

Presentation to:

Venture Club

Global M&A and Capital Markets Update

November 1, 2012

Member: FINRA/SIPC

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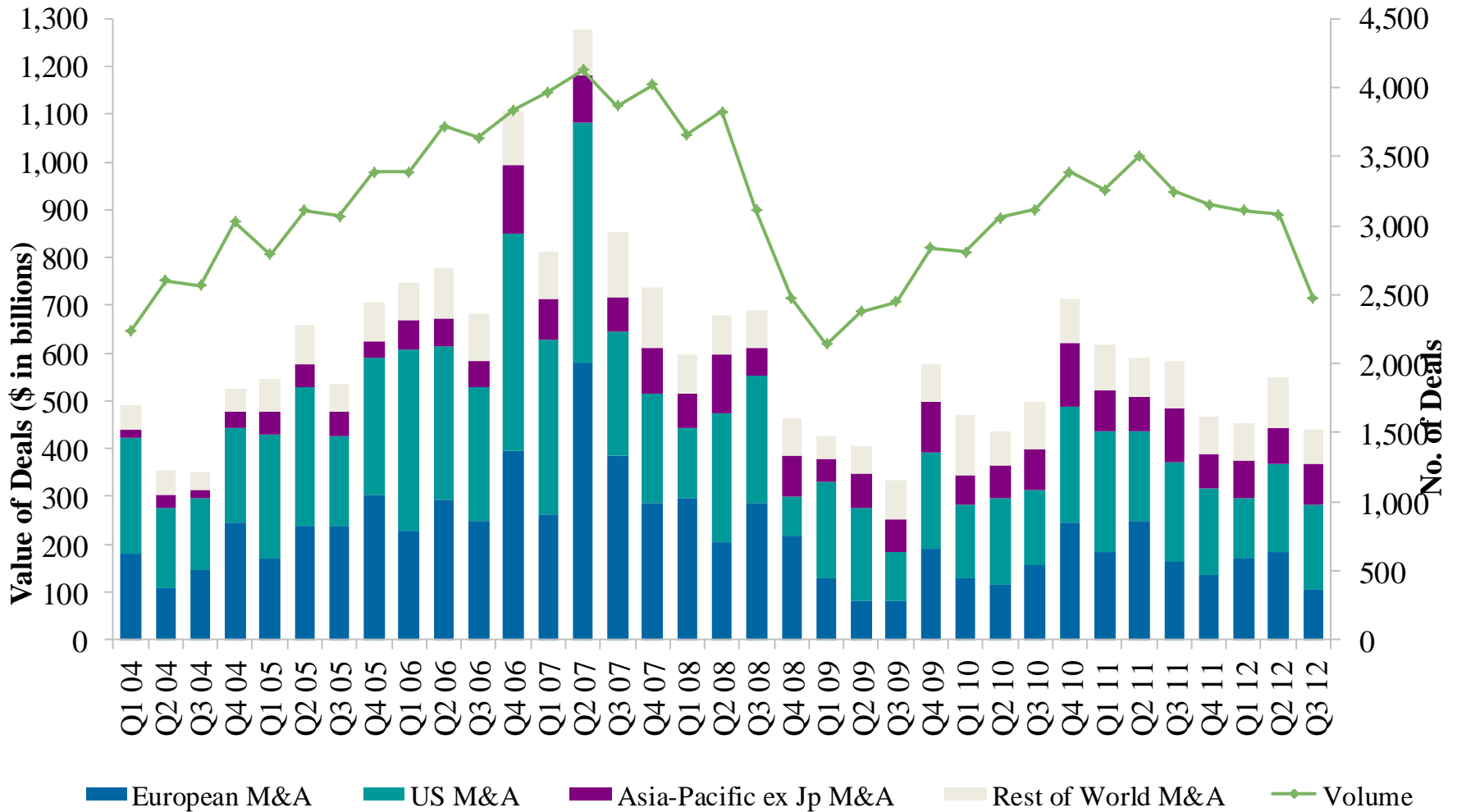
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Global M&A Activity is Down Year Over Year



Source: Dealogic.

