



TECH M&A MONTHLY

Best of 2012

CORUM

Logistics

- Ask questions for Q&A session
 - Use Q&A window on right side
 - Submit to queue at any time
 - Ask “all panelists” – see “ask” option above text-entry box
- This event is being recorded
 - Rebroadcast December 20, 12:30am PT, and 8:00am PT
 - See “Conferences and Events” at MergersAndAcquisitions.webex.com

CORUM

Moderator



Bruce Milne
CEO
Corum Group Ltd.

A leader in the software industry, Bruce has founded or owned four software companies, including the largest vertical market software company, AML, an Inc. 500 firm rated by IDC as the fastest growing computer-related company in the world.

He has served on advisory boards for Microsoft, IBM, DEC, Comdex and Apple, and as board member/founding investor in some of the most innovative firms in their field, including Blue Coat, Bright Star and Sabaki. Past advisor to two governors and a senator, a board member of the Washington Technology Center, and founder of the WTIA, the nation's most active regional technology trade association.

He worked with the Canadian government to found SoftWorld, and he was recently chosen as one of the 200 most influential individuals in the IT community in Europe. He was also the only American juror for the recent Tornado 100 Awards given to Europe's top technology firms

A graduate with Distinction from Harvard Business School, Bruce has written three books on business models for success, including *Power Planning*. He is a frequent lecturer and author.

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Agenda

- Welcome
- 10 Deadly Sins of Tech M&A Advisors – Pt. 1
- Google Fiber – Special Report
- Corum Index – Valuations & Deals
- Best of Tech M&A Monthly 2012
- Q&A

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Choosing a Technology M&A Advisor: 10 Point Checklist

- ✓ Are they centered on your industry – software/tech?
- ✓ Is there focus – sell-side transaction experience?
- ✓ Are they conflicted with buyers, consulting, opinions, etc.?
- ✓ Do they have senior staff involved? No juniors allowed!
- ✓ Is there a team assigned? This is not a one-man effort.

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Choosing a Technology M&A Advisor: 10 Point Checklist

- ✓ Are they international? The buyers are.
- ✓ Do they have proprietary buyer information/contacts?
- ✓ Do they have a detailed global search process?
- ✓ Is there a global track record? Results oriented?
- ✓ Is their compensation tied to your success?

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Introduction



Ed Ossie
Regional Director
Corum Group

Ed has over 30 years of international experience serving high-growth technology companies and has spent the last 20 years in chief operating and chief executive roles. During this time, Ed has become known for his ability to design, build and execute multi-year growth strategies with a highly engaged team. The high performance teams operate in a trust-based company culture which in turn drives scale and strong customer relationships, producing profitable growth.

Ed served as President of Innovation Group PLC, and prior to that led the sale of MTW Corporation to Innovation Group as MTW CEO. Both companies are in the insurance software and business process services segments. Prior to that he was Division Manager and Vice President for the Texas Instruments Software Group, which grew from startup to 1300 people in 5 years.

Today he advises a number of high-growth technology teams on how they might win, shape and scale their operations to create viable high impact options for their future. Ed graduated with a Bachelor of Science degree from Missouri State University and attended select Executive Programs at Stanford Graduate School of Business, such as the Executive Program for Growing Companies and the 2011 Directors Consortium.

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Special Guests



Greg Kratofil
Shareholder
Polsinelli Shughart



Mr. Kratofil provides legal counsel on a wide variety of matters for today's technology companies, including startup formation and venture capital financing, intellectual property based joint ventures, copyright and trademark protection, software development and licensing, as well as drafting and reviewing various hosting, consulting, procurement, network and systems development contracts.

Drawing on his technology and business background, Kratofil takes on the role as general counsel for a number of the region's new and developing technology businesses.



Bill Mahood
Shareholder
Polsinelli Shughart

Bill Mahood is Chair of Polsinelli Shughart's Corporate Finance practice group and is a senior member of its Mergers & Acquisitions practice. His primary practice areas include mergers and acquisitions, joint ventures, private equity financings and private investment fund formations.

