

SOFTWARE INDUSTRY

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2009 Key Highlights

- The largest transaction for 2009 was Oracle Corporations announced acquisition of Sun Microsystems, Inc for \$7.08 billion.
- The most active buyers in the Software Industry, in terms of volume of announced transactions for 2009, was Oracle Corporation and The Carlyle Group each with 8 transactions.
- In 2009, there were 101 financially sponsored transactions with an aggregate value of \$5.52 billion. These figures represent 14 percent of the total volume and 14 percent of the total value, respectively.

2009 vs. 2008 Key Trends

- Total transaction volume in 2009 decreased by 16 percent over 2008, from 837 in 2008 to 699 in 2009.
- Total transaction value in 2009 decreased by 16 percent over 2008, from \$45.43 billion in 2008 to \$38.30 billion in 2009.

2004-2009 Market Overview

Out of 4,887 transactions tracked by Berkery Noyes between 2004 and 2009 we determined the aggregate enterprise value paid for transactions, where the values of 1,850 were disclosed, to be \$271.71 billion. Based on known enterprise values, using a logarithmic scale, we project values of 3,037 undisclosed transactions to be \$71.52 billion for a combined total of \$343.24 billion over the past six years.

The largest transaction between 2004 and 2009 was Bain Capital, Kohlberg Kravis Roberts & Co., Goldman Sachs & Co., Blackstone Group LP, Providence Equity Partners Inc., Texas Pacific Group and Silver Lake Partners who acquired SunGard Data Systems Inc. for \$10.86 billion.

M&A Market Dynamics

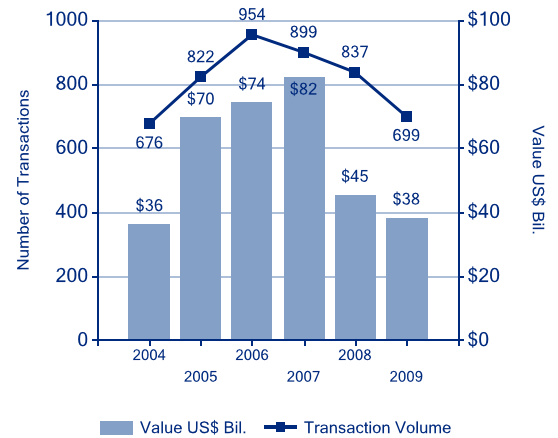


Figure 1. 2004 - 2009 value and volume comparison

Median Enterprise Value Multiples

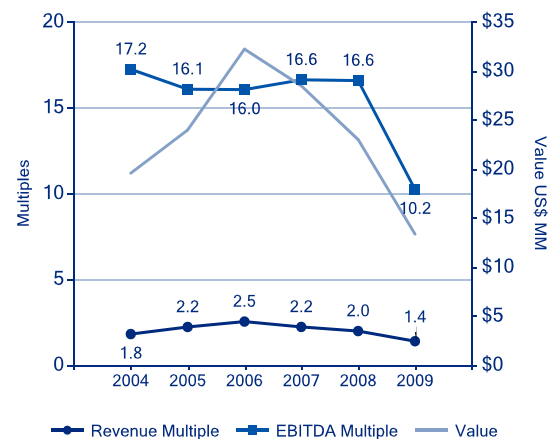


Figure 2. 2004 - 2009 median: Value, Revenue, EBITDA comparison.

Bell Curve - Histogram

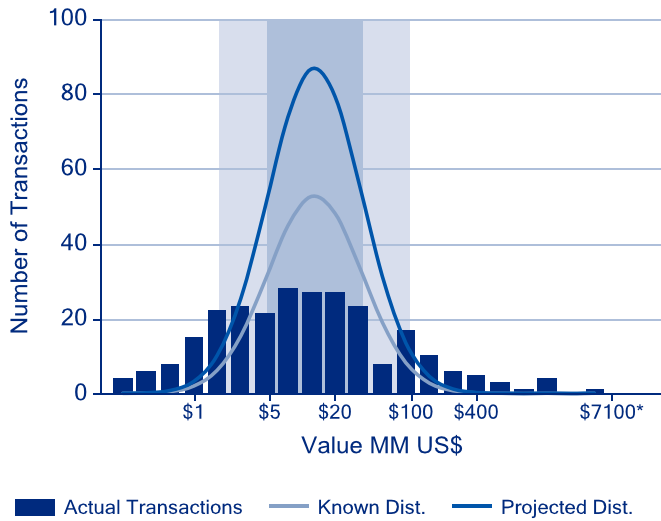


Figure 3. Shows distribution among software industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had transaction values of \$1.0 million to \$90.0 million. Based on these data, we estimate the total transaction value of deals done from Jan. 1 to Dec. 31, 2009 at \$38.29 billion.

