



# **Quarterly Review of the Software & Internet Sector**

**Q2 2015**



**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 the Middle Corridor of the United States

Past Transactions Executed by Navidar			
<p>October 2014</p>  <p>Has acquired Leadtec Buyside Advisor</p>	<p>September 2014</p>  <p>Has been acquired by ConVerge-One Sellside Advisor</p>	<p>June 2014</p>  <p>Has been acquired by stamps.com Sellside Advisor</p>	<p>April 2014</p>  <p>Has been acquired by bazaarvoice Sellside Advisor</p>
<p>March 2014</p>  <p>Private Equity Placement</p>	<p>December 2013</p>  <p>Has been acquired by NTT DATA Sellside Advisor</p>	<p>October 2013</p>  <p>Has acquired avangate Buyside Advisor</p>	<p>December 2012</p>  <p>Has been acquired by TENEX CAPITAL MANAGEMENT Sellside Advisor</p>
<p>October 2012</p>  <p>Has been acquired by ExactTarget Sellside Advisor</p>	<p>August 2012</p>  <p>Has been acquired by Alta Equity Partners Sellside Advisor</p>	<p>February 2012</p>  <p>Capital Structure Review</p>	<p>February 2012</p>  <p>NOL Shareholder Rights Plan</p>
<p>October 2011</p>  <p>Has been acquired by AeroScout Sellside Advisor</p>	<p>July 2011</p>  <p>Has been acquired by HARMAN Sellside Advisor</p>	<p>January 2011</p>  <p>Private Equity Placement</p>	<p>January 2011</p>  <p>Debt Placement</p>
<p>November 2010</p>  <p>Private Equity Placement</p>	<p>July 2010</p>  <p>Has acquired World Golf Systems Group PLC Buyside Advisor</p>	<p>July 2009</p>  <p>Recapitalization</p>	<p>January 2009</p>  <p>Private Equity Placement</p>

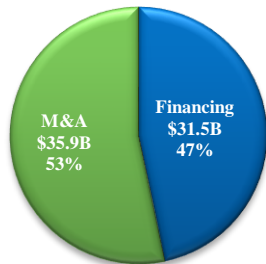
Note: Transactions above only represent a sample of past transactions executed by Navidar.



## Navidar at a Glance

### Experienced Strategic Advisors

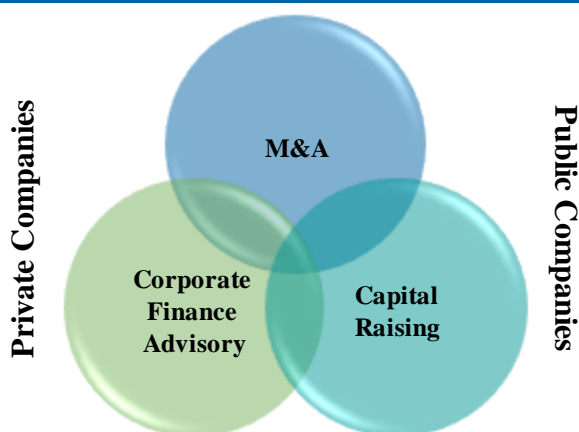
*Executed Over 300 Deals,  
Nearly \$70B of Transaction Volume*



### Advising Dynamic Companies

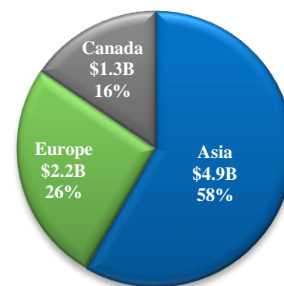


### Creative Insights & Customized Solutions



### International Expertise

*\$8.4B of Transaction Volume*



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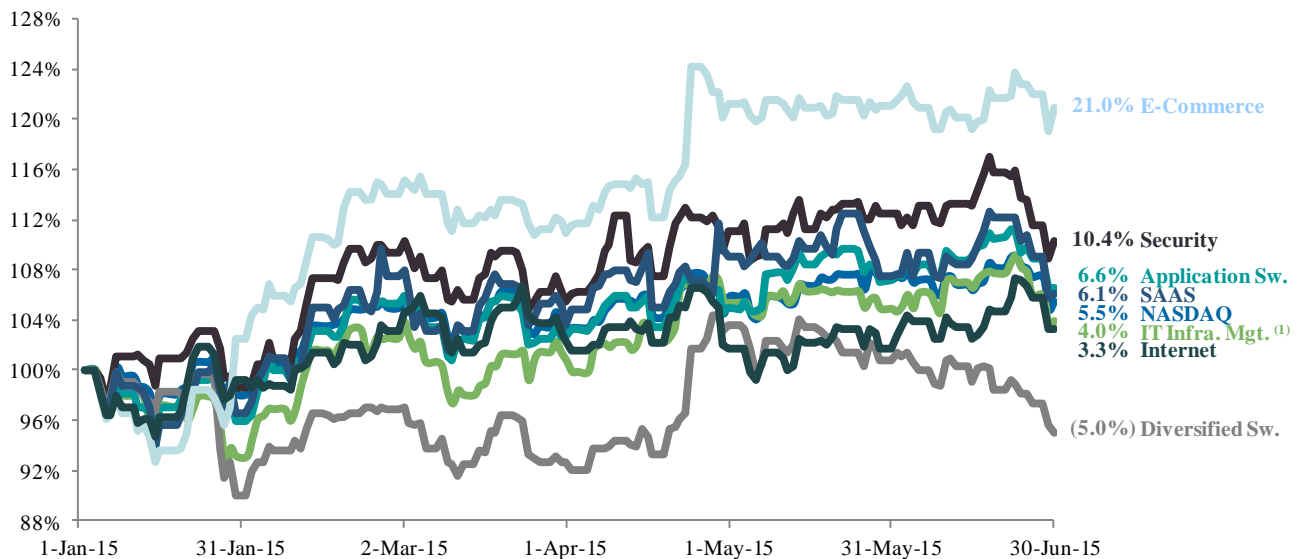
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## Q2 2015 Software & Internet Sector Review

### Relative Share Price Performance – YTD



#### Software & Internet Sector Share Price Performance

Sub-Sector	Q2 Return	YTD Return
eCommerce	9.1%	21.0%
Security	5.0%	10.4%
Application Software	3.9%	6.6%
IT Infra. Mgt. <sup>(1)</sup>	3.2%	4.0%
Diversified Software	2.6%	(5.0%)
SaaS	2.3%	6.1%
NASDAQ	2.2%	5.5%
Internet	0.9%	3.3%

#### Top 5 Global M&A Deals in Q2 By Value

Date	Acquirer	Target	Deal Value (\$M)
6/17/2015	Investor Group (China)	360	\$9,913
4/7/2015	CPPI INVESTMENT BOARD & Permira	informatica	5,343
5/12/2015	verizon	Aol.	4,759
6/15/2015	COX AUTOMOTIVE	dealertrack technologies	4,547
5/7/2015	EQUINIX	TelecityGroup	4,089

#### Key Takeaways from the Quarter:

- Software & Internet sub-sectors exhibited an overall positive performance in Q2'15, with six sub-sectors (eCommerce, Security, Application Software, IT Infrastructure Management, Diversified Software and SaaS) outperforming the NASDAQ Composite and just one sub-sector (Internet) underperforming the NASDAQ Composite.
- Global Software & Internet deal volume picked up significant momentum in Q2'15, reaching a multi-year high of 967 announced deals. Q2'15 marked the third consecutive quarter to experience quarterly deal volume growth and reach a multi-year high of \$50.1 billion.
- U.S. deal volume in Q2'15 was relatively flat with 377 transactions as compared to the 378 transactions seen in Q1'15. However, U.S. disclosed deal value increased to \$21.4 billion in Q2'15 from \$11.7 billion in Q1'15.
- U.S. Middle Market M&A deal volume continued to decline for the fourth consecutive quarter (from 78 deals in Q2'14 to 50 deals in Q2'15).
- There were 17 large deals (EV > \$500M) in Q2'15 as compared to 8 deals in Q1'15 and 11 deals in Q4'14.
- Strategic acquirers accounted for 91% of deal volume in Q2'15.
- Over 75% of announced transactions in Q2'15 with disclosed deal values were less than or equal to \$50 million.

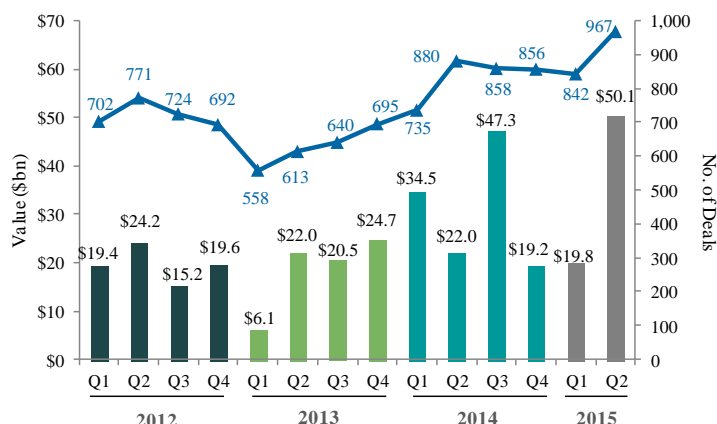
Source: S&P Capital IQ, Industry Research, Online Publications and Navidar Research.

(1) IT Infrastructure Management.



## Software & Internet Sector M&A Review

### Global Software & Internet M&A Deals – Since 2012



### Commentary

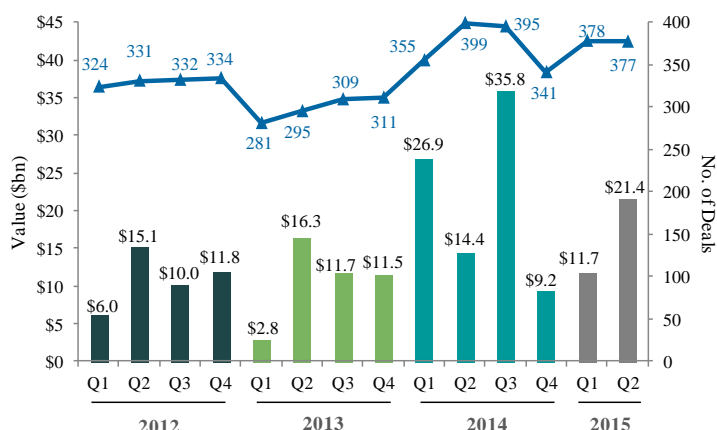
After three consecutive quarters of decline, Global Software & Internet sector M&A deal volume surged significantly to reach a multi-year high in Q2'15. Additionally, disclosed deal value also reached a multi-year high in Q2'15.

- Global transaction volume in Q2'15 increased by 10% as compared to Q2'14, from 880 acquisitions to 967. Likewise, Global transaction value increased by more than 120% over the same period. The surge in Global disclosed transaction value in Q2'15 was primarily driven by:

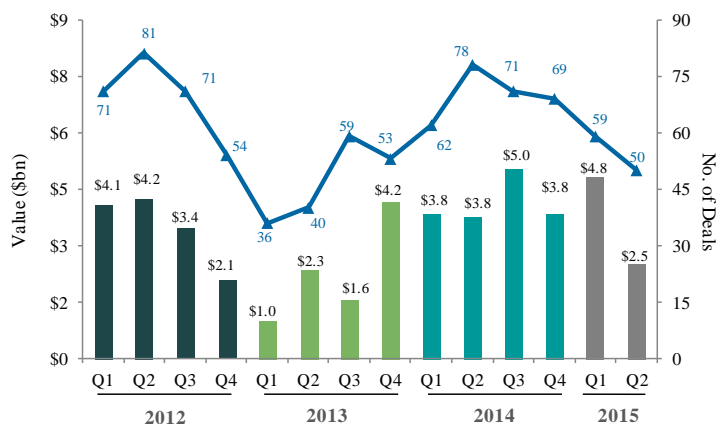
- Acquisition of Qihoo 360 Technology by China Renaissance Partners, CITIC Securities, and Sequoia Capital for \$9.9 billion
- Acquisition of Informatica by Canada Pension Plan Investment Board and Permira Advisers for \$5.3 billion
- Verizon's \$4.8 billion acquisition of AOL

Contrary to the growth in Global transaction volume, U.S. transaction volume remained flat in Q2'15 as compared to Q1'15.

### U.S. Software & Internet M&A Deals – Since 2012



### U.S. Middle Market Software & Internet M&A – Since 2012<sup>(1)</sup>



- U.S. transaction volume decreased 6% quarter-over-quarter, from 399 to 377 deals. However, U.S. transaction value increased by 49%, from \$14.4 billion to \$21.4 billion, over the same period.

U.S. Middle Market transaction volume in Q2'15 continued its downtrend, declining from 59 deals in Q1'15 to 50 deals in Q2'15.

- U.S. transaction volume decreased 36% in Q2'15, as compared to Q2'14, from 78 to 50 acquisitions. Likewise, deal value decreased from \$3.8 billion to \$2.5 billion over the same period.

Source: S&P Capital IQ and Industry Research.

(1) Defined as deal value of \$500M EV and less.

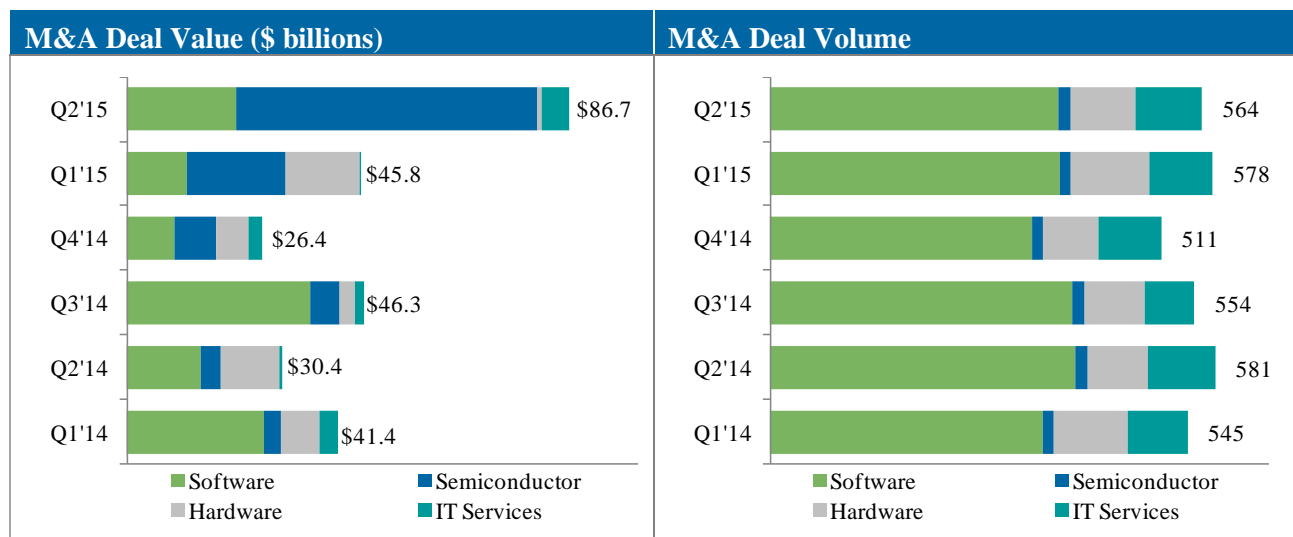


## Software & Internet Sector M&A Review (Cont.)

### Top 10 Global Software & Internet M&A Transactions in Q2 2015

Date	Acquirer	Target	Ent. Value (\$USDmm)	EV / LTM Revenue (x)	EV / LTM EBITDA (x)
06/23/2015	Investor Consortium (China & Hong Kong)	Momo (China)	\$1,863.4	47.5x	NA
06/17/2015	Investor Consortium (China)	Qihoo 360 (China)	9,912.8	6.7x	27.3x
06/15/2015	Cox Automotive (U.S.)	Dealertrack Technologies (U.S.)	4,547.1	4.7x	36.1x
05/26/2015	EMC (U.S.)	Virtustream (U.S.)	1,200.0	NA	NA
05/19/2015	Continental (Germany)	Elektrobit Automotive (Germany)	668.2	3.5x	26.8x
05/18/2015	Investor Consortium (China)	China Mobile Games and Entertainment (China)	718.7	2.7x	12.7x
05/12/2015	Verizon Communications (U.S.)	AOL (U.S.)	4,759.4	1.7x	9.9x
05/07/2015	Equinix (U.S.)	Telecity Group (U.K.)	4,089.4	7.6x	16.2x
04/07/2015	Canada Pension Plan Investment Board (Canada) and Permira Advisers (U.K.)	Informatica (U.S.)	5,343.1	4.6x	25.6x
04/07/2015	Singapore Telecom (Singapore)	TrustWave Holdings (U.S.)	810.0	3.8x	NA

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



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

\$ in millions except #	Q1 2015		Q2 2015		Q2 2014	
	Number of Deals	Total Deal Value	Number of Deals	Total Deal Value	Number of Deals	Total Deal Value
< \$50M	36	441	41	508	61	733
\$50M to \$100M	8	500	2	100	6	379
\$100M to \$250M	7	1,077	3	455	7	1,223
\$250M to \$500M	8	2,794	4	1,416	4	1,431
\$500M to \$1000M	3	2,002	5	3,112	4	2,697
>1B	3	4,850	4	15,850	3	7,912
Undisclosed	313	-	318	-	314	-
<b>Total</b>	<b>378</b>	<b>11,662</b>	<b>377</b>	<b>21,440</b>	<b>399</b>	<b>14,375</b>

Source: S&P Capital IQ and Industry Research. Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).





