

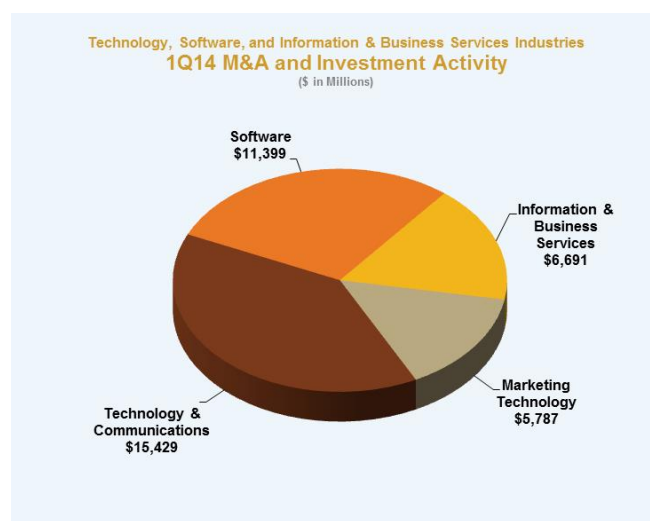
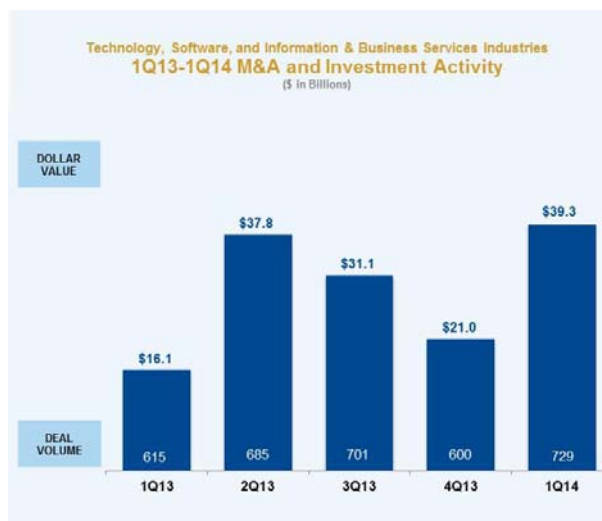
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1Q14 Review of M&A and Investment Activity in the Technology, Software, and Information & Business Services Industries: 729 Transactions Totaling a Reported \$39.3 Billion

*Marketing Technology was the Most Active Segment in 1Q14 with 268 Transactions;
Technology & Communications was the Highest Value Segment with \$15.4 Billion in Reported Deal Value*

March 31, 2014 (New York, NY) – During 1Q14, Petsky Prunier tracked 729 M&A and investment transactions for a total of \$39.3 billion across four broad segments: Marketing Technology, Technology & Communications, Software, and Information & Business Services. Marketing Technology was the most active segment, accounting for 37 percent of total volume during the quarter, with 268 deals announced. Of those, 195 reported \$5.8 billion in value. Technology & Communications and Software were the highest reported value segments in 1Q14 with \$15.4 billion and \$11.4 billion in value, respectively.



M&A Activity

Acquisitions accounted for 48 percent of total transactions in 1Q14, up 22 percent from the previous quarter. Of the 349 acquisitions announced, 146 were reported for \$30.1 billion in aggregate value. Compared to the previous quarter, volume increased 22 percent, and reported value increased 83 percent. Software was the most active M&A segment in 1Q14 with 111 transactions, of which 48 were reported. Volume was up 23 percent, and value increased 27 percent from the previous quarter. Twenty-one percent of acquisitions in the segment were in the Security Software subsegment with 23 deals, of which nine reported \$830 million in value. ERP Software was also active with 18 M&A deals. Software acquisitions during 1Q14 included:

- Star Investment Holdings and Partner Group's \$4.4 billion acquisition of healthcare IT company Multiplan
- BSP's \$864 million purchase of Japan-based data management solutions company Beacon Information Technology
- Dassault Systemes' \$750 million acquisition of Accelrys, a developer of scientific business intelligence software and solutions, at a valuation of 4.5x revenue

