

The Lighthouse



September 2014
Software
Business Services
Internet & Digital Media

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If you would like to be included on (or removed from) the distribution list for the Software & Services version of The Lighthouse, please contact Nathan Bullock at: nbullock@pharus.com.

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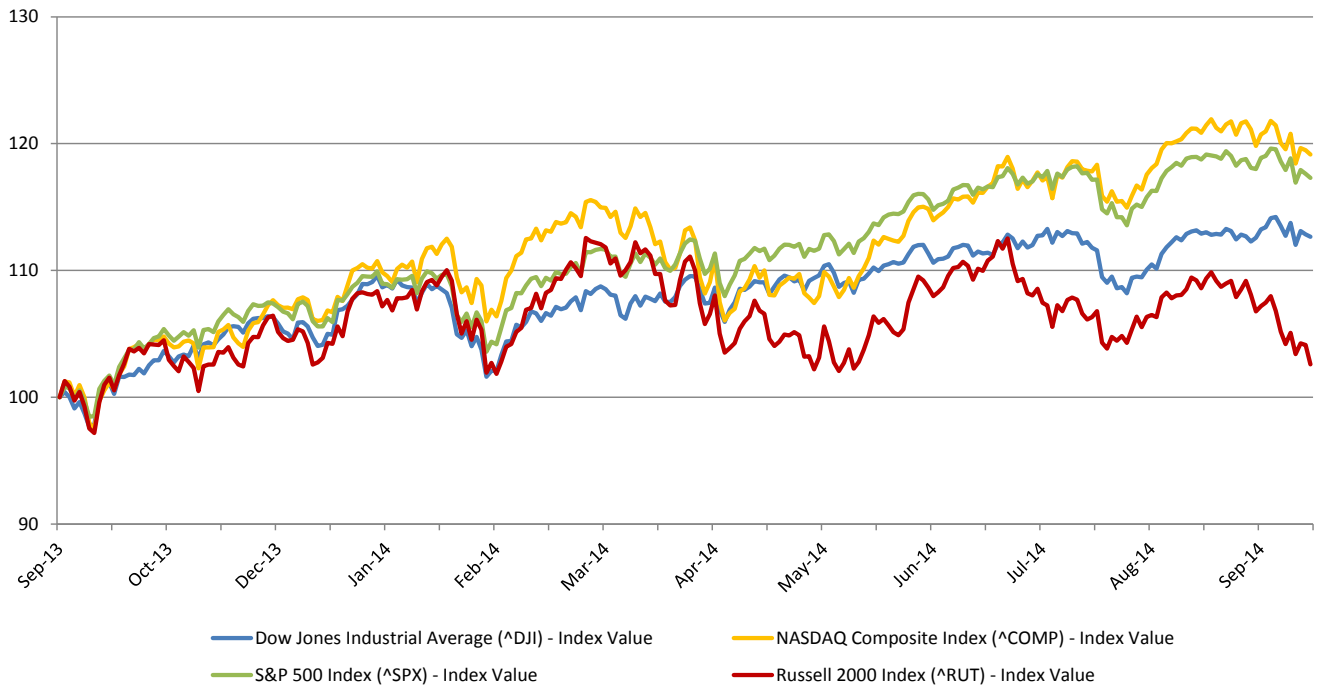
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1. Capital Market Trends

Relative Performance of Major Stock Indices through September 30, 2014

(Base = 100, 9/30/2013)



Index	As of 30-Sep-14	Change %		
		1 Year	3 Months	1 Month
Dow Jones	17,042.90	12.6%	1.3%	-0.3%
Nasdaq	4,493.39	19.1%	1.9%	-1.9%
S&P 500	1,972.29	17.3%	0.6%	-1.6%
Russell 2000	1,101.68	2.6%	-7.7%	-6.2%

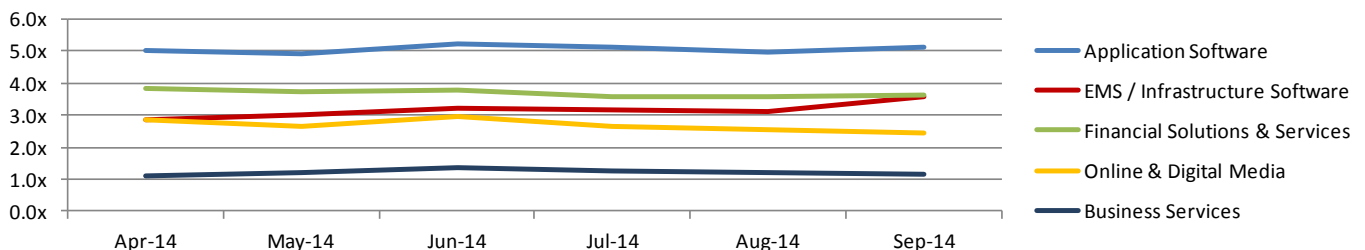
2. Public Market Valuations

Historical Median TEV/Revenue Multiples

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Application Software						
Customer Relationship Management (CRM)	4.0x	6.0x	6.6x	6.3x	5.1x	5.1x
Accounting / ERP	4.1x	4.0x	4.0x	4.2x	4.2x	3.9x
Retail Software	2.6x	2.3x	2.5x	2.0x	2.1x	1.9x
Supply Chain Management	4.9x	4.7x	5.0x	4.7x	4.6x	4.4x
Human Capital Management	7.2x	8.0x	9.3x	8.2x	8.6x	8.2x
Knowledge / Content Management	5.6x	5.3x	6.5x	6.0x	5.9x	6.6x
EMS / Infrastructure Software						
Business Intelligence	2.5x	2.8x	2.9x	2.7x	2.8x	2.6x
Security Software	5.0x	5.9x	6.2x	5.3x	5.8x	6.2x
System and Network Management Software	2.6x	2.7x	2.9x	2.5x	2.5x	2.5x
Integration / Middleware	3.0x	3.1x	3.0x	2.9x	3.0x	3.3x
Platform / OS	2.8x	2.8x	2.8x	2.9x	3.0x	3.0x
Financial Solutions & Services						
Bank Processing	3.8x	3.8x	3.9x	3.8x	3.9x	3.7x
Capital Market Rating Services	4.9x	5.3x	5.6x	5.4x	5.1x	5.0x
Consumer Rating Services	4.4x	4.3x	4.2x	4.3x	4.4x	4.2x
Payment Processing	3.2x	3.0x	3.1x	3.0x	3.0x	2.9x
Insurance Solutions	2.6x	2.5x	2.4x	2.1x	2.6x	2.4x
Investment Solutions	4.5x	4.7x	5.0x	4.9x	4.9x	4.8x
Online & Digital Media						
Digital Media & Advertising	2.6x	2.6x	3.0x	2.6x	2.4x	2.1x
Online Retailers and Offers	2.7x	2.7x	2.7x	2.7x	2.9x	2.7x
Other Online Companies	4.2x	3.4x	3.9x	3.8x	3.4x	3.0x
Social Networking & Gaming	2.8x	2.6x	2.6x	2.4x	2.7x	2.7x
Business Services						
IT Integration & Consulting	1.6x	1.6x	1.6x	1.5x	1.5x	1.4x
Education & Training	0.7x	0.7x	0.7x	0.7x	0.7x	0.7x
IT Services	2.3x	2.5x	2.8x	2.6x	2.5x	2.4x
Call Center	0.8x	0.8x	0.9x	0.9x	0.9x	0.8x

Medians:

Application Software	5.0x	4.9x	5.2x	5.1x	5.0x	5.1x
EMS / Infrastructure Software	2.8x	3.0x	3.2x	3.2x	3.1x	3.6x
Financial Solutions & Services	3.8x	3.7x	3.8x	3.6x	3.6x	3.6x
Online & Digital Media	2.9x	2.7x	3.0x	2.6x	2.5x	2.4x
Business Services	1.1x	1.2x	1.4x	1.3x	1.2x	1.1x



2. Public Market Valuations

Current & Forward Looking Market Multiples

	Median TEV/Revenue		Median TEV/EBITDA	
	LTM	NTM	LTM	NTM
Application Software				
Customer Relationship Management (CRM)	5.1x	4.3x	31.8x	29.4x
Accounting / ERP	3.9x	3.8x	11.7x	10.1x
Retail Software	1.9x	1.6x	9.3x	18.7x
Supply Chain Management	4.4x	4.0x	19.8x	15.8x
Human Capital Management	8.2x	6.3x	57.6x	32.4x
Knowledge / Content Management	6.6x	5.4x	17.0x	11.8x
EMS / Infrastructure Software				
Business Intelligence	2.6x	2.4x	26.4x	12.5x
Security Software	6.2x	5.2x	15.2x	15.0x
System and Network Management Software	2.5x	2.4x	13.9x	8.7x
Integration / Middleware	3.3x	3.2x	16.8x	12.2x
Platform / OS	3.0x	2.8x	9.5x	9.3x
Financial Solutions & Services				
Bank Processing	3.7x	3.3x	12.2x	10.8x
Capital Market Rating Services	5.0x	5.2x	12.8x	13.1x
Consumer Rating Services	4.2x	3.5x	12.0x	11.3x
Payment Processing	2.9x	2.6x	13.5x	9.6x
Insurance Solutions	2.4x	2.6x	13.8x	11.2x
Investment Solutions	4.8x	4.5x	17.5x	14.7x
Online & Digital Media				
Digital Media & Advertising	2.0x	1.9x	17.2x	11.3x
Online Retailers	2.7x	2.1x	17.4x	12.6x
Other Online Companies	3.0x	2.6x	14.0x	10.2x
Social Networking & Gaming	2.7x	2.3x	12.9x	12.9x
Business Services				
IT Integration & Consulting	1.4x	1.2x	11.1x	8.0x
Education & Training	0.7x	0.7x	10.0x	8.0x
IT Services	2.4x	1.8x	10.4x	10.5x
Call Center	0.8x	0.8x	6.9x	6.2x
Medians:				
Application Software	4.7x	4.9x	17.0x	15.2x
EMS / Infrastructure Software	3.6x	3.2x	15.9x	12.6x
Financial IT Services	3.6x	2.9x	12.8x	11.5x
Online & Digital Solutions & Services	2.4x	2.2x	16.4x	10.9x
Business Services	1.0x	1.0x	10.1x	8.7x

