

SagePoint Software & Services M&A Review for Q1 2011

An Analysis of M&A Activity and Valuation Metrics
in the Internet, Communications and IT
Infrastructure Software & Services Market Segments



For more information contact David Michaels at (858) 926-5950 or dmichaels@sagepointadvisors.com

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SagePoint's Viewpoint - Key Takeaways

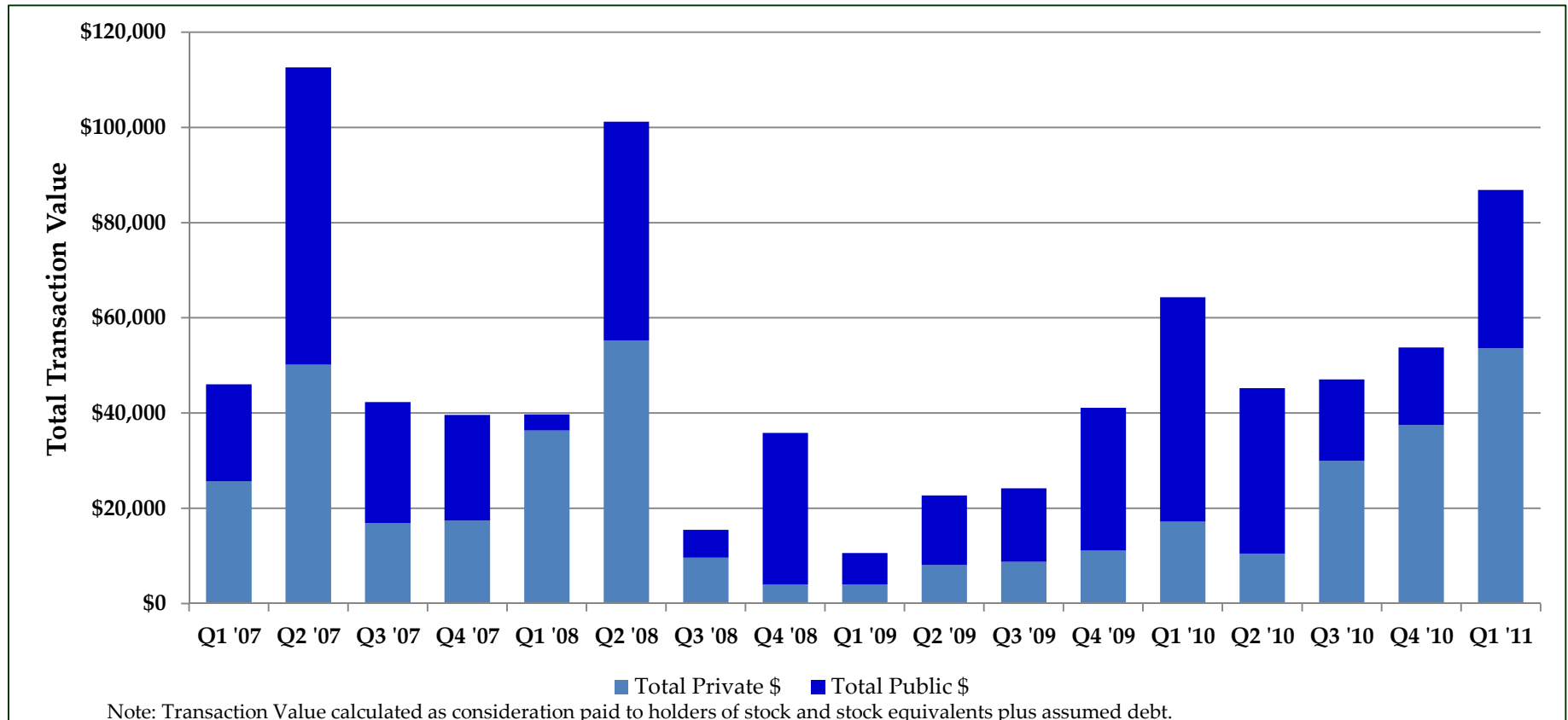
- M&A dollar volume across SagePoint's entire Internet, Communications & IT Infrastructure ("ICIT") increased 61% from Q4 to \$86.8B, reaching the highest dollar volume since Q2'08
 - The increase was driven by the \$39B telco megamerger of AT&T and T-Mobile
- M&A transaction volume across SagePoint's ICIT universe increased 10% over the prior quarter and nearly 30% compared to Q1'10 to a four year high of nearly 500 deals
- Software & Services M&A transaction volume increased 18.6% versus Q4'10 to its highest level since the beginning of 2007
- M&A dollar volume across SagePoint's Software & Services Universe plunged for the second quarter in a row as public deals disappeared
 - Public dollar volume nearly vanished with the largest public deal a meager \$54.5M
- Q1 Private M&A transaction volume was up to its second highest level since Q1'08 with five \$250M+ deals for only the second time in recent quarters
 - Median deal size slipped below \$20M, down to a still historically high \$18M
- Public Software & Services deals nearly evaporated with just 2 deals in Q1, both small transactions
- M&A revenue multiples improved with public rising to 2.0x, though on scant data, while private bounced back to 3.4x after a sharp drop to 3x in Q4'10

SagePoint's Viewpoint - Key Takeaways Continued

- By far the most active Software & Services buyers over the last 24 months is Google with nearly triple the deals of the next most active buyer
 - AOL has been showing strong activity with at least three deals in each of the past three quarters
 - EMC and Disney both also show double digit deal activity over the past two years
- Notable Q1 M&A transactions include:
 - Dell's acquisition of Secureworks (\$612M)
 - Salesforce.com's acquisition of Radian6 (\$350M)
 - AOL's acquisition of Huffington Post (\$315M)
 - Hewlett-Packard's acquisition of Vertica (\$300M)
 - Teradata's acquisition of Aster Data Systems (\$263M)
 - Amazon's acquisition of LOVEFiLM (\$191.1M)
 - Cybersource's acquisition of PlaySpan (\$190M)
 - USA Mobility's acquisition of Amcom Software (\$163.5M)
 - Motricity's acquisition of Adenyo (\$142.5M)
 - AOL's acquisition of GoViral (\$96.7M)
- SagePoint expects to see strong M&A activity throughout 2011
 - SagePoint expects public deal activity to return, although the quarterly data is likely to remain lumpy
 - SagePoint expects private M&A deal activity to remain robust
 - SagePoint expects private M&A revenue multiples to remain in the high 2s to mid 3s

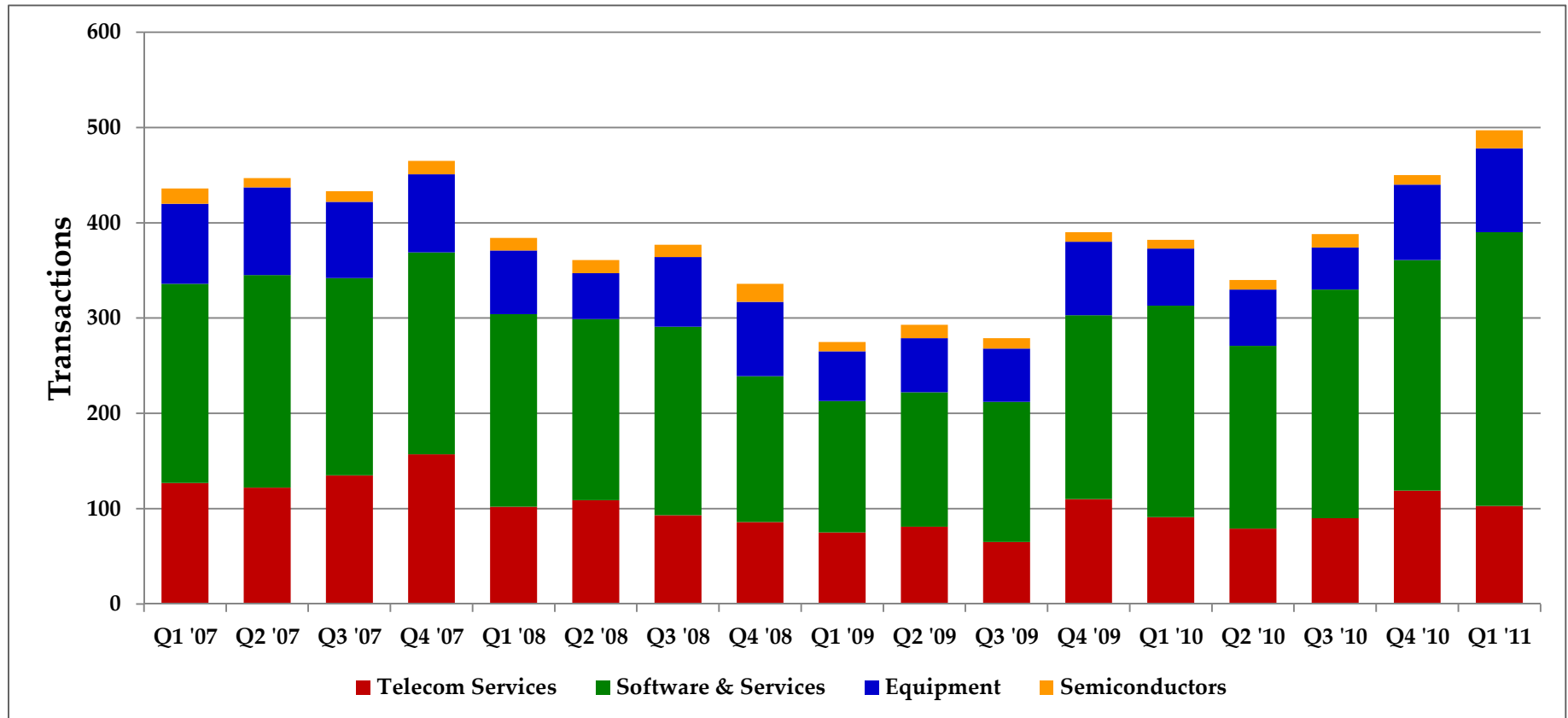
Quarterly M&A Dollar Volume – SagePoint ICIT Universe

- M&A dollar volume across SagePoint 's ICIT Universe rose 61% over Q4, driven by the \$39B telco megamerger of AT&T and T-Mobile (the largest telco deal in five years) and \$17B consolidation of Telefonica's Telesp and Vivo subsidiaries
 - Telecom drove the dollar increase with 8 \$1B+ deals
 - Semis surprised with record dollar and deal volume driven by Qualcomm's \$3.6B acquisition of Atheros
 - Equipment and Software dollar volume fell despite increased deal volume on a lack of \$500M+ deals



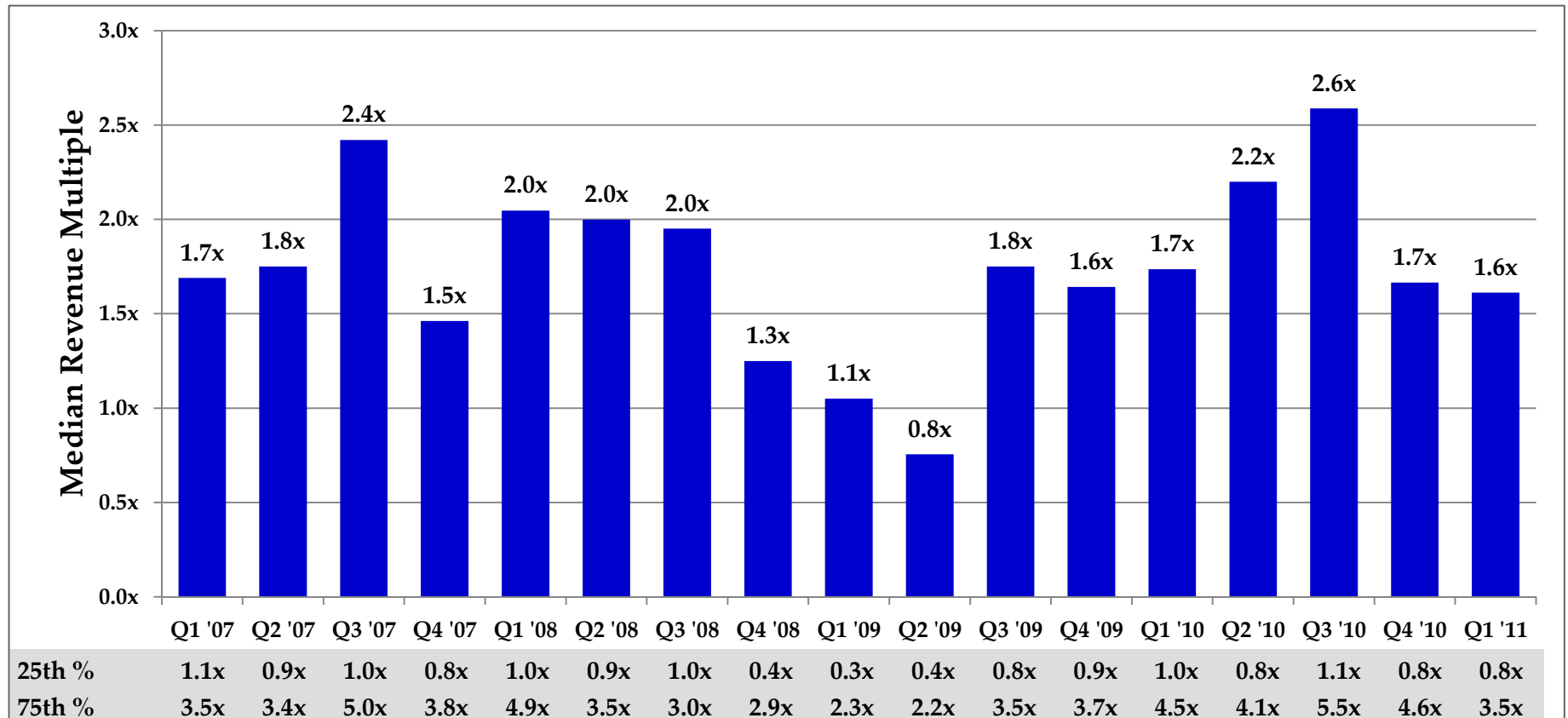
Quarterly M&A Transaction Volume – SagePoint ICIT Universe

- M&A transaction volume across SagePoint’s ICIT universe was up 10% Q/Q again, the third straight quarter of increased deal volume
- Q1’11 deal volume reached its highest level since the beginning of ‘07, nearly hitting 500 deals
 - Semis, Software and Equipment were at or near their highest volumes since the beginning of ‘07
 - Telecom was near its highest level since beginning of ‘07 with the most \$1B+ deals since Q2’07
- SagePoint expects M&A transaction volume to remain robust throughout 2011