Drivers and Inhibitors to Global M&A And Capital Markets

Drivers

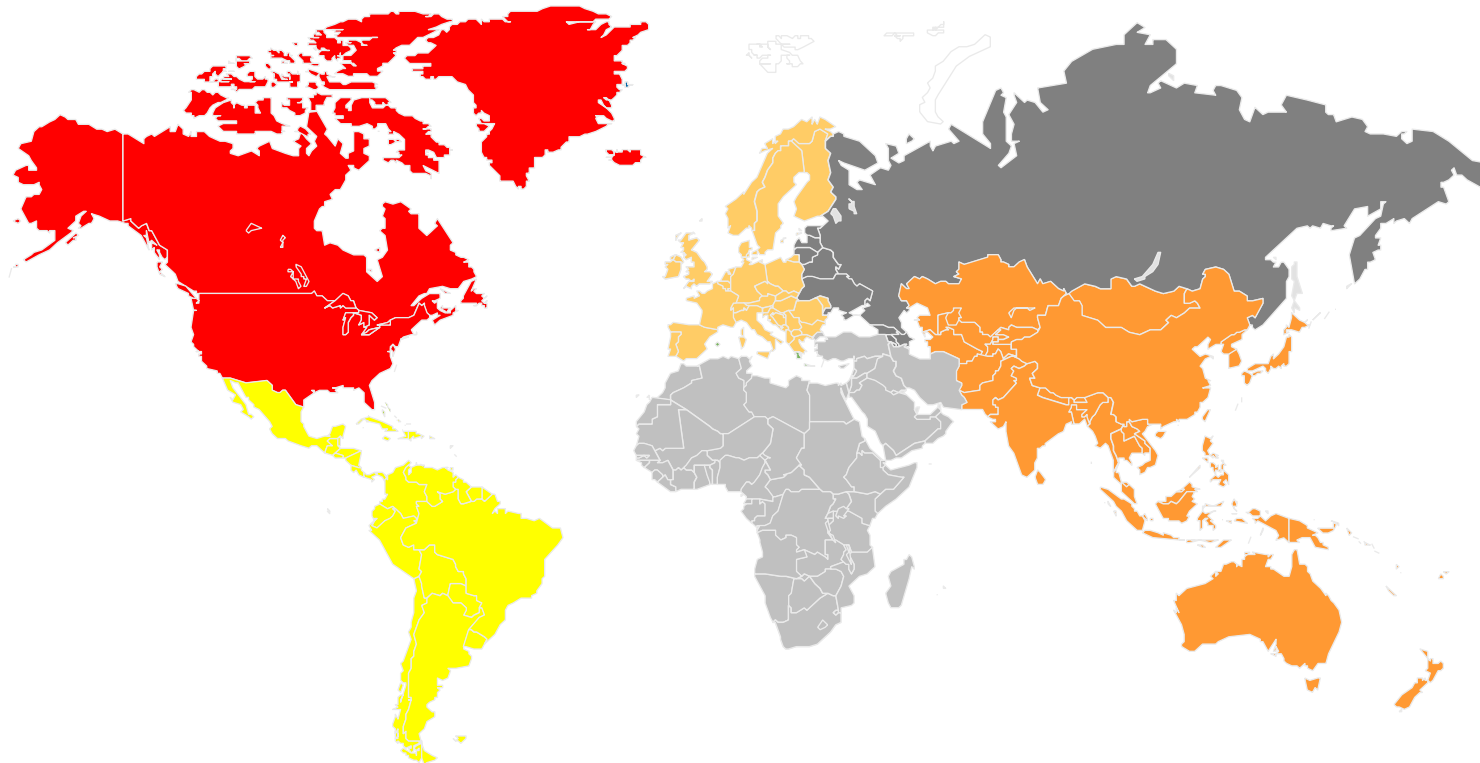
- **PE Capital – Use it or Lose it**
- **Bulging PE Portfolios**
- **Low Cost of Borrowing**
- **Inorganic Growth**
- **Cross-border M&A Increasing**
- **Cash on the Sidelines**

Inhibitors

- **Slowing Growth in China/Asia**
- **Europe's Woes**
 - Sovereign Debt
 - Unemployment
 - Lack of Growth
- **Fragile U.S. Economy And Uncertainty**
 - Weak Recovery
 - Tax Laws Due to Expire
 - Mixed or Weak Economic Indicators
 - Election