## Software & Internet Sector M&A Review (Cont.)

### Review of Selected Software & Internet Transactions in Q2

#### *Cloud / SaaS*

#### **MasterCard acquired Applied Predictive Technologies for \$600M EV.**

- Acquisition advances MasterCard's agenda to deliver differentiated services to merchants, complementing its recent acquisition of 5One, a London-based retail consulting and analytics firm.

Headquartered in Arlington, VA, Applied Predictive Technologies provides cloud-based predictive analytics software solutions. The Company's solutions include Test & Learn that enables executives to measure the profit impact of pricing, marketing, merchandising, operations, and capital initiatives. It offers the Test & Learn solution for sites, customers, and ads. Applied Predictive Technologies' customers include Fortune 100 companies in the financial services, insurance, manufacturing, pharmaceuticals, restaurants, retail, telecom, and travel and hospitality industries.

#### **CA acquired Rally Software Development for \$534M EV, which implied 5.03x LTM Revenue.**

- Acquisition accelerates CA customers' ability to build transformative applications quickly and expands CA's opportunity in the application economy.

Headquartered in Boulder, CO, Rally Software provides cloud-based solutions for the management of Agile software development worldwide. The Company's platform transforms the way organizations manage the software development lifecycle by aligning software development with strategic business objectives, facilitating collaboration, and enhancing transparency. Rally Software offers Agile management solutions for planning, collaborating, tracking, and reporting on the creation of new software products and applications.

#### **8x8 acquired Quality Software for \$4.3M EV.**

- Acquisition brings a cloud-based suite of contact center quality management capabilities to the enterprise.
- Combination is poised to disrupt the quality management market aimed at traditional contact centers and dynamic lines-of-business.

Headquartered in Delray Beach, FL, Quality Software develops and delivers recording and analytics solutions for the business voice and screen. The Company offers Quality Rocket, a cloud-based speech analytics solution for call centers that captures voice and screen activities of agents and their progress in real time, such as call transcription, accuracy, interface, categorization, trend analysis, and speech analytics; and Quality Cloud, a media recording solution focused on quality assurance.

#### **RingCentral acquired Glip. Valuation was not disclosed.**

- Acquisition expands RingCentral's platform by adding powerful team messaging and collaboration services.
- Combination will deliver the industry's first integrated cloud business communications and team collaboration solution, empowering teams to work across geographies, devices, and modes of communication.

Headquartered in Delray Beach, FL, Glip designs and develops a cloud-based conversation platform to plan, share, and organize work. The Company's platform offers text and video chat, including file sharing, real-time messaging, group chat, task management, shared calendars, and file sharing with automatic version control. Glip also provides mobile applications serving teams and businesses worldwide.

Source: S&P Capital IQ, 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 LTM = Last Twelve Months.



## Software & Internet Sector M&A Review (Cont.)

### *Mobile*

#### **Comverse acquired Acision for \$402M EV, which implied 2.11x LTM Revenue and 6.6x LTM EBITDA.**

- **Combination of companies will incorporate best-of-breed complementary products and technologies to drive increased global footprint and market leadership in messaging and digital services.**

Based in Reading, U.K., Acision develops messaging infrastructure, consumer, and enterprise solutions worldwide. The Company offers Fusion, a messaging platform that delivers SMS, MMS, IP-based messaging, RCS, WebRTC, and voice messaging; Message Controller, a network element that offers routing and delivery capabilities for operators; Acision Message Plus for operators to control fraud, fakes, spoof, and spam; Acision Diameter Signalling Controller, a combined router and broker for diameter signal control; and Acision Management Station for a real-time view of the Acision devices and services within a network infrastructure.

#### **Apple acquired Metaio. Valuation was not disclosed.**

- **Acquisition enables Apple to enhance its virtual reality and augmented reality capabilities.**

Headquartered in Munich, Germany, Metaio develops software products for visual interactive solutions. The Company offers Unifeye Mobile platform, which enables organizations to create Augmented Reality (AR) applications for iPhone, Android, Symbian, and WinMobile devices; Unifeye Viewer, which allows developers to produce AR Web-applications based on Adobe Flash and/or Shockwave; Unifeye Design, which enables clients with a Windows PC to produce interactive AR experiences; and Unifeye SDK, which helps clients to develop and deploy custom AR solutions.

#### **WPP acquired Medialets. Valuation was not disclosed.**

- **Acquisition highlights WPP's desire to dive deeper into data measurement and technology solutions to challenge the growing power of large ad incumbents such as Facebook and Google.**

Headquartered in New York, NY, Medialets, develops a media advertising platform for smartphones and tablets. The Company offers Medialets Private Marketplace, a buying platform that enables advertisers to plan, buy, execute, and measure brand advertising at scale on mobile properties; Medialets Muse, a campaign dashboard solution that keeps participants in sync and provides a timeline and email alerts; and Medialets Create, a program for custom creative training. It also supports mobile display advertising ranging from banners and rich media to video and custom executions; offers creative development, mobile ad serving, precise targeting, 3rd-party pixel tracking, post-click tracking, add-on brand studies, and comprehensive campaign analytics services; and offers third-party ad serving and support services for third-party rich media vendor campaigns. Medialets counts many blue-chip companies as customers and employs 250 people.

*Source: S&P Capital IQ, 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 LTM = Last Twelve Months.*





## Software & Internet Sector M&A Review (Cont.)

### *Mobile (Contd.)*

#### **IHS acquired RootMetrics. Valuation was not disclosed.**

- **RootMetrics, a leading player in mobile technology, strengthens HIS' position in telecommunications.**

Headquartered in Bellevue, WA, RootMetrics is an independent mobile analytics firm that offers insights into the consumer mobile experience. The Company provides data on mobile network performance to help people make more informed mobile decisions. It offers the RootScore Report for metropolitan markets, nations, states, and airports, as well as the downloadable CoverageMap app. RootMetrics employs 170 employees based largely in the U.S., with a growing presence in the U.K.

*Source: S&P Capital IQ, 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 LTM = Last Twelve Months.*



## Software & Internet Sector M&A Review (Cont.)

### *E-Commerce and Marketing*

#### **Cox Automotive acquired Dealertrack Technologies for \$4.55B EV, which implied 4.70x LTM Revenue and 36.1x LTM EBITDA.**

- Acquisition strategically combines two industry leaders known for innovation, customer focus and delivering results.
- Combination of Cox Automotive and Dealertrack will create a broader suite of open solutions that deliver greater value to consumers, dealers, lenders, manufacturers and the overall automotive industry.

Headquartered in Lake Success, NY, Dealertrack Technologies provides Web-based software solutions and services to the automotive retail industry in the United States and Canada. It offers digital marketing solutions, which provide Websites, digital advertising, and other digital marketing offerings to assist dealers in achieving higher lead conversion rates that help to optimize various shoppers to their Websites; dealer management solutions, which provide dealer management system featuring tools and real-time data access; and F&I solutions that allow dealers to streamline the in-store and online sales, as well as financing processes.

#### **Twitter acquired TellApart for \$433M EV.**

- TellApart's strengths in personalization, dynamic product ads, commerce data and retail advertising are strong complements to Twitter's deep experience in mobile, understanding users and the app ecosystem.

Headquartered in Burlingame, CA, TellApart provides an online predictive marketing platform. Its platform offers an identity network service that incorporates data from online and offline sources to create an identity for shoppers; a customer data profile service, which includes merging of various online and in-store signals about an anonymous customer across various channels and devices; a predictive engine service that helps shoppers to find various products; a marketing message service, including advertisements in displays, social sites, mobiles, emails, and on-site promotions; and self-learning circuit solutions. Its solutions include cross-device retargeting, native advertisement retargeting, mobile retargeting, personalized email, audience targeting, and promotions.

#### **Pitney Bowes acquired Borderfree for \$465M EV, which implied 3.01x LTM Revenue.**

- Borderfree's cross-border ecommerce solutions complement and expand Pitney Bowes' existing ecommerce capabilities, which help clients grow their businesses internationally by reducing the complexity of cross-border ecommerce.

Headquartered in New York, NY, Borderfree provides cross-border ecommerce solutions. The company operates a proprietary technology and services platform that enables retailers in the United States to transact with consumers in approximately 100 countries and territories worldwide. Its customers include retailers, department stores, apparel brands, and lifestyle brands that sell a range of physical goods online, including apparel, handbags, jewelry, sporting goods, home décor, and toys.

#### **NetSuite acquired Bronto Software for \$200M EV.**

- Combination brings together the leader in cloud omnichannel commerce with the leader in commerce marketing automation, enabling them to deliver transformational capabilities.

Based in Durham, NC, Bronto Software provides a cloud-based marketing platform for online retailers, multi-channel merchants, merchant marketplaces, branded manufacturers, sports and entertainment, and other commerce driven organizations worldwide. It provides advanced marketing automation engine and solutions for shopping cart abandonment, post-purchase campaigns, and e-commerce integrations; and helps clients to drive revenue through targeted and data-driven email, mobile, and social marketing.

*Source: S&P Capital IQ, 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 LTM = Last Twelve Months.*



## Software & Internet Sector M&A Review (Cont.)

### *Social*

#### **Wix.com acquired Moment Ltd for an estimated valuation of \$10M EV.**

- Acquisition adds social marketing capabilities to its website building platform.

Headquartered in Tel Aviv, Israel, Moment develops an online media sharing and viewing application for iPhone. It collects multimedia content from online social networking platforms and creates and organizes albums for users. It has an additional office in New York.

#### **Blackhawk Network Holdings acquired Achievers. Valuation was not disclosed.**

- Acquisition will broaden the reach of Blackhawk's already extensive incentive and engagement business.
- Achievers' employee recognition platform is a complementary addition to Blackhawk's employee engagement portfolio and will enhance its leadership position in the corporate incentives market.

Headquartered in San Francisco, CA, Achievers, an employee rewards and social recognition company, provides employee rewards and recognition solutions for companies in Canada, the United States, and internationally. Its products include recognition tools, executive analytics, reward programs, and communication solutions. The company's solutions include sales incentives and executive reports.

#### **LinkedIn acquired Refresh. Valuation was not disclosed.**

- Acquisition adds strengths in predictive insights and anticipatory computing to LinkedIn's product portfolio, a strategic area of growth for the Company.

Headquartered in Palo Alto, CA, Refresh develops a mobile application that provides users with detailed information about people they're meeting with and suggests topics of conversation. Its mobile application connects the dots between profiles, photos, statuses, and events across social networks to deliver a complete dossier about the people the user actually meet in real life.

#### **Groupon acquired Venuelabs. Valuation was not disclosed.**

- Acquisition will help local merchants to monitor social media feedback.
- Groupon plans to integrate Venuelab's technology into its "Pages" service, a Yelp-like platform that gives local businesses a landing page for customers seeking information about the merchant.

Headquartered in Snoqualmie, WA, Venuelabs, a location-based analytics and storefront intelligence company, develops and delivers a social media marketing platform for retail chains, restaurant chains, and franchises in the United States and internationally. Its solution discovers, analyzes, and transforms social media and location-based consumer content into actionable business intelligence. The company's storefront analytics software provides specialized capabilities specific to brick and mortar, multi-location, retail and restaurant, and franchise brands.

#### **Gravity4 acquired Bolzter. Valuation was not disclosed.**

- Combination of Bolzter's offering and Gravity4's Marketing Cloud will allow Gravity4 to automate lead generation by using the power of big data and proprietary influencer graph, which builds new cluster of audiences in real-time, and allows Gravity4 to enter various new verticals.

Headquartered in Miami, FL, Bolzter develops a cloud based social marketing platform. It offers Bolzter, a social intelligence SaaS based platform that creates a social graph for leads by tracking leads connections and behaviors to optimize social media marketing campaigns. The company's Bolzter platform analyzes demographic, social, and behavioral data, as well as cloud-based Facebook marketing automation software as a service. Its social marketing platform enables to get leads from Facebook, Twitter, and LinkedIn.

*Source: S&P Capital IQ, Press Releases, Equity Research, Online Publications, Industry Research and Navidar Research.*

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## Software & Internet Sector M&A Review (Cont.)

### ***Big Data / Analytics / Business Intelligence***

#### **CBOE Holdings acquired market data services and trading analytics platforms of Livevol. Valuation was not disclosed.**

- Acquisition will expand and diversify CBOE Holdings' market data services and trading analytics offerings; and also enable it to leverage the synergies between the two companies by customizing Livevol data and analytics capabilities to provide customers with greater insight to CBOE products and services.

Headquartered in San Francisco, CA, Livevol provides professional and retail traders with cutting-edge tools, data and custom analytics services. Livevol offers a spectrum of technology and data solutions, including a consolidated feed, real-time programmable analysis and scanning, historical files and back testing, real-time decision support, flat files, XML web services and other web components. The platforms to be acquired in the transaction include Livevol Pro, a web-based equity and option analysis software with features that include real-time and historical data, alerts, market scanners and calculations used to identify potential trading opportunities; Livevol X, a high-performance trade execution platform that combines the functionality of the Livevol Pro front-end interface with advanced trading capabilities and sophisticated risk management analytics; and Livevol Enterprise – a data distribution platform via a custom API architecture that allows users to receive and display data and analytics in any format within their own system..

#### **Pandora Media acquired Next Big Sound. Valuation was not disclosed.**

- Acquisition marks the latest step in Pandora's commitment to become an indispensable partner to the music industry and accelerates its strategy of harnessing data for the benefit of music makers.
- Acquisition will provide Pandora with a powerful analytics tool used by tens of thousands of music makers, labels and marketers looking for data and insights about artists and their fans.

Headquartered in New York, NY, Next Big Sound operates an online platform that provides analytics and insights for the music industry. It offers data-driven artist recommendations for brands; and delivers data that helps various artists and industry professionals around the world to make decisions on a daily basis.

#### **Microsoft acquired Datazen Software. Valuation was not disclosed.**

- Acquisition accelerates Microsoft's Power BI strategy to help organizations create a data culture with easy-to-use, accessible tools to extract maximum value from data – from anywhere, on any device.

Headquartered in Toronto, Canada, Datazen Software provides mobile business intelligence and data analytics solutions. It develops tools, builds UI, and offers data visualization technology. The company also provides Datazen, a mobile data analytics software. In addition, it offers Windows 8 application that enables users to create and publish dashboard based on Excel, cloud, and enterprise data sources; and Publisher application that enables users to create and publish dashboard layouts for master, tablet, and phone views. It serves organizations worldwide.

#### **Hortonworks acquired SequenceIQ. Valuation was not disclosed.**

- Acquisition will accelerate Hortonworks' ability to provide deployment automation for Enterprise Hadoop across public and private clouds.

Headquartered in Budapest, Hungary, SequenceIQ provides an API and platform that enables enterprises and application developers to build predictive applications. The company offers Cloudbreak, a cloud and infrastructure agnostic, and Hadoop-as-a-Service platform API that enables users to start and run multiple instances and versions of Hadoop clusters in the cloud. It also offers Banzai Pipeline, an application development platform that allows developers to build, reuse, link, and run big data applications and job pipelines running on Hadoop YARN, as well as to set up rules, associate actions to individual rules, and raise notifications on various output channels.

