



INFORMATION INDUSTRY

The Production and Provision of Content

FULL YEAR 2013 :: Mergers and Acquisitions Trend Report

2013 KEY HIGHLIGHTS

- For the third consecutive year, the industry's most active acquirer was WPP Group, plc. WPP completed 34 transactions in 2013.
- There were 452 financially sponsored transactions in 2013 with an aggregate value of 49.39 billion, representing 13 percent of the total volume and 26 percent of the total value, respectively.

2013 KEY TRENDS

- Total transaction volume in 2013 increased by two percent over 2012, from 3,538 to 3,613. As for the industry's horizontal markets, Online & Mobile had the largest rise in volume with an eight percent increase.
- Total transaction value in 2013 rose by 17 percent over 2012, from \$157.25 billion to \$184.63 billion.
- The median revenue multiple improved from 1.8x in 2012 to 2.1x in 2013. The median EBITDA multiple moved slightly from 9.9x in 2012 to 10.3x in 2013.

M&A Market Dynamics

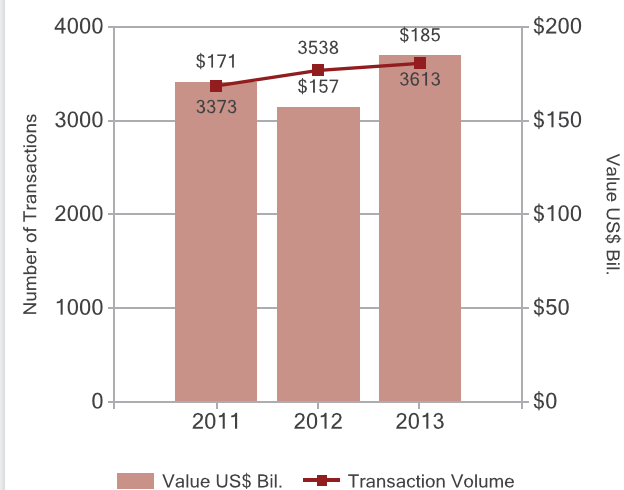


Figure 1. 2011-2013 value and volume comparison.

M&A MARKET OVERVIEW

Berkery Noyes tracked 10,524 Information Industry transactions between 2011 and 2013, of which 2,946 disclosed financial terms, and calculated the aggregate value to be \$405.63 billion. Based on known transaction values, we project values of 7,578 undisclosed transactions to be \$105.08 billion, totaling \$510.72 billion worth of transactions tracked over the past three years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 36 months were 2.0x revenue and 10.3x EBITDA.

The largest deal between 2011 and 2013 was Publicis Groupe SA's announced merger with Omnicom Group Inc. in 2013, with an acquisition price of \$20.5 billion.

Out of 10,524 deals tracked by Berkery Noyes during the last 36 months, transactions valued at \$20 million and above garnered a median enterprise value multiple of 3.0x revenue. In contrast, companies with transaction values between \$10 million and \$20 million captured a median enterprise value multiple of 1.6x revenue.

Median Enterprise Value Multiples

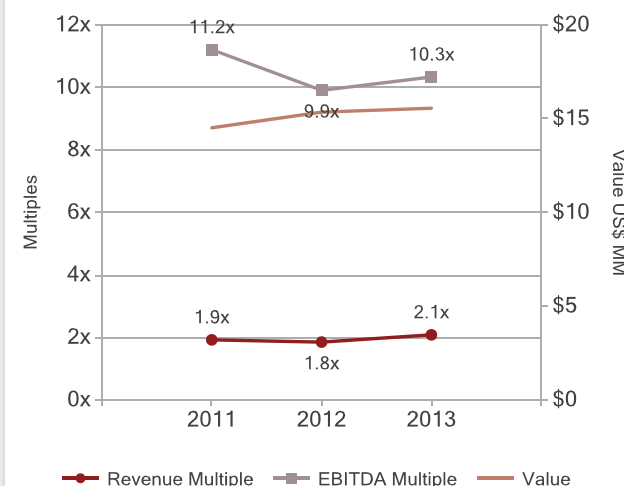


Figure 2. 2011-2013 median value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2013 – December 31, 2013

