

ONLINE & MOBILE INDUSTRY

1ST HALF 2013 :: Mergers and Acquisitions Trend Report

1ST HALF 2013 KEY HIGHLIGHTS

- The largest transaction for 1st Half 2013 was Salesforce.com's announced acquisition of ExactTarget for \$2.25 billion.
- The most active acquirer was Yahoo! Inc. with 13 transactions in the Online & Mobile Industry: Xobni Corporation, GhostBird Software, Rondee, PlayerScale, Tumblr, Inc., Loki Studios, MileWise, Inc., GoPollGo, Astrid, Summly, Jybe, Alike and Snip. it. Yahoo!'s highest value transaction year-to-date was its acquisition of Tumblr, Inc. for \$1.10 billion.
- There were 110 financially sponsored transactions with an aggregate value of \$4.23 billion, representing 11 percent of the total volume and 18 percent of the total value, respectively.

1ST HALF 2013 KEY TRENDS

- Total transaction volume in 1st Half 2013 increased by seven percent over 2nd Half 2012, from 953 to 1,015.
- Total transaction value in 1st Half 2013 decreased by 29 percent over 2nd Half 2012, from \$32.54 billion to \$23.16 billion.
- The median revenue multiple moved from 2.3x in 2nd Half 2012 to 2.1x in 1st Half 2013. The median EBITDA multiple increased from 10.0x in 2nd Half 2012 to 16.0x in 1st Half 2013.
- The segment with the largest rise in volume in 1st Half 2013 over 2nd Half 2012 was Communications with an increase of 22 percent, from 69 to 84 transactions.

M&A MARKET OVERVIEW

Berkery Noyes tracked 4,851 transactions between 2011 and 1st Half 2013, of which 1,238 disclosed financial terms, and calculated the aggregate transaction value to be \$123.12 billion. Based on known transaction values, we project values of 3,613 undisclosed transactions to be \$47.55 billion, totaling \$170.67 billion worth of transactions tracked over the past two and a half years.

Disclosed median enterprise value multiples for all segments combined in this report over the last 30 months were 2.2x revenue and 11.5x EBITDA.

The most active acquirer by volume between 2011 and 1st Half 2013, either directly or through a partner or affiliated business, was WPP Group, plc with 39 transactions.

M&A Market Dynamics By Half Year

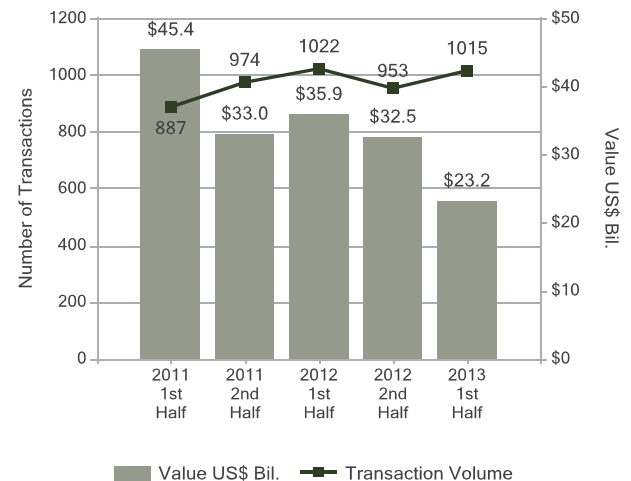


Figure 1. 2011-2013 value and volume comparison.

Median Enterprise Value Multiples By Half Year

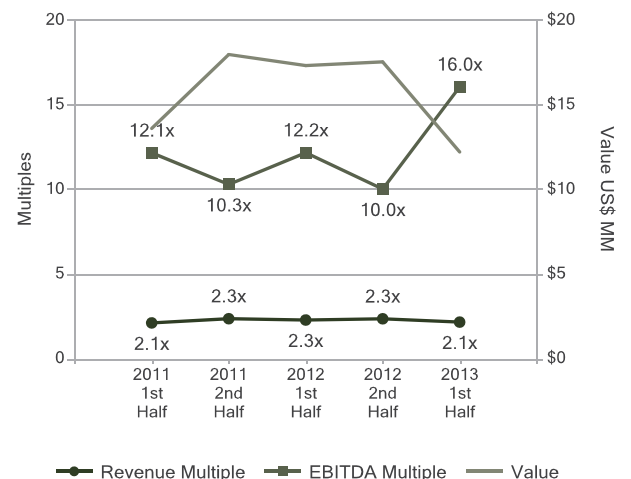


Figure 2. 2011-2013 median: value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2013 – June 30, 2013

