



INFORMATION INDUSTRY

The Production and Provision of Content

1ST HALF 2014 :: Mergers and Acquisitions Trend Report

1ST HALF 2014 KEY HIGHLIGHTS

- The largest transaction in 1st Half 2014 was Facebook's acquisition of WhatsApp for \$16 billion. This deal accounted for 14 percent of the industry's aggregate transaction value year-to-date.
- There were 280 financially sponsored transactions with an aggregate value of \$33.91 billion, representing 14 percent of the total volume and 29 percent of the total value, respectively.

1ST HALF 2014 KEY TRENDS

- Total transaction volume in 1st Half 2014 rose by four percent over 2nd Half 2013, from 1,923 to 1,998.
- As for the industry's horizontal markets, Online & Mobile volume increased by seven percent; Software volume improved by six percent; and Media & Marketing volume fell by four percent.
- Total transaction value in 1st Half 2014 increased by 23 percent over 2nd Half 2013, from \$94.80 billion to \$116.92 billion.
- Both the median revenue and median EBITDA multiple remained nearly constant at 2.0x and 9.3x, respectively. However, median value saw a significant increase during this timeframe.

M&A MARKET OVERVIEW

Berkery Noyes tracked 9,190 Information Industry transactions between 2012 and 1st Half 2014, of which 2,210 disclosed financial terms, and calculated the aggregate transaction value to be \$324.76 billion. Based on known transaction values, we project values of 6,980 undisclosed transactions to be \$106.69 billion, totaling \$431.45 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 2.0x revenue and 10.0x EBITDA.

Out of 9,190 transactions tracked by Berkery Noyes in this report, we found that 1,245 financially sponsored transactions accounted for 14 percent of the total transactions, yet they totaled \$130.96 billion, representing 30 percent of aggregate transaction value.

M&A Market Dynamics By Half Year

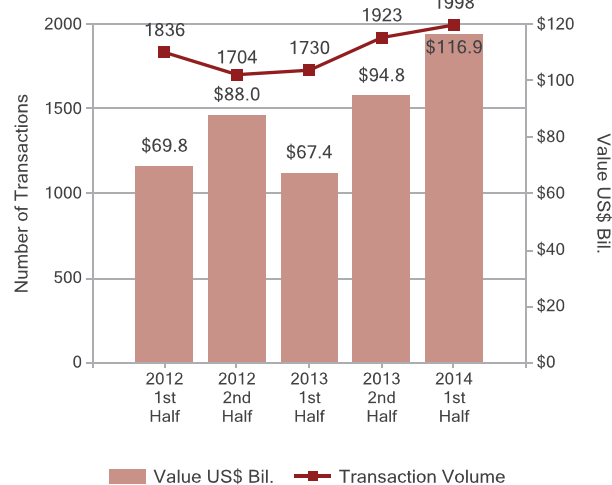


Figure 1. 2012-2014 value and volume comparison.

