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EDUCATION INDUSTRY

2010 Key Highlights

- The largest transaction in 2010 was the acquisition of SkillSoft PLC by Bain Capital, Berkshire Partners LLC and Advent International Corporation for \$1.06 billion.
- Pearson plc was the most active education industry acquirer by volume, with nine acquisitions: CTI Education Group, The Administrative Assistants Ltd., America's Choice, Wall Street Institute, Inc., Learning Systems Business from Sistema Educacional Brasileiro, Cogmed, The Learning Edge North America, Melorio plc and Assessment Training Institute.
- The segment with the largest transaction volume for 2010 was postsecondary with 65 transactions.

M&A Market Dynamics

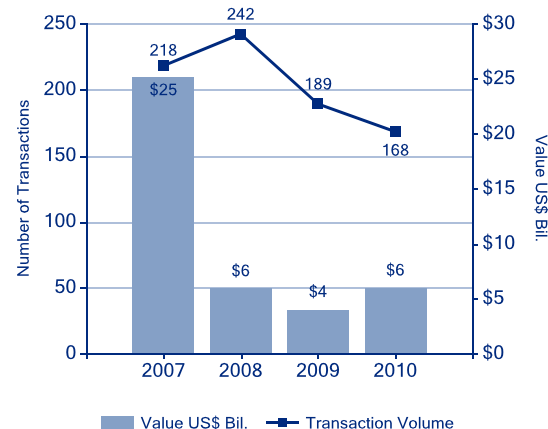


Figure 1. 2007 - 2010 value and volume comparison.

2010 Key Trends

- Total transaction volume decreased by 11 percent from 189 in 2009 to 168 in 2010.
- Total transaction value increased by 49 percent over 2009 from \$3.96 billion in 2009 to \$5.92 billion in 2010.
- The segment with the largest increase in volume in Full Year 2010 over 2009 was post secondary technology with a 186 percent increase from 7 transactions in 2009 to 20 transactions in 2010.

M&A Market Overview

Berkery Noyes tracked 817 transactions between 2007 and 2010 of which 286 disclosed financial terms, and calculated the aggregate transaction value to be \$37.92 billion. Based on known transaction values, we project values of 531 undisclosed transactions to be \$2.80 billion totaling \$40.72 billion worth of transactions tracked over the past four years.

The largest transaction tracked by Berkery Noyes between 2007 and 2010 was the acquisition of Cengage Learning (formerly Thomson Learning) by Apax Partners and OMERS Capital Partners, for \$7.75 billion.

Berkery Noyes determined that the nearly one-third of companies sold between 2007 and 2010 received transaction values between \$3 million to \$20 million.

Median Enterprise Value Multiples

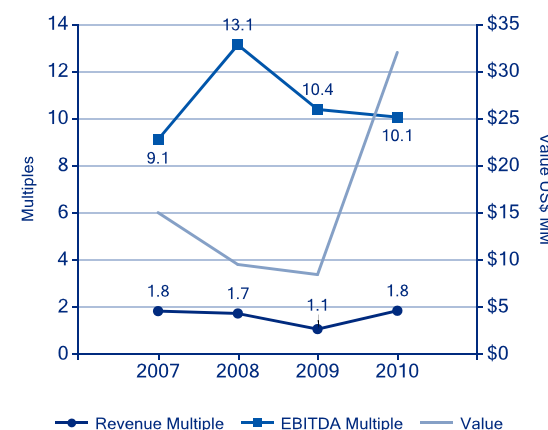


Figure 2. 2007 - 2010 median: Value, Revenue, EBITDA comparison.