Bell Curve - Histogram - 1st Half

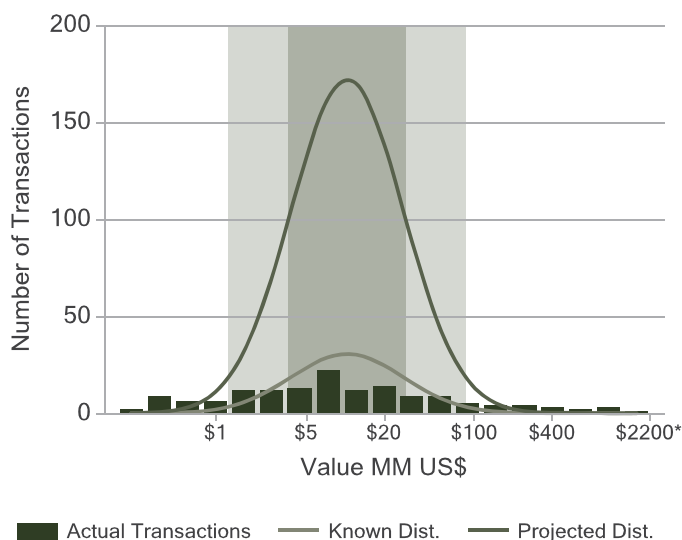


Figure 3. Shows the distribution of Online and Mobile Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$4.5 million to \$20.1 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2013 at \$23.2 billion.

* Indicates largest transaction in the industry from Jan. 1, 2013 to June 30, 2013.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	2	0	2	1 %	1 %
\$0.4	9	1	9	6 %	7 %
\$0.6	6	3	8	4 %	11 %
\$1.0	6	11	16	4 %	15 %
\$1.6	12	31	43	8 %	23 %
\$2.7	12	69	81	8 %	31 %
\$4.5	13	120	133	8 %	39 %
\$7.4	22	162	183	14 %	54 %
\$12.2	12	170	181	8 %	61 %
\$20.1	14	139	152	9 %	71 %
\$33.1	9	88	97	6 %	76 %
\$54.6	9	44	52	6 %	82 %
\$90.0	5	17	21	3 %	86 %
\$148.4	4	5	9	3 %	88 %
\$244.7	4	1	5	3 %	91 %
\$403.4	3	0	3	2 %	93 %
\$665.1	2	0	2	1 %	94 %
\$1,096.6	3	0	3	2 %	96 %
\$1,808.0	1	0	1	1 %	97 %
Total #	153	862	1015		
Total \$ Value	\$14,148	\$9,010	\$23,158		
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

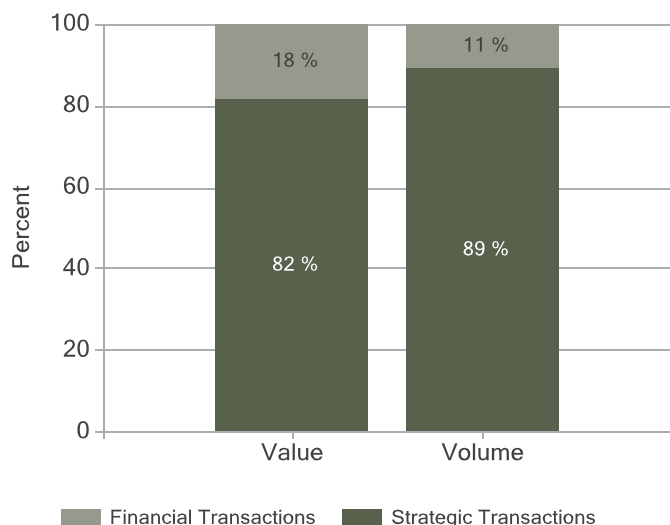


Figure 5. 1st Half 2013 value and volume comparison by transaction type.

