

SagePoint Software & Services M&A Review for Q4 2010

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



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SagePoint's Viewpoint - Key Takeaways

- M&A dollar volume across SagePoint's entire Internet, Communications & IT Infrastructure ("ICIT") more than doubled in 2010 compared to 2009
 - Multi-billion dollar deals in all segments helped drive the strong rebound
 - Q4 M&A dollar volume across SagePoint's ICIT universe rose 13%, driven by the \$23B telco megamerger of VimpelCom and Weather Investments
- M&A transaction volume across SagePoint's ICIT universe was up nearly 25% in 2010 compared to 2009
 - Telecom Services and Software & Services drove the growth
 - Q4 M&A transaction volume across SagePoint's ICIT universe was up over 10% versus Q3'10, the second straight quarter of double digit transaction volume growth
- Median deal size across all targets in SagePoint's ICIT universe more than doubled to \$25M in 2010 from \$12M in 2009
- The Median LTM revenue multiple across all targets in SagePoint's ICIT Universe increased over 40% in 2010 to 2.0x
 - Improved market valuations and buyers aggressively acquiring to drive scale and broaden product offerings resulted in the highest annual median revenue multiple level in the past four years
 - The Q\$ Median LTM revenue multiple across all targets in SagePoint's ICIT Universe fell to 1.7x in Q4 as software multiples dropped significantly

SagePoint's Viewpoint - Key Takeaways

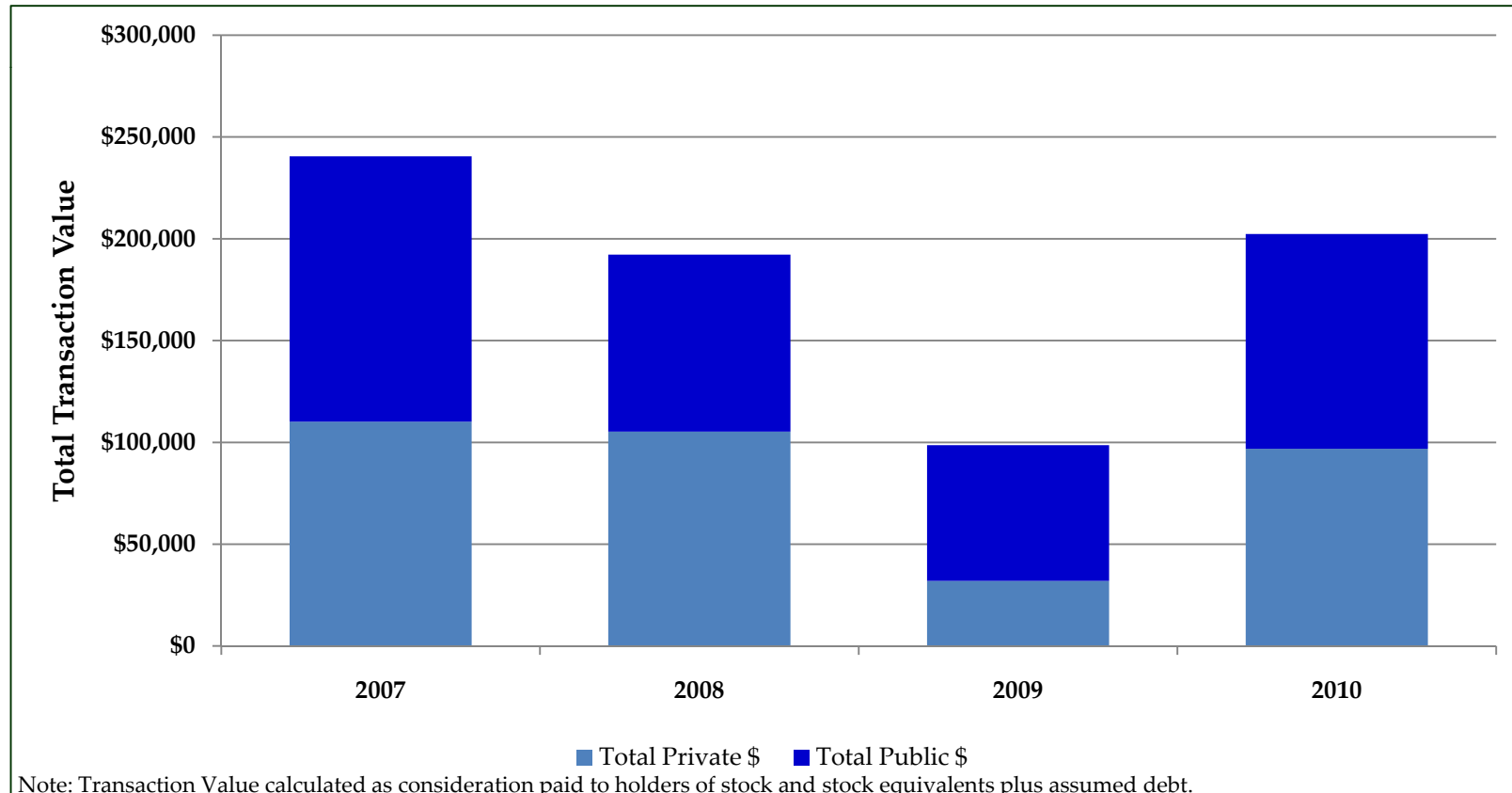
- 2010 M&A dollar volume for SagePoint's Software & Services Universe quadrupled to over \$40B in total dollar volume, well above 2008 and 2009 combined
 - Software & Services M&A dollar volume dropped sharply in Q4 to a still strong \$8.5B following two quarters of double digit billion dollar volume
- 2010 Software & Services M&A transaction volume increased by over 40% from 2009 to its highest level in the past four years
 - Q4 Software & Services M&A transaction volume dipped slightly but remains above all quarters other than Q3 for the past three years
- Private M&A transaction volume hit its highest level in the past four years in 2010, though a much higher portion of deals did not disclose deal value
 - Q4 Private M&A transaction volume was about flat with Q3, though there were far fewer deals with purchase price disclosed
 - No private deals over \$500M in Q4 and just six over \$100M pushed the median deal size down
- 2010 saw public deals tend more toward the extremes with nine deals above \$500M but eleven deals below \$25M
 - Public Software & Services deal volume fell to 7 deals in Q4 from 11 the prior two quarters but remains within the historic norm
 - Q4 median public deal value of \$161M is down from Q3 but remains at the high end of historic norm
- M&A revenue multiples doubled in 2010 with private deals at 3.8x and public at 2.0x
 - Q4 private M&A multiples fell back to within their historic range to 2.8x, following three quarters of lofty valuations while public revenue multiples fell to 1.3x

SagePoint's Viewpoint - Key Takeaways Continued

- The most active Software & Services buyers over the last 24 months include Google, AOL, EMC, Zynga and HP
- Notable Q4 M&A transactions include:
 - The Carlyle Group's acquisition of Syniverse (\$2.7B)
 - Attachmate's acquisition of Novell (\$2.1B)
 - Rovi's acquisition of Sonic Solutions (\$698.1M)
 - DeNA's acquisition of ngmoco (\$400.0M)
 - News Corp.'s acquisition of Wireless Generation (\$360.0M)
 - Salesforce.com's acquisition of Heroku (\$251.7M)
 - J2's acquisition of Protus IP Solutions (\$212.1M)
 - Assa Abloy/HID's acquisition of ActivIdentity (\$161.3M)
 - RIM's acquisition of The Astonishing Tribe (\$120.0M)
 - Aksia/Wise's acquisition of EidosMedia (\$118.8M)
 - EasyLink's acquisition of PGI's Xpedite Systems (\$97.7M)
 - Platinum Equity's acquisition of Ulticom (\$91.2M)
- SagePoint expects to see the M&A rebound continue throughout 2011
 - SagePoint expects to see a continuation of the trend towards larger M&A deals
 - SagePoint expects strong private M&A revenue multiples heading back up into the 3s
 - SagePoint expects public M&A multiples to pick back up into the 2s

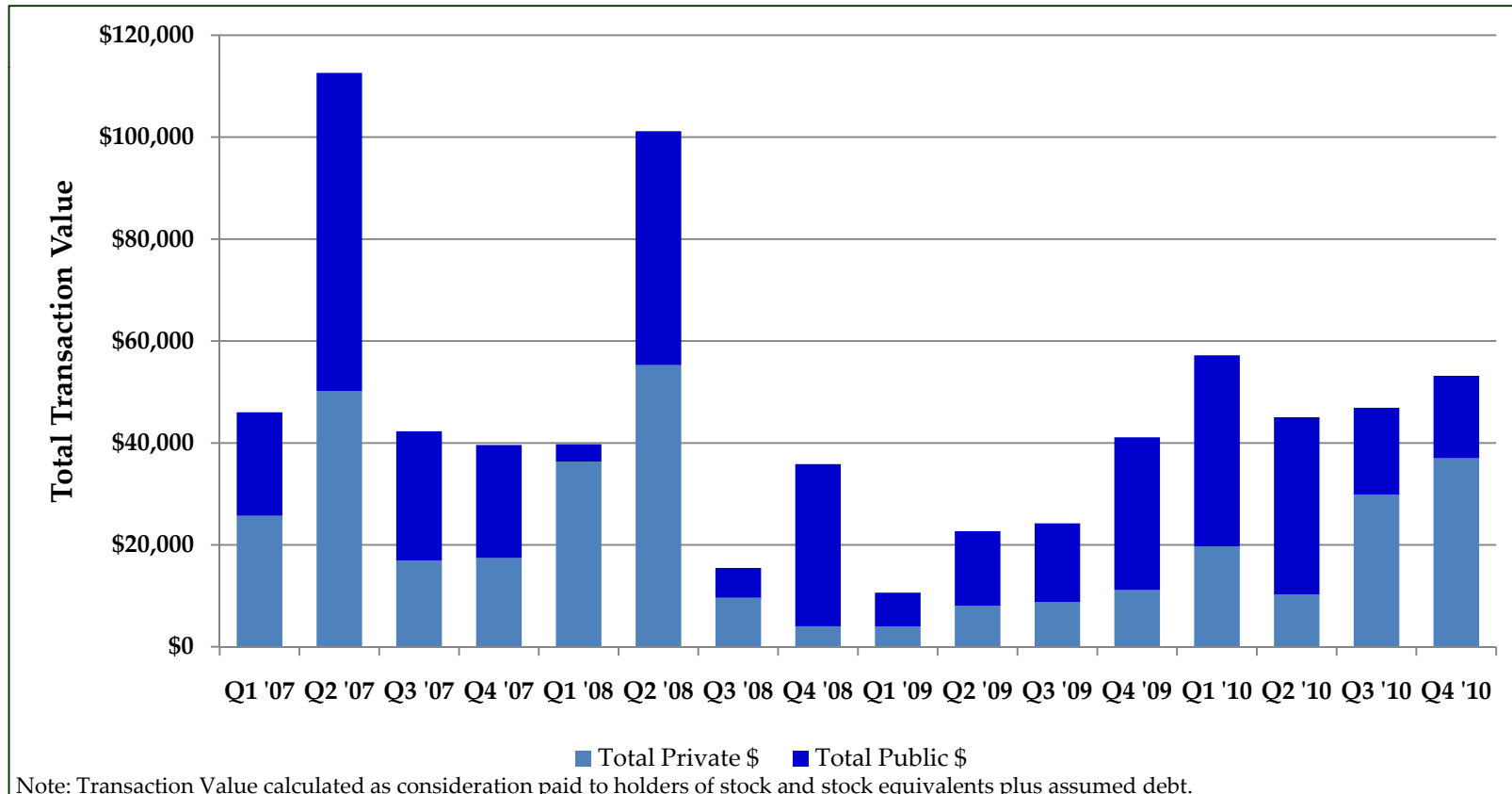
Annual M&A Dollar Volume – SagePoint ICIT Universe

- M&A dollar volume across SagePoint 's entire Internet, Communications & IT Infrastructure (“ICIT”) more than doubled in 2010 compared to 2009
- Multi-billion dollar deals in all segments helped drive the strong rebound
 - Telecom Services drove most of the increase with \$130.7B in 2010 versus \$38.4B in 2009, fueled by mega-mergers
 - Software & Services also grew significantly to \$47.9B in 2010 from \$9.9B in 2009



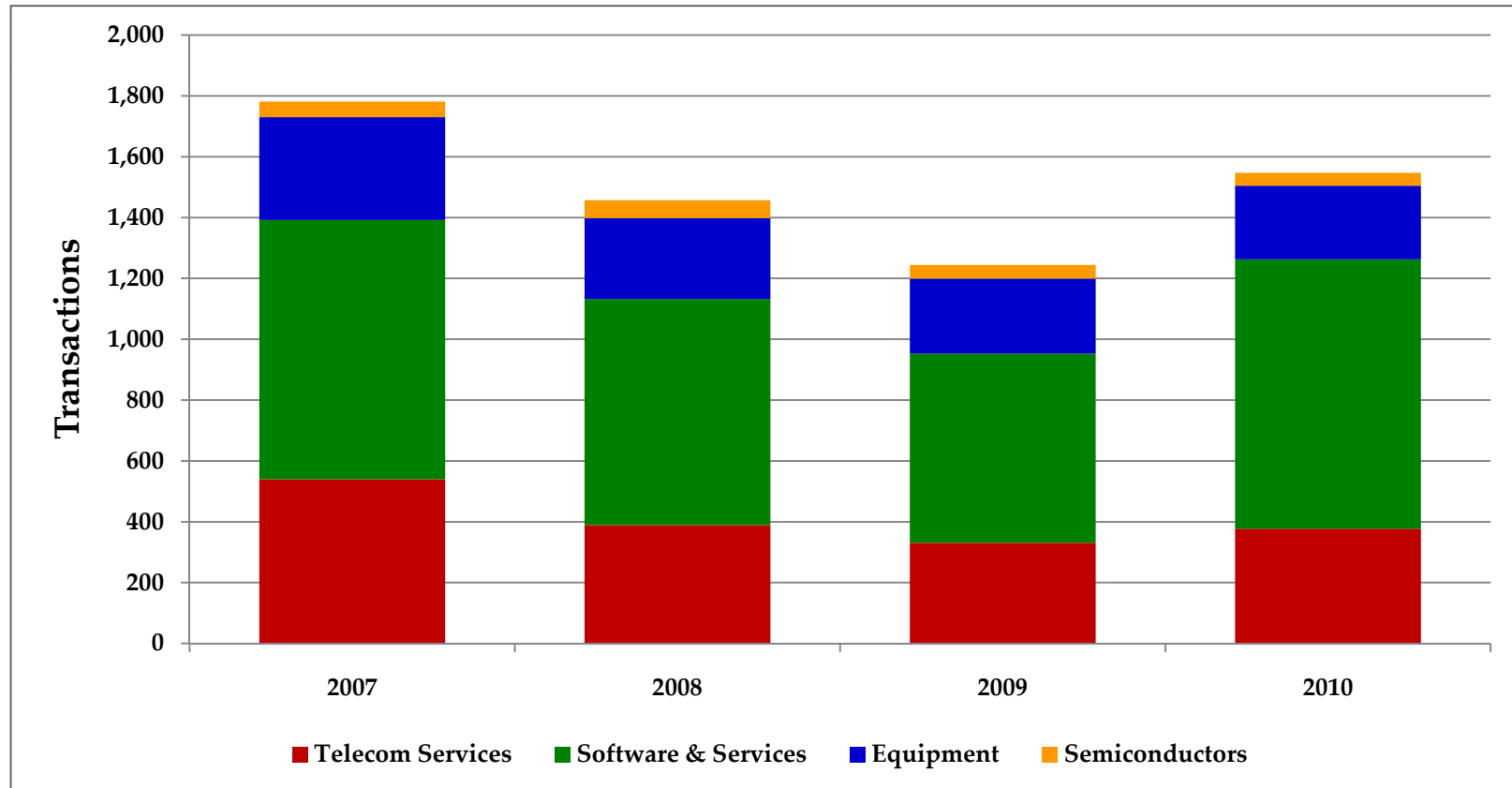
Quarterly M&A Dollar Volume – SagePoint ICIT Universe

