



PRIVATE EQUITY INFORMATION INDUSTRY

Financially Sponsored Transactions within the Information Industry

1ST HALF 2013 :: Mergers and Acquisitions Trend Report

1ST HALF 2013 KEY HIGHLIGHTS

- The largest transaction in 1st Half 2013 was the announced acquisition of BMC Software by a private investor group, led by Bain Capital and Golden Gate Capital, for \$6.81 billion.
- The most active acquirer year-to-date was Vista Equity Partners with seven transactions: SuccessEHS, ISS Group Limited, Websense, Inc., Care2Learn.com, Lanyon, Inc., Expesite, Inc. and MED-PASS, Inc. The largest of these seven deals was the acquisition of Websense, Inc. for \$942 million.

1ST HALF 2013 KEY TRENDS

- Total transaction volume in 1st Half 2013 decreased by 15 percent over 2nd Half 2012, from 234 to 198.
- Total transaction value in 1st Half 2013 fell by 22 percent over 2nd Half 2012, from \$24.45 billion to \$18.99 billion. Although aggregate value declined, the two largest financially sponsored transactions in the Information Industry during the past two and a half years occurred in 1st Half 2013.
- The median revenue multiple moved slightly from 1.9x in 2nd Half 2012 to 2.0x in 1st Half 2013. The median EBITDA multiple increased from 9.9x in 2nd Half 2012 to 11.2x in 1st Half 2013.
- The number of secondary buyouts in 1st Half 2013 decreased by 55 percent over 2nd Half 2012. This came in the aftermath of a 26 percent increase between 2011 and 2012.

M&A MARKET OVERVIEW

Berkery Noyes tracked 1,093 transactions between 2011 and 1st Half 2013, of which 290 disclosed financial terms, and calculated the aggregate transaction value to be \$84.88 billion. Based on known transaction values, we project values of 803 undisclosed transactions to be \$13.64 billion, totaling \$98.51 billion worth of transactions tracked over the past two and a half years.

Disclosed median revenue multiple for all segments combined in this report in the last 30 months were 1.8x revenue and 9.8x EBITDA.

The peak for deal volume over the past two and a half years occurred in 1st Half 2012, whereas value reached its zenith in 2nd Half 2012.

M&A Market Dynamics By Half Year

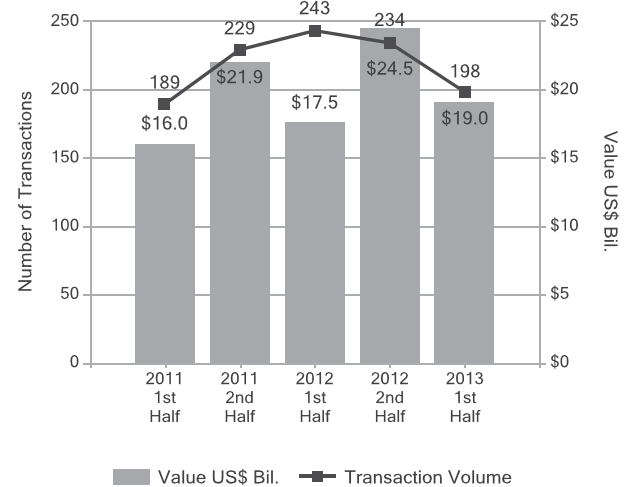


Figure 1. 2011-2013 value and volume comparison.

Median Enterprise Value Multiples By Half Year

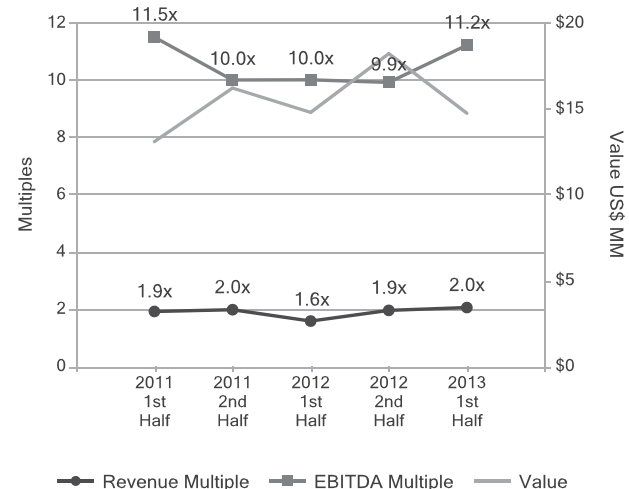


Figure 2. 2011-2013 median: value, revenue, EBITDA comparison.