2. Public Market Valuations

Application Software

(\$ in millions)

		TEV	Market Cap	TEV/Revenue		TEV/EBITDA	
				LTM	NTM	LTM	NTM
Customer Relationship Management (CRM)							
Cvent	NYSE:CVT	\$882	\$1,073	7.0x	5.6x	NM	55.8x
Five9	NasdaqGM:FIVN	272	317	2.9x	2.5x	NM	NM
Interactive Intelligence	NasdaqGS:ININ	804	877	2.4x	2.4x	NM	NM
Kofax Limited	LSE:KFX	597	682	2.2x	1.7x	31.8x	10.7x
LivePerson	NasdaqGM:LPSN	606	677	3.2x	3.0x	NM	25.6x
Marketo	NasdaqGS:MKTO	1,205	1,317	9.9x	8.6x	NM	NM
Salesforce.com	NYSE:CRM	37,114	35,611	7.8x	6.8x	NM	33.3x
Zendesk	NYSE:ZEN	1,441	1,563	15.0x	12.1x	NM	NM
Median				5.1x	4.3x	31.8x	29.4x

Accounting / ERP

American Software	NasdaqGS:AMSW.A	\$189	\$249	1.8x	1.7x	11.6x	8.7x
Intuit	NasdaqGS:INTU	23,613	25,028	5.2x	5.4x	15.9x	18.7x
Model N	NYSE:MODN	142	245	1.6x	1.6x	NM	NM
Netsuite	NYSE:N	6,633	6,843	13.9x	10.6x	NM	NM
Oracle	NYSE:ORCL	151,161	169,630	3.9x	3.8x	9.0x	7.6x
QAD	NasdaqGS:QADA	230	290	0.8x	0.8x	14.4x	10.1x
Sage	LSE:SGE	6,958	6,373	3.2x	NA	11.0x	NA
SAP	DB:SAP	87,472	86,081	4.1x	3.9x	11.8x	11.1x
Textura	NYSE:TXTR	604	671	10.3x	7.6x	NM	NM
Median				3.9x	3.8x	11.7x	10.1x

Retail Software

Borderfree	NasdaqGS:BRDR	286	406	2.5x	1.8x	NM	28.9x
NCR	NYSE:NCR	9,093	5,616	1.4x	1.3x	9.3x	8.5x
Median				1.9x	1.6x	9.3x	18.7x

Supply Chain Management

Aspen Technology	NasdaqGS:AZPN	\$3,176	\$3,443	8.1x	7.2x	23.9x	17.6x
BasWare	HLSE:BAS1V	686	703	4.4x	NA	71.4x	NA
ClickSoftware Technologies	NasdaqGS:CKSW	222	264	1.9x	1.6x	NM	45.5x
Dassault	ENXTPA:DSY	14,980	16,175	5.6x	4.9x	19.6x	15.2x
Descartes Systems Group	TSX:DSG	900	1,038	5.7x	4.9x	19.8x	16.3x
Manhattan Associates	NasdaqGS:MANH	2,408	2,510	5.3x	4.9x	19.4x	16.4x
Materialise NV	NasdaqGS:MTLS	447	529	4.4x	4.1x	47.0x	61.0x
Mix Telematics	JSE:MIX	239	308	2.1x	1.9x	12.1x	8.1x
Parametric Technology	NasdaqGS:PTC	4,340	4,329	3.3x	3.1x	13.7x	11.1x
SciQuest	NasdaqGS:SQI	298	414	3.0x	2.7x	NM	14.0x
Fleetmatics Group	NYSE:FLTXX	1,014	1,145	5.0x	4.0x	22.8x	13.7x
Median				4.4x	4.0x	19.8x	15.8x

2. Public Market Valuations

Application Software (Continued)

(\$ in millions)

		TEV	Market Cap	TEV/Revenue		TEV/EBITDA	
				LTM	NTM	LTM	NTM
Human Capital Management							
Benefit Focus	NasdaqGM:BNFT	\$653	\$686	5.5x	4.3x	NM	NM
Callidus	NasdaqGM:CALD	541	578	4.4x	3.8x	NM	34.2x
CastLight Health	NYSE:CSLT	1,001	1,160	36.2x	17.2x	NM	NM
Concur	NasdaqGS:CNQR	7,096	7,238	10.6x	8.7x	NM	53.0x
Cornerstone OnDemand	NasdaqGS:CSOD	1,818	1,837	8.2x	5.7x	NM	NM
Paycom	NYSE:PAYC	859	845	6.8x	5.3x	57.6x	30.6x
Paylocity	NasdaqGS:PCTY	895	974	8.2x	6.3x	NM	NM
TriNet Group	NYSE:TNET	2,255	1,780	1.1x	NA	14.2x	NA
Ultimate Software	NasdaqGS:ULTI	3,918	3,999	8.6x	7.0x	59.0x	28.8x
Workday	NYSE:WDAY	14,008	15,345	22.7x	15.0x	NM	NA
Median				8.2x	6.3x	57.6x	32.4x

Knowledge / Content Management

Adobe Systems	NasdaqGS:ADBE	32,496	34,508	7.9x	7.1x	45.7x	20.5x
Akamai	NasdaqGS:AKAM	10,493	10,654	6.0x	5.0x	17.0x	11.8x
Open Text	NasdaqGS:OTEX	7,641	6,749	4.7x	3.9x	17.1x	11.5x
Opower	NYSE:OPWR	781	930	7.2x	5.8x	NM	NM
Sabre	NasdaqGS:SABR	7,586	4,743	2.5x	2.4x	12.2x	8.1x
SDL	LSE:SDL	450	453	1.0x	NA	14.9x	NA
TrueCar	NasdaqGS:TRUE	1,268	1,380	7.4x	5.4x	NM	NM
Veeva	NYSE:VEEV	3,250	3,600	12.5x	9.6x	NM	36.8x
Median				6.6x	5.4x	17.0x	11.8x

2. Public Market Valuations

EMS / Infrastructure Software

(\$ in millions)		TEV	Market Cap	TEV/Revenue		TEV/EBITDA	
				LTM	NTM	LTM	NTM
Business Intelligence							
Actuate	NasdaqGS:BIRT	\$122	\$181	1.1x	1.3x	48.9x	NM
Covisint	NasdaqGS:COVS	114	157	1.2x	1.2x	NM	NA
Informatica	NasdaqGS:INFA	3,080	3,766	3.1x	2.8x	16.7x	10.8x
MicroStrategy	NasdaqGS:MSTR	1,111	1,479	1.9x	1.8x	37.1x	22.1x
Pegasystems	NasdaqGS:PEGA	1,242	1,458	2.2x	2.0x	15.5x	12.6x
Tableau	NYSE:DATA	4,364	4,991	14.2x	10.1x	NM	NM
Varonis Systems	NasdaqGS:VRNS	397	517	4.6x	3.6x	NM	NM
Verint Systems	NasdaqGS:VRNT	3,883	3,368	3.8x	3.3x	26.4x	12.5x
Median				2.6x	2.4x	26.4x	12.5x
Security Software							
Barracuda Networks	NYSE:CUDA	\$1,184	\$1,321	4.9x	4.2x	NM	14.1x
Check Point Software	NasdaqGS:CHKP	11,977	13,210	8.3x	7.8x	15.2x	13.5x
Cheetah Mobile	NYSE:CMCM	2,028	2,338	11.0x	5.2x	NM	26.4x
Cyber-Ark Software	NasdaqGS:CYBR	871	947	11.5x	NA	NM	NA
FireEye	NasdaqGS:FEYE	4,087	4,552	15.2x	7.7x	NM	NM
Imprivata Inc.	NYSE:IMPR	284	369	3.5x	NA	NM	NA
MobileIron	NasdaqGS:MOBL	690	845	6.0x	NA	NM	NA
NetQin Mobile	NYSE:NQ	271	372	1.4x	NA	NM	NA
Palo Alto Networks	NYSE:PANW	7,506	7,812	12.5x	9.2x	NM	61.8x
Qualys	NasdaqGS:QLYS	768	877	6.4x	5.3x	54.3x	28.3x
Qihoo 360 Technology	NYSE:QIHU	8,378	8,496	8.4x	5.0x	32.6x	16.0x
Symantec	NasdaqGS:SYMC	14,275	16,229	2.1x	2.1x	7.4x	6.2x
Trend Micro	TSE:4704	3,487	4,534	3.5x	NA	9.8x	NA
VASCO	NasdaqCM:VDSI	614	737	3.6x	3.4x	27.3x	17.0x
VeriSign	NasdaqGS:VRSN	6,714	6,891	6.8x	6.5x	11.0x	9.8x
Zix	NasdaqGS:ZIXI	177	203	3.6x	3.2x	15.2x	13.8x
Median				6.2x	5.2x	15.2x	15.0x
System and Network Management Software							
A10 Networks	NYSE:ATEN	433	545	2.5x	2.1x	NM	NM
CA Technologies	NasdaqGS:CA	11,084	12,435	2.5x	2.5x	7.8x	6.5x
Compuware	NasdaqGS:CPWR	2,076	2,336	2.9x	2.9x	24.3x	9.9x
Cyna	NYSE:CYNI	112	147	1.1x	0.9x	NM	NM
EMC	NYSE:EMC	58,739	59,359	2.5x	2.3x	11.4x	7.4x
Gigamon	NYSE:GIMO	200	335	1.3x	1.4x	NM	NM
Mavenir Systems	NYSE:MVNR	361	361	3.1x	2.6x	NM	NM
Netscout Systems	NasdaqGS:NTCT	1,702	1,880	4.0x	3.7x	16.4x	12.6x
Median				2.5x	2.4x	13.9x	8.7x
Integration / Middleware							
Citrix Systems	NasdaqGS:CTXS	\$12,190	\$11,733	4.0x	3.7x	16.8x	12.2x
Progress Software	NasdaqGS:PRGS	950	1,211	2.9x	2.8x	9.4x	7.7x
Rally Software	NYSE:RALY	226	303	2.8x	2.3x	NM	NM
TIBCO Software	NasdaqGS:TIBX	3,892	3,872	3.6x	3.6x	23.2x	17.7x
Median				3.3x	3.2x	16.8x	12.2x
Platform / OS							
Hewlett-Packard	NYSE:HPQ	\$71,949	\$66,197	0.6x	0.6x	5.5x	NA
IBM	NYSE:IBM	226,254	189,373	2.3x	2.3x	9.0x	8.0x
Microsoft Corp.	NasdaqGS:MSFT	320,273	381,999	3.7x	3.2x	10.0x	9.3x
Red Hat	NYSE:RHT	9,743	10,546	5.8x	5.2x	31.0x	19.4x
Median				3.0x	2.8x	9.5x	9.3x

