

**DEAL  
NOTES**

M&A and Investments Review

# Technology, Software, and Information & Business Services Industries

■ **2013 Review of M&A and Investment Activity in the Technology, Software, and Information & Business Services Industries:**

## 2,600 Transactions Totaling a Reported \$105.9 Billion; 23 +\$1 Billion Transactions During the Year

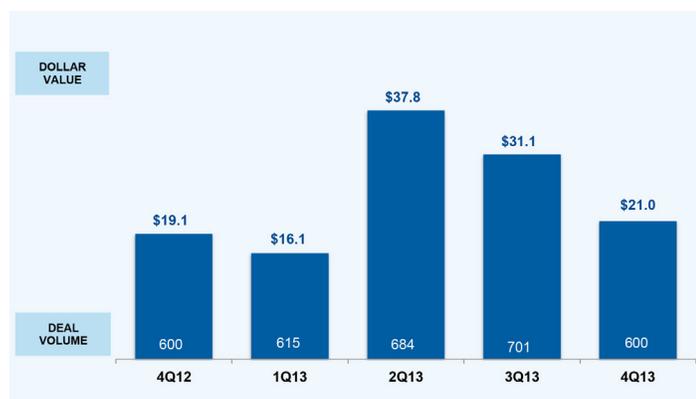
- Marketing Technology was the Most Active Segment in 2013 with 831 Transactions;
- Technology & Communications was the Highest Value Segment with \$31.1 Billion in Reported Deal Value

During 2013, Petsky Prunier tracked 2,600 M&A and investment transactions for a total of \$105.9 billion across four broad segments: Marketing Technology, Technology & Communications, Software, and Information & Business Services. Compared to 2012, volume and reported value across all segments were up 14 percent and nine percent, respectively. Marketing Technology was the most active segment, accounting for nearly one-third of total volume during the year with 831 transactions, of which 575 were worth \$18.7 billion in aggregate reported value. The highest value segment was Technology & Communications with 498 deals, of which 377 were reported at \$31.1 billion in aggregate deal value. There were 23 +\$1 billion transactions during the year, six of which were in the Software segment, while another six were in the Information & Business Services segment.

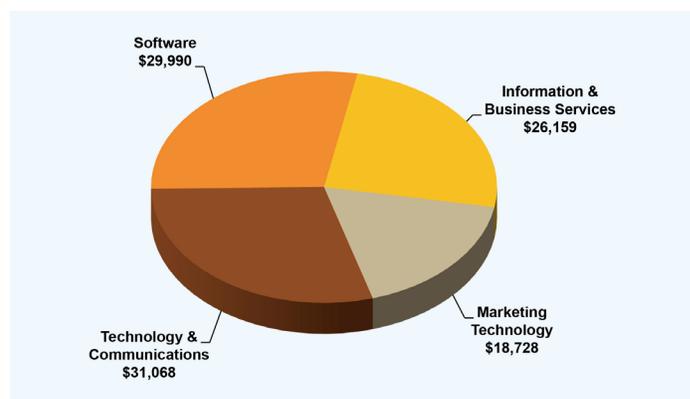
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Technology, Software, and Information & Business Services Industries  
**4Q12–4Q13 M&A and Investment Activity**  
(\$ in Billions)



Technology, Software, and Information & Business Services Industries  
**2013 M&A and Investment Activity**  
(\$ in Millions)



## M&A Activity

There were 1,224 mergers and acquisitions in 2013, of which 384 were reported at \$89.2 billion in aggregate deal value. M&A activity across all segments was up five percent, while reported value increased eight percent compared to 2012. Software was the most active M&A segment in 2013, accounting for 31 percent and 27 percent of total M&A activity and reported value, respectively. There were 375 Software acquisitions, of which 112 were worth \$24.2 billion in aggregate reported value. Healthcare Software was the most active Software subsegment, with 69 transactions, of which 14 were reported at \$2.2 billion in aggregate value. The next most active subsegments were Security Software with 51 transactions, of which 21 were reported at \$5.3 billion in aggregate deal value, and ERP Software, with 53 transactions, of which 19 were reported at \$4.8 billion in aggregate deal value. M&A deals in the Software segment during the second half of the year included:

- Cisco Systems' \$2.2 billion acquisition of cyber security product company Sourcefire
- Hellman & Friedman's \$1.8 billion purchase of Applied Systems, a provider of reporting and business intelligence software solutions
- Advent International's \$1.6 billion acquisition of Unit 4, a Netherlands-based provider of cloud-based enterprise software and financial accounting software solutions

Technology & Communications was the highest value M&A segment in 2013 with 192 transactions, of which 89 were worth \$26 billion in aggregate reported deal value. Activity was driven by the Financial Technology subsegment with 43 deals, of which 22 were worth \$7.1 billion in aggregate reported value. Acquisitions in the Technology & Communications segment during the second half of the year included:

- Microsoft's \$7.2 billion acquisition of Nokia's Devices & Services Business, valuing the business unit at \$19.6 billion
- NCR's \$1.7 billion purchase of financial management solutions company Digital Insight
- Kohlberg Kravis Roberts' \$1.1 billion acquisition of Mitchell International, a provider of development and provision of claims-processing technology to insurance companies, at a reported valuation of 12.1x EBITDA
- Summit Partners' sale of Actix, a UK-based provider of mobile network optimization software, to Amdocs for \$120 million

Information & Business Services was the second-most active M&A segment with 366 transactions, of which 103 were reported at \$25 billion in aggregate deal value. The IT Consulting/Systems Integration subsegment accounted for 26 percent of aggregate M&A deal volume in the segment, while BPO made up 31 percent of the segment's reported value. Transactions during the second half of the year included:

- Monsanto's \$930 million purchase of The Climate Corporation, a company that offers real-time weather data used to provide insurance to farmers
- CoreLogic's \$661 million acquisition of Marshall & Swift/Boeckh, a provider of property valuation solutions to the property and casualty insurance industry, which includes DataQuick Information Systems, a property data and analytics information company, and the credit and flood services operations of DataQuick Lender Solutions
- BC Partner's \$624 million purchase of UK-based financial news and business intelligence company Mergermarket

Reported M&A value in the Marketing Technology segment was up 121 percent from 2012, largely driven by nine Email/Messaging Software transactions, of which five were reported worth \$4 billion. Analytics & Reporting was the most active subsegment during the year with 33 acquisitions, of which seven were reported at \$523 million in aggregate value. Transactions in the Marketing Technology segment during the second half of the year included:

- Baidu's \$1.9 billion acquisition of China-based Android app distribution platform 91 Wireless from NetDragon Websoft
- Oracle's pending purchase of Responsys, a provider of on-demand email and marketing automation software, valuing the company at 7.7x revenue
- Digital Generation's \$485 million divestiture of its advertising distribution business VisionFusion, to Extreme Reach

### 2013 Most Active Strategic Buyers by Number of Transactions

Buyer	Number of Transactions	Representative Targets
Cisco Systems	9	Cognitive Security, Composite Software, Intucell, JouleX, Sourcefire
IBM	9	Aspera, CSL, Star Analytics, UrbanCode, Xtify
Accenture	7	ASM, ChangeTrack, PCO Innovation, PRION, Procurian
Oracle	7	Acme Packet, BigMachines, Bitzer Mobile, Nimbula, Tekelec
Reed Elsevier	7	Aureus Sciences, Gulf Publishing, Knovel, Knowledge Mosaic, Woodhead Publishing
Twitter	7	Bluefin Labs, Crashlytics, MoPub, Trendrr, Ubalo
Facebook	7	Little Eye Software Labs, Monoidics, Onavo, Parse, Spaceport.io
Yahoo!	7	GoPollGo, Lexity, Quik.io, Xobni, Ztelic
IHS	6	Energy Publishing, Fekete Associates, Intellichem, PFC Energy, Waterborne Energy
Intel	6	appMobi, Indisys, Mashery, Omek, Stonesoft

## Investment Activity

There were 1,376 investments made in 2013, of which 1,239 were reported at \$16.7 billion in aggregate value. Compared to the previous year, total investment volume and value were up 24 percent and 18 percent, respectively, largely as a result of 115 additional transactions being announced in the Technology & Communications segment for a total of 306 investments, with 288 reported for an aggregate value of \$5.1 billion. Marketing Technology was the most active investment segment, with 540 deals, of which 495 were worth \$4.7 billion in aggregate reported value. Volume and reported value in the segment increased 15 percent and 14 percent, respectively, from 2012. Investment activity in the segment was led by the Content Management subsegment with 69 investments, of which 63 were reported to total \$415 million in value. Investment activity increased by the greatest percentage in the BI Tools and CRM subsegments with 44 and 35 investments, respectively. Investments in Marketing Technology during the second half of the year included:

- The \$165 million investment led by Insight Venture Partners in HootSuite Media, a provider of Web-based social media management solutions for businesses and organizations
- Summit Partners' \$80 million investment in Clarabridge, a company that provides customer experience analytics software that enable customers to integrate and analyze customer feedback
- A \$50 million investment led by a group of private investors in Lithium Technologies, a provider of enterprise-wide social customer experience solutions

Investment volume and reported value in the Software segment were up 11 percent and 43 percent, respectively, from 2012, with 404 investments, of which 360 were worth \$5.8 billion in aggregated reported deal value. The Security Software and Healthcare Software subsegments were the most active, accounting for 18 percent and 17 percent of activity in the segment, respectively. Software investments during the second half of the year included:

- The \$150 million investment in MongoDB, which develops a cross-platform document-oriented database system, from New Enterprise Associates, Sequoia Capital, Red Hat, Salesforce.com, Intel Capital, and Altimeter Capital Management
- Insight Venture Partners' \$100 million investment in Anaqua, a provider of cloud-based intellectual asset management software solutions
- Kleiner Perkins Caufield & Byers' \$93 million investment in Telogis, a provider of a SaaS-based location intelligence platform that allows companies to manage their workforces

## Buyer & Investor Activity

Strategic buyers announced 1,092 deals during the year, of which 329 were reported at \$58 billion in aggregate deal value. Software was the most active segment among strategic buyers, with 327 acquisitions in 2013, while Technology & Communications was the highest value segment with \$22.7 billion in reported deal value. The most active buyers across all segments were Cisco and IBM, each with nine acquisitions during the year.

Buyout firms completed 131 acquisitions in 2013, of which 54 were worth \$31 billion in aggregate reported deal value. A combined total of 94 of those transactions were in the Software and Information & Business Services segments, accounting for 72 percent of total reported buyout volume and 85 percent of reported value. Private equity transactions in the second half of the year included:

- Thoma Bravo's \$1 billion acquisition of Intuit's financial services business at a reported valuation of 3.3x revenue
- Vista Equity Partners' \$644 million acquisition of Greenway Medical Technologies, which develops information technology solutions to healthcare providers, valuing the company at 4.9x revenue
- New Mountain Capital's \$417 million acquisition of UK-based recruiting consultancy Alexander Mann Solutions

Venture and growth capital investors closed 1,376 transactions, of which 1,239 were reported at \$16.7 billion in aggregate deal value. Andreessen Horowitz, Battery Ventures, and Bessemer Venture Partners were the most active investors, each with 20 investments during the year.

## IPO Activity

There were 15 IPOs in the Technology, Software, Information & Business Services industries in 2013, seven of which were in the Technology & Communications segment. Nine companies priced at the low-end or below their initial filing ranges: Barracuda Networks, Mavenir Systems, Sungy Mobile, Commscope Holding Company, Endurance International, Forgame Holdings, Covisint Corporation, Montage Technology Limited, and Violin Memory. IMS Health, Nimble Storage, and Varonis Systems filed to go public in 2013 but have yet to price.

### 2013 Most Active Investors by Number of Transactions

Investor	Number of Transactions	Representative Targets
Andreessen Horowitz	20	Balanced, Coinbase, Crowdtilt, Illumio, Ink, Usermind
Battery Ventures	20	Blue Jeans Network, Cyvera, Entelo, Gainsight, Panaya, Sprinkl
Bessemer Venture Partners	20	Adaptive Planning, Anaqua, DocuTAP, Hightower, Intigua, Qwilt
Accel Partners	19	AirWatch, Calastone, Circle, collegefeed, HasOffers, Jut
Intel Capital	16	500friends, AlienVault, Big Switch Networks, HyTrust, Maginatics, Mirantis
Sequoia Capital	16	App Annie, Birst, Comprehend Systems, Druva, Hearsay Social, HireVue