North America Has Been a “Hot Spot” for M&A Activity

Heat Map: Q3 2012 M&A \$ Volume by Region

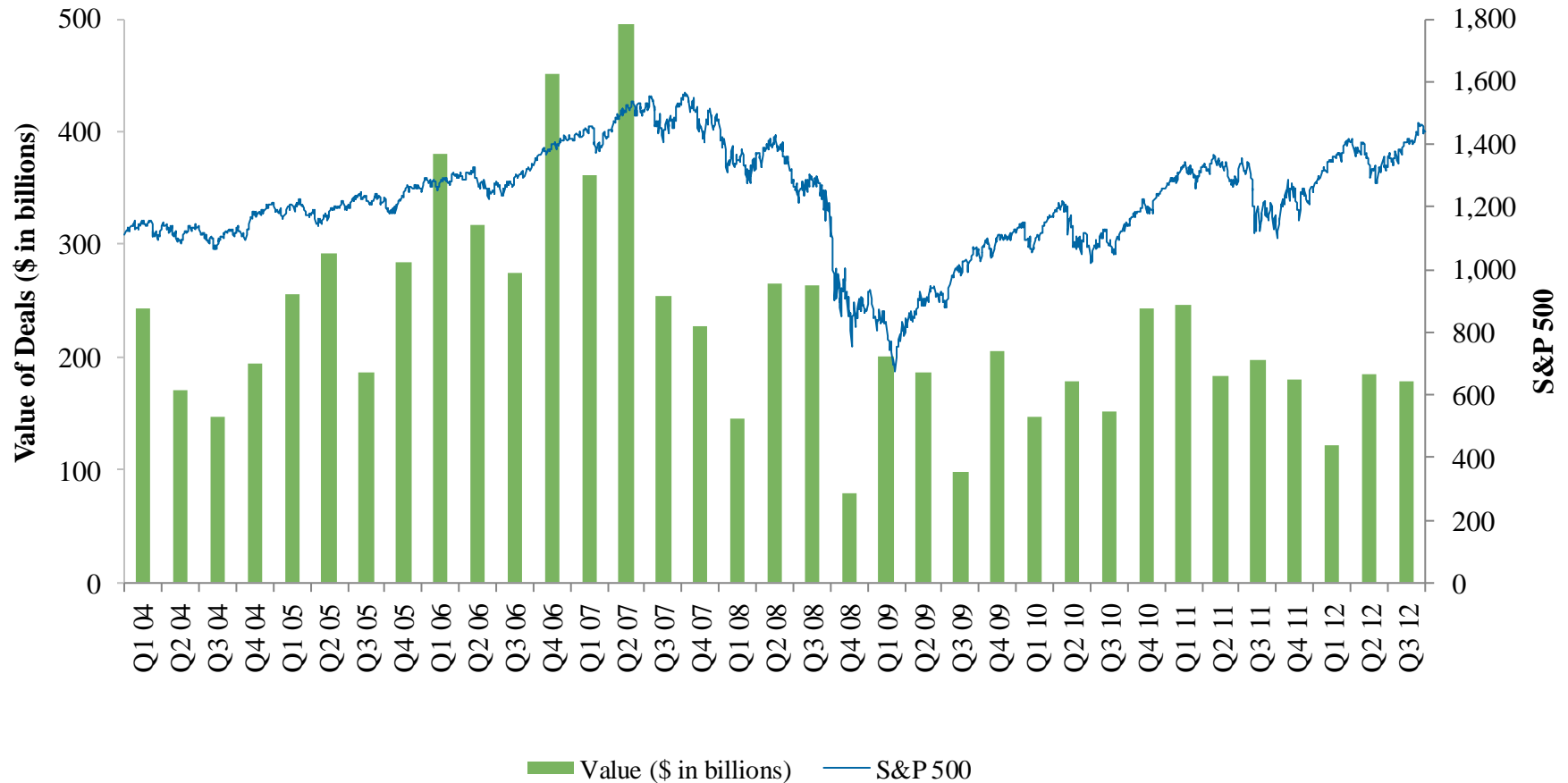


% of Total YTD 9/30 Global M&A

| | | | |
|----------------|-----|------------------------|----|
| North America | 51% | Latin America & Carib. | 4% |
| Asia Pacific | 23% | Eastern Europe | 2% |
| Western Europe | 19% | Middle East & Africa | 1% |

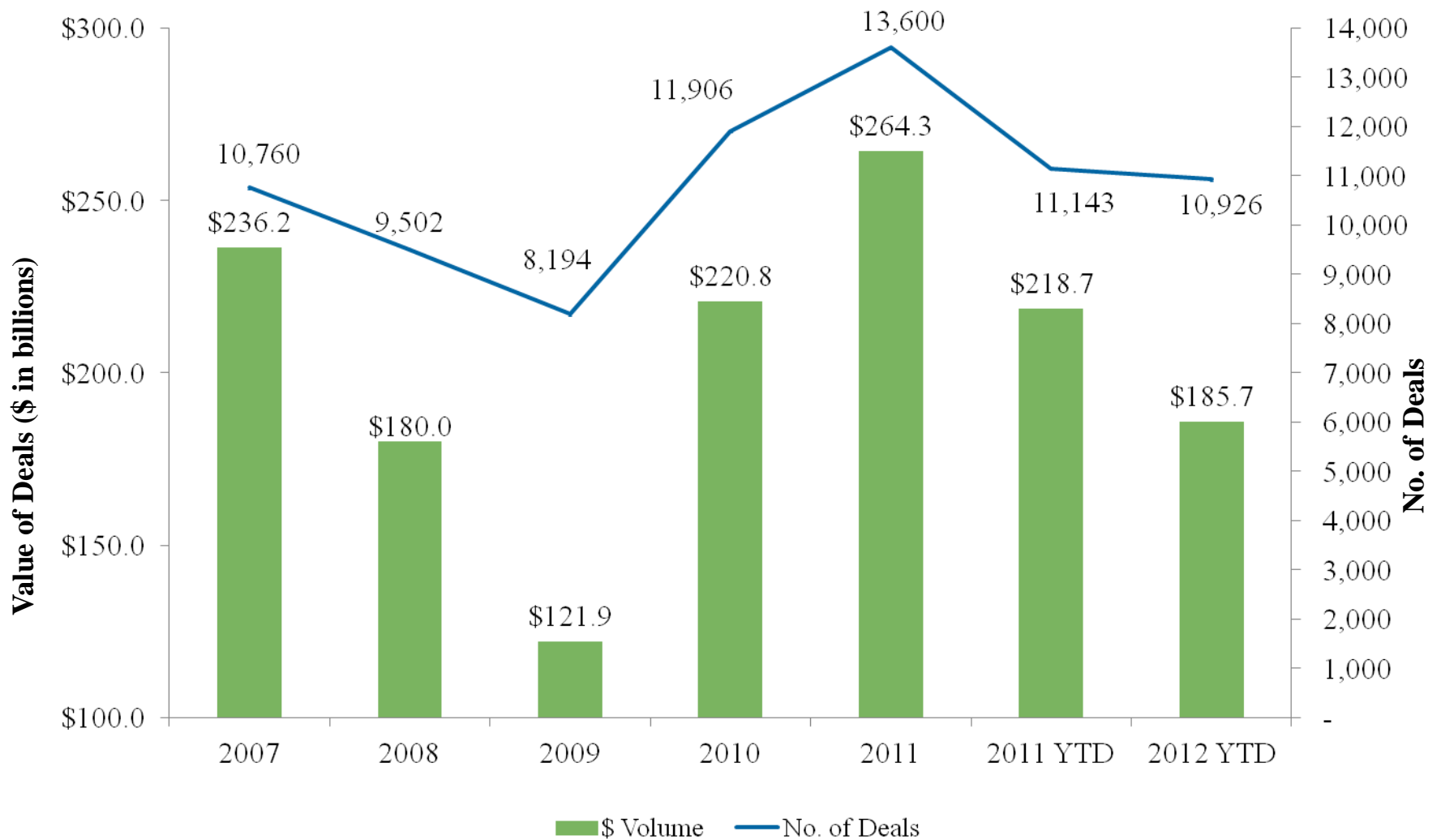
Source: Dealogic.