Source: S&P Capital IQ, 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 LTM = Last Twelve Months.



## Software & Internet Sector M&A Review (Cont.)

### *IT Infrastructure Management/Network Management/Security*

#### **Equinix acquired Telecity Group for \$4.09B EV, which implied 7.6x LTM Revenue and 16.2x LTM EBITDA.**

- Acquisition positions now greatly increases Equinix's position in Europe including several new markets.
- Acquisition leads to increased network and cloud density to better serve customers, as well as a stronger platform to attract customers and pursue the emerging enterprise opportunity.
- Deal prevents a proposed merger (between Interxion and Telecity Group) that would have made Equinix the number two player in Europe.

Based in London, the United Kingdom, Telecity Group operates carrier-neutral data centers that offer co-location and related services in Bulgaria, Finland, France, Germany, Ireland, Italy, the Netherlands, Poland, Sweden, Turkey, and the United Kingdom. The company provides infrastructure-as-a-service and hosting services; Cloud-IX, a platform for enterprises, cloud service providers, and ecosystem partners; co-location and managed support services; IT infrastructure design and consulting; data center network services consisting of Internet and intersite connectivity services; and Internet security services comprising managed firewalls, intrusion detection and prevention, and distributed denial of service mitigation services.

#### **EMC acquired Virtustream for \$1.20B EV.**

- Acquisition represents a transformational element of EMC's strategy to help customers move all applications to cloud-based IT environments.
- With addition of Virtustream, EMC completes the industry's most comprehensive hybrid cloud portfolio to support all applications, all workloads and all cloud models.

Based in Bethesda, MD, Virtustream provides enterprise-class cloud software and services worldwide. It offers Virtustream xStream, a cloud management platform software and Infrastructure-as-a-Service (IaaS) for private, public, and hybrid clouds, which enables customers to move existing production applications to the cloud. The company also provides enterprise risk, cyber-security, and compliance solutions for government and enterprise customers; secure data centers; Virtustream facility and IaaS compliance and certifications; Virtustream Advisor, a cloud modeling and planning software; Virtustream ViewTrust, a risk and compliance monitoring software solution; and Virtustream Enterprise-Class Cloud, an IaaS cloud computing solution. Its cloud based software and services are used to manage applications, such as SAP, Microsoft, Oracle, and others to run in public, private, and hybrid clouds.

#### **Singapore Telecommunications acquired TrustWave Holdings for \$810M EV, which implied 3.83x LTM Revenue.**

- Acquisition strengthens Singtel's information security capabilities and bolsters Trustwave's ability to expand its leadership in managed security services globally.

Headquartered in Chicago, IL, TrustWave Holdings provides on-demand data security and payment card industry compliance management solutions to businesses and organizations worldwide. Its solutions include qualified security assessor, approved scanning vendor, qualified incident response assessor, and qualified payment application security company. The company's products and services also include data loss prevention, incident response, intrusion detection system, penetration testing, security assessment, security information and event management, security research, tokenization, vulnerability scanning, and Web content monitoring; and managed security services. Its products and services include application security, authentication, encryption, intrusion prevention system, network access control, policies and procedures, secure email, security awareness education, SSL certificates, unified threat management, and Web application firewall; and compliance and security solutions, PCI DSS compliance, data privacy program, TrustKeeper compliance management software, and trusted commerce seal.

*Source: S&P Capital IQ, 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 LTM = Last Twelve Months.*



## Software & Internet Sector M&A Review (Cont.)

### *IT Infrastructure Management / Network Management / Security (Cont.)*

#### **Cisco Systems acquired OpenDNS for \$635M EV.**

- **Acquisition will boost Cisco's Security Everywhere approach by adding broad visibility and threat intelligence from the OpenDNS cloud delivered platform.**

Headquartered in San Francisco, CA, OpenDNS operates as a security company that provides Internet security and domain name system services to secure the networks used by people to connect to the Internet worldwide. The company offers Umbrella, a cloud-delivered network security solution that delivers automated protection against attacks/Web threats on various devices, such as phones, tablets, laptops, and other gaming consoles; and OpenGraphiti that enables security analysts, researchers, and data scientists to pair visualization and big data to create 3D representations of threats.

*Source: S&P Capital IQ, 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 LTM = Last Twelve Months.*





## Software & Internet Sector M&A Review (Cont.)

### *Digital*

**Verizon Communications acquired AOL for \$4.76B EV, which implied 1.67x LTM Revenue and 9.9x LTM EBITDA.**

- Acquisition will give Verizon, which has set its sights on entering the crowded online video marketplace, access to advanced technology AOL has developed for selling ads and delivering high-quality Web video.
- Deal aims to create a major new player in the digital media business by combining one of the biggest mobile network providers with a leading content producer.

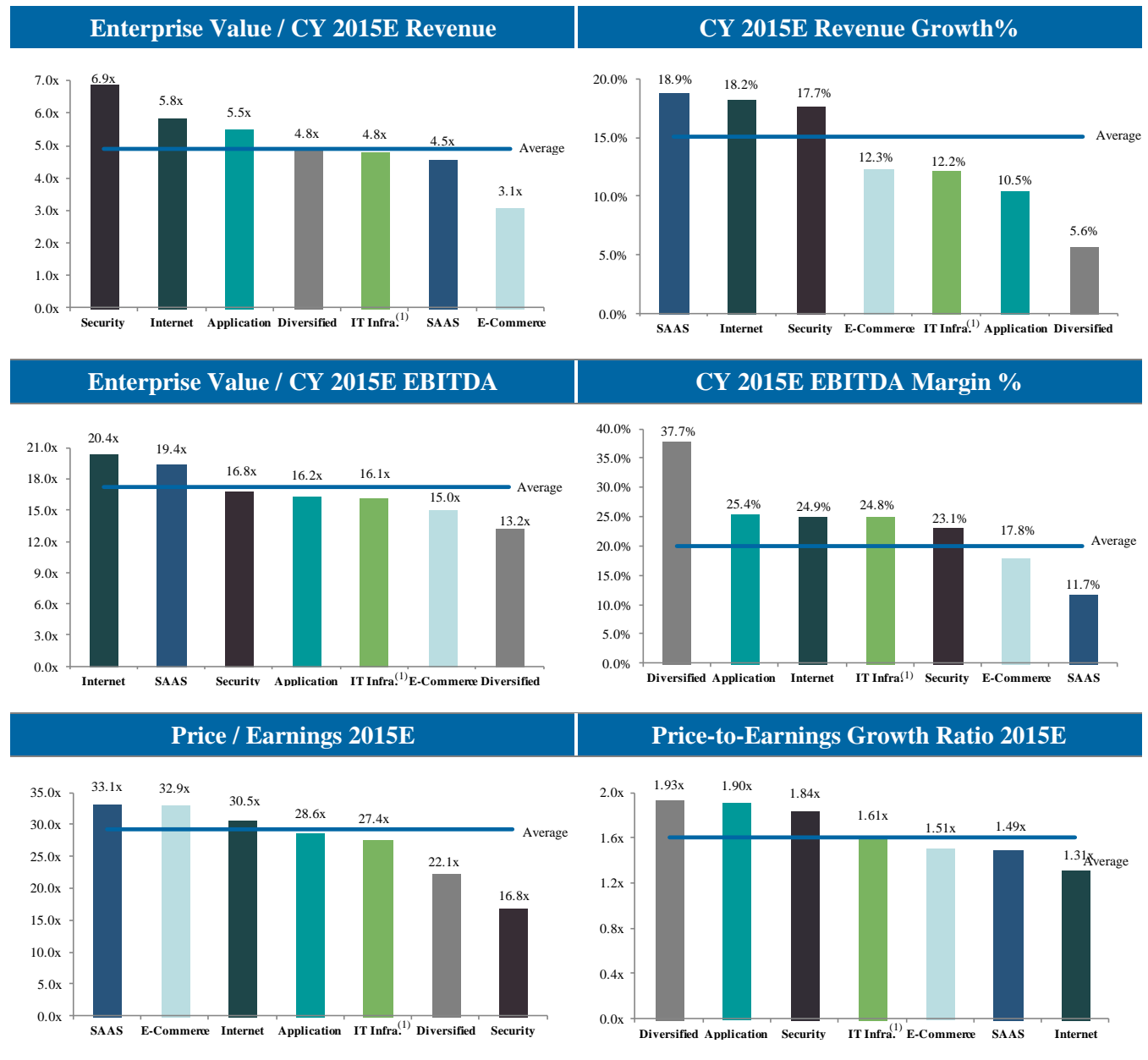
Based in New York, NY, AOL provides various digital brands, products, and services to consumers, advertisers, publishers, and subscribers worldwide. Its Brand Group segment offers original content produced by journalists, politicians, celebrities, academics, policy experts, freelance writers, and bloggers; curated content; curated and aggregated content from third parties; and user-generated content through AOL.com and The Huffington Post, and related sites, as well as through Engadget and TechCrunch branded properties. This segment also consists of other brands, including Moviefone, Makers, and StyleMePretty, as well as MapQuest, an online mapping and directions service. The company's Membership Group segment provides online storage, privacy, and security solutions to technical support, back-up and unlimited dial-up Internet access options, computer protection, and partner discounts; computer tools, maintenance, online technical support, anti-virus software, identity theft protection, online and social media privacy and reputation monitoring, online learning, and other lifestyle services; and communications tools, such as AOL Mail, an e-mail service. Its AOL Platforms segment offers interconnected programmatic and premium advertising services for advertisers and publishers through Ad.com, AOP, Adap.tv, Marketplace, AOL On, Be On, ADTECH, Gravity, Vidible, Convertro, and Pictela platforms.

*Source: S&P Capital IQ, 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 LTM = Last Twelve Months.*



## Comparable Public Company Valuation Metrics – Software & Internet Sector



Source: S&P Capital IQ.

Note: Market Data as of Q2 2015 Quarter End.

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

Note: Multiples Excludes Outlier for EV / CY Revenue > 20x, EV / CY EBITDA > 40x, P / E > 60x and PEG > 3x.

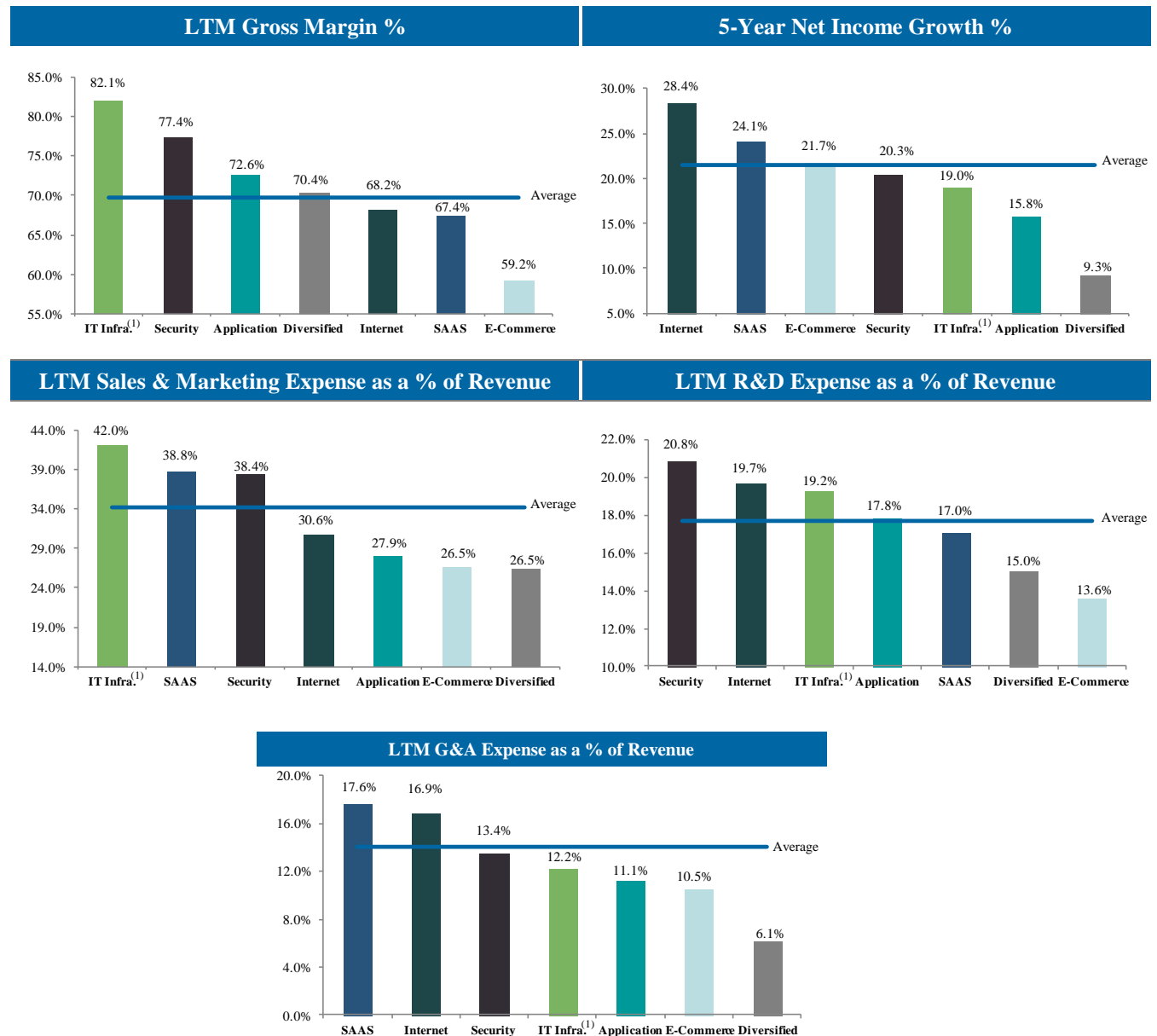
Note: CY = Calendar Year, LTM = Last Twelve Months and NTM = Next Twelve Months.

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

(1) IT Infrastructure Management.



## Comparable Public Company Valuation Metrics – Software & Internet Sector (Cont.)



Source: S&P Capital IQ.

Note: Market Data as of Q2 2015 Quarter End.

