



Review of salesforce.com's Acquisition of:

ExactTarget®

July 2013





Disclaimer

This Presentation (the “Presentation”) has been prepared solely for informational purposes and may not be used or relied upon for any purpose. Navidar Group LLC (“Navidar”) did not advise either party in this transaction. All projections are based on public sources, Equity Research and Navidar Investment Banking estimates, and are not from either salesforce.com or ExactTarget’s Management.

This Presentation is not intended to provide the sole basis for evaluating, and should not be considered a recommendation with respect to, any transaction or other matter. This Presentation does not constitute an offer, or the solicitation of an offer, to buy or sell any securities or other financial product, to participate in any transaction or to provide any investment banking or other services, and should not be deemed to be a commitment or undertaking of any kind on the part of Navidar or any of its affiliates to underwrite, place or purchase any securities or to provide any debt or equity financing or to participate in any transaction, or a recommendation to buy or sell any securities, to make any investment or to participate in any transaction or trading strategy.

Although the information contained in this Presentation has been obtained or compiled from sources deemed reliable, neither Navidar nor any of its affiliates make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein is, or shall be relied upon as, a promise or representation whether as to the past, present or future performance. The information set forth herein may include estimates and/or involve significant elements of subjective judgment and analysis. No representations are made as to the accuracy of such estimates or that all assumptions relating to such estimates have been considered or stated or that such estimates will be realized. The information contained herein does not purport to contain all of the information that may be required to evaluate a participation in any transaction and any recipient hereof should conduct its own independent analysis of the data referred to herein. We assume no obligation to update or otherwise revise these materials.

Navidar and its affiliates do not provide legal, tax or accounting advice. Prior to making any investment or participating in any transaction, you should consult, to the extent necessary, your own independent legal, tax, accounting and other professional advisors to ensure that any transaction or investment is suitable for you in the light of your financial capacity and objectives.



ExactTarget Is a Great Indiana Success Story

- **ExactTarget Successfully Capitalized On the Opportunities of Being a Startup in Indiana, Deploying Venture Capital, Going Public, Completing a Follow-On Offering, and Ultimately Exiting to the World's Largest SaaS Company**
- **Beyond Creating Significant Wealth For Its Investors, ExactTarget Had \$300M in Option Gains For 1,700 employees, 1,000 of Which Are Located in Indiana**
- **ExactTarget Will Continue to Spawn Future Entrepreneurs Further Accelerating Indiana's Innovation Momentum**
- **ExactTarget Is a Blueprint For Other Indiana-Based Startups**



Key Questions We Examine in salesforce.com's (CRM) Acquisition of ExactTarget (ET)

Navidar Has Fielded a Number of Calls Regarding This Transaction. As a Result, We Have Compiled an Analysis to Address the Two Most Common Questions

- 1 How Does ExactTarget's Acquisition Price Compare to Other SaaS Software Transactions?**
- 2 Why Was the Transaction Structured As a Tender Offer, Which Is Less Common Than a Merger?**



Review of the Transaction and Valuation



Review of the Transaction

Transaction Summary

| Valuation Highlights | \$ in millions, except per share data | | |
|--------------------------------------|---------------------------------------|---------|---------|
| Offer Share Price (\$) | \$33.75 | | |
| FD Shares Outstanding ⁽¹⁾ | 77.5 | | |
| Equity Value | \$2,615.4 | | |
| Net Debt (Cash) | (\$101.0) | | |
| Total Enterprise Value | \$2,514.4 | | |
| | LTM ⁽²⁾ | CY'13E | CY'14E |
| Revenue | \$317.1 | \$379.0 | \$458.7 |
| EV/ Revenue | 7.9x | 6.6x | 5.5x |
| | Offer Premium ⁽³⁾ | | |
| Offer Price (\$) | 1-Day | 15-Day | 30-Day |
| \$33.75 | 52.7% | 60.9% | 69.9% |

Transaction Strategic Rationale

- **Expands growth and capability in interactive and email marketing, and marketing automation**
- **Accelerates the growth and leadership of the CRM Marketing Cloud**
- **CRM brings together a complete suite of services; as opposed to point products**
- **Increase value proposition for customers of both companies**
 - Allows CRM clients to extend their investments in marketing automation and deliver marketing platform of choice for CMOs
 - Allows ExactTarget's customers to leverage CRM's leading sales, service and platform solutions to transform their end-to-end customer experience

Note: Balance sheet data as of 3/31/13. Estimates based on an average of select Equity Research Analyst projections.

(1) Equity Value based on diluted shares outstanding under Treasury Stock Method.

(2) LTM = Last Twelve Months.

(3) 1-trading day premium based on closing price of \$22.10, 15-trading day premium based on closing price of \$20.97, and 30-trading day premium based on closing price of \$19.86.



Equity Research Analysts Are Generally Bullish on the Acquisition, Some Voice Concerns

Bright Spots

“Reasonable valuation, higher bid unlikely, in our view. Salesforce.com's (CRM) offer to acquire ET is not surprising to us given CEO Marc Benioff's previously publicly announced intent to further build out his company's marketing cloud inorganically. Based on our estimates, the purchase price implies **a 5.2x 2014E EV/Revenue (versus the SaaS peer group at 4.4x), which we view as a reasonable price for a market leading subscription software vendor growing organically ~20% yr/yr.** Because CRM management said that the bidding process was competitive, we do not believe a higher bid will emerge.”

Credit Suisse – Phillip Winslow – 06/05/13

“We consider the acquisition an excellent outcome for ExactTarget and its customers, as the company ends its independent public life in a truly logical home.”

Roth Capital Partners – Nathan Schneiderman – 06/04/13

“We like the potential synergies of ExactTarget and believe the acquisition will ultimately accelerate CRM's organic growth, add scale to the marketing business, while driving demand for the segment.”

Oppenheimer – Brian Schwartz – 06/04/13

“While the Street views Email Marketing as a commodity-like market unworthy of their investment, we firmly believe that real potential exists to transform the ultra-fragmented Marketing segment into a big opportunity by congealing several of the "fragments" into a cohesive whole.”

Piper Jaffray – Mark Murphy – 06/04/13

“Filling out the Marketing Cloud with marketing automation and campaign management tools from ExactTarget helps complete the functionality roadmap for a complete marketing solution, and over the longer-term, we believe this deal could position CRM as a clear leader in the emerging cloud-based marketing market.”

Evercore Partners – Kirk Materne – 06/04/13

Potential Concerns

“While we expect SFDC’s superior distribution capabilities to drive better growth than ET could have done on its own, we also expect the combined entity to continue to lose money for the next six quarters.”

Cowen & Company – Peter Goldmacher – 06/04/13

“We’re mixed on the deal. While ET and its peers are still posting solid 20%-plus growth rates, we have reservations about the email marketing space and our source have historically argued that CRM deemed it to be low on the value stack. Moreover, the deal will obfuscate CRM’s true organic revenue and billings growth rates (a sensitive issue given CRM’s recent print) and the non-GAAP EPS dilution was more than we were expecting.”

BMO Capital Markets – Karl Kierstead – 06/04/13

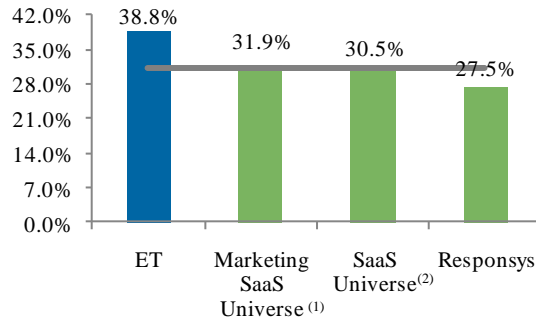
“Although we view ET as a leader in B2C marketing automation, we think much of its core email marketing business is fairly heavily commoditized, and we are not sanguine about its long-term operating margin potential.”

Wedbush Securities – Steve Koenig – 06/04/13

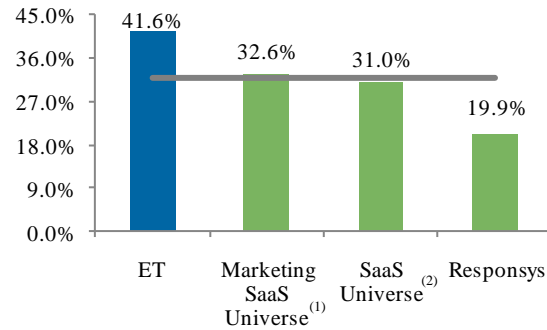


ET Has Consistently Outperformed Its Peers...