U.S. M&A Market in 2012 Has Not Tracked the S&P 500



Source: Mergermarket M&A Round-up for Q1-Q3 2012.

U.S. Middle Market M&A Has Been More Resilient



Source: CapitalIQ.

Energy and Consumer Staples M&A Activity Growing, While All Other Industries Trend Down

YTD U.S. Middle Market M&A - By Industry

| | \$ Volume | % of Total | YoY Growth |
|------------------------|-----------------|-------------|----------------|
| Financials | \$65.8B | 35% | ↓ (13%) |
| Consumer Discretionary | \$25.2B | 14% | ↓ (9%) |
| Healthcare | \$21.4B | 12% | ↓ (21%) |
| Technology | \$20.8B | 11% | ↓ (24%) |
| Energy | \$19.2B | 10% | ↑ 2% |
| Industrial | \$15.6B | 8% | ↓ (31%) |
| Other | \$10.8B | 6% | ↓ (31%) |
| Consumer Staples | \$6.9B | 4% | ↑ 75% |
| Total | \$185.7B | 100% | ↓ (15%) |

Source: CapitalIQ.

Note: Industry based on target location.

Indiana Is a Bright Spot in the Great Lakes Region

| YTD U.S. Middle Market M&A - By Region | | | | |
|----------------------------------------|---------------|-------------|------------|------------|
| | \$ Volume | % of Total | YoY Growth | |
| West Coast | \$32.0B | 20% | ↓ | (13%) |
| Great Lakes | \$26.5B | 17% | ↓ | (23%) |
| Northeast | \$24.1B | 15% | ↓ | (31%) |
| Southwest | \$22.0B | 14% | ↓ | (10%) |
| Southeast | \$20.2B | 13% | ↓ | (6%) |
| Midatlantic | \$15.9B | 10% | ↓ | (12%) |
| Midwest | \$8.3B | 5% | ↑ | 31% |
| Mountain | \$7.6B | 5% | ↑ | 15% |
| Total | \$157B | 100% | ↓ | (15%) |
| Indiana % of Great Lakes | \$2.4B | 9% | ↑ | 59% |

Source: CapitalIQ.

Note: Geography based on target location. Total does not tie to total volume, as not all deals are tracked for target location and analysis excludes cross-border targets.

Note: Great Lakes includes: Indiana, Illinois, Michigan, Minnesota, Ohio, Pennsylvania, and Wisconsin. Midwest includes: Iowa, Kansas, Missouri, Nebraska, North Dakota, Oklahoma, and South Dakota.

Indiana Middle Market M&A Has Been Strong

Indiana M&A Activity – \$ Volume and Growth



Source: CapitalIQ.

Consumer and Financials Are Growing and Comprise the Majority of M&A Volume in Indiana