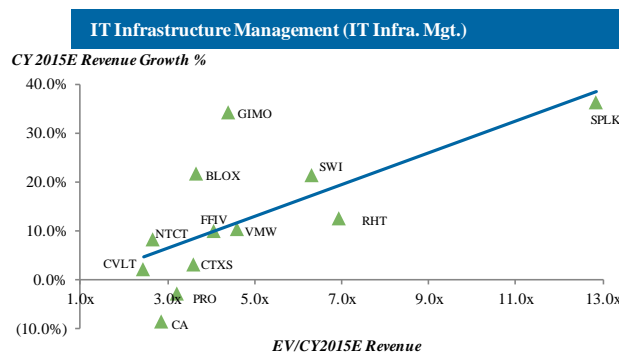
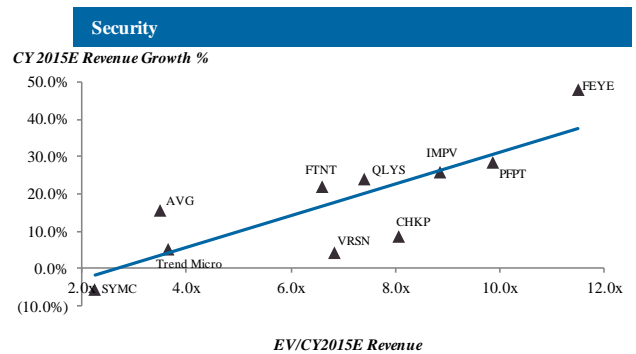
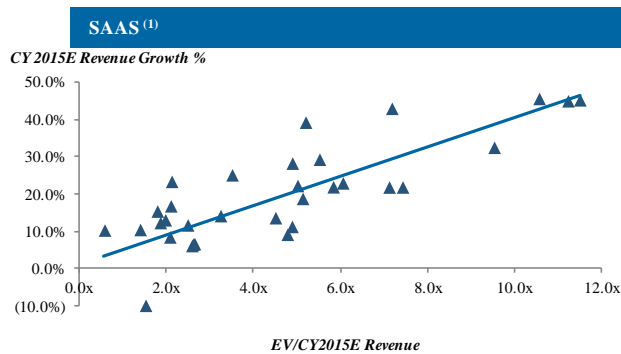
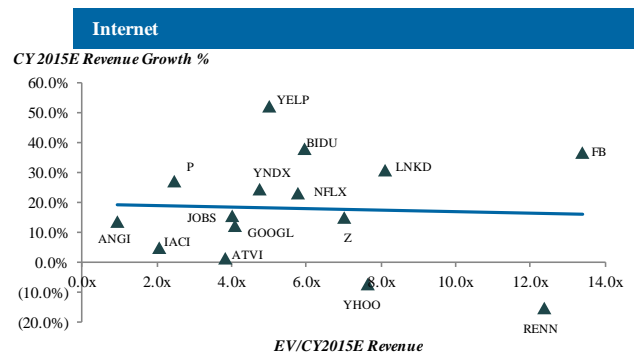
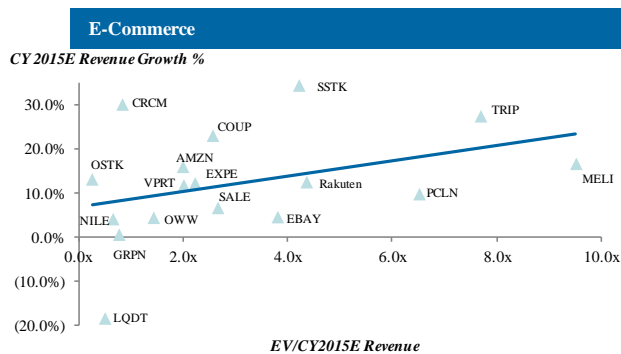
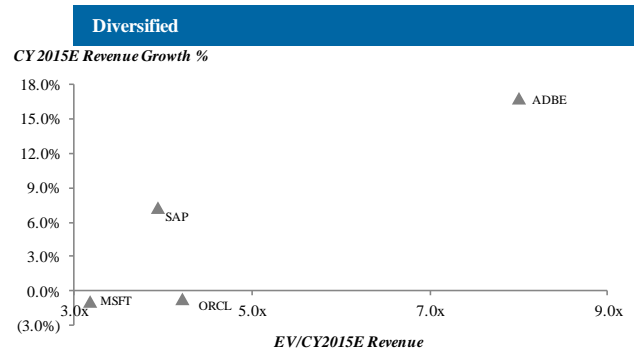
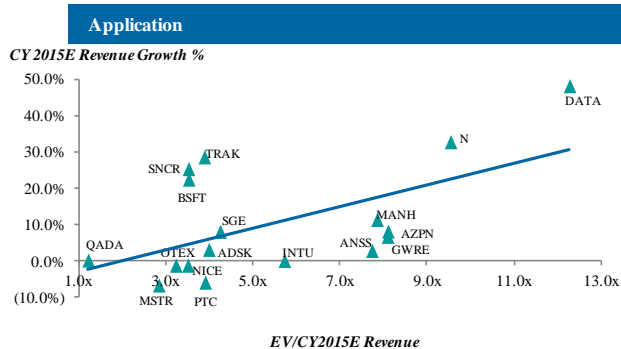
Note: Estimates Based on Consensus of Equity Research Analyst Estimates.

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

(1) IT Infrastructure Management.



# Valuation & Revenue Growth Correlation – Public Software & Internet Companies



Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2015 Quarter End.

Note: CY=Calendar Year.

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

(1) SaaS includes WDAY, NOW, N, DWRE, ULTI, TXTR, CRM, SPSC, CVT, FLTX, ATHN, MKTO, AWAY, LOGM, CSOD, QLIK, BLKB, RP, SNCR, SQI, SALE, CTCT, CARB, IL, TNGO, LPSN, BV, ECOM, LOCK, JIVE, SREV, MM and DMD



## 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	
							2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E
Intuit	\$100.77	92%	1.29x	\$27,779.2	(\$1,585.0)	\$26,194.2	5.7x	5.0x	18.0x	12.9x	36.4x	23.2x	2.62x	1.67x
Autodesk	\$50.08	77%	1.04x	\$11,399.7	(\$1,083.5)	\$10,316.2	4.0x	4.1x	27.8x	29.4x	47.9x	51.0x	2.63x	2.80x
Sage Group	\$8.06	88%	1.48x	\$8,686.6	\$757.5	\$9,488.4	4.3x	4.0x	14.3x	13.4x	20.1x	18.8x	2.06x	1.93x
Tableau Software	\$115.30	93%	1.99x	\$8,203.5	(\$715.7)	\$7,487.8	12.3x	9.0x	NM	NM	NM	NM	NA	NA
Ansys	\$91.24	99%	1.28x	\$8,190.8	(\$761.2)	\$7,429.6	7.7x	7.1x	15.4x	14.0x	26.5x	23.9x	1.99x	1.80x
NetSuite	\$91.75	81%	1.17x	\$7,213.2	(\$182.6)	\$7,030.6	9.5x	7.4x	NM	NM	NM	NM	NA	NA
OpenText	\$40.53	66%	1.02x	\$4,953.3	\$965.6	\$5,919.4	3.2x	3.2x	10.2x	9.3x	12.7x	11.8x	NM	NM
PTC	\$41.02	96%	1.32x	\$4,716.8	\$262.8	\$4,979.6	3.9x	3.8x	14.2x	12.0x	18.4x	16.3x	1.15x	1.02x
Manhattan Associates	\$59.65	97%	2.11x	\$4,401.2	(\$107.2)	\$4,293.9	7.9x	7.3x	25.8x	23.1x	44.2x	38.9x	NA	NA
Aspen Technology	\$45.55	96%	1.44x	\$3,889.2	(\$215.8)	\$3,673.4	8.1x	7.4x	18.3x	16.1x	32.3x	28.3x	2.48x	2.18x
NICE Systems	\$63.60	91%	1.81x	\$3,807.5	(\$292.6)	\$3,499.1	3.5x	3.3x	14.4x	12.6x	20.7x	19.0x	1.73x	1.59x
Guidewire Software	\$52.93	95%	1.45x	\$3,734.1	(\$550.0)	\$3,184.1	8.1x	7.4x	NM	NM	NA	NM	NA	NA
Dealertrack Technologies	\$62.79	99%	1.72x	\$3,461.2	\$801.8	\$4,263.0	3.9x	3.4x	18.9x	16.0x	43.2x	34.8x	NM	2.42x
Synchronoss Technologies	\$45.73	85%	1.42x	\$1,979.2	\$36.6	\$2,015.8	3.5x	3.0x	10.3x	8.8x	21.5x	18.5x	0.95x	0.82x
MicroStrategy	\$170.08	86%	1.33x	\$1,926.3	(\$391.8)	\$1,534.5	2.8x	2.7x	11.0x	10.5x	23.6x	21.7x	2.49x	2.28x
BroadSoft	\$34.57	89%	1.81x	\$1,003.8	(\$68.9)	\$934.9	3.5x	3.0x	14.9x	11.8x	21.7x	18.2x	1.27x	1.07x
QAD	\$26.43	95%	1.55x	\$475.7	(\$115.5)	\$360.2	1.2x	1.2x	13.6x	11.9x	31.5x	29.4x	1.57x	1.47x
Average							5.5x	4.8x	16.2x	14.4x	28.6x	25.3x	1.90x	1.75x
Median							4.0x	4.0x	14.6x	12.8x	25.1x	22.5x	1.99x	1.73x

### Application – Operating Metrics

(\$Millions, except per share values)

(\$Millions, except per share values)							Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn.	R&D Mgn.	G&A Mgn.
							2015E	2016E	2015E	2016E	Growth %	LTM	LTM	LTM	LTM
Application	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value									
Intuit	\$100.77	92%	1.29x	\$27,779.2	(\$1,585.0)	\$26,194.2	(0.2%)	15.1%	31.8%	38.6%	13.9%	83.1%	31.1%	18.8%	11.3%
Autodesk	\$50.08	77%	1.04x	\$11,399.7	(\$1,083.5)	\$10,316.2	2.9%	(2.5%)	14.4%	13.9%	18.2%	86.2%	40.0%	29.2%	11.6%
Sage Group	\$8.06	88%	1.48x	\$8,686.6	\$757.5	\$9,488.4	7.8%	5.3%	29.8%	30.1%	9.7%	94.0%	NA	NA	NA
Tableau Software	\$115.30	93%	1.99x	\$8,203.5	(\$715.7)	\$7,487.8	47.9%	36.4%	10.5%	12.4%	27.3%	90.3%	53.3%	27.9%	10.3%
Ansys	\$91.24	99%	1.28x	\$8,190.8	(\$761.2)	\$7,429.6	2.6%	8.6%	50.4%	51.0%	13.3%	87.9%	NA	17.6%	NA
NetSuite	\$91.75	81%	1.17x	\$7,213.2	(\$182.6)	\$7,030.6	32.5%	29.3%	6.9%	7.6%	22.7%	68.2%	51.9%	18.8%	10.9%
OpenText	\$40.53	66%	1.02x	\$4,953.3	\$965.6	\$5,919.4	(1.5%)	1.9%	31.8%	34.0%	2.8%	71.7%	19.7%	10.3%	8.7%
PTC	\$41.02	96%	1.32x	\$4,716.8	\$262.8	\$4,979.6	(6.1%)	3.7%	27.4%	31.5%	16.0%	72.8%	26.6%	17.8%	10.1%
Manhattan Associates	\$59.65	97%	2.11x	\$4,401.2	(\$107.2)	\$4,293.9	11.1%	8.0%	30.4%	31.5%	NA	56.4%	10.2%	9.9%	8.8%
Aspen Technology	\$45.55	96%	1.44x	\$3,889.2	(\$215.8)	\$3,673.4	7.9%	10.2%	44.2%	45.7%	13.0%	88.3%	21.3%	16.0%	11.5%
NICE Systems	\$63.60	91%	1.81x	\$3,807.5	(\$292.6)	\$3,499.1	(1.4%)	8.0%	24.4%	25.7%	12.0%	63.7%	26.0%	14.5%	8.6%
Guidewire Software	\$52.93	95%	1.45x	\$3,734.1	(\$550.0)	\$3,184.1	6.5%	10.1%	15.7%	17.6%	20.0%	60.7%	21.0%	23.7%	10.8%
Dealertrack Technologies	\$62.79	99%	1.72x	\$3,461.2	\$801.8	\$4,263.0	28.3%	15.0%	20.6%	21.1%	14.4%	45.4%	0.1%	12.0%	NA
Synchronoss Technologies	\$45.73	85%	1.42x	\$1,979.2	\$36.6	\$2,015.8	25.1%	17.1%	34.2%	34.4%	22.5%	59.7%	NA	16.3%	NA
MicroStrategy	\$170.08	86%	1.33x	\$1,926.3	(\$391.8)	\$1,534.5	(6.9%)	6.1%	25.7%	25.5%	9.5%	77.1%	35.8%	16.0%	16.3%
BroadSoft	\$34.57	89%	1.81x	\$1,003.8	(\$68.9)	\$934.9	22.2%	18.7%	23.7%	25.2%	17.0%	73.5%	30.2%	21.8%	14.3%
QAD	\$26.43	95%	1.55x	\$475.7	(\$115.5)	\$360.2	(0.0%)	4.5%	9.0%	9.8%	20.0%	55.3%	23.8%	14.1%	11.6%
						Average	10.5%	11.5%	25.4%	26.8%	15.8%	72.6%	27.9%	17.8%	11.1%
						Median	6.5%	8.6%	25.7%	25.7%	15.2%	72.8%	26.3%	17.0%	10.9%

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2015 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Rev. > 20x, EV / CY EBITDA > 40x, P / E > 60x, 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)

(\$Millions, except per share values)							Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	
Diversified														
Microsoft	\$44.15	88%	1.10x	\$358,189.0	(\$63,398.0)	\$294,791.0	3.2x	3.0x	9.0x	7.8x	17.6x	15.6x	1.93x	1.72x
Oracle	\$40.30	86%	1.13x	\$174,743.9	(\$12,410.0)	\$162,768.9	4.2x	4.1x	9.0x	8.8x	14.8x	14.0x	2.06x	1.95x
SAP AG	\$70.00	89%	1.25x	\$83,669.7	\$5,998.8	\$89,993.3	3.9x	3.8x	11.8x	11.1x	16.8x	15.7x	1.79x	1.68x
Adobe Systems	\$81.01	96%	1.38x	\$40,314.2	(\$1,508.9)	\$38,805.3	8.0x	6.5x	23.0x	17.0x	39.5x	25.5x	NM	2.22x
Average							4.8x	4.3x	13.2x	11.2x	22.1x	17.7x	1.93x	1.89x
Median							4.1x	3.9x	10.4x	9.9x	17.2x	15.6x	1.93x	1.84x

### Diversified – Operating Metrics

(\$Millions, except per share values)

(\$Millions, except per share values)							Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn.	R&D Mgn.	G&A Mgn.
							2015E	2016E	2015E	2016E	Growth %	LTM	LTM	LTM	LTM
	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value									
Diversified															
Microsoft	\$44.15	88%	1.10x	\$358,189.0	(\$63,398.0)	\$294,791.0	(0.9%)	7.5%	35.5%	37.9%	9.1%	65.1%	17.3%	12.7%	4.2%
Oracle	\$40.30	86%	1.13x	\$174,743.9	(\$12,410.0)	\$162,768.9	(0.7%)	2.1%	46.9%	47.2%	7.2%	60.3%	NA	14.5%	2.8%
SAP AG	\$70.00	89%	1.25x	\$83,669.7	\$5,998.8	\$89,993.3	7.3%	4.9%	33.5%	33.8%	9.3%	71.6%	24.5%	13.3%	5.1%
Adobe Systems	\$81.01	96%	1.38x	\$40,314.2	(\$1,508.9)	\$38,805.3	16.8%	23.6%	34.8%	38.2%	11.5%	84.6%	37.6%	19.5%	12.4%
						Average	5.6%	9.5%	37.7%	39.3%	9.3%	70.4%	26.5%	15.0%	6.1%
						Median	3.3%	6.2%	35.1%	38.1%	9.2%	68.4%	24.5%	13.9%	4.6%

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2015 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Revenue > 20x, EV / CY EBITDA > 40x, P / E > 60x, 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.)

