



ONLINE & MOBILE INDUSTRY

1ST HALF 2012 :: Mergers and Acquisitions Trend Report

1ST HALF 2012 KEY HIGHLIGHTS

- The largest announced transaction for 1st Half 2012 was SAP America's acquisition of Ariba, Inc. for \$4.40 billion.
- The segment with the largest transaction volume for 1st Half 2012 was SaaS/ASP with 250 transactions.
- There were 108 financially sponsored transactions with an aggregate value of \$5.66 billion, representing 11 percent of the total volume and 17 percent of the total value, respectively.

1ST HALF 2012 KEY TRENDS

- Total transaction volume in 1st Half 2012 increased by three percent over 2nd Half 2011, from 939 to 970.
- Total transaction value in 1st Half 2012 increased by 20 percent over 2nd Half 2011, from \$28.38 billion to \$34.12 billion.
- The median revenue multiple moved slightly from 2.5x in 2nd Half 2011 to 2.4x in 1st Half 2012. The median EBITDA multiple improved from 11.4x in 2nd Half 2011 to 12.7x in 1st Half 2012. Two segments in 1st Half 2012 had median revenue multiples of at least 3.0x: Communications and SaaS/ASP.
- The segment with the largest increase in volume in 1st Half 2012 over 2nd Half 2011 was E-Commerce with a 21 percent increase, from 169 to 205.

M&A MARKET OVERVIEW

Berkery Noyes tracked 4,151 transactions between 2010 and 1st Half 2012, of which 1,191 disclosed financial terms, and calculated the aggregate transaction value to be \$113.55 billion. Based on known transaction values, we project values of 2,960 undisclosed transactions to be \$39.88 billion, totaling \$153.43 billion worth of transactions tracked over the past two and a half years.

The most active acquirer by volume over the past two and a half years, either directly or through a partner or affiliated business, was Google, Inc. with 49 transactions.

Disclosed median enterprise value multiples for all segments combined in this report were 12.0x EBITDA and 2.3x revenue.

M&A Market Dynamics By Half Year

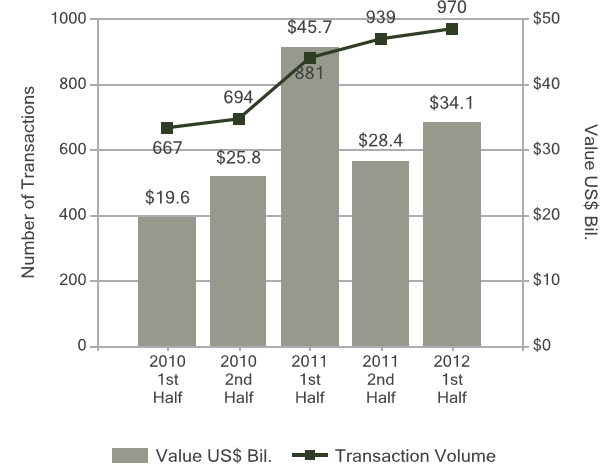


Figure 1. 2010 - 2012 value and volume comparison by half year.

Median Enterprise Value Multiples By Half Year

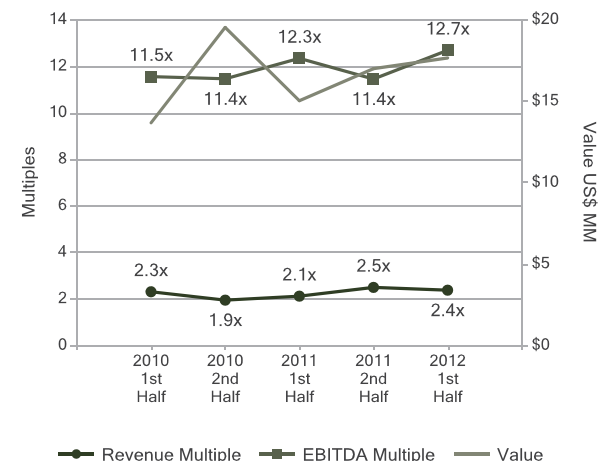


Figure 2. 2010 - 2012 median: value, revenue, EBITDA comparison by half year.

