



**Quarterly
Review of the
Software
Industry**

Q2 2013



Mergers & Acquisitions

Custom Capital Solutions

Corporate Finance Advisory

Member: FINRA/SIPC



About Navidar

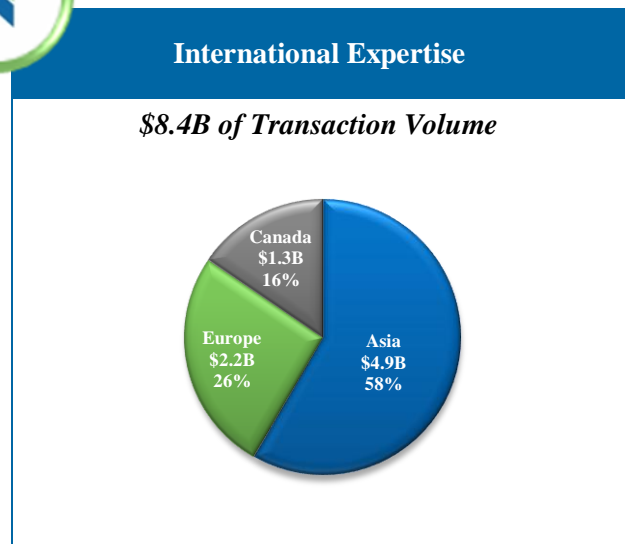
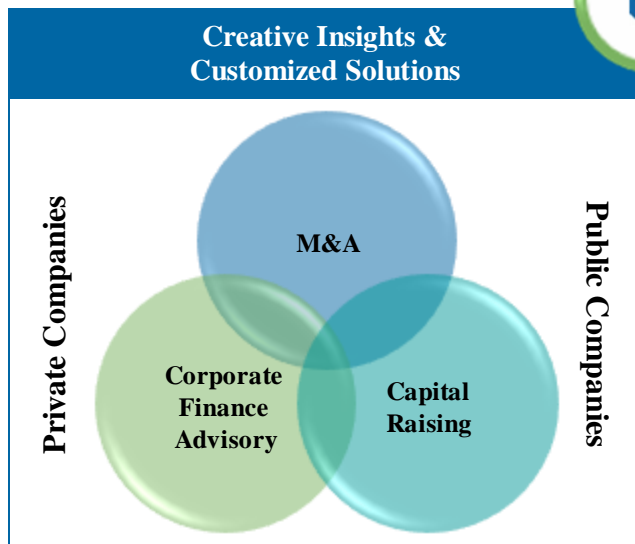
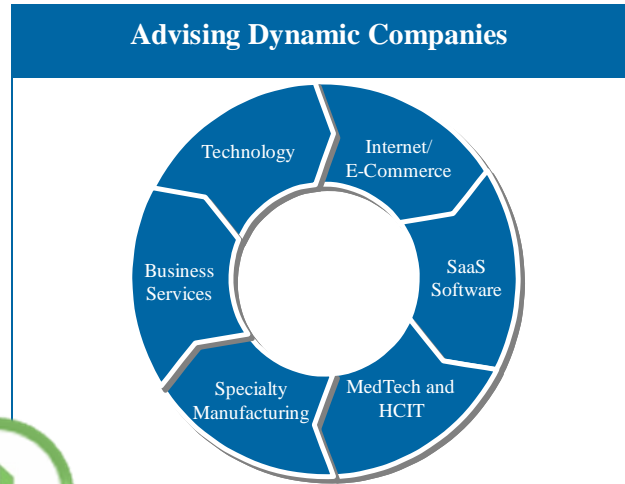
Navidar is an **investment banking firm**, providing companies and investors, in dynamic industries with **strategic M&A advice, capital raising solutions, vital insights and breakthrough opportunities.**

- **Big Firm Experience Combined with Senior Banker Attention**
- **Global Relationships With Top Tier Investors and World-Leading Companies**
- **Greater Creativity & Customized Solutions**
- **Focused on Middle Corridor of the United States**

Navidar's Differentiation	
<p>December 2012</p>  <p>Has been acquired by</p>  <p>Sellside Advisor</p>	<ul style="list-style-type: none"> ■ <i>“Navidar consistently provided sound, unbiased advice and we felt that they always put Techniks’ interests ahead of their own.”</i> <p>John Stagge, Co-President of Techniks</p>
<p>October 2012</p>  <p>Has been acquired by</p>  <p>Sellside Advisor</p>	<ul style="list-style-type: none"> ■ <i>“Navidar’s global reach, understanding of current technology trends, and ability to navigate complex deal issues really sets them apart from the competition.”</i> <p>Eric Tobias, CEO of iGoDigital</p>
<p>October 2011</p>  <p>Has been acquired by</p>  <p>Sellside Advisor</p>	<ul style="list-style-type: none"> ■ <i>“Senior banker attention led to a creative deal structure which resulted in a better outcome for our shareholders.”</i> <p>Joel Haspel, Founder and CEO of Sentient Health</p>
<p>July 2011</p>  <p>Has been acquired by</p>  <p>Sellside Advisor</p>	<ul style="list-style-type: none"> ■ <i>“Navidar’s ability to quickly understand our business and its drivers, deal-savvy banking team and global reach set them apart.”</i> <p>Chris Welsh, General Manager, MWM Acoustics</p>



Navidar at a Glance



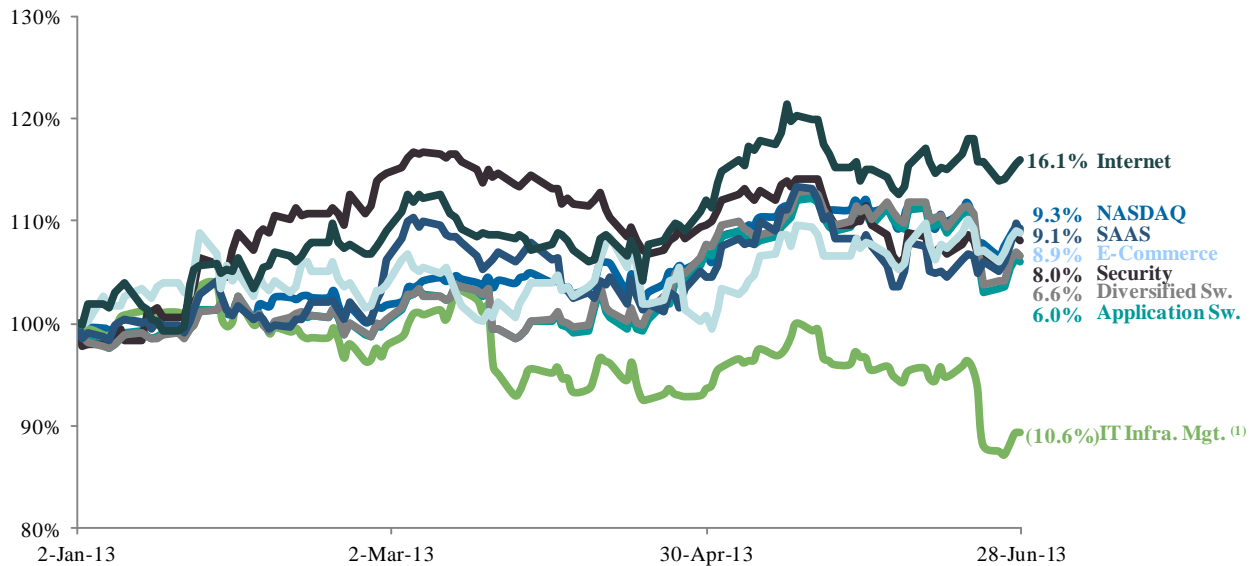
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Q2 2013 Software Sector Review

Relative Share Price Performance - YTD



Software Sector Share Price Performance

Sub-Sector	Last Quarter	YTD Return
Internet	7.6%	16.1%
NASDAQ Index	5.1%	9.3%
SaaS	2.7%	9.1%
E-Commerce	4.7%	8.9%
Security	(4.7%)	8.0%
Diversified Software	6.0%	6.6%
Application Software	5.6%	6.0%
IT Infra. Mgt. ⁽¹⁾	(6.1%)	(10.6%)

Top 5 Global M&A Deals in Q2 By Size

Date	Buyer	Target	Deal Value (\$M)
5/6/2013	Insight & 3 Other P.E. Firms	bmcsoftware	8,377
6/4/2013	salesforce	ExactTarget	2,351
6/4/2013	IBM	SOFTLAYER	2,000
6/5/2013	SAP	hybris	Est. 1,200
5/20/2013	YAHOO!	tumblr	1,100

The manner in which businesses operate and communicate is undergoing a significant transformation as SaaS, Mobile, Social, Cloud, and Big Data converge into an Omni-channel, Go-anywhere, and Know-everything solution. Legacy software and hardware vendors are positioning themselves organically and in-organically in order to remain relevant and capture share of emerging growth opportunities.

- Software companies and vendors are feeling the effects of SaaS and Cloud technology on their business models, as license and maintenance revenue shift toward subscriptions, which as a category is expected to grow at a 17.5% CAGR to 24% of total software revenue by 2016.
- Emerging hybrid models that combine traditional on-premise software and Cloud technologies provide new opportunities to attract traditional users.
- Vendors embracing the benefits of Social, Cloud, and Big Data are incorporating social enterprise, data analytics, and platform integration into traditional offerings to provide customers with powerful business insight capabilities.
- Context and location awareness, incorporated with social media content, is creating a truly personalized user experience.

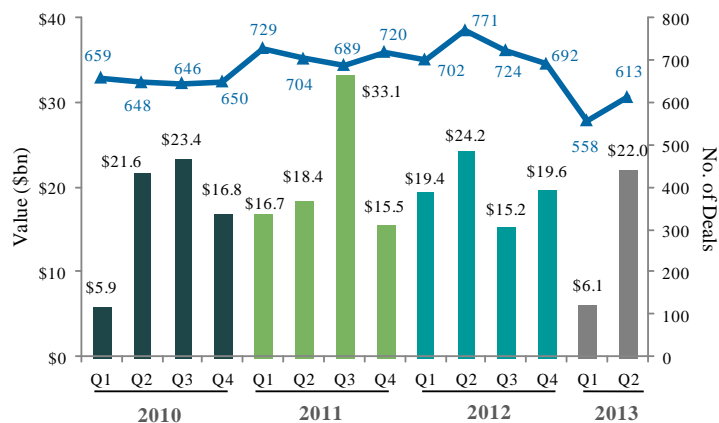
Source: CapitalIQ, Industry Research, Online Publications, and Navidar Research.

(1) IT Infrastructure Management.



Software Sector M&A Review

Global Software M&A Deals – Since 2010

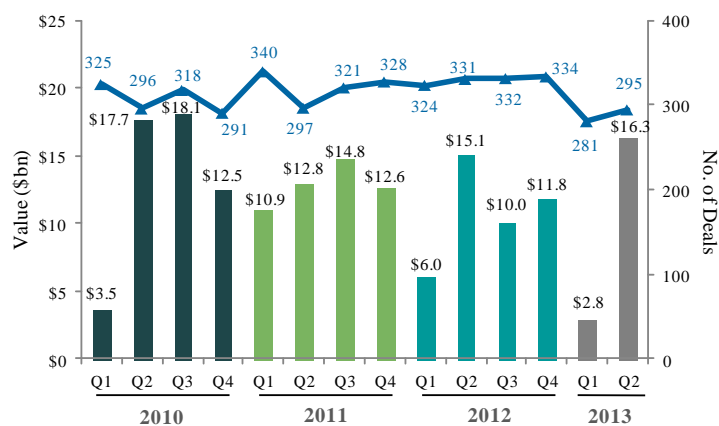


Commentary

The Software sector dominated technology transaction activity, comprising 66% of overall technology deal volume and 63% of overall technology deal value in the quarter.

- Global transaction volume decreased 20% in Q2 2013, compared to Q2 2012, from 771 to 613 acquisitions. Deal value fell 9%, from \$24.2 billion to \$22.0 billion (The peak for transaction volume and value during the past 18 months occurred in Q2 2012).

U.S. Software M&A Deals – Since 2010

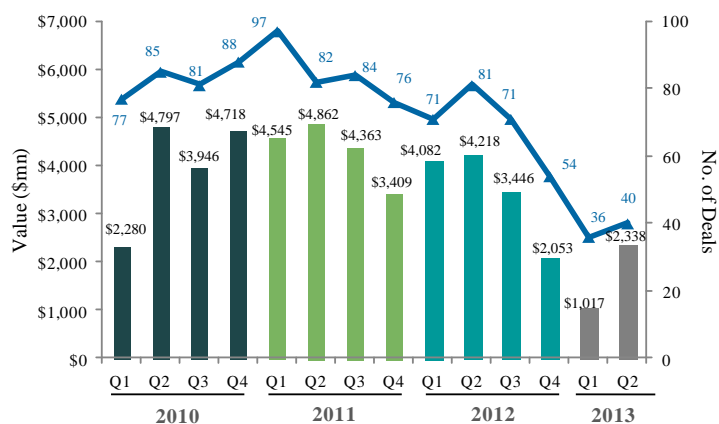


- There were five software acquisitions above \$1 billion in value in Q2 2013, compared to one such transaction in Q1 2013.

U.S. transaction volume in Q2 2013 decreased, however, total U.S. transaction value in Q2 2013 reached a 30-month high.

- U.S. Transaction volume decreased 12% in Q2 2013, as compared to Q2 2012, from 331 to 295 acquisitions. U.S. transaction value in Q2 2013 grew more than 8%, from \$15.1 billion to \$16.3 billion, primarily driven by the \$8.4 billion acquisition of BMC Software.