Mr. Mahood regularly represents leading Kansas City companies in a broad variety of acquisition, divestiture and joint venture transactions. For over 12 years, he has represented Sprint Nextel Corporation in the divestiture of a number of its businesses, including in the areas of airport wi-fi, prepaid card, conferencing and dial-up Internet.

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Corum Research Report



Elon Gasper
Vice President,
Director of Research

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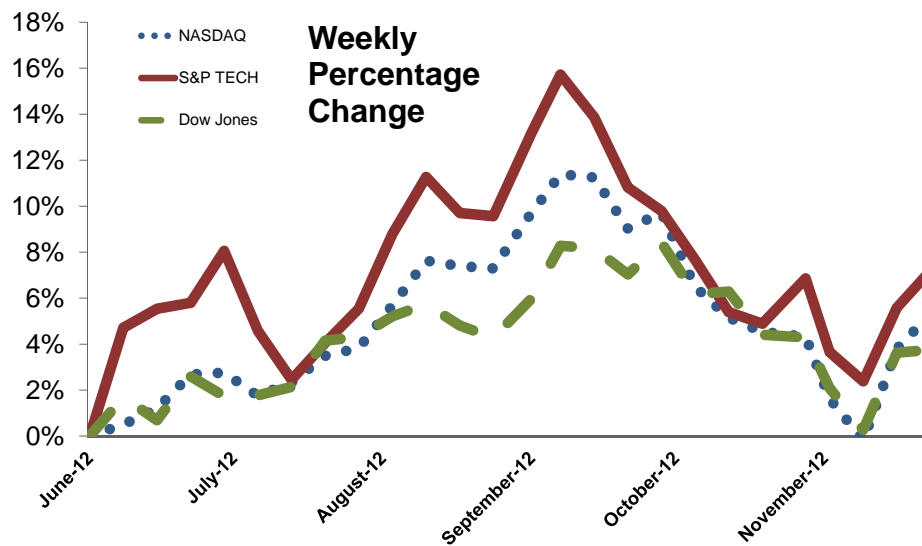
Amber Stoner
Senior Analyst

Contact:

ambers@corumgroup.com

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Public Markets



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Corum Index

Corum Index

	November 2011	November 2012
# of Transactions	248	282
# of Mega Deals	1	3
Largest Deal	\$2.0B	\$2.0B
% Sub-\$100m	83%	74%
Private Equity Deals	14	9
Private Equity Value (disclosed)	\$834	\$367
# VC backed Exits	56	67
All Cash (announced)	63%	54%
% Targets were Public	11%	13%
% Public Buyers	46%	46%

*\$ values in millions

Buyer	Seller	Price
RedPrairie Corporation	JDA Software Group, Inc.	\$2.0b
Priceline.com Inc.	KAYAK.com	\$1.8b
Cisco Systems, Inc.	Meraki Inc.	\$1.2b

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Corum Index

Deal Spotlight

meraki.

Sold to

CISCO

Sector: Network Management
Target: Meraki
Acquirer: Cisco
Transaction Value: \$1.2 billion in cash

- Leader in cloud networking – offers Wi-Fi, switching security and mobile device management centrally managed from the cloud
- Will expand offerings by providing scalable solutions for midmarket businesses – will also strengthen Cisco's Unified Access platform

*\$ values in millions

CORUM

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20%



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Horizontal Application Software Market

Public Valuation Multiples

Since Q3

Nov. 2012

Corum Analysis

EV
Sales



2.8x

Still the highest valuations in the Corum Index as SaaS premium endures

EV
EBITDA



13.3x

Business Intelligence and CRM markets earnings fade – rattles some investors

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Horizontal Application Software Market

Deal Spotlight

EV



Sold to



Sector: SCM
Target: JDA Software
Acquirer: RedPrairie
Transaction Value: \$2 billion

