix Limited	NA	NA
1/21/10	Know Em LLC	FriendsCall.Me	NA	NA
1/21/10	Sanoma Budapest Kiadó Rt.	HaziPatika.com Group	NA	NA
1/25/10	Wikia, Inc.	WebsiteWiki	NA	NA
1/25/10	Yellow Pages Income Fund (TSX:YLO.UN)	Restaurantica	NA	NA
1/26/10	Tarsus Online Media USA	MeetingTechOnline	NA	NA
1/30/10	Linden Research, Inc.	Enemy Unknow n AB	NA	NA
2/1/10	Brand Affinity Technologies, Inc.	Beelya	NA	NA
2/1/10	ThisNext, Inc.	Rex West, LLC	NA	NA
2/1/10	Twenty PLC (AIM:TWE)	The Moving Service Ltd.	NA	NA
2/2/10	Ali Wing, Inc.	The Cradle, LLC	NA	NA
2/2/10	Inbaltech Ltd.	OSN Online Social Netw orking GmbH	NA	NA
2/4/10	-	Real Value Estates, Inc. (OTCBB:RVLU)	0.3M	NA

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Portals & Social Networking				
2/8/10	Zynga, Inc.	Serious Business, Inc.	NA	NA
2/9/10	Gutefrage.net GmbH	pointoo GmbH	NA	NA
2/9/10	SponsorPay GmbH	Balao GmbH	NA	NA
2/9/10	Wikia, Inc.	Valuew iki	NA	NA
2/10/10	i-Faber S.p.A.	Itradeplace Spa	NA	NA
2/10/10	Perfect Places, Inc.	forGetaway.com and RentJillsHouse.com and LakeRentals.com and CoastRentals.com	NA	NA
2/10/10	The Fusion Project	Edmodo LLC	NA	NA
2/11/10	Break.com	FileFront, L.P.	NA	NA
2/11/10	FundingUniverse.com, Inc.	Tw itJump, LLC	NA	NA
2/11/10	Google Inc. (NasdaqGS:GOOG)	Aardvark	50.0M	NA
2/12/10	Facebook, Inc.	Octazen Solutions	NA	NA
2/12/10	Salem Communications Corp. (NasdaqGM:SALM)	Hot Air Netw ork, LLC	2.0M	NA
2/12/10	VerticalScope, Inc.	Advanstar Communications Inc., Off-Road.com	NA	NA
2/15/10	Gaw ker Media, LLC	Cityfile Inc.	NA	NA
2/17/10	GoAdv (ENXTPA:ALGOA)	Blogosfere S.r.l.	NA	NA
2/17/10	Graphic.ly	iFanboy	NA	NA
2/18/10	February Won, Inc.	EcoMom Alliance	NA	NA
2/18/10	Mediastay SAS	Yacado.com SARL	NA	NA
2/21/10	Lee Moss Media LLC	Blackentrepreneurs.com	NA	NA
2/22/10	Guinness World Records Limited	Wannabet Ltd.	NA	NA
2/22/10	Yellow Pages Inc.	Clear Sky Media Inc.	NA	NA
2/23/10	Public Idées SA	Vacanceo.com	NA	NA
2/24/10	hi5 Netw orks, Inc.	Big Six Games, Inc.	NA	NA
2/24/10	Strategic Design Netw ork Inc.	PayoutHub, LLC	NA	NA
2/25/10	Syncapse Corp.	Swift Notion Software LLC	NA	NA
3/2/10	Great Hill Partners, LLC	Spark Netw orks, Inc. (AMEX:LOV)	35.6M	1.3x
3/3/10	Playdom, Inc.	Offbeat Creations, Inc.	NA	NA
3/8/10	TechTarget, Inc. (NasdaqGM:TTGT)	IT Quadrant, Inc.	0.5M	NA
3/9/10	Crow dGather, Inc. (OTCBB:CRWG)	Trade2Win Limited, NSider2.com	NA	NA
3/9/10	HomeAway, Inc.	Qualimidia Veiculacao e Divulgacao Ltda	NA	NA

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt. Transaction Value and Revenue per public filings and press releases if available, otherwise per analyst estimates. Partial year data is annualized if LTM data is not available. Deals with Public targets shaded.

