



TECH M&A MONTHLY

....starts in 2 minutes

CORUM

The screenshot shows the Corum website homepage. At the top, it says "The Global Leader in Software M&A" and has links for "Login", "Community", and "Contact Us". The main navigation bar includes "EXPERIENCE" and "SOFTWARE MARKETS". Below this is a row of icons for "Horizontal Applications", "Vertical Applications", "Consumer Applications", "Infrastructure", "Internet", and "IT Services".

The main content area features a large section titled "THE GLOBAL LEADER IN SOFTWARE M&A" with a sub-header "CORUM MERGERS & ACQUISITIONS". The text describes Corum's 27-year history and global reach. Key points include:

- The Global Leader:** Selling more software companies than anyone else, from offices in eight countries.
- The Specialist:** Only M&A. Only for sellers. Only for software companies.
- The Highest Value:** For your company, experience makes the difference.

There is a "New" section for an "August 9, join us for our annual second half sellers panel" featuring software CEOs.

Below this are two featured articles:

- SEE THE CORUM DIFFERENCE:** Watch the world's most experienced software M&A professionals working to get maximum value for their clients' companies. >> Watch
- SELLING UP SELLING OUT:** Planning an exit strategy within the next five years? Prepare your company to get optimal value at the premier software M&A executive forum. >> Watch

On the right side, there is a "TRANSACTIONS" section with logos for ANSYS and ESTEREL. Below that is an "EVENTS" calendar listing:

- 15 August 2012: Silicon Valley - Selling Up, Selling Out (Offices of DARL Denton)
- 16 August 2012: Denver - Selling Up, Selling Out (Offices of Holland & Hart)
- 23 August 2012

At the bottom of the screenshot, the website URL "www.corumgroup.com" is displayed in large blue text, and the "CORUM" logo is in the bottom right corner.

Past Conferences & Reports

- Private Equity Panel
- Buyers Panel
- Google Acquisition Strategy
- Crowdfunding M&A Impact
- Special Reports: SaaS, Mobile, Gaming, Social, Cloud, Geospatial, Security
- Special Reports: Facebook Effect, Dell, Microsoft, HP, IBM...

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TECH M&A MONTHLY

....starts in 1 minute

CORUM

Merge Briefing

- 90 Minutes
- Industry Update
- Overview of the M&A Process
- Upcoming events in:
 - London
 - Cambridge
 - Dublin
 - Copenhagen
 - Berlin
 - Munich
 - Denver
 - Memphis
 - Nashville
 - Stockholm



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Selling Up, Selling Out

- Half-Day
- Tech M&A Bootcamp
- The most attended tech executive conference in history
- Upcoming events in:
 - Seattle
 - San Francisco
 - Paris
 - Vancouver, BC
 - Kansas City
 - Salt Lake City
 - Washington, DC
 - Ottawa



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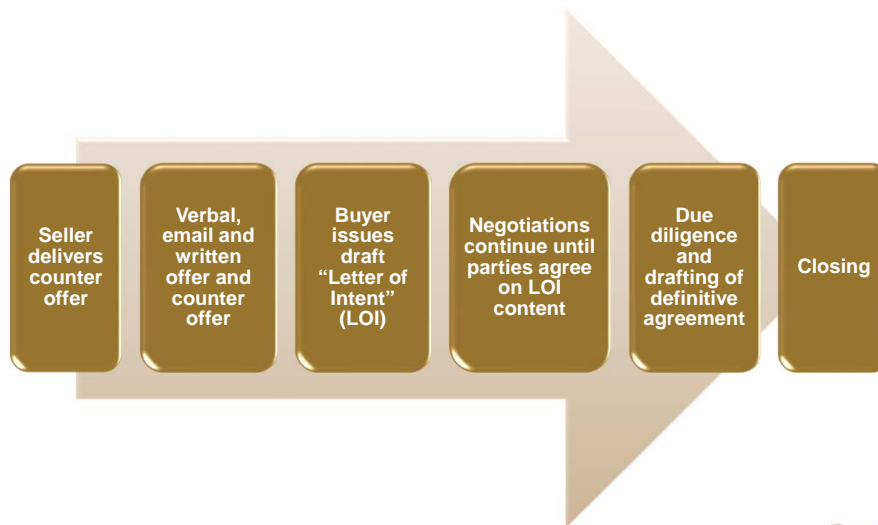
8 Stages for an Optimal Outcome

1



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Negotiation – Typical Flow



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AVOIDING THE DEAL DISASTERS

CORUM

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."

