

ONLINE INDUSTRY

1st Half 2009 Key Highlights

- The most active buyer in the Online Industry, in terms of volume of transactions announced for the 1st Half of 2009, was IAC/InterActiveCorp with 4 transactions. These include the acquisitions of SportsPickle.com, Market Hardware, Inc., Urbanspoon, and Sendori, Inc.
- The segment with the largest transaction volume for the 1st Half of 2009 was SaaS/ASP with 92 transactions.
- In the 1st Half of 2009, there were 30 financially sponsored transactions with an aggregate value of \$355 million. These figures represent 11 percent of the total volume and 5 percent of the total value, respectively.

1st Half 2009 Key Trends

- Total transaction volume in the 1st Half of 2009 decreased by 22 percent over the 1st Half of 2008 from 364 in 2008 to 285 in 2009.
- Total transaction value in the 1st Half of 2009 decreased by 49 percent over the 1st Half of 2008, from \$15.03 billion in 2008 to \$7.68 billion in 2009.
- The segment with the largest increase in value in the 1st Half of 2009 over the 1st Half of 2008 was E-Commerce with a 17 percent increase from \$2.81 billion in 2008 to \$3.29 billion in 2009.

M&A Market Overview

Out of 1725 transactions tracked by Berkery Noyes between 2007 and the 1st Half of 2009, 574 had disclosed enterprise values with an aggregate of \$79.49 billion. Using these values in a histogram on a logarithmic scale, we project an aggregate value of \$25.31 billion for the 1151 undisclosed transactions. In total, we project a combined aggregate value of \$104.81 billion worth of transactions.

The largest transaction tracked by Berkery Noyes between 2007 and the 1st Half of 2009 was Microsoft Business Solutions' announced acquisition of aQuantive, Inc. for \$5.75 billion.

In terms of value, the most active market segment that Berkery Noyes tracked between 2007 and the 1st Half of 2009 was E-Commerce with an aggregate transaction value of \$30.50 billion.

The most active buyer in the Online Industry in terms of value of transactions announced between 2007 and the 1st Half of 2009 was Microsoft Corporation with 10 acquisitions (BigPark, Inc., Greenfield Online, Inc., Farecast, Danger, Inc., Jellyfish.com, AdECN, Inc., aQuantive, Inc., ScreenTonic, Tellme Networks, Inc. and MedStory, Inc.) totaling \$7.67 billion.

M&A Market Dynamics - 1st Half

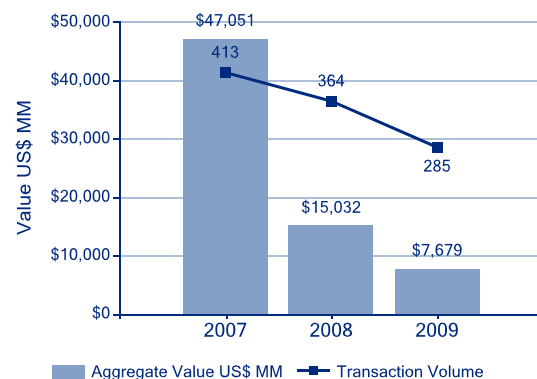


Figure 1. 1st Half 2007 - 2009 value and volume comparison

Median Enterprise Value Multiples - 1st Half

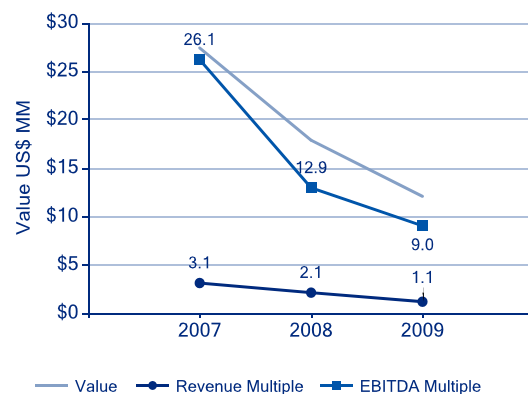


Figure 2. 1st Half 2007 - 2009 median: Value, Revenue, EBITDA comparison.