- M&A dollar volume across SagePoint 's ICIT Universe rose 13%, driven by the \$23B telco megamerger of VimpelCom and Weather Investments
 - Equipment total deal dollars showed continued growth, buoyed by Carlyle's \$4.5B buyout of CommScope and EMC's \$2.5B bid for Isilon
 - Semis deal dollars fell back to typical levels after an uncharacteristically strong Q3
 - Software total deal dollars were cut by more than half compared to huge Q3 that was driven by Intel's \$7.5B acquisition of McAfee



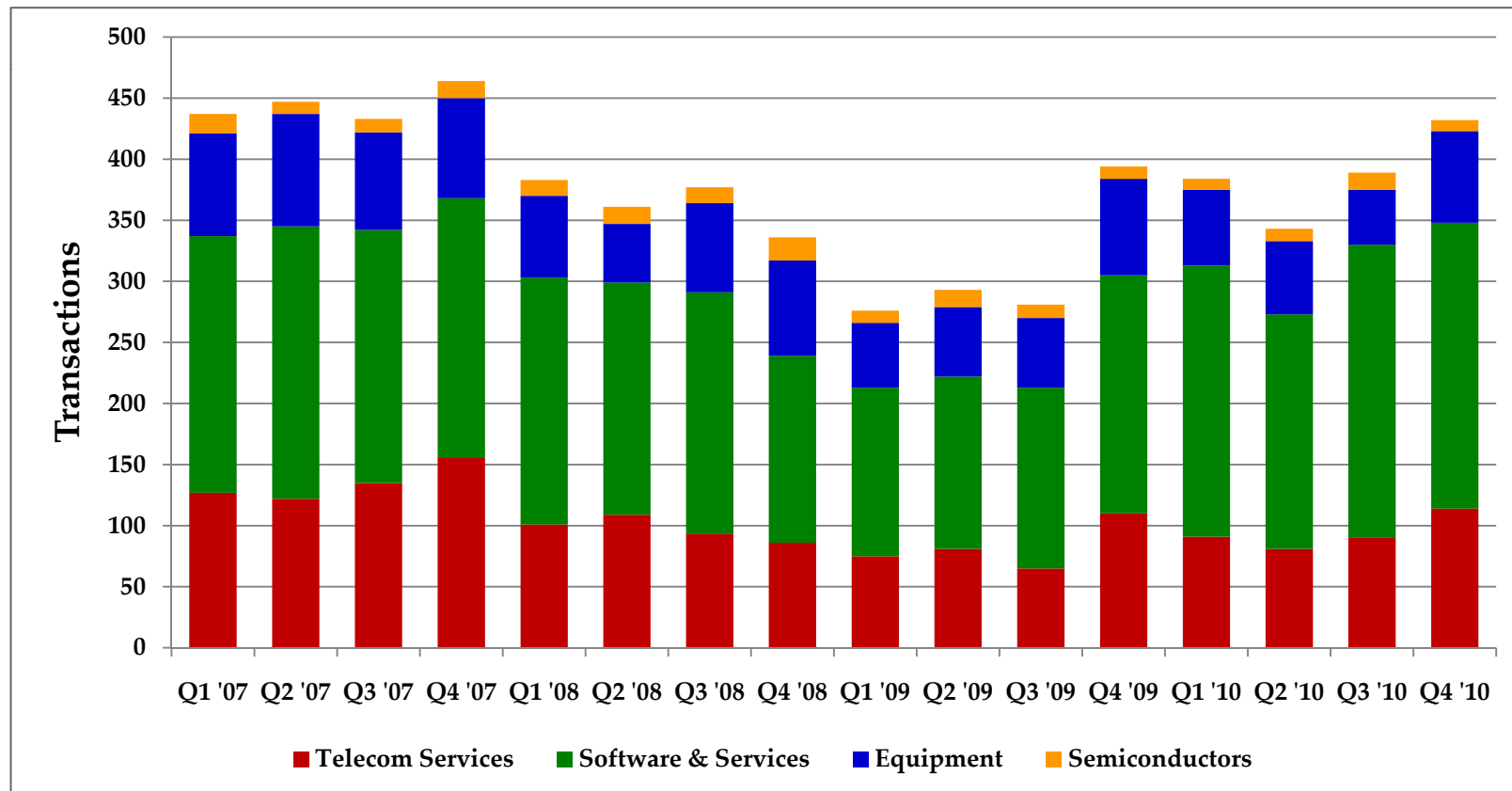
Annual M&A Transaction Volume – SagePoint ICIT Universe

- M&A transaction volume across SagePoint’s ICIT universe was up nearly 25% in 2010 compared to 2009
 - Telecom Services and Software & Services drove the growth while Semiconductors and Equipment were both slightly down
- Median deal size doubled from \$12M in 2009 to \$25M in 2010



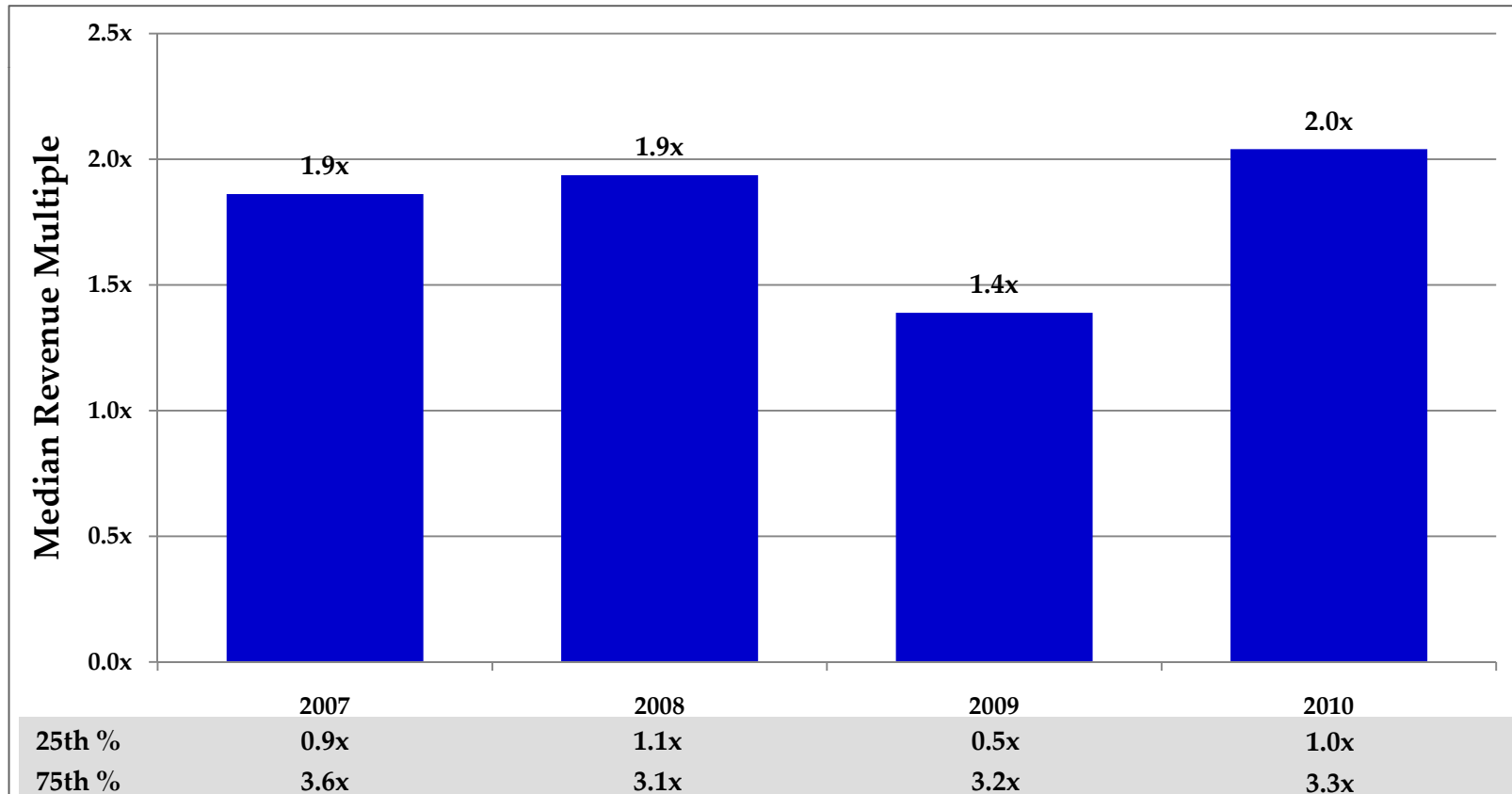
Quarterly M&A Transaction Volume – SagePoint ICIT Universe

- M&A transaction volume across SagePoint’s ICIT universe was up over 10% Q/Q again
- Q4’10 deal volume is nearing 2007 levels with over 400 deals for the first time since Q4’07
 - Equipment and Telco hit their highest quarterly volumes for the year, at or near two year highs
 - Software is down slightly from Q3’10 but still the largest deal volume for software in the past three years aside from Q3’10
- SagePoint expects M&A transaction volume to remain robust throughout 2011



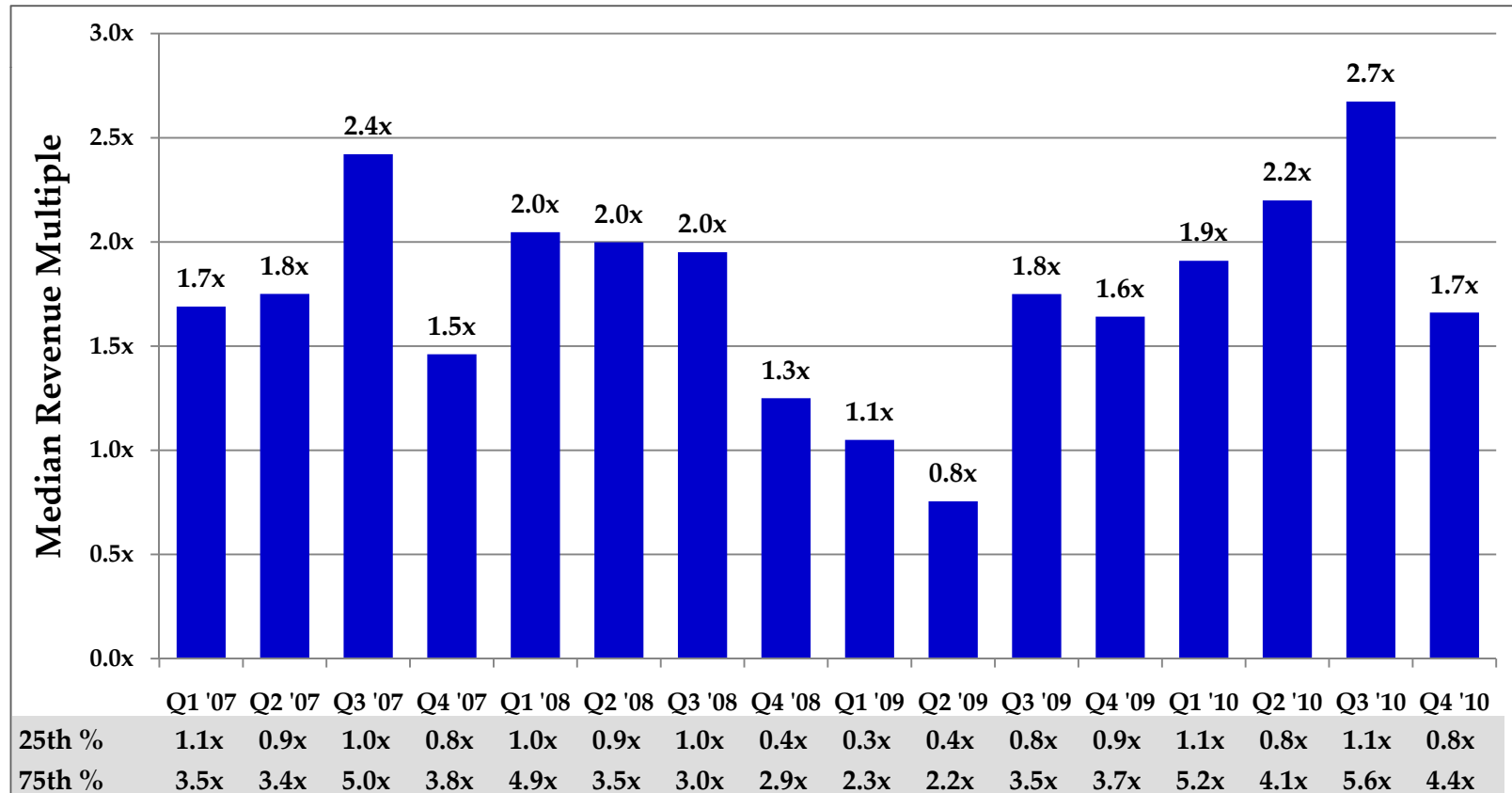
Annual M&A Median LTM Revenue Multiple – ICIT Universe

- The Median LTM revenue multiple across all targets in SagePoint’s ICIT Universe increased over 40% in 2010 to 2.0x
- Improved market valuations and buyers aggressively acquiring to drive scale and broaden product offerings resulted in the highest median revenue multiple level in the past four years
 - A multiple of 1.0x at the 25th percentile in 2010 demonstrates that distressed sales constituted a smaller portion of the mix compared to 2009