Appendix – Q1 Comm. Software & Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Portals & Social Networking				
3/11/10	Evri, Inc.	Radar Networks, Inc.	NA	NA
3/11/10	Jyllands-Posten	Portal Danmark A/S	NA	NA
3/12/10	CrowdGather, Inc. (OTCBB:CRWG)	FreeForums.org	1.2M	NA
3/12/10	HootSuite Media, Inc.	Swift App, Inc.	NA	NA
3/15/10	Media365	Bouyaka	NA	NA
3/17/10	Gist, Inc.	Learn That Name LLC	NA	NA
3/17/10	Yahoo! Inc. (NasdaqGS:YHOO)	Citizen Sports	45.0M	NA
3/22/10	Rainbow Media Enterprises	Gothamist LLC	NA	NA
3/22/10	WebMediaBrands Inc (NasdaqGS:WEBM)	Rotorblog.com	NA	NA
3/26/10	Perfect World Co., Ltd. (NasdaqGS:PWRD)	C&C Media Co., Ltd.	21.0M	NA
3/31/10	Playdom, Inc.	Three Melons SA	NA	NA
Search & Marketing Services				
1/5/10	Apple Inc. (NasdaqGS:AAPL)	Quattro Wireless, Inc.	275.0M	13.8x
1/6/10	Jive Software, Inc.	Filtrbox, Inc.	NA	NA
1/7/10	Dynamic Network Services Incorporated	EveryDNS, LLC	NA	NA
1/8/10	CitySquares Online, Inc.	Yokel Inc.	NA	NA
1/12/10	Shanda Games Limited (NasdaqGS:GAME)	Mochi Media, Inc.	80.0M	NA
1/15/10	Time Inc.	StyleFeeder, Inc.	NA	NA
1/19/10	The Better Advertising Project	Ghostery, Inc.	NA	NA
1/20/10	Opera Software ASA (OB:OPERA)	AdMarvel Inc.	23.0M	NA
1/26/10	Dentsu Holdings USA, Inc.	Innovation Interactive Inc.	NA	NA
1/26/10	Telecom Scandinavia A/S	mobilePeople A/S	NA	NA
1/28/10	Martini Media Network, Inc.	Decision Maker Media	NA	NA
2/1/10	Unica Corp. (NasdaqGM:UNCA)	Microchannel Technologies Limited	1.8M	NA
2/10/10	SinglePoint	M2 Junction.com Private Limited	NA	NA
2/11/10	Afilias Limited	mTLD Top Level Domain, Ltd	NA	NA
2/21/10	iLoop Mobile, Inc.	MobileVerbs Inc.	NA	NA
2/22/10	Weborama (ENXTPA:ALWEB)	Adrime B.V.	4.4M	2.5x
2/23/10	Millennial Media, Inc.	TapMetrics, Inc.	NA	NA
2/23/10	UBM TechWeb Game Network	Game Advertising Online	8.0M	NA
2/25/10	CoolerAds, LLC	Atricity, LLC	NA	NA
2/25/10	LifeStreet Corporation	SocialCash Inc.	NA	NA