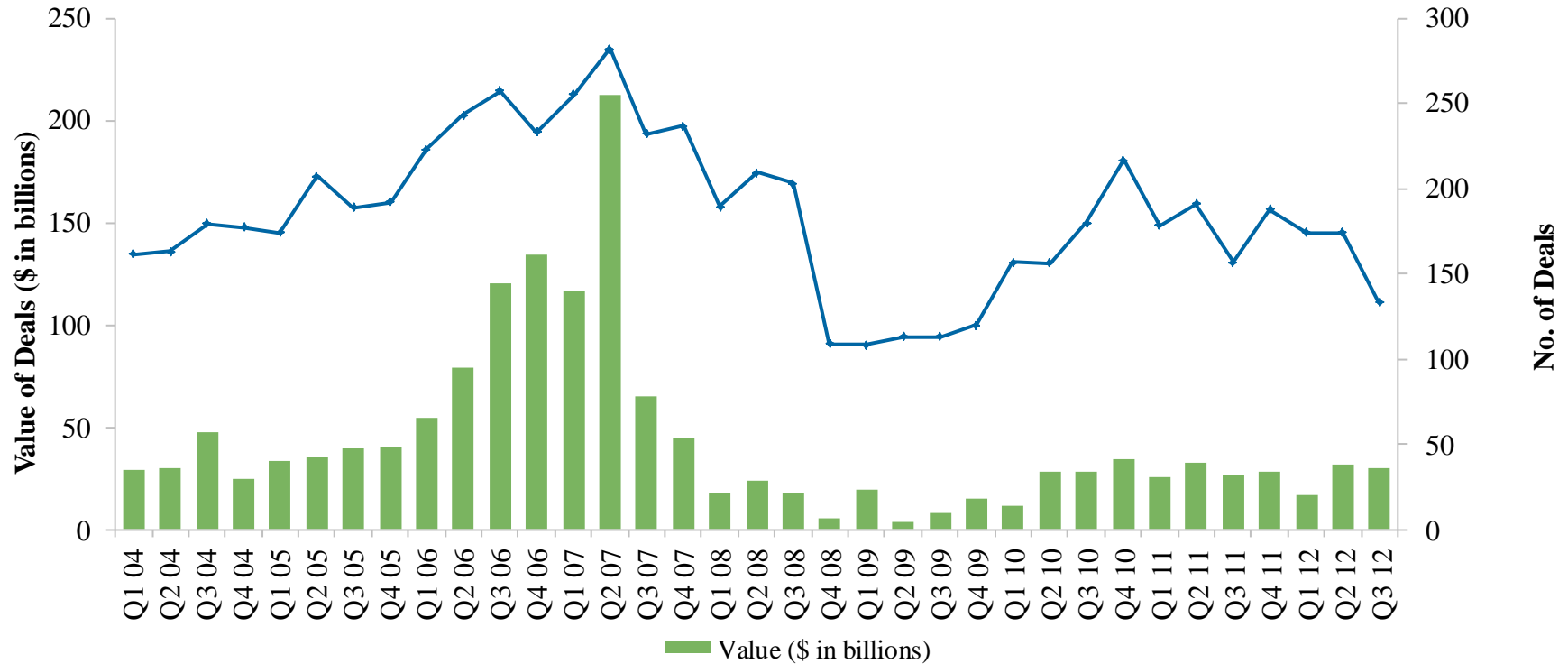
Indiana Middle Market M&A – By Industry

| | \$ Volume | % of Total | YoY Growth |
|------------------------|---------------|---------------|--------------|
| Consumer Discretionary | \$1.0B | 42% | ↑ 25% |
| Financials | \$639M | 27% | ↑ 57% |
| Healthcare | \$596M | 25% | ↓ (21%) |
| Other | \$102M | 4% | ↓ (5%) |
| Industrials | \$48M | 2% | ↓ (91%) |
| Technology | \$3M | 0.1% | ↓ (98%) |
| Total | \$2.4B | 100.0% | ↑ 62% |

Source: CapitalIQ.

Private Equity Has Stabilized

U.S. Private Equity Buyout Activity



Source: Mergermarket M&A Round-up for Q1-Q3 2012.

Private Equity Deal Drivers and Inhibitors

Drivers

- **Significant Dry Powder**
- **Low Cost of Leverage**
- **Stable Valuations**
- **Bulging Portfolio**
- **Tax Policy Risk**

Inhibitors

- **Uncertain Political Landscape**
- **Weak U.S. Economic Recovery**
- **Weakening International Economic News**
- **Sourcing High-Quality Deals is Challenging and Competitive**

Private Equity Trends

- **Equity Component Increasing From 25% to 40-50%**
- **Increased Focus on Middle Market – Middle Market Dominating Market Share**
- **Increase Focus on Organic Revenue and Cash Flow Growth vs. Financial Engineering**
- **Healthcare and IT Increase Share of Deals**
- **Add-on to Existing Platforms Represent Half of Total Buyout Activity**
- **Median Deal Sizes Decreasing – \$153M YTD vs. \$243M at Year-end**
- **Median Exit Size Down 11% Since 2011**
- **Inventory of Portfolio Companies Increasing – Over 4,000 Portfolio Companies That Are 3 years or Older**

