

ONLINE & WIRELESS INDUSTRY
Internet Protocol Dependent Software, Content & Services

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2009 Key Highlights

- The largest transaction for 2009 was Cisco Systems, Inc. announced acquisition of Starent Networks for \$2.56 billion.
- The segment with the largest transaction volume for 2009 was SaaS/ASP with 191 transactions.
- In 2009, there were 68 financially sponsored transactions with an aggregate value of \$4.02 billion. These figures represent 11 percent of the total volume and 16 percent of the total value, respectively.

2009 vs. 2008 Key Trends

- Total transaction volume in 2009 decreased by 12 percent over 2008 from 720 in 2008 to 636 in 2009.
- Total transaction value in 2009 increased by 5 percent over 2008, from \$24.68 billion in 2008 to \$25.83 billion in 2009.
- The segment with largest increase in value in 2009 over 2008 was E-Marketing & Search with a 86 percent increase from \$3.21 billion in 2008 to \$5.98 billion in 2009.

2004-2009 Market Overview

Out of 3,777 transactions tracked by Berkery Noyes between 2004 and 2009 we determined the aggregate enterprise values paid for transactions, where the values of 1,350 were disclosed, to be \$158.21 billion. Based on known enterprise values, using a logarithmic scale, we project values of 2,427 undisclosed transactions to be \$49.20 billion for a combined total of \$207.40 billion over the past six years.

The largest transaction tracked by Berkery Noyes between 2004 and 2009 was Microsoft Business Solutions who acquired aQuantive, Inc. for \$5.96 billion.

The most active buyer in the Online & Wireless Industry in terms of volume either purchased direct or through partner or affiliated business between 2004 and 2009 with 44 transactions was IAC.

M&A Market Dynamics

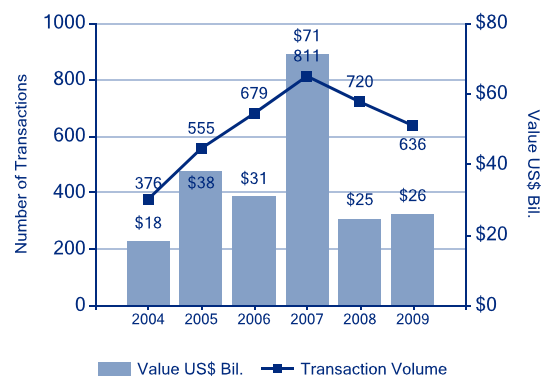


Figure 1. 2004 - 2009 value and volume comparison

Median Enterprise Value Multiples

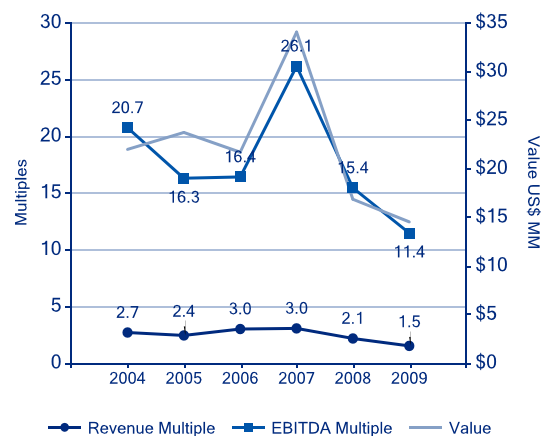


Figure 2. 2004 - 2009 median: Value, Revenue, EBITDA comparison.