### eCommerce – Valuation Metrics

(\$Millions, except per share values)

(\$Millions, except per share values)							Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	
E-Commerce														
Amazon.com	\$434.09	96%	1.53x	\$202,147.5	\$3,250.0	\$205,397.5	2.0x	1.7x	22.4x	18.2x	NM	NM	NA	NA
eBay	\$60.24	95%	1.30x	\$73,180.9	(\$2,016.0)	\$71,164.9	3.8x	3.4x	12.0x	11.0x	19.4x	17.6x	1.64x	1.49x
priceline.com	\$1,151.37	87%	1.16x	\$59,683.6	\$668.7	\$60,352.2	6.5x	5.6x	16.7x	14.0x	20.7x	17.2x	1.11x	0.92x
Rakuten	\$16.17	83%	1.75x	\$22,820.3	\$861.3	\$24,485.7	4.4x	3.8x	18.3x	15.7x	NA	NA	NA	NA
Expedia	\$109.35	95%	1.54x	\$13,948.9	(\$273.4)	\$14,368.0	2.2x	2.0x	13.3x	10.6x	28.8x	21.1x	1.60x	1.17x
TripAdvisor	\$87.14	79%	1.32x	\$12,505.4	(\$293.0)	\$12,212.4	7.7x	6.3x	23.1x	18.1x	39.0x	30.3x	1.57x	1.22x
Mercadolibre	\$141.70	92%	1.64x	\$6,256.8	(\$80.1)	\$6,176.7	9.5x	8.0x	30.2x	25.5x	48.6x	38.1x	1.57x	1.23x
Groupon	\$5.03	60%	1.00x	\$3,403.7	(\$941.9)	\$2,466.2	0.8x	0.7x	7.8x	6.4x	30.6x	22.9x	1.13x	0.84x
Vistaprint N.V.	\$84.16	92%	2.27x	\$2,760.8	\$358.9	\$3,133.3	2.0x	1.8x	12.5x	10.7x	22.4x	17.5x	1.23x	0.96x
Shutterstock	\$58.64	68%	1.08x	\$2,103.0	(\$245.5)	\$1,857.5	4.2x	3.3x	20.2x	14.9x	44.4x	33.1x	1.45x	1.08x
Orbitz Worldwide	\$11.42	97%	1.58x	\$1,275.9	\$114.4	\$1,390.3	1.4x	1.4x	9.6x	7.9x	57.1x	25.7x	NM	1.71x
RetailMeNot	\$17.83	66%	1.34x	\$950.8	(\$200.3)	\$750.5	2.7x	2.3x	7.6x	6.6x	17.0x	15.5x	1.25x	1.15x
Coupons.com	\$10.79	41%	1.17x	\$894.0	(\$194.9)	\$699.1	2.6x	2.0x	18.3x	9.8x	43.2x	24.0x	2.16x	1.20x
Overstock.com	\$22.54	83%	1.63x	\$548.3	(\$122.2)	\$426.0	0.3x	NA	8.9x	NA	31.7x	NA	NA	NA
Blue Nile	\$30.39	81%	1.32x	\$360.7	(\$39.1)	\$321.5	0.7x	0.6x	13.3x	11.6x	34.5x	30.1x	1.89x	1.64x
Liquidity Services	\$9.63	60%	1.32x	\$289.0	(\$86.2)	\$202.8	0.5x	NA	6.4x	NA	23.2x	NA	NM	NA
Care.com	\$5.92	45%	1.06x	\$189.2	(\$62.7)	\$126.4	0.8x	0.7x	NM	NM	NM	NM	NA	NA
Average							3.1x	2.9x	15.0x	12.9x	32.9x	24.4x	1.51x	1.22x
Median							2.2x	2.0x	13.3x	11.3x	31.1x	23.4x	1.57x	1.18x

### eCommerce – Operating Metrics

(\$Millions, except per share values)

(\$Millions, except per share values)							Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn.	R&D Mgn.	G&A Mgn.
							2015E	2016E	2015E	2016E	Growth %	LTM	LTM	LTM	LTM
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value										
E-Commerce															
Amazon.com	\$434.09	96%	1.53x	\$202,147.5	\$3,250.0	\$205,397.5	16.0%	18.0%	8.9%	9.3%	53.7%	30.3%	4.9%	10.9%	0.8%
eBay	\$60.24	95%	1.30x	\$73,180.9	(\$2,016.0)	\$71,164.9	4.5%	10.6%	31.6%	31.3%	11.8%	67.8%	19.8%	11.1%	10.0%
priceline.com	\$1,151.37	87%	1.16x	\$59,683.6	\$668.7	\$60,352.2	9.7%	16.6%	38.9%	39.9%	18.6%	90.7%	35.3%	NA	5.5%
Rakuten	\$16.17	83%	1.75x	\$22,820.3	\$861.3	\$24,485.7	12.5%	13.4%	23.8%	24.5%	19.0%	17.4%	NA	NA	NA
Expedia	\$109.35	95%	1.54x	\$13,948.9	(\$273.4)	\$14,368.0	12.2%	13.8%	16.7%	18.4%	18.0%	79.7%	49.6%	12.0%	7.2%
TripAdvisor	\$87.14	79%	1.32x	\$12,505.4	(\$293.0)	\$12,212.4	27.5%	22.9%	33.3%	34.6%	24.8%	96.6%	42.0%	13.7%	9.9%
Mercadolibre	\$141.70	92%	1.64x	\$6,256.8	(\$80.1)	\$6,176.7	16.6%	19.5%	31.5%	31.2%	31.0%	77.5%	19.6%	9.9%	10.5%
Groupon	\$5.03	60%	1.00x	\$3,403.7	(\$941.9)	\$2,466.2	0.5%	11.3%	9.9%	10.8%	27.1%	47.6%	7.9%	NA	NA
Vistaprint N.V.	\$84.16	92%	2.27x	\$2,760.8	\$358.9	\$3,133.3	11.7%	11.0%	16.0%	16.9%	18.2%	62.4%	32.7%	12.8%	7.9%
Shutterstock	\$58.64	68%	1.08x	\$2,103.0	(\$245.5)	\$1,857.5	34.5%	26.2%	20.9%	22.4%	30.7%	60.2%	24.9%	11.7%	12.7%
Orbitz Worldwide	\$11.42	97%	1.58x	\$1,275.9	\$114.4	\$1,390.3	4.4%	4.9%	14.9%	17.2%	15.0%	77.8%	35.4%	NA	NA
RetailMeNot	\$17.83	66%	1.34x	\$950.8	(\$200.3)	\$750.5	6.6%	14.4%	34.9%	35.4%	13.5%	92.6%	34.3%	19.1%	16.1%
Coupons.com	\$10.79	41%	1.17x	\$894.0	(\$194.9)	\$699.1	23.0%	26.9%	14.0%	20.7%	20.0%	61.2%	35.6%	20.5%	14.2%
Overstock.com	\$22.54	83%	1.63x	\$548.3	(\$122.2)	\$426.0	13.1%	NA	2.8%	NA	NA	18.7%	7.3%	NA	10.3%
Blue Nile	\$30.39	81%	1.32x	\$360.7	(\$39.1)	\$321.5	4.1%	6.9%	4.9%	5.2%	18.3%	18.4%	5.2%	NA	NA
Liquidity Services	\$9.63	60%	1.32x	\$289.0	(\$86.2)	\$202.8	(18.5%)	NA	7.8%	NA	6.9%	34.2%	8.9%	NA	9.5%
Care.com	\$5.92	45%	1.06x	\$189.2	(\$62.7)	\$126.4	30.1%	24.6%	(8.5%)	(0.1%)	20.0%	73.0%	60.4%	14.2%	22.4%
						Average	12.3%	16.1%	17.8%	21.2%	21.7%	59.2%	26.5%	13.6%	10.5%
						Median	12.2%	14.4%	16.0%	20.7%	18.8%	62.4%	28.8%	12.4%	10.0%

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2015 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Revenue > 20x, EV / CY EBITDA > 40x, P/E > 60x, 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)

(Millions, except per share values)							Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	
Internet														
Google	\$540.04	89%	1.10x	\$361,855.1	(\$57,734.0)	\$304,121.1	4.1x	3.5x	10.5x	9.1x	19.1x	16.6x	1.26x	1.10x
Facebook	\$85.77	96%	1.38x	\$240,848.4	(\$12,227.0)	\$228,621.4	13.4x	10.1x	21.9x	16.3x	42.5x	32.5x	1.49x	1.14x
Baidu	\$199.08	79%	1.13x	\$69,922.9	(\$5,191.3)	\$65,170.4	6.0x	4.5x	20.5x	15.4x	27.0x	20.0x	0.79x	0.58x
Netflix	\$93.85	93%	2.08x	\$39,825.8	(\$557.7)	\$39,268.1	5.8x	4.6x	NM	NM	NM	NM	NA	NA
Yahoo	\$39.29	75%	1.19x	\$36,871.4	(\$4,098.6)	\$32,817.6	7.7x	7.6x	30.1x	28.6x	50.7x	47.9x	NM	NM
LinkedIn Corporation	\$206.63	75%	1.35x	\$26,028.0	(\$2,437.2)	\$23,596.4	8.1x	6.1x	37.2x	23.6x	NM	NM	NA	NA
Activision Blizzard	\$24.21	93%	1.37x	\$17,581.0	(\$395.0)	\$17,186.0	3.8x	3.5x	11.4x	9.8x	19.5x	16.4x	2.11x	1.77x
IAC/InterActiveCorp	\$79.66	97%	1.41x	\$6,543.3	\$202.8	\$6,774.4	2.1x	1.9x	13.5x	10.2x	26.8x	19.8x	1.49x	1.10x
Zillow <sup>(1)</sup>	\$86.74	53%	1.07x	\$5,072.1	(\$398.4)	\$4,673.6	7.0x	5.4x	NM	23.3x	NM	56.5x	NA	1.00x
Yandex	\$15.22	42%	1.09x	\$4,919.6	(\$12.1)	\$4,907.5	4.8x	4.1x	13.8x	11.1x	22.4x	18.6x	1.21x	1.00x
Pandora	\$15.54	51%	1.07x	\$3,285.6	(\$381.6)	\$2,904.1	2.5x	2.0x	35.9x	18.1x	NM	33.4x	NA	0.52x
Yelp	\$43.03	50%	1.14x	\$3,219.3	(\$331.2)	\$2,888.0	5.0x	3.8x	28.0x	17.6x	58.9x	40.2x	1.63x	1.11x
51job	\$33.24	86%	1.14x	\$1,961.3	(\$584.5)	\$1,376.8	4.0x	3.4x	11.4x	8.8x	18.9x	15.4x	0.82x	0.67x
Renren	\$3.79	85%	1.61x	\$1,284.5	(\$413.0)	\$871.1	12.4x	7.9x	NM	NM	NM	NM	NA	NA
Angie's List	\$6.16	49%	1.41x	\$360.5	(\$18.6)	\$341.9	1.0x	0.9x	11.0x	7.4x	19.6x	11.8x	1.03x	0.62x
Average							5.8x	4.6x	20.4x	15.3x	30.5x	27.4x	1.31x	0.96x
Median							5.0x	4.1x	17.2x	15.4x	24.6x	19.9x	1.26x	1.00x

### Internet – Operating Metrics

(\$Millions, except per share values)

(\$Millions, except per share values)							Operating Metrics								
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value	CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn.	R&D Mgn.	G&A Mgn.	
						2015E	2016E	2015E	2016E	Growth %	LTM	LTM	LTM	LTM	
Internet															
Google	\$540.04	89%	1.10x	\$361,855.1	(\$57,734.0)	\$304,121.1	12.3%	15.6%	39.2%	39.2%	15.1%	62.1%	12.5%	15.4%	8.8%
Facebook	\$85.77	96%	1.38x	\$240,848.4	(\$12,227.0)	\$228,621.4	36.8%	32.6%	61.1%	62.2%	28.6%	83.4%	14.6%	24.0%	7.8%
Baidu	\$199.08	79%	1.13x	\$69,922.9	(\$5,191.3)	\$65,170.4	38.1%	33.6%	29.1%	29.1%	34.3%	68.4%	1.7%	15.3%	NA
Netflix	\$93.85	93%	2.08x	\$39,825.8	(\$557.7)	\$39,268.1	23.2%	24.7%	7.0%	7.1%	38.1%	32.3%	11.4%	8.7%	5.3%
Yahoo	\$39.29	75%	1.19x	\$36,871.4	(\$4,098.6)	\$32,817.6	(7.2%)	0.2%	25.5%	26.7%	2.0%	69.7%	25.6%	26.9%	12.4%
LinkedIn Corporation	\$206.63	75%	1.35x	\$26,028.0	(\$2,437.2)	\$23,596.4	30.9%	32.8%	21.8%	25.9%	42.0%	86.6%	35.1%	24.4%	15.3%
Activision Blizzard	\$24.21	93%	1.37x	\$17,581.0	(\$395.0)	\$17,186.0	1.4%	9.1%	33.8%	36.0%	9.3%	65.1%	15.3%	12.5%	8.9%
IAC/InterActiveCorp	\$79.66	97%	1.41x	\$6,543.3	\$202.8	\$6,774.4	4.9%	9.2%	15.3%	18.7%	18.0%	72.5%	37.7%	5.3%	15.4%
Zillow <sup>(1)</sup>	\$86.74	53%	1.07x	\$5,072.1	(\$398.4)	\$4,673.6	15.0%	29.5%	12.5%	23.3%	56.6%	90.6%	49.4%	26.7%	21.7%
Yandex	\$15.22	42%	1.09x	\$4,919.6	(\$12.1)	\$4,907.5	24.5%	17.0%	34.5%	36.7%	18.5%	71.8%	NA	19.5%	NA
Pandora	\$15.54	51%	1.07x	\$3,285.6	(\$381.6)	\$2,904.1	27.2%	24.0%	6.9%	11.1%	64.5%	44.9%	31.3%	6.0%	12.8%
Yelp	\$43.03	50%	1.14x	\$3,219.3	(\$331.2)	\$2,888.0	52.3%	33.4%	18.0%	21.4%	36.3%	93.3%	52.2%	17.9%	15.3%
51job	\$33.24	86%	1.14x	\$1,961.3	(\$584.5)	\$1,376.8	15.6%	19.2%	35.4%	38.4%	23.0%	72.8%	30.9%	NA	11.0%
Renren	\$3.79	85%	1.61x	\$1,284.5	(\$413.0)	\$871.1	(15.3%)	57.0%	NM	NM	20.0%	36.0%	49.8%	53.0%	72.9%
Angie's List	\$6.16	49%	1.41x	\$360.5	(\$18.6)	\$341.9	13.7%	11.0%	8.7%	11.7%	19.0%	72.9%	61.3%	NA	11.7%
Average							18.2%	23.3%	24.9%	27.7%	28.4%	68.2%	30.6%	19.7%	16.9%
Median							15.6%	24.0%	23.7%	26.3%	23.0%	71.8%	31.1%	17.9%	12.4%

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2015 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Revenue > 20x, EV / CY EBITDA > 40x, P / E > 60x, 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).

(1) CY Revenue Growth and EV/CY Revenue Multiple Adjusted for Acquisition



## Appendix – Comparable Public Company Analysis (Cont.)

### SaaS – Valuation Metrics

(\$Millions, except per share values)

(Millions, except per share values)							Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	
SAAS														
salesforce.com	\$69.63	89%	1.36x	\$45,646.4	\$1,019.8	\$46,666.1	7.1x	5.9x	38.7x	30.5x	NM	NM	NA	NA
Workday	\$76.39	78%	1.02x	\$14,590.5	(\$1,423.5)	\$13,166.9	11.5x	8.3x	NM	NM	NM	NM	NA	NA
ServiceNow	\$74.31	89%	1.37x	\$11,411.4	(\$293.7)	\$11,117.7	11.2x	8.3x	NM	NM	NM	NM	NA	NA
NetSuite	\$91.75	81%	1.17x	\$7,213.2	(\$182.6)	\$7,030.6	9.5x	7.4x	NM	NM	NM	NM	NA	NA
The Ultimate Software Group	\$164.34	90%	1.31x	\$4,696.9	(\$112.7)	\$4,584.2	7.4x	6.1x	30.7x	24.6x	NM	53.6x	NA	2.27x
athenahealth	\$114.58	75%	1.06x	\$4,417.4	\$205.1	\$4,622.5	5.0x	4.1x	28.0x	23.2x	NM	NM	NA	NA
Qlik Technologies	\$34.96	92%	1.66x	\$3,193.0	(\$281.1)	\$2,911.9	4.8x	4.1x	NM	35.1x	NM	NM	NA	NA
HomeAway	\$31.12	84%	1.24x	\$2,954.1	(\$529.9)	\$2,434.1	4.9x	4.2x	20.1x	16.3x	51.9x	40.9x	2.19x	1.73x
Demandware	\$71.08	97%	1.50x	\$2,660.2	(\$189.7)	\$2,471.2	10.6x	7.9x	NM	NM	NM	NM	NA	NA
Blackbaud	\$56.95	95%	1.69x	\$2,623.2	\$273.5	\$2,896.7	4.5x	4.1x	18.8x	17.7x	38.7x	32.4x	1.94x	1.62x
Synchronoss Technologies	\$45.73	85%	1.42x	\$1,979.2	\$36.6	\$2,015.8	3.5x	3.0x	10.3x	8.8x	21.5x	18.5x	0.95x	0.82x
Cornerstone OnDemand	\$34.80	74%	1.34x	\$1,877.0	\$7.2	\$1,884.2	5.5x	4.4x	NM	NM	NM	NM	NA	NA
Fleetmatics Group	\$46.83	95%	1.69x	\$1,797.5	(\$148.1)	\$1,649.4	5.8x	4.9x	19.2x	15.0x	36.6x	28.6x	1.41x	1.10x
LogMeIn	\$64.49	92%	1.65x	\$1,588.0	(\$232.5)	\$1,355.5	5.1x	4.4x	23.0x	19.4x	46.1x	40.3x	2.30x	2.02x
LifeLock	\$16.40	86%	1.33x	\$1,547.7	(\$293.4)	\$1,254.3	2.1x	1.8x	16.1x	11.7x	25.2x	18.2x	0.96x	0.69x
RealPage	\$19.07	83%	1.28x	\$1,517.3	(\$12.8)	\$1,504.5	3.3x	2.9x	17.6x	14.4x	40.8x	33.7x	2.04x	1.69x
Marketo	\$28.06	79%	1.14x	\$1,185.3	(\$99.1)	\$1,088.0	5.2x	4.0x	NM	NM	NM	NM	NA	NA
SPS Commerce	\$65.80	90%	1.34x	\$1,087.5	(\$133.6)	\$954.0	6.1x	5.1x	NM	34.1x	NM	NM	NA	NA
Cvent	\$25.78	86%	1.16x	\$1,071.4	(\$176.6)	\$894.9	4.9x	4.0x	NM	31.2x	NM	NM	NA	NA
RetailMeNot	\$17.83	66%	1.34x	\$950.8	(\$200.3)	\$750.5	2.7x	2.3x	7.6x	6.6x	17.0x	15.5x	1.25x	1.15x
Constant Contact	\$28.76	67%	1.15x	\$924.9	(\$179.1)	\$745.8	2.0x	1.7x	10.1x	8.5x	22.1x	17.8x	0.98x	0.79x
Textura Corporation	\$27.83	89%	1.44x	\$714.6	(\$67.3)	\$647.3	7.2x	5.1x	NM	28.8x	NM	42.8x	NA	0.95x
IntraLinks Holdings	\$11.91	93%	1.53x	\$683.2	\$31.7	\$714.9	2.6x	2.5x	18.5x	15.8x	NM	NM	NA	NA
LivePerson	\$9.81	67%	1.21x	\$559.7	(\$40.8)	\$518.8	2.1x	1.9x	26.9x	18.7x	NM	40.9x	NA	2.04x
Tangoe	\$12.58	82%	1.14x	\$490.6	(\$47.7)	\$442.9	1.8x	1.6x	11.9x	9.6x	16.7x	13.5x	0.83x	0.68x
Bazaarvoice	\$5.89	63%	1.13x	\$472.1	(\$49.8)	\$422.3	2.1x	1.9x	NM	NM	NM	NM	NA	NA
ServiceSource International	\$5.47	93%	1.95x	\$465.6	(\$88.6)	\$377.0	1.5x	1.5x	NM	NA	NM	NM	NA	NA
SciQuest	\$14.81	78%	1.11x	\$408.6	(\$127.3)	\$281.3	2.6x	2.3x	13.5x	11.2x	47.8x	39.0x	NM	2.60x
Jive Software	\$5.25	60%	1.08x	\$392.8	(\$114.0)	\$278.8	1.4x	1.3x	NM	28.0x	NM	NM	NA	NA
Carbonite	\$11.81	77%	1.29x	\$322.8	(\$64.5)	\$258.3	1.9x	1.7x	10.1x	8.8x	NM	NM	NA	NA
ChannelAdvisor Corporation	\$11.95	44%	1.45x	\$298.6	(\$61.2)	\$237.4	2.5x	2.2x	NM	NM	NM	NM	NA	NA
Millennial Media	\$1.62	32%	1.27x	\$226.9	(\$32.4)	\$194.5	0.6x	0.5x	NM	NM	NM	NM	NA	NA
Demand Media	\$6.36	23%	1.57x	\$126.0	(\$47.3)	\$78.6	0.6x	0.5x	27.7x	9.6x	NM	NM	NA	NA
Average							4.5x	3.7x	19.4x	18.6x	33.1x	31.1x	1.49x	1.44x
Median							4.5x	4.0x	18.7x	16.3x	36.6x	33.0x	1.33x	1.38x