U.S. Middle Market M&A (<\$500M) – Since 2010



U.S. Middle Market transaction activity increased sequentially, but has not rebounded to historical levels.

- Transaction volume decreased 51% in Q2 2013, as compared to Q2 2012, from 81 to 40 acquisitions. Deal value fell 45%, from \$4.2 billion to \$2.3 billion.
- Transaction volume increased 11% sequentially in Q2 2013, from 36 to 40 acquisitions. Deal value increased 130%, from \$1.0 billion to \$2.3 billion.

Source: CapitalIQ and Industry Research.

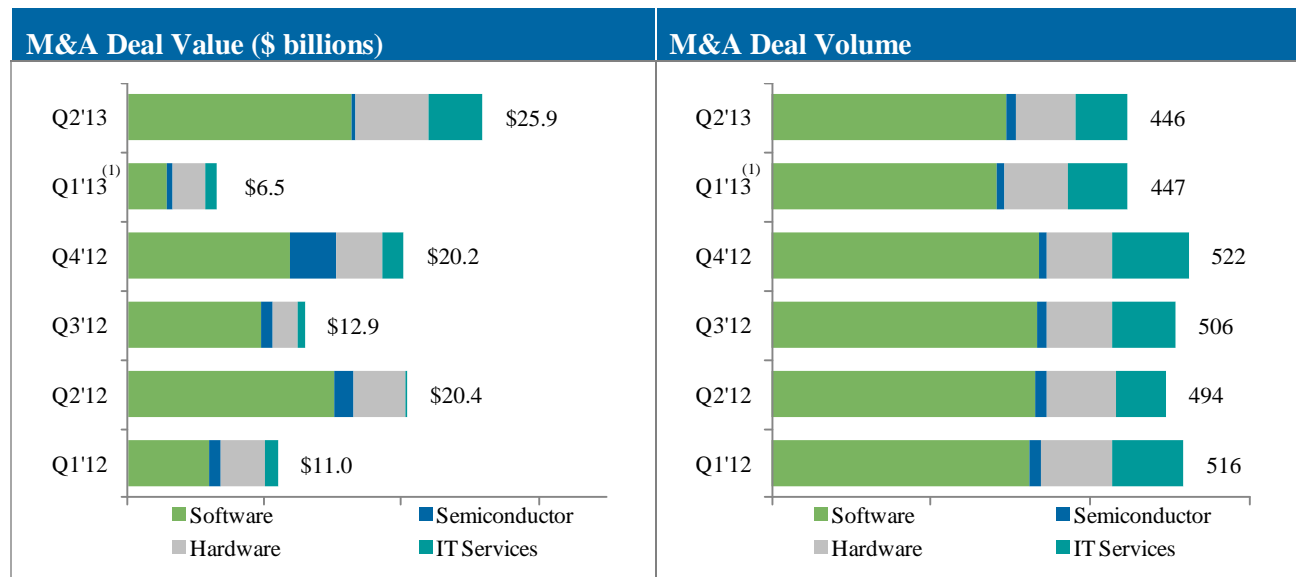


Software Sector M&A Review (Cont.)

Top 10 Global Software M&A Transactions in Q2 2013

Announced Date	Buyer	Target	Trn. Value (\$USDmm)	EV/Rev. (x)	EV/EBITDA (x)
06/27/2013	Adobe Systems (U.S.)	Neolane (France)	600.0	10.3x	NA
06/05/2013	SAP (Germany)	Hybris (Germany)	~1,200.0	NA	NA
06/04/2013	Salesforce.com (U.S.)	ExactTarget (U.S.)	2,350.6	7.1x	NA
06/04/2013	IBM (U.S.)	SoftLayer Technologies (U.S.)	2,000.0	NA	NA
05/21/2013	Temasek Holdings (Singapore)	Markit Group (U.K.)	500.0	NA	NA
05/20/2013	Yahoo (U.S.)	Tumblr (U.S.)	1,100.0	84.6x	NA
05/08/2013	OMERS Private Equity (Canada)	Civica (U.K.)	607.8	1.9x	10.3x
05/06/2013	Insight Venture Partners & 4 Others (U.S.)	BMC Software (U.S.)	8,367.8	3.1x	11.2x
04/29/2013	Alibaba Group Holding (China)	Weibo.com (China)	586.0	NA	NA
04/01/2013	The Nasdaq OMX Group (U.S.)	BGS Partners - e-speed Platform	1,234.5	12.4x	NA

U.S. Technology M&A Activity by Sub-Sector



U.S. Software M&A Deal Volume by Size

\$ in millions except #	Q2 2012		Q2 2013		Q1 2013	
	Number of Deals	Total Deal Value	Number of Deals	Total Deal Value	Number of Deals	Total Deal Value
< \$50M	62	872	27	226	29	292
\$50M to \$100M	7	533	5	394	3	183
\$100M to \$250M	7	958	6	983	4	542
\$250M to \$500M	5	1,855	2	735	-	-
\$500M to \$1000M	3	2,420	-	-	1	794
>\$1B	3	8,478	4	13,962	1	1,015
Undisclosed	244	-	251	-	243	-
Grand Total	331	15,117	295	16,300	281	2,826

Source: CapitalIQ and Industry Research.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest - Cash and Cash Equivalents).

(1) Q1'13 excludes the proposed buyout of Dell for \$29.8 billion.



Software Sector M&A Review

Review of Selected Software Transactions in Q2

Cloud/SaaS

salesforce.com acquired ExactTarget for \$2.35B EV, which implied 5.7x NTM revenue.

- The acquisition will add a portfolio of digital marketing services to salesforce.com's CRM suite, and further complement salesforce.com's previous acquisitions of Buddy Media in 2012 and Radian 6 in 2011.
- ExactTarget's capabilities in interactive and email marketing, and marketing automation accelerate the leadership of salesforce.com's marketing Cloud platform, while allowing ExactTarget's clients to leverage salesforce.com's sales and service CRM solutions to enhance end-to-end user experiences.

ExactTarget is a provider of cross-channel digital marketing SaaS solutions. Headquartered in Indianapolis, the Company has global presence with offices across New York, Toronto, Munich, Stockholm, Singapore, Sydney, and Sao Paulo.

IBM acquired SoftLayer for \$2B EV.

- This acquisition will complement and extend IBM's existing SmartCloud portfolio, which is on track to deliver \$7B in annual Cloud revenue in just 18 months since the division was formed.
- Additionally, SoftLayer will expand IBM's reach into new clients, including both "born-on-the-Cloud" companies and traditional enterprises.
- IBM plans to add SoftLayer to its SmartCloud business unit, forming the new Cloud Services division, which will target a market that is expected to double by 2016 to \$105 billion.

SoftLayer Technologies, based in Dallas, specializes in hosting and Cloud infrastructure, and is one of the world's largest hosting companies, with nearly 25,000 customers. SoftLayer specializes in public Clouds and data-center networks that manage computing and software for businesses remotely, an area where Amazon dominates.

Trulia acquired Market Leader for \$336M EV, which implied 5.4x NTM revenue.

- Through the acquisition, Trulia intends to create a combined platform that services the entire real estate market, including consumers, brokerages, agents, and franchisors.

Market Leader is a provider of on-demand CRM and marketing solutions for the real estate industry. Headquartered in Kirkland, WA, Market Leader had operating revenues of approximately \$45 million in 2012. The combined company will have over 46,000 premium subscribers, which will be a major competitive advantage over rival Zillow, as both companies compete for share of the \$24 billion real estate marketing and software market.

Thoma Bravo acquired Keynote Systems for \$399M EV, which implied 2.7x NTM revenue and 18.8x NTM EBITDA.

- The acquisition provides Keynote the opportunity to expand its nascent mobile enterprise business by partnering with major telecom players to deliver 4G and next-generation solutions.

Keynote, based in San Mateo, CA, is a prominent player in Internet and mobile Cloud testing and monitoring, and maintains one of the world's largest on-demand performance monitoring and testing infrastructures for Web and mobile sites. With over 7,000 measurement computers and mobile devices in 275 locations globally, it enables companies to continuously test and improve their online and mobile experience.

Source: CapitalIQ, Press Releases, Equity Research, Online Publications, Industry Research, and Navidar Research.

*Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest - Cash and Cash Equivalents)
and NTM = Next Twelve Months.*



Software Sector M&A Review (Cont.)

Fujitsu acquired RunMyProcess for \$20M EV.

- **This acquisition will enable Fujitsu to add iPAAS capabilities to its Cloud offerings as it expands its global Cloud business.**

RunMyProcess SAS, based in France, is a venture-backed company founded in 2007 that offers Integration Platform-as-a-Service (iPAAS), which provides customers the ability to build and deploy next-generation business-critical applications by integrating and combining existing services and assets from both Cloud and on-premise based solutions. RunMyProcess has more than 300 active projects in 45 countries.

Mobile

Cisco acquired Ubiquisys for \$310M EV.

- **By acquiring Ubiquisys, Cisco can leverage its mobility and Wi-Fi capabilities to enhance Ubiquisys' small-cell technologies for use in the next generation of cellular-connected networks.**

Based in Swindon, U.K., Ubiquisys provides communication technology for large-scale adoption of small cells in mobile and hybrid networks. Since its founding in 2004, Ubiquisys has raised over \$84 million in venture capital, over 6 rounds, from investors including 5 Continents, Accel Management, Advent, Atlas, Google Ventures, and T-Mobile Ventures.

LinkedIn Corporation acquired Pulse for \$90M EV.

- **The acquisition will strengthen LinkedIn's professional publishing platform for professionals and content publishers.**

Pulse, owned by Alphonso Labs and founded in Palo Alto, CA in 2010, is a news reader and mobile content distribution platform, with over 30 million users in more than 190 countries. Alphonso Labs raised \$9 million in 2011 from investors including New Enterprise Associates and Greycroft Partners. The transaction, valued at \$90 million in a combination of 90% stock and 10% cash, builds upon the \$119 million acquisition of professional content-sharing site SlideShare in May 2012.

TripAdvisor acquired GateGuru. Valuation was not disclosed.

- **The acquisition is a direct expansion of TripAdvisor's services, as the company looks to extend its online, user-generated content database of reviews for destinations, hotels, and other travel-related information.**
- **The acquisition of GateGuru follows a series of travel-related mobile and social startups acquired in 2013, including CruiseWise in May 2013, and TinyPost and JetSetter in March 2013.**

GateGuru, founded in 2011 and headquartered in New York, is an operator of mobile applications that provide real-time information on airports, flights, and weather. GateGuru brings to TripAdvisor 200 million monthly active users.

Yahoo acquired GhostBird Software and Loki Studios. Valuations were not disclosed.

- **These acquisitions are a part of Yahoo's strategy to strengthen its mobile offerings and counter the loss of display advertising share to Facebook and Google.**
- **With these acquisitions, Yahoo is also looking to expand its pool of engineering resources and enhance its presence in the Social Marketing segment.**

GhostBird, based in Toronto, creates photography applications, including advanced iOS apps. California-based Loki Studios is a mobile gaming start-up that develops games based on user location information such as weather, temperature, and date, to make the gaming experience more "real."

*Source: CapitalIQ, Press Releases, Equity Research, Online Publications, Industry Research, and Navidar Research.
Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents)
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Software Sector M&A Review (Cont.)

Facebook acquired Osmeta. Valuation was not disclosed.

- **The acquisition will help Facebook scale its mobile technologies, including Facebook Home environment, which works on mobile devices running Android.**
- **It adds to Facebook's talent-base a team of professionals with experience across a wide variety of mobile devices.**

Mountain View, California-based Osmeta is a mobile software developer, founded in August 2011.

E-Commerce and Marketing

SAP acquired Hybris. Valuation was not disclosed, but is estimated to be around \$1.2B EV.

- **This acquisition will strengthen SAP's Web Channel Experience Management offering that has lagged its largest competitors' comparable offerings.**
- **Hybris will also fill a significant gap in SAP's product portfolio by adding an enterprise-class E-Commerce platform that has scale and significant traction.**

Founded in Munich in 1997, Hybris is a multi-channel E-Commerce software vendor offering integration of various E-Commerce applications and sales channels.

Adobe acquired Neolane for \$600M EV, which implied 10.3x LTM revenue.

- **The acquisition will help extend Adobe's strong position in the digital marketing space, as it brings critical cross-channel campaign management and analytics capabilities to the Adobe Marketing Cloud.**

Neolane is a conversational marketing platform that provides enterprise marketing software to manage, automate, and optimize marketing programs. Neolane is headquartered in Paris, with offices in Europe, North America, and Asia. It had 2012 annual revenue of ~\$60 million from customers that include Accor Hotels, Alcatel-Lucent, IKEA, Samsung, Sony, and Dior. In 2012, Neolane raised a \$27 million funding round led by Battery Ventures, with participation from Auriga Partners and XAnge Private Equity.

Rakuten acquired Webgistix. Valuation was not disclosed.

- **This acquisition will help drive growth of Rakuten's Super Logistics offering by enhancing its U.S. presence and offering warehouse and fulfillment services to U.S.-based merchants affiliated with Rakuten.com Shopping.**

Webgistix, based in Henderson, Nevada, was founded in 2001 and offers Cloud-based software for E-Commerce retailers to manage their supply chains, including order fulfillment, freight management, and shipment optimization. Webgistix strives to reach 98% of U.S. E-Commerce customers via ground delivery within one to two business days. This is Rakuten's second logistics investment outside of Japan, and positions Webgistix as an integral part of Rakuten's expanding global logistics portfolio.

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Software Sector M&A Review (Cont.)

