

2012 Software, Internet & IT Infrastructure M&A Report

Enterprise Service Company Valuations and Exits in 2012

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Economic Backdrop – It was not the best of times, it was not the worst of times...2012

Not since the great depression has a sluggish economy and a stubborn unemployment number represented *pretty good* economic conditions for companies to chart their strategic courses. In 2012, the US economy experienced modest growth with real GDP growing 2.7% in the third-quarter of 2012 versus 1.3% in the second quarter of 2012. More importantly, the unemployment rate decreased to 7.7% in December 2012. This muddy economic backdrop is the new normal and no one can argue against the fact that the economic scenario is much *much* better than it was just three years ago.



Prior to hiring additional workers, companies typically seek to maximize the productivity of their existing labor force. Investments in technology and IT infrastructure are commonplace prior to a decreasing unemployment rate, which is a lagging indicator of economic growth. The bright spot for the U.S. economy is that these expenditures in software and IT-related services, which are already taking place, should increase as new workers enter the workforce and these investments represent a competitive advantage.

IT Spending

According to Gartner research, worldwide devices spending which includes PCs, tablets, mobile phones and printers, is forecast to reach \$666 billion in 2013, up 6.3% from 2012. Gartner reduced its outlook for 2013 significantly below its previous forecast of \$706 billion in worldwide devices and 7.9% growth. According to Gartner, these reductions reflect a sharp reduction in the forecast growth in spending on PCs and tablets that is only partially offset by marginal increases in forecast growth in spending on mobile phones and printers.

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Worldwide IT Spending Forecast (Billions of U.S. Dollars)

	2012	2012	2013	2013	2014	2014
	Spending	Growth	Spending	Growth	Spending	Growth
Devices	627	2.9%	666	6.3%	694	4.2%
Data Center Systems	141	2.3%	147	4.5%	154	4.2%
Enterprise Software	278	3.3%	296	6.4%	316	6.8%
IT Services	881	1.8%	927	5.2%	974	5.1%
Telecom Services	1,661	-0.1%	1,701	2.4%	1,742	2.4%
Overall IT	3,588	1.2%	3,737	4.2%	3,881	3.8%

Source: Gartner (January 2013)

According to Gartner, worldwide enterprise software spending is forecast to total \$296 billion in 2013, a 6.4% increase from 2012. This segment will be driven by key markets such as security, storage management and customer relationship management; however, beginning in 2014, markets aligned to big data and other information management initiatives, such as enterprise content management, data integration tools, and data quality tools will begin to see increased levels of investment.

M&A Drivers

Even with sobering economic news and uncertainty with the fiscal cliff, 2012 turned out to be a solid year for M&A in the software, Internet and IT infrastructure sectors. Acquirers did not retreat back into their shells to focus only on organic growth, but sought out smaller strategic tuck-in acquisitions that made their existing product offerings better. The acquisition strategy in 2012 appeared to be acquiring products or features that will help retain market share and customer base.

Uncertainty and volatility have a dampening effect on M&A activity. According to Peachtree and Zephyr's M&A databases, both deal volume and valuations in the software, Internet and IT Infrastructure sector decreased in 2012. Although stock prices were relatively stable in 2012, valuations began sliding due to economic uncertainty in Europe, uncertainty surrounding the Presidential election and the looming fiscal cliff. When valuations start to decrease, buyers feel less wealthy and sellers choose to hold on to their companies for a better price in the future.

Software, Internet & IT Infrastructure Transactions

M&A Transaction Volume and Average Exit Multiples

	2011	2012	% Change Y/Y
Revenue Multiple	5.1x	4.4x	-14.2%
EBITDA Multiple	14.8x	12.9x	-13.0%
EBIT Multiple	20.5x	16.6x	-18.9%
Number of Transactions	2,638	2,541	-3.7%

Source: Peachtree and Zephyr M&A Databases.

As seen in the chart above, average deal multiples or “valuations” decreased 14% in 2012 on a revenue multiple basis and 13% on an EBITDA basis in 2012 versus 2011. In addition, the number of transactions decreased by 3.7%. In 2012, there were more disciplined transactions driven by sound market strategy versus fear of missing the next big trend and becoming obsolete, which was commonplace in 2011 (HP/Autonomy 11.8x revenue, Citrix/Cloud.com rumored 100x revenue, HP/Vertica estimated by Peachtree at 15x revenue).

