



ONLINE & MOBILE INDUSTRY

Full Year 2011 :: Mergers and Acquisitions Trend Report

2011 KEY HIGHLIGHTS

- Microsoft Corporation's acquisition of Skype Technologies SA, a portfolio of Silver Lake Partners, was the largest transaction for 2011, with an acquisition price of \$9.08 billion.
- The most active acquirer in the Online & Mobile Industry was Google Inc. with 21 transactions (not including the acquisition of Motorola Mobility).
- There were 192 financially sponsored transactions with an aggregate value of \$11.93 billion, representing 11 percent of the total volume and 16 percent of the total value, respectively.

2011 KEY TRENDS

- Total transaction volume in 2011 increased by 33 percent over 2010, from 1299 in 2010 to 1723 this year.
- Total transaction value in 2011 increased by 55 percent over 2010, from \$46.34 billion in 2010 to \$71.95 billion this year.
- The median revenue multiple rose from 1.9x in 2010 to 2.4x in 2011. The median EBITDA multiple increased from 11.4x to 12.5x.
- The segment with the largest increase in volume in 2011 over 2010 was E-Marketing & Search with a 53 percent increase from 263 in 2010 to 403 in 2011.

M&A MARKET OVERVIEW

Berkery Noyes tracked 3951 transactions between 2009 and 2011, of which 1183 disclosed financial terms, and calculated the aggregate transaction value to be \$109.57 billion. Based on known transaction values, we project values of 2768 undisclosed transactions to be \$34.21 billion, totaling \$143.78 billion worth of transactions tracked over the past three years.

Based on volume, the most active market segment that Berkery Noyes tracked between 2009 and 2011 was SaaS/ASP with 1100 transactions.

Based on value, the largest segment that Berkery Noyes tracked during this time period was E-Commerce with \$39.60 billion worth of transactions.

M&A Market Dynamics

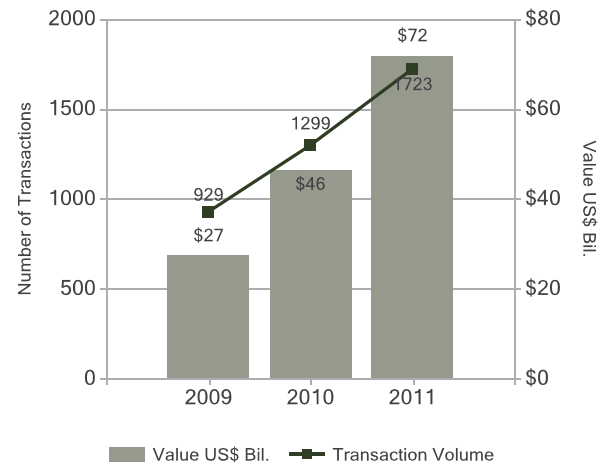


Figure 1. 2009 - 2011 value and volume comparison.

Median Enterprise Value Multiples

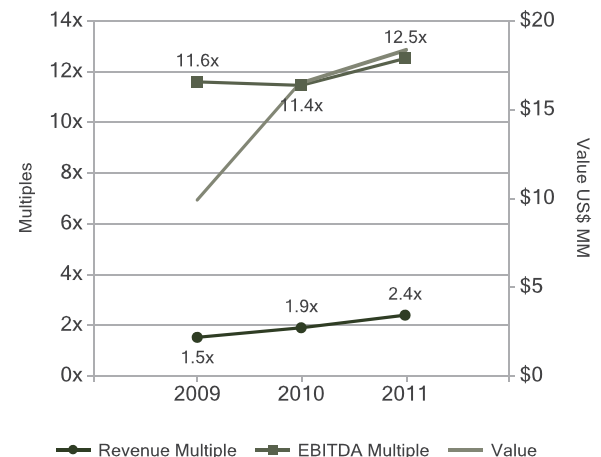


Figure 2. 2009 - 2011 median: revenue and EBITDA comparison.