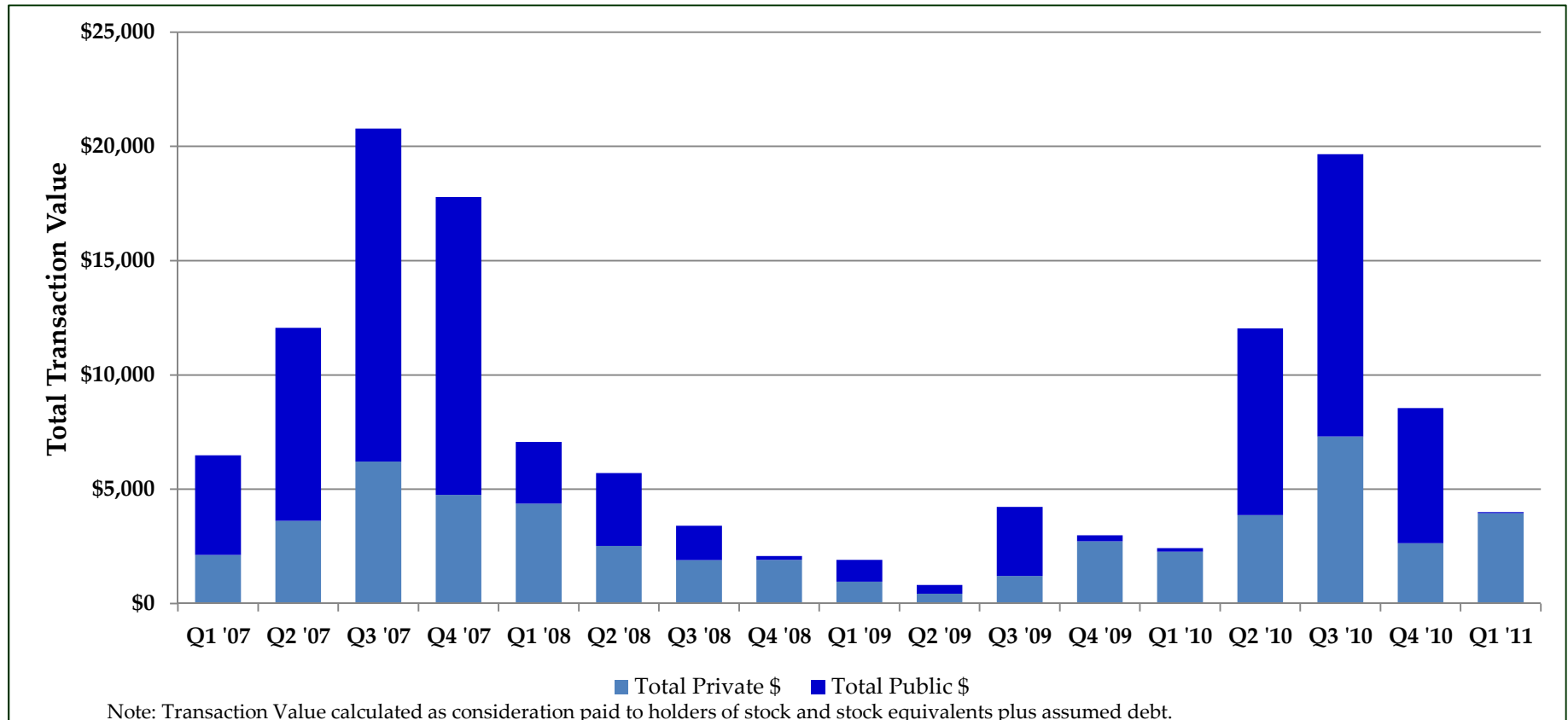
Quarterly Median M&A LTM Revenue Multiple – ICIT Universe

- The Median LTM revenue multiple for SagePoint’s ICIT Universe fell slightly to 1.6x in Q1, remaining at the lower end of its four year range of 1.5-2.0x
 - Actual deal multiples for Q1 were split with 33% below 1x, 33% between 1-3x, and 33% above 3x
 - SagePoint believes the Q3 2.6x median revenue multiple was an aberration but expects multiples to pull back towards the 2x range during 2011



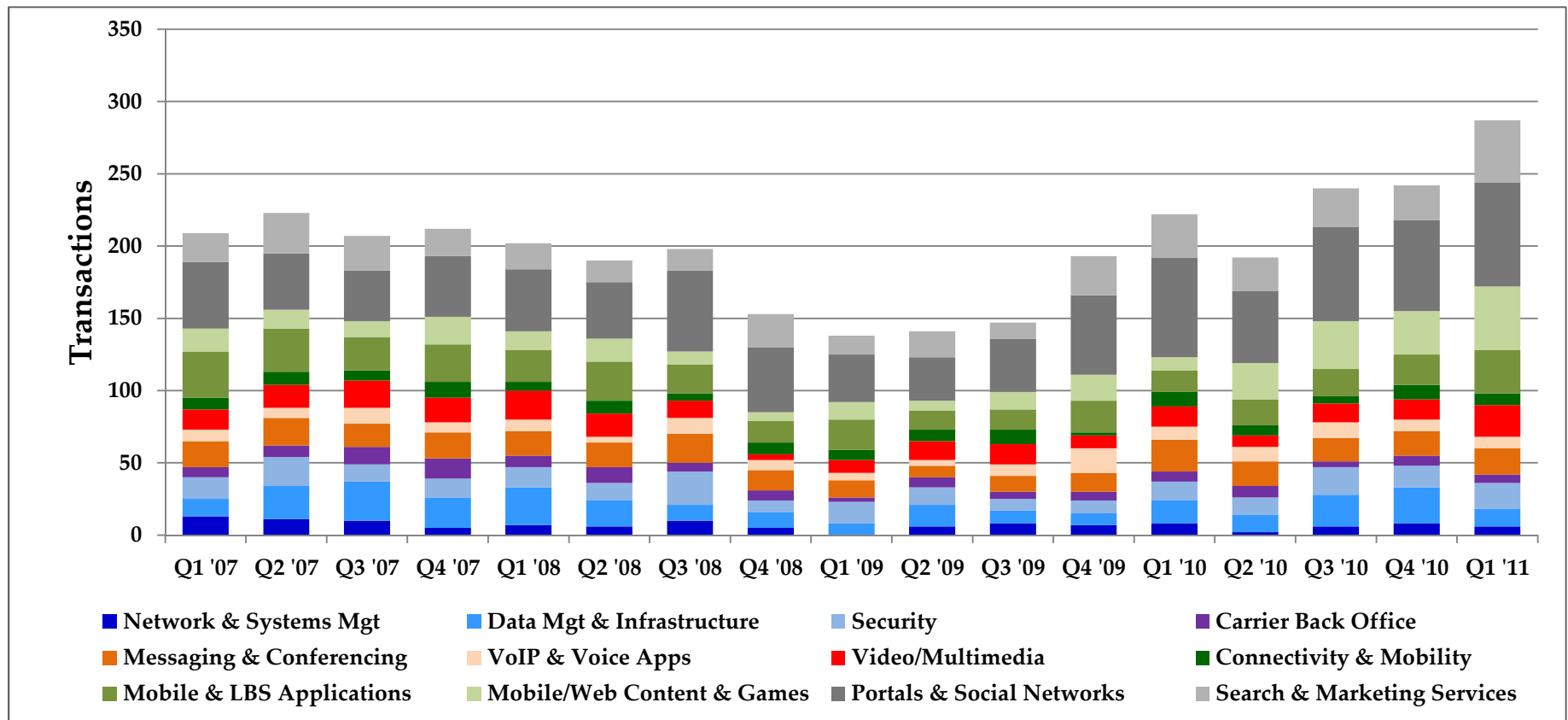
Quarterly M&A Dollar Volume – Software & Services Universe

- M&A dollar volume across SagePoint’s Software & Services Universe plunged for the second quarter in a row as public deals disappeared
 - Public dollar volume nearly vanished with the largest public deal a meager \$54.5M
 - Private dollar volume improved to ~\$4B, it’s second highest dollar volume level since Q1’08
- SagePoint expects to see larger public deal announcements return in 2011 although the quarterly data will likely remain lumpy



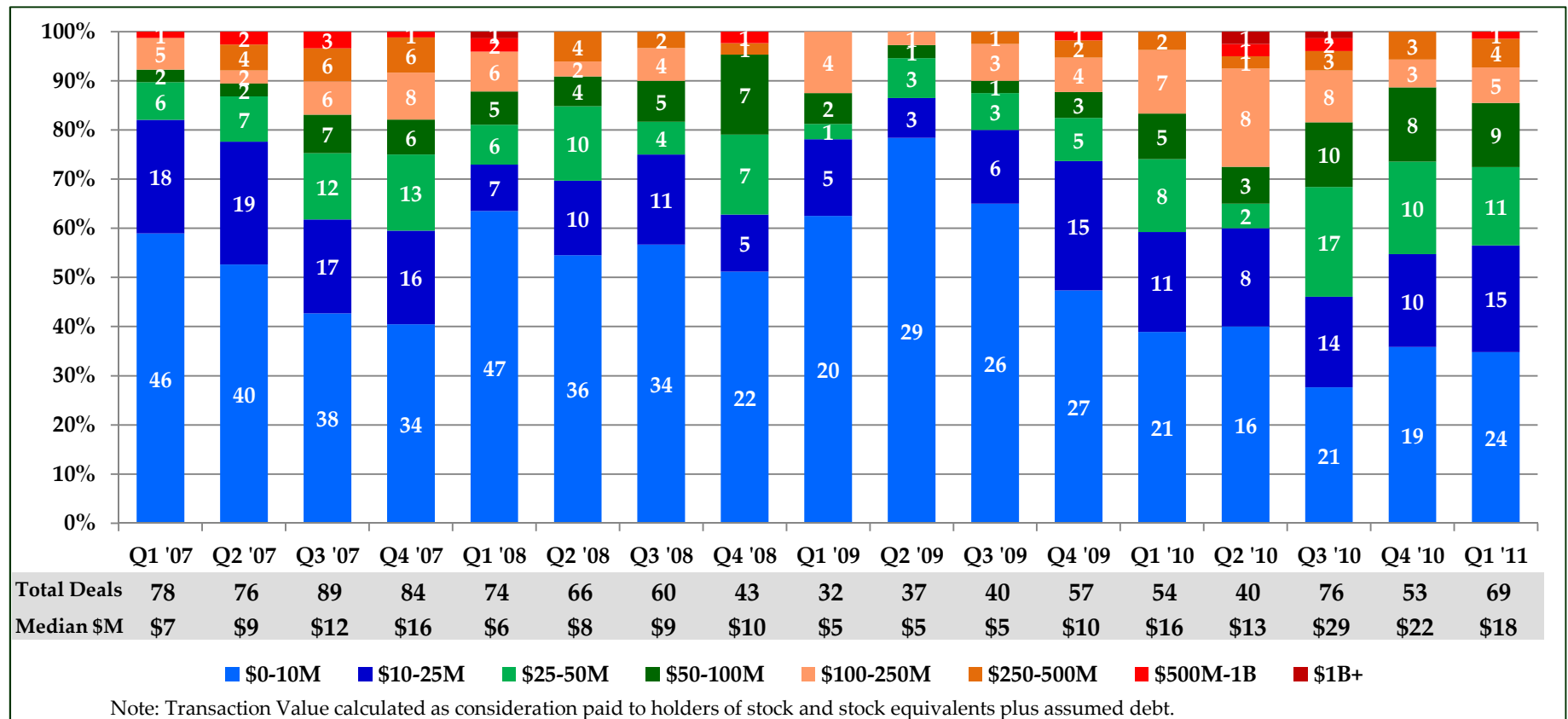
Quarterly M&A Transaction Volume – Software & Svcs. by Segment

- Software & Services M&A transaction volume increased 18.6% versus Q4'10 to its highest level since the beginning of 2007
 - Video/Multimedia, Mobile & LBS Applications, Mobile/Web Content & Games, Portals & Social Networks and Search & Marketing Services all showed strong deal volume increases
 - For these segments only Mobile & LBS Applications didn't set a new quarterly high for deal volume
 - Data Mgt & Infrastructure deals fell in half following two quarters of strong deal volume



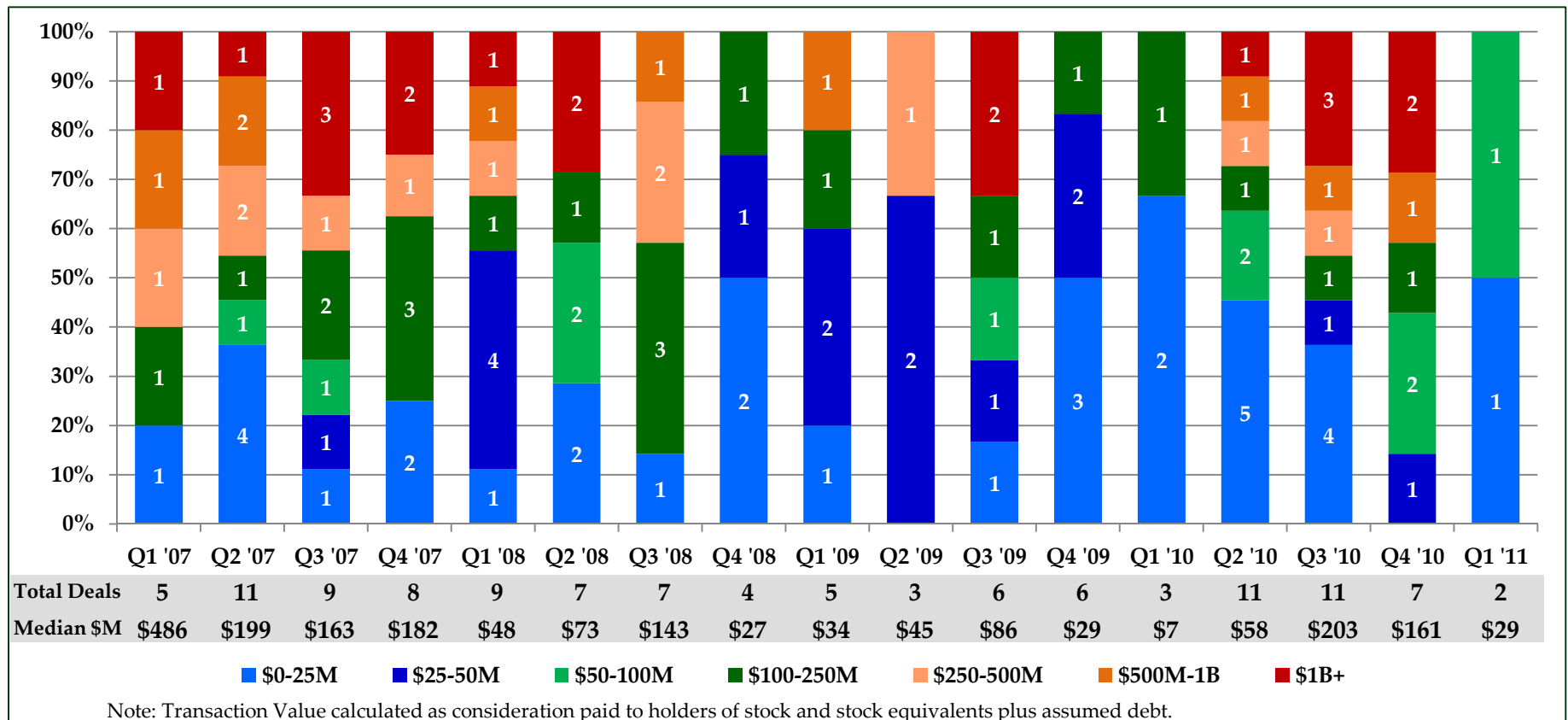
Quarterly M&A Transaction Volume by Deal Size – Private Targets

