

SOFTWARE INDUSTRY

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1st Half 2009 Key Highlights

- The most active buyer in the Software Industry, in terms of volume of transactions announced for the 1st Half of 2009, was Oracle Corporation with 5 transactions. These include the acquisitions of Conformia Software, Inc., Virtual Iron Software, Inc., and mValent, Inc., as well as the pending acquisitions of Sun Microsystems, Inc., and Relsys International, Inc.
- The largest transaction for the 1st Half of 2009 was Oracle Corporation's announced acquisition of Sun Microsystems, Inc. for \$5.64 billion.
- In the 1st Half of 2009, there were 50 financially sponsored transactions with an aggregate value of \$860 million. These figures represent 15 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 10 percent over the 1st Half of 2008 from 374 in 2008 to 336 in 2009.
- Total transaction value in the 1st Half of 2009 decreased by 27 percent over the 1st Half of 2008, from \$24.46 billion in 2008 to \$17.78 billion in 2009.

M&A Market Overview

Out of 1889 transactions tracked by Berkery Noyes between 2007 and the 1st Half of 2009, 697 had disclosed enterprise values with an aggregate of \$112.77 billion. Using these values in a histogram on a logarithmic scale, we project an aggregate value of \$29.13 billion for the 1192 undisclosed transactions. In total, we project a combined aggregate value of \$141.90 billion worth of transactions over the past two and a half years.

The largest transaction tracked by Berkery Noyes between 2007 and the 1st Half of 2009 was Oracle Corporation's acquisition of BEA Systems, Inc. for \$7.11 billion.

Berkery Noyes determined that nearly one-third of companies sold between 2007 and the 1st Half of 2009 received enterprise values between \$4 million to \$33 million.

The most active buyer in the Information Industry in terms of volume between 2007 and the 1st Half of 2009 with 27 transactions was Oracle Corporation.

M&A Market Dynamics - 1st Half

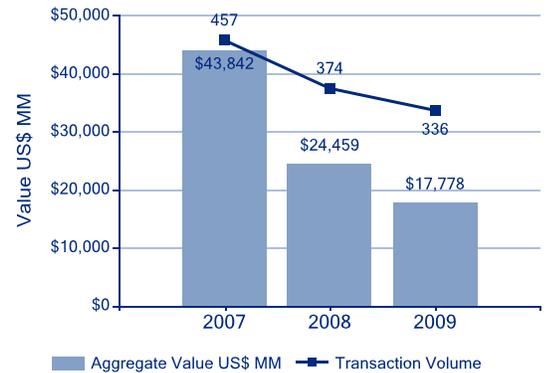


Figure 1. 1st Half 2007 - 2009 value and volume comparison

Median Enterprise Value Multiples - 1st Half

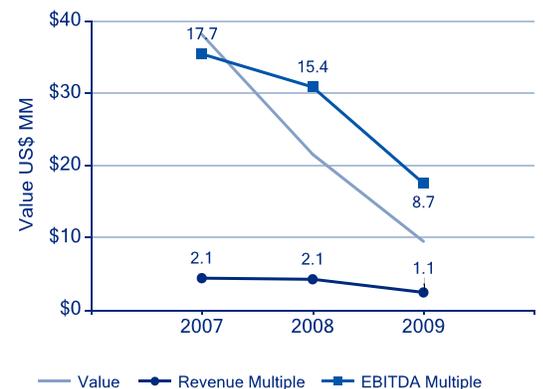


Figure 2. 1st Half 2007 - 2009 median: Value, Revenue, EBITDA comparison.