Jun. 18: London – MB	Jul 18: Denver – MB
Jun. 19: Cambridge – MB	Aug. 1: Vancouver, BC – SUSO
Jun. 20: Dublin – MB	Sep. 4: Memphis – MB
Jun. 25: Seattle – SUSO	Sep. 5: Nashville – MB
Jun. 26: Copenhagen – MB	Sep. 17: Stockholm – MB
Jun. 27: San Francisco – SUSO	Sep. 18: Helsinki – MB
Jul 9: Berlin – MB	Sep. 19: Rotterdam – MB
Jul 10: Munich – MB	Sep. 24: Cleveland – MB
Jul 11: Paris – SUSO	Sep. 25: Cincinnati – MB

www.CorumGroup.com/Events.aspx

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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 June 20, 12:30am PT, and 8:00am PT
 - See “Conferences and Events” at MergersAndAcquisitions.webex.com

CORUM



Global Tech M&A Monthly

Megadebt and Hypervaluations

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
- Field Reports
- Event Reports
- Research Report
- Special Report: "Hypervaluations"
- Special Report: "Megadebt"
- Q&A

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Field Report – American HealthTech



Ward Carter
Chairman
Corum Group Ltd.



Corum's former President and now Chairman, Ward Carter's technology background includes a variety of management positions with the Burroughs Corporation (later Unisys). Then, as vice president of a Wall Street investment firm and as principal in a regional venture firm, he raised capital for ventures in computer hardware, software, and biotechnology. As an executive for a Seattle-based archival storage software company, he attracted venture capital and assisted with the eventual acquisition of the company by a larger competitor. As president of InfoMatrix, and later Discovery Sales + Marketing, Ward provided strategic consulting support to emerging software companies.

He joined Corum in 1997, has successfully managed numerous software company mergers and acquisitions worldwide, was appointed President in 2006 and Chairman in 2010. He graduated with Honors from Seattle University with a B.A. in Business.

CORUM

Field Report – RapidBlue



Mark Johnson
Director
Corum Group International, Ltd.



Mark's professional experience is as an M&A advisor, CEO of an IT company, Venture Capitalist, IT Management Consultant and Naval Officer. The thread throughout his career has been Information Technology, its commercialization, and its applications towards improving business effectiveness. His undergraduate education is from the U.S. Naval Academy in Annapolis, MD, where he received a degree in Systems Engineering.

In 2006 he spent one year at the Stockholm School of Economics attaining an MBA. Additionally, he was a semi-professional road cyclist and was ranked 1st in the U.S. Mid-Atlantic. He enjoys the challenges and dynamism involved with identifying new technology innovations with strong commercialization applications, particularly in an international setting where he has had the opportunity to work in numerous countries throughout Asia, the Middle East, Europe, and Africa.

Serving as a Naval Officer provided an exceptional leadership opportunity in a challenging and diverse environment.

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Conference Report – SaaS University



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Conference Report – Casual Connect



Jim Perkins
Regional Director, Digital Media Specialist
Corum Group, Ltd.



Entertainment software entrepreneur Jim Perkins is directly responsible for publishing some of the industry's biggest franchises, including Unreal, Duke Nukem, Wolfenstein, Doom, Hunting Unlimited, and Driver. A well-known senior executive with a 22-year track record of publishing such bestselling hits, he founded and grew two highly successful software publishing companies (FormGen and ARUSH) from start-ups to multi-million dollar enterprises.

Jim also launched Radar Group, the first Transmedia Incubation Company to monetize entertainment franchises across all media, including film and television. His success and extensive experience in software production, marketing and public relations, packaging, online and retail distribution and software M&A, uniquely qualify him as an expert in building value and realizing wealth. Jim joined Corum Group, the world's leading software M&A firm, with a specific focus on educating and helping prospective sellers maximize the value of their digital media companies.

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Conference Report – WFS



Rob Schram
Director
Corum Group Ltd.



Rob has over 30 years of executive and entrepreneurial experience in multiple technologies: Integrated circuit testing, industrial process automation and control, communications software, security software, and energy software and services.

Rob has founded and sold several companies and engaged in two IPOs. He was most recently CEO of Evergreen Fuel Technologies, Inc. in the energy sector. Rob is a broadly skilled strategic development professional with a proven reputation for targeting, negotiating and developing profitable ventures and a demonstrated ability to successfully analyze an organization's critical business requirements, identify deficiencies and opportunities, and develop innovative and cost-effective solutions for enhancing competitiveness, increasing revenues, and improving customer relationships.

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World Financial Symposiums



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Corum Research Report



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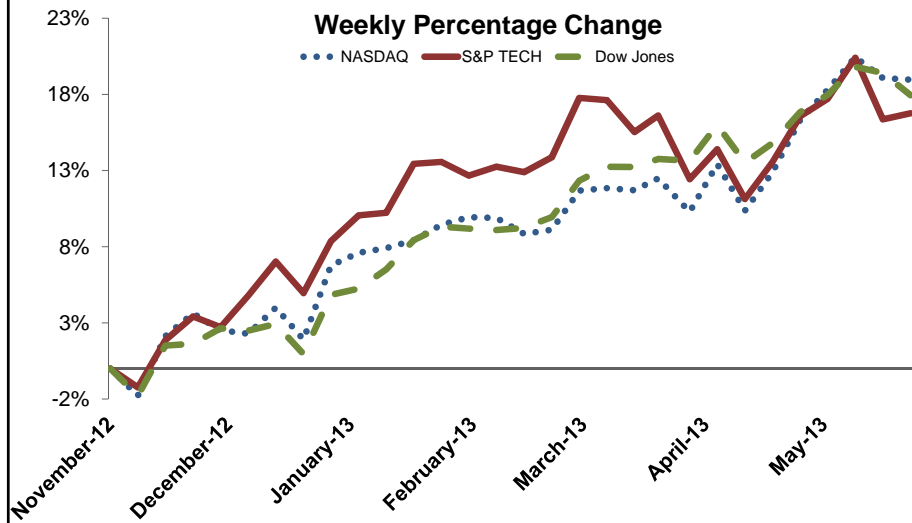
Jason Steblay
Research Analyst

