



## ONLINE & MOBILE INDUSTRY

### FULL YEAR 2012 :: Mergers and Acquisitions Trend Report

#### 2012 KEY HIGHLIGHTS

- The largest transaction in the mobile application subsector was Facebook's acquisition of Instagram for \$715 million.
- There were 230 financially sponsored transactions with an aggregate value of \$13.51 billion, representing 12 percent of the total volume and 20 percent of the total value, respectively.

#### 2012 KEY TRENDS

- Total transaction volume in 2012 increased by four percent over 2011, from 1,841 to 1,920.
- Total transaction value in 2012 decreased by 14 percent over 2011, from \$76.75 billion to \$66.09 billion.
- The median revenue multiple improved slightly from 2.1x in 2011 to 2.3x in 2012. The median EBITDA multiple declined from 11.9x in 2011 to 11.0x in 2012.
- Transaction volume in the mobile application subsector increased from 266 in 2011 to 315 in 2012, an 18 percent improvement.
- The segment with the largest increase in value in 2012 over 2011 was E-Content with a 60 percent increase, from \$10.95 billion to \$17.48 billion.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 5,163 transactions between 2010 and 2012, of which 1,520 disclosed financial terms, and calculated the aggregate transaction value to be \$138.01 billion. Based on known transaction values, we project values of 3,643 undisclosed transactions to be \$46.61 billion, totaling \$184.61 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 2.1x revenue and 11.5x EBITDA.

Based on volume, the largest acquirer in the E-Commerce segment of the Online & Mobile Industry between 2010 and 2012, either directly or through an affiliated business, was CrowdSavings.com with 15 transactions. Five of these transactions occurred in 2012.

#### M&A Market Dynamics

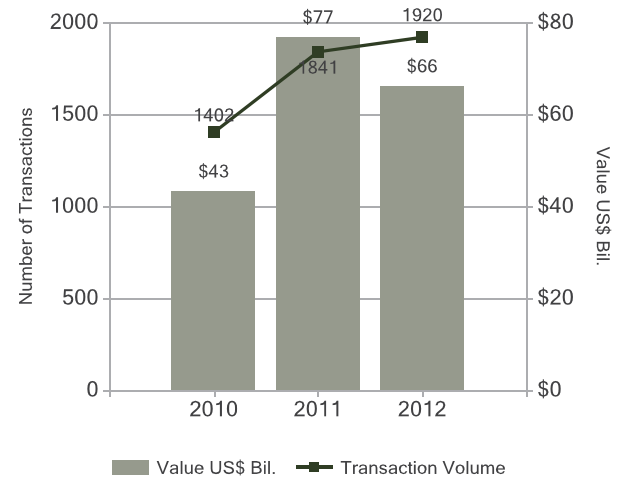


Figure 1. 2010-2012 value and volume comparison.

#### Median Enterprise Value Multiples

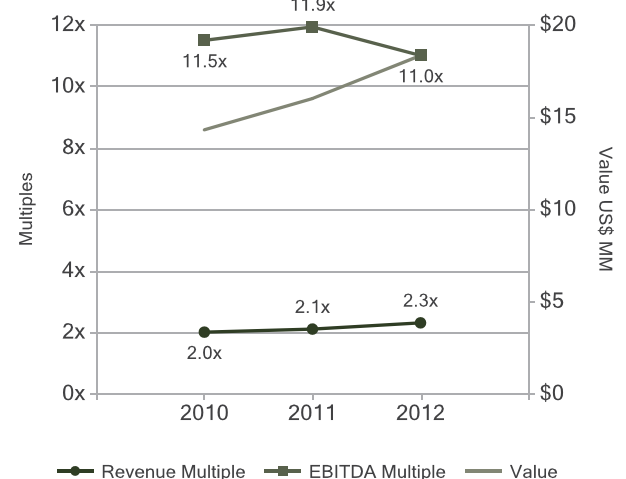
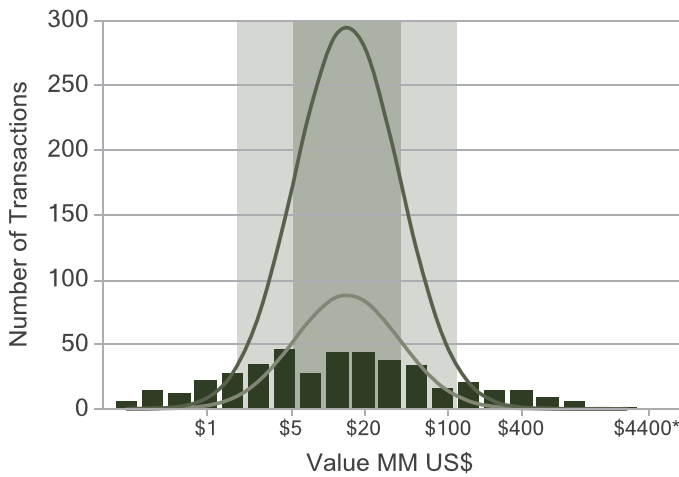


Figure 2. 2010-2012 median value, revenue, EBITDA comparison.

