

SOFTWARE INDUSTRY

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2008 Key Highlights

- The Software Industry's most active buyers in 2008, based on the number (volume) of announced transactions, were Autodesk, Inc. and Oracle Corporation, each with 9 businesses purchased.
- The largest transaction announced in 2008 was CCC Information Services Inc., a portfolio business of Investcorp, proposed acquisition of Mitchell International, Inc., a subsidiary of Aurora Capital Group, for \$1.40 billion.
- Financially sponsored transactions represented 84 transactions which equates to 13 percent of the total volume and \$10.25 billion of value or 25 percent of the market.

2008 vs. 2007 Key Trends

- Total transaction volume in 2008 decreased by 12 percent over 2007, from 752 in 2007 to 665 in 2008.
- Total transaction value in 2008 decreased by 51 percent over 2007, from \$80.30 billion in 2007 to \$39.66 billion in 2008.

2006-2008 Market Overview

Out of 2371 transactions tracked by Berkery, Noyes between 2006 and 2008 we determined the aggregate enterprise value paid for transactions, where the values of 835 were disclosed, to be \$140.67 billion. Based on known enterprise values, using a logarithmic scale, we project values of 1536 undisclosed transactions to be \$54.04 billion for a combined total of \$194.70 billion over the past three years.

The largest transaction between 2006 and 2008 was SAP AG who acquired Business Objects S.A. for \$6.15 billion.

Berkery, Noyes determined that the nearly one-third of companies sold between 2006 and 2008 had an enterprise value between \$7 million to \$33 million.

The most active buyer in the software industry by way of value between 2006 and 2008 was IBM who purchased certain assets or all of 21 properties for a combined total of \$9.06 billion.

M&A Market Dynamics

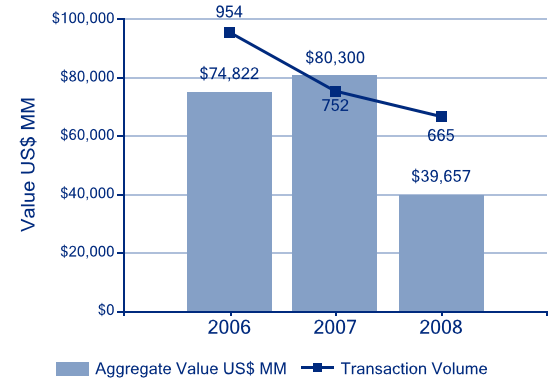


Figure 1. 2006 - 2008 value and volume comparison

Median Enterprise Value Multiples

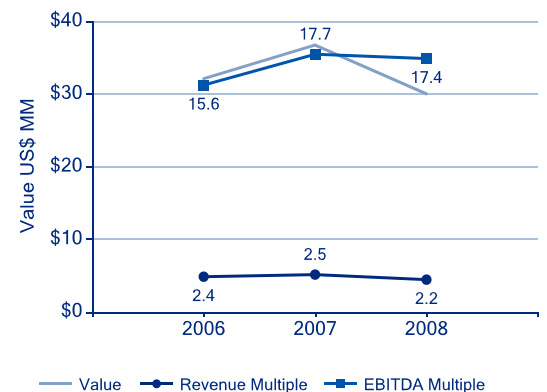


Figure 2. 2006 - 2008 median: Value, Revenue, EBITDA comparison.