2. Public Market Valuations

Financial Solutions & Services

(\$ in millions)		TEV	Market Cap	TEV/Revenue		TEV/EBITDA	
				LTM	NTM	LTM	NTM
Bank Processing							
Bottomline Technologies	NasdaqGS:EPAY	\$1,048	\$1,090	3.5x	3.1x	31.4x	13.9x
Fiserv	NasdaqGS:FISV	19,627	16,108	4.0x	NA	12.8x	11.5x
Heartland	NYSE:HPY	1,864	1,717	0.8x	2.6x	11.5x	9.9x
Jack Henry & Associates	NasdaqGS:JKHY	4,530	4,591	3.7x	3.5x	10.9x	10.1x
Q2 Holdings	NYSE:QTWO	387	479	5.9x	4.4x	NM	NM
Median				3.7x	3.3x	12.2x	10.8x
Capital Market Rating Services							
Moodys	NYSE:MCO	\$20,455	\$19,958	6.5x	6.0x	14.0x	13.1x
Morningstar	NasdaqGS:MORN	2,818	3,037	3.9x	3.6x	12.8x	12.2x
MSCI	NYSE:MSCI	5,383	5,268	5.0x	5.2x	12.1x	13.2x
Median				5.0x	5.2x	12.8x	13.1x
Consumer Rating Services							
Equifax	NYSE:EFX	\$10,601	\$9,102	4.5x	4.2x	12.7x	11.7x
Experian	LSE:EXPN	19,674	15,795	4.2x	NA	12.0x	NA
Fair Isaac	NYSE:FICO	2,208	1,771	2.9x	2.8x	11.2x	11.0x
Median				4.2x	3.5x	12.0x	11.3x
Payment Processing							
ACI Worldwide	NasdaqGS:ACIW	\$2,845	\$2,140	2.9x	2.6x	13.5x	9.6x
Cielo	BOVESPA:CIEL3	26,308	25,525	8.9x	NA	17.4x	NA
econtext Asia Limited	SEHK:1390	-12	176	NM	NA	NM	NA
Global Payments	NYSE:GPN	6,152	4,765	2.4x	2.2x	11.8x	10.2x
Medical Transcription Billing	NasdaqCM:MTBC	42	39	3.8x	NA	58.7x	NA
Total System Services	NYSE:TSS	6,988	5,749	2.9x	2.7x	12.5x	9.0x
Median				2.9x	2.6x	13.5x	9.6x
Insurance Solutions							
Corelogic	NYSE:CLGX	\$3,789	\$2,467	2.9x	2.7x	15.0x	9.7x
CorVel	NasdaqGS:CRVL	676	710	1.4x	1.3x	9.3x	NA
Ebix	NasdaqGS:EBIX	546	544	2.7x	2.6x	7.0x	6.5x
Innovation Group	LSE:TIG	465	558	1.4x	NA	13.0x	NA
Sapiens International	NasdaqCM:SPNS	302	347	2.1x	1.8x	17.8x	13.3x
Verisk	NasdaqGS:VRSK	10,989	10,137	6.6x	5.9x	14.6x	12.7x
Median				2.4x	2.6x	13.8x	11.2x
Investment Solutions							
Advent Software	NasdaqGS:ADVS	\$1,866	\$1,627	4.8x	4.5x	19.8x	14.7x
Amber Road	NYSE:AMBR	400	437	6.7x	5.9x	NM	NM
Thomson Reuters	TSX:TRI	36,791	29,330	3.0x	2.9x	15.2x	NA
Median				4.8x	4.5x	17.5x	14.7x

2. Public Market Valuations

Online & Digital Media Companies

(\$ in millions)

		TEV	Market Cap	TEV/Revenue		TEV/EBITDA	
				LTM	NTM	LTM	NTM
Digital Media & Advertising							
AdThink Media	ENXTPA:ALADM	\$16	\$19	0.4x	NA	4.2x	NA
Baidu	NasdaqGS:BI DU	72,874	76,514	11.4x	7.5x	29.6x	22.1x
Blinkx	AIM:BLNX	105	229	0.4x	0.4x	3.5x	NA
Brightcove	NasdaqGS:BCOV	160	180	1.3x	1.3x	NM	NM
Constant Contact	NasdaqGS:CTCT	721	861	2.3x	2.0x	21.3x	10.6x
Criteo	NasdaqGS:CRTO	1,678	1,992	2.2x	4.1x	28.9x	NA
Conversant	NasdaqGS:CNVR	2,176	2,195	3.7x	3.4x	11.0x	9.9x
Demand Media	NYSE:DMD	125	186	0.3x	0.6x	5.8x	3.2x
Google	NasdaqGS:GOOGL	344,271	394,259	5.3x	4.8x	17.7x	11.9x
IAC/Interactive	NasdaqGS:IACI	5,532	5,495	1.9x	1.7x	11.1x	9.5x
Marin Software	NYSE:MRIN	220	299	2.5x	2.0x	NM	NM
Netflix	NasdaqGS:NFLX	26,297	27,112	5.4x	4.2x	63.2x	39.8x
Perion Network	NasdaqGS:PERI	351	381	0.9x	1.0x	4.3x	3.1x
QuinStreet	NasdaqGS:QNST	139	184	0.5x	0.5x	12.4x	8.5x
Rightside	NasdaqGS:NAME	128	180	0.7x	0.7x	NM	NM
Rocket Fuel	NasdaqGS:FUEL	397	566	1.3x	0.8x	NM	NM
SINA Corp	NasdaqGS:SINA	1,484	2,719	2.0x	1.8x	17.0x	37.6x
The Rubicon Project	NYSE:RUBI	315	421	3.2x	2.4x	NM	NM
Tremor Video	NYSE:TRMR	35	119	0.2x	0.2x	NM	NM
TubeMogul	NasdaqGS:TUBE	332	342	3.9x	3.0x	NM	NM
Xunlei Limited	NasdaqGS:XNET	222	687	1.3x	1.1x	6.5x	3.8x
Yahoo	NasdaqGS:YHOO	39,002	40,530	8.4x	9.0x	21.9x	33.2x
Yandex	NasdaqGS:YNDX	8,755	8,837	6.6x	5.7x	17.3x	13.7x
Youku	NYSE:YOKU	2,098	3,732	3.8x	2.8x	34.6x	19.6x
YuMe	NYSE:YUME	102	163	0.6x	0.5x	80.6x	NM
Median				2.0x	1.9x	17.2x	11.3x
Online Retailers and Offers							
Amazon	NasdaqGS:AMZN	\$144,112	\$148,979	1.8x	1.5x	35.7x	20.3x
Blue Nile	NasdaqGS:NILE	299	338	0.7x	0.6x	18.3x	12.6x
Coupons.com	NYSE:COUP	730	928	3.7x	2.8x	NM	23.3x
Ebay	NasdaqGS:EBAY	68,242	70,290	4.0x	3.5x	13.7x	11.0x
Overstock	NasdaqGM:OSTK	303	405	0.2x	0.2x	16.4x	7.9x
Zulily	NasdaqGS:ZU	4,421	4,732	4.7x	3.0x	NM	NM
Median				2.7x	2.1x	17.4x	12.6x

2. Public Market Valuations

Online & Digital Media Companies (Continued)