M&A Trends

While most vendors sought to enhance their existing product offerings with small tuck-in acquisitions, hosting companies scaled up and private equity stayed on the sidelines. There were not many private equity transactions in IT software. Vista Equity Partners acquired CDC Software from CDC in bankruptcy proceedings and Thoma Bravo acquired Crossbeam Systems, which it sold to one of its portfolio companies – Blue Coat Systems – before the end of the year. Deal multiples in software are too high for most rank and file private equity firms who prefer mature “cash cow” businesses to service debt.

Buyers that added a little spice to their products’ features include acquirers like Adaptive Planning buying **MyDials** to add cloud-based visualization and BI capabilities to its performance management software; Citrix acquiring **Zenprise** to address the need for managing mobile devices, apps and data from a single product; Emulex acquiring **Endace** to add network performance management to its existing product offering; Microsoft acquiring **Storsimple** to seamlessly integrate on-premise storage with cloud storage (Windows Azure) in hybrid cloud environments; and Guidance Software’s acquisition of **Case Central** to incorporate Case Central’s CloudConnect offering into its product line and cross-sell between each company’s existing markets.

The hosting sector also had an active M&A year in 2012 as companies tried to develop cloud strategies for their existing product offerings. Internap acquired **Voxel** for \$30 million for its cloud services expertise. Cisco acquired cloud networking provider **Meraki** for \$1.2 billion and cloud and data center management and automation provider **Cloupia** for \$125 million. VMware acquired startup Nicira for \$1.2 billion for its cloud networking technology. Other hosting transactions include Cogeco Cable acquisition of **PEER 1 Network Enterprises** for \$526 million and Endurance International’s acquisition of **Host Gator** for \$225 million

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Valuations

Valuation is based on an asset's anticipated future cash flows and scarcity and a company's value is what a buyer is willing to pay for it at a single point in time. Companies with higher growth rates and barriers-to-entry typically have higher valuation multiples. As seen below, Eloqua's was purchased for \$871 million or 9.7x its revenue and Ariba's was acquired for \$4.3 billion or 8.1x revenue. Eloqua's high growth expectations were a major factor in driving value as well as it being one of the few remaining independent marketing automation companies with significant scale. In the case of Ariba, supply chain customers were increasingly accepting the cloud and there were no direct competitors that could scale to Ariba's size in the foreseeable future.

Select Public Transaction Multiples in 2012

\$000's

Buyer	Target	Purchase Price	Target Revenue	Target EBITDA	Rev Multiple	EBITDA Multiple
Oracle	Eloqua	871	90	0.1	9.7x	901.0x
Red Prairie (New Mountain)	JDA Software	1,900	689	38	2.8x	18.4x
SAP	Ariba	4,300	533	44	8.1x	12.0x
Dell	Quest	2,400	894	126	2.7x	7.1x
Emulex	Endace	130	41	6	3.2x	7.1x
Priceline	Kayak	1,600	283	54	5.7x	5.2x
Average*					5.3x	10.0x
Median*					4.4x	7.1x

*The mean and median figures do not include Eloqua's EBITDA multiple.

The average revenue multiple was 5.5x revenue and median revenue multiple was 4.4x for the select group of transactions in the chart above. These transaction multiples are in line with the public comps that appear on the next page. The overall average valuation for publicly traded companies is 3.9x revenue for application software companies and 4.0x revenue for enterprise software companies. The M&A transaction multiples for the public companies are slightly higher due to a "control premium" that is typically 30% above the current share price.

Public Company Valuations

In 2012, the enterprise service companies in Peachtree's Software, Internet & IT Infrastructure comps set added \$280 billion of market capitalization or 17% over the beginning of the year. There was also an additional \$62 billion in market capitalization stemming from IPOs that occurred throughout the year, and the majority of that value originates from Facebook's \$57 billion market cap.

Total Market Cap Jan 2012 \$M	% Chg	Total Market Cap Dec 2012 \$M	% Chg without IPO	Total Market Cap Jun 2012 without IPOs
1,995,525	17%	2,338,489	14%	2,276,001

\$ (62,488)	\$62 billion in new IPO capital (FB represented \$57B of the increase)
\$ 280,476	Increase of \$280 billion in market cap (not including IPOs)

Sources: CapitalIQ; Company SEC Filings.

2012 Software, Internet & IT Infrastructure M&A Report

Even with a significant amount of political noise and European trouble, public U.S. Software, Internet and IT Infrastructure companies added a significant amount of share value in 2012. This increase in share value is a clear indicator that investors are bullish on the economy as well as business' desire to remain competitive through investments in technology and IT infrastructure.

