

ONLINE & MOBILE INDUSTRY

Software, Content & Services for Internet and Handheld Use

Q3 Key Highlights

- The most active acquirer through Q3 2011 was Google Inc. with 17 acquisitions, 6 of which occurred within Q3 2011: DailyDeal, Zave Networks, The DealMap, Pittsburgh Pattern Recognition, Fridge, and Punchd Labs.
- The largest announced transaction for Q3 2011 was Kohlberg Kravis Roberts & Co. and Silver Lake Partners' acquisition of GoDaddy.com for \$2.25 billion.
- There were 139 financially sponsored transactions in the 1st 3 Quarters of 2011, with an aggregate value of \$9.72 billion, representing 11 percent of the total volume and 20 percent of the total value, respectively.

Q3 Key Trends

- Total transaction volume in Q3 2011 increased by 9 percent over Q2 2011, from 411 to 447 transactions.
- Total transaction value in Q3 2011 decreased by 41 percent over Q2 2011, from \$27.6 billion to \$16.4 billion.

M&A Market Dynamics By Quarter

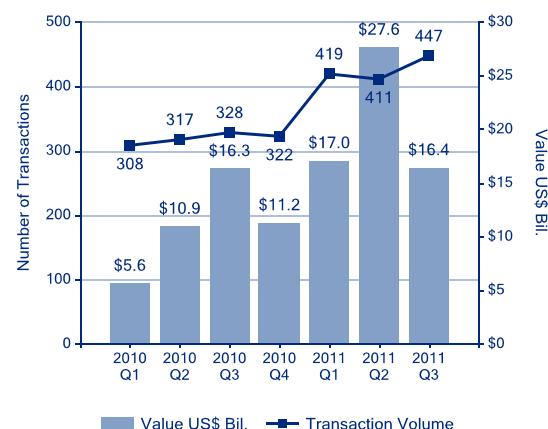


Figure 1. 2010 - 2011 value and volume comparison.

Median Enterprise Value Multiples By Quarter

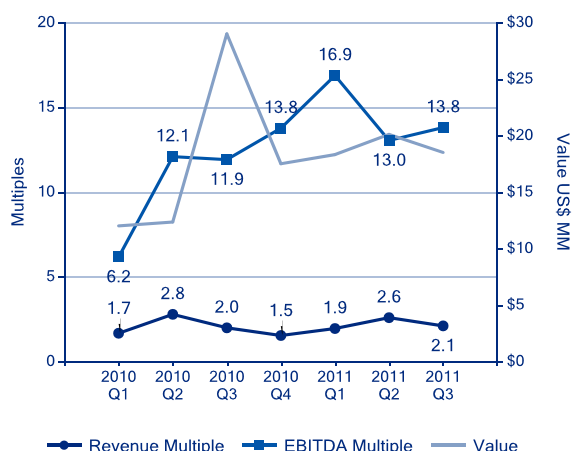


Figure 2. 2010 - 2011 median: Value, Revenue, EBITDA comparison.

Multiples & Value Trends

- Median EBITDA multiples rose from 13.0 in Q2 2011 to 13.8 in Q3 2011, a 6 percent increase.
- Median revenue multiples went from 2.6 in Q2 2011 to 2.1 in Q3 2011, a 19 percent decline, while median value saw a similar decrease.

Top Ten Deals through Q3 2011

- The top ten deals by value have increased since our half year report, with three acquisitions entering the list from Q3 2011: Kohlberg Kravis Roberts & Co. and Silver Lake Partners' acquisition of GoDaddy.com, Web.com, Inc.'s acquisition of Network Solutions, LLC and Electronic Arts Inc.'s acquisition of PopCap Games.
- These three transactions, with an aggregate value of \$3.8 billion, represent 6 percent of transaction value in the 1st 3 Quarters of 2011, and 28 percent of Q3 2011 transaction value.

Top Ten Notable Transactions - 1st 3 Quarters 2011

Deal Date	Target Name	Buyer	Value MM US\$
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
07/01/11	GoDaddy.com	Kohlberg Kravis Roberts & Co., Silver Lake Partners	\$2,250
03/28/11	GSI Commerce Solutions	eBay	\$2,139
03/15/11	bwin Interactive Entertainment AG	PartyGaming Plc	\$1,576
03/21/11	optionsXpress Holdings, Inc.	The Charles Schwab Corporation	\$1,029
08/03/11	Network Solutions, LLC	Web.com, Inc.	\$756
07/13/11	PopCap Games	Electronic Arts Inc.	\$750
03/25/11	Auto Assets Including AutoTrader.ca from Trader Corporation	Apax Partners	\$724
05/18/11	Esurance and Answer Financial from White Mountains Insurance Group, Ltd.	The Allstate Corp.	\$700

2011 Aggregate Transaction Value	\$58,285
Top 10 Aggregate Transaction Value	\$23,505
Top 10 Aggregate Value as a Percentage of All Transactions	40 %

Figure 3. Lists the top ten transactions for the 1st nine months of 2011 and calculates their aggregate transaction value as a percentage of the 2011 total aggregate transaction value.

note: Transaction data based on announced date.

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. 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

Some of our deals include:

 HAS MADE AN INVESTMENT IN 	 HAS ACQUIRED Strata Decision Technology	 HAS ACQUIRED
 HAS BEEN ACQUIRED BY A PORTFOLIO COMPANY OF HELLMAN & FRIEDMAN	 HAS BEEN ACQUIRED BY CTB McGraw-Hill A DIVISION OF The McGraw-Hill Companies	Advertising Red Books A UNIT OF HAS BEEN ACQUIRED BY PKS Capital International
MedPage Holdings, Inc. HAS BEEN ACQUIRED BY 	 a portfolio company of HAS MERGED WITH 	 Enterprise Lending Solutions HAS BEEN ACQUIRED BY

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 W. YOUNG | Managing Director, Finance Group
MARY JO ZANDY | Managing Director, Media, Software & Online

JOSEPH BERKERY | Chief Executive Officer
JOHN SHEA | Managing Partner

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