

INFORMATION INDUSTRY

The Production and Provision of Content

Full Year 2011 :: Mergers and Acquisitions Trend Report

2011 KEY HIGHLIGHTS

- HP's acquisition of Autonomy Corporation was the largest transaction for 2011, with an acquisition price of \$10.28 billion.
- The most active acquirer in 2011 was Google Inc. with 25 acquisitions: Clever Sense, Inc., RightsFlow, Inc., Apture, Inc., Katango, Inc., SocialGrapple, DailyDeal, Zagat, Zave Networks, The DealMap, Pittsburgh Pattern Recognition, Fridge, Punched Labs Inc, SageTV, AdMeld Inc., PostRank Inc., Sparkbuy Inc., TalkBin, PushLife Inc., Green Parrot Pictures, BeatThatQuote.com Ltd., Next New Networks, Inc., Zynamics, FFlick, SayNow and eBook Technologies Inc.

2011 KEY TRENDS

- Total transaction volume in 2011 increased by 17 percent over 2010, from 2639 in 2010 to 3098 in 2011.
- Total transaction value in 2011 increased by 27 percent over 2010, from \$124.04 billion in 2010 to \$157.91 billion in 2011.
- The median revenue multiple increased from 1.7x in 2010 to 2.1x in 2011, while the median EBITDA multiple increased from 10.5x to 12.0x.

M&A MARKET OVERVIEW

Berkery Noyes tracked 7813 transactions between 2009 and 2011, of which 2505 disclosed financial terms, and calculated the aggregate transaction value to be \$318.32 billion. Based on known transaction values, we project values of 5308 undisclosed transactions to be \$64.95 billion, totaling \$383.27 billion worth of transactions tracked over the past three years.

The largest transaction tracked by Berkery Noyes between 2009 and 2011 was Comcast Corporation's acquisition of NBC Universal, a subsidiary of General Electric Company, for \$22.85 billion.

Based on value, the largest acquirer, either purchased direct or through a partner or affiliated business between 2009 and 2011, was Comcast Corporation, which acquired certain assets or all of 6 properties: Matchbox Pictures Pty Ltd., Monkey Kingdom Limited, The 700 Level.com, Paciolan, NBC Universal and New England Cable News.

M&A Market Dynamics

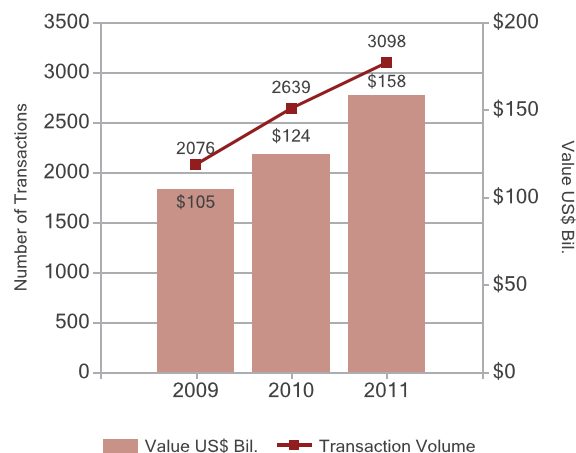


Figure 1. 2009 - 2011 value and volume comparison.

Median Enterprise Value Multiples

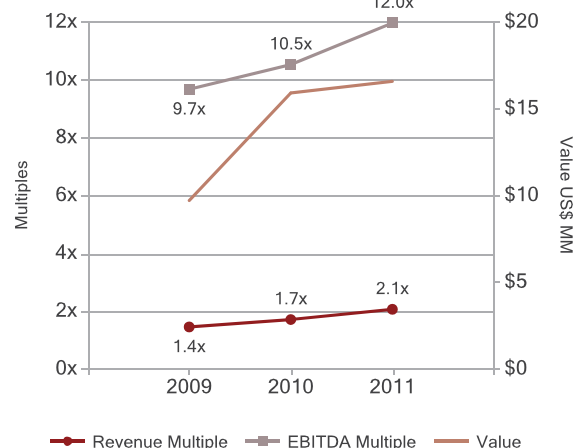


Figure 2. 2009 - 2011 median: revenue and EBITDA comparison.