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2015 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Rev. > 20x, EV / CY EBITDA > 40x, P / E > 60x, 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 – Operating Metrics

(\$Millions, except per share values)

	(Millions, except per share values)						Operating Metrics								
	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value	CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn.	R&D Mgn.	G&A Mgn.
							2015E	2016E	2015E	2016E	Growth %	LTM	LTM	LTM	LTM
SAAS															
salesforce.com	\$69.63	89%	1.36x	\$45,646.4	\$1,019.8	\$46,666.1	21.8%	20.9%	18.4%	19.3%	26.8%	75.6%	50.5%	14.6%	12.3%
Workday	\$76.39	78%	1.02x	\$14,590.5	(\$1,423.5)	\$13,166.9	45.2%	38.4%	5.2%	7.6%	33.8%	67.5%	39.0%	39.9%	13.3%
ServiceNow	\$74.31	89%	1.37x	\$11,411.4	(\$293.7)	\$11,117.7	45.0%	35.8%	11.1%	13.3%	41.7%	63.9%	50.5%	22.1%	13.8%
NetSuite	\$91.75	81%	1.17x	\$7,213.2	(\$182.6)	\$7,030.6	32.5%	29.3%	6.9%	7.6%	22.7%	68.2%	51.9%	18.8%	10.9%
The Ultimate Software Group	\$164.34	90%	1.31x	\$4,696.9	(\$112.7)	\$4,584.2	21.8%	21.4%	24.2%	24.9%	23.6%	60.0%	24.3%	16.1%	9.8%
athenahealth	\$114.58	75%	1.06x	\$4,417.4	\$205.1	\$4,622.5	22.2%	21.3%	17.9%	17.8%	25.7%	60.4%	25.1%	9.8%	16.6%
Qlik Technologies	\$34.96	92%	1.66x	\$3,193.0	(\$281.1)	\$2,911.9	9.1%	17.2%	9.5%	11.7%	30.4%	86.1%	55.2%	12.9%	19.7%
HomeAway	\$31.12	84%	1.24x	\$2,954.1	(\$529.9)	\$2,434.1	11.2%	16.8%	24.3%	25.8%	23.7%	74.7%	36.3%	17.2%	20.2%
Demandware	\$71.08	97%	1.50x	\$2,660.2	(\$189.7)	\$2,471.2	45.6%	33.7%	4.6%	6.4%	37.5%	73.0%	44.1%	22.6%	21.5%
Blackbaud	\$56.95	95%	1.69x	\$2,623.2	\$273.5	\$2,896.7	13.6%	9.8%	24.0%	23.2%	20.0%	51.7%	19.0%	14.0%	10.0%
Synchronoss Technologies	\$45.73	85%	1.42x	\$1,979.2	\$36.6	\$2,015.8	25.1%	17.1%	34.2%	34.4%	22.5%	59.7%	NA	16.3%	NA
Cornerstone OnDemand	\$34.80	74%	1.34x	\$1,877.0	\$7.2	\$1,884.2	29.3%	26.7%	0.7%	4.3%	20.0%	69.7%	61.9%	12.0%	14.7%
Fleetmatics Group	\$46.83	95%	1.69x	\$1,797.5	(\$148.1)	\$1,649.4	21.9%	20.2%	30.4%	32.4%	26.0%	74.7%	34.2%	7.1%	17.6%
LogMeIn	\$64.49	92%	1.65x	\$1,588.0	(\$232.5)	\$1,355.5	18.7%	16.2%	22.4%	22.8%	20.0%	86.9%	53.9%	15.4%	12.5%
LifeLock	\$16.40	86%	1.33x	\$1,547.7	(\$293.4)	\$1,254.3	23.3%	18.4%	13.3%	15.5%	26.3%	75.1%	46.6%	11.0%	12.7%
RealPage	\$19.07	83%	1.28x	\$1,517.3	(\$12.8)	\$1,504.5	14.1%	11.3%	18.5%	20.4%	20.0%	55.9%	27.6%	16.2%	15.9%
Marketo	\$28.06	79%	1.14x	\$1,185.3	(\$99.1)	\$1,088.0	39.2%	31.5%	(12.7%)	(5.0%)	15.0%	65.7%	66.3%	20.1%	17.2%
SPS Commerce	\$65.80	90%	1.34x	\$1,087.5	(\$133.6)	\$954.0	22.9%	19.6%	13.9%	14.9%	22.5%	68.9%	36.7%	10.7%	15.6%
Cvent	\$25.78	86%	1.16x	\$1,071.4	(\$176.6)	\$894.9	28.2%	22.3%	9.0%	12.9%	NA	68.3%	43.3%	10.5%	17.8%
RetailMeNot	\$17.83	66%	1.34x	\$950.8	(\$200.3)	\$750.5	6.6%	14.4%	34.9%	35.4%	13.5%	92.6%	34.3%	19.1%	16.1%
Constant Contact	\$28.76	67%	1.15x	\$924.9	(\$179.1)	\$745.8	13.0%	15.0%	19.8%	20.4%	22.5%	72.7%	37.6%	15.7%	12.7%
Textura Corporation	\$27.83	89%	1.44x	\$714.6	(\$67.3)	\$647.3	42.9%	40.2%	9.6%	17.8%	45.0%	80.2%	30.5%	29.8%	38.1%
IntraLinks Holdings	\$11.91	93%	1.53x	\$683.2	\$31.7	\$714.9	6.4%	6.4%	14.2%	15.6%	15.0%	73.0%	45.5%	8.7%	25.8%
LivePerson	\$9.81	67%	1.21x	\$559.7	(\$40.8)	\$518.8	16.8%	13.7%	7.9%	9.9%	20.0%	74.2%	40.2%	17.2%	17.7%
Tango	\$12.58	82%	1.14x	\$490.6	(\$47.7)	\$442.9	15.3%	14.9%	15.2%	16.4%	20.0%	55.2%	18.5%	11.0%	15.4%
Bazaarvoice	\$5.89	63%	1.13x	\$472.1	(\$49.8)	\$422.3	8.4%	8.3%	(1.8%)	4.2%	NA	63.4%	41.0%	19.7%	16.5%
ServiceSource International	\$5.47	93%	1.95x	\$465.6	(\$88.6)	\$377.0	(9.9%)	4.3%	(7.8%)	NA	NA	29.2%	20.3%	8.8%	17.3%
SciQuest	\$14.81	78%	1.11x	\$408.6	(\$127.3)	\$281.3	6.1%	11.0%	19.3%	20.9%	15.0%	68.6%	25.0%	27.8%	13.9%
Jive Software	\$5.25	60%	1.08x	\$392.8	(\$114.0)	\$278.8	10.4%	10.6%	0.0%	4.6%	NA	63.0%	46.3%	28.9%	13.4%
Carbonite	\$11.81	77%	1.29x	\$322.8	(\$64.5)	\$258.3	12.3%	9.1%	18.6%	19.6%	27.5%	68.9%	41.4%	20.3%	17.3%
ChannelAdvisor Corporation	\$11.95	44%	1.45x	\$298.6	(\$61.2)	\$237.4	11.6%	14.7%	(15.2%)	(8.9%)	NA	72.1%	65.3%	18.9%	25.0%
Millennial Media	\$1.62	32%	1.27x	\$226.9	(\$32.4)	\$194.5	10.3%	11.1%	(5.4%)	(0.0%)	15.0%	40.0%	19.0%	10.1%	31.2%
Demand Media	\$6.36	23%	1.57x	\$126.0	(\$47.3)	\$78.6	(18.0%)	15.7%	2.0%	5.0%	NA	56.0%	11.5%	17.8%	30.3%
						Average	18.9%	18.7%	11.7%	14.7%	24.1%	67.4%	38.8%	17.0%	17.6%
						Median	16.8%	16.8%	13.3%	15.5%	22.5%	68.6%	39.6%	16.2%	16.3%

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2015 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Rev. > 20x, EV / CY EBITDA > 40x, P / E > 60x, 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)

(\$Millions, except per share values)							Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	
Security														
Symantec	\$23.25	85%	1.07x	\$15,826.9	(\$1,795.0)	\$14,031.9	2.2x	2.2x	6.8x	6.3x	12.7x	11.8x	1.78x	1.66x
Check Point Software Tech.	\$79.55	90%	1.25x	\$14,387.0	(\$1,278.4)	\$13,108.7	8.1x	7.5x	14.5x	13.4x	19.9x	17.8x	2.04x	1.83x
FireEye	\$48.91	88%	1.97x	\$7,646.1	(\$397.6)	\$7,248.5	11.5x	8.4x	NM	NM	NM	NM	NA	NA
VeriSign	\$61.72	90%	1.27x	\$7,186.3	\$14.1	\$7,200.4	6.8x	6.5x	10.2x	9.6x	20.2x	17.6x	1.68x	1.47x
Fortinet	\$41.33	94%	1.79x	\$7,008.0	(\$804.0)	\$6,204.1	6.6x	5.6x	38.5x	30.3x	NM	NM	NA	NA
Trend Micro	\$34.26	92%	1.36x	\$4,652.0	(\$973.1)	\$3,697.3	3.7x	3.5x	10.5x	10.1x	NA	NA	NA	NA
Proofpoint	\$63.67	94%	2.12x	\$2,509.9	(\$29.4)	\$2,480.6	9.9x	7.8x	NM	NM	NM	NM	NA	NA
Imperva	\$67.70	98%	3.14x	\$2,071.4	(\$242.7)	\$1,828.7	8.9x	7.3x	NM	NM	NM	NM	NA	NA
AVG Technologies	\$27.21	94%	1.70x	\$1,408.4	\$64.9	\$1,513.8	3.5x	3.0x	10.4x	9.1x	14.5x	11.8x	NA	NA
Qualys	\$40.35	73%	1.78x	\$1,370.1	(\$143.0)	\$1,227.2	7.4x	6.0x	27.0x	21.2x	NM	58.7x	NA	1.57x
						Average	6.9x	5.8x	16.8x	14.3x	16.8x	23.5x	1.84x	1.63x
						Median	7.1x	6.2x	10.5x	10.1x	17.2x	17.6x	1.78x	1.61x

### Security – Operating Metrics

(\$Millions, except per share values)

( \$Millions, except per share values)							Operating Metrics								
							CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn.	R&D Mgn.	G&A Mgn.
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk low	Equity Value	Net Debt	Ent. Value	2015E	2016E	2015E	2016E	Growth %	LTM	LTM	LTM	LTM	
Security															
Symantec	\$23.25	85%	1.07x	\$15,826.9	(\$1,795.0)	\$14,031.9	(5.6%)	2.9%	33.2%	34.5%	7.1%	83.1%	35.7%	17.6%	5.8%
Check Point Software Tech.	\$79.55	90%	1.25x	\$14,387.0	(\$1,278.4)	\$13,108.7	8.7%	7.8%	55.6%	55.7%	9.8%	88.3%	20.6%	8.9%	5.5%
FireEye	\$48.91	88%	1.97x	\$7,646.1	(\$397.6)	\$7,248.5	48.1%	37.5%	(31.6%)	(16.0%)	35.0%	59.8%	90.5%	47.5%	26.4%
VeriSign	\$61.72	90%	1.27x	\$7,186.3	\$14.1	\$7,200.4	4.3%	4.6%	66.9%	68.3%	12.0%	81.5%	9.2%	6.5%	9.9%
Fortinet	\$41.33	94%	1.79x	\$7,008.0	(\$804.0)	\$6,204.1	22.0%	18.0%	17.1%	18.4%	19.0%	70.3%	42.9%	16.0%	5.4%
Trend Micro	\$34.26	92%	1.36x	\$4,652.0	(\$973.1)	\$3,697.3	5.2%	3.7%	34.7%	34.9%	11.3%	82.1%	6.9%	NA	NA
Proofpoint	\$63.67	94%	2.12x	\$2,509.9	(\$29.4)	\$2,480.6	28.5%	26.3%	0.9%	7.5%	26.3%	66.2%	53.4%	26.4%	12.7%
Imperva	\$67.70	98%	3.14x	\$2,071.4	(\$242.7)	\$1,828.7	25.9%	21.1%	(7.1%)	(2.6%)	25.0%	77.9%	64.7%	25.8%	20.2%
AVG Technologies	\$27.21	94%	1.70x	\$1,408.4	\$64.9	\$1,513.8	15.7%	15.4%	33.7%	33.5%	NA	86.4%	26.7%	19.2%	19.0%
Qualys	\$40.35	73%	1.78x	\$1,370.1	(\$143.0)	\$1,227.2	24.1%	24.3%	27.4%	28.1%	37.5%	78.6%	33.4%	19.2%	15.7%
Average							17.7%	16.2%	23.1%	26.2%	20.3%	77.4%	38.4%	20.8%	13.4%
Median							18.8%	16.7%	30.3%	30.8%	19.0%	80.1%	34.5%	19.2%	12.7%

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2015 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Rev. > 20x, EV / CY EBITDA > 40x, P / E > 60x, 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

(\$Millions, except per share values)