Transaction Analysis :: January 1, 2011 – December 31, 2011

Bell Curve - Histogram

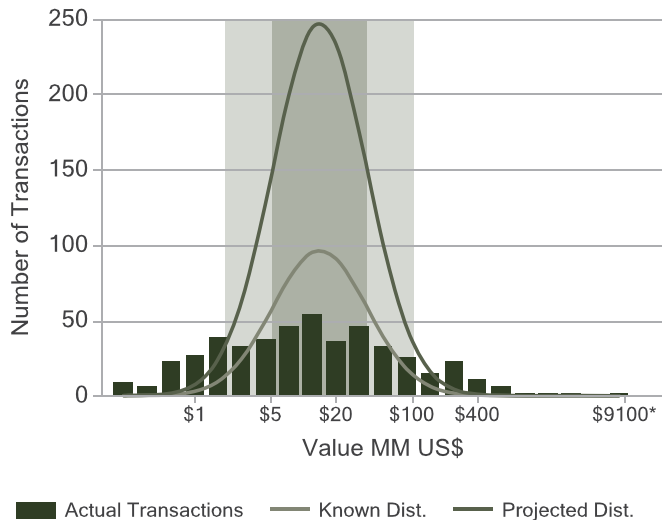


Figure 3. Shows distribution of transactions among Online and Mobile Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had transaction values of \$1.6 million to \$148.4 million. Based on this data, we estimate the total transaction value of deals done from Jan. 1 to Dec. 31, 2011 at \$71.9 billion.

* Indicates largest transaction in the industry from Jan. 1, 2011 to Dec. 31, 2011.

Distribution Table

| Value in MM US\$ | Known Number | Projected Number | Total Number | % | Cumulative % |
|-------------------------------|-----------------|----------------------------------|-----------------|------|--------------|
| \$0.2 | 9 | 0 | 9 | 2 % | 2 % |
| \$0.4 | 6 | 0 | 6 | 1 % | 3 % |
| \$0.6 | 23 | 2 | 24 | 5 % | 8 % |
| \$1.0 | 27 | 7 | 34 | 6 % | 13 % |
| \$1.6 | 39 | 24 | 63 | 8 % | 22 % |
| \$2.7 | 33 | 63 | 95 | 7 % | 28 % |
| \$4.5 | 38 | 127 | 164 | 8 % | 36 % |
| \$7.4 | 46 | 199 | 245 | 10 % | 46 % |
| \$12.2 | 54 | 244 | 298 | 11 % | 57 % |
| \$20.1 | 36 | 233 | 269 | 7 % | 64 % |
| \$33.1 | 46 | 173 | 219 | 10 % | 74 % |
| \$54.6 | 33 | 100 | 133 | 7 % | 81 % |
| \$90.0 | 25 | 45 | 70 | 5 % | 86 % |
| \$148.4 | 15 | 16 | 30 | 3 % | 89 % |
| \$244.7 | 23 | 4 | 27 | 5 % | 94 % |
| \$403.4 | 11 | 1 | 11 | 2 % | 96 % |
| \$665.1 | 6 | 0 | 6 | 1 % | 97 % |
| \$1,096.6 | 1 | 0 | 1 | 0 % | 98 % |
| \$1,808.0 | 2 | 0 | 2 | 0 % | 98 % |
| \$2,981.0 | 2 | 0 | 2 | 0 % | 98 % |
| \$4,914.8 | 0 | 0 | 0 | 0 % | 98 % |
| \$8,103.1 | 1 | 0 | 1 | 0 % | 99 % |
| Total # | 483 | 1240 | 1723 | | |
| Total \$ Value | \$54,262 | \$17,685 | \$71,948 | | |
| 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