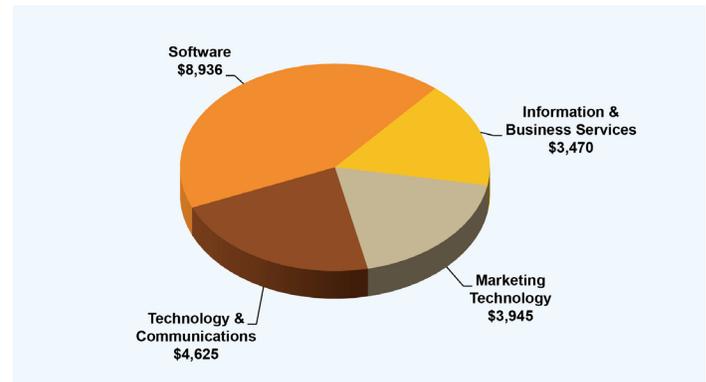
## 4Q13 M&A and Investment Activity

A total of 600 transactions were announced in 4Q13, of which 419 were worth \$21 billion in aggregate reported deal value. Software was the highest value segment in 4Q13, with 188 deals, of which 129 were reported at \$8.9 billion in aggregate deal value. The largest Software transaction during the quarter was Hellman & Friedman's \$1.8 billion acquisition of Applied Systems. There were 191 deals in the Marketing Technology segment, of which 139 were reported at \$3.9 billion in aggregate deal value. The largest acquisition during the quarter in the Marketing Technology segment was Oracle's \$1.5 billion pending purchase of Responsys, a provider of on-demand email and marketing automation software. The most active subsegment across all segments was Financial Technology, a subsegment of Technology & Communications, with 33 transactions, of which 30 were reported at \$2 billion in aggregate deal value.

Technology, Software, and Information & Business Services Industries

## 4Q13 M&A and Investment Activity

(\$ in Millions)



# Marketing Technology

## M&A and Investment Activity

A total of 831 deals (291 acquisitions and 540 investments) were completed in the Marketing Technology segment in 2013, of which 575 were reported at \$18.7 billion in aggregate value. Acquisition activity was led by the Analytics & Reporting and Content Management subsegments, with 33 and 31 transactions, respectively. Marketing Technology M&A in the second half of the year included:

- Apple's \$200 million acquisition of Topsy Labs, a social media analytics firm that tracks trending topics on Twitter and other social media networks
- Go Daddy's \$70 million acquisition of Locu, a platform that helps merchants manage listing data regarding their businesses on search engines and local review sites, valuing the company at nearly 4x revenue
- Yahoo's acquisition of Xobni, a plug-in for Microsoft Outlook that helps users organize their inboxes, reportedly valued at more than \$60 million

Analytics & Reporting and Content Management were also the most invested subsegments for 2013, together accounting for one-quarter of total investments in the segment. Compared to the third quarter, combined reported investment value across these subsegments increased 47 percent in 4Q13, while activity was down nine percent. The largest investment in the segment during the second half of the year was the \$165 million investment in HootSuite Media from Insight Venture Partners, at a reported \$500 million valuation. Additional investments in the segment included:

- Summit Partners' and General Catalyst Partners' \$80 million investment in Clarabridge, which provides customer experience analytics software enabling customers to integrate and analyze customer feedback
- The \$50 million financing of cloud-based commerce management solution Zuora co-led by Next World Capital and Vulcan Capital

## Most Active Marketing Technology Subsegments

Subsegment	3Q13		4Q13		2013		2013 vs 2012	
	Number of Transactions	Reported Value (\$MM)						
Analytics & Reporting	11	36	26	580	101	1,059	31%	174%
Content Management	34	241	17	166	100	595	(28%)	(57%)
Social Technology	22	328	19	100	87	730	(24%)	(62%)
Mobile Technology	22	1,967	27	343	86	2,703	46%	115%
CRM	18	218	13	37	64	1,367	129%	42%
BI Tools	14	120	18	192	62	672	63%	(8%)
Online Targeting/Optimization	20	484	12	248	47	852	(4%)	158%
Commerce Management	16	170	10	62	45	1,915	13%	700%
Media Management System	8	106	6	25	27	182	59%	(46%)
SFA/Lead Management	7	10	4	407	27	505	0%	(52%)
<b>Subtotal</b>	<b>172</b>	<b>3,679</b>	<b>152</b>	<b>2,159</b>	<b>646</b>	<b>10,579</b>	<b>10%</b>	<b>23%</b>
Other	45	1,984	39	1,786	185	8,148	9%	333%
<b>Total</b>	<b>217</b>	<b>5,663</b>	<b>191</b>	<b>3,945</b>	<b>831</b>	<b>18,728</b>	<b>10%</b>	<b>78%</b>

