



# 3Q14 Roadmap to Valuation

Commentary and analysis provided by MergerTech research team, including breakout by sector (Hardware, Healthcare IT, Internet/Digital Media, IT Services and Software)

**October 20, 2014**

3Q deal flow remained robust as the quarter marked the most technology M&A announcements since 4Q13. Year to date, over \$190B of transactions have been announced (+15% year-over-year [Y/Y]) over the first three quarters of 2013, putting 2014 on course to be the most active M&A year since the financial tumult of 2008. With over 1,600 total M&A transactions across the five sectors we actively monitor, we saw a 25% increase in quarter-over-quarter (Q/Q) deal activity.

Amongst transactions with disclosed deal values, average deal size rose 8% Q/Q following a 15% decline in the prior quarter. Average EV (enterprise value)/revenues per transaction rebounded off of last quarter's decline to 3.4x, coming in at 4.7x. Most notably, deal volume within the Internet Software/Services sector rose 36% Q/Q and marked a five-year peak (576 deals in 3Q), highlighted by Zillow's acquisition of Trulia (15x EV/revs) along with Alliance Data's purchase of Conversant (4x EV/revs) in the advertising technology space.

Heading into the final quarter of 2014, we anticipate M&A activity to remain at record levels and eclipse 3Q's levels as both buyers and sellers race to get deals closed before calendar year-end. Additionally, recent volatility in the markets may spur sellers to reconsider their long-term business plans and reassess a sale before they lose any of the leverage they have built over the last few years.

Some of our 3Q observations about these sectors:

Sector	<u>Announced</u>			
	<u>Deals</u>	<u>Closed Deal Value</u>	<u>EV/ Revs</u>	<u>EV /EBITDA</u>
Hardware	375	\$14.6B	4.3x	21.0x
Healthcare IT	56	\$3.2B	2.1x	11.9x
Internet Software/Svcs.	576	\$19.4B	5.4x	49.2x
IT Services	250	\$4.9B	5.0x	10.1x
Software	347	\$29.6B	4.0x	24.9x

MergerTech has continued to represent companies benefitting from this robust deal environment by closing three transactions in the quarter. Following on our Q2 work in FinTech (Financial Technology), Enterprise Cloud Computing, Geospatial Data Discovery and Supply Chain Management, we have closed transactions for clients providing Developer Services, Financial Data Analytics and Infrastructure Services for Government.

We believe this comprehensive report covering M&A market conditions by sector provides further insight into deal flow, M&A activity, industry leaders, as well as an evaluation of quarterly market valuations and individual transactions. This report is published on quarterly on MergerTech's website as a resource for business owners wanting to stay informed about the environment for technology M&A. If you have specific questions or would like to schedule an introductory call with our team to review MergerTech's services, we can be reached at 925.215.2770 or [inquiries@mergertech.com](mailto:inquiries@mergertech.com).

## Facts & Figures

	3Q14	Q/Q	Y/Y		EV/Revenues	EV/EBITDA	Avg Deal Value (\$M)
Total # of Tech M&A Transactions <sup>1,2</sup> :	510	11.6%	3.4%	Average Exit Multiples			
Total YTD # of Tech M&A Transactions:	1,410		2.8%	Healthcare IT	2.1x	11.9x	\$185.1
Total Tech M&A Transaction Value (\$M):	\$67,649	20.5%	6.6%	Internet SW & Svcs	5.4x	49.2x	\$130.0
Total YTD Tech M&A Transaction Value (\$M):	\$190,031		15.0%	Hardware	4.3x	21.0x	\$86.9
				IT Services	5.0x	10.2x	\$64.8
				Software	4.0x	24.9x	\$226.1

<sup>1</sup> Transactions included only with transaction value disclosed

<sup>2</sup> Includes all announced/closed transactions

### Valuation Summary

Average Deal Value (\$M)	\$132.6	8%	3%
Average TEV/Revenue	4.7x	38%	29%
Average TEV/EBITDA	23.3x	34%	68%

TEV: Total Enterprise Value

### Active Buyers, by Total Transaction Size

SAP America, Inc.  
 Vista Equity Partners  
 Zillow, Inc.  
 Infineon Technologies AG  
 Microsoft Corporation  
 Alliance Data Systems Corporation  
 Thoma Bravo, LLC  
 Micro Focus International plc  
 Intel Corporation  
 Shanghai Pudong Science and Technology Investment Co., Ltd.

### Transactions by Region<sup>1</sup>

Europe	89	-7%	-13%
Asia / Pacific	250	36%	18%
Africa / Middle East	22	29%	38%
United States and Canada	137	7%	-12%
Latin America and Caribbean	12	-14%	50%

### Deals by Transaction Range<sup>1</sup>

Greater than \$1 billion	17	42%	42%
\$500 - \$999.9M	12	-8%	33%
\$100 - \$499.9M	58	-13%	16%
Less than \$100M	423	16%	0%



Source: CapitalIQ

#### Sector Overview

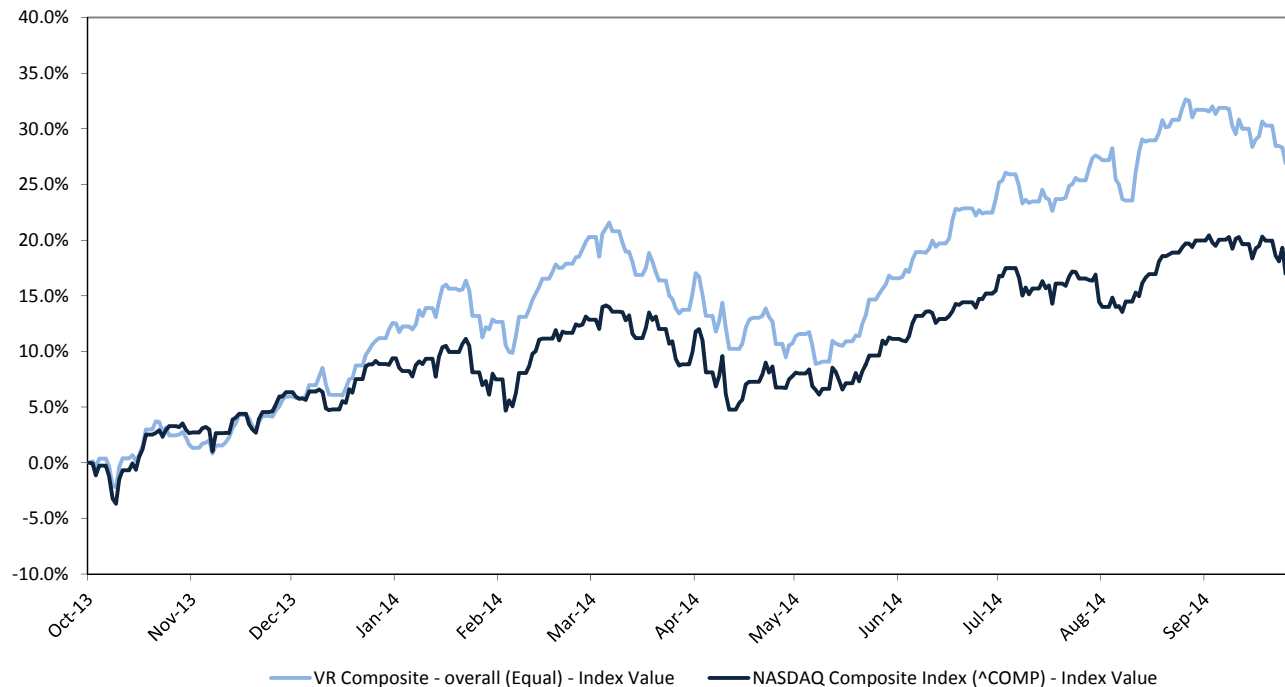
	Revenue					
	Growth <sup>1</sup> %	GM <sup>1</sup> %	EBITDA <sup>1</sup> %	Debt / Cash %	EV / Revs <sup>2</sup>	EV / EBITDA <sup>2</sup>
Hardware	8.3%	41.6%	22.7%	66.4%	2.4x	9.1x
Healthcare IT	8.6%	53.9%	14.7%	9.0%	3.0x	12.1x
Internet Software & Services	30.8%	71.2%	26.9%	42.7%	8.1x	23.9x
IT Services	7.9%	37.5%	22.9%	146.1%	3.0x	11.1x
Software	7.3%	74.6%	20.7%	51.3%	4.3x	12.9x

<sup>1</sup> Trailing twelve months

<sup>2</sup> 2014 consensus estimates

Note: company sector assignment as determined by CapitalIQ, median sector results displayed

#### Overall Composite Performance, 1-year



Source: CapitalIQ

## Healthcare IT:

### Top 40 Public Companies, by Market Capitalization

Company	Ticker	Market Cap <sup>1</sup> (\$M)	Enterprise Value (\$M)	Current Price as % of 52 wk	EV / Revenues			EV / EBITDA			Revenue (TTM, \$M)	Rev Growth % (TTM)	GM % (LTM)	EBITDA % (LTM)	Rev Growth % (2-yr fwd)	Total Cash <sup>2</sup> (MRQ, \$M)	Total Debt (MRQ, \$M)
					2013	2014E	2015E	2013	2014E	2015E							
Cerner Corporation	NasdaqGS:CERN	\$20,317	\$19,483	94%	6.5x	5.8x	5.0x	26.2x	16.8x	14.4x	\$3,075	13.4	84.8	26.2	15.2	\$989	\$155
IMS Health Holdings, Inc.	NYSE:IMS	8,696	12,415	92%	4.7x	4.6x	4.3x	17.6x	14.1x	12.7x	2,614	0.0	53.4	23.8	0.0	266	3,985
M3, Inc.	TSE:2413	5,188	5,063	93%	15.9x	NM	9.4x	43.4x	NM	26.8x	404	43.1	65.4	34.8	0.0	144	1
athenahealth, Inc.	NasdaqGS:ATHN	4,999	5,107	64%	8.0x	6.8x	5.5x	93.2x	38.0x	30.9x	672	36.0	59.4	9.1	24.6	109	217
Veeva Systems Inc.	NYSE:VEEV	3,600	3,250	57%	13.8x	10.7x	8.6x	79.9x	42.3x	35.4x	260	54.9	61.6	20.4	34.3	350	0
Allscripts Healthcare Solutions, Inc.	NasdaqGS:MDRX	2,417	2,937	68%	2.1x	2.1x	2.0x	297.5x	13.5x	11.0x	1,373	(2.2)	46.0	2.1	4.5	39	559
Medidata Solutions, Inc.	NasdaqGS:MDSO	2,393	2,410	65%	7.9x	7.0x	5.8x	75.6x	29.9x	24.3x	305	24.2	74.6	8.2	22.5	218	235
HMS Holdings Corp.	NasdaqGS:HMSY	1,654	1,756	71%	3.6x	4.0x	3.4x	13.7x	15.9x	11.7x	467	(4.5)	34.7	23.6	2.0	96	198
Shanghai Kingstar Winning Software Co., Ltd.	SZSE:300253	1,524	1,461	64%	28.6x	14.6x	11.9x	125.2x	59.2x	45.6x	60	25.8	57.6	22.4	47.1	62	0
MedAssets, Inc.	NasdaqGS:MDAS	1,245	2,035	78%	3.0x	2.9x	2.8x	9.8x	8.7x	8.2x	683	1.8	76.9	29.6	4.0	6	796
CompuGroup Medical AG	DB:COP	1,192	1,593	89%	2.6x	2.4x	2.3x	15.9x	11.9x	10.1x	678	8.4	36.4	16.2	8.5	21	462
Castlight Health, Inc.	NYSE:CSLT	1,160	1,001	31%	68.3x	23.3x	12.7x	NM	NM	NM	28	0.0	12.4	(295.7)	0.0	160	0
Omniceil, Inc.	NasdaqGS:OMCL	980	854	90%	2.2x	2.0x	1.8x	16.3x	10.5x	9.1x	407	14.4	53.9	14.7	11.6	126	0
Advanced Computer Software Group plc	AIM:ASW	898	977	90%	3.0x	2.8x	2.6x	22.0x	12.1x	11.4x	340	68.0	50.2	14.6	6.6	42	124
Quality Systems Inc.	NasdaqGS:QSII	829	713	57%	1.6x	1.5x	1.4x	9.8x	10.9x	8.3x	453	0.3	54.0	11.3	7.7	116	0
EMIS Group PLC	AIM:EMIS	758	765	95%	4.5x	3.5x	3.3x	13.8x	11.1x	10.2x	213	36.9	47.7	30.3	16.9	20	20
Healthstream Inc.	NasdaqGS:HSTM	662	550	60%	4.2x	3.2x	2.7x	24.0x	20.8x	17.0x	152	30.9	56.5	16.3	23.6	112	0
Computer Programs & Systems Inc.	NasdaqGS:CPSI	644	620	80%	3.3x	2.9x	2.8x	11.6x	10.4x	9.7x	203	3.7	47.1	27.9	4.7	24	0
Agfa-Gevaert N.V.	ENXTBR:AGFB	442	723	74%	0.2x	0.2x	0.2x	2.0x	2.6x	2.2x	3,698	(10.4)	30.0	9.6	(3.5)	216	457
Cegedim SA	ENXTPA:CGM	439	1,031	86%	0.9x	0.9x	0.9x	6.7x	5.2x	5.0x	1,226	(0.9)	45.4	13.2	0.6	109	751
Pharmagest Interactive Societe Anonyme	ENXTPA:PHA	393	336	88%	2.1x	2.3x	2.2x	10.9x	9.3x	8.9x	154	(0.2)	25.9	22.2	2.6	65	2
Imprivata, Inc.	NYSE:IMPR	369	284	91%	3.2x	3.1x	2.5x	NM	NM	NM	82	0.0	70.6	(15.7)	0.0	86	2
Nexus AG	XTRA:NXU	228	195	83%	2.0x	1.9x	1.8x	17.8x	9.4x	8.0x	112	13.1	30.1	11.2	9.5	35	0
Craneware plc	AIM:CRW	224	193	81%	4.6x	4.2x	3.8x	16.6x	14.1x	12.9x	43	2.7	95.4	28.6	11.5	33	0
Merge Healthcare Incorporated	NasdaqGS:MRGE	211	418	77%	1.8x	1.9x	1.9x	16.2x	10.1x	8.9x	216	(12.3)	59.4	13.4	(1.4)	24	231
Software Service, Inc.	JASDAQ:3733	209	183	77%	1.5x	NM	NM	6.2x	NM	NM	133	44.5	35.4	29.5	19.4	27	0
Vocera Communications, Inc.	NYSE:VCRA	205	85	42%	1.0x	0.9x	0.8x	NM	NM	NM	102	1.8	62.1	(15.1)	0.8	121	1
Raysearch Laboratories AB	OM:RAYB	198	194	91%	6.4x	5.6x	4.7x	NM	13.4x	10.8x	35	22.0	96.7	(2.3)	22.9	4	0
Infinit HealthCare Co., Ltd.	KOSDAQ:A071200	181	176	84%	2.2x	NM	NM	13.8x	NM	NM	67	0.0	56.2	6.8	0.0	17	11
ND Software co., Ltd.	TSE:3794	163	99	85%	0.9x	NM	NM	3.9x	NM	NM	128	21.9	42.2	19.8	0.0	74	3
iCAD, Inc.	NasdaqCM:ICAD	152	130	70%	3.5x	3.0x	2.2x	198.9x	23.4x	12.5x	36	13.2	73.0	2.2	32.3	35	13
UBCare Co., Ltd.	KOSDAQ:A032620	114	87	82%	1.1x	NM	NM	52.1x	NM	NM	67	0.0	57.4	5.6	0.0	27	0
Simulations Plus, Inc.	NasdaqCM:SLP	114	106	98%	9.0x	8.2x	5.7x	24.7x	NM	NM	11	8.8	86.6	40.6	33.8	8	0
Streamline Health Solutions, Inc.	NasdaqCM:STRM	85	95	54%	2.7x	3.0x	2.5x	NM	25.5x	16.2x	27	(3.8)	51.4	(34.2)	15.8	5	10
BIT Computer Co. Ltd.	KOSDAQ:A032850	83	84	93%	2.1x	NM	NM	70.0x	NM	NM	35	3.6	22.1	9.5	0.0	9	10
PRO Medicus Ltd.	ASX:PME	81	67	93%	6.4x	NM	4.0x	NM	NM	7.8x	13	27.9	98.0	19.1	0.0	14	0
MEDIAN Technologies S.A.	ENXTPA:ALMDT	63	62	90%	56.2x	NM	NM	NM	NM	NM	2	45.1	NM	0.0	0.0	0	0
Synektik Spółka Akcyjna	WSE:SNIT	61	59	84%	2.3x	2.2x	2.1x	14.3x	11.1x	8.9x	28	24.2	38.7	16.1	9.4	6	4
UMS United Medical Systems International AG	XTRA:UMS	60	71	79%	1.3x	1.4x	1.3x	3.7x	3.3x	3.2x	53	(3.5)	48.0	38.4	3.5	7	10
CE Holdings Co., Ltd.	TSE:4320	54	39	93%	0.5x	NM	NM	4.9x	NM	NM	74	10.6	23.4	12.6	0.0	22	6
Average		\$1,582	\$1,693	78%	7.4x	4.5x	3.8x	41.2x	16.8x	13.9x	\$468	14.2	55.2	6.5	10.0	\$96	\$207
Median		416	484	83%	3.0	3.0	2.7	16.3	12.1	10.8	142	8.6	53.9	14.7	4.6	37	3
Median excl High & Low		1,129	1,268	79%	6.0	4.0	3.6	34.2	15.7	13.1	395	13.4	54.3	13.7	9.1	75	113
High		20,317	19,483	98%	68.3	23.3	12.7	297.5	59.2	45.6	3,698	68.0	98.0	40.6	47.1	989	3,985
Low		54	39	31%	0.2	0.2	0.2	2.0	2.6	2.2	2	(12.3)	12.4	(295.7)	(3.5)	0	0