- Will offer a broad portfolio of solutions and services to manage global supply chains – from raw materials, to finished products, into the hands of consumers – through any channel
- Generates tremendous value for JDA shareholders- offering a meaningful premium

EV

CORUM



Horizontal Application Software Market

Deal Spotlights

EV



Sold to



Sector: HR
Target: Sendouts & MaxHire Solutions Inc.
Acquirer: Bullhorn, Inc. [Vista Equity Partners]
Transaction Value: Undisclosed

- Increases Bullhorn's ability to execute vision of helping recruiters be more successful, develop new products and serve their expanding user base
- Benefits both MaxHire's and Sendout's customers by speeding the arrival of new features and capabilities while maintaining both companies current products and reputation for exceptional client service

EV

CORUM



Vertical Application Software Market

Public Valuation Multiples

Since Q3

Nov. 2012

Corum Analysis

EV
Sales

2.2x

Continuing a quarter of consolidation in many sectors including financial services and healthcare

EV
EBITDA

9.9x

SaaS is still the big story as it looks to pervade every niche of opportunity

CORUM



Vertical Application Software Market

Deal Spotlight

MORTECH

Sold to

Zillow®

Sector: Financial Services

Target: Mortech

Acquirer: Zillow

Transaction Value: \$17 million

- Will enable Zillow to offer promotion and productivity tools to professionals in the mortgage industry
- Accelerates development of Zillow Mortgage Marketplace
- Has acquired 4 other companies over the past two years in an effort to expand its business

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Vertical Application Software Market

Deal Spotlight



Sold to



Sector: Financial Services
Target: PerTrac
Acquirer: eVestment Alliance
Transaction Value: Undisclosed

- One of investment industry's largest database and cloud-based analytic solutions providers
- Also acquired Fundspire on October 31 – all in an effort to further expand analytical capabilities and information systems into alternative asset classes

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Vertical Application Software Market

Deal Spotlight



Sold to



Sector: Financial Services
Target: Vandasoft Technology Holdings Ltd. [Avnet, Inc.]
Acquirer: PCCW Solutions
Transaction Value: Undisclosed

- Complement their solutions offerings in the banking and financial sector with a strong solutions practice
- Vanda China's flagship software, VisionBanking Suite, is widely recognized as one of the leading banking applications in the China market
- Expand its coverage from four offices to seven major cities in China

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Consumer Application Software Market

Public Valuation Multiples

Since Q3

Nov. 2012

Corum Analysis

EV
Sales



1.3x

Sales steady as mobile, tablets, other new platforms expand market and offset price drops of established applications

EV
EBITDA



6.2x

Video game margin challenges loom as tools proliferate and small companies innovate faster

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Consumer Application Software Market

Deal Spotlight

HealthNowMD™

Sold to

Healthiest
YOU

Sector: Healthcare
Target: HealthNowMD
Acquirer: Healthiest You Corp.
Transaction Value: Undisclosed

- Provides an online service that enables consumers in the US to schedule doctor consultations
- Will save employees time, cost and hassle while improving health outcomes and save millions for employers by keeping employees healthy and working instead of at the ER or urgent care when illness strikes

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Consumer Application Software Market

Deal Spotlight

Avvo

Sold to

healthTap

Sector: Healthcare

Target: Avvo [health business]

Acquirer: HealthTap

Transaction Value: Undisclosed

- Avvo has decided to put 100% focus on its rapid growing legal business
- Acquisition grows HealthTap's Medical Expert Network to more than 30,000 U.S.-licensed doctors and dentists, broadening local coverage across all 50 states, and expanding its reach to over 128 specialties

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Healthcare Market Spotlight

Panelists & Speakers include:

- Reese Jones - Singularity University
- Dr. Chuck Dietzen – Timmy Global Health
- Kevin Fahey - Bluff Point Associates
- Nat Burgess - Corum Group
- May McCarthy – PHACTS
- Elon Gasper – Corum Group



