

# **SagePoint Software & Services M&A Review for Q2 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

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- M&A transaction volume across SagePoint's entire ICIT Universe was up approximately 20% in Q2'10 versus Q2'09 but came in 10% below Q1'10 levels
  - Q2'10 deal volume of 349 still represents a fairly active quarter with activity accelerating late in Q2
  - Only the Semiconductors segment, up from 9 deals to 10 for the quarter, increased versus Q1
- M&A dollar volume across SagePoint's Software & Services Universe was \$11.8B in Q2, an increase of more nearly 450% versus Q1
  - Private dollar volume nearly doubled reaching its highest levels in over two years
  - Public dollar volume was driven by SAP's \$6.7B acquisition of Sybase, the largest M&A deal in over 2 years
- Software & Services M&A transaction volume fell 12% from Q1 but remains near 200 deals per quarter, approximately 40% above Q2'09 levels
  - Mobile/Web Content & Games transactions increased dramatically, more than doubling the prior quarter volume and reaching a new peak
  - Portals & Social Networks and Search & Marketing Services deal volume decreased although Portals & Social Networks remains the most active segment
- Despite the drop in overall deal volume, eight \$100M+ private deals were announced in Q1, continuing the trend of large private deals
  - Median private deal size fell slightly but remains near historic highs
  - Median private M&A revenue multiples fell from Q1 highs, but remain strong at 3.6x which is near their three year peak

## SagePoint's Viewpoint - Key Takeaways Continued

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- Public deal volume surged to double digits for the first time in three years and there were three \$250M+ deals for the first time since Q1'08
  - The median public deal value is up significantly despite nearly half of deals at sub \$25M values
  - Public M&A revenue multiples increased, but remain conservative at just 2x
- The most active Software & Services buyers over the last 24 months include Google, Nokia, Nuance, Playdom, NTT, EMC and CrowdGather
- Notable Q4 M&A transactions include:
  - SAP's acquisition of Sybase (\$6.7B)
  - Symantec's acquisition of Verisign Authentication (\$1.3B)
  - Thoma Bravo and Teachers' Private Capital acquisition of SonicWALL (\$720M)
  - Apax's acquisition of Sophos (\$580M)
  - Sonic Solutions acquisition of DivX (\$328M)
  - Symantec's acquisition of PGP (\$300M)
  - Vision Solutions' acquisition of Double-Take (\$242M)
  - Apple's acquisition of Siri (\$200M)
  - Digital Sky's acquisition of ICQ (\$188M)
  - Dassault Systemes acquisition of Exalead (\$164M)
  - Salesforce.com's acquisition of Jigsaw Data (\$156M)
  - Web.com's acquisition of Register.com (\$135M)
  - Juniper Network's acquisition of Ankeena Networks (\$100M)

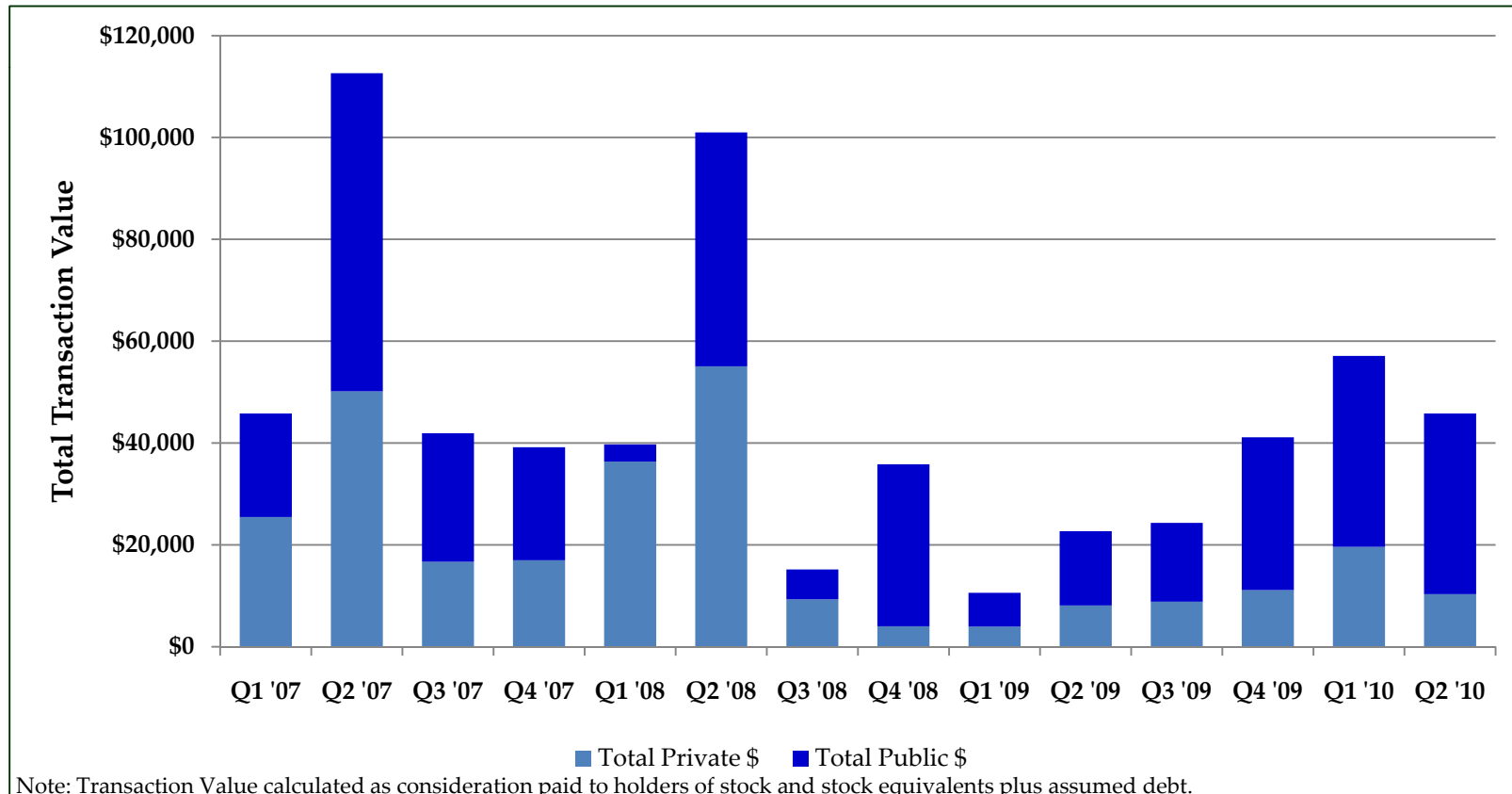
## SagePoint's Viewpoint - Key Takeaways Continued

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- SagePoint expects to see the M&A rebound to continue to gain strength in 2010
  - SagePoint expects to see a continuation of the trend towards larger M&A deals in H2'10
  - SagePoint expects private M&A revenue multiples to remain strong, though they will likely settle down towards 3.0x in the second half 2010
  - SagePoint expects public M&A multiples to rebound to mid-to-high 2s to reflect the rebound in the stock market and the willingness of buyers to entertain larger transactions

## M&A Dollar Volume – SagePoint ICIT Universe

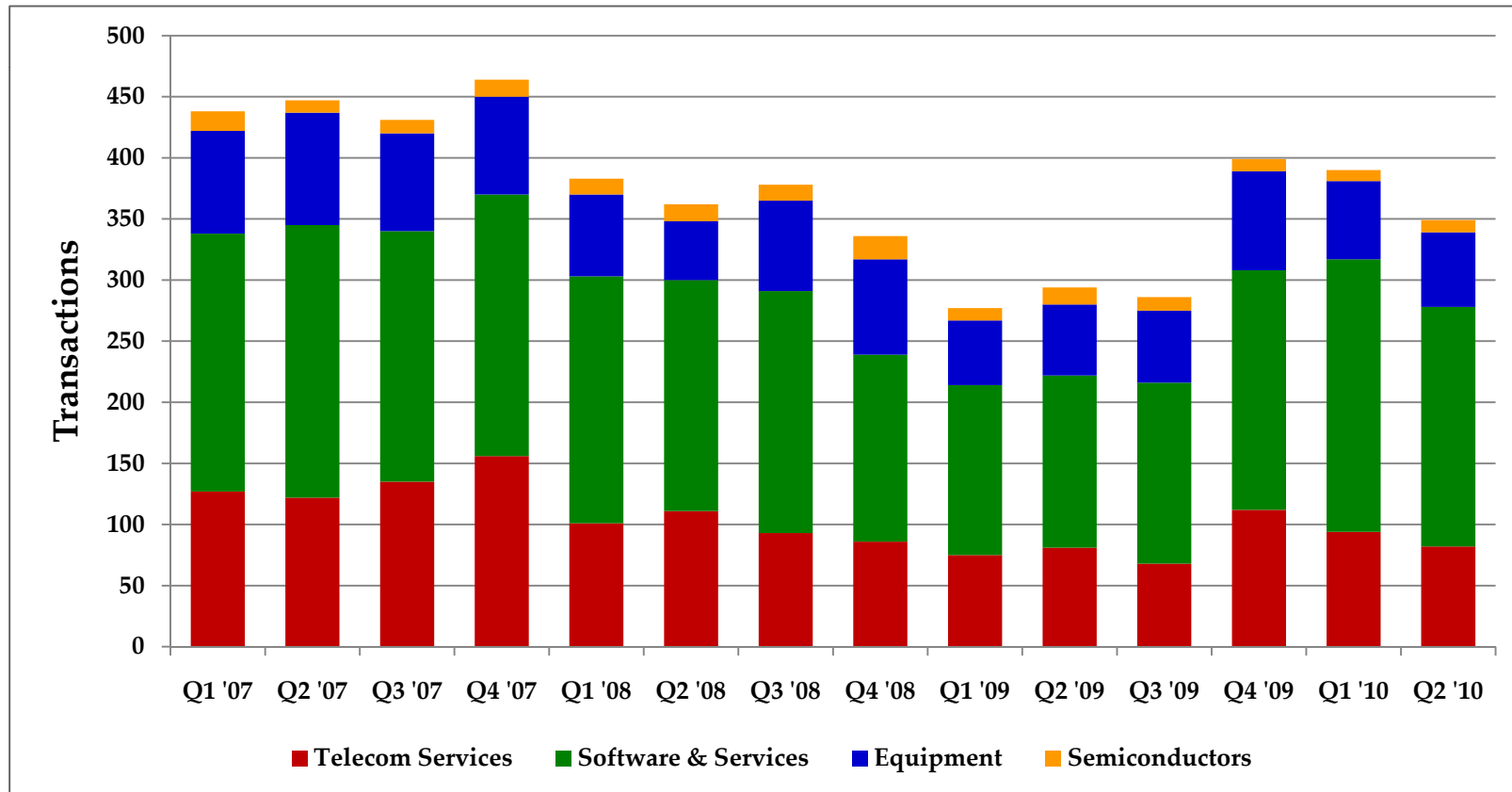
- M&A dollar volume across SagePoint 's entire Internet, Communications & IT Infrastructure (“ICIT”) universe fell in Q2'10 as CenturyLink's acquisition of Qwest was the only megamerger for the quarter as Telefonica's \$9B bid for the remainder of Brasilcel was rejected
  - CenturyLink's \$24B acquisition of Qwest represents more than half of total dollar volume
- M&A dollar volume was up significantly for Equipment and Software & Services with Semiconductors up as well
  - Q2 dollar volume for those three segments reached \$17.5B versus \$4.8B in the prior quarter



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

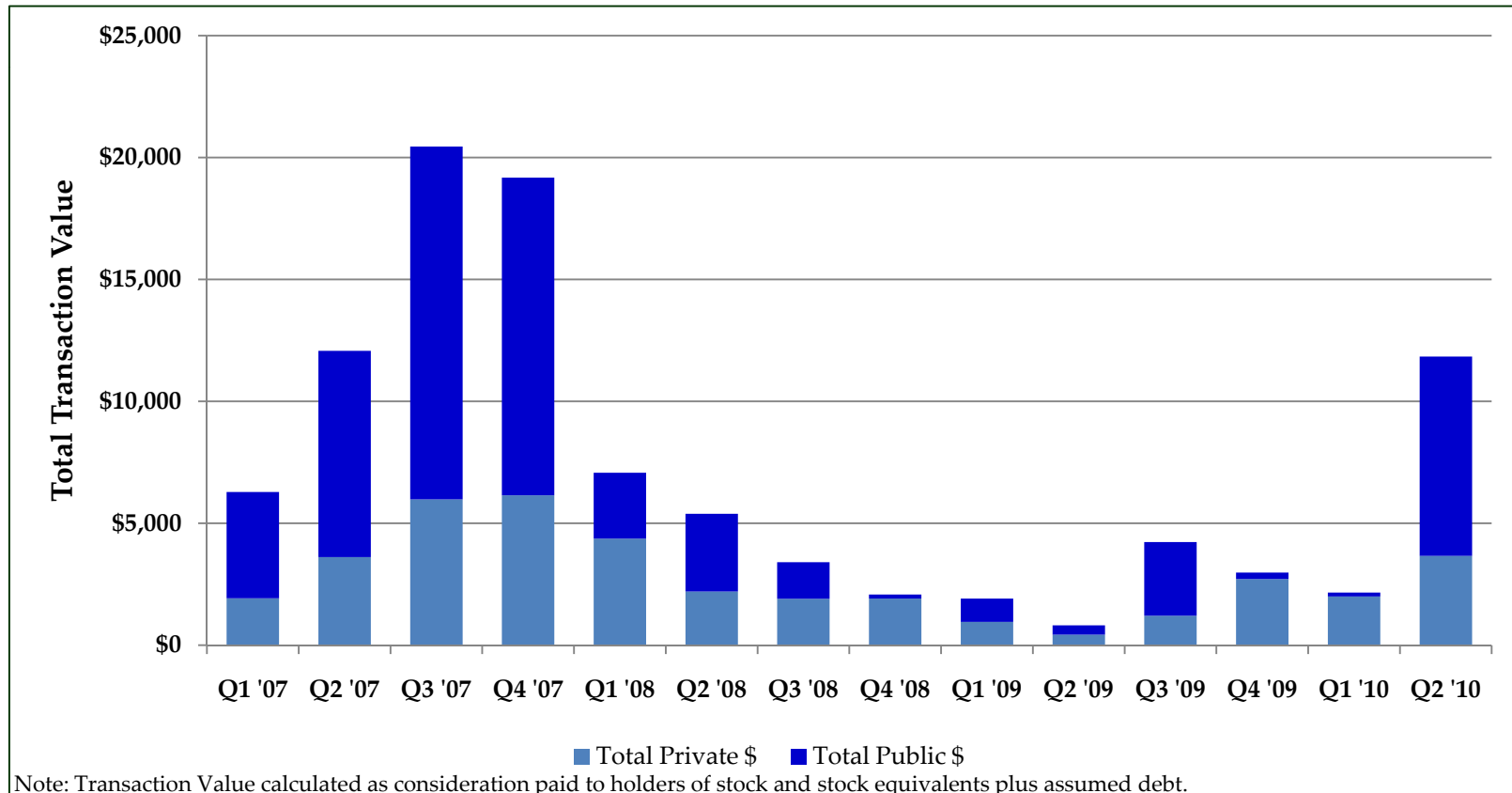
## M&A Transaction Volume – SagePoint ICIT Universe