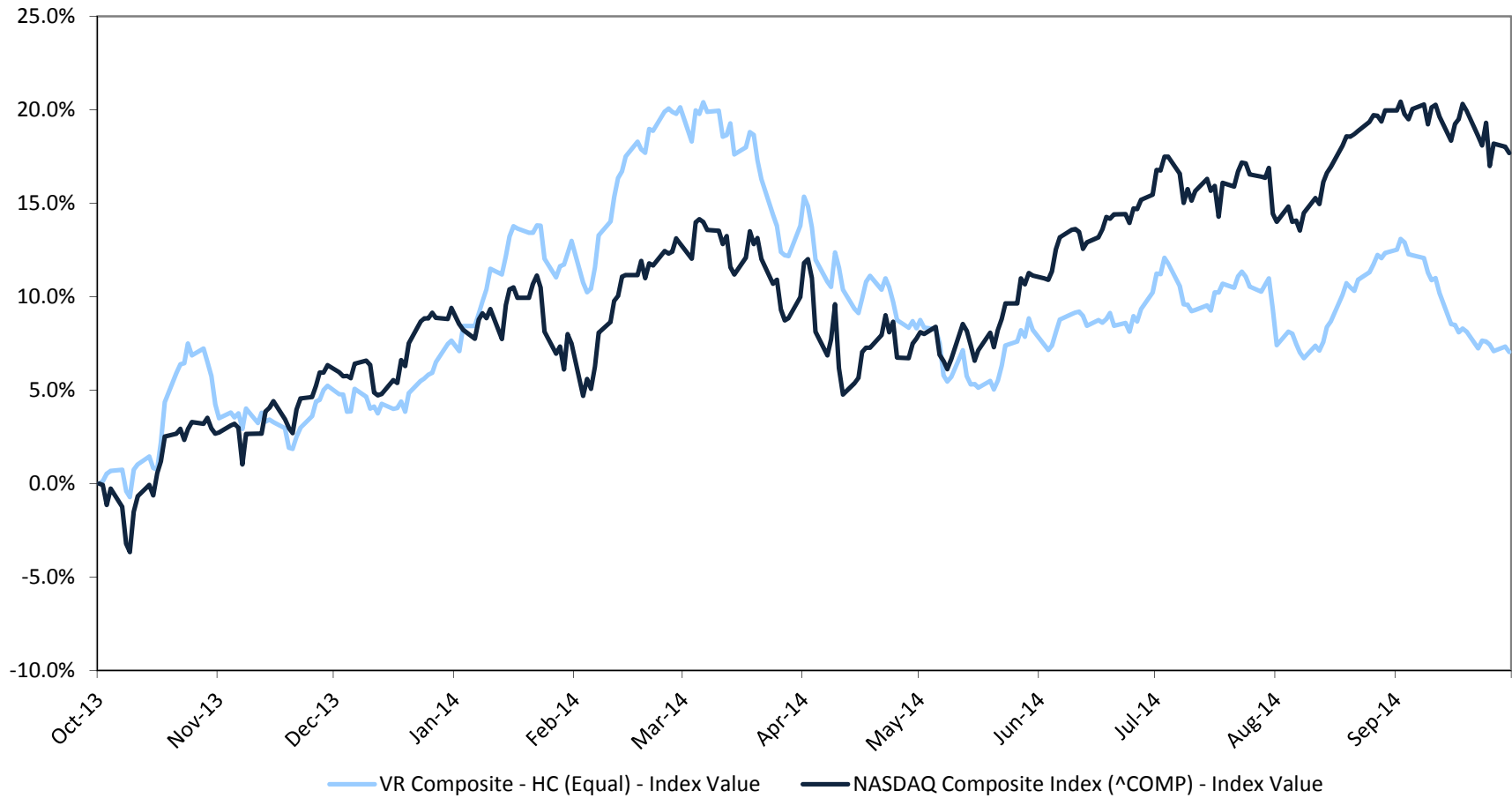
<sup>1</sup> Pricing data as of:

9/30/14

<sup>2</sup> Total cash includes cash & ST investments

Source: CapitalIQ

#### Healthcare IT Composite Performance, 1-year



Source: CapitalIQ

### Healthcare IT M&A Activity

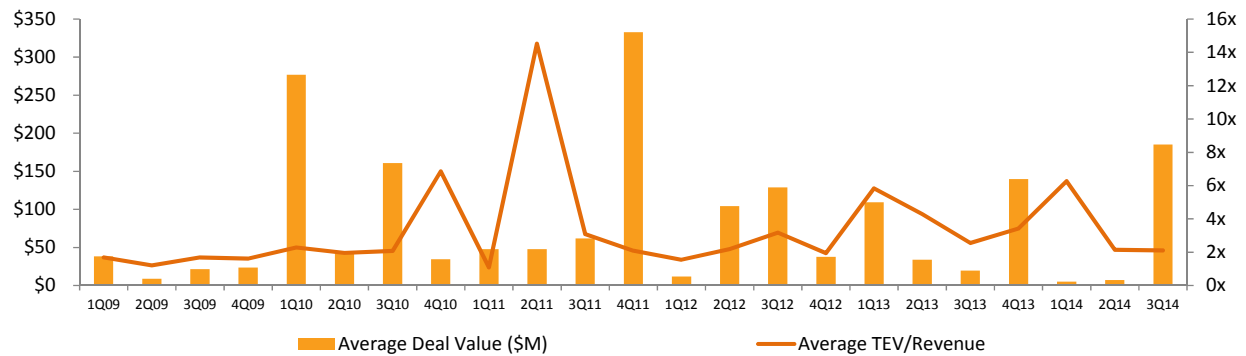
		<u>Q/Q</u>	<u>Y/Y</u>
<b>Total # of M&amp;A transactions:</b>	<b>56</b>	<b>8%</b>	<b>19%</b>
<b>Total Deal Value (\$M):</b>	<b>\$3,148</b>	<b>4315%</b>	<b>1134%</b>
<b>Average Deal Value (\$M):</b>	<b>\$185</b>	<b>2497%</b>	<b>844%</b>
<b>Average TEV/Revenue:</b>	<b>2.1x</b>	<b>-1%</b>	<b>-18%</b>
<b>Average TEV/EBITDA:</b>	<b>11.9x</b>	<b>-86%</b>	<b>-39%</b>

### Transactions by Region

Europe	12
Asia / Pacific	5
Africa / Middle East	1
United States and Canada	36
Latin America and Caribbean	2

### Deals by Transaction Range

Greater than \$1 billion	1
\$500 - \$999.9mm	0
\$100 - \$499.9mm	2
Less than \$100mm	14
Undisclosed	39



### 3Q14 Most Active Buyers

Cognizant Technology Solutions Corporation  
 MedAssets, Inc.  
 Premier Healthcare Solutions, Inc.  
 Bridgepoint Development Capital  
 Premier, Inc.  
 Varian Medical Systems, Inc.  
 MAQUET GmbH  
 Formpipe Software AB  
 EMIS Group PLC  
 TELUS Health Solutions Inc.

### Healthcare IT M&A Transactions

Announced Date	Target/Issuer	Buyers/Investors	Total Transaction Value (\$M)	Implied EV/Revenues	Implied EV/EBITDA	Cash % of Consideration (%)
9/30/2014	MedSynergies, Inc.	Optum Inc.	-	-	-	-
9/26/2014	Visiodent Société Anonyme (ENXTPA:SDT)	CM-CIC Capital Privé SA	\$4.3	1.1x	14.4x	100.0
9/25/2014	MethodCare, Inc.	ZirMed Inc.	-	-	-	-
9/23/2014	PatientKeeper, Inc.	HCA Holdings, Inc. (NYSE:HCA)	-	-	-	-
9/23/2014	Workflow.com, LLC	Connexin Software, Inc.	-	-	-	-
9/17/2014	XD3 Solutions Inc.	TELUS Health Solutions Inc.	-	-	-	-
9/17/2014	emsCharts Inc.	Golden Hour Data Systems, Inc.	-	-	-	-
9/15/2014	CogState Limited (ASX:CGS)	-	\$3.1	1.6x	-	100.0
9/15/2014	TriZetto Corporation	Cognizant Technology Solutions Corporation (NasdaqGS:CTSH)	\$2,700.0	-	-	-
9/11/2014	Directed Medical Systems	Clinical Outcomes Management Systems, LLC	-	-	-	-
9/10/2014	Lynx Design, Inc.	Google Inc. (NasdaqGS:GOOGL)	-	-	-	-
9/8/2014	Invatec Health Pty Ltd.	BioProspect Ltd. (ASX:BPO)	\$0.2	-	-	-
9/4/2014	farma3tec S.r.l.	CompuGroup Medical AG (DB:COP)	-	-	-	-
9/4/2014	Futura International, LLC	OPIE Software	-	-	-	-
9/3/2014	Zoommed Inc., Canadian Operations of ZRx Prescriber Technology	TELUS Health Solutions Inc.	\$6.3	-	-	100.0
9/3/2014	Rise Health, Inc.	Best Doctors, Inc.	-	-	-	-
9/2/2014	VetSpace Limited	MWI Veterinary Supply, Inc. (NasdaqGS:MWIV)	-	-	-	-
9/1/2014	AZE, Ltd.	Canon Marketing Japan Inc. (TSE:8060)	-	-	-	-
8/27/2014	Racers Informatica Ltda	MV Informática Nordeste Ltda.	-	-	-	-
8/26/2014	Strategic Healthcare Programs, LLC	Roper Industries Inc. (NYSE:ROP)	-	-	-	-
8/26/2014	Medkinetics, LLC and Payor Enrollment Services LLC	Vendor Credentialing Service LLC	-	-	-	-
8/25/2014	Four Rivers Software Systems, Inc. and Facilities Technology Group, Inc.	Accruent, LLC	-	-	-	-
8/25/2014	Aperex, Inc.	Premier, Inc. (NasdaqGS:PINC)	\$48.5	-	-	100.0
8/13/2014	Sg2, LLC	MedAssets, Inc. (NasdaqGS:MDAS)	\$142.0	-	-	100.0
8/13/2014	Nirvaco AS	Datawell Oy	\$2.7	-	-	100.0
8/11/2014	ELM Exchange, Inc.	Medical Professional Mutual Insurance Company	-	-	-	-
8/6/2014	Telethrive, Inc.	Practice Fusion, Inc.	-	-	-	-
8/6/2014	TheraSim, Inc.	Medscape, LLC	-	-	-	-
8/5/2014	TheraDoc, Inc.	Premier Healthcare Solutions, Inc.	\$117.0	-	-	100.0
8/5/2014	Transpire, Inc.	Varian Medical Systems, Inc. (NYSE:VAR)	\$20.0	-	-	100.0
8/5/2014	Benesan Corp	Kinser Software, Inc.	-	-	-	-
8/4/2014	MD Buyline, Inc.	TractManager, Inc.	-	-	-	-
8/4/2014	LabLink Systems Informática Ltda.	Pixeon Medical Systems	-	-	-	-
7/31/2014	Innovative Holdings, Inc., Mobile Applications Assets	BioCube, Inc. (OTCPK:BICB)	\$0.0	-	-	-
7/31/2014	Encircle Healthcare Management, LLC	Source Medical Solutions, Inc.	-	-	-	-
7/30/2014	XIFIN, Inc.	GTCR, LLC	-	-	-	-
7/29/2014	Marbella Technologies, Inc.	GetWellNetwork, Inc.	-	-	-	-
7/28/2014	Medinexus Pty Ltd	Telstra Corporation Limited (ASX:TLS)	-	-	-	-
7/24/2014	Cannigistics Agri-Solutions Corp.	Calyx Bio-Ventures Inc. (TSXV:CYX)	\$0.5	-	-	-
7/23/2014	ORLive, Inc.	BroadcastMed, Inc.	-	-	-	-
7/22/2014	simplifyMD, LLC	Azalea Health Innovations, Inc.	-	-	-	-
7/17/2014	Indigo 4 Systems Limited	EMIS Group PLC (AIM:EMIS)	\$6.3	1.5x	-	100.0
7/17/2014	Stratis Business Systems, Inc.	Advanced Answers On Demand, Inc.	-	-	-	-
7/15/2014	Digital Spark Ltd.	Silverlink Software Limited	-	-	-	-
7/15/2014	Cetrea A/S	MAQUET GmbH	\$16.1	3.7x	-	100.0
7/14/2014	Philexglobal Ltd.	Bridgepoint Development Capital	\$71.8	2.8x	9.3x	100.0
7/14/2014	PatientTrak	Lumin Medical LLC	-	-	-	-
7/10/2014	Oasis Medical Solutions Limited	Allscripts Healthcare Solutions, Inc. (NasdaqGS:MDRX)	-	-	-	-
7/8/2014	Infometers Inc.	Motivation Science Inc.	-	-	-	-
7/7/2014	Coleman Technologies LLC	Edfio Technology Partners	-	-	-	-
7/3/2014	Concept Integrations (I) Pvt. Ltd.	CURA Healthcare Pvt. Ltd.	-	-	-	-
7/2/2014	AVID Design, Inc.	Myelin Health Communications, Inc.	-	-	-	-
7/1/2014	GXP Ltd.	Formpipe Software AB (OM:FPPIP)	\$8.3	-	-	48.1

Source: CapitalIQ



### Healthcare IT VC Activity

Includes early-stage rounds only

Date of Funding	Company	Amount	Currency	Series	City	State	Country
9/30/2014	Consensus Orthopedics	8,000,000	USD	Venture	El Dorado Hills	CA	USA
9/29/2014	Pristine.io	5,400,000	USD	A	Austin	TX	USA
9/23/2014	Ivantis	25,000,000	USD	B	Irvine	CA	USA
9/22/2014	AVIA	6,000,000	USD	Venture	Chicago	IL	USA
9/16/2014	DoctorC	410,000	USD	Seed	Hyderabad	Andhra Pradesh	IND
9/10/2014	Lybrate	1,230,000	USD	Venture	New Delhi	Delhi	IND
9/8/2014	Tryton Medical	20,000,000	USD	Venture	Durham	NC	USA
8/28/2014	Deontics	700,000	GBP	Angel	London	London	GBR
8/25/2014	Solstice Medical	2,500,000	USD	Venture	Columbia City	IN	USA
8/6/2014	Practo	20,000,000	USD	B	Bangalore	Karnataka	IND
8/6/2014	Doctor on Demand	21,000,000	USD	A	San Francisco	CA	USA
7/28/2014	Ludi	1,000,000	USD	A			
7/18/2014	Sancilio and Company	20,000,000	USD	Venture	Riviera Beach	FL	USA
7/16/2014	Nightingale	120,000	USD	Seed	San Francisco	CA	USA
7/16/2014	Pretty Padded Room	120,000	USD	Seed		NY	USA
7/16/2014	ListRunner	120,000	USD	Seed	Mountain View	CA	USA
7/16/2014	Prodigo Solutions	12,500,000	USD	Venture	Pittsburgh	PA	USA
7/8/2014	Mint Solutions	6,000,000	USD	A			