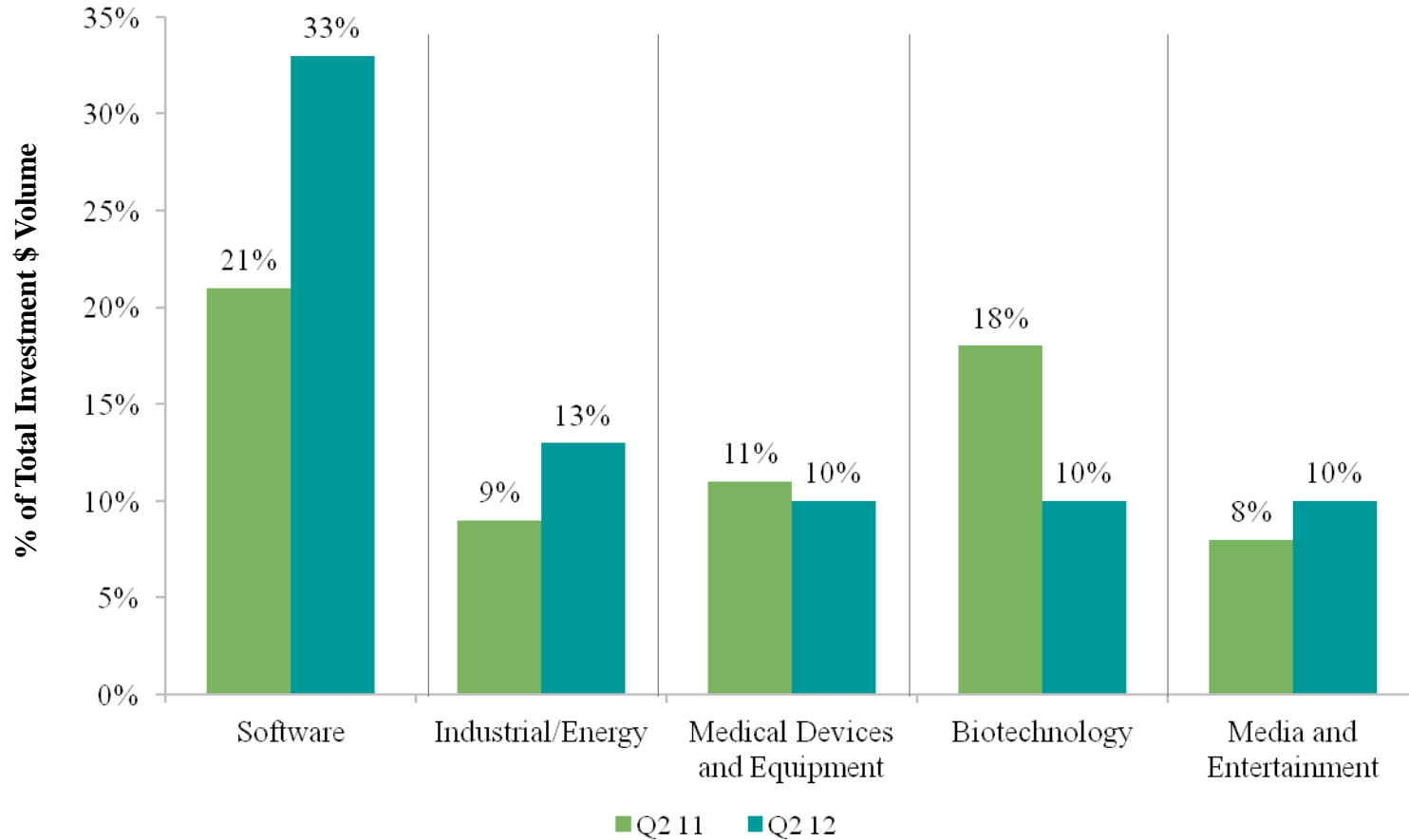
VC Investment Volume Has Been Flat



Source: NVCA.

Software Continues to Be the Largest Area for VC Investment

Top 5 Industries for Investment



Source: NVCA.

What's Hot and Not In VC Investing

What's Hot

- **Seed Investing**
- **Mobile**
- **Internet / e-Commerce**
- **Educational Technology**
- **Online Security**
- **Analytics / “Big Data”**
- **Medical Devices**
- **SaaS**

What's Not

- **Social Media**
- **Green Technology**
- **Capital Intensive Businesses**
- **Biotechnology**
- **Lack of Traction (Revenue, Users, etc.)**

M&A in the Digital Marketing, Media and Commerce Space

| Digital Transactions Comparison | | | | | | | | |
|---------------------------------|-------------------|-----------------------------|-------------------|-----------------------------|-------------------|-----------------------------|-----------------------|---------------------|
| Segment | 2011 Total | | 1H 2011 Total | | 1H 2012 Total | | 1H 2012 vs. 1H 2011 | |
| | # of Transactions | Deal Value (\$ in billions) | # of Transactions | Deal Value (\$ in billions) | # of Transactions | Deal Value (\$ in billions) | % Change Transactions | % Change Deal Value |
| Software | 82 | \$23.2 | 36 | \$7.2 | 35 | \$11.4 | (3%) | 57.0% |
| Digital Content | 104 | \$21.2 | 44 | \$7.8 | 82 | \$13.7 | 86% | 74.8% |
| Information | 76 | \$21.0 | 37 | \$13.4 | 102 | \$11.8 | 176% | (12%) |
| Mobile | 100 | \$18.8 | 39 | \$1.1 | 53 | \$1.8 | 36% | 62% |
| Social Media | 60 | \$11.1 | 41 | \$10.5 | 54 | \$3.7 | 32% | (65%) |
| eCommerce | 73 | \$10.4 | 47 | \$7.6 | 59 | \$8.7 | 26% | 15% |
| Ad Technology & Services | 59 | \$4.5 | 25 | \$1.6 | 16 | \$0.2 | (36%) | (90%) |
| Marketing | 43 | \$4.2 | 21 | \$1.6 | 67 | \$2.0 | 219% | 27% |
| Agency & Analytics | 48 | \$2.2 | 14 | \$1.1 | 56 | \$0.9 | 300% | (19%) |
| Total | 645 | \$116.6 | 304 | \$52 | 524 | \$54 | 72% | 4% |