Transaction Analysis :: January 1, 2012 – June 30, 2012

Bell Curve - Histogram - 1st Half

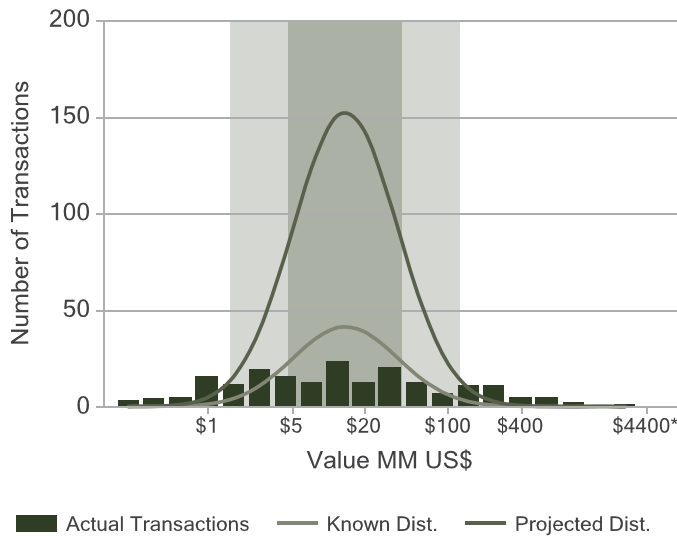


Figure 3. Shows distribution of Online and Mobile Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had transaction values of \$1.6 million to \$244.7 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2012 at \$34.1 billion.

* Indicates largest transaction in the industry from Jan. 1, 2012 to June 30, 2012.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	3	0	3	1 %	1 %
\$0.4	4	0	4	2 %	3 %
\$0.6	5	1	6	2 %	6 %
\$1.0	16	5	20	8 %	14 %
\$1.6	12	15	27	6 %	19 %
\$2.7	19	39	57	9 %	29 %
\$4.5	16	79	94	8 %	36 %
\$7.4	13	123	136	6 %	43 %
\$12.2	23	150	173	11 %	54 %
\$20.1	13	143	156	6 %	60 %
\$33.1	20	106	126	10 %	70 %
\$54.6	13	61	74	6 %	76 %
\$90.0	7	28	34	3 %	79 %
\$148.4	11	10	20	5 %	85 %
\$244.7	11	3	13	5 %	90 %
\$403.4	5	1	5	2 %	92 %
\$665.1	5	0	5	2 %	95 %
\$1,096.6	2	0	2	1 %	96 %
\$1,808.0	0	0	0	0 %	96 %
\$2,981.0	1	0	1	0 %	96 %
Total #	207	763	970		
Total \$ Value	\$23,308	\$10,807	\$34,116		
Middle 3rd of Industry		Middle 2/3rds of Industry			

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

Note: The projected number column is rounded as a result of the projection and may produce insignificant errors in the total sum.

Strategic vs. Financial Comparison

M&A Dynamics By Transaction Type - 1st Half

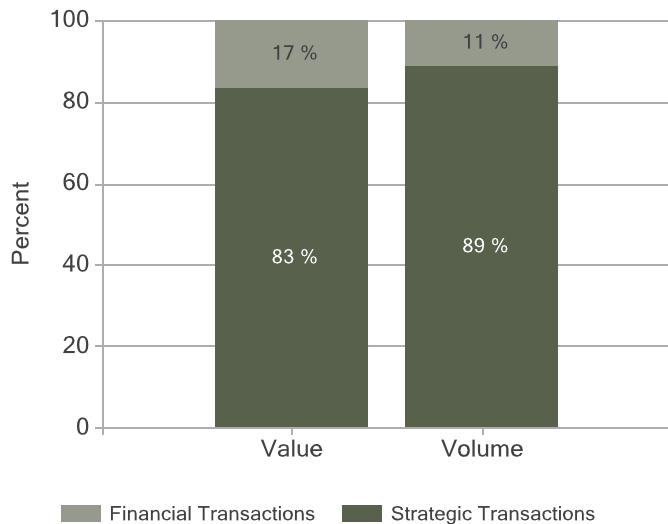


Figure 5. 1st Half 2012 value and volume comparison by transaction type.