- M&A transaction volume across SagePoint’s ICIT universe was up approximately 20% in Q2’10 versus Q2’09 but came in approximately 10% below Q1’10 levels
  - Though not as strong as the past two quarters, Q2’10 deal volume of 349 still represents a fairly active quarter and deal volume was increasing in the second half of the quarter
  - Only the Semiconductors segment, up from 9 deals to 10 for the quarter, increased versus Q1
- SagePoint expects M&A transaction volume to remain relatively robust through 2010 and 2011



## M&A Dollar Volume – SagePoint Software & Services Universe

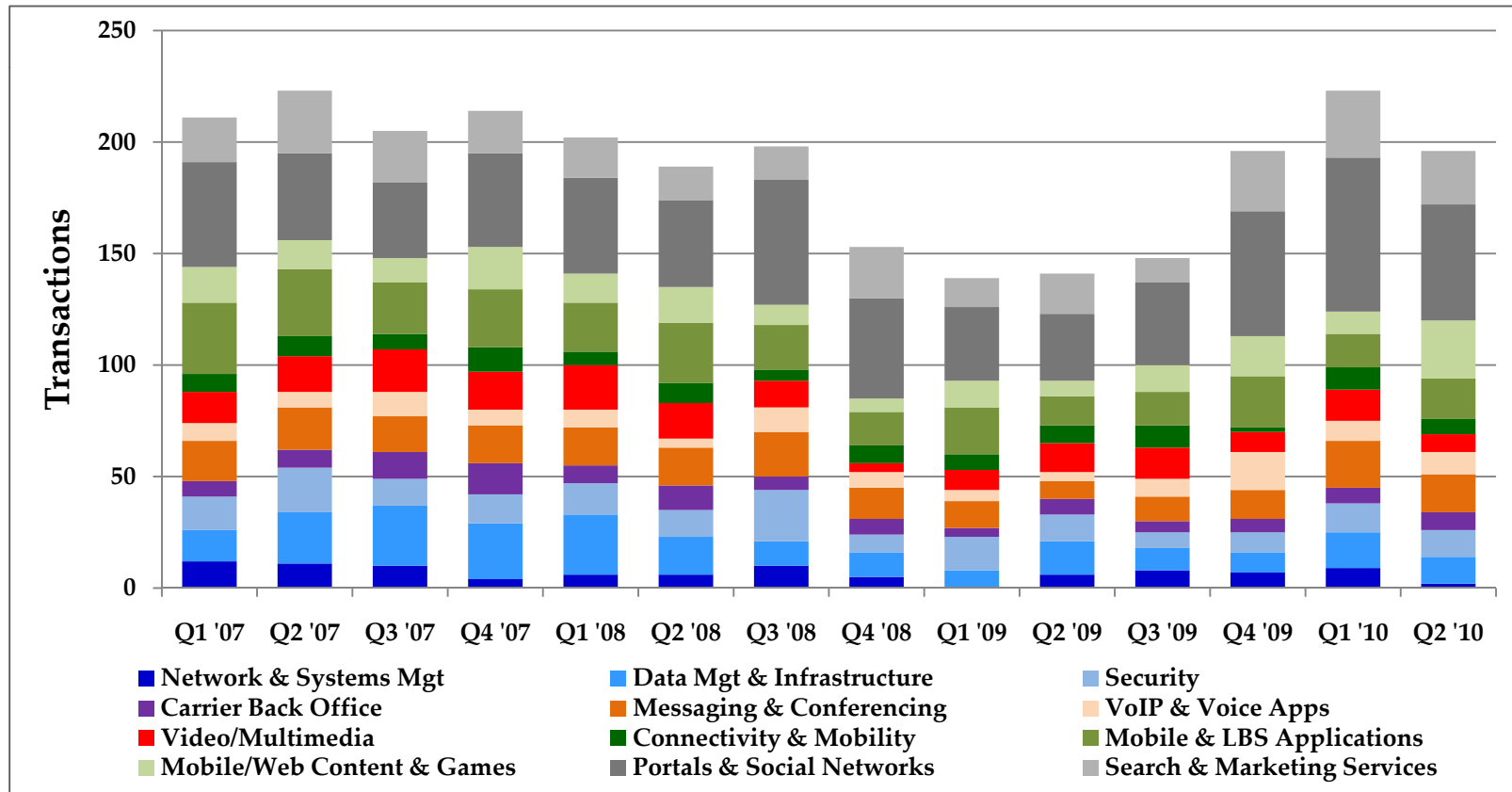
- M&A dollar volume across SagePoint’s Software & Services Universe was more \$11.8B in Q2, an increase of nearly 450% versus Q1
  - Private dollar volume nearly doubled reaching its highest levels in over two years
  - Public dollar volume driven by SAP’s \$6.7B acquisition of Sybase, the largest M&A deal in over 2 years
  - Q2 and Q3’ 07 peaks driven primarily by Microsoft/aQuantive (\$6B) and Nokia/Navteq (\$8B) deals
- SagePoint expects to continue to see larger public deal announcements throughout 2010





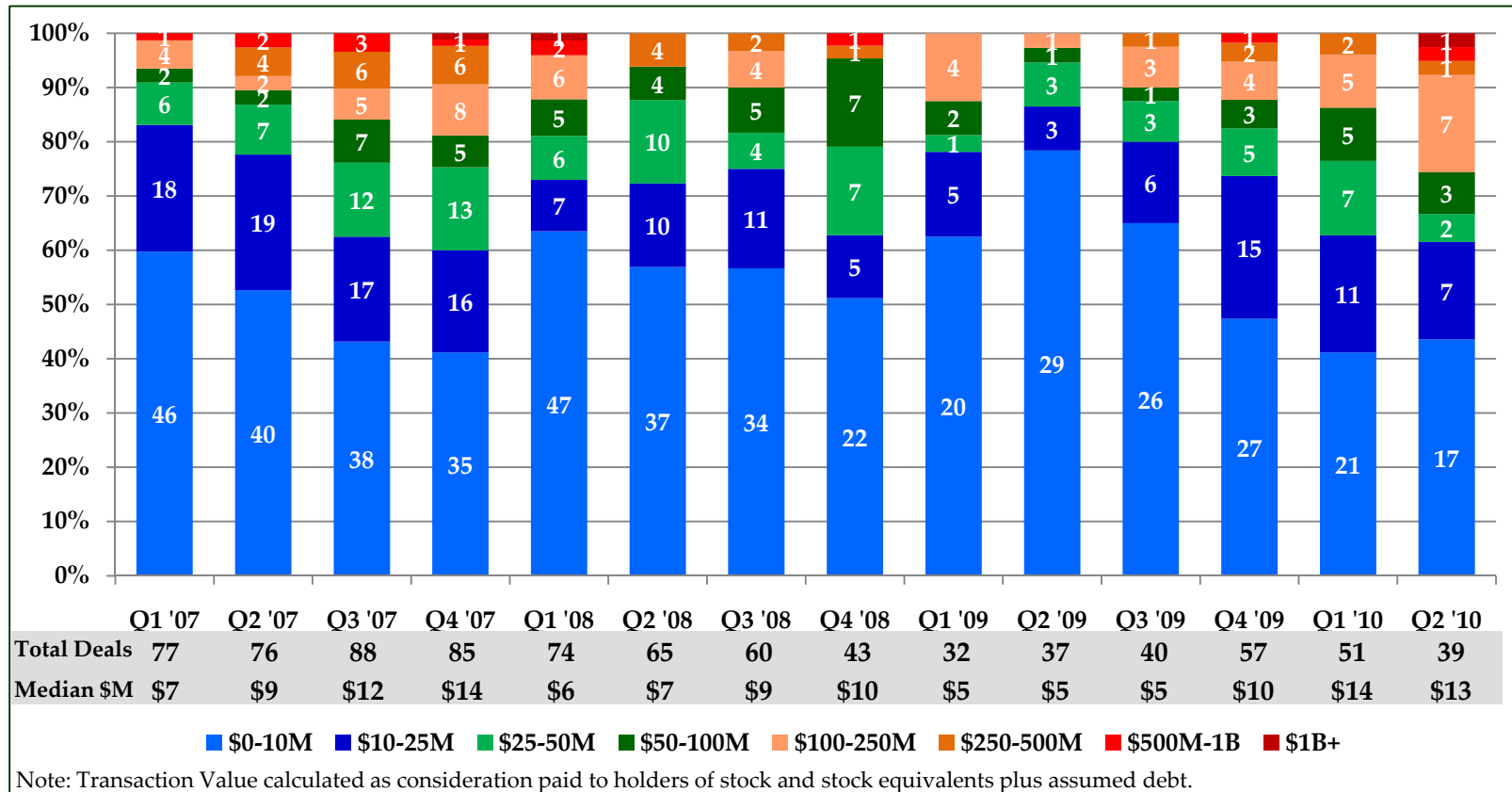
## M&A Transaction Volume – Software & Services by Segment

- Software & Services M&A transaction volume fell 12% from Q1 but remains near 200 deals per quarter, approximately 40% above Q2'09 levels
  - Mobile/Web Content & Games transactions increased dramatically, more than doubling the prior quarter volume and reaching a new peak
  - Portals & Social Networks and Search & Marketing Services deal volume decreased although Portals & Social Networks remains the most active segment



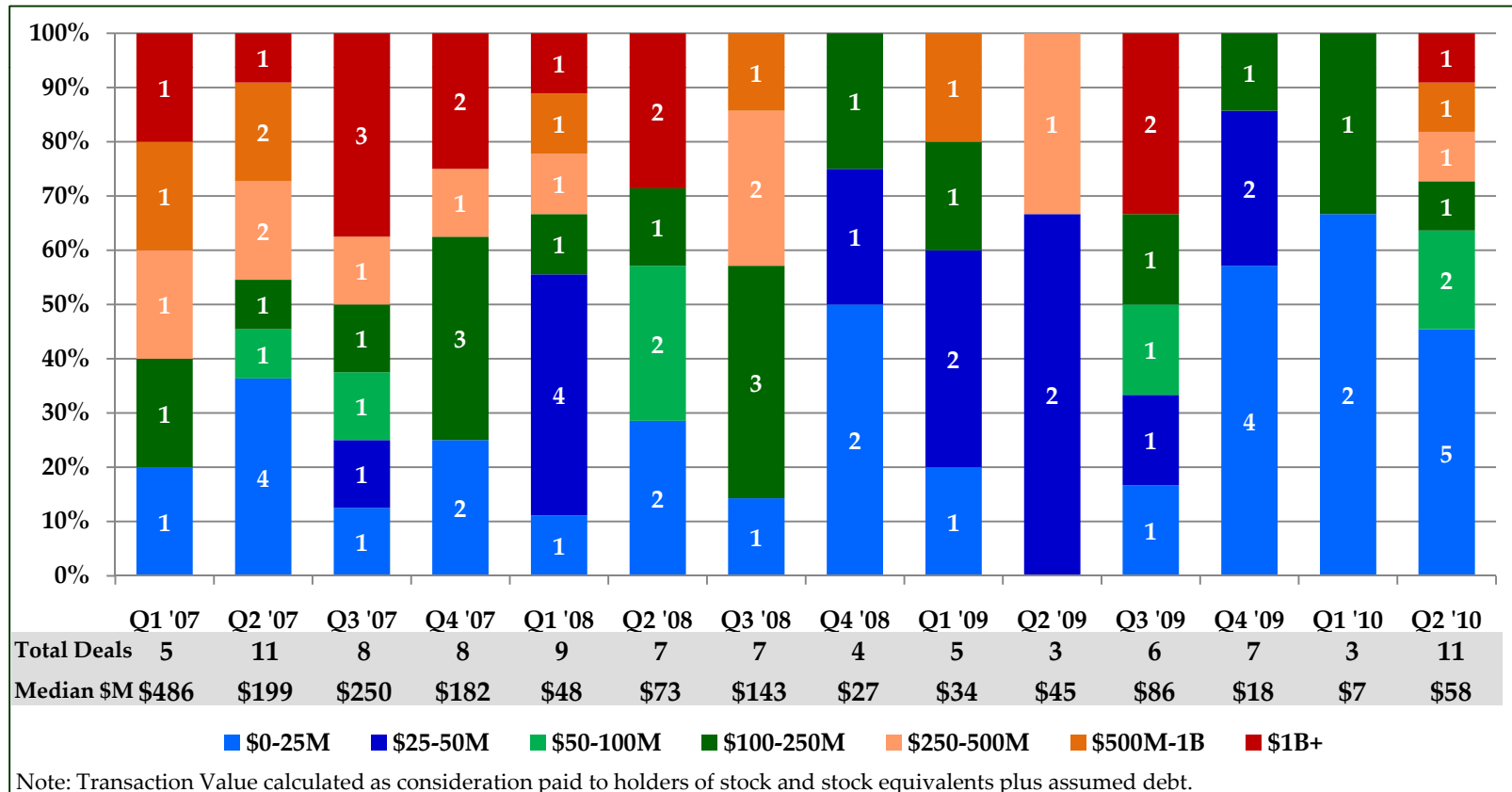
## M&A Transaction Volume by Deal Size – Private Targets