(Millions, except per share values)							Valuation Metrics							
							EV/CY Revenue		EV/CY EBITDA		P/E		PEG Ratio	
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	
IT Infrastructure Management														
VMware	\$85.74	83%	1.16x	\$36,342.0	(\$5,726.0)	\$30,620.0	4.6x	4.1x	12.7x	11.5x	21.5x	18.8x	1.19x	1.04x
Red Hat	\$75.93	93%	1.45x	\$13,931.2	(\$463.7)	\$13,467.4	6.9x	6.0x	26.3x	22.7x	44.1x	36.9x	2.92x	2.44x
CA Technologies	\$29.29	88%	1.16x	\$12,972.8	(\$1,403.0)	\$11,569.8	2.9x	2.9x	7.3x	7.2x	12.3x	11.9x	NM	NM
Citrix Systems	\$70.16	96%	1.24x	\$11,245.8	\$412.6	\$11,658.4	3.6x	3.4x	11.1x	11.8x	19.7x	17.7x	1.39x	1.25x
Splunk	\$69.62	93%	1.71x	\$8,752.1	(\$865.1)	\$7,886.9	12.9x	9.8x	NM	NM	NM	NM	NA	NA
F5 Networks	\$120.35	88%	1.13x	\$8,657.1	(\$666.5)	\$7,990.6	4.1x	3.6x	11.4x	NA	18.5x	16.2x	1.15x	1.00x
SolarWinds	\$46.13	86%	1.23x	\$3,523.8	(\$239.8)	\$3,284.0	6.3x	5.2x	13.4x	12.3x	23.2x	19.5x	NA	NA
CommVault Systems	\$42.41	76%	1.07x	\$1,918.2	(\$387.6)	\$1,530.6	2.4x	2.2x	15.0x	10.9x	34.3x	26.0x	1.67x	1.27x
Infoblox	\$26.21	94%	2.25x	\$1,508.6	(\$318.9)	\$1,189.7	3.7x	3.1x	32.5x	22.5x	NM	47.9x	NA	2.28x
NetScout Systems	\$36.67	76%	1.16x	\$1,494.7	(\$206.3)	\$1,288.5	2.7x	2.3x	8.7x	7.0x	19.6x	15.4x	1.63x	1.28x
Gigamon	\$32.99	95%	3.32x	\$1,094.6	(\$166.6)	\$928.0	4.4x	3.8x	23.0x	18.4x	53.3x	43.2x	1.29x	1.05x
PROS Holdings	\$21.11	69%	1.33x	\$623.2	(\$42.3)	\$580.9	3.2x	3.2x	NM	NM	NM	NM	NA	NA
Average							4.8x	4.1x	16.1x	13.8x	27.4x	25.3x	1.61x	1.45x
Median							3.9x	3.5x	13.1x	11.8x	21.5x	19.2x	1.39x	1.26x

### IT Infrastructure Management – Operating Metrics

(\$Millions, except per share values)

(SMillions, except per share values)							Operating Metrics								
	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52 Wk low	Equity Value	Net Debt	Ent. Value	CY Rev. Growth		CY EBITDA Margin		5-Yr NI	GM	S&M Mgn.	R&D Mgn.	G&A Mgn.
							2015E	2016E	2015E	2016E	Growth %	LTM	LTM	LTM	LTM
IT Infrastructure Management															
Vmware	\$85.74	83%	1.16x	\$36,342.0	(\$5,726.0)	\$30,620.0	10.1%	11.6%	36.2%	36.0%	18.0%	84.5%	35.6%	20.2%	9.0%
Red Hat	\$75.93	93%	1.45x	\$13,931.2	(\$463.7)	\$13,467.4	12.3%	15.3%	26.4%	26.5%	15.1%	84.8%	40.6%	20.3%	9.0%
CA Technologies	\$29.29	88%	1.16x	\$12,972.8	(\$1,403.0)	\$11,569.8	(8.8%)	0.1%	39.4%	39.6%	2.0%	85.3%	24.6%	13.8%	8.7%
Citrix Systems	\$70.16	96%	1.24x	\$11,245.8	\$412.6	\$11,658.4	2.9%	5.5%	32.6%	28.9%	14.2%	84.9%	40.3%	17.9%	9.8%
Splunk	\$69.62	93%	1.71x	\$8,752.1	(\$865.1)	\$7,886.9	36.1%	31.3%	6.3%	8.3%	28.9%	84.2%	76.5%	33.8%	22.2%
F5 Networks	\$120.35	88%	1.13x	\$8,657.1	(\$666.5)	\$7,990.6	9.7%	11.6%	35.6%	NA	16.1%	82.4%	31.7%	15.1%	6.4%
SolarWinds	\$46.13	86%	1.23x	\$3,523.8	(\$239.8)	\$3,284.0	21.2%	20.6%	47.1%	42.7%	NA	89.6%	35.1%	13.1%	15.2%
CommVault Systems	\$42.41	76%	1.07x	\$1,918.2	(\$387.6)	\$1,530.6	1.9%	11.0%	16.4%	20.3%	20.5%	86.5%	55.3%	10.6%	12.3%
Infoblox	\$26.21	94%	2.25x	\$1,508.6	(\$318.9)	\$1,189.7	21.5%	19.9%	11.3%	13.6%	21.0%	77.8%	54.9%	21.3%	12.3%
NetScout Systems	\$36.67	76%	1.16x	\$1,494.7	(\$206.3)	\$1,288.5	8.0%	15.4%	30.8%	32.9%	12.0%	79.2%	30.1%	16.6%	7.8%
Gigamon	\$32.99	95%	3.32x	\$1,094.6	(\$166.6)	\$928.0	34.1%	15.7%	19.1%	20.7%	41.2%	76.7%	44.5%	25.2%	12.0%
PROS Holdings	\$21.11	69%	1.33x	\$623.2	(\$42.3)	\$580.9	(3.1%)	0.3%	(3.5%)	(7.8%)	20.0%	69.0%	35.1%	23.2%	21.3%
						Average	12.2%	13.2%	24.8%	23.8%	19.0%	82.1%	42.0%	19.2%	12.2%
						Median	9.9%	13.4%	28.6%	26.5%	18.0%	84.4%	37.9%	19.1%	10.9%

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q2 2015 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Rev. > 20x, EV / CY EBITDA > 40x, P / E > 60x, 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 & Internet M&A Transactions

### Selected Global Software & Internet M&A Comparables (Deals > \$ 10 million or Disclosed Multiples)

Date	Target	Acquirer	Transaction Value (\$USDmm)	Enterprise Value (\$USDmm)	Valuation Metrics	
					EV/LTM Revenues	EV/LTM EBITDA
06/30/2015	OpenDNS	Cisco Systems	\$635	NA	NA	NA
06/30/2015	Dailymotion SA	Vivendi S.A.	\$242	\$302	NA	NA
06/30/2015	Indaba Group	Warp 9	\$2	\$2	1.2x	NA
06/29/2015	Hyperion SA	Vogbue Management	\$4	\$41	8.5x	NA
06/29/2015	Kongzhong Corp.	Accel Partners and IDG Capital Partners	\$353	\$285	1.2x	7.4x
06/26/2015	Verivox GmbH	7Commerce GmbH	\$279	\$335	NA	NA
06/26/2015	Seer Technologies	Xurpas	\$0	\$1	0.4x	NA
06/26/2015	Beijing Shusheng Science & Technology Co.	Venus Information Security Investment Co.	\$8	\$35	3.3x	NA
06/25/2015	Software Innovation ASA	Tieto Oyj	\$78	\$78	NA	NA
06/24/2015	CareerOne Pty	Acquire Learning	\$16	\$24	NA	NA
06/24/2015	CompuClearing Outsourcing	Wisetechglobal	\$15	\$18	3.0x	11.1x
06/24/2015	iFLAG Co.	Hikari Tsushin	\$59	\$66	1.4x	NA
06/23/2015	Momo	Investor Group	\$1,863	\$3,118	NM	NA
06/23/2015	Orga Systems GmbH	Redknee	\$43	\$43	0.6x	NA
06/18/2015	Self Trade Bank, S.A.	Boursorama SA	\$38	\$77	NA	NA
06/18/2015	Spark Flow S.A.	Undertone Networks	\$20	\$20	NA	NA
06/17/2015	Pearson Education (Student Information Systems Businesses)	Vista Equity Partners	\$350	\$350	NA	NA
06/17/2015	Qihoo 360 Technology Co.	CIPI Securities	\$9,913	\$10,046	6.7x	27.3x
06/16/2015	Marmar Media	XLMedia	\$7	\$12	1.1x	5.4x
06/15/2015	GMO CLOUD Pte.	GMO Internet Pte.	\$0	\$0	8.7x	NA
06/15/2015	Acision	Comverse	\$402	\$402	2.1x	6.6x
06/15/2015	Dealertrack Technologies	Cox Automotive	\$4,547	\$4,460	4.7x	36.1x
06/12/2015	Jiuzhi Tianxia Technology	Hunan TV & Broadcast Intermediary Co.	\$52	\$103	12.3x	NA
06/11/2015	Shanghai NanKang Technology Co.	SuperMap Software Co.	\$15	\$15	NA	NA
06/10/2015	Outware Systems	Melbourne IT	\$17	\$34	NA	NA
06/10/2015	Track Concepts B.V.	Crowd Mobile	\$30	\$30	1.6x	3.0x
06/10/2015	ProwebCE	Edenred SA	\$5	\$106	1.0x	13.1x
06/10/2015	Guangdong Fengzhushou Network Technology Co.	Beijing Huaxing Jinhui Investment Co.	\$2	\$16	4.1x	NA
06/09/2015	Hubwoo	Perfect Commerce Holdings	\$29	\$22	0.7x	20.8x
06/09/2015	Reflexion Networks	Sophos	\$15	\$15	NA	NA
06/08/2015	Guangdong Juntetuandai Network Information Service Co.	Shenzhen Haoningda Meters Co.	\$114	\$173	NA	NA
06/08/2015	SYSION	Guangdong Qtone Education Co.	\$9	\$12	4.0x	NA
06/08/2015	EliteMedianet GmbH	Oakley Capital Investments	\$25	\$25	NA	NA
06/08/2015	Guangzhou Shun Xin Dai Hu Lian Wang Internet Financial Information Services	Wise Astute	\$26	\$26	NA	NA
06/05/2015	Treatwell Holding BV	Hotspring Ventures	\$38	\$38	NM	NA
06/05/2015	Join Me Group	JM WOWO	\$524	\$524	NA	NA
06/05/2015	Visteon Automotive Systems India Private (EPG Business)	Visteon Technical And Services Centre Private	\$50	\$50	NA	NA
06/03/2015	Morizon Spolka Akcyjna	ALTUS Towarzystwo Funduszy Inwestycyjnych S.A.	\$2	\$6	1.6x	6.7x
06/03/2015	Hexin E-commerce Co.	Shengda Mining Co.	\$37	\$67	5.3x	NA
06/02/2015	Enswers	Gracenote Korea	\$17	\$17	NA	NA
06/02/2015	Shenzhen Xiangsheng Software	Beijing Ultrapower Software Co.	\$48	\$48	5.3x	NA
06/02/2015	Intrafinity	West Corporation	\$19	\$19	NA	NA
06/02/2015	Indatus ICIM Corp. (Select Assets)	RealPage	\$49	\$49	NA	NA
06/01/2015	Cool Group ApS	Link Mobility Group ASA	\$11	\$11	1.7x	5.6x
06/01/2015	Taomee Holdings	Orient Securities Co.	\$99	\$55	1.4x	NA

Source: S&P Capital IQ.

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

Note: Excludes Outlier Multiples for Transactions with EV / Revenue > 20x & EV / EBITDA > 40x.



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

Date	Target	Acquirer	Transaction Value (\$USDmm)	Enterprise Value (\$USDmm)	Valuation Metrics	
					EV/LTM Revenues	EV/LTM EBITDA
05/30/2015	Zap Group	Apax Partners	\$37	\$37	0.7x	3.1x
05/29/2015	Johospace Co.	sMedio	\$1	\$1	0.8x	NA
05/29/2015	TECHNOPRENEUR'S RESOURCE CENTRE PTE	Seratos	\$36	\$36	3.0x	NA
05/28/2015	Ace Payroll Plus	MYOB Finance NZ	\$10	\$10	NA	NA
05/28/2015	FANS Entertainment	Optimal Payments	\$13	\$13	NA	NA
05/28/2015	Zhejiang Zhencheng Pharmaceutical Online Co.	Zhejiang Conba Pharmaceutical Co.	\$38	\$142	4.2x	NA
05/28/2015	TMI SOLUTIONS	Nippon Dentsu Co.	\$8	\$8	0.1x	NA
05/28/2015	Sportech-NYX Gaming	NYX Social Gaming	\$18	\$22	NA	NA
05/28/2015	Guangzhou Goldmessage Technology Co.	Gosuncn technology group Co.	\$40	\$45	5.2x	NA
05/27/2015	DXI	8x8	\$25	\$25	NA	NA
05/27/2015	Riyue Tongxing Information Technology	Beijing Miteno Communication Technology Co.	\$90	\$90	8.2x	NA
05/27/2015	ShieldArc	Palo Alto Networks	\$18	\$18	NA	NA
05/27/2015	Rally Software Development Corp.	CA	\$534	\$466	5.0x	NA
05/27/2015	TEMIS S.A.	Expert System	\$12	\$12	1.3x	27.5x
05/26/2015	Beijing Tensyn Digital Marketing Technology Joint Stock Company	Beijing Xiangjiang Xinnuo Culture Investment Center	\$158	\$1,589	10.9x	NM
05/26/2015	DeNA Co. (BtoB Market Business)	Aucfan Co.	\$10	\$10	2.4x	NA
05/26/2015	Virtustream	EMC Corporation	\$1,200	\$1,200	NA	NA
05/26/2015	Unisoft Group Co.	Unisplendour Corporation	\$56	\$115	NA	NA
05/26/2015	Ortsbo (Key Assets)	Yappn Corp.	\$17	\$17	NA	NA
05/26/2015	Cubiware	TiVo	\$48	\$48	NA	NA
05/26/2015	ID Checker	Mitek Systems	\$11	\$11	NA	NA
05/25/2015	SkyLink Co.	RVH	\$5	\$5	0.3x	NA
05/25/2015	Linedata Services SA	Amanat SAS	\$96	\$242	1.4x	6.1x
05/22/2015	Million Fortune International Investment	National United Resources Holdings	\$52	\$52	NA	NA
05/22/2015	Linedata Services SA	Amanat SAS	\$15	\$243	1.4x	6.1x
05/21/2015	NICE Systems (Cyber and Intelligence Division)	Cyberbit	\$158	\$158	2.0x	NA
05/21/2015	Starbreeze AB	Digital Bros S.p.A.	\$3	\$380	17.2x	NM
05/21/2015	Dealix Corporation And Autotegrity	Autobytel	\$25	\$25	NA	NA
05/20/2015	Booxmedia Oy	Amino Technologies	\$12	\$11	7.1x	NA
05/20/2015	The Foundry Visionmongers	HgCapital; HgCapital Trust	\$311	NA	NA	NA
05/19/2015	Elektrobit Automotive	Continental Aktiengesellschaft	\$668	\$668	3.5x	26.8x
05/19/2015	Bubblestorm Management	Automattic	\$30	\$30	NA	NA
05/19/2015	LOCNALL	Daum Kakao Corp.	\$57	\$57	NA	NA
05/18/2015	China Mobile Games and Entertainment Group	Changjiang Growth Capital Investment and Orient Hongtai	\$719	\$650	2.7x	12.7x
05/18/2015	Fivestarday AB	LINK Mobility AB	\$1	\$1	0.9x	NM
05/15/2015	Fast Web Media	Mporium Group	\$2	\$2	0.7x	NA
05/14/2015	Shanghai Snowfish Tech Co.	Allwin Telecommunication Co.	\$248	\$248	NA	NA
05/14/2015	Abacus International Pte	Sabre Technology Enterprises	\$411	\$632	1.8x	NA
05/14/2015	SAER Holding Company	Qiw	\$167	\$167	NA	NA
05/14/2015	Shift Labs	Brand Networks	\$50	\$50	NA	NA
05/14/2015	Clarice Technologies	Globant S.A.	\$21	\$21	NA	NA
05/14/2015	StrikeAd	Sizmek	\$12	\$12	NA	NA
05/13/2015	Magicseaweed and Stab Magazine	SurfStitch Group	\$17	\$17	NA	NA
05/13/2015	GOLFZON Co.	Golfzouyouwontholdings Co.	\$158	\$790	NA	NA
05/12/2015	TeleBilling A/S	Hansen Technologies	\$24	\$24	1.3x	NA
05/12/2015	AOL	Verizon Communications	\$4,759	\$4,283	1.7x	9.9x
05/11/2015	SignUp4	Cvent Atlanta	\$22	\$22	NA	NA
05/08/2015	e-conomic international a/s, Core Scandinavian Business	Visma AS	\$226	\$226	NA	NA
05/07/2015	Stucco Media	Market Tech Holdings	\$43	\$43	7.0x	NM
05/07/2015	Neowiz Internet Corporation	NHN Entertainment Corp.	\$80	\$229	NA	NA

Source: S&P Capital IQ.