Bell Curve - Histogram

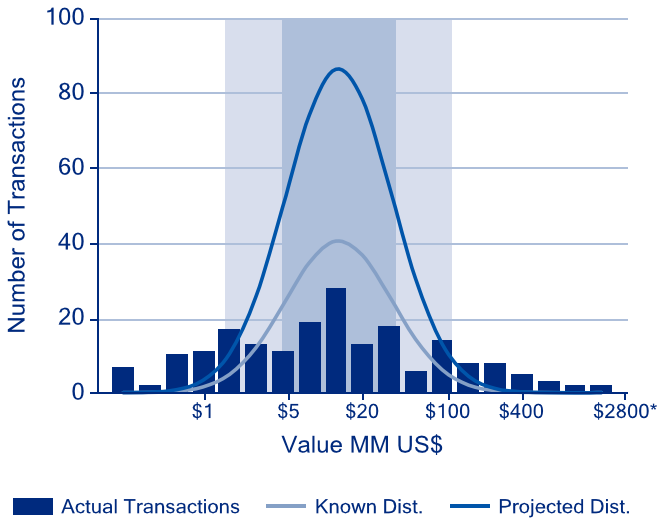


Figure 3. Shows distribution of transactions among Online & Wireless industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had transaction values of \$1.0 million to \$148.4 million. Based on these data, we estimate the total transaction value of deals done from Jan. 1 to Dec. 31, 2009 at \$25.83 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	7	0	7	3 %	3 %
\$0.4	2	0	2	1 %	4 %
\$0.6	10	1	10	5 %	9 %
\$1.0	11	3	14	5 %	15 %
\$1.6	17	10	27	8 %	23 %
\$2.7	13	26	38	6 %	30 %
\$4.5	11	49	60	5 %	35 %
\$7.4	19	74	92	9 %	44 %
\$12.2	28	86	114	14 %	58 %
\$20.1	13	78	91	6 %	65 %
\$33.1	18	55	73	9 %	73 %
\$54.6	6	30	36	3 %	76 %
\$90.0	14	13	27	7 %	83 %
\$148.4	8	4	12	4 %	87 %
\$244.7	8	1	9	4 %	91 %
\$403.4	5	0	5	2 %	94 %
\$665.1	3	0	3	1 %	95 %
\$1,096.6	2	0	2	1 %	96 %
\$1,808.0	2	0	2	1 %	97 %

	Total #	203	433	636
Total \$ Value	\$20,248	\$5,584	\$25,832	

■ 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

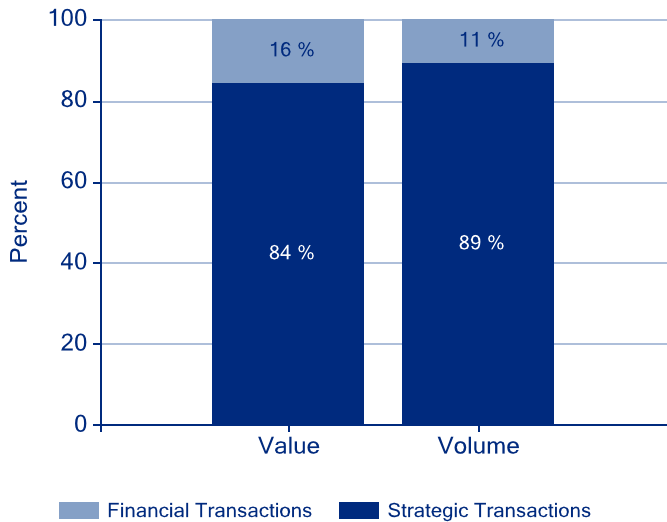


Figure 5. Out of 636 transactions tracked by Berkery Noyes in 2009 we found that financially sponsored transactions accounted for 11 percent of the volume or 69 transactions and greater than 16 percent of the value or \$4.02 billion worth of financially sponsored transactions.

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

Transaction Type

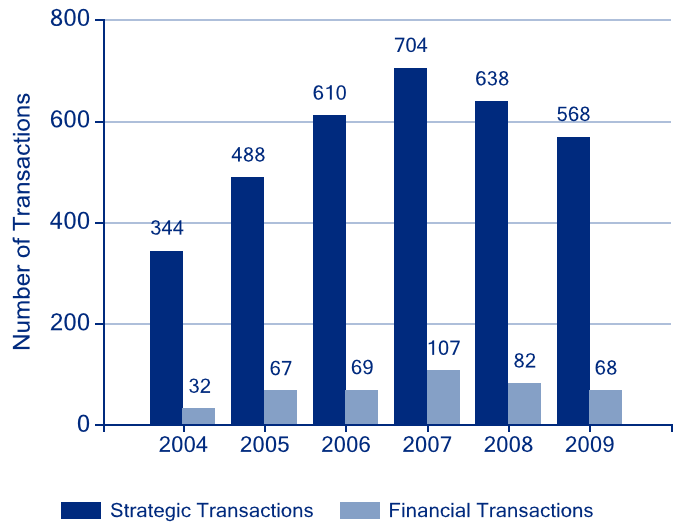


Figure 6. Financially sponsored transactions represented 11 percent of the volume and 16 percent of the value for 2009 as opposed to 11 percent of the volume and 11 percent of the value for 2008.