- Despite the drop in overall deal volume, eight \$100M+ private Software & Services deals were announced in Q1, continuing the trend of large private deals
  - Symantec/VeriSign Authentication (\$1,280M), Apax/Sophos (\$580M), Symantec/PGP (\$300M), Apple/Siri (\$200M), Digital Sky/ICQ (\$188M), Dessault/Exalead (\$164M), Salesforce/Jigsaw (\$156M), Web.com/Register.com (\$135M), Tekelec/Camiant (\$130M), Juniper/Ankeena (\$100M)
- Median private deal size fell slightly but remains near historic highs
  - However, ~60% of private deals were sub \$25M as distressed sales and early exits remain prevalent



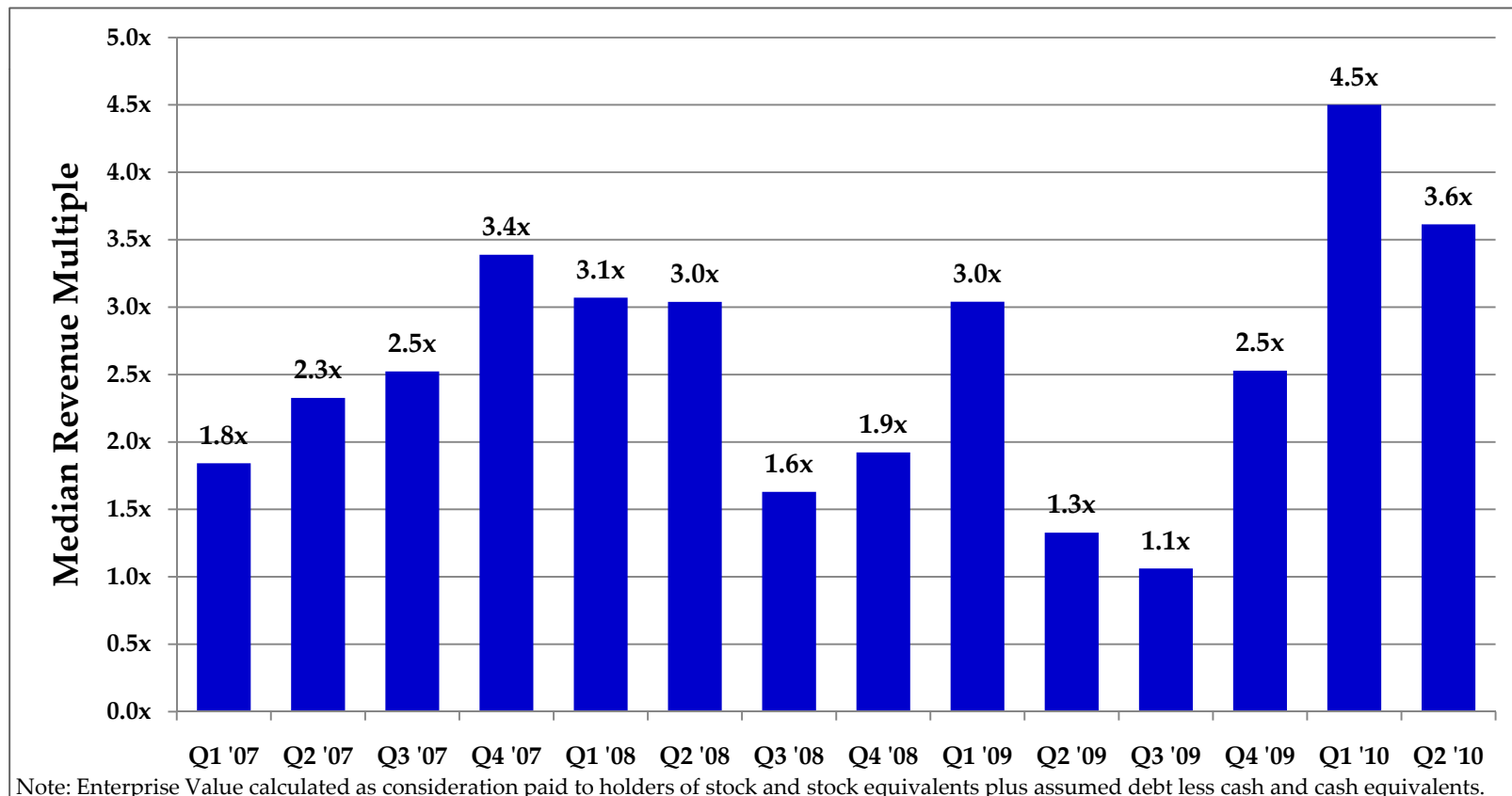
## M&A Transaction Volume by Deal Size – Public Targets

- Public Software & Services deal volume surged to double digits for the first time in three years and there were three \$250M+ deals for the first time since Q1'08
  - SAP/Sybase (\$6.7B), Sonic Solutions/DivX (\$328M), Vision Solutions/Double-Take (\$242M)
  - The median public deal value is up significantly despite nearly half of deals at sub \$25M values
- SagePoint expects to see additional large public deals in the remainder of 2010 as the M&A rebound continues



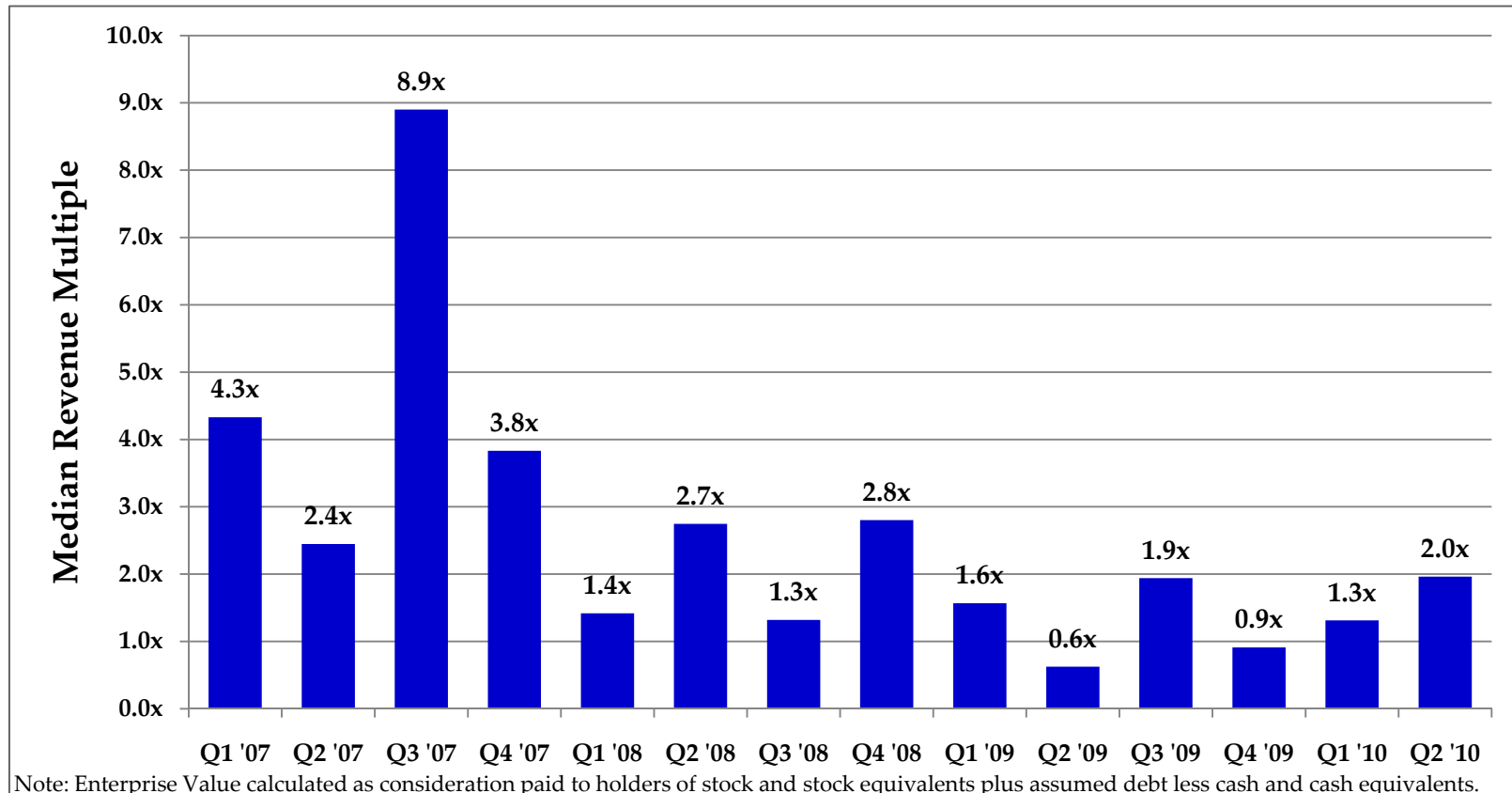
## M&A Revenue Multiples – Private Software & Services Targets

- Private M&A revenue multiples fell from Q1 highs, but remain at some of their highest levels in the past three years
  - More than half of the deals with revenue multiples were in the 3-4x range
  - Sizable deals with premium multiples were Dassault/Exalead (8.5x) and Salesforce/Jigsaw (7.8x)
- SagePoint expects private M&A revenue multiples to remain strong, though they will likely settle down towards 3.0x in the second half 2010










## M&A Revenue Multiples – Public Software & Services Targets

- Public M&A revenue multiples increased significantly, but remain conservative at just 2x
  - Several small, struggling vendors were taken out at less than 1x
  - Google/Global IP (4.9x) and SAP/Sybase (4.5x) were the only premium public deal multiples
  - Q3'07 peak driven by Nokia/Navteq (10.0x), HP/Opware (15.1x) and Holtzbrink/Abacho (9.8x)
- SagePoint expects public M&A multiples to rebound to mid-to-high 2s in H2'10 to reflect the rebound in the stock market and the willingness of buyers to entertain larger transactions







## Most Active Software & Services Buyers – Last 2 Years

| Company   | # of Deals |      | Communications Software & Services Transactions   |  |
|---|------------|------|---|--|
|   | SW/Svc     | Comm |   |  |
|    | 14         | 15   | 6/2/10 - Invite Media, Inc. - NA<br>5/21/10 - Ruba, Inc. - NA<br>5/19/10 - Simplify Media, Inc. - NA<br>5/17/10 - Global IP Solutions (OB:GIPS) - \$68.0M<br>4/30/10 - Bump Technologies Inc. - NA<br>4/26/10 - LabPixies Ltd. - NA<br>4/20/10 - Agnilux, Inc. - NA<br>4/12/10 - Plink Search Ltd. - NA | 4/2/10 - Episodic Inc. - NA<br>2/17/10 - Nextmail Corp. - NA<br>2/11/10 - Aardvark - \$50.0M<br>11/9/09 - AdMob, Inc. - \$750M<br>11/9/09 - Gizmo5 Technologies, Inc. - NA<br>8/4/09 - On2 Technologies Inc. - \$109M<br>7/29/08 - Omnisio Inc. - NA |
|    | 7          | 7    | 3/26/10 - Novarra, Inc. - \$100.0M<br>9/28/09 - Dopplr - NA<br>9/14/09 - Acuity Mobile - NA<br>9/11/09 - Plum Ventures - NA   | 7/24/09 - cellity - NA<br>1/27/09 - bit-side - NA<br>9/30/08 - OZ Communications - NA  |
|    | 7          | 7    | 5/20/10 - ShapeWriter, Inc. - \$6.6M<br>2/12/10 - MacSpeech, Inc. - \$12.2M<br>12/29/09 - SpinVox, Ltd. - \$105M<br>7/14/09 - Jott Networks, Inc. - NA  | 2/26/09 - ZI Corp. - \$34.4M<br>9/26/08 - Philips Speech Recognition - \$96.4M<br>8/13/08 - SNAPin Software, Inc. - \$254M   |
|   | 6          | 6    | 6/24/10 - Hive7.com, Inc. - NA<br>5/18/10 - Acclaim Games, Inc. - NA<br>4/26/10 - Merscom, LLC - NA   | 3/31/10 - Three Melons SA - NA<br>3/3/10 - Offbeat Creations, Inc. - NA<br>11/12/09 - Trippert, Inc. and Green Patch, Inc. - NA  |
|  | 5          | 7    | 3/9/10 - X-Listing Co. Ltd. - \$10.3M<br>9/11/09 - net mobile AG (XTRA:N1M) - \$63.0M<br>3/25/09 - Digital Forest Inc. - \$24.8M  | 8/29/08 - MINICK Holding AG - NA<br>7/2/08 - Panasonic Mobile & System Eng. - NA   |
|  | 5          | 6    | 5/6/10 - GemStone Systems, Inc. - NA<br>4/13/10 - Rabbit Technologies Ltd. - NA<br>1/12/10 - Zimbra, Inc. - \$100.0M  | 5/4/09 - Hyperic, Inc. - NA<br>10/31/08 - Trango Virtual Processors SARL - \$63.6M   |
|  | 5          | 5    | 6/9/10 - Adisn, Inc. - \$7.8M<br>3/12/10 - FreeForums.org - \$1.2M<br>3/9/10 - Trade2Win Limited, NSider2.com - NA  | 7/28/09 - AdminFusion.com and MJHQ.com - NA<br>9/12/08 - Free Power Boards, Inc. - \$0.0M  |