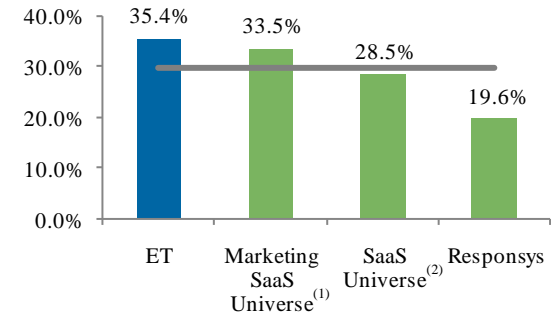
Q1'2013 Year-over-Year Revenue Growth %



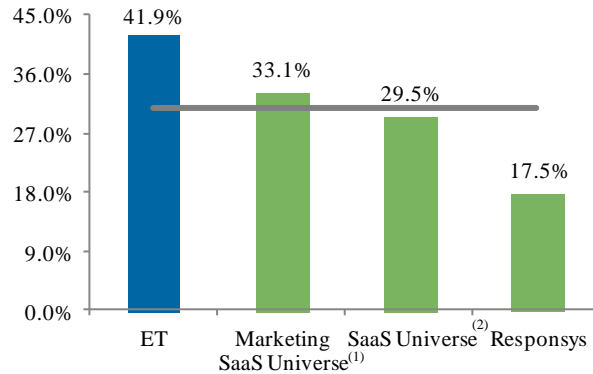
Q4'2012 Year-over-Year Revenue Growth %



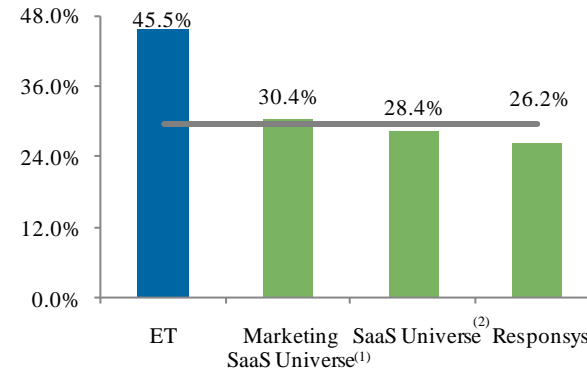
Q3'2012 Year-over-Year Revenue Growth %



Q2'2012 Year-over-Year Revenue Growth %



Q1'2012 Year-over-Year Revenue Growth %



Source: S&P CapitalIQ.

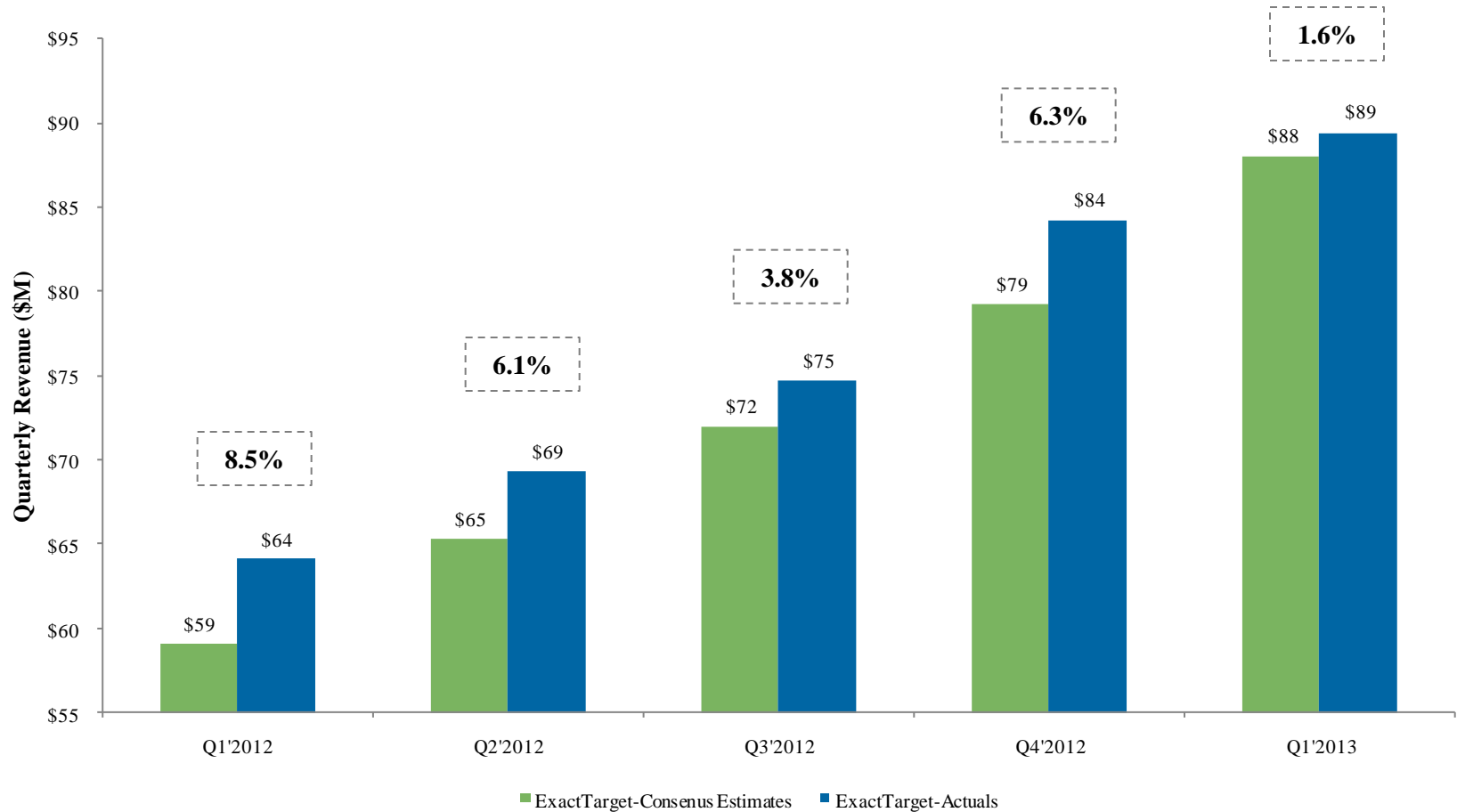
(1) Marketing comparables include: ConstantContact, Demandware, Marketo, Responsys, salesforce.com, and Vocus.

(2) SaaS comparables include: Blackbaud, Concur Technologies, Constant Contact, Cornerstone OnDemand, Demandware, inContact, Interactive Intelligence, j2 Global, Jive Software, Marketo, NetSuite, Responsys, salesforce.com, ServiceSource International, SPS Commerce, Synchronoss Technologies, Vocus, and Workday.



...and Has Consistently Exceeded Equity Research Analyst Expectations...