WORLD FINANCIAL SYMPOSIUMS

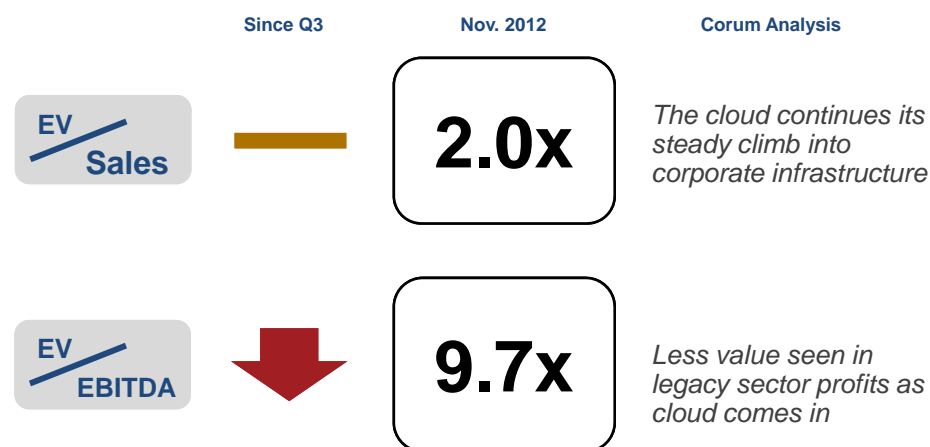
- December 18, 2012
- 1 PM (NY Time)
- **wfs.webex.com**

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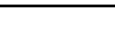














Infrastructure Software Market






Public Valuation Multiples



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2012 Acquisitions			
Date	Target	Value	Description
11/29	 CORIDEN	\$141 million	Provides IP and Multiprotocol Label Switching (MPLS) network planning, design and analysis software for ISPs globally
11/18	 MERAKI	\$1.2 billion	Provides indoor and outdoor 802.11n wireless access points and switches and related security appliances for businesses globally
11/15	 CLOUPIA	\$125 million	Provides private and public cloud computing environment provisioning, monitoring, process automation and management software for businesses globally
10/04	 VCIDER	Undisclosed	Provides network virtualization software for use in data center and cloud computing environments for businesses. Products provides include a virtual switch
9/26	 THINKSMART TECHNOLOGIES	\$4 million	Provides WiFi-based customer analytics software for retailers to track the in-store movements of patrons using smart phones and other WiFi-enabled devices for the purpose of merchandising and product placement
7/16	 VIRTUATA	\$18 million	Operates as a stealth-mode company believed to develop software for securing data stored in virtual environments for businesses
5/03	 TRUVISO	\$20 million	Provides online advertising and video and mobile content analytics software for businesses globally
3/28	 CLEARACCESS	Undisclosed	Software enables service providers to remotely activate subscribers, configure devices and filter Internet content
3/15	 NDS	\$5 billion	Provides set-top box software, DRM smart cards and media gateways for cable TV service providers globally. Software enables cable and other television providers to deliver content to mobile devices
2/24	 LIGHTWIRE	\$271 million	Designs and manufactures optoelectronic interconnects and optical transceivers for networking equipment manufacturers

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<div>  <h2>Acquisition Streak: Cloud</h2>  </div>			
Date			
11/15/12	<div>    </div>		
10/04/12	<p>Target: Cloupia Acquirer: Cisco Transaction Value: \$125 million in cash and retention-based incentives</p>		
3/29/11	<ul style="list-style-type: none"> When combined with Cisco's leading data center management solutions, Cloupia will enable enterprises and service providers to seamlessly manage pools of computing power, network services, storage and virtual machines as a unified whole in order to deploy and deliver IT services more rapidly and at lower costs 		
12/01/10			



Internet Market

Public Valuation Multiples

Since Q3

Nov. 2012

Corum Analysis

EV
Sales



2.0x

*Wary market values
real revenue, and at
rational, not exuberant,
levels*

EV
EBITDA



10.5x

*Markets discounting e-
commerce margins
forecasts*

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Internet Market

Deal Spotlights: PurePlay - Travel

KAYAK

Sold to

priceline.com®

- Transaction Value: \$1.8 billion
- Plans to help KAYAK build a global online travel brand with their reach and expertise