- GE Healthcare's \$351 million purchase of API Healthcare, a healthcare workforce management software and analytics solutions provider
- Synopsys' \$350 million purchase of software development solutions provider Coverity

The Marketing Technology segment was the second most active with 109 transactions, of which 47 reported \$3 billion in value. Quarter-over-quarter activity and reported value in the segment were up 54 percent and four percent, respectively. The most active subsegments were Content Management and Social Technology with a combined total of 34 acquisitions, up from 12 in 4Q13. Transactions in the segment announced during 1Q14 included:

- Google's \$650 million acquisition of UK-based DeepMind, which develops technologies for eCommerce and game platforms
- Verint Systems' \$514 million purchase of KANA Software, a provider of on-premise customer service solutions
- Oracle's acquisition of DMP BlueKai for a reported \$400 million
- TiVo's \$135 million acquisition of DigitalSmiths, which provides video search and recommendation SaaS
- Rovi Corporation's \$69 million purchase of Veveo, which provides personalized search and discovery solutions for TV providers

In the Information & Business Services segment, M&A volume decreased 11 percent, while reported value increased 17 percent from the previous quarter. Eighty-six percent of acquisitions were among Information-focused companies. IT Consulting/Systems Integration was the most active subsegment with 19 acquisitions, accounting for 26 percent of total activity in the segment. Transactions in the segment during 1Q14 included:

- Cinven's \$915 million acquisition of Medpace, which provides clinical development services for the pharmaceutical and biotechnology markets
- Convergys' \$820 million purchase of BPO services company Stream Global Services, at a reported valuation of 0.8x revenue and 8.0x EBITDA
- Permira Advisers' \$200 million acquisition of LegalZoom, an online provider of legal documents and services
- UDG Healthcare's \$144 million purchase of healthcare communications and information company KnowledgePoint360, at 1.4x revenue and 7.2x EBITDA

Technology & Communications, which had 57 M&A transactions during 1Q14, was the highest value segment with 26 transactions reported at \$13.9 billion in aggregate deal value. Enterprise Mobility and Financial Technology were the most active subsegments with 11 and nine acquisitions, respectively. The Communications Software and Cloud Computing Technology subsegments together accounted for 23 percent of total M&A activity in the segment, with eight and five transactions, respectively. Technology & Communications acquisitions during 1Q14 included:

- Yahoo Japan's \$3.2 billion purchase of Japan-based mobile Internet services provider eAccess
- Elliot Management's \$3.2 billion purchase of Riverbed Technology, which develops solutions for information technology performance, at a reported valuation of 3.2x revenue and 24.8x EBITDA
- Lenovo's \$2.9 billion acquisition of Motorola Mobility
- VMware's \$1.5 billion purchase of AirWatch, an enterprise mobile management and security services provider

Investment Activity

There were 380 investments announced in 1Q14, of which 345 were reported for \$9.3 billion in aggregate value. Marketing Technology was the most active investment segment with 159 deals, of which 148 reported \$2.8 billion in value. The Social Technology and Analytics & Reporting subsegments together accounted for nearly one-third of investment activity in the segment during the quarter with a combined 46 deals, of which 45 reported \$395 million in value. Investments announced in the Marketing Technology segment during 1Q14 included:

- TPG Growth's \$125 million investment in business intelligence company Domo
- The \$120 million investment led by Softbank in China-based Windoujia and its mobile app distribution platform
- Alibaba Group's \$100 million investment in China-based TutorGroup, a platform that hosts educational course content

Software was the second most active investment segment with 117 transactions, of which 100 reported \$2.1 billion in value. Security Software was the most active subsegment with 28 investments, of which 24 reported \$259 million in value. Compared to the previous quarter, Security Software’s volume and reported value increased 87 and eight percent. The Healthcare Software subsegment had 20 investments, 17 of which were reported for \$280 million in aggregate value, resulting in quarter-over-quarter growth in volume and value of 54 percent and 644 percent, respectively. Investments in the Software segment during 1Q14 included:

- The Blackstone Group’s and GIC’s \$750 million investment for a 44 percent equity stake in workforce management solutions company Kronos
- Bain Capital Ventures’ \$78 million investment in healthcare software company MedHok
- Scentan Ventures’ \$75 million investment in Denmark-based Tradeshift, a provider of digital invoicing solutions
- The \$50 million co-led investment from New Enterprise Associates and Lightspeed Venture Partners in MuleSoft, which provides an integration platform to connect solutions for SaaS and enterprise applications.

