

ONLINE & MOBILE INDUSTRY

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1st Half 2010 Key Highlights

- The largest transaction for 1st Half 2010 was Visa, Inc.'s pending acquisition of CyberSource Corporation for \$1.84 billion.
- Of the top 10 largest transactions by value, five occurred within the E-Commerce segment.
- Strategic acquisitions represented 88 percent of the total volume and 85 percent of the total value for 1st Half 2010.

1st Half 2010 Key Trends

- Total transaction volume increased by 31 percent from 383 in 2nd Half 2009 to 499 in 1st Half 2010.
- The segment with the largest increase in value was SaaS/ASP with a 79 percent increase from \$1.95 billion in 2nd Half 2009 to \$3.49 billion in 1st Half 2010.
- The segment with the largest increase in volume was E-Marketing & Search with a 47 percent increase from 83 transactions in 2nd Half 2009 to 122 transactions in 1st Half 2010.
- The segment with the largest decrease in value in 1st Half 2010 over 2nd Half 2009 was E-Content with a 60 percent decrease from \$2.06 billion in 2nd Half 2009 to \$850 million in 1st Half 2010.

M&A Market Overview

Berkery Noyes tracked 1891 transactions between 2008 and 2010, of which 600 disclosed financial terms, and calculated the aggregate transaction value to be \$51.49 billion. Based on known transaction values, we project values of the 1291 undisclosed transactions to be \$16.41 billion, totalling \$67.90 billion worth of transactions tracked over the past 30 months.

The largest transaction tracked by Berkery Noyes between 2008 and 2010 was Cisco Systems, Inc. who acquired Starent Networks for \$2.56 billion.

The most active buyer by volume in the past 30 months was Google, Inc., with 20 purchases, half of which occurred within the last half-year period.

M&A Market Dynamics By Half Year

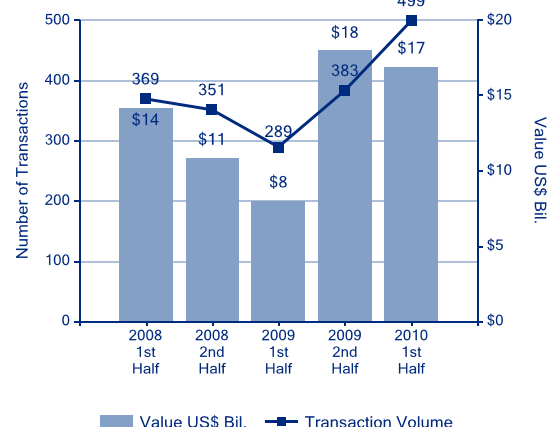


Figure 1. 2008 - 2010 value and volume comparison by half.

Median Enterprise Value Multiples By Half Year

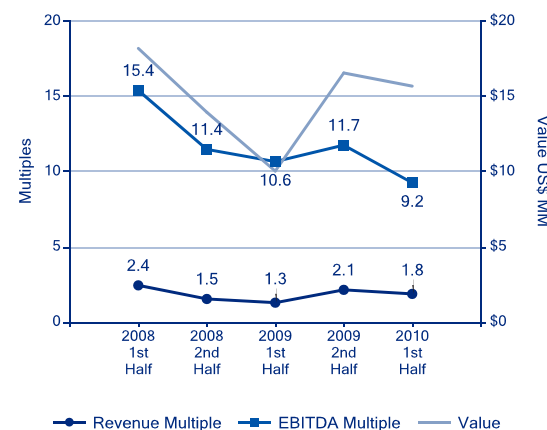


Figure 2. 2008 - 2010 median: Value, Revenue, EBITDA comparison by half.