* Indicates largest transaction in the industry from Jan. 1, 2009 to Dec. 31, 2009

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	4	0	4	2 %	2 %
\$0.4	6	0	6	2 %	4 %
\$0.6	8	1	8	3 %	7 %
\$1.0	15	3	18	6 %	13 %
\$1.6	22	10	32	8 %	21 %
\$2.7	23	25	48	9 %	30 %
\$4.5	21	49	69	8 %	38 %
\$7.4	28	74	101	11 %	48 %
\$12.2	27	87	113	10 %	58 %
\$20.1	27	79	106	10 %	69 %
\$33.1	23	56	79	9 %	77 %
\$54.6	8	31	39	3 %	80 %
\$90.0	17	14	30	6 %	87 %
\$148.4	10	5	14	4 %	91 %
\$244.7	6	1	7	2 %	93 %
\$403.4	5	0	5	2 %	95 %
\$665.1	3	0	3	1 %	96 %
\$1,096.6	1	0	1	0 %	96 %
\$1,808.0	4	0	4	2 %	98 %
\$2,981.0	0	0	0	0 %	98 %
\$4,914.8	1	0	1	0 %	98 %
Total #	264	435	699		
Total \$ Value	\$32,605	\$5,695	\$38,299		

■ 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

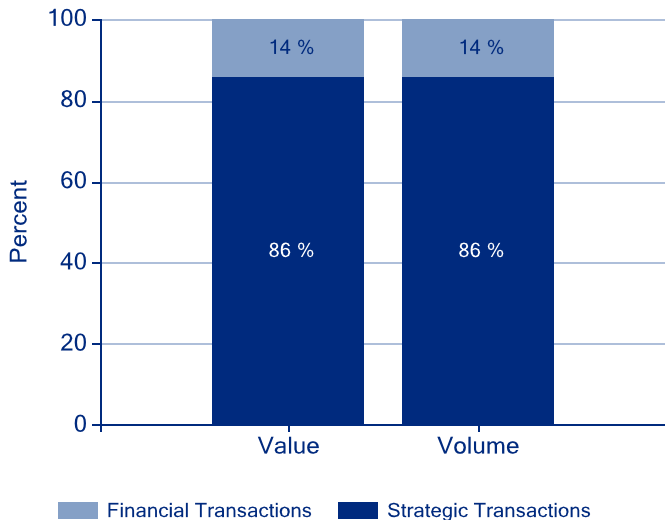


Figure 5. Out of 699 transactions tracked by Berkery Noyes in 2009 we found that financially sponsored transactions accounted for 14 percent of the volume or 101 transactions and greater than 14 percent of the value or \$5.52 billion.

note: financially sponsored transactions include PE-backed strategic acquisitions.

Transaction Type

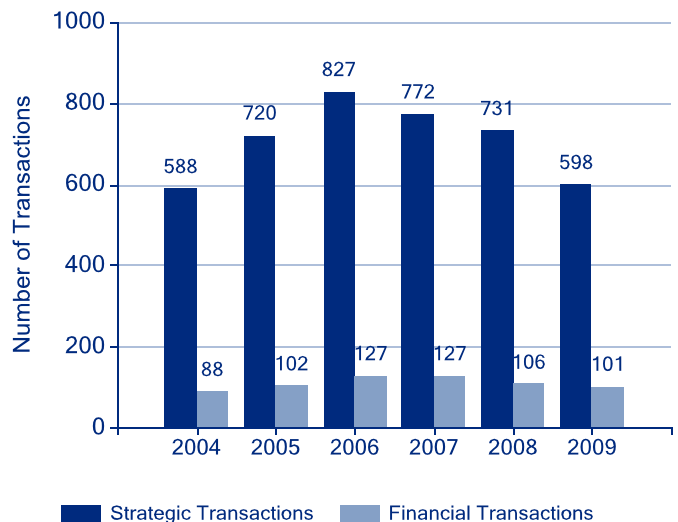


Figure 6. Financially sponsored transactions represented 14 percent of the volume and 14 percent of the value for 2009 as opposed to 13 percent of the volume and 23 percent of the value for 2008.

Top Ten Notable Transactions 2009

Deal Date	Target Name	Buyer	Value MM US\$
04/20/09	Sun Microsystems, Inc.	Oracle Corporation	\$7,085
04/01/09	Metavante Corporation	Fidelity National Information Services Inc.	\$2,894
10/13/09	Starent Networks	Cisco Systems, Inc.	\$2,556
07/20/09	Data Domain	EMC Corp.	\$2,108
09/01/09	Skype Technologies SA	Silver Lake Partners, Andreessen Horowitz, Index Ventures, CPP Investment Board	\$2,025
09/16/09	Omniture, Inc.	Adobe Systems Incorporated	\$1,661
07/28/09	SPSS, Inc.	IBM	\$959
06/04/09	Wind River Systems	Intel Corporation	\$884
01/22/09	Interwoven, Inc.	Autonomy Corporation plc	\$768
10/27/09	Product Lifecycle Management Operations from IBM	Dassault Systemes SA	\$600
2009 Aggregate Transaction Value			\$38,299
Top 10 Aggregate Transaction Value			\$21,540
Top 10 Aggregate Value as a Percentage of All Transactions			56 %

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

note: Transactions data based on announced date.