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




## Q2 M&A Transaction Spotlight – Software & Services

| Acquiror   | Target  | Deal Rationale/Commentary  |
|--|---|--|
|   |  | <p>Sybase provides data management platforms for business applications, mobile enterprise applications and Sybase 365 which enables mobile information and mCommerce services.</p>   |
| <h3>Deal Summary</h3>  |   | <p>The Sybase acquisition delivers SAP cloud computing capability as well as application mobility. The mobile infrastructure business is likely where SAP sees the most value, particularly with Sybase Unwired where SAP would be able to mobilize a portion of its ERP apps.</p> |
| <p>Date: 4/20/10<br/>         Transaction Value: \$6,690M<br/>         % Sought: 100%<br/>         Consideration: Cash<br/> <small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p> |   | <p>However, just 30% of Sybase’s business comes from mobile products with 70% of revenue from database and analytics which SAP will run as a stand-alone business - there is little overlap with its ERP/BOBJ businesses and likely not much cost synergies to be had.</p>         |
| <h3>Valuation Metrics</h3>   |   | <p>At about 13x NTM EBITDA the deal price is in the historic range for \$1B+ software deals, but with the focus of the acquisition being mobile products they are certainly paying a high price when 70% of the business is in the competitive database and analytics market.</p>  |
| <p>LTM Revenue Multiple: 4.5x<br/>         LTM P/E Multiple: 32.7x<br/>         Premium to:<br/>           1 day prior: 42.9%<br/>           1 week prior: 40.6%<br/>           1 month prior: 39.1%</p>   |   |  |



| Acquiror  | Target  | Deal Rationale/Commentary   |
|---|---|---|
|  symantec.   |  | <p>VeriSign’s Authentication Services Business enables enterprises and Internet merchants to implement and operate secure networks and Websites that utilize Secure Socket Layer protocol providing secure transactions and user authentication.</p>  |
| <b>Deal Summary</b>   |   | <p>The deal expands Symantec’s reach into trust services and identity access management markets with very little overlap with existing Symantec offerings. VeriSign’s user authentication services could add solutions for identity theft and internet fraud to Norton while VeriSign’s website digital certificates for enterprises will bolster Symantec’s enterprise security offering. The deal brings bundling and cross-selling opportunities for both consumer and enterprise markets.</p> |
| <p>Date: 5/19/10<br/>           Transaction Value: \$1,280<br/>           % Sought: 100%<br/>           Consideration: Cash<br/> <small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p> |   | <p>Due to purchase accounting rules Symantec will need to write off a significant amount of revenue, but aside from that the deal is instantly accretive.</p>   |
| <b>Valuation Metrics</b>  |   |   |
| <p>LTM Revenue Multiple: 3.1x<br/>           LTM P/E Multiple: NA<br/>           Multiple on \$ Invested: NA</p>  |   |   |
| <b>Investors</b>  |   |   |
| <p>NA</p>   |   |   |







## Q2 M&A Transaction Spotlight – Software & Services

| Acquiror  | Target  | Deal Rationale/Commentary  |
|---|---|--|
| <br>  |  | <p>SonicWALL designs network security, secure remote access, Web and e-mail security, continuous data protection, and policy and management solutions deployed via appliance-based products as well as subscription services.</p>  |
| <h3>Deal Summary</h3>   |   | <p>SonicWALL has been stuck in a pattern of moderate revenue and earnings growth though recent results seemed to suggest the company had turned the corner with unit volumes and revenue accelerating. Still, the deal provides shareholders a fair price at around 10.8x FCF for '10. SonicWALL has traded at a slight discount to its peers, largely because of its reliance on SMB as its core customer base.</p> |
| <p>Date: 6/2/10<br/>         Transaction Value: \$720.3M<br/>         % Sought: 100%<br/>         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 sale provides the company with the opportunity to transform itself without the quarterly performance expectations of the investment community.</p>  |
| <h3>Valuation Metrics</h3>  |   |  |
| <p>LTM Revenue Multiple: 2.4x<br/>         LTM P/E Multiple: 40.3x</p> <p>Premium to:</p> <ul style="list-style-type: none"> <li>1 day prior: 31.9%</li> <li>1 week prior: 29.2%</li> <li>1 month prior: 12.1%</li> </ul>   |   |  |



## Q2 M&A Transaction Spotlight – Software & Services



| Acquiror   | Target  | Deal Rationale/Commentary   |
|--|---|---|
|   |  | <p>Sophos provides information technology security and control solutions for business, education, and government organizations worldwide. Its software and appliance solutions provide protection against viruses, malware, spyware, hackers, intrusions, unwanted applications, spam, and policy abuse.</p> <p>Sophos is the #3 security and data protection suite behind Symantec and McAfee and has been looking for ways to accelerate growth. The company has posted 19% annual growth in the past three years with \$260M in LTM revenue.</p> <p>Apax believes the security software space is an attractive investment area given the increasing threats and high barriers to entry with Sophos as a strong platform gaining market share.</p> <p>TA is selling its minority stake while Sophos' founders will remain as significant minority shareholders.</p> |
| <h3>Deal Summary</h3>  |   |   |
| <p>Date: 5/3/10<br/>           Transaction Value: \$580M<br/>           % Sought: 70%<br/>           Consideration: Cash</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p> |   |   |
| <h3>Valuation Metrics</h3>   |   |   |
| <p>LTM Revenue Multiple: 3.2x<br/>           LTM P/E Multiple: NA<br/>           Multiple on \$ Invested: NA</p>   |   |   |
| <h3>Investors</h3>   |   |   |
| <p>TA Associates, founders</p>   |   |   |



| Acquiror  | Target  | Deal Rationale/Commentary   |
|---|---|---|
|    |  | <p>DivX offers video codecs and the DivX Player application to enable users to compress, secure, distribute, and view digital video.</p> <p>The DivX codec is embedded in over 330M CE devices and is trying to move into the platform software space with its DivX TV offering. Sonic Solutions is a leader in platform software and needs to expand its CE relationships so the deal appears to make strategic sense.</p> <p>However, DivX has remained a niche DRM codec and has had difficulty penetrating Hollywood. Sonic may provide the comfort studios need to finally make premium content DivX DRM codec compatible, which would help drive penetration of the DivX codec.</p> <p>If Sonic is able to accomplish this, then the deal will surely be a winner, forming an end-to-end solution for internet-based delivery of premium video content to DTVs, STBs, digital media players, DVDs, PCs, mobile phones and PMPs.</p> |
| <h3>Deal Summary</h3>   |   |   |
| <p>Date: 6/1/10</p> <p>Transaction Value: \$328.1M</p> <p>% Sought: 100%</p> <p>Consideration: Stock/Cash</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p> |   |   |
| <h3>Valuation Metrics</h3>  |   |   |
| <p>LTM Revenue Multiple: 2.6x</p> <p>LTM P/E Multiple: 116.4x</p> <p>Premium to:</p> <ul style="list-style-type: none"> <li>1 day prior: 36.6%</li> <li>1 week prior: 43.3%</li> <li>1 month prior: 17.8%</li> </ul>                                      |   |   |

| Acquiror   | Target  | Deal Rationale/Commentary  |
|--|---|--|
|  symantec.  |  | <p>PGP Corporation provides email and data encryption software based on a unified key management and policy infrastructure.</p>  |
| <h3>Deal Summary</h3>  |   | <p>Symantec simultaneously announced the acquisition of GuardianEdge for \$70M, a provider of endpoint data protection, including port, device and file type control technologies.</p>   |
| <p>Date: 4/29/10<br/>           Transaction Value: \$300.0M<br/>           % Sought: 100%<br/>           Consideration: Cash<br/> <small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p> |   | <p>The acquisitions bring complementary products that help position Symantec to capitalize on the growing data encryption market opportunity. Symantec will integrate PGP and GuardianEdge into its centralized management platform to enhance its SaaS backup and recovery, compliance management and security offerings.</p> |
| <h3>Valuation Metrics</h3>   |   | <p>The comprehensive platform could help Symantec gain market share from single product vendors and better compete against McAfee.</p>   |
| <p>LTM Revenue Multiple: 4.0x<br/>           LTM P/E Multiple: NA<br/>           Multiple on \$ Invested: 5.8x</p>   |   |  |
| <h3>Investors</h3>   |   |  |
| <p>D. E. Shaw &amp; Co., Doll Capital Management, Intel Capital, Prism VentureWorks, SVB Capital, Venrock</p>  |   |  |



## Q2 M&A Transaction Spotlight – Software & Services

| Acquiror   | Target  | Deal Rationale/Commentary  |
|--|---|--|
|   |  | <p>Double-Take Software is a leading provider of recovery solutions for the rapidly growing Windows, Linux and Cloud Computing markets.</p>  |
| <h3>Deal Summary</h3>  |   | <p>Vision Solutions, the Thoma Bravo backed company built through the purchase of Vision Solutions from Idion combined with iTera and Lakeview, continues its growth through M&amp;A with the purchase of its partner, Double-Take.</p>      |
| <p>Date: 5/17/10<br/>         Transaction Value: \$242.2M<br/>         % Sought: 100%<br/>         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 acquisition will bring in house software for high availability clustering and data replication which Vision Solutions sells to IBM midrange shops.</p>  |
| <h3>Valuation Metrics</h3>   |   | <p>Vision Solutions paid a 21% premium to Double-Take's price on April 9 when the company first announced it was considering a takeover offer. The deal price of \$10.55 was below the \$11.00 share price many analysts were expecting.</p> |
| <p>LTM Revenue Multiple: 1.8x<br/>         LTM P/E Multiple: 17.3x</p> <p>Premium to:</p> <ul style="list-style-type: none"> <li>1 day prior: 9.2%</li> <li>1 week prior: 12.6%</li> <li>1 month prior: (3.4)%</li> </ul>  |   |  |



| Acquiror   | Target  | Deal Rationale/Commentary  |
|--|---|--|
|   |  | <p>Siri develops a mobile virtual personal assistant application for the iOS. The non-traditional search engine is focused on specific types of action-oriented searches and ties into dozens of services on the web to help the user accomplish a variety of actions such as calling a taxi, making a restaurant reservation or buying a movie ticket.</p>                        |
| <h3>Deal Summary</h3>  |   | <p>Self described as more of a do-engine than a search engine, the technology is well suited for fulfilling goal-based queries, plugging into a number of services and executing the action. Additionally, the mobile-friendly voice interface seeks to understand the user's intent using natural language processing and semantic systems.</p>                                   |
| <p>Date: 4/27/10<br/>         Transaction Value: \$200.0M<br/>         % Sought: 100%<br/>         Consideration: Cash<br/> <small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p> |   | <p>With only 250k downloads of the free app the rumored \$200M price tag seems high, but when paired with its Quattro Wireless mobile ad network the value makes more sense strategically for Apple as Siri helps deliver mobile search and the ability to serve ads and differentiate the iOS. Additionally, Apple likely did not want to risk losing another deal to Google.</p> |
| <h3>Valuation Metrics</h3>   |   |  |
| <p>LTM Revenue Multiple: NA<br/>         LTM P/E Multiple: NA<br/>         Multiple on \$ Invested: 8.3x</p>   |   |  |
| <h3>Investors</h3>   |   |  |
| <p>Li Ka Shing Foundation, Menlo Ventures, Morgenthaler, SRI International</p>   |   |  |



| Acquiror   | Target  | Deal Rationale/Commentary  |
|--|---|--|
|   |  | <p>ICQ offers instant messaging services. AOL purchased ICQ in '98 for \$287M plus \$120M in earn outs. Digital Sky Technologies is a Russia-based internet investor which owns a stake in Facebook and Zynga.</p> <p>ICQ's service has mostly been popular outside of the US in places where AOL doesn't have a big presence, particularly Russia, Germany, Czech Republic and Israel. ICQ has more than 32 million unique visitors per month.</p> <p>The deal marks another divestiture by AOL at a fraction of the original purchase price as the company continues to refocus their business. This quarter AOL also divested Bebo for an undisclosed amount after purchasing the social networking site for \$860M in '08.</p> |
| <h3>Deal Summary</h3>  |   |  |
| <p>Date: 4/28/10<br/>           Transaction Value: \$187.5M<br/>           % Sought: 100%<br/>           Consideration: Cash</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p> |   |  |
| <h3>Valuation Metrics</h3>   |   |  |
| <p>LTM Revenue Multiple: NA<br/>           LTM P/E Multiple: NA<br/>           Multiple on \$ Invested: 0.5x</p>   |   |  |
| <h3>Investors</h3>   |   |  |
| <p>AOL</p>   |   |  |