Bell Curve - Histogram - 1st Half

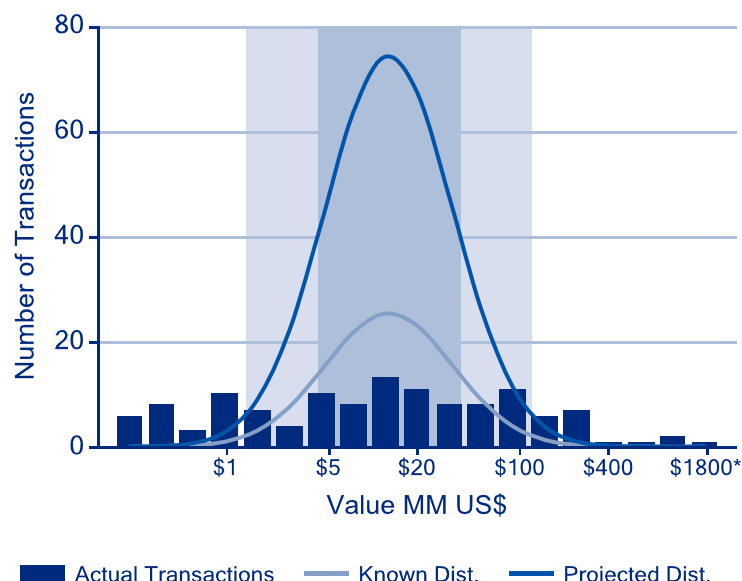


Figure 3. Shows distribution among Online & Mobile industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had enterprise values of \$0.6 million to \$90.0 million. Based on this data, we estimate the total transaction value of deals done from in the 1st Half of 2010 at \$16.93 billion.

* Indicates largest transaction in the industry from Jan. 1 through June 30, 2010

Distribution Table - 1st Half

| Value in MM US\$ | Known Number | Projected Number | Total Number | % | Cumulative % |
|-----------------------|-----------------|------------------|-----------------|------|--------------|
| \$0.2 | 6 | 0 | 6 | 5 % | 5 % |
| \$0.4 | 8 | 0 | 8 | 6 % | 11 % |
| \$0.6 | 3 | 1 | 3 | 2 % | 13 % |
| \$1.0 | 10 | 3 | 12 | 8 % | 21 % |
| \$1.6 | 7 | 9 | 15 | 6 % | 27 % |
| \$2.7 | 4 | 22 | 25 | 3 % | 30 % |
| \$4.5 | 10 | 42 | 52 | 8 % | 38 % |
| \$7.4 | 8 | 63 | 71 | 6 % | 44 % |
| \$12.2 | 13 | 74 | 87 | 10 % | 54 % |
| \$20.1 | 11 | 67 | 78 | 9 % | 63 % |
| \$33.1 | 8 | 48 | 55 | 6 % | 69 % |
| \$54.6 | 8 | 26 | 34 | 6 % | 76 % |
| \$90.0 | 11 | 11 | 22 | 9 % | 84 % |
| \$148.4 | 6 | 4 | 9 | 5 % | 89 % |
| \$244.7 | 7 | 1 | 7 | 6 % | 94 % |
| \$403.4 | 1 | 0 | 1 | 1 % | 95 % |
| \$665.1 | 1 | 0 | 1 | 1 % | 96 % |
| \$1,096.6 | 2 | 0 | 2 | 2 % | 98 % |
| \$1,808.0 | 1 | 0 | 1 | 1 % | 98 % |
| Total # | 127 | 372 | 499 | | |
| Total \$ Value | \$12,121 | \$4,813 | \$16,934 | | |

■ 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 result of the Gaussian projection and may produce insignificant errors in the total sum.

STRATEGIC VS FINANCIAL COMPARISON

M&A Dynamics By Transaction Type - 1st Half

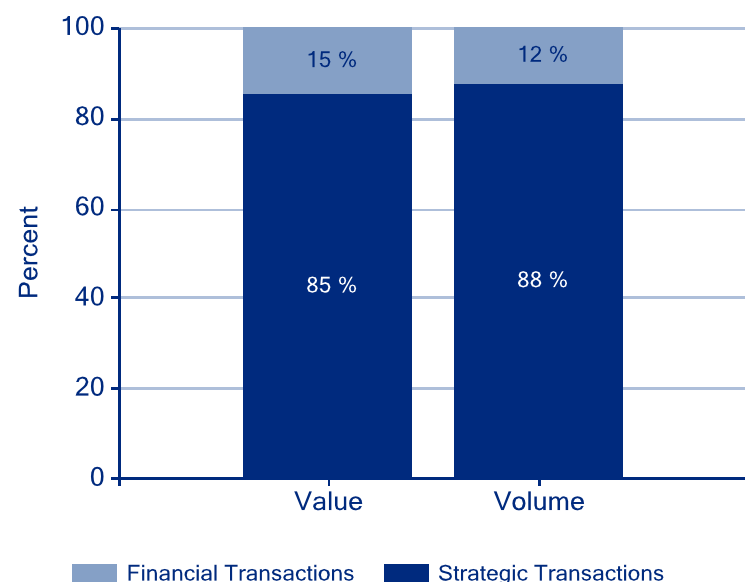


Figure 5. Out of the 499 transactions tracked by Berkery Noyes in the 1st Half of 2010 we found that financially sponsored transactions accounted for 12% of the volume or 62 transactions and 15% of the value or \$2.5 billion.

note: financially sponsored transactions include PE-backed strategic acquisitions.