Bell Curve - Histogram

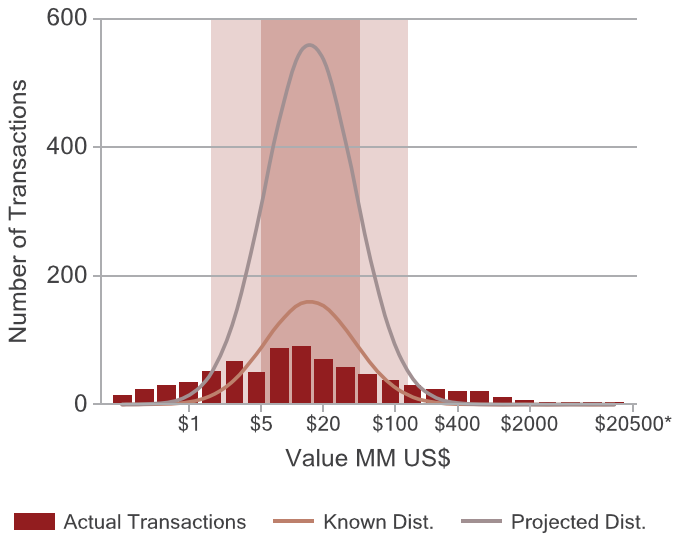


Figure 3. Shows the distribution of Information Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$7.4 billion to \$33.1 billion. Based on this data, we estimate the total transaction value of deals done in 2013 at \$184.6 billion.

* Indicates largest transaction in the industry from Jan. 1, 2013 to Dec. 31, 2013.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	15	0	15	2 %	2 %
\$0.4	24	1	24	3 %	5 %
\$0.6	29	3	32	4 %	8 %
\$1.0	35	15	49	4 %	13 %
\$1.6	51	50	100	6 %	19 %
\$2.7	66	132	198	8 %	27 %
\$4.5	49	273	321	6 %	33 %
\$7.4	88	438	526	11 %	44 %
\$12.2	91	549	640	11 %	56 %
\$20.1	70	536	605	9 %	64 %
\$33.1	57	407	463	7 %	72 %
\$54.6	48	241	288	6 %	77 %
\$90.0	39	111	149	5 %	82 %
\$148.4	30	40	69	4 %	86 %
\$244.7	23	11	34	3 %	89 %
\$403.4	21	2	23	3 %	92 %
\$665.1	20	0	20	2 %	94 %
\$1,096.6	12	0	12	1 %	96 %
\$1,808.0	7	0	7	1 %	96 %
\$2,981.0	4	0	4	0 %	97 %
\$4,914.8	1	0	1	0 %	97 %
\$8,103.1	1	0	1	0 %	97 %
\$13,359.7	1	0	1	0 %	97 %
Total #	804	2809	3613		
Total \$ Value	\$142,815	\$41,812	\$184,627		
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

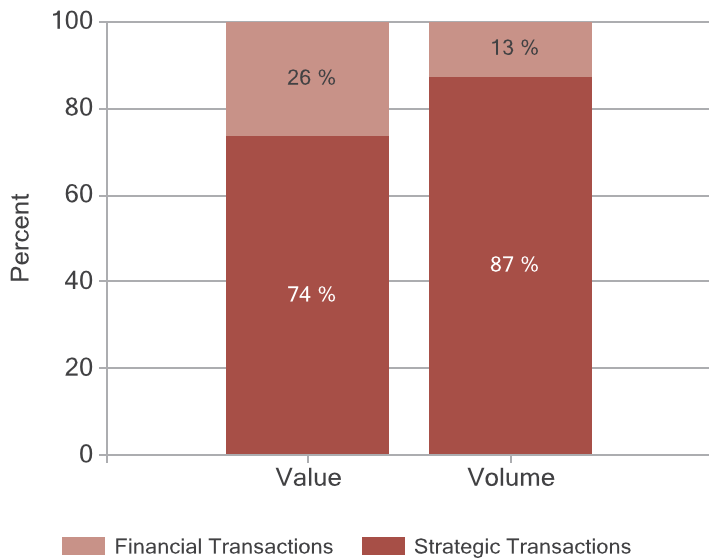


Figure 5. 2013 value and volume comparison by acquirer type.