With 69 investments, of which 65 reported \$1.5 billion in value, investment activity and value in the Technology & Communications segment decreased 5 percent and 13 percent, respectively, quarter-over-quarter. Investments in Technology & Communications during 1Q14 included:

- BlackRock’s and Morgan Stanley’s \$350 million investment in cloud storage company Dropbox
- T. Rowe Price’s \$160 million investment in big data technology company Cloudera
- The \$101 million investment from Riverwood Capital and SAP Ventures in Nutanix, a provider of infrastructure technology for cloud computing and virtualization
- The \$100 million co-led investment from BlackRock and Passport Capital in Hortonworks, a provider of data management software solutions
- Tiger Global Capital’s \$100 million investment in virtualization data storage software company Actifio
- The \$75 million Insight Venture Partners-led investment in Tintri, a provider of storage management technology for virtual machines

Buyer & Investor Activity

1Q14 Most Active Strategic Buyers by Number of Transactions		
Buyer	Number of Transactions	Representative Targets
Google	4	DeepMind Technologies, Imperium, SlickLogin, Spider.io
j2 Global Communications	3	Faxmate, Livedrive Internet, Ozefax
Oracle	3	BlueKai, Corente, Push IO
Yahoo	3	Aviate, Distill, Vizify
Microsoft	1	JunctionMCR, Parature
DataLogix	1	Spire
Facebook	1	Branch Media
WPP	1	Percolate Industries

Strategic buyers announced 327 deals, of which 131 were reported for \$25.3 billion in aggregate value. Marketing Technology and Software were the most active segments among strategic buyers, together accounting for 64 percent of activity and 41 percent of reported value, respectively, during the quarter. Technology & Communications was the highest reported value segment, with \$13.9 billion in value, followed by Software and Marketing Technology, which reported \$8.2 billion and \$2.1 billion in value, respectively.

Buyout firms completed 22 acquisitions in 1Q14, down 24 percent from the 29 announced in 4Q13. Fifteen of the buyout transactions were reported for \$4.7 billion in aggregate value. Seventeen of the buyouts were in the Information & Business Services and Software segments. Buyout transactions in 1Q14 included:

- TPG Capital’s \$1.5 billion purchase of The Warranty Group, which provides warranty programs and related services, from Onex Corp.
- Thoma Bravo’s \$930 million acquisition of TravelClick, a provider of revenue tracking solutions for hotels
- Cinven’s \$915 million acquisition of Medpace, which provides clinical development services for the pharmaceutical and biotechnology markets
- HGCC Capital’s \$453 million purchase of Serena Software, which offers IT application development and deployment solutions
- Vestar Capital Partners’ \$364 million acquisition of corporate governance company Institutional Shareholder Services
- Permira Advisers’ \$200 million acquisition of LegalZoom, an online provider of legal documents and services

1Q14 Most Active Investors by Number of Transactions		
Investor	Number of Transactions	Representative Targets
Intel	7	BlueWhale, China Cloud, Newlans, Shanghai Information Technology
Battery Ventures	6	Avalara, Elastifile, Intacct, Lotame Solutions, Mendix, Smarter Remarketer
Andreeseen Horowitz	5	DigitalOcean, Granular, Teespring, UXPIN, Zenefits Insurance Services
General Catalyst Partners	5	ClearSky Technologies, Kensho Technologies, ZenPayroll
Sequoia Capital	5	Forter, Health Catalyst, Kahuna, Percolate Industries, vPelta
Bessemer Venture Partners	5	CloudLock, Intercom App, Main Street Hub
Google	5	Apportable, Ionic Security, Nextbit Systems, ThreatStream
New Enterprise Associates	4	GuideSpark, MuleSoft, Ravel Law, TrackMaven
Khosla Ventures	3	Lumiata, MemSQL, Tapringo
Matrix Partners	3	Confer Technologies, Mswipe Technologies, QingCloud
MK Capital Management	3	Adar IT, Unitas Global, Wellspring Worldwide
OpenView Venture Partners	3	Datadog, Skytap, Sonian

Among venture and growth capital investors, reported value and volume increased 101 and 21 percent, respectively, in 1Q14, compared to the previous quarter. Intel was the most active investor with seven investments during the quarter, followed by Battery Ventures with six investments. Alibaba Group made the largest investments during the quarter, reporting a total of \$905 million in transactions, followed by Sequoia Capital with a reported total of \$113 million in investments.

IPO Activity

A10 Networks, Aerohive Networks, Amber Road, Castlight Health, Q2 Holdings, and TriNet Group completed their IPOs in 1Q14. All companies priced at the high-end or above their initial filing ranges. Box, GloboForce Group, and Paylocity submitted their IPO filings in 1Q14 but have yet to price.

*All values as of 3/28/13. Transaction values include only reported up-front cash payments and do not account for any potential future performance-based compensation

Quarterly M&A and Investment Activity by Segment

Most Active Marketing Technology Subsegments								
Subsegment	4Q13		1Q14		1Q14 vs. 4Q13 (% Change)		LTM	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Analytics & Reporting	26	580	35	368	(17%)	(37%)	104	1,182
Content Management	17	166	34	1,210	(57%)	629%	114	1,765
Social Technology	19	100	35	206	(17%)	107%	95	787
Mobile Technology	27	343	30	380	25%	11%	108	2,905
Commerce Management	10	62	19	905	(24%)	1,356%	54	2,659
BI Tools	18	192	17	1,097	(11%)	470%	67	1,645
CRM	13	37	17	196	42%	436%	69	1,470
Online Targeting/Optimization	12	248	15	127	(38%)	(49%)	54	888
MRM/Workflow Management	3	19	12	184	(43%)	872%	29	249
SFA/Lead Management	4	407	6	88	(65%)	(78%)	26	543
Ad Serving	6	20	5	179	(50%)	791%	21	593
Media Management System	6	25	3	11	(57%)	(55%)	22	168
Subtotal	149	2,154	220	4,762	(28%)	121%	720	14,092
Other	42	1,791	48	1,025	(44%)	(43%)	184	8,003
Total	191	3,945	268	5,787	(31%)	47%	904	22,095

"Other" includes Ad Serving, Content Delivery Network, Creative Production Platform, Email/Messaging Software, Market Research Software, Marketing Asset Management, MRM/Workflow Management, Product/Price Software, Search & Discovery, Segmentation/Data Mining, SEM/SEO Tools, Teleservices/eServices, Web to Print, and Website Creation/Hosting

Most Active Technology & Communications Subsegments								
Subsegment	4Q13		1Q14		1Q14 vs. 4Q13 (% Change)		LTM	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Financial Technology	33	1,982	27	602	(18%)	(70%)	117	5,598
Enterprise Mobility	7	58	16	1,543	129%	2,560%	33	1,773
Networking Equipment	8	713	15	5,478	88%	669%	36	6,739
Big Data Technology	1	1	13	346	1,200%	34,540%	33	598
Communications Software	23	449	11	3,223	(52%)	618%	59	4,837
Cloud Computing Technology	7	43	8	74	14%	72%	41	2,323
Cloud Storage	18	167	8	432	(56%)	158%	45	699
Data Center Technology	6	72	7	218	17%	203%	35	2,707
Virtualization Technology	3	36	6	150	100%	315%	17	224
Infrastructure Technology	0	0	3	57	NM	NM	18	254
Mobile Infrastructure	2	25	2	12	0%	(52%)	24	1,660
Internet Service Providers	0	0	1	3,200	NM	NM	5	3,261
Subtotal	106	3,521	114	12,122	(41%)	244%	434	25,753
Other	10	1,104	12	3,307	(86%)	199%	66	14,031
Total	116	4,625	126	15,429	(55%)	234%	500	39,783

