



PRIVATE EQUITY INFORMATION INDUSTRY

Financially Sponsored Transactions within the Information Industry

1ST HALF 2014 :: Mergers and Acquisitions Trend Report

1ST HALF 2014 KEY HIGHLIGHTS

- The largest transaction in 1st Half 2014 was Leonard Green & Partners, L.P. and CVC Capital Partners' acquisition of Advantage Sales and Marketing for \$4.2 billion.
- The most active acquirer year-to-date in the Education vertical was Providence Equity Partners with five transactions: PerceptIS, LLC, SIDEARM Sports Inc., Licensing Resource Group, AchieveGlobal, and MyEdu.
- The most active acquirers year-to-date in the Healthcare vertical were Thomas H. Lee Partners, L.P., Symphony Technology Group, and Vestar Capital Partners with three transactions each.

1ST HALF 2014 KEY TRENDS

- Total transaction volume in 1st Half 2014 increased by 18 percent over 2nd Half 2013, from 235 to 278.
- Total transaction value in 1st Half 2014 rose by 20 percent over 2nd Half 2013, from \$23.35 billion to \$28.10 billion.
- The peak for deal volume and value over the past two and a half years occurred in 1st Half 2014.
- The median revenue multiple declined from 3.0x to 2.5x. The median EBITDA multiple improved slightly 9.7x to 10.8x.
- Eight of the industry's top ten highest value deals in 1st Half 2014 were secondary buyouts.

M&A MARKET OVERVIEW

Berkery Noyes tracked 1,243 private equity transactions between 2012 and 1st Half 2014, of which 287 disclosed financial terms, and calculated the aggregate transaction value to be \$92.90 billion. Based on known transaction values, we project values of 956 undisclosed transactions to be \$21.49 billion, totaling \$114.39 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 2.1x revenue and 10.0x EBITDA.

M&A Market Dynamics By Half Year

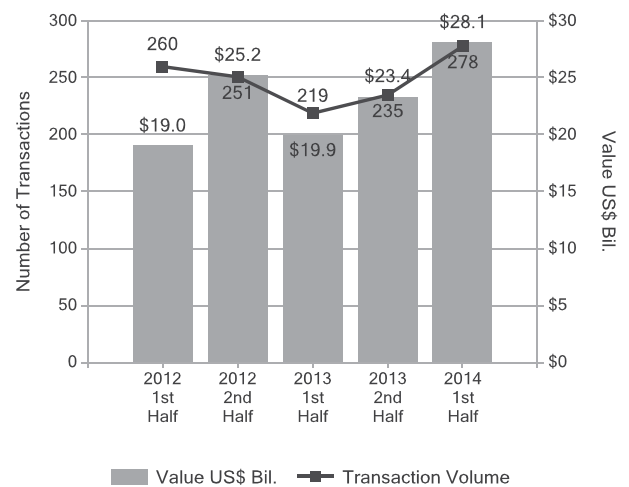


Figure 1. 2012-2014 value and volume comparison.

Median Enterprise Value Multiples By Half Year

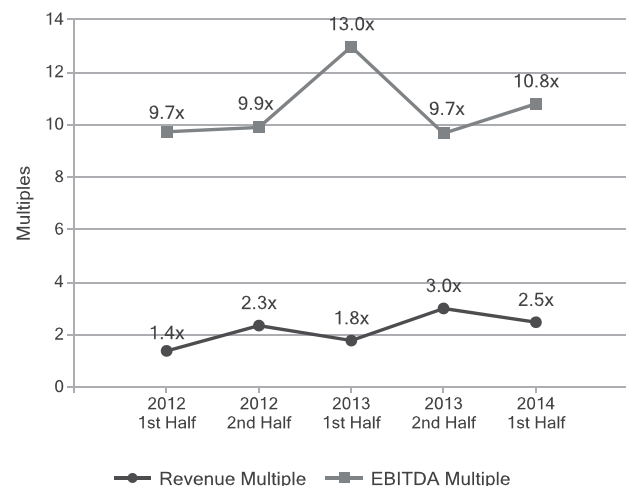


Figure 2. 2012-2014 median: revenue and EBITDA comparison.