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Search & Marketing Services				
2/26/10	ReachLocal, Inc.	SMBLive, Inc.	NA	NA
3/9/10	NTT Communications Corporation	X-Listing Co. Ltd.	10.3M	NA
3/12/10	Rovi Corporation (NasdaqGS:ROVI)	MediaUnbound, Inc.	NA	NA
3/16/10	Wikio SARL	Promodigital	NA	NA
3/17/10	Straight North, LLC	Word Sell, Inc.	NA	NA
3/19/10	PagesJaunes Groupe (ENXTPA:PAJ)	123people Internetservices GmbH	NA	NA
3/23/10	Consorteum Holdings, Inc. (OTCBB:CSRH)	Tenzing Interactive Marketing	NA	NA
3/23/10	Offerpal Media, Inc.	Tapjoy Inc.	NA	NA
3/24/10	Connexus Corporation	Epic Advertising, Inc.	NA	NA
Other Mobile				
1/7/10	SplashData, Inc.	iambic, Inc.	NA	NA
1/8/10	Jaded Pixel Technologies Inc.	MINDCreative, LLC	NA	NA
2/2/10	Appolicious Inc.	AppVee, LLC	NA	NA
2/3/10	Gemalto NV (ENXTPA:GTO)	Valimo Wireless Oy	NA	NA
2/8/10	Zad Mobile, Inc.	Emotive Communications, Inc.	NA	NA
2/11/10	Trunkbow International Holdings, Ltd.	Trunkbow Technologies, Inc.	NA	NA
2/12/10	Geos Communications, Inc. (OTCBB:GCM)	D Mobile, Inc.	NA	NA
2/23/10	Pocketgear, Inc.	Handango, Inc.	NA	NA
3/1/10	Danal Co. Ltd. (KOSE:A064260)	Danal, Inc.	16.8M	NA
3/4/10	Big in Japan, Inc.	Snappr	NA	NA
3/4/10	PayPoint plc (LSE:PAY)	Verrus Mobile Technologies, Inc. and Verrus U.K. Ltd.	49.7M	NA
3/23/10	Connect 2 Media Ltd.	Sennari, Inc.	NA	NA

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt. Transaction Value and Revenue per public filings and press releases if available, otherwise per analyst estimates. Partial year data is annualized if LTM data is not available. Deals with Public targets shaded.

Appendix – Q1 Communications Software & Services M&A Data

Quarter	Sector	# of Deals		%w/ Ann.	Trans Value		Revenue	Deals w/	Stock Premium to ⁽¹⁾			Deals w/
		Total	Ann. Value	Value	Total	Median	Multiple ⁽¹⁾	Rev. Mult.	1 Day	1 Week	1 Month	Prem Info
Q1 '07	Software & Services	173	75	43%	\$5,623	\$8	2.8x	12	54.8%	49.2%	44.4%	3
Q2 '07	Software & Services	166	67	40%	\$10,527	\$11	2.5x	23	12.8%	10.5%	39.2%	7
Q3 '07	Software & Services	157	74	47%	\$14,621	\$14	2.7x	25	28.8%	34.6%	42.5%	5
Q4 '07	Software & Services	169	69	41%	\$4,496	\$19	3.4x	21	15.6%	11.7%	29.1%	5
Q1 '08	Software & Services	149	64	43%	\$4,697	\$6	2.3x	24	46.0%	38.0%	54.0%	6
Q2 '08	Software & Services	142	56	39%	\$4,000	\$10	3.4x	17	44.3%	37.7%	48.2%	4
Q3 '08	Software & Services	158	50	32%	\$1,745	\$7	1.0x	9	60.0%	47.3%	40.0%	3