HotelTravel.com
"For the perfect trip just click"

Sold to

make my trip.com

- Transaction Value: \$25 million in cash and stock plus earn-out
- Will help to strengthen presence in hotel and holidays segment in India and SE Asia

Rumbo.com
your trips at better prices

Sold to

Bravo fly

- Online travel reservations service that enable consumers in Europe to search for, compare and book flights, hotels and rental cars

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IT Services Market

Public Valuation Multiples

Since Q3

Nov.2012

Corum Analysis

EV
Sales

0.5x

Stable quarter, Asian companies continue to outperform

EV
EBITDA

7.3x

Essential and sufficient to drive M&A

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IT Services Market

Deal Spotlight



Sold to



AllianceData.

epsilon

Target: Hyper Marketing Inc. [Lake Capital Partners]
Acquirer: Alliance Data Systems - Epsilon Business
Transaction Value: \$460 million

- Acquisition will give Epsilon key talent and some major clients
- Already share about a dozen clients and have a complementary relationship
- Expected to give Epsilon new capabilities - user interface design, mobility, social business platforms, and websites

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IT Services Market

Deal Spotlight: Digital Marketing Agencies



Quaturo

Sold to



BlueGlass

EV
TRANSACTION

- Attracted to Quaturo's local expertise developed over the past 8 years



Sold to



DNA
DigitalNetAgency.com

EV
TRANSACTION

- Integrate DNA's brand, protection technologies and advanced recruitment platforms with 4 Paws top talent and deep expertise within the affiliate channel

Bourne

Merges with

bite™

- Focus on helping clients with online strategy and build websites that increase traffic and sales

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Corum Research Report



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Best of 2012



Johan Attby

Tific

Acquired by PlumChoice, Inc.



Johan Attby founded Tific in 2000 with the vision of proactively detecting and fixing tech support problems automatically. Tific's technology is today used by global ISVs, enterprises and MSPs for supporting tens of millions of computers and Tific's software platform is the leading solution worldwide. Tific successfully expanded from Sweden into North America.

In April 2011 Tific was acquired by PlumChoice, Inc., the leading provider of premium technical support in North America, where Mr. Attby now has a leadership role responsible for business development at the company HQ outside Boston, MA. He has also been a board member and advisor the several hi-tech startups. He holds a Master of Science degree from Chalmers University of Technology in Gothenburg, Sweden and he was a PhD student in Complex Dynamical Systems when he started Tific.

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Best of 2012



Steve Peltier

Nefsis

Acquired by Brother



Steven Peltier has more than 20 years of senior executive management experience, managing the capital resources of companies in the early to mid-stages of growth. He was formerly the President and CEO of San Diego-based ICS Advent Corporation, which designed, manufactured and integrated industrial PC-based computing platforms for industrial automation, telephony, online services, and data center applications for companies such as AT&T, British Telecom, France Telecom, Telefonos de Mexico, Northern Telecom and Lucent. Steven co-founded Nefsis in 1987 and was instrumental in the company's global growth, achieving revenues of more than \$100 million, and standing as the third-largest supplier of industrial computers in the world. He holds a BS degree in Accounting from San Diego State University.

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Best of 2012



Win Sheridan
CEO at Apex Systems, Inc.



Win is a 1989 graduate of Gonzaga and went on to Virginia Tech, where he earned his BA in both English and Political Science with a minor in Business Administration. In the fall of 1995, Win founded Apex Systems, Inc., an IT staffing and recruiting company. Headquartered in Richmond, Apex has grown to become the 5th largest IT Staffing company in the United States with 2011 revenues of over \$700,000,000. Win currently resides in Alexandria, Virginia with his wife, Jen, and their 12 month-old daughter, Bentley. He is actively involved in local charities and is on the Board of Directors for several non-profit organizations including Peace Players International, a non-profit organization with operations in Northern Ireland, South Africa, Cyprus and the Middle East, the Greater Washington Sports Alliance, the VCU Massey Cancer Research Center and Fight Night, a gala event in DC which benefits the Fight For Children organization.