Note: Financial transactions are those financed by private equity, venture capital, and other investment firms. This includes acquisitions by portfolio companies of the investment firms.

Transaction Type

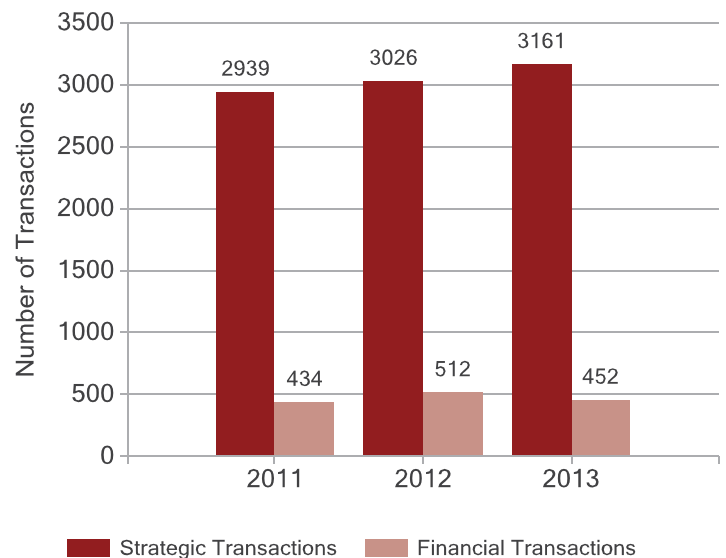


Figure 6. 2011-2013 acquirer type comparison by year.

Purchaser Analysis

Top Ten Notable Transactions 2013

Deal Date	Target Name	Buyer	Value MM US\$
07/28/13	Omnicom Group Inc.	Publicis Groupe SA	\$20,461
07/26/13	Activision Blizzard	Activision Blizzard	\$8,200
05/06/13	BMC Software, Inc.	Bain Capital, Golden Gate Capital, GIC, Insight Venture Partners	\$6,686
06/19/13	Springer Science & Business Media	BC Partners	\$4,423
08/01/13	Invensys Inc.	Schneider Electric SA	\$4,267
05/28/13	Lender Processing Services	Fidelity National Financial	\$3,881
06/27/13	Astral Media Inc.	Bell Media	\$3,332
07/01/13	Local TV LLC	Tribune Company	\$2,710
07/23/13	Sourcefire, Inc.	Cisco Systems, Inc.	\$2,700
12/17/13	IMG Worldwide, Inc.	William Morris Endeavor Entertainment, LLC	\$2,300
2013 Aggregate Transaction Value			\$184,627
Top 10 Aggregate Transaction Value			\$58,962
Top 10 Aggregate Value as a Percentage of All Transactions			32 %

Figure 7. Lists the top ten transactions for 2013 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figure 1 & 4. Includes the buyback of Activision Blizzard from Vivendi.

Note: Transaction data based on announced date. Deal value represents total consideration paid by the acquirer.