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Public Markets



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Corum Index

	May 12	May 13
# of Transactions	320	280
# of Mega Deals	2	3
Largest Deal	\$4.5B	\$6.9B
Private Equity Deals	14	16
# VC backed Exits	70	66
% Cross Border Transactions	32%	27%
% of Startup Acquisitions*	15%	19%
Average Life of Target	13	13

* 0 to 3 years

Buyer	Seller	Price
Bain Capital/ Golden Gate/ GIC/Insight Venture	BMC Software	\$6.9b
Fidelity National Financial	Lender Processing Services	\$2.9b
Yahoo	Tumblr	\$1.1b

CORUM

Corum Index

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BainCapital

GOLDEN GATE CAPITAL



INSIGHT VENTURE PARTNERS

Sector: Systems Management

Target: BMC Software

Acquirer: Bain Capital, Golden Gate, GIC, Insight Venture Partners

Transaction Value: \$6.9 Billion

- Provides a broad range of application, systems and database management software and software as a service for businesses globally
- The second-largest PE deal since the end of the recession

* 0 to 3 years

CORUM

Corum Index

Buyer	Seller	Price
Bain Capital/ Golden Gate/ GIC/Insight Venture	BMC Software	\$6.9b
Fidelity National Financial	Lender Processing	\$2.9b
		\$1.1b



Sector: Financial
Target: Lender Processing Services, Inc.
Acquirer: Fidelity National Financial, Inc.
Transaction Value: \$2.9 Billion

- Provider of integrated technology, services, data and analytics to the mortgage and real estate industries
- As mortgage industry continues to face increasing regulation, participants in the industry are seeking out strategic partners who offer quality, comprehensive solutions, a strong balance sheet and commitment to innovation

* 0 to 3 years

CORUM

Corum Index

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CORUM

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		\$1.1b

ExactTarget  salesforce.com

Sector: CRM
Target: ExactTarget
Acquirer: salesforce.com
Transaction Value: \$2.5 Billion

- Will accelerate growth of the Salesforce Marketing Cloud and further its mission of being the world's leading CRM platform
- Combining ExactTarget's digital marketing capabilities with Salesforce.com's sales, service and social marketing solutions, will create a world-class marketing platform across email, social, mobile and the web.

* 0 to 3 years

CORUM



Vertical Application Software Market

Public Valuation Multiples

Since Q1

May 2013

Corum Analysis

EV
Sales



2.4x

Constant demand for SaaS, big data, others, keeps the multiples stable.

EV
EBITDA



11.8x

Holding its own with a slight increase reflecting potentially lucrative markets.

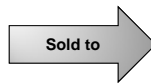
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Vertical Application Software Market

Deal Spotlight: Energy

NeuraDB
Timely Access to Trusted Data



petroWEB

Target: Neuralog, Inc. (NeuraDB business)

Acquirer: petroWEB

Transaction Value: Undisclosed

- Acquired Neuralogs' NeuraDB assets, which provide oil well data management software for businesses in the petroleum industry globally.
- Will be positioned to deliver the next generation of PPDM-based E&P data management with web technologies to provide broad access from a host of computing devices.

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Vertical Application Software Market

Deal Spotlight: Energy

issgroup



P2 ENERGY SOLUTIONS

Target: ISS Group Limited [Australia]

Acquirer: P2 Energy Solutions Inc.

Transaction Value: \$43 million

- ISS's BabelFish™ product suite and production operations expertise will allow P2 to provide the most complete and integrated production solution for the upstream oil and gas market.
- Signals P2's commitment to providing the most comprehensive suite of products for the oil and gas industry.

CORUM



Consumer Application Software Market

Public Valuation Multiples

Since Q1

May 2013

Corum Analysis

EV / Sales



1.7x

Value-to-sales ratio still stable though some buyers forced overseas as US wireless market saturated.

EV / EBITDA



7.4x

Strategic factors and potential outweigh immediate profits.

CORUM



Consumer Application Software Market

Deal Spotlights

Since (amazon.com)

Corum Analysis

Target	Value	Description
	Reported at \$150 million with an additional \$50 million in earnout potential	Provides a literature-focused social network and online directory that enable users to share book reviews and recommendations and locate books of interest.
	Reported at \$26 million	Provides a mobile speech-recognition application that enables iOS and Android device users to receive answers to spoken questions and instructions.
	Undisclosed	Provides text-to-speech conversion software and software as a service in more than 17 languages for businesses and consumers worldwide.