| Acquiror  | Target  | Deal Rationale/Commentary  |
|---|---|--|
|    |  | <p>Exalead provides software for enterprise and Web search markets. It provides information access software, including CloudView that automatically collects, structures, and contextualizes volumes of scattered unstructured and structured content. Exalead’s product provides advanced semantic processing and a unique scalability, agility and usability to target industries including banking, retail, publishing, business services, life sciences and consumer services.</p> |
| <b>Deal Summary</b>   |   | <p>Dassault hopes the combination of Exalead’s offering with Dassault’s 3D technology could represent the next generation of information technology, delivering intuitive search-based applications for collaborative communities.</p>   |
| <p>Date: 6/8/10<br/>         Transaction Value: \$163.5M<br/>         % Sought: 100%<br/>         Consideration: Cash<br/> <small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p> |   | <p>Dassault’s global presence will also help drive increased adoption of Exalead’s products.</p>   |
| <b>Valuation Metrics</b>  |   |  |
| <p>LTM Revenue Multiple: 8.5x<br/>         LTM P/E Multiple: NA<br/>         Multiple on \$ Invested: 3.3x</p>  |   |  |
| <b>Investors</b>  |   |  |
| <p>Qualis SCA</p>   |   |  |



| Acquiror   | Target  | Deal Rationale/Commentary  |
|--|---|--|
|   |  | <p>Jigsaw Data Corporation operates an online business directory that provides company information and business contacts. Jigsaw offers a searchable online database of companies and key employees, relying on crowd-sourcing to collect the data. With 1.2 million contributing members the company offers contact information on more than 21 million professionals from 4 million companies.</p> |
| <h3>Deal Summary</h3>  |   | <p>Jigsaw will help Salesforce customers more easily build their contact lists in Salesforce databases and expand the company's offering in the cloud-based services market.</p>   |
| <p>Date: 4/21/10<br/>         Transaction Value: \$156.2M<br/>         % Sought: 100%<br/>         Consideration: Cash<br/> <small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p> |   | <p>Salesforce also believes that the acquisition will create opportunities for developers to build new applications based on the business contact information found in Jigsaw as well as potentially partner with Dun &amp; Bradstreet, Hoover's and LexisNexis.</p>   |
| <h3>Valuation Metrics</h3>   |   |  |
| <p>LTM Revenue Multiple: 7.8x<br/>         LTM P/E Multiple: NA<br/>         Multiple on \$ Invested: 8.7x</p>   |   |  |
| <h3>Investors</h3>   |   |  |
| <p>Austin Ventures, El Dorado Ventures, Norwest Venture Partners</p>   |   |  |

| Acquiror  | Target  | Deal Rationale/Commentary   |
|---|---|---|
|    |  | <p>Ankeena Networks provides 3-screen new media delivery infrastructure solutions to online media publishers and aggregators, and CDNs and service providers to enable massive scale media delivery and reduced delivery costs.</p>   |
| <h3>Deal Summary</h3>   |   | <p>While a monetarily small deal, the acquisition helps Juniper's efforts to grow the application base for its Junos software platform and enhances Juniper's competitive position in the wireless video market. It is likely that Juniper will focus on further developing the wireless aspects as service provider spending in support of mobile broadband continues to accelerate.</p>   |
| <p>Date: 4/7/10<br/>         Transaction Value: \$100.0M<br/>         % Sought: 100%<br/>         Consideration: Cash<br/> <small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p> |   | <p>The acquisition should help Juniper execute on its content delivery strategy of enabling content providers and service operators to find additional network service revenue opportunities, such as subscriber-optimized video delivery and mobile data services. Ankeena's Media Flow Director can help efficiently handle multiple data formats, protocols and device types as well as adjust to changes in traffic patterns.</p> |
| <h3>Valuation Metrics</h3>  |   |   |
| <p>LTM Revenue Multiple: NA<br/>         LTM P/E Multiple: NA<br/>         Multiple on \$ Invested: 7.0x</p>  |   |   |
| <h3>Investors</h3>  |   |   |
| <p>Clearstone Venture Partners, Mayfield Fund, Trinity Ventures</p>   |   |   |

| Acquiror  | Target  | Deal Rationale/Commentary  |
|---|---|--|
|    | <br>GLOBAL IP SOLUTIONS<br><small>See the Difference. Hear the Difference.</small> | <p>Global IP Solutions develops IP voice and video processing software for real-time communications. GIPS technology is fairly easy to integrate into nearly any application and is currently deployed in over 800 million end-points. The software helps to deal with problems like packet loss, echo and delay. The company has 29 approved and pending patents and a customer base that includes Samsung, IBM, Cisco and Google itself.</p> <p>GIPS will likely bring some valuable IP for Google Voice as the company takes aim at Skype. Additionally, GIPS could be a differentiator for Google’s mobile platform, Android, improving its video capabilities.</p> <p>Considering the small price for GIPS and the strong potential strategic value, the deal appears to be a smart acquisition for Google.</p> |
| <h3>Deal Summary</h3>   |   |  |
| <p>Date: 5/17/10</p> <p>Transaction Value: \$68.0M</p> <p>% Sought: 100%</p> <p>Consideration: Cash</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p> |   |  |
| <h3>Valuation Metrics</h3>  |   |  |
| <p>LTM Revenue Multiple: 4.9x</p> <p>LTM P/E Multiple: NM</p> <p>Premium to:</p> <ul style="list-style-type: none"> <li>1 day prior: 27.5%</li> <li>1 week prior: 18.2%</li> <li>1 month prior: 20.4%</li> </ul>                                    |   |  |

## Q2 M&A Transaction Spotlight – Software & Services

| Acquiror  | Target  | Deal Rationale/Commentary  |
|---|---|--|
|    |  | <p>Melodeo offers mobile podcasting solutions. The company delivers music and other media via mobile phones and Web. The companies soon to be released nuTsie 3.0 promises to take your entire physical music library and copy it into the cloud, providing the user access to any song on demand, effectively unlocking the music collection and making it functional on several devices.</p> <p>HP is following the trend of its competitors as Microsoft's upcoming Windows Phone 7 streams music from a Zune library and Google announced the same functionality and bought Simplify Media to help. Similarly, Apple bought streaming music company Lala.</p> <p>It remains to be seen if HP will simply launch nuTsie 3.0 on all future HP/Palm products or try to build an entirely new HP music experience around it. Either way, the Melodeo acquisition will serve to enhance the WebOS proposition and HP seems to be making efforts to ensure its platform doesn't fall behind competitors.</p> |
| <h3>Deal Summary</h3>   |   |  |
| <p>Date: 6/23/10<br/>         Transaction Value: \$30.0M<br/>         % Sought: 100%<br/>         Consideration: Cash<br/> <small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p> |   |  |
| <h3>Valuation Metrics</h3>  |   |  |
| <p>LTM Revenue Multiple: NA<br/>         LTM P/E Multiple: NA<br/>         Multiple on \$ Invested: 1.5x</p>  |   |  |
| <h3>Investors</h3>  |   |  |
| <p>Ignition Partners, Voyager Capital</p>   |   |  |

## Appendix – Q2 Software & Services M&A Transactions

| Ann Date                                | Acquiror   | Target                                     | Transaction Value | Value / Revenue |
|---|--|--|-------------------|-----------------|
| <b>Network &amp; Systems Management</b> |  |  |                   |                 |
| 4/22/10                                 | MindTree Limited (BSE:532819)                    | Sevenstrata IT Services Private Limited    | 1.6               | NA              |
| 5/4/10                                  | Infoblox, Inc.                                   | Netcordia, Inc.                            | NA                | NA              |
| <b>Data Mgt &amp; Infrastructure</b>    |  |  |                   |                 |
| 4/7/10                                  | NetApp, Inc. (NasdaqGS:NTAP)                     | Bycast, Inc.                               | 80.0              | NA              |
| 4/20/10                                 | SAP America, Inc.                                | Sybase, Inc. (NYSE:SY)                     | 6,689.6           | 4.5x            |
| 4/21/10                                 | Allgeier Holding AG (XTRA:AEI)                   | BSR & Partner AG                           | NA                | NA              |
| 4/29/10                                 | -  | Vault USA, LLC                             | NA                | NA              |
| 5/3/10                                  | BackOffice Associates, LLC                       | HIT Software, Inc.                         | NA                | NA              |
| 5/3/10                                  | International Business Machines Corp. (NYSE:IBM) | Cast Iron Systems, Inc.                    | NA                | NA              |
| 5/6/10                                  | SpringSource, Inc.                               | GemStone Systems, Inc.                     | NA                | NA              |
| 5/17/10                                 | Vision Solutions, Inc.                           | Double-Take Software, Inc. (NasdaqGS:DBTK) | 242.2             | 1.8x            |
| 5/20/10                                 | Oracle Corp. (NasdaqGS:ORCL)                     | Secerno Ltd.                               | NA                | NA              |
| 5/26/10                                 | Teradata Corporation (NYSE:TDC)                  | xkoto, Inc.                                | NA                | NA              |
| 6/11/10                                 | Trend Micro Inc. (TSE:4704)                      | humyo.com Ltd.                             | NA                | NA              |
| 6/21/10                                 | Tibco Software Inc. (NasdaqGS:TIBX)              | Proginet Corp. (OTCBB:PRGF)                | 21.1              | 2.1x            |

| Ann Date                   | Acquiror  | Target  | Transaction Value | Value / Revenue |
|----------------------------|---|---|-------------------|-----------------|
| <b>Security</b>            |   |   |                   |                 |
| 4/1/10                     | VeriSign Inc. (NasdaqGS:VRSN)                           | TrustBearer Labs, LLC   | NA                | NA              |
| 4/7/10                     | Gemalto NV (ENXTPA:GTO)                                 | Todos AB  | NA                | NA              |
| 4/7/10                     | Absolute Software Corporation (TSX:ABT)                 | Phoenix Technologies Ltd., FailSafe and Freeze Anti-Theft Assets              | 6.9               | NA              |
| 4/29/10                    | Symantec Corporation (NasdaqGS:SYMC)                    | PGP Corporation   | 300.0             | 4.0x            |
| 4/29/10                    | Symantec Corporation (NasdaqGS:SYMC)                    | GuardianEdge Technologies, Inc.   | 70.0              | 3.9x            |
| 5/3/10                     | Apax Partners Worldwide LLP                             | Sophos Plc  | 580.0             | 3.2x            |
| 5/19/10                    | Symantec Corporation (NasdaqGS:SYMC)                    | VeriSign, Inc., Authentication Services Business                              | 1,280.0           | 3.1x            |
| 5/21/10                    | ESET, spol. s.r.o.                                      | Comdom Software S.R.O   | NA                | NA              |
| 5/25/10                    | Rubicon Project, Inc.                                   | SiteScout Corp.   | NA                | NA              |
| 6/2/10                     | Teachers' Private Capital; Thoma Bravo, LLC             | SonicWALL, Inc. (NasdaqGS:SNWL)   | 720.3             | 2.4x            |
| 6/9/10                     | Check Point Software Technologies Ltd. (NasdaqGS:CHKP)  | Liquid Machines, Inc.   | NA                | NA              |
| 6/22/10                    | TrustWave Holdings, Inc.                                | Breach Security, Inc.   | NA                | NA              |
| <b>Carrier Back Office</b> |   |   |                   |                 |
| 4/5/10                     | Asiainfo Technologies (Chengdu), Inc.                   | Hangzhou Zhongbo Software Technology Co. Limited                              | 7.0               | NA              |
| 5/5/10                     | Tekelec (NasdaqGS:TKLC)                                 | Camiant, Inc.   | 130.0             | 3.8x            |
| 6/1/10                     | Seat Pagine Gialle SpA (CM:PG)                          | Telegate Italia Srl   | NA                | NA              |
| 6/2/10                     | Mettoni Limited   | Telrex LLC  | NA                | NA              |
| 6/4/10                     | Visma ASA   | Invoicia Oy   | NA                | NA              |
| 6/8/10                     | TEOCO Corporation                                       | TTI Team Telecom International Ltd. (NasdaqGM:TTIL)                           | 57.9              | 0.8x            |
| 6/21/10                    | AllTele Allmänna Svenska Telefonaktiebolaget (OM:A TEL) | LandNCall AB  | 0.6               | NA              |
| 6/30/10                    | Tel.Pacific (ASX:TPC)                                   | Service Stream Ltd., Mobile Real Time Monitoring Intelligent Network Platform | 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 – Q2 Software & Services M&A Transactions