Top Digital Acquirers

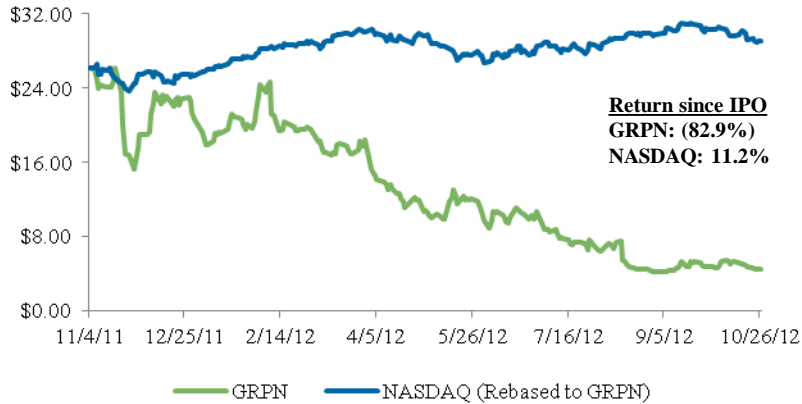
| 2012 Top Digital Acquirers | | |
|----------------------------|-------------------|-------------------------------------------------------------------------|
| Acquirer | # of Transactions | Representative Targets |
| Facebook | 8 | Instagram, Patents from MSFT, Face.com, Bolt Peters, Glancee, Tagtile |
| Groupon | 7 | Adku, Breadcrumb, Jumppost, Kima Labs, Six Times Seven |
| IHS Inc. | 5 | GlobalSpec, IMS Research, Displaybank, Assets from Hild Technology |
| Twitter | 5 | Context Media Technologies, Dasient, Hotspots.io, Posterous, RestEngine |
| Google | 4 | KikScore, Meebo, Quickoffice, TxVia |
| IBM | 4 | Varicent Software, WorkLight, TeaLeaf Technology, Vivisimo |
| Salesforce.com | 4 | Buddy Media, ChoicePass, Stypi, Thinkfuse |
| ConstantContact | 3 | SinglePlatform, CardStar, MobManager |
| Oracle | 3 | Taleo, Vitruv, Collective Intellect |
| SAP | 3 | Ariba, datango, Syclo |
| Symantec | 3 | LiveOffice, Nukona, Odyssey Software |
| ExactTarget | 2 | Pardot, iGoDigital |

Notable Digital M&A Transactions in 2012

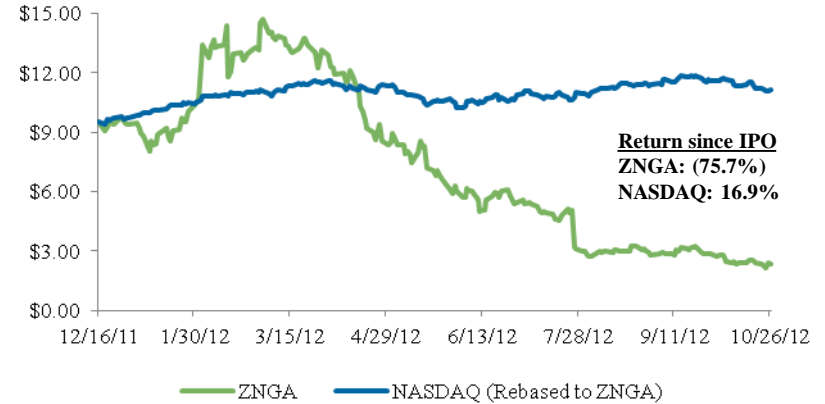
- **Alibaba Group's acquisition of Yahoo's holdings in the company for \$7.1 billion**
- **Dentsu's acquisition of Aegis Group, a global provider of advertising and digital services, for \$4.9 billion**
- **Microsoft's acquisition of Yammer, a provider of social networking portals for enterprises, for \$1.2 billion**
- **Facebook's acquisition of Instagram, a photo sharing application, for \$1 billion**
- **Salesforce.com's acquisition of Buddy Media, a manager of apps, ads and pages on Facebook and other social media platforms, for \$745 million**
- **WPP's acquisition of AKQA, a digital agency with expertise in social media, mobile, gaming, and content creation, for \$540 million**
- **ExactTarget's acquisition of iGoDigital and Pardot, for \$121 million**