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

Bell Curve - Histogram - 1st Half

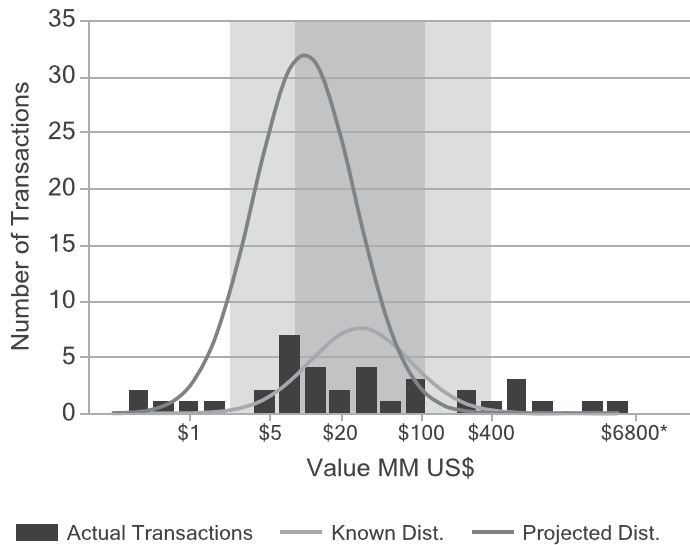


Figure 3. Shows the distribution of private equity transactions in the Information Industry based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$7.4 million to \$90 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2013 at \$19.0 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	0	0	0	0 %	0 %
\$0.4	2	0	2	5 %	5 %
\$0.6	1	1	2	3 %	8 %
\$1.0	1	2	3	3 %	11 %
\$1.6	1	6	7	3 %	13 %
\$2.7	0	14	13	0 %	13 %
\$4.5	2	23	25	5 %	18 %
\$7.4	7	31	37	18 %	37 %
\$12.2	4	31	35	11 %	47 %
\$20.1	2	25	26	5 %	53 %
\$33.1	4	15	19	11 %	63 %
\$54.6	1	7	8	3 %	66 %
\$90.0	3	3	5	8 %	74 %
\$148.4	0	1	0	0 %	74 %
\$244.7	2	0	2	5 %	79 %
\$403.4	1	0	1	3 %	82 %
\$665.1	3	0	3	8 %	89 %
\$1,096.6	1	0	1	3 %	92 %
\$1,808.0	0	0	0	0 %	92 %
\$2,981.0	1	0	1	3 %	95 %
\$4,914.8	1	0	1	3 %	97 %
Total #	38	160	198		
Total \$ Value	\$17,419	\$1,575	\$18,994		
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.