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

Bell Curve - Histogram

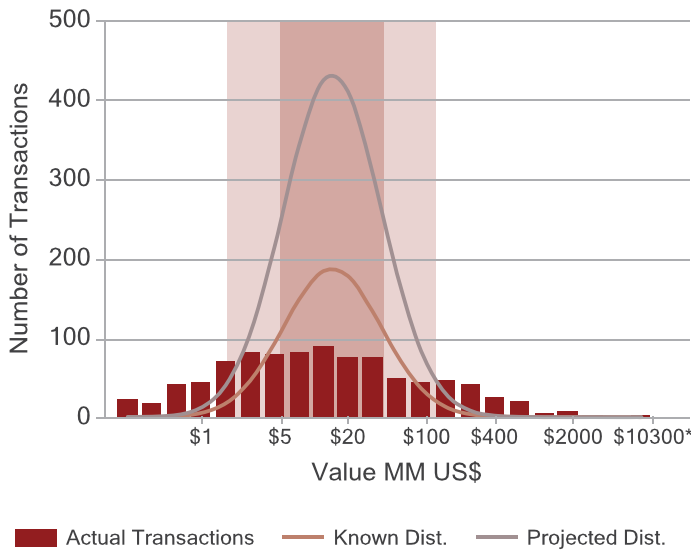


Figure 3. Shows the distribution of transactions among Information Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one third of companies purchased had transaction values of \$4.5 million to \$33.1 million. Based on this data, we estimate the total transaction value of deals done from Jan. 1 to Dec. 31, 2011 at \$157.9 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	21	0	21	2 %	2 %
\$0.4	17	0	17	2 %	4 %
\$0.6	42	3	44	4 %	9 %
\$1.0	43	12	54	5 %	13 %
\$1.6	71	40	110	8 %	21 %
\$2.7	83	105	187	9 %	30 %
\$4.5	80	214	294	9 %	38 %
\$7.4	81	342	422	9 %	47 %
\$12.2	90	424	514	10 %	56 %
\$20.1	74	410	484	8 %	64 %
\$33.1	76	309	384	8 %	72 %
\$54.6	49	181	229	5 %	78 %
\$90.0	44	83	126	5 %	82 %
\$148.4	45	29	74	5 %	87 %
\$244.7	42	8	50	4 %	92 %
\$403.4	24	2	25	3 %	94 %
\$665.1	19	0	19	2 %	96 %
\$1,096.6	6	0	6	1 %	97 %
\$1,808.0	8	0	8	1 %	98 %
\$2,981.0	3	0	3	0 %	98 %
\$4,914.8	0	0	0	0 %	98 %
\$8,103.1	2	0	2	0 %	98 %
Total #	936	2162	3098		
Total \$ Value	\$126,310	\$31,604	\$157,914		
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

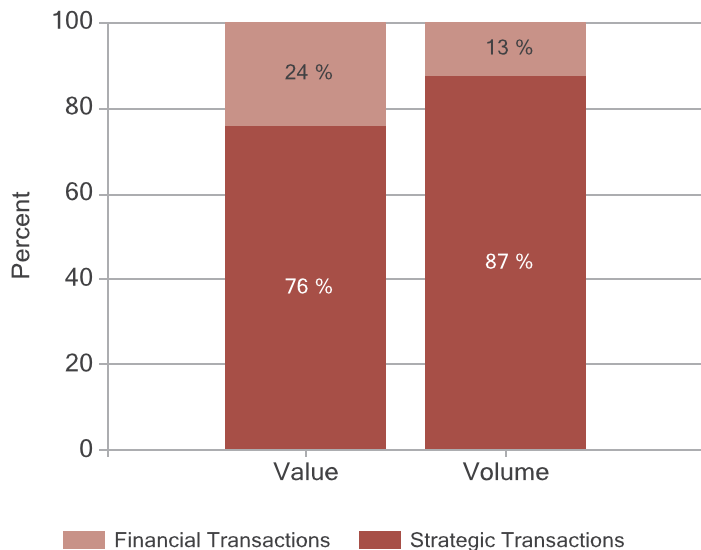


Figure 5. 2011 value and volume comparison by acquirer type.