| Ann Date                            | Acquiror                                       | Target   | Transaction Value | Value / Revenue |
|-------------------------------------|--|--|-------------------|-----------------|
| <b>Messaging &amp; Conferencing</b> |  |  |                   |                 |
| 4/1/10                              | -  | 4D Interactive Ltd.                              | 22.4              | NA              |
| 4/1/10                              | j2 Global Communications, Inc. (NasdaqGS:JCOM) | mBox Pty. Ltd.                                   | NA                | NA              |
| 4/13/10                             | SpringSource, Inc.                             | Rabbit Technologies Ltd.                         | NA                | NA              |
| 4/23/10                             | Twitter, Inc.                                  | Cloudhopper Inc.                                 | NA                | NA              |
| 4/28/10                             | Digital Sky Technologies Limited               | ICQ LLC  | 187.5             | NA              |
| 4/30/10                             | Opera Software ASA (OB:OPERA)                  | The FastMail Partnership                         | NA                | NA              |
| 5/4/10                              | Transcontinental Inc. (TSX:TCL.A)              | LIPSO Systems, Inc.                              | NA                | NA              |
| 5/7/10                              | Teambox  | Talker   | 0.3               | NA              |
| 5/11/10                             | I.R. Gilyeat & Company LLC                     | ExactTarget, Inc., ExactTarget Messaging Suite   | NA                | NA              |
| 5/17/10                             | DataGlobal GmbH                                | GFT inboxx GmbH                                  | NA                | NA              |
| 5/24/10                             | Constant Contact, Inc. (NasdaqGM:CTCT)         | NutshellMail Inc.                                | NA                | NA              |
| 5/25/10                             | Elisa Oyj (HLSE:ELI1V)                         | Videra Oy  | 24.5              | 3.4x            |
| 5/25/10                             | New Net Communication Technologies, LLC        | UTStarcom, Inc., IP Messaging and US PDSN Assets | NA                | NA              |
| 6/7/10                              | Mobile Interactive Group Limited               | PIRI Ltd.  | NA                | NA              |
| 6/10/10                             | Steam Communications Oy                        | TDC Oy, SMS Multisend Business Operations        | NA                | NA              |
| 6/11/10                             | Power Centre Holdings Limited                  | Radius-ED Sdn Bhd.                               | 0.5               | NA              |
| 6/14/10                             | Consolidated Holdings A/s                      | Netop Solutions A/S (CPSE:NETOP)                 | 4.7               | 0.5x            |

| Ann Date                             | Acquiror                                  | Target  | Transaction Value | Value / Revenue |
|--------------------------------------|---|---|-------------------|-----------------|
| <b>VoIP &amp; Voice Applications</b> |   |   |                   |                 |
| 4/1/10                               | Enghouse Systems Ltd. (TSX:ESL)           | Mettoni Limited   | 22.8              | 0.9x            |
| 4/5/10                               | Applied Voice & Speech Technologies, Inc. | Active Voice, LLC   | NA                | NA              |
| 4/6/10                               | BigHand Ltd.                              | nFlow Software Ltd.   | NA                | NA              |
| 4/7/10                               | ThruPoint, Inc.                           | Ubiquity Software Corporation Corporation Limited                         | NA                | NA              |
| 5/10/10                              | OneIP BV                                  | NeoNova B.V.  | NA                | NA              |
| 5/12/10                              | Dialogic Corporation                      | Veraz Networks, Inc. (NasdaqGM:VRZ)                                       | NA                | NA              |
| 5/13/10                              | West Corporation                          | Holly Connects, Inc.  | NA                | NA              |
| 5/17/10                              | Google Inc. (NasdaqGS:GOOG)               | Global IP Solutions (OB:GIPS)   | 68.0              | 4.9x            |
| 5/28/10                              | Telecom Express Group                     | Eckoh Plc, Client IVR Division  | NA                | NA              |
| 6/10/10                              | Crescent Capital; Kainos Software Limited | SpeechStorm Limited   | NA                | NA              |
| <b>Video/Multimedia</b>              |   |   |                   |                 |
| 4/6/10                               | EVS Broadcast Equipment S.A. (ENXTBR:EVS) | OpenCube Technologies S.A.S   | NA                | NA              |
| 4/7/10                               | Juniper Networks, Inc. (NYSE:JNPR)        | Ankeena Networks, Inc.  | 100.0             | NA              |
| 4/21/10                              | Amdocs Ltd. (NYSE:DOX)                    | Streamezzo S.A.   | NA                | NA              |
| 4/27/10                              | ConnectSolutions LLC                      | Xuggle, Inc.  | NA                | NA              |
| 5/11/10                              | Gong Verlag GmbH                          | Convers Media Services Ltd., The Electronic Online Program Guide Klack.de | NA                | NA              |
| 5/17/10                              | Tektronix, Inc.                           | Mixed Signals, Inc.   | NA                | NA              |
| 6/1/10                               | Sonic Solutions (NasdaqGS:SNIC)           | DivX, Inc. (NasdaqGS:DIVX)  | 328.1             | 2.6x            |
| 6/30/10                              | SFR Développement SAS                     | WizTivi Sarl  | 1.8               | 13.2x           |

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 – Q2 Software & Services M&A Transactions

| Ann Date                             | Acquiror   | Target   | Transaction |                 |
|--------------------------------------|--|--|-------------|-----------------|
|                                      |  |  | Value       | Value / Revenue |
| <b>Connectivity &amp; Mobility</b>   |  |  |             |                 |
| 4/30/10                              | Google Inc.<br>(NasdaqGS:GOOG)                       | Bump Technologies Inc.   | NA          | NA              |
| 5/3/10                               | Motorola Inc. (NYSE:MOT)                             | Azingo, Inc.   | NA          | NA              |
| 5/19/10                              | Google Inc.<br>(NasdaqGS:GOOG)                       | Simplify Media, Inc.   | NA          | NA              |
| 5/21/10                              | Nexphone AG  | Litecom AG, Litephone<br>Telephony Platform  | NA          | NA              |
| 6/1/10                               | MStar Semiconductor, Inc.                            | PLEYO  | NA          | NA              |
| 6/4/10                               | Hewlett-Packard Company<br>(NYSE:HPQ)                | Phoenix Technologies Ltd.,<br>Assets Related to<br>HyperSpace, HyperCore<br>and Phoenix Flip | 11.8        | NA              |
| 6/7/10                               | HTC France Corporation                               | Abaxia SAS   | 13.1        | NA              |
| <b>Mobile &amp; LBS Applications</b> |  |  |             |                 |
| 4/16/10                              | RFID Invest AG                                       | InSync Software, Inc.  | NA          | NA              |
| 4/26/10                              | Google Israel Ltd.                                   | LabPixies Ltd.   | NA          | NA              |
| 4/27/10                              | Trimble Navigation Limited<br>(NasdaqGS:TRMB)        | Punch Telematix NV<br>(ENXTBR:PTX)   | 18.2        | 0.9x            |
| 4/27/10                              | Apple Inc. (NasdaqGS:AAPL)                           | Siri, Inc.   | 200.0       | NA              |
| 5/5/10                               | GoTV Networks, Inc.                                  | Hands-On Mobile, Inc.,<br>HOMBRE Division  | NA          | NA              |
| 5/7/10                               | Infinio Group Limited<br>(Catalist:5CS)              | Widget TV Pte. Ltd.  | 1.4         | NA              |
| 5/10/10                              | Temenos Group AG<br>(SWX:TEMN)                       | FE-Mobile Ltd.   | NA          | NA              |
| 5/11/10                              | Sistema JSFC (RTS:AFKS)                              | M2M Telematics   | NA          | NA              |
| 5/18/10                              | Merchant Focus Processing,<br>Inc.; Inner Fence, LLC | AppNinjas Inc.   | NA          | NA              |
| 5/20/10                              | Nuance Communications, Inc.<br>(NasdaqGS:NUAN)       | ShapeWriter, Inc.  | 6.6         | NA              |
| 6/1/10                               | Strategic Rare Earth Metals,<br>Inc. (OTCPK:SREH)    | Mobile 2 Earth   | NA          | NA              |
| 6/2/10                               | Trapeze Software, Inc.                               | Auriga Systems Ltd.  | NA          | NA              |
| 6/8/10                               | ReputationDefender, Inc.                             | Ziggs, Inc.  | NA          | NA              |
| 6/10/10                              | Akamai Technologies Inc.<br>(NasdaqGS:AKAM)          | Velocidade, LLC  | NA          | NA              |
| 6/11/10                              | Trimble Navigation Limited<br>(NasdaqGS:TRMB)        | Definiens AG, Earth<br>Sciences Business Assets  | NA          | NA              |
| 6/15/10                              | Skin Cancer Scanning Ltd.                            | mBeach Software, Inc.<br>(OTCPK:MBHS)  | NA          | NA              |
| 6/16/10                              | Descartes Systems Group<br>Inc. (TSX:DSG)            | Routing International NV   | 4.1         | NA              |
| 6/18/10                              | mTouche Technology Bhd<br>(KLSE:MTOUCHE)             | mTouche Technology<br>Philippines Inc.   | NA          | NA              |

| Ann Date                              | Acquiror  | Target   | Transaction |                 |
|---------------------------------------|---|--|-------------|-----------------|
|                                       |   |  | Value       | Value / Revenue |
| <b>Mobile/Web Content &amp; Games</b> |   |  |             |                 |
| 4/2/10                                | YouTube, Inc.                                   | Episodic Inc.  | NA          | NA              |
| 4/4/10                                | Reliance BIG Entertainment<br>Private Limited   | The Codemasters Software<br>Company Limited                        | NA          | NA              |
| 4/6/10                                | EMPK sp. z o.o.                                 | Virtualo   | NA          | NA              |
| 4/9/10                                | Diversified Opportunities, Inc.<br>(OTCBB:DVOP) | CommerceTel, Inc.  | NA          | NA              |
| 4/13/10                               | Double Encore, Inc.                             | Massively Overrated, LLC   | NA          | NA              |
| 4/14/10                               | PlusFourSix AB                                  | Global Media Bank AB   | NA          | NA              |
| 4/15/10                               | NHN Games Co., Ltd.                             | Webzen Inc.<br>(KOSE:A069080)                                      | NA          | NA              |
| 4/20/10                               | News Corp.<br>(NasdaqGS:NWSA)                   | Irata Labs   | NA          | NA              |
| 4/22/10                               | Max Media Group, Inc.<br>(OTCPK:MXMI)           | The SmallCapTube.com   | NA          | NA              |
| 4/26/10                               | Playdom, Inc.                                   | Merscom, LLC   | NA          | NA              |
| 4/29/10                               | Digital River Inc.<br>(NasdaqGS:DRIV)           | FatFooGoo AG   | 10.0        | NA              |
| 4/29/10                               | Scala, Inc.                                     | Thinking Screen Media, Inc.,<br>SignChannel Division               | NA          | NA              |
| 4/30/10                               | IMobile Pvt Ltd.                                | WIN plc (AIM:WNN)  | 22.2        | 0.3x            |
| 5/4/10                                | ACNielsen Corporation                           | GlanceGuide Inc.   | NA          | NA              |
| 5/12/10                               | ngmoco, Inc.                                    | Stumptown Game Machine,<br>LLC                                     | NA          | NA              |
| 5/18/10                               | Playdom, Inc.                                   | Acclaim Games, Inc.  | NA          | NA              |
| 5/19/10                               | uVuMobile, Inc.<br>(OTCPK:UVUM)                 | WASP Mobile LLC  | NA          | NA              |
| 5/28/10                               | Swish Group Ltd. (ASX:SWG)                      | Mp3.com.au Pty Ltd and<br>Nice Shorts Pty Limited and<br>The Scene | 0.3         | NA              |
| 6/1/10                                | Hurray! Holding Co. Ltd.<br>(NasdaqGM:HRAY)     | Shanda Interactive<br>Entertainment, Online Audio<br>Business      | 13.5        | NA              |
| 6/3/10                                | Zynga, Inc.                                     | Challenge Games, Inc.  | NA          | NA              |
| 6/7/10                                | NetPickle, Inc.                                 | RockYou Asia Inc.  | NA          | NA              |
| 6/23/10                               | Hewlett-Packard Company<br>(NYSE:HPQ)           | Melodeo, Inc.  | 30.0        | NA              |
| 6/24/10                               | Playdom, Inc.                                   | Hive7.com, Inc.  | NA          | NA              |
| 6/28/10                               | Idle Media, Inc. (OTCBB:IDLM)                   | Backyard Buddies   | NA          | NA              |
| 6/29/10                               | Lobus Mobil AB                                  | Aspiro AB, Mobile<br>Entertainment Business                        | 5.4         | NA              |
| 6/30/10                               | SARL Espace Developpement                       | MFM Radio  | 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 – Q2 Software & Services M&A Transactions