"Other" includes Messaging & Mediation Software, NFC & Bluetooth-based Technology, Radio & TV Broadcasting Equipment, Software-Defined Networking, Telephone Equipment, Video Communications Software, VoIP Equipment Software, Web Conferencing Software, and Wireless Backhaul

Most Active Software Subsegments								
Subsegment	4Q13		1Q14		1Q14 vs. 4Q13 (% Change)		LTM	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Security	28	239	51	1,089	16%	356%	149	6,924
Healthcare	27	990	33	5,781	(47%)	484%	135	8,511
Engineering	24	4,491	28	346	(20%)	(92%)	81	5,255
ERP	15	1,505	14	624	(52%)	(59%)	61	9,438
Financial	14	167	10	211	(55%)	26%	53	740
Geo-Demo	13	225	13	41	(52%)	(82%)	54	481
Software Development Tools	11	210	13	458	(28%)	118%	61	1,133
HR	10	569	20	957	(33%)	68%	62	1,683
Data Management	9	7	2	0	(75%)	NM	24	53
Infrastructure	5	61	12	489	200%	696%	32	1,689
Subtotal	156	8,464	196	9,995	(30%)	18%	712	35,906
Other	32	473	32	1,404	(51%)	197%	126	2,933
Total	188	8,936	228	11,399	(34%)	28%	838	38,838

"Other" includes Application Management, Collaboration Management, Credit/Risk, Legal, Software Platform, and Unclassified

Most Active Information & Business Services Subsegments								
Subsegment	4Q13		1Q14		1Q14 vs. 4Q13 (% Change)		LTM	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
IT Consulting/Systems Integration	30	181	21	26	(61%)	(86%)	116	3,206
Healthcare Information	3	1	19	261	280%	19,211%	35	466
BPO	9	100	10	2,355	43%	2,255%	51	9,754
Corporate Training	5	0	6	21	(40%)	NM	23	199
Market Research	12	627	6	52	(79%)	(92%)	39	682
Printing Services	1	0	6	34	(57%)	NM	14	50
HR Information	5	8	4	30	300%	300%	23	83
Credit/Risk Management Information	4	1,026	2	6	100%	(99%)	18	2,110
Financial Information	7	679	1	14	(90%)	(98%)	23	739
Marketing Data	4	103	1	17	(89%)	(83%)	18	1,647
Subtotal	80	2,725	76	2,814	(45%)	3%	360	18,936
Other	25	745	31	3,876	(39%)	420%	113	9,500
Total	105	3,470	107	6,691	(44%)	93%	473	28,436

"Other" includes Collections, Contact Center, Credit/Risk Consulting, Data Processing/Enhancement, Engineering Consulting, Engineering/Scientific/Tech Information, Financial Consulting, Fulfillment, Geo-Demo Information, Healthcare Consulting, HR Consulting, IT Information, Legal Consulting, Legal Information, Logistics, Management Consulting, Printer-Transactional, Product/Price Information, and Staffing

About Petsky Prunier LLC

Petsky Prunier (www.petskyprunier.com) is one of the leading investment banks in the technology, media, marketing, eCommerce, and healthcare industries. Our firm's mergers and acquisitions and private placements advisory services reflect a unique blend of product specialization and industry expertise. Together with strategic consulting firm Winterberry Group, a Petsky Prunier company, our organization represents one of the largest industry-specific advisors providing strategic and transactional services. In addition, we offer international reach through our partnership with Altium. Established for more than 20 years and privately owned, Altium is an international investment bank operating from eight offices across Europe. Securities transactions are processed through Petsky Prunier Securities LLC.