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Best of 2012



Reggie Bradford
CEO at Vitruue



Veteran technology and management executive Reggie Bradford is founder and CEO of Vitruue. Founded in 2006, Bradford, armed with over 20 years of experience across technology, Internet and marketing sectors, has developed Vitruue into the leading provider of social marketing publishing software for global brands and agencies. Prior to founding Vitruue, Bradford served as President and board member of TANDBERG Television, which was acquired by Ericsson. Bradford also served as the President and CEO of N2 Broadband, and served as Chief Marketing Officer at WebMD from 1998 to 2000. Bradford received a BBA in Finance from the University of Georgia and an MBA from Emory University. He serves on numerous advisory and non-profit boards including BrightWhistle, Solo Health and The Branderly. Bradford resides in Atlanta, Georgia, with his wife Holly and their six children.

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Best of 2012



Thomas Berglund
Edvantage Group
Acquired by Lumesse



Thomas Berglund is CEO and founder of Edvantage Group, now a part of Lumesse. Under his leadership, the company has become one of the fastest growing e-learning companies in EMEA, ranked among the winners of the Deloitte Fast 500 (2007, 2008).

Prior to Edvantage Group, Thomas held management positions in Delphi, Telia, Nokia and ICL. He is also active as Board Member and Chairman in several start-up companies. A fan of life-long learning Thomas has taken multiple degrees in Management schools such as IHM, IHM Executive, BI-Master of Management and Henley Management College.

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Best of 2012



Robert Tietjen
PolicyTech
Now a part of NavEx Global



Rob Tietjen received a Masters in Communications from Idaho State University. Prior to starting PolicyTech he served as the Education Director as well as the Chairman of the Performance Improvement Committee at Madison Memorial Hospital, helping them to achieve the Northwest Quality Award. Before that, he received a great passion for teaching while instructing on both the High School and University levels. He is a believer in community volunteer work, serving as president for several community councils & committees. He has also been requested as a speaker on many occasions for organizations such as the American Society for Quality, the Idaho Hospital Association, Health Care Compliance Association (HCCA), and various other volunteer organizations.

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Q&A

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Questions? Suggestions?

- Please send them to **info@corumgroup.com**
- Rebroadcasts December 20
- Next webcast, January 17, “Annual Report”
- For further education, please attend Corum’s Merge Briefings and “Selling Up, Selling Out”

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Upcoming Conference Schedule

Selling Up Selling Out (SUSO) - Ready to go to market? During this half-day workshop, learn to prepare, position, research, value, negotiate, and execute due diligence for maximum price and structure. This is the most attended Tech M&A event ever – participants have done over \$1 trillion in transaction value.

Merge Briefing (MB) - The Merge Briefing is a 90-minute executive briefing providing a current M&A market update (trends, valuations, etc.), as well as a brief overview of the Tech M&A process: "8 Steps To An Optimal Outcome."

Jan. 24:	Phoenix – SUSO	Feb. 27:	Kansas City – SUSO
Feb. 5:	Quebec City – MB	Feb. 28:	San Diego – MB
Feb. 6:	Halifax – MB	Mar. 4:	Omaha – MB
Feb. 7:	Portland – SUSO	Mar. 5:	Des Moines – SUSO
Feb. 11:	Cleveland – SUSO	Mar. 6:	Salt Lake City – MB
Feb. 12:	Columbus – SUSO	Mar. 13:	Edmonton – MB
Feb. 13:	Indianapolis – SUSO	Mar. 14:	Pittsburgh – SUSO
Feb. 21:	Dallas – MB	Mar. 19:	Chicago – MB
Feb. 21:	NYC – MB	Mar. 20:	Detroit – MB

www.CorumGroup.com/Events.aspx

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After the Deal – Celebration



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