TRANSACTION ANALYSIS | January 1, 2008 - December 31, 2008

Bell Curve - Histogram

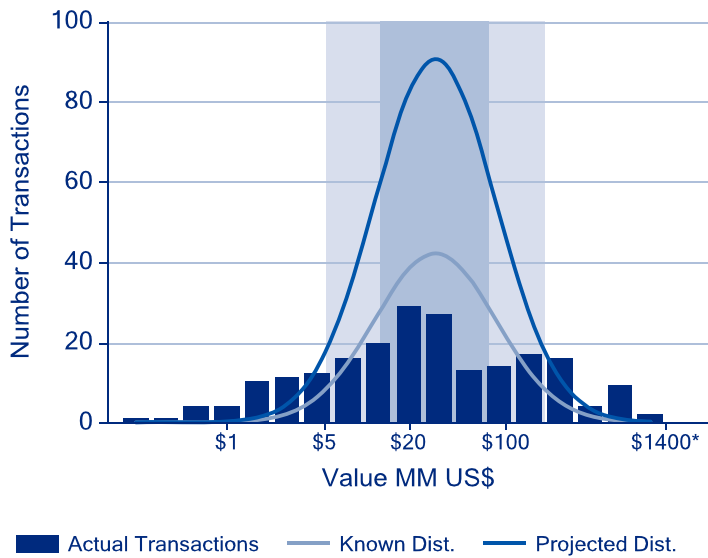


Figure 3. Shows distribution among software industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had enterprise values of \$2.7 million to \$148.4 million. Based on these data, we estimate the total transaction value of deals done from Jan. 1 to Dec. 31, 2008 at \$39.657 billion.

* Indicates largest transaction in the industry from Jan. 1, 2008 to Dec. 31, 2008

Distribution Table

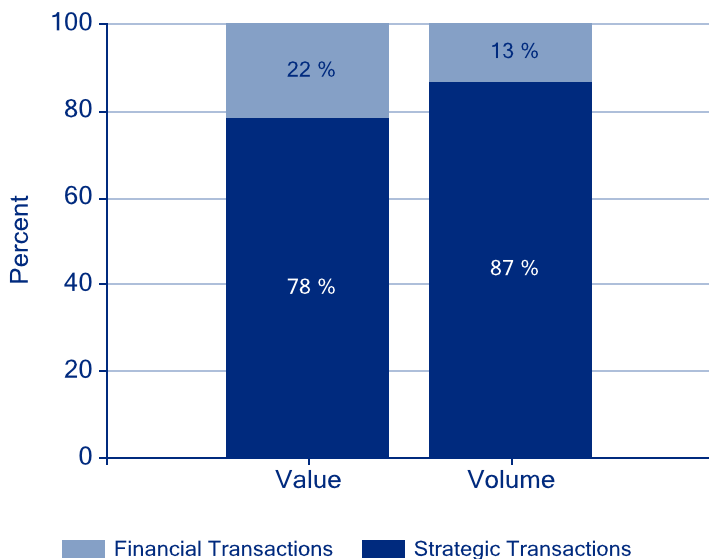
Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	1	0	1	0 %	0 %
\$0.4	1	0	1	0 %	1 %
\$0.6	4	0	4	2 %	3 %
\$1.0	4	0	4	2 %	5 %
\$1.6	10	1	11	5 %	9 %
\$2.7	11	5	15	5 %	15 %
\$4.5	12	14	25	6 %	20 %
\$7.4	16	32	47	8 %	28 %
\$12.2	20	58	78	9 %	37 %
\$20.1	29	82	111	14 %	51 %
\$33.1	27	90	117	13 %	64 %
\$54.6	13	78	90	6 %	70 %
\$90.0	14	52	65	7 %	77 %
\$148.4	17	27	43	8 %	85 %
\$244.7	16	11	26	8 %	92 %
\$403.4	4	3	7	2 %	94 %
\$665.1	9	1	9	4 %	99 %
\$1,096.6	2	0	2	1 %	100 %
Total #	211	454	665		
Total \$ Value	\$25,472	\$14,184	\$39,657		

■ Middle 3rd of Industry ■ Middle 2/3rds of Industry

Figure 4. Presents the data depicted in the bell curve-histogram.