		TEV		TEV/Revenue		TEV/EBITDA	
				LTM	NTM	LTM	NTM
<i>(\$ in millions)</i>							
Other Online Companies							
AOL	NYSE:AOL	\$3,648	\$3,536	1.5x	1.4x	8.3x	6.8x
Bankrate	NYSE:RATE	\$1,307	\$1,186	2.6x	2.3x	11.0x	8.6x
Bridgeline Digital	NasdaqCM:BLIN	19	14	0.8x	0.7x	NM	NM
Demandware	NYSE:DWRE	1,584	1,840	12.3x	9.1x	NM	NM
Digital River	NasdaqGS:DRIV	207	464	0.6x	0.5x	6.1x	3.8x
Endurance International	NasdaqGS:EIGI	3,185	2,102	5.6x	4.7x	39.5x	12.2x
Grubhub	NYSE:GRUB	2,535	2,742	12.5x	9.1x	NM	32.8x
Intershop	XTRA:ISH2	37	45	0.6x	0.6x	NM	NA
PFS Web	NasdaqCM:PFSW	169	182	0.9x	0.7x	31.2x	10.4x
Phoenix New Media	NYSE:FENG	468	691	1.9x	1.5x	9.7x	8.3x
Shutterstock	NYSE:SSTK	2,287	2,522	8.1x	6.2x	49.8x	30.8x
Web.com	NasdaqGS:WWWW	1,560	1,048	3.0x	2.6x	14.7x	9.0x
WebMD Health	NasdaqGS:WBMD	1,704	1,533	3.1x	2.8x	17.2x	10.1x
Wix	NasdaqGS:WIX	522	619	4.8x	3.2x	NM	NM
Yelp	NYSE:YELP	4,569	4,920	15.4x	10.1x	NM	49.4x
Zhaopin	NYSE:ZPIN	527	648	3.1x	2.6x	13.3x	10.7x
Median				3.0x	2.6x	14.0x	10.2x
Social Networking & Gaming							
Activision	NasdaqGS:ATVI	\$15,033	\$14,916	3.5x	3.1x	12.9x	9.1x
Electronic Arts	NasdaqGS:EA	9,402	11,132	2.4x	2.3x	25.7x	10.0x
Facebook	NasdaqGS:FB	191,878	205,508	19.2x	13.5x	35.4x	21.2x
iDreamSky Technology	NasdaqGS:DSKY	695	720	10.8x	3.4x	52.1x	14.9x
IGG	SEHK:8002	455	612	3.0x	NA	9.1x	NA
Jiayuan.com International	NasdaqGS:DATE	106	196	1.2x	1.0x	17.8x	10.8x
King Entertainment	NYSE:KING	3,228	4,061	1.3x	1.6x	3.7x	3.8x
Konami	TSE:9766	2,809	2,888	1.4x	1.3x	12.0x	9.0x
LinkedIn	NYSE:LNKD	23,178	25,539	12.5x	9.2x	NM	34.9x
MeetMe	NasdaqCM:MEET	87	88	2.0x	1.7x	NM	15.8x
Renren	NYSE:RENN	349	1,235	3.0x	3.7x	NM	NA
Taomee Holdings	NYSE:TAOM	50	154	1.0x	1.0x	11.3x	NM
Twitter	NYSE:TWTR	29,396	31,291	30.2x	16.8x	NM	NM
Ubisoft	ENXTPA:UBI	1,762	1,743	1.4x	NA	4.2x	NA
XING	XTRA:O1BC	522	594	4.6x	NA	21.8x	NA
Zynga	NasdaqGS:ZNGA	1,692	2,419	2.4x	2.2x	NM	18.7x
Median				2.7x	2.3x	12.9x	12.9x

2. Public Market Valuations

Business Services

(\$ in millions)

		TEV	Market Cap	TEV/Revenue		TEV/EBITDA	
				LTM	NTM	LTM	NTM
IT Integration & Consulting							
Accenture	NYSE:ACN	\$46,725	\$51,069	1.6x	1.5x	9.5x	9.1x
CIBER	NYSE:CBR	255	268	0.3x	0.3x	12.3x	7.1x
The Hackett Group	NasdaqGS:HCKT	195	176	1.0x	0.8x	11.1x	7.8x
iGATE	NasdaqGS:IGTE	3,053	2,163	2.5x	2.3x	11.1x	9.9x
Perficient	NasdaqGS:PRFT	580	516	1.5x	1.2x	11.1x	7.2x
Sapient	NasdaqGS:SAPE	1,698	1,984	1.3x	1.1x	9.7x	8.2x
Median				1.4x	1.2x	11.1x	8.0x

Education & Training

Blackbaud	NasdaqGS:SCHL	\$1,241	\$1,058	0.7x	0.7x	9.7x	8.7x
Cambium Learning Group	NasdaqCM:ABCD	206	68	1.4x	NA	10.4x	NA
Chegg	NYSE:CHGG	463	522	1.7x	1.3x	26.5x	NM
Houghton Mifflin	NasdaqGS:HMHC	2,783	2,731	2.0x	1.9x	20.0x	7.7x
K12 Inc.	NYSE:LRN	471	613	0.5x	0.5x	5.3x	3.9x
LeapFrog Enterprises	NYSE:LF	220	419	0.4x	0.4x	6.5x	8.0x
Scholastic	NasdaqGS:SCHL	1,241	1,058	0.7x	0.7x	9.7x	8.7x
Scientific Learning Corp.	OTCPK:SCIL	6	4	0.3x	NA	NM	NA
Pearson	LSE:PSON	19,832	16,304	2.5x	2.5x	14.9x	13.7x
Promethean World	LSE:PRW	86	100	0.4x	NA	NM	NA
Rosetta Stone	NYSE:RST	129	171	0.5x	0.4x	NM	5.1x
Median				0.7x	0.7x	10.0x	8.0x

IT Services

CACI International	NYSE:CACI	\$2,902	\$1,676	0.8x	0.8x	8.7x	9.1x
Luxoft Holdings	NYSE:LXFT	1196	1222	2.8x	2.3x	15.5x	12.7x
ManTech International	NasdaqGS:MANT	1,029	1,004	0.5x	0.5x	7.3x	7.8x
MAXIMUS	NYSE:MMS	2,507	2,688	1.5x	1.4x	9.3x	8.7x
Atos Origin	ENXTPA:ATO	8,265	8,309	0.8x	NA	7.2x	NA
Cap Gemini	ENXTPA:CAP	11,218	11,348	0.9x	NA	9.0x	NA
Cognizant Technology	NasdaqGS:CTSH	23,088	27,217	2.4x	2.2x	11.4x	10.5x
HCL Technologies	BSE:532281	18,065	19,431	3.5x	NA	13.2x	NA
Syntel	NasdaqGS:SYNT	3,049	3,677	3.5x	NA	10.4x	10.7x
Tata Consultancy Services	BSE:532540	83,398	86,632	6.0x	NA	19.6x	NA
Wipro	BSE:507685	21,081	23,610	2.9x	2.7x	12.7x	11.5x
Median				2.4x	1.8x	10.4x	10.5x

Call Center

Sykes Enterprises	NasdaqGS:SYKE	\$749	\$875	0.6x	0.6x	6.0x	5.7x
TeleTech Holdings	NasdaqGS:TTEC	1,225	1,209	1.0x	0.9x	7.8x	6.8x
Median				0.8x	0.8x	6.9x	6.2x

3. Public Market Universe

Application Software

CRM	Accounting/ERP	Retail Software	Knowledge/Content Management
salesforce.com LIVEPERSON cvent Five9 zendesk INTERACTIVE INTELLIGENCE Marketo	intuit Model N QAD ORACLE NETSUITE sage Textura SAP AMERICAN SOFTWARE	NCR BORDERFREE	SDU Veeva OPOWER KOFAX Sabre TRUECar OPENTEXT Akamai Adobe
Human Capital Management	Supply-Chain Management		
Concur Cornerstone ONDEMAND TriNet CALLIDUS CLOUD paycom Ultimate SOFTWARE workday CASTLIGHT HEALTH paylocity BENEFITFOCUS	aspentech DESCARTES Fleetmatics basware ClickSoftware DASSAULT SYSTEMES Manhattan Associates Mx PTC sciQuest Materialise <p>innovators you can count on</p>		

EMS / Infrastructure Software

Business Intelligence	Security Software	System & Network Development Software	
ACTUATE Pega INFORMATICA VARONIS MicroStrategy VERINT +tableau covisint	Check Point SOFTWARE TECHNOLOGIES LTD. VASCO impervata VeriSign NetQin OUALYS zixcorp. TREND MICRO MobileIron Symantec 360 Cheetah Mobile FireEye Barracuda CYBERARK paloalto NETWORKS	Compuware NETSCOUT Gigamon QUEST SOFTWARE EMC ² ca technologies AVENIR SYSTEMS CYAN AIB Networks	
Integration/Middleware	Platform/OS		
TIBCO PROGRESS software CITRIX RALLY SOFTWARE	redhat IBM Microsoft hp		

Financial Solutions & Services

Bank Processing	Capital Market Rating Services	Consumer Rating Services	Payment Processing
fiserv. Bottomline Technologies Heartland FINANCIAL USA, INC. Q2 jack henry & ASSOCIATES INC.	MOODY'S MSCI MORNINGSTAR	Experian EQUIFAX FairIsaac.	globalpayments TSYS ACI cielo econtext ASIA MTBC <p>A Unique Healthcare IT Company</p>
Insurance Solutions	Investment Solutions		
SAPIENS <p>Experience Insurance Innovation</p> verisk Analytics innovation group EBIX CoreLogic CORVEL	THOMSON REUTERS Amber Road <p>POWERING GLOBAL TRADE</p> ADVENT		

3. Public Market Universe

Online & Digital Media

Digital Media & Advertising



Social Networking & Gaming



Online Retail and Offers



Other Online Companies



Business Services

IT Integration & Consulting



Education & Training



Call Center



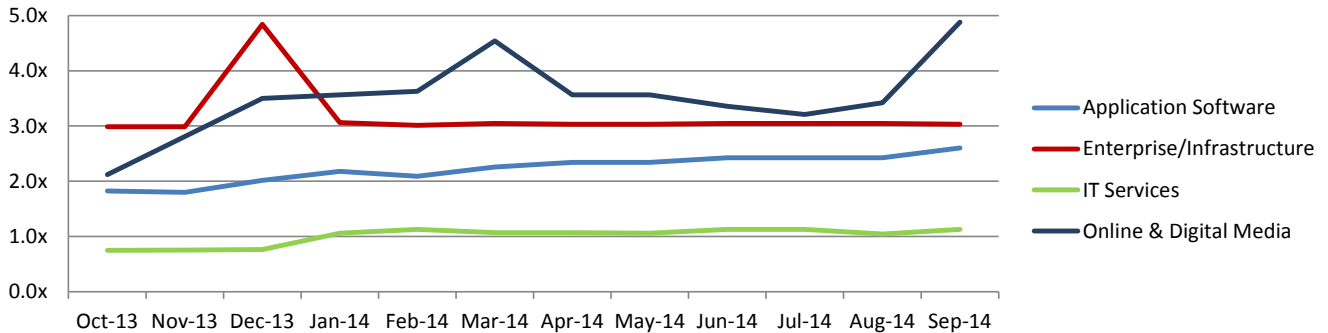
IT Services



4. M&A Transactions

Trailing 12 Month Moving Median EV/Revenue Multiple

	Period Ending											
	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
<i>Application Software</i>	1.8x	1.8x	2.0x	2.2x	2.1x	2.3x	2.3x	2.3x	2.4x	2.4x	2.4x	2.6x
<i>Enterprise/Infrastructure</i>	3.0x	3.0x	4.8x	3.1x	3.0x	3.0x	3.0x	3.0x	3.0x	3.0x	3.0x	3.0x
<i>IT Services</i>	0.7x	0.8x	0.8x	1.1x	1.1x	1.1x	1.1x	1.1x	1.1x	1.1x	1.0x	1.1x
<i>Online & Digital Media</i>	2.1x	2.8x	3.5x	3.6x	3.6x	4.5x	3.6x	3.6x	3.4x	3.2x	3.4x	4.9x



Visible Interest in Digital Marketing Service and Technology Providers: Throughout September, strategic and financial buyers were active in acquiring technology and service providers in the digital advertising and marketing sector.

