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ONLINE INDUSTRY

2010 Key Highlights

- The largest transaction in 2010 was KKR's announced acquisition of Visma ASA, a subsidiary of HgCapital, for \$1.90 billion.
- Google, Inc. was the most active online industry acquirer by volume, with 22 acquisitions: Widevine Technologies, Inc., Phonetic Arts, BlindType Inc., Plannr, SocialDeck Inc., Ångström Inc., Like.com, Jambool, Inc., Slide, Inc., Metaweb Technologies, Inc., ITA Software, Invite Media, Inc., Ruba, Inc., SimplifyMedia, Global IP Solutions, LabPixies, Plink, Episodic Inc., DocVerse, reMail, Picnik, Inc. and Aardvark.
- There were 132 financially sponsored transactions with an aggregate value of \$12.67 billion, representing 12 percent of the total volume and 21 percent of the total value, respectively.

2010 Key Trends

- Total transaction volume increased by 63 percent from 679 in 2009 to 1108 in 2010.
- Total transaction value in 2010 increased by 72 percent from \$25.95 billion in 2009 to \$44.61 billion in 2010.
- The segment with the largest increase in total transaction value in 2010 was SaaS/ASP with a 209 percent increase from \$4.75 billion in 2009 to \$14.71 billion in 2010.

M&A Market Overview

Berkery Noyes tracked 3340 transactions between 2007 and 2010 of which 1128 disclosed financial terms, and calculated the aggregate transaction value to be \$127.94 billion. Based on known transaction values, we project values of 2212 undisclosed transactions to be \$36.85 billion totaling \$164.80 billion worth of transactions tracked over the past four years.

The largest transaction tracked by Berkery Noyes between 2007 and 2010 was Microsoft's acquisition of aQuantive, Inc. for \$5.96 billion, completed in August of 2007.

Based on volume, the most active market segment that Berkery Noyes tracked between 2007 and 2010 was SaaS/ASP with 884 transactions. Based on value, the most active market segment was E-Commerce with \$46.30 billion worth of transactions.

M&A Market Dynamics

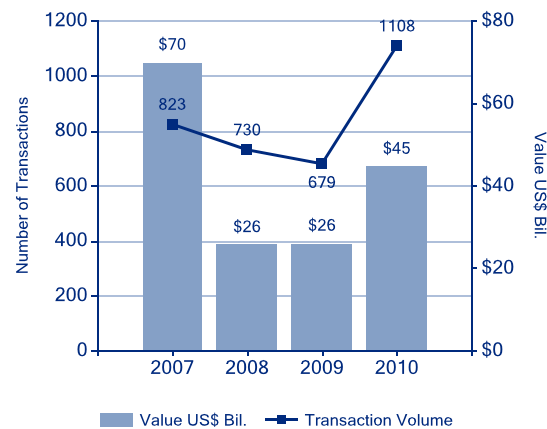


Figure 1. 2007 - 2010 value and volume comparison

Median Enterprise Value Multiples

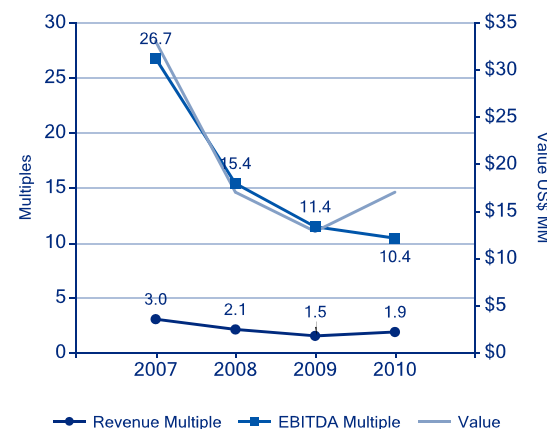


Figure 2. 2007 - 2010 median: Value, Revenue, EBITDA comparison.