Q4 '08	Software & Services	130	41	32%	\$1,228	\$8	1.8x	10	145.9%	141.5%	116.8%	2
Q1 '09	Software & Services	114	29	25%	\$941	\$7	2.3x	5	20.1%	22.8%	67.9%	2
Q2 '09	Software & Services	112	33	29%	\$501	\$5	1.1x	8	122.1%	112.7%	174.4%	2
Q3 '09	Software & Services	129	43	33%	\$3,069	\$5	1.3x	15	38.4%	60.3%	48.8%	4
Q4 '09	Software & Services	173	56	32%	\$2,735	\$12	2.2x	19	75.0%	60.1%	73.0%	5
Q1 '10	Software & Services	187	48	26%	\$1,717	\$13	4.5x	17	(46.0)%	(46.7)%	(45.8)%	2
Total	Software & Services	1959	705	36%	\$55,901	\$9	2.3x	205	37.0%	39.6%	46.9%	50
Q1 '07	Network & App Mgt	6	1	17%	\$16	\$16	0.1x	1	NA	NA	NA	0
Q2 '07	Network & App Mgt	5	1	20%	\$90	\$90	4.5x	1	NA	NA	NA	0
Q3 '07	Network & App Mgt	5	2	40%	\$1,904	\$952	8.2x	2	35.1%	50.3%	42.5%	1
Q4 '07	Network & App Mgt	3	2	67%	\$32	\$16	NA	0	NA	NA	NA	0
Q1 '08	Network & App Mgt	3	2	67%	\$207	\$103	10.2x	1	NA	NA	NA	0
Q2 '08	Network & App Mgt	3	1	33%	\$62	\$62	0.6x	1	43.9%	26.0%	48.7%	1
Q3 '08	Network & App Mgt	7	3	43%	\$199	\$74	NA	0	NA	NA	NA	0
Q4 '08	Network & App Mgt	4	1	25%	\$7	\$7	NA	0	NA	NA	NA	0
Q1 '09	Network & App Mgt	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q2 '09	Network & App Mgt	4	1	25%	\$5	\$5	NA	0	NA	NA	NA	0
Q3 '09	Network & App Mgt	5	1	20%	\$200	\$200	3.6x	1	NA	NA	NA	0
Q4 '09	Network & App Mgt	6	4	67%	\$72	\$8	1.5x	1	NA	NA	NA	0
Q1 '10	Network & App Mgt	4	3	75%	\$454	\$63	10.3x	3	NA	NA	NA	0
Total	Network & App Mgt	55	22	40%	\$3,247	\$46	3.6x	11	39.5%	38.2%	45.6%	2
Q1 '07	Carrier Back Office	7	3	43%	\$271	\$54	NA	0	NA	NA	NA	0
Q2 '07	Carrier Back Office	8	7	88%	\$1,092	\$11	1.3x	5	12.8%	36.5%	44.4%	1
Q3 '07	Carrier Back Office	10	6	60%	\$99	\$7	1.2x	3	42.7%	54.3%	73.2%	2
Q4 '07	Carrier Back Office	14	6	43%	\$44	\$5	2.0x	3	NA	NA	NA	0
Q1 '08	Carrier Back Office	8	3	38%	\$212	\$5	NA	0	NA	NA	NA	0
Q2 '08	Carrier Back Office	11	7	64%	\$407	\$7	3.1x	3	NA	NA	NA	0
Q3 '08	Carrier Back Office	6	4	67%	\$52	\$15	0.6x	2	60.0%	43.6%	40.0%	1
Q4 '08	Carrier Back Office	6	3	50%	\$62	\$3	1.6x	2	NA	NA	NA	0
Q1 '09	Carrier Back Office	4	2	50%	\$227	\$113	NA	0	NA	NA	NA	0
Q2 '09	Carrier Back Office	7	4	57%	\$18	\$4	1.3x	1	NA	NA	NA	0
Q3 '09	Carrier Back Office	5	1	20%	\$0	\$0	0.1x	1	NA	NA	NA	0
Q4 '09	Carrier Back Office	5	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q1 '10	Carrier Back Office	7	2	29%	\$92	\$46	5.7x	1	NA	NA	NA	0
Total	Carrier Back Office	98	48	49%	\$2,576	\$7	1.3x	21	36.4%	40.0%	42.2%	4