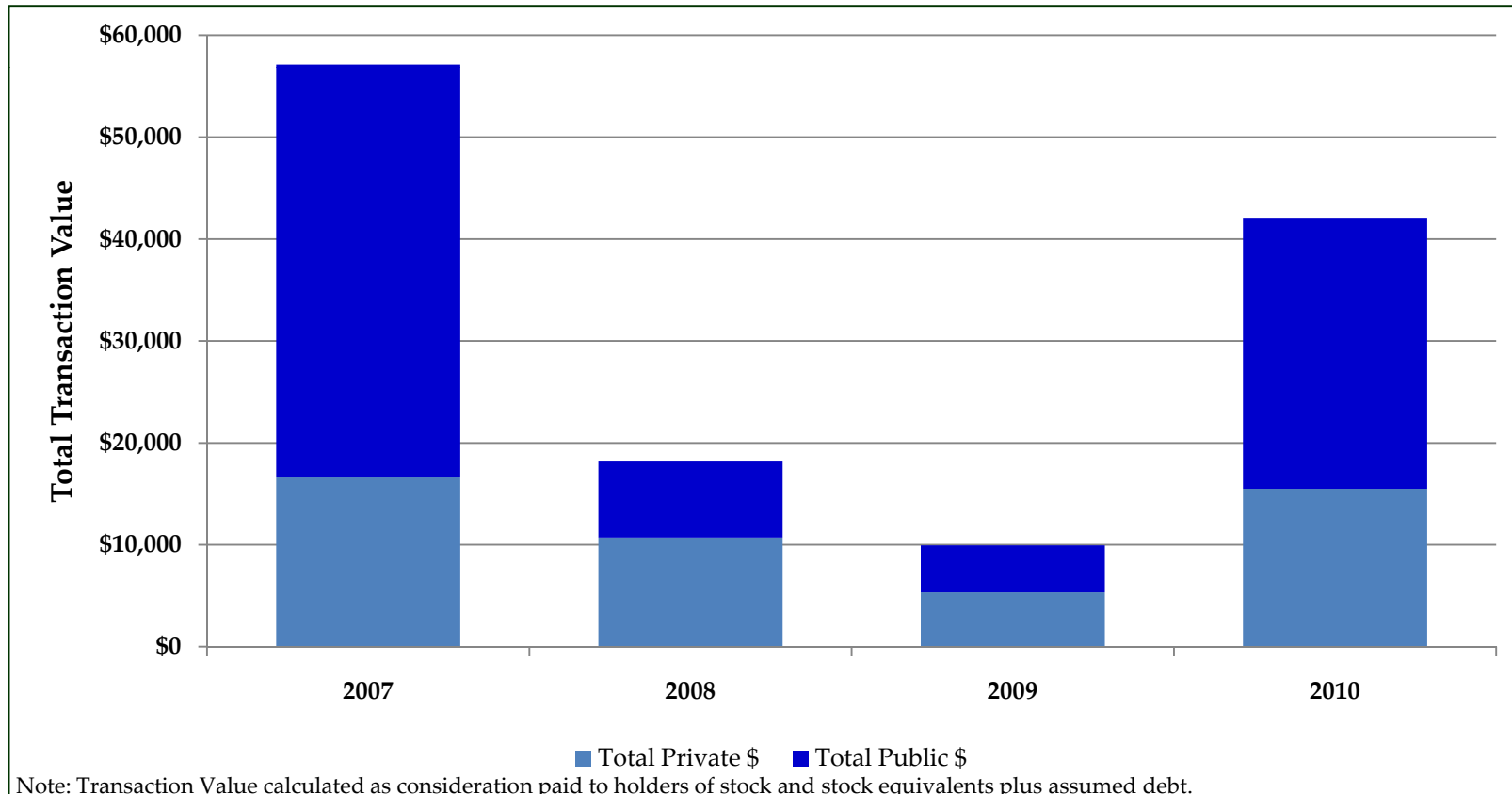
Quarterly M&A Median LTM Revenue Multiple – ICIT Universe

- The Median LTM revenue multiple across all targets in SagePoint’s ICIT Universe fell significantly to 1.7x in Q4, back within historical norms after hitting a three year high in Q3’10
 - The large drop came as the median Software & Services valuation multiple fell back to within its historic range to 2.8x, following three quarters of lofty valuations around 4x
 - Last quarter we stated that Q3’s 2.7x median revenue multiple was an aberration and expected multiples to settle closer to 2x and we believe the multiples will pull back up into the 2s for 2011



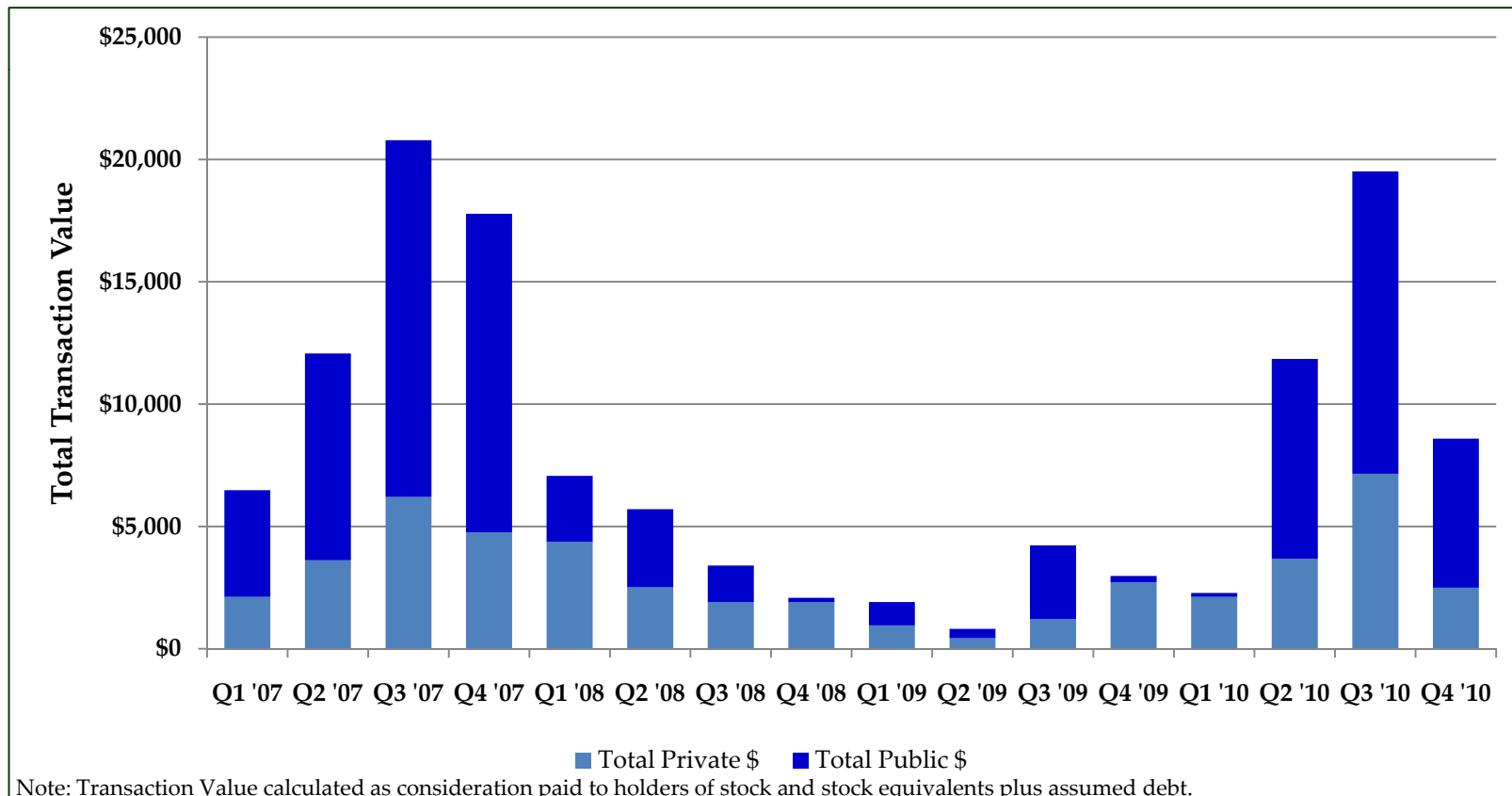
Annual M&A Dollar Volume – Software & Services Universe

- M&A dollar volume for SagePoint’s Software & Services Universe quadrupled to over \$40B in total dollar volume, well above 2008 and 2009 combined
 - Private dollar volume exceeded \$15.5B, close to 2007 levels
 - Public dollar volume was very strong with \$26.6B driven by 6 \$1B+ deals



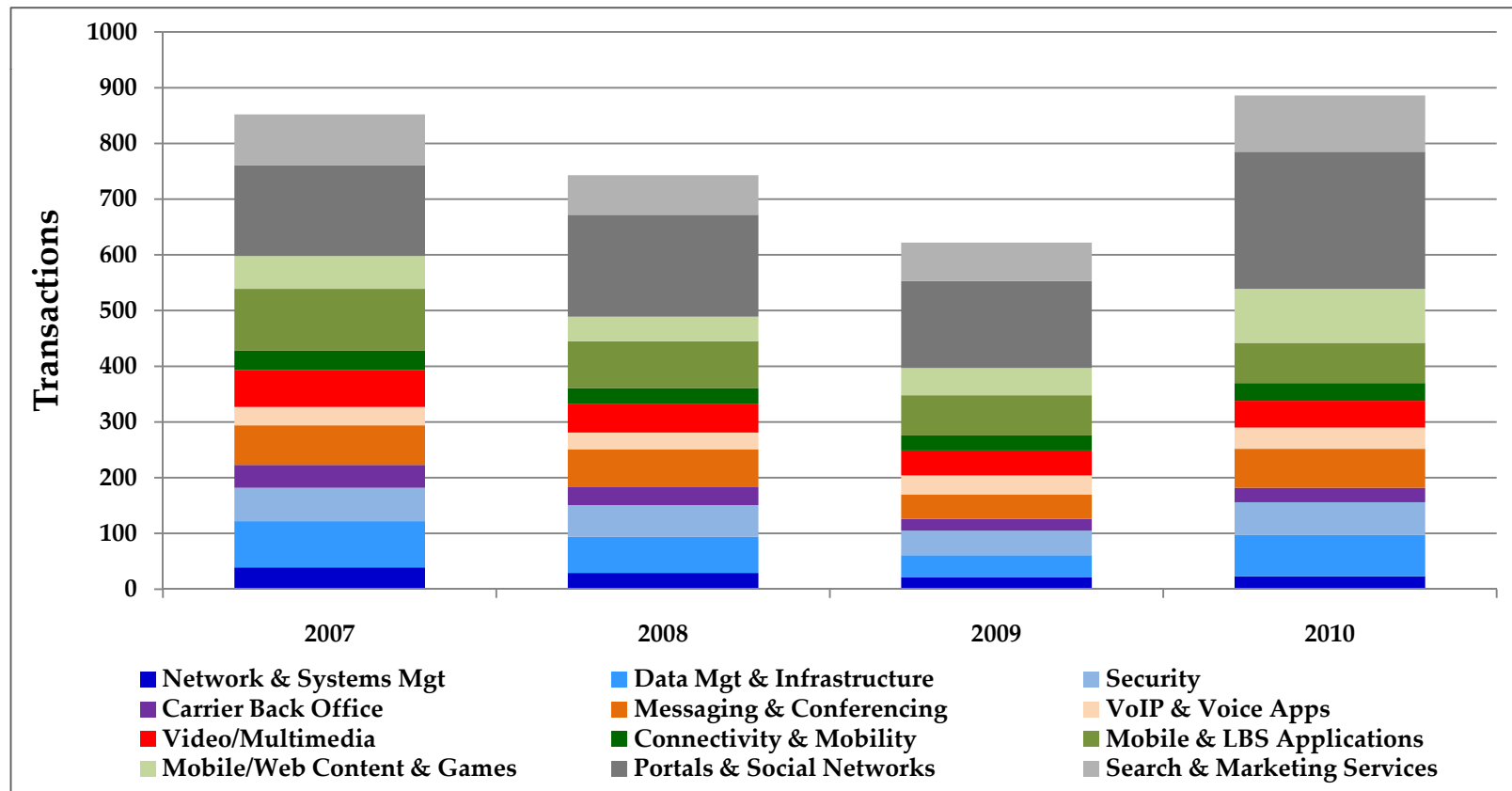
Quarterly M&A Dollar Volume – Software & Services Universe

- M&A dollar volume across SagePoint’s Software & Services Universe dropped sharply to a still strong \$8.5B following two quarters of double digit billion dollar volume
 - Private dollar volume fell from \$7.2B in Q3 to \$2.6B in Q4 as no \$500M+ deals came in the quarter
 - Public dollar volume was cut in half, though excluding Q3’s \$7.7B Intel/McAfee deal Q4 outpaced Q3
- SagePoint expects to continue to see larger public deal announcements throughout 2011



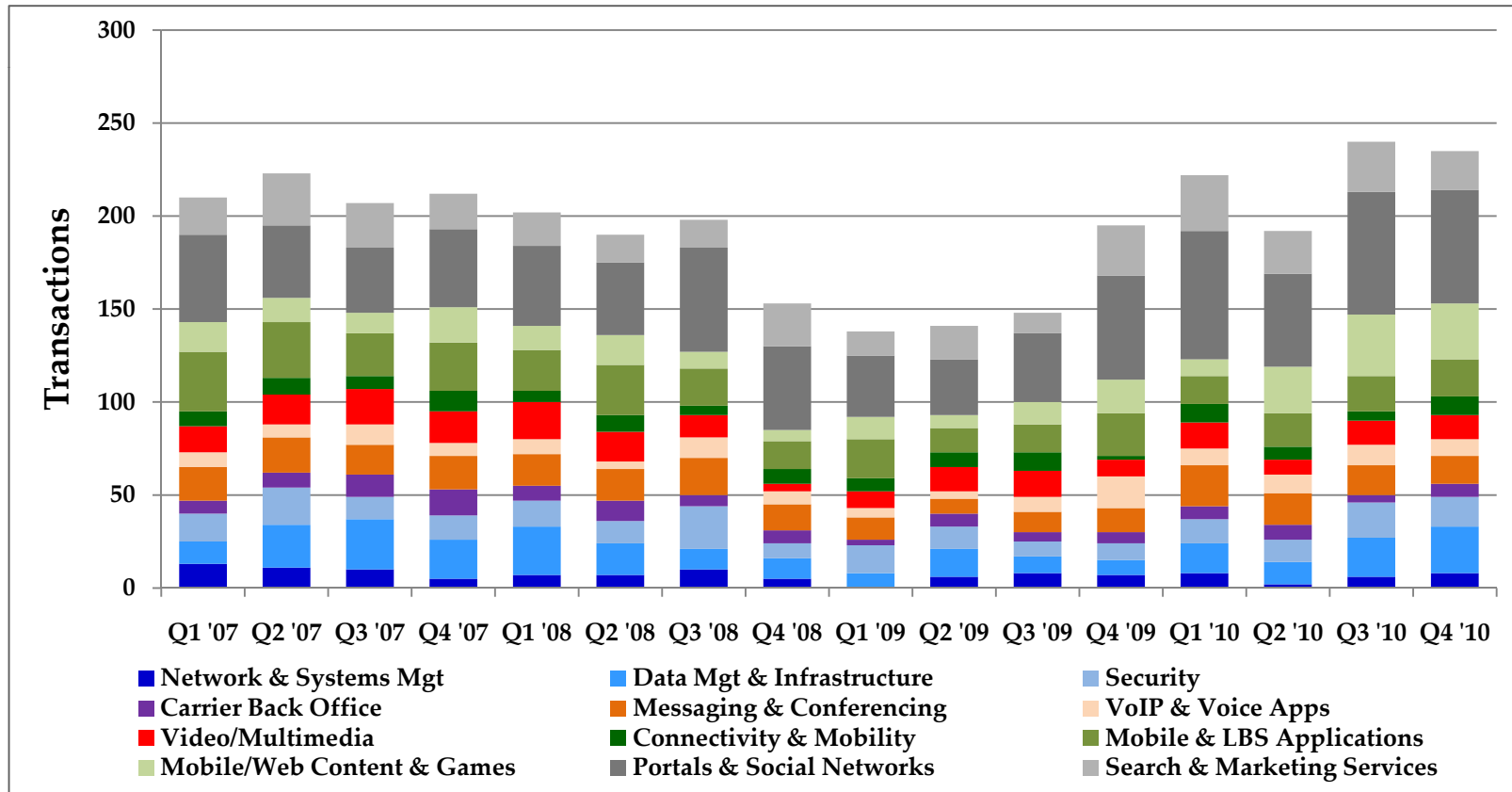
Annual M&A Transaction Volume – Software & Svcs. by Segment