The largest of these transactions occurred when **Conversant, Inc. (NasdaqGS:CNVR)**, a personalized digital and affiliate marketing company, was acquired by **Alliance Data Systems Corporation (NYSE:ADS)**, a leading operator of loyalty programs and private-label credit cards for retailers. The transaction values Conversant at \$2.4 billion, approximately 4.0x revenue and 12.0x EBITDA. Conversant's business complements the core focus of Alliance, and the acquisition is expected to enrich the existing data set of Alliance's Epsilon business unit, enabling more effective targeted marketing.

Earlier in the month, **Nurun Inc.**, a service firm specializing in digital innovation, design and technology, was acquired by global advertising giant **Publicis Groupe SA (ENXTPA:PUB)**. The transaction values Nurun at an enterprise value of \$114.4 million, or 0.9x revenue. This deal enables Publicis to leverage the digital design expertise of Nurun to further expand its stable of talent and client capabilities, as well as strengthen its global digital presence.

Also in September, **Millennial Media Inc. (NYSE:MM)**, an independent mobile ad platform company, acquired **Nexage Inc.**, a provider of Real-Time-Bidding (RTB) technology that automates the buying and selling of mobile advertising. The transaction values Nexage at an impressive 14.4x revenue and an enterprise value of \$88.0 million. The deal was motivated by Millennial's desire to further strengthen its position in mobile advertising.

Other transactions occurring during September include: **ZIGExN Co., Ltd. (TSE:3679)** acquiring **Rejob Co.,Ltd.** for \$18.1 million; **VML, Inc.** acquiring **Teen.com**; **Givex Corporation** acquiring **Marqui Inc**; **EASI** acquiring **Appsolution S.A**; **iMobile3, LLC** acquiring **2nd Floor Marketing LLC**; **Kenshoo, Ltd.** acquiring **Adquant Ltd**; and **Yandex N.V. (NasdaqGS:YNDX)** acquiring **ADFOX**.

Might the demand for digital advertising and marketing targets remain strong in the coming months?

4. M&A Transactions

Application Software

Date Announced	Period	Target	Buyer	Enterprise Value	EV/Revenue
Sep-14	Q3'2014	ISV Software	Dillistone Group	\$5.7	4.7x
Sep-14	Q3'2014	TIBCO Software	Vista Equity Partners	4,001.4	3.7x
Sep-14	Q3'2014	Epiq Systems	P2 Capital Partners	1,003.4	2.2x
Sep-14	Q3'2014	McGraw-Hill Construction	Symphony Technology	320.0	1.9x
Sep-14	Q3'2014	PAI Group	Sage Group	157.8	4.1x
Sep-14	Q3'2014	Bookpad Techsoft India	Yahoo!	8.2	50.0x
Sep-14	Q3'2014	Concur Technologies	SAP America	7,651.6	11.5x
Sep-14	Q3'2014	Mobilethink	Spirent Communications	20.0	2.4x
Sep-14	Q3'2014	Conversant	Alliance Data Systems	2,365.3	4.0x
Sep-14	Q3'2014	XRS Corporation	Omnitracs	177.5	3.4x
Sep-14	Q3'2014	SOFTPRO	Kofax Limited	34.7	2.6x
Sep-14	Q3'2014	Image Integration Systems	Tungsten Network	7.0	2.1x
Aug-14	Q3'2014	InterInbox and ERNEPH 2012A and ERNEPH 2012B and Quattro Hosting	SMTP	5.8	1.5x
Aug-14	Q3'2014	[x+1], Inc.	Rocket Fuel	236.0	3.3x
Aug-14	Q3'2014	Jinny Software	Enghouse Systems Limited	17.7	0.8x
Jul-14	Q3'2014	Exact Software	Sage Software	28.2	1.6x
Jul-14	Q3'2014	Open Roads Consulting	Q-Free	550.6	1.0x
Jul-14	Q3'2014	Aegis Business Group	Teleperformance	104.5	1.5x
Jul-14	Q3'2014	New Vision Baltija	PSI Group	1,119.4	0.6x
Jun-14	Q2'2014	Cegedim SA	IMS Health Holdings	523.2	0.9x
Jun-14	Q2'2014	MICROS Systems Inc.	Oracle Corporation	4,604.1	3.4x
Jun-14	Q2'2014	ReadSoft AB	Hyland Software UK Ltd.	183.9	1.6x
Jun-14	Q2'2014	AtegoTM	PTC Inc.	50.0	2.5x
Jun-14	Q2'2014	OpenTable Inc.	The Priceline Group Inc.	2,495.5	12.6x
Jun-14	Q2'2014	MPayMe Limited	Powa Technologies Limited	75.0	2.5x
Jun-14	Q2'2014	ViryaNet Ltd.	VERISAE Inc.	18.7	1.69x
Jun-14	Q2'2014	UNUM Tecnologia e Consultoria em Informática Ltd	Bematech SA	17.7	4.0x
Jun-14	Q2'2014	Human Edge Software Corporation	Tribal Group plc	14.1	2.1x
May-14	Q2'2014	Check	Intuit	360.0	24.0x
May-14	Q2'2014	Update Software	Aurea Software	34.5	0.7x
May-14	Q2'2014	Perfect Information	Mergermarket	43.7	4.3x
May-14	Q2'2014	Rezende Sistemas & Net4Biz Web	Linx Sistemas E Consultoria	22.6	2.8x
May-14	Q2'2014	Datasys	Tracsis Plc	7.6	2.0x
May-14	Q2'2014	Pittsburgh Glass Works, Insurance and Services Division	Claims Services Group	280.0	4.8x
May-14	Q2'2014	ReadSoft AB	Lexmark International Technology S.A.	175.0	1.5x
May-14	Q2'2014	Uptivity	inContact	50.2	2.6x
May-14	Q2'2014	PNI Digital Media	Staples	61.6	2.9x
Apr-14	Q2'2014	Omnilink Systems	Numerex	37.5	2.9x
Apr-14	Q2'2014	24 ORE Software	TeamSystem	143.0	1.7x
Apr-14	Q2'2014	E-Learning	John Wiley & Sons	175.0	4.7x
Apr-14	Q2'2014	Vocus	GTCR	441.7	2.4x
Apr-14	Q2'2014	i:FAO	Amadeus Corporate Business	98.0	5.0x
Apr-14	Q2'2014	Profiles International	John Wiley & Sons	51.0	1.9x
Mar-14	Q1'2014	KnowledgePath Solutions	Digital Management	22.0	1.5x
Mar-14	Q1'2014	Pebble Beach Systems	Vislink	24.7	2.6x
Mar-14	Q1'2014	X2O Media	Barco	18.8	4.2x
Mar-14	Q1'2014	Techno Vision	RCG Holdings	9.4	14.4x

4. M&A Transactions

Application Software (Continued)