- Q1 Private M&A transaction volume with announced values was up to its second highest level since Q1'08
- Q1 marks just the second time since the beginning of '08 we've seen five \$250M+ deals
- Median deal size slipped below \$20M, down to a still historically high \$18M
 - Private deals without announced purchase prices accounted for 75% of deal volume in Q1, further demonstrating the high proportion of smaller deals



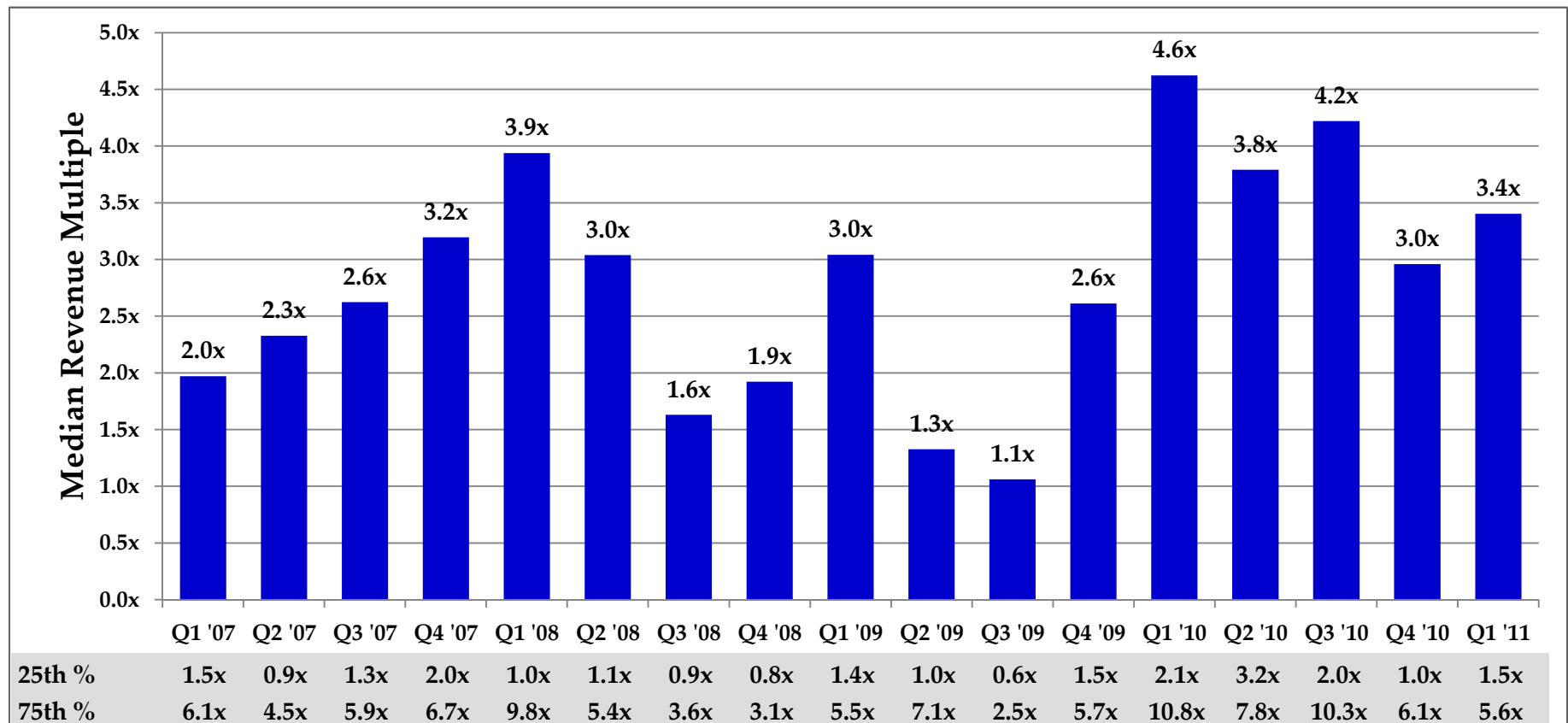
Quarterly M&A Transaction Volume by Deal Size – Public Targets

- Public Software & Services deals nearly evaporated with just 2 deals in Q1, both small transactions
 - The median deal value of \$29 is certainly anomalous, however whether we will quickly return to the triple digit median deal values of the prior two quarters remains to be seen
- SagePoint expects to see a return of larger public deals in 2011 as the M&A rebound continues



Quarterly Revenue Multiples – Private Software & Services Targets

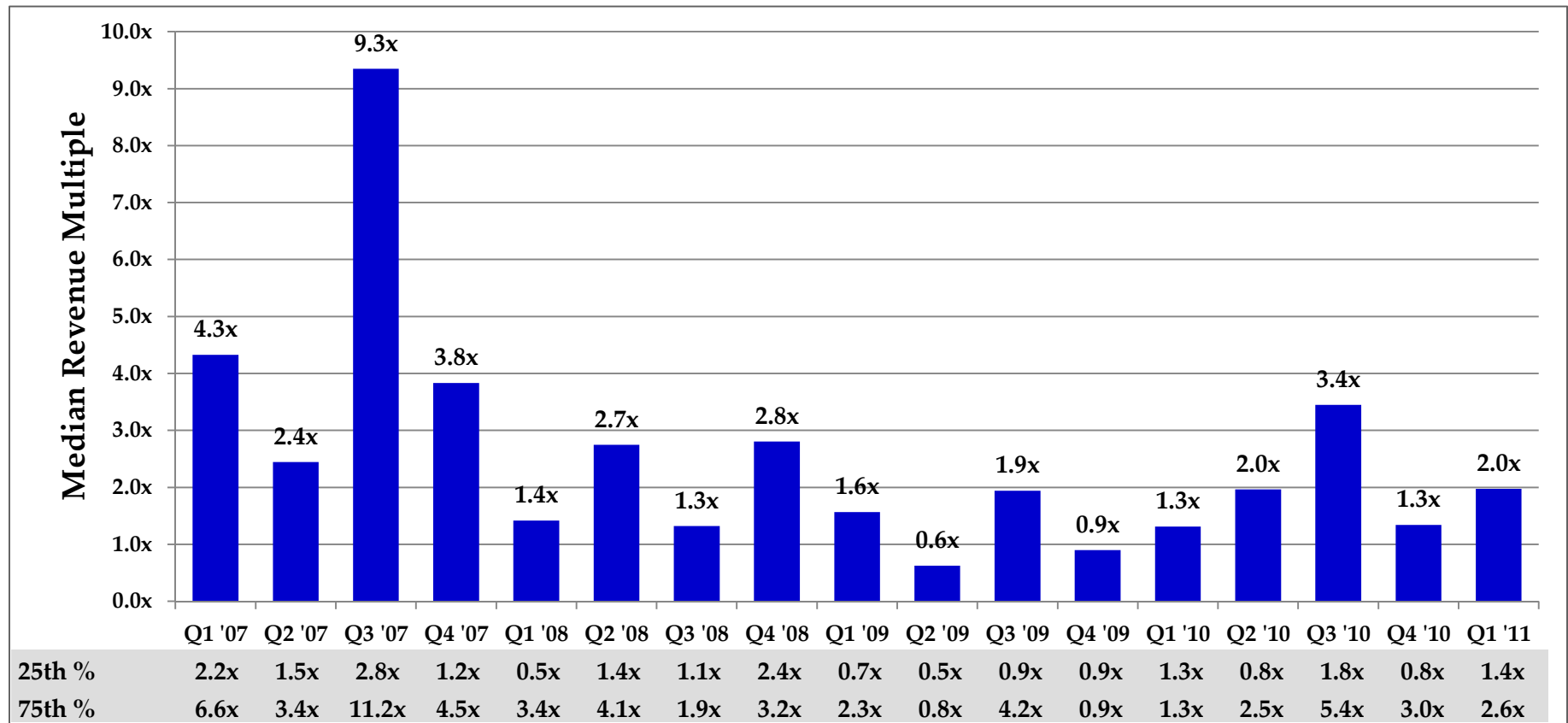
- Private M&A multiples bounced back to 3.4x after a sharp drop to 3x in Q4'10, though still below the lofty ~4x multiples of earlier '10
 - Notable deals with premium multiples included Salesforce.com/Radian6 (20x), AOL/Huffington Post (10.5x), Intel/Nordic Edge (8.2x), Motricity/Adenyo (7.1x), Polycom/Accordent (5.6x), Dell/Secureworks (5.1x) and Google/BeatThatQuote.com (4.4x)
- SagePoint expects private M&A revenue multiples to remain in the high 2s to mid 3s in 2011



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




Quarterly Revenue Multiples – Public Software & Services Targets

- Public M&A revenue multiples returned to 2x, however with such scant data the numbers aren't too meaningful
 - Vitruvian/Independent Media (3.2x) was the only somewhat meaningful public deal of the quarter
- SagePoint expects public M&A multiples in the 2s for 2011 as deals return








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

Most Active Software & Services Buyers – Last 2 Years

Company	# of Deals		Software & Services Transactions	
	SW/Svc	Comm		
	34	35	3/15/11 - Green Parrot Pictures Co. Ltd. - NA 3/7/11 - BeatThatQuote.com Ltd. - \$61.2M 3/1/11 - zynamics GmbH - NA 1/25/11 - SayNow Corporation - NA 1/25/11 - Fflick, Inc. - \$10.0M 1/12/11 - eBook Technologies Inc. - NA 12/3/10 - Phonetic Arts Limited - NA 12/3/10 - Widevine Technologies, Inc. - NA 10/1/10 - BlindType, Inc. - NA 9/28/10 - Plannr Company - NA 9/13/10 - MentorWave Technologies Ltd. - \$10.0M 8/30/10 - SocialDeck Inc. - NA 8/29/10 - Ångström Inc. - NA 8/20/10 - Like.com - \$100.0M 8/9/10 - Jambool, Inc. - \$70.0M 8/6/10 - Slide, Inc. - \$228M 7/16/10 - Metaweb Technologies, Inc. - NA	7/1/10 - ITA Software, Inc. - \$700M 6/2/10 - Invite Media, Inc. - NA 5/21/10 - Ruba, Inc. - NA 5/19/10 - Simplify Media, Inc. - NA 5/17/10 - Global IP Solutions (OB:GIPS) - \$68.0M 4/30/10 - Bump Technologies Inc. - NA 4/26/10 - LabPixies Ltd. - NA 4/12/10 - Plink Search Ltd. - NA 4/2/10 - Episodic Inc. - NA 3/5/10 - DocVerse, Inc. - \$25.0M 2/17/10 - Nextmail Corp. - NA 2/11/10 - Aardvark - \$50.0M 11/9/09 - AdMob, Inc. - \$750M 11/9/09 - Gizmo5 Technologies, Inc. - NA 9/16/09 - reCAPTCHA Inc. - NA 8/21/09 - AdWhirl, Inc. - NA 8/4/09 - On2 Technologies (AMEX:ONT) - \$109M
	12	12	2/28/11 - Outside.in, Inc. - \$10.0M 2/6/11 - HuffingtonPost.com LLC - \$315M 1/31/11 - GoViral Limited - \$96.7M 12/16/10 - Pictela, Inc. - NA 12/1/10 - Unblaboratory, Inc. - NA 11/30/10 - About.me, Inc. - NA	9/28/10 - 5min LTD - \$65.0M 9/28/10 - TechCrunch, Inc. - \$40.0M 9/28/10 - Thing Labs, Inc. - \$30.0M 8/31/10 - Rally Up, Inc. - \$10.0M 1/22/10 - StudioNow, Inc. - \$36.0M 6/11/09 - Going, Inc. - \$10.0M
	11	14	1/14/11 - NeoAccel, Inc. - NA 8/31/10 - Integrien Corporation - \$100.0M 8/31/10 - TriCipher, Inc. - NA 7/6/10 - Greenplum, Inc. - \$300M 5/6/10 - GemStone Systems, Inc. - NA 4/13/10 - Rabbit Technologies Ltd. - NA	2/22/10 - RTO Software, Inc. - NA 1/12/10 - Zimbra, Inc. - \$100.0M 9/1/09 - Kazeon Systems, Inc. - NA 8/31/09 - FastScale Technology, Inc. - NA 5/4/09 - Hyperic, Inc. - NA