Median Enterprise Value Multiples By Half Year

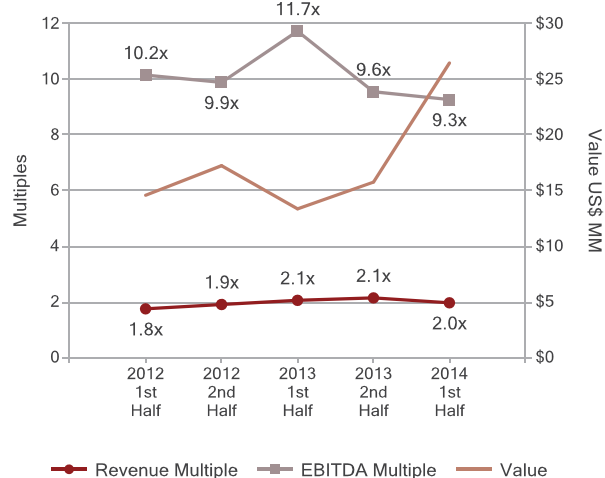
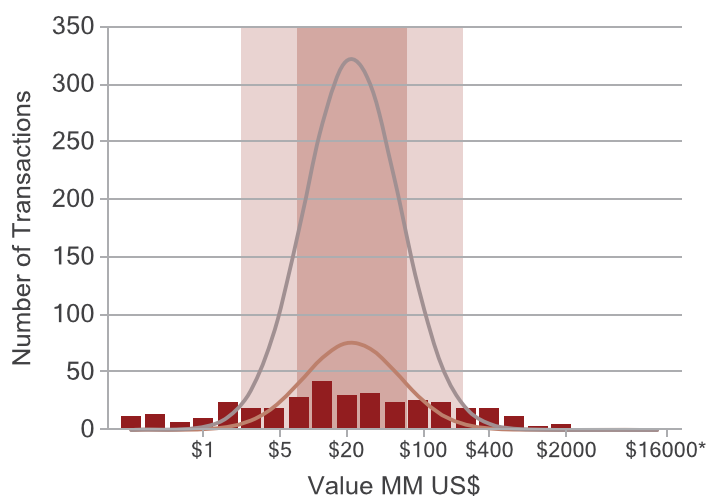


Figure 2. 2012-2014 median: value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2014 – June 30, 2014

Bell Curve - Histogram - 1st Half



Actual Transactions Known Dist. Projected Dist.

Figure 3. Shows the distribution of Information Industry 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 \$7.4 million to \$54.6 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2014 at \$116.9 billion.

* Indicates largest transaction in the industry from January 1, 2014 to June 30, 2014.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	12	0	12	3 %	3 %
\$0.4	13	0	13	3 %	7 %
\$0.6	7	0	7	2 %	8 %
\$1.0	10	2	12	3 %	11 %
\$1.6	24	10	34	6 %	17 %
\$2.7	19	34	53	5 %	22 %
\$4.5	19	87	105	5 %	27 %
\$7.4	29	172	201	8 %	35 %
\$12.2	42	266	308	11 %	46 %
\$20.1	30	320	350	8 %	54 %
\$33.1	32	300	332	8 %	62 %
\$54.6	24	219	242	6 %	69 %
\$90.0	26	124	150	7 %	76 %
\$148.4	24	55	79	6 %	82 %
\$244.7	19	19	37	5 %	87 %
\$403.4	18	5	23	5 %	92 %
\$665.1	12	1	13	3 %	95 %
\$1,096.6	3	0	3	1 %	96 %
\$1,808.0	6	0	6	2 %	97 %
\$2,981.0	2	0	2	1 %	98 %
\$4,914.8	0	0	0	0 %	98 %
\$8,103.1	0	0	0	0 %	98 %
\$13,359.7	1	0	1	0 %	98 %

Total #	380	1617	1997
Total \$ Value	\$80,330	\$36,591	\$116,921
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 as a result of the projection.

Strategic vs. Financial Comparison

M&A Dynamics By Transaction Type - 1st Half

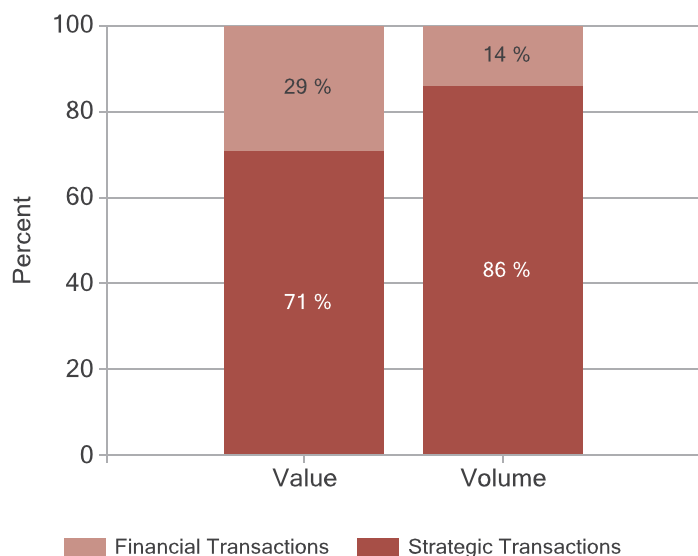


Figure 5. 1st Half 2014 value and volume comparison by transaction type.