Actual vs. Expected Quarterly Revenue



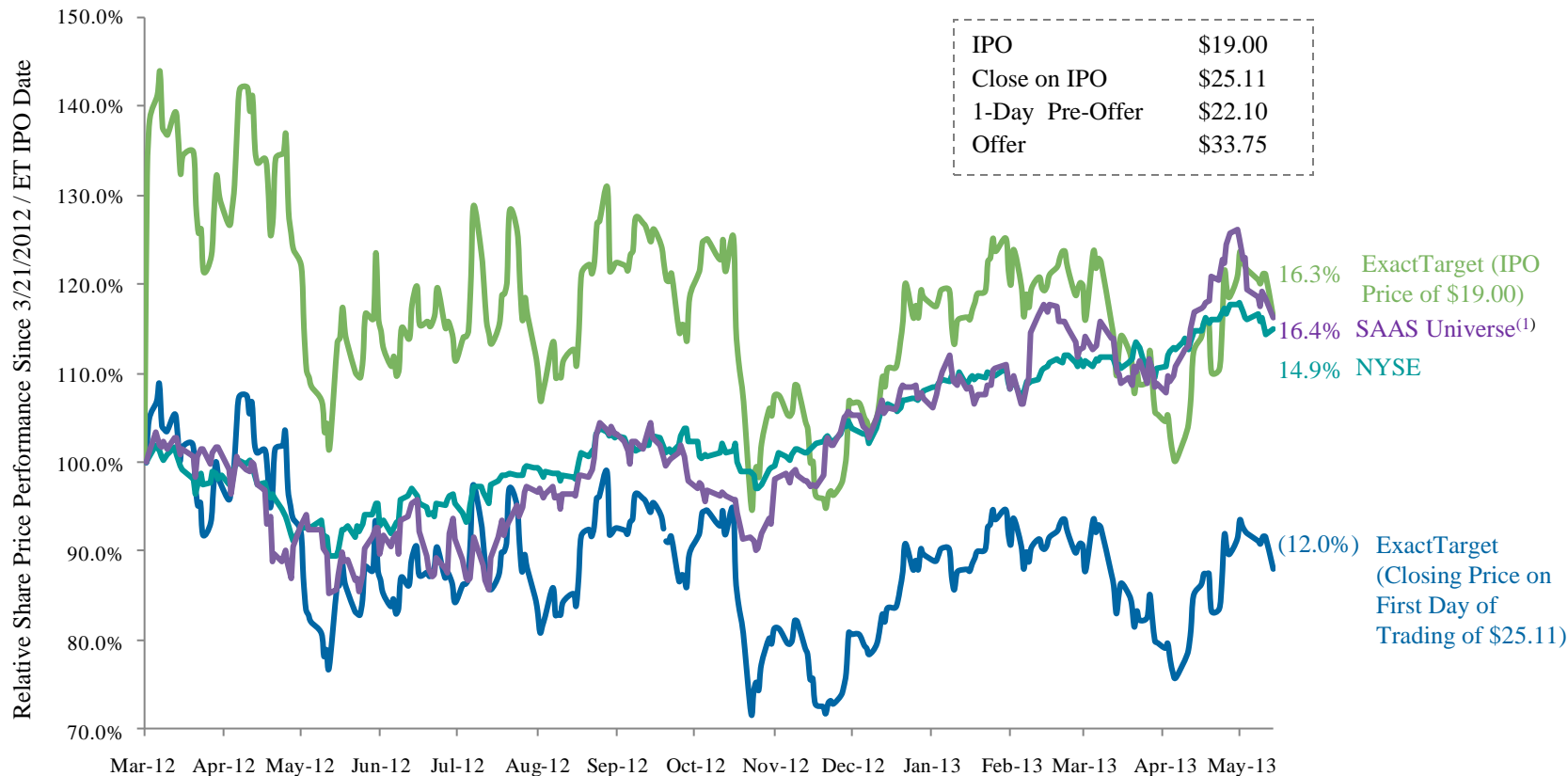
Source: S&P CapitalIQ and Equity Research.

Note: Text boxes indicate percentage change in ET's actual quarterly revenue versus its consensus estimates.



...However, Compared to Its Closing Share Price On Its First Day of Trading, ET Has Underperformed the Overall Market...

ET Share Price Performance Since IPO



Source: S&P CapitalIQ.

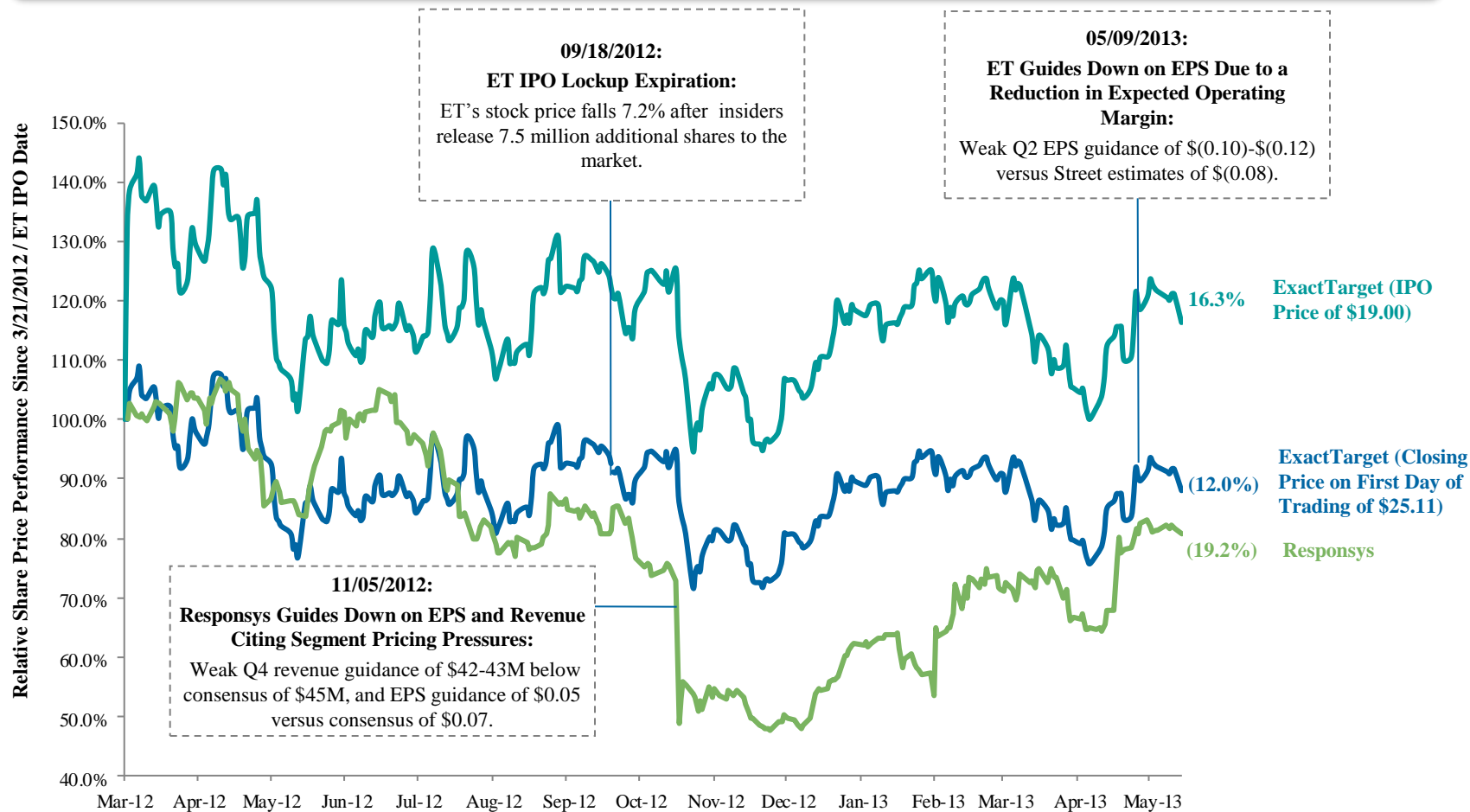
(1) SaaS Universe includes: Blackbaud, Concur Technologies, Constant Contact, Cornerstone OnDemand, Demandware, inContact, Interactive Intelligence, j2 Global, Jive Software, Marketo, NetSuite, Responsys, salesforce.com, ServiceSource International, SPS Commerce, Synchronoss Technologies, Vocus, and Workday.

(2) Relative indexing based on ET IPO price of \$19.00. For ET, 100% = \$19.00.