"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

## Buyers

The most active strategic buyers in the segment during 2013 were IMS Health and Yahoo, which each completed four acquisitions. Compared to 3Q13, venture and growth capital investment activity in the fourth quarter fell 17 percent, while strategic buyer activity was flat.

## Marketing Technology Transactions by Type of Buyer/Investor

Subsegment	3Q13		4Q13		2013		2013 vs 2012	
	Number of Transactions	Reported Value (\$MM)						
Strategic	65	3,672	66	2,912	272	12,508	(3%)	103%
Private Equity - Buyout	7	668	5	0	19	1,476	111%	717%
Private Equity - Venture Capital	145	1,323	120	1,033	540	4,744	15%	14%
<b>Total</b>	<b>217</b>	<b>5,663</b>	<b>191</b>	<b>3,945</b>	<b>831</b>	<b>18,728</b>	<b>10%</b>	<b>78%</b>

# Technology & Communications

## M&A and Investment Activity

Petsky Prunier tracked 499 Technology & Communications transactions, 116 of which were reported in the fourth quarter. Financial Technology and Communications Software were the most active subsegments throughout the year, with 115 and 56 deals, respectively. The Financial Technology subsegment's large number of transactions was primarily due to an increase in activity involving mobile payment companies. Transactions from the subsegment in the second half of the year included:

- NCR's \$1.7 billion purchase of financial management solutions company Digital Insight
- LifeLock's \$43 million purchase of digital wallet technology Lemon, which offers mobile money management applications
- GHX Systems' \$42 million acquisition of Australia-based e-pay Asia, an electronic payment service provider
- On Track Innovations' \$23 million acquisition of Israel-based SmartID, a provider of online payment solutions

Activity in the Communications Software subsegment increased 35 percent in volume during the fourth quarter, with 23 deals. M&A activity in the subsegment during the second half of the year included:

- Wasserstein & Co.'s \$340 million acquisition of Globecomm Systems, a provider of satellite-based managed network solutions
- Amdocs' \$129 million acquisition of Celcite Management Solutions, a company offering self-organizing network management solutions
- Amdocs' \$120 million cash acquisition of Actix, a UK-based provider of mobile network optimization software

## Most Active Technology & Communications Subsegments

Subsegment	3Q13		4Q13		2013		2013 vs 2012 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value	Number of Transactions	Reported Value (\$MM)
Financial Technology	25	2,833	33	1,982	115	7,850	311%	950%
Communications Software	17	604	23	449	56	1,701	30%	(58%)
Cloud Storage	10	73	18	167	49	353	123%	13%
Cloud Computing Technology	12	85	7	43	46	2,449	53%	(11%)
Data Center Technology	11	2,044	6	72	38	2,657	90%	29%
Enterprise Mobility	5	93	7	58	33	466	83%	15%
Big Data Technology	9	120	1	1	30	372	11%	23%
Mobile Infrastructure	10	1,567	2	25	26	1,768	37%	227%
Infrastructure Technology	10	131	0	0	18	621	NM	NM
Internet Service Providers	3	58	0	0	4	61	0%	(93%)
<b>Subtotal</b>	<b>112</b>	<b>7,608</b>	<b>97</b>	<b>2,797</b>	<b>415</b>	<b>18,298</b>	<b>97%</b>	<b>53%</b>
Other	19	7,732	19	1,828	84	12,770	(67%)	29%
<b>Total</b>	<b>131</b>	<b>15,340</b>	<b>116</b>	<b>4,625</b>	<b>499</b>	<b>31,068</b>	<b>7%</b>	<b>42%</b>

*"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*

## Buyers

Strategic buyers accounted for 35 percent of all transactions in the segment during 2013, with 174 transactions, 80 of which were worth \$22.7 billion in aggregate reported value, and 73 percent of the segment's volume in the fourth quarter. Venture and growth capital investors had 307 transactions during the year, of which 289 were reported at \$5 billion in aggregate investment value. Financial Technology, Cloud Storage, and Cloud Computing Technology were the most active subsegments among investors, with 72, 36, and 32 deals during the year, respectively.