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.

Transaction Type By Half Year

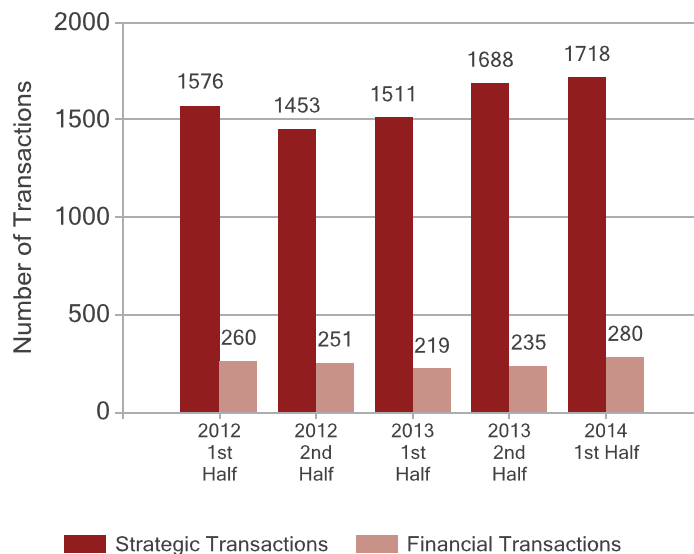


Figure 6. 2012-2014 acquirer type comparison by half year.

Purchaser Analysis

Top Ten Notable Transactions - 1st Half 2014

Deal Date	Target Name	Buyer	Value MM US\$
02/19/14	WhatsApp	Facebook	\$16,000
06/23/14	MICROS Systems, Inc.	Oracle Corporation	\$4,426
06/16/14	Advantage Sales and Marketing	Leonard Green & Partners, L.P., CVC Capital Partners	\$4,200
03/21/14	LIN Media	Media General, Inc.	\$2,472
06/13/14	OpenTable	Priceline	\$2,361
03/14/14	SkillSoft Limited	Charterhouse Capital Partners	\$2,300
03/26/14	Oculus VR	Facebook	\$2,000
01/21/14	Trader Media Group	Apax Partners	\$1,926
01/22/14	AirWatch, LLC	VMware, Inc.	\$1,181
03/03/14	Catalina	Berkshire Partners LLC	N/A
2014 Aggregate Transaction Value			\$116,921
Top 9 Aggregate Transaction Value			\$36,866
Top 9 Aggregate Value as a Percentage of All Transactions			32 %

Figure 7. Lists the top ten transactions for 1st Half 2014 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**. If the price is listed as N/A, Berkery Noyes did not calculate that value into the aggregate.

Median EV/Revenue Multiples By Size

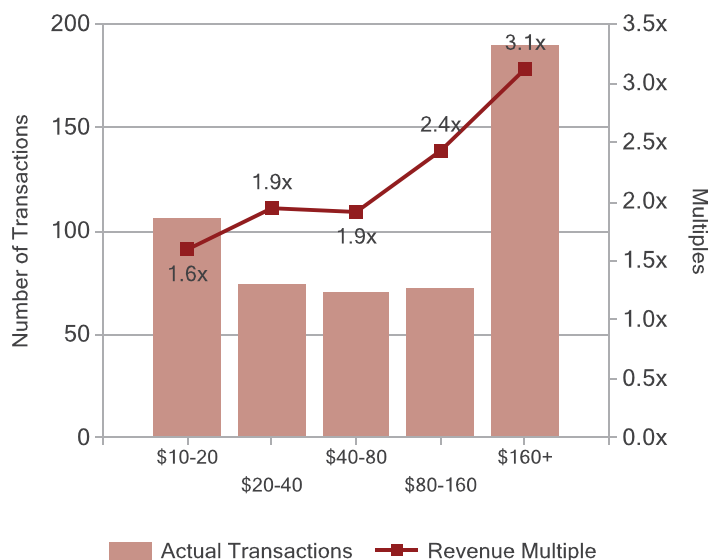


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Information Industry from January 1, 2012 to June 30, 2014 based on publicly available sales price and revenue data.