- 2010 Software & Services M&A transaction volume increased by over 40% from 2009 to its highest level in the past four years
 - Portals & Social Networks has driven a large portion of transaction volume with Search & Marketing Services and Mobile/Web Content & Games also strong



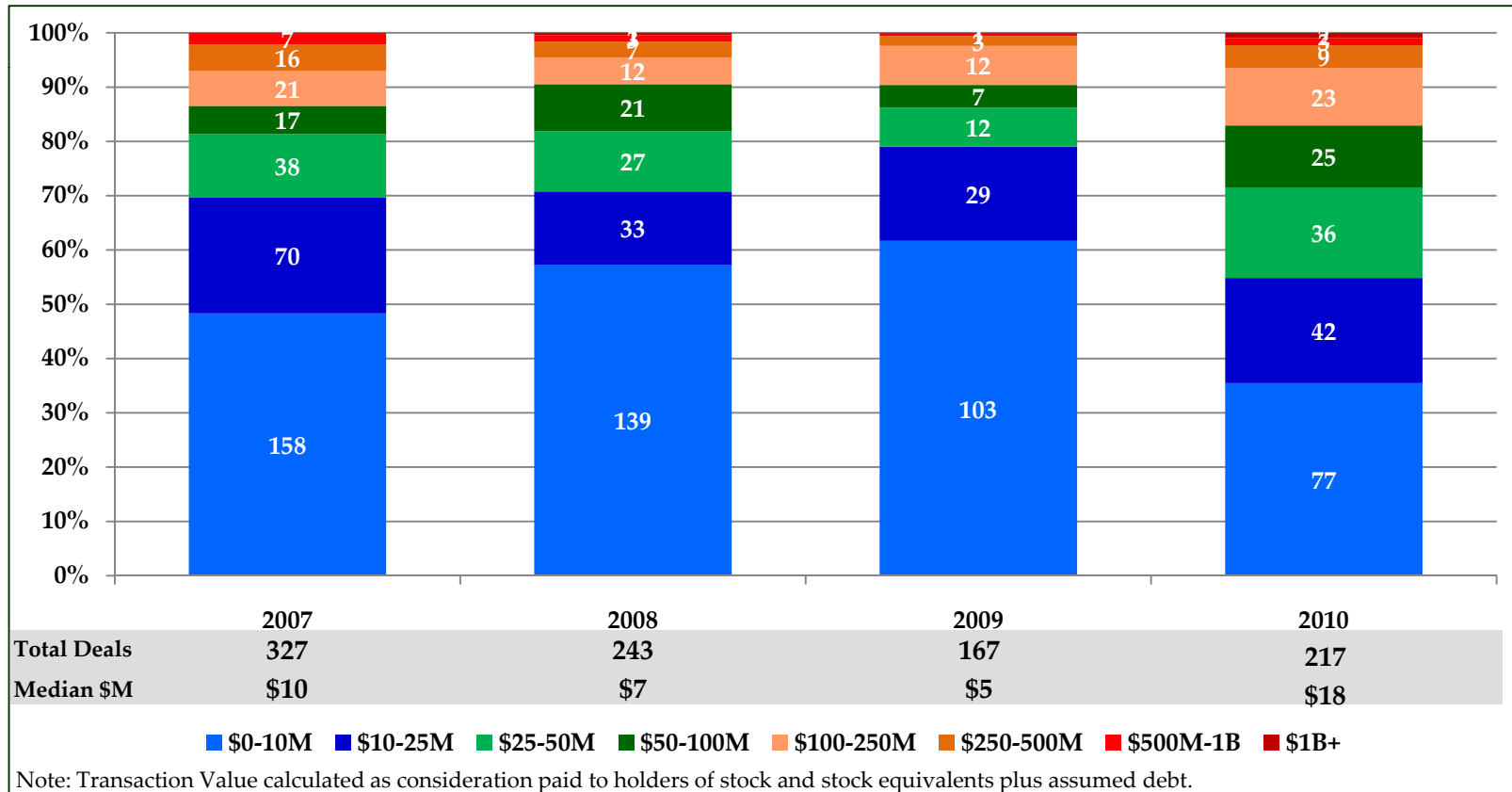
Quarterly M&A Transaction Volume – Software & Svcs. by Segment

- Software & Services M&A transaction volume dipped slightly in Q4 but is still above all quarters other than Q3 for the past three years
 - Most segments were about even with Connectivity & Mobility the only segment showing a substantial increase, doubling from 5 deals in Q3 to 10 deals in Q4
 - Portals & Social Networks remains the most active segment with 61 deals, down 5 from Q3, with Search & Marketing also down 6 deals from Q3 to 21 deals for the quarter



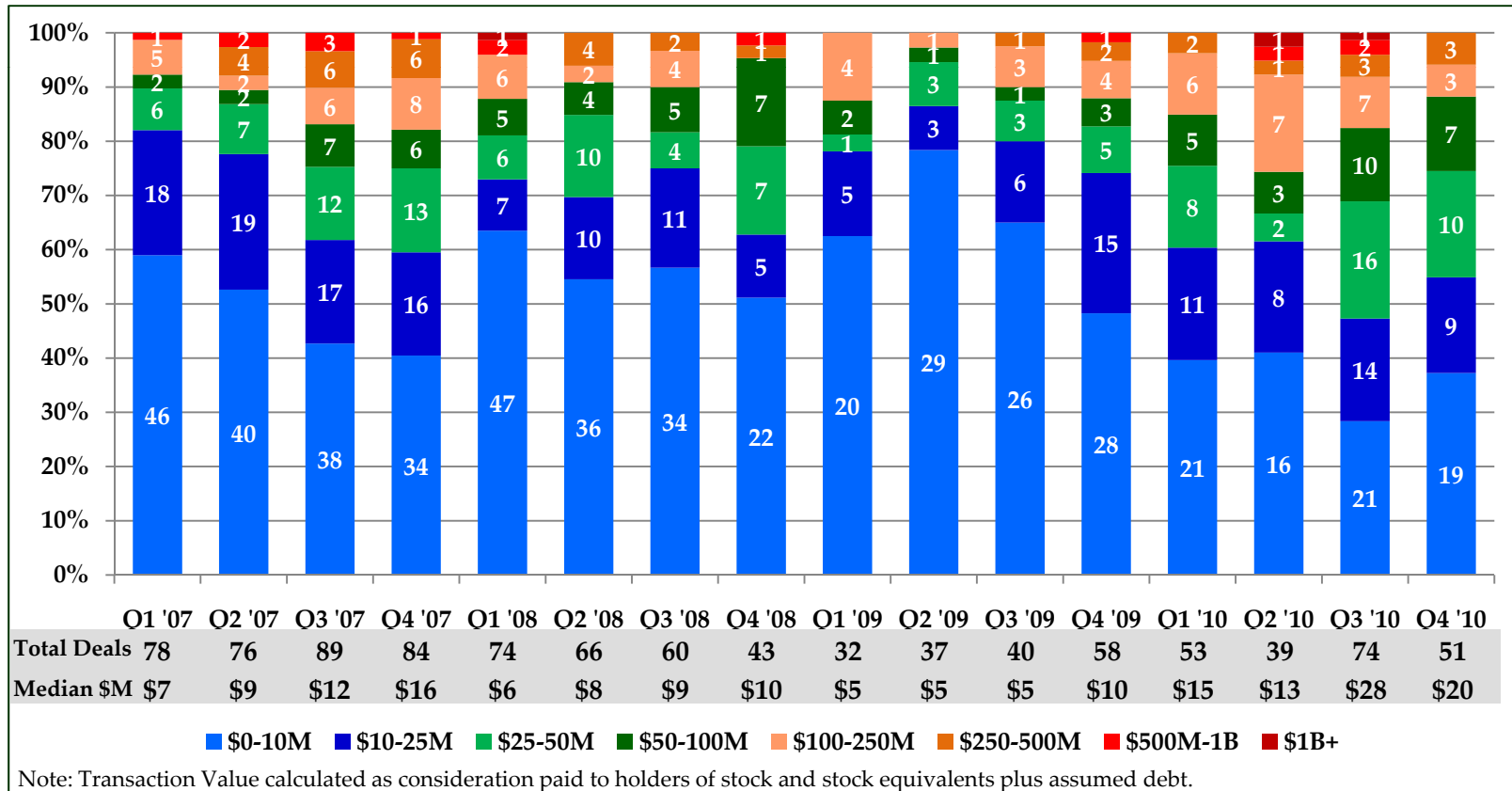
Annual M&A Transaction Volume by Deal Size – Private Targets

- Private M&A transaction volume hit its highest level in the past four years in 2010, though a much higher portion of deals did not disclose deal value
- \$50M+ deals constitute a much larger portion of total deals, driving up median value while sub \$10M deals announced were down significantly



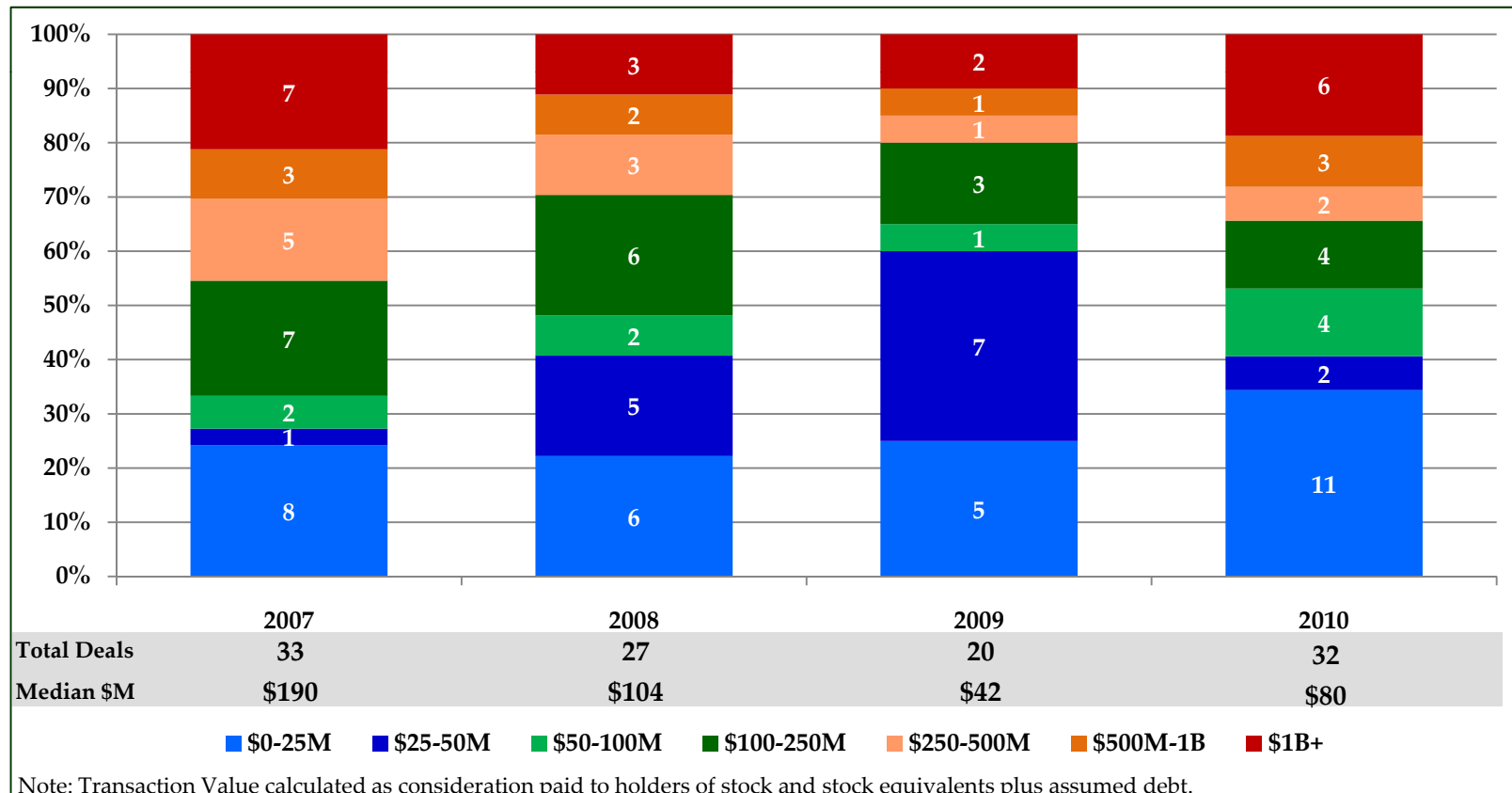
Quarterly M&A Transaction Volume by Deal Size – Private Targets

- Q4 Private M&A transaction volume was about flat with Q3, though there were far fewer deals with purchase price terms disclosed
- No private deals over \$500M and just six over \$100M pushed the median deal size down, though it remains at a healthy \$20M after an unusually high Q3 median of \$28M
 - Private deals without announced purchase prices accounted for 77% of deal volume in Q4 versus 68% in Q3, further demonstrating the high proportion of smaller deals
- Q4 represents the weakest volume of \$100M+ private deals since Q3'09



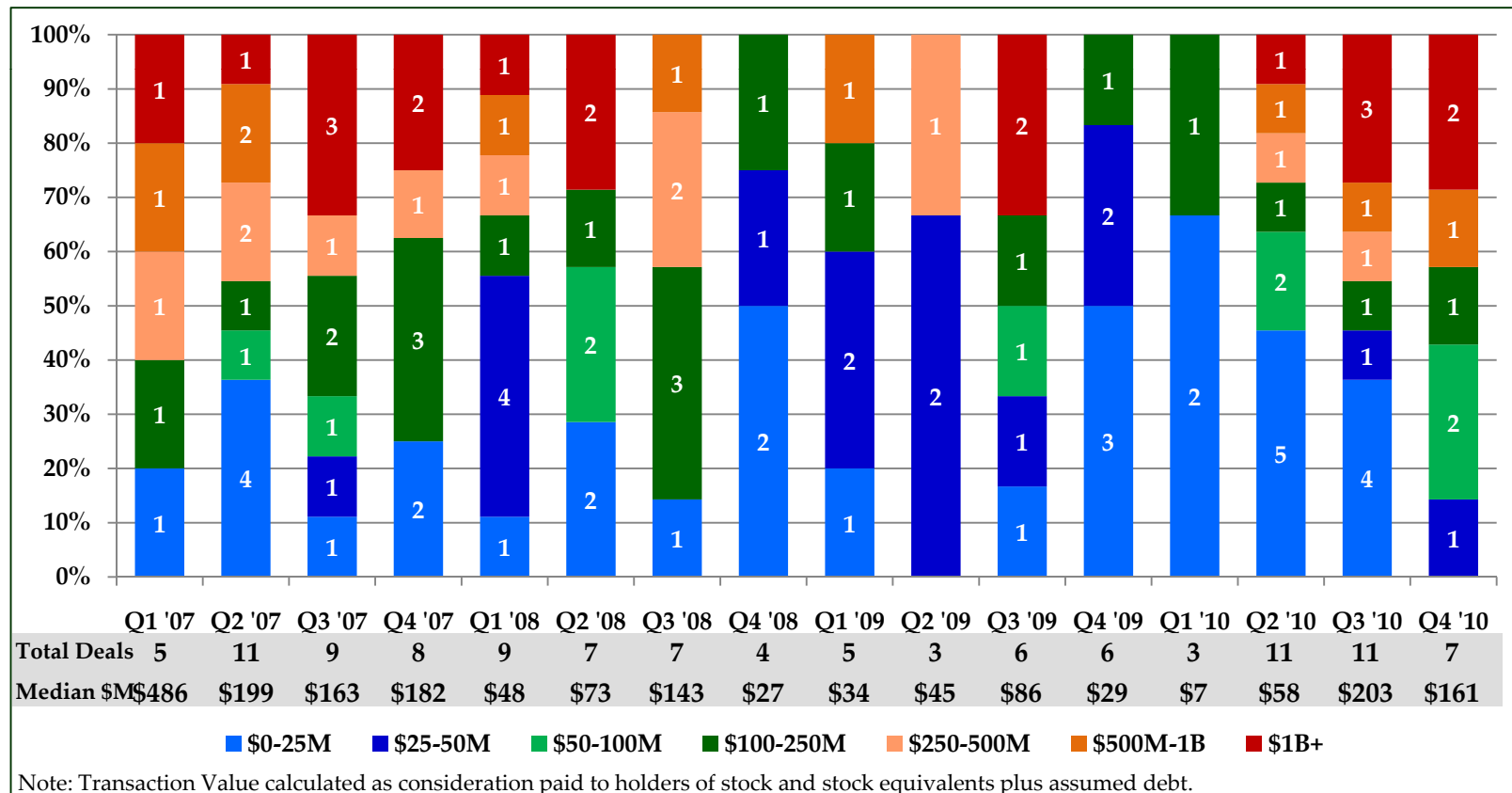
Annual M&A Transaction Volume by Deal Size – Public Targets