# Transaction Analysis :: January 1, 2012 – December 31, 2012

## Bell Curve - Histogram



Actual Transactions    Known Dist.    Projected Dist.

Figure 3. Shows distribution of transactions among 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 2012 at \$66.1 billion.

\* Indicates largest transaction in the industry from Jan. 1, 2012 to Dec. 31, 2012.

## Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	6	0	6	1 %	1 %
\$0.4	15	0	15	3 %	5 %
\$0.6	12	2	13	3 %	7 %
\$1.0	22	8	30	5 %	12 %
\$1.6	27	27	54	6 %	19 %
\$2.7	35	71	106	8 %	27 %
\$4.5	46	146	192	10 %	37 %
\$7.4	28	233	261	6 %	43 %
\$12.2	44	290	334	10 %	53 %
\$20.1	43	281	323	10 %	63 %
\$33.1	37	212	248	8 %	71 %
\$54.6	33	124	157	7 %	79 %
\$90.0	16	57	72	4 %	83 %
\$148.4	21	20	41	5 %	87 %
\$244.7	15	6	20	3 %	91 %
\$403.4	14	1	15	3 %	94 %
\$665.1	9	0	9	2 %	96 %
\$1,096.6	6	0	6	1 %	97 %
\$1,808.0	0	0	0	0 %	97 %
\$2,981.0	1	0	1	0 %	98 %
<b>Total #</b>	<b>441</b>	<b>1479</b>	<b>1920</b>		
<b>Total \$ Value</b>	<b>\$44,430</b>	<b>\$21,662</b>	<b>\$66,092</b>		
<b>Middle 3rd of Industry</b>		<b>Middle 2/3rds of Industry</b>			

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

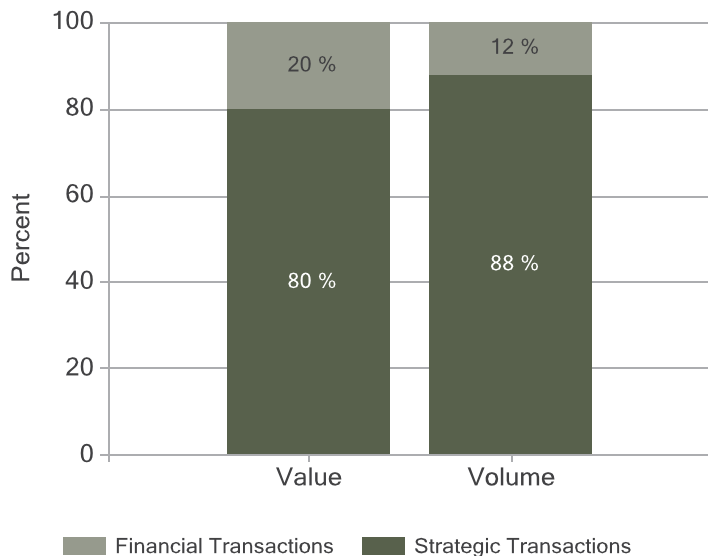


Figure 5. 2012 value and volume comparison by acquirer type.

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

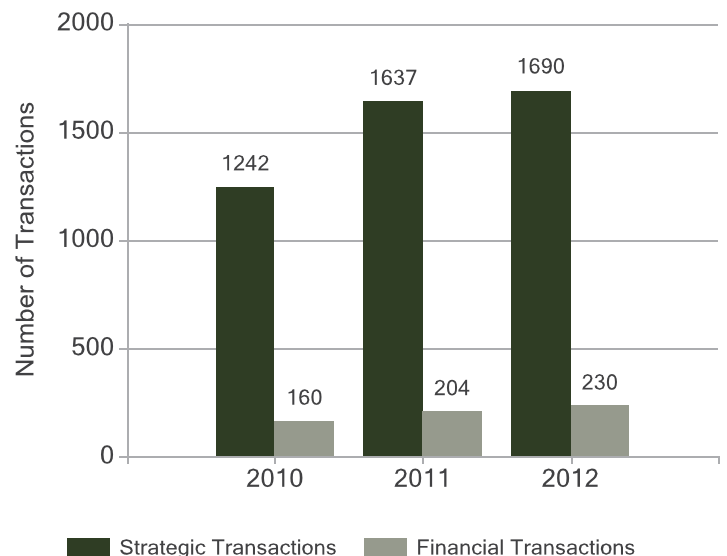


Figure 6. 2010-2012 transaction type comparison.