Social

Yahoo acquired Tumblr for \$1.1B EV, which implied 84.6x LTM Revenue.

- The acquisition reflects Yahoo's desire to remain relevant with the next generation of Internet users.
- Yahoo's CEO Marissa Mayer expects the combination could grow Yahoo's audience by 50%, to a billion monthly users, while allowing Tumblr to utilize Yahoo's search algorithms to enhance its own user's discovery capabilities.

Tumblr, a New York-based social media platform created in 2007, enables users to share text, audio, photos, and videos across all devices in a blog-style layout. Tumblr hosts 105 million different "micro-blogs," with 300 million monthly unique visitors, and is attracting over 100,000 new users daily. Yahoo will operate Tumblr as a stand-alone entity, with product development continuing to reside within Tumblr.

Google acquired Waze and Wavii. Valuations were not disclosed, but are estimated to be ~\$1.1B EV and ~\$30M EV, respectively.

- The integration of Waze's mobile application, which combines inputs from over 50 million users to improve directions, and display traffic and road-hazard details, will provide Google a competitive edge over Apple.
- The acquisition of Wavii will help Google improve its search capabilities and add new display capabilities for Google's database of people, places, and things around the globe.

Waze provides map software that enables automobile drivers to build and use real-time road intelligence on smartphones. Over \$67 million of venture capital has been invested into the Company since it was established in 2008. Recently, in October 2011, it raised \$30 million in funding from Hong Kong-based Horizons Ventures and Kleiner Perkins Caufield & Byer's Digital Growth Fund. Wavii provides a natural language processing platform that personalizes news feeds to users, summarizing web content related to their interest.

LinkedIn Corporation acquired Maybe. Valuation was not disclosed.

- The acquisition is part of LinkedIn's strategy to expand analytics into the social and mobile space.

Maybe offers online and social decision-making services. The acquisition follows LinkedIn's earlier acquisition of the news reading application, Pulse, in April 2013.

Yahoo acquired GoPollGo. Valuation was not disclosed.

- The acquisition expands Yahoo's efforts in real-time social and mobile feedback collection and analytics.

Founded in 2011 and headquartered in Palo Alto, CA, GoPollGo offers a social polling tool that allows consumers to create polls and share them on various social media platforms, such as Facebook and Twitter.

*Source: CapitalIQ, Press Releases, Equity Research, Online Publications, Industry Research, and Navidar Research.
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Software Sector M&A Review (Cont.)

Big Data

Salesforce.com acquired EdgeSpring for \$80M EV.

- Edgespring's patent-pending technologies will allow salesforce.com to enhance its analytics portfolio by offering the parsing of unstructured intelligence data, providing a new generation of decision-making platforms to its enterprise clientele.

Headquartered in San Mateo, CA, EdgeSpring offers a BI platform that accelerates and simplifies the building of analytics applications to gain insights across various types or structures of data. The Company raised a total of \$11 million in financing, including a \$9 million Series A from Kleiner Perkins Caufield & Byers and Lightspeed Ventures.

Wipro acquired minority stake in Opera Solutions for \$30M EV.

- This investment will help Wipro extend its leadership in the Big Data analytics space, as it combines Opera Solutions' machine learning expertise and pre-discovered predictive signals and algorithms, with its domain and technology expertise, to create a comprehensive, industry-specific solution.

Headquartered in New York, Opera Solutions provides predictive and prescriptive analytics to businesses and governments globally. Opera Solutions is one of the largest companies in the predictive data analytics space, with revenues of ~\$100 million in 2012. In 2011, Opera Solutions received \$84 million in funding from Silver Lake Sumeru, Accel-KKR, and three other investors.

IT Infrastructure Management

Investor Group acquired BMC Software for \$8.4B EV, which implied 3.0x NTM revenue and 7.6x NTM EBITDA.

- As a private company, BMC plans to become more aggressive in managing Cloud-computing applications and mobile devices.

BMC Software provides system and service management solutions for enterprises, and had \$2.2 billion of revenue in its fiscal year ended March 2013, of which 40 percent of its sales came from managing IBM's mainframe computers. BMC has had a difficult time gaining market share in the server software industry, which has been moving to companies' data centers as customers rely more on programs delivered over the Web. The investor group included Insight Venture Partners, GIC Special Investments, Bain Capital, and Golden Gate Capital.

SolarWinds acquired N-able Technologies International for \$120M EV.

- The acquisition will help SolarWinds better address the IT management problems faced by small enterprises, whose smaller workforces rely on advanced remote access and automation capabilities to efficiently service their platforms.
- N-able Technologies provides a spring-board for SolarWinds to offer multi-tenant solutions to a wide range of MSPs, from its previously large, single-tenant framework that limited interaction with these providers.
- SolarWinds estimates that N-able Technologies will add an additional \$4.0 billion worldwide market opportunity to its current offerings.

N-able Technologies International provides Cloud-based remote monitoring and management (RMM) and service automation software for Managed Service Providers (MSP). N-able Technologies International, based in Ottawa, Canada, serves over 91,000 small businesses and sells its products through 2,600 MSPs.

Source: CapitalIQ, Press Releases, Equity Research, Online Publications, Industry Research, and Navidar Research.

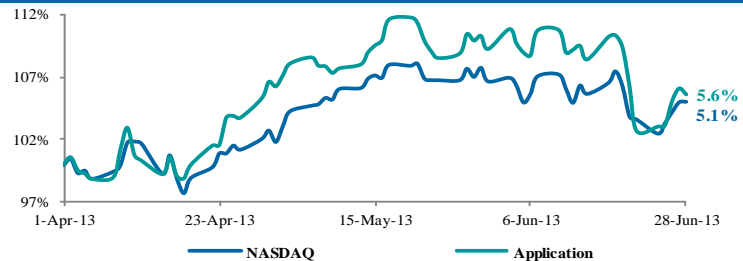
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Software Sub-Sector – Public Company Equity Market Performance

Application Software

Selected segment participants outperformed the overall equity market by 0.5% in Q2 2013, as the movement to Cloud-based ERP and CRM systems is expected to contribute significantly to future growth. Though new sales are in decline, on-premise software is still generating lucrative maintenance revenues for license-based software providers.

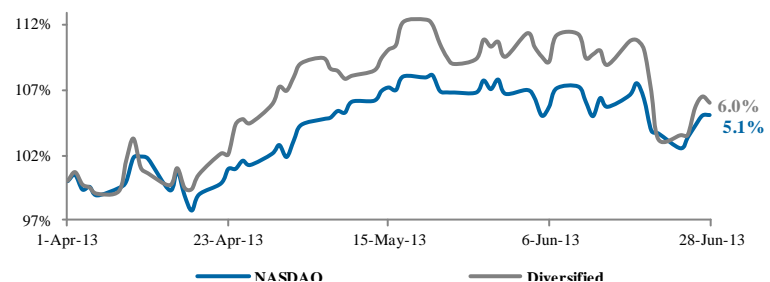


Significant Share Price Fluctuations:

Dealertrack Technologies	23.0%	↑	<ul style="list-style-type: none"> Q1 EPS and revenue beat Street expectations. Focus on selling broader Machine-to-Machine solutions to dealerships led to increased momentum in subscription products and was a primary driver of revenue growth.
OpenText	17.9%	↑	<ul style="list-style-type: none"> FQ3 revenue was up 16% YoY, primarily driven by a significant increase in license revenue (+13% YoY). Company declared its first ever dividend, a non-cumulative quarterly dividend payment of \$0.30 on June 21, 2013.
MicroStrategy	(15.6%)	↓	<ul style="list-style-type: none"> Q1 revenue missed Street expectations, primarily due to a large dip in product licenses revenues (down 24%).
Autodesk	(15.0%)	↓	<ul style="list-style-type: none"> FQ1 2014 revenue guidance was at the bottom-end of earlier guidance, and well below Street expectations, stemming from weakening macro sentiments and a more difficult selling environment.

Diversified Players

Selected segment participants outperformed the overall equity market by 0.9%. Large potential growth opportunities still exist in emerging markets, where significant revenue share comes from new software licenses fees. More mature IT regions have shifted focus to CRM, SaaS, and Public Cloud solutions as their top priorities.



Significant Share Price Fluctuations:

Microsoft	20.7%	↑	<ul style="list-style-type: none"> FQ3 Windows Division revenue realized growth of 23%, due to increasing adoption of Office 365, Windows Azure, Xbox LIVE, and Skype Cloud services.
Adobe Systems	5.0%	↑	<ul style="list-style-type: none"> FQ2 EPS beat Street expectations, driven largely from a 14% increase in Creative Cloud subscriptions as compared to FQ1.
SAP	(9.4%)	↓	<ul style="list-style-type: none"> Downgraded by HSBC from Overweight to Neutral, citing license sales seasonality and valuation metrics being close to highs leaving limited upside in valuation.

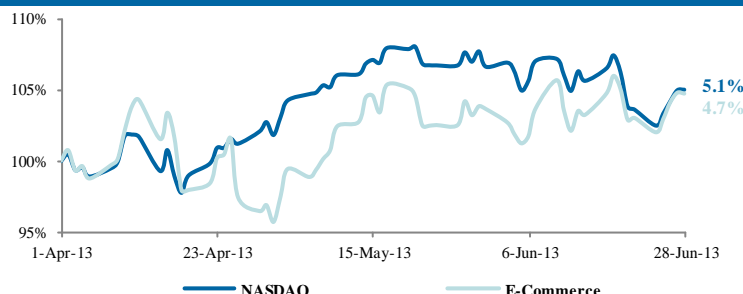
Source: CapitalIQ, Equity Research, Industry Research, and Navidar Research.



Software Sub-Sector – Public Company Equity Market Performance (Cont.)

E-Commerce

Selected segment participants underperformed the overall equity market by 0.4%. While E-Commerce sales are expected to grow by 17% in 2013, there has been an estimated 70% increase in number of E-Commerce companies over the same period. Legacy B2B E-Commerce platforms are continuing their enhancement of B2C cross-channel capabilities in mobile and social to remain relevant.

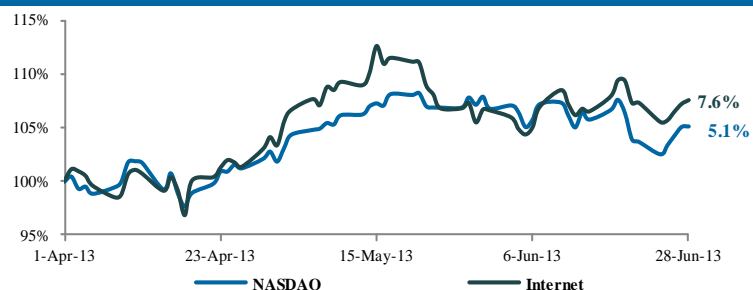


Significant Share Price Fluctuations:

Orbitz Worldwide	44.9%	↑	<ul style="list-style-type: none"> Q1 revenue and EPS beat Street expectations, primarily driven by higher hotel volume and increasing airline revenues.
Groupon	43.5%	↑	<ul style="list-style-type: none"> Q1 revenue beat Street expectations, with the number of active customers sharply increasing and record North American mobile transactions performance.
ValueClick	(14.2%)	↓	<ul style="list-style-type: none"> Q2 revenue guidance missed Street expectations, with a stagnant growth forecast for Q3.
eBay	(7.2%)	↓	<ul style="list-style-type: none"> Q1 revenue and EPS missed Street expectations, with a diminished future outlook, as a result of poor macroeconomic conditions in Europe.

Internet

Selected segment participants outperformed the overall equity market by 2.5%. Average time spent online continues to rise, reaching over three hours daily, as usage of social networks and digital video platforms continue to grow. Advances in Big Data technologies are helping SEOs expand their uses of structured data to answer search queries with increasing accuracy.



Significant Share Price Fluctuations:

Yelp	51.9%	↑	<ul style="list-style-type: none"> Q1 revenue beat Street expectations, driven by a record number of monthly unique visitors, local business accounts, and cumulative reviews on the site.
Google	9.9%	↑	<ul style="list-style-type: none"> Non-GAAP EPS in Q1 beat Street expectations, due to an unusually high increase in aggregate paid clicks on Google sites and those of network members.
AOL	(4.9%)	↓	<ul style="list-style-type: none"> Revenue in Q1 missed Street expectations, due in large part to the continued decline in total subscription revenue.

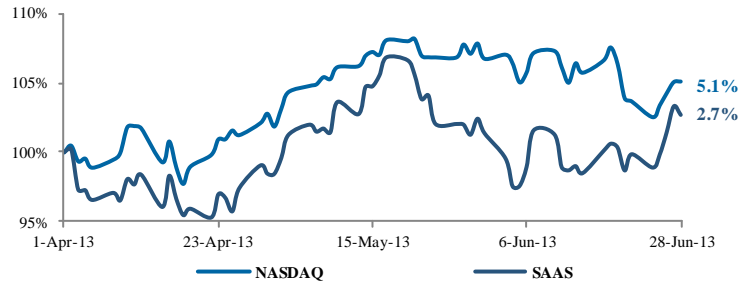
Source: CapitalIQ, Equity Research, Industry Research, and Navidar Research.



Software Sub-Sector – Public Company Equity Market Performance (Cont.)

SaaS

Although the selected segment participants under-performed the overall equity market by 2.4%, SAAS is continuing to gain traction at a rapid rate. Nearly half of North American organizations confirmed that they now evaluate Cloud-based solutions when they are buying software. Perpetual license revenues have been shrinking since 2004 while subscription revenues are forecasted to grow at a 17.5% CAGR to reach 24% of total software revenue by 2016, up from 12.5% in 2012.