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Consumer Application Software Market

Deal Spotlight



Target: Waze Ltd. [Israel]
Acquirer: Google
Transaction Value: Reported at \$1.1 billion

- Waze provides a GPS-based mobile application that enables Android and iOS device users to receive traffic and road hazard updates from other users.
- Bidding included Apple, Facebook and Google with a range of values reported from \$500 million to \$1.3 billion.
- Waze will enhance Google Maps with some of the traffic update features provided.

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Consumer Application Software Market

Deal Spotlight



Target: Poynt Corporation
Acquirer: Sprylogics International Inc.
Transaction Value: \$2.4 million

- Poynt has a large and loyal international user-base across all major smartphone platforms including IOS, Android, Blackberry and Windows
- IP assets include a number of early stage patents granted in their key business areas
- Primary revenue stream is through mobile advertising which is positioned for exponential growth over the next few years.

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Internet Market

Public Valuation Multiples

Since Q1

May 2013

Corum Analysis

EV / Sales



1.8x

Online education, advertising, others keep valuations stable.

EV / EBITDA



11.5x

Extended horizon for cloud boom again holds value of potential long-term growth over short term profits.

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Internet Market

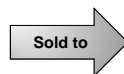
Deal Spotlights



EV

Target: Mind360 [Israel]
Acquirer: Intelligent Living (portfolio company of FEEL Golf)
Transaction Value: \$1 million - \$150,000 in cash & promissory note worth \$850,000

- A health wise company committed to enhancing and maintaining people's mental fitness through an online web-based cognitive training platform.



EV

Target: Tribal Nova Inc
Acquirer: Houghton Mifflin Harcourt
Transaction Value: Undisclosed

- Represents a key investment in HMH's capabilities around the development of industry-leading adaptive digital content for the pre-K market.

CORUM



Internet Market

Deal Spotlights



EV

Target: X2PN E-Learning Pvt. Ltd. [India]
Acquirer: Knewcleus Online Services Private Ltd. [India]
Transaction Value: Undisclosed

- Provides educational instruction software that enables students and employees to learn by playing games on social networks and via smart phones.

EV



Target: Livemocha
Acquirer: Rosetta Stone Ltd.
Transaction Value: \$8.5 million in cash

- Accelerates Rosetta Stone's transition to cloud-based learning solutions and reinforces its leadership position in the competitive language-learning industry.

CORUM



Horizontal Application Software Market

Public Valuation Multiples

Since Q1

May 2013

Corum Analysis

EV / Sales



2.9x

Still the highest valuations in the Corum Index due to prevalence of SaaS premium companies.

EV / EBITDA



12.6x

Down some from 13x at end of quarter but not substantially.

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Horizontal Application Software Market

Deal Spotlight



Sector: CRM

Target: SoundBite Communications, Inc.

Acquirer: Genesys Telecommunications Laboratories

Transaction Value: \$100 million

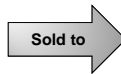
- Will strengthen the Genesys cloud solutions portfolio, building on its recent acquisition of Angel for self-service and contact center
- Genesys will enrich its portfolio of cloud-based solutions for marketing, sales and collections departments, and strengthen its ability to address additional user communities across the enterprise

CORUM



Horizontal Application Software Market

Deal Spotlight

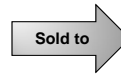


Target: SmartSource Corporation

Acquirer: Extraprise

Transaction Value: Undisclosed

- Acquisition provides a platform to deliver advanced digital lifecycle marketing capabilities to B2B and B2C enterprises.



Target: Socio Logiciels [France]

Acquirer: NP6 SA [France]

Transaction Value: Undisclosed

- French leader in statistical data analysis and modeling.
- Will benefit from expertise in data mining and geo-marketing.

CORUM



Infrastructure Software Market

Public Valuation Multiples

Since Q1

May 2013

Corum Analysis

EV / Sales



2.4x

Market share valued as continuing data migration off devices and on to cloud-based systems forecast.

EV / EBITDA



11.1x

Hitting 12-month highs. Profits valued and combined with growth in compelling key areas like next-generation firewalls.

CORUM



Infrastructure Software Market

Deal Spotlights

EV



Blue Coat

Target: Netronome (SSL Inspector appliance product line)
Acquirer: Blue Coat Systems, Inc.
Transaction Value: Undisclosed

- The SSL appliances are the industry's highest performance transparent proxy for SSL network communications, and provide unique visibility exposing inbound threats and outbound leaks

EV



Blue Coat

Target: Solera Networks, Inc.
Acquirer: Blue Coat Systems, Inc.
Transaction Value: Estimated \$225 million in cash

- Combination of Solera's real-time intelligence, security visibility and forensic capabilities and Blue Coat's comprehensive Web-based threat intelligence capabilities now gives businesses the tools to proactively block threats and rapidly identify, respond to and recover from a data breach or incident.