## Technology & Communications Transactions by Type of Buyer/Investor

Subsegment	3Q13		4Q13		2013		2013 vs 2012 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value	Number of Transactions	Reported Value (\$MM)
Strategic	45	12,616	38	2,571	174	22,720	(31%)	37%
Private Equity - Buyout	7	1,386	5	349	18	3,275	(31%)	44%
Private Equity - Venture Capital	79	1,338	73	1,705	307	5,072	61%	66%
<b>Total</b>	<b>131</b>	<b>15,340</b>	<b>116</b>	<b>4,625</b>	<b>499</b>	<b>31,068</b>	<b>7%</b>	<b>42%</b>

# Software

## M&A and Investment Activity

A total of 778 transactions were recorded in the Software segment (374 acquisitions and 404 investments), 471 of which were reported at \$29.9 billion in aggregate deal value. Compared to 3Q13, reported value in the fourth quarter increased 23 percent, while volume fell 17 percent. Healthcare Software was the most active subsegment in 2013 with 137 deals (69 acquisitions and 68 investments), of which 66 were reported at \$3.2 billion in aggregate value. Healthcare reform, the rising cost of care, and the move toward digital health records, among other issues, have fueled a robust deal market. Healthcare Software transactions during the second half of the year included:

- Experian's \$850 million acquisition of Passport Health Communications, a company that offers data, analytics, and software to the healthcare payments market, at a reported valuation of 7x revenue and more than 28x EBITDA
- Vista Equity Partners' \$644 million purchase of Greenway Medical Technologies, which develops integrated IT solutions and managed business services to healthcare providers, at a reported valuation of 4.9x revenue

Security Software had 125 transactions (51 acquisitions and 74 investments) in 2013. Of those deals, 91 were reported at \$6.2 billion in aggregate value. Transactions in the subsegment during the second half of the year included:

- Cisco's \$2.7 billion acquisition of Sourcefire, which creates cybersecurity products to protect companies from attacks, at a reported valuation of 9.1x revenue and 18.6x EBITDA
- IBM's \$800 million purchase of Trusteer, a provider of software that helps protect organizations against fraud

## Most Active Software Subsegments

Subsegment	3Q13		4Q13		2013		2013 vs 2012	
	Number of Transactions	Reported Value (\$MM)						
Healthcare	48	1,359	27	990	137	3,215	(2%)	(55%)
Security	35	3,789	28	239	125	6,174	150%	230%
ERP	17	119	24	4,491	71	4,962	(16%)	(30%)
Infrastructure	14	133	15	1,505	57	9,346	(51%)	151%
Application Management	10	26	13	225	56	640	56%	305%
HR	18	79	10	569	55	792	2%	(82%)
Software Development Tools	15	99	11	210	55	694	139%	71%
Financial	17	66	14	167	51	868	(6%)	(77%)
Data Management	15	157	13	242	38	646	81%	289%
Collaboration	12	83	13	123	37	330	(5%)	(93%)
<b>Subtotal</b>	<b>201</b>	<b>5,911</b>	<b>168</b>	<b>8,760</b>	<b>682</b>	<b>27,666</b>	<b>10%</b>	<b>(18%)</b>
Other	23	1,283	20	176	97	2,323	28%	(27%)
<b>Total</b>	<b>224</b>	<b>7,194</b>	<b>188</b>	<b>8,936</b>	<b>779</b>	<b>29,990</b>	<b>12%</b>	<b>(19%)</b>

*"Other" includes Credit/Risk Software, Engineering Software, Geo-Demo Software, Legal, Software Platform, and Unclassified*

## Buyers

Strategic buyers accounted for 42 percent of all deals in the Software segment and 35 percent of reported value in 2013, with 327 deals, of which 95 were worth \$10.6 billion in aggregate reported value. The most active strategic buyers in the segment included Intel, Autodesk, and France-based Dassault Systemes, with five, four, and four acquisitions. Private equity firms accounted for 47 acquisitions in 2013, six of which were in the fourth quarter.