Transaction Type By Half Year

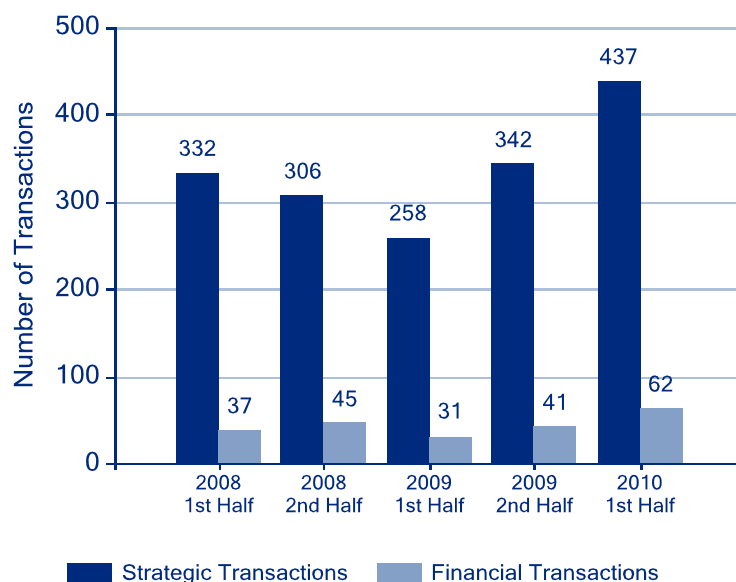


Figure 6. Of the 499 total transactions recorded in the 1st Half of 2010, 437 were made by strategic acquirers and 62 by financial acquirers.

PURCHASER ANALYSIS

Top Ten Notable Transactions - 1st Half 2010

| Deal Date | Target Name | Buyer | Value MM US\$ |
|--|--|--|---------------|
| 04/21/10 | CyberSource Corporation | Visa, Inc. | \$1,842 |
| 04/28/10 | Palm, Inc. | HP | \$1,401 |
| 05/19/10 | Authentication Services Business from VeriSign, Inc. | Symantec Corporation | \$1,280 |
| 02/12/10 | SkillSoft PLC | Bain Capital, Berkshire Partners LLC, Advent International Corporation | \$1,065 |
| 06/09/10 | Healthcare Solutions Holding | Cardinal Health, Inc. | \$517 |
| 05/19/10 | Go Voyages | AXA Private Equity | \$370 |
| 06/03/10 | iCrossing | The Hearst Corporation | \$325 |
| 05/07/10 | iPay Technologies, LLC | Jack Henry & Associates, Inc. | \$300 |
| 02/15/10 | esure Insurance, Ltd. | Management Buyout | \$291 |
| 01/05/10 | Quattro Wireless | Apple, Inc. | \$275 |
| 2010 Aggregate Transaction Value | | | \$16,934 |
| Top 10 Aggregate Transaction Value | | | \$7,665 |
| Top 10 Aggregate Value as a Percentage of All Transactions | | | 45 % |

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

note: Transactions data based on announcement date.