CORUM



Infrastructure Software Market

Deal Spotlight

STONESOFT



McAfee

Sector: Security
Target: Stonesoft Oyj [Finland]
Acquirer: McAfee
Transaction Value: \$389 million in cash

- McAfee's second-largest deal ever and one of its higher multiples in 26 purchases
- valuing Stonesoft at 7.2x its trailing revenue
- Expects to grow its network security business by delivering the industry's most complete network security solution with the IPS Network Security Platform, Firewall Enterprise for the high assurance market segment, and Stonesoft's next-generation firewall

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IT Services Market

Public Valuation Multiples

Since Q1

May 2013

Corum Analysis

EV / Sales



0.6x

Values holding steady almost without fluctuations.

EV / EBITDA



10.7x

Financial and other buyers insist on profits and pay up for them.

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IT Services Market

Deal Spotlights



ACQUITY GROUP



accenture

EV

Target: Acquity Group LLC
Acquirer: Accenture Ltd. [Ireland]
Transaction Value: \$316 million

- Accenture's largest deal ever will further strengthen and expand the broad range of digital marketing services that Accenture provides to clients.

FJORD™



accenture

EV

Target: Fjordnet Limited
Acquirer: Accenture Ltd. [Ireland].
Transaction Value: Undisclosed

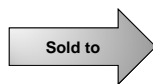
- Fjord's design capabilities will complement the business strategy, data analytics, technology and marketing operations services offered through Accenture Interactive.

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IT Services Market

Deal Spotlight



ERNST & YOUNG
Quality In Everything We Do

E

Target: Semphonic
Acquirer: Ernst & Young
Transaction Value: Undisclosed

- Together, they can offer an even deeper analytic capability that can be applied to predictive and prescriptive analytic challenges across multiple sectors.
- Semphonic adds deep experience into the complex website and mobile app customer interaction challenges their clients may face in developing and executing their digital channel strategy.

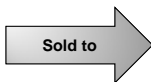
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CORUM



IT Services Market

Deal Spotlight



Target: Alti SA

Acquirer: Tata Consultancy Services

Transaction Value: \$97.4 million in cash

- French technology services firm with strong expertise in IT services including enterprise solutions, assurance and CRM solutions.
- Will strengthen TCS' ability and footprint to service its customers in France and other regions in Europe.

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Corum Research Report



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CORUM

Special Report: “Hypervaluations”



Alina Soltys
Senior Analyst
Corum Group Ltd

Alina Soltys joined Corum Group in 2010, located out of their Seattle headquarters. Prior to this, she worked as an Acquisitions Specialist at a real estate development firm specializing in acquiring multi-family properties throughout the Pacific Northwest. Alina analyzed specific target markets for opportunities, valued apartment buildings, presented offers to owners, participated throughout the negotiations as well as analyzed current and pro-forma figures. She also served as an intern at the newly formed Mergers and Acquisitions Group within Colliers International where she contributed in marketing, finance as well as strategic growth and positioning.

Alina graduated from the Foster School of Business at the University of Washington, specializing in Finance and Entrepreneurship.



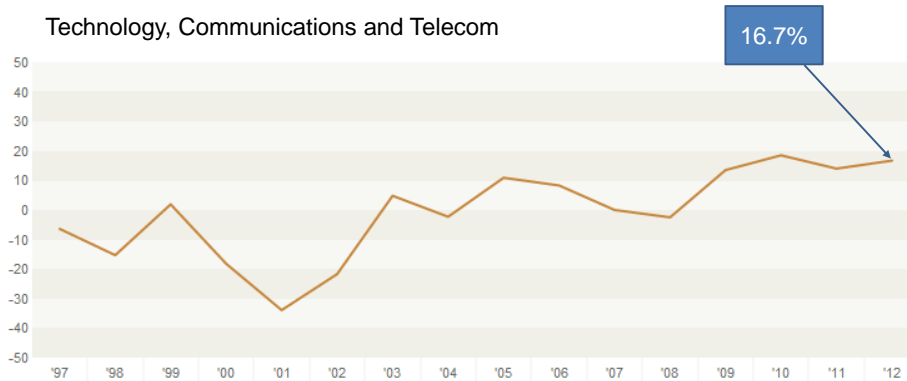
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Deal Value Added

Do investors think the average deal creates value?