Top Ten Notable Transactions 2009

Deal Date	Target Name	Buyer	Value MM US\$
10/13/09	Starent Networks	Cisco Systems, Inc.	\$2,556
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
04/16/09	GMarket	eBay	\$1,210
07/22/09	Zappos.com Inc.	Amazon.com, Inc.	\$823
01/22/09	Interwoven, Inc.	Autonomy Corporation plc	\$768
11/09/09	AdMob, Inc	Google Inc.	\$750
01/08/09	thinkorswim, Inc.	TD Ameritrade Holding Corporation	\$581
07/22/09	Bankrate, Inc.	Apax Partners	\$546
08/09/09	Razorfish, Inc.	VivaKi	\$530
2009 Aggregate Transaction Value			\$25,557
Top 10 Aggregate Transaction Value			\$11,449
Top 10 Aggregate Value as a Percentage of All Transactions			45 %

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

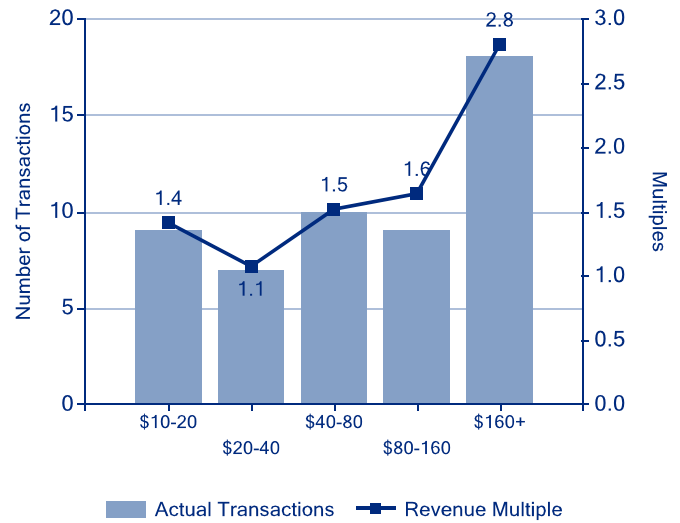


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Online & Wireless Industry based on publicly available sales price and revenue data.

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

Transactions By Market Segment

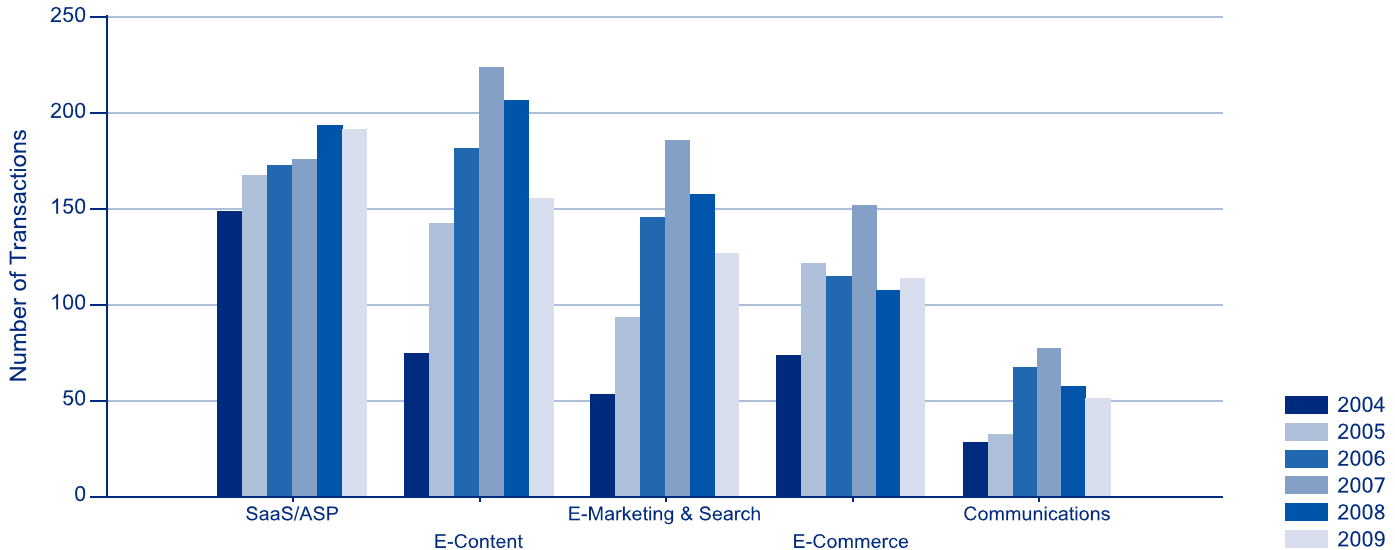


Figure 9. Presents the transaction volume by target segments within the Online & Wireless Industry 2004 - 2009.

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 400 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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JOHN SHEA | *Chief Operating Officer*

FOOTNOTES

Market Segments

Market Segment	Description
Communications	e-mail, messaging, wireless, 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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