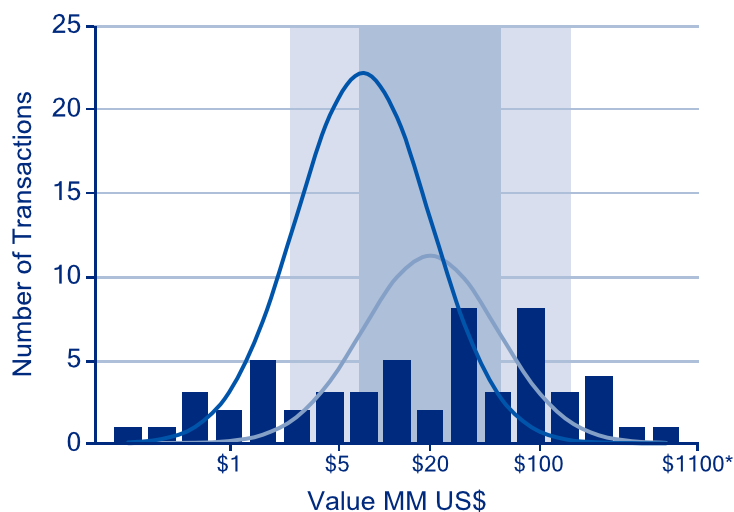
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Bell Curve - Histogram



Actual Transactions Known Dist. Projected Dist.

Figure 3. Shows distribution of transactions among the education 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 \$7.4 million to \$54.6 million. Based on this data, we estimate the total transaction value of deals done from Jan. 1 to Dec. 31, 2010 at \$5.92 billion.

* Indicates largest transaction in the industry from Jan. 1, 2010 to Dec. 31, 2010.

Distribution Table

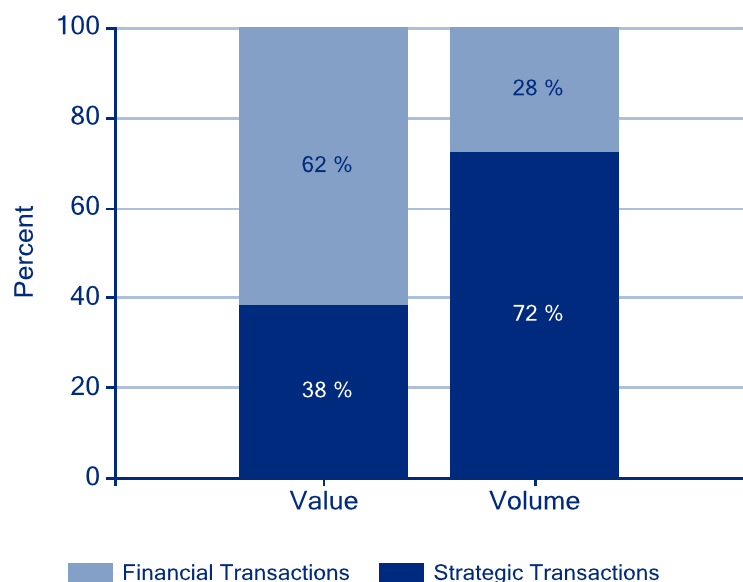
Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	1	0	1	2 %	2 %
\$0.4	1	0	1	2 %	4 %
\$0.6	3	1	3	5 %	9 %
\$1.0	2	3	5	4 %	13 %
\$1.6	5	7	12	9 %	21 %
\$2.7	2	14	15	4 %	25 %
\$4.5	3	20	22	5 %	30 %
\$7.4	3	22	25	5 %	36 %
\$12.2	5	20	24	9 %	45 %
\$20.1	2	13	15	4 %	48 %
\$33.1	8	7	15	14 %	63 %
\$54.6	3	3	5	5 %	68 %
\$90.0	8	1	8	14 %	82 %
\$148.4	3	0	3	5 %	88 %
\$244.7	4	0	4	7 %	95 %
\$403.4	1	0	1	2 %	96 %
\$665.1	1	0	1	2 %	98 %
Total #	56	112	168		
Total \$ Value	\$5,098	\$824	\$5,922		
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