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

Most Active Software & Services Buyers – Last 2 Years

Company	# of Deals		Software & Services Transactions	
	SW/Svc	Comm		
	10	11	3/3/11 - Rocket Pack Ltd. - \$15.0M 2/18/11 - TogetherVille, Inc. - NA 7/27/10 - Playdom, Inc. - \$763M 7/1/10 - Tapulous Inc. - NA 6/24/10 - Hive7.com, Inc. - NA	5/18/10 - Acclaim Games, Inc. - NA 4/26/10 - Merscom, LLC - NA 3/31/10 - Three Melons SA - NA 3/3/10 - Offbeat Creations, Inc. - NA 11/12/09 - Trippert, Inc. and Green Patch, Inc. - NA
	9	11	9/19/10 - Netezza Corp (NYSE:NZ) - \$1,730M 7/1/10 - BigFix, Inc. - \$400M 6/15/10 - Coremetrics, Inc. - NA 5/3/10 - Cast Iron Systems, Inc. - \$190M 2/1/10 - Microchannel Technologies Ltd - \$1.8M	1/12/10 - Pivotal Veracity, LLC - \$17.8M 7/28/09 - Ounce Labs, Inc. - NA 7/27/09 - SPSS Inc. - \$1,122M 5/5/09 - Exeros, Inc. - NA
	9	10	10/5/10 - Passlogix, Inc. - \$42.0M 5/20/10 - Secerno Ltd. - NA 2/10/10 - Convergin, Inc. - \$85.0M 1/8/10 - InstantService, Inc. - \$17.0M 12/31/09 - Silver Creek Systems, Inc. - NA	9/29/09 - HyperRoll, Inc. - NA 7/23/09 - GoldenGate Software, Inc. - NA 7/15/09 - Covance (IVR & Web Response) - \$10.0M 5/13/09 - Virtual Iron Software, Inc. - NA
	9	9	3/16/11 - TXT Polymedia S.p.A. - \$38.6M 1/27/11 - KickApps Corporation - \$43.2M 1/26/11 - Kew ego SA - \$32.0M 1/25/11 - Decentral.tv Corp. - \$6.7M 9/8/10 - Accela Communications, Inc. - \$4.9M	3/10/10 - Multicast Media Technologies - \$25.8M 10/5/09 - Nunet AG - \$11.2M 9/30/09 - The FeedRoom, Inc. - \$13.3M 4/8/09 - Narrow step, Inc. - \$0.4M
	9	9	1/21/11 - Area/Code - NA 1/6/11 - Flock, Inc. - NA 12/2/10 - Newtoy, Inc. - NA 9/24/10 - Dextrose AG - NA 8/17/10 - Conduit Labs, Inc. - NA	8/5/10 - Unoh Inc. - NA 6/3/10 - Challenge Games, Inc. - NA 2/8/10 - Serious Business, Inc. - NA 6/30/09 - MyMiniLife Inc. - NA

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

Acquiror



Target



Deal Summary

Date: 1/4/11
 Transaction Value: \$612M
 % Sought: 100%
 Consideration: Cash

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

Valuation Metrics

LTM Revenue Multiple: 5.1x
 LTM P/E Multiple: NA
 Multiple on \$ Invested: 10.0x

Investors

Frontier Capital LLC; GE Equity; Great Hill Partners, LLC; ITC Holding Company, LLC; Navigation Capital Partners, Inc.; Noro-Moseley Partners; SBK Capital, LLC

Deal Rationale/Commentary

SecureWorks provides a portfolio of powerful security services to help midsize businesses improve security posture, achieve regulatory compliance, and lower IT costs by offloading day-to-day security monitoring, management and remediation to a trusted security services provider. The security suite is deployed on in-house servers at ~2,900 customers, including 1,500+ financial institutions.

For Dell, providing improved security makes managing private cloud servers easier and less costly, hopefully reducing the likelihood that customers turn to public cloud providers like Amazon and Rackspace. The company's acquisition of Compellent, allowing users to more easily store and access data on private cloud servers also matched that strategy.

While larger customers will likely stick to faster private clouds, Dell is looking to hold onto small/mid-sized companies looking to offload IT management - for them, concerns around security of sending their information across the internet could be a deciding factor.

At 5.1x LTM revenues and 10x dollars invested, the deal represents strong multiples.

Acquiror



Target



Deal Summary

Date: 3/30/11

Transaction Value: \$350M

% Sought: 100%

Consideration: Cash/Stock

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

Valuation Metrics

LTM / NTM Revenue Multiple: 20.0x / 10.0x

LTM P/E Multiple: NA

Multiple on \$ Invested: 36.8x

Investors

Summerhill Venture Partners; BDC Venture Capital;
 Brightspark Holdings, Inc.

Deal Rationale/Commentary

Radian6 helps companies listen to what people are saying about them online and engage in those conversations across the social web. Customers like Dell, GE, Kodak and UPS use Radian6 to monitor hundreds of million of social media conversations across Facebook, Twitter, blogs, YouTube, etc.

Layering social media metrics on top of traditional CRM and web analytics enables users to discover what content is generating buzz, driving website traffic, conversions and sales. With Salesforce and Radian6 combined, users can see which content is coming from customers and prospects, helping to better manage customers, add new leads and identify influencers.

Salesforce believes Radian6 will enhance all of its products including Sales Cloud, Service Cloud, Chatter and Force.com - helping to deliver its concept of social media for the enterprise.

The exit is a very impressive one for Radian6 at 10x NTM Revenues and 36.8x dollars invested.

Acquiror

Aol.

Target

THE
 HUFFINGTON
 POST

Deal Summary

Date: 2/6/11

Transaction Value: \$315M

% Sought: 100%

Consideration: Cash

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

Valuation Metrics

LTM / NTM Revenue Multiple: 10.5x / 6.3x

LTM P/E Multiple: NA

Multiple on \$ Invested: 8.5x

Investors

Oak Investment Partners; SoftBank Capital; Greycroft Partners LLC

Deal Rationale/Commentary

Huffington Post is a leading online news source whose contributors include 3,000+ bloggers - politicians, celebrities, academics, etc. - who contribute in real-time on a range of topics in 20+ categories. Recently it launched social networking functionality, encouraging users to comment and share stories.

The \$315M deal marks the biggest under Tim Armstrong and underscores AOL's efforts to transform itself into a content platform with a stated focus on women, influencers and local.

Arianna Huffington is now President and Editor in Chief of all AOL's media properties which will boast 117M unique monthly visitors in the US and 253M globally. AOL will look to incorporate Huffington's social features into more of its content - Huffington has had great success transforming readers into contributors and evangelizers of content.

The sale boasts some impressive multiples at 6.3x NTM Revenues and 8.5x dollar invested. Huffington has proven an undisputed success in new media and AOL hopes she can transfer that success across its other properties.

Acquiror



Target



Deal Summary

Date: 2/14/11

Transaction Value: \$300M

% Sought: 100%

Consideration: Cash

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

Valuation Metrics

LTM Revenue Multiple: NA

LTM P/E Multiple: NA

Multiple on \$ Invested: 9.8x

Investors

Bessemer Venture Partners; Gold Hill Capital Management, LLC; Highland Capital Partners; Kleiner, Perkins, Caufield & Byers; New Enterprise Associates

Deal Rationale/Commentary

Vertica develops data management solutions for storing, analyzing and querying databases. Vertica brings an established, highly capable product along with a growing number of big-name customers (Groupon, Twitter, Verizon, AOL, Zynga, Comcast, BofA) and dozens of partnerships such as Amazon Web Services.

HP says that Vertica's technology will help enhance HP's ability to optimize data and will add real-time business analytics for large and complex sets of data in physical, virtual and cloud environments. Vertica boosts HP's capabilities for data management, analytics and storage, building on last year's 3PAR acquisition by adding data warehousing and analytics to their portfolio.

As data volumes proliferate, organizations are increasingly trying to gain insights from that data. With servers and storage becoming less expensive and less differentiated, major players are seeing database/data warehousing as a new battle ground for differentiation. HP needs those capabilities to compete with IBM (recently acquired Netezza), Oracle and EMC (recently acquired Greenplum).

The deal marks a strong return on dollars invested.

Acquiror



Target



Deal Summary

Date: 3/2/11
 Transaction Value: \$263M
 % Sought: 88.6%
 Consideration: Cash

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

Valuation Metrics

LTM Revenue Multiple: NA
 LTM P/E Multiple: NA
 Multiple on \$ Invested: 5.0x

Investors

Cambrian Ventures, Inc.; First Round Capital; Institutional Venture Partners; JAFCO Ventures; Sequoia Capital

Deal Rationale/Commentary

Teradata's acquisition of Aster Data helps strengthen its storage management portfolio by adding big data in the cloud analytics. Aster Data's analytics software handles large sets of structured and unstructured data. Teradata had bought an 11.4% stake in Aster Data last year.

Teradata's announcement of the deal focused on Aster's ability to manage "a variety of diverse data that is not structured," such as web applications, sensor networks, social networks, genomics, video and photographs. Teradata believes that integrating unstructured data analysis with its current strengths in structured data in data warehouses will drive deeper business insights.

The acquisition helps Teradata compete against Oracle, who touts its Exadata platform as capable of handling both analytic and transactional workloads. It also helps to defend its territory against systems vendors like IBM (acquired Netezza), EMC (acquired Greenplum) and HP (acquired Vertica) who are aggressively targeting the space.

Acquiror



Target



Deal Summary

Date: 1/20/11

Transaction Value: \$191.1M

% Sought: 58%

Consideration: Cash

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

Valuation Metrics

LTM / NTM Revenue Multiple: 1.5x / 1.1x

LTM P/E Multiple: NA

Multiple on \$ Invested: NA

Investors

Arts Alliance Ltd.; Balderton Capital; DFJ Esprit LLP; Index Ventures; Octopus Investments Limited; Octopus Ventures Ltd.

Deal Rationale/Commentary

Lovefilm, the “Netflix of Europe”, boasts 1.4 million members across Europe, mostly UK, 20% of which utilize streaming. Amazon already owned 42% of Lovefilm after selling them its European DVD rental service in ‘08.

With Netflix aggressively acquiring content and announcing plans for further international expansion, Lovefilm had reason to worry that Netflix entering the market would be a difficult battle to fight on their own, leading execs and investors to pursue a sale.

Amazon is picking up Lovefilm for a relatively cheap price (1.1x NTM Revenue) but when Netflix decides to enter, the market will change quickly. Lovefilm will continue to offer both mail and streaming options with a broad selection of content while Netflix will almost certainly offer just streaming with more limited content.

For Lovefilm to succeed long-term as streaming becomes the norm, Amazon must commit to acquiring content to rival Netflix in a global fight...or acquire them, as seems to be rumored every few quarters. Either way, Lovefilm provides a small stepping stone for Amazon as they choose their strategy and a slight hindrance to Netflix in Europe.

Acquiror



Target



Deal Summary

Date: 2/9/11

Transaction Value: \$190M

% Sought: 100%

Consideration: Cash

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

Valuation Metrics

LTM Revenue Multiple: NA

LTM P/E Multiple: NA

Multiple on \$ Invested: 4.1x

Investors

Menlo Ventures; SVB Capital; Easton Capital Investment Group; GE Asset Management; Time Warner Investments; Vodafone Ventures; STIC Investments; STIC Intl; Softbank China & India; Novel TMT Ventures; Ecosystem Ventures

Deal Rationale/Commentary

Visa has acquired PlaySpan through its CyberSource subsidiary, which Visa acquired about a year ago for \$2B. PlaySpan's virtual goods monetization platform complements CyberSource's e-payment business, extending the company's presence into digital and mobile commerce.

PlaySpan's "Monetization as a Service" platform has been growing quickly, leveraging partnerships (Viacom, Disney, Facebook, Ubisoft, Sanrio) to power virtual goods marketplaces across 1,000 video games, virtual world publishers and social networks, most recently launching a mobile version allowing in-app purchases.

Visa says that e-commerce reached \$948B in annual sales, with the fast growing digital goods market currently estimated at \$25B expected to reach \$280B by 2014.

Even more impressive than PlaySpan's growth and exit is that it was founded by 12 yr old Arjun Mehta in '06, though his father Karl Mehta actually runs the business.

Acquiror



Target



Deal Summary

Date: 3/3/11

Transaction Value: \$163.5M

% Sought: 100%

Consideration: Cash

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

Valuation Metrics

LTM Revenue Multiple: 3.2x

LTM EBITDA Multiple: 13.6x

Multiple on \$ Invested: NA

Investors

2ndWave Software, LLC; Norwest Equity Partners; Split Rock Partners, LLC

Deal Rationale/Commentary

Amcom Software provides communication solutions for organizations that depend on speed, accuracy, and productivity to manage mission-critical, day-to-day, emergency and event-driven communications. Amcom Software's advanced solutions for call center communications, emergency management, wireless messaging middleware, and paging infrastructure are used by thousands of leading organizations in hospitality, healthcare, education, business, industrial, and government.


USA Mobility offers the largest paging networks in the US. While pagers were once the lone device for urgent communications in healthcare and government, today's organizations communicate with an ever increasing, diverse array of methods and devices. Amcom's software enable seamless, critical communications across the evolving universe of devices, helping to secure USA Mobility's leadership position as methods of urgent communication evolves.

The transaction is expected to be immediately accretive to operating cash flow. Amcom's '10 revenue was ~\$51M, up 19% from '09, with EBITDA of ~\$12M.

Acquiror



Target



Deal Summary

Date: 3/12/11

Transaction Value: \$142.5M

% Sought: 100%

Consideration: Cash/Stock

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

Valuation Metrics

LTM Revenue Multiple: 7.1x

LTM P/E Multiple: NA

Multiple on \$ Invested: 4.6x

Investors

Greycroft Partners LLC; Ubequity Capital Partners Inc.,
 Investment Arm

Deal Rationale/Commentary

Adenyo is a full-solution mobile marketing and media provider that delivers a complete set of turn-key solutions for mobile marketing campaigns. Current customers include McDonald's, Coca-Cola, Ford and Omnicom Media Group who leverage Adenyo's services to create, deliver and analyze mobile ad and marketing campaigns delivered through mobile web, apps and messaging platforms.

Motricity's mCore platform allows operators, brands and content publishers to deliver and monetize mobile internet content. Integrating Adenyo will provide Motricity's clients a wider range of services around mobile content and provide Adenyo's clients more targeted distribution of their campaigns.

Ryan Wuerch, Motricity's CEO, says "The power of highly targeted mobile advertising, combined with highly targeted mobile commerce solutions is going to transform the mobile data industry."

ABI forecasts the mobile marketing and advertising market to reach \$28.9B in global spend by 2014.

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Aol.

Target



Deal Summary

Date: 1/31/11

Transaction Value: \$96.7M

% Sought: 100%

Consideration: Cash

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

Valuation Metrics

LTM Revenue Multiple: NA

LTM P/E Multiple: NA

Multiple on \$ Invested: 11.0x

Investors

Kennet Partners Limited

Deal Rationale/Commentary

AOL Europe has acquired Goviral, a distributor of branded video content for mainstream brands, as well as content producers and advertising agencies. Goviral's video distribution network spans 18,000 publishers across 24 vertical markets, claims to reach 350M users and generate over 60M video views per month and guarantees a minimum number of views and engagement to clients like Nike, Nissan and LG.

As AOL continues to bolster its presence in content, video will undoubtedly be a major component and Goviral provides an "incredibly compelling platform that delivers highly measurable and cost effective solutions to publishers and advertisers" according to AOL Europe SVP Kate Burns who spearheaded the deal.

Goviral brings AOL a premium advertising service to complement its current offerings and also helps the company reestablish a shrinking presence in the European market.