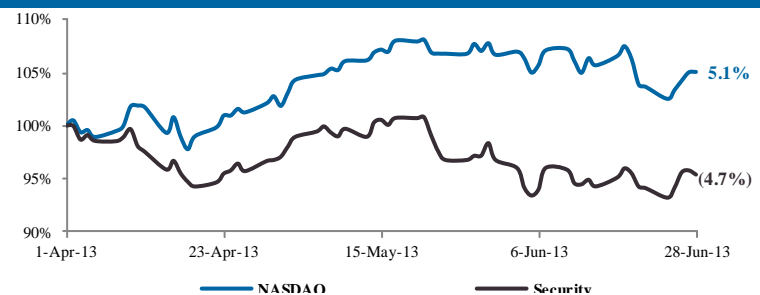


Significant Share Price Fluctuations:

Demandware	67.5%	↑	• Q1 revenue beat Street expectations, driven by large growth in subscription revenues and record numbers of live sites added in the quarter.
Responsys	64.7%	↑	• Q1 revenue beat Street expectations, primarily driven by strong volume in digital marketing messages and higher-than-anticipated professional services demand.
LivePerson	(33.3%)	↓	• Headwinds from the LP Marketer and LP Insights platforms, as well as EMEA headwinds, prompted management to downgrade revenue and EPS guidance far below Street expectations.
Vocus	(19.5%)	↓	• Q1 2013 revenue and EPS missed Street expectations, primarily from a significant decrease in new annual subscription customers added compared to the same period last year.

Security

Selected segment participants under-performed the overall equity market by 9.8%. Advanced attack toolkits, including Stuxnet and Flame, are nearly impossible to detect, and shift the segment towards white-listing application-specific security suites. Mobile malware and security endpoint breaches are the largest risk to mobility in the enterprise.



Significant Share Price Fluctuations:

Imperva	18.4%	↑	• Revenue in Q1 beat Street expectations, with strong growth in services and subscriptions revenues.
Fortinet	(23.8%)	↓	• Q1 revenue and billings missed guidance, primarily due to a difficult global macroeconomic environment and uncertainty in geopolitical issues.
Symantec	(8.1%)	↓	• Weak sales in Q1 and diminished profit forecast for FQ1 2014 were due to a slumping PC market, which adversely affected the consumer security business.

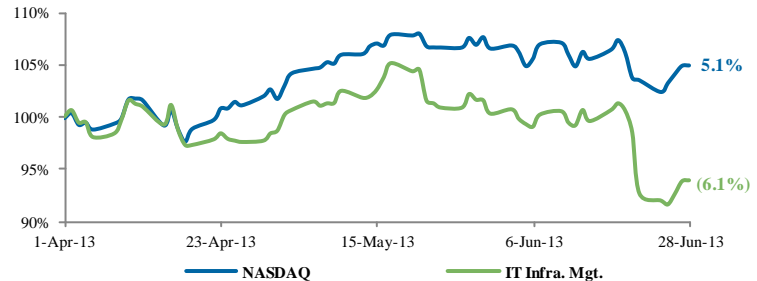
Source: CapitalIQ, Equity Research, Industry Research, and Navidar Research.



Software Sub-Sector – Public Company Equity Market Performance (Cont.)

IT Infrastructure Management (IT Infra. Mgt.)

Selected segment participants underperformed the overall equity market by 11.2%, as growth in Machine-to-Machine networks and data creation has yet to reach levels previously predicted. Relational databases are still prevalent in most IT management systems, but a growing shift towards transactional systems that integrate with NoSQL databases provide opportunities for future growth in Big Data capabilities. The largest growth opportunities exist in Network Access Control; Gartner predicts 15% growth in 2013, as companies look to better track applications and access of users on their networks.



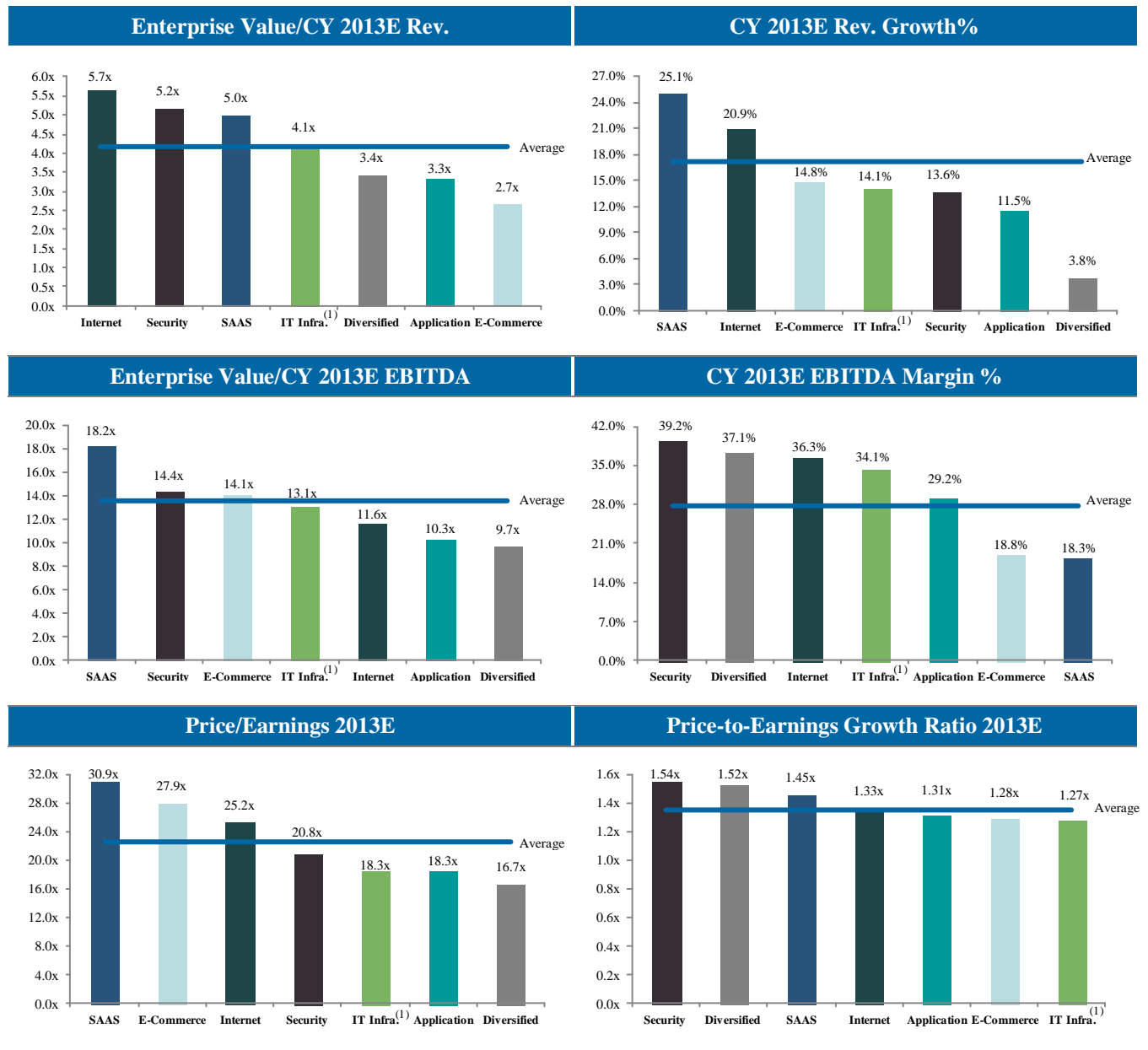
Significant Share Price Fluctuations:

Infoblox	38.0% ↑	<ul style="list-style-type: none"> FQ3 revenue, EPS and respective future guidance beat Street expectations, with strong demand across all geographic regions and verticals.
Falconstor Software	(47.3%) ↓	<ul style="list-style-type: none"> Revenues in Q1 missed Street expectations, as unpredictable performance from one of the biggest Chinese OEM partners weighed on the quarter.
SolarWinds	(33.4%) ↓	<ul style="list-style-type: none"> Q1 revenue missed Street expectations, with Management lowering its revenue outlook for FY13, primarily driven by slow growth in new license sales.
F5 Networks	(21.7%) ↓	<ul style="list-style-type: none"> Revenue in Q1 missed Street expectations, as longer sales cycles, particularly in the telecom and U.S. federal sales verticals, led to disappointing performance in the quarter.

Source: CapitalIQ, Equity Research, Industry Research, and Navidar Research.



Comparable Public Company Operating Metrics – Software Sector



Source: CapitalIQ.

Note: Market Data as of Q2 2013 Quarter End.

Note: Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x, and PEG > 3x.

Note: CY = Calendar Year, LTM = Last Twelve Months, and NTM = Next Twelve Months.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).

(1) IT Infrastructure Management



Comparable Public Company Operating Metrics – Software Sector (Cont.)



Source: CapitalIQ.

Note: Market Data as of Q2 2013 Quarter End.

Note: Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x, and PEG > 3x.

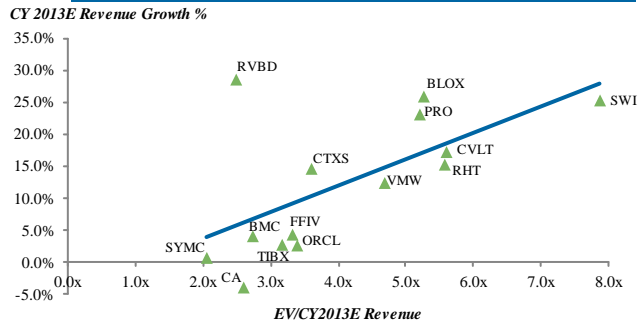
Note: CY = Calendar Year, LTM = Last Twelve Months, and NTM = Next Twelve Months.

(1) IT Infrastructure Management

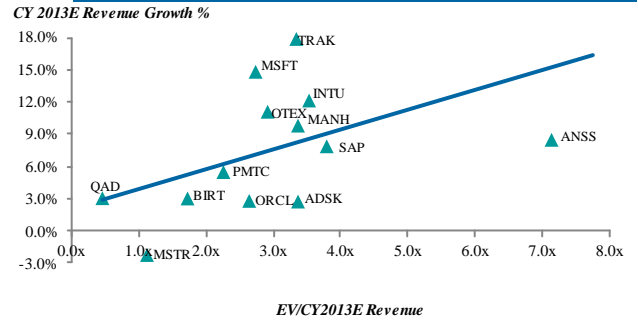


Valuation & Revenue Growth Correlation – Public Software Companies

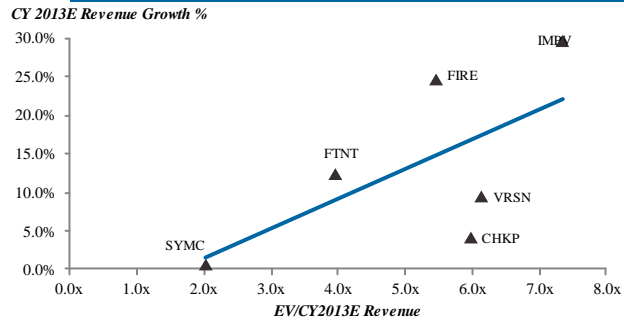
IT Infrastructure Management (IT Infra. Mgt.)



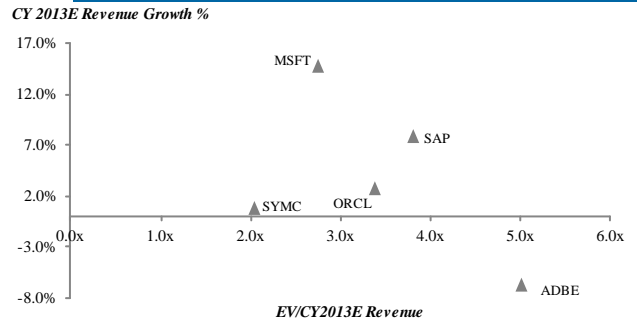
Application



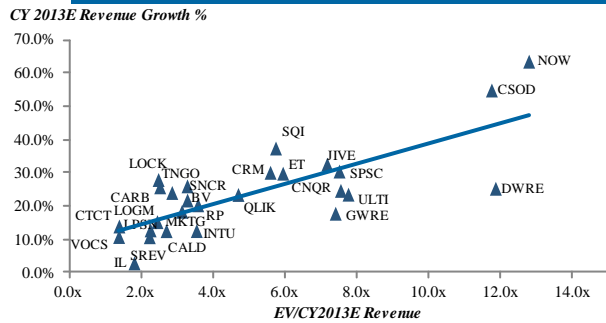
Security



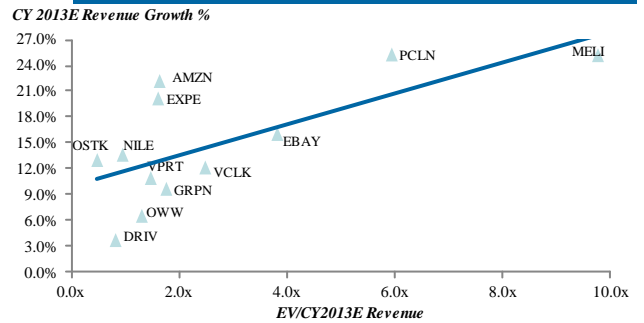
Diversified



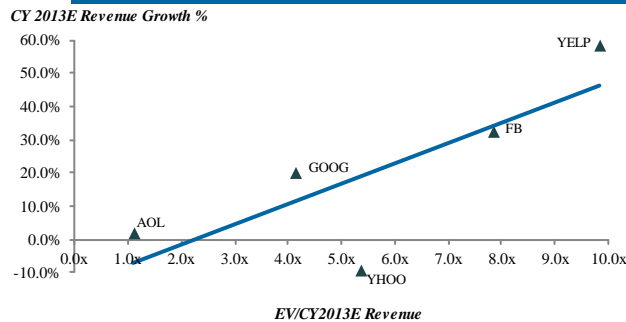
SAAS



E-Commerce



Internet



Source: CapitalIQ. Estimates Based on Consensus of Equity Research Analyst Estimates.
 Note: Market Data as of Q2 2013 Quarter End.
 Note: CY = Calendar Year.
 Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest - Cash and Cash Equivalents).