Transaction Analysis :: January 1, 2014 – June 30, 2014

Bell Curve - Histogram - 1st Half

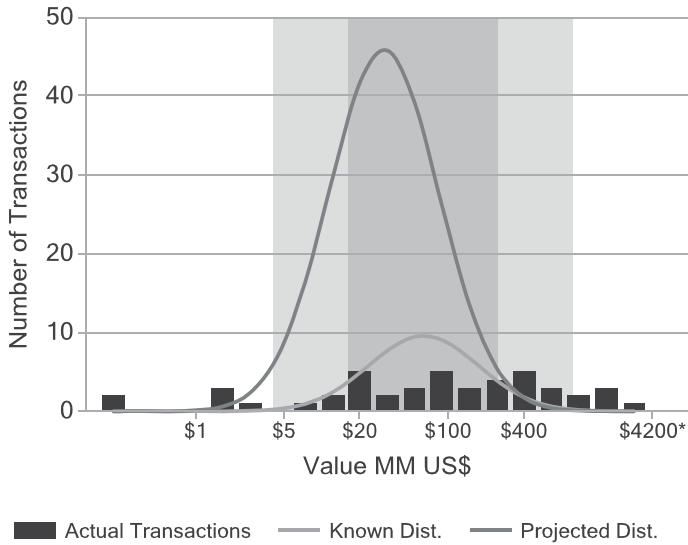


Figure 3. Shows the distribution of private equity transactions in the Information Industry based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$33.1 million to \$403.4 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2014 at \$28.1 billion.

* Indicates largest transaction in the industry from Jan. 1, 2014 to June 30, 2014.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	2	0	2	4 %	4 %
\$0.4	0	0	0	0 %	4 %
\$0.6	0	0	0	0 %	4 %
\$1.0	0	0	0	0 %	4 %
\$1.6	3	1	3	6 %	10 %
\$2.7	1	2	3	2 %	13 %
\$4.5	0	7	7	0 %	13 %
\$7.4	1	16	17	2 %	15 %
\$12.2	2	30	31	4 %	19 %
\$20.1	5	42	46	10 %	29 %
\$33.1	2	46	47	4 %	33 %
\$54.6	3	39	42	6 %	40 %
\$90.0	5	26	31	10 %	50 %
\$148.4	3	13	16	6 %	56 %
\$244.7	4	5	9	8 %	65 %
\$403.4	5	2	6	10 %	75 %
\$665.1	3	0	3	6 %	81 %
\$1,096.6	2	0	2	4 %	85 %
\$1,808.0	3	0	3	6 %	92 %
\$2,981.0	1	0	1	2 %	94 %
Total #	48	230	278		
Total \$ Value	\$20,963	\$7,141	\$28,104		
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, 2014 – June 30, 2014