- 2010 saw public deals tend more toward the extremes with nine deals above \$500M but eleven deals below \$25M
- Median deal value doubled relative to 2009, up to \$80M but remains well below 2008 and 2007 levels due to the large number of small deals pulling the median down



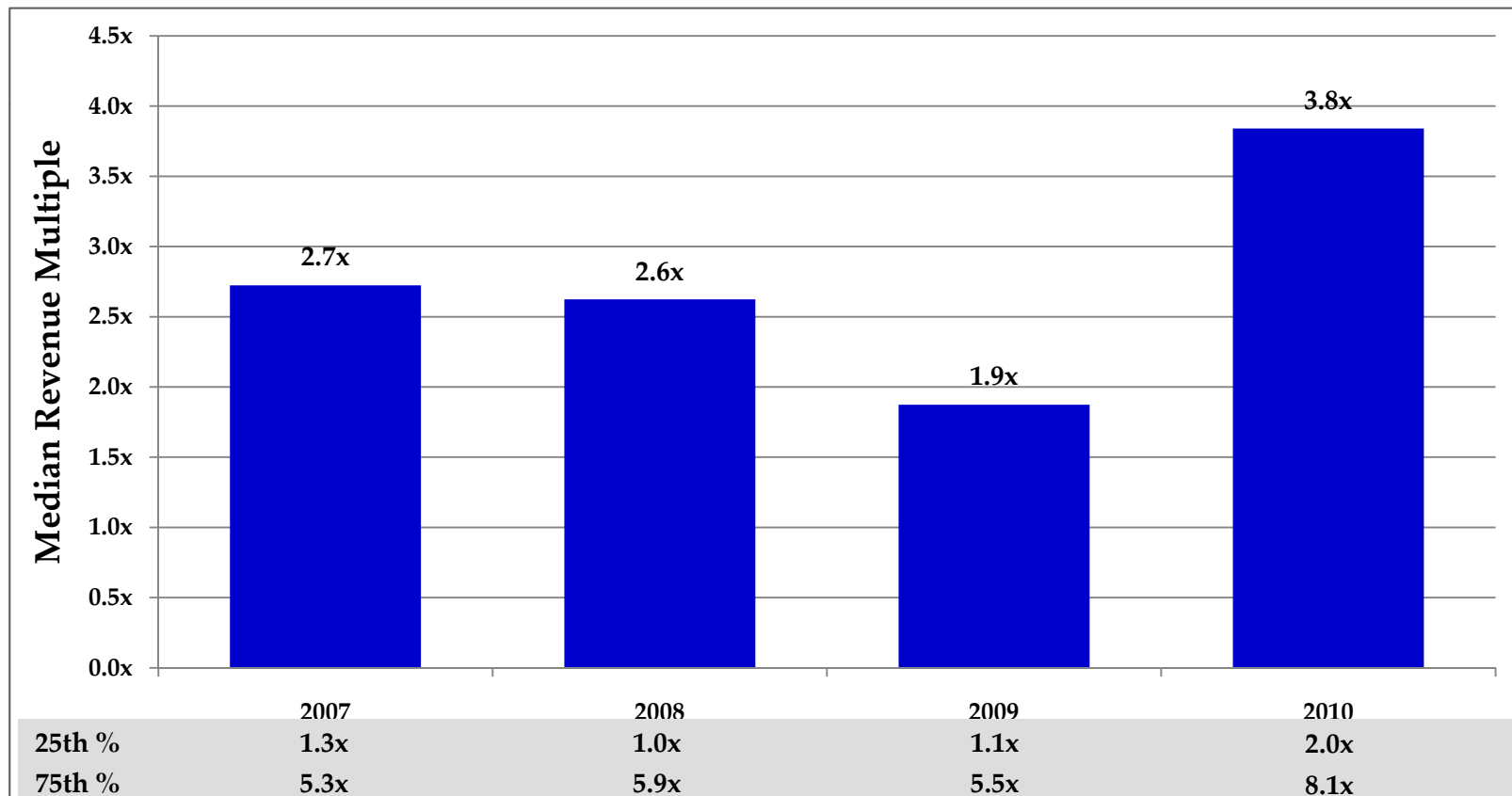
Quarterly M&A Transaction Volume by Deal Size – Public Targets

- Public Software & Services deal volume fell to 7 deals in Q4 from 11 the prior two quarters but remains within the historic norm
 - The median public deal value of \$161M is down from Q3 but also remains at the high end of historic norm with only one deal below \$50M
- SagePoint expects to see additional large public deals in 2011 as the M&A rebound continues



Annual M&A Revenue Multiples – Private Software & Svcs. Targets

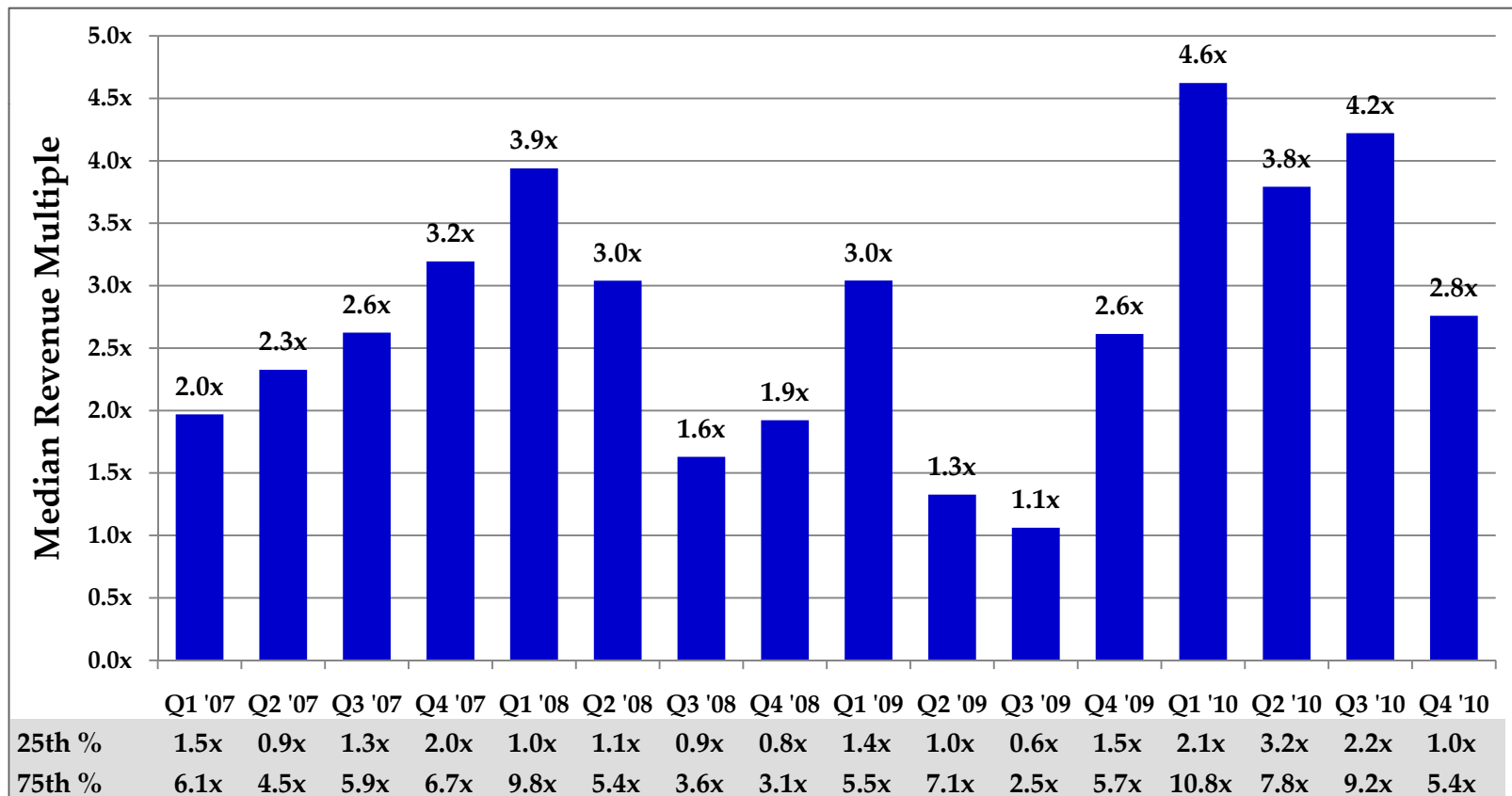
- M&A revenue multiples for private targets doubled to 3.8x in 2010 from 1.9x in 2009
- There was a higher percentage of premium multiple deals in 2010 as evidenced by the 75th percentile increasing to 8.1x from 5.5x in 2009
- Low multiple deals constituted a smaller share with a relatively lofty 2.0x multiple at the 25th percentile



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 – Private Software & Services Targets

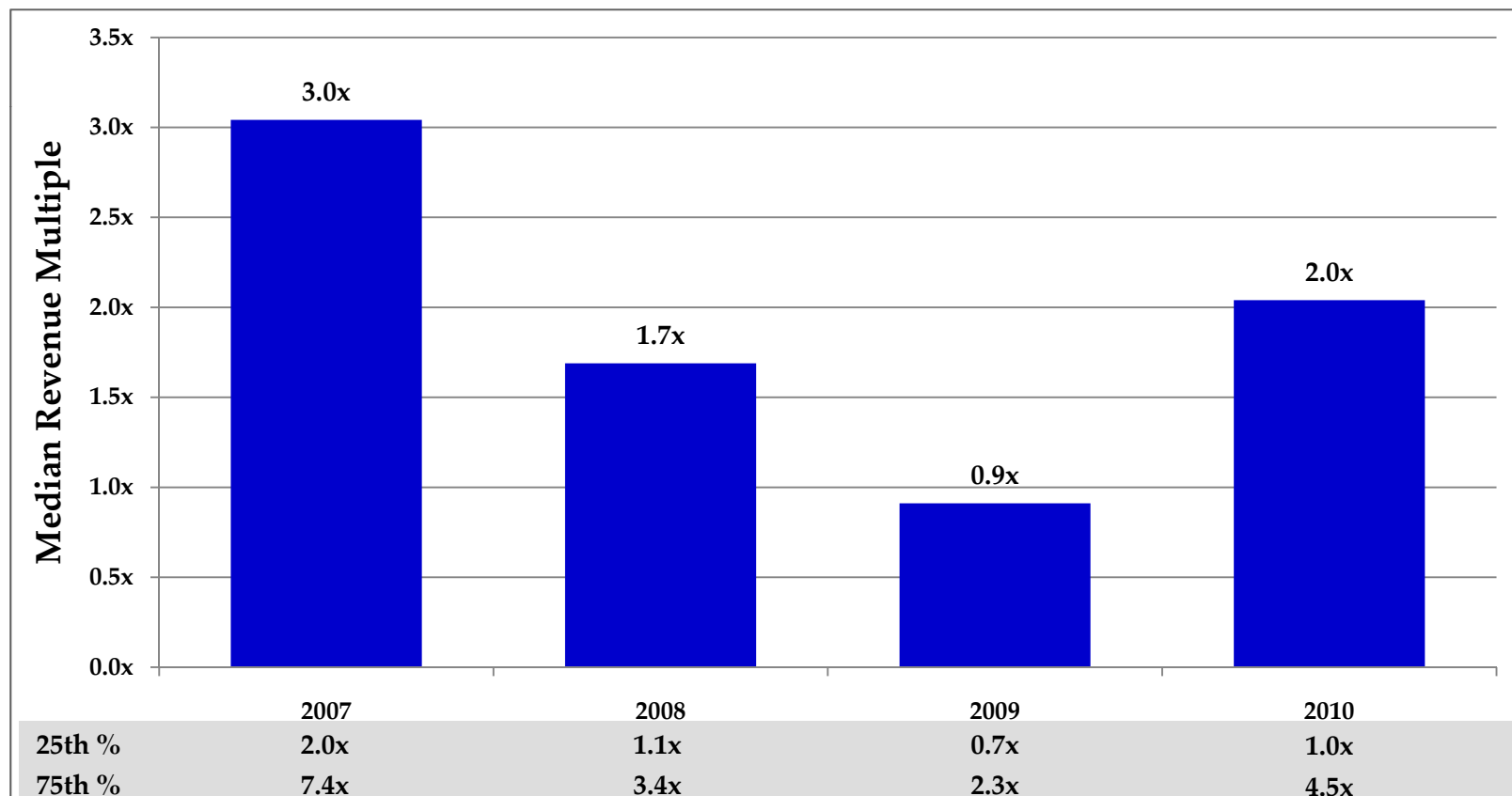
- Private M&A multiples fell back to within their historic range to 2.8x in Q4, following three quarters of lofty valuations around 4x
 - Few deals managed to achieve premium multiples on meaningful revenue, most notably DeNA's acquisition of ngmoco (13.3x), News Corp.'s acquisition of Wireless Generation (6.7x) and RIM's acquisition of The Astonishing Tribe (5.5x)
- SagePoint expects private M&A revenue multiples to settle into the high 2s to low 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.