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Bell Curve - Histogram - 1st Half

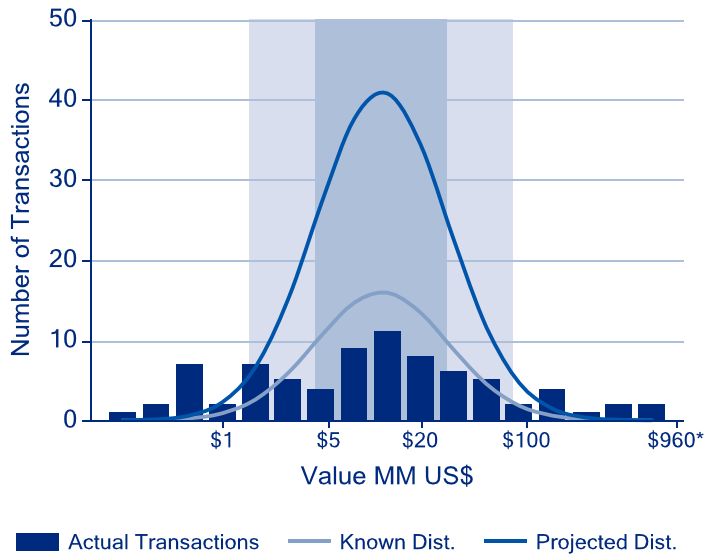


Figure 3. Shows distribution among online industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had enterprise values of \$0.6 million to \$90.0 million. Based on these data, we estimate the total transaction value of deals done during the 1st Half of 2009 at \$7.7 billion.

* Indicates largest transaction in the industry from Jan. 1, 2009 to June 30, 2009

Distribution Table - 1st Half

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	1	0	1	1 %	1 %
\$0.4	2	0	2	3 %	4 %
\$0.6	7	1	7	9 %	13 %
\$1.0	2	2	4	3 %	15 %
\$1.6	7	7	13	9 %	24 %
\$2.7	5	15	20	6 %	30 %
\$4.5	4	27	30	5 %	35 %
\$7.4	9	38	46	11 %	46 %
\$12.2	11	41	51	14 %	60 %
\$20.1	8	34	42	10 %	70 %
\$33.1	6	23	28	8 %	78 %
\$54.6	5	12	16	6 %	84 %
\$90.0	2	5	6	3 %	86 %
\$148.4	4	1	5	5 %	91 %
\$244.7	1	0	1	1 %	93 %
\$403.4	2	0	2	3 %	95 %
\$665.1	2	0	2	3 %	98 %
Total #	80	205	285		
Total \$ Value	\$5,390	\$2,289	\$7,679		

■ Middle 3rd of Industry	■ Middle 2/3rds of Industry
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Figure 4. Presents the data depicted in the bell curve-histogram.

STRATEGIC VS. FINANCIAL COMPARISON

M&A Dynamics By Transaction Type - 1st Half '09

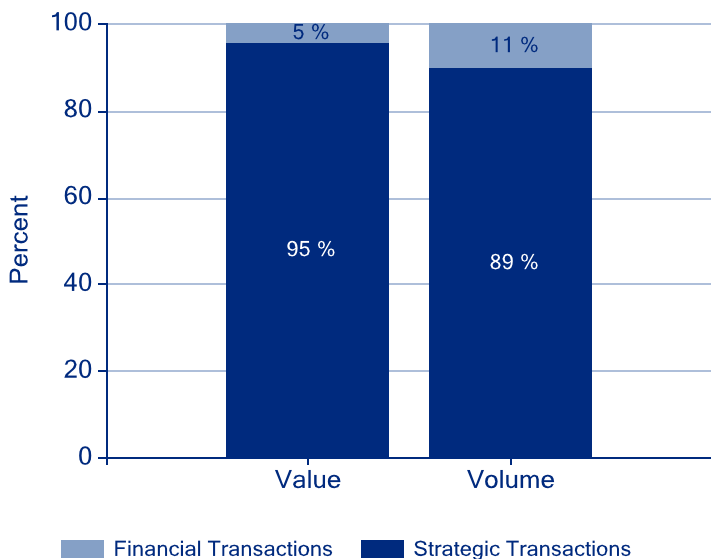


Figure 5. Out of the 285 transactions tracked by Berkery Noyes in the 1st Half of 2009 we found that financially sponsored transactions accounted for 11% of the volume or 30 transactions and 5% of the value or \$355 million.