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

Note: Excludes Outlier Multiples for Transactions with EV / Revenue > 20x & EV / EBITDA > 40x.



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

Date	Target	Acquirer	Transaction Value (\$USDmm)	Enterprise Value (\$USDmm)	Valuation Metrics	
					EV/LTM Revenues	EV/LTM EBITDA
05/07/2015	IBM (Rivermine Telecommunications Expense Management Business)	Tangoe	\$22	\$22	NA	NA
05/07/2015	Telecity Group	Equinix	\$4,089	\$4,048	7.6x	16.2x
05/06/2015	Privax	AVG Technologies	\$60	\$60	NA	NA
05/06/2015	Tquila	Accenture	\$36	\$36	NA	NA
05/06/2015	Carpathia Hosting	Quality Technology Services Holding	\$326	\$326	NA	NA
05/06/2015	Oltis Software	Envestnet	\$32	\$32	NA	NA
05/06/2015	Shanghai Gangyin E-Commerce Co.	Shanghai Ganglian E-Commerce Holdings Co.	\$73	\$207	NA	NA
05/05/2015	MediaSolv Solutions Corp.	TASER International	\$13	\$13	NA	NA
05/05/2015	Borderfree	Pitney Bowes International Holdings	\$465	\$372	3.0x	NA
05/04/2015	Beijing EIOD Technology Co.	Letong Chemical Co.	\$44	\$59	NA	NA
05/04/2015	Cyan	Ciena Corporation	\$275	\$222	1.9x	NA
05/04/2015	Lyrus	Aurea Software	\$17	\$16	0.5x	30.5x
05/04/2015	Thunisoft Credit	Beijing Thunisoft Corporation	\$30	\$61	NA	NA
05/04/2015	Cotopaxi	Beijing Orient National Communication Science & Technology Co.	\$27	\$27	NA	NA
05/04/2015	Yemek Sepeti Elektronik İletişim Tanitim Pazarlama Gıda Sanayi ve Ticaret A.Ş.	Delivery Hero Holding	\$589	\$589	NA	NA
05/04/2015	COM 2002, S.L.	Digital Dimension	\$18	\$18	1.9x	NA
05/01/2015	Hotspring Ventures	Recruit Holdings Co.	\$170	\$187	NM	NA
04/30/2015	Region Consultants and Region Services and RSL Cityspace	21st Century Technology	\$2	\$2	0.3x	NA
04/30/2015	ClickSoftware Technologies	Francisco Partners Management	\$421	\$376	3.0x	NA
04/30/2015	Ulysses Enterprises	Zoopla Property Group	\$292	\$292	3.0x	11.8x
04/30/2015	Clusterk	Amazon.com	\$50	\$50	NA	NA
04/30/2015	Beijing Minghe Minghe Culture and Media Co.	Geeya Technology Co.	\$11	\$40	4.5x	NA
04/30/2015	Stake in 8 Subsidiaries	Kowabo Company, ; J Will Partners, K.K.	\$84	NA	NA	NA
04/28/2015	Encore Digital Media	Next Fifteen Communications Group	\$1	\$1	2.1x	NA
04/28/2015	Papertrail	SolarWinds	\$41	\$41	NA	NA
04/28/2015	Wangjin Financial Information Service Co.	Dajin Heavy Industry Corporation	\$24	\$205	0.5x	NA
04/28/2015	TellApart	Twitter	\$533	\$533	NA	NA
04/27/2015	Logate	GB Group	\$15	\$20	3.7x	NA
04/27/2015	Saville Consulting Group	Towers Watson & Co.	\$64	\$64	NA	NA
04/27/2015	Applied Predictive Technologies	MasterCard	\$600	\$600	NA	NA
04/27/2015	Yutang Lianchuang	Guangdong Sky Dragon Printing Ink Group Co.	\$209	\$209	NA	NA
04/24/2015	Skava	Infosys	\$120	\$120	NA	NA
04/24/2015	Liber Entertainment	Aeria	\$3	\$3	1.8x	NA
04/23/2015	Bronto Software	NetSuite	\$200	\$200	NA	NA
04/22/2015	Kauli	VOYAGE GROUP	\$12	\$12	2.2x	NA
04/22/2015	How Splendid	Creston	\$24	\$36	NA	NA
04/22/2015	Beijing UISF Information Technology Co.	Jiangsu Hoperun Software Co.	\$353	\$353	NA	NA
04/22/2015	Update Software AG	Aurea Software	\$8	\$34	1.0x	NA
04/22/2015	Marchex Sales, , Domain Name Portfolio Business	NameFind	\$28	\$28	NA	NA
04/22/2015	Falk Realtime	Fyber	\$12	\$12	NA	NA
04/22/2015	DriveFactor	CCC Information Services	\$22	\$22	NA	NA
04/21/2015	AE Investment Consulting	China Smartpay Group Holdings	\$38	\$38	NA	NA
04/21/2015	Minnano Wedding Co.	Cookpad	\$24	\$89	NA	NA
04/21/2015	SAS Smartads server	Cathay Capital Private Equity	\$40	\$40	2.6x	NA
04/20/2015	Axelon	NEXT Co.	\$4	\$7	0.3x	NA
04/20/2015	Internet America (Substantially All Assets)	Aircanopy Internet Services	\$14	\$10	1.3x	8.3x
04/20/2015	Ticketmonster	KKR & Co.	\$360	\$781	NA	NA
04/18/2015	Shandong Changzheng Education Technology Co.	Talkweb Information System Co.	\$117	\$117	NA	NA
04/17/2015	Beijing Feixiangren Information Technology	58.com	\$1,561	\$3,613	NA	NA
04/17/2015	StorySense Computing	DianhuaBang	\$10	\$10	NA	NA

Source: S&P Capital IQ.

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

Note: Excludes Outlier Multiples for Transactions with EV / Revenue > 20x & EV / EBITDA > 40x.



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

					Valuation Metrics	
Date	Target	Acquirer	Transaction Value (\$USDmm)	Enterprise Value (\$USDmm)	EV/LTM Revenues	EV/LTM EBITDA
04/16/2015	Rockethub	EFactor Group Corp.	\$15	\$15	NA	NA
04/15/2015	Beta Systems Software AG	VEM Aktienbank AG	\$2	\$3	0.1x	3.8x
04/14/2015	ActiveVideo Networks	Charter Communications	\$135	\$135	NA	NA
04/13/2015	Ourgame International Holdings	The Clothing Holding	\$154	\$409	4.6x	20.4x
04/13/2015	KPL Solucoes a	MercadoLivre.Com Atividades de Internet a.	\$16	\$16	NA	NA
04/13/2015	Beijing Chinasys Technology Co.	Beijing Join-Cheer Software Co.	\$97	\$97	4.0x	NA
04/12/2015	Orad Hi Tec Systems	Avid Technology	\$68	\$59	1.4x	10.2x
04/11/2015	Hangzhou Maimiao Tech	Shenzhen Comix Group Co.	\$54	\$54	13.0x	NA
04/10/2015	Inspur Communication Information System	INSPUR Software Group Company	\$7	\$7	0.1x	NA
04/09/2015	Beijing Aero-com Information Technology Co.	China Transinfo Technology Co.	\$14	\$18	3.2x	NA
04/09/2015	2d3	Insitu	\$25	\$25	3.0x	NA
04/09/2015	Aerojet Rocketdyne (Energy Business)	TerraDyne Energy Technology	\$20	\$20	NA	NA
04/08/2015	ProcServe Holdings	Basware UK	\$28	\$28	2.7x	NA
04/08/2015	Beijing Kuaile Shidai Technology Development Co.	Koram Games	\$50.0	\$250.0	NA	NA
04/07/2015	Guangzhou Zhangtao Network Technology Co.	Youzu Interactive Co.	\$63	\$89	NA	NA
04/07/2015	Informatica Corporation	Permira Advisers and Canada Pension Plan Investment Board	\$5,343	\$4,844	4.6x	25.6x
04/07/2015	TrustWave Holdings	Singapore Telecommunications	\$810	\$827	3.8x	NA
04/07/2015	Jilin Gosun Technology Co.	Hubei Landing Holding Co.	\$242	\$242	NA	NA
04/07/2015	Temando Pty	Neopost	\$23	NA	NA	NA
04/07/2015	Guangzhou Zhangtao Network Technology Co.	Youzu Interactive Co.	\$14	\$81	NA	NA
04/01/2015	ddianle.com	Hunan Tianrun Enterprises Holding Co.	\$129	\$129	14.7x	NA
				Average <sup>(1)</sup>	3.4x	13.9x
				Median <sup>(1)</sup>	2.2x	10.6x

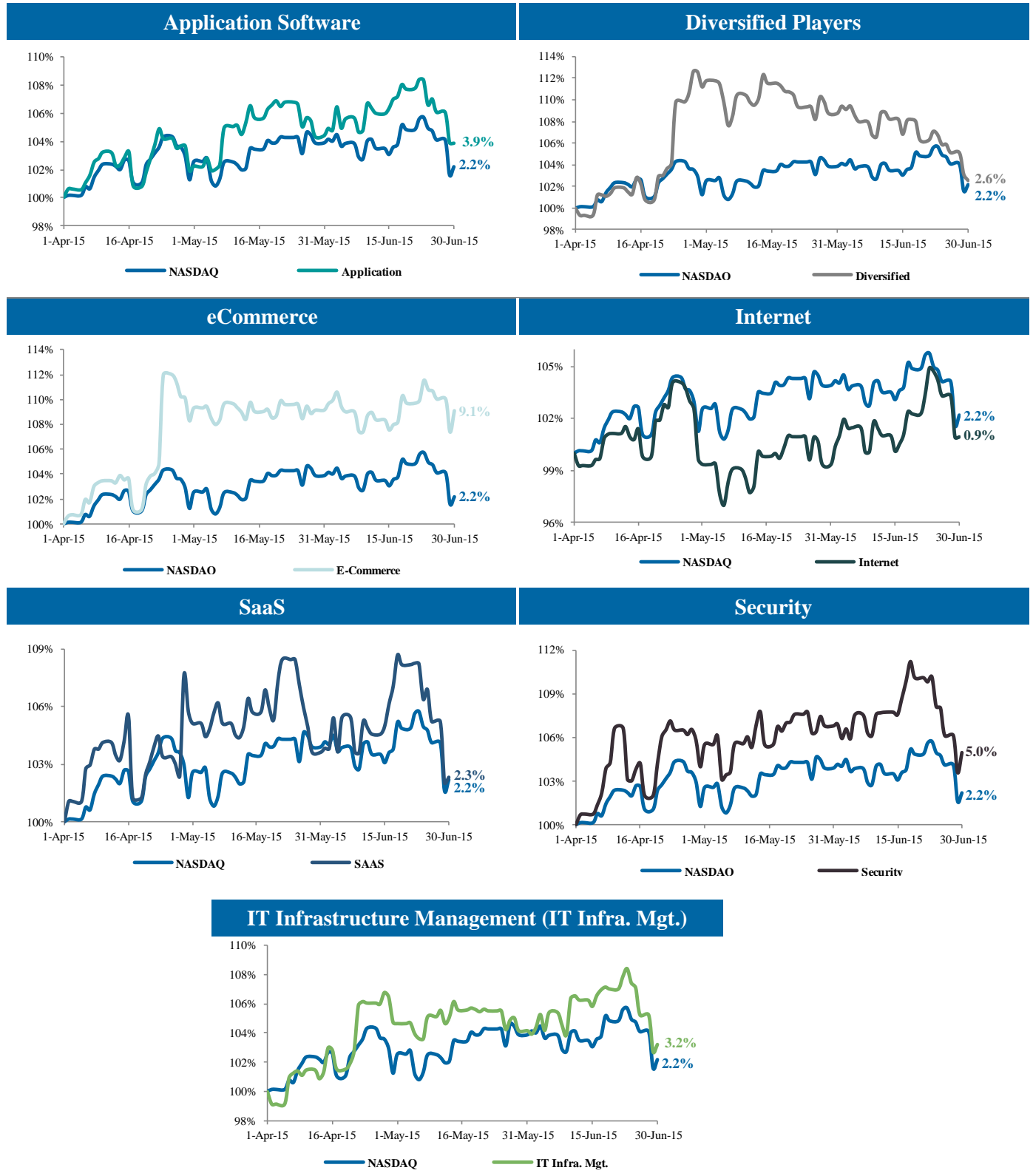
Source: S&P Capital IQ.

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

Note: Excludes Outlier Multiples for Transactions with EV / Revenue > 20x & EV / EBITDA > 40x.



## Appendix – Software & Internet Public Equity Market Performance



Source: S&P Capital IQ.





## Appendix – Software & Internet Public Company Groups

Application	
Company Name	Ticker
Intuit	INTU
Autodesk	ADSK
Sage Group	SGE
NetSuite	N
Ansys	ANSS
OpenText	OTEX
Tableau Software	DATA
PTC	PTC
Aspen Technology	AZPN
Guidewire Software	GWRE
Manhattan Associates	MANH
NICE Systems	NICE
Dealertrack Technologies	TRAK
Synchronoss Technologies	SNCR
MicroStrategy	MSTR
BroadSoft	BSFT
QAD	QADA

eCommerce	
Company Name	Ticker
Amazon.com	AMZN
eBay	EBAY
priceline.com	PCLN
Rakuten	4755
TripAdvisor	TRIP
Expedia	EXPE
Groupon	GRPN
Mercadolibre	MELI
Shutterstock	SSTK
Coupons.com	COUP
RetailMeNot	SALE
Vistaprint N.V.	VPRT
Orbitz Worldwide	OWW
Liquidity Services	LQDT
Care.com	CRCM
Overstock.com	OSTK
Blue Nile	NILE

SaaS	
Company Name	Ticker
salesforce.com	CRM
Workday	WDAY
ServiceNow	NOW
NetSuite	N
athenahealth	ATHN
The Ultimate Software Group	ULTI
HomeAway	AWAY
Cornerstone OnDemand	CSOD
Qlik Technologies	QLIK
Demandware	DWRE
RetailMeNot	SALE
LifeLock	LOCK
Cvent	CVT
RealPage	RP
Blackbaud	BLKB
Synchronoss Technologies	SNCR
Marketo	MKTO
Fleetmatics Group	FLTIX
LogMeIn	LOGM
SPS Commerce	SPSC
ChannelAdvisor	ECOM
Constant Contact	CTCT
Millennial Media	MM
SciQuest	SQI
Tango	TNGO
ServiceSource International	SREV
LivePerson	LPSN
Textura	TXTR
IntraLinks Holdings	IL
Jive Software	JIVE
Bazaarvoice	BV
Demand Media	DMD
Carbonite	CARB

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

Internet	
Company Name	Ticker
Google	GOOGL
Facebook	FB
Baidu	BIDU
Yahoo	YHOO
LinkedIn	LNKD
Netflix	NFLX
Activision Blizzard	ATVI
Yandex	YNDX
Pandora	P
IAC / InterActive	IACI
Yelp	YELP
Zillow	Z
51job	JOBS
Renren	RENN
Angie's List	ANGI

Security	
Company Name	Ticker
Symantec	SYMC
Check Point Software Tech.	CHKP
FireEye	FEYE
VeriSign	VRSN
Trend Micro	4704
Fortinet	FTNT
Imperva	IMPV
Proofpoint	PFPT
AVG Technologies	AVG
Qualys	QLYS

IT Infrastructure Management	
Company Name	Ticker
Vmware	VMW
CA Technologies	CA
Citrix Systems	CTXS
Red Hat	RHT
Splunk	SPLK
F5 Networks	FFIV
SolarWinds	SWI
CommVault Systems	CVLT
NetScout Systems	NTCT
Infoblox	BLOX
Gigamon	GIMO
PROS Holdings	PRO



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