Average annual deal value added (DVA), %

Technology, Communications and Telecom



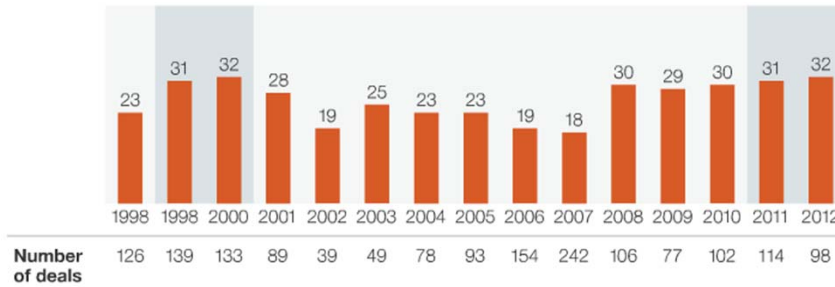
Source: McKinsey

CORUM

Deal Premiums

Hovering near historic highs for M&A deals of publicly traded companies

Median 1-week premium,¹ %



Source: Datastream; Dealogic; McKinsey analysis

Deal Premiums

Hovering near historic highs for M&A deals of publicly traded companies

Med



Sector: CRM
 Target: Eloqua
 Acquirer: Oracle
 Transaction Value: \$956 million

33% Premium

Nu
of e

- Provides marketing automation software as a service for businesses with features for email marketing, sales lead management and marketing campaign effectiveness analytics.
- Expected to create a comprehensive Customer Experience Cloud offering to help companies transform the way they market, sell, support and serve their customers.



CORUM

Deal Premiums

Hovering near historic highs for M&A deals of publicly traded companies

Mec

ExactTarget®  salesforce.com®

Sector: CRM

Target: ExactTarget

Acquirer: salesforce.com

Transaction Value: \$2.5 Billion

47% Premium

- Will accelerate growth of the Salesforce Marketing Cloud and further its mission of being the world's leading CRM platform
- Combining ExactTarget's digital marketing capabilities with Salesforce.com's sales, service and social marketing solutions, will create a world-class marketing platform across email, social, mobile and the web.

Nu
of t



CORUM

Yahoo! Deal Spotlights

 maven®
NETWORKS

Sold to

YAHOO!

Target: Maven Networks, Inc.

Acquirer: Yahoo!

Transaction Value: \$160 million in cash

8x Revenue Multiple

- Video is projected to be the fastest growing segment of the online ad market, and Maven will significantly help advance Yahoo!'s strategy, expanding the video opportunity for publishers and increasing the efficiency and effectiveness for advertisers.

tumblr.

Sold to

YAHOO!

Target: Tumblr

Acquirer: Yahoo!

Transaction Value: Estimated \$1.1 Billion in cash

85x Revenue Multiple

- Tumblr brings 50 billion blog posts (and 75 million more arriving each day) to Yahoo!'s media network and search experiences



CORUM

Mobile Network Optimization



Target: Intucell [Israel]
 Acquirer: Cisco Systems, Inc.
 Transaction Value: \$475 million in cash

15.8x Revenue Multiple

- Through the addition of Intucell's industry-leading SON technology, Cisco's service provider mobility portfolio provides operators with unparalleled network intelligence and the unique ability to not only accommodate exploding network traffic, but to profit from it.



Target: Skyfire Labs, Inc.
 Acquirer: Opera Software ASA [Norway]
 Transaction Value: \$50 million

10.2x Revenue Multiple

- Through their cloud-based optimization solutions, they are able to deliver video and other multimedia content more quickly and from closer sources to the mobile consumer.



CORUM

Bidding War



Bidding Timeline

Jan. 3	May 9	Jun. 9
\$500 million	\$800 million to \$1 billion	\$1.1 billion to \$1.3 billion



CORUM

Bidding War



Target: Waze Ltd. [Israel]

Acquirer: Google

Transaction Value: Reported at \$1.1 billion

>1000x Revenue Multiple (!)

- Waze provides a GPS-based mobile application that enables Android and iOS device users to receive traffic and road hazard updates from other users.
- Bidding included Apple, Facebook and Google with a range of values reported from \$500 million to \$1.3 billion.
- Waze will enhance Google Maps with some of the traffic update features provided.



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Bidding War



Bidding Timeline

May - June	May 26	Jun. 1
Other Bidders	\$600 - \$800 million	\$1 billion +



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Special Report: “Hypervaluations”



Alina Soltys
Senior Analyst
Corum Group Ltd

Alina Soltys joined Corum Group in 2010, located out of their Seattle headquarters. Prior to this, she worked as an Acquisitions Specialist at a real estate development firm specializing in acquiring multi-family properties throughout the Pacific Northwest. Alina analyzed specific target markets for opportunities, valued apartment buildings, presented offers to owners, participated throughout the negotiations as well as analyzed current and pro-forma figures. She also served as an intern at the newly formed Mergers and Acquisitions Group within Colliers International where she contributed in marketing, finance as well as strategic growth and positioning.

Alina graduated from the Foster School of Business at the University of Washington, specializing in Finance and Entrepreneurship.



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Special Report: “Megadebt”



Elon Gasper
Vice President, Director of Research
Corum Group Ltd

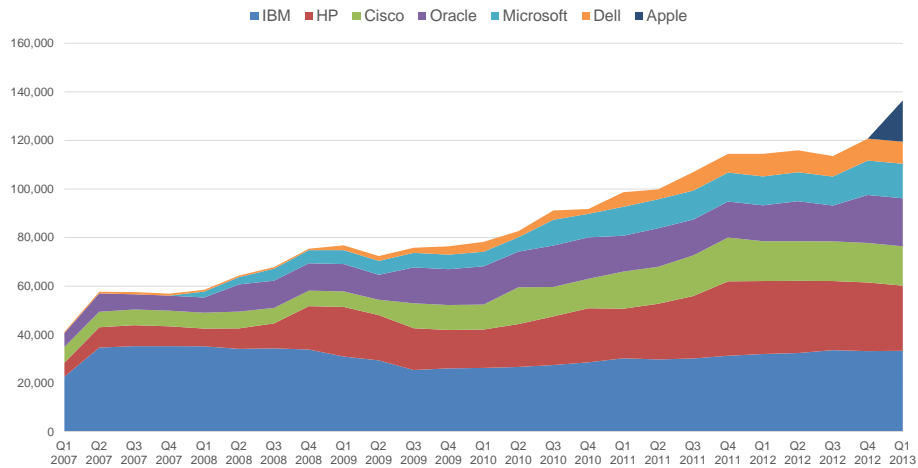
Elon Gasper founded pioneering animation and speech software company Bright Star Technology in the 1980s. With Corum's assistance he closed venture funding, expanded and then sold Bright Star to a public company in the early 90s. He holds 9 patents for his software innovations and was a finalist for the Flugelman, the only personal achievement award given by the Software Publishers Association. He has also won a Traditional Game of the Year, a Best Practices for Product Innovation, a COMDEX Envision and a Codie, the retail software 'Oscar'.

After Bright Star, Elon went on to drive development, business and marketing strategies in a variety of companies and roles, including Chief Technologist in entertainment giant Vivendi Universal's Sierra Online division; Senior VP at VizX Labs, a pioneering SaaS business delivering DNA analysis tools to scientists; and participant in a number of other start-ups, notably in the medical device, geoweb and telecommunications spaces. His background also includes faculty, staff and other positions at UCLA, Cal State, and currently University of Washington, where he has appointment as Entrepreneur-in-Residence at UWBTEC; systems programming at a Fortune 500 company's Advanced Technology Center; and biomedical research.



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Cumulative Debt of Tech Giants



Source: Quarterly reports

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Unprecedented Debt

- High demand
 - For quality corporate bonds
 - Worry about central bank looseness
- Low rates
- Tax avoidance due to the US repatriation tax structure



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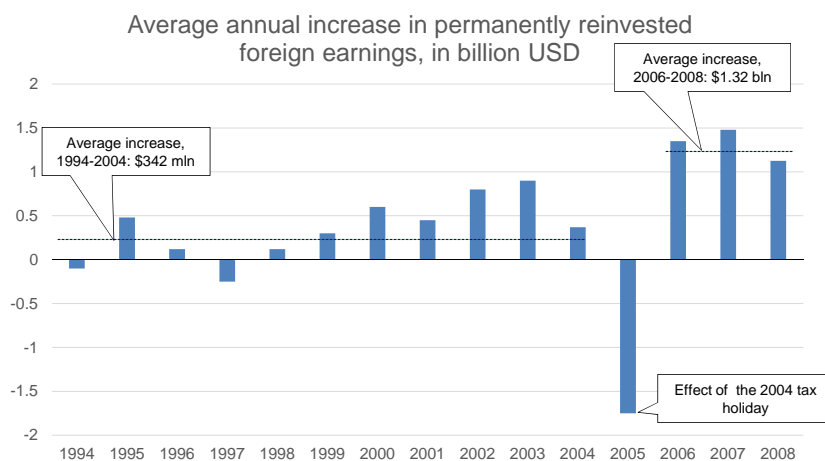
Repatriation Deferred

- Countries mainly tax profits territorially
- US also assesses American corporations and additional tax upon return of the cash to the parent company stateside
- Deferring such impacts has always caused some build-up of funds overseas
- New factors push the trend:
 - Growing overseas sales
 - Sophisticated accounting methods
 - Anticipation of another tax holiday like in 2004



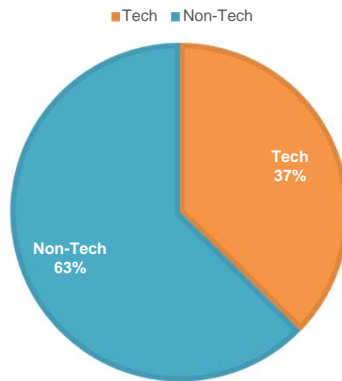
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Waiting for another holiday?