Date Announced	Period	Target	Buyer	Enterprise Value	EV/Revenue
Mar-14	Q1'2014	Sample Digital Holdings	Prime Focus Technologies	12.5	3.0x
Feb-14	Q1'2014	Transics International	WABCO Europe	122.3	1.8x
Feb-14	Q1'2014	AutoNavi Holdings	Alibaba Group Holding	1,167.7	7.4x
Feb-14	Q1'2014	Compass Computer Consultants	Advanced Computer Software Group	19.4	2.1x
Jan-14	Q1'2014	Accelrys	Dassault Systemes	592.4	3.6x
Jan-14	Q1'2014	Scout Analytics	ServiceSource International	32.5	6.0x
Jan-14	Q1'2014	Pilat Media Global (77.3% Stake)	SintecMedia; Sintec Media Software	76.5	1.8x
Jan-14	Q1'2014	Quest Solution	Amerigo Energy	16.0	0.5x
Dec-13	Q4'2013	Digital Insight	NCR	1,650.0	5.0x
Dec-13	Q4'2013	Responsys	Oracle	1,589.2	8.2x
Dec-13	Q4'2013	Total Specific Solutions	Constellation Software	330.3	1.4x
Dec-13	Q4'2013	Realtime Technology (84% Stake)	Dassault Systemes	263.3	2.3x
Dec-13	Q4'2013	Trunkbow Intl. Holdings (56.1% Stake)	Management Buyout	69.5	2.6x
Dec-13	Q4'2013	Eshbel Technologies	Fortissimo Capital	55.1	3.2x
Dec-13	Q4'2013	QUMAS	Accelrys Software	47.8	2.5x
Dec-13	Q4'2013	Siriusware	accesso Technology Group	12.9	1.6x
Dec-13	Q4'2013	Geoplan	Ubisense Group	5.6	0.6x
Nov-13	Q4'2013	Unit 4	Advent International	1,709.1	2.6x
Nov-13	Q4'2013	Delcam	Autodesk Development	245.7	3.1x
Nov-13	Q4'2013	Optima Service Solutions	3PD	26.6	0.7x
Nov-13	Q4'2013	COR&FJA Banking Solutions	Sopra Banking Software	17.5	0.6x
Nov-13	Q4'2013	Alnet Transaction Systems	Utiba Mobility	10.1	8.3x
Nov-13	Q4'2013	Ionics Informatica e Automacao., Certain Assets	Linx Sistemas E Consultoria	5.2	2.2x
Nov-13	Q4'2013	Pentana Limited	Ideagen	4.9	1.3x
Oct-13	Q4'2013	Procurian	Accenture	375.0	2.7x
Sep-13	Q3'2013	The Active Network	Vista Equity	800.3	1.8x
Sep-13	Q3'2013	Knowledge Center	Charles Taylor	11.1	2.6x
Sep-13	Q3'2013	Lifestyle Services Group	Assurant	166.8	0.9x
Sep-13	Q3'2013	CombineNet	SciQuest	43.1	3.6x
Aug-13	Q3'2013	Qianlong Technology Intl (65.5% Stake)	Parko (Hong Kong) Limited	39.2	2.4x
Aug-13	Q3'2013	WISEMAN Co.	Management Buyout	59.9	0.8x
Aug-13	Q3'2013	Avelo FS Holdings Limited	IRESS Limited	320.4	3.8x
Jul-13	Q3'2013	Portalify	Sepura	\$9.3	7.0x
Jul-13	Q3'2013	Harland Financial Solutions	Davis + Henderson Corporation	1,200.0	4.7x
Jul-13	Q3'2013	RMS Software	Totvs Nordeste Software	18.9	2.2x
Jul-13	Q3'2013	Triple Point Technology	Ion Investment Group	900.0	4.5x
Jul-13	Q3'2013	Active Risk Group	Sword Group	12.9	1.0x
Jul-13	Q3'2013	Macro Kiosk Berhad (70.0% Stake)	Management Buyout	13.1	0.4x
Jul-13	Q3'2013	Joint Collaboration	Addnode Group	31.3	1.6x
Jul-13	Q3'2013	Mayrise	Yotta	9.1	3.1x
Jul-13	Q3'2013	ATLAS Interactive Deutschland	InternetQ	7.6	0.3x
Jul-13	Q3'2013	Intuit Financial Services	Thoma Bravo	1,025.0	3.4x

4. M&A Transactions

EMS / Infrastructure Software

Date Announced	Period	Target	Buyer	Enterprise Value	EV/Revenue
Sep-14	Q3'2014	The Attachmate Group	Micro Focus	\$2,302.4	2.5x
Sep-14	Q3'2014	Location Labs	AVG Technologies	233.0	8.5x
Sep-14	Q3'2014	Compuware	Thoma Bravo	2,090.9	2.9x
Jul-14	Q3'2014	GlobalCollect	Ingenico	8.5	2.7x
Jul-14	Q3'2014	Meritus Payment Solutions	Optimal Payments	6.8	2.8x
Jun-14	Q2'2014	Castel Intelligent	Beijing Jiaxun Feihong Electrical Co.	33.4	2.5x
May-14	Q2'2014	Mercury Payment Systems	NPC Group	1,650.0	7.0x
Apr-14	Q2'2014	Systar (65.7% Stake)	Axway Software S.A. (ENXTPA:AXW)	72.0	2.7x
Mar-14	Q1'2014	Blanco	Regeneris Plc (AIM:RGS)	82.7	4.9x
Mar-14	Q1'2014	VaultLogix, LLC	InterCloud Systems, Inc. (NasdaqCM:ICLD)	44.0	3.7x
Feb-14	Q1'2014	Cryptzone Group	Medina Capital	12.3	2.9x
Feb-14	Q1'2014	Shenick Network Systems	Aeroflex Holding	28.5	3.0x
Jan-14	Q1'2014	RJ Participacoes (60.0% Stake)	Bematech	11.7	3.1x
Nov-13	Q4'2013	Comunica Holdings	Coms PLC	15.3	0.3x
Oct-13	Q4'2013	Confio Software	SolarWinds Worldwide	103.0	6.7x
Jul-13	Q3'2013	Kapow Software	Kofax	47.5	3.0x
Jul-13	Q3'2013	Sourcefire	Cisco Systems	2,266.1	9.2x
Jun-13	Q2'2013	ICT Automatisering (79.6% Stake)	DPA Group	46.3	0.4x
May-13	Q2'2013	BMC Software	Insight Venture Partners; GIC Special	6,866.4	3.1x
May-13	Q2'2013	Stonesoft Oyj	McAfee	376.2	7.0x
Apr-13	Q2'2013	Revera Limited	Telecom Corporation of New Zealand	82.7	1.9x
Apr-13	Q2'2013	Arkoon Network Security (83.9% Stake)	Cassidian SAS	19.9	1.4x
Feb-13	Q1'2013	Webscreen Systems	Juniper Networks	9.9	7.0x
Dec-12	Q4'2012	Servage (63.9% Stake)	Getupdated Internet Marketing	5.9	1.1x
Dec-12	Q4'2012	Peer 1 Network Enterprises	Cogeco Cable	599.7	4.2x
Dec-12	Q4'2012	Compuware (93.7% Stake)	Elliott Management	2,341.4	2.4x
Nov-12	Q4'2012	eleven	CommTouch Software	11.3	1.4x
Oct-12	Q4'2012	Versant	The Louisiana Buyout Fund	11.2	0.7x
Oct-12	Q4'2012	OPNET Technologies	Riverbed Technology	899.2	5.0x
Aug-12	Q3'2012	UC4 Software	EQT Partners	271.6	3.6x
Aug-12	Q3'2012	Adepra	Fair Isaac	115.0	3.1x
Aug-12	Q3'2012	Pervasive Software	Actian Corporation	96.7	2.0x
Jun-12	Q2'2012	Quest Software	Dell	2,237.1	2.5x
May-12	Q2'2012	Ariba	SAP America	4,411.4	8.8x
Apr-12	Q2'2012	eLINA Webservices	Adapt Services	20.7	1.3x
Apr-12	Q2'2012	Chengdu Sicent Technology	Hanzhou ICafe Technology	12.7	1.6x
Mar-12	Q1'2012	Tectia (54.4% Stake)	Clasual Computing Oy	17.6	1.6x
Jan-12	Q1'2012	InfoVista (32.7% Stake)	Thoma Bravo	71.6	1.2x

4. M&A Transactions

IT Services

Date Announced	Period	Target	Buyer	Enterprise Value	EV/Revenue
Sep-14	Q3'2014	Rejob	ZIGExN	\$18.1	2.2x
Sep-14	Q3'2014	Datatech	Atea	4.7	0.8x
Sep-14	Q3'2014	DigitalHongKong.com	Hotex Holdings	30.6	62.4x
Sep-14	Q3'2014	Nurun	Publicis Groupe	114.4	0.9x
Aug-14	Q3'2014	Royal Imtech, ICT Division	VINCI Energies	336.0	0.3x
Aug-14	Q3'2014	PCGI Consulting Services and Paradigm Consulting Group	SOMOS Consulting Group	14.4	0.7x
Aug-14	Q3'2014	Grupo Sonitel	Cable & Wireless Panama	41.0	0.5x
Aug-14	Q3'2014	Yuanjiang Information Technology	Heilongjiang Tianlun Real Estate Development	89.4	5.3x
Aug-14	Q3'2014	Oakton	Dimension Data Australia Pty	156.3	1.0x
Aug-14	Q3'2014	Kryptos Networks Pvt (80% Stake)	Inmeta Crayon ASA	4.9	0.7x
Aug-14	Q3'2014	Synergy Marketing	Yahoo Japan Corporation	66.2	1.7x
Aug-14	Q3'2014	Connectis AG and Softix AG	SPIE SA	52.8	0.4x
Jul-14	Q3'2014	Exxelnet Solutions	RapidCloud International	490.0	1.2x
Jul-14	Q3'2014	HJ Offshore Service	Recomm	336.7	1.2x
Jul-14	Q3'2014	eGistics	Top Image Systems	22.0	1.7x
Jul-14	Q3'2014	Global Merchant Advisors	Optimal Payments	19.6	1.8x
Jun-14	Q2'2014	Montal Holdings Limited	Castleton Technology plc	6.50	0.7x
Jun-14	Q2'2014	Ness Technologies Israel Ltd.	Hilan Ltd.	32.0	0.2x
Jun-14	Q2'2014	Pulsant Limited	Oak Hill Capital Partners	333.8	4.5x
May-14	Q2'2014	Business Connexion Group	Telkom SA SOC	273.6	0.5x
May-14	Q2'2014	G. Fleischhauer Ingenieur-Büro	SPIE GmbH	32.4	0.5x
May-14	Q2'2014	Trifecta Technologies	Perficient	13.7	1.7x
Apr-14	Q2'2014	I-Cubed	KPIT Technologies	24.2	2.4x
Apr-14	Q2'2014	Groupe Steria	Sopra Group	1,272.8	0.5x
Mar-14	Q1'2014	Groupe Telindus France S.A.	Vivendi Société Anonyme	130.6	0.4x
Mar-14	Q1'2014	Cybertrust Japan Co.,Ltd.	Softbank Technology Corp. (TSE:4726)	19.6	1.2x
Mar-14	Q1'2014	CTIS Tecnologia S/A	Sonda S.A. (SNSE:SONDA)	206.0	0.6x
Feb-14	Q1'2014	MHT	Engineering Ingegneria Informatica	8.1	0.6x
Jan-14	Q1'2014	ControlCircle Limited	Alternative Networks	65.4	1.9x
Jan-14	Q1'2014	Intercept IT Limited	Alternative Networks	21.3	1.3x
Jan-14	Q1'2014	Stream Global Services, Inc.	Convergys Corporation	820.0	0.8x
Dec-13	Q4'2013	Context Information Security Limited	Babcock International Group	52.0	3.2x
Dec-13	Q4'2013	Denara Holdings Limited	Nasstar	21.1	2.3x
Dec-13	Q4'2013	GMO Solution Partner	GMO AD Partners	17.5	0.6x
Dec-13	Q4'2013	Solidsoft	Reply S.p.A.	10.1	0.6x
Dec-13	Q4'2013	Enabling Holding ApS	Innofactor A/S	5.0	1.1x
Nov-13	Q4'2013	GXS Group	Open Text	1,165.0	2.4x
Nov-13	Q4'2013	InTechnology Managed Services	Redcentric	104.7	1.6x
Nov-13	Q4'2013	Catapult Systems	CSI Innovations	41.0	0.7x
Nov-13	Q4'2013	Bluemile	Wideopenwest Networks	20.0	2.3x
Nov-13	Q4'2013	Seventeen Tecnologia da Informacao Em Informatica	TOTVS	7.9	1.4x
Oct-13	Q4'2013	RagingWire	NTT Communications	437.5	5.2x
Oct-13	Q4'2013	Join and Share (51.0% Stake)	Beijing PST Service	36.2	5.7x
Oct-13	Q4'2013	Pironet NDH (72.6% Stake)	Cancom	62.7	1.1x
Oct-13	Q4'2013	Backup Technology	iomart Group	37.3	4.4x
Sep-13	Q3'2013	Official Payments Holdings	ACI Worldwide	107.9	0.8x
Sep-13	Q3'2013	Time Engineering (55.5% Stake)	Censof Holdings Berhad	47.6	1.1x
Sep-13	Q3'2013	IBM, Global Customer Care BPO Business	Concentrix	505.0	0.4x
Sep-13	Q3'2013	Application Services	Matchtech Group	7.8	0.3x