Bell Curve - Histogram

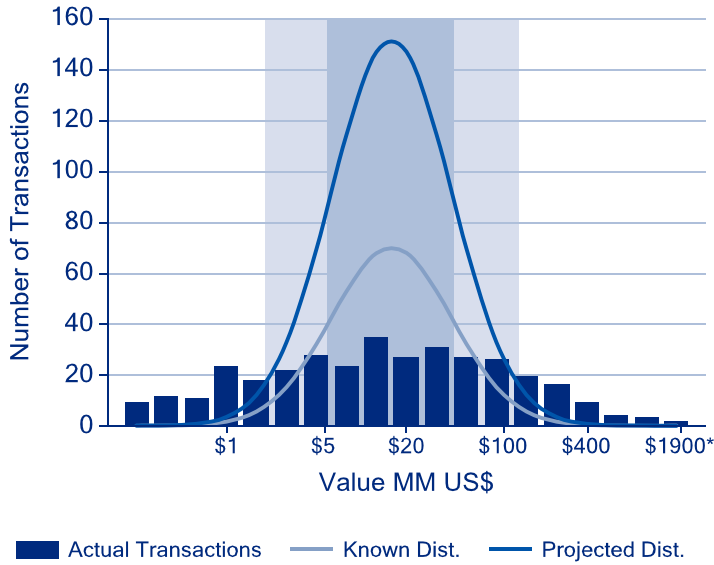


Figure 3. Shows distribution of transactions among online industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$4.5 to \$33.1 million. Based on this data, we estimate the total transaction value of deals done from Jan. 1 to Dec. 31, 2010 at \$44.61 billion.

* Indicates largest transaction in the industry from Jan. 1, 2010 to Dec. 31, 2010.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	9	0	9	3 %	3 %
\$0.4	12	0	12	3 %	6 %
\$0.6	11	1	11	3 %	9 %
\$1.0	23	3	26	7 %	16 %
\$1.6	18	12	30	5 %	21 %
\$2.7	22	33	54	6 %	27 %
\$4.5	28	69	97	8 %	35 %
\$7.4	23	114	137	7 %	42 %
\$12.2	35	147	181	10 %	52 %
\$20.1	27	147	173	8 %	59 %
\$33.1	31	114	145	9 %	68 %
\$54.6	27	69	96	8 %	76 %
\$90.0	26	33	58	7 %	83 %
\$148.4	19	12	31	5 %	89 %
\$244.7	16	3	19	5 %	93 %
\$403.4	9	1	9	3 %	96 %
\$665.1	4	0	4	1 %	97 %
\$1,096.6	3	0	3	1 %	98 %
\$1,808.0	2	0	2	1 %	99 %
Total #	350	758	1108		
Total \$ Value	\$32,746	\$11,866	\$44,612		

■ 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

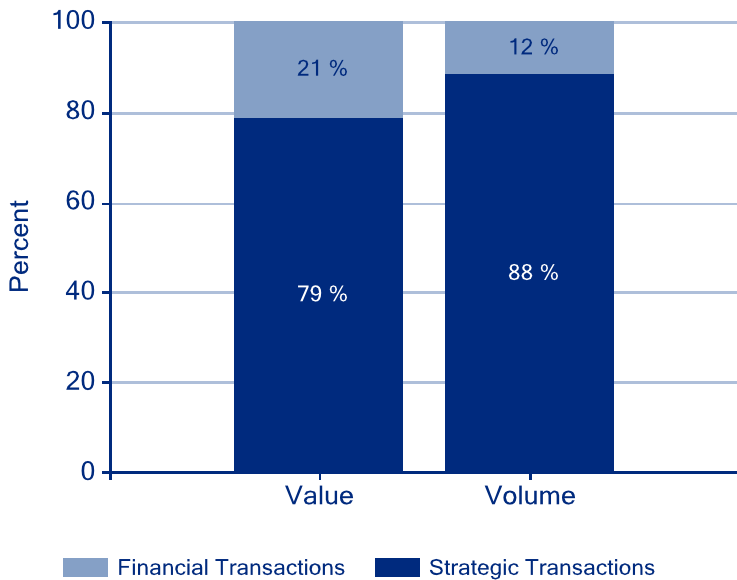


Figure 5. 2010 value and volume comparison by acquirer type.