Source: Mattermark, Crunchbase, AngelList

## Internet Software & Services:

### Top 40 Public Companies, by Market Capitalization

Company	Ticker	Market Cap <sup>1</sup> (\$M)	Enterprise Value (\$M)	Current Price as % of 52 wk	EV / Revenues			EV / EBITDA			Revenue (TTM, \$M)	Rev Growth % (TTM)	GM % (LTM)	EBITDA % (LTM)	Rev Growth % (2-yr fwd)	Total Cash <sup>2</sup> (MRQ, \$M)	Total Debt (MRQ, \$M)
					2013	2014E	2015E	2013	2014E	2015E							
Google Inc.	NasdaqGS:GOOGL	\$394,259	\$344,271	96%	5.3x	5.2x	4.4x	19.1x	13.1x	10.9x	\$65,142	21.1	57.7	29.8	14.8	\$58,315	\$8,327
Alibaba Group Holding Limited	NYSE:BABA	219,016	220,156	89%	26.0x	19.9x	14.9x	50.6x	35.8x	27.5x	9,246	0.0	73.5	51.6	38.9	9,587	9,987
Facebook, Inc.	NasdaqGS:FB	205,508	191,878	99%	24.0x	15.7x	11.6x	48.8x	23.9x	18.0x	10,013	63.7	80.9	54.2	44.9	13,956	326
Tencent Holdings Ltd.	SEHK:700	137,892	135,441	86%	13.5x	10.5x	8.5x	39.4x	24.5x	19.5x	11,153	36.8	57.1	35.4	27.2	8,166	5,630
Baidu, Inc.	NasdaqGS:BDU	76,514	72,874	94%	12.6x	9.1x	6.5x	31.9x	27.2x	18.9x	6,416	52.8	63.6	38.4	46.5	7,825	3,919
eBay Inc.	NasdaqGS:EBAY	70,290	68,242	95%	3.8x	3.8x	3.3x	14.3x	11.6x	10.4x	17,050	13.5	68.2	29.2	13.5	7,369	5,321
Yahoo! Inc.	NasdaqGS:YHOO	40,530	39,002	93%	7.8x	8.9x	8.7x	20.2x	31.8x	30.1x	4,622	(4.2)	71.6	16.7	0.3	2,744	1,178
Twitter, Inc.	NYSE:TWTR	31,291	29,396	69%	41.4x	21.6x	13.0x	NM	120.8x	54.2x	974	117.3	63.0	(73.1)	84.1	2,097	202
LinkedIn Corporation	NYSE:LKND	25,539	23,178	82%	14.0x	10.6x	8.0x	139.0x	41.5x	28.9x	1,847	48.5	86.8	10.6	37.9	2,367	0
Naver Corporation	KOSE:A035420	22,727	21,931	92%	9.4x	8.1x	6.7x	35.5x	24.3x	17.8x	2,533	10.0	77.5	30.3	22.4	1,172	337
Yahoo Japan Corporation	TSE:4689	21,646	17,678	62%	4.8x	NM	4.4x	9.0x	NM	8.2x	3,889	10.1	82.7	54.3	0.0	4,380	0
Equinix, Inc.	NasdaqGS:EQIX	11,260	14,807	95%	6.4x	6.1x	5.5x	16.4x	13.3x	11.7x	2,293	12.6	51.2	41.0	11.8	616	3,936
NetEase, Inc.	NasdaqGS:NTES	11,137	8,155	94%	5.1x	4.5x	3.8x	10.9x	9.8x	8.2x	1,594	14.1	72.5	47.0	18.9	3,306	331
Akamai Technologies, Inc.	NasdaqGS:AKAM	10,654	10,493	92%	6.2x	5.4x	4.6x	18.8x	12.4x	10.8x	1,761	19.9	68.5	35.1	20.3	767	595
Yandex N.V.	NasdaqGS:YNDX	8,837	8,755	61%	6.6x	6.2x	5.0x	17.9x	15.2x	12.1x	1,335	36.2	70.8	37.8	25.2	663	582
United Internet AG	DB:UTDI	8,613	8,919	92%	2.4x	2.4x	2.1x	18.5x	12.3x	10.2x	3,842	11.5	34.6	16.0	13.7	105	436
Qihoo 360 Technology Co. Ltd.	NYSE:QIHU	8,496	8,378	54%	11.6x	6.2x	4.2x	41.3x	23.8x	13.6x	993	121.3	82.6	26.6	72.5	804	605
VeriSign, Inc.	NasdaqGS:VRSN	6,891	6,714	88%	6.8x	6.6x	6.3x	11.4x	10.1x	9.5x	988	6.3	81.1	61.5	5.0	1,545	1,368
Mail.ru Group	LSE:MAIL	5,878	5,102	63%	5.6x	5.8x	4.8x	14.1x	11.1x	9.2x	780	24.5	61.2	45.5	17.9	776	0
IAC/InterActiveCorp	NasdaqGS:IACI	5,495	5,532	82%	1.6x	1.8x	1.7x	10.3x	10.7x	8.4x	2,978	(1.4)	70.1	17.3	4.7	1,069	1,080
Leshi Internet Information and Technology Corporation, Ltd.	SZSE:300104	5,099	5,323	67%	13.8x	5.0x	3.7x	34.2x	15.4x	17.0x	731	232.9	18.5	24.1	94.5	165	369
CoStar Group Inc.	NasdaqGS:CSGP	5,024	4,974	71%	10.0x	8.7x	7.4x	52.9x	27.8x	22.0x	495	20.9	72.6	25.9	23.3	445	395
Pandora Media, Inc.	NYSE:P	4,989	4,664	60%	5.9x	5.1x	3.9x	NM	81.5x	35.4x	800	0.0	43.5	(1.4)	33.5	324	0
Yelp, Inc.	NYSE:YELP	4,920	4,569	67%	17.7x	12.2x	8.4x	NM	66.2x	37.0x	297	66.2	93.2	2.2	53.1	351	0
Mercadolibre, Inc.	NasdaqGS:MELI	4,797	4,591	74%	9.8x	9.0x	7.7x	27.8x	27.8x	23.2x	505	21.4	78.8	35.9	12.0	491	281
Rackspace Hosting, Inc.	NYSE:RAK	4,655	4,393	60%	2.9x	2.5x	2.1x	11.1x	7.5x	6.4x	1,659	16.3	67.0	25.6	15.5	340	78
Zillow, Inc.	NasdaqGS:Z	4,647	4,289	70%	18.5x	13.2x	9.7x	NM	80.2x	46.4x	257	68.6	90.9	(1.9)	49.5	358	0
Autohome Inc.	NYSE:ATHM	4,417	4,164	73%	20.2x	13.2x	9.3x	43.0x	28.4x	20.5x	252	68.7	86.7	48.0	49.4	253	0
People.cn CO.,LTD	SHSE:603000	4,415	4,192	92%	23.8x	16.2x	11.6x	92.3x	52.1x	35.5x	199	49.0	59.1	27.1	46.8	248	0
YY Inc.	NasdaqGS:YY	4,186	3,786	78%	11.6x	6.6x	4.4x	43.4x	20.8x	13.7x	419	113.7	52.5	31.9	69.8	796	396
Mixi, Inc.	TSE:2121	4,164	3,978	82%	47.5x	6.3x	2.9x	NM	16.0x	9.3x	224	102.3	81.3	25.7	222.6	201	0
SouFun Holdings Ltd.	NYSE:SFUN	4,078	3,731	50%	5.9x	5.1x	4.2x	10.2x	10.7x	8.5x	692	35.6	84.0	55.5	18.6	927	581
Youku Tudou Inc.	NYSE:YOKU	3,732	2,098	47%	3.5x	3.2x	2.3x	41.9x	NM	21.0x	550	42.0	29.9	11.0	34.3	1,634	0
Weibo Corporation	NasdaqGS:WB	3,686	3,208	72%	15.4x	9.9x	6.8x	NM	NM	42.7x	230	0.0	74.8	0.4	0.0	499	20
AOL Inc.	NYSE:AOL	3,536	3,648	84%	1.4x	1.4x	1.3x	8.4x	7.2x	6.7x	2,374	9.9	28.0	18.2	9.0	136	238
58.com Inc.	NYSE:WUBA	3,269	2,855	63%	19.0x	11.3x	7.6x	148.1x	NM	104.9x	200	86.7	94.9	14.5	60.1	414	0
Bitauto Holdings Limited	NYSE:BITA	3,237	3,059	79%	10.3x	8.9x	6.7x	63.8x	33.5x	21.2x	279	43.7	78.9	23.5	39.7	178	0
Kakaku.com., Inc.	TSE:2371	3,140	2,984	67%	10.8x	9.3x	7.3x	22.8x	18.7x	14.8x	308	25.9	91.7	49.9	24.1	171	0
Eastmoney Information Co.,Ltd.	SZSE:300059	3,092	2,728	97%	66.9x	26.8x	19.1x	NM	270.1x	144.3x	60	116.4	69.1	7.4	87.8	359	0
Wangsu Science & Technology Co.,Ltd.	SZSE:300017	2,856	2,751	79%	14.3x	8.9x	5.8x	58.8x	31.1x	20.3x	254	64.2	43.0	25.3	55.8	103	0
Average		\$35,110	\$32,922	78%	13.6x	8.8x	6.5x	37.2x	35.2x	24.7x	\$4,006	44.5	68.5	26.4	37.5	\$3,400	\$1,163
Median		5,297	5,213	79%	10.1	8.1	6.0	27.8	23.9	17.9	981	30.8	71.2	26.9	26.2	710	303
Median excl High & Low		26,508	25,540	78%	12.5	8.5	6.3	34.5	29.1	22.1	2,501	41.3	68.4	28.0	34.1	2,042	961
High		394,259	344,271	99%	66.9	26.8	19.1	148.1	270.1	144.3	65,142	232.9	94.9	61.5	222.6	58,315	9,987
Low		2,856	2,098	47%	1.4	1.4	1.3	8.4	7.2	6.4	60	(4.2)	18.5	(73.1)	0.0	103	0

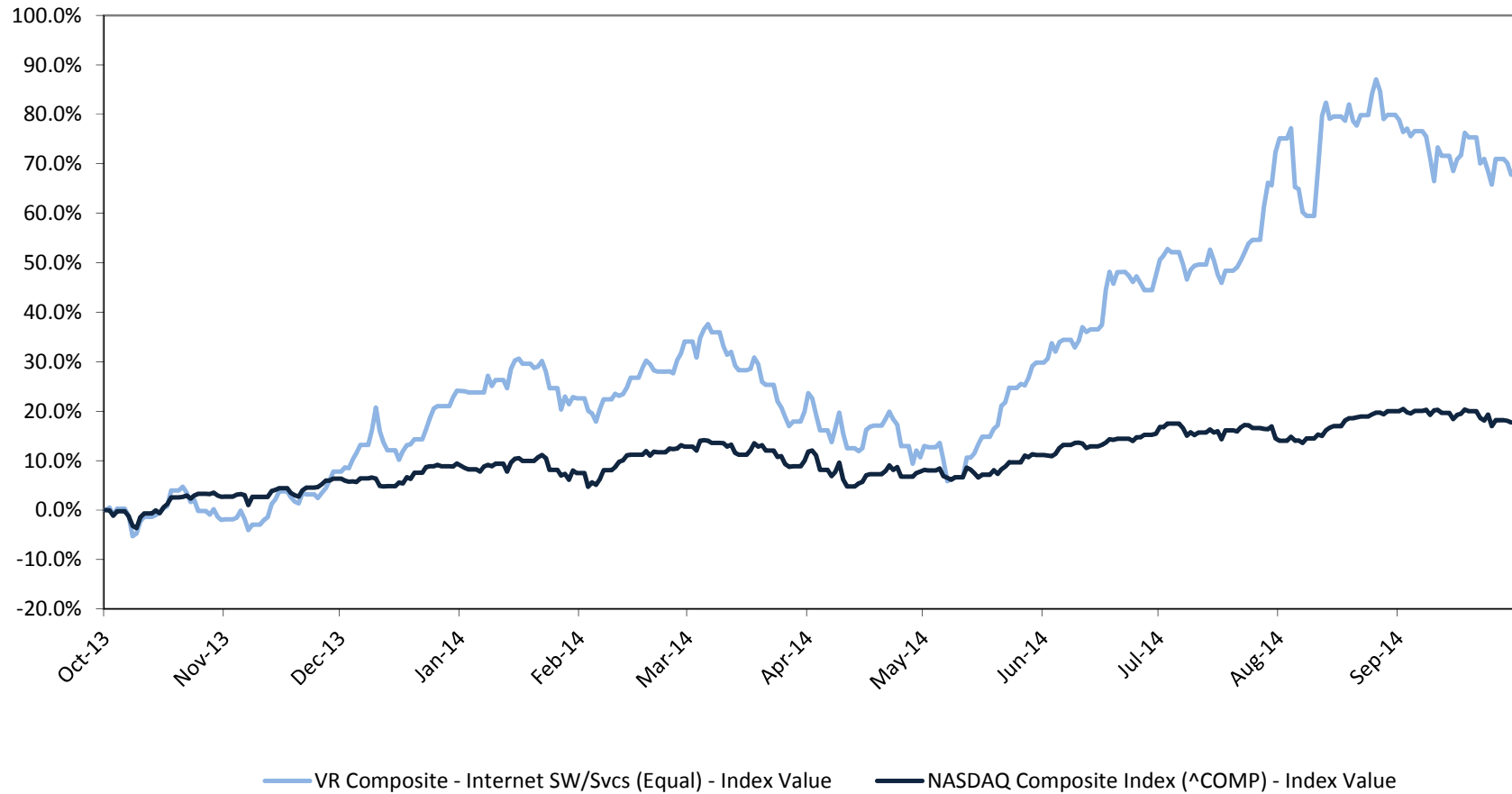
<sup>1</sup> Pricing data as of:

9/30/14

<sup>2</sup> Total cash includes cash & ST investments

Source: CapitalIQ

#### Internet Software/Services Composite Performance, 1-year



Source: CapitalIQ

### Internet Software & Services M&A Activity

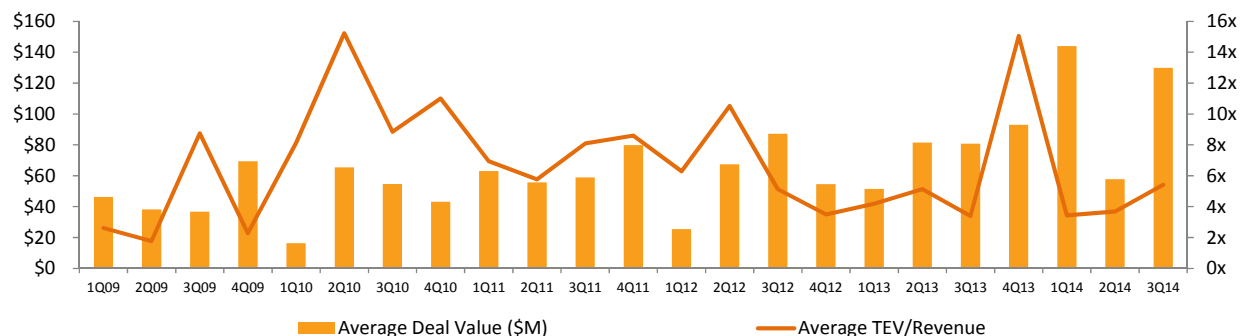
		<u>Q/Q</u>	<u>Y/Y</u>
<b>Total # of M&amp;A transactions:</b>	<b>576</b>	<b>36%</b>	<b>43%</b>
<b>Total Deal Value (\$M):</b>	<b>\$19,366</b>	<b>281%</b>	<b>98%</b>
<b>Average Deal Value (\$M):</b>	<b>\$130</b>	<b>125%</b>	<b>61%</b>
<b>Average TEV/Revenue:</b>	<b>5.4x</b>	<b>47%</b>	<b>59%</b>
<b>Average TEV/EBITDA:</b>	<b>49.2x</b>	<b>178%</b>	<b>55%</b>

### Transactions by Region

Europe	143
Asia / Pacific	90
Africa / Middle East	14
United States and Canada	311
Latin America and Caribbean	18

### Deals by Transaction Range

Greater than \$1 billion	5
\$500 - \$999.9mm	6
\$100 - \$499.9mm	17
Less than \$100mm	21
Undisclosed	427



### 3Q14 Most Active Buyers

Zillow, Inc.  
 Alliance Data Systems Corporation  
 Shaw Communications, Inc.  
 News Corporation  
 YouTube, LLC  
 Rakuten, Inc.  
 Amazon.com Inc.  
 Mapfre SA  
 Värde Partners Europe Limited  
 Intel Corporation

### Internet Software & Services Top 50 M&A Transactions

Announced Date	Target/Issuer	Buyers/Investors	Total Transaction	Implied	Implied	Cash % of Consideration (%)
			Value (\$M)	EV/Revenues	EV/EBITDA	
9/30/2014	Move, Inc. (NasdaqGS:MOVE)	News Corporation (NasdaqGS:NWSA)	\$1,030.8	3.9x	92.5x	95.3
9/26/2014	Econa Shopping GmbH	RTL Interactive GmbH	\$34.9	-	-	100.0
9/25/2014	Direct Line Insurance Group PLC, Italian and German Operations	Mapfre SA (CATS:MAP)	\$700.2	-	-	100.0
9/23/2014	Nexage Inc.	Millennial Media Inc. (NYSE:MM)	\$88.0	14.4x	-	25.6
9/22/2014	McGraw-Hill Construction Information Group	Symphony Technology Group	\$320.0	1.9x	-	100.0
9/18/2014	FeedHenry Ltd.	Red Hat, Inc. (NYSE:RHT)	\$82.0	-	-	100.0
9/18/2014	Yieldbroker Pty Limited	ASX Limited (ASX:ASX)	\$58.4	-	-	100.0
9/15/2014	Ezi Holdings Pty Ltd.	Global Payments Inc. (NYSE:GPN)	\$275.2	-	-	100.0
9/15/2014	FolioDynamix, Inc.	Actua Corporation (NasdaqGS:ACTA)	\$210.0	-	-	-
9/12/2014	Fabrix Systems Ltd.	Ericsson (OM:ERIC B)	\$95.0	-	-	-
9/11/2014	Conversant, Inc. (NasdaqGS:CNVR)	Alliance Data Systems Corporation (NYSE:ADS)	\$2,448.9	4.0x	12.0x	46.0
9/9/2014	Ebates Performance Marketing, Inc.	Rakuten, Inc. (TSE:4755)	\$1,000.0	6.0x	-	100.0
9/5/2014	SuperDerivatives Inc.	Intercontinental Exchange, Inc. (NYSE:ICE)	\$350.0	-	-	-
9/5/2014	Jiangsu Guanghe Huiyun Big Data	ShenZhen Zero-Seven Co., Ltd. (SZSE:000007)	\$158.2	-	-	30.9
9/3/2014	Location Labs Inc.	AVG Technologies USA, Inc.	\$233.0	8.5x	-	100.0
9/3/2014	Baseline, LLC.	Gracenote, Inc.	\$50.0	-	-	100.0
9/3/2014	Mikro Odeme A.S.	Wirecard AG (XTRA:WDI)	\$34.2	-	-	100.0
9/2/2014	Kualpan Personal and Kansunzi Business and Assets	Shenzhen Xunlei Networking Technologies, Co., Ltd.	\$33.0	-	-	100.0
9/2/2014	Connected Car Solutions Limited	Quindell Plc (AIM:QPP)	\$30.5	-	-	100.0
9/1/2014	Shanghai Baoku Network Technology Co Ltd	Zhangjiagang Chemical Machinery Co., Ltd. (SZSE:002564)	\$169.1	2.5x	-	4.8
8/28/2014	Jifutong Payment Company Limited	ICube Technology Holdings Limited (SEHK:139)	\$77.4	-	-	-
8/25/2014	Twitch Interactive, Inc.	Amazon.com Inc. (NasdaqGS:AMZN)	\$970.0	-	-	100.0
8/22/2014	XTone Animation Group	Zhejiang WHWH Industry Co., Ltd. (SHSE:600576)	\$203.2	-	-	45.0
8/13/2014	LSI Corporation, Axia Networking Business and Related Assets	Intel Corporation (NasdaqGS:INTC)	\$650.0	5.8x	-	100.0
8/11/2014	Ooyala, Inc.	Telstra Corporation Limited (ASX:TLS)	\$270.0	-	-	100.0
8/5/2014	[x+1], Inc.	Rocket Fuel Inc. (NasdaqGS:FUEL)	\$236.0	3.3x	-	42.4
8/4/2014	Bancopopular-e, S.A.	Värde Partners Europe Limited	\$684.2	-	-	100.0
8/4/2014	Electronic Payment Exchange, Inc.	American Bancard, LLC	\$50.0	-	-	100.0
8/1/2014	ViaMedia Pty Ltd.	Blue Label Telecoms Limited (JSE:BLU)	\$33.7	-	-	100.0
7/31/2014	ViaWest, Inc.	Shaw Communications, Inc. (TSX:SJR.B)	\$1,200.0	-	13.0x	100.0
7/28/2014	Trulia, Inc. (NYSE:TRLA)	Zillow, Inc. (NasdaqGS:Z)	\$3,305.4	14.8x	-	-
7/28/2014	iProperty Group Limited (ASX:IPP)	REA Austin Pty Ltd	\$100.1	26.9x	-	100.0
7/25/2014	Twitch Interactive, Inc.	YouTube, LLC	\$1,000.0	-	-	100.0
7/25/2014	Genio Innovation Ltd.	Somoto Ltd. (TASE:SMTO)	\$33.5	-	-	69.4
7/24/2014	iomart Group plc (AIM:IOM)	Host Europe WVS Limited	\$572.8	5.8x	14.9x	100.0
7/24/2014	Quintiq Holding B.V.	Dassault Systèmes BV	\$336.7	3.3x	-	100.0
7/24/2014	Alog Data Centers do Brasil S.A.	Equinix, Inc. (NasdaqGS:EQIX)	\$225.0	-	-	100.0
7/23/2014	Axeda Corporation	PTC Inc. (NasdaqGS:PTC)	\$170.0	-	-	-
7/22/2014	Bizo, Inc.	LinkedIn Corporation (NYSE:LNKD)	\$175.0	-	-	-
7/22/2014	Alcatel-Lucent Shanghai Bell Enterprise Communications Co., Ltd.	-	\$30.6	-	-	100.0
7/17/2014	Venda, Inc.	NetSuite Inc. (NYSE:N)	\$50.5	-	-	-
7/17/2014	Citrus Lane, Inc.	Care.com, Inc. (NYSE:CRCM)	\$48.5	-	-	-
7/16/2014	Shenzhen Globalegrow E-Commerce Co Ltd	Shanxi Baiyuan Trousers Chain Management Co., Ltd. (SZSE:002640)	\$166.3	-	-	5.8
7/16/2014	Mobotap, Inc.	Changyou.com Limited (NasdaqGS:CYOU)	\$91.0	-	-	100.0
7/14/2014	HealthPocket, Inc.	Health Insurance Innovations, Inc. (NasdaqGM:HIQ)	\$33.6	-	-	64.5
7/11/2014	RelateIQ, Inc.	Salesforce.com, Inc (NYSE:CRM)	\$391.0	-	-	-
7/10/2014	All Homes Pty Ltd.	Domain Group	\$46.9	-	-	100.0
7/8/2014	Nanjing Hanen Animation & Game Co., Ltd.	Guangdong Golden Glass Technologies Limited (SZSE:300093)	\$83.3	-	-	50.9
7/2/2014	McGraw Hill Financial, Inc., New Jersey Data Center	QTS Realty Trust, Inc. (NYSE:QTS)	\$70.0	-	-	100.0
7/2/2014	Colo Facilities Atlanta, LLC	Zayo Colocation, Inc.	\$52.5	-	-	100.0

Source: CapitalIQ

#### Internet Software & Services VC Activity Includes early-stage rounds of greater than \$100,000

Date of Funding	Company	Amount	Currency	Series	City	State	Country
9/30/2014	ArtSetters	1,000,000	USD	Seed			
9/29/2014	Parcel	1,000,000	USD	Seed	Brooklyn	NY	USA
9/29/2014	Comprimato	1,000,000	EUR	Venture	Brno		CZE
9/25/2014	MasteryConnect	15,200,000	USD	B	Salt Lake City	UT	USA
9/25/2014	StackAdapt	900,000	USD	Seed	Toronto	ON	CAN
9/24/2014	Massdrop	6,500,000	USD	A	San Francisco	CA	USA
9/24/2014	Qualtrics	150,000,000	USD	B	Provo	UT	USA
9/24/2014	Tharakan Web Innovations	1,000,000	USD	Seed	Chennai		IND
9/23/2014	Silvercar	14,000,000	USD	B	DFW Airport	TX	USA
9/23/2014	Typeform	1,200,000	EUR	Seed	Barcelona		ESP
9/19/2014	Zakaz	2,500,000	USD	A	Kyiv		UKR
9/19/2014	Experifun	260,000	USD	Seed	Bangalore		IND
9/18/2014	SocialChorus	7,500,000	USD	B	San Francisco	CA	USA
9/18/2014	Jack Erwin	9,000,000	USD	B	New York	NY	USA
9/18/2014	Rockit Education	500,000	USD	Seed	Hanoi		VNM
9/17/2014	Splice	4,500,000	USD	A	New York	NY	USA
9/17/2014	Newsela	4,099,999	USD	A	New York	NY	USA
9/17/2014	BeautyCon	2,000,000	USD	Seed	Los Angeles	CA	USA
9/16/2014	1jiajie	4,000,000	USD	A	Beijing		CHN
9/16/2014	Colorescience	15,000,000	USD	B	Carlsbad	CA	USA
9/15/2014	Boston Startup School	3,000,000	USD	A	Boston	MA	USA
9/15/2014	GIDEEN	100,000	USD	Angel	Malibu	CA	USA
9/15/2014	Bellabox	2,700,000	USD	B	Singapore		SGP
9/15/2014	StudyTube	1,000,000	EUR	Seed	Amsterdam		NLD
9/13/2014	Product Hunt	6,000,000	USD	A	San Francisco	CA	USA
9/12/2014	Babadu	2,900,000	USD	B	St.Petersburg	FL	RUS
9/11/2014	MobilePaks	1,700,000	USD	Seed	Portland	OR	USA
9/8/2014	PrettySecrets	2,000,000	USD	A			
9/8/2014	Teleport Inc	2,500,000	USD	Seed	Palo Alto	CA	USA
9/4/2014	Scarosso	11,000,000	USD	B	Berlin		DEU
9/2/2014	Sgrouples	1,200,000	USD	Seed	Mountain View	CA	USA
9/1/2014	vBrand	550,000	USD	Seed	Palo Alto	CA	USA
8/29/2014	Zoomin.com	8,000,000	USD	Venture	Mumbai		IND
8/27/2014	Hipvan	1,400,000	USD	A	Singapore		SGP
8/26/2014	FeedVisor	6,000,000	USD	A	Tel Aviv		ISR
8/22/2014	Globeln	2,100,000	USD	A	Mountain View	CA	USA
8/22/2014	TECNALIA RESEARCH	2,120,000	USD	Seed			
8/21/2014	LTG Exam Prep Platform	3,000,000	USD	A	Boston	MA	USA
8/21/2014	Product Hunt	880,000	USD	Seed	San Francisco	CA	USA
8/20/2014	OrderUp	7,000,000	USD	A	Baltimore	MD	USA
8/20/2014	Gladitood	350,000	USD	Seed			
8/20/2014	QikServe	525,000	GBP	Venture	Roslin		GBR
8/19/2014	WebLinc	6,000,000	USD	A	Philadelphia	PA	USA
8/13/2014	Adskom	850,000	USD	Seed	Singapore		SGP
8/12/2014	EverString	12,000,000	USD	A	Mountain View	CA	USA
8/12/2014	Dolls Kill	5,000,000	USD	Seed	San Francisco	CA	USA
8/11/2014	Chairish	4,000,000	USD	A	San Francisco	CA	USA
8/11/2014	Synup	500,000	USD	Seed	Wilmington	DE	USA
8/11/2014	TrueFacet	118,000	USD	Seed	New York	NY	USA
8/8/2014	RoundPegg	485,000	USD	B	Boulder	CO	USA
8/7/2014	MoveInSync	4,000,000	USD	A	Bangalore		IND
8/6/2014	YogaTrail	320,000	USD	Seed	Stuttgart		DEU
8/6/2014	Drop Messages	1,200,000	USD	Seed	Boston	MA	USA
8/4/2014	webinar.ru	7,300,000	USD	A	Moscow		RUS
8/1/2014	Women.com	120,000	USD	Seed	Los Angeles	CA	USA

Date of Funding	Company	Amount	Currency	Series	City	State	Country
7/31/2014	BIGWORDS.com	300,000	USD	Venture	Annapolis	MD	USA
7/29/2014	Framerl	750,000	USD	Seed	Cincinnati	OH	USA
7/28/2014	Peel-Works	2,000,000	USD	A	Mumbai		IND
7/28/2014	ChoiceStream	7,500,000	USD	B	Boston	MA	USA
7/28/2014	Marinanow	370,000	EUR	Seed	Arzachena		ITA
7/24/2014	Branching Minds	350,000	USD	Seed	New York	NY	USA
7/24/2014	VenueBook	2,000,000	USD	Seed	New York	NY	USA
7/24/2014	Tuvalabs	430,000	USD	Seed	New York	NY	USA
7/23/2014	Anomo	800,000	USD	Seed	Bellevue	WA	USA
7/22/2014	Cotopaxi	3,000,000	USD	Seed	Cottonwood Heights	UT	USA
7/21/2014	Canva	3,600,000	USD	A	Surry Hills		AUS
7/21/2014	Swoon Editions	4,000,000	GBP	A	London		GBR
7/21/2014	ParkWhiz	10,000,000	USD	B	Chicago	IL	USA
7/18/2014	Threadflip	13,000,000	USD	B	San Francisco	CA	USA
7/16/2014	JUNIQE.com	1,300,000	EUR	Seed	Berlin		DEU
7/16/2014	MTailor	120,000	USD	Seed			
7/16/2014	Tiempo App	120,000	USD	Seed	San Francisco	CA	USA
7/16/2014	Theorem	120,000	USD	Seed	San Francisco	CA	USA
7/16/2014	Product Hunt	120,000	USD	Seed	San Francisco	CA	USA
7/16/2014	iVillage	120,000	USD	Seed	New York	NY	USA
7/15/2014	Nosto	5,500,000	USD	A	Helsinki		FIN
7/15/2014	OpenEd	2,000,000	USD	Seed	Los Gatos	CA	USA
7/14/2014	Bustle	5,000,000	USD	B	New York	NY	USA
7/11/2014	Barkbox	15,000,000	USD	B	New York	NY	USA
7/10/2014	mediakraftnetworks.de	16,500,000	EUR	B			
7/10/2014	Travelata	7,000,000	USD	B	Moscow		RUS
7/9/2014	Ellevation	2,000,000	USD	Venture	Boston	MA	USA
7/8/2014	roposo.com	1,000,000	USD	Seed	Gurgaon		IND
7/7/2014	Imbang	20,000,000	USD	B	Shenzhen		CHN
7/2/2014	Hippocampus Learning Centres	2,397,981	USD	Venture	Bangalore		IND

Source: Mattermark, Crunchbase, AngelList

## Hardware:

### Top 40 Public Companies, by Market Capitalization

Company	Ticker	Market Cap <sup>1</sup> (\$M)	Enterprise Value (\$M)	Current Price as % of 52 wk	EV / Revenues			EV / EBITDA			Revenue (TTM, \$M)	Rev Growth % (TTM)	GM % (LTM)	EBITDA % (LTM)	Rev Growth % (2-yr fwd)	Total Cash <sup>2</sup> (MRQ, \$M)	Total Debt (MRQ, \$M)
					2013	2014E	2015E	2013	2014E	2015E							
Apple Inc.	NasdaqGS:AAPL	\$603,278	\$596,392	97%	3.4x	3.2x	2.9x	10.5x	9.6x	8.9x	\$178,144	5.2	38.4	33.2	8.8	\$37,926	\$31,040
Intel Corporation	NasdaqGS:INTC	172,394	168,376	98%	2.9x	3.0x	3.0x	8.2x	7.2x	7.0x	53,912	3.0	62.2	40.8	4.0	17,406	13,388
Samsung Electronics Co. Ltd.	KOSE:A005930	163,406	124,658	79%	0.5x	0.6x	0.6x	2.5x	2.9x	2.9x	221,796	2.7	39.5	22.7	(4.6)	59,962	13,811
Cisco Systems, Inc.	NasdaqGS:CSCO	128,347	97,192	97%	1.8x	2.0x	1.9x	7.2x	5.9x	5.7x	47,142	(3.0)	60.3	26.8	4.4	52,074	20,912
QUALCOMM Incorporated	NasdaqGS:QCOM	125,316	107,172	91%	3.9x	3.9x	3.6x	12.6x	10.1x	10.5x	26,276	13.0	59.4	33.9	8.2	18,153	11
Taiwan Semiconductor Manufacturing Company Limited	TSEC:2330	102,316	100,051	87%	5.1x	4.1x	3.7x	8.3x	6.2x	5.5x	21,406	13.9	47.8	62.4	17.5	10,557	8,245
Hewlett-Packard Company	NYSE:HPQ	66,197	71,949	93%	0.6x	0.6x	0.6x	5.5x	5.5x	5.3x	111,768	(0.8)	23.7	11.8	(0.8)	14,474	19,833
EMC Corporation	NYSE:EMC	59,359	58,739	97%	2.4x	2.4x	2.2x	11.1x	8.1x	7.6x	23,580	5.7	62.2	23.1	6.3	7,649	5,494
Texas Instruments Inc.	NasdaqGS:TXN	50,912	52,756	96%	3.8x	4.1x	3.9x	13.6x	10.8x	10.0x	12,548	2.0	55.1	35.6	5.7	2,804	4,648
Hon Hai Precision Industry Co., Ltd.	TSEC:2317	46,412	39,661	92%	0.3x	0.3x	0.3x	6.4x	5.7x	5.2x	134,212	7.9	6.8	4.9	7.1	21,189	12,839
ASML Holding NV	NXKTAM:ASML	43,527	41,522	99%	5.7x	5.8x	4.8x	21.8x	22.4x	16.2x	8,461	43.3	41.6	30.0	13.8	3,695	1,529
Ericsson	OM:ERIC B	41,802	35,655	97%	1.0x	1.1x	1.1x	8.0x	9.1x	7.8x	33,232	(2.8)	36.2	14.3	1.8	10,222	3,442
Hitachi Ltd.	TSE:6501	36,867	69,061	95%	0.8x	0.8x	0.8x	8.1x	7.1x	7.3x	82,780	7.4	26.5	10.5	1.0	5,748	28,676
Micron Technology, Inc.	NasdaqGS:MU	36,686	39,547	98%	2.8x	2.3x	2.1x	12.1x	6.5x	5.3x	16,358	80.3	33.2	33.2	9.5	4,534	6,593
Canon Inc.	TSE:7751	35,995	29,972	98%	0.8x	0.9x	0.9x	5.4x	5.1x	5.1x	36,955	5.9	49.4	17.2	0.8	8,113	21
SK Hynix Inc.	KOSE:A000660	32,018	33,002	89%	2.2x	2.2x	2.0x	5.5x	4.3x	4.0x	14,942	27.5	41.8	47.4	10.5	3,074	4,103
Nokia Corporation	HLSE:NOK1V	31,358	23,227	98%	1.3x	1.5x	1.4x	11.2x	10.9x	9.8x	16,456	76.8	43.6	16.0	(26.1)	12,395	3,453
Keyence Corp.	TSE:6861	26,349	21,933	99%	7.4x	8.2x	7.3x	16.2x	15.7x	14.1x	2,734	24.5	78.2	51.4	13.0	4,741	0
Applied Materials, Inc.	NasdaqGS:AMAT	26,329	25,405	92%	2.7x	2.7x	2.6x	17.4x	11.4x	10.4x	8,796	22.7	41.8	19.8	16.0	2,871	1,947
Corning Inc.	NYSE:GLW	24,968	25,154	86%	2.9x	2.5x	2.4x	8.4x	6.9x	6.5x	8,794	10.2	41.4	30.9	14.9	5,886	3,703
Murata Manufacturing Co., Ltd.	TSE:6981	24,066	22,002	97%	2.7x	2.6x	2.5x	12.8x	10.5x	9.6x	8,611	19.3	35.2	24.7	9.3	2,720	332
Broadcom Corp.	NasdaqGS:BRCM	23,888	22,150	97%	2.3x	2.7x	2.6x	17.3x	16.2x	12.2x	8,235	1.3	50.9	16.2	0.4	3,133	1,395
MediaTek Inc.	TSEC:2454	23,157	17,819	83%	3.4x	2.5x	2.2x	18.7x	10.2x	9.4x	5,989	57.7	47.2	23.3	34.5	6,574	1,139
Western Digital Corporation	NasdaqGS:WDC	22,735	20,085	94%	1.1x	1.3x	1.3x	6.2x	6.2x	6.1x	15,130	(1.4)	28.8	20.6	0.8	5,088	2,438
TE Connectivity Ltd.	NYSE:TEL	22,628	24,021	85%	1.7x	1.7x	1.6x	9.3x	8.6x	7.7x	13,769	4.2	33.8	19.7	5.8	1,613	3,000
Avago Technologies Limited	NasdaqGS:AVGO	22,002	26,243	96%	8.2x	5.2x	4.3x	32.6x	12.6x	9.6x	3,417	42.4	47.5	26.5	54.6	1,277	5,518
SanDisk Corp.	NasdaqGS:SNDK	21,963	21,310	90%	2.9x	3.2x	2.8x	10.1x	9.0x	8.3x	6,499	15.4	49.8	36.1	11.1	2,679	2,028
ARM Holdings plc	LSE:ARM	20,661	19,725	81%	15.4x	15.6x	13.3x	43.6x	32.0x	26.1x	1,277	14.8	95.2	42.6	14.3	1,002	14
Seagate Technology Public Limited Company	NasdaqGS:STX	18,672	19,938	91%	1.3x	1.4x	1.4x	7.2x	7.2x	6.9x	13,724	(4.4)	28.0	19.6	2.7	2,654	3,920
Kyocera Corp.	TSE:6971	17,093	13,014	93%	0.9x	1.0x	0.9x	6.7x	7.3x	7.0x	14,320	10.4	26.2	13.2	3.4	5,477	336
NXP Semiconductors NV	NasdaqGS:NXP	16,332	19,479	93%	3.3x	3.5x	3.2x	16.0x	11.8x	11.0x	5,137	12.7	46.9	24.9	12.7	661	3,580
Motorola Solutions, Inc.	NYSE:MSI	15,876	15,480	93%	1.6x	2.5x	2.5x	9.8x	12.7x	11.1x	8,425	12.5	48.1	17.3	(15.8)	2,876	2,450
Amphenol Corporation	NYSE:APH	15,697	16,618	94%	3.3x	3.1x	2.9x	16.0x	14.0x	12.8x	4,959	11.1	31.4	22.4	10.4	1,444	2,344
Analog Devices, Inc.	NasdaqGS:ADI	15,550	13,486	88%	4.3x	4.5x	4.1x	14.9x	12.5x	11.1x	2,729	2.9	65.6	34.8	11.4	4,932	2,868
Lenovo Group Limited	SEHK:992	15,493	12,145	91%	0.3x	0.3x	0.2x	10.3x	8.2x	6.8x	40,315	16.3	13.0	3.4	20.5	5,533	1,954
Delta Electronics Inc.	TSEC:2308	15,389	14,242	85%	2.3x	2.2x	2.0x	15.1x	13.1x	11.4x	6,206	8.3	26.2	15.9	9.4	2,053	415
FUJIFILM Holdings Corporation	TSE:4901	14,806	13,536	97%	0.6x	0.6x	0.6x	5.1x	5.4x	5.0x	20,576	7.3	37.8	11.6	2.0	6,509	3,379
Renesas Electronics Corporation	TSE:6723	14,300	14,590	86%	1.7x	1.9x	2.0x	13.3x	12.1x	11.1x	8,325	5.6	37.7	18.8	(2.8)	2,491	2,667
BOE Technology Group Company Limited	SZSE:000725	13,937	11,856	95%	2.3x	2.1x	2.0x	10.1x	NM	NM	5,183	3.8	20.8	20.8	2.8	7,171	4,829
Hoya Corp.	TSE:7741	13,901	11,896	98%	2.9x	2.8x	2.8x	15.4x	11.0x	10.0x	4,346	15.3	47.0	28.9	5.8	2,857	625
Average		\$56,618	\$53,825	93%	2.9x	2.8x	2.6x	12.2x	10.0x	8.9x	\$32,131	15.3	43.1	25.2	7.8	\$9,471	\$5,854
Median		24,968	24,021	93%	2.3	2.4	2.2	10.3	9.1	8.0	13,769	8.3	41.6	22.7	7.1	5,088	3,379
Median excl High & Low		42,996	40,295	93%	2.6	2.6	2.4	11.6	9.6	8.6	27,839	13.8	42.1	24.7	7.3	8,344	5,331
High		603,278	596,392	99%	15.4	15.6	13.3	43.6	32.0	26.1	221,796	80.3	95.2	62.4	54.6	59,962	31,040
Low		13,937	11,856	79%	0.3	0.3	0.2	2.5	2.9	2.9	1,277	(4.4)	6.8	3.4	(26.1)	661	0

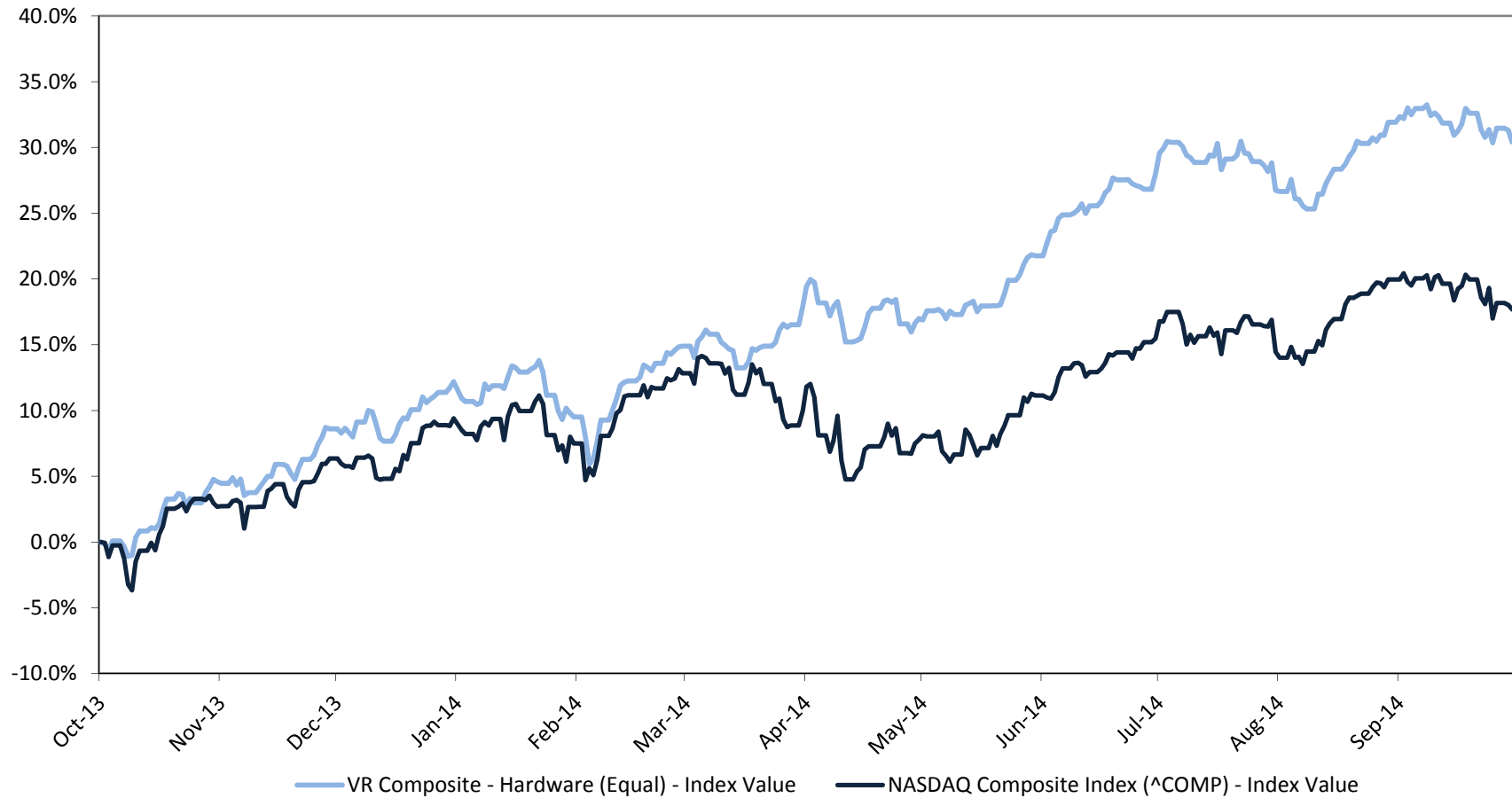
<sup>1</sup> Pricing data as of: 9/30/14

<sup>2</sup> Total cash includes cash & ST investments

Source: CapitalIQ



#### Hardware Composite Performance, 1-year



Source: CapitalIQ

#### Hardware M&A Activity

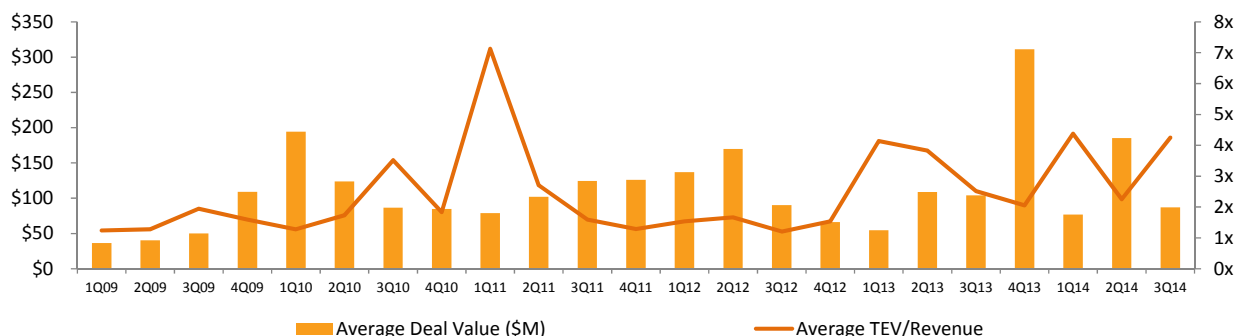
		<u>Q/Q</u>	<u>Y/Y</u>
<b>Total # of M&amp;A transactions:</b>	<b>375</b>	<b>21%</b>	<b>43%</b>
<b>Total Deal Value (\$M):</b>	<b>\$14,629</b>	<b>-19%</b>	<b>16%</b>
<b>Average Deal Value (\$M):</b>	<b>\$87</b>	<b>-53%</b>	<b>-16%</b>
<b>Average TEV/Revenue:</b>	<b>4.3x</b>	<b>88%</b>	<b>69%</b>
<b>Average TEV/EBITDA:</b>	<b>21.0x</b>	<b>2%</b>	<b>109%</b>

#### Transactions by Region

Europe	100
Asia / Pacific	154
Africa / Middle East	13
United States and Canada	102
Latin America and Caribbean	6

#### Deals by Transaction Range

Greater than \$1 billion	5
\$500 - \$999.9mm	1
\$100 - \$499.9mm	19
Less than \$100mm	144
Undisclosed	206



#### 3Q14 Most Active Buyers

Infineon Technologies AG  
 Shanghai Pudong Science and Technology Investment Co., Ltd.  
 Hua Capital Management Ltd.  
 Intel Corporation  
 Aristocrat Leisure Ltd.  
 TTM Technologies Inc.  
 Powerise Information Technology Co., Ltd.  
 Murata Electronics North America, Inc.  
 SoftBank Corp.  
 Siliconware Precision Industries Co. Ltd.

#### Hardware Top 50 M&A Transactions

Announced Date	Target/Issuer	Buyers/Investors	Total Transaction Value (\$M)	Implied EV/Revenues	Implied EV/EBITDA	Cash % of Consideration (%)
9/26/2014	Spreadtrum Communications Inc. and RDA Microelectronics Inc	Intel Corporation (NasdaqGS:INTC)	\$1,468.9	-	-	100.0
9/26/2014	Technisco Limited	-	\$28.0	1.1x	-	100.0
9/25/2014	HIMS International Corporation	DIOTEK Co., Ltd. (KOSDAQ:A108860)	\$26.9	-	-	100.0
9/24/2014	Qimonda AG, Patent Business	Infineon Technologies AG (XTRA:IFX)	\$159.8	-	-	100.0
9/22/2014	Viasystems Group, Inc. (NasdaqGM:VIAS)	TTM Technologies Inc. (NasdaqGS:TTM)	\$1,006.4	0.8x	7.2x	68.8
9/22/2014	Neul Limited	Huawei Technology Co., Ltd. (SZSE:002502)	\$25.0	-	-	100.0
9/17/2014	EMCORE Corporation, Space Photovoltaics Business	Veritas Capital	\$150.0	2.1x	-	100.0
9/17/2014	Gilat Satellite Networks Ltd. (NasdaqGS:GILT)	First Israel Mezzanine Investors Ltd.	\$25.6	1.0x	24.1x	100.0
9/16/2014	Itrun Location & Control Ltd. (TASE:ITRN)	-	\$29.0	2.2x	6.8x	100.0
9/12/2014	Vanzo Communication Inc.	Hubei Kalle Science and Technology Co., Ltd. (SHSE:600260)	\$140.2	-	-	15.0
9/10/2014	Guangdong Saifei Sapphire Technology Co., Ltd.	Shenzhen Sunyes Electronic Manufacturing Holding Co., Ltd. (SZSE:002388)	\$45.8	37.2x	-	100.0
9/7/2014	LedHut Ltd	Batteries Plus Bulbs	\$31.0	-	-	100.0
9/2/2014	Shenzhen Tinno Mobile Technology Corp.	Powerise Information Technology Co., Ltd.	\$696.0	-	-	100.0
9/1/2014	NS Indústria de Aparelhos Médicos LTDA.	OMRON HEALTHCARE Co., Ltd.	\$95.9	2.2x	-	100.0
8/30/2014	SAG Solarstrom AG, Substantially All Assets	SF Suntech Deutschland GmbH	\$85.5	-	-	100.0
8/22/2014	Peregrine Semiconductor Corporation (NasdaqGS:PSMI)	Murata Electronics North America, Inc.	\$468.8	2.2x	-	100.0
8/22/2014	Sihong Tianganghu Photovoltaic Power Generation Co. Ltd	Zhenfa Energy Group Co., Ltd.	\$27.8	-	-	100.0
8/21/2014	Imago Group PLC	ScanSource, Inc. (NasdaqGS:SCSC)	\$40.6	-	-	100.0
8/20/2014	International Rectifier Corporation (NYSE:IRF)	Infineon Technologies AG (XTRA:IFX)	\$3,040.6	2.2x	13.9x	100.0
8/19/2014	ProMos Technologies Inc., Factory Buildings and Attached Equipment (Taichung City)	Siliconware Precision Industries Co. Ltd. (TSEC:2325)	\$213.2	-	-	100.0
8/19/2014	GSI Technology Inc. (NasdaqGS:GSIT)	GigOptix, Inc. (AMEX:GIG)	\$178.8	1.7x	-	79.5
8/15/2014	Haxon Corporation	Beijing BDSstar Navigation Co., Ltd. (SZSE:002151)	\$158.4	11.5x	-	10.3
8/15/2014	Intersmart Comércio Importação Exportação de Equipamentos Eletrônicos, S.A.	ScanSource, Inc. (NasdaqGS:SCSC)	\$135.3	-	-	100.0
8/15/2014	Jiaxing Jiali Electronics Co., Ltd.	Beijing BDSstar Navigation Co., Ltd. (SZSE:002151)	\$47.4	1.3x	-	-
8/14/2014	OmnVision Technologies, Inc. (NasdaqGS:OVTI)	Shanghai Pudong Science and Technology Investment Co., Ltd.; Hua Capital	\$1,677.2	0.8x	9.1x	100.0
8/14/2014	Ecil Met Tec Ltda	Vesuvius plc (LSE:VSVS)	\$37.8	-	-	100.0
8/14/2014	Digital Optics Co., Ltd. (KOSDAQ:A106520)	Tudor & Company Co., Ltd	\$27.4	1.3x	7.5x	100.0
8/13/2014	Fujian Precision Industrial (Jincheng) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	\$64.0	-	-	100.0
8/8/2014	Chengdu Guowei Science Co., Ltd.	Tongfang Guoxin Electronics Co., Ltd. (SZSE:002049)	\$26.7	-	-	-
8/7/2014	Beijing Bode Communication Equipment Co., Ltd.	Zhejiang Yonggui Electric Equipment Co., Ltd. (SZSE:300351)	\$69.1	-	-	29.5
8/6/2014	Brightstar Corp.	SoftBank Corp. (TSE:9984)	\$298.0	-	-	100.0
8/5/2014	MFS Technology (S) Pte. Ltd.	Navis Capital Partners; Novo Tellus Capital Partners	\$118.2	0.8x	10.9x	100.0
8/4/2014	Innovaciones Microelectrónicas, S.L.	e2v Technologies plc (LSE:E2V)	\$45.9	6.1x	-	100.0
8/1/2014	Futurelogic Group Inc.	JCM American Corporation	\$70.6	1.5x	-	100.0
8/1/2014	Shenzhen CHINO-E Communication Co., Ltd.	Fujian Electronics and Information (Group) Co., Ltd.	\$45.3	0.8x	-	100.0
7/31/2014	Shenzhen CHINO-E Communication Co., Ltd.	Fujian Furi Electronics Co., Ltd. (SHSE:600203)	\$129.6	0.8x	-	-
7/30/2014	Cortina Systems, Inc.	Inphi Corporation (NYSE:IPHI)	\$120.0	-	-	-
7/30/2014	ProSoft Technology, Inc.	Belden Inc. (NYSE:BDC)	\$105.0	2.1x	-	100.0
7/28/2014	Hefei Xin Sheng Photoelectric Technology Co., Ltd.	BOE Technology Group Company Limited (SZSE:000725)	\$180.2	-	-	100.0
7/28/2014	United Wireless Ltd	Stadium Group plc (AIM:SDM)	\$23.8	-	-	-
7/25/2014	PNE Industries Ltd (SGX:P07)	-	\$23.7	1.0x	9.8x	100.0
7/18/2014	QJSC Stronics-Nanotechnologies	JSC Mikron (UNQ-RUS:MKRO)	\$92.4	-	-	-
7/17/2014	Ayrshire Electronics	Key Tronic Corp. (NasdaqGM:KTCC)	\$46.9	0.4x	-	100.0
7/15/2014	China National Electronic Devices Corp.	Beijing Shiji Information Technology, Co., Ltd. (SZSE:002153)	\$50.7	0.6x	-	100.0
7/14/2014	ISSC Technologies Corp. (GTM:5261)	Microchip Technology (Barbados) II Incorporated	\$47.9	3.9x	22.5x	100.0
7/11/2014	Capella Microsystems (Taiwan), Inc. (GTM:3582)	Vishay Intertechnology Inc. (NYSE:VSH)	\$179.7	3.4x	15.8x	100.0
7/7/2014	Newport Media Inc.	Atmel Corporation (NasdaqGS:ATML)	\$170.0	4.0x	-	100.0
7/7/2014	Movea SA	InvenSense International, Inc.	\$74.8	-	-	100.0
7/6/2014	Video Gaming Technologies, Inc.	Aristocrat Leisure Ltd. (ASX:ALL)	\$1,283.0	5.4x	8.2x	100.0
7/1/2014	Tilera Corporation	EZchip Semiconductor Ltd. (NasdaqGS:EZCH)	\$130.0	-	-	-

Source: CapitalIQ

#### Hardware VC Activity

Includes early-stage rounds only

Date of Funding	Company	Amount	Currency	Series	City	State	Country
9/24/2014	Apptentive	5,300,000	USD	A	Seattle	WA	USA
9/23/2014	COTA	3,700,000	USD	A	Murcia		ESP
9/19/2014	makemoji	1,000,000	USD	Seed	Los Angeles	CA	USA
9/16/2014	BlueBridge Digital	1,000,000	USD	Seed	Fisher	IN	USA
9/15/2014	Everypost	850,000	USD	Seed	Miami	FL	USA
9/10/2014	Jimubox	37,000,000	USD	B	Beijing		CHN
9/1/2014	Oyokey	1,010,000	USD	Seed	Dallas	TX	USA
8/26/2014	Hike	65,000,000	USD	Venture	New Delhi		IND
8/21/2014	Nervana Systems	3,300,000	USD	A	San Diego	CA	USA
8/18/2014	Algolux	2,600,000	CAD	A	Montreal		CAN
8/13/2014	ClariPhy Communications	19,740,000	USD	Venture	Los Altos	CA	USA
8/11/2014	Hapzing	20,000	USD	Seed	Cincinnati	OH	USA
7/29/2014	Kurbo Health	5,800,000	USD	A	Palo Alto	CA	USA
7/29/2014	LVenture Group	4,970,000	EUR	Venture	Roma		ITA
7/22/2014	Sunrise	6,000,000	USD	A	New York	NY	USA
7/21/2014	Jinn	200,000	USD	Seed	London		GBR
7/17/2014	nantmobile	30,000,000	USD	Venture	Los Angeles	CA	USA
7/16/2014	Notice Software	120,000	USD	Seed	Toledo	OH	USA
7/16/2014	doblet	120,000	USD	Seed	San Francisco	CA	USA
7/15/2014	Yo	1,500,000	USD	Seed			
7/10/2014	NextInput	1,500,000	USD	Angel			
7/1/2014	Whatt Inc	500,000	USD	Seed	New York	NY	USA

Source: Mattermark, Crunchbase, AngelList

## IT Services:

### Top 40 Public Companies, by Market Capitalization

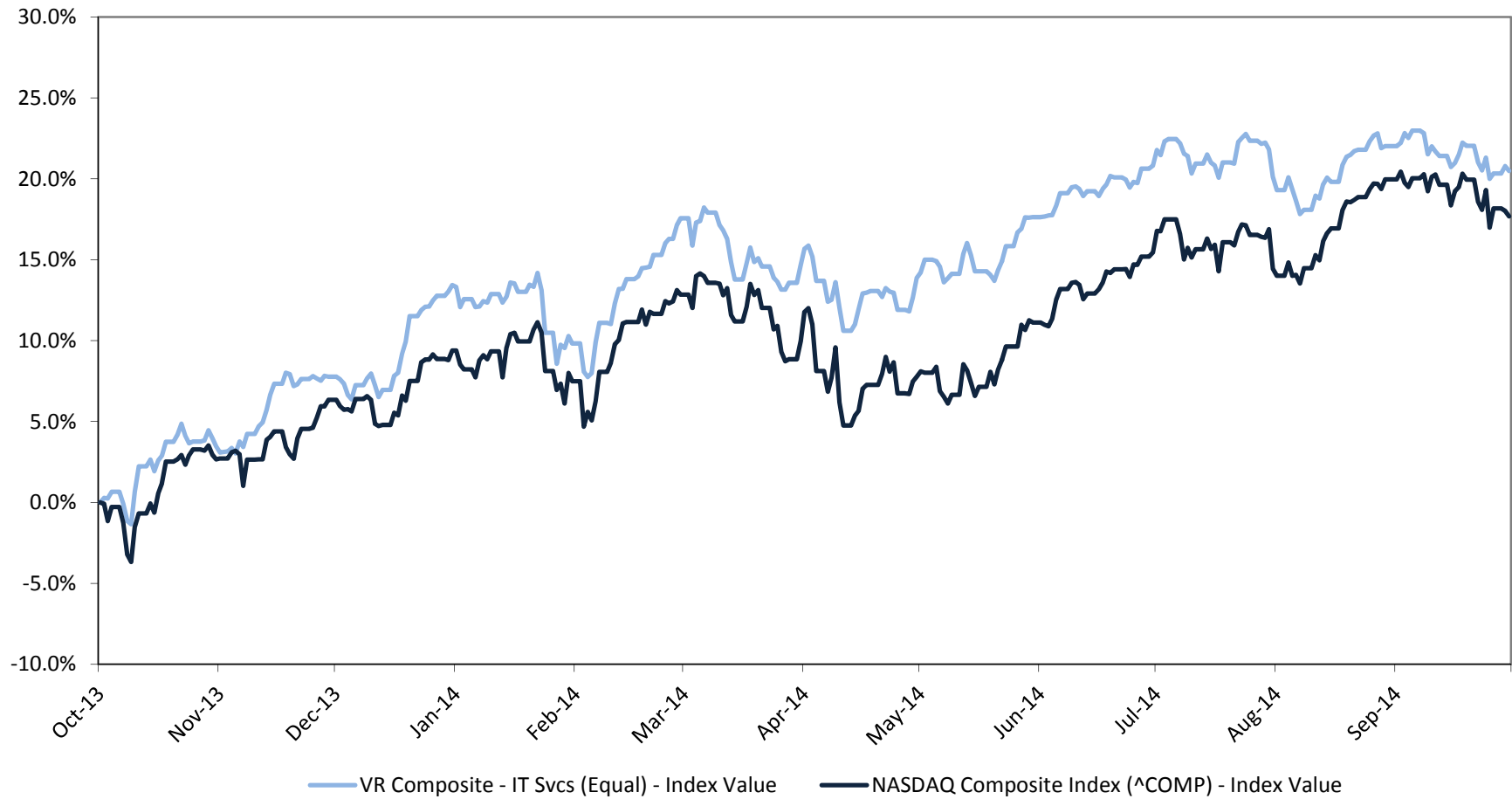
Company	Ticker	Market Cap (\$M)	Enterprise Value (\$M)	Current Price as % of 52 wk	EV / Revenues			EV / EBITDA			Revenue (TTM, \$M)	Rev Growth % (TTM)	GM % (LTM)	EBITDA % (LTM)	Rev Growth % (2-yr fwd)	Total Cash <sup>2</sup> (MRQ, \$M)	Total Debt (MRQ, \$M)
					2013	2014E	2015E	2013	2014E	2015E							
International Business Machines Corporation	NYSE:IBM	\$189,373	\$226,254	95%	2.2x	2.3x	2.3x	9.0x	8.5x	8.1x	\$96,191	(4.0)	49.1	25.6	(0.9)	\$9,725	\$46,470
Visa Inc.	NYSE:V	132,959	128,895	91%	10.2x	9.9x	9.0x	16.6x	14.7x	13.1x	11,705	7.9	96.0	64.4	9.4	4,064	0
Tata Consultancy Services Limited	BSE:532540	86,632	83,398	98%	6.7x	5.6x	4.8x	22.2x	19.0x	16.7x	14,300	30.0	38.7	30.7	16.7	3,484	34
MasterCard Incorporated	NYSE:MA	85,597	81,425	87%	9.3x	8.7x	7.8x	16.8x	14.8x	12.9x	8,898	13.9	100.0	58.7	12.1	5,714	1,494
Accenture plc	NYSE:ACN	51,069	46,725	95%	1.5x	1.5x	1.5x	10.6x	9.4x	9.0x	30,002	5.0	32.3	16.3	5.0	4,924	27
Automatic Data Processing, Inc.	NasdaqGS:ADP	40,050	40,418	98%	3.0x	3.2x	3.0x	16.6x	15.9x	13.8x	11,833	8.1	48.8	21.0	0.4	1,816	2,185
Infosys Ltd.	BSE:500209	34,589	30,000	97%	3.9x	3.5x	3.3x	14.0x	13.2x	12.3x	8,526	7.8	37.5	28.6	9.5	5,232	0
Cognizant Technology Solutions Corporation	NasdaqGS:CTSH	27,217	23,088	83%	2.5x	2.3x	2.0x	12.4x	11.0x	9.7x	9,601	19.7	40.4	21.1	14.4	4,129	0
Cielo SA	BOVESPA:CIEL3	25,525	26,308	85%	9.7x	7.6x	6.9x	18.2x	14.9x	13.4x	3,288	19.2	62.1	51.2	17.6	196	1,063
Wipro Ltd.	BSE:507685	23,610	21,081	98%	3.1x	2.8x	2.6x	14.8x	11.8x	11.1x	7,459	18.2	32.4	22.9	10.2	3,411	785
HCL Technologies Ltd.	BSE:532281	19,431	18,065	99%	4.2x	3.3x	2.9x	16.5x	12.8x	11.9x	5,360	14.4	38.6	26.3	14.1	1,577	169
Amadeus IT Holding SA	CATS:AMS	16,642	18,570	91%	4.3x	4.4x	4.1x	12.3x	11.2x	10.6x	4,435	8.1	46.5	38.6	7.8	614	2,669
Fiserv, Inc.	NasdaqGS:FISV	16,108	19,627	98%	4.0x	3.9x	3.7x	13.4x	11.9x	11.2x	4,951	7.6	43.3	29.3	5.1	329	3,848
Fidelity National Information Services, Inc.	NYSE:FIS	16,069	20,381	96%	3.3x	3.2x	3.0x	13.0x	10.5x	9.8x	6,200	4.6	32.8	25.7	6.0	794	4,928
Paychex, Inc.	NasdaqGS:PAYX	16,037	15,478	96%	6.3x	5.9x	5.5x	14.9x	13.8x	12.9x	2,532	9.0	70.6	42.8	7.7	559	0
Xerox Corporation	NYSE:XRX	15,170	22,339	93%	1.0x	1.1x	1.1x	8.5x	6.9x	7.0x	20,804	(1.7)	30.8	12.1	(0.6)	1,007	7,709
Alliance Data Systems Corporation	NYSE:ADS	13,786	23,781	83%	5.4x	4.5x	3.9x	18.6x	15.3x	13.1x	2,485	19.4	31.3	28.0	18.2	631	10,284
Fujitsu Limited	TSE:6702	12,731	16,589	83%	0.4x	NM	0.4x	5.7x	NM	4.9x	47,706	9.2	26.7	7.4	0.0	3,703	6,602
FleetCor Technologies, Inc.	NYSE:FLT	11,831	13,005	95%	13.4x	11.8x	9.7x	26.5x	20.1x	16.7x	1,008	25.4	78.1	55.1	22.1	298	1,471
Cap Gemini S.A.	ENXTPA:CAP	11,348	11,218	96%	0.8x	0.9x	0.8x	9.3x	8.0x	7.3x	13,913	0.2	24.9	9.8	3.8	1,717	1,544
CGI Group, Inc.	TSX:GIB.A	10,515	12,687	91%	1.4x	1.3x	1.3x	9.6x	7.9x	7.6x	9,820	13.4	29.4	15.6	3.8	123	2,401
NTT Data Corporation	TSE:9613	10,100	11,997	92%	1.0x	0.9x	0.9x	6.7x	5.6x	5.1x	13,679	6.4	23.2	14.5	6.7	2,540	4,267
SK C&C Co. Ltd.	KOSE:A034730	10,085	11,314	93%	5.1x	4.7x	4.2x	33.6x	36.3x	32.1x	2,351	4.5	100.0	12.9	11.6	565	1,836
Tech Mahindra Limited	BSE:532755	9,461	8,966	98%	3.4x	2.6x	2.3x	16.0x	12.9x	10.8x	3,303	110.4	33.7	21.5	15.1	595	60
Computer Sciences Corporation	NYSE:CSC	8,871	9,338	93%	0.7x	0.7x	0.7x	4.7x	4.3x	4.1x	12,981	(6.1)	26.9	15.1	1.1	2,440	2,880
The Western Union Company	NYSE:WU	8,498	10,648	82%	1.9x	1.9x	1.8x	7.4x	7.9x	7.6x	5,460	0.5	41.4	25.1	2.2	1,605	3,756
Atos SE	ENXTPA:ATO	8,309	8,265	80%	0.7x	0.7x	0.7x	7.0x	6.7x	5.8x	11,638	(3.0)	11.5	10.7	6.3	1,263	966
Amdocs Limited	NasdaqGS:DOX	7,274	6,100	94%	1.8x	1.7x	1.6x	9.7x	8.6x	7.8x	3,509	5.6	35.3	18.3	5.7	1,175	0
Gartner Inc.	NYSE:IT	6,531	6,593	96%	3.7x	3.3x	3.0x	21.8x	17.2x	14.8x	1,898	11.5	60.7	17.2	11.5	318	380
Teradata Corporation	NYSE:TDC	6,498	5,789	75%	2.0x	2.1x	2.0x	9.3x	7.7x	7.3x	2,739	3.6	54.5	23.2	4.2	934	225
Nomura Research Institute, Ltd.	TSE:4307	6,446	6,179	97%	1.7x	1.7x	1.6x	7.4x	8.3x	7.8x	3,893	7.2	27.0	20.4	4.2	1,068	658
Computershare Limited	ASX:CPU	5,916	7,036	92%	3.4x	3.4x	3.3x	15.9x	12.5x	11.6x	2,011	(0.2)	18.3	24.4	4.2	465	1,659
Total System Services, Inc.	NYSE:TSS	5,749	6,988	93%	3.1x	2.9x	2.6x	13.7x	9.9x	8.7x	2,417	30.1	30.9	22.6	11.7	251	1,461
Broadridge Financial Solutions, Inc.	NYSE:BR	4,976	5,153	96%	2.0x	2.0x	1.9x	10.7x	9.2x	8.5x	2,558	5.2	31.1	20.4	5.8	348	524
Global Payments Inc.	NYSE:GPN	4,765	6,152	94%	2.7x	2.3x	2.2x	11.9x	11.0x	10.3x	2,629	8.9	62.7	20.7	7.9	596	2,072
Sabre Corporation	NasdaqGS:SABR	4,743	7,586	86%	2.3x	2.5x	2.4x	11.8x	8.9x	8.0x	2,995	0.0	37.0	20.2	0.0	252	3,096
Jack Henry & Associates Inc.	NasdaqGS:JKHY	4,591	4,530	91%	3.7x	3.6x	3.4x	11.3x	10.5x	9.7x	1,210	7.1	42.9	34.5	7.6	70	9
Wirecard AG	XTRA:WDI	4,559	3,740	85%	5.7x	4.9x	4.1x	24.3x	17.5x	14.1x	764	24.7	33.8	25.2	23.5	1,035	146
Vantiv, Inc.	NYSE:VNTV	4,511	8,157	89%	3.9x	5.8x	4.9x	15.2x	11.9x	10.1x	2,237	13.1	54.7	24.3	18.9	231	3,486
WEX Inc.	NYSE:WEX	4,276	4,685	93%	5.9x	5.7x	4.9x	15.6x	13.3x	11.2x	757	12.4	56.1	40.4	15.4	319	708
Average		\$25,081	\$26,509	92%	3.7x	3.6x	3.2x	13.8x	12.1x	10.7x	\$10,238	11.9	43.7	25.7	8.2	\$1,790	\$3,107
Median		11,348	12,687	93%	3.1	3.0	2.6	13.0	11.1	10.1	4,951	7.9	37.5	22.9	7.6	1,007	1,471
Median excl High & Low		21,197	21,726	92%	3.5	3.4	3.0	13.5	11.6	10.3	8,171	9.7	43.4	25.1	8.3	1,622	2,019
High		189,373	226,254	99%	13.4	11.8	9.7	33.6	36.3	32.1	96,191	110.4	100.0	64.4	23.5	9,725	46,470
Low		4,511	3,740	75%	0.4	0.7	0.4	4.7	4.3	4.1	764	(6.1)	11.5	7.4	(0.9)	70	0

<sup>1</sup> Pricing data as of: 9/30/14

<sup>2</sup> Total cash includes cash & ST investments

Source: CapitalIQ

#### IT Services Composite Performance, 1-year



Source: CapitalIQ

#### IT Services M&A Activity

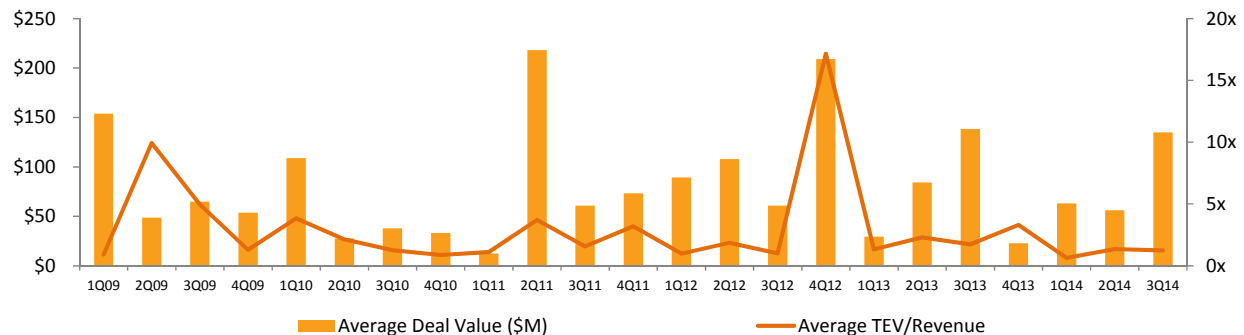
		<u>Q/Q</u>	<u>Y/Y</u>
<b>Total # of M&amp;A transactions:</b>	<b>250</b>	<b>24%</b>	<b>22%</b>
<b>Total Deal Value (\$M):</b>	<b>\$4,928</b>	<b>120%</b>	<b>230%</b>
<b>Average Deal Value (\$M):</b>	<b>\$65</b>	<b>33%</b>	<b>135%</b>
<b>Average TEV/Revenue:</b>	<b>5.0x</b>	<b>-50%</b>	<b>132%</b>
<b>Average TEV/EBITDA:</b>	<b>10.1x</b>	<b>-21%</b>	<b>56%</b>

#### Transactions by Region

Europe	79
Asia / Pacific	68
Africa / Middle East	10
United States and Canada	76
Latin America and Caribbean	17

#### Deals by Transaction Range

Greater than \$1 billion	2
\$500 - \$999.9mm	0
\$100 - \$499.9mm	10
Less than \$100mm	64
Undisclosed	174



#### 3Q14 Most Active Buyers

Cerner Corporation  
 Ingenico S.A.  
 VINCI Energies S.A.  
 Optimal Payments Plc  
 TIVIT Terceirização de Tecnologia e Serviços S/A  
 Wipro Ltd.  
 Dimension Data Australia Pty Ltd  
 Sinodata Co., Ltd.  
 Mitsui & Co. Ltd.  
 Publicis Groupe SA

### IT Services Top 50 M&A Transactions

Announced Date	Target/Issuer	Buyers/Investors	Total Transaction	Implied	Implied	Cash % of Consideration (%)
			Value (\$M)	EV/Revenues	EV/EBITDA	
9/29/2014	Angran Shidai Tech	BesTV New Media Co.	\$55.0	-	-	100.0
9/26/2014	Rejob Co., Ltd.	ZIGEXN Co., Ltd. (TSE:3679)	\$18.1	2.2x	-	100.0
9/25/2014	Sinobpo	Beijing Philisense Technology Co., Ltd. (SZSE:300287)	\$97.8	-	-	30.0
9/23/2014	SMT S.A. (WSE:SMT)	-	\$4.9	1.0x	16.7x	100.0
9/19/2014	Hangzhou Unimas Information Technology Co., Ltd.	Beijing Venustech Inc. (SZSE:002439)	\$29.1	-	-	100.0
9/12/2014	Datatech AS	Atea AS	\$4.7	0.8x	4.3x	-
9/4/2014	Netmagic Solutions Pvt. Ltd.	NTT Communications Corporation	\$95.3	-	-	100.0
9/4/2014	DigitalHongKong.com (SEHK:8007)	Hotex Holdings Limited	\$21.9	62.4x	-	100.0
9/4/2014	DigitalHongKong.com (SEHK:8007)	Liang Tan Yi Xing International Foundation Company Limited; Hotex Holdings Limited	\$9.1	62.4x	-	100.0
9/4/2014	REV Solutions, Inc. And 99.99% stake in REVtech Solutions India Pvt. Ltd.	Priority Fulfillment Services, Inc.	\$5.8	-	-	100.0
9/2/2014	Nurun, Inc.	Publicis Groupe SA (ENXTPA:PUB)	\$114.4	0.9x	-	100.0
8/27/2014	Baneco S.A.	Visa Argentina SA	\$4.8	-	-	100.0
8/26/2014	Royal Imtech N.V., ICT Division	VINCI Energies S.A.	\$336.0	0.3x	7.8x	100.0
8/26/2014	Grupo Sonitel	Cable & Wireless Panama S.A.	\$41.0	0.5x	-	100.0
8/26/2014	SinoCom Software Group Limited (SEHK:299)	-	\$18.6	0.0x	0.2x	100.0
8/26/2014	NIIT Ltd., School Business Undertaking	Hole-In-The-Wall Education Limited	\$17.9	-	-	100.0
8/26/2014	PCGI Consulting Services Inc. and Paradigm Consulting Group Inc.	SOMOS Consulting Group Ltd.	\$14.4	0.7x	-	69.2
8/25/2014	Pure Hacking Pty Ltd	PS & C Ltd (ASX:PSZ)	\$7.7	-	-	50.0
8/25/2014	Inova Solution Ltda	B2finance	\$4.8	-	-	100.0
8/21/2014	Yuanjiang Information Technology Co., Ltd.	Heilongjiang Tianlun Real Estate Development Co., Ltd. (SZSE:000711)	\$89.4	5.3x	-	100.0
8/21/2014	Micro Screen Software Technology (Shanghai) Co., Ltd.	People.cn CO., LTD (SHSE:603000); People Okooo Media Technology Co., Ltd.	\$29.7	-	-	100.0
8/12/2014	Oakton Ltd. (ASX:OKN)	Dimension Data Australia Pty Ltd	\$158.5	1.0x	13.2x	100.0
8/12/2014	Kryptos Networks Pvt Ltd.	Immeta Crayon ASA	\$3.9	0.7x	-	100.0
8/7/2014	Synapsis Soluciones y Servicios IT Limitada	TIVIT Terceirização de Tecnologia e Serviços S/A	\$196.9	-	-	100.0
8/6/2014	Tianjin Binhai Innovation Technology Co., Ltd.	Sinodata Co., Ltd. (SZSE:002657)	\$129.5	-	-	40.0
8/6/2014	Mitsui Knowledge Industry Co., Ltd. (TSE:2665)	Mitsui & Co. Ltd. (TSE:8031)	\$122.8	0.2x	7.7x	100.0
8/5/2014	Siemens Medical Solutions USA, Inc., Siemens Health Services	Cerner Corporation (NasdaqGS:CERN)	\$1,300.0	-	-	100.0
8/5/2014	connectis AG and Softix AG	SPIE SA	\$52.8	0.4x	-	100.0
8/5/2014	Verifone Commerce Solutions, Inc.	TIO Networks Corp. (TSXV:TNC)	\$3.0	-	-	100.0
7/30/2014	Ultrawise Incorporated Corporation	DingLi Communications Corp., Ltd. (SZSE:300050)	\$101.3	4.1x	-	17.8
7/30/2014	Ultrawise Incorporated Corporation	-	\$3.4	4.7x	-	100.0
7/29/2014	Chinasoft International Ltd. (SEHK:354)	-	\$33.2	1.1x	11.6x	100.0
7/24/2014	Kamanchi Limited	Nasstar plc (AIM:NASA)	\$4.3	1.3x	5.6x	33.0
7/21/2014	Xiamen Ritoinfo Technology Company Limited	Capinfo Company Limited (SEHK:1075)	\$49.1	-	-	100.0
7/17/2014	ATCO I-Tek Inc.	Wipro Ltd. (BSE:507685)	\$195.2	-	-	100.0
7/16/2014	Radio Network Solutions Proprietary Limited	Poynting Holdings Limited (JSE:POY)	\$10.1	-	-	83.9
7/16/2014	Yaskawa Information Systems Corp. (TSE:2354)	Mitsui & Co. Principal Investments Ltd.	\$8.1	0.1x	8.8x	100.0
7/15/2014	R Systems International Limited, Pune And Chennai Unit	R Systems Products & Technologies Limited	\$13.0	-	-	-
7/15/2014	Beijing Nasoft Co., Ltd.	-	\$6.9	-	-	100.0
7/15/2014	Beijing Nasoft Co., Ltd.	-	\$2.8	-	-	100.0
7/8/2014	Beijing THPower Electrical Automation Co. Ltd.	Beijing Jetsen Technology Co., Ltd. (SZSE:300182)	\$6.5	5.6x	-	100.0
7/6/2014	Comsec Consulting Ltd.	Eldav Investments Ltd (TASE:ELDAV)	\$22.4	-	-	100.0
7/3/2014	R and S Consulting CC	Pan-African Private Equity Funds	\$13.2	-	-	-
7/2/2014	GlobalCollect BV	Ingenico S.A. (ENXTPA:ING)	\$1,119.4	2.7x	16.4x	100.0
7/2/2014	FX Networks Ltd.	Vocus (New Zealand) Holdings Limited	\$104.5	2.0x	9.0x	31.2
7/2/2014	New Vision Baltija UAB	PSI Group ASA (OB:PSI)	\$6.8	0.6x	-	90.3
7/1/2014	Meritus Payment Solutions, Inc.	Optimal Payments Plc (AIM:OPAY)	\$211.4	2.8x	16.3x	100.0
7/1/2014	MNS Holdings LLC	Toit Solutions, Inc.	\$28.2	0.8x	-	-
7/1/2014	Global Merchant Advisors, Inc.	Optimal Payments Plc (AIM:OPAY)	\$15.0	1.8x	3.3x	100.0
7/1/2014	Beijing HUITONG High-tech information Co. Ltd.	Tatwah Smartech Co., Ltd. (SZSE:002512)	\$14.9	4.6x	-	100.0

Source: CapitalIQ



**IT Services VC Activity**

Date of Funding	Company	Amount	Currency	Series	City	State	Country
7/8/2014	Ayehu Software Technologies	na	USD	A	Tel Aviv		ISR

Source: Mattermark, Crunchbase, AngelList

## Software:

### Top 40 Public Companies, by Market Capitalization

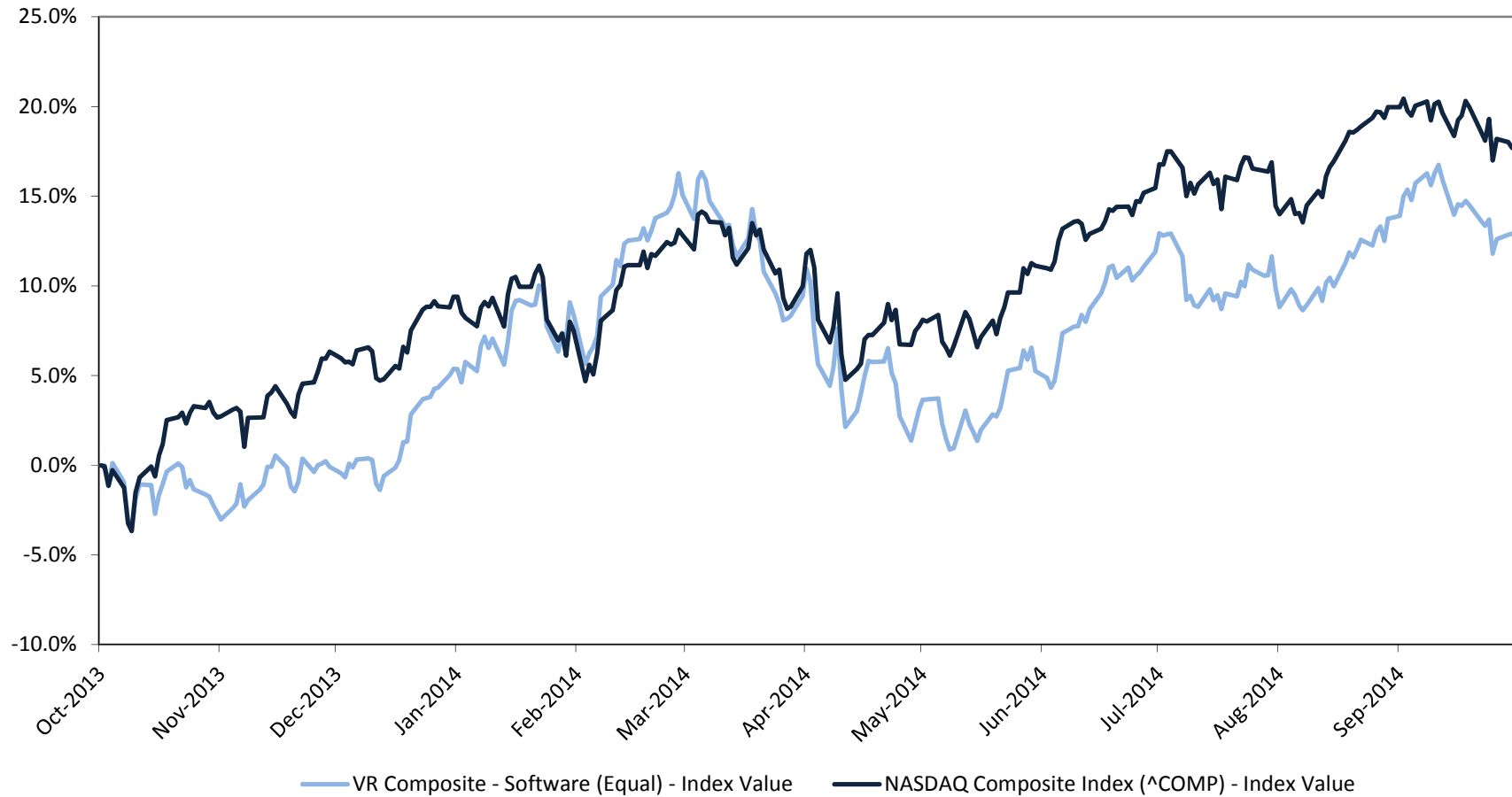
Company	Ticker	Market Cap <sup>1</sup> (\$M)	Enterprise Value (\$M)	Current Price as % of 52 wk	EV / Revenues			EV / EBITDA			Revenue (TTM, \$M)	Rev Growth % (TTM)	GM % (LTM)	EBITDA % (LTM)	Rev Growth % (2-yr fwd)	Total Cash <sup>2</sup> (MRQ, \$M)	Total Debt (MRQ, \$M)
					2013	2014E	2015E	2013	2014E	2015E							
Microsoft Corporation	NasdaqGS:MSFT	\$381,999	\$320,273	97%	3.6x	3.4x	3.1x	9.8x	10.0x	8.7x	\$86,833	11.5	69.0	37.0	10.6	\$84,941	\$23,215
Oracle Corporation	NYSE:ORCL	169,630	151,161	89%	4.0x	3.9x	3.7x	9.3x	8.0x	7.4x	38,499	3.0	61.4	43.7	3.8	51,616	32,570
VMware, Inc.	NYSE:VMW	40,362	35,225	83%	6.5x	5.8x	5.1x	24.1x	16.3x	13.9x	5,589	15.0	85.8	26.0	15.6	6,637	1,500
Salesforce.com, Inc	NYSE:CRM	35,611	37,114	86%	8.7x	6.9x	5.6x	NM	40.1x	30.9x	4,767	37.3	76.0	0.1	28.0	845	2,347
Adobe Systems Inc.	NasdaqGS:ADBE	34,508	32,496	93%	7.3x	7.9x	6.6x	42.2x	29.4x	20.3x	4,115	(1.2)	85.2	17.5	10.3	3,520	1,508
Intuit Inc.	NasdaqGS:INTU	25,028	23,613	99%	5.2x	5.3x	5.2x	18.2x	15.0x	16.3x	4,506	8.0	85.8	33.0	5.1	1,914	499
Symantec Corporation	NasdaqGS:SYMC	16,229	14,275	92%	2.0x	2.1x	2.1x	7.4x	6.6x	6.1x	6,702	(3.5)	83.5	29.0	0.9	4,049	2,095
Dassault Systemes SA	ENXTPADS	16,175	14,980	96%	5.5x	5.1x	4.6x	18.2x	16.3x	14.0x	2,899	2.3	86.8	28.6	11.7	1,843	508
Workday, Inc.	NYSE:WDAY	15,345	14,008	71%	28.6x	18.2x	12.4x	NM	NM	NM	616	74.4	63.9	(25.2)	55.2	1,822	485
Activision Blizzard, Inc.	NasdaqGS:ATVI	14,916	15,033	86%	3.0x	3.2x	3.1x	10.2x	9.3x	8.8x	4,289	(13.9)	65.1	27.2	4.6	4,204	4,321
Check Point Software Technologies Ltd.	NasdaqGS:CHKP	13,210	11,977	95%	8.2x	8.1x	7.6x	15.5x	14.0x	13.4x	1,436	5.3	88.4	54.7	6.1	1,234	0
Nintendo Co. Ltd.	TSE:7974	12,873	5,898	74%	0.9x	1.2x	1.3x	NM	28.4x	13.2x	5,577	(10.6)	28.2	(7.4)	(4.2)	7,556	0
Autodesk, Inc.	NasdaqGS:ADSK	12,521	11,361	94%	4.9x	4.6x	4.4x	26.6x	24.9x	21.3x	2,371	3.7	87.1	15.3	6.8	1,906	747
CA Technologies, Inc.	NasdaqGS:CA	12,435	11,084	77%	2.3x	2.5x	2.5x	7.2x	6.5x	6.4x	4,489	(1.6)	85.5	31.7	(0.9)	3,260	1,909
Citrix Systems, Inc.	NasdaqGS:CTXS	11,733	12,190	98%	3.9x	3.8x	3.5x	18.8x	12.5x	11.5x	3,048	9.4	85.5	23.8	9.1	820	1,277
Mobileye N.V.	NYSE:MBLY	11,377	11,228	91%	118.3x	83.4x	52.0x	NM	208.4x	104.2x	121	0.0	74.6	4.1	0.0	149	0
Electronic Arts Inc.	NasdaqGS:EA	11,132	9,402	92%	2.4x	2.3x	2.1x	42.2x	8.7x	8.5x	3,840	1.3	60.9	9.5	5.3	2,316	586
Red Hat, Inc.	NYSE:RHT	10,546	9,743	90%	6.5x	5.7x	5.0x	32.4x	21.5x	18.6x	1,667	16.6	84.8	18.9	15.0	803	0
ServiceNow, Inc.	NYSE:NOW	8,564	8,316	82%	18.8x	12.4x	8.9x	NM	142.0x	80.9x	542	65.5	63.3	(15.5)	48.2	677	429
Gemalto NV	ENXTAM:GTO	7,933	7,481	80%	2.3x	2.3x	2.0x	15.9x	12.9x	10.5x	3,269	1.2	38.5	14.9	10.2	510	14
Concur Technologies, Inc.	NasdaqGS:CNQR	7,238	7,096	97%	12.2x	9.7x	7.8x	213.3x	61.4x	47.2x	668	31.8	62.5	3.3	25.6	816	673
Ansys, Inc.	NasdaqGS:ANSS	6,963	6,179	85%	7.1x	6.5x	5.9x	15.3x	12.7x	11.6x	896	8.0	87.4	46.5	9.6	784	0
Open Text Corporation	NasdaqGS:OTEX	6,749	7,641	94%	5.5x	4.0x	3.9x	23.3x	12.1x	11.4x	1,625	19.2	72.8	27.6	11.5	428	1,319
Splunk, Inc.	NasdaqGS:SPLK	6,639	5,801	52%	18.3x	13.6x	10.2x	NM	NM	187.9x	366	51.6	86.7	(40.8)	37.2	838	0
Sage Group plc	LSE:SGE	6,373	6,958	83%	3.0x	3.2x	3.0x	10.9x	10.8x	10.1x	2,208	(3.7)	94.3	29.5	0.5	186	787
Synopsys Inc.	NasdaqGS:SNPS	6,186	5,365	93%	2.5x	2.6x	2.4x	14.9x	8.4x	7.9x	2,023	5.8	82.5	17.8	6.1	903	83
GungHo Online Entertainment, Inc.	JASDAQ:3765	5,492	4,854	61%	2.8x	2.9x	3.0x	5.8x	5.0x	5.5x	1,805	95.9	67.0	55.9	5.1	727	9
Constellation Software Inc.	TSX:CSU	5,336	5,659	99%	4.9x	3.3x	2.9x	38.2x	17.1x	14.1x	1,467	40.8	32.3	9.8	27.6	101	439
FactSet Research Systems Inc.	NYSE:FDS	5,080	4,944	94%	5.4x	5.3x	4.9x	15.1x	14.2x	12.9x	920	7.3	61.6	36.6	7.8	136	0
Cadence Design Systems Inc.	NasdaqGS:CDNS	4,992	4,770	91%	3.1x	3.0x	2.8x	15.6x	9.6x	8.6x	1,501	7.1	85.3	19.0	8.1	655	433
Tableau Software, Inc.	NYSE:DATA	4,991	4,364	71%	16.4x	11.7x	8.6x	NM	187.1x	97.2x	308	87.8	91.4	5.0	48.1	627	0
Oracle Corporation Japan	TSE:4716	4,963	4,116	89%	2.9x	2.7x	2.6x	10.6x	9.4x	9.0x	1,498	0.0	0.0	0.0	4.7	894	0
Nuance Communications, Inc.	NasdaqGS:NUAN	4,924	4,412	79%	3.2x	3.2x	3.0x	30.5x	11.8x	11.5x	1,893	2.2	59.2	9.1	2.9	888	2,376
CDK Global, Inc.	NasdaqGS:CDK	4,903	4,522	89%	0.0x	NM	NM	0.0x	NM	NM	1,974	7.3	39.1	21.3	0.0	403	22
Oracle Financial Services Software Limited	BSE:532466	4,692	3,614	82%	5.7x	5.5x	5.0x	15.9x	14.1x	12.5x	651	14.2	51.2	39.5	11.3	1,110	0
FireEye, Inc.	NasdaqGS:FEYE	4,552	4,087	31%	20.9x	9.5x	6.5x	NM	NM	NM	268	132.9	60.0	(103.6)	97.3	464	0
Trend Micro Inc.	TSE:4704	4,534	3,487	89%	3.2x	3.4x	3.3x	10.4x	9.9x	9.7x	1,094	9.8	83.0	35.1	4.1	1,133	0
PTC Inc.	NasdaqGS:PTC	4,329	4,340	91%	3.2x	3.2x	3.1x	15.0x	11.7x	10.1x	1,335	4.8	72.3	23.7	4.1	304	315
Hundsun Technologies Inc.	SHSE:600570	4,286	4,222	100%	20.4x	16.8x	13.5x	95.5x	87.9x	65.0x	201	17.1	86.4	20.7	25.9	84	4
Fortinet Inc.	NasdaqGS:FTNT	4,138	3,580	94%	5.3x	4.8x	4.2x	41.4x	24.8x	20.6x	685	20.0	70.3	12.5	17.2	558	0
Average		\$24,753	\$21,930	85%	9.8x	7.8x	6.1x	26.7x	31.8x	26.3x	\$5,330	19.6	69.7	15.8	14.5	\$4,926	\$2,063
Median		7,933	7,481	89%	4.9	4.3	4.1	15.6	12.9	12.1	1,805	7.3	74.6	20.7	8.1	845	433
Median excl High & Low		15,650	14,366	87%	7.2	5.9	5.0	21.2	27.3	22.2	3,268	17.4	71.3	18.1	13.1	2,894	1,295
High		381,999	320,273	100%	118.3x	83.4x	52.0x	213.3x	208.4x	187.9x	86,833	132.9	94.3	55.9	97.3	84,941	32,570
Low		4,286	3,487	31%	0.0	1.2	1.3	0.0	5.0	5.5	121	(13.9)	0.0	(103.6)	(4.2)	84	0