Appendix



Appendix– Comparable Public Company Analysis

Application– Valuation Metrics

(\$Millions, except per share values)

Application	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
							2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E
Microsoft	\$34.55	97%	1.32x	\$288,489.0	(\$59,023.0)	\$229,466.0	2.7x	2.6x	6.7x	6.0x	11.7x	10.8x	1.28x	1.19x
Oracle	\$30.71	84%	1.07x	\$142,212.1	(\$13,722.0)	\$128,987.1	3.4x	3.2x	6.8x	6.4x	11.0x	10.1x	1.06x	0.98x
SAP AG	\$73.04	87%	1.26x	\$87,098.9	\$558.7	\$87,677.4	3.8x	3.5x	11.0x	9.7x	16.3x	14.4x	1.26x	1.11x
Intuit	\$61.04	89%	1.10x	\$18,124.3	(\$1,496.0)	\$16,628.3	3.5x	3.3x	9.2x	8.6x	17.5x	16.6x	1.36x	1.28x
Autodesk	\$33.94	82%	1.23x	\$7,629.7	(\$1,342.1)	\$6,287.6	2.6x	2.5x	9.5x	8.3x	17.3x	15.0x	1.56x	1.34x
Ansys	\$73.10	90%	1.32x	\$6,813.4	(\$624.9)	\$6,188.5	7.2x	6.5x	14.3x	12.9x	24.4x	22.1x	1.64x	1.48x
NetSuite	\$91.74	96%	1.95x	\$6,768.8	(\$176.7)	\$6,592.1	NM	12.7x	NM	NM	NM	NM	NM	NM
Splunk	\$46.36	97%	1.79x	\$4,812.7	(\$331.3)	\$4,481.5	NM	12.3x	NM	NM	NM	NM	NM	NM
OpenText	\$68.47	93%	1.53x	\$4,012.8	\$126.6	\$4,139.4	2.9x	2.8x	9.7x	9.0x	12.2x	11.3x	0.71x	0.65x
PTC	\$24.53	94%	1.39x	\$2,930.9	\$67.3	\$2,998.2	2.3x	2.2x	9.6x	8.3x	13.7x	11.8x	0.77x	0.66x
Aspen Technology	\$28.79	87%	1.31x	\$2,697.9	(\$169.6)	\$2,528.3	7.8x	6.3x	NM	21.3x	NM	37.4x	NM	2.88x
Manhattan Associates	\$77.16	96%	1.88x	\$1,501.7	(\$108.5)	\$1,393.1	3.4x	3.1x	13.2x	11.5x	23.7x	21.3x	NM	NM
Dealertrack Technologies	\$35.43	98%	1.52x	\$1,540.8	(\$6.6)	\$1,534.2	3.3x	3.0x	13.4x	11.4x	28.4x	24.4x	1.85x	1.60x
MicroStrategy	\$86.96	63%	1.05x	\$982.7	(\$330.2)	\$652.5	1.1x	1.0x	13.1x	9.2x	NM	28.5x	NM	1.21x
Actuate	\$6.64	92%	1.34x	\$314.2	(\$67.3)	\$246.9	1.7x	1.6x	8.5x	7.3x	17.0x	14.6x	1.14x	0.97x
QAD	\$11.48	79%	1.03x	\$176.5	(\$57.4)	\$119.2	0.5x	0.4x	8.8x	5.3x	26.7x	16.5x	1.78x	1.10x
Average							3.3x	4.2x	10.3x	9.7x	18.3x	18.2x	1.31x	1.27x
Median							3.1x	3.0x	9.6x	8.8x	17.2x	15.7x	1.28x	1.19x

Application– Operating Metrics

(\$Millions, except per share values)

Application	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		S-Yr NI	GM	S&M Mgn	R&D Mgn	G&A Mgn
							2013E	2014E	2013E	2014E	Growth %	LTM	LTM	LTM	LTM
Microsoft	\$34.55	97%	1.32x	\$288,489.0	(\$59,023.0)	\$229,466.0	14.7%	4.4%	41.1%	44.1%	9.1%	75.3%	19.5%	13.4%	5.8%
Oracle	\$30.71	84%	1.07x	\$142,212.1	(\$13,722.0)	\$128,987.1	2.7%	4.5%	49.4%	50.2%	10.4%	80.9%	19.7%	13.0%	2.9%
SAP AG	\$73.04	87%	1.26x	\$87,098.9	\$558.7	\$87,677.4	7.8%	9.3%	34.5%	35.7%	13.0%	71.6%	24.0%	13.9%	5.5%
Intuit	\$61.04	89%	1.10x	\$18,124.3	(\$1,496.0)	\$16,628.3	12.0%	8.4%	38.6%	38.1%	12.9%	83.2%	28.1%	16.0%	9.3%
Autodesk	\$33.94	82%	1.23x	\$7,629.7	(\$1,342.1)	\$6,287.6	2.7%	7.5%	27.9%	29.6%	11.1%	89.2%	37.5%	26.1%	10.9%
Ansys	\$73.10	90%	1.32x	\$6,813.4	(\$624.9)	\$6,188.5	8.4%	9.5%	50.1%	50.5%	14.9%	87.6%	NM	16.9%	NM
NetSuite	\$91.74	96%	1.95x	\$6,768.8	(\$176.7)	\$6,592.1	32.0%	27.5%	NA	NA	28.1%	68.5%	50.0%	17.6%	12.1%
Splunk	\$46.36	97%	1.79x	\$4,812.7	(\$331.3)	\$4,481.5	37.3%	33.4%	NA	NA	NM	89.1%	65.0%	22.0%	16.5%
OpenText	\$68.47	93%	1.53x	\$4,012.8	\$126.6	\$4,139.4	11.0%	5.3%	30.0%	30.9%	17.3%	71.4%	21.3%	12.3%	8.3%
PTC	\$24.53	94%	1.39x	\$2,930.9	\$67.3	\$2,998.2	5.4%	5.2%	23.5%	26.0%	17.9%	70.8%	29.2%	17.2%	9.4%
Aspen Technology	\$28.79	87%	1.31x	\$2,697.9	(\$169.6)	\$2,528.3	18.7%	23.4%	NA	29.6%	13.0%	82.7%	32.2%	21.2%	16.8%
Manhattan Associates	\$77.16	96%	1.88x	\$1,501.7	(\$108.5)	\$1,393.1	9.7%	9.7%	25.6%	26.6%	NM	56.3%	11.7%	11.7%	9.9%
Dealertrack Technologies	\$35.43	98%	1.52x	\$1,540.8	(\$6.6)	\$1,534.2	17.8%	13.3%	25.1%	25.9%	15.3%	43.2%	0.1%	3.0%	NM
MicroStrategy	\$86.96	63%	1.05x	\$982.7	(\$330.2)	\$652.5	(2.3%)	9.1%	8.6%	11.1%	23.5%	73.9%	36.7%	16.7%	17.1%
Actuate	\$6.64	92%	1.34x	\$314.2	(\$67.3)	\$246.9	2.9%	7.5%	20.3%	22.1%	15.0%	84.1%	37.9%	17.8%	15.7%
QAD	\$11.48	79%	1.03x	\$176.5	(\$57.4)	\$119.2	3.0%	7.7%	5.2%	8.0%	15.0%	84.0%	25.1%	15.8%	12.7%
Average							11.5%	11.6%	29.2%	30.6%	15.5%	75.7%	29.2%	15.9%	10.9%
Median							9.1%	8.7%	27.9%	29.6%	14.9%	78.1%	28.1%	16.4%	10.4%

Source: CapitalIQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2013 Quarter End.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price/Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



Appendix– Comparable Public Company Analysis (Cont.)

Diversified– Valuation Metrics

(\$Millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
							2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E
Diversified														
Microsoft	\$34.55	97%	1.32x	\$288,489.0	(\$59,023.0)	\$229,466.0	2.7x	2.6x	6.7x	6.0x	11.7x	10.8x	1.28x	1.19x
Oracle	\$30.71	84%	1.07x	\$142,212.1	(\$13,722.0)	\$128,987.1	3.4x	3.2x	6.8x	6.4x	11.0x	10.1x	1.06x	0.98x
SAP AG	\$73.04	87%	1.26x	\$87,098.9	\$558.7	\$87,677.4	3.8x	3.5x	11.0x	9.7x	16.3x	14.4x	1.26x	1.11x
Adobe Systems	\$45.56	97%	1.54x	\$22,883.0	(\$2,340.1)	\$20,542.9	5.0x	4.6x	17.5x	14.1x	31.4x	27.0x	2.50x	2.14x
Symantec	\$22.48	89%	1.72x	\$15,660.4	(\$1,656.0)	\$14,004.4	2.0x	2.0x	6.4x	5.5x	13.0x	10.8x	1.50x	1.24x
Average							3.4x	3.2x	9.7x	8.3x	16.7x	14.6x	1.52x	1.33x
Median							3.4x	3.2x	6.8x	6.4x	13.0x	10.8x	1.28x	1.19x

Diversified– Operating Metrics

(\$Millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		S-Yr NI	GM	S&M Mgn	R&D Mgn	G&A Mgn
							2013E	2014E	2013E	2014E	Growth %	LTM	LTM	LTM	LTM
Diversified															
Microsoft	\$34.55	97%	1.32x	\$288,489.0	(\$59,023.0)	\$229,466.0	14.7%	4.4%	41.1%	44.1%	9.1%	75.3%	19.5%	13.4%	5.8%
Oracle	\$30.71	84%	1.07x	\$142,212.1	(\$13,722.0)	\$128,987.1	2.7%	4.5%	49.4%	50.2%	10.4%	80.9%	19.7%	13.0%	2.9%
SAP AG	\$73.04	87%	1.26x	\$87,098.9	\$558.7	\$87,677.4	7.8%	9.3%	34.5%	35.7%	13.0%	71.6%	24.0%	13.9%	5.5%
Adobe Systems	\$45.56	97%	1.54x	\$22,883.0	(\$2,340.1)	\$20,542.9	(6.9%)	8.5%	28.6%	32.7%	12.6%	87.4%	36.9%	18.7%	11.2%
Symantec	\$22.48	89%	1.72x	\$15,660.4	(\$1,656.0)	\$14,004.4	0.7%	3.8%	31.9%	35.6%	8.7%	84.0%	39.6%	14.7%	6.5%
Average							3.8%	6.1%	37.1%	39.7%	10.7%	79.8%	28.0%	14.8%	6.4%
Median							2.7%	4.5%	34.5%	35.7%	10.4%	80.9%	24.0%	13.9%	5.8%

Source: CapitalIQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2013 Quarter End.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price/Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



Appendix – Comparable Public Company Analysis (Cont.)

E-Commerce– Valuation Metrics

(\$Millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
							2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E
E-Commerce														
Amazon.com	\$277.69	98%	1.31x	\$126,416.4	(\$4,855.0)	\$121,561.4	1.6x	1.3x	24.1x	19.3x	NM	NM	NM	NM
eBay	\$51.72	89%	1.36x	\$67,121.7	(\$4,886.0)	\$62,235.7	3.8x	3.3x	11.5x	9.8x	18.8x	15.9x	1.16x	0.99x
priceline.com	\$826.67	98%	1.49x	\$42,639.6	(\$3,719.4)	\$39,111.1	5.9x	5.0x	15.7x	12.9x	21.1x	17.6x	1.02x	0.86x
Expedia	\$60.15	88%	1.38x	\$8,128.8	(\$839.8)	\$7,755.2	1.6x	1.4x	8.7x	7.5x	18.0x	15.1x	1.45x	1.22x
Mercadolibre	\$107.76	84%	1.68x	\$4,757.9	(\$197.6)	\$4,564.4	9.8x	7.8x	27.1x	21.3x	40.2x	30.6x	1.47x	1.12x
Groupon	\$8.55	80%	3.29x	\$5,656.3	(\$1,165.7)	\$4,488.3	1.8x	1.6x	15.1x	12.8x	47.5x	29.5x	1.74x	1.08x
ValueClick	\$24.71	77%	1.64x	\$1,883.2	(\$49.1)	\$1,834.1	2.5x	2.2x	7.3x	6.4x	13.4x	11.9x	0.84x	0.75x
Vistaprint N.V.	\$49.37	99%	1.75x	\$1,611.6	\$187.2	\$1,798.8	1.5x	1.3x	11.6x	9.9x	23.2x	16.9x	1.08x	0.79x
Orbitz Worldwide	\$8.03	92%	3.88x	\$846.8	\$230.2	\$1,077.0	1.3x	1.3x	7.7x	7.2x	20.1x	19.1x	0.73x	0.70x
Digital River	\$18.77	99%	1.47x	\$662.0	(\$336.8)	\$325.2	0.8x	0.8x	8.1x	5.4x	31.3x	30.0x	NM	NM
Blue Nile	\$37.78	87%	1.65x	\$468.2	(\$39.8)	\$428.4	0.9x	0.8x	17.8x	14.5x	46.6x	36.3x	2.30x	1.79x
Overstock.com	\$28.20	99%	4.61x	\$666.9	(\$81.9)	\$585.0	0.5x	0.4x	14.0x	12.1x	26.7x	21.4x	1.02x	0.82x
Average							2.7x	2.3x	14.1x	11.6x	27.9x	22.2x	1.28x	1.01x
Median							1.6x	1.4x	12.8x	11.0x	23.2x	19.1x	1.12x	0.92x