Transactions Involving an Online Component

Transaction Percentages of Online Targets

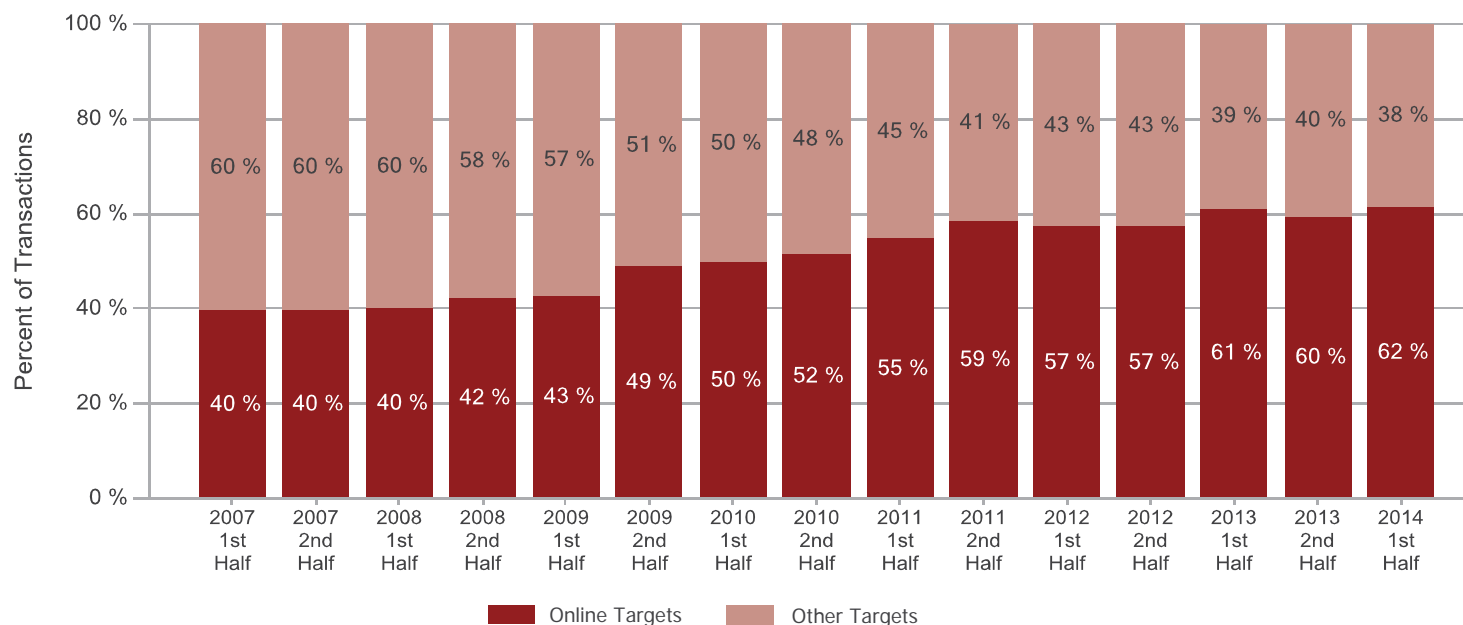


Figure 9. Percentage of total Information Industry transactions where the target company conducts the majority of their business online. The total percentages are measured by half year from January 1, 2007 through June 30, 2014.

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All charts in this report are based on data gathered by Berkery Noyes' research department. All time period statistics are based on the transaction announcement date.

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