# Purchaser Analysis

## Top Ten Notable Transactions 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
08/21/12	SuperMedia Inc.	Dex One Corporation	\$1,477
10/22/12	Ancestry.com	Permira	\$1,435
11/08/12	Kayak.com	Priceline	\$1,364
08/27/12	Kenexa Corporation	IBM	\$1,218
06/25/12	Yammer, Inc.	Microsoft Corporation	\$1,200
07/03/12	M*Modal	One Equity Partners	\$1,055
03/12/12	Tudou Holdings Limited	Youku Inc.	\$1,007
04/09/12	AT&T Advertising Solutions and AT&T Interactive	Cerberus Capital Management	\$950
2012 Aggregate Transaction Value			\$66,092
Top 10 Aggregate Transaction Value			\$15,913
<b>Top 10 Aggregate Value as a Percentage of All Transactions</b>			<b>24 %</b>

## Median EV/Revenue Multiples By Size

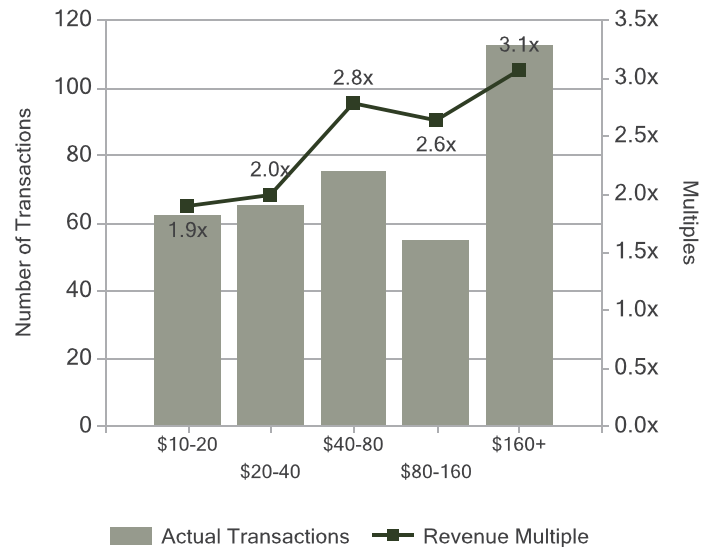


Figure 7. Lists the top ten transactions for 2012 and calculates their aggregate transaction value as a percentage of the 2012 total aggregate transaction value as shown on Figure 1 & 4.

Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Online and Mobile Industry from Jan. 1, 2010 to Dec. 31, 2012 based on publicly available sales price and revenue data.

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

# Transaction Volume by Segment :: January 1, 2010 – December 31, 2012

## Transactions By Market Segment

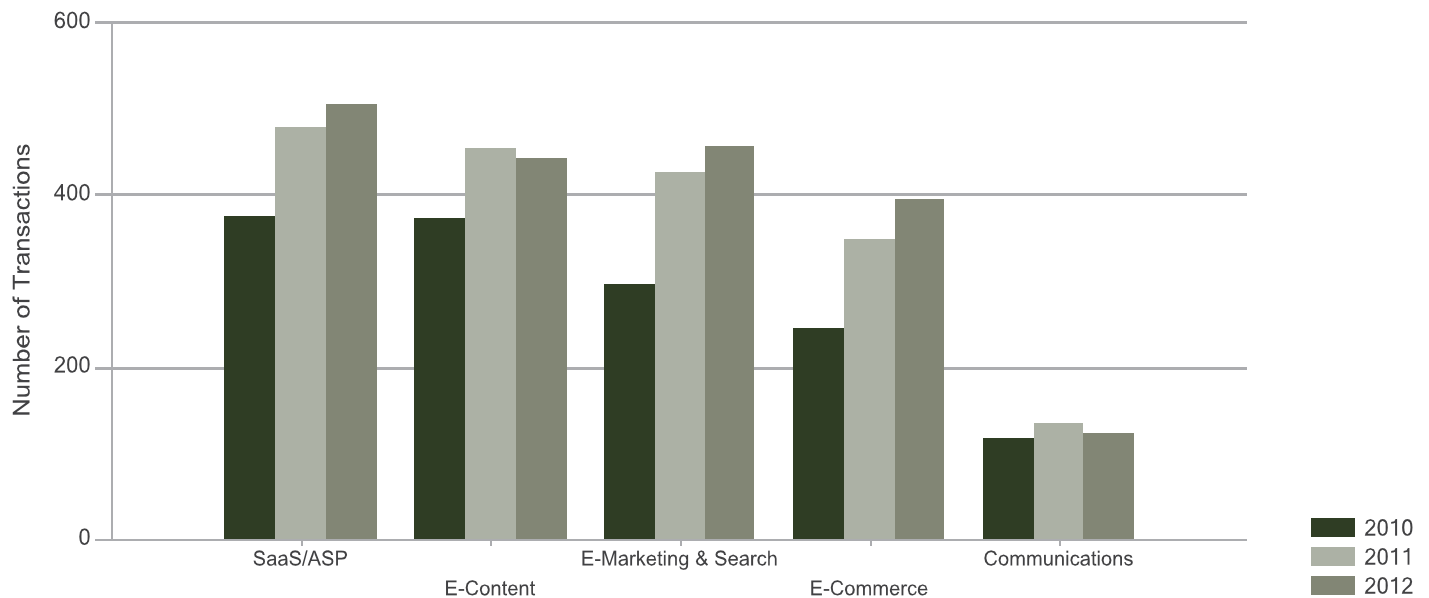


Figure 9. Presents transaction volume by market segment within the Online and Mobile Industry from Jan. 1, 2010 through Dec. 31, 2012.

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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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HAS ACQUIRED  
  
A BUSINESS OF  


  
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