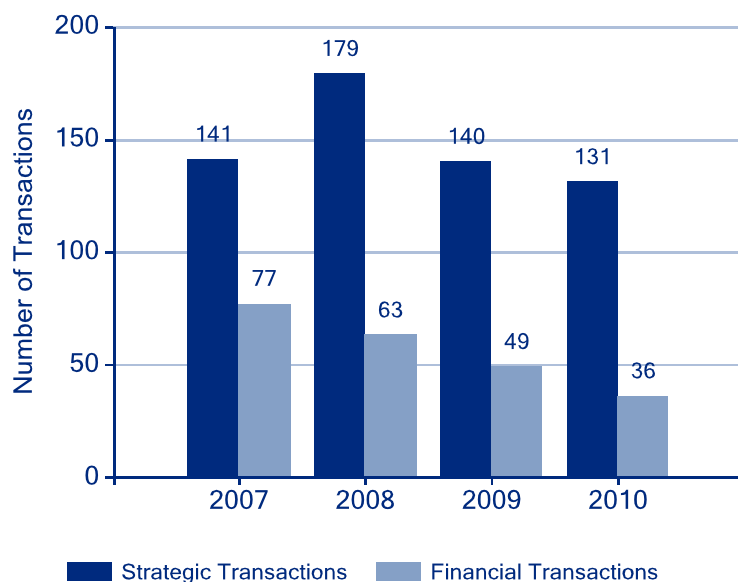


Financial Transactions Strategic Transactions

Figure 5. 2010 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



Strategic Transactions Financial Transactions

Figure 6. Presents acquirer type distribution by year.

PURCHASER ANALYSIS

Top Ten Notable Transactions 2010

Deal Date	Target Name	Buyer	Value MM US\$
02/12/10	SkillSoft PLC	Bain Capital, Berkshire Partners LLC, Advent International Corporation	\$1,065
07/01/10	Study Group International Ltd.	Providence Equity Partners Inc.	\$557
11/23/10	Wireless Generation	News Corporation	\$360
07/22/10	Learning Systems Business from Sistema Educacional Brasileiro	Pearson plc	\$348
04/23/10	AcadeMedia AB	EQT Funds Management Limited	\$274
01/19/10	Acorn Care & Education Ltd.	Ontario Teachers Pension Plan	\$245
06/07/10	Ross Learning LLC	JLL Partners	\$232
07/22/10	Integrity Interactive Corporation	SAI Global Inc.	\$170
11/22/10	CSI Global Education Inc.	Moody's Analytics	\$152
12/16/10	GlobalScholar	Scantron Corporation	\$140
2010 Aggregate Transaction Value			\$5,922
Top 10 Aggregate Transaction Value			\$3,541
Top 10 Aggregate Value as a Percentage of All Transactions			60 %

Figure 7. Lists the top ten transactions for 2010 and calculates their aggregate transaction value as a percentage of the 2010 total aggregate transaction value as shown on Figure 1 & 4.

note: Transaction data based on **announced date**.

Median EV/Revenue Multiples By Size

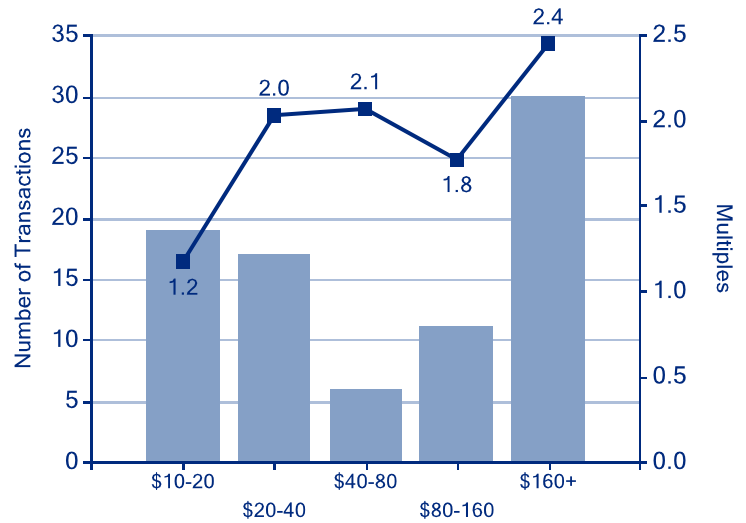


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the education industry from 2007 to 2010 based on publicly available sales price and revenue data.