Performance of Recent Digital IPOs: Underperformers

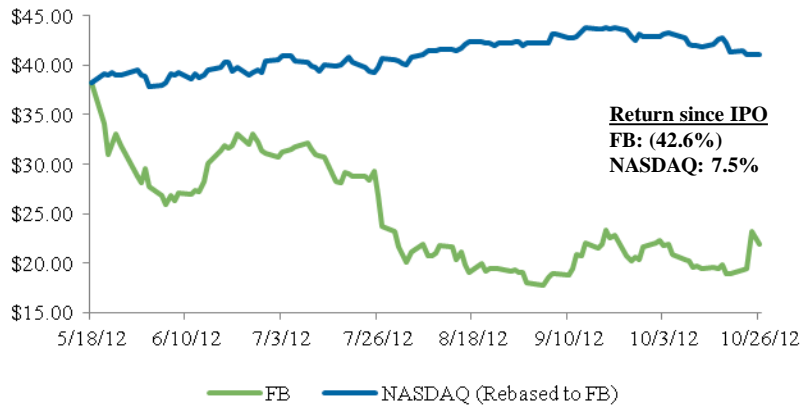
Performance since IPO: Groupon



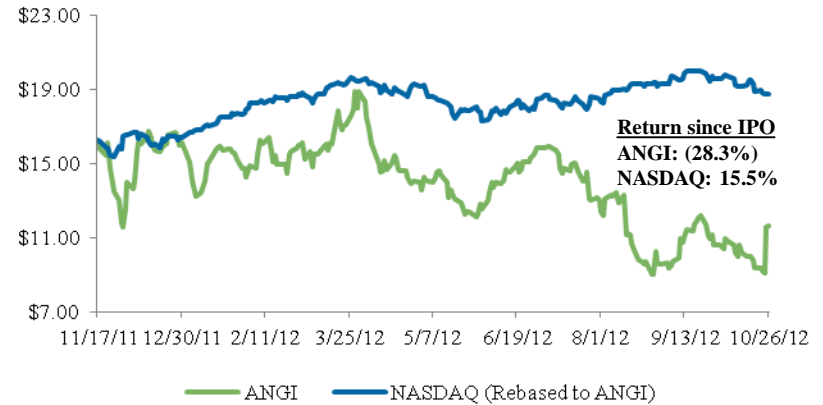
Performance since IPO: Zynga



Performance since IPO: Facebook



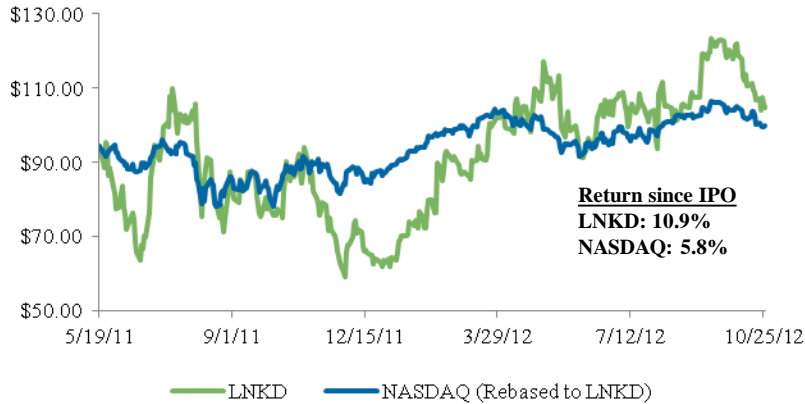
Performance since IPO: Angie's List



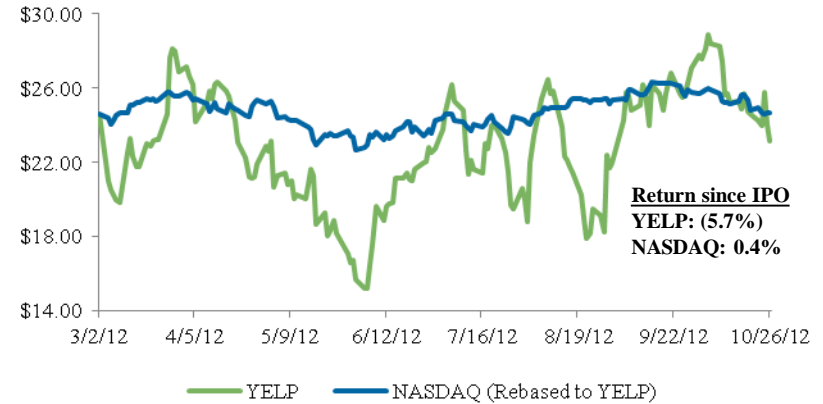
Source: CapitalIQ.

Performance of Recent Digital IPOs: Outperformers

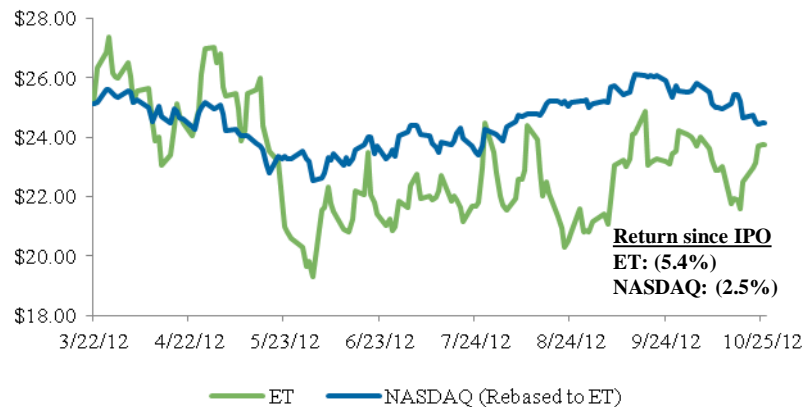
Performance since IPO: Linked-In



Performance since IPO: Yelp



Performance since IPO: ExactTarget



Source: CapitalIQ.

Performance of Recent Digital IPOs: Investor Sentiment

Underperformers



- Concerns regarding the Company's ability to generate sales from a growing customer base
- Mobile strategy?



- Declining traffic to its website
- Exposure to Europe's weak economy
- Corporate governance issues



- Concerns over plan to tap the growing Smartphone market
- User abandonment



- Delayed profitability on higher selling and marketing spend
- Increasing member churn

Outperformers



- Business model has so far proven explainable, dependable, and profitable
- Business model advantages over the traditional model



- Strategy aligned to the increasing popularity of mobile devices
- Positively aligned itself with local advertising opportunity



- Leader in developing marketing technology
- Creation of an end-to-end marketing platform
- High retention rate and successful execution of growth strategy - up/cross-sell and international expansion