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

1) Based on median revenue multiple and stock premium data where available.

Appendix – Q1 Communications Software & Services M&A Data

Quarter	Sector	# of Deals		% w/ Ann.	Trans Value		Revenue	Deals w/	Stock Premium to ⁽¹⁾			Deals w/
		Total	Ann. Value	Value	Total	Median	Multiple ⁽¹⁾	Rev. Mult.	1 Day	1 Week	1 Month	Prem Info
Q1 '07	Connectivity/Mobility	8	4	50%	\$38	\$9	NA	0	NA	NA	NA	0
Q2 '07	Connectivity/Mobility	9	5	56%	\$56	\$10	2.4x	2	(14.3)%	(14.8)%	(31.1)%	1
Q3 '07	Connectivity/Mobility	6	4	67%	\$56	\$10	1.7x	1	NA	NA	NA	0
Q4 '07	Connectivity/Mobility	11	3	27%	\$88	\$25	6.1x	1	NA	NA	NA	0
Q1 '08	Connectivity/Mobility	6	4	67%	\$923	\$104	6.4x	3	60.0%	68.4%	59.2%	1
Q2 '08	Connectivity/Mobility	8	4	50%	\$566	\$61	1.2x	1	73.5%	71.4%	80.0%	1
Q3 '08	Connectivity/Mobility	5	2	40%	\$269	\$135	NA	0	NA	NA	NA	0
Q4 '08	Connectivity/Mobility	8	2	25%	\$124	\$62	3.1x	1	NA	NA	NA	0
Q1 '09	Connectivity/Mobility	8	3	38%	\$102	\$1	NA	0	NA	NA	NA	0
Q2 '09	Connectivity/Mobility	8	1	13%	\$11	\$11	1.2x	1	NA	NA	NA	0
Q3 '09	Connectivity/Mobility	10	2	20%	\$8	\$4	NA	0	NA	NA	NA	0
Q4 '09	Connectivity/Mobility	2	1	50%	\$2	\$2	NA	0	NA	NA	NA	0
Q1 '10	Connectivity/Mobility	9	2	22%	\$103	\$52	6.8x	2	NA	NA	NA	0
Total	Connectivity/Mobility	98	37	38%	\$2,346	\$16	3.2x	12	60.0%	68.4%	59.2%	3
Q1 '07	Messaging/Conferencing	18	11	61%	\$3,727	\$10	7.2x	3	23.4%	23.1%	23.7%	1
Q2 '07	Messaging/Conferencing	19	8	42%	\$55	\$5	1.0x	1	15.2%	14.5%	24.2%	1
Q3 '07	Messaging/Conferencing	16	6	38%	\$891	\$21	5.3x	2	20.7%	4.0%	6.6%	1
Q4 '07	Messaging/Conferencing	15	8	53%	\$563	\$33	11.0x	2	17.7%	14.9%	0.0%	1
Q1 '08	Messaging/Conferencing	15	9	60%	\$482	\$6	1.2x	1	49.7%	41.2%	48.8%	1
Q2 '08	Messaging/Conferencing	13	7	54%	\$55	\$2	NA	0	17.2%	16.4%	1.6%	1
Q3 '08	Messaging/Conferencing	19	6	32%	\$264	\$9	5.5x	1	NA	NA	NA	0
Q4 '08	Messaging/Conferencing	13	7	54%	\$154	\$25	NA	0	38.9%	24.7%	(10.2)%	1
Q1 '09	Messaging/Conferencing	12	4	33%	\$21	\$5	1.1x	1	(28.6)%	(16.7)%	56.2%	1
Q2 '09	Messaging/Conferencing	8	2	25%	\$17	\$9	11.4x	1	NA	NA	NA	0
Q3 '09	Messaging/Conferencing	11	7	64%	\$368	\$3	1.3x	3	NA	NA	NA	0
Q4 '09	Messaging/Conferencing	13	4	31%	\$247	\$20	2.4x	3	NA	NA	NA	0
Q1 '10	Messaging/Conferencing	21	8	38%	\$278	\$16	4.5x	3	NA	NA	NA	0
Total	Messaging/Conferencing	193	87	45%	\$7,123	\$9	3.4x	21	19.2%	15.7%	15.2%	8
Q1 '07	Voice/VoIP/FMC	8	4	50%	\$182	\$18	4.2x	2	95.3%	85.0%	76.2%	1
Q2 '07	Voice/VoIP/FMC	6	2	33%	\$6	\$3	NA	0	NA	NA	NA	0
Q3 '07	Voice/VoIP/FMC	11	6	55%	\$154	\$16	2.1x	2	NA	NA	NA	0
Q4 '07	Voice/VoIP/FMC	7	2	29%	\$11	\$5	7.5x	1	NA	NA	NA	0
Q1 '08	Voice/VoIP/FMC	8	6	75%	\$41	\$3	1.0x	3	NA	NA	NA	0
Q2 '08	Voice/VoIP/FMC	4	2	50%	\$19	\$10	3.7x	1	NA	NA	NA	0
Q3 '08	Voice/VoIP/FMC	11	7	64%	\$566	\$19	2.2x	2	26.9%	47.3%	29.9%	1
Q4 '08	Voice/VoIP/FMC	7	2	29%	\$15	\$7	0.9x	1	NA	NA	NA	0
Q1 '09	Voice/VoIP/FMC	5	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q2 '09	Voice/VoIP/FMC	4	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q3 '09	Voice/VoIP/FMC	8	2	25%	\$10	\$5	NA	0	NA	NA	NA	0
Q4 '09	Voice/VoIP/FMC	17	5	29%	\$198	\$42	10.5x	2	7,140.0%	NA	NA	1
Q1 '10	Voice/VoIP/FMC	8	1	13%	\$12	\$12	NA	0	NA	NA	NA	0
Total	Voice/VoIP/FMC	104	39	38%	\$1,213	\$10	3.3x	14	95.3%	66.2%	53.1%	3

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

1) Based on median revenue multiple and stock premium data where available.