Annual M&A Revenue Multiples – Public Software & Svcs. Targets

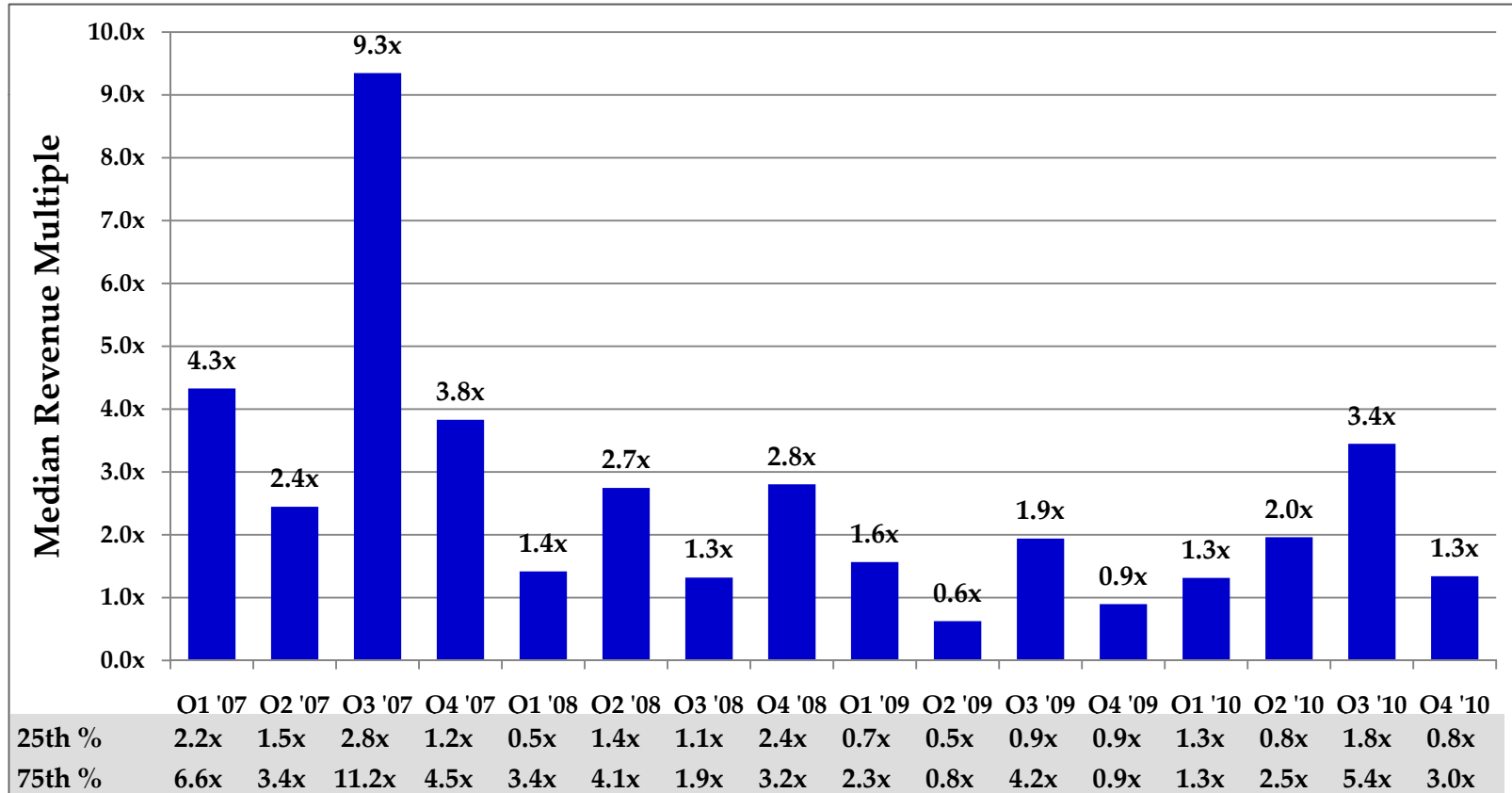
- Public M&A revenue multiples jumped to 2.0x, more than double 2009 though still well below the 3.0x we saw in 2007
- Multiples were fairly compressed with 1.0x at the 25th percentile and 4.5x at the 75th percentile



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 fell steeply to 1.3x in Q4 as several struggling vendors were taken out at low multiples
 - Rovi's acquisition of Sonic Solutions (6.2x) and The Carlyle Group's take private deal for Syniverse (4.6x) represent the only premium multiple deals for the quarter
 - Several small, struggling vendors were taken out at low multiples
- SagePoint expects public M&A multiples to rebound to the 2s for 2011



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		
	25	26	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 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 8/4/09 - On2 Technologies (AMEX:ONT) - \$109M
	9	9	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
	7	9	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 1/12/10 - Zimbra, Inc. - \$100.0M 5/4/09 - Hyperic, Inc. - NA
	7	7	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
	6	9	9/13/10 - ArcSight (NasdaqGM:ARST) - \$1,650M 8/26/10 - Stratavia Corporation - \$24.0M 8/17/10 - Fortify Software, Inc. - \$265M	7/12/10 - Motionbox, Inc. - NA 6/23/10 - Melodeo, Inc. - \$30.0M 6/4/10 - Phoenix Tech. (Certain Assets) - \$11.8M
	6	9	12/3/10 - Protus IP Solutions, Inc. - \$212M 10/21/10 - keepITsafe Data Solutions Ltd. - NA 9/8/10 - Venali, Inc. - \$17.0M	4/1/10 - mBox Pty. Ltd. - NA 2/1/10 - Realty Telecom Ltd. - NA 2/20/09 - CallWave, Inc., Virtual Fax Bus. - \$12.0M

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

Acquiror



Target



Deal Rationale/Commentary

Syniverse provides software solutions to mobile operators including messaging, billing, clearinghouse, roaming and number portability as well as SS7 call set-up, routing and delivery. The company also offers enterprise mobility solutions.

For Carlyle, the deal comes just two days after its \$4.5B acquisition of Commscope as the firm seems to be targeting the telecom space.

Some of Carlyle's prior telecom plays have not fared well with 2005's \$1.6B acquisition of Hawaiian Telecom going bankrupt three years later and Willcom, which was bought in '04, filing for bankruptcy earlier this year. It seems as though this time around Carlyle has moved away from operators and focused on the telecom enablers.

The 4.6x LTM Revenue multiple is fairly high (3.8x NTM) but Syniverse's recurring revenues generate strong margins putting LTM EBITDA multiple at 12.4x and while GAAP P/E was 29x, on a pro forma basis the P/E multiple was 16.3x. The multiples are in line with those paid for Sybase by SAP in May so the deal seems fairly valued.

Deal Summary

Date: 10/28/10

Transaction Value: \$2,711M

% 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: 4.6x



LTM P/E Multiple: 29.0x

Premium to:

1 day prior: 30.3%

1 week prior: 32.4%

1 month prior: 29.0%

Acquiror	Target	Deal Rationale/Commentary
		<p>Attachmate offered \$2.1B to take out Novell. Novell is a leader in intelligent workload management, which helps organizations securely deliver and manage computing services across physical, virtual and cloud computing environments through solutions for identity and security, systems management, collaboration and Linux based operating platforms.</p>
<h3>Deal Summary</h3>		<p>The deal will significantly expand Attachmate's product offering, providing complementary products to deliver a comprehensive set of solutions to its customers.</p>
<p>Date: 11/21/10 Transaction Value: \$2,145M % 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 purchase price includes the sale of certain IP assets to the Microsoft led consortium CPTN Holdings for \$450M. Details on the particulars weren't stated but it is believed to include assets related to WordPerfect which Novell has sued Microsoft over as well as IP which could help fend off increasing competition from Linux.</p>
<h3>Valuation Metrics</h3>		<p>Attachmate intends to operate the SuSE Linux business as a standalone business, leaving open the possibility of a sale sometime down the road.</p>
<p>LTM Revenue Multiple: 1.3x LTM P/E Multiple: NM</p> <p>Premium to:</p> <ul style="list-style-type: none"> 1 day prior: 9.1% 1 week prior: 4.6% 1 month prior: 0.6% 		

Acquiror



Target



Deal Rationale/Commentary

Deal Summary

Date: 12/22/10

Transaction Value: \$698.1M

% 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: 6.2x

LTM P/E Multiple: NM

Premium to:

1 day prior: 24.3%

1 week prior: 31.6%


1 month prior: 52.9%



Sonic Solutions engages in the development of products that enable the creation, management and delivery of digital media content across various technology platforms. Sonic serves both the consumer and professional markets.

The deal appears to provide a strong strategic fit by combining Rovi's strength in discovery and management of content with Sonic's expertise in delivering media over-the-top to enabled CE devices utilizing its secured digital envelope and DivX codecs.

The 6.2x LTM revenue and 24%+ premium is a steep price for the break-even business, particularly considering that 40% of revenues come from the declining DVD burning business. Still, the strategic rationale could justify the price if Rovi is able to position itself well within the OTT market.

The transaction is expected to be \$0.05-0.10 accretive to 2011 pro forma EPS through over \$15M in cost synergies.

Acquiror	Target	Deal Rationale/Commentary
		<p>ngmoco develops social games and entertainment experiences for the iPhone and recently began developing for Android as well. ngmoco's apps account for 60 million downloads with 20 applications making the top 10 list and its Plus+ social network has over 13.5M registered users.</p>
<h3>Deal Summary</h3>		<p>Japan-based DeNA acquired ngmoco for \$400M (\$300M up front plus \$100M earn out). Following the acquisition, DeNA claims to be the world's largest mobile social games platform company.</p>
<p>Date: 10/12/10 Transaction Value: \$400.0M % Sought: 100% Consideration: Cash/Stock</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		<p>Despite ngmoco's great games, DeNA acquired them for their platform and a key focus will be the creation of a unified open developer platform that combines ngmoco's state of the art smartphone technology framework with DeNA's pioneering Mobage Open SDK. The unified Mobage Smartphone Platform will allow developers to target both iOS & Android and access both Western and Japanese customers.</p>
<h3>Valuation Metrics</h3>		<p>DeNA paid up for the hot commodity at 13.3x ngmoco's \$30M in revenue.</p>
<p>LTM Revenue Multiple: 13.3x LTM P/E Multiple: NA Multiple on \$ Invested: 8.9x</p>		
<h3>Investors</h3>		
<p>Institutional Venture Partners; Kleiner, Perkins, Caufield & Byers; Norwest Venture Partners; FLOODGATE; Google Ventures</p>		

Acquiror	Target	Deal Rationale/Commentary
		<p>Wireless Generation creates innovative tools, systems, and services that help educators teach smarter. Utilizing handheld devices, its mobile assessment software allows teachers to make data-based instructional decisions that allow unprecedented visibility and customization into learning and dissemination of best practices. Wireless Generation currently serves more than 200,000 educators and 3 million students.</p>
<h3>Deal Summary</h3>		<p>The deal comes on the heels of News Corp.'s announcement of the iPad newspaper and Wireless Generation could likely help provide an in road into electronic textbooks in the future.</p>
<p>Date: 11/22/10 Transaction Value: \$360M % Sought: 90% 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>Additionally, the Web 2.0 collaboration and knowledge network technology that leverages large-scale data systems of student data could also be applied to newsrooms and other applications as well.</p>
<h3>Valuation Metrics</h3>		<p>The acquisition places News Corp. as a major player in the future of education as technology plays a bigger role while providing a very interesting and proven platform.</p>
<p>LTM Revenue Multiple: 6.7x LTM P/E Multiple: NA Multiple on \$ Invested: 22.5x</p>		
<h3>Investors</h3>		
<p>SeaVest Private Equity</p>		

Acquiror	Target	Deal Rationale/Commentary
		<p>Heroku provides a Ruby application platform-as-a-service that the company says currently powers over 105,000 social and mobile cloud applications.</p>
<h3>Deal Summary</h3>		<p>For Salesforce, the acquisition allows the company to continue providing support for the next generation of app developers as the Ruby community has grown to over a million members. Ruby has become the leading development language used to write next-generation apps that are social, collaborative and deliver real-time access to information across mobile devices.</p>
<p>Date: 12/7/10 Transaction Value: \$251.7M % Sought: 100% Consideration: Cash</p>		<p>The apps that are moving to the cloud increasingly require technologies that support collaboration and mobility and the acquisition provides Salesforce with the leader to enable it to capture a greater share of this market opportunity.</p>
<p>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</p>		<p>The deal provides a strong multiple on the \$13M invested in the company as Salesforce had to pay up to acquire the fast growing company, though the price is well worth it for Salesforce as the deal delivers a proven leader and expertise that Salesforce will need going forward.</p>
<h3>Valuation Metrics</h3>		
<p>LTM Revenue Multiple: NA LTM P/E Multiple: NA Multiple on \$ Invested: 19.4x</p>		
<h3>Investors</h3>		
<p>Redpoint Ventures; Ignition Partners; Y Combinator; Baseline Ventures; Harrison Metal Capital</p>		

Acquiror



Target



Deal Rationale/Commentary

Deal Summary

Date: 12/3/10

Transaction Value: \$212M

% 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: 3.0x

LTM P/E Multiple: NA

Multiple on \$ Invested: NA

Investors

B.E.S.T. Investment Counsel Limited; BMO Capital Corporation; Celtic House Venture Partners Inc.; Covington Capital Corporation; EdgeStone Capital Partners Inc.

Protus IP Solutions provides SaaS communication tools for SMBs, including internet fax, virtual PBX, email marketing and fax and voice broadcast services. 80% of its revenue currently comes from its internet fax application.

Protus' solutions improve J2's product line up and helps J2 gain strength in the outsourced communications service industry.

The deal brings clear synergies and J2 will certainly go to work quickly on cross-selling to the respective customer bases. J2 expects the Protus acquisition to be immediately accretive.

J2 has been looking to boost performance through M&A and the Protus deal seems to be a great fit and a good use of cash on hand. Following the deal J2 will have nearly 1.9 million paid DID's installed to its fax, voice and unified communications customers.

Acquiror

ASSA ABLOY
 The World's Leading Lock Group



Target

ActivIdentity

Deal Rationale/Commentary

ActivIdentity has been acquired by Assa Abloy subsidiary HID for \$161.3M. ActivIdentity provides authentication and credential management solutions to confidently establish a person's identity when interacting digitally.

Assa Abloy believes that optimizing security while simplifying the user experience and minimizing costs is a enormous challenge that can best be solved by joining logical and physical access capabilities into a single, integrated solution. The combination of ActivIdentity's suite of identity assurance solutions with HID's physical and logical access solutions, provides a powerful offering to the market.

Assa Abloy paid a strong premium of over 40% though at just 1.5x LTM revenue for the unprofitable business the transaction is not too expensive.

Deal Summary

Date: 10/11/10

Transaction Value: \$161.3M

% 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: 1.5x

LTM P/E Multiple: NM

Premium to:

1 day prior: 43.2%

1 week prior: 47.7%

1 month prior: 51.9%

Acquiror



Target



Deal Summary

Date: 12/2/10

Transaction Value: \$120M

% 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: 5.5x

LTM P/E Multiple: NA

Multiple on \$ Invested: NA

Investors

NA

Deal Rationale/Commentary

TAT The Astonishing Tribe is a software technology and design company that offers products and services to differentiate and enhance the user experience on mobile devices. TAT focuses on GUIs and was involved in shaping the early stages of Android. The company's Cascade UI framework was in 20% of smartphones shipped in 2010.

The deal brings RIM GUI expertise to help shape the look and feel of its future blackberry devices and tablets, a major shortcoming of its offering as competitors Apple, Google and Microsoft have developed compelling user friendly front-ends that make blackberries feel a step behind.

\$120M seems a steep price for what seems to amount to the acquisition of a highly talented team, but RIM can't afford to see its market share erode and desperately needs a modern makeover to breathe some new life into its devices.