Application software companies averaged 3.9x trailing twelve months (TTM) revenue and 18x TTM EBITDA. Enterprise software companies had similar multiples averaging 4.0x revenue and 18x EBITDA (excluding outlying companies). These valuation multiples are slightly lower than they were at the end of last year. Although market capitalization increased in 2012, valuation multiples decreased. Enterprise service companies were rewarded less for revenue and EBITDA growth in 2012 primarily due to cautious investors lowering their growth expectations for these sectors.

Public Company Valuations (\$M)											
Sector	Company	Market Cap Jan 1, 2012	% Chg	Market Cap Dec 28, 2012	Total Debt	Cash	Enterprise Value	LTM Revenue	LTM EBITDA	REV Multiple	EBITDA Multiple
Application	Adobe	14,010	33%	18,660	1,510	3,540	16,630	4,400	1,470	3.8x	11.3x
Software	Intuit	15,800	15%	18,190	499	558	18,131	4,200	1,420	4.3x	12.8x
	LogMeIn	954	-42%	553	0	205	348	134	15	2.6x	23.8x
	Open Text	2,930	12%	3,270	589	302	3,557	1,250	357	2.8x	10.0x
	Pegasystems	1,130	-21%	895	0	111	784	433	25	1.8x	31.5x
	Jive Software	945	-1%	940	11	141	810	104	(36)	7.8x	n/m
										MEAN	3.9x 17.9x



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In 2012, Guidance Software, Solarwinds and Rackspace had substantial gains in their share prices for the year. The high volatility and rapid increases in share price stem from the fact that speculators feel that each of these candidates could be a prime takeover candidate. Rackspace is like a well-wrapped gift waiting for a telecom, cable or international buyer looking to enter the cloud hosting space.

Public Company Valuations (\$M)

Sector	Company	Market Cap Jan 1, 2012	% Chg	Market Cap Dec 28, 2012	Total Debt	Cash	Enterprise Value	LTM Revenue	LTM EBITDA	REV Multiple	EBITDA Multiple
Enterprise Software & Services	BMC Software	5,620	12%	6,310	857	1,440	5,727	2,170	615	2.6x	9.3x
	CA Technologies	10,040	1%	10,190	1,460	2,260	9,390	4,750	1,700	2.0x	5.5x
	Citrix	11,560	7%	12,350	0	683	11,667	2,470	584	4.7x	20.0x
	Compuware	1,850	24%	2,300	59	64	2,296	966	154	2.4x	14.9x
	EMC	44,140	22%	53,970	1,710	5,450	50,230	21,260	5,060	2.4x	9.9x
	Guidance Software	160	92%	307	1	30	278	123	7	2.3x	37.4x
	Microsoft	218,460	6%	231,030	12,370	66,070	177,330	72,360	28,790	2.5x	6.2x
	Oracle	129,100	25%	161,780	19,760	33,700	147,840	37,230	17,300	4.0x	8.5x
	Rackspace Hosting	9,980	0%	9,980	150	258	9,872	1,240	372	8.0x	26.5x
	Red Hat	5,640	88%	10,630	0	886	9,744	1,280	261	7.6x	37.4x
	Symantec	11,540	18%	13,650	3,060	4,010	12,700	6,760	1,820	1.9x	7.0x
	TIBCO	3,940	-9%	3,580	560	762	3,378	1,020	230	3.3x	14.7x
	VMware, Inc.	35,200	16%	40,860	450	4,390	36,920	4,370	1,100	8.4x	33.6x
	Infoblox	n.a.	n.a.	872	0	168	704	179	(2)	3.9x	n/m
	Cornerstone OnDemand	n.a.	n.a.	1,430	4	64	1,370	104	(25)	13.2x	n/m
	Fusion-io	1,990	8%	2,150	0	354	1,796	403	12	4.5x	155.0x
	ProofPoint	n.a.	n.a.	395	4	81	319	100	(12)	3.2x	n/m
Qlik Technologies	2,076	-10%	1,870	0	193	1,677	359	17	4.7x	96.0x	
SolarWinds	2,050	92%	3,940	0	196	3,744	251	124	14.9x	30.2x	
Splunk	n.a.	n.a.	2,900	0	273	2,627	177	(13)	14.8x	n/m	
MEAN										4.0x	17.7x



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With the exception of Apple and IBM, the market is not anticipating a significant amount of growth with the companies in the Diversified Computer Systems Sector. While Dell has made a series of acquisitions to better position the company for a post-PC world, the market is still skeptical that the company has a real strategy to deal with the cloud and an increasingly mobile workforce. Dell's acquisitions of Quest and Wyse are a step in the right direction, but the Dell Wyse thin client still costs around \$500 per box.