E-Commerce–Operating Metrics

(\$Millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn	R&D Mgn	G&A Mgn
							2013E	2014E	2013E	2014E	Growth %	LTM	LTM	LTM	LTM
E-Commerce															
Amazon.com	\$277.69	98%	1.31x	\$126,416.4	(\$4,855.0)	\$121,561.4	22.1%	22.5%	6.8%	6.9%	45.4%	25.4%	4.0%	7.8%	0.6%
eBay	\$51.72	89%	1.36x	\$67,121.7	(\$4,886.0)	\$62,235.7	15.9%	16.9%	33.3%	33.2%	16.1%	69.8%	20.2%	11.2%	10.8%
priceline.com	\$826.67	98%	1.49x	\$42,639.6	(\$3,719.4)	\$39,111.1	25.2%	19.6%	37.8%	38.4%	20.6%	78.7%	29.9%	NM	4.1%
Expedia	\$60.15	88%	1.38x	\$8,128.8	(\$839.8)	\$7,755.2	20.1%	13.4%	18.5%	18.9%	12.4%	77.5%	43.5%	12.2%	8.5%
Mercadolibre	\$107.76	84%	1.68x	\$4,757.9	(\$197.6)	\$4,564.4	25.1%	24.8%	36.0%	36.7%	27.4%	78.8%	19.6%	7.7%	11.2%
Groupon	\$8.55	80%	3.29x	\$5,656.3	(\$1,165.7)	\$4,488.3	9.6%	10.2%	11.6%	12.5%	27.3%	65.4%	11.4%	NM	NM
ValueClick	\$24.71	77%	1.64x	\$1,883.2	(\$49.1)	\$1,834.1	12.0%	12.2%	34.0%	34.4%	15.9%	62.2%	12.8%	9.8%	10.6%
Vistaprint N.V.	\$49.37	99%	1.75x	\$1,611.6	\$187.2	\$1,798.8	10.8%	9.0%	12.6%	13.6%	21.4%	65.7%	38.3%	13.9%	9.1%
Orbitz Worldwide	\$8.03	92%	3.88x	\$846.8	\$230.2	\$1,077.0	6.4%	3.9%	16.8%	17.4%	27.4%	80.7%	33.1%	NM	NM
Digital River	\$18.77	99%	1.47x	\$662.0	(\$336.8)	\$325.2	3.6%	1.7%	10.0%	14.8%	10.0%	81.6%	41.3%	16.4%	14.8%
Blue Nile	\$37.78	87%	1.65x	\$468.2	(\$39.8)	\$428.4	13.5%	13.2%	5.3%	5.8%	20.3%	18.7%	5.1%	NM	NM
Overstock.com	\$28.20	99%	4.61x	\$666.9	(\$81.9)	\$585.0	12.9%	7.3%	3.4%	3.6%	26.1%	18.3%	5.9%	NM	10.9%
Average							14.8%	12.9%	18.8%	19.7%	22.5%	60.2%	22.1%	11.3%	9.0%
Median							13.2%	12.7%	14.7%	16.1%	21.0%	67.8%	19.9%	11.2%	10.6%

Source: CapitalIQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2013 Quarter End.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price/Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



Appendix– Comparable Public Company Analysis (Cont.)

Internet– Valuation Metrics

(\$Millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
							2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E
Internet														
Google	\$880.37	96%	1.57x	\$292,076.9	(\$42,722.0)	\$249,354.9	4.1x	3.5x	11.4x	9.6x	19.0x	16.4x	1.16x	1.00x
Facebook	\$24.88	55%	1.42x	\$60,157.5	(\$7,211.0)	\$52,946.5	7.8x	6.2x	14.8x	11.6x	43.3x	31.9x	1.57x	1.16x
Yahoo	\$25.13	91%	1.72x	\$27,206.6	(\$2,977.2)	\$24,275.5	5.4x	5.2x	14.7x	14.2x	18.5x	17.0x	1.59x	1.46x
AOL	\$36.48	83%	1.34x	\$2,825.4	(\$363.6)	\$2,473.0	1.1x	1.1x	5.7x	5.4x	19.9x	16.5x	0.99x	0.83x
Yelp	\$34.77	96%	2.13x	\$2,240.6	(\$94.5)	\$2,146.1	9.8x	6.9x	NM	NM	NM	NM	NM	NM
Average							5.7x	4.6x	11.6x	10.2x	25.2x	20.4x	1.33x	1.11x
Median							5.4x	5.2x	13.0x	10.6x	19.5x	16.8x	1.37x	1.08x

Internet– Operating Metrics

(\$Millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn	R&D Mgn	G&A Mgn
							2013E	2014E	2013E	2014E	Growth %	LTM	LTM	LTM	LTM
Internet															
Google	\$880.37	96%	1.57x	\$292,076.9	(\$42,722.0)	\$249,354.9	20.2%	16.7%	36.2%	36.8%	16.4%	57.7%	11.8%	13.0%	7.5%
Facebook	\$24.88	55%	1.42x	\$60,157.5	(\$7,211.0)	\$52,946.5	32.6%	25.9%	53.0%	53.6%	27.5%	72.7%	17.4%	28.0%	17.6%
Yahoo	\$25.13	91%	1.72x	\$27,206.6	(\$2,977.2)	\$24,275.5	(9.1%)	3.1%	36.5%	36.5%	11.7%	68.1%	21.9%	17.9%	11.2%
AOL	\$36.48	83%	1.34x	\$2,825.4	(\$363.6)	\$2,473.0	2.1%	3.1%	19.5%	19.9%	20.0%	30.8%	NM	NM	17.0%
Yelp	\$34.77	96%	2.13x	\$2,240.6	(\$94.5)	\$2,146.1	58.6%	43.5%	NA	NA	15.0%	92.9%	61.0%	15.1%	18.3%
Average							20.9%	18.5%	36.3%	36.7%	18.1%	64.4%	28.0%	18.5%	14.3%
Median							20.2%	16.7%	36.4%	36.6%	16.4%	68.1%	19.6%	16.5%	17.0%

Source: CapitalIQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2013 Quarter End.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price/Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



Appendix– Comparable Public Company Analysis (Cont.)

SaaS– Valuation Metrics

(\$Millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
							2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E
SaaS														
salesforce.com	\$38.18	80%	1.27x	\$22,523.7	(\$405.5)	\$22,118.3	5.6x	4.5x	NM	26.1x	NM	NM	NM	NM
Intuit	\$61.04	89%	1.10x	\$18,124.3	(\$1,496.0)	\$16,628.3	3.5x	3.3x	9.2x	8.6x	17.5x	16.6x	1.36x	1.28x
Workday	\$64.09	92%	1.42x	\$11,087.6	(\$784.4)	\$10,303.1	NM	NM	NM	NM	NM	NM	NM	NM
NetSuite	\$91.74	96%	1.95x	\$6,768.8	(\$176.7)	\$6,592.1	NM	12.7x	NM	NM	NM	NM	NM	NM
ServiceNow	\$40.39	92%	1.79x	\$5,424.4	(\$338.9)	\$5,085.5	12.8x	8.8x	NM	NM	NM	NM	NM	NM
Concur Technologies	\$81.38	96%	1.41x	\$4,543.5	(\$208.3)	\$4,335.3	7.6x	6.1x	34.8x	27.9x	NM	NM	NM	NM
The Ultimate Software Group	\$117.29	99%	1.38x	\$3,242.6	(\$68.5)	\$3,174.2	7.8x	6.3x	NM	28.2x	NM	NM	NM	NM
Qlik Technologies	\$28.27	90%	1.69x	\$2,460.1	(\$214.7)	\$2,245.4	4.7x	3.9x	NM	26.5x	NM	46.7x	NM	1.23x
Guidewire Software	\$42.05	96%	1.79x	\$2,413.9	(\$154.1)	\$2,259.8	7.4x	5.9x	NM	NM	NM	NM	NM	NM
Cornerstone OnDemand	\$43.30	94%	1.99x	\$2,209.7	(\$69.3)	\$2,140.5	11.8x	8.3x	NM	NM	NM	NM	NM	NM
ExactTarget	\$33.72	100%	1.95x	\$2,348.5	(\$101.0)	\$2,247.5	5.9x	4.9x	NM	NM	NM	NM	NM	NM
RealPage	\$18.34	68%	1.09x	\$1,404.8	(\$22.8)	\$1,382.0	3.6x	3.0x	15.1x	12.2x	31.1x	25.1x	1.24x	1.00x
Synchronoss Technologies	\$30.87	94%	1.81x	\$1,184.7	(\$57.2)	\$1,127.4	3.3x	2.7x	10.7x	8.2x	23.2x	18.7x	0.93x	0.75x
Jive Software	\$18.17	83%	1.71x	\$1,210.8	(\$133.6)	\$1,077.2	7.2x	5.5x	NM	NM	NM	NM	NM	NM
LifeLock	\$11.71	94%	1.72x	\$1,018.0	(\$145.3)	\$872.7	2.5x	2.1x	21.3x	15.4x	34.3x	24.5x	NM	NM
Demandware	\$42.41	100%	1.99x	\$1,279.2	(\$102.1)	\$1,177.1	11.9x	8.8x	NM	NM	NM	NM	NM	NM
LivePerson	\$8.96	46%	1.12x	\$493.2	(\$94.8)	\$398.4	2.3x	2.0x	19.1x	13.8x	44.8x	33.2x	1.95x	1.45x
SPS Commerce	\$55.00	96%	1.94x	\$825.8	(\$72.6)	\$753.2	7.5x	6.3x	NM	NM	NM	NM	NM	NM
SciQuest	\$25.05	96%	1.91x	\$569.0	(\$46.1)	\$522.9	5.7x	4.7x	29.2x	21.4x	NM	49.1x	NM	1.96x
ServiceSource International	\$9.32	67%	2.32x	\$716.0	(\$116.8)	\$599.2	2.2x	1.9x	27.9x	19.6x	NM	NM	NM	NM
Bazaarvoice	\$9.43	50%	1.48x	\$686.2	(\$95.3)	\$590.9	3.3x	2.8x	NM	NM	NM	NM	NM	NM
LogMeIn	\$24.46	71%	1.52x	\$594.7	(\$205.2)	\$389.5	2.4x	2.1x	13.1x	10.9x	49.9x	31.6x	2.39x	1.51x
Tango	\$15.43	68%	1.34x	\$575.7	(\$30.4)	\$545.3	2.9x	2.5x	17.3x	13.6x	22.4x	18.4x	NM	NM
Responsys	\$14.31	95%	2.62x	\$706.4	(\$105.4)	\$601.1	3.1x	2.7x	21.8x	17.9x	NM	NM	NM	NM
Constant Contact	\$16.07	76%	1.40x	\$493.5	(\$97.3)	\$396.2	1.4x	1.2x	8.8x	7.3x	24.0x	19.4x	0.83x	0.67x
IntraLinks Holdings	\$7.26	99%	1.84x	\$399.1	\$1.2	\$400.4	1.8x	1.7x	11.4x	10.0x	NM	42.7x	NM	2.85x
Vocus	\$10.52	51%	1.31x	\$221.9	(\$40.1)	\$259.3	1.4x	1.2x	15.4x	9.7x	NM	31.9x	NM	1.59x
Carbonite	\$12.39	92%	2.15x	\$321.8	(\$56.5)	\$265.3	2.5x	2.0x	NM	NM	NM	NM	NM	NM
Callidus Software	\$6.59	99%	1.83x	\$247.5	\$39.6	\$287.1	2.7x	2.4x	NM	21.1x	NM	38.8x	NM	1.94x
Average							5.0x	4.3x	18.2x	16.6x	30.9x	30.5x	1.45x	1.48x
Median							3.5x	3.1x	16.4x	14.6x	27.5x	31.6x	1.30x	1.45x