Acquiror



Target



Deal Rationale/Commentary

Deal Summary

Date: 10/20/10

Transaction Value: \$118.8M

% Sought: 60%

Consideration: Cash

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

Valuation Metrics

LTM Revenue Multiple: 5.2x

LTM P/E Multiple: NA

Multiple on \$ Invested: NA

Investors

NA

EidosMedia provides editorial and publishing solutions for news and media organizations. Its solutions include web content delivery, XML-based editorial and publishing platform, news planning and advertising solutions and web-based client solutions to run within a web browser.

Private equity players Aksia and Wise purchased 60% of EidosMedia with management retaining the remaining 40% stake.

The investment will go to support the international expansion beyond its current Europe and US markets. EidosMedia will also target vertical sectors such as corporate and financial.

The 5.2x LTM revenue multiple represents a healthy price for the fast growing, boot-strapped company.

Acquiror



Target



Deal Summary

Date: 10/21/10

Transaction Value: \$97.7M

% 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: 0.8x

LTM P/E Multiple: NA

Multiple on \$ Invested: NA

Investors

Premiere Global Services

Deal Rationale/Commentary



EasyLink has acquired Xpedite Systems for \$97.7M. Xpedite, a subsidiary of Premiere Global, provides a fax broadcast service that enables broadcast communications to various fax locations as well as SMS and voicemail broadcast services.

The transaction brings to EasyLink a strong portfolio of advanced messaging solutions as well as a global customer base, providing a highly complementary fit with EasyLink.

Following the transaction, EasyLink has 30k customers across five continents and has become the clear leader in enterprise fax.

The deal values Xpedite at a paltry 0.8x LTM revenues and an LTM EBITDA multiple of 3.8x. Considering the price of the deal it seems a sure winner for EasyLink.

PGI decided to sell off the Xpedite business to focus on its core efforts as it transforms from selling audio conferencing minutes into a virtual meetings provider delivering a complete unified desktop experience including voice, video and web.

Acquiror	Target	Deal Rationale/Commentary
		<p>Platinum Equity has purchased a 66.4% stake in Ulticom for \$91.2M to take the company private. In a related transaction, Platinum has acquired the remaining 33.6%.</p>
<h3>Deal Summary</h3>		<p>Ulticom's signaling software enables telecommunications network equipment and service providers to deploy services within wireless, IP, and wireline networks. Ulticom's products interconnect complex switching, database and messaging systems and manage number, routing, and billing information.</p>
<p>Date: 10/12/10 Transaction Value: \$91.2M % Sought: 66.4% 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>Platinum believes that Ulticom is well positioned as the market for high-bandwidth services continues to evolve and believes it can inject its operations expertise to allow the business to capitalize on that trend.</p>
<h3>Valuation Metrics</h3>		<p>At just 0.4x LTM revenues and a slim premium to market Platinum certainly has opportunity for a winner if it can execute on its game plan.</p>
<p>LTM Revenue Multiple: 0.4x LTM P/E Multiple: NM</p> <p>Premium to:</p> <ul style="list-style-type: none"> 1 day prior: 4.9% 1 week prior: 0.9% 1 month prior: 4.1% 		

Appendix – Software & Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Network & Systems Management				
12/22/10	LM Ericsson Telephone Co. (OM:ERIC B)	Optimi Corporation	NA	NA
11/21/10	Attachmate Corporation	Novell Inc. (NasdaqGS:NOVL)	2,144.6	1.3x
11/9/10	Riverbed Technology, Inc. (NasdaqGS:RVBD)	Global Protocols, Inc.	NA	NA
11/9/10	Accumuli plc (AIM:ACM)	Tuscany Netw orks Limited	6.4	NA
11/4/10	Ongoing Operations, LLC	Teneros, Inc.	NA	NA
10/12/10	Platinum Equity, LLC	Ulticom Inc. (NasdaqGM:ULCM)	91.2	0.4x
10/6/10	Microsoft Corporation (NasdaqGS:MSFT)	AVIcode, Inc.	NA	NA
Data Mgt & Infrastructure				
12/22/10	Motorola Mobility Holdings, Inc. (NYSE:MMIWI)	Zectex, Inc.	NA	NA
12/20/10	Vision Consulting Group	MVB-Consulting GmbH	NA	NA
12/17/10	GCF International, Inc.	Division 5 Technology, Inc.	NA	NA
12/17/10	Exosphere Aircraft Company, Inc. (OTCPK:EXSA)	BCS, LLC	NA	NA
12/16/10	Rackspace Hosting, Inc (NYSE:RAX)	Cloudkick, Inc.	NA	NA
12/14/10	Cloud Bees, Inc.	Stax Netw orks, Inc.	NA	NA
12/13/10	Perficient Inc. (NasdaqGS:PRFT)	speakTECH, Inc.	15.0	0.9x
12/8/10	KT Corp. (KOSE:A030200)	NexR, Inc.	NA	NA
12/7/10	Salesforce.com (NYSE:CRM)	Heroku, Inc.	251.7	NA
12/3/10	BMC Software Inc. (NasdaqGS:BMC)	GridApp Systems, Inc.	NA	NA
12/1/10	Cisco Systems, Inc. (NasdaqGS:CSCO)	LineSider Communications, Inc.	NA	NA
11/30/10	Red Hat, Inc. (NYSE:RHT)	Makara, Inc.	32.0	NA
11/8/10	Quest Software Inc. (NasdaqGS:QSFT)	Bakbone Software Inc. (OTCBB:BKBO)	49.9	0.8x
11/3/10	Archive Systems, Inc.	OmniRIM Solutions Inc.	NA	NA
11/2/10	Dell Inc. (NasdaqGS:DELL)	Boomi, Inc.	NA	NA
11/1/10	ANS Group PLC	Alpha Business Computers	7.8	NA
10/31/10	Backupify, Inc.	Tw eetBackup	NA	NA
10/29/10	Facebook, Inc.	Drop.io, Inc.	20.0	NA
10/29/10	Gladstone Inv. Corp.; Madison Parker Capital	Venya Solutions Inc.	NA	NA
10/27/10	Open Text Corp. (NasdaqGS:OTEX)	StreamServe, Inc.	71.0	1.4x

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Data Mgt & Infrastructure				
10/19/10	ZAO Peterstar	Priozersk House Netw orks	NA	NA
10/18/10	Software AG (XTRA:SOW)	Data Foundations, Inc.	NA	NA
10/8/10	Overland Storage Inc. (NasdaqGM:OVRL)	MaxiScale, Inc.	NA	NA
10/1/10	Kogent Corporation	The BI Builders	NA	NA
10/21/10	j2 Global Communications, Inc. (NasdaqGS:JCOM)	keepITsafe Data Solutions Ltd.	NA	NA
Security				
12/23/10	Investors	Anonymizer, Inc.	NA	NA
12/15/10	Tectia Oyj (HLSE:TEC1V)	Siltanet Oy	1.1	NA
12/14/10	Aruba Netw orks, Inc. (NasdaqGM:ARUN)	Amigopod Pty Ltd.	NA	NA
12/7/10	Cryptzone AB (OM:CZON B)	SE46 AB	0.4	NA
12/6/10	Investors	Lenovo Security Technologies (Beijing), Inc.	15.0	NA
11/29/10	Trend Micro Inc. (TSE:4704)	Mobile Armor, Inc.	NA	NA
11/11/10	Keniu Netw ork Technology (Beijing) Co., Ltd	Beijing Kingsoft Internet Security Software Co., Ltd.	NA	NA
11/9/10	AVG Technologies N.V.	DroidSecurity TLV	9.4	NA
11/4/10	Raytheon Co. (NYSE:RTN)	Trusted Computer Solutions	NA	NA
11/1/10	Webroot Software, Inc.	Prevx Limited	NA	NA
10/25/10	Asknet AG (XTRA:A5A)	Norman ASA	NA	NA
10/11/10	HID Global Corporation	ActivIdentity Corporation (NasdaqGM:ACTI)	161.3	1.5x
10/8/10	NitroSecurity, Inc.	OpenService, Inc.	NA	NA
10/5/10	Oracle Corp. (NasdaqGS:ORCL)	Passlogix, Inc.	42.0	NA
10/1/10	Equifax Inc. (NYSE:EFX)	Anakam, Inc.	NA	NA
Carrier Back Office				
12/10/10	Rentabilweb Group (ENXTBR:BIL)	Vidalia Telecom SAS	NA	NA
10/28/10	The Carlyle Group	Syniverse Holdings Inc. (NYSE:SVR)	2,710.9	4.6x
10/13/10	WideOrbit, Inc.	Video Communications, Inc.	NA	NA
10/12/10	TMT Ventures	Ezwim B.V.	NA	NA
10/8/10	Vodafone Global Enterprise Limited	Quickcomm Software Solutions, Inc.	NA	NA
10/7/10	Jingle Netw orks, Inc.	Beyond411	NA	NA
10/5/10	Chess Telecom Limited	Shaftesbury Systems Ltd	NA	NA

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Appendix – Software & Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Messaging & Conferencing				
12/21/10	Salesforce.com (NYSE:CRM)	Etacts Inc.	NA	NA
12/14/10	World of Avatar	FSMS	NA	NA
12/7/10	Siemens Enterprise Communications GmbH & Co. KG	FastView er GmbH & Co. KG	NA	NA
12/3/10	j2 Global Communications, Inc. (NasdaqGS:JCOM)	Protus IP Solutions, Inc.	212.1	3.0x
12/2/10	Investors	Quadrant Software, Inc.	NA	NA
12/1/10	AOL, Inc. (NYSE:AOL)	Unblaboratory, Inc.	NA	NA
12/1/10	Group Business Software AG (XTRA:INW)	Permessia Corporation	NA	NA
11/1/10	Gordano Ltd	Softalk Ltd.	NA	NA
10/25/10	Sebring Software, Inc. (OTCBB:SMXI)	SUMOTEXT, Inc.	1.0	NA
10/21/10	EasyLink Services International Corporation (NasdaqCM:ESIC)	Premiere Global Services (UK) Limited	6.5	NA
10/21/10	EasyLink Services Intl Corp (NasdaqCM:ESIC)	Xpedite Systems, Inc.	97.7	0.8x
10/20/10	AVM Software, Inc.	Videoconference LLC	NA	NA
10/19/10	AVM Software, Inc.	Camshare LLC	NA	NA
10/13/10	Markit Group Limited	The Depository Trust & Clearing Corp., Loan/SERV Messaging Portal	NA	NA
10/4/10	Community Entertainment Svenska AB (OM:CEAB)	PSA Easy Interaction AB	0.1	NA
VoIP & Voice Applications				
12/20/10	Investors	Zone-IP Ltd.	NA	NA
12/15/10	Amvensys Telecom Holdings, LLC	Intelliverse, Inc.	NA	NA
12/3/10	Google Inc. (NasdaqGS:GOOG)	Phonetic Arts Limited	NA	NA
12/2/10	Daisy Group plc (AIM:DAY)	Network Europe Group Limited	36.6	3.2x
11/30/10	Investors	Persay, Inc.	NA	NA
11/17/10	Imagination Technologies Group Plc (LSE:IMG)	HelloSoft, Inc.	47.1	25.5x
11/11/10	SAIC, Inc. (NYSE:SAI)	MediaMind, LLC and AppTek Partners, LLC	36.0	NA
11/8/10	Akio	App-line	NA	NA

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Video/Multimedia				
12/30/10	Digital Vision AB (OM:DV)	Image Systems AB	5.6	NA
12/22/10	Rovi Corporation (NasdaqGS:ROVI)	Sonic Solutions (NasdaqGS:SNIC)	698.1	6.2x
12/16/10	Stereo Vision Entertainment, Inc. (OTCPK:SVSN)	Rez-N-8 Productions, Inc.	1.1	NA
12/14/10	Imagination Technologies Group Plc (LSE:IMG)	Caustic Graphics, Inc.	27.0	NM
12/3/10	ITT Corporation Geospatial Systems	EchoStorm Worldwide, LLC	NA	NA
12/3/10	Google Inc. (NasdaqGS:GOOG)	Widevine Technologies, Inc.	NA	NA
12/2/10	Smarttv SA	Media Technologies S.A.	NA	NA
11/22/10	DigitalSmiths Corporation	Gotuit Media Corp.	NA	NA
11/19/10	VIZRT Ltd. (OB:VIZ)	LiberoVision AG	7.1	NA
11/18/10	Digital Domain Productions, Inc.	In-Three, Inc.	NA	NA
11/8/10	Undertone Networks, Inc.	Jambo Media LLC	NA	NA
11/4/10	Pace plc (LSE:PIC)	Latens Systems Limited	46.2	NA
11/3/10	HaiVision Systems, Inc.	CS Software Holdings, LLC	NA	NA
Connectivity & Mobility				
12/15/10	Stanley Black & Decker, Inc. (NYSE:SWK)	InfoLogix, Inc. (OTCPK:IFLG)	52.6	0.8x
12/13/10	Allied Technologies Ltd. (JSE:ALT)	Swist Technology Solutions (Pty) Ltd.	7.6	NA
12/2/10	Research In Motion Limited (TSX:RIM)	TAT The Astonishing Tribe AB	120.0	5.5x
12/1/10	Motorola Mobility Holdings, Inc. (NYSE:MMLWI)	4Home, Inc.	NA	NA
11/17/10	Aviation Industry Corporation of China	CoreTek Systems Inc.	NA	NA
11/9/10	Accenture plc (NYSE:ACN)	Beijing Genesis Interactive Technology Co. Ltd.	NA	NA
10/27/10	Intermec, Inc. (NYSE:IN)	GATC Inc.	NA	NA
10/25/10	Zenprise, Inc.	Sparus Software SAS	NA	NA
10/21/10	mBlox, Inc.	Mashmobile Sweden AB	NA	NA
10/19/10	Movie	CycleLogic	NA	NA

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Appendix – Software & Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Mobile & LBS Applications				
12/17/10	Mygistics Inc.	PTV America, Inc.	NA	NA
12/17/10	Investors	Mobiscience Co., Ltd.	0.0	NA
12/13/10	NAVTEQ Corporation	Trapster(R)	NA	NA
12/7/10	Nokia Corporation (HLSE:NOK1V)	Obopay Mobile Technology India Pvt. Ltd.	NA	NA
12/2/10	NuMobile, Inc. (OTCBB:NUBL)	Kruze Technologies, Ltd.	NA	NA
11/23/10	JiWire, Inc.	NearbyNow, Inc.	NA	NA
11/22/10	New s Corp. (NasdaqGS:NWSA)	Wireless Generation, Inc.	360.0	6.7x
11/19/10	Thoma Bravo, LLC	UPS Logistics Technologies	NA	NA
11/18/10	Expedia Inc. (NasdaqGS:EXPE)	Mobiata, LLC	NA	NA
11/9/10	Angoss Software Corp. (TSXV:ANC)	Hornby IT Group Ltd.	NA	NA
11/5/10	Novatel Wireless Inc. (NasdaqGS:NVTL)	Enfora, Inc.	70.5	1.2x
10/30/10	Biztegra Partners LLC	Outcome Labs LLC	NA	NA
10/29/10	RingGo Inc.	iControl Mobile Payment Solutions LLC	NA	NA
10/27/10	NeuStar, Inc. (NYSE:NSR)	Quova, Inc.	21.7	NA
10/19/10	eMinor, Inc.	Sound Around, Inc.	NA	NA
10/6/10	Identec Solutions AG	Satellite Telemetry (Aust) Pty Ltd.	NA	NA
10/5/10	Cellfish Media, LLC	Airborne Mobile Inc.	NA	NA
10/4/10	Ticketscript B.V.	Trinity Mobile Limited	NA	NA
10/4/10	Timico, Ltd.	Handheld PCs Ltd	NA	NA
10/1/10	Google Inc. (NasdaqGS:GOOG)	BlindType, Inc.	NA	NA
Mobile/Web Content & Games				
12/22/10	Salmat Ltd. (ASX:SLM)	Legion Interactive Pty Ltd. and C4 Communication Pty Ltd. and MessageNet Pty Ltd. and Returnity Pty Ltd.	91.0	NA
12/22/10	Jesta Capital Group	Fox Mobile Group, Inc.	NA	NA
12/17/10	LiveWire Mobile, Inc. (OTCPK:LWVR)	FoneStarz Media Limited	2.7	0.7x
12/16/10	AOL, Inc. (NYSE:AOL)	Pictela, Inc.	25.0	NA
12/16/10	DLD Ventures GmbH	sevenload GmbH	NA	NA
12/15/10	KDDI Corp. (TSE:9433)	KKBOX Inc.	59.6	NA
12/13/10	Association Liégeoise du Gaz	Tecteo Group	NA	NA

