

SOFTWARE INDUSTRY

First Quarter 2012 :: Mergers and Acquisitions Trend Report

Q1 2012 transaction volume in the Software Industry declined 10 percent compared to the previous quarter, returning closer to the quarterly average for 2011, which was 375 transactions.

Niche Software, which is targeted to specific vertical industries, remained the largest market segment tracked by Berkery Noyes. Although deal volume for Niche Software decreased 15 percent following Q4 2011, the segment's deal value nearly doubled, rising from \$6.1 billion to \$11.0 billion. Two of the top ten deals in the aggregate Software Industry for Q1 2012, Cisco Systems' announced acquisition of NDS Group for \$5 billion and Vista Equity Partners' announced acquisition of Misys for \$2 billion, accounted for this significant rise in value.

Within the Niche Software classification, software used by financial firms was one of the most active segments. 11 of the 21 deals in this space for the quarter were related to capital markets. The largest capital markets transaction in Niche Software was SS&C Technologies Holdings' announced acquisition of Thomson Reuters' PORTIA business for \$170 million.

Upon examination of the Infrastructure Software segment, M&A focusing specifically on security increased 75 percent over Q4 2011. The most active Infrastructure Software acquirer for Q1 2012 was Symantec Corporation with three transactions: Nukona, Odyssey Software, and LiveOffice Corporation.

M&A Market Dynamics By Quarter

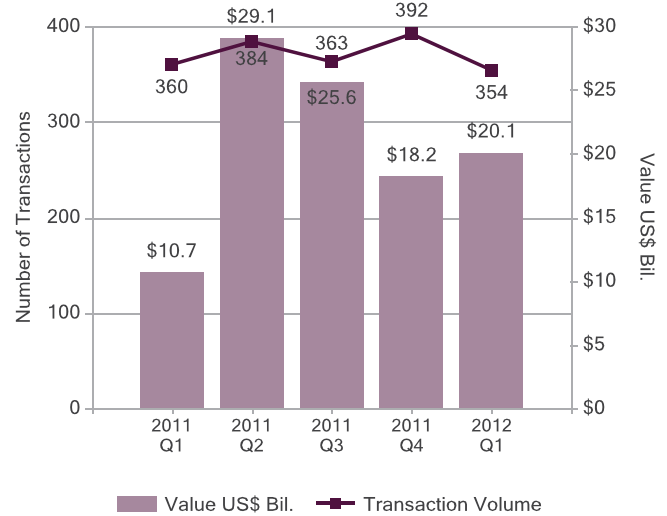


Figure 1. Value and volume comparison by quarter.

Top Ten Notable Transactions Q1 2012

Deal Date	Target Name	Buyer	Value MM US\$
03/15/12	NDS Group Ltd.	Cisco Systems, Inc.	\$4,965
03/19/12	Misys plc	Vista Equity Partners	\$2,018
03/09/12	Quest Software, Inc.	Insight Venture Partners	\$1,822
02/09/12	Taleo Corporation	Oracle Corporation	\$1,805
03/22/12	Global Information Management Business from Convergys Corporation	NetCracker Technology	\$449
03/23/12	MediConnect Global, Inc.	Verisk Analytics, Inc.	\$332
01/30/12	Numara Software, Inc.	BMC Software, Inc.	\$300
03/05/12	Archipelago Learning, Inc.	PLATO Learning, Inc.	\$300
01/09/12	TaxACT	InfoSpace, Inc.	\$288
01/17/12	Convio, Inc.	Blackbaud, Inc.	\$274

2012 Aggregate Transaction Value \$20,072

Top 10 Aggregate Transaction Value \$12,553

Top 10 Aggregate Value as a Percentage of All Transactions 63 %

Figure 2. Lists the top ten transactions for Q1 2012 and calculates their aggregate transaction value as a percentage of the Q1 2012 total aggregate transaction value as shown in Figure 1.

Note: Transaction data based on announced date.

Transactions By Market Segment

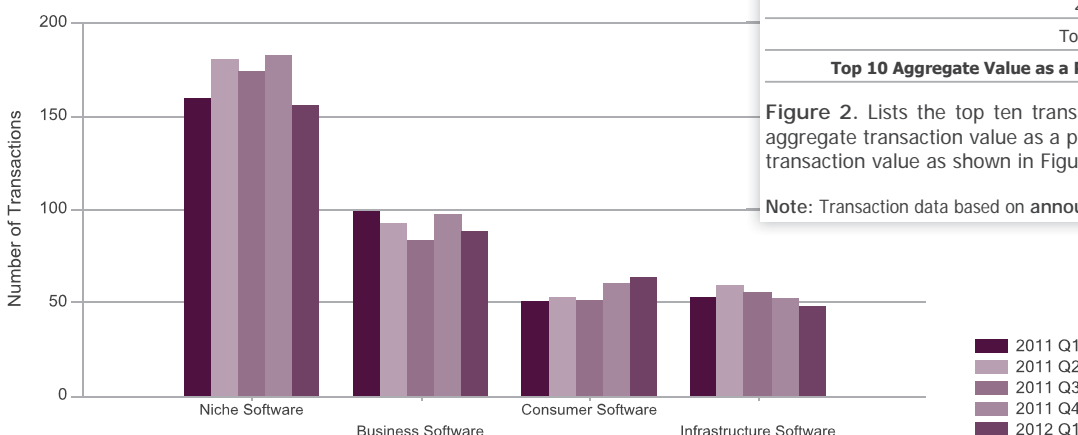


Figure 3. Presents the transaction volume by target segment within the Software Industry by quarter.

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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

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RECENT SOFTWARE TRANSACTIONS

Healthx

A PORTFOLIO COMPANY OF

LIBERTY PARTNERS

HAS BEEN ACQUIRED
IN A MAJORITY
RECAPITALIZATION BY

FrontierCapital



class.com

HAS BEEN ACQUIRED BY



**Cambium
LEARNING
Group**

V S S Veronis Suhler Stevenson

HAS ACQUIRED

**Strata Decision
Technology**



Bookette
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