1ST HALF 2015 KEY HIGHLIGHTS

• The largest transaction year-to-date was LinkedIn Corporation’s acquisition of Lynda.com, an online learning company that provides video tutorials and courses covering business, software, creative, and other areas, for $1.5 billion.

• The most active acquirers in 1st Half 2015, either purchased directly or through an affiliated business, were The Riverside Company and Providence Equity Partners with three industry deals each. Riverside acquired Health and Safety Institute; C-Learning through Learning Seat Pty Ltd; and Digital Ignite through YourMembership.com. Providence acquired Remote-Learner UK and Schoolwires, Inc. through Blackboard Inc; and Endeavour College of Natural Health through Study Group International.

1ST HALF 2015 KEY TRENDS

• Total transaction volume in 1st Half 2015 increased by nine percent over 2nd Half 2014, from 162 to 177.

• Total transaction value in 1st Half 2015 rose by 29 percent over 2nd Half 2014, from $4.75 billion to $6.11 billion.

• The number of private equity backed deals in 1st Half 2015 improved by 38 percent over 2nd Half 2014, from 37 to 51 transactions.

• The median revenue multiple declined from 3.5x in 2nd Half 2014 to 2.0x in 1st Half 2015. This marked a near return to its median throughout the last 30 months.

• The segment with the largest increase in volume in 1st Half 2015 over 2nd Half 2014 was Higher-Ed Media and Tech with an 81 percent rise, from 21 to 38 transactions.

M&A MARKET OVERVIEW

Berkery Noyes tracked 806 Education transactions between 2013 and 1st Half 2015, of which 171 disclosed financial terms, and calculated the aggregate transaction value to be $20.78 billion. Based on known transaction values, we project the values of 635 undisclosed transactions to be $5.94 billion, totaling $26.72 billion worth of transactions tracked over the past two and a half years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 30 months were 2.1x revenue and 10.9x EBITDA.
Transaction Analysis :: January 1, 2015 – June 30, 2015

**Figure 3.** Shows the distribution of Education transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of $4.5 to $54.6 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2015 at $6.1 billion.

* Indicates largest industry transaction from Jan. 1, 2015 to June 30, 2015.

**Distribution Table**

<table>
<thead>
<tr>
<th>Value in MM US$</th>
<th>Known Number</th>
<th>Projected Number</th>
<th>Total Number</th>
<th>%</th>
<th>Cumulative %</th>
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<tbody>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0 %</td>
<td>0 %</td>
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<td>23 %</td>
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<td>3 %</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Total # 31
Total $ Value $4,671 $1,443 $6,114

Middle 3rd of Industry Middle 2/3rds of Industry

**Figure 4.** Presents the data depicted in the bell curve histogram.

**Note:** The projected number column is rounded and may produce insignificant errors in the total sum.

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**Strategic vs. Financial Comparison**

**Figure 4.** 2013-2015 value and volume comparison by transaction type.

**Note:** Financial transactions are those financed by private equity, venture capital, and other investment firms. This includes acquisitions by portfolio companies of the investment firms.

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**Figure 5.** 2013-2015 acquirer type comparison by half year.
Figure 7. Lists the top ten transactions for 1st Half 2015 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figures 1 & 4.

Note: Transaction data based on announced date.

Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Education Industry from January 1, 2013 to June 30, 2015 based on publicly available data.

Figure 9. Presents transaction volume by market segment within the Education Industry from January 1, 2013 through June 30, 2015.
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