STRATEGIC VS FINANCIAL COMPARISON | January 1, 2006 - December 31, 2008

M&A Dynamics By Transaction Type



Transaction Type

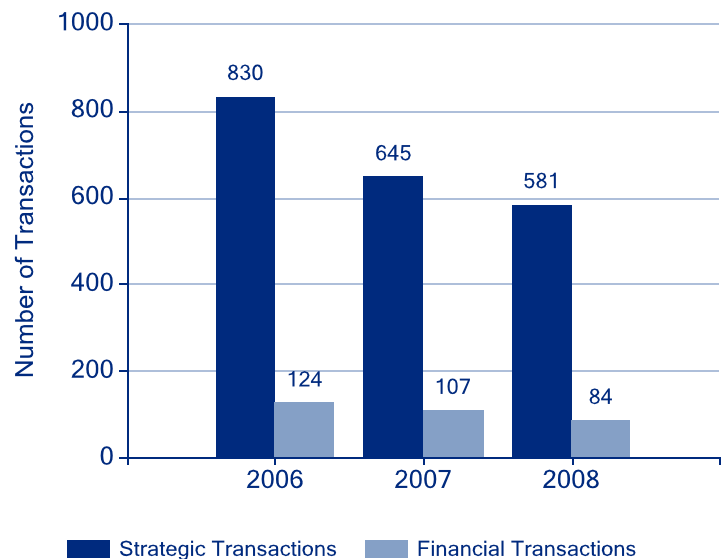


Figure 5. Out of 2371 transactions tracked by Berkery Noyes between 2006 and 2008 we found that financially sponsored transactions accounted for 13 percent of the volume or 315 transactions and greater than 22 percent of the value or \$43.92 billion.

Figure 6. Financially sponsored transactions represented 13 percent of the volume and 25 percent of the value for 2008 as opposed to 14 percent of the volume and 20 percent of the value for 2007.

Top Ten Notable Transactions 2008

Deal Date	Target Name	Buyer	Value MM US\$
04/11/08	Mitchell International, Inc.	CCC Information Services Inc.	\$1,400
04/11/08	TriZetto Group, Inc.	Apax Partners	\$1,259
01/08/08	Fast Search & Transfer, Inc.	Microsoft Corporation	\$1,064
01/16/08	MySQL AB	Sun Microsystems, Inc.	\$1,000
03/31/08	Ansoft Corporation	ANSYS, Inc.	\$826
03/17/08	BladeLogic	BMC Software, Inc.	\$811
06/24/08	Symbian	Nokia Corporation	\$790
02/11/08	Danger, Inc.	Microsoft Corporation	\$701
10/08/08	MessageLabs	Symantec Corporation	\$695
03/18/08	Allscripts Healthcare Solutions	Misys Healthcare Systems	N/A
2008 Aggregate Transaction Value			\$39,657
Top 9 Aggregate Transaction Value			\$8,546
Top 9 Aggregate Value as a Percentage of All Transactions			22 %

Figure 7. Lists the top ten transactions for 2008 and calculates their aggregate enterprise value as a percentage of the 2008 total aggregate enterprise value as shown on Figure 1 & 4.

N/A: If the price is listed as N/A, Berkery Noyes did not calculate that value into the aggregate.

note: Transactions data based on announced date.

Median EV/Revenue Multiples By Size

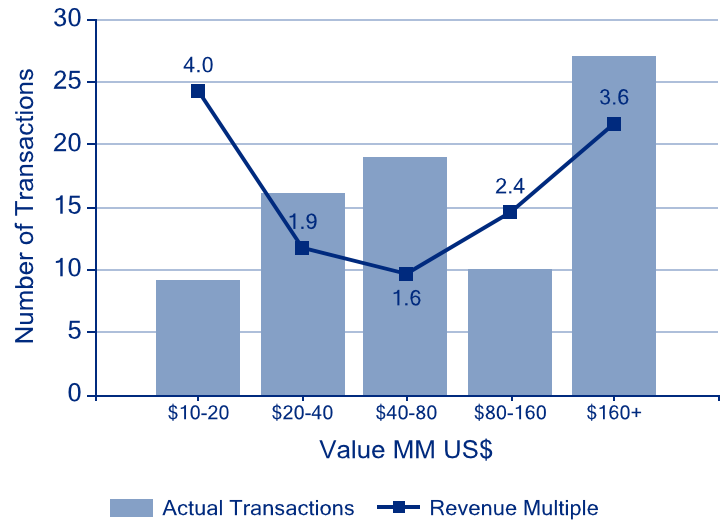


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the software industry based on publicly available sales price and revenue data.