M&A Dynamics by Acquirer Type :: January 1, 2013 – June 30, 2013

M&A Dynamics by Transaction Type and Industry

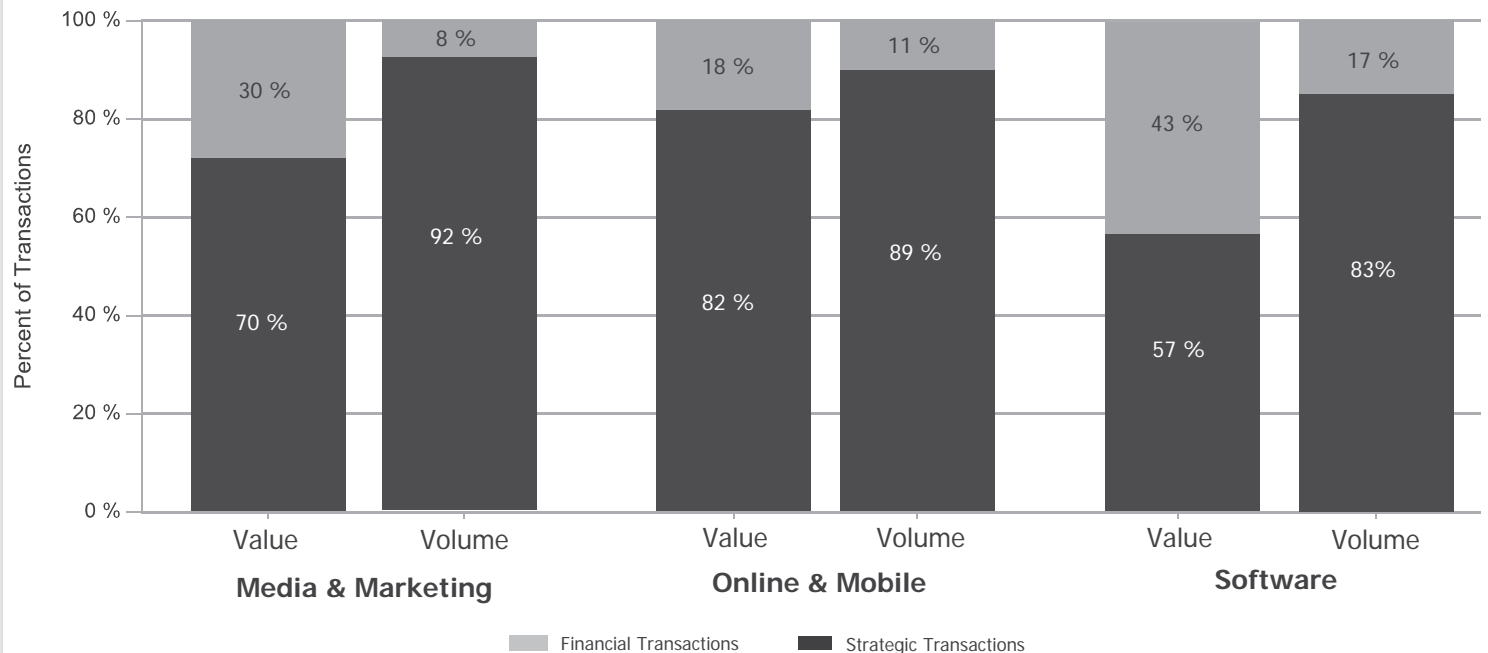


Figure 5. Presents the transaction volume by target segment for private equity transactions in the Information Industry. **Note:** Financially sponsored transactions include private equity backed strategic acquisitions.

Purchaser Analysis

Top Ten Notable Transactions - 1st Half 2013

Deal Date	Target Name	Buyer	Value MM US\$
05/06/13	BMC Software, Inc.	Bain Capital, Golden Gate Capital, GIC, Insight Venture Partners	\$6,814
06/19/13	Springer Science & Business Media	BC Partners	\$4,423
02/18/13	Cerved Group SpA	CVC Capital Partners	\$1,476
05/06/13	Nielsen Expositions	Onex Corporation	\$950
05/20/13	WebSense, Inc.	Vista Equity Partners	\$942
05/13/13	AsiaInfo-Linkage, Inc.	CITIC Capital	\$890
05/08/13	Civica Group PLC	OMERS Private Equity	\$608
06/24/13	Keynote Systems, Inc.	Thoma Bravo, LLC	\$327
02/05/13	UBM Delta	Electra Partners LLP	\$252
02/26/13	Angel.com Incorporated	Genesys Telecommunications Laboratories	\$110
2013 Aggregate Transaction Value			\$18,994
Top 10 Aggregate Transaction Value			\$16,792
Top 10 Aggregate Value as a Percentage of All Transactions			88 %

Figure 6. 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**. Genesys Telecommunications Laboratories is backed by private equity firm Permira, which is the reason for its inclusion in the list.