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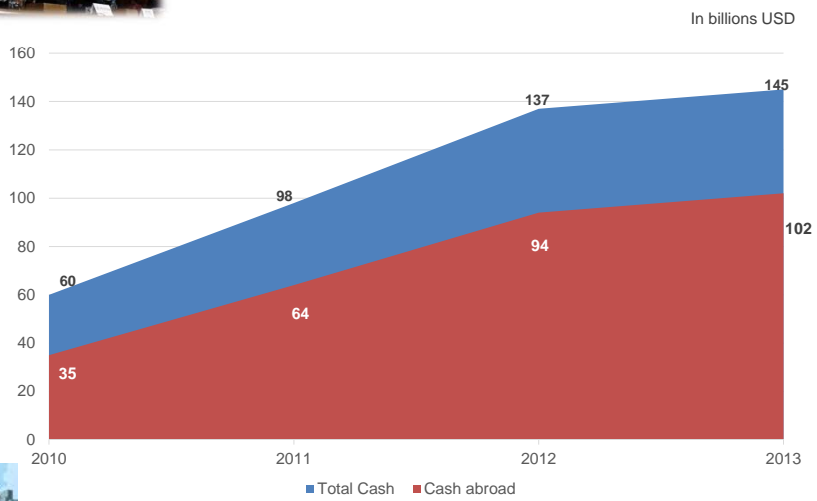
Un-repatriated Profits of US companies



Source: Citizens for Tax Justice

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Apple's Overseas Cash



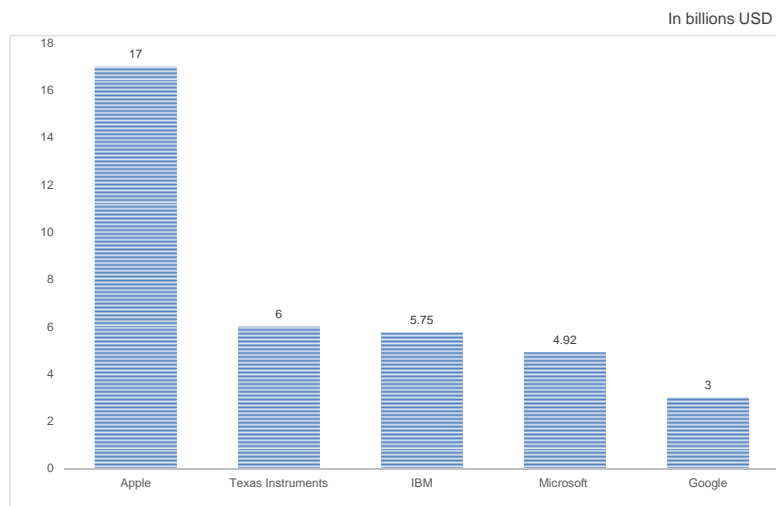
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Cisco M&A 2013



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Recent Tech Bond Issues



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How long will this go on?

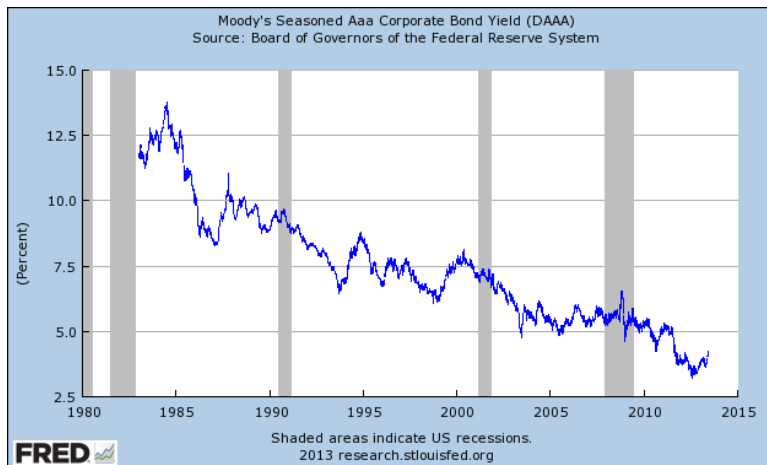
- US Repatriation tax holiday
- US tax law change
- Until interest rate increases

None of which seem likely this year.



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Interest Rate History



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Conclusions

- Megadebt creates real liquidity for tech M&A
- Will continue to do so:
 - Google offering likely next, to let them keep buying US companies.
 - Cisco is an exception, bent on doing M&A overseas instead.
- Window of opportunity for tech sellers at least into next year.



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Q&A

- We welcome your questions!
 - Use Q&A window on right side
 - Submit to queue at any time
 - Ask “all panelists” – see “ask” option above text-entry box

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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.”

Jun. 18: London – MB	Jul 18: Denver – MB
Jun. 19: Cambridge – MB	Aug. 1: Vancouver, BC – SUSO
Jun. 20: Dublin – MB	Sep. 4: Memphis – MB
Jun. 25: Seattle – SUSO	Sep. 5: Nashville – MB
Jun. 26: Copenhagen – MB	Sep. 17: Stockholm – MB
Jun. 27: San Francisco – SUSO	Sep. 18: Helsinki – MB
Jul 9: Berlin – MB	Sep. 19: Rotterdam – MB
Jul 10: Munich – MB	Sep. 24: Cleveland – MB
Jul 11: Paris – SUSO	Sep. 25: Cincinnati – MB

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After the Deal – Celebration



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