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

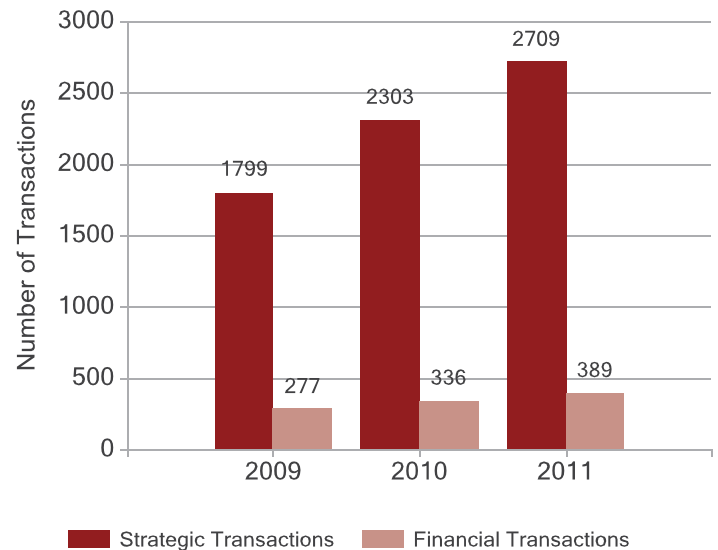


Figure 6. Presents acquirer type distribution by year.

Purchaser Analysis

Top Ten Notable Transactions 2011

Deal Date	Target Name	Buyer	Value MM US\$
08/18/11	Autonomy Corporation plc	HP	\$10,284
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
02/21/11	Seven Media Group	West Australian Newspapers Limited	\$4,149
12/05/11	SuccessFactors, Inc.	SAP America, Inc.	\$3,326
05/06/11	Warner Music Group	Access Industries	\$2,891
03/10/11	Citadel Broadcasting Company	Cumulus Media Inc.	\$2,443
07/01/11	GoDaddy.com	Kohlberg Kravis Roberts & Co., Technology Crossover Ventures, Silver Lake Partners	\$2,250
11/11/11	EMI Music Publishing	Sony/ATV Music Publishing, GSO Capital Partners LP, Mubadala Development Company	\$2,200
03/28/11	GSI Commerce Solutions	eBay	\$2,139
2011 Aggregate Transaction Value			\$157,914
Top 10 Aggregate Transaction Value			\$43,264
Top 10 Aggregate Value as a Percentage of All Transactions			27 %

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

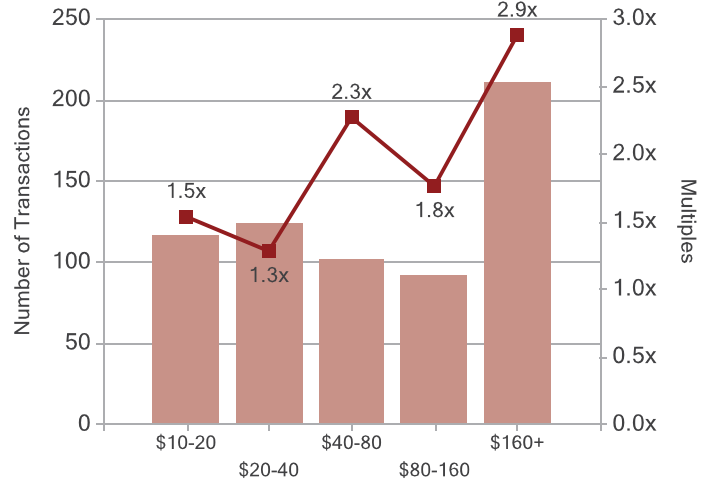


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Information Industry in 2011 based on publicly available sales price and revenue data.