Appendix – Q1 Communications Software & Services M&A Data

Quarter	Sector	# of Deals		% w/ Ann.	Trans Value		Revenue	Deals w/	Stock Premium to ⁽¹⁾			Deals w/
		Total	Ann. Value	Value	Total	Median	Multiple ⁽¹⁾	Rev. Mult.	1 Day	1 Week	1 Month	Prem Info
Q1 '07	Location Based Apps	13	6	46%	\$654	\$19	2.3x	3	54.8%	49.2%	44.4%	1
Q2 '07	Location Based Apps	15	5	33%	\$30	\$3	0.8x	2	NA	NA	NA	0
Q3 '07	Location Based Apps	14	9	64%	\$8,072	\$7	1.8x	3	28.8%	34.6%	46.3%	1
Q4 '07	Location Based Apps	10	4	40%	\$28	\$3	4.0x	1	NA	NA	NA	0
Q1 '08	Location Based Apps	12	6	50%	\$30	\$2	0.9x	3	NA	NA	NA	0
Q2 '08	Location Based Apps	11	4	36%	\$74	\$13	1.5x	1	NA	NA	NA	0
Q3 '08	Location Based Apps	10	4	40%	\$90	\$18	NA	0	NA	NA	NA	0
Q4 '08	Location Based Apps	7	3	43%	\$73	\$30	2.1x	1	252.9%	258.2%	243.8%	1
Q1 '09	Location Based Apps	10	1	10%	\$7	\$7	NA	0	NA	NA	NA	0
Q2 '09	Location Based Apps	6	2	33%	\$25	\$13	NA	0	NA	NA	NA	0
Q3 '09	Location Based Apps	7	2	29%	\$34	\$17	1.2x	1	42.5%	62.4%	45.0%	1
Q4 '09	Location Based Apps	7	3	43%	\$226	\$39	1.7x	2	108.3%	100.0%	96.3%	1
Q1 '10	Location Based Apps	3	1	33%	\$2	\$2	NA	0	NA	NA	NA	0
Total	Location Based Apps	125	50	40%	\$9,346	\$7	1.5x	17	54.8%	62.4%	46.3%	5
Q1 '07	Video/Multimedia	14	7	50%	\$119	\$14	NA	0	NA	NA	NA	0
Q2 '07	Video/Multimedia	16	6	38%	\$208	\$15	20.4x	1	NA	NA	NA	0
Q3 '07	Video/Multimedia	18	11	61%	\$336	\$16	9.1x	4	NA	NA	NA	0
Q4 '07	Video/Multimedia	16	6	38%	\$356	\$21	3.4x	3	NA	NA	NA	0
Q1 '08	Video/Multimedia	19	10	53%	\$80	\$2	5.5x	3	14.8%	3.5%	46.9%	1
Q2 '08	Video/Multimedia	14	5	36%	\$385	\$3	6.2x	3	NA	NA	NA	0
Q3 '08	Video/Multimedia	11	6	55%	\$17	\$3	NA	0	NA	NA	NA	0
Q4 '08	Video/Multimedia	4	1	25%	\$2	\$2	NA	0	NA	NA	NA	0
Q1 '09	Video/Multimedia	9	2	22%	\$7	\$4	NA	0	NA	NA	NA	0
Q2 '09	Video/Multimedia	13	4	31%	\$7	\$1	0.2x	1	NA	NA	NA	0
Q3 '09	Video/Multimedia	14	6	43%	\$180	\$11	3.4x	3	53.9%	62.2%	53.8%	1
Q4 '09	Video/Multimedia	9	2	22%	\$200	\$100	1.8x	2	16.5%	10.7%	21.1%	1
Q1 '10	Video/Multimedia	14	7	50%	\$81	\$2	2.1x	3	NA	NA	NA	0
Total	Video/Multimedia	171	73	43%	\$1,979	\$6	3.4x	23	16.5%	10.7%	46.9%	3
Q1 '07	Content Distribution & Delivery	16	9	56%	\$252	\$8	1.5x	1	NA	NA	NA	0
Q2 '07	Content Distribution & Delivery	11	6	55%	\$344	\$9	7.2x	2	NA	NA	NA	0
Q3 '07	Content Distribution & Delivery	13	5	38%	\$85	\$2	7.9x	2	NA	NA	NA	0
Q4 '07	Content Distribution & Delivery	19	4	21%	\$195	\$24	1.0x	2	15.6%	11.7%	(4.1)%	1
Q1 '08	Content Distribution & Delivery	12	6	50%	\$212	\$9	2.8x	4	NA	NA	NA	0
Q2 '08	Content Distribution & Delivery	16	6	38%	\$297	\$9	1.2x	1	NA	NA	NA	0
Q3 '08	Content Distribution & Delivery	9	2	22%	\$138	\$69	0.6x	1	94.9%	97.8%	68.8%	1
Q4 '08	Content Distribution & Delivery	4	2	50%	\$25	\$13	0.1x	1	NA	NA	NA	0
Q1 '09	Content Distribution & Delivery	10	3	30%	\$68	\$4	4.6x	1	NA	NA	NA	0
Q2 '09	Content Distribution & Delivery	6	2	33%	\$350	\$175	0.7x	2	122.1%	112.7%	174.4%	2
Q3 '09	Content Distribution & Delivery	12	6	50%	\$103	\$10	0.6x	3	34.3%	58.4%	50.1%	1
Q4 '09	Content Distribution & Delivery	17	8	47%	\$102	\$13	1.4x	3	NA	NA	NA	0
Q1 '10	Content Distribution & Delivery	11	4	36%	\$60	\$12	13.8x	2	NA	NA	NA	0
Total	Content Distribution & Delivery	156	63	40%	\$2,231	\$10	1.4x	25	54.4%	67.3%	68.8%	5