Median EV/Revenue Multiples By Size

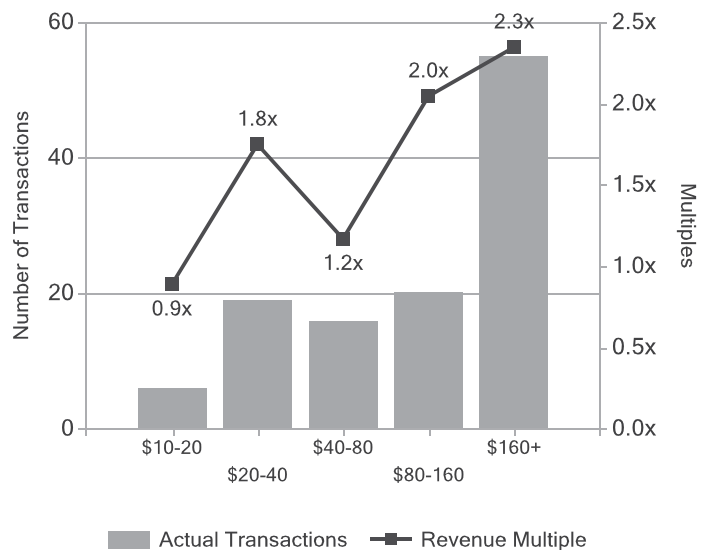


Figure 7. Presents the median enterprise value/revenue multiples paid for private equity transactions in the Information Industry from Jan. 1, 2011 to June 30, 2013 based on publicly available data.