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

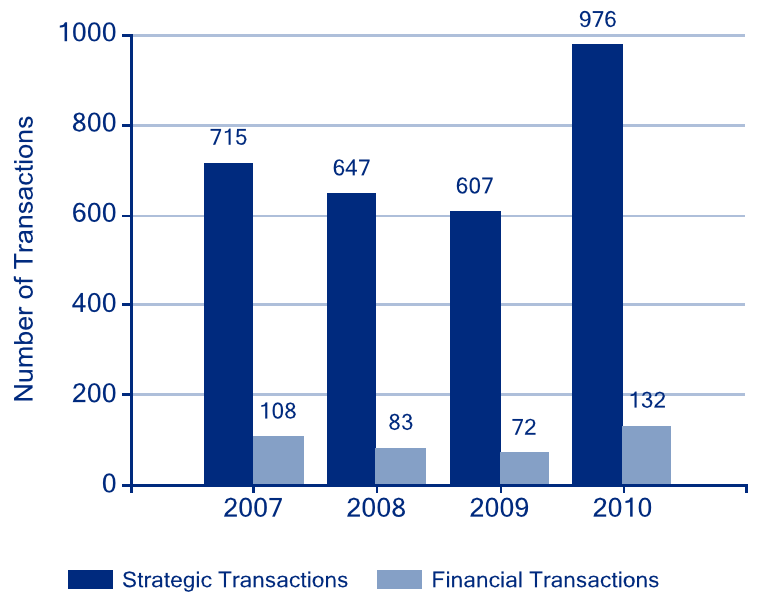


Figure 6. Presents acquirer type distribution by year.

Top Ten Notable Transactions 2010

Deal Date	Target Name	Buyer	Value MM US\$
09/26/10	Visma ASA	Kohlberg Kravis Roberts & Co.	\$1,902
04/21/10	CyberSource Corporation	Visa, Inc.	\$1,842
08/06/10	RBS WorldPay, Inc.	Bain Capital, Advent International Corporation	\$1,700
04/28/10	Palm, Inc.	HP	\$1,401
05/19/10	Authentication Services Business from VeriSign, Inc.	Symantec Corporation	\$1,268
02/12/10	SkillSoft PLC	Bain Capital, Berkshire Partners LLC, Advent International Corporation	\$1,065
11/02/10	Art Technology Group	Oracle Corporation	\$987
11/05/10	Property Information Business from MacDonald Dettwiler	TPG Capital	\$850
07/01/10	ITA Software	Google Inc.	\$700
09/20/10	Internet Brands, Inc.	Hellman & Friedman LLC	\$625
2010 Aggregate Transaction Value			\$44,612
Top 10 Aggregate Transaction Value			\$12,339

Top 10 Aggregate Value as a Percentage of All Transactions 28 %

Figure 7. Lists the top ten transactions for 2010 and calculates their aggregate transaction value as a percentage of the 2010 total aggregate transaction value as shown on Figure 1 & 4.

note: Transaction data based on **announced date**.

Median EV/Revenue Multiples By Size

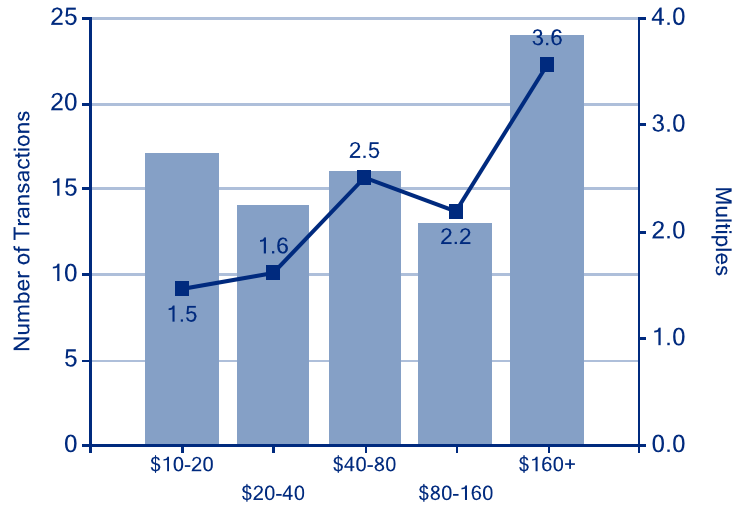


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the online industry in 2010 based on publicly available sales price and revenue data.