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

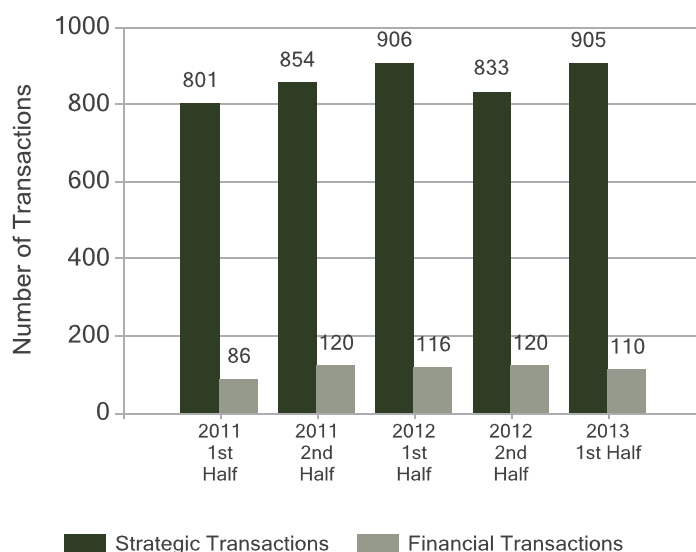


Figure 6. 2011-2013 acquirer type comparison by half year.

Purchaser Analysis

Top Ten Notable Transactions - 1st Half 2013

Deal Date	Target Name	Buyer	Value MM US\$
06/03/13	ExactTarget	Salesforce.com, Inc.	\$2,250
02/18/13	Cerved Group SpA	CVC Capital Partners	\$1,476
06/10/13	R. L. Polk & Co	IHS, Inc.	\$1,400
05/20/13	Tumblr, Inc.	Yahoo! Inc.	\$1,100
05/20/13	WebSense, Inc.	Vista Equity Partners	\$942
04/01/13	eSpeed, Inc.	The NASDAQ OMX Group, Inc.	\$750
06/27/13	Neolane, Inc.	Adobe Systems Incorporated	\$600
01/30/13	Ogone SA	Ingenico SA	\$484
01/23/13	Intucell	Cisco Systems, Inc.	\$475
05/07/13	PPS.tv	iQIYI	\$370
2013 Aggregate Transaction Value			\$23,158
Top 10 Aggregate Transaction Value			\$9,847
Top 10 Aggregate Value as a Percentage of All Transactions			43 %

Figure 7. Lists the top ten transactions for 1st Half 2013 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figure 1 & 4.

Note: Transaction data based on announced date.

Median EV/Revenue Multiples By Size

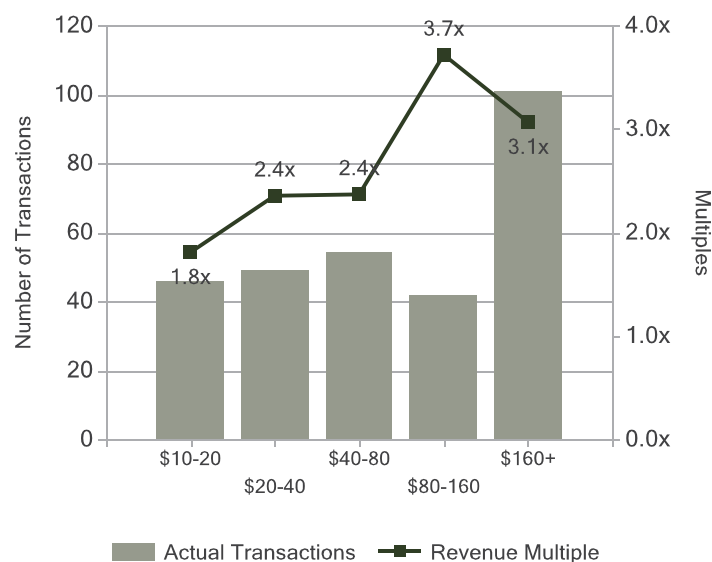


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Online and Mobile Industry from Jan. 1, 2011 to June 30, 2013 based on publicly available sales price and revenue data.