Transactions Involving an Online Component

Transaction Percentages of Online Targets

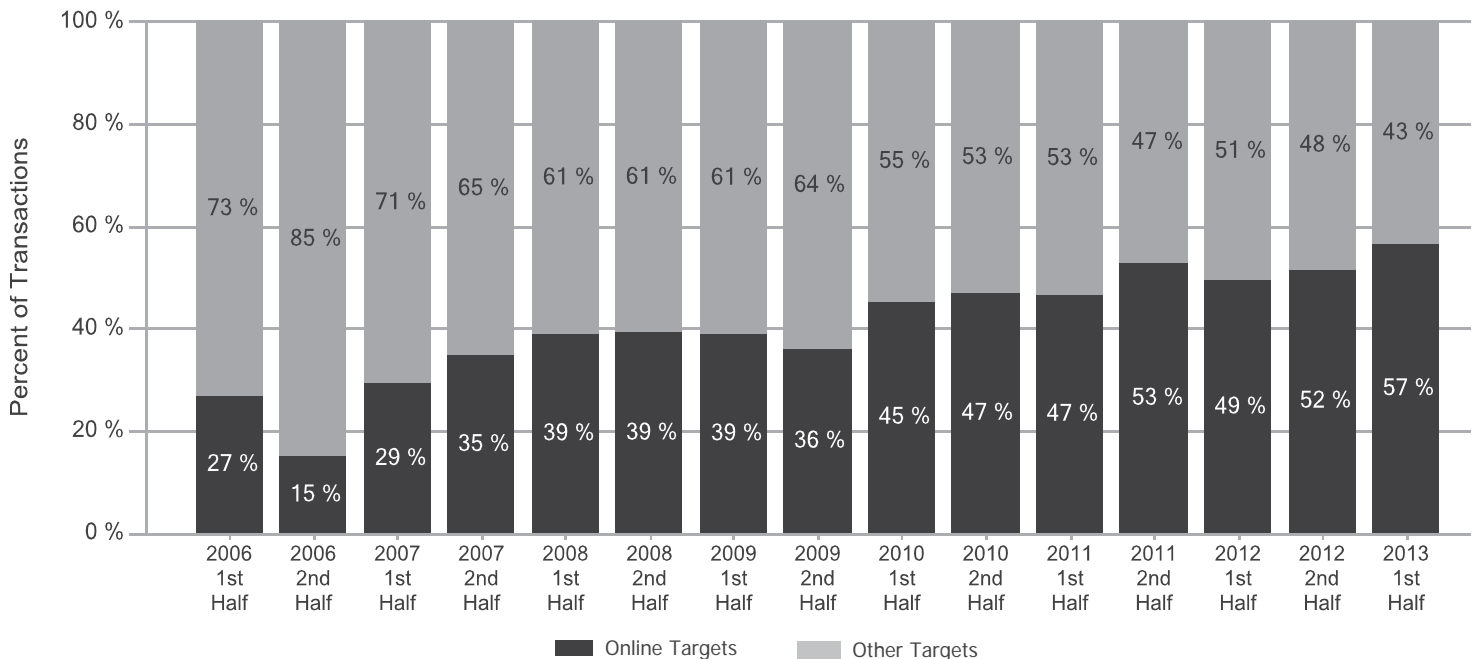


Figure 8. Percentage of total private equity transactions in the Information Industry where the target company conducts the majority of their business online. The total percentages are measured by half year from January 1, 2006 to June 30, 2013.

BERKERY NOYES

INVESTMENT BANKERS

Founded in 1980, Berkery Noyes is a leading independent investment bank serving the information, software, marketing, and technology industries. The firm has initiated, managed, and closed more than 475 merger and acquisition transactions for privately held and publicly traded companies in the healthcare, financial services, education, and entertainment markets.

Berkery Noyes is unique among investment banking firms in that we combine independent strategic research and actionable intelligence with senior banking expertise.

Berkery Noyes Securities LLC assists middle market companies with raising growth capital in the debt and equity markets.

CONTACT US TODAY FOR A CONFIDENTIAL DISCUSSION OF YOUR OPTIONS

212-668-3022

MANAGING DIRECTORS

JOHN GUZZO

FinTech Group

EVAN KLEIN

Media, Entertainment & Marketing Services

JONATHAN KRIEGER

Healthcare Group

THOMAS O'CONNOR

Healthcare Group

DICK O'DONNELL

Finance Group

PETER OGNIBENE

FinTech Group

JEFFREY SMITH

Healthcare Group

KATHLEEN THOMAS

Media & Marketing Services Group

PETER YOON

Education Group

MARY JO ZANDY

Media, Education, Software & Online

PARTNERS

JOSEPH BERKERY

Chief Executive Officer

JOHN SHEA

Managing Partner

MANDASOFT

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.

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

RECENT FINANCIALLY SPONSORED TRANSACTIONS



A PORTFOLIO COMPANY OF



LIBERTY PARTNERS

HAS BEEN ACQUIRED BY

StoneCalibre



HAS ACQUIRED



A PORTFOLIO COMPANY OF

INSIGHT VENTURE PARTNERS

HAS ACQUIRED



A BUSINESS OF



A PORTFOLIO COMPANY OF

PROVIDENCEEQUITY

HAS ACQUIRED THE EVENTS BUSINESS

**internet
RETAILER**

CONFERENCE & EXHIBITION (IRCE)
WEB DESIGN & USABILITY CONFERENCE (IRWD)
MOBILE MARKETING & CONFERENCE FORUM (MMCF)

FROM

Vertical Web Media

F|P

**FRANCISCO
PARTNERS**

HAS ACQUIRED

Therapeutic Research Center

Therapeutic Research Faculty



Information Group

HAS BEEN ACQUIRED BY



Redwood Acquisitions, LLC

Healthx

A PORTFOLIO COMPANY OF

LIBERTY PARTNERS

HAS BEEN ACQUIRED
IN A MAJORITY
RECAPITALIZATION BY

FrontierCapital



HAS BEEN ACQUIRED BY

SFW

Capital Partners

HAS BEEN ACQUIRED BY



PRIMUS

HAS MADE
AN INVESTMENT IN



One Liberty Plaza | New York, New York 10006

berkerynoyes.com | 212.668.3022