

First Quarter 2011

Online & Mobile Industry M&A Report

Q1 2011 transaction volume exceeded each quarter of 2010 in the Online & Mobile Industry, while aggregate transaction value rose 37 percent over Q4 2010, from \$10.5 billion to \$14.4 billion. The Online & Mobile Industry saw almost 1,200 transactions last year, by far the most transactions that Berkery Noyes has tracked, and yet the transaction volume has again risen, with Q1 2011 gaining 13 percent over Q4.

M&A Market Dynamics By Quarter

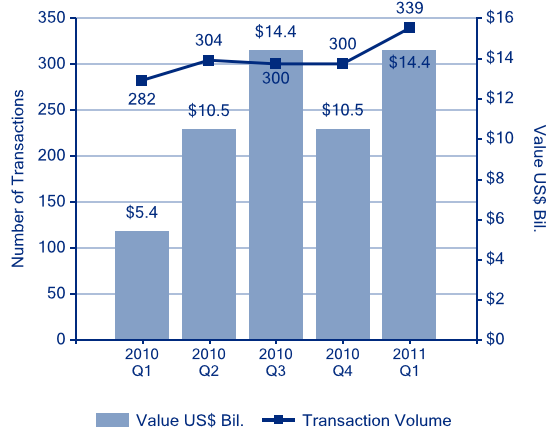


Figure 1. Value and volume comparison by quarter.

[eBay acquired GSI Commerce Solutions, Inc. for \\$2.14 billion](#) in the largest online transaction of Q1 2011. This was their second largest purchase, bested only by their 2005 purchase of Skype, Inc. for \$2.6 billion, a property they sold for just over \$2 billion in 2009.

Both the E-Commerce and E-Content segments were well represented in the Top Ten Notable Transactions, with five and four transactions, respectively.

This prominence in the top 10 transactions is mirrored by the quarter gains seen in both segments, a 30 percent increase in E-Commerce transactions in Q1 2011 over Q4 2010.

Top Ten Notable Transactions Q1 2011

Deal Date	Target Name	Buyer	Value MM US\$
03/28/11	GSI Commerce Solutions, Inc.	eBay	\$2,139
03/15/11	bwin Interactive Entertainment AG	PartyGaming Plc	\$1,578
03/21/11	optionsXpress Holdings, Inc.	The Charles Schwab Corporation	\$1,029
03/25/11	Auto Assets Including AutoTrader.ca from Trader Corporation	Apax Partners	\$762
02/09/11	Opodo	eDreams, Go Voyages	\$614
03/24/11	drugstore.com, inc.	Walgreen Co.	\$384
03/21/11	Tiny Prints, Inc.	Shutterfly, Inc.	\$333
02/07/11	The Huffington Post	AOL Inc.	\$315
03/30/11	Radian6 Technologies Inc.	Salesforce.com, Inc.	\$308
02/17/11	Chi-X Europe Limited	Bats Global Markets	\$300
2011 Aggregate Transaction Value			\$14,418
Top 10 Aggregate Transaction Value			\$7,760
Top 10 Aggregate Value as a Percentage of All Transactions			54 %

Figure 2. Lists the top ten transactions for Q1 2011 and calculates their aggregate transaction value as a percentage of the Q1 2011 total aggregate transaction value as shown on Fig. 1.

So too was there an increase in E-Content transactions, with a 44 percent gain in Q1 2011 over Q4 2010. This was bolstered by AOL, Inc., the most active acquirer in Q1 2011, making four transactions within the E-Content segment: [About.me, Inc.](#), [Outside.in](#), [The Huffington Post](#) and [GoViral](#).

Q1 2011 also marks the return of the E-Content segment as the largest by transaction volume. The past year had seen SaaS/ASP and E-Content segments trade the lead in Online & Mobile Industry transactions, but E-Content has reclaimed the top spot that it lost in Q2 2010.

The Communications segment was not without its own large transaction as [Vocollect was purchased by Intermec, Inc. for \\$197 million](#), the largest Communications segment deal.

Transactions By Market Segment

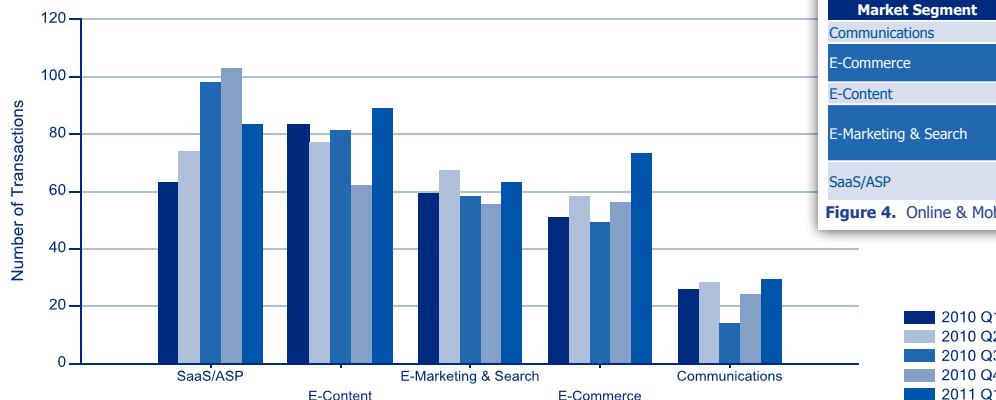


Figure 3. Presents the transaction volume by target segments within the Online & Mobile Industry by quarter.

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 4. Online & Mobile companies covered in this report.

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