...Largely in Part to Being Dragged Down by Responsys' Weak Guidance But More Recently by Its Own Guidance

ET Share Price Performance Since IPO



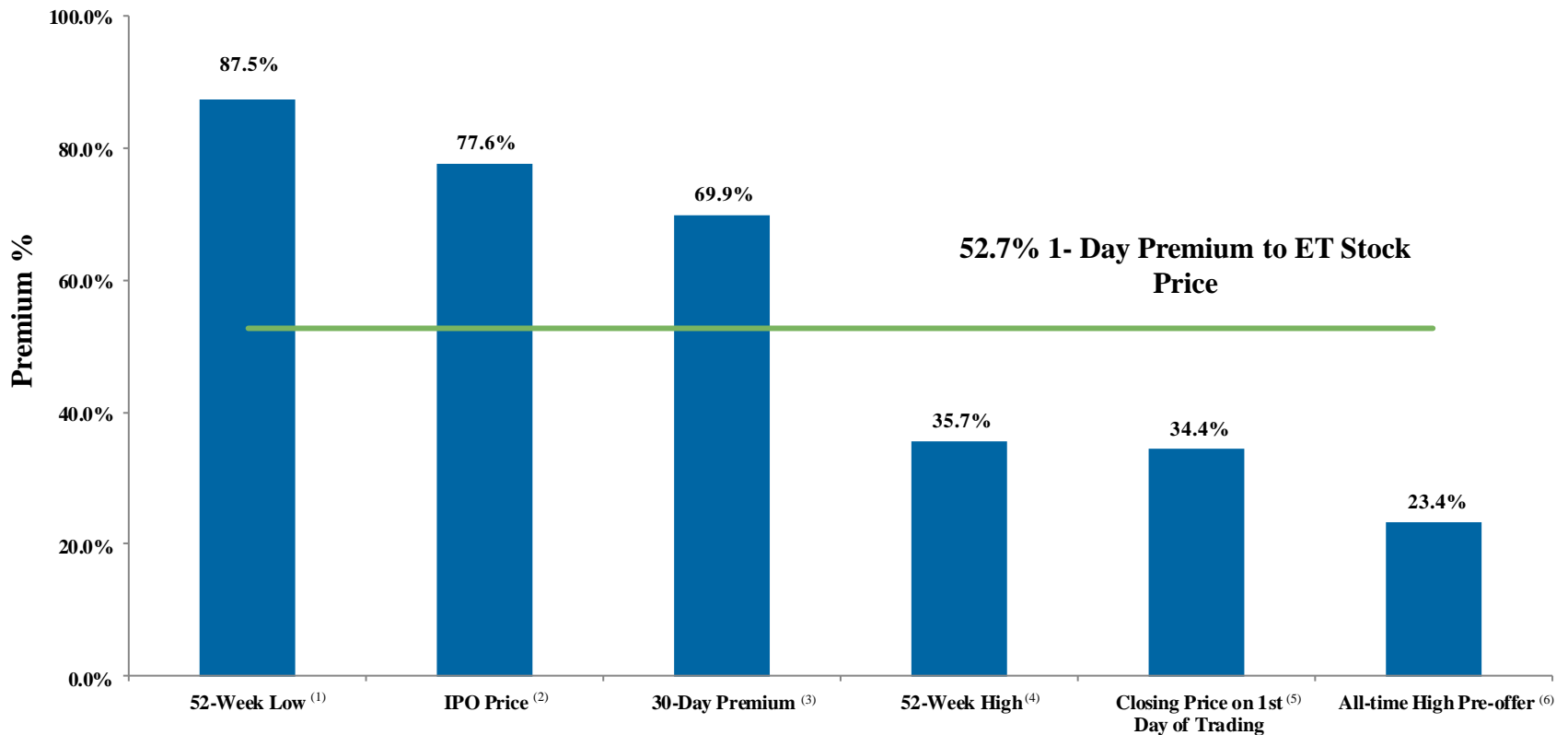
Source: S&P CapitalIQ.

(1) Relative indexing based on ET IPO price of \$19.00. For ET, 100% = \$19.00.



The Premium Offered When Compared to the Stock Price at Different Points in Time Varies Significantly

Offer Price Premium to ET Stock Price at Various Points in Time



Source: S&P CapitalIQ.

(1) 52-Week Low on Dec. 11, 2012 of \$18.00.

(2) IPO Price of \$19.00.

(3) 30 Trading-Day Premium Based on April 22, 2013, Closing Price of \$19.86.

(4) 52-Week High on Sept. 17, 2012 of \$24.87.

(5) Closing Price on 1st day of Trading of \$25.11.

(6) All-time High Pre-offer Based on March, 27, 2012 Closing Price of \$27.35.



Comparing the Value ET Received For Its Shares

Methodology

Implied Share Price

Closing Share Price on First-Day of Trading

\$25.11

\$33.75

Offer price

Historical Trading Ranges:
52 Week Low (Dec. 11, 2012)
52 Week High (Sept. 17, 2012)

\$18.00

\$24.87

Equity Research Analysts' 1-year Price Target Range:
Average: \$31.64

\$28.00

\$39.00

Comparable Acquisition Analysis – SaaS EV/NTM Revenue:
Multiple: 5.5x-7.0x NTM Revenue

\$31.55

\$34.75

Comparable Company Trading Analysis – SaaS EV/2013E Revenue:
Multiple: 3.6x-5.6x 2013E Revenue

\$21.15

\$32.09

DCF Analysis – Equity Research Analyst Projection Case:
5-Year Revenue CAGR: 17.0%
5-Year EBITDA Margin Expansion: 1,300bps
11.0% - 13.0% WACC
3.5x-4.5x EV/NTM Revenue Exit Multiple

\$24.43

\$34.25

DCF Analysis – High-Growth and Margin Expansion Case:
5-Year Revenue CAGR: 22%
5-Year EBITDA Margin Expansion: 2,465bps
11.0% - 13.0% WACC
3.5x-4.5x EV/NTM Revenue Exit Multiple

\$28.52

\$40.45

Projection Source: S&P CapitalIQ, Equity Research and Navidar Investment Banking estimates.



Comparable Acquisition Analysis

The Enterprise Valuation Multiple Is 6.3x Compared to the Average of 7.6x and the Median of 6.7x For Comparable Deals

| Date | Target | Acquirer | Enterprise Value (\$USDmm) | Valuation Metrics | | Premiums Paid | | |
|-------------------------------------|----------------|----------------|----------------------------|-------------------|--------------------------------|---------------|----------------|-----------------|
| | | | | EV/NTM Revenues | NTM Rev. Growth ⁽¹⁾ | 1-Day Premium | 1-Week Premium | 1-Month Premium |
| 6/3/2013 | ExactTarget | salesforce.com | \$2,615 | 6.3x | 20% | 53% | 47% | 58% |
| SaaS Acquisition Comparables | | | | | | | | |
| 11/23/2012 | Eloqua | Oracle | \$872 | 8.1x | 20% | 31% | 33% | 34% |
| 8/25/2012 | Kenexa | IBM | \$1,307 | 3.3x | 24% | 42% | 38% | 87% |
| 5/31/2012 | Buddy Media | salesforce.com | \$745 | 19.7x | 32% | NA | NA | NA |
| 5/22/2012 | Ariba | SAP | \$4,411 | 7.8x | 13% | 20% | 19% | 26% |
| 2/8/2012 | Taleo | Oracle | \$1,805 | 4.9x | 16% | 18% | 24% | 24% |
| 12/2/2011 | SuccessFactors | SAP | \$3,516 | 8.7x | 38% | 52% | 77% | 47% |
| 10/23/2011 | Rightnow | Oracle | \$1,521 | 6.2x | 13% | 20% | 10% | 38% |
| 6/30/2011 | Blackboard | Sponsor Group | \$1,767 | 3.2x | 15% | 4% | 2% | 7% |
| 12/21/2010 | Aprimo | Teradata | \$500 | 6.7x | 10% | NA | NA | NA |
| Average | | | | 7.6x | 20% | 27% | 29% | 37% |
| Median | | | | 6.7x | 16% | 20% | 24% | 34% |

Source: S&P CapitalIQ for comparables. ExactTarget projections based on average of select Equity Research Analyst Projections.

(1): NTM is defined as next twelve months, or the four quarters ending 3/31/14 for ET. For the comparables NTM is based on the four quarters post-acquisition.