<sup>1</sup> Pricing data as of: 9/30/14

<sup>2</sup> Total cash includes cash & ST investments

Source: CapitalIQ

#### Software Composite Performance, 1-year



Source: CapitalIQ

#### Software M&A Activity

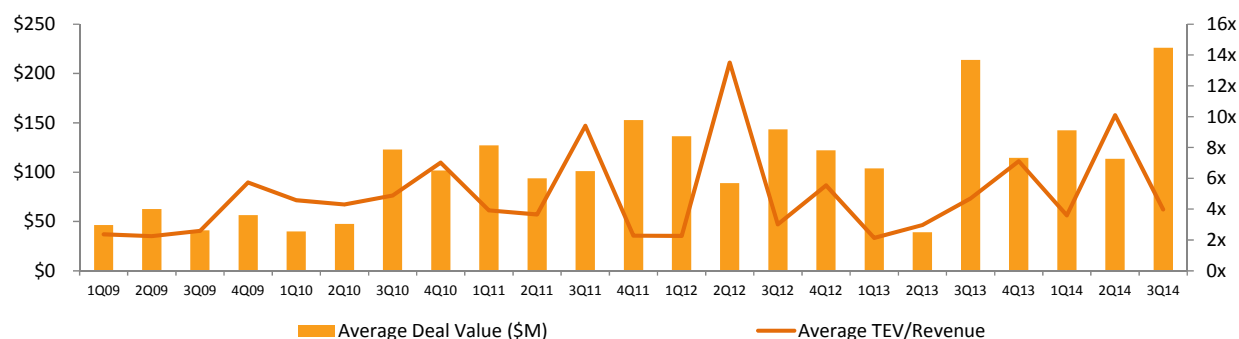
		<u>Q/Q</u>	<u>Y/Y</u>
<b>Total # of M&amp;A transactions:</b>	<b>347</b>	<b>18%</b>	<b>38%</b>
<b>Total Deal Value (\$M):</b>	<b>\$29,616</b>	<b>252%</b>	<b>61%</b>
<b>Average Deal Value (\$M):</b>	<b>\$226</b>	<b>99%</b>	<b>6%</b>
<b>Average TEV/Revenue:</b>	<b>4.0x</b>	<b>-61%</b>	<b>-15%</b>
<b>Average TEV/EBITDA:</b>	<b>24.9x</b>	<b>24%</b>	<b>151%</b>

#### Transactions by Region

Europe	102
Asia / Pacific	84
Africa / Middle East	10
United States and Canada	131
Latin America and Caribbean	6

#### Deals by Transaction Range

Greater than \$1 billion	5
\$500 - \$999.9mm	5
\$100 - \$499.9mm	14
Less than \$100mm	98
Undisclosed	211



#### 3Q14 Most Active Buyers

SAP America, Inc.  
 Vista Equity Partners  
 Microsoft Corporation  
 Thoma Bravo, LLC  
 Micro Focus International plc  
 P2 Capital Partners, LLC  
 Shanghai Chenghai Enterprise Development Co., Ltd.  
 Gemalto NV  
 Bison Capital Holding Company Limited  
 Teleperformance S.A.

### Software Top 50 M&A Transactions

Announced Date	Target/Issuer	Buyers/Investors	Total Transaction	Implied	Implied	Cash % of
			Value (\$M)	EV/Revenues	EV/EBITDA	Consideration (%)
9/29/2014	TIBCO Software Inc. (NasdaqGS:TIBX)	Vista Equity Partners	\$4,533.9	3.7x	23.8x	100.0
9/24/2014	IGG Inc. (SEHK:8002)	-	\$49.4	3.6x	11.0x	100.0
9/22/2014	Epiq Systems, Inc. (NasdaqGS:EPIQ)	P2 Capital Partners, LLC	\$993.4	2.2x	16.4x	100.0
9/22/2014	PAI Group, Inc.	Sage Group plc (LSE:SGE)	\$157.8	4.1x	-	100.0
9/18/2014	Concur Technologies, Inc. (NasdaqGS:CNQR)	SAP America, Inc.	\$8,468.0	11.5x	235.8x	100.0
9/16/2014	GDC Technology Limited	Huayi Brothers Media Corporation (SZSE:300027)	\$67.6	-	-	100.0
9/15/2014	Mojang AB	Microsoft Corporation (NasdaqGS:MSFT)	\$2,500.0	7.7x	-	100.0
9/15/2014	The Attachmate Group, Inc.	Micro Focus International plc (LSE:MCRO)	\$2,302.4	2.5x	13.7x	-
9/15/2014	Mobilethink A/S	Spirent Communications Plc. (LSE:SPT)	\$20.0	2.4x	-	100.0
9/12/2014	Guangzhou Deepsea Software Development Co., Ltd.	The Great Wall Group Co., Ltd. Guangdong (SZSE:300089)	\$160.1	-	-	-
9/11/2014	Movirtu Limited	BlackBerry Limited (TSX:BB)	\$32.5	-	-	100.0
9/8/2014	MK Test Systems Ltd.	Synova Capital LLP	\$32.3	-	-	100.0
9/5/2014	Global Computer Enterprises Inc., Certain Assets	General Services Administration	\$18.3	-	-	100.0
9/3/2014	Clear2Pay nv/sa	Fidelity National Information Services, Inc. (NYSE:FIS)	\$492.7	-	-	100.0
9/2/2014	Compuware Corporation (NasdaqGS:CPWR)	Thoma Bravo, LLC	\$2,366.4	2.9x	24.5x	100.0
9/2/2014	BeyondTrust Software, Inc.	Veritas Capital	\$310.0	-	-	100.0
9/2/2014	Shanda Games Limited (NasdaqGS:GAME)	Haitong Securities Co., Ltd. (SHSE:600837)	\$204.5	2.8x	6.3x	100.0
9/2/2014	XRS Corporation (NasdaqCM:XRSC)	Omnitracs, LLC	\$190.6	3.4x	28.9x	100.0
9/2/2014	MicroEdge, LLC	Blackbaud Inc. (NasdaqGS:BLKB)	\$160.0	-	-	100.0
9/2/2014	SOFTPRO GmbH	Kofax Limited (LSE:KFX)	\$34.7	2.6x	34.7x	100.0
9/1/2014	Jinhua Licheng Information Technology Corporation Limited	Zhangjiagang Chemical Machinery Co., Ltd. (SZSE:002564)	\$69.1	2.7x	-	100.0
9/1/2014	Geminose Inc.	Starbreeze AB (publ) (OM:STAR)	\$17.2	-	-	-
8/21/2014	Supercell Oy	SoftBank Corp. (TSE:9984)	\$344.1	3.7x	10.3x	100.0
8/19/2014	DIANDIAN Interactive (Beijing) Technology Ltd.	Shanghai Chenghai Enterprise Development Co., Ltd. (SHSE:600634)	\$90.0	-	-	100.0
8/15/2014	Beijing Hugeland Technologies Co., Ltd.	Beijing Tongtech Co., Ltd. (SZSE:300379)	\$68.3	7.3x	-	33.7
8/14/2014	Shanghai Douwan Network Technology Co., Ltd.	Song Liao Automotive Co., Ltd (SHSE:600715)	\$232.0	17.3x	-	100.0
8/14/2014	Ningbo KingT software Co., Ltd	Wonders Information Co., Ltd (SZSE:300168)	\$73.1	-	-	100.0
8/12/2014	NonStop Games Ltd	King Digital Entertainment plc (NYSE:KING)	\$90.0	-	-	100.0
8/8/2014	SafeNet, Inc.	Gemalto NV (ENXTAM:GTO)	\$890.0	-	-	100.0
8/7/2014	Synergy Marketing, Inc. (JASDAQ:3859)	Yahoo Japan Corporation (TSE:4689)	\$80.7	1.7x	12.0x	100.0
8/6/2014	Sophisticated Business Systems, Inc.	BluePhoenix Solutions USA Inc.	\$23.5	-	-	-
8/4/2014	Jimny Software Ltd.	Enghouse Systems Limited (TSX:ESL)	\$17.7	0.8x	-	100.0
8/1/2014	Enett International Pty Ltd	Travelport Worldwide Limited (NYSE:TVPT)	\$65.0	7.4x	-	100.0
7/31/2014	Gamanita Digital Entertainment Co., Ltd. (GTSM:6180)	GigaMedia Ltd. (NasdaqGS:GIGM)	\$18.8	0.5x	11.7x	100.0
7/30/2014	NQ Mobile Inc. (NYSE:NQ)	Bison Capital Holding Company Limited	\$773.0	2.5x	-	100.0
7/30/2014	TouchNet Information Systems, Inc.	Heartland Payment Systems, Inc. (NYSE:HPY)	\$375.0	-	-	100.0
7/29/2014	Evermobile ST, Ltda.	Ciao Technology, Ltda.	\$18.8	-	-	-
7/23/2014	UT Game	Zhejiang Great Southeast Co., Limited (SZSE:002263)	\$90.7	-	-	40.0
7/22/2014	Juniper Networks Inc., Pulse Product Portfolio	Siris Capital Group, LLC	\$250.0	-	-	50.0
7/22/2014	FEESA Limited	KBC Advanced Technologies plc (AIM:KBC)	\$19.2	4.9x	-	89.1
7/21/2014	Exact Software Deutschland GmbH	Sage Software GmbH	\$22.0	1.6x	-	100.0
7/16/2014	Beijing WushenCentury Network Technology Co., Ltd	Anhui Deli Household Glass Co., Ltd. (SZSE:002571)	\$159.8	-	-	32.8
7/9/2014	Aegis Business Group, Inc.	Teleperformance S.A. (ENXTPA:RCP)	\$610.0	1.5x	-	100.0
7/9/2014	Neebula Systems Ltd.	ServiceNow, Inc. (NYSE:NOW)	\$100.0	-	-	100.0
7/9/2014	ScytI Secure Electronic Voting, S.A.	SAP Ventures	\$20.0	5.2x	-	100.0
7/8/2014	Shanghai P&C Information Technology Co., Ltd	Beijing Orient National Communication Science & Technology Co., Ltd. (SZSE:300166)	\$72.7	-	-	25.0
7/7/2014	Trusted Positioning Inc.	InvenSense, Inc. (NYSE:INNV)	\$31.0	-	-	68.4
7/4/2014	Agencyport Software Europe Limited	Xchanging PLC (LSE:XCH)	\$109.9	3.4x	12.8x	100.0
7/3/2014	Total Objects Limited	Xchanging PLC (LSE:XCH)	\$36.0	-	42.0x	100.0
7/2/2014	Beijing JMT Mobile Co., Ltd.	Shenzhen Keybridge Communications Co., Ltd. (SZSE:002316)	\$33.3	10.7x	-	100.0

Source: CapitalIQ

#### Software VC Activity

Includes early-stage rounds only

Date of Funding	Company	Amount	Currency	Series	City	State	Country
9/30/2014	Baremetrics	500,000	USD	Seed	Birmingham	AL	USA
9/28/2014	argus-sec.com	4,000,000	USD	A	Tel Aviv		ISR
9/25/2014	Context Relevant	13,500,000	USD	B	Seattle	WA	USA
9/24/2014	Numerify	15,000,000	USD	B	Cupertino	CA	USA
9/18/2014	Code Climate	2,000,000	USD	Seed	New York	NY	USA
9/15/2014	Cloudyn	4,000,000	USD	A	Tel Aviv		ISR
9/10/2014	Bastille Networks	1,500,000	USD	Angel	Atlanta	GA	USA
8/24/2014	BugHerd	1,000,000	AUD	A	Melbourne	VIC	AUS
8/21/2014	Lastline	10,000,000	USD	Venture	Redwood City	CA	USA
8/18/2014	BlockTrail B.V.	500,000	EUR	Seed	Amsterdam		NLD
8/13/2014	Verold	1,600,000	USD	B	Toronto	ON	CAN
8/7/2014	Adatao	13,000,000	USD	A	Sunnyvale	CA	
8/7/2014	GridCraft	2,200,000	USD	Seed	Boulder	CO	USA
8/6/2014	Splice Machine	3,000,000	USD	B	San Francisco	CA	USA
8/5/2014	Bitglass	25,000,000	USD	B	Campbell	CA	USA
7/28/2014	SkyKick	3,000,000	USD	Venture	Seattle	WA	USA
7/22/2014	EdgeWave	6,000,000	USD	A	San Diego	CA	USA
7/18/2014	Aspire	400,000	USD	Seed			
7/18/2014	FFFavs	50,000	USD	Seed	Santa Monica	CA	USA
7/18/2014	ArchiveSocial	1,000,000	USD	Seed	Durham	NC	USA
7/18/2014	Wemo Lab	2,720,000	USD	Venture	Venice	CA	USA
7/16/2014	Bannerman	120,000	USD	Seed	San Francisco	CA	USA
7/10/2014	Malwarebytes	30,000,000	USD	A	San Jose	CA	USA
7/4/2014	Hungama Digital Media	40,000,000	USD	Venture	Mumbai		IND
7/2/2014	Veros Systems	3,000,000	USD	A	College Station	TX	USA

Source: Mattermark, Crunchbase, AngelList