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 By Half Year

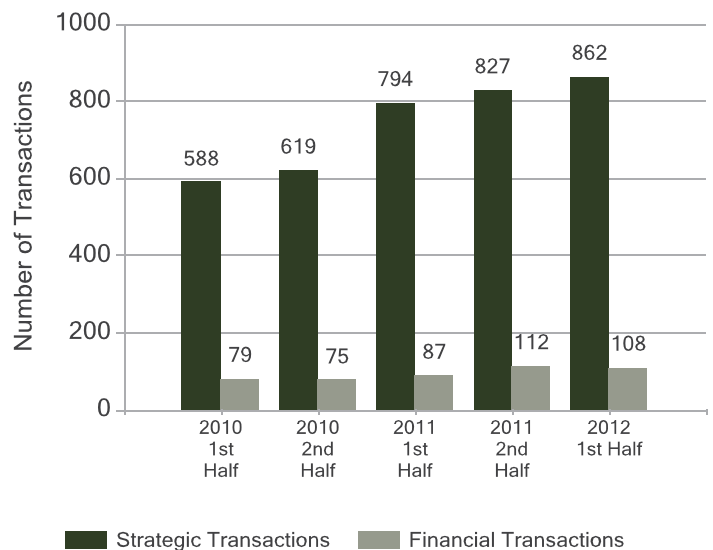


Figure 6. 2010 - 2012 acquirer type comparison by half year.

Purchaser Analysis

Top Ten Notable Transactions - 1st Half 2012

Deal Date	Target Name	Buyer	Value MM US\$
05/22/12	Ariba, Inc.	SAP America, Inc.	\$4,402
02/09/12	Taleo Corporation	Oracle Corporation	\$1,805
06/25/12	Yammer, Inc.	Microsoft Corporation	\$1,200
03/12/12	Tudou Holdings Limited	Youku Inc.	\$1,007
04/09/12	Instagram	Facebook	\$1,000
04/09/12	AT&T Advertising Solutions and AT&T Interactive	Cerberus Capital Management, L.P.	\$950
06/04/12	Buddy Media, Inc.	Salesforce.com, Inc.	\$745
05/09/12	CAMP Systems International	GTCR, LLC	\$675
05/16/12	Decision Resources Group	Piramal Healthcare Limited	\$635
06/20/12	AKQA	WPP Group, plc	\$540
2012 Aggregate Transaction Value			\$34,116
Top 10 Aggregate Transaction Value			\$12,959
Top 10 Aggregate Value as a Percentage of All Transactions			38 %

Median EV/Revenue Multiples By Size

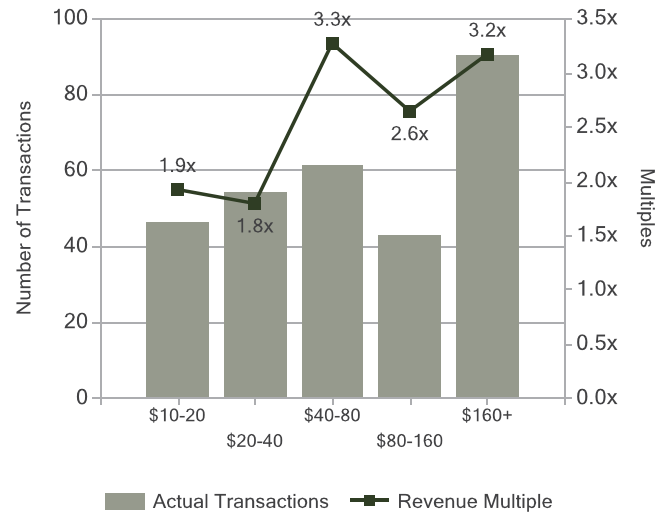


Figure 7. Lists the top ten transactions for 1st Half 2012 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figure 1 & 4.

Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Online and Mobile Industry from Jan. 1, 2010 to June 30, 2012 based on publicly available sales price and revenue data.

Note: Transaction data based on announced date.

Transaction Volume by Segment :: January 1, 2010 – June 1, 2012

Transactions By Market Segment By Half Year

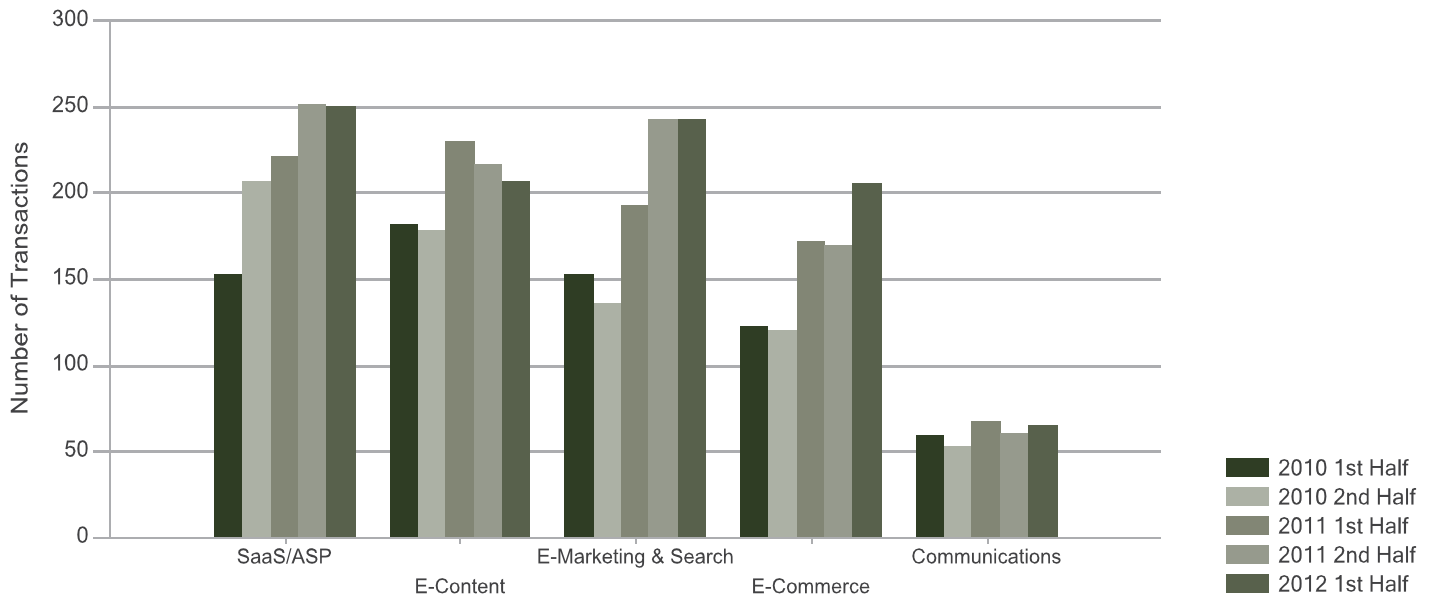


Figure 9. Presents transaction volume by market segment within the Online and Mobile Industry from January 1, 2010 through June 30, 2012.

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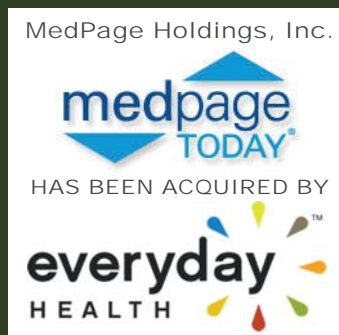
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All charts in this report are based on data gathered by Berkery Noyes' research department. All time period statistics are based on the transaction announcement date.

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