Transaction Volume by Segment :: January 1, 2011 – June 1, 2013

Transactions By Market Segment By Half Year

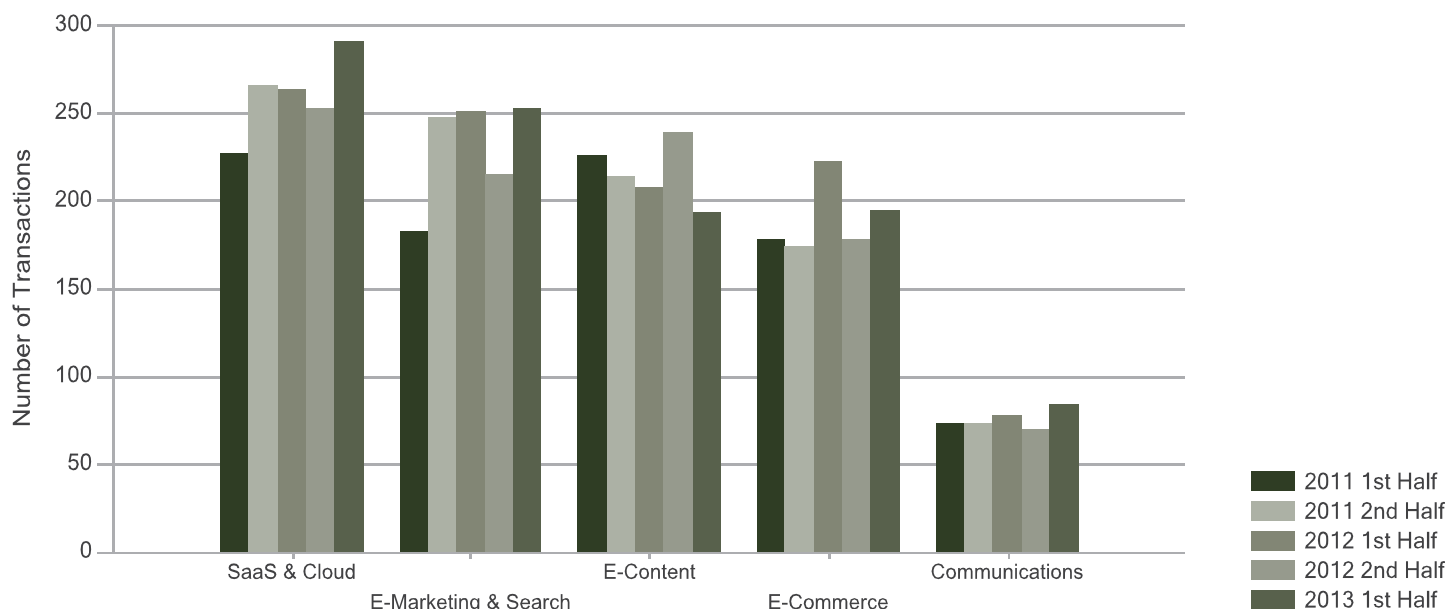


Figure 9. Presents transaction volume by market segment within the Online and Mobile Industry from January 1, 2011 through June 30, 2013.

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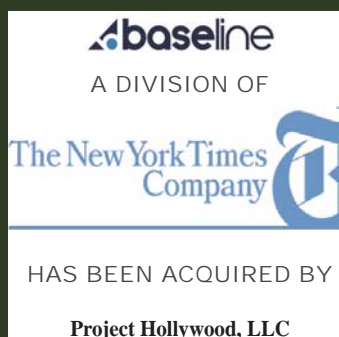
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The DNA of M&A

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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