Comparable Company Trading Analysis

Based on Its Revenue Growth, ExactTarget Appeared to Be Undervalued Relative to Comparable Companies

| (\$Millions, except per share values) | | | | | Valuation Metrics | | Operating Metrics | | |
|--|-------------|--------------|-----------|------------|-------------------|-------------|-------------------|--------------|--------------|
| | Stock Price | Equity Value | Net Debt | Ent. Value | EV/Revenue | | Revenue Growth | | |
| | | | | | 2013E | 2014E | 2013E | 2014E | |
| ExactTarget @ 1-Day Prior to Acquisition | \$22.10 | \$1,531.0 | (\$101.0) | \$1,430.0 | 3.8x | 3.1x | 29.7% | 20.7% | |
| ExactTarget @ Acquisition Price | \$33.75 | \$2,615.4 | (\$101.0) | \$2,514.4 | 6.6x | 5.5x | 29.7% | 20.7% | |
| SaaS Marketing | | | | | | | | | |
| Constant Contact | \$16.14 | \$495.7 | (\$97.3) | \$398.3 | 1.4x | 1.2x | 13.4% | 11.5% | |
| Demandware | \$32.87 | \$991.5 | (\$102.1) | \$889.3 | 9.0x | 6.7x | 24.7% | 34.4% | |
| inContact | \$7.70 | \$410.9 | (\$40.9) | \$370.0 | 2.7x | 2.3x | 23.5% | 18.8% | |
| Responsys | \$11.51 | \$568.2 | (\$105.4) | \$462.8 | 2.4x | 2.1x | 17.9% | 16.5% | |
| Marketo | \$19.94 | \$713.5 | (\$32.5) | \$681.0 | 9.1x | 7.1x | 28.0% | NA | |
| salesforce.com | \$39.61 | \$23,367.3 | (\$405.5) | \$22,961.9 | 5.9x | 4.7x | 27.7% | 25.7% | |
| Vocus | \$9.25 | \$195.1 | (\$40.1) | \$232.5 | 1.2x | 1.1x | 10.3% | 10.5% | |
| | | | | | Average | 4.5x | 3.6x | 20.8% | 19.6% |
| | | | | | Median | 2.7x | 2.3x | 23.5% | 17.7% |
| SaaS Others | | | | | | | | | |
| Blackbaud | \$30.77 | \$1,404.5 | \$203.7 | \$1,608.1 | 3.2x | 3.0x | 12.0% | 8.5% | |
| Concur Technologies | \$80.92 | \$4,517.8 | (\$208.3) | \$4,309.6 | 7.5x | 6.1x | 24.2% | 23.2% | |
| Cornerstone OnDemand | \$40.96 | \$2,090.3 | (\$69.3) | \$2,021.0 | 11.1x | 7.8x | 54.4% | 41.7% | |
| Interactive Intelligence Group | \$51.71 | \$1,028.9 | (\$68.7) | \$960.2 | 3.2x | 2.7x | 25.7% | 18.5% | |
| j2 Global | \$41.34 | \$1,898.8 | (\$48.7) | \$1,849.5 | 3.6x | 3.4x | 40.1% | 4.5% | |
| Jive Software | \$17.40 | \$1,159.5 | (\$133.6) | \$1,025.9 | 6.8x | 5.3x | 32.1% | 29.3% | |
| NetSuite | \$87.90 | \$6,485.4 | (\$176.7) | \$6,308.8 | 15.5x | 12.1x | 32.0% | 27.5% | |
| ServiceSource International | \$8.28 | \$636.1 | (\$116.8) | \$519.3 | 1.9x | 1.7x | 10.2% | 14.4% | |
| SPS Commerce | \$53.67 | \$805.8 | (\$72.6) | \$733.2 | 7.3x | 6.1x | 30.0% | 19.2% | |
| Synchronoss Technologies | \$31.27 | \$1,200.0 | (\$57.2) | \$1,142.8 | 3.3x | 2.8x | 25.5% | 20.5% | |
| Workday | \$65.46 | \$11,324.6 | (\$784.4) | \$10,540.2 | 24.0x | 15.9x | 60.4% | 50.9% | |
| | | | | | Average | 6.3x | 5.1x | 28.6% | 20.7% |
| | | | | | Median | 5.2x | 4.3x | 27.8% | 19.9% |

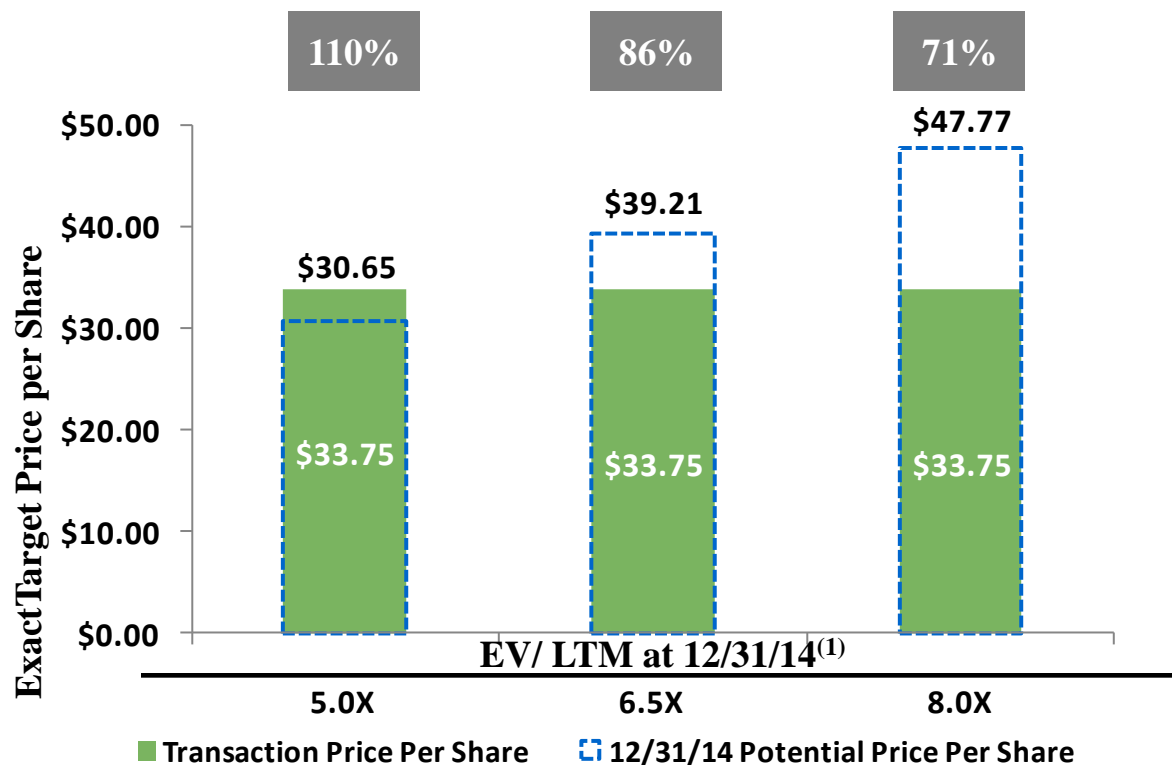
Source: S&P CapitalIQ for comparables. ExactTarget projections based on average of select Equity Research Analyst Projections.

Note: Market data for comparable companies as of June 10, 2013.



Offer Price Appears to Give ET Credit On a Forward Basis

Transaction Price As a % of Potential Share Price at 12/31/14



ET at IPO

| | |
|-----------------|---------|
| Stock Price | \$19.00 |
| EV/LTM Rev. | 5.7x |
| LTM Rev. Growth | 55% |

ET at All-Time High

| | |
|-----------------|---------|
| Stock Price | \$27.35 |
| EV/LTM Rev. | 8.3x |
| LTM Rev. Growth | 55% |

ET at 1-Day Pre-Deal

| | |
|-----------------|---------|
| Stock Price | \$22.10 |
| EV/LTM Rev. | 4.5x |
| LTM Rev. Growth | 39% |

ET Would Have to Accelerate Its Already High Revenue Growth Rate Over the Next 18-Months in Order to Expand Its Valuation Multiple to a Level That Made It Worth Remaining Independent. Therefore, the Tender Price Looks Attractive.