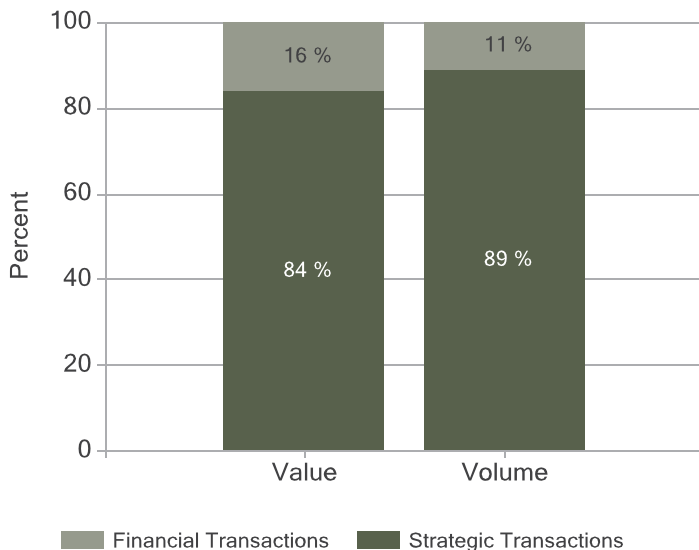


Figure 5. 2011 value and volume comparison by transaction type.

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

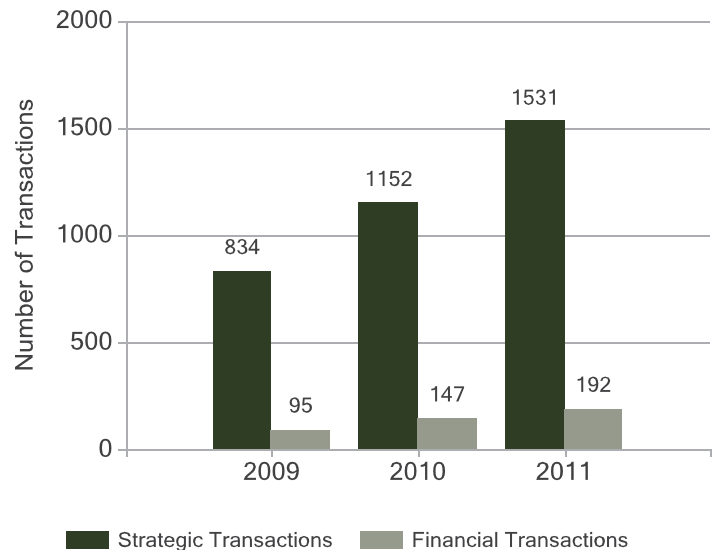


Figure 6. 2009-2011 transaction type comparison.

Purchaser Analysis

Top Ten Notable Transactions 2011

| Deal Date | Target Name | Buyer | Value MM US\$ |
|-----------|---|--|---------------|
| 05/10/11 | Skype Technologies SA | Microsoft Corporation | \$9,082 |
| 06/30/11 | Mobile, Networking and Semiconductor Patents from Nortel Networks Corporation | Microsoft Corporation, Sony Corporation, Apple, Inc., EMC Corporation, Research In Motion, Ericsson AB | \$4,500 |
| 12/05/11 | SuccessFactors, Inc. | SAP America, Inc. | \$3,326 |
| 07/01/11 | GoDaddy.com | Kohlberg Kravis Roberts & Co., Technology Crossover Ventures, Silver Lake Partners | \$2,250 |
| 03/28/11 | GSI Commerce Solutions | eBay | \$2,139 |
| 03/15/11 | bwin Interactive Entertainment AG | PartyGaming Plc | \$1,537 |
| 03/21/11 | optionsXpress Holdings, Inc. | The Charles Schwab Corporation | \$1,029 |
| 05/18/11 | Esurance and Answer Financial from White Mountains Insurance Group, Ltd. | The Allstate Corp. | \$1,010 |
| 11/14/11 | Point Transaction Systems AB | VeriFone, Inc. | \$818 |
| 08/03/11 | Network Solutions, LLC | Web.com, Inc. | \$794 |

2011 Aggregate Transaction Value \$71,948

Top 10 Aggregate Transaction Value \$26,484

Top 10 Aggregate Value as a Percentage of All Transactions 37 %

Figure 7. Lists the top ten transactions for 2011 and calculates their aggregate transaction value as a percentage of the 2011 total aggregate transaction value as shown on Figure 1 & 4.