TRANSACTION VOLUME BY SEGMENT | January 1, 2006 - December 31, 2008

Transactions By Market Segment

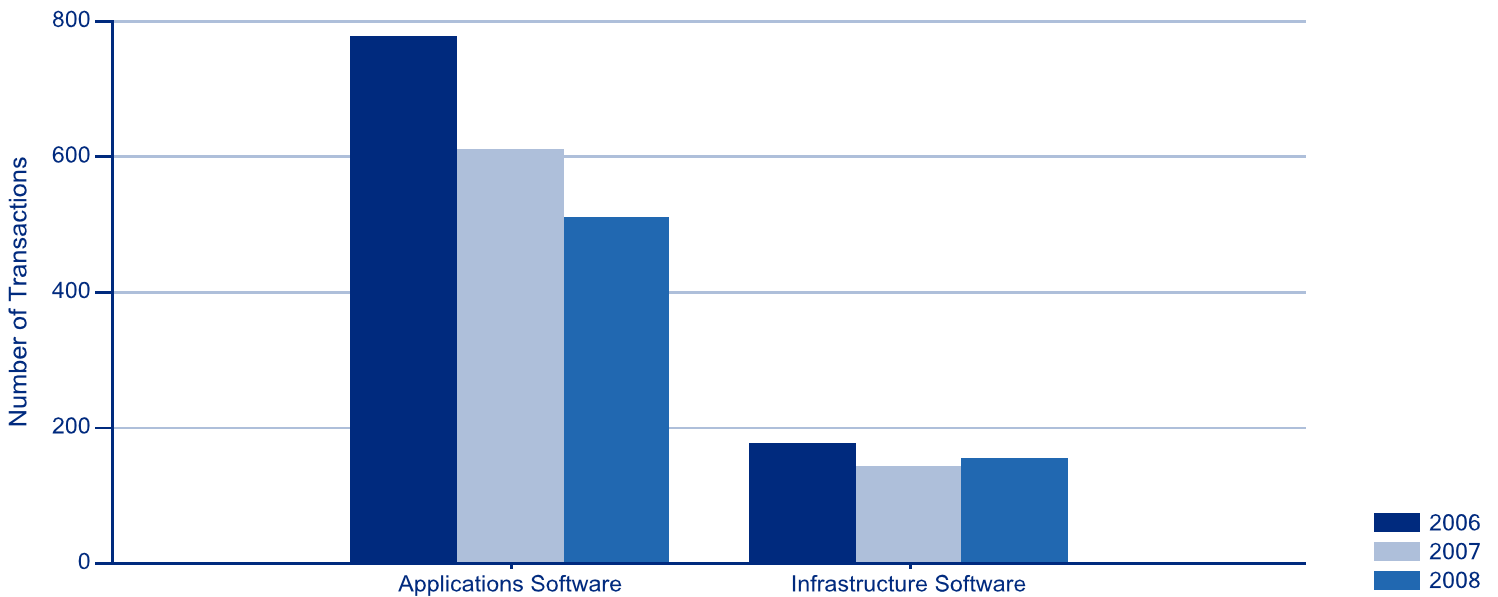


Figure 9. Presents the transaction volume by target segment within the software industry 2006 - 2008.

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 450 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. All transaction statistics are based on announcement date. For current information ask for our Weekly Deal Report. You'll find a link to it at www.berkerynoyes.com. Click on the "Weekly Deal Reports" tab to sign up.

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JOSEPH BERKERY | Chief Executive Officer

JOHN SHEA | Chief Operating Officer

FOOTNOTES

Market Segments

Market Segment	Description
Applications Software	Enterprise Management Applications (ERP, BI, BPM, ECM, PLM, etc.), Payment Processing, Engineering Software (CAD/CAE)
Infrastructure Software	Systems, Security, Networking, Storage, Communications (Mobile Connectivity, E-Mail, Fax, Messaging, etc.)

Figure 10. Represents what types of software companies are included in Figure 9.

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