| Portals & Social Networks |  |   |                   |                 | Other Transactions |  |  |                   |                 |
|---------------------------|--|---|-------------------|-----------------|--------------------|--|--|-------------------|-----------------|
| Ann Date                  | Acquiror   | Target  | Transaction Value | Value / Revenue | Ann Date           | Acquiror                                       | Target   | Transaction Value | Value / Revenue |
| 4/2/10                    | -  | Mobeze, Inc.,<br>OnlineBootyCall.com                        | NA                | NA              | 5/24/10            | Clash Media Advertising Limited                | Trigga New s Limited   | NA                | NA              |
| 4/7/10                    | cooledeals GmbH  | Heimatpreis GmbH  | NA                | NA              | 5/25/10            | Econa AG                                       | macnew s.de<br>OnlineServices GmbH   | NA                | NA              |
| 4/7/10                    | -  | StartupPoint.ru   | NA                | NA              | 5/26/10            | Facebook, Inc.                                 | Sharegrove Inc.  | NA                | NA              |
| 4/12/10                   | TechTarget, Inc.<br>(NasdaqGM:TTGT)                          | Powell Media, LLC   | 1.2               | NA              | 5/31/10            | Buzz Media, Inc.                               | PureVolume and PopMatters and Gorilla vs. Bear and The Hype Machine and Concrete Loop Media and RCRD | NA                | NA              |
| 4/19/10                   | Rational Entertainment Enterprises Limited                   | Poker-Babes.com and PlayWinningPoker.com and PokerPages.com | NA                | NA              | 6/1/10             | Idealo Internet GmbH                           | Tarif24 GmbH   | NA                | NA              |
| 4/20/10                   | Wikio SARL   | Neotia SAS  | NA                | NA              | 6/1/10             | Jot internet Media España S.L                  | Viamedius.com  | NA                | NA              |
| 4/21/10                   | Salesforce.com (NYSE:CRM)                                    | Jigsaw Data Corporation                                     | 156.2             | 7.8x            | 6/2/10             | Strategic Rare Earth Metals, Inc. (OTCPK:SREH) | Scientific New s International, Inc.   | NA                | NA              |
| 4/23/10                   | Potentialpark Communications AB                              | ihipo Pte. Ltd.   | NA                | NA              | 6/2/10             | Fantasy Sports Ventures, Inc.                  | The Big Lead.com   | NA                | NA              |
| 4/23/10                   | Cambridge Intellectual Property Ltd.                         | Boliven LLC   | NA                | NA              | 6/2/10             | WellTek Incorporated (OTCBB:WTKN)              | Wellcity, Inc.   | 0.3               | NA              |
| 4/25/10                   | Golden Pages Publications Ltd.                               | Adira   | NA                | NA              | 6/3/10             | WOWIO, LLC                                     | WEvolt   | NA                | NA              |
| 4/28/10                   | Internet Brands, Inc.<br>(NasdaqGS:INET)                     | ExpertHub, Inc.   | NA                | NA              | 6/4/10             | CarAdvice.com.au Pty Ltd.                      | CarBuddy Pty Ltd.  | NA                | NA              |
| 4/29/10                   | Telegraaf Media Nederland                                    | Jaap.nl BV  | NA                | NA              | 6/8/10             | PurePhoto, Inc.                                | PhotographyMentor.com, LLC   | NA                | NA              |
| 5/3/10                    | SuccessFactors, Inc.<br>(NasdaqGM:SFSF)                      | CubeTree, Inc.  | 50.0              | NA              | 6/9/10             | Tippr.com LLC                                  | Sane Ventures, Inc.  | NA                | NA              |
| 5/4/10                    | Trans Global Group, Inc.<br>(OTCPK:TGGI)                     | RandPort, Inc.  | NA                | NA              | 6/10/10            | Salem Web Netw ork                             | Big Jump Media, Inc.   | NA                | NA              |
| 5/5/10                    | Leber-Bernstein Group, LLC                                   | Grandparents.com LLC  | NA                | NA              | 6/10/10            | Vocus Inc.<br>(NasdaqGM:VOCS)                  | Two Cats and a Cup of Coffee, LLC  | NA                | NA              |
| 5/6/10                    | Kayak.com  | sw oodoo GmbH   | NA                | NA              | 6/15/10            | -  | Najjagal.Com   | NA                | NA              |
| 5/6/10                    | The Engine Group Limited                                     | ILG Digital Limited, Jam                                    | NA                | NA              | 6/16/10            | Masterbeat Corporation (OTCBB:MSTO)            | AudioStreet, Inc.  | NA                | NA              |
| 5/10/10                   | ZAM, LLC   | Tankspot  | NA                | NA              | 6/17/10            | Criterion Capital Partners, LLC                | Bebo, Inc.   | NA                | NA              |
| 5/11/10                   | The Nile Project, Inc.                                       | Localyte  | NA                | NA              | 6/23/10            | Alma Media Oyj<br>(HLSE:ALN1V)                 | Kotikokki.net Oy   | NA                | NA              |
| 5/18/10                   | Travelport Limited   | Sprice Pte. Ltd.  | NA                | NA              | 6/24/10            | First Choice Products Inc.                     | Shop to Earth Inc.   | NA                | NA              |
| 5/18/10                   | -  | Sin Holdings, Inc.  | NA                | NA              | 6/25/10            | BN Media, LLC                                  | Beliefnet, Inc.  | NA                | NA              |
| 5/19/10                   | Heti Vilaggazdasag Kiadoi Zartkoruen Mukodo Reszvenytarsasag | Hirszerzo Kft   | NA                | NA              | 6/30/10            | -  | ZooLoo.com   | NA                | NA              |
| 5/20/10                   | Yell Group plc (LSE:YELL)                                    | Trusted Places Limited                                      | NA                | NA              | 6/30/10            | DailyDeal GmbH                                 | Reduti.de  | NA                | NA              |
| 5/21/10                   | Google Inc.<br>(NasdaqGS:GOOG)                               | Ruba, Inc.  | NA                | NA              | 6/30/10            | Catholic Match, LLC                            | TraditionalSingleCatholics.com   | NA                | NA              |
| 5/24/10                   | Yahoo! Inc.<br>(NasdaqGS:YHOO)                               | Koprol  | NA                | NA              | 6/30/10            | Aller Media Oy                                 | Suomi24 Oy   | 6.9               | 3.4x            |
| 5/24/10                   | Mediadrive Oy  | Mtv Oy, Kuvaboxi.fi   | NA                | NA              |                    |  |  |                   |                 |
| 5/24/10                   | UsedAirplanes, Inc.  | Traderhead.com, LLC, UsedAircraft.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 – Q2 Software & Services M&A Transactions

| Ann Date                               | Acquiror   | Target   | Transaction Value | Value / Revenue |
|--|--|--|-------------------|-----------------|
| <b>Search &amp; Marketing Services</b> |  |  |                   |                 |
| 4/6/10                                 | Ströer Interactive GMBH                          | adflames Media GmbH                              | NA                | NA              |
| 4/9/10                                 | Yippy, Inc. (OTCBB:YIPI)                         | Vivisimo, Inc., Clusty.com and Velocity Platform | 5.6               | NA              |
| 4/9/10                                 | MediaMath, LLC                                   | Adroit Interactive LLC                           | NA                | NA              |
| 4/12/10                                | Google Inc. (NasdaqGS:GOOG)                      | Plink Search Ltd.                                | NA                | NA              |
| 4/14/10                                | Keynoir  | DealBunch Ltd.                                   | NA                | NA              |
| 4/21/10                                | e-Dialog, Inc.                                   | M3 Mobile Marketing, Inc.                        | NA                | NA              |
| 4/26/10                                | Bloson.com                                       | SeeqPod, Inc.                                    | NA                | NA              |
| 4/29/10                                | Beerw ay B.V.                                    | i-w ood BV                                       | NA                | NA              |
| 4/30/10                                | iMarketing Ltd, Inc.                             | TrackingSoft, LLC                                | NA                | NA              |
| 5/3/10                                 | PubliGroupe SA (SWX:PUBN)                        | Instanz AG                                       | NA                | NA              |
| 5/6/10                                 | Lithium Technologies, Inc.                       | Scout Labs, Inc.                                 | 25.0              | NA              |
| 5/16/10                                | Yahoo!7 Pty Ltd.                                 | Yahoo! Search Marketing Australia Pty Limited    | NA                | NA              |
| 6/1/10                                 | GSI Commerce Inc. (NasdaqGS:GSIC)                | FetchBack Inc.                                   | NA                | NA              |
| 6/2/10                                 | DoubleClick Inc.                                 | Invite Media, Inc.                               | NA                | NA              |
| 6/3/10                                 | Velti Plc (AIM:VEL)                              | Media Cannon, Inc.                               | NA                | NA              |
| 6/7/10                                 | Six Apart Ltd.                                   | NaturalPath Media, Inc.                          | NA                | NA              |
| 6/9/10                                 | Crow dGather, Inc. (OTCBB:CRWG)                  | Adisn, Inc.                                      | 7.8               | 8.8x            |
| 6/8/10                                 | Dassault Systemes SA (ENXTPA:DSY)                | Exalead S.A.                                     | 163.5             | 8.5x            |
| 6/10/10                                | Tw itter, Inc.                                   | Smallthought Systems, Inc.                       | NA                | NA              |
| 6/15/10                                | International Business Machines Corp. (NYSE:IBM) | Coremetrics, Inc.                                | NA                | NA              |
| 6/17/10                                | Web.com Group, Inc. (NasdaqGM:WWWWW)             | Register.com, Inc.                               | 135.0             | 1.7x            |
| 6/21/10                                | 4INFO, Inc.                                      | Butter, Inc.                                     | NA                | NA              |
| 6/29/10                                | -  | Adtomize, Inc. (OTCBB:ADMZ)                      | 0.0               | NA              |
| 6/30/10                                | Marketw ire, Inc.                                | Sysomos Inc.                                     | NA                | NA              |

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

## Appendix – Q2 Software & Services M&A Data

| Quarter      | Sector                               | # of Deals  |            | % w/ Ann.  | Trans Value     |             | Revenue                 | Deals w/   | Stock Premium to <sup>(1)</sup> |              |              | Deals w/  |
|--------------|--------------------------------------|-------------|------------|------------|-----------------|-------------|-------------------------|------------|---------------------------------|--------------|--------------|-----------|
|              |                                      | Total       | Ann. Value | Value      | Total           | Median      | Multiple <sup>(1)</sup> | Rev. Mult. | 1 Day                           | 1 Week       | 1 Month      | Prem Info |
| Q1 '07       | Software & Services                  | 211         | 82         | 39%        | \$6,283         | \$7         | 2.1x                    | 14         | 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                  | 205         | 96         | 47%        | \$20,447        | \$16        | 2.9x                    | 34         | 24.7%                           | 30.1%        | 33.5%        | 8         |
| Q4 '07       | Software & Services                  | 214         | 93         | 43%        | \$19,171        | \$19        | 3.4x                    | 27         | 16.6%                           | 15.0%        | 32.1%        | 8         |
| Q1 '08       | Software & Services                  | 202         | 83         | 41%        | \$7,070         | \$7         | 2.4x                    | 31         | 48.0%                           | 41.2%        | 59.2%        | 9         |
| Q2 '08       | Software & Services                  | 189         | 72         | 38%        | \$5,392         | \$9         | 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                  | 139         | 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                  | 196         | 64         | 33%        | \$2,980         | \$10        | 2.3x                    | 20         | 81.0%                           | 75.0%        | 79.4%        | 6         |
| Q1 '10       | Software & Services                  | 223         | 54         | 24%        | \$2,158         | \$14        | 4.1x                    | 18         | (32.9)%                         | (30.4)%      | (25.7)%      | 2         |
| Q2 '10       | Software & Services                  | 196         | 50         | 26%        | \$11,836        | \$22        | 3.2x                    | 23         | 27.5%                           | 20.7%        | 19.1%        | 11        |
| <b>Total</b> | <b>Software &amp; Services</b>       | <b>2638</b> | <b>918</b> | <b>35%</b> | <b>\$99,847</b> | <b>\$10</b> | <b>2.4x</b>             | <b>286</b> | <b>31.2%</b>                    | <b>35.3%</b> | <b>44.5%</b> | <b>91</b> |
| Q1 '07       | Network & Systems Mgt                | 12          | 1          | 8%         | \$16            | \$16        | 0.1x                    | 1          | 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                | 4           | 3          | 75%        | \$50            | \$19        | 1.0x                    | 1          | 128.0%                          | 119.2%       | 111.1%       | 1         |
| Q1 '08       | Network & Systems Mgt                | 6           | 3          | 50%        | \$87            | \$39        | 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                | 9           | 3          | 33%        | \$454           | \$63        | 10.3x                   | 3          | NA                              | NA           | NA           | 0         |
| Q2 '10       | Network & Systems Mgt                | 2           | 1          | 50%        | \$2             | \$2         | NA                      | 0          | NA                              | NA           | NA           | 0         |
| <b>Total</b> | <b>Network &amp; Systems Mgt</b>     | <b>96</b>   | <b>31</b>  | <b>32%</b> | <b>\$1,966</b>  | <b>\$22</b> | <b>1.5x</b>             | <b>13</b>  | <b>50.5%</b>                    | <b>50.5%</b> | <b>67.7%</b> | <b>5</b>  |
| Q1 '07       | Data Mgt & Infrastructure            | 14          | 3          | 21%        | \$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            | 25          | 11         | 44%        | \$13,787        | \$31        | 8.6x                    | 4          | 13.8%                           | 23.8%        | 23.4%        | 2         |
| Q1 '08       | Data Mgt & Infrastructure            | 27          | 10         | 37%        | \$2,372         | \$69        | 10.2x                   | 5          | 33.3%                           | 40.1%        | 57.5%        | 2         |
| Q2 '08       | Data Mgt & Infrastructure            | 17          | 6          | 35%        | \$137           | \$9         | 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            | 10          | 3          | 30%        | \$1,150         | \$28        | 1.7x                    | 2          | 42.5%                           | 48.2%        | 50.6%        | 1         |
| Q4 '09       | Data Mgt & Infrastructure            | 9           | 1          | 11%        | \$0             | \$0         | NA                      | 0          | NA                              | NA           | NA           | 0         |
| Q1 '10       | Data Mgt & Infrastructure            | 16          | 5          | 31%        | \$310           | \$55        | NA                      | 0          | 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         |
| <b>Total</b> | <b>Data Mgt &amp; Infrastructure</b> | <b>225</b>  | <b>76</b>  | <b>34%</b> | <b>\$29,682</b> | <b>\$28</b> | <b>2.6x</b>             | <b>30</b>  | <b>26.2%</b>                    | <b>25.9%</b> | <b>39.1%</b> | <b>17</b> |

