

ONLINE & MOBILE INDUSTRY

Q1 2014 :: Mergers and Acquisitions Trend Report

Online & Mobile transaction volume increased five percent over the past three months, from 568 to 596. Deal value rose 63 percent, from \$26.5 billion to \$43.3 billion. This was the peak for both volume and value throughout the past five quarters. If Facebook's \$16 billion acquisition of mobile application Whatsapp is excluded, aggregate deal value still would have gained three percent compared to Q4 2013 and tripled relative to Q1 2013.

Although the smallest sector in terms of volume, four of the industry's top ten highest value deals in Q1 2014 occurred in the Communications segment. In addition to Whatsapp, this included VMware's acquisition of AirWatch for \$1.2 billion and Rakuten's acquisition of Viber for \$900 million. The AirWatch transaction was the largest deal in the mobile device management (MDM) subsector since Citrix's acquisition of Zenprise for \$327 million in 2012.

As for the E-Marketing & Search segment, transaction activity increased 16 percent in Q1 2014. Oracle's acquisition of Blue Kai for \$400 million and Comcast Corporation's acquisition of Freewheel for \$360 million were two notable deals in the segment that pertained to advertising software and data management.

SaaS & Cloud transaction volume improved nine percent on a quarter-to-quarter basis. This followed a 15 percent decline between Q3 2013 and Q4 2013. Meanwhile, the E-Commerce segment experienced a seven percent volume increase in Q1 2014.

At the same time, the number of transactions in the mobile application subsector rose from 104 to 113. Deals pertaining to consumer mobile applications increased from 56 to 61.

M&A Market Dynamics By Quarter

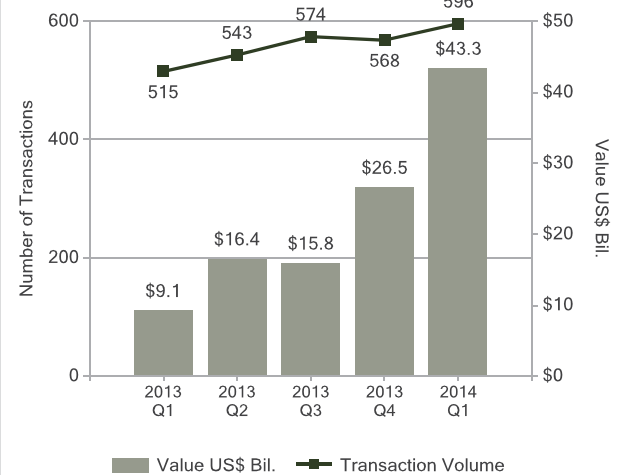


Figure 1. 2013-2014 value and volume comparison by quarter.

Top Ten Notable Transactions Q1 2014

Deal Date	Target Name	Buyer	Value MM US\$
02/19/14	WhatsApp	Facebook	\$16,000
03/14/14	SkillSoft Limited	Charterhouse Capital Partners	\$2,300
01/22/14	AirWatch, LLC	VMware, Inc.	\$1,181
03/13/14	Renaissance Learning, Inc.	Hellman & Friedman LLC	\$1,100
03/18/14	Travelclick, Inc.	Thoma Bravo, LLC	\$930
02/14/14	Viber	Rakuten Inc.	\$900
01/02/14	Mandiant Corporation	FireEye	\$826
03/03/14	Apartments.com	CoStar Group	\$585
03/24/14	Maker Studios	The Walt Disney Company	\$500
02/10/14	AutoNavi Holdings Limited	Alibaba Group	N/A
2014 Aggregate Transaction Value			\$43,277
Top 9 Aggregate Transaction Value			\$24,322
Top 9 Aggregate Value as a Percentage of All Transactions			56 %

Figure 2. Lists the top ten transactions for Q1 2014 and calculates their value as a percentage of the aggregate transaction value as shown in Figure 1.

Note: Transaction data based on announced date. If the price is listed as N/A, Berkery Noyes did not calculate that value into the aggregate.

Transactions By Market Segment

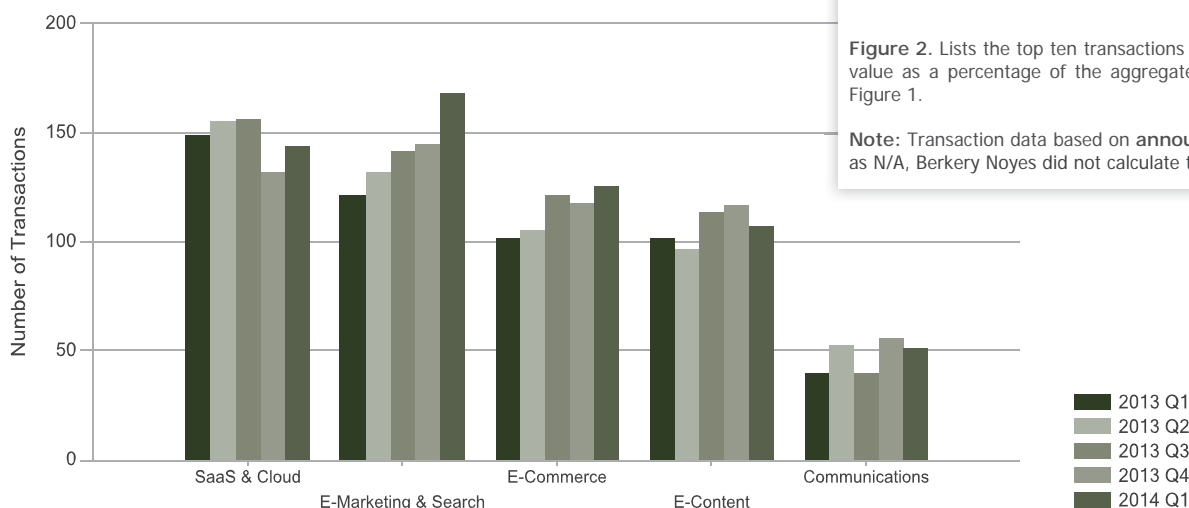


Figure 3. Presents transaction volume by market segment within the Online and Mobile Industry from January 1, 2013 through March 31, 2014.

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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.

For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at www.mandasoft.com

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