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

1) Based on median revenue multiple and stock premium data where available.

Appendix – Q1 Communications Software & Services M&A Data

Quarter	Sector	# of Deals		%w/ Ann.	Trans Value		Revenue	Deals w/	Stock Premium to ⁽¹⁾			Deals w/
		Total	Ann. Value	Value	Total	Median	Multiple ⁽¹⁾	Rev. Mult.	1 Day	1 Week	1 Month	Prem Info
Q1 '07	Portals & Social Networking	46	16	35%	\$113	\$5	18.9x	1	NA	NA	NA	0
Q2 '07	Portals & Social Networking	37	10	27%	\$117	\$8	1.5x	2	27.5%	10.5%	84.1%	1
Q3 '07	Portals & Social Networking	34	9	26%	\$1,475	\$59	9.4x	1	NA	NA	NA	0
Q4 '07	Portals & Social Networking	42	16	38%	\$1,542	\$25	2.6x	4	149.5%	162.7%	114.6%	1
Q1 '08	Portals & Social Networking	43	9	21%	\$1,088	\$17	0.1x	1	287.0%	311.3%	192.6%	1
Q2 '08	Portals & Social Networking	37	12	32%	\$2,031	\$9	5.9x	3	44.7%	49.4%	47.6%	1
Q3 '08	Portals & Social Networking	55	10	18%	\$14	\$1	1.3x	1	NA	NA	NA	0
Q4 '08	Portals & Social Networking	46	11	24%	\$154	\$1	2.9x	2	NA	NA	NA	0
Q1 '09	Portals & Social Networking	34	7	21%	\$221	\$9	4.7x	2	NA	NA	NA	0
Q2 '09	Portals & Social Networking	30	9	30%	\$40	\$5	6.6x	1	NA	NA	NA	0
Q3 '09	Portals & Social Networking	37	7	19%	\$115	\$4	1.4x	1	NA	NA	NA	0
Q4 '09	Portals & Social Networking	56	14	25%	\$529	\$8	5.2x	1	NA	NA	NA	0
Q1 '10	Portals & Social Networking	70	11	16%	\$165	\$2	1.3x	1	(46.0)%	(46.7)%	(45.8)%	2
Total	Portals & Social Networking	567	141	25%	\$7,604	\$5	2.8x	21	36.1%	29.9%	65.9%	6
Q1 '07	Search & Marketing	20	7	35%	\$93	\$6	NA	0	NA	NA	NA	0
Q2 '07	Search & Marketing	28	12	43%	\$7,930	\$26	5.3x	4	4.4%	8.9%	39.2%	3
Q3 '07	Search & Marketing	22	11	50%	\$1,272	\$12	3.9x	2	NA	NA	NA	0
Q4 '07	Search & Marketing	18	11	61%	\$1,090	\$20	4.7x	2	3.9%	6.3%	29.1%	1
Q1 '08	Search & Marketing	14	5	36%	\$1,381	\$32	4.4x	3	42.3%	34.8%	77.6%	1
Q2 '08	Search & Marketing	12	4	33%	\$64	\$16	7.4x	2	NA	NA	NA	0