TRANSACTION VOLUME BY SEGMENT | Jan. 1, 2007 - Dec. 31, 2010

Transactions By Market Segment

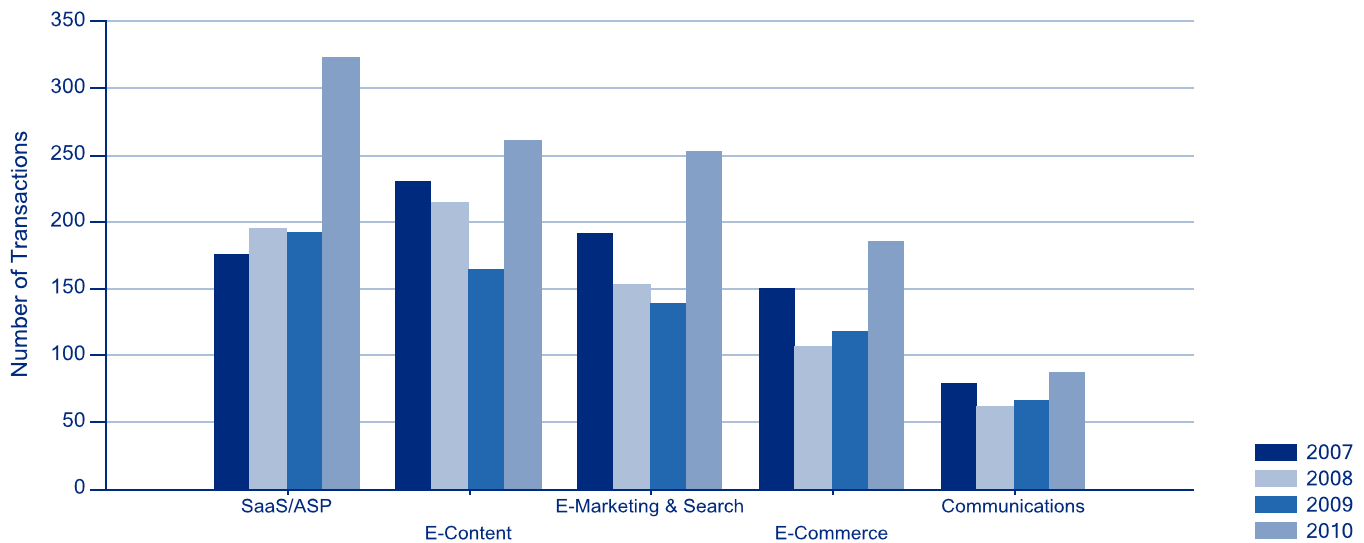


Figure 9. Presents transaction volume by market segment within the online industry.

About Berkery Noyes

Founded in 1980, Berkery Noyes is the leading independent investment bank specializing in the information content 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 business, technology, education, health, financial and legal information segments. Berkery Noyes is unique among investment banking firms in that we combine truly independent strategic research and industry intelligence with senior information technology banking expertise. With no equity fund or brokerage business to manage, our partners and investment banking professionals are one hundred percent focused on M&A advisory services. Berkery Noyes employs over 40 individuals with deep industry knowledge and experience who strive to exceed our clients' expectations by maximizing the full value of their information technology and content assets.



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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MARY JO ZANDY | *Managing Director, Media, Software & Online*

JOSEPH BERKERY | *Chief Executive Officer*

JOHN SHEA | *Chief Operating Officer*

Market Segments

Market Segment	Description
Communications	e-mail, messaging, wireless, webconferencing, VOIP, SMS
E-Commerce	e-retail, online payments, employment/dating/ticketing/rental services etc.
E-Content	e-zines, user-generated content, social networking
E-Marketing & Search	search engines, webhosting, SEO, lead generation, customer loyalty, surveys, ad networks, interactive agencies, digital marketing services
SaaS/ASP	software as a service, online applications, online tools, application service provider

Figure 10. Represents what types of online & mobile companies are included in Figure 9.

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