



PRIVATE EQUITY IN INFORMATION INDUSTRY

Financially Sponsored Transactions within the Information Industry

Full Year 2011 :: Mergers and Acquisitions Trend Report

2011 KEY HIGHLIGHTS

- Kohlberg Kravis Roberts & Co., Technology Crossover Ventures and Silver Lake Partners' announced acquisition of GoDaddy.com was the largest transaction for 2011, with an acquisition price of \$2.25 billion.
- The most active acquirer was Vista Equity Partners with 19 acquisitions: VaultWare, 360Facility, Beyond Compliance Inc., AngelPoints, Inc., Mitratch, Inc., Emerging Information Systems, Inc., Rainmaker Software, LLC, Bostonpost Technology, PowerPath from Elekta AB, Trade and Risk Management Business from Thomson Reuters, Sage Healthcare, CompuLaw LLC, Client Profiles, Inc., CyberShift, Inc., Workspeed Management, LLC, WellPoint Systems, Inc., EXPLORER Software Solutions Ltd., Siterra Corporation and GeoLearning, Inc.

M&A Market Dynamics

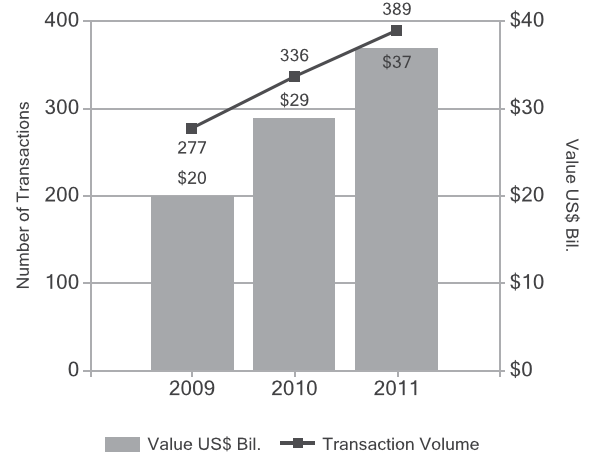


Figure 1. 2009 - 2011 value and volume comparison.

2011 KEY TRENDS

- Total transaction volume in 2011 increased by 16 percent over 2010, from 336 in 2010 to 389 in 2011.
- Total transaction value in 2011 increased by 28 percent over 2010, from \$28.69 billion in 2010 to \$36.75 billion in 2011.
- The median revenue multiple remained nearly the same, going from 1.7x in 2010 to 1.8x in 2011, while the median EBITDA multiple decreased from 10.2x to 9.1x.

M&A MARKET OVERVIEW

Berkery Noyes tracked 1,002 transactions between 2009 and 2011, of which 302 disclosed financial terms, and calculated the aggregate transaction value to be \$65.31 billion. Based on known transaction values, we project values of 700 undisclosed transactions to be \$16.73 billion, totaling \$82.04 billion worth of transactions tracked over the past three years.

The largest transaction tracked by Berkery Noyes between 2009 and 2011 was TPG Capital and CPP Investment Board's acquisition of IMS Health Incorporated for \$5.06 billion.

Median Enterprise Value Multiples

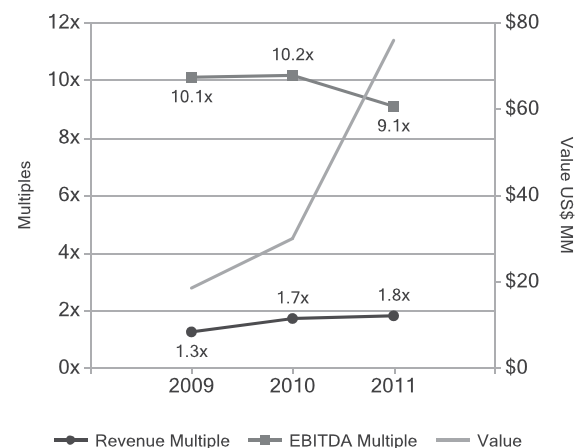


Figure 2. 2009 - 2011 median: revenue and EBITDA comparison.

Transaction Analysis :: Jan. 1, 2011 – Dec. 31, 2011

Bell Curve - Histogram

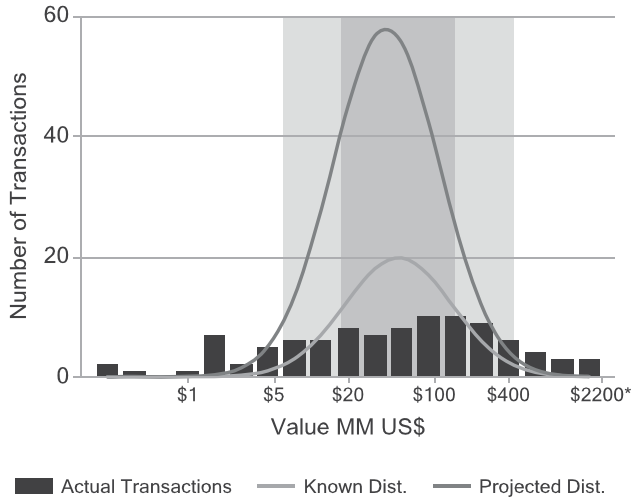


Figure 3. Shows distribution of transactions among the private equity transactions in the information industry based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one third of companies purchased had transaction values of \$20.1 million 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 \$36.8 billion.