4. M&A Transactions

IT Services (Continued)

Date Announced	Period	Target	Buyer	Enterprise Value	EV/Revenue
Sep-13	Q3'2013	e-vita	Acando	5.4	0.6x
Aug-13	Q3'2013	prisma GmbH (51.0% Stake)	Prisma Global Limited	10.2	1.6x
Jun-13	Q2'2013	Aedian (65.6% Stake)	Aubay	13.0	0.3x
Jun-13	Q2'2013	Veramark Technologies	Hubs spoke Holdings	11.7	0.7x
Jun-13	Q2'2013	iSoftStone Holdings (90.6% Stake)	ChinaAMC Capital Management	298.6	0.8x
May-13	Q2'2013	Lender Processing Services	ServiceLink	3,849.7	1.9x
May-13	Q2'2013	Branded3 Search Limited Company	St Ives plc	38.3	6.1x
May-13	Q2'2013	Civica	OMERS Private Equity	607.8	1.9x
May-13	Q2'2013	AccessKenya Group Limited	Dimension Data Holdings plc	43.6	1.9x
May-13	Q2'2013	TriTek Solutions	Perficient	18.5	1.0x
Apr-13	Q2'2013	Touch Solutions, Inc. (70.0% Stake)	Undisclosed	7.3	4.1x
Apr-13	Q2'2013	Radiant Communications Corp.	Frontier Networks Inc.	8.0	0.3x
Apr-13	Q2'2013	Osiatis SA (61.02% Stake)	Econocom Group	188.7	0.5x
Apr-13	Q2'2013	BLACKIRON Data ULC	Rogers Business Solutions, Inc.	194.9	6.0x
Apr-13	Q2'2013	Alti SA	Tata Consultancy Services Limited	97.5	0.6x
Apr-13	Q2'2013	Exis Inversiones En Consultoria Informatica Y Tecnologia (95.28% Stake)	Altia Consultores, S.A.	5.3	0.3x
Mar-13	Q1'2013	Nebula	Ratos	106.2	3.4x
Mar-13	Q1'2013	CSC Digital Brand Services	Corporation Service Company	157.3	2.8x
Mar-13	Q1'2013	Morse Spain & Morse Computer Group Limited & 2e2 Guernsey Limited	Logicalis Group	31.0	0.2x
Feb-13	Q1'2013	Sigma AB (51.32% Stake)	Danir	103.6	0.5x
Feb-13	Q1'2013	Complex Consultoria em Informatica (51.0% Stake)	Satyam Computer Services	29.3	0.6x
Feb-13	Q1'2013	Northgate Managed Services	Capita	100.8	0.5x
Feb-13	Q1'2013	IDC Technologies	Staffing 360 Solutions	13.4	0.3x
Jan-13	Q1'2013	Online Resources Corp	ACI Worldwide	110.2	0.7x
Jan-13	Q1'2013	Ogone BVBA/SPRL	Ingenico	485.1	8.6x
Jan-13	Q1'2013	Panasonic AVC Technology (66.6% Stake)	Tempstaff Co., Ltd.	15.3	0.4x
Jan-13	Q1'2013	Panasonic AVC Multimedia	Tempstaff Co., Ltd.	13.0	0.4x
Dec-12	Q4'2012	Vixus	Vinculum Japan	12.8	0.1x
Dec-12	Q4'2012	Raber+Marcker (80.0% Stake)	Konica Minolta Business Solutions	45.5	0.6x
Nov-12	Q4'2012	AR Enterprise	Kedrios	36.4	1.9x
Nov-12	Q4'2012	Academica Oy	Telecity Group	35.8	1.9x
Oct-12	Q4'2012	Power Technology	Systemsoft	\$32.7	1.4x
Oct-12	Q4'2012	Litle & Co.	NPC Group; Vantiv	361.0	1.3x
Oct-12	Q4'2012	Epsilon AB	ÅF AB	432.4	1.4x
Oct-12	Q4'2012	ASG Group	Undisclosed Buyer	220.8	1.4x
Oct-12	Q4'2012	T-Chek Systems	Electronic Funds Source	302.5	6.1x
Sep-12	Q3'2012	General Services	Aeon Delight	8.6	2.1x
Sep-12	Q3'2012	LML Payment Systems	Digital River	71.6	2.1x
Sep-12	Q3'2012	Centralny Osrodek Informatyki Górnictwa	WASKO Spółka Akcyjna	25.7	1.5x
Sep-12	Q3'2012	Centrum Informatyki ZETO	Asseco Poland	11.8	0.5x
Sep-12	Q3'2012	Quintica	Quindell Portfolio	7.4	0.9x
Sep-12	Q3'2012	Maxima Holdings	Redstone	18.9	0.4x
Sep-12	Q3'2012	Poole & Associates	The KEYW Holding Corporation	125.8	2.9x
Sep-12	Q3'2012	Beijing Chuanglian Zhongren Technical Service Company	China Oriental Culture Group	51.5	22.8x

4. M&A Transactions

Online & Digital Media

Date Announced	Period	Target	Buyer	Enterprise Value	EV/Revenue
Sep-14	Q3'2014	Move, Inc.	News Corporation	\$913.5	3.9x
Sep-14	Q3'2014	Nexage	Millennial Media	88.0	14.4x
Sep-14	Q3'2014	Mojang	Microsoft	2500.0	7.7x
Sep-14	Q3'2014	Ebates Performance Marketing	Rakuten	1000.0	6.0x
Sep-14	Q3'2014	Shanghai Baoku Network	Zhangjiagang Chemical Machinery	169.1	2.5x
Aug-14	Q3'2014	Shanghai Douwan Network Tech	Song Liao Automotive	232.0	17.3x
Jul-14	Q3'2014	NQ Mobile	Bison Capital	12.5	2.5x
Jul-14	Q3'2014	MediaMiser	2426818 Ontario	14.0	2.4x
Jul-14	Q3'2014	Ozura Firstlogix	Wintoni Group	11.5	2.5x
Jun-14	Q2'2014	39.net	Longmaster Information & Technology Co.	104.4	6.1x
Jun-14	Q2'2014	Limelight Networks Inc.	Tuition Build Inc.	548.1	3.25x
May-14	Q2'2014	Preloaded	Learning Technologies Group plc	7.0	2.3x
May-14	Q2'2014	Plaor	CrowdGather	5.0	20.6x
Apr-14	Q2'2014	TodayIR.com	EQS Group	6.2	3.2x
Apr-14	Q2'2014	sociomantic labs	Dunnhumby Limited	205.7	2.0x
Apr-14	Q2'2014	Ensogo Holdings	iBuy Group	18.7	0.4x
Mar-14	Q1'2014	.CO Internet	NeuStar	109.0	5.2x
Dec-13	Q4'2013	Stayz Pty	HomeAway	194.8	8.5x
Dec-13	Q4'2013	DEALGURU	iBuy Group	34.3	4.9x
Dec-13	Q4'2013	Buy Together Hong Kong	iBuy Group	21.0	0.6x
Nov-13	Q4'2013	Giant Interactive Group	Baring Private Equity	2,319.7	6.1x
Nov-13	Q4'2013	Emediate	cXense	10.0	1.7x
Nov-13	Q4'2013	MediaSite	Sonic Foundry	7.8	1.0x
Oct-13	Q4'2013	Wirtualna Polska	Grupa	123.7	2.1x
Oct-13	Q4'2013	Shang Game Co. (70.0% Stake)	Oupalm Co.	190.7	164.5x
Oct-13	Q4'2013	Supercell (51.0% Stake)	SoftBank / GungHo Online Entertainment	3,000.0	29.0x
Sep-13	Q3'2013	Facilitate Digital Holdings	Adslot	13.8	3.6x
Sep-13	Q3'2013	Compricer	Schibsted Tillväxtmedier	20.5	1.9x
Aug-13	Q3'2013	Arsys Internet	1&1 Internet	186.8	3.5x
Aug-13	Q3'2013	myphotobook	Elanders	13.9	1.0x
Jul-13	Q3'2013	EK3 Technologies	Cineplex	113.1	4.5x
Jun-13	Q2'2013	ExactTarget	Salesforce.com	2,249.6	7.1x
Jun-13	Q2'2013	Society6	Demand Media	94.3	6.3x
May-13	Q2'2013	Market Leader	Trulia	314.3	6.6x
Apr-13	Q2'2013	Mascus Danmark A/S	Mascus International B.V.	14.5	2.2x
Apr-13	Q2'2013	LiveMocha, Inc.	Rosetta Stone Ltd.	8.5	2.4x
Mar-13	Q1'2013	GamNED	LeadMedia Group Société Anonyme	6.6	2.1x
Feb-13	Q1'2013	China.com (74.17% Stake)	Individual Investor	26.5	1.5x
Jan-13	Q1'2013	Media Whiz	Matomy Media Group	10.0	0.1x
Nov-12	Q4'2012	SweetIM Technologies	Perion Network	40.5	1.4x
Nov-12	Q4'2012	Aetas	DIGITAL Hearts	9.7	1.8x
Oct-12	Q4'2012	XING AG (61.11% Stake)	Burda Digital GmbH	280.7	3.2x
Oct-12	Q4'2012	PriceGrabber.com, Classes USA, and	Management Buyout	110.0	0.4x
Oct-12	Q4'2012	Ancestry.com	Private Equity Firms	1,544.4	3.4x
Oct-12	Q4'2012	Neowiz Internet Corporation	NEOWIZ Games Corporation	158.5	3.5x
Sep-12	Q3'2012	Geeknet	eFinancialCareers/Dice Career Solutions	20.0	1.0x
Aug-12	Q3'2012	About.com	IAC Search & Media	300.0	2.7x
Jul-12	Q3'2012	AGL SAS	Cupid	4.5	0.6x
Jul-12	Q3'2012	Rent Mine Online	RealPage	9.5	6.3x