Goviral's revenue was unavailable but 11x dollars invested is an impressive multiple, though just \$74.1M was paid up front with the remainder over two years.

Appendix – Software & Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Network & Systems Management				
3/27/11	NetScout Syst (Nasdaq:NTCT)	Psytechnics Limited	NA	NA
2/13/11	H.I.G. Euro Capital Partners	AIRCOM International Ltd.	NA	NA
1/12/11	NetApp, Inc. (Nasdaq:NTAP)	Akorri Netw orks, Inc.	60.0	NA
1/11/11	Gomez, Inc.	BEZ Systems, Inc.	NA	NA
1/10/11	Stonebranch, Inc.	OpsWise Softw are Inc.	NA	NA
1/5/11	mindSHIFT Technologies, Inc.	Alpheon Corporation	NA	NA
Data Mgt & Infrastructure				
3/29/11	Cisco Syst (Nasdaq:CSCO)	new Scale, Inc.	NA	NA
3/2/11	Teradata Corp (NYSE:TDC)	Aster Data Systems, Inc.	263.0	NA
2/14/11	Hew lett-Packard (NYSE:HPQ)	Vertica Systems, Inc.	300.0	NA
2/1/11	Blackbaud (Nasdaq:BLKB)	Public Interest Data, Inc.	20.0	NA
1/24/11	AMABIS SARL	Fidelity Programs SAS	NA	NA
1/19/11	SolarWinds, Inc. (NYSE:SWI)	Hyper9, Inc.	30.0	NA
1/12/11	The Enterprise Strategy Group	CentricInfo	NA	NA
1/11/11	O'Connor's Holdings Pte Ltd	Puffersoft Labs Pte. Ltd.	2.0	NA
1/10/11	Saama Technologies, Inc.	InfoSTEP, Inc.	3.0	NA
1/10/11	ProAct IT (OM:PACT)	Databasement B.V.	18.1	0.7x
1/5/11	Ventyx, Inc.	Obvient Strategies, Inc.	NA	NA
1/3/11	Equifax South America, LLC	Acredita Buró de Información Crediticia S.A.	7.0	NA
Security				
3/27/11	Kennet Partners Limited	Prolexic Technologies Inc.	16.7	NA
3/23/11	McAfee, Inc.	Sentrigo Ltd.	NA	NA
3/10/11	1st Holdings (JASDAQ:3644)	Variosecure Netw orks Inc	80.8	NA
3/7/11	Authentify, Inc.	Haw k and Seal Inc.	NA	NA
3/3/11	Imation Corp. (NYSE:IMN)	BeCompliant Corporation	NA	NA
3/1/11	Google Inc. (Nasdaq:GOOG)	zynamics GmbH	NA	NA
3/1/11	BACKBONE Tech (DB:A09)	Online Forensic GmbH	NA	NA
2/14/11	ForgeRock AS	Apexidentity, Inc.	NA	NA
2/14/11	Quest Softw are (QSFT)	e-DMZ Security, LLC	NA	NA
2/11/11	NetSw eeper, Inc.	DeepNines (Tech & Assets)	NA	NA
2/7/11	Corero plc (AIM:CORO)	Top Layer Netw orks, Inc.	15.2	NA
1/18/11	Lulu Softw are	Lavasoft AB	NA	NA
1/14/11	VMw are, Inc. (NYSE:VMW)	NeoAccel, Inc.	NA	NA
1/12/11	SAP AG (DB:SAP)	SECUDE Intl, Secure Login/Signon/Mail/File/Trust	NA	NA
1/11/11	Intel Corp (Nasdaq:INTC)	Nordic Edge AB	41.4	8.2x
1/10/11	Ameristar Ntw k (OTC:AMWK)	SecurDigital, Inc.	NA	NA
1/10/11	VASCO Data Security Intl	DigiNotar B.V.	13.5	NA
1/4/11	Dell Inc. (NasdaqGS:DELL)	SecureWorks, Inc.	612.0	5.1x

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Carrier Back Office				
3/9/11	Syntellec Inc.	CosmoCom, Inc.	20.0	1.1x
2/18/11	Multiregional Transit Telecom	Audiotele ZAO	NA	NA
1/7/11	BroadSource, Inc.	Integrated Mobile, Inc.	NA	NA
1/4/11	Polar Wireless (OTCBB:BCDI)	2230354 Ontario Inc.	NA	NA
1/4/11	Norvestor Equity AS	Aptilo Netw orks AB	15.6	NA
1/3/11	Aptilo Netw orks AB	Service Factory AB	5.1	NA
Messaging & Conferencing				
3/22/11	Advisen Ltd.	Web Connectivity Ltd.	NA	NA
3/22/11	Meltw ater Group	JitterJam Inc.	6.0	NA
3/19/11	The National Center for Crisis and Continuity Coordination	E-SPONDER, LLC	NA	NA
3/9/11	SkyWeaver, Inc.	envIO netw orks, inc.	NA	NA
3/8/11	Shenzhen CC Pow er Corp	XcelMobility (OTCBB:XCLL)	NA	NA
3/3/11	Title Consulting Svcs (TITL)	PresentAll Inc.	NA	NA
3/1/11	Facebook, Inc.	Beluga Inc.	NA	NA
2/28/11	Mobile Interactive Group	Golden Bytes B.V.	NA	NA
2/18/11	Cellit, LLC	MESSAGEbuzz Inc.	NA	NA
2/15/11	Constant Contact (CTCT)	Bantam Netw orks, LLC	15.0	NA
2/7/11	StarPound Technologies, Inc.	Rocket Dispatch, Inc.	NA	NA
2/3/11	Oxygen8 Communications Ltd.	Information Dialling Services	NA	NA
2/1/11	Salesforce.com (NYSE:CRM)	Manymoon Inc.	30.0	NA
1/25/11	Google (Nasdaq:GOOG)	SayNow Corporation	NA	NA
1/18/11	Bullhorn, Inc.	Culuru Consulting Ltd.	NA	NA
1/10/11	Vocera Communications, Inc.	Wallace Wireless Inc.	NA	NA
1/6/11	GBS Enterprises Incorporated (OTCBB:GBSX)	Group Business Softw are AG (XTRA:INW)	4.1	0.7x
1/6/11	Salesforce.com (NYSE:CRM)	Dimdim, Inc.	31.0	NA
VoIP & Voice Applications				
3/9/11	Millicorp Inc.	Tourbillon Partners, LLC	NA	NA
3/3/11	USA Mobility (Nasdaq:USMO)	Amcom Softw are, Inc.	163.5	3.2x
3/2/11	Appen Butler Hill Inc.	Butler Hill Group LLC	NA	NA
3/1/11	Starview LP	Backbone for Business, Inc.	NA	NA
2/15/11	NICE Systems (TASE:NICE)	CyberTech B.V.	60.0	NA
2/2/11	Carousel Industries of North America, Inc.	Juma Technology Corp., Business Unit	NA	NA
1/20/11	Acme Packet (Nasdaq:APKT)	New found Communications	4.1	NA
1/4/11	GENBAND, Inc.	Cedar Point Communications	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 – Software & Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Video/Multimedia				
3/31/11	Riverwood Capital	SintecMedia Ltd.	NA	NA
3/31/11	Verimatrix, Inc.	comvenient GmbH & Co. KG	NA	NA
3/30/11	Woodman Labs, Inc.	CineForm Inc.	NA	NA
3/23/11	Motorola Mobility Holdings (NYSE:MMI)	Dreampark AB	NA	NA
3/23/11	Polycom (Nasdaq:PLCM)	Accordent Technologies	50.0	5.6x
3/16/11	KIT digital (NasdaqGS:KITD)	TXT Polymedia S.p.A.	38.6	1.7x
3/15/11	YouTube, LLC	Green Parrot Pictures Co.	NA	NA
3/8/11	Open Text (Nasdaq:OTEX)	weComm Limited	NA	NA
3/3/11	Demand Media (NYSE:DMD)	Altcastor Inc.	NA	NA
3/2/11	D2 Technologies, Inc.	Webia Technologies Limited	NA	NA
3/1/11	The Carlyle Group	DIGIOP Technologies, Ltd.	NA	NA
2/22/11	2d3 Inc.	Sensing Systems, Inc.	8.6	5.3x
2/18/11	SchoolReach, Inc.	Sensory Ventures, LLC	NA	NA
2/15/11	Autodesk (Nasdaq:ADSK)	Scaleform Corporation	36.0	NA
2/14/11	Wondershare Software Co.	Acoolsoft Studio Co., Ltd.	NA	NA
2/14/11	Marvell Technology Group Ltd. (NasdaqGS:MRVL)	Kinoma, Inc.	NA	NA
2/10/11	Chaos Group	Chaos Group USA	NA	NA
2/8/11	Teleca AB	SurfKitchen Limited	NA	NA
2/3/11	Techniche Ltd. (ASX:TCN)	TVPC International Pty Ltd.	0.0	NA
1/25/11	KIT digital (Nasdaq:KITD)	Decentral.tv Corp.	6.7	1.8x
1/6/11	EchoStar Technologies, L.L.C.	Move Networks, Inc.	NA	NA
1/5/11	Evertz Technologies (TSX:ET)	Pharos Communications	5.0	0.6x
Connectivity & Mobility				
3/25/11	Research In Motion (TSX:RIM)	tinyHippos Inc.	NA	NA
3/20/11	Facebook, Inc.	Snaptu Ltd.	70.0	NA
3/14/11	Intel Mobile Communications	SySDSoft, Inc.	NA	NA
3/3/11	TOA Technologies, Inc.	Aboutime Business Solutions Ltd	NA	NA
2/15/11	Movero, Inc.	Movéro Technology, Inc.	NA	NA
2/7/11	Elastic Couchbase	CouchOne Inc.	NA	NA
1/21/11	Proxama Ltd.	Hypertag Ltd.	NA	NA
1/10/11	Astaro GmbH & Co. KG	100% stake in CoSoSys S.R.L. and 96.66% in Mobile Software Solutions SRL	NA	NA

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Mobile & LBS Applications				
3/30/11	Investor Group	Wisdom In Holdings Limited	0.3	NA
3/23/11	GP Investments (BOVESPA:GPV11)	Sascar Tecnologia E Segurança Automotiva S/A	101.1	1.5x
3/22/11	AutoNavi Holdings Limited (NasdaqGS:AMAP)	PDAger Mobility Inc.	8.3	NA
3/16/11	Vivendia Media group N.V. (ENXTAM:VIVE)	Applisive International B.V.	NA	NA
3/15/11	AinaCom Oy	Uphill Oy	NA	NA
3/13/11	Ballance Agri-Nutrients Limited	Farmworks Precision Farming Systems Limited	NA	NA
3/11/11	Neomobile SpA	Onebip S.r.l	NA	NA
3/4/11	Vehco AB	ELOmobile	NA	NA
2/28/11	SwingMobility S.A.S.	Nogema Ingénierie SA	NA	NA
2/28/11	Fiserv, Inc. (NasdaqGS:FISV)	Mobile Commerce Ltd.	NA	NA
2/28/11	Plyce SAS	SAS PromoGaia	NA	NA
2/24/11	Versata Inc.	geoVue, Inc.	NA	NA
2/12/11	QUALCOMM Canada Inc.	Sylectu	NA	NA
2/8/11	Telogis, Inc.	Intergis, LLC	NA	NA
2/8/11	Cint AB	Thumbspeak LLC	NA	NA
2/7/11	Cobham plc (LSE:COB)	Corp Ten International Inc.	24.0	NA
2/1/11	Investor Group	Conduco plc, Substantially All Assets	NA	NA
1/31/11	Infrac Systems, Inc. (OTCBB:IFXY)	Lockwood Technology Corporation	1.7	NA
1/26/11	LinkedIn Corporation	CardMunch, Inc.	NA	NA
1/25/11	FaberNovel sa	Applidium by faberNovel	NA	NA
1/25/11	SafetyWeb, Inc.	iHound® Software, LLC and myID.com	NA	NA
1/24/11	AppTech Corp. (OTCPK:APCX)	Oronoco Telecom LLC	0.1	NA
1/12/11	Global Technologies, Ltd. (OTCPK:GTLL)	VX Partners	NA	NA
1/10/11	Next Jump Inc.	Next Jump Travel	NA	NA
1/10/11	Manatron, Inc.	Manatron International	NA	NA
1/10/11	Investor Group	Twig Com Ltd	NA	NA
1/7/11	CloudMade Ltd.	OneStepAhead Aktiengesellschaft	NA	NA
1/7/11	Market Leader, Inc. (NasdaqGS:LEDR)	kwkly, LLC	1.2	NA
1/5/11	Ubermedia	Echofon, Inc.	NA	NA
1/4/11	DNA Dynamics, Inc. (OTCPK:DNAD)	Apache Mobile LTD	NA	NA

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Appendix – Software & Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Mobile/Web Content & Games				
3/31/11	RALLY Marketing Group Inc.	PassionFruit Games LLC	NA	NA
3/29/11	Ephraim Resources Limited	Infinio Group (Catalist:5CS)	NA	NA
3/29/11	Salem Web Netw ork	WorshipHouse Media LLC	NA	NA
3/28/11	DNA Dynamics (OTC:DNAD)	Slam Productions Ltd.	NA	NA
3/25/11	Seznam.cz, a.s.	Global Inspiration s.r.o.	NA	NA
3/24/11	Qbrick AB	Camtenna Oy	NA	NA
3/21/11	Peer Media Technologies, Inc.	BayTSP, Inc.	NA	NA
3/15/11	Sw isscom Broadcast AG	Solutionpark AG	NA	NA
3/10/11	Spare Backup, Inc. (OTCBB:SPBU)	Tarsin (Europe) Limited, Mobile Services Platform	2.5	1.0x
3/8/11	Vringo, Inc. (AMEX:VRNG)	m-Wise (Assets)	4.1	NA
3/3/11	Disney Interactive Media	Rocket Pack Ltd.	15.0	NA
3/2/11	Zenph Sound Innovations, Inc.	TimeWarp Technologies	NA	NA
3/2/11	Kenergy Scientific (OTC:KNSC)	I Won It Live Enterprises	NA	NA
2/28/11	AOL, Inc. (NYSE:AOL)	Outside.in, Inc.	10.0	NA
2/28/11	Mobile Telecom Netw ork Holdings Ltd. (SEHK:8266)	Yangguang Xunlong (Beijing) Communication Technology Company	NA	NA
2/27/11	Vitruvian Partners LLP	Independent Media Distribution plc (AIM:IMD)	54.5	3.2x
2/25/11	Exclaim Mobility, Inc.	Didiom LLC	NA	NA
2/24/11	MOVL, LLC	InterActiva Colombia	NA	NA
2/24/11	Lego System A/S	NetDevil (LEGO Universe)	NA	NA
2/23/11	Gaijin Games, Inc.	Robotube Games LLC	NA	NA
2/23/11	Investor Group	Internet Research Institute	NA	NA
2/22/11	VBrick Systems, Inc.	Fliqz, Inc.	NA	NA
2/14/11	Ecritel.net	CDN Technologies	NA	NA
2/12/11	Moli Mobile Limited	Oberon Information Technology (Suzhou)	10.1	NA
2/10/11	Mindspark Interactive Netw ork, Inc.	VoxPop Netw ork Corporation	NA	NA
2/9/11	CyberSource Corporation	PlaySpan, Inc.	190.0	NA
2/8/11	24 Mobile Advertising Solutions AB	THQ Wireless, Inc.	NA	NA
2/7/11	Investor Group	CityXpress.com (CYXP)	NA	NA
2/4/11	Tremor Media, Inc.	Transpera, Inc.	NA	NA
2/1/11	Outbrain Inc.	Surphace Inc.	NA	NA
1/28/11	Quepasa Corp. (AMEX:QPSA)	XiFt Games S/S Ltda.	7.4	NA
1/27/11	Dw ang o Co. Ltd. (TSE:3715)	CELL Co., Ltd.	NA	NA
1/27/11	KIT digital (Nasdaq:KITD)	KickApps Corporation	43.2	3.6x