Median EV/Revenue Multiples By Size

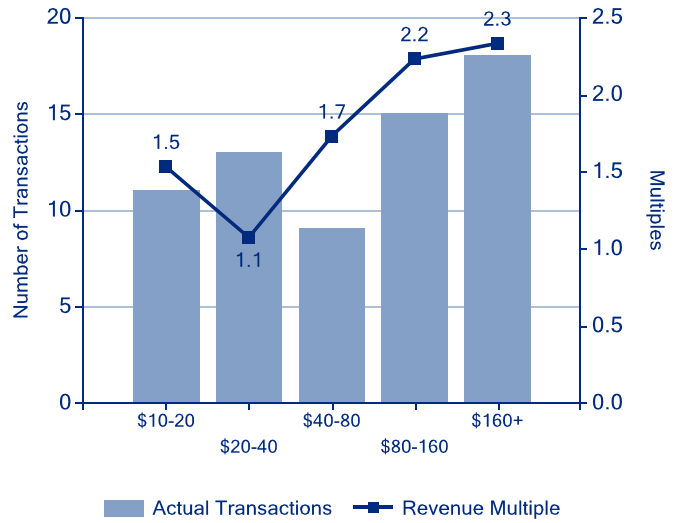


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the software industry based on publicly available sales price and revenue data.

TRANSACTION VOLUME BY SEGMENT | January 1, 2004 - December 31, 2009

Transactions By Market Segment

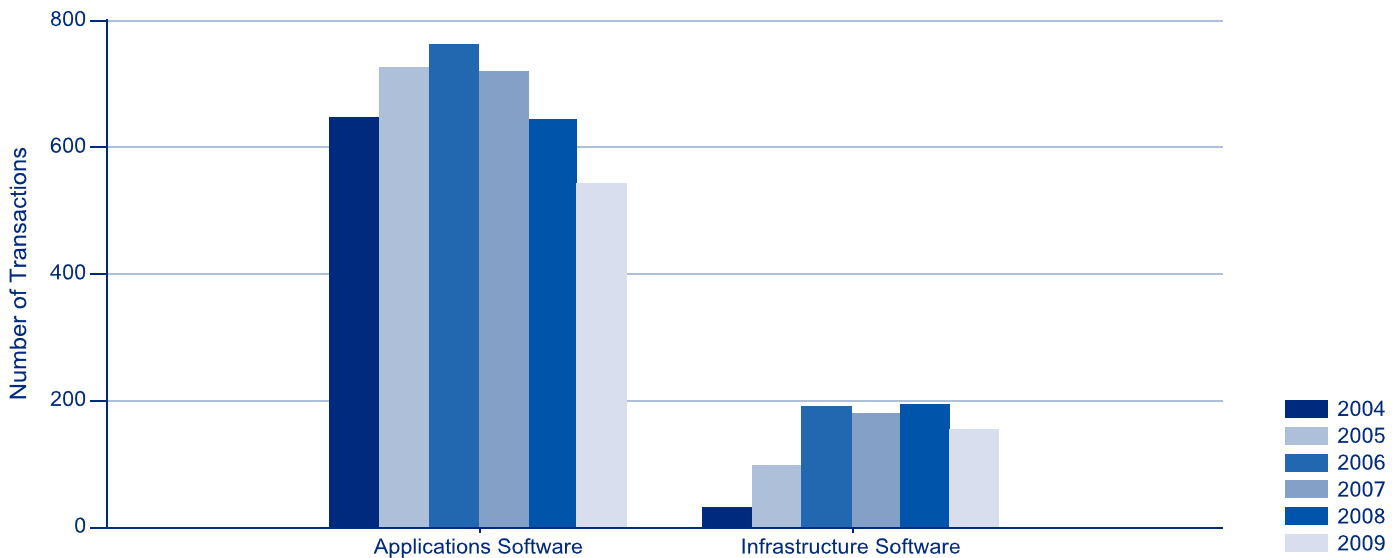


Figure 9. Presents the transaction volume by target segment within the software industry 2004 - 2009.

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 30 individuals 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. For current information ask for our Weekly Deal Report. You'll find a link to it at www.berkerynoyes.com. Click on the "Weekly Deal Reports" tab to sign up.

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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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