4. M&A Transactions

Online & Digital Media (Continued)

Date Announced	Period	Target	Buyer	Enterprise Value	EV/Revenue
Jul-12	Q3'2012	Press Index (87.8% Stake)	The Kantar Group	10.9	0.5x
Jun-12	Q2'2012	Mackolik Internet (51.0% Stake)	Perform Group	44.3	12.1x
Jun-12	Q2'2012	E-consultancy.com	Centaur Communications	77.8	7.6x
Jun-12	Q2'2012	e-tabinet.com (66.7% Stake)	Fisco	10.7	15.4x
Jun-12	Q2'2012	MoneySavingExpert.com	Moneysupermarket.com Group	134.6	5.6x
Jun-12	Q2'2012	AKQA	WPP	540.0	2.9x
Jun-12	Q2'2012	Emakina.CH	Emakina Group	2.0	0.4x
May-12	Q2'2012	LeGuide.com	Lagardere Active	76.5	2.1x
Apr-12	Q2'2012	Hangzhou Bianfeng Network Technology	Zhejiang Daily Media Group	498.1	7.9x
Mar-12	Q1'2012	Tudou Holdings Ltd.	Youku	1,006.5	12.4x
Mar-12	Q1'2012	Walla! Communication (28.5% Stake)	Bezeq The Israel Telecommunication	63.5	1.2x
Feb-12	Q1'2012	Banks.com	Remark Media	4.9	1.0x
Feb-12	Q1'2012	Onvia (85.4% Stake)	Symphony Technology Group	24.6	1.1x
Feb-12	Q1'2012	Ntreev Soft	NCSOFT	126.5	2.6x
Feb-12	Q1'2012	Bazaarvoice (14.2% Stake)	General Atlantic & GAPCO	191.0	2.0x
Jan-12	Q1'2012	Pixelpark	MMS Germany Holdings	55.6	1.3x
Jan-12	Q1'2012	Aspiro AB	Schibsted ASA	40.9	1.2x

5. Recent Transactions

PHARUS SECURITIES



Teachers Pay Teachers

Completed a growth financing with




trueventures

The undersigned acted as the exclusive financial advisor to Teachers Synergy Inc. in connection with the transaction.

Pharus Securities
May 2014

Education Technology

PHARUS ADVISORS



MFM Industries

has been acquired by



OIL DRI

The undersigned acted as financial advisor to MFM Delaware, Inc., in its sale, per section 363 of the US bankruptcy code, to Oil-Dr Corporation of America (NYSE:ODC)

Pharus Advisors, LLC
November 2013

Consumer Products

PHARUS SECURITIES



AmberFin

has been acquired by



DALET

The undersigned acted as the exclusive financial advisor to AmberFin Ltd., in its sale to Daler S.A. (ENSTRA:DLT)

Pharus Securities
April 2014

Broadcast Technology

PHARUS ADVISORS



bluewolf™

Remote DBA Business

has been acquired by




datAvail

The undersigned acted as financial advisor to Bluewolf Inc., in the sale of its Remote DBA business to Datawall Corporation, Inc.

Pharus Advisors, LLC
December 2012



IT Services

PHARUS ADVISORS



SG SocialGuide

has been acquired by


nielsen
m incite

Principals of the undersigned acted as financial advisor to SocialGuide, Inc. in its sale to Nielsen Holdings N.V. and M Incite, LLC, a joint venture between Nielsen and McKinsey & Company, Inc.

Pharus Advisors, LLC
November 2012

Social TV Software

PHARUS ADVISORS



ExperTune.

has been acquired by



metso

The undersigned acted as financial advisor to ExperTune Inc., in its sale to Metso Corporation

Pharus Advisors, LLC
November 2012

Industrial Software

PHARUS ADVISORS



bluewolf™

Success. Guaranteed.

has been recapitalized by

RIORDAN, LEWIS & HADEN | Equity Partners

The undersigned acted as financial advisor to Bluewolf Group, LLC in connection with the transaction

Pharus Advisors, LLC
October 2011

IT Services

PHARUS SECURITIES



Vertive Member of Offers.com

has received growth capital from



SIG
SUSQUEHANNA

The undersigned served as exclusive financial advisor to Vertive, publisher of Offers.com

Pharus Securities, LLC
October 2010

Online Marketing

PHARUS ADVISORS



netkey.

has acquired




WEBPAVEMENT

The undersigned acted as financial advisor to Netkey, Inc. in connection with this acquisition

Pharus Advisors, LLC
AUGUST 2007


Retail Software

PHARUS ADVISORS



neural audio

has been acquired by



dts™
Digital Entertainment

Pharus Advisors, LLC
acted as exclusive financial advisor to Neural Audio Corporation in connection with the acquisition

December 2008

Audio Technology

PHARUS ADVISORS



venali

has been acquired by




j2 Global Communications

The undersigned acted as financial advisor to Venali, Inc. in connection with the transaction

Pharus Advisors, LLC
September 2010


Business Services

PHARUS ADVISORS




corbis.

has completed the divestiture of



eMotion
Digital Asset Management Services
business to



OPEN TEXT
CORPORATION

The undersigned served as exclusive financial advisor to Corbis Corporation

Pharus Advisors, LLC
June 2008

Digital Asset Management

PHARUS ADVISORS



HCL

has acquired



CapitalStream

The undersigned acted as financial advisor to HCL Technologies Ltd. in connection with the acquisition

Pharus Advisors, LLC
February 2008

Financial Technology

PHARUS ADVISORS



two way tv

has completed the sale of its ARK technology operators for the UK and Ireland to



Virginia media

The undersigned acted as exclusive financial advisor to Two Way Media Limited

Pharus Advisors, LLC
April 2007

Broadcast Technology

PHARUS ADVISORS



PerformanceRetail

has been acquired by



DRESSER


Dresser Wayne, a division of Dresser, Inc.

The undersigned served as exclusive financial advisor to Performance Retail, Inc.

Pharus Advisors, LLC
May 2006


Retail Software

PHARUS ADVISORS



e pipeline

has been acquired by



MEDIAGRIF
INTERACTIVE TECHNOLOGIES

The undersigned acted as exclusive financial advisor to e pipeline, Inc.

Pharus Advisors, LLC
August 2007

E-publishing Technology

6. Pharos Overview

Introduction to Pharos

Pharus Advisors, LLC ("Pharus") is a boutique investment bank providing focused merger & acquisition, financing, and restructuring advisory services in a variety of industries. Our industry practice areas are:

- Application, Enterprise, and Systems Management Software
- Business Process Outsourcing and IT Services
- Media / Broadcasting Technology and Services
- Financial Technology
- Internet & Digital Media
- Education Technology
- Consumer Products
- Selected Traditional Industries

Pharus' principals established the firm with a commitment to provide clients a high level of attention, independent and objective advice, and creative solutions in challenging environments. With significant expertise our team can help investors, Boards of Directors, and executives evaluate challenging situations and develop defined strategies to maximize value on an expedited basis.

Broad and Deep Knowledge of Sectors

Pharus prides itself in maintaining a deep understanding of sectors in which we serve clients. We feel greater level of strategic understanding allows for added creativity.

Highly Customized Approach for Each Client

Pharus takes additional steps to develop an in-depth understanding of our clients' businesses and marketplaces, and designing and deploying a tailored transaction approach that best meets the needs and sensitivities of each client.

Strong Network of Key Relationships

Clients benefit from the firms' key executive level contacts at relevant companies, private equity, venture capital firms, and debt capital providers.

Highly Experienced and Senior Transaction Team

The Pharos team brings depth and complementary experience of senior professionals to each engagement including: mergers and acquisitions, private and public financings, business development, restructurings, operational turn-arounds, equity research, operations, management consulting and private equity transactions.

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