Public Company Valuations (\$M)

Sector	Company	Market Cap Jan 1, 2012	% Chg	Market Cap Dec 28, 2012	Total Debt	Cash	Enterprise Value	LTM Revenue	LTM EBITDA	REV Multiple	EBITDA Multiple
Diversified Computer Systems	Apple	376,410	30%	488,530	0	29,130	459,400	156,510	58,520	2.9x	7.9x
	Dell	26,280	-31%	18,120	9,040	11,270	15,890	58,660	4,440	0.3x	3.6x
	Hewlett Packard	51,110	-45%	28,160	28,440	11,300	45,300	120,360	14,380	0.4x	3.2x
	IBM	216,720	1%	218,550	33,670	12,300	239,920	104,690	26,510	2.3x	9.1x
										MEAN	1.5x
Networking Services	Akamai Technologies	5,790	24%	7,180	0	465	6,715	1,320	528	5.1x	12.7x
	Cisco Systems	97,200	13%	109,610	16,330	45,000	80,940	45,570	12,840	1.8x	6.3x
	F5 Networks	8,430	-8%	7,770	0	532	7,238	1,380	461	5.2x	15.7x
	Intermap	298	21%	360	138	26	471	267	44	1.8x	10.7x
	Juniper Networks	10,740	-3%	10,410	999	3,150	8,259	4,350	595	1.9x	13.9x
	Riverbed Technology	3,640	-11%	3,250	0	533	2,717	802	132	3.4x	20.6x
									MEAN	3.2x	13.3x
Semiconductor	Broadcom	15,830	22%	19,270	1,690	2,150	18,810	7,550	1,160	2.5x	16.2x
	Cirrus Logic	1,010	83%	1,850	0	135	1,715	526	121	3.3x	14.2x
	Integrated Device Tech	776	43%	1,110	0	269	841	503	43	1.7x	19.6x
	Intel	123,480	-15%	104,940	7,250	10,500	101,690	53,750	23,190	1.9x	4.4x
	Marvell Technology	8,080	-49%	4,090	0	2,020	2,070	3,140	462	0.7x	4.5x
	Microchip Technology	7,000	-8%	6,460	960	1,550	5,870	1,400	459	4.2x	12.8x
	Qualcomm	91,950	18%	108,440	60	12,370	96,130	19,120	6,660	5.0x	14.4x
	Silicon Laboratories	1,820	-1%	1,800	101	274	1,627	538	108	3.0x	15.0x
									MEAN	2.8x	12.6x



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In 2012, there were increases in spending for digital media advertising and interactive marketing services, which led to increased valuations for this sector. Companies tend to spend more on digital advertising and interactive marketing services in growing economies. Media spend is also a lagging indicator of economic growth and should increase significantly as unemployment drops. As companies hire new employees spending on lead generation, advertising and sales tools will increase in an effort to grow the top line in addition to remaining competitive.

Public Company Valuations (\$M)

Sector	Company	Market Cap Jan 1, 2012	% Chg	Market Cap Dec 28, 2012	Total Debt	Cash	Enterprise Value	LTM Revenue	LTM EBITDA	REV Multiple	EBITDA Multiple
Internet Software & Marketing Services	Google	209,200	12%	235,150	7,900	44,620	198,430	47,540	15,850	4.2x	12.5x
	Keynote Systems	355	-29%	252	0	50	202	124	16	1.6x	12.5x
	LivePerson	668	9%	729	0	103	626	151	21	4.1x	29.4x
	Verisign	5,680	4%	5,910	703	1,490	5,123	847	471	6.0x	10.9x
	Constant Contact	692	-38%	432	0	88	344	243	23	1.4x	15.2x
	Yahoo	19,022	24%	23,510	38	8,410	15,138	4,960	1,320	3.1x	11.5x
	Digital River	561	-16%	473	354	675	152	397	52	0.4x	2.9x
	LinkedIn	6,849	79%	12,260	0	677	11,583	836	104	13.8x	111.3x
	Groupon	13,323	-76%	3,160	0	1,200	1,960	2,190	147	0.9x	13.4x
	Facebook	n.a.	n.a.	56,890	902	10,450	47,342	4,640	1,060	10.2x	44.7x
Salesforce.com	13,800	74%	23,990	0	1,200	22,790	2,190	147	10.4x	155.3x	
									MEAN	3.4x	15.3x
E-Commerce	Amazon	81,175	43%	116,370	0	5,250	111,120	57,260	2,090	1.9x	53.2x
	Expedia	3,973	102%	8,040	1,250	2,360	6,930	3,840	706	1.8x	9.8x
	eBay	39,461	68%	66,450	4,520	9,140	61,830	13,460	3,930	4.6x	15.7x
	Opentable	881	26%	1,110	0	86	1,024	156	47	6.6x	22.0x
	Priceline	24,206	27%	30,860	1,450	4,670	27,640	5,060	1,840	5.5x	15.0x
										MEAN	4.1x