Ann Date	Acquiror	Target	Transaction Value
Mobile/Web Content & Games			
1/26/11	SEE Virtual Worlds, LLC	Rights to Planet Calypso and assets of First Planet	NA
1/26/11	Webzen Inc. (KOSE:A069080)	YMIR Entertainment Co., Ltd.	69.7
1/26/11	KIT digital (Nasdaq:KITD)	Kew ego SA	32.0
1/25/11	NGD Studios	Hungry Game SA	NA
1/23/11	Antenna Softw are, Inc.	Volantis Systems Limited	NA
1/21/11	Infocom (JASDAQ:4348)	Six Apart KK	NA
1/20/11	Amazon.com (Nasdaq:AMZN)	LOVEFiLM International, Ltd.	191.1
1/18/11	MOKO.mobi Limited (ASX:MKB)	Yospace Technologies Ltd., EyeVibe Mobile Service	NA
1/13/11	NetPickle, Inc.	Playdemic Limited	NA
1/12/11	Google (Nasdaq:GOOG)	eBook Technologies Inc.	NA
1/11/11	Video International Group of Companies ZAO	LLC Netville	NA
Portals & Social Networks			
3/31/11	Investor Group	Dynamoid OY	NA
3/29/11	GXS Corp.	RollStream, Inc.	NA
3/28/11	TechTarget, Inc. (NasdaqGM:TTGT)	ComputerWeekly.com and MicroScope.co.uk	NA
3/28/11	Endemol UK Plc	Holy Moly Productions Ltd.	NA
3/23/11	Crow dGather (OTC:CRWG)	DigiShopTalk.com	NA
3/23/11	Computec Media (DB:CMD)	Klaß & Ihlenfeld Verlag	NA
3/22/11	Crow dGather (OTCBB:CRWG)	RapMusic.com	NA
3/21/11	Schibsted ASA (OB:SCH)	Klart.Se	NA
3/21/11	Pet Holdings, Inc.	Know Your Meme	NA
3/17/11	Mediabistro.com, Inc.	AllFacebook.de	NA
3/17/11	UNIMALL GmbH	deals.de	NA
3/17/11	GrOffr	MobStreet Inc.	NA
3/17/11	Sanoma Budapest Kiadó Rt.	HaziPatika.com Group	NA
3/15/11	AS Eesti Meedia	TVNET	NA
3/14/11	SuccessFactors (SFSF)	Jambok, Inc.	NA
3/7/11	AlloCiné SA	Mtime.com Inc.	NA

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Appendix – Software & Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value
Portals & Social Networks			
3/7/11	AlloCiné SA	Mtime.com Inc.	NA
3/3/11	Produktion 203 Media (OM:203)	HittaRecept.se	NA
3/2/11	Investor Group	Road Transport Media Ltd.	NA
3/2/11	RouteMatch Software, Inc.	DeepLocal Inc., RouteShout	NA
3/2/11	Kuliza Technologies Pvt. Ltd.	Giza Network Private Limited	NA
3/1/11	InterCall, Inc.	Unisfair, Inc.	35.0
2/25/11	William Reed Business Media	The Publican Publishing Ltd.	2.7
2/24/11	QED Connect (OTCPK:QEDN)	StockProfile.com, Inc.	NA
2/24/11	Vocus (Nasdaq:VOCS)	North Social, Inc.	25.0
2/23/11	DotNetNuke Corporation	Active Modules Inc.	NA
2/22/11	Perform Group plc. (LSE:PER)	Goal.com North America Inc.	NA
2/18/11	Disney Interactive Media Group	TogetherVille, Inc.	NA
2/17/11	Metroland Media Group Ltd.	AutoCatch.com Inc.	2.0
2/14/11	Koofers, Inc.	Five College Media Properties	NA
2/11/11	Research In Motion (TSX:RIM)	Gist, Inc.	NA
2/11/11	Buzz Media, Inc.	Turner Broadcasting System, TheFrisky.com	NA
2/10/11	Intelligent Mechatronic Systems, Inc.	Urban Informatics Corporation	NA
2/7/11	Diversified Agency Services	Communispace Corporation	NA
2/6/11	Answers Inc.	Soompi Media, LLC	NA
2/6/11	William Inglis & Son Ltd.	Bloodstock.com.au Pty Ltd.	NA
2/6/11	AOL, Inc. (NYSE:AOL)	HuffingtonPost.com LLC	315.0
2/3/11	Sensis Pty Ltd.	Life Events Media Pty Ltd.	NA
2/3/11	TripAdvisor LLC	GlobalMotion Media, Inc.	NA
2/3/11	Buy.Com, Inc.	DecisionStep, Inc.	NA
2/2/11	SourceMedia, Inc.	Insurance Broadcasting	NA
2/1/11	Webs, Inc.	Pagemodo Co., Ltd.	NA
2/1/11	Strategic Global Invest (STBV)	Wazuu, Inc.	NA
1/31/11	E.L. Rothschild	Weather Central, Inc.	NA
1/28/11	MediaLAB, Inc.	Going to California	NA

Ann Date	Acquiror	Target	Transaction Value
Portals & Social Networks			
1/28/11	Keynote Media (OM:KEY); Global Times Group	Sportal.se	NA
1/27/11	Lockerz, LLC	Tw eetPhoto, Inc.	NA
1/27/11	Yandex LLC	Loginza	NA
1/25/11	Ivrnet, Inc. (TSXV:IVI)	Itology.com Ltd.	NA
1/25/11	Groupon, Inc.	GroupsMore	NA
1/25/11	linked FA Inc	AdvisorConnect	NA
1/25/11	YouTube, LLC	Fflick, Inc.	10.0
1/24/11	Ubermedia	Recommended Reading, Inc.	NA
1/24/11	VoxPop (OTCPK:VOXI)	R&R Music Limited	NA
1/21/11	Zynga, Inc.	Area/Code	NA
1/21/11	Left Behind Games (LFBG)	MyPraise LLC	NA
1/19/11	Euro American Finance Network Inc.	Efuel EFN Corp. (OTCPK:EFLN)	NA
1/19/11	Reinvent, Inc.	ThreeWords.me	NA
1/18/11	The Wrap News, Inc.	Itsonthegrid, Inc.	NA
1/18/11	Fanbridge, Inc.	Damntheradio, Inc.	NA
1/18/11	Mixbook	Scrapblog, Inc.	NA
1/17/11	WANdisco, Inc.	SVNForum.org	NA
1/12/11	Tamedia AG (SWX:TAMN)	car4you Schweiz AG	NA
1/12/11	Parship GmbH	12like GmbH	NA
1/12/11	Hungry Machine, Inc.	Let's Bonus S.L.	NA
1/11/11	International SOS Pte. Ltd.	VIPdesk.com, Inc.	NA
1/11/11	Bluewater Direct, Inc.	Riverock Technologies, LLC	NA
1/6/11	Investor Group	Daily Front Row, Inc.	NA
1/6/11	Zynga, Inc.	Flock, Inc.	NA
1/5/11	Berliner Verlag GmbH	BerlinOnline Stadtportal	NA
1/4/11	Zoopla Ltd.	Houseprices.co.uk	NA
1/4/11	USA Today International Corp	Reviewed.com, LLC	NA
1/4/11	Ziff Davis Media Inc.	LogicBuy.com	NA

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Appendix – Software & Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value
Search & Marketing Services			
3/31/11	Beyond Commerce (BYOC)	AIM Connection, Inc.	NA
3/30/11	Salesforce.com (NYSE:CRM)	Radian6 Technologies, Inc.	350.0
3/29/11	Merkle, Inc.	IMPAQT, Inc.	NA
3/29/11	Cheapflights Ltd.	Momondo ApS	NA
3/29/11	Investor Group	Quintura, Inc.	NA
3/24/11	YOC AG (XTRA:YOC)	MobileADict S�rl	NA
3/21/11	AdSEND	CertiFyle, Inc.	NA
3/12/11	Motricity (NasdaqGS:MOTR)	Adenyo Inc.	142.5
3/7/11	Google (Nasdaq:GOOG)	BeatThatQuote.com Ltd.	61.2
3/4/11	BuyWithMe, Inc.	LocalTwist	NA
3/4/11	CBS Interactive Inc.	Clicker Media Inc.	NA
3/3/11	CommerceTel (OTCBB:MFON)	Txtstation	9.0
3/1/11	Adometry, Inc.	Adometry, Inc.	NA
2/17/11	Cactus Commerce, Inc.	Sitebrand Inc. (Assets)	NA
2/16/11	Resource Nation, Inc.	Business.com, Inc.	NA
2/10/11	Comodo, Inc.	DNS.com	NA
2/8/11	Investor Group	SocialVision, Inc.	NA
2/8/11	Green Jobs Network	Green Job Spider	NA
2/8/11	ReachLocal (Nasdaq:RLOC)	DealOn Media, LLC	9.7
2/7/11	Caterpillar Inc. (NYSE:CAT)	COREMedia Systems, Inc.	NA
2/4/11	Reply! Inc.	adHUBS Inc.	NA
2/3/11	Poynt Corporation (TSXV:PYN)	UDS Directory (Local Ad Publishing Platform)	0.5
2/1/11	Meebo, Inc.	Mindset Media, LLC	NA
2/1/11	idio Ltd.	thrudigital	NA
1/31/11	AOL Europe Sarl	GoViral Limited	96.7
1/31/11	Easyvoyage International	DMC Digital, Traveljungle, and FSI Travel	13.7
1/28/11	Kantar Group	spring GmbH & Co. KG.	NA
1/27/11	Dealer.com Inc.	Epik One, Inc.	NA
1/26/11	Blue Kai, Inc.	TrackSimple Inc.	NA
1/19/11	E-mail Vision (ENXTPA:ALEMV)	ObjectiveMarketer, Inc.	NA

Ann Date	Acquiror	Target	Transaction Value
Search & Marketing Services			
1/19/11	Next Co. Ltd. (TSE:2120)	Littel Co., Ltd.	3.5
1/18/11	Adobe Systems (ADBE)	Demdex, Inc.	58.0
1/18/11	Darwin Group	AD R�f�rencement SARL	NA
1/18/11	Intelli-Mark Technologies, Inc.	Rockhouse Partners, LLC	NA
1/18/11	Rightnow Tech (RNOW)	Q-go.com b.v.	34.0
1/18/11	Gree, Inc. (TSE:3632)	Atlantis Co., Ltd.	19.4
1/16/11	Skyscanner Limited	Zoombu Limited	NA
1/14/11	Affinion Group, Inc.	webloyalty.com, Inc.	NA
1/13/11	Cox Media Group, Inc.	Internet Broadcasting Systems (Local Network Bus)	NA
1/11/11	Groupon, Inc.	Grouper	NA
1/10/11	ImmersiFind Inc.	Innovectra Corporation	NA
1/10/11	GSI Commerce (Nasdaq:GSIC)	ClearSaleing, Inc.	NA
1/6/11	ProQuest, LLC	ebrary, Inc.	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 – 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	209	83	40%	\$6,483	\$8	2.3x	15	23.4%	23.1%	23.7%	5
Q2 '07	Software & Services	223	87	39%	\$12,068	\$11	2.4x	31	15.2%	14.5%	39.2%	11
Q3 '07	Software & Services	207	98	47%	\$20,785	\$17	3.0x	36	20.7%	25.6%	24.4%	9
Q4 '07	Software & Services	212	92	43%	\$17,779	\$19	3.4x	26	16.6%	15.0%	32.1%	8
Q1 '08	Software & Services	202	83	41%	\$7,070	\$7	2.6x	33	48.0%	41.2%	59.2%	9
Q2 '08	Software & Services	190	73	38%	\$5,708	\$10	3.0x	24	43.9%	26.0%	47.6%	7
Q3 '08	Software & Services	198	67	34%	\$3,402	\$10	1.3x	15	27.4%	47.3%	40.0%	7
Q4 '08	Software & Services	153	47	31%	\$2,082	\$12	2.1x	13	252.9%	258.2%	163.2%	3
Q1 '09	Software & Services	138	37	27%	\$1,913	\$7	1.8x	8	36.8%	25.0%	56.2%	5
Q2 '09	Software & Services	141	40	28%	\$814	\$5	1.1x	10	54.4%	67.3%	91.7%	3
Q3 '09	Software & Services	147	46	31%	\$4,230	\$5	1.2x	18	42.5%	60.3%	50.4%	6
Q4 '09	Software & Services	193	63	33%	\$2,979	\$10	2.3x	20	81.0%	75.0%	79.4%	6
Q1 '10	Software & Services	222	57	26%	\$2,424	\$15	4.5x	19	(32.9)%	(30.4)%	(25.7)%	2
Q2 '10	Software & Services	192	51	27%	\$12,036	\$22	3.2x	23	27.5%	20.7%	19.1%	11
Q3 '10	Software & Services	240	87	36%	\$19,661	\$30	4.1x	36	23.9%	17.8%	27.4%	11
Q4 '10	Software & Services	242	60	25%	\$8,548	\$26	2.0x	22	30.3%	32.4%	51.9%	7
Q1 '11	Software & Services	287	71	25%	\$4,006	\$18	3.2x	22	31.0%	29.4%	28.1%	2
Total	Software & Services	3424	1151	34%	\$132,330	\$12	2.6x	375	28.9%	32.4%	44.4%	112
Q1 '07	Network & Systems Mgt	13	2	15%	\$216	\$108	4.4x	2	NA	NA	NA	0
Q2 '07	Network & Systems Mgt	11	3	27%	\$95	\$5	4.5x	1	NA	NA	NA	0
Q3 '07	Network & Systems Mgt	10	4	40%	\$562	\$111	1.7x	3	6.6%	13.2%	24.4%	1
Q4 '07	Network & Systems Mgt	5	3	60%	\$50	\$19	1.0x	1	128.0%	119.2%	111.1%	1
Q1 '08	Network & Systems Mgt	7	4	57%	\$94	\$23	0.5x	1	50.5%	50.5%	67.7%	1
Q2 '08	Network & Systems Mgt	6	1	17%	\$62	\$62	0.6x	1	43.9%	26.0%	48.7%	1
Q3 '08	Network & Systems Mgt	10	4	40%	\$208	\$42	NA	0	NA	NA	NA	0
Q4 '08	Network & Systems Mgt	5	1	20%	\$7	\$7	NA	0	NA	NA	NA	0
Q1 '09	Network & Systems Mgt	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q2 '09	Network & Systems Mgt	6	2	33%	\$110	\$55	NA	0	NA	NA	NA	0
Q3 '09	Network & Systems Mgt	8	1	13%	\$200	\$200	3.6x	1	NA	NA	NA	0
Q4 '09	Network & Systems Mgt	7	4	57%	\$112	\$28	1.5x	1	86.9%	87.8%	81.8%	1
Q1 '10	Network & Systems Mgt	8	2	25%	\$413	\$206	6.1x	2	NA	NA	NA	0
Q2 '10	Network & Systems Mgt	2	1	50%	\$2	\$2	NA	0	NA	NA	NA	0
Q3 '10	Network & Systems Mgt	6	2	33%	\$107	\$53	NA	0	NA	NA	NA	0
Q4 '10	Network & Systems Mgt	8	3	38%	\$2,242	\$91	0.9x	2	7.0%	2.8%	2.4%	2
Q1 '11	Network & Systems Mgt	6	1	17%	\$60	\$60	NA	0	NA	NA	NA	0
Total	Network & Systems Mgt	119	38	32%	\$4,540	\$30	1.3x	15	43.9%	26.0%	48.7%	7

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 – 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	Data Mgt & Infrastructure	12	3	25%	\$11	\$4	1.7x	1	(40.8)%	(44.5)%	(48.4)%	1
Q2 '07	Data Mgt & Infrastructure	23	9	39%	\$1,059	\$25	2.1x	5	26.2%	23.2%	27.9%	3
Q3 '07	Data Mgt & Infrastructure	27	13	48%	\$2,756	\$28	3.0x	5	27.5%	38.0%	30.3%	2
Q4 '07	Data Mgt & Infrastructure	21	10	48%	\$12,394	\$40	4.5x	3	13.8%	23.8%	23.4%	2
Q1 '08	Data Mgt & Infrastructure	26	9	35%	\$2,365	\$90	10.2x	5	33.3%	40.1%	57.5%	2
Q2 '08	Data Mgt & Infrastructure	18	7	39%	\$453	\$29	2.8x	2	16.8%	4.6%	15.0%	1
Q3 '08	Data Mgt & Infrastructure	11	3	27%	\$161	\$35	23.4x	1	NA	NA	NA	0
Q4 '08	Data Mgt & Infrastructure	11	1	9%	\$10	\$10	NA	0	NA	NA	NA	0
Q1 '09	Data Mgt & Infrastructure	8	4	50%	\$839	\$35	1.2x	2	58.0%	63.4%	69.3%	2
Q2 '09	Data Mgt & Infrastructure	15	3	20%	\$57	\$9	NA	0	NA	NA	NA	0
Q3 '09	Data Mgt & Infrastructure	9	3	33%	\$1,150	\$28	1.7x	2	42.5%	48.2%	50.6%	1
Q4 '09	Data Mgt & Infrastructure	8	1	13%	\$0	\$0	NA	0	NA	NA	NA	0
Q1 '10	Data Mgt & Infrastructure	16	7	44%	\$452	\$55	21.8x	2	NA	NA	NA	0
Q2 '10	Data Mgt & Infrastructure	12	5	42%	\$7,223	\$190	2.1x	3	32.2%	40.6%	39.1%	3
Q3 '10	Data Mgt & Infrastructure	22	8	36%	\$4,702	\$176	4.4x	8	21.1%	27.0%	66.7%	2
Q4 '10	Data Mgt & Infrastructure	25	7	28%	\$256	\$32	1.2x	4	106.3%	135.7%	120.0%	1
Q1 '11	Data Mgt & Infrastructure	12	8	67%	\$643	\$19	0.7x	1	NA	NA	NA	0
Total	Data Mgt & Infrastructure	278	102	37%	\$34,630	\$33	2.7x	45	26.5%	25.9%	41.4%	20
Q1 '07	Security	15	3	20%	\$636	\$1	1.9x	1	1.6%	3.6%	13.1%	1
Q2 '07	Security	20	8	40%	\$443	\$4	2.0x	2	40.0%	35.8%	54.0%	1
Q3 '07	Security	12	3	25%	\$237	\$33	7.7x	1	NA	NA	NA	0
Q4 '07	Security	13	7	54%	\$735	\$5	3.0x	1	NA	NA	NA	0
Q1 '08	Security	14	5	36%	\$99	\$11	1.4x	1	NA	NA	NA	0
Q2 '08	Security	12	5	42%	\$169	\$5	2.0x	3	75.3%	49.2%	100.0%	1
Q3 '08	Security	23	13	57%	\$1,486	\$50	2.0x	5	21.4%	66.3%	53.1%	4
Q4 '08	Security	8	5	63%	\$844	\$27	3.6x	3	275.0%	275.0%	163.2%	1
Q1 '09	Security	15	4	27%	\$134	\$10	0.9x	1	19.4%	12.8%	36.0%	1
Q2 '09	Security	12	4	33%	\$154	\$36	4.2x	2	4.1%	7.3%	20.2%	1
Q3 '09	Security	8	1	13%	\$17	\$17	0.8x	1	86.1%	86.1%	113.3%	1
Q4 '09	Security	9	6	67%	\$200	\$4	5.8x	1	NA	NA	NA	0
Q1 '10	Security	13	2	15%	\$155	\$77	0.9x	1	NA	NA	NA	0
Q2 '10	Security	12	6	50%	\$2,957	\$440	3.2x	5	31.9%	29.2%	12.1%	1
Q3 '10	Security	19	9	47%	\$10,430	\$200	6.8x	4	42.2%	37.1%	64.2%	2
Q4 '10	Security	15	6	40%	\$229	\$12	1.5x	1	43.2%	47.7%	51.9%	1
Q1 '11	Security	18	6	33%	\$780	\$29	6.7x	2	NA	NA	NA	0
Total	Security	241	94	39%	\$19,705	\$17	3.0x	35	31.9%	43.6%	54.0%	15

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 – 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	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	12	7	58%	\$111	\$11	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	7	3	43%	\$62	\$3	1.6x	2	NA	NA	NA	0
Q1 '09	Carrier Back Office	3	2	67%	\$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	6	1	17%	\$4	\$4	NA	0	NA	NA	NA	0
Q1 '10	Carrier Back Office	7	2	29%	\$92	\$46	5.7x	1	NA	NA	NA	0
Q2 '10	Carrier Back Office	8	4	50%	\$196	\$32	2.3x	2	20.0%	20.7%	58.7%	1
Q3 '10	Carrier Back Office	4	3	75%	\$484	\$113	6.8x	2	27.4%	27.4%	24.1%	1
Q4 '10	Carrier Back Office	7	1	14%	\$2,711	\$2,711	4.6x	1	30.3%	32.4%	29.0%	1
Q1 '11	Carrier Back Office	6	3	50%	\$41	\$16	1.1x	1	NA	NA	NA	0
Total	Carrier Back Office	127	62	49%	\$6,085	\$9	1.6x	28	27.4%	32.4%	40.0%	7
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	18	10	56%	\$569	\$24	11.0x	2	17.7%	14.9%	0.0%	1
Q1 '08	Messaging & Conferencing	17	9	53%	\$482	\$6	1.2x	1	49.7%	41.2%	48.8%	1
Q2 '08	Messaging & Conferencing	17	7	41%	\$55	\$2	NA	0	17.2%	16.4%	1.6%	1
Q3 '08	Messaging & Conferencing	20	6	30%	\$264	\$9	5.5x	1	NA	NA	NA	0
Q4 '08	Messaging & Conferencing	14	7	50%	\$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	22	9	41%	\$303	\$18	4.5x	3	NA	NA	NA	0
Q2 '10	Messaging & Conferencing	17	6	35%	\$240	\$14	2.0x	2	1.7%	5.4%	4.2%	1
Q3 '10	Messaging & Conferencing	16	8	50%	\$163	\$15	6.0x	4	(93.4)%	(93.4)%	(93.4)%	1
Q4 '10	Messaging & Conferencing	17	5	29%	\$568	\$98	1.9x	2	NA	NA	NA	0
Q1 '11	Messaging & Conferencing	18	5	28%	\$86	\$15	0.7x	1	50.4%	45.1%	42.2%	1
Total	Messaging & Conferencing	275	114	41%	\$8,211	\$10	3.2x	30	17.7%	14.9%	6.6%	11

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 – 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	VoIP & Voice Apps	8	4	50%	\$182	\$18	4.2x	2	95.3%	85.0%	76.2%	1
Q2 '07	VoIP & Voice Apps	7	2	29%	\$6	\$3	NA	0	NA	NA	NA	0
Q3 '07	VoIP & Voice Apps	11	6	55%	\$154	\$16	2.1x	2	NA	NA	NA	0
Q4 '07	VoIP & Voice Apps	7	2	29%	\$11	\$5	7.5x	1	NA	NA	NA	0
Q1 '08	VoIP & Voice Apps	8	6	75%	\$41	\$3	1.0x	3	NA	NA	NA	0
Q2 '08	VoIP & Voice Apps	4	2	50%	\$19	\$10	3.7x	1	NA	NA	NA	0
Q3 '08	VoIP & Voice Apps	11	7	64%	\$566	\$19	2.2x	2	26.9%	47.3%	29.9%	1
Q4 '08	VoIP & Voice Apps	7	2	29%	\$15	\$7	0.9x	1	NA	NA	NA	0
Q1 '09	VoIP & Voice Apps	5	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q2 '09	VoIP & Voice Apps	4	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q3 '09	VoIP & Voice Apps	8	2	25%	\$10	\$5	NA	0	NA	NA	NA	0
Q4 '09	VoIP & Voice Apps	17	5	29%	\$198	\$42	10.5x	2	7,140.0%	NA	NA	1
Q1 '10	VoIP & Voice Apps	9	2	22%	\$165	\$82	1.3x	1	31.2%	36.2%	44.5%	1
Q2 '10	VoIP & Voice Apps	10	2	20%	\$91	\$45	2.9x	2	27.5%	18.2%	20.4%	1
Q3 '10	VoIP & Voice Apps	11	2	18%	\$12	\$6	1.1x	1	NA	NA	NA	0
Q4 '10	VoIP & Voice Apps	8	3	38%	\$120	\$37	14.3x	2	NA	NA	NA	0
Q1 '11	VoIP & Voice Apps	8	3	38%	\$228	\$60	3.2x	1	NA	NA	NA	0
Total	VoIP & Voice Apps	144	50	35%	\$1,816	\$12	3.2x	21	31.2%	41.8%	37.2%	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	19	12	63%	\$338	\$13	9.1x	4	NA	NA	NA	0
Q4 '07	Video/Multimedia	17	7	41%	\$401	\$28	3.4x	3	NA	NA	NA	0
Q1 '08	Video/Multimedia	20	10	50%	\$80	\$2	5.5x	3	14.8%	3.5%	46.9%	1
Q2 '08	Video/Multimedia	16	6	38%	\$1,411	\$41	4.8x	4	24.8%	22.3%	10.6%	1
Q3 '08	Video/Multimedia	12	6	50%	\$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	5	36%	\$174	\$15	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
Q2 '10	Video/Multimedia	8	3	38%	\$430	\$100	7.9x	2	36.6%	43.3%	17.8%	1
Q3 '10	Video/Multimedia	13	6	46%	\$155	\$11	2.0x	3	NA	NA	NA	0
Q4 '10	Video/Multimedia	14	6	43%	\$785	\$17	6.2x	1	24.3%	31.6%	52.9%	1
Q1 '11	Video/Multimedia	22	7	32%	\$145	\$9	1.8x	5	NA	NA	NA	0
Total	Video/Multimedia	235	97	41%	\$4,560	\$9	3.4x	35	24.5%	26.9%	34.0%	6

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

Appendix – 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	7	4	57%	\$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	9	5	56%	\$568	\$49	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	7	3	43%	\$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	10	2	20%	\$103	\$52	6.8x	2	NA	NA	NA	0
Q2 '10	Connectivity & Mobility	7	2	29%	\$25	\$12	NA	0	NA	NA	NA	0
Q3 '10	Connectivity & Mobility	5	2	40%	\$77	\$39	4.7x	1	NA	NA	NA	0
Q4 '10	Connectivity & Mobility	10	3	30%	\$180	\$53	3.2x	2	171.4%	171.4%	143.6%	1
Q1 '11	Connectivity & Mobility	8	1	13%	\$70	\$70	NA	0	NA	NA	NA	0
Total	Connectivity & Mobility	131	46	35%	\$2,701	\$16	3.4x	15	66.7%	69.9%	69.6%	4
Q1 '07	Mobile & LBS Applications	32	14	44%	\$813	\$3	2.8x	4	54.8%	49.2%	44.4%	1
Q2 '07	Mobile & LBS Applications	30	10	33%	\$630	\$4	2.1x	5	NA	NA	NA	0
Q3 '07	Mobile & LBS Applications	23	16	70%	\$12,494	\$9	2.9x	8	55.0%	57.0%	63.8%	2
Q4 '07	Mobile & LBS Applications	26	12	46%	\$576	\$17	1.3x	3	13.4%	10.5%	46.3%	1
Q1 '08	Mobile & LBS Applications	22	10	45%	\$70	\$2	0.9x	5	29.0%	30.2%	25.3%	1
Q2 '08	Mobile & LBS Applications	27	10	37%	\$134	\$8	1.2x	3	NA	NA	NA	0
Q3 '08	Mobile & LBS Applications	20	8	40%	\$123	\$8	0.8x	2	NA	NA	NA	0
Q4 '08	Mobile & LBS Applications	15	4	27%	\$73	\$15	2.1x	1	252.9%	258.2%	243.8%	1
Q1 '09	Mobile & LBS Applications	21	5	24%	\$251	\$7	2.3x	1	68.7%	62.2%	79.5%	1
Q2 '09	Mobile & LBS Applications	13	4	31%	\$31	\$3	NA	0	NA	NA	NA	0
Q3 '09	Mobile & LBS Applications	14	5	36%	\$39	\$0	0.7x	2	42.5%	62.4%	45.0%	1
Q4 '09	Mobile & LBS Applications	22	7	32%	\$264	\$17	0.9x	3	77.3%	72.6%	87.8%	2
Q1 '10	Mobile & LBS Applications	15	4	27%	\$101	\$25	NA	0	NA	NA	NA	0
Q2 '10	Mobile & LBS Applications	18	5	28%	\$230	\$7	0.9x	1	(25.9)%	(23.2)%	(4.3)%	1
Q3 '10	Mobile & LBS Applications	19	7	37%	\$193	\$12	0.1x	1	NA	NA	NA	0
Q4 '10	Mobile & LBS Applications	21	4	19%	\$452	\$46	3.9x	2	NA	NA	NA	0
Q1 '11	Mobile & LBS Applications	30	7	23%	\$137	\$2	1.5x	1	NA	NA	NA	0
Total	Mobile & LBS Applications	370	134	36%	\$16,617	\$7	1.4x	42	46.2%	49.2%	46.3%	11

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 – 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	Mobile/Web Content & Games	16	9	56%	\$265	\$8	1.5x	1	NA	NA	NA	0
Q2 '07	Mobile/Web Content & Games	13	6	46%	\$344	\$9	7.2x	2	NA	NA	NA	0
Q3 '07	Mobile/Web Content & Games	11	4	36%	\$83	\$11	14.1x	1	NA	NA	NA	0
Q4 '07	Mobile/Web Content & Games	19	5	26%	\$277	\$36	1.0x	2	15.6%	11.7%	(4.1)%	1
Q1 '08	Mobile/Web Content & Games	13	7	54%	\$217	\$9	3.5x	5	NA	NA	NA	0
Q2 '08	Mobile/Web Content & Games	16	6	38%	\$331	\$9	NA	0	NA	NA	NA	0
Q3 '08	Mobile/Web Content & Games	9	2	22%	\$138	\$69	0.6x	1	94.9%	97.8%	68.8%	1
Q4 '08	Mobile/Web Content & Games	6	2	33%	\$25	\$13	0.1x	1	NA	NA	NA	0
Q1 '09	Mobile/Web Content & Games	12	3	25%	\$68	\$4	4.6x	1	NA	NA	NA	0
Q2 '09	Mobile/Web Content & Games	7	2	29%	\$350	\$175	0.7x	2	122.1%	112.7%	174.4%	2
Q3 '09	Mobile/Web Content & Games	12	6	50%	\$103	\$10	0.6x	3	34.3%	58.4%	50.1%	1
Q4 '09	Mobile/Web Content & Games	18	8	44%	\$102	\$13	1.4x	3	NA	NA	NA	0
Q1 '10	Mobile/Web Content & Games	9	3	33%	\$28	\$7	13.8x	2	NA	NA	NA	0
Q2 '10	Mobile/Web Content & Games	25	6	24%	\$81	\$12	0.3x	1	47.6%	41.0%	34.3%	1
Q3 '10	Mobile/Web Content & Games	33	9	27%	\$1,037	\$10	4.4x	5	(4.1)%	(4.2)%	(0.6)%	2
Q4 '10	Mobile/Web Content & Games	30	12	40%	\$399	\$23	3.0x	2	NA	NA	NA	0
Q1 '11	Mobile/Web Content & Games	44	12	27%	\$630	\$24	3.1x	5	11.7%	13.8%	14.0%	1
Total	Mobile/Web Content & Games	296	104	35%	\$4,638	\$13	2.0x	38	34.3%	41.0%	34.3%	9
Q1 '07	Portals & Social Networks	46	16	35%	\$113	\$5	18.9x	1	NA	NA	NA	0
Q2 '07	Portals & Social Networks	39	11	28%	\$150	\$12	2.4x	3	27.5%	10.5%	84.1%	1
Q3 '07	Portals & Social Networks	35	10	29%	\$1,587	\$66	12.0x	2	0.1%	0.8%	0.6%	1
Q4 '07	Portals & Social Networks	42	16	38%	\$1,542	\$25	2.6x	4	149.5%	162.7%	114.6%	1
Q1 '08	Portals & Social Networks	43	9	21%	\$1,088	\$17	21.5x	2	287.0%	311.3%	192.6%	1
Q2 '08	Portals & Social Networks	39	12	31%	\$2,031	\$9	5.9x	3	44.7%	49.4%	47.6%	1
Q3 '08	Portals & Social Networks	56	10	18%	\$14	\$1	1.3x	1	NA	NA	NA	0
Q4 '08	Portals & Social Networks	45	11	24%	\$154	\$1	2.9x	2	NA	NA	NA	0
Q1 '09	Portals & Social Networks	33	7	21%	\$221	\$9	4.7x	2	NA	NA	NA	0
Q2 '09	Portals & Social Networks	30	9	30%	\$40	\$5	6.6x	1	NA	NA	NA	0
Q3 '09	Portals & Social Networks	37	7	19%	\$115	\$4	1.4x	1	NA	NA	NA	0
Q4 '09	Portals & Social Networks	55	13	24%	\$528	\$12	5.2x	1	NA	NA	NA	0
Q1 '10	Portals & Social Networks	69	10	14%	\$129	\$2	NA	0	(97.0)%	(97.0)%	(95.9)%	1
Q2 '10	Portals & Social Networks	50	5	10%	\$224	\$10	5.6x	2	NA	NA	NA	0
Q3 '10	Portals & Social Networks	65	23	35%	\$2,045	\$30	4.8x	4	45.1%	25.2%	27.4%	1
Q4 '10	Portals & Social Networks	63	4	6%	\$418	\$8	6.8x	2	NA	NA	NA	0
Q1 '11	Portals & Social Networks	72	6	8%	\$390	\$18	10.5x	1	NA	NA	NA	0
Total	Portals & Social Networks	823	180	22%	\$10,801	\$7	4.4x	33	44.7%	25.2%	47.6%	7

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 – Software & Services M&A Data

Quarter	Sector	# of Deals		% w/ Ann. Value	Trans Value		Revenue Multiple ⁽¹⁾	Deals w/ Rev. Mult.	Stock Premium to ⁽¹⁾			Deals w/ Prem Info
		Total	Ann. Value		Total	Median			1 Day	1 Week	1 Month	
Q1 '07	Search & Marketing Services	20	7	35%	\$93	\$6	NA	0	NA	NA	NA	0
Q2 '07	Search & Marketing Services	28	12	43%	\$7,930	\$26	5.3x	4	4.4%	8.9%	39.2%	3
Q3 '07	Search & Marketing Services	24	13	54%	\$1,517	\$20	2.8x	4	NA	NA	NA	0
Q4 '07	Search & Marketing Services	19	11	58%	\$1,090	\$20	4.7x	2	3.9%	6.3%	29.1%	1
Q1 '08	Search & Marketing Services	18	7	39%	\$1,399	\$17	5.7x	4	42.3%	34.8%	77.6%	1
Q2 '08	Search & Marketing Services	15	5	33%	\$67	\$13	1.0x	3	NA	NA	NA	0
Q3 '08	Search & Marketing Services	15	2	13%	\$104	\$52	NA	0	NA	NA	NA	0
Q4 '08	Search & Marketing Services	23	8	35%	\$612	\$24	1.5x	2	NA	NA	NA	0
Q1 '09	Search & Marketing Services	13	3	23%	\$44	\$12	NA	0	NA	NA	NA	0
Q2 '09	Search & Marketing Services	18	5	28%	\$18	\$4	0.8x	1	NA	NA	NA	0
Q3 '09	Search & Marketing Services	11	6	55%	\$2,045	\$12	4.6x	1	26.5%	39.6%	47.5%	1
Q4 '09	Search & Marketing Services	27	11	41%	\$1,121	\$4	3.3x	4	75.0%	75.0%	66.7%	1
Q1 '10	Search & Marketing Services	30	7	23%	\$402	\$10	8.1x	2	NA	NA	NA	0
Q2 '10	Search & Marketing Services	23	6	26%	\$337	\$16	8.5x	3	(96.7)%	(96.7)%	NA	1
Q3 '10	Search & Marketing Services	27	8	30%	\$257	\$27	2.0x	3	71.5%	48.5%	43.2%	2
Q4 '10	Search & Marketing Services	24	6	25%	\$187	\$23	2.6x	1	NA	NA	NA	0
Q1 '11	Search & Marketing Services	43	12	28%	\$798	\$27	6.5x	4	NA	NA	NA	0
Total	Search & Marketing Services	385	130	34%	\$18,025	\$18	3.7x	38	15.4%	21.8%	47.5%	10

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

Introduction to SagePoint Advisors

SagePoint Advisors is a boutique investment banking firm focused exclusively on providing merger, acquisition and strategic advisory services to growth companies in the technology and telecom sectors.

Mission	To deliver the senior-level attention, trusted relationships and market insight on \$20-150 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	Internet, Communications & IT Infrastructure
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 .

Industry Focus – Internet, Communications & IT Infrastructure

Segment	Subcategory Examples	
Cloud, SaaS & Internet Services	<ul style="list-style-type: none"> • Cloud Computing • Cloud Storage • Cloud Security • Software-as-a-Service 	<ul style="list-style-type: none"> • Web Hosting & Colocation • Web-Based Communications • Social Networking • Internet Search & Marketing
Wireless & Mobile	<ul style="list-style-type: none"> • Mobile Applications • Mobile Advertising • Mobile Payments • Location Based Services • Wireless Gateways 	<ul style="list-style-type: none"> • Network Infrastructure • Network Software • Client Devices • Semiconductors
Voice, Video & Data	<ul style="list-style-type: none"> • Service Providers • Client Software • Server Software • Telecom Equipment 	<ul style="list-style-type: none"> • Customer Premise Equipment • Semiconductors • Consumer Devices
IT Infrastructure	<ul style="list-style-type: none"> • Data Networking • Computing • Storage • Security • Virtualization 	<ul style="list-style-type: none"> • Network Management • Systems Management • Application Acceleration • Data Analytics

Transaction Experience of SagePoint Team

 <i>has been acquired by</i>  Up to \$120,000,000 Pending	 <i>has been acquired by</i>  August 2009	 <i>has been acquired by</i> Undisclosed Buyer November 2008	 <i>has sold certain assets to</i> Undisclosed Handset OEM October 2008	 Buyside Advisory 2008	 <i>has been acquired by</i>  April 2008	 <i>has sold its assets to</i>  \$10,000,000 October 2007
 <i>has been acquired by</i>  \$34,875,000 September 2007	 Initial Public Offering \$82,500,000 Co-manage June 2007	 <i>has been acquired by</i>  January 2007	 Initial Public Offering \$167,440,000 Co-manager September 2006	 <i>has been acquired by</i>  August 2006	 <i>has been acquired by</i>  August 2006	 Senior Convertible Debentures \$5,000,000 Financial Advisor and Placement Agent July 2006
 <i>has been acquired by</i>  \$150,000,000 July 2006	 <i>has sold its SRAM assets to</i>  January 2006	 Private Investment in Public Equity \$14,400,000 Co-Agent January 2006	 <i>has been acquired by</i>  October 2005	 <i>has agreed to the sale of their NAS Software Intellectual Property to</i>  \$50,000,000 May 2005	 <i>has sold a minority stake to</i> Strategic Investor 2005	 <i>has been acquired by</i> THOMSON August 2004
 <i>has been acquired by</i>  \$122,500,000 April 2004	 <i>has been acquired by</i>  December 2003	 <i>has been acquired by</i>  August 2003	 <i>has been acquired by</i>  February 2003	 <i>has been acquired by</i>  April 2002	 Private Placement \$9,900,000 Placement Agent July 2001	 <i>has merged with</i>  \$157,000,000 March 2000

Transaction Experience by Market Segment

The SagePoint Team has led more than 75 M&A and fund raising engagements with deal experience across the Internet, Communications and IT Infrastructure value chain.

Segment	Transaction Experience Examples	
Cloud, SaaS & Internet Services	<ul style="list-style-type: none"> • Xumii sale to Myriad Group • AccessLine sale to Telanetix • Neven Vision sale to Google • Unicru sale to Kronos • Element5 sale to Digital River 	<ul style="list-style-type: none"> • ZoneOfTrust sale to Guardent • GeoNet sale to Level 3 • Compute Intensive sale to Verio • Speakeasy Capital Raise • Cephren Strategic Investment
Wireless / Mobile	<ul style="list-style-type: none"> • CCPU sale to Radisys • Xumii sale to Myriad Group • Strix sale to Idream • Sky Mobile Media Asset Sale • Neven Vision sale to Google 	<ul style="list-style-type: none"> • CommAsic sale to Freescale • Peregrine Strategic Investment • Synad sale to STMicro • Airprime sale to Sierra Wireless • Tachyon Capital Raise
Voice, Video & Data	<ul style="list-style-type: none"> • Vativ sale to Entropic • AccessLine sale to Telanetix • CrystalVoice sale to GIPS • DivX IPO • TIR sale to Philips 	<ul style="list-style-type: none"> • Gyration sale to Philips • Compute Intensive sale to Verio • Speakeasy Capital Raise • Tachyon Capital Raise • Telecore sale to ViaSource
IT Infrastructure	<ul style="list-style-type: none"> • Network Physics sale to OpNet • AuthenTec IPO • Raptor Networks Capital Raise • Procom sale to Sun 	<ul style="list-style-type: none"> • LVL7 sale to Broadcom • Neteon sale to CA • ZoneOfTrust sale to Guardent • DataDirect Capital Raise

Representative Buyer Relationships

Internet / Media	Service Providers	IT Infrastructure & Software	Telecom Equipment	Consumer Electronics	Semiconductors

Why Work With SagePoint?

- SagePoint delivers the senior-level attention, trusted relationships and market insight on \$20-150M transactions that larger investment banks reserve only for much larger transactions
- SagePoint's domain knowledge is world-class across most segments of the Internet, Communications and IT Infrastructure value chain
- SagePoint has developed trusted relationships with the most active strategic buyers across the Internet, Communications and IT Infrastructure 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