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

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	2	0	2	2 %	2 %
\$0.4	1	0	1	1 %	3 %
\$0.6	0	0	0	0 %	3 %
\$1.0	1	0	1	1 %	4 %
\$1.6	7	0	7	7 %	11 %
\$2.7	2	1	3	2 %	13 %
\$4.5	5	5	10	5 %	18 %
\$7.4	6	13	19	6 %	24 %
\$12.2	6	28	33	6 %	30 %
\$20.1	8	45	53	8 %	38 %
\$33.1	7	57	63	7 %	45 %
\$54.6	8	55	63	8 %	54 %
\$90.0	10	42	52	10 %	64 %
\$148.4	10	25	35	10 %	74 %
\$244.7	9	12	20	9 %	83 %
\$403.4	6	4	10	6 %	89 %
\$665.1	4	1	5	4 %	93 %
\$1,096.6	3	0	3	3 %	96 %
\$1,808.0	3	0	3	3 %	99 %
Total #	99	290	389		
Total \$ Value	\$24,918	\$11,833	\$36,751		
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.

M&A Dynamics by Acquirer Type :: Jan. 1, 2011 – Dec. 31, 2011

M&A Dynamics by Transaction Type and Segment

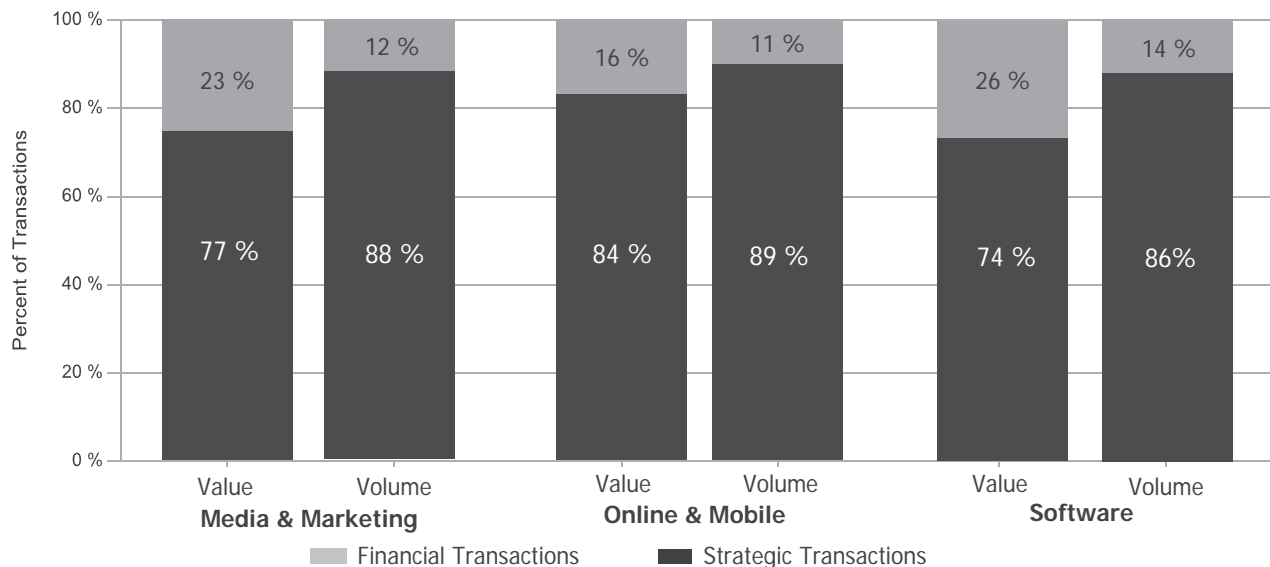


Figure 5. Presents the transaction volume by target segment for private equity transactions in the Information Industry.

Note: Financially sponsored transactions include PE backed strategic acquisitions.