(1) Price per share at 12/31/14 calculated using expected 2014 revenue of \$459 million, which is based on an average of select Equity Research Analyst estimates. In order to calculate price per share from Enterprise Value, an estimate of \$73 million as of 12/31/2014 was used for cash, and shares were based on 69,277 million basic shares and 11,121 in-the-money options with a weighted average exercise prices of \$8.82 using the treasury stock dilutive share calculation. **Note this analysis has not discounted the future price to today's date.**



Structuring Considerations



Review of Structure in ExactTarget Transaction

- 1 On June 03, 2013 salesforce.com entered into an acquisition agreement through its wholly owned subsidiary, Excalibur Acquisition Corp., to acquire ExactTarget**
- 2 A cash tender offer commenced on June 12, 2013 to purchase all of the outstanding ExactTarget common shares, at a price per share of \$33.75**
 - Tender offer expires July 10, 2013
 - Salesforce.com plans to consummate the merger under the “short form” merger procedures of Section 253 of the DGCL (Delaware General Corporation Law)
 - ExactTarget has granted an option to salesforce.com to issue authorized shares that will help salesforce.com acquire 90% of the shares then outstanding in order to facilitate completion of the merger
 - In order to induce the merger, certain shareholder’s of ExactTarget (accounting for 20% of the shares outstanding), have entered into an agreement to tender their shares to the acquirer and if required vote their shares in favor of the acquisition
 - If salesforce.com does not have sufficient shares to consummate the merger under the “short form” merger procedure then ExactTarget will convene a meeting of stockholders to vote on the merger
- 3 Following the successful completion of the tender offer, ExactTarget shares not tendered in the tender offer will be converted in a second step merger into the right to receive the same \$33.75 per share in cash paid in the tender offer**
- 4 Following the completion of the offer, Excalibur Acquisition Corp will be merged with and into ExactTarget and ExactTarget will become a wholly owned subsidiary of Salesforce.com**
 - The transaction is expected to be completed in salesforce.com’s second fiscal quarter of 2014, ending July 31, 2013



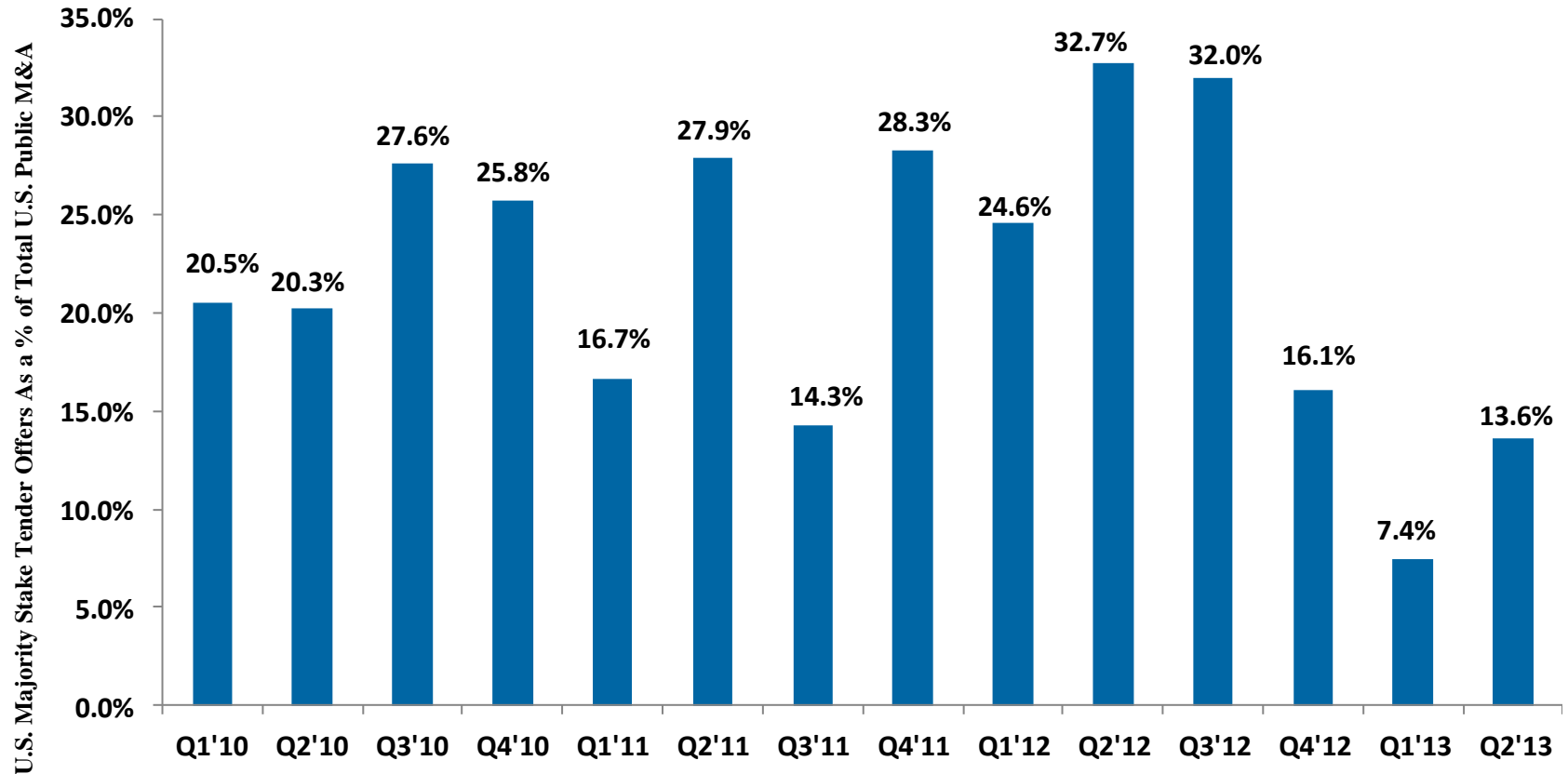
Tenders Offers Could Be More Common in the Future

- **Tender Offers Are a Less Common Acquisition Structure and Represented Only 14% of Total Public Company M&A in Q1'13**
- **Tender Offers Do Not Require a Shareholder Meeting or Board Approval and Are Able to Be Completed Relatively Quickly**
- **Mergers Are Preferable As They Allow Acquirers to Obtain 100% Ownership in a Single Step**
- **Tender Offers May Become More Common in the Future**
 - Delaware decision on top-ups that will provide more certainty that a top-up will work to provide a bidder with total ownership of a target upon the successful completion of the tender offer
 - Provides flexibility for repeated extensions of the offer to fulfill the condition requiring a majority of shares tendering
 - Provides greater flexibility at the end-stage of a deal over a merger
- **Recently Proposed Amendment That May Enhance the Appeal of the Tender Offer Over a One-step Merger**
 - New provision will provide a means to avoid the need to circulate a Schedule 14C Information Statement and hold a stockholder vote should the tender offer fall short of reaching the 90% threshold specified in DGCL Section 253
 - Proposed amendment to streamline the acquisition process would be available on an “opt-in” basis to target companies whose shares are either listed on a national securities exchange or held of record by more than 2,000 holders



U.S. Tender Offers vs. U.S. Public M&A – Since 2010⁽¹⁾

U.S. Majority Stake Tender Offers As a % of Total U.S. Public Company M&A



Source: S&P CapitalIQ.

Note: Q2'13 consists of data through June 10, 2013.

Note: M&A Deals only includes deals where the Target Companies are publicly listed.



Large Public Software M&A Deals – Since 2010

| Date | Buyers | Target | Transaction Value (M) | EV/Rev. (x) | EV/EBITDA (x) | Tender Offer | Merger |
|------------|-----------------------|--------------------|-----------------------|-------------|---------------|--------------|--------|
| 6/4/2013 | salesforce.com | ExactTarget | \$2,628 | 7.9x | NA | ✓ | |
| 5/20/2013 | Vista Equity Partners | Websense | \$1,050 | 2.7x | 17.8x | ✓ | |
| 5/8/2013 | Trulia | Market Leader | \$336 | 6.6x | NA | | ✓ |
| 12/20/2012 | Oracle | Eloqua | \$956 | 9.7x | NA | | ✓ |
| 12/17/2012 | Elliott Management | Compuware | \$2,257 | 2.4x | 15.1x | | ✓ |
| 11/28/2012 | NCR | Retalix | \$747 | 2.3x | 25.5x | | ✓ |
| 10/29/2012 | Riverbed Technology | OPNET Technologies | \$994 | 5.0x | 26.7x | ✓ | |
| 8/27/2012 | IBM | Kenexa | \$1,397 | 4.1x | 49.0x | | ✓ |
| 5/22/2012 | SAP America | Ariba | \$4,608 | 8.8x | 108.0x | | ✓ |
| 5/1/2012 | OpenText | EasyLink Services | \$332 | 1.7x | 7.3x | | ✓ |
| 2/9/2012 | Oracle | Taleo | \$1,921 | 5.7x | 60.9x | | ✓ |
| 1/27/2012 | BMC Software | Numara Software | \$306 | NA | NA | | ✓ |
| 1/17/2012 | Blackbaud | Convio | \$326 | 3.4x | 35.5x | ✓ | |
| 12/8/2011 | IBM | DemandTec | \$486 | 4.8x | NA | | ✓ |
| 12/3/2011 | SAP America | SuccessFactors | \$3,764 | 12.1x | NA | ✓ | |

Source: S&P CapitalIQ.