Stock prices as of 12/28/12.

Companies in grey removed from mean. Sources: CapitalIQ; Company SEC Filings.

OVERALL MEAN	3.3x	15.6x
OVERALL MEDIAN	2.8x	12.8x



2012 Software, Internet & IT Infrastructure M&A Report

Active Buyers In 2012

Below is a list of the most active buyers in 2012 as it relates to the number of deals completed and announced. This is interesting because it shows that there is not only a healthy M&A market in enterprise software sector, but that companies are confident in the future. M&A may have been ho-hum in other sectors, but deals are getting done in Software, Internet and IT Infrastructure.

Buyer	Target	Target Country	Deal value \$000s
ACCELRY'S	AEGIS ANALYTICAL CORPORATION	US	30,000
	VELQUEST CORPORATION	US	35,000
ACCENTURE	AVVENTA WORLDWIDE	US	n.a.
	NEWSPAGE PTE	Singapore	n.a.
	NOKIA SIEMENS' IPTV ASSETS	US	n.a.
	OCTAGON RESEARCH SOLUTIONS	US	n.a.
ACCESS INFORMATION MANAGEMENT	ADAMS TRANSFER & STORAGE OF ATHENS	US	n.a.
	PRIORITY SHRED'S ASSETS	US	n.a.
	RECORDS RETENTION SERVICES'S ASSETS	US	n.a.
	RETRIEVEX	US	n.a.
	WASHINGTON ARCHIVES MANAGEMENT'S ASSETS	US	n.a.
AGILENT TECHNOLOGIES	ACCELICON TECHNOLOGIES	US	n.a.
	AT4 WIRELESS' TEST SYSTEMS BUSINESS	Spain	n.a.
	AURORA SFC SYSTEMS'S ASSETS	US	n.a.
	CENTELLAX'S TEST AND MEASURING BUSINESS	US	n.a.
	DAKO A/S	Denmark	2,200,000
AIRBNB	CRASHPADDER UK	UK	n.a.
	GETSPOTON	US	n.a.
	LOCALMIND CORPORATION	US	n.a.
AKAMAI TECHNOLOGIES	BLAZE SOFTWARE	Canada	n.a.
	COTENDO	US	268,000
	FASTSOFT	US	n.a.
	VERIVUE	US	n.a.
ALL COVERED	COMPUQUIP TECHNOLOGIES'S MANAGED IT SERVICES DIVISION	US	n.a.
	COVISA SOLUTIONS	US	n.a.
	NETKNOWLEDGE	US	n.a.
	SERVICE ASSURANCE CORPORATION'S MANAGED IT SERVICES	US	n.a.
	WAVETWO	US	n.a.
AMAZON.COM	KIVA SYSTEMS	US	775,000 Est.
	TEACHSTREET	US	n.a.
	UPNEXT	US	n.a.
APPLE	ANOBIT TECHNOLOGIES	Israel	500,000 Est.
	CHOMP (CALIFORNIA)	US	50,000 Est.
	PARTICLE PROGRAMMATICA	US	n.a.
	REDMATICA SRL'S CERTAIN DIGITAL AUDIO SOFTWARE ACTIVITIES	Italy	n.a.
ARROW ELECTRONICS	ASSET RECOVERY CORPORATION	US	n.a.
	GLOBAL LINK TECHNOLOGY	US	n.a.
	REDEMTECH	US	n.a.
	TECHTURN	US	n.a.
	WACHING COMPANY'S WIRELESS AND INFRASTRUCTURE ASSETS AND OPERATIONS	China	n.a.

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Buyer	Target	Target Country	Deal value \$000s
AUTODESK	HSMWORKS APS' CERTAIN ASSETS	Denmark	n.a.
	INFORBIX'S CERTAIN ASSETS	US	n.a.
	PRAMATI TECHNOLOGIES PVT'S QONTEXT BUSINESS	India	n.a.
	SOCIALCAM	US	60,000 Est.
	VELA SYSTEMS	US	n.a.
ADP	MA FOI CONSULTING SOLUTIONS	India	n.a.
	PHYLOGIC HEALTHCARE	US	n.a.
	SHPS HUMAN RESOURCE SOLUTIONS	US	n.a.
AVNET	ASCENDANT TECHNOLOGY	US	n.a.
	BRIGHTSTAR PARTNERS	US	n.a.
	CANVAS SYSTEMS	US	n.a.
	CRG ELECTRONICS'S ELECTRONIC COMPONENT DISTRIBUTION BUSINESS	Israel	n.a.
	G2 TECHNOLOGIES	US	n.a.
	GENILOGIX	US	n.a.
	HARTFORD COMPUTER GROUP'S ASSETS	US	n.a.
	PEPPERWEED CONSULTING	US	n.a.
	PINNACLE DATA SYSTEMS	US	18,931 Est.
	UNIVERSAL SEMICONDUCTOR'S OPERATING ASSETS	US	n.a.
BENTLEY SYSTEMS	HANNAPPEL SOFTWARE	Germany	n.a.
	INSPECTTECH SYSTEMS	US	n.a.
	IVARA CORPORATION	Canada	n.a.
	VEREIN EURESEARCH	Switzerland	n.a.
BEYONDTRUST SOFTWARE	BLACKBIRD GROUP	US	n.a.
	EEYE DIGITAL SECURITY	US	n.a.
CISCO SYSTEMS	CARIDEN TECHNOLOGIES	US	141,000 Est.
	CLEARACCESS	US	n.a.
	CLOUPIA	US	125,000
	LIGHTWIRE	US	271,000 Est.
	NDS GROUP	UK	5,000,000 Est.
	THINKSMART TECHNOLOGIES	Ireland	n.a.
	VCIDER	US	n.a.
VIRTUATA	US	n.a.	
CITRIX SYSTEMS	BEETIL SERVICE MANAGEMENT	New Zealand	n.a.
	BYTEMOBILE	US	n.a.
	PODIO APS	Denmark	n.a.
	TH CONSULTANTS	Canada	n.a.
	VIRTUAL COMPUTER	US	n.a.
DELL	APPASSURE SOFTWARE	US	n.a.
	CLERITY SOLUTIONS	US	n.a.
	GALE TECHNOLOGIES	US	n.a.
	MAKE TECHNOLOGIES	Canada	n.a.
	QUEST SOFTWARE	US	2,400,000 Est.
	SONICWALL	US	n.a.
WYSE TECHNOLOGY	US	n.a.	

Active Buyers In 2012 (con't)

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Buyer	Target	Target Country	Deal value \$000s
DROPBOX	ANCHOVI LABS	US	n.a.
	COVE	US	n.a.
	HACTILE	US	n.a.
EBAY	SVPPLY	US	n.a.
	WHI SOLUTIONS	US	n.a.
EBIX	FINTECHNIX	Australia	n.a.
	PLANETSOFT	US	40,000 Est.
	TAIMMA COMMUNICATIONS	Canada	n.a.
	TRISYSTEMS	UK	n.a.
EMC	PIVOTAL LABS	US	n.a.
	SILICIUM SECURITY	Canada	n.a.
	SILVER TAIL SYSTEMS	US	n.a.
	SYNCPPLICITY	US	n.a.
	WATCH4NET SOLUTIONS	Canada	n.a.
	XTREMIO	US	430,000
EPICOR	COGITA HOLDINGS'S OPERATING ASSETS AND INTELLECTUAL PROPERTY	New Zealand	n.a.
	INTERNET AUTOPARTS	US	n.a.
	SOLARSOFT BUSINESS SYSTEMS	UK	155,000
FACEBOOK	ACRYLIC SOFTWARE	Canada	n.a.
	BOLT PETERS	US	n.a.
	FACE.COM	US	100,000 Est.
	GLANCEE	US	n.a.
	KARMA SCIENCE	US	n.a.
	MALBEC LABS'S ASSETS	US	n.a.
	T2 LABS	US	n.a.
	THREADSY	US	n.a.
FAIR ISAAC CORPORATION	ADEPTRA	UK	115,000 Est.
	CR SOFTWARE	US	n.a.
	ENTIERA	US	n.a.
GOOGLE	BUFFERBOX	Canada	17,118
	INCENTIVE TARGETING	US	n.a.
	JOHN WILEY & SONS'S TRAVEL ASSETS	US	n.a.
	MEEBO	US	n.a.
	MOTOROLA MOBILITY HOLDINGS	US	12,500,000
	NIK SOFTWARE	US	n.a.
	QUICKOFFICE	US	n.a.
	ROTARUA	Ireland	n.a.
	SPARROW SAS	France	n.a.
	TXVIA	US	n.a.
	VIEWDLE	US	45,000 Est.
	WILDFIRE INTERACTIVE	US	250,000 Est.