Transaction Type - 1st Half

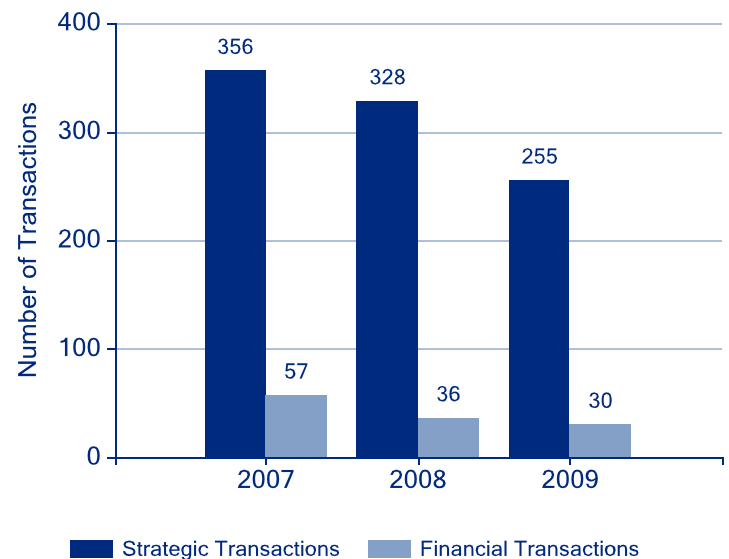


Figure 6. Of the 285 total transactions tracked in the 1st Half of 2009, 255 were made by strategic acquirers and 30 by financial acquirers.

PURCHASER ANALYSIS

Top Ten Notable Transactions - 1st Half 2009

Deal Date	Target Name	Buyer	Value MM US\$
04/16/09	GMarket	eBay	\$960
02/10/09	Ticketmaster Entertainment, Inc.	Live Nation, Inc.	\$902
01/08/09	thinkorswim, Inc.	TD Ameritrade Holding Corporation	\$593
01/22/09	Interwoven, Inc.	Autonomy Corporation plc	\$582
01/05/09	TV Guide Network	Lionsgate	\$255
05/13/09	E-Commerce Business from Circuit City Stores Inc.	Systemax Inc.	\$203
06/03/09	PayCycle, Inc.	Intuit, Inc.	\$175
03/23/09	Ericsson TEMS AB	Ascom Holding AG	\$168
05/06/09	Vignette Corporation	Open Text Corporation	\$162
02/19/09	European operations from Match.com	Meetic SA	\$111
2009 Aggregate Transaction Value			\$7,679
Top 10 Aggregate Transaction Value			\$4,113
Top 10 Aggregate Value as a Percentage of All Transactions			54 %

Figure 7. Lists the top ten *announced* transactions in the 1st Half of 2009 and calculates their aggregate enterprise value as a percentage of the total aggregate enterprise value as shown on Figure 1 & 4.

Median EV/Revenue Multiples By Size

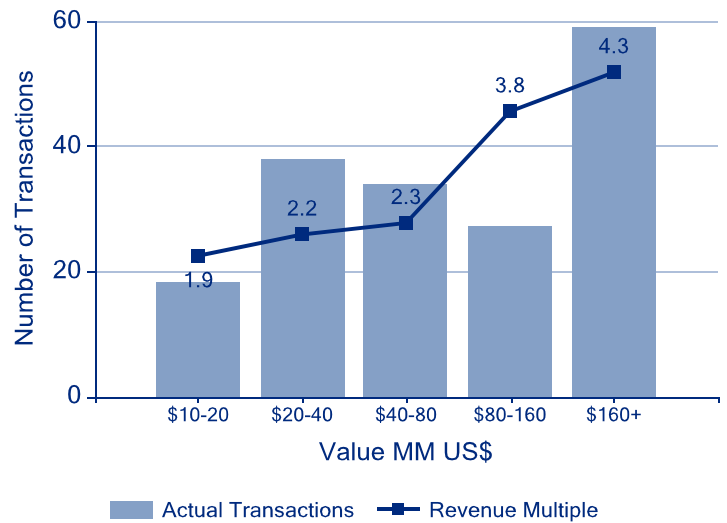


Figure 8. Presents the median enterprise value/revenue multiples of transactions in the online industry based on publicly available data between *January 2007 and June 2009*.

TRANSACTION VOLUME BY SEGMENT | *January 1 through June 30, 2007 - 2009*

Transactions By Market Segment - 1st Half

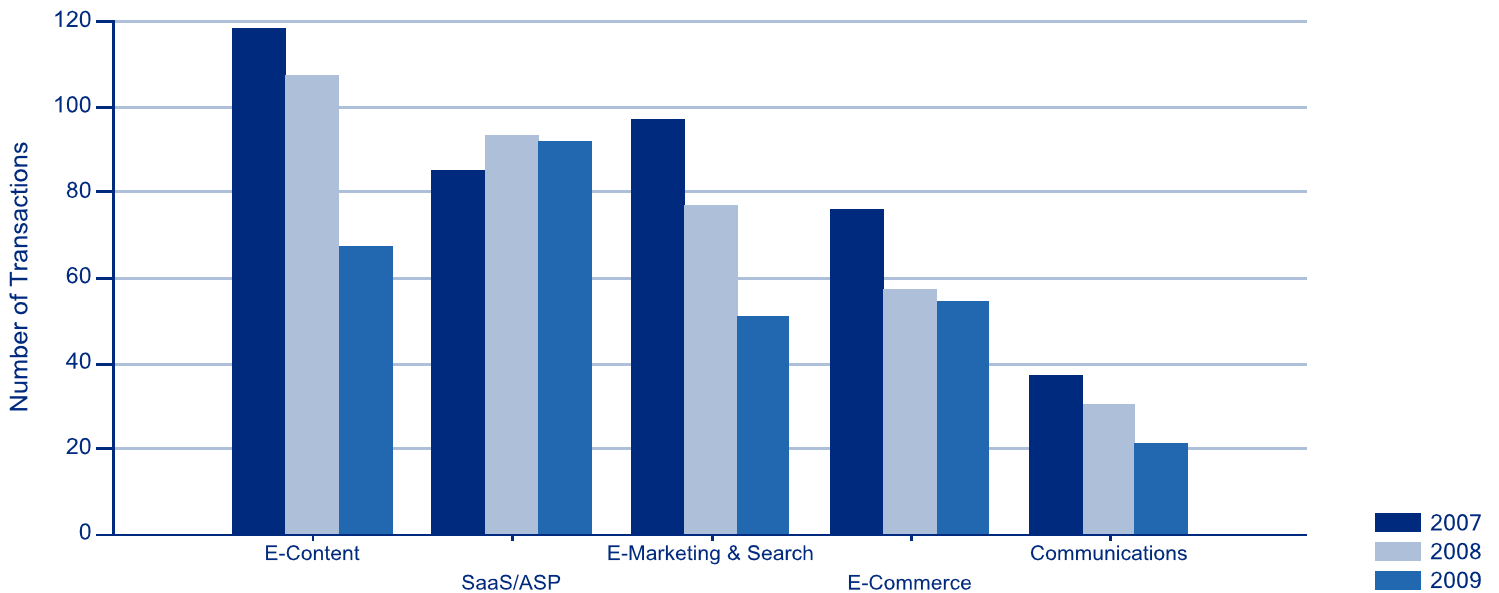


Figure 9. Presents the transaction volume by target segments within the Online industry for the 1st Half of 2007, 2008, and 2009.

(See Figure 10 for description of market segments.)

About Berkery Noyes

Founded in 1980, Berkery Noyes is the leading independent investment bank specializing in the information content and technology industries. The firm has initiated, managed and closed more than 450 merger and acquisition transactions for privately held and publicly traded companies in the business, technology, education, health, financial and legal information segments. Berkery Noyes is unique among investment banking firms in that we combine truly independent strategic research and industry intelligence with senior information technology banking expertise. With no equity fund or brokerage business to manage, our partners and investment banking professionals are one hundred percent focused on M&A advisory services. Berkery Noyes employs over 40 professionals with deep industry knowledge and experience who strive to exceed our clients' expectations by maximizing the full value of their information technology and content assets.

All charts in this report are based on data gathered by Berkery Noyes. All transaction statistics are based on announcement date. The most current information is available in our Weekly Deal Report which can be accessed via our website at www.berkerynoyes.com. Click on the "Publications" tab to sign up.

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JOSEPH BERKERY | Chief Executive Officer

JOHN SHEA | Chief Operating Officer

FOOTNOTES

Market Segments

Market Segment	Description
Communications	e-mail, messaging, webconferencing, VOIP, SMS
E-Commerce	e-retail, online payments, employment/dating/ticketing/rental services etc...
E-Content	e-zines, user-generated content, social networking
E-Marketing & Search	search engines, webhosting, SEO, lead generation, customer loyalty, surveys, ad networks, interactive agencies, marketing services
SaaS/ASP	software as a service, online applications, online tools, application service provider

Figure 10. Represents what types of online companies are included in Figure 9.

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