Large Public Software M&A Deals – Since 2010 (Cont.)

| Date | Buyers | Target | Transaction Value (M) | EV/Rev. (x) | EV/EBITDA (x) | Tender Offer | Merger |
|------------|----------------------------|------------------------|-----------------------|-------------|---------------|--------------|--------|
| 10/24/2011 | Oracle | Rightnow Technologies | \$1,763 | 7.0x | 63.8x | | ✓ |
| 10/11/2011 | NeuStar | Targus Information | \$658 | 4.4x | 11.7x | | ✓ |
| 8/24/2011 | CVC Capital Partners | Raet B.V. | \$576 | 3.0x | NA | | ✓ |
| 7/1/2011 | Providence Equity Partners | Blackboard | \$1,852 | 3.7x | 22.3x | | ✓ |
| 3/28/2011 | eBay | GSI Commerce | \$2,381 | 1.6x | 20.5x | | ✓ |
| 2/1/2011 | Time Warner Cable | NaviSite | \$332 | 2.5x | 12.3x | | ✓ |
| 11/2/2010 | Oracle | Art Technology Group | \$1,033 | 4.5x | 32.1x | | ✓ |
| 8/13/2010 | IBM | Unica | \$490 | 4.1x | 44.3x | | ✓ |
| 8/3/2010 | GI Partners | SoftLayer Technologies | \$475 | NA | NA | | ✓ |
| 7/26/2010 | Roper Industries | iTradeNetwork | \$523 | NA | NA | | ✓ |
| 5/24/2010 | IBM | Sterling Commerce | \$1,400 | NA | NA | | ✓ |
| 3/15/2010 | Pegasystems | Chordiant Software | \$157 | 1.4x | NA | ✓ | |
| 3/10/2010 | CA Technologies | Nimsoft | \$353 | NA | NA | | ✓ |
| 2/12/2010 | Sponsor Group | SSI Investments | \$1,206 | 3.6x | 9.7x | | ✓ |
| 04/03/2009 | Vista Equity Partners | SumTotal Systems | \$134 | 0.9x | 36.8x | | ✓ |

Source: S&P CapitalIQ.



Two Basic Ways to Structure a Public Company Acquisition

Common Structure

- **One-Step Merger** in which target shareholders vote to approve transaction
 - Required vote is typically majority of outstanding shares
 - If approved, shareholders receive cash, stock, or a combination upon consummation of the merger

ExactTarget Structure

- **Two-Step Merger** in which acquirer first buys target stock in tender offer, then does statutory “squeeze-out” merger
 - Purchase enough shares to guarantee the required vote for the second-step merger
 - If acquirer gets 90% of shares it may squeeze out minority shareholders at same price in a short-form merger
 - Subsequent offering period, market purchases and top-up option help



Comparison of Tender Vs. Merger

Benefits of Tender Offer: Two-Step Vs. a One-Step Merger

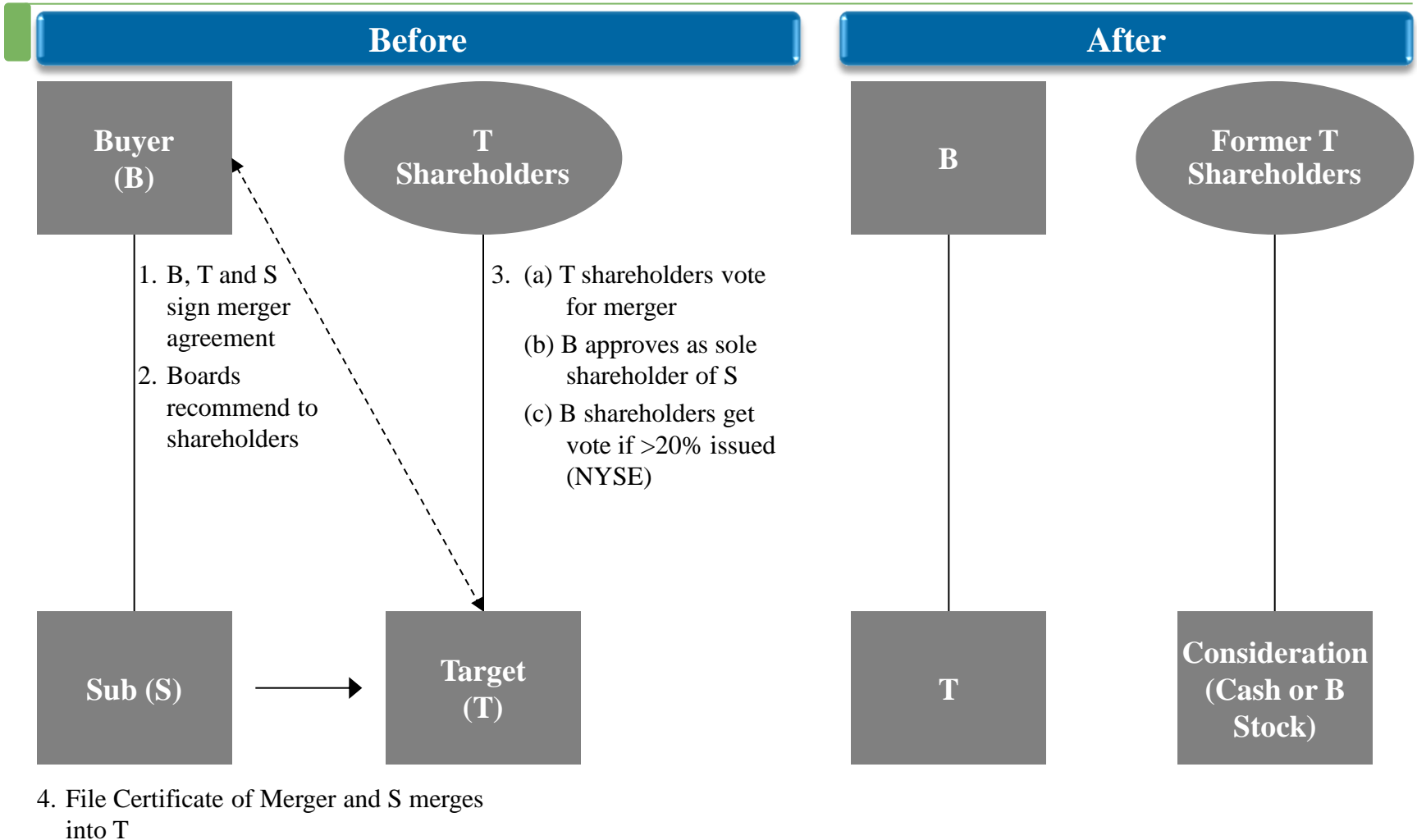
- **No Pre-clearance:** SEC pre-clearance of cash tender offer materials is not required
- **Speed:** A cash tender offer can be completed relatively quickly – 20 business days in the case of a friendly deal not involving any regulatory issues
- **Direct:** A tender offer is made directly to shareholders and does not require a shareholder meeting or board approval (so useful/necessary for a hostile takeover bid)
- **Freeze-out:** A tender offer between parent/subsidiary can avoid entire-fairness heightened review so long as certain conditions (e.g., majority of minority) are met

Benefits of One-Step Merger Vs. Tender Offer (Two-Step Merger)

- **100% Ownership:** Get to 100% ownership in a single step, which may be important for financing the transaction
- **Possible Timing Advantage:** If regulatory or other conditions delay closing tender offer for more than three to four months, the interloper risk can be eliminated (by securing shareholder approval) more quickly in a one-step merger than in a two-step tender offer
- **Flexibility in Structuring Consideration:** Simpler to provide for cash-stock elections, collars, etc.
- **Flexibility to Buy Target Shares in the Market:** Can buy target shares during deal pendency (subject to any applicable restrictions), which cannot in a tender offer



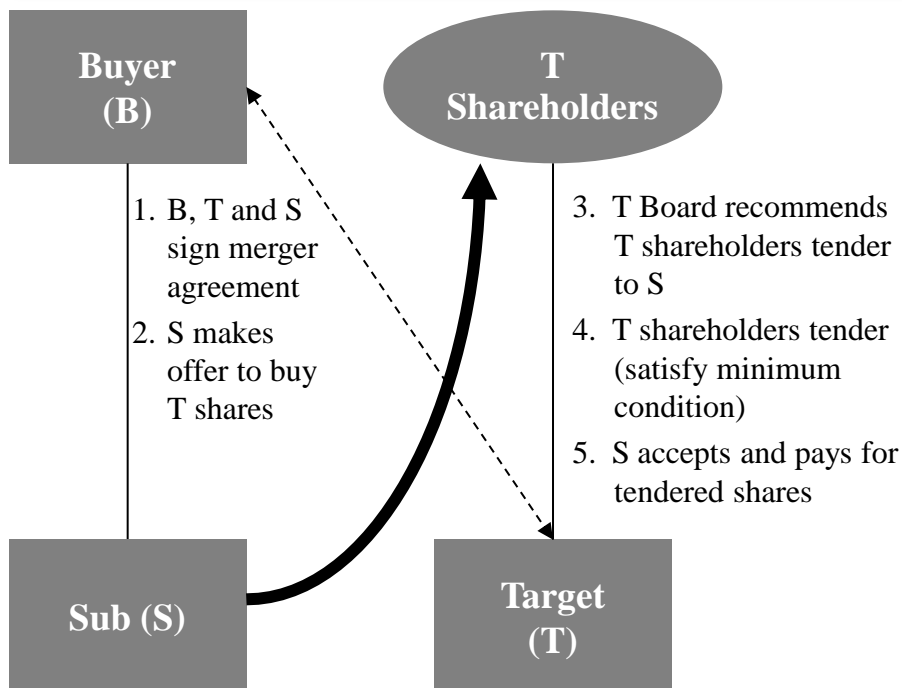
One Step Merger: Straight to the Merger Vote



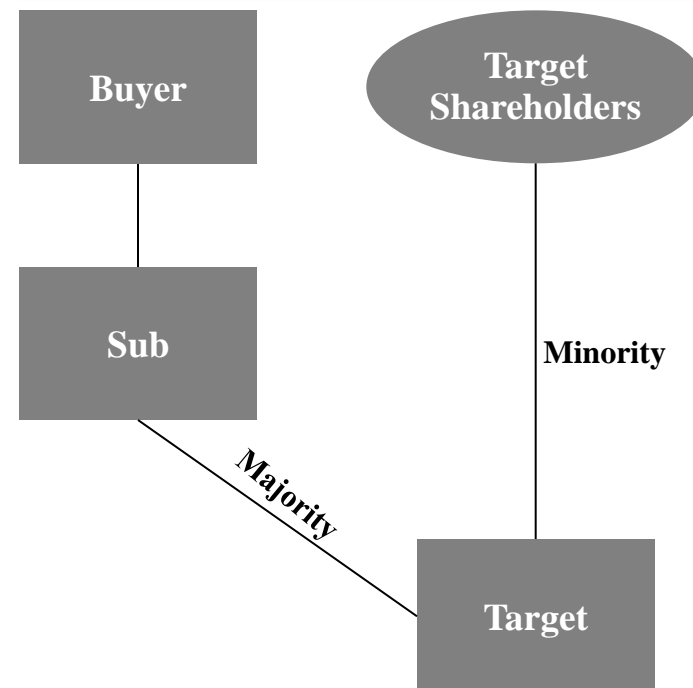


Two Step: Tender Offer, Then Merge – ExactTarget Structure

Step 1



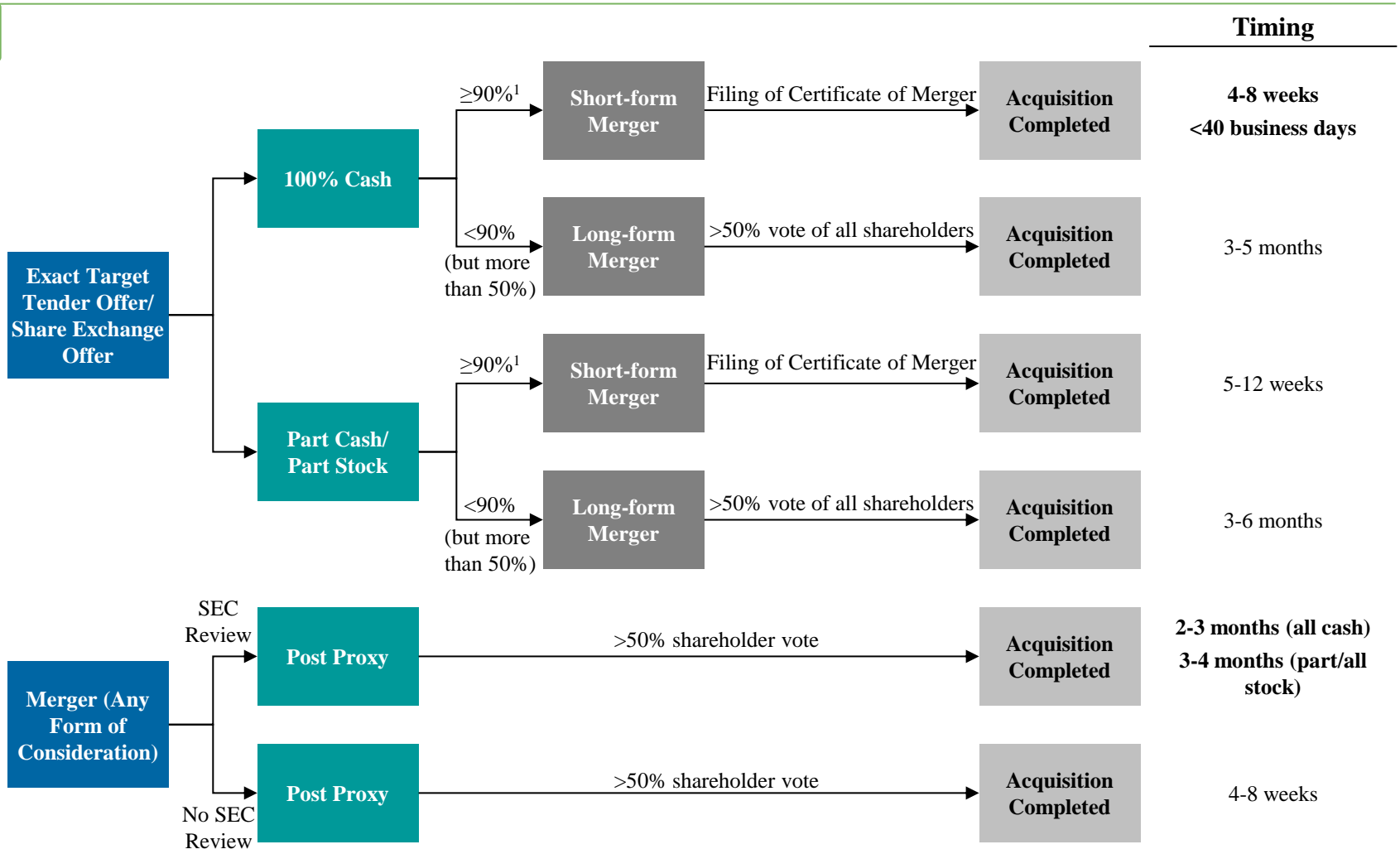
Step 2



6. (a) If S owns >90%, does short-form merger into T
(b) If S owns <90%, S calls share-holder meeting, votes for merger and then merges into T



Timing to Acquire a Public Company



Source: Skadden, Arps, Slate, Meagher & Flom M&A structuring presentation.
 (1) Including after subsequent offering period and top-up option, if applicable.