Active Buyers In 2012 (con't)

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Buyer	Target	Target Country	Deal value \$000s
IBM	BUTTERFLY SOFTWARE	UK	n.a.
	DEMANDTEC	US	440,000 Est.
	EMPTORIS	US	n.a.
	GREEN HAT SOFTWARE	UK	n.a.
	KENEXA CORPORATION	US	1,300,000 Est.
	PLATFORM COMPUTING	Canada	n.a.
	TEALEAF TECHNOLOGY	US	n.a.
	TEXAS MEMORY SYSTEMS	US	n.a.
	VARICENT SOFTWARE	Canada	n.a.
	VIVÍSIMO	US	n.a.
WORKLIGHT	US	n.a.	
IDENTISYS	CAPITAL CARD SYSTEMS	US	n.a.
	CLARITUS'S IDENTIFICATION DIVISION	US	n.a.
	INLAND BUSINESS PRODUCTS	US	n.a.
IHS	BDW AUTOMOTIVE	Germany	n.a.
	GLOBALSPEC	US	135,000
	HILD TECHNOLOGY SERVICES'S OIL AND GAS PIPELINE AND INFRASTRUCTURE INFORMATION BUSINESS	US	45,000 Est.
	INTEX MANAGEMENT SERVICES	UK	46,000 Est.
	INVENTION MACHINE CORPORATION	US	40,000 Est.
	XEDAR CORPORATION	US	28,000 Est.
INTUIT	AISLEBUYER	US	100,000 Est.
	DEMANDFORCE	US	423,500 Est.
J2 GLOBAL	LANDSLIDE TECHNOLOGIES	US	n.a.
	OFFSITE BACKUP SOLUTIONS'S ASSETS	US	n.a.
	ZIFF DAVIS	US	167,000 Est.
	ZIMO COMMUNICATIONS	UK	n.a.
	ZINTEL COMMUNICATIONS	Australia	12,769
LANDESK SOFTWARE	MANAGED PLANET SOFTWARE	US	n.a.
	WAVELINK CORPORATION	US	n.a.
LIVEPERSON	ENGAGE	Australia	n.a.
	LOOK IO	US	n.a.
MCKESSON CORPORATION	EMENDO	New Zealand	n.a.
	MEDVENTIVE	US	n.a.
	PEERVUE	US	n.a.
	PROVENTYS INC'S CDS ONCOLOGY ASSETS	US	n.a.
MICROSOFT CORPORATION	MARKETINGPILOT SOFTWARE	US	n.a.
	PHONEFACTOR	US	n.a.
	STORSIMPLE	US	n.a.
	YAMMER	US	1,200,000 Est.
	PRESS PLAY APS	Denmark	n.a.