Bell Curve - Histogram - 1st Half

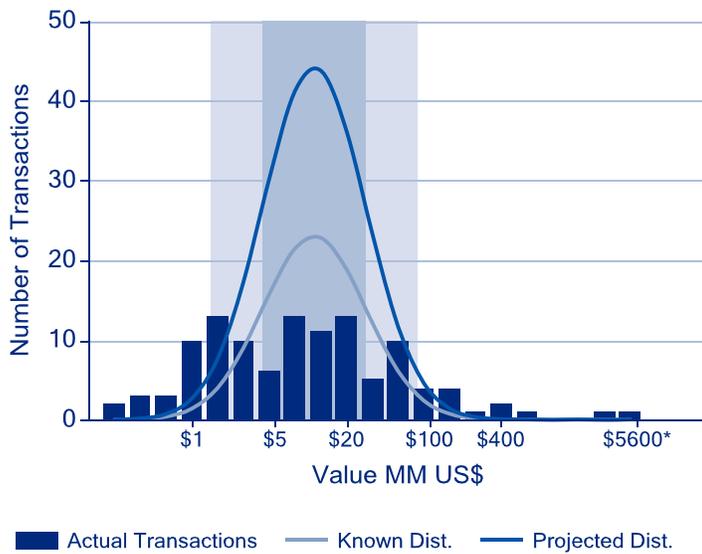


Figure 3. Shows distribution among software industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had enterprise values of \$0.6 million to \$54.6 million. Based on these data, we estimate the total transaction value of deals done in the 1st Half of 2009 at \$17.8 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	2	0	2	2 %	2 %
\$0.4	3	0	3	3 %	4 %
\$0.6	3	1	3	3 %	7 %
\$1.0	10	3	12	9 %	16 %
\$1.6	13	8	20	11 %	27 %
\$2.7	10	17	27	9 %	36 %
\$4.5	6	30	36	5 %	41 %
\$7.4	13	41	54	11 %	52 %
\$12.2	11	44	54	10 %	62 %
\$20.1	13	36	49	11 %	73 %
\$33.1	5	23	28	4 %	77 %
\$54.6	10	12	21	9 %	86 %
\$90.0	4	5	8	3 %	90 %
\$148.4	4	1	5	3 %	93 %
\$244.7	1	0	1	1 %	94 %
\$403.4	2	0	2	2 %	96 %
\$665.1	1	0	1	1 %	97 %
\$1,096.6	0	0	0	0 %	97 %
\$1,808.0	0	0	0	0 %	97 %
\$2,981.0	1	0	1	1 %	97 %
\$4,914.8	1	0	1	1 %	98 %
Total #	115	221	336		
Total \$ Value	\$15,410	\$2,367	\$17,778		

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

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

STRATEGIC VS. FINANCIAL COMPARISON

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

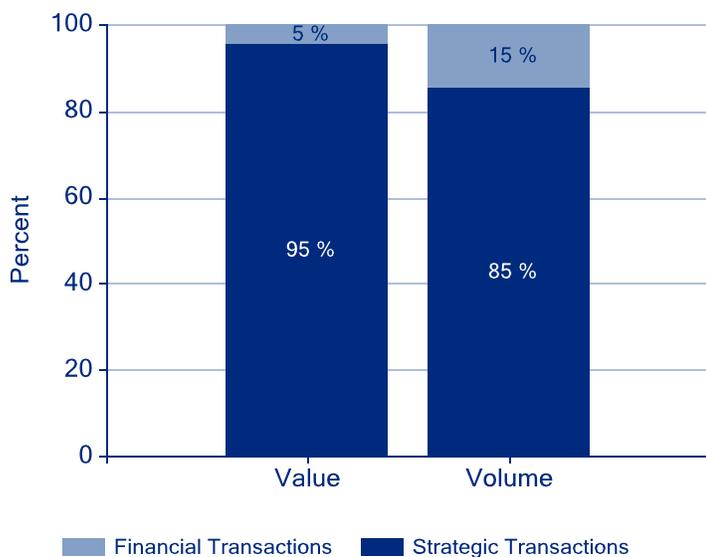


Figure 5. Out of the 336 transactions tracked by Berkery Noyes in the 1st Half of 2009 we found that financially sponsored transactions accounted for 15% of the volume or 50 transactions and 5% of the value or \$860 million.

Transaction Type - 1st Half

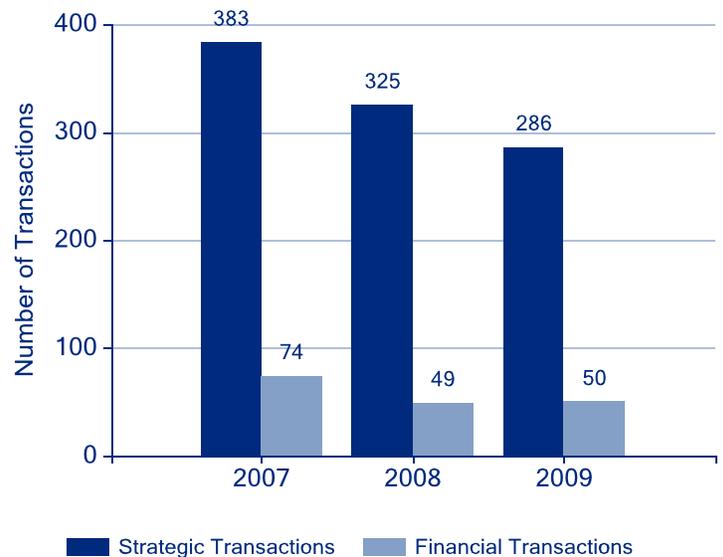


Figure 6. Of the 336 total transactions tracked in the 1st Half of 2009, 286 were made by strategic acquirers and 50 by financial acquirers.

PURCHASER ANALYSIS

Top Ten Notable Transactions - 1st Half 2009

Deal Date	Target Name	Buyer	Value MM US\$
04/20/09	Sun Microsystems, Inc.	Oracle Corporation	\$5,639
04/01/09	Metavante Corporation	Fidelity National Information Services Inc.	\$4,617
06/04/09	Wind River Systems	Intel Corporation	\$793
01/08/09	thinkorswim, Inc.	TD Ameritrade Holding Corporation	\$593
01/22/09	Interwoven, Inc.	Autonomy Corporation plc	\$582
03/02/09	Roxar ASA	Emerson	\$362
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
01/12/09	Aladdin Knowledge Systems Ltd.	SafeNet Inc.	\$133
2009 Aggregate Transaction Value			\$17,778
Top 10 Aggregate Transaction Value			\$13,225
Top 10 Aggregate Value as a Percentage of All Transactions			74 %

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

Median EV/Revenue Multiples By Size

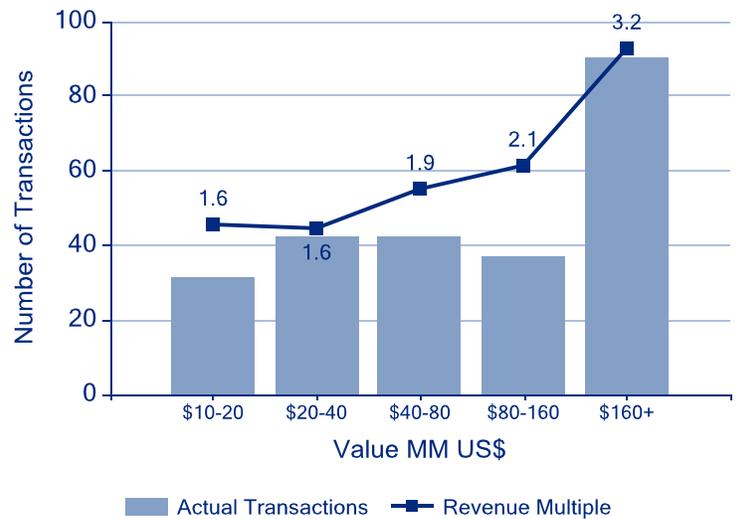


Figure 8. Presents the median enterprise value/revenue multiples of transactions in the software industry based on publicly available data between *January 2007 and June 2009*.

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

Transactions By Market Segment - 1st Half

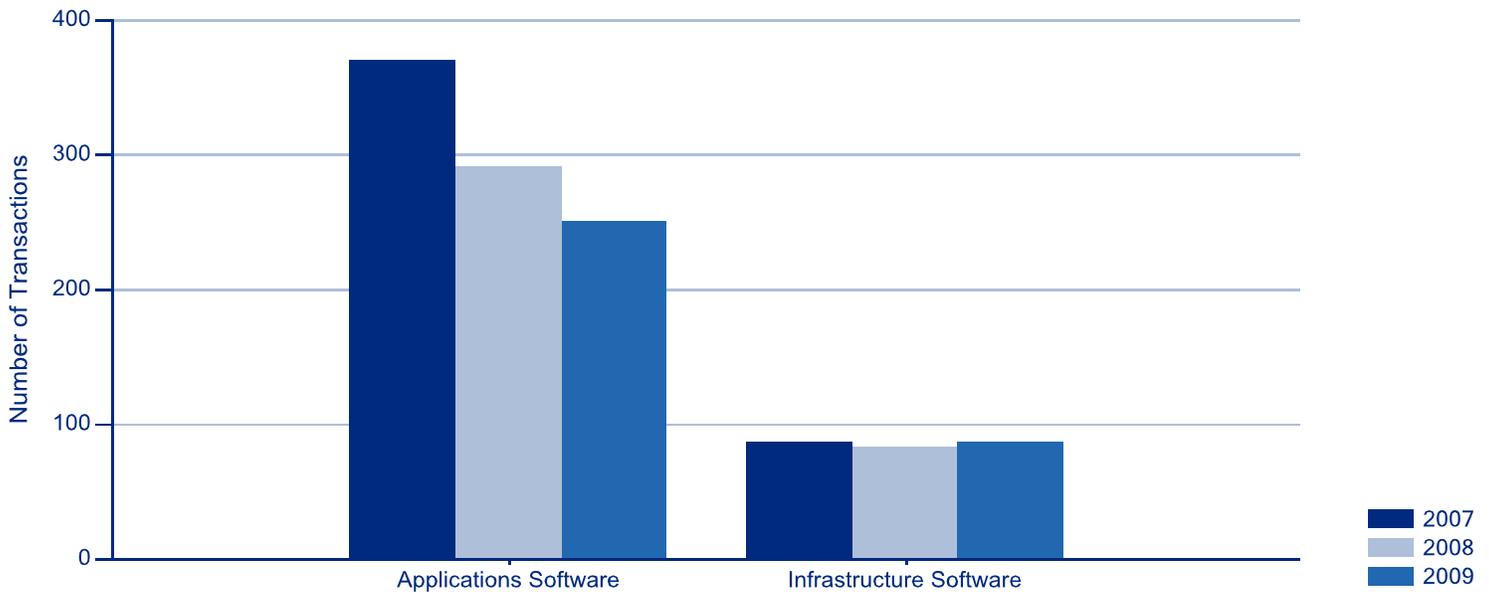


Figure 9. Presents the transaction volume by target segments within the Software industry for the 1st Half of 2007, 2008, and 2009.

(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.

Contact us today for a confidential discussion of your strategic options.

JOSEPH BERKERY | Chief Executive Officer

JOHN SHEA | Chief Operating Officer

FOOTNOTES

Market Segments

Market Segment	Description
Applications Software	Enterprise Management Applications (ERP, BI, BPM, ECM, PLM, etc.), Payment Processing, Engineering Software (CAD/CAE)
Infrastructure Software	Systems, Security, Networking, Storage, Communications (Mobile Connectivity, E-Mail, Fax, Messaging, etc.)

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

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