SaaS– Operating Metrics

(\$Millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		S-Yr NI	GM	S&M Mgn	R&D Mgn	G&A Mgn
							2013E	2014E	2013E	2014E	Growth %	LTM	LTM	LTM	LTM
SaaS															
salesforce.com	\$38.18	80%	1.27x	\$22,523.7	(\$405.5)	\$22,118.3	29.6%	25.2%	NA	17.1%	27.3%	77.2%	52.7%	14.4%	14.2%
Intuit	\$61.04	89%	1.10x	\$18,124.3	(\$1,496.0)	\$16,628.3	12.0%	8.4%	38.6%	38.1%	12.9%	83.2%	28.1%	16.0%	9.3%
Workday	\$64.09	92%	1.42x	\$11,087.6	(\$784.4)	\$10,303.1	60.4%	50.7%	NA	NA	44.0%	58.5%	44.4%	38.3%	14.4%
NetSuite	\$91.74	96%	1.95x	\$6,768.8	(\$176.7)	\$6,592.1	32.0%	27.5%	NA	NA	28.1%	68.5%	50.0%	17.6%	12.1%
ServiceNow	\$40.39	92%	1.79x	\$5,424.4	(\$338.9)	\$5,085.5	63.1%	45.9%	NA	NA	40.7%	59.8%	43.5%	17.5%	13.3%
Concur Technologies	\$81.38	96%	1.41x	\$4,543.5	(\$208.3)	\$4,335.3	24.2%	23.3%	21.7%	21.9%	24.5%	71.7%	42.5%	10.8%	16.1%
The Ultimate Software Group	\$117.29	99%	1.38x	\$3,242.6	(\$68.5)	\$3,174.2	23.0%	22.8%	NA	22.4%	27.2%	57.3%	21.8%	17.4%	8.0%
Qlik Technologies	\$28.27	90%	1.69x	\$2,460.1	(\$214.7)	\$2,245.4	22.9%	19.9%	NA	14.8%	38.0%	88.1%	54.7%	11.7%	20.2%
Guidewire Software	\$42.05	96%	1.79x	\$2,413.9	(\$154.1)	\$2,259.8	17.3%	24.8%	NA	NA	NM	55.0%	18.8%	22.8%	11.6%
Cornerstone OnDemand	\$43.30	94%	1.99x	\$2,209.7	(\$69.3)	\$2,140.5	54.4%	41.7%	NA	NA	40.2%	70.4%	61.1%	12.3%	21.1%
ExactTarget	\$33.72	100%	1.95x	\$2,348.5	(\$101.0)	\$2,247.5	29.3%	21.5%	NA	NA	30.0%	64.7%	40.5%	19.2%	13.4%
RealPage	\$18.34	68%	1.09x	\$1,404.8	(\$22.8)	\$1,382.0	18.1%	19.8%	23.7%	24.8%	25.0%	60.4%	24.7%	14.5%	12.0%
Synchronoss Technologies	\$30.87	94%	1.81x	\$1,184.7	(\$57.2)	\$1,127.4	25.5%	20.8%	30.8%	33.3%	25.0%	58.5%	NM	19.5%	NM
Jive Software	\$18.17	83%	1.71x	\$1,210.8	(\$133.6)	\$1,077.2	32.1%	29.3%	NA	NA	30.0%	61.4%	55.4%	35.6%	14.8%
LifeLock	\$11.71	94%	1.72x	\$1,018.0	(\$145.3)	\$872.7	27.4%	19.2%	11.6%	13.5%	NM	71.8%	44.7%	11.0%	10.4%
Demandware	\$42.41	100%	1.99x	\$1,279.2	(\$102.1)	\$1,177.1	24.8%	34.3%	NA	NA	15.0%	69.7%	45.9%	19.5%	19.4%
LivePerson	\$8.96	46%	1.12x	\$493.2	(\$94.8)	\$398.4	12.3%	14.2%	11.8%	14.3%	22.9%	76.8%	32.5%	19.3%	21.4%
SPS Commerce	\$55.00	96%	1.94x	\$825.8	(\$72.6)	\$753.2	30.0%	19.2%	NA	NA	24.0%	70.8%	38.9%	10.6%	16.8%
SciQuest	\$25.05	96%	1.91x	\$569.0	(\$46.1)	\$522.9	36.9%	22.6%	19.7%	21.9%	25.0%	68.8%	26.5%	28.5%	13.4%
ServiceSource International	\$9.32	67%	2.32x	\$716.0	(\$116.8)	\$599.2	10.2%	14.4%	8.0%	10.0%	25.0%	42.5%	23.6%	8.5%	17.1%
Bazaarvoice	\$9.43	50%	1.48x	\$686.2	(\$95.3)	\$590.9	21.3%	17.4%	NA	NA	NM	65.6%	47.8%	20.6%	26.0%
LogMeIn	\$24.46	71%	1.52x	\$594.7	(\$205.2)	\$389.5	14.7%	14.0%	18.7%	19.8%	20.9%	89.2%	51.4%	18.1%	19.5%
Tango	\$15.43	68%	1.34x	\$575.7	(\$30.4)	\$545.3	23.5%	16.5%	16.5%	18.0%	NM	54.2%	16.2%	10.9%	15.4%
Responsys	\$14.31	95%	2.62x	\$706.4	(\$105.4)	\$601.1	17.9%	16.5%	14.3%	15.0%	16.3%	54.1%	29.0%	9.0%	11.1%
Constant Contact	\$16.07	76%	1.40x	\$493.5	(\$97.3)	\$396.2	13.4%	11.5%	15.7%	17.0%	28.9%	70.9%	42.1%	15.2%	12.6%
IntraLinks Holdings	\$7.26	99%	1.84x	\$399.1	\$1.2	\$400.4	2.3%	4.8%	15.8%	17.3%	15.0%	71.7%	43.8%	9.7%	23.8%
Vocus	\$10.52	51%	1.31x	\$221.9	(\$40.1)	\$259.3	10.3%	10.5%	8.9%	12.8%	20.0%	80.2%	57.0%	6.9%	17.0%
Carbonite	\$12.39	92%	2.15x	\$321.8	(\$56.5)	\$265.3	25.2%	23.5%	NA	NA	27.5%	65.4%	47.5%	22.8%	13.9%
Callidus Software	\$6.59	99%	1.83x	\$247.5	\$39.6	\$287.1	12.0%	13.4%	NA	11.3%	20.0%	48.1%	33.7%	17.3%	20.2%
Average							25.1%	21.8%	18.3%	19.1%	26.1%	66.7%	40.0%	17.1%	15.7%
Median							23.5%	19.9%	16.2%	17.2%	25.0%	68.5%	43.0%	17.3%	14.6%

Source: CapitalIQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2013 Quarter End.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price/Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



Appendix– Comparable Public Company Analysis (Cont.)

Security– Valuation Metrics

(\$Millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
							2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E
Security														
Symantec	\$22.48	89%	1.72x	\$15,660.4	(\$1,656.0)	\$14,004.4	2.0x	2.0x	6.4x	5.5x	13.0x	10.8x	1.50x	1.24x
Check Point Software Tech.	\$49.68	94%	1.22x	\$9,758.9	(\$1,385.1)	\$8,373.9	6.0x	5.6x	10.2x	9.6x	14.6x	13.4x	1.32x	1.21x
VeriSign	\$44.66	89%	1.36x	\$6,732.3	(\$856.3)	\$5,876.0	6.1x	5.8x	9.6x	8.9x	19.8x	17.8x	1.47x	1.32x
Fortinet	\$17.50	62%	1.06x	\$2,838.9	(\$460.4)	\$2,378.6	4.0x	3.5x	17.9x	14.5x	35.7x	29.2x	1.87x	1.53x
Sourcefire	\$55.55	93%	1.41x	\$1,726.8	(\$205.9)	\$1,520.9	5.5x	4.5x	28.1x	22.2x	NM	46.7x	NM	2.12x
Imperva	\$45.04	99%	1.88x	\$1,104.3	(\$109.9)	\$993.2	7.3x	5.9x	NM	NM	NM	NM	NM	NM
Average							5.2x	4.6x	14.4x	12.1x	20.8x	23.6x	1.54x	1.48x
Median							5.7x	5.1x	10.2x	9.6x	17.2x	17.8x	1.48x	1.32x

Security– Operating Metrics

(\$Millions, except per share values)

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn	R&D Mgn	G&A Mgn
							2013E	2014E	2013E	2014E	Growth %	LTM	LTM	LTM	LTM
Security															
Symantec	\$22.48	89%	1.72x	\$15,660.4	(\$1,656.0)	\$14,004.4	0.7%	3.8%	31.9%	35.6%	8.7%	84.0%	39.6%	14.7%	6.5%
Check Point Software Tech.	\$49.68	94%	1.22x	\$9,758.9	(\$1,385.1)	\$8,373.9	4.2%	6.2%	58.7%	58.8%	11.0%	88.4%	19.1%	8.5%	5.3%
VeriSign	\$44.66	89%	1.36x	\$6,732.3	(\$856.3)	\$5,876.0	9.5%	6.1%	63.9%	65.3%	13.5%	80.8%	9.7%	7.2%	9.5%
Fortinet	\$17.50	62%	1.06x	\$2,838.9	(\$460.4)	\$2,378.6	12.4%	14.2%	22.2%	23.9%	19.1%	71.8%	33.8%	15.3%	5.2%
Sourcefire	\$55.55	93%	1.41x	\$1,726.8	(\$205.9)	\$1,520.9	24.7%	20.4%	19.5%	20.5%	22.0%	76.7%	39.8%	18.0%	12.5%
Imperva	\$45.04	99%	1.88x	\$1,104.3	(\$109.9)	\$993.2	29.7%	24.3%	NA	NA	25.0%	78.8%	53.4%	19.7%	14.6%
Average							13.6%	12.5%	39.2%	40.8%	16.5%	80.1%	32.6%	13.9%	8.9%
Median							11.0%	10.2%	31.9%	35.6%	16.3%	79.8%	36.7%	15.0%	8.0%

Source: CapitalIQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2013 Quarter End.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price/Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



Appendix– Comparable Public Company Analysis (Cont.)

IT Infrastructure Management– Valuation Metrics

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
							2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E
IT Infrastructure Management														
Oracle	\$30.71	84%	1.07x	\$142,212.1	(\$13,722.0)	\$128,987.1	3.36x	3.2x	6.8x	6.4x	11.0x	10.1x	1.05x	0.97x
Vmware	\$66.99	65%	1.03x	\$28,683.6	(\$4,873.0)	\$24,196.9	4.67x	4.1x	11.6x	10.4x	20.4x	17.8x	1.04x	0.91x
Symantec	\$22.48	89%	1.72x	\$15,660.4	(\$1,656.0)	\$14,004.4	2.03x	2.0x	6.4x	5.5x	12.2x	10.8x	1.41x	1.24x
Citrix Systems	\$60.36	70%	1.07x	\$11,294.8	(\$657.9)	\$10,636.9	3.59x	3.2x	11.0x	9.8x	19.5x	17.2x	1.17x	1.03x
CA Technologies	\$28.62	96%	1.33x	\$12,962.7	(\$1,361.0)	\$11,601.7	2.58x	2.6x	6.8x	6.8x	10.2x	10.8x	1.58x	1.67x
Red Hat	\$47.82	80%	1.06x	\$9,052.0	(\$853.6)	\$8,198.4	5.56x	4.8x	19.8x	16.5x	37.4x	31.7x	1.61x	1.36x
F5 Networks	\$68.80	62%	1.02x	\$5,421.4	(\$522.8)	\$4,898.5	3.31x	2.9x	8.7x	7.3x	15.2x	13.1x	1.07x	0.92x
BMC Software	\$45.13	94%	1.27x	\$6,383.8	(\$169.4)	\$6,214.4	2.72x	2.7x	7.3x	7.2x	12.0x	11.5x	1.06x	1.02x
SolarWinds	\$38.81	63%	1.02x	\$2,918.4	(\$265.8)	\$2,652.6	7.87x	6.3x	14.7x	12.2x	25.4x	20.9x	1.21x	1.00x
Splunk	\$46.36	97%	1.79x	\$4,812.7	(\$331.3)	\$4,481.5	NM	12.3x	NM	NM	NM	NM	NM	NM
CommVault Systems	\$75.89	86%	1.97x	\$3,527.4	(\$435.9)	\$3,091.5	5.59x	4.8x	24.5x	19.6x	NM	41.9x	NM	1.85x
TIBCO Software	\$21.41	65%	1.18x	\$3,512.4	(\$194.4)	\$3,318.0	3.15x	2.9x	12.0x	10.2x	22.0x	17.8x	1.72x	1.40x
Riverbed Technology	\$15.56	64%	1.17x	\$2,542.9	\$115.6	\$2,658.4	2.47x	2.2x	8.5x	7.4x	15.7x	13.0x	0.94x	0.78x
Infoblox	\$29.26	97%	2.13x	\$1,465.2	(\$191.7)	\$1,273.5	5.27x	4.3x	NM	30.6x	NM	49.2x	NM	2.46x
PROS Holdings	\$29.95	94%	2.35x	\$836.1	(\$82.5)	\$753.6	5.19x	4.3x	32.4x	27.0x	NM	NM	NM	NM
Falconstor Software	\$1.37	47%	1.12x	\$65.7	(\$27.4)	\$38.3	NM	NM	NM	NM	NM	NM	NM	NM
Average							4.1x	4.2x	13.1x	12.6x	18.3x	20.5x	1.26x	1.28x
Median							3.5x	3.2x	11.0x	10.0x	15.7x	17.2x	1.17x	1.03x