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NETSCOUT SYSTEMS	ACCANTO SYSTEMS SRL'S INTELLIGENT CUSTOMER SERVICE ASSURANCE ASSETS	Italy	n.a.
	ONPATH TECHNOLOGIES	US	n.a.
NOBLE SYSTEMS	ALI SOLUTIONS'S ASSETS	US	n.a.
	STRATASOFT	US	n.a.
	TELSTAR HOSTED SERVICES'S ASSETS	US	n.a.
NUANCE COMMUNICATIONS	DITECH NETWORKS	US	22,500 Est.
	JA THOMAS & ASSOCIATES	US	n.a.
	QUADRAMED CORPORATION'S HEALTH INFORMATION MANAGEMENT BUSINESS	US	n.a.
	TRANSCEND SERVICES	US	315,267 Est.
OPERA SOFTWARE	MOBILE THEORY	US	50,000 Est.
	COMMENDO RESEARCH & CONSULTING	Austria	n.a.
	LEXINGTON ANALYTICS	US	n.a.
ORACLE	CLEARTRIAL	US	n.a.
	COLLECTIVE INTELLECT	US	n.a.
	DATARAKER	US	n.a.
	ELOQUA	US	871,000
	INSTANTIS	US	n.a.
	INVOLVER	US	n.a.
	SELECTMINDS	US	n.a.
	SKIRE'S ASSETS	US	n.a.
	TALEO CORPORATION	US	1,900,000 Est.
	VITRUE	US	n.a.
PERFICIENT	XSIGO SYSTEMS	US	n.a.
	NASCENT SYSTEMS LP	US	18,100 Est.
REDPRAIRIE CORPORATION	NORTHRIDGE SYSTEMS	US	14,400 Est.
	POINTBRIDGE SOLUTIONS	US	22,000 Est.
	JDA SOFTWARE	Canada	1,900,000
RETURN PATH	PLANORA	Canada	n.a.
	VORTEX CONNECT	Canada	n.a.
	DOKDOK	Canada	n.a.
REVIONICS	OTHERINBOX	US	n.a.
	RETAIL OPTIMIZATION	US	n.a.
ROCKET SOFTWARE	SKULOOP	US	n.a.
	IBM'S ICLUSTER DIVISION	US	n.a.
	OPENTECH SYSTEMS'S ASSETS	US	n.a.
	PROGRESS SOFTWARE CORPORATION'S SHADOW BUSINESS	US	n.a.
	SIRIUS SOFTWARE	US	n.a.
	ZEPHYR DEVELOPMENT CORPORATION	US	n.a.
SALESFORCE.COM	BUDDY MEDIA	US	688,000 Est.
	CHOICEPASS	US	n.a.
	GOINSTANT	Canada	68,640 Est.
	STYPI	US	n.a.
	THINKFUSE	US	n.a.

Active Buyers In 2012 (con't)

2012 Software, Internet & IT Infrastructure M&A Report

Buyer	Target	Target Country	Deal value \$000s
SANDISK CORPORATION	FLASHSOFT CORPORATION	US	n.a.
	SCHOONER INFORMATION TECHNOLOGY	US	n.a.
SAP AG	SYCLO	US	n.a.
	ARIBA	US	4,300,000 Est.
	SUCCESSFACTORS	US	3,367,880
SYMANTEC CORPORATION	LIVEOFFICE	US	115,000
	NUKONA	US	n.a.
	ODYSSEY SOFTWARE	US	n.a.
SYNOPSIS	CIRANOVA	US	n.a.
	EMULATION AND VERIFICATION ENGINEERING SA	France	n.a.
	EXPERTIO	US	n.a.
	LUMINESCENT TECHNOLOGIES'S	US	n.a.
	COMPUTATIONAL LITHOGRAPHY AND MASK SYNTHESIS BUSINESS		
	MAGMA DESIGN AUTOMATION	US	523,000 Est.
	RSOFT DESIGN GROUP	US	n.a.
TELEDYNE TECHNOLOGIES	BLUEVIEW TECHNOLOGIES	US	n.a.
	LECROY CORPORATION	US	291,000 Est.
	VARISYSTEMS	Canada	n.a.
TIBCO SOFTWARE	LOGLOGIC	US	130,000 Est.
	DATASYNAPSE HISPANIA SL	Spain	n.a.
TRIMBLE NAVIGATION	GATEWING NV	Belgium	n.a.
	GEOTRAC SYSTEMS	Canada	n.a.
	LOGICWAY BV	Netherlands	n.a.
	PLANCAL AG	Switzerland	n.a.
	REFRACTION TECHNOLOGY'S ASSETS	US	n.a.
	TMW SYSTEMS	US	335,000
	VICO SOFTWARE'S ASSETS	US	n.a.
	WINESTIMATOR	US	n.a.
TWITTER	BOILERPLATE	US	n.a.
	CONTEXT MEDIA TECHNOLOGIES	Canada	n.a.
	DASIENT	US	n.a.
	DEPARTMENT OF BEHAVIOR AND LOGIC	US	n.a.
	HOTSPOTS.IO	US	n.a.
	POSTEROUS	US	n.a.
	RESTENGINE	US	n.a.
	VINE	US	n.a.
TYLER TECHNOLOGIES	AKANDA INNOVATION	Canada	n.a.
	COMPUTER SOFTWARE ASSOCIATES	US	n.a.
	ENERGOV SOLUTIONS	US	n.a.
	UNIFUND	US	n.a.
VMWARE	CETAS SOFTWARE	US	n.a.
	DYNAMICOPS	US	n.a.
	NICERA	US	1,260,000
	WANOVA	US	n.a.

Source: Peachtree and Zephyr M&A Database.