Note: Transaction data based on announced date.

Median EV/Revenue Multiples By Size

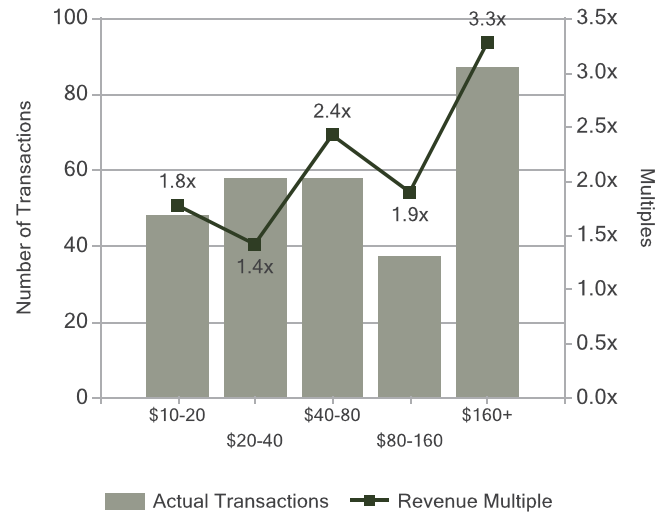


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Online and Mobile Industry from 2009 to 2011 based on publicly available sales price and revenue data.

Transaction Volume by Segment :: January 1, 2009 – December 31, 2011

Transactions By Market Segment

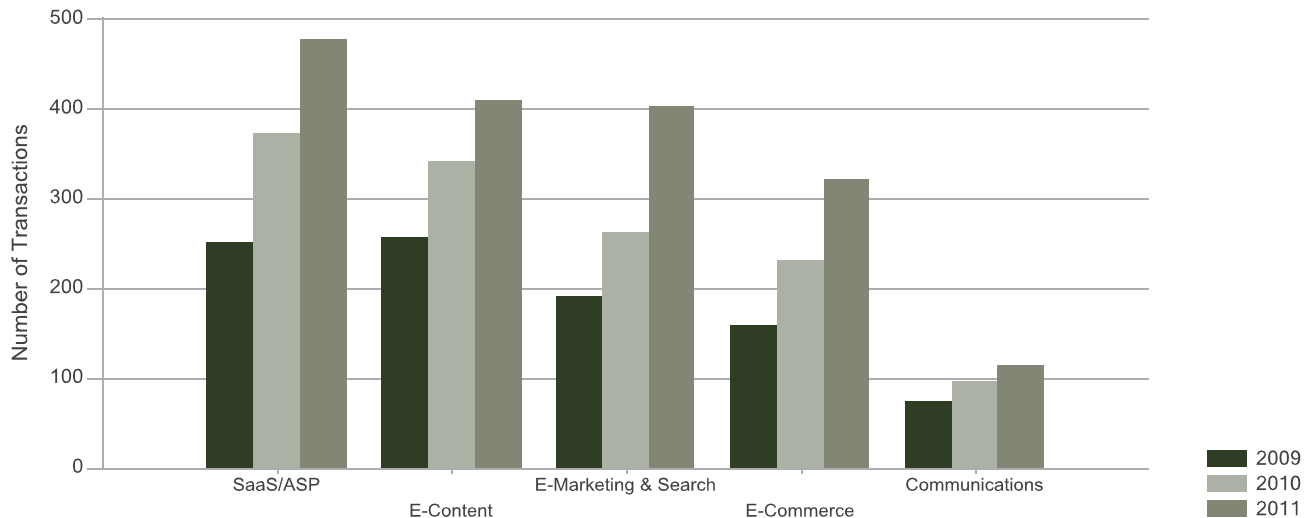


Figure 9. Presents transaction volume by market segment within the Online and Mobile Industry from 2009-2011.

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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.

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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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RECENT ONLINE & MOBILE TRANSACTIONS