Q3 '08	Search & Marketing	15	2	13%	\$104	\$52	NA	0	NA	NA	NA	0
Q4 '08	Search & Marketing	23	8	35%	\$612	\$24	1.5x	2	NA	NA	NA	0
Q1 '09	Search & Marketing	13	3	23%	\$44	\$12	NA	0	NA	NA	NA	0
Q2 '09	Search & Marketing	19	6	32%	\$22	\$4	0.8x	1	NA	NA	NA	0
Q3 '09	Search & Marketing	12	6	50%	\$2,045	\$12	4.6x	1	26.5%	39.6%	47.5%	1
Q4 '09	Search & Marketing	27	11	41%	\$1,121	\$4	3.3x	4	75.0%	75.0%	66.7%	1
Q1 '10	Search & Marketing	29	7	24%	\$402	\$10	8.1x	2	NA	NA	NA	0
Total	Search & Marketing	252	93	37%	\$16,180	\$13	4.4x	23	26.5%	34.8%	47.5%	7
Q1 '07	Mobile	17	7	41%	\$158	\$3	3.3x	1	NA	NA	NA	0
Q2 '07	Mobile	12	5	42%	\$600	\$5	3.6x	3	NA	NA	NA	0
Q3 '07	Mobile	8	5	63%	\$278	\$29	2.7x	3	NA	NA	NA	0
Q4 '07	Mobile	14	7	50%	\$547	\$41	0.9x	2	13.4%	10.5%	46.3%	1
Q1 '08	Mobile	9	4	44%	\$40	\$2	0.9x	2	29.0%	30.2%	25.3%	1
Q2 '08	Mobile	13	4	31%	\$40	\$5	0.7x	1	NA	NA	NA	0
Q3 '08	Mobile	10	4	40%	\$32	\$6	0.8x	2	NA	NA	NA	0
Q4 '08	Mobile	8	1	13%	\$0	\$0	NA	0	NA	NA	NA	0
Q1 '09	Mobile	9	4	44%	\$244	\$18	2.3x	1	68.7%	62.2%	79.5%	1
Q2 '09	Mobile	7	2	29%	\$6	\$3	NA	0	NA	NA	NA	0
Q3 '09	Mobile	8	3	38%	\$5	\$0	0.2x	1	NA	NA	NA	0
Q4 '09	Mobile	14	4	29%	\$38	\$5	0.0x	1	46.2%	45.1%	79.4%	1
Q1 '10	Mobile	11	2	18%	\$66	\$33	NA	0	NA	NA	NA	0
Total	Mobile	140	52	37%	\$2,056	\$5	1.3x	17	37.6%	37.7%	62.9%	4

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

1) Based on median revenue multiple and stock premium data where available.



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

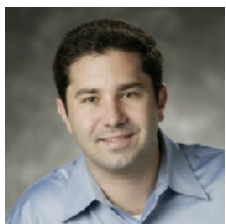


Prior to founding SagePoint Advisors in 2008, David Michaels was a Co-Founder, Partner and Managing Director at Montgomery & Co., a leading investment bank focused on serving emerging-growth technology companies and their venture backers. Mr. Michaels co-founded Montgomery's investment banking business 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