IT Infrastructure Management – Operating Metrics

	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn	R&D Mgn	G&A Mgn
							2013E	2014E	2013E	2014E	Growth %	LTM	LTM	LTM	LTM
IT Infrastructure Management															
Oracle	\$30.71	84%	1.07x	\$142,212.1	(\$13,722.0)	\$128,987.1	3.2%	3.9%	49.2%	50.3%	10.4%	80.9%	19.7%	13.0%	2.9%
Vmware	\$66.99	65%	1.03x	\$28,683.6	(\$4,873.0)	\$24,196.9	12.4%	14.8%	40.4%	39.2%	19.5%	85.1%	36.0%	21.8%	7.9%
Symantec	\$22.48	89%	1.72x	\$15,660.4	(\$1,656.0)	\$14,004.4	0.7%	3.8%	31.9%	35.6%	8.7%	84.0%	39.6%	14.7%	6.5%
Citrix Systems	\$60.36	70%	1.07x	\$11,294.8	(\$657.9)	\$10,636.9	14.7%	13.0%	32.6%	32.5%	16.6%	87.1%	41.6%	17.9%	9.2%
CA Technologies	\$28.62	96%	1.33x	\$12,962.7	(\$1,361.0)	\$11,601.7	(3.9%)	0.2%	37.7%	37.7%	6.5%	86.3%	27.5%	10.6%	8.8%
Red Hat	\$47.82	80%	1.06x	\$9,052.0	(\$853.6)	\$8,198.4	15.3%	15.0%	28.2%	29.4%	23.2%	84.7%	38.9%	20.1%	10.3%
F5 Networks	\$68.80	62%	1.02x	\$5,421.4	(\$522.8)	\$4,898.5	4.4%	14.0%	38.2%	39.8%	14.3%	82.9%	32.8%	13.7%	6.8%
BMC Software	\$45.13	94%	1.27x	\$6,383.8	(\$169.4)	\$6,214.4	4.1%	1.5%	37.3%	37.0%	11.3%	73.1%	30.9%	7.2%	10.7%
SolarWinds	\$38.81	63%	1.02x	\$2,918.4	(\$265.8)	\$2,652.6	25.4%	24.8%	53.7%	51.9%	21.0%	93.0%	27.2%	10.6%	12.8%
Splunk	\$46.36	97%	1.79x	\$4,812.7	(\$331.3)	\$4,481.5	37.3%	33.4%	NA	NA	NM	89.1%	65.0%	22.0%	16.5%
CommVault Systems	\$75.89	86%	1.97x	\$3,527.4	(\$435.9)	\$3,091.5	17.3%	15.3%	22.8%	24.7%	22.6%	86.9%	50.0%	9.6%	10.1%
TIBCO Software	\$21.41	65%	1.18x	\$3,512.4	(\$194.4)	\$3,318.0	2.8%	9.1%	26.2%	28.2%	12.8%	71.5%	31.7%	15.7%	7.0%
Riverbed Technology	\$15.56	64%	1.17x	\$2,542.9	\$115.6	\$2,658.4	28.6%	11.1%	28.9%	29.9%	16.7%	74.8%	41.1%	17.7%	7.2%
Infoblox	\$29.26	97%	2.13x	\$1,465.2	(\$191.7)	\$1,273.5	25.5%	22.7%	NA	14.0%	20.0%	74.4%	51.9%	20.1%	10.5%
PROS Holdings	\$29.95	94%	2.35x	\$836.1	(\$82.5)	\$753.6	23.2%	21.3%	16.0%	15.8%	24.2%	70.7%	NM	23.3%	NM
Falconstor Software	\$1.37	47%	1.12x	\$65.7	(\$27.4)	\$38.3	NM	NA	NA	NA	NM	72.3%	46.5%	25.9%	18.9%
Average							14.1%	13.6%	34.1%	33.3%	16.3%	81.3%	38.7%	16.5%	9.8%
Median							14.7%	14.0%	32.6%	34.1%	16.7%	83.5%	38.9%	16.7%	9.2%

Source: CapitalIQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2013 Quarter End.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x, and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price/Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



Appendix– Q2 Selected Software M&A Transactions

Selected Global Software M&A Comparables (Deals > \$ 10 million)

Date	Target	Acquirer	Transaction Value (\$USDmm)	Enterprise Value (\$USDmm)	Valuation Metrics	
					EV/LTM Revenues	EV/LTM EBITDA
Software Sector						
06/28/2013	Bravura Solutions	Ironbridge Capital Pty	\$54	\$171	1.42x	7.9x
06/28/2013	Neo MTEL CO	E-Film CO	\$13	\$64	6.07x	NA
06/27/2013	Neolane SA	Adobe Systems	\$600	\$600	NM	NA
06/24/2013	Keynote Systems	Thoma Bravo	\$399	\$341	2.75x	23.1x
06/24/2013	Society6,	Demand Media	\$94	\$94	6.29x	NA
06/20/2013	Composite Software	Cisco Systems	\$180	\$180	NA	NA
06/19/2013	Exacq Technologies	Tyco International	\$150	\$150	2.73x	NA
06/17/2013	Panopticon Software	Datawatch Corp.	\$31	\$31	6.28x	NA
06/17/2013	prairieFyre Software	Mitel Networks Corp.	\$24	\$20	NA	NA
06/17/2013	ICT Automatisering NV	DPA Group NV	\$43	\$46	0.45x	14.2x
06/17/2013	Veramark Technologies	Hubspoke Holdings	\$13	\$12	0.75x	11.6x
06/13/2013	Simplex Holdings	The Carlyle Group	\$284	\$216	1.23x	7.1x
06/13/2013	JustChalo	OpenTable	\$11	\$11	NA	NA
06/13/2013	Terashop S.p.A., MisterPrice, ePlaza and Bow e-commerce websites	Banzai Commerce	\$11	\$11	NA	NA
06/11/2013	Veritape	Eckoh	\$17	\$17	NM	NA
06/11/2013	Fontworks	Softbank Technology	\$18	\$21	NA	NA
06/07/2013	EdgeSpring	Salesforce.com	\$80	\$80	NA	NA
06/05/2013	IQS AvantiIQ	Wolters Kluwer Corporate Legal Svc.	\$12	\$12	NA	NA
06/04/2013	ISS Group	P2 Energy Solutions	\$43	\$37	1.84x	NM
06/04/2013	ExactTarget	Salesforce.com	\$2,351	\$2,250	7.09x	NA
06/04/2013	SoftLayer Technologies	IBM	\$2,000	\$2,000	NA	NA
05/31/2013	d-cyphaTrade	ASX	\$53	\$53	NA	NA
05/30/2013	Tweddle Group , Tweddle Connect Business	Nuance Communications	\$80	\$80	NA	NA
05/29/2013	Apriso Corp.	Dassault Systemes	\$205	\$205	NA	NA
05/29/2013	JouleX	Cisco Systems	\$107	\$107	NA	NA
05/28/2013	WebCollage	Answers Corporation	\$37	\$37	NA	NA
05/24/2013	Automatic	Tiger Global Management	\$50	-	NA	NA
05/21/2013	N-able Technologies Int.	SolarWinds Worldwide	\$120	\$120	NA	NA
05/21/2013	Markit Group	Temasek Holdings	\$500	\$5,000	NA	NA
05/20/2013	Cronto	VASCO Data Security Int.	\$22	\$22	NA	NA
05/14/2013	Brain Force Holding	Pierer Industrie	\$24	\$22	0.21x	10.2x
05/08/2013	Civica	OMERS Private Equity	\$608	\$608	1.93x	10.3x
05/08/2013	Market Leader	Trulia	\$336	\$314	6.59x	NA
05/07/2013	Hosting Internet Hizmetleri	Telety Group	\$45	\$45	NA	NA
05/07/2013	Microlink Solutions Berhad	Formis Holdings Berhad	\$19	\$16	0.96x	4.1x
05/07/2013	Opera Solutions	Wipro	\$30	-	NA	NA
05/06/2013	Stonesoft Oyj	McAfee	\$372	\$379	6.98x	NA
05/06/2013	AccessKenya Group	Dimension Data Holdings	\$44	\$44	1.93x	5.4x
05/06/2013	BMC Software	Insight Venture Partners & 3 Others	\$8,377	\$6,866	3.12x	11.2x
05/06/2013	PPStream,	iQIYL.com	\$370	\$370	NA	NA
05/06/2013	CNFOL.COM Company	Xiamen 35.Com Technology Co	\$34	\$34	NA	NA
05/05/2013	ALL Rail Technology	Darby Overseas Investments	\$15	\$15	NA	NA
05/03/2013	Quindell Property Services	Quindell Portfolio	\$54	\$54	NA	NA
05/02/2013	Momingstar Sweden	Momingstar Europe	\$13	\$17	NA	NA
05/02/2013	TriTek Solutions	Perficient	\$19	\$19	0.97x	NA
05/02/2013	KSD Software Norway AS	The Descartes Systems Group	\$31	\$31	3.20x	NA
05/01/2013	AwesomenessTV,	DreamWorks Animation SKG	\$150	\$150	NA	NA
04/30/2013	Mascus Danmark	Mascus International	\$14	\$14	2.16x	NA
04/30/2013	Dream Industries	Essedel Oy	\$30	\$101	NA	NA
04/30/2013	FastPencil	Courier New Media	\$18	\$18	NA	NA

Source: CapitalIQ.

Note: (1) Excludes Outlier Multiples for Transactions with EV/Rev. > 8x, and EV/EBITDA > 24x.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



Appendix– Q2 Selected Software M&A Transactions (Cont.)

Date	Target	Acquirer	Transaction Value (\$USDmm)	Enterprise Value (\$USDmm)	Valuation Metrics		
					EV/LTM Revenues	EV/LTM EBITDA	
Software Sector							
04/29/2013	Revera	Telecom Corporation of New Zealand	\$83	\$83	1.93x	7.4x	
04/29/2013	Arkoon Network Security	Cassidian SAS	\$21	\$17	1.05x	6.0x	
04/29/2013	Weibo.com	Alibaba Group Holding	\$586	-	NA	NA	
04/26/2013	E-surfing Media Co.	China Telecommunications Corp.	\$194	\$242	NA	NA	
04/25/2013	Relational Networks	Software	\$25	\$25	NA	NA	
04/24/2013	Idhasoft	Prism Informatics	\$20	\$117	NA	NA	
04/23/2013	Radiant Communications	Frontier Networks	\$15	\$9	0.29x	4.6x	
04/22/2013	Webhallen Sverige	Komplett ASA	\$21	\$21	NA	NA	
04/18/2013	iter8	Quindell Portfolio	\$26	\$26	NA	NA	
04/17/2013	BLACKIRON Data ULC	Rogers Business Solutions	\$195	\$195	5.95x	15.4x	
04/17/2013	Supercell Oy	Institutional Venture Partners & 2 Others	\$130	\$778	7.78x	NA	
04/16/2013	Logo Yazilim Sanayi ve Ticaret AS	Mediterra Private Equity	\$27	\$78	2.94x	NA	
04/11/2013	Alphonso Labs	LinkedIn	\$90	\$90	NA	NA	
04/11/2013	Advent Software	TPG Advisors VI	\$190	\$1,204	3.30x	14.6x	
04/08/2013	RunMyProcess SAS	Fujitsu	\$20	\$20	NM	NA	
04/08/2013	Alti SA	TCS	\$98	\$98	0.60x	NA	
04/08/2013	ENMAX Envision	Shaw Communications	\$221	\$221	NA	NA	
04/05/2013	1st Holdings	ORIX Corp.	\$322	\$298	2.25x	6.0x	
04/01/2013	SGCM Pte	Singapore Press	\$48	\$48	NA	NA	
04/01/2013	BGC Partners, , e-speed Platform	The Nasdaq OMX Group	\$1,235	\$1,235	NM	NA	
Average ⁽¹⁾					3.03x	9.9x	
Median ⁽¹⁾					2.21x	9.1x	

Source: CapitalIQ.

Note: (1) Excludes Outlier Multiples for Transactions with EV/Rev. > 8x, and EV/EBITDA > 24x.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



Appendix – Public Software Groupings

IT Infrastructure Management	
Company Name	Ticker
Oracle	ORCL
Vmware	VMW
Symantec	SYMC
Citrix Systems	CTXS
CA Technologies	CA
Red Hat	RHT
F5 Networks	FFIV
BMC Software	BMC
SolarWinds	SWI
Splunk	SPLK
CommVault Systems	CVLT
TIBCO Software	TIBX
Riverbed Technology	RVBD
Infoblox	BLOX
PROS Holdings	PRO
Falconstor Software	FALC

Application	
Company Name	Ticker
Microsoft	MSFT
Oracle	ORCL
SAP AG	SAP
Intuit	INTU
Autodesk	ADSK
Ansys	ANSS
NetSuite	N
Splunk	SPLK
OpenText	OTEX
PTC	PMTC
Aspen Technology	AZPN
Manhattan Associates	MANH
Dealertrack Technologies	TRAK
MicroStrategy	MSTR
Actuate	BIRT
QAD	QADA

Security	
Company Name	Ticker
Symantec	SYMC
Check Point Software Tech.	CHKP
VeriSign	VRSN
Fortinet	FTNT
Sourcefire	FIRE
Imperva	IMPV

Diversified	
Company Name	Ticker
Microsoft	MSFT
Oracle	ORCL
SAP AG	SAP
Adobe Systems	ADBE
Symantec	SYMC

E-Commerce	
Company Name	Ticker
Amazon.com	AMZN
eBay	EBAY
priceline.com	PCLN
Expedia	EXPE
Mercadolibre	MELI
Groupon	GRPN
ValueClick,	VCLK
Vistaprint N.V.	VPRT
Orbitz Worldwide	OWW
Digital River	DRIV
Blue Nile	NILE
Overstock.com	OSTK

SaaS	
Company Name	Ticker
salesforce.com	CRM
Intuit	INTU
Workday	WDAY
NetSuite	N
ServiceNow	NOW
Concur Technologies	CNQR
Ultimate Software Group	ULTI
Qlik Technologies	QLIK
Guidewire Software	GWRE
Cornerstone OnDemand	CSOD
ExactTarget	ET
RealPage	RP
Synchronoss Tech.	SNCR
Jive Software	JIVE
LifeLock	LOCK
Demandware	DWRE
LivePerson	LPSN
SPS Commerce	SPSC
SciQuest	SQI
ServiceSource Int.	SREV
Bazaarvoice	BV
LogMeIn	LOGM
Tangoe	TNGO
Responsys	MKTG
Constant Contact	CTCT
IntraLinks Holdings	IL
Vocus	VOCS
Carbonite	CARB
Callidus Software	CALD

Internet	
Company Name	Ticker
Google	GOOG
Facebook	FB
Yahoo	YHOO
AOL	AOL
Yelp	YELP



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