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 – Q2 Software & Services M&A Data

| Quarter      | Sector                              | # of Deals |            | % w/ Ann.  | Trans Value    |             | Revenue                 | Deals w/   | Stock Premium to <sup>(1)</sup> |              |              | Deals w/  |
|--------------|-------------------------------------|------------|------------|------------|----------------|-------------|-------------------------|------------|---------------------------------|--------------|--------------|-----------|
|              |                                     | Total      | Ann. Value | Value      | Total          | Median      | Multiple <sup>(1)</sup> | Rev. Mult. | 1 Day                           | 1 Week       | 1 Month      | Prem Info |
| 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                            | 7          | 1          | 14%        | \$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         |
| <b>Total</b> | <b>Security</b>                     | <b>185</b> | <b>71</b>  | <b>38%</b> | <b>\$8,124</b> | <b>\$16</b> | <b>2.0x</b>             | <b>28</b>  | <b>29.6%</b>                    | <b>39.7%</b> | <b>45.0%</b> | <b>12</b> |
| 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                 | 4          | 2          | 50%        | \$227          | \$113       | NA                      | 0          | NA                              | NA           | NA           | 0         |
| Q2 '09       | Carrier Back Office                 | 7          | 4          | 57%        | \$18           | \$4         | 1.3x                    | 1          | NA                              | NA           | NA           | 0         |
| Q3 '09       | Carrier Back Office                 | 5          | 1          | 20%        | \$0            | \$0         | 0.1x                    | 1          | NA                              | NA           | NA           | 0         |
| Q4 '09       | Carrier Back Office                 | 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         |
| <b>Total</b> | <b>Carrier Back Office</b>          | <b>110</b> | <b>54</b>  | <b>49%</b> | <b>\$2,788</b> | <b>\$7</b>  | <b>1.3x</b>             | <b>23</b>  | <b>20.0%</b>                    | <b>36.5%</b> | <b>44.4%</b> | <b>5</b>  |
| 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            | 17         | 10         | 59%        | \$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            | 21         | 8          | 38%        | \$278          | \$16        | 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         |
| <b>Total</b> | <b>Messaging &amp; Conferencing</b> | <b>220</b> | <b>95</b>  | <b>43%</b> | <b>\$7,369</b> | <b>\$8</b>  | <b>3.4x</b>             | <b>23</b>  | <b>17.7%</b>                    | <b>14.9%</b> | <b>6.6%</b>  | <b>9</b>  |

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 – Q2 Software & Services M&A Data

| Quarter      | Sector                             | # of Deals |            | % w/ Ann.  | Trans Value    |             | Revenue                 | Deals w/   | Stock Premium to <sup>(1)</sup> |              |              | Deals w/  |
|--------------|------------------------------------|------------|------------|------------|----------------|-------------|-------------------------|------------|---------------------------------|--------------|--------------|-----------|
|              |                                    | Total      | Ann. Value | Value      | Total          | Median      | Multiple <sup>(1)</sup> | 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         |
| <b>Total</b> | <b>VoIP &amp; Voice Apps</b>       | <b>116</b> | <b>42</b>  | <b>36%</b> | <b>\$1,456</b> | <b>\$10</b> | <b>3.0x</b>             | <b>17</b>  | <b>31.2%</b>                    | <b>41.8%</b> | <b>37.2%</b> | <b>5</b>  |
| 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         |
| <b>Total</b> | <b>Video/Multimedia</b>            | <b>185</b> | <b>78</b>  | <b>42%</b> | <b>\$3,475</b> | <b>\$8</b>  | <b>3.4x</b>             | <b>26</b>  | <b>24.8%</b>                    | <b>22.3%</b> | <b>21.1%</b> | <b>5</b>  |
| 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         |
| <b>Total</b> | <b>Connectivity &amp; Mobility</b> | <b>107</b> | <b>40</b>  | <b>37%</b> | <b>\$2,374</b> | <b>\$14</b> | <b>3.2x</b>             | <b>12</b>  | <b>60.0%</b>                    | <b>68.4%</b> | <b>59.2%</b> | <b>3</b>  |

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 – Q2 Software & Services M&A Data

| Quarter      | Sector                               | # of Deals |            | % w/ Ann.  | Trans Value     |             | Revenue                 | Deals w/   | Stock Premium to <sup>(1)</sup> |              |              | Deals w/  |
|--------------|--------------------------------------|------------|------------|------------|-----------------|-------------|-------------------------|------------|---------------------------------|--------------|--------------|-----------|
|              |                                      | Total      | Ann. Value | Value      | Total           | Median      | Multiple <sup>(1)</sup> | Rev. Mult. | 1 Day                           | 1 Week       | 1 Month      | Prem Info |
| 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         |
| <b>Total</b> | <b>Mobile &amp; LBS Applications</b> | <b>300</b> | <b>114</b> | <b>38%</b> | <b>\$15,829</b> | <b>\$6</b>  | <b>1.4x</b>             | <b>38</b>  | <b>46.2%</b>                    | <b>49.2%</b> | <b>46.3%</b> | <b>11</b> |
| 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         | 2.8x                    | 4          | 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           | 10         | 3          | 30%        | \$28            | \$7         | 13.8x                   | 2          | NA                              | NA           | NA           | 0         |
| Q2 '10       | Mobile/Web Content & Games           | 26         | 6          | 23%        | \$81            | \$12        | 0.3x                    | 1          | 47.6%                           | 41.0%        | 34.3%        | 1         |
| <b>Total</b> | <b>Mobile/Web Content &amp; Game</b> | <b>188</b> | <b>69</b>  | <b>37%</b> | <b>\$2,413</b>  | <b>\$11</b> | <b>1.3x</b>             | <b>24</b>  | <b>51.0%</b>                    | <b>62.8%</b> | <b>59.5%</b> | <b>6</b>  |
| 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            | 34         | 9          | 26%        | \$1,475         | \$59        | 9.4x                    | 1          | NA                              | NA           | NA           | 0         |
| 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        | 0.1x                    | 1          | 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            | 52         | 5          | 10%        | \$215           | \$7         | 5.6x                    | 2          | NA                              | NA           | NA           | 0         |
| <b>Total</b> | <b>Portals &amp; Social Networks</b> | <b>622</b> | <b>146</b> | <b>23%</b> | <b>\$7,817</b>  | <b>\$5</b>  | <b>4.3x</b>             | <b>23</b>  | <b>44.7%</b>                    | <b>49.4%</b> | <b>84.1%</b> | <b>5</b>  |

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 – Q2 Software & Services M&A Data

| Quarter      | Sector                                 | # of Deals |            | % w/ Ann.  | Trans Value     |             | Revenue                 | Deals w/   | Stock Premium to <sup>(1)</sup> |              |              | Deals w/  |
|--------------|--|------------|------------|------------|-----------------|-------------|-------------------------|------------|---------------------------------|--------------|--------------|-----------|
|              |  | Total      | Ann. Value | Value      | Total           | Median      | Multiple <sup>(1)</sup> | Rev. Mult. | 1 Day                           | 1 Week       | 1 Month      | Prem Info |
| 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            | 23         | 12         | 52%        | \$1,292         | \$16        | 2.5x                    | 3          | 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            | 24         | 6          | 25%        | \$337           | \$16        | 8.5x                    | 3          | (96.7)%                         | (96.7)%      | NA           | 1         |
| <b>Total</b> | <b>Search &amp; Marketing Services</b> | <b>284</b> | <b>102</b> | <b>36%</b> | <b>\$16,554</b> | <b>\$13</b> | <b>4.4x</b>             | <b>29</b>  | <b>15.4%</b>                    | <b>21.8%</b> | <b>47.5%</b> | <b>8</b>  |

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

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## 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.*

|                       |   |
|-----------------------|---|
| <b>Mission</b>        | 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. |
| <b>Services</b>       | Sell Side Advisory, Divestitures, Buy Side Advisory, Strategic Investments  |
| <b>Industry Focus</b> | Software, hardware and services in the Wireless, VoIP, IP Video, Networking, Internet, Telecom Equipment, IT Infrastructure and Enabling Technology sectors                                 |
| <b>Offices</b>        | 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

















































|  |  |  |   |  |   |   |
|--|--|--|---|--|---|---|
| <br><i>has been acquired by</i><br><br>August 2009     | <br><i>has been acquired by</i><br>Undisclosed Buyer<br>November 2008   | <br><i>has sold certain assets to</i><br>Undisclosed Handset OEM<br>October 2008  | <br>Buyside Advisory<br>2008  | <br><i>has been acquired by</i><br><br>April 2008    | <br><i>has sold its assets to</i><br><br>\$10,000,000<br>October 2007 | <br><i>has been acquired by</i><br><br>\$34,875,000<br>September 2007 |
| <br>Initial Public Offering<br>\$82,500,000<br>Co-manage<br>June 2007   | <br><i>has been acquired by</i><br><br>January 2007      | <br>Initial Public Offering<br>\$167,440,000<br>Co-manager<br>September 2006  | <br><i>has been acquired by</i><br><br>August 2006    | <br><i>has been acquired by</i><br><br>August 2006   | <br>Senior Convertible Debentures<br>\$5,000,000<br>Financial Advisor and Placement Agent<br>July 2006   | <br><i>has sold its SRAM assets to</i><br><br>January 2006            |
| <br>Private Investment in Public Equity<br>\$14,400,000<br>Co-Agent<br>January 2006   | <br><i>has been acquired by</i><br><br>October 2005    | <br><i>has agreed to the sale of their NAS Software Intellectual Property to</i><br><br>\$50,000,000<br>May 2005 | <br><i>has sold a minority stake to</i><br>Strategic Investor<br>2005   | <br><i>has been acquired by</i><br><br>August 2004 | <br><i>has been acquired by</i><br><br>\$122,500,000<br>April 2004  | <br><i>has been acquired by</i><br><br>March 2004                   |
| <br><i>has been acquired by</i><br><br>August 2003 | <br><i>has been acquired by</i><br><br>December 2003 | <br><i>has been acquired by</i><br><br>February 2003   | <br><i>has been acquired by</i><br><br>April 2002 | <br>Private Placement<br>\$9,900,000<br>Placement Agent<br>July 2001  | <br>Private Placement<br>\$11,000,000<br>Placement Agent<br>May 2000   | <br><i>has merged with</i><br><br>\$157,000,000<br>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"> <li>• Sale of Xumii to Myriad Group</li> <li>• Capital Raise for InfoSonics</li> </ul>                                  | <ul style="list-style-type: none"> <li>• Sale of AccessLine to Telanetix</li> <li>• Strategic Advisory for Voice 2.0 Service Provider</li> </ul>      | <ul style="list-style-type: none"> <li>• Strategic Advisory for DirecTV Reseller</li> </ul>  | <ul style="list-style-type: none"> <li>• Sale of Compute Intensive to Verio</li> <li>• Sale of GeoNet to Level 3</li> <li>• Capital Raise for Speakeasy</li> </ul> |
| Software    | <ul style="list-style-type: none"> <li>• Sale of Neven Vision to Google</li> <li>• Sale of SKY MobileMedia,</li> </ul>                                     | <ul style="list-style-type: none"> <li>• Sale of CrystalVoice to Global IP Solutions</li> <li>• Buyside Advisory for VOIP Softphone Vendor</li> </ul> | <ul style="list-style-type: none"> <li>• IPO for Divx</li> <li>• Strategic Advisory for Mobile Video SW Vendor</li> </ul>                  | <ul style="list-style-type: none"> <li>• Sale of LVL7 to Broadcom</li> <li>• Sale of Neteon to CA</li> </ul>   |
| Equipment   | <ul style="list-style-type: none"> <li>• Sale of Strix to Idream</li> <li>• Sale of Aiprime to Sierra Wireless</li> </ul>                                  | <ul style="list-style-type: none"> <li>• Strategic Advisory for Unified Messaging Vendor</li> <li>• Strategic Advisory for IP-PBX Vendor</li> </ul>   | <ul style="list-style-type: none"> <li>• Sale of Gyration to Philips</li> <li>• Sale of TIR to Philips</li> </ul>                          | <ul style="list-style-type: none"> <li>• Sale of Network Physics to OpNet</li> <li>• Capital Raise for Raptor Networks</li> <li>• Sale of Procom to Sun</li> </ul> |
| Semis       | <ul style="list-style-type: none"> <li>• Sale of CommAsic to Freescale</li> <li>• Peregrine Strategic Investment</li> <li>• Sale of Synad to ST</li> </ul> | <ul style="list-style-type: none"> <li>• Strategic Advisory for Noise Cancellation IC Vendor</li> </ul>   | <ul style="list-style-type: none"> <li>• Sale of Vativ to Entropic</li> <li>• Strategic Advisory for Video Processing IC Vendor</li> </ul> | <ul style="list-style-type: none"> <li>• Strategic Advisory for Storage Networking IC Vendor</li> </ul>  |

# Representative Buyer Relationships

| Internet / Media  | Service Providers  | Communications Software / SaaS   | Communications Equipment   | Communications Semiconductors   |
|---|--|--|--|---|
| <br><br><br><br><br><br><br><br><br> | <br><br><br><br><br><br><br><br><br> | <br><br><br><br><br><br><br><br><br> | <br><br><br><br><br><br><br><br> | <br><br><br><br><br><br><br><br><br> |

## Why Work With SagePoint?

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- 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