



EDUCATION INDUSTRY

Q3 2012 :: Mergers and Acquisitions Trend Report

Q3 2012 KEY HIGHLIGHTS

- The most active acquirer through Q3 2012 was Pearson plc with four transactions, two of which occurred during Q3 2012: PT Efficient English Services and Psychological Software Solutions, Inc.
- The largest transaction in Q3 2012 was Levine Leichtman Capital Partners Inc.'s acquisition of MPW, a portfolio company of Apollo Group, Inc., for \$85 million.

Q3 2012 KEY TRENDS

- Total transaction volume in Q3 2012 increased by two percent over Q2 2012, from 58 to 59.
- Total transaction value in Q3 2012 decreased by 39 percent over Q2 2012, from \$740.0 million to \$454.8 million.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2011 through the 1st 3 Quarters of 2012 fell by 13 percent, from 1.6x to 1.4x.
- The median EBITDA multiple from 2011 through the 1st 3 Quarters of 2012 increased by 13 percent, from 12.0x to 13.5x.
- Professional Training Technology from 2011 through the 1st 3 Quarters of 2012 had a median revenue multiple of 2.2x.

Top Ten Notable Transactions - 1st 3 Quarters 2012

Deal Date	Target Name	Buyer	Value MM US\$
02/23/12	The College of Law of England And Wales	Montagu Private Equity	\$316
05/16/12	Oxford Aviation Academy, Ltd.	CAE, Inc.	\$315
03/05/12	Archipelago Learning, Inc.	PLATO Learning, Inc.	\$300
05/17/12	Casterbridge Care & Education Ltd.	Bright Horizons Family Solutions	\$117
05/25/12	GlobalEnglish Corporation	Pearson plc	\$90
07/18/12	MPW	Levine Leichtman Capital Partners Inc.	\$85
02/17/12	Inscape Publishing Inc.	John Wiley & Sons, Inc.	\$85
03/31/12	Cosmopoint Sdn Bhd	Ekuiti Nasional Bhd	\$80
06/29/12	finalsite	Spectrum Equity	\$55
09/17/12	Three Sixth Form Colleges in Central London	Sovereign Capital Partners LLP	\$49

2012 Aggregate Transaction Value \$2,355

Top 10 Aggregate Transaction Value \$1,492

Top 10 Aggregate Value as a Percentage of All Transactions 63 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2012 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value.

Note: Transaction data based on announced date.

M&A Market Dynamics By Quarter

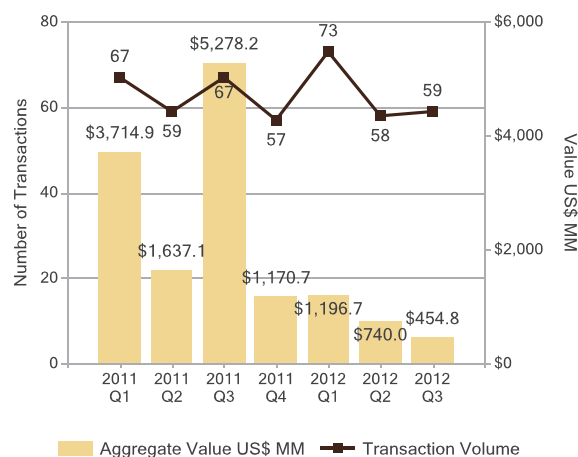


Figure 1. 2011-2012 value and volume comparison by quarter.

Median Enterprise Value Multiples

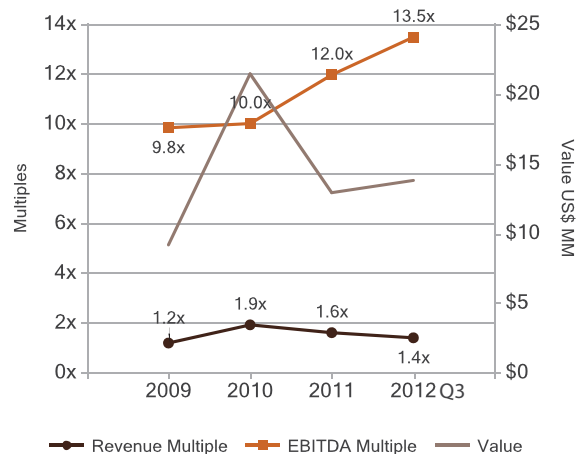


Figure 2. 2009-2012 median value, revenue, and EBITDA comparison through Q3 2012.

TOP TEN DEALS THROUGH Q3 2012

The top ten deals by value have seen two new additions since our half year report, both of which were completed by private equity firms: Levine Leichtman Capital Partners Inc.'s acquisition of MPW and Sovereign Capital Partners LLP's acquisition of three sixth form colleges in Central London.

These two transactions, with an aggregate value of \$134 million, represented six percent of transaction value in the 1st 3 Quarters of 2012 and 29 percent of Q3 2012 transaction value.

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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. Please note that for evaluating aggregate transaction values, we cite the total consideration paid by the acquirer.

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