Median EV/Revenue Multiples By Size

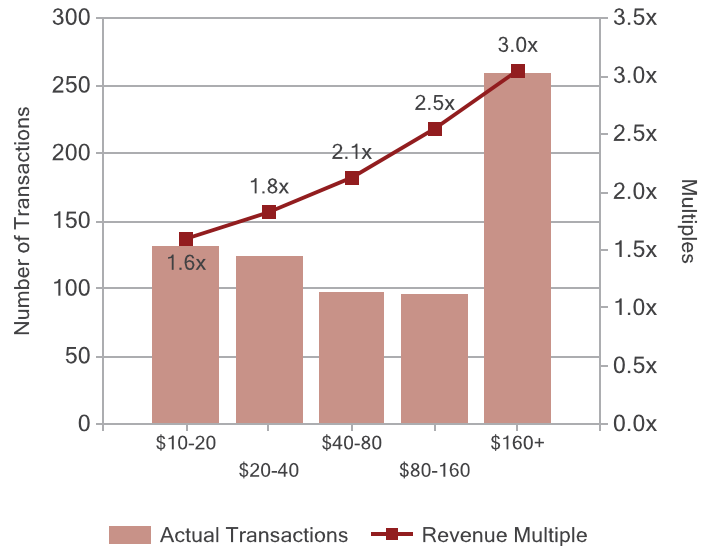


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Information Industry from Jan. 1, 2011 to Dec. 31, 2013 based on publicly available data.

Transactions Involving an Online Component

Transaction Percentages of Online Targets

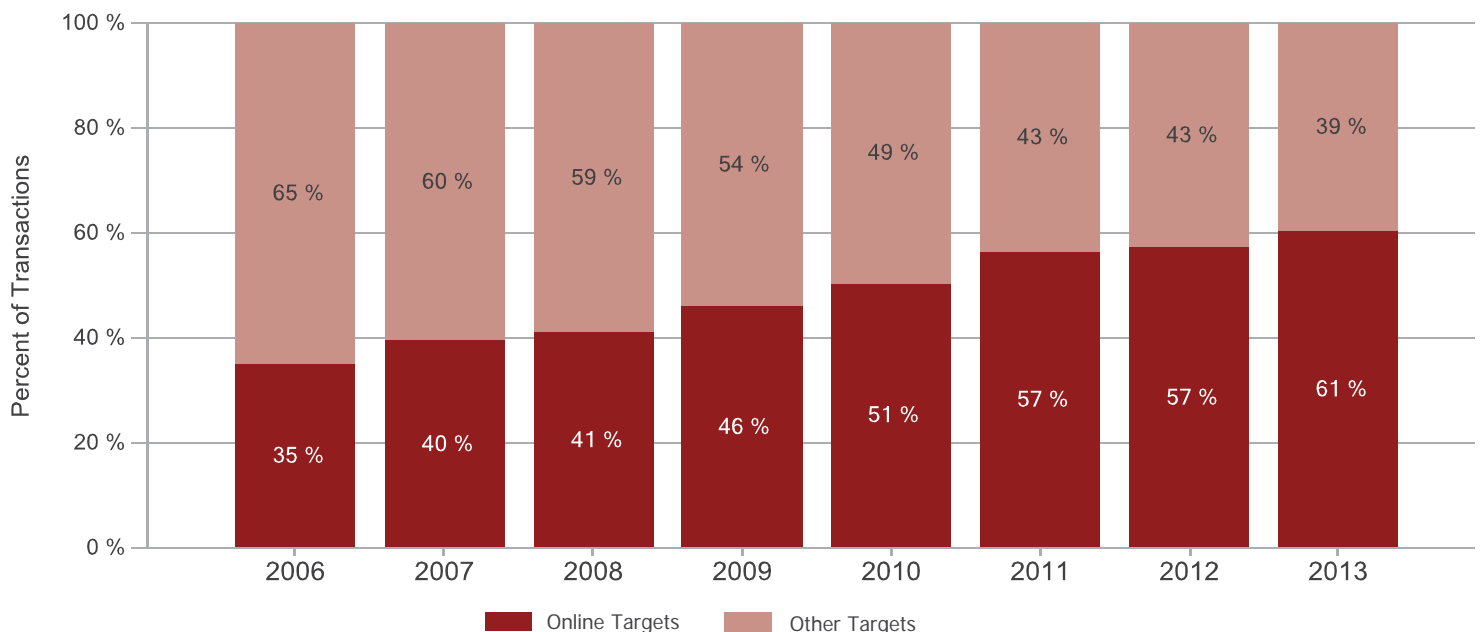


Figure 9. Percentage of total Information Industry transactions where the target company conducts the majority of their business online. The total percentages are measured by year from 2006-2013.

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The DNA of M&A

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.

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RECENT INFORMATION INDUSTRY TRANSACTIONS