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Mobile/Web Content & Games				
12/6/10	Publishers Clearing House, Inc.	Funtank, LLC	NA	NA
12/6/10	VODone LIMITED (SEHK:82)	3guu.com	29.6	NA
12/2/10	Zynga, Inc.	New toy, Inc.	NA	NA
12/1/10	China Communication Investment Ltd.	China Cyber Port Co., Ltd.	18.0	NA
11/24/10	Motopia Limited (ASX:MOT)	2moro Mobile Pty Ltd.	2.5	NA
11/12/10	Eline Entertainment Group, Inc (OTCPK:EEGI)	Vu365.com	NA	NA
11/10/10	IK Investment Partners	EPIServer AB	NA	NA
11/4/10	Ubisoft Entertainment SA (ENXTPA:UBI)	Quazal Technologies, Inc.	NA	NA
11/3/10	Super Rad Corporation	Ooh Wee Media, Inc.	NA	NA
11/1/10	Global Crossing Ltd. (NasdaqGS:GLBC)	Genesis Networks, Inc.	27.0	NA
10/28/10	Digitika SAS	Jiwa SAS	NA	NA
10/22/10	Kabam, Inc.	WonderHill, Inc.	NA	NA
10/20/10	Aksia Group SGR S.p.A.; Wise SGR S.p.A.	EidosMedia S.p.A.	118.8	5.2x
10/19/10	Electronic Arts Inc. (NasdaqGS:ERTS)	Chillingo Ltd.	20.0	NA
10/18/10	FremantleMedia Ventures	Ludia, Inc.	NA	NA
10/17/10	Left Behind Games Inc. (OTCBB:LFBG)	Cloud 9 Games, Inc.	NA	NA
10/13/10	Atrinsic, Inc. (NasdaqGM:ATRNI)	KaZaA BV	3.0	NA
10/12/10	BroadSoft, Inc. (NasdaqGM:BSFT)	Casabi, Inc.	2.0	NA
10/12/10	Qbrick AB	Arkena A/S	NA	NA
10/10/10	simfy GmbH	Grassroot Media GmbH	NA	NA
10/10/10	BOKU, Inc.	Laika Mobile Media Ltd.	NA	NA
10/8/10	Verivue, Inc.	CoBlitz, LLC	NA	NA
10/5/10	Onmobile Global Limited (BSE:532944)	Dilithium Inc.	NA	NA

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Appendix – Software & Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Portals & Social Networks				
12/30/10	WPP Digital	Blue State Digital, LLC	NA	NA
12/22/10	Investors	Zealous Interactive, Inc.	NA	NA
12/21/10	Trulia, Inc.	Movity.com	NA	NA
12/17/10	Ringier Axel Springer Media AG	Azet.sk, a.s.	NA	NA
12/16/10	Fanhattan	The Open Movie Database	NA	NA
12/13/10	Drimki	Refleximmo.com	NA	NA
12/13/10	Meredith Corp. (NYSE:MDP)	Real Girls Media Network, Inc.	NA	NA
12/13/10	Philadelphia Magazine, Inc.	Foobooz	NA	NA
12/12/10	NetAmbit Infosource and E Services Pvt. Ltd.	Rupeetalk Financial services Private Limited	NA	NA
12/8/10	Chegg, Inc.	Cramster, Inc.	NA	NA
12/6/10	ProSiebenSat.1 Media AG (XTRA:PSM)	maxdome GmbH & Co. KG	NA	NA
12/3/10	Tigress Management Ltd.	GrandeVegasAffiliates.com and GRANDE VEGAS Casino	NA	NA
12/3/10	Net Communities Ltd.	IT Reviews	NA	NA
12/1/10	Groupon, Inc.	Ludic Labs, Inc.	NA	NA
12/1/10	Internet Brands, Inc. (NasdaqGS:INET)	AllLaw.com, Inc., AllLaw.com and AttorneyLocate.com	NA	NA
12/1/10	Allegro Group	Net Entertainment Group, prodavalnik.com	NA	NA
11/30/10	Net Entertainment Group	User Media Ltd. and Kefche AD	NA	NA
11/30/10	AOL, Inc. (NYSE:AOL)	About.me, Inc.	NA	NA
11/22/10	Printo Document Services Pvt. Ltd.	Lifeblob LLC	NA	NA
11/22/10	markt.de GmbH & Co.KG	anounz GmbH	NA	NA
11/22/10	IReviews, Inc.	NetbookReviews.com	NA	NA
11/17/10	Oodle, Inc.	iGroup Network, Inc.	NA	NA
11/17/10	Federated Media Publishing, Inc.	Pricing Dynamics, Inc.	NA	NA
11/17/10	Monster Offers (OTCBB:MONT)	DrHealthShare	NA	NA
11/16/10	Mediabistro.com, Inc.	Vault, Inc., TVSpy.com	NA	NA
11/16/10	Brand Affinity Technologies, Inc.	Fantapper, Inc.	NA	NA
11/11/10	Punchbowl Software, Inc.	Socializr, Inc.	NA	NA
11/10/10	Investors	Green Energy TV	NA	NA

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Portals & Social Networks				
11/10/10	Axel Springer AG (DB:SPR); The India Today Group	Automotive Exchange Private Limited	NA	NA
11/9/10	Sportsblogs, Inc.	Sports Radio Interviews	NA	NA
11/9/10	Hutton Broadcasting LLC	Santafe.com	NA	NA
11/9/10	Axel Springer AG (DB:SPR)	Sohomint GmbH	NA	NA
11/8/10	Investors	MedBioWeb Corp.	2.0	NA
11/8/10	Nextag, Inc.	NextCoupons.com	NA	NA
11/4/10	UpTake Networks, Inc.	RealTravel, Inc.	NA	NA
11/3/10	Federated Media Publishing, Inc.	BigTent Design, Inc.	NA	NA
11/1/10	Telegraaf Media Groep (ENXTAM:TMG)	Startphone Limited	NA	NA
11/1/10	AtomicOnline, LLC	LiveOutdoors Media	NA	NA
10/28/10	Gutefrage.net GmbH	globalzoo	NA	NA
10/27/10	Kaching Kaching, Inc. (OTCBB:KCKC)	Shop to Earth Inc.	NA	NA
10/20/10	Elika Associates, Inc.	CityCribbs.com	NA	NA
10/19/10	Mindworks Global Media Services Pvt. Ltd.	DanceWithShadows	NA	NA
10/19/10	TechTarget, Inc. (NasdaqGM:TTGT)	Westwick-Farrow Media, SearchSecurity.com.au, SearchStorage.com.au and SearchCIO.com.au	NA	NA
10/18/10	Fox Sports Interactive Media, LLC	Yardbarker, Inc.	NA	NA
10/17/10	Flight Centre Ltd. (ASX:FLT)	The Gap Year Company Limited	NA	NA
10/14/10	Moneysupermarket.com Group PLC (LSE:MONY)	Financial Services Net Limited	14.4	NA
10/13/10	Qualcomm Innovation Center, Inc.	iSkoot, Inc.	NA	NA
10/13/10	TechTarget, Inc. (NasdaqGM:TTGT)	Keji Wangtuo Information Technology Company Ltd.	NA	NA
10/13/10	Trinity Mirror plc (LSE:TNI)	fish4 trading Limited	NA	NA
10/12/10	Dena Co. Ltd. (TSE:2432)	ngmoco, Inc.	400.0	13.3x
10/12/10	RedBrick Health Corporation	Social Kinetics Corporation	NA	NA
10/11/10	Bisnode Business Information Group AB	Yritystele Oy	1.4	0.3x
10/7/10	Snapfinger	LiveOnTheGo.com	NA	NA
10/6/10	Beyond.com, Inc.	Orbius, Inc.	NA	NA
10/6/10	Avecra, Inc.	NFi Studios, Inc.	NA	NA
10/5/10	Used Cars NI Ltd.	Find14u.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 – Software & Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Portals & Social Networks				
10/5/10	WebMediaBrands Inc (NasdaqGS:WEBM)	10000Words.net	NA	NA
10/4/10	Afisha Indastriz ZAO; Rambler Media Ltd.	KP Media, afisha.ua	NA	NA
10/2/10	Motor Presse Stuttgart GmbH & Co. KG	1000PS Internet GmbH	NA	NA
10/1/10	Camelot Castle Hotel Ltd.	Stonehenge	NA	NA
10/1/10	Microsoft Corporation (NasdaqGS:MSFT)	Vivaty, Inc.	NA	NA
Search & Marketing Services				
12/16/10	Tribune Media Services, Inc.	CastTV, Inc.	NA	NA
12/15/10	Group NBT plc (AIM:NBT)	INDOM SA	22.6	2.6x
12/14/10	R.R. Donnelley & Sons Company (NasdaqGS:RRD)	Nimblefish Technologies, Inc.	NA	NA
12/6/10	Mansell Group, Inc.	WhatCounts, Inc.	NA	NA
12/6/10	Plebicom SA	Maline SAS, Cashstore.fr	NA	NA
12/6/10	Web4Africa Ltd.	Nairahost Ltd.	NA	NA
12/2/10	Marvasol, Inc.	Xmarks, Inc.	NA	NA
12/2/10	eBay Inc. (NasdaqGS:EBAY)	Milo.com, Inc.	75.0	NA
11/11/10	Oversee.net	ShopWiki Corp.	NA	NA
11/9/10	Tapjoy Inc.	Appstrip.com	NA	NA
11/1/10	Transcontinental Inc. (TSX:TCL.A)	Vortxt Interactive, Inc.	NA	NA
11/1/10	Rubicon Project, Inc.	FOX Audience Network, Inc.	NA	NA
11/1/10	Dachis Corporation, Inc.	Stuzo Inc.	NA	NA
10/25/10	Subaye, Inc. (NasdaqGM:SBAY)	Metro Fame Properties Limited, aixi.net	15.9	NA
10/20/10	Investors	Bew eb Regie SA	NA	NA
10/18/10	MarkMonitor, Inc.	DtecNet Software ApS	NA	NA
10/18/10	Operative, Inc.	Solbright, Inc.	NA	NA
10/18/10	Specific Media, Inc.	Broadband Enterprises, Inc.	NA	NA
10/7/10	The Weather Lottery plc (AIM:TWL)	Clicknow Holdings Limited	0.1	NA
10/5/10	Questback AS	Digium Oy	NA	NA
10/1/10	Velti Plc (AIM:VEL)	Mobclix, INC.	50.0	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	210	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	148	46	31%	\$4,230	\$5	1.2x	18	42.5%	60.3%	50.4%	6
Q4 '09	Software & Services	195	64	33%	\$2,980	\$10	2.3x	20	81.0%	75.0%	79.4%	6
Q1 '10	Software & Services	222	56	25%	\$2,283	\$14	4.5x	19	(32.9)%	(30.4)%	(25.7)%	2
Q2 '10	Software & Services	192	50	26%	\$11,846	\$22	3.2x	23	27.5%	20.7%	19.1%	11
Q3 '10	Software & Services	240	85	35%	\$19,511	\$30	4.1x	34	23.9%	17.8%	27.4%	11
Q4 '10	Software & Services	232	58	25%	\$8,464	\$26	1.5x	21	30.3%	32.4%	51.9%	7
Total	Software & Services	3103	1066	34%	\$127,417	\$12	2.6x	346	28.9%	32.4%	44.5%	110
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	7	2	29%	\$262	\$131	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	7	3	43%	\$2,242	\$91	0.9x	2	7.0%	2.8%	2.4%	2
Total	Network & Systems Mgt	112	38	34%	\$4,680	\$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	17	6	35%	\$253	\$20	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	4	33%	\$7,033	\$161	2.1x	3	32.2%	40.6%	39.1%	3
Q3 '10	Data Mgt & Infrastructure	21	7	33%	\$4,667	\$203	4.4x	6	21.1%	27.0%	66.7%	2
Q4 '10	Data Mgt & Infrastructure	25	7	28%	\$447	\$32	0.9x	3	106.3%	135.7%	120.0%	1
Total	Data Mgt & Infrastructure	262	90	34%	\$33,654	\$33	2.7x	40	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	1	8%	\$14	\$14	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	8	42%	\$10,315	\$233	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
Total	Security	220	85	39%	\$18,668	\$17	2.4x	33	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
Total	Carrier Back Office	120	58	48%	\$5,983	\$8	1.6x	26	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	15	4	27%	\$316	\$52	1.9x	2	NA	NA	NA	0
Total	Messaging & Conferencing	253	108	43%	\$7,873	\$9	3.4x	29	17.4%	14.7%	5.4%	10

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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	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
Total	VoIP & Voice Apps	135	47	35%	\$1,589	\$11	3.1x	20	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	13	6	46%	\$785	\$17	6.2x	1	24.3%	31.6%	52.9%	1
Total	Video/Multimedia	211	90	43%	\$4,415	\$9	3.4x	30	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
Total	Connectivity & Mobility	122	45	37%	\$2,631	\$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	15	5	33%	\$39	\$0	0.7x	2	42.5%	62.4%	45.0%	1
Q4 '09	Mobile & LBS Applications	23	7	30%	\$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	20	4	20%	\$452	\$46	3.9x	2	NA	NA	NA	0
Total	Mobile & LBS Applications	339	125	37%	\$16,474	\$7	1.3x	41	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. 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	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
Total	Mobile/Web Content & Games	249	90	36%	\$3,848	\$12	1.8x	32	40.9%	49.7%	42.2%	8
Q1 '07	Portals & Social Networks	47	16	34%	\$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	56	14	25%	\$529	\$8	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	66	23	35%	\$2,045	\$30	4.8x	4	45.1%	25.2%	27.4%	1
Q4 '10	Portals & Social Networks	61	4	7%	\$418	\$8	6.8x	2	NA	NA	NA	0
Total	Portals & Social Networks	748	174	23%	\$10,402	\$7	4.4x	31	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	21	5	24%	\$164	\$23	2.6x	1	NA	NA	NA	0
Total	Search & Marketing Services	332	116	35%	\$17,199	\$17	2.8x	34	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 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
































 <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 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>  August 2004	 <i>has been acquired by</i>  \$122,500,000 April 2004	 <i>has been acquired by</i>  March 2004
 <i>has been acquired by</i>  August 2003	 <i>has been acquired by</i>  December 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	 Private Placement \$11,000,000 Placement Agent May 2000	 <i>has merged with</i>  \$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