M&A Dynamics by Transaction Type and Industry

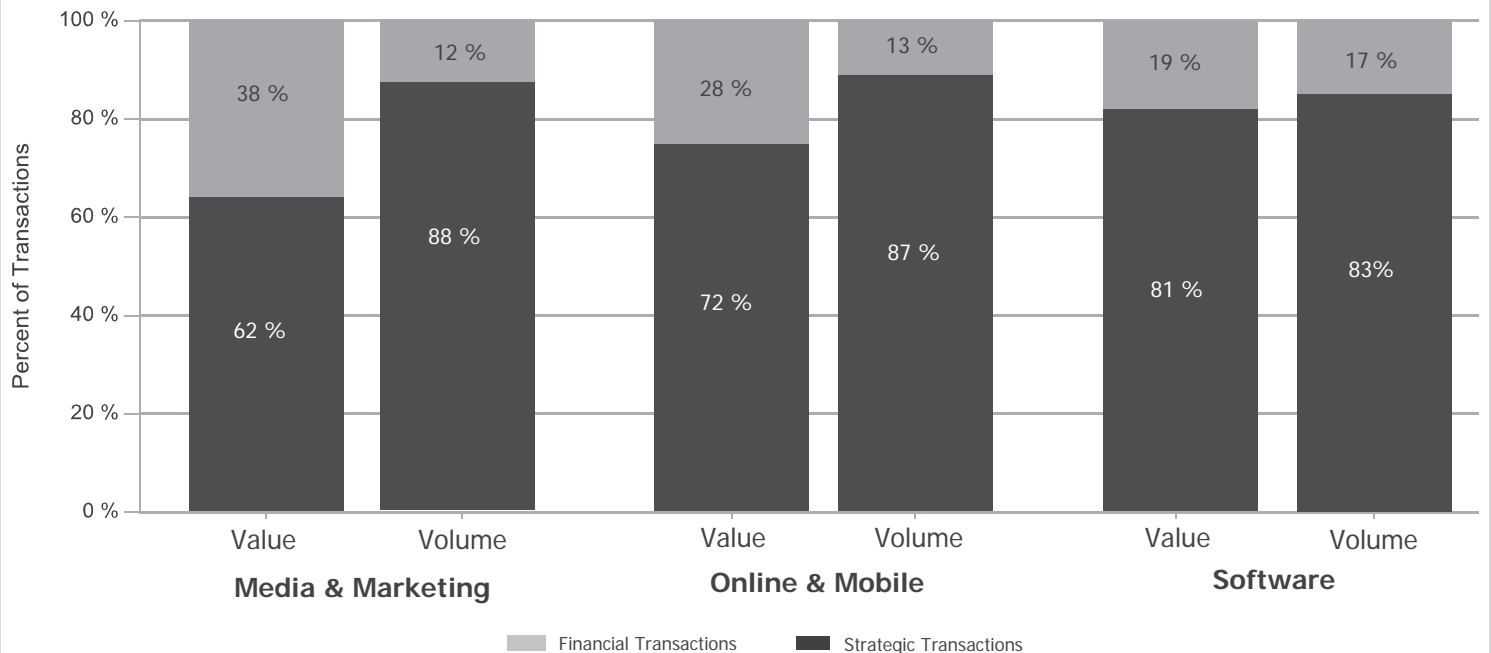


Figure 5. Presents the transaction volume by target segment for private equity transactions in the Information Industry. **Note:** Financially sponsored transactions include private equity backed strategic acquisitions.

Purchaser Analysis

Top Ten Notable Transactions - 1st Half 2014

Deal Date	Target Name	Buyer	Value MM US\$
06/16/14	Advantage Sales and Marketing	Leonard Green & Partners, L.P., CVC Capital Partners	\$4,200
03/14/14	SkillSoft Limited	Charterhouse Capital Partners	\$2,300
01/21/14	Trader Media Group	Apax Partners	\$1,926
03/13/14	Renaissance Learning, Inc.	Hellman & Friedman LLC	\$1,100
06/03/14	Internet Brands, Inc.	Kohlberg Kravis Roberts & Co.	\$1,100
04/14/14	Ipreo Holdings LLC	Blackstone Group LP, Goldman Sachs Merchant Banking	\$975
03/18/14	Travelclick, Inc.	Thoma Bravo, LLC	\$930
06/02/14	iParadigms	Insight Venture Partners	\$752
02/16/14	Callcredit Information Group	GTCR, LLC	\$586
03/03/14	Catalina	Berkshire Partners LLC	N/A
2014 Aggregate Transaction Value			\$28,104
Top 9 Aggregate Transaction Value			\$13,869
Top 9 Aggregate Value as a Percentage of All Transactions			49 %

Figure 7. Lists the top ten transactions for 1st Half 2014 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figures 1 & 4.

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.

Median EV/Revenue Multiples By Size

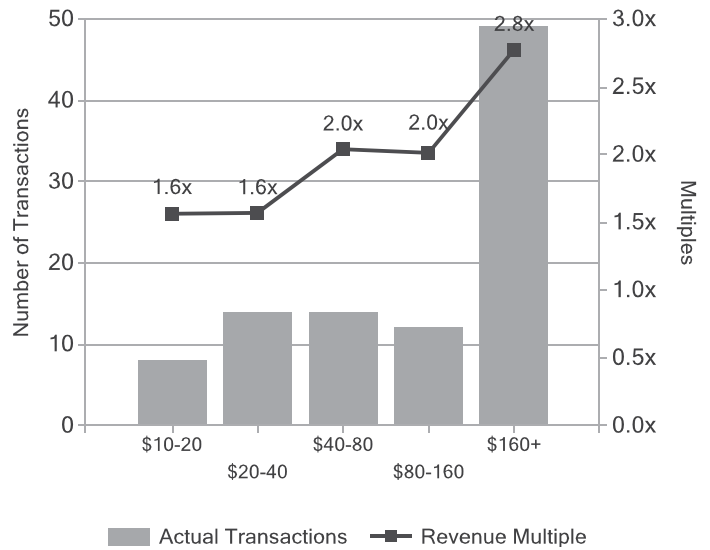


Figure 7. Presents the median enterprise value/revenue multiples paid for private equity transactions in the Information Industry from January 1, 2012 to June 30, 2014 based on publicly available data.

Transactions Involving an Online Component

Transaction Percentages of Online Targets

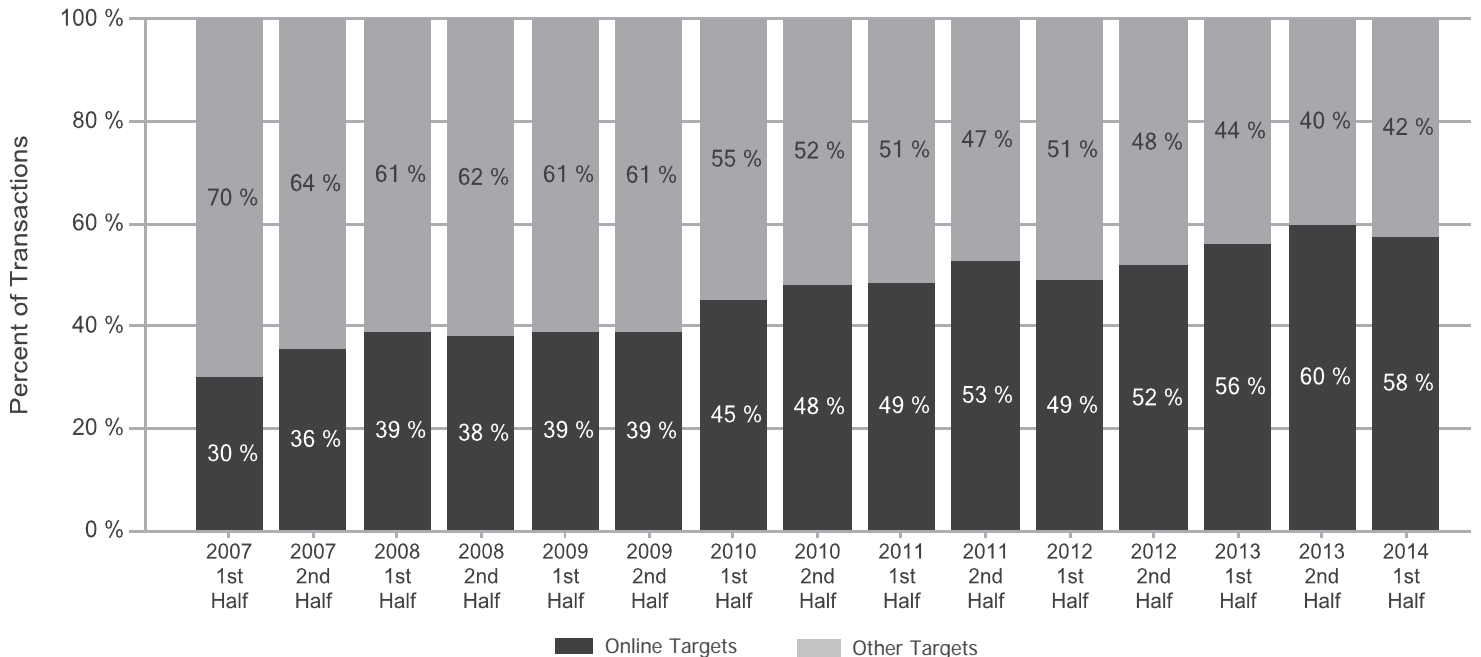


Figure 8. Percentage of total private equity transactions in the Information Industry where the target company conducts the majority of their business online. The total percentages are measured by half year from January 1, 2007 to June 30, 2014.

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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

RECENT FINANCIALLY SPONSORED TRANSACTIONS

AFTERMATH
CLAIM SCIENCE
HAS BEEN ACQUIRED BY
EQUIAN
A PORTFOLIO COMPANY OF
Great Point Partners, LLC

The Roberts Group
Market Data Expertise that FITS™
HAS RECEIVED A STRATEGIC INVESTMENT FROM
POLARIS
PARTNERS

Management Team and Employees
IN A PARTNERSHIP WITH
BOATHOUSE CAPITAL
HAS ACQUIRED
MIS TRAINING INSTITUTE
A DIVISION OF
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SourceTechnologies
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LIBERTY PARTNERS
HAS BEEN ACQUIRED BY
StoneCalibre

ADVANSTAR
HAS ACQUIRED
ENK

GLM
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