Median EV/Revenue Multiples By Size

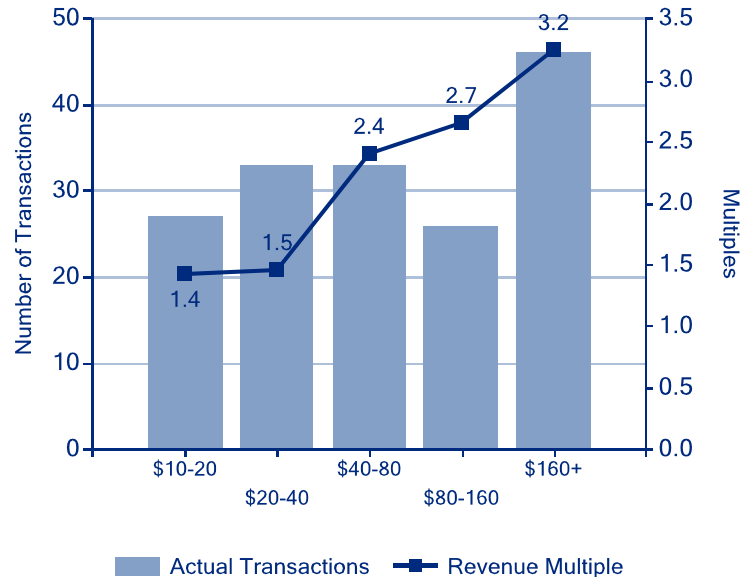


Figure 8. Presents the median enterprise value/revenue multiples of transactions in the Online & Mobile industry based on publicly available data between January 2008 and June 2010.

TRANSACTION VOLUME BY SEGMENT | January 1, 2008 through June 30, 2010

Transactions By Market Segment By Half Year

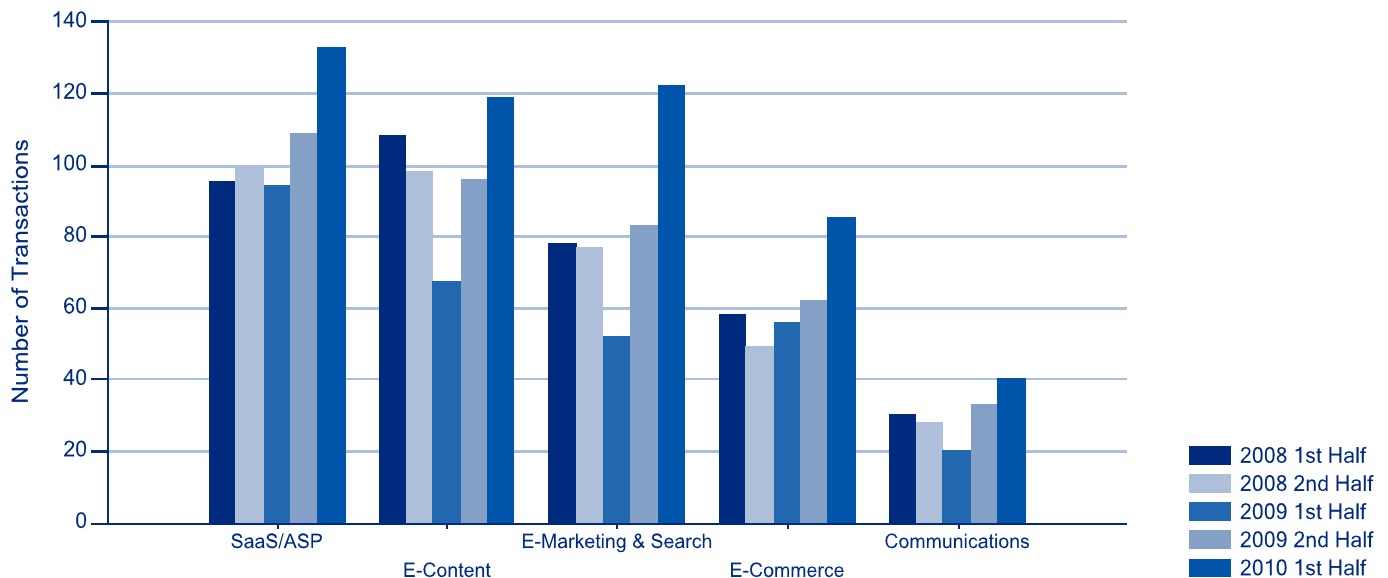


Figure 9. Presents the transaction volume by target segments within the Online & Mobile industry for January 1, 2008 through June 30, 2010.

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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MARY JO ZANDY | Managing Director, Media, Software & Online

JOSEPH BERKERY | Chief Executive Officer

JOHN SHEA | Chief Operating Officer

Footnotes

Market Segments

| Market Segment | Description |
|----------------------|--|
| Communications | e-mail, messaging, wireless, webconferencing, VOIP, SMS |
| E-Commerce | e-retail, online payments, employment/dating/ticketing/rental services etc. |
| E-Content | e-zines, user-generated content, social networking |
| E-Marketing & Search | search engines, webhosting, SEO, lead generation, customer loyalty, surveys, ad networks, interactive agencies, digital marketing services |
| SaaS/ASP | software as a service, online applications, online tools, application service provider |

Figure 10. Represents what types of online & mobile companies are included in Figure 9.

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