TRANSACTION VOLUME BY SEGMENT | Jan. 1, 2007 - Dec. 31, 2010

Transactions By Market Segment

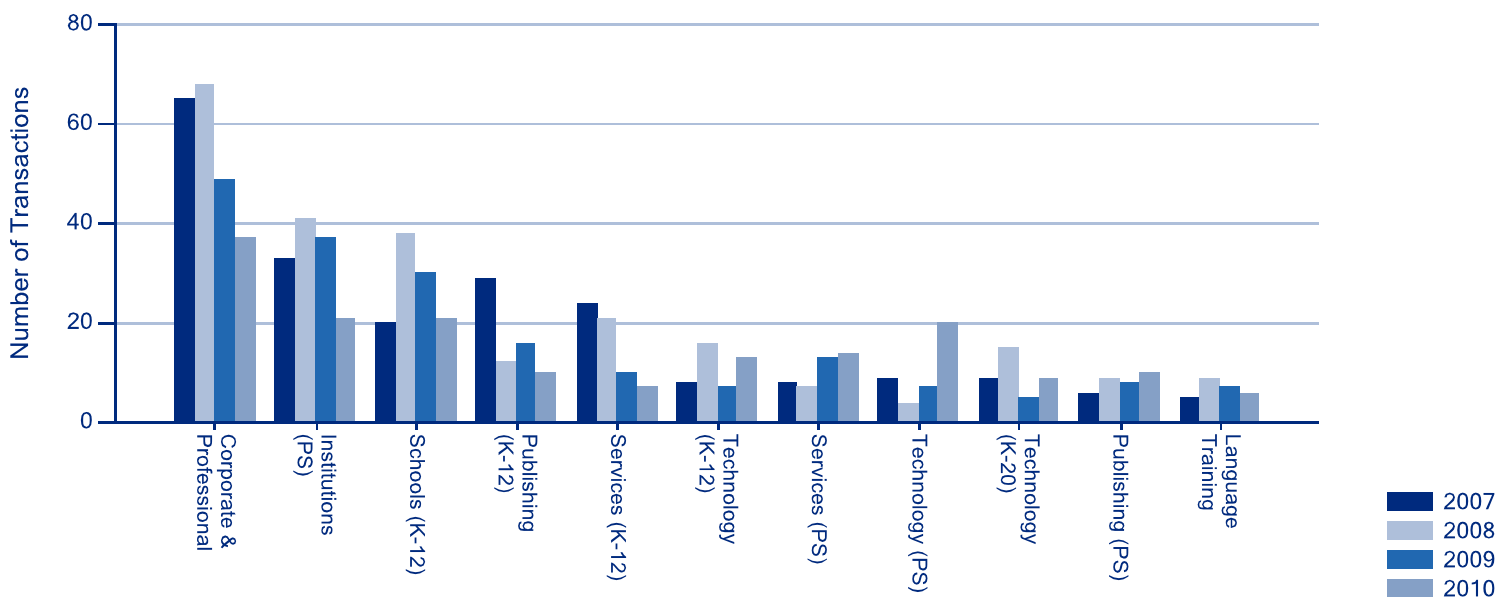


Figure 9. Presents the transaction volume by target segment within the education industry.

About Berkery Noyes

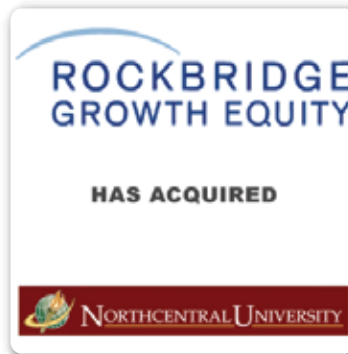
Founded in 1980, Berkery Noyes is the leading independent investment bank specializing in the information content and technology industries. The firm has initiated, managed and closed more than 475 merger and acquisition transactions for privately held and publicly traded companies in the business, technology, 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.

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VIVEK KAMATH | Managing Director, Education Group

JOSEPH BERKERY | Chief Executive Officer

JOHN SHEA | Chief Operating Officer

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berkerynoyes.com | One Liberty Plaza | New York, New York 10006 | [212.668.3022](tel:212.668.3022)