

# PRIVATE EQUITY IN INFORMATION INDUSTRY

*Financially Sponsored Transactions within the Information Industry*

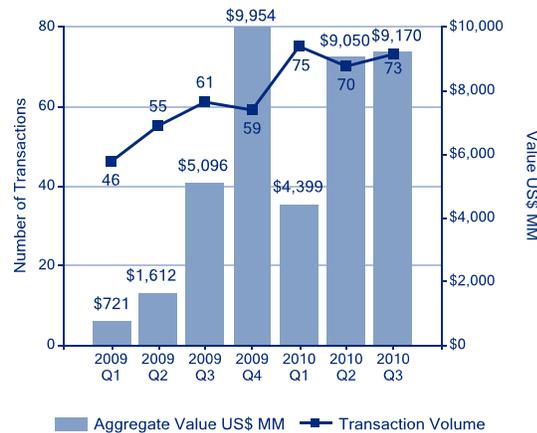
## Q3 Key Highlights

- The most active acquirer through Q3 2010 was Thoma Bravo, LLC with 9 purchases: Computer Systems Company, Inc., Hershey Systems, Inc., LANdesk Software, Inc., Beyond Appraisal, Inc., SonicWALL, Inc., Double-Take Software, ManageSoft Corporation, PLATO Learning, Inc. and eWebHealth.
- The largest transaction in Q3 2010 by volume was KKR's acquisition of Visma ASA, a business software and services provider for accounting and administration headquartered in Oslo, Norway.

## Q3 Key Trends

- Total transaction volume in Q3 2010 increased by 4 percent over Q2 2010, from 70 to 73 transactions.
- Total transaction value in Q3 2010 increased by 1 percent over Q2 2010, from \$9 billion to \$9.1 billion.

**M&A Market Dynamics By Quarter**



**Figure 1.** 2009 - 2010 value and volume comparison by quarter.

**Median Enterprise Value Multiples**



**Figure 2.** 2007 - 2010 median: Value, Revenue, EBITDA comparison by quarter.

## Multiples & Value Trends

- Median multiples have recovered from 2009 to the first nine months of 2010. Median EBITDA multiples increased from 10.4 to 10.5, a less than one percent increase, yet median revenue multiples rose from 1.3 to 2, a 53 percent increase.
- Median value has made a return from the lows of 2009, due in large part to the strong value of transactions in Q2 and Q3 2010.

## Top Ten Deals through Q3 2010

- The top ten deals by value have shifted since our half year report, with 4 acquisitions entering the list from Q3 2010: KKR's acquisition of Visma ASA, RBS WorldPay, Inc.'s acquisition by Bain Capital and Advent International Corporation, Hellman & Friedman LLC's acquisition of Internet Brands, Inc., and GI Partners' acquisition of SoftLayer Technologies.
- These 4 acquisitions, with a total value of \$4.7 billion, represent 21 percent of total transaction value for the 1st nine months of 2010, and 36 percent of the Top 10 transaction value for the 1st nine months of 2010.

**Top Ten Notable Transactions - 1st 3 Quarters 2010**

Deal Date	Target Name	Buyer	Value MM US\$
05/04/10	Interactive Data Corporation	Warburg Pincus, Silver Lake Partners	\$3,245
09/26/10	Visma ASA	Kohlberg Kravis Roberts & Co.	\$1,902
08/06/10	RBS WorldPay, Inc.	Bain Capital, Advent International Corporation	\$1,700
06/10/10	Vertafore, Inc.	TPG Capital	\$1,400
03/01/10	RiskMetrics Group, Inc.	MSCI Inc.	\$1,380
02/12/10	SkillSoft PLC	Bain Capital, Berkshire Partners LLC, Advent International Corporation	\$1,065
06/03/10	SonicWALL, Inc.	Thoma Bravo, LLC, Teachers Private Capital	\$637
09/20/10	Internet Brands, Inc.	Hellman & Friedman LLC	\$625
05/03/10	Sophos, Plc	Apax Partners	\$580
08/20/10	SoftLayer Technologies	GI Partners	\$475
2010 Aggregate Transaction Value			\$22,949
Top 10 Aggregate Transaction Value			\$13,008
<b>Top 10 Aggregate Value as a Percentage of All Transactions</b>			<b>57 %</b>

**Figure 3.** Lists the top ten announced transactions in the 1st nine months of 2010 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value.

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

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