## Software Transactions by Type of Buyer/Investor

Subsegment	3Q13		4Q13		2013		2013 vs 2012	
	Number of Transactions	Reported Value (\$MM)						
Strategic	82	3,856	84	3,892	328	10,689	13%	(58%)
Private Equity - Buyout	20	1,764	6	3,400	47	13,529	12%	87%
Private Equity - Venture Capital	122	1,573	98	1,645	404	5,772	11%	43%
<b>Total</b>	<b>224</b>	<b>7,194</b>	<b>188</b>	<b>8,936</b>	<b>779</b>	<b>29,990</b>	<b>12%</b>	<b>(19%)</b>

# Information & Business Services

## M&A and Investment Activity

Activity in the Information & Business Services segment remained strong in 2013, with 491 transactions (366 acquisitions and 125 investments), of which 198 were reported at \$26.2 billion in aggregate value. IT Consulting/Systems Integration was the most active subsegment in 2013, accounting for 24 percent of activity in the segment with 119 transactions, 95 of which were acquisitions. Deals from the subsegment in the second half of the year included:

- China-based Gohight Data Networks Technology's agreement to acquire a 64 percent equity stake in China-based Neijing Gaoyang Jiexun Info Tech, a provider of information technology services, for \$87 million
- Cartersian Capital Group and Digital Realty's \$72 million purchase of common stock in Mexico-based Grupo redIT, a provider of managed IT services and connectivity solutions

BPO was another active subsegment in 2013 with 50 transactions, 19 of which were worth \$7.7 billion in aggregate deal value. Transactions in the subsegment from the second half of the year included:

- Vista Equity Partners' \$800 million acquisition of Omnitracs, a provider of SaaS-based fleet management solutions for trucking customers
- Apollo Global Management's \$400 million purchase of Pitney Bowes' Management Services business, which provides document device infrastructure management outsourcing services, at a valuation of more than 6x EBITDA
- Magellan Health Services' \$100 million purchase of pharmacy benefits manager Partners Rx Management

## Most Active Information & Business Services Subsegments

Subsegment	3Q13		4Q13		2013		2013 vs 2012	
	Number of Transactions	Reported Value (\$MM)						
IT Consulting/Systems Integration	25	218	30	181	119	3,484	42%	(37%)
BPO	17	1,426	9	100	50	7,736	400%	351%
Market Research	9	4	12	627	45	693	(21%)	(77%)
Financial Information	7	24	7	679	32	830	100%	(75%)
Corporate Training	9	178	5	0	25	312	56%	251%
HR Information	12	40	5	8	24	102	2,300%	NM
Healthcare Information	9	204	3	1	23	441	53%	(78%)
Marketing Data	6	65	4	103	19	1,881	19%	632%
Credit/Risk Management Information	5	672	4	1,026	17	3,595	467%	15%
Printing Services	5	15	1	0	16	16	(52%)	(99%)
<b>Subtotal</b>	<b>104</b>	<b>2,847</b>	<b>80</b>	<b>2,725</b>	<b>370</b>	<b>19,089</b>	<b>47%</b>	<b>(7%)</b>
Other	25	42	25	745	121	7,070	15%	(4%)
<b>Total</b>	<b>129</b>	<b>2,888</b>	<b>105</b>	<b>3,470</b>	<b>491</b>	<b>26,159</b>	<b>38%</b>	<b>(6%)</b>

"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

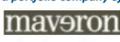
## Buyers

Strategic buyers completed 65 percent of deals in the segment, while venture and growth capital investors accounted for 25 percent. There were 47 buyout deals, 23 of which were worth \$12.7 billion in aggregate reported value. Fourth quarter volume and value among strategics fell 24 percent and 20 percent, respectively, from 3Q13. In 4Q13, private equity buyout volume and value increased 44 percent and 93 percent compared to the previous quarter, completing 13 deals, of which eight were worth \$1.9 billion in aggregate reported value.