Transactions Involving an Online Component

Transaction Percentages of Online Targets

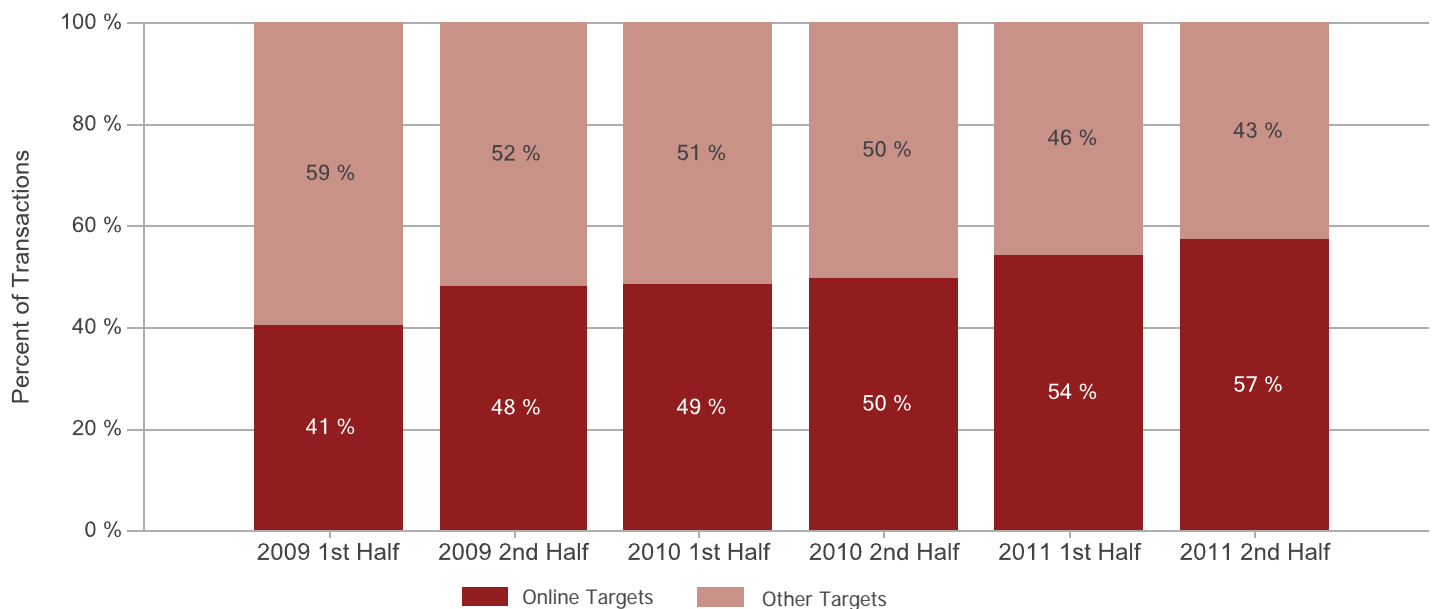


Figure 9. Percentage of total Information Industry transactions where the target company conducts the majority of their business online. The total percentages are measured by Half Year from 2009-2011.

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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.

For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at www.mandasoft.com

RECENT INFORMATION INDUSTRY TRANSACTIONS

Healthx

A PORTFOLIO COMPANY OF

LIBERTY PARTNERS

HAS BEEN ACQUIRED
IN A MAJORITY
RECAPITALIZATION BY

FrontierCapital

BLI
BUYERS LAB

HAS BEEN ACQUIRED BY

SFW

Capital Partners

baseline

A DIVISION OF

**The New York Times
Company**

HAS BEEN ACQUIRED BY

Project Hollywood, LLC

class.com

HAS BEEN ACQUIRED BY

**Cambium
LEARNING
Group**

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AN INVESTMENT IN

G2 Web Services

Sabrient

HAS ACQUIRED
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GRADIENT
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V S S Veronis Suhler Stevenson

HAS ACQUIRED

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