Purchaser Analysis

Top Ten Notable Transactions 2011

Deal Date	Target Name	Buyer	Value MM US\$
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
01/05/11	Acosta, Inc.	Thomas H. Lee Partners, L.P.	\$2,000
04/26/11	Lawson Software	Infor, a portfolio company of Golden Gate Capital	\$1,779
07/01/11	Blackboard Inc.	Providence Equity Partners	\$1,712
08/24/11	MYOB Limited	Bain Capital	\$1,257
04/04/11	Epicor Software Corporation	Apax Partners	\$946
04/04/11	Activant Solutions, Inc.	Apax Partners	\$890
12/09/11	Blue Coat Systems, Inc.	Thoma Bravo, LLC, Teachers Private Capital	\$863
03/25/11	Auto Assets Including AutoTrader.ca from Trader Corporation	Apax Partners	\$724
2011 Aggregate Transaction Value			\$36,751
Top 10 Aggregate Transaction Value			\$14,620
Top 10 Aggregate Value as a Percentage of All Transactions			40 %

Figure 6. 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

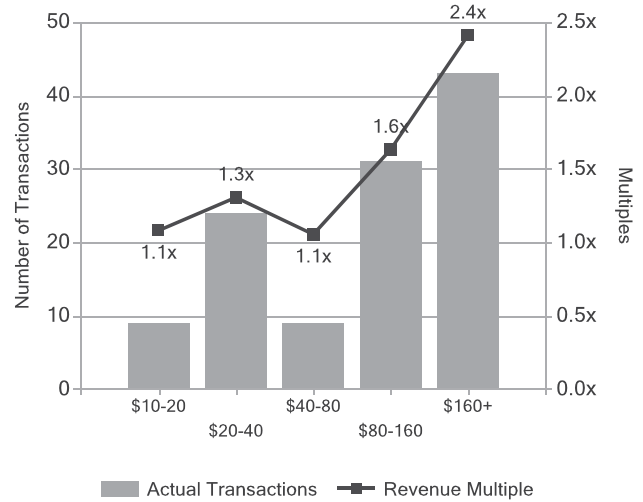


Figure 7. Presents the median enterprise value/revenue multiples for Private Equity transactions in the Information Industry from 2009 to 2011 based on publicly available sales price and revenue data.

Transactions Involving an Online Component

Transaction Percentages of Online Targets

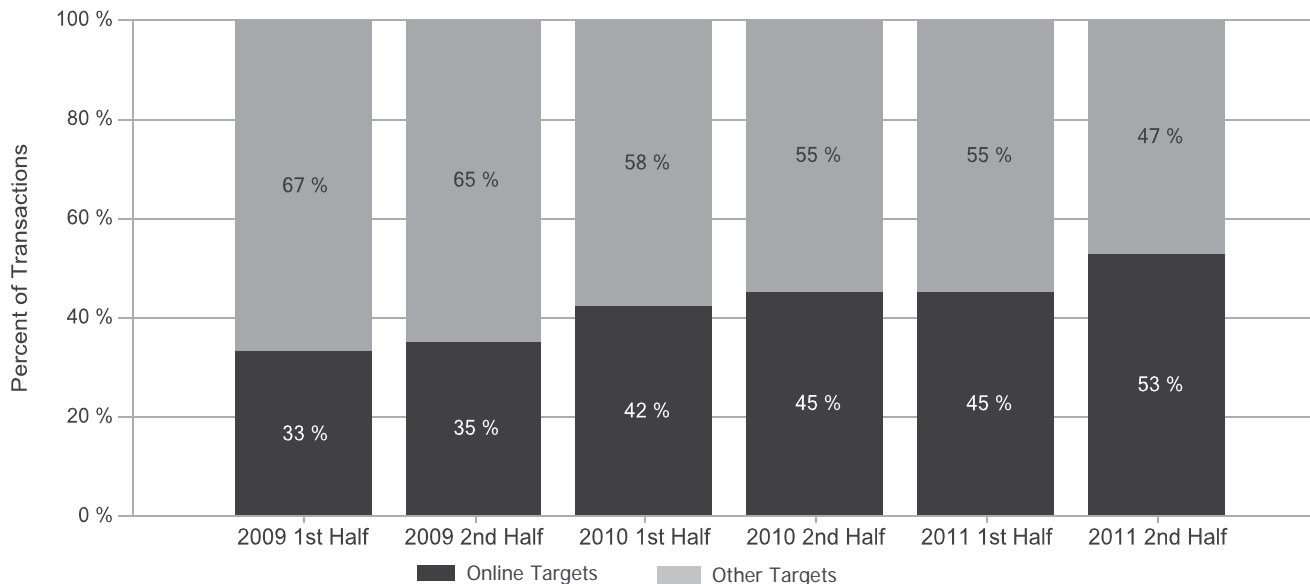


Figure 8. Percentage of total Information Industry transactions where the target company conducts the majority of their business online. The total percentages are measured by Half Year from 2009-2011.

BERKERY NOYES

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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 FINANCIALLY SPONSORED 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

class.com
HAS BEEN ACQUIRED BY
Cambium
LEARNING
Group

PRIMUS
HAS MADE
AN INVESTMENT IN
G2 Web Services

V S S Veronis Suhler Stevenson
HAS ACQUIRED
Strata Decision
Technology

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A PORTFOLIO COMPANY OF
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AND
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LAW for ALL
HAS BEEN ACQUIRED BY
ib Internet
Brands®
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Consultant and
Consultant for Pediatricians
FROM
United Business Media

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INTELLIGENCE
CONTENT IN CONTEXT
HAS ACQUIRED
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