## Information & Business Services Transactions by Type of Buyer/Investor

Subsegment	3Q13		4Q13		2013		2013 vs 2012	
	Number of Transactions	Reported Value (\$MM)						
Strategic	89	1,745	68	1,394	319	12,276	42%	(13%)
Private Equity - Buyout	9	965	13	1,863	47	12,748	15%	18%
Private Equity - Venture Capital	31	178	24	214	125	1,135	39%	(61%)
<b>Total</b>	<b>129</b>	<b>2,888</b>	<b>105</b>	<b>3,470</b>	<b>491</b>	<b>26,159</b>	<b>38%</b>	<b>(6%)</b>

# Selected Recent Transactions

 <p>one of the largest independent in-store media companies in the U.S.</p> <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>a Berlin-based worldwide travel solution provider for premium transportation</p> <p>has received a double-digit million Euro investment led by</p>  <p>PetskyPrunier ALTUM</p>	 <p>a technology company delivering highly targeted programmatic marketing solutions using unstructured data</p> <p>has received a \$16MM Series B investment led by</p>  <p>PetskyPrunier</p>	 <p>a leading provider of transaction-based media cost databases and software for television, radio, and digital advertising cost analysis</p> <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>a leading provider of online customer acquisition services to the insurance industry</p> <p>has been sold to</p>  <p>(NYSE: RATE) PetskyPrunier</p>
 <p>a leading provider of data-driven enrollment marketing solutions to higher education institutions</p> <p>has acquired select assets of</p>  <p>PetskyPrunier</p>	 <p>a leading UK-based supplier of healthcare software and IT services</p> <p>a portfolio company of</p>  <p>has been sold to</p>  <p>(AIM: EMIS) PetskyPrunier ALTUM</p>	 <p>a premier global provider of SaaS-based online brand protection and domain recovery solutions</p> <p>a portfolio company of</p>  <p>has been sold to</p>  <p>Corporate Legal Services (Euronext Amsterdam: WKL) PetskyPrunier</p>	 <p>one of the largest digital agencies</p> <p>has been sold to</p>  <p>(ENXTPA: PUB) PetskyPrunier</p>	 <p>a leading developer of popular real-money and social gaming</p> <p>has been sold to</p>  <p>(Nasdaq: RNWK) PetskyPrunier</p>
 <p>a leading provider of social software solutions and digital marketing services for some of the world's largest brands, one of just thirteen Facebook Strategic Preferred Marketing Developers (sPMD)</p> <p>has received a \$68MM minority investment from</p>  <p>PetskyPrunier</p>	 <p>the largest provider of cloud-based SaaS tools for printing signs, labels, and tags, and publishing digital displays for retailers</p> <p>has been sold to</p>  <p>a unit of</p>  <p>(NYSE: LXX) PetskyPrunier</p>	 <p>a leading multiplatform travel and lifestyle media company</p> <p>has been sold to</p>  <p>a subsidiary of</p>  <p>PetskyPrunier</p>	 <p>has sold</p>  <p>a provider of online travel guides for top destinations around the world</p> <p>to</p>  <p>(NYSE: GCI) PetskyPrunier</p>	 <p>has sold</p>  <p>along with digital subsidiary</p>  <p>specializing in retail, digital, shopper marketing, and consumer services to</p>  <p>PetskyPrunier</p>
 <p>a leading digital advertising monetization and shopper marketing partner for eCommerce retailers</p> <p>a portfolio company of</p>  <p>has been sold to</p>  <p>with financing from</p>  <p>PetskyPrunier</p>	 <p>a leading provider of in-store and shopper marketing signage to major North American retailers</p> <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>a real-time behavioral advertising company</p> <p>has been acquired by</p>  <p>(NYSE: AOL) PetskyPrunier</p>	 <p>a leading provider of digital production services to brands and agencies</p> <p>has been sold to</p>  <p>(NYSE: ACN) PetskyPrunier</p>	 <p>a dynamic display media and retargeting company</p> <p>has been acquired by</p>  <p>(JASDAQ: 4755) PetskyPrunier</p>
 <p>a leading provider of transportation-based digital media networks</p> <p>has received a mezzanine debt investment from</p>  <p>Alcentra</p> <p>PetskyPrunier</p>	 <p>a portfolio company of Union Capital</p> <p>has sold its</p> <p>Sports Marketing Print Division</p> <p>to</p>  <p>Marketing Communications PetskyPrunier</p>	 <p>a leading digital direct marketing company utilizