

## ONLINE & MOBILE INDUSTRY

### IN THIS ISSUE

#### M&A Market Overview

**Figure 1.** M&A Market Dynamics

**Figure 2.** Median Enterprise Value Multiples

#### Transaction Analysis

**Figure 3.** Bell Curve

**Figure 4.** Distribution Table- First Half 2011

**Figure 5.** Transaction Type- First Half 2011

#### Strategic vs. Financial Comparison

**Figure 6.** M&A Dynamics By Transaction Type- First Half 2011

**Figure 7.** Transaction Type by Half Year

#### Purchaser Analysis

**Figure 8.** Top Ten Notable Transactions First Half 2011

**Figure 9.** Median Enterprise Value/Revenue Multiples By Size

#### Transaction Volume By Segment

**Figure 10.** Transactions By Market Segment

#### Footnotes

**Figure 11.** Market Segments

### BERKERY NOYES

is the leading independent investment bank providing M&A transaction services, strategic research and industry intelligence to the technology and information industries.

To receive our White Paper reports, Trend Analyses, Weekly Deal Reports, or to arrange a confidential discussion with a senior investment

banker, contact us at:

212.668.3022 or  
www.berkerynoyes.com

### First Half 2011 Key Highlights

- The largest transaction in 1st Half 2011 was Microsoft Corporation's announced acquisition of Skype Technologies SA, from an investor group lead by Silver Lake Partners, for \$9.08 billion.
- Google, Inc. was the most active acquirer in 1st Half 2011, with 11 purchases: SageTV, AdMeld Inc., PostRank Inc., Sparkbuy Inc., TalkBin, PushLife Inc., BeatThatQuote.com Ltd., Next New Networks, Inc., FFlick, SayNow and eBook Technologies Inc.
- There were 82 financially sponsored transactions in 1st Half 2011, with an aggregate value of \$3.58 billion, representing 11 percent of the total volume and 11 percent of the total value, respectively.

### First Half 2011 Key Trends

- Total transaction volume in 1st Half 2011 increased by 23 percent over 2nd Half 2010 from 643 in 2nd Half 2010 to 788 in 1st Half 2011.
- Total transaction value in 1st Half 2011 increased by 52 percent over 2nd Half 2010 from \$28.46 billion in 2nd Half 2010 to \$43.31 billion in 1st Half 2011.
- The segment with the largest increase in volume in 1st Half 2011 over 2nd Half 2010 was Communications with a 44 percent increase from 39 transactions in 2nd Half 2010 to 56 transactions in 1st Half 2011.

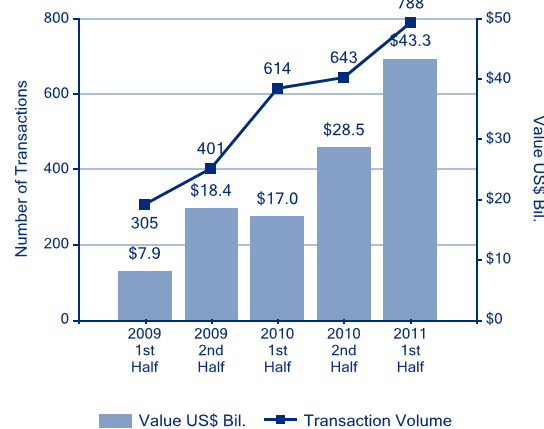
### M&A Market Overview

Berkery Noyes tracked 2750 transactions between 2009 and 1st Half 2011, of which 797 disclosed financial terms, and calculated the aggregate transaction value to be \$84.8 billion. Based on known transaction values, we project the value of the 1953 undisclosed transactions to be \$28.2 billion, totalling \$113 billion worth of transactions tracked over the past two and a half years.

The most active acquirer over the past two and a half years was Google, Inc., which made 39 transactions.

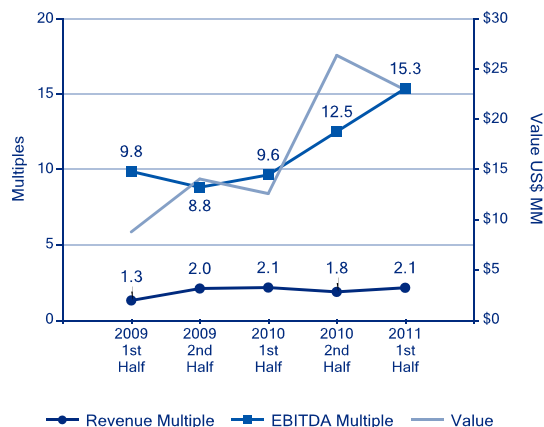
Disclosed median enterprise value multiples between 2009 and 1st Half 2011 for all segments combined in this report were 11.44 times EBITDA and 1.80 times revenue.

#### M&A Market Dynamics By Half Year



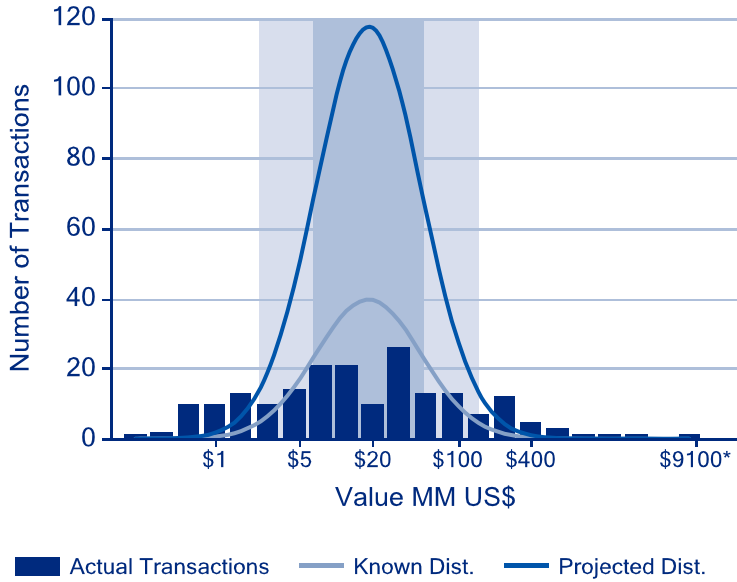
**Figure 1.** 2009 - 2011 value and volume comparison by half.

#### Median Enterprise Value Multiples By Half Year



**Figure 2.** 2009 - 2011 median: Value, Revenue, EBITDA comparison.

Bell Curve - Histogram - 1st Half



**Figure 3.** Shows distribution among Online & 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 enterprise values of \$1.6 million to \$244.7 million. Based on this data, we estimate the total transaction value of deals done in the 1st Half of 2011 at \$43.3 billion.

\* Indicates largest transaction in the industry from Jan. 1 through June 30, 2011

Distribution Table - 1st Half

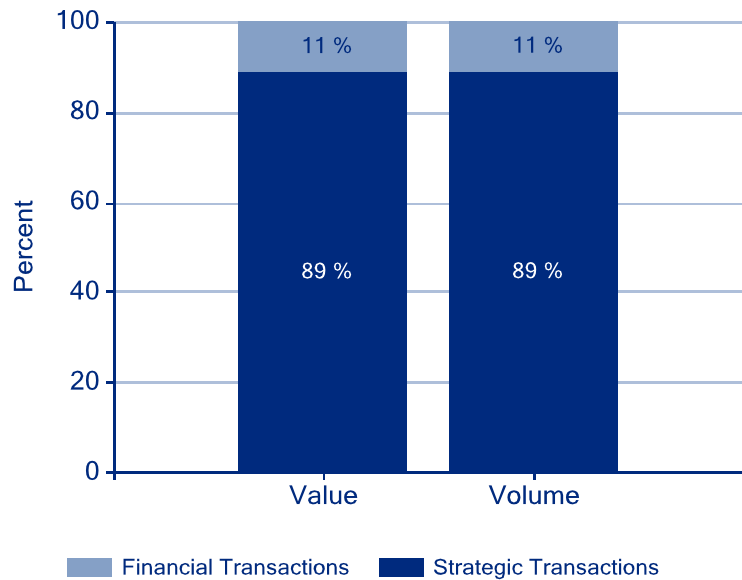
Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	1	0	1	1%	1%
\$0.4	2	0	2	1%	2%
\$0.6	10	0	10	5%	7%
\$1.0	10	2	11	5%	12%
\$1.6	13	6	19	7%	18%
\$2.7	10	19	28	5%	23%
\$4.5	14	43	57	7%	30%
\$7.4	21	77	98	11%	41%
\$12.2	21	108	128	11%	51%
\$20.1	10	117	127	5%	56%
\$33.1	26	99	125	13%	69%
\$54.6	13	65	78	7%	76%
\$90.0	13	33	46	7%	82%
\$148.4	7	13	20	4%	86%
\$244.7	12	4	16	6%	92%
\$403.4	5	1	6	3%	94%
\$665.1	3	0	3	2%	96%
\$1,096.6	1	0	1	1%	96%
\$1,808.0	1	0	1	1%	97%
\$2,981.0	1	0	1	1%	97%
\$4,914.8	0	0	0	0%	97%
\$8,103.1	1	0	1	1%	98%
Total #	199	589	788		
Total \$ Value	\$32,443	\$10,868	\$43,312		

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

**Note:** The projected number column is rounded as result of the Gaussian projection and may produce insignificant errors in the total sum.

STRATEGIC VS FINANCIAL COMPARISON

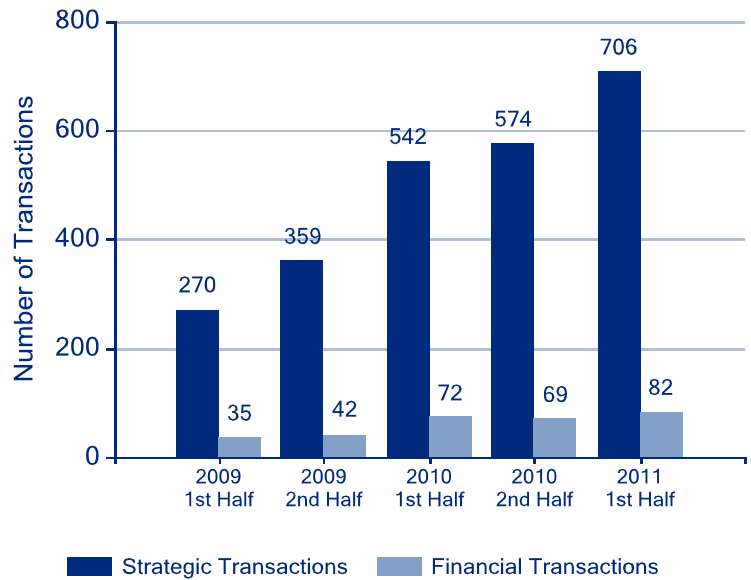
M&A Dynamics By Transaction Type - 1st Half



**Figure 5.** 2011 value and volume comparison by acquirer type.

**Note:** Financially sponsored transactions include PE-backed strategic acquisitions.

Transaction Type By Half Year



**Figure 6.** Acquirer type distribution by year.

# PURCHASER ANALYSIS

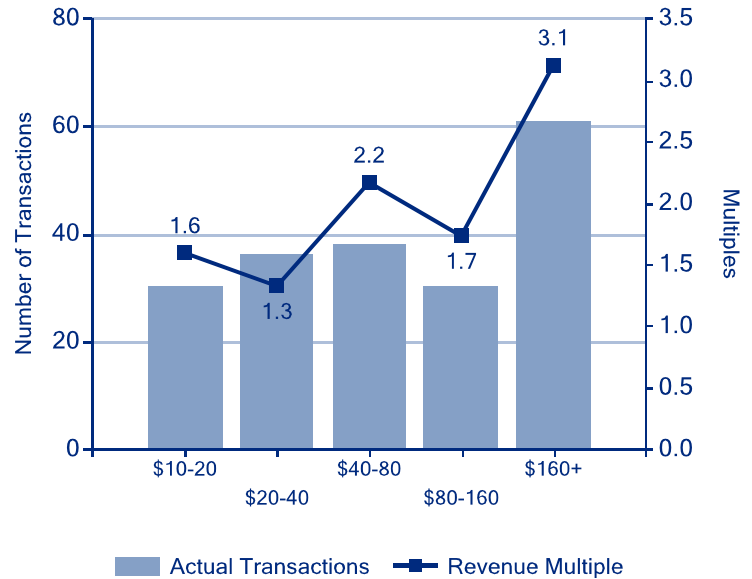
## Top Ten Notable Transactions - 1st Half 2010

Deal Date	Target Name	Buyer	Value MM US\$
05/10/11	Skype Technologies SA	Microsoft Corporation	\$9,082
06/30/11	All Remaining Patents from Nortel Networks Corporation	Microsoft Corporation, Sony Corporation, Apple, Inc., EMC Corporation, Research In Motion, Ericsson AB	\$4,500
03/28/11	GSI Commerce Solutions, Inc.	eBay	\$2,139
03/15/11	bwin Interactive Entertainment AG	PartyGaming Plc	\$1,579
03/21/11	optionsXpress Holdings, Inc.	The Charles Schwab Corporation	\$1,029
03/25/11	Auto Assets Including AutoTrader.ca from Trader Corporation	Apax Partners	\$762
05/18/11	Esurance and Answer Financial from White Mountains Insurance Group, Ltd.	The Allstate Corp.	\$700
04/27/11	LoopNet, Inc.	CoStar Group	\$654
01/04/11	SecureWorks Inc	Dell, Inc.	\$612
05/17/11	Rosetta Marketing Group, LLC	Publicis Groupe SA	\$575
2011 Aggregate Transaction Value			\$43,312
Top 10 Aggregate Transaction Value			\$21,633
Top 10 Aggregate Value as a Percentage of All Transactions			50%

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

**Note:** Transactions data based on announcement date.

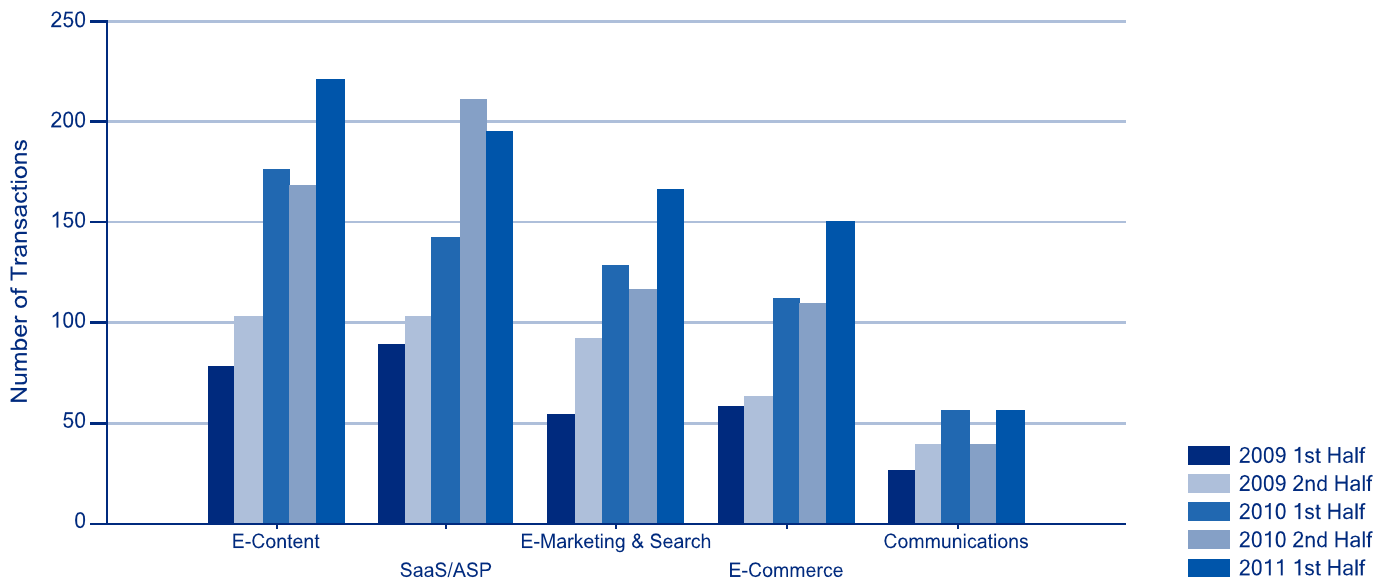
## Median EV/Revenue Multiples By Size



**Figure 8.** Presents the median enterprise value/revenue multiples of transactions in the Online & Mobile industry based on publicly available data between January 2009 and June 2011.

## TRANSACTION VOLUME BY SEGMENT | January 1, 2009 through June 30, 2011

### Transactions By Market Segment By Half Year



**Figure 9.** Presents the transaction volume by target segments within the Online & Mobile Industry for January 1, 2009 through June 30, 2011.

## 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.

For current intelligence on Merger and Acquisition activity in the Information Industry please visit our online service at [www.mandasoft.com](http://www.mandasoft.com)

Contact us today for a confidential discussion of your strategic options.

**JOHN GUZZO** | *Managing Director, Finance Group*

**VIVEK KAMATH** | *Managing Director, Education Group*

**EVAN KLEIN** | *Managing Director, Media, Entertainment & Marketing Services*

**JONATHAN KRIEGER** | *Managing Director, Healthcare/Life Sciences Group*

**THOMAS O'CONNOR** | *Managing Director, Healthcare/Life Sciences Group*

**DICK O'DONNELL** | *Managing Director, Finance Group*

**PETER OGNIBENE** | *Managing Director, Finance Group*

**JEFFREY SMITH** | *Managing Director, Healthcare/Life Sciences Group*

**KATHLEEN THOMAS** | *Managing Director, Media & Marketing Services Group*

**CHRISTOPHER YOUNG** | *Managing Director, Finance Group*

**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.

# BERKERY NOYES

INVESTMENT BANKERS

[berkerynoyes.com](http://berkerynoyes.com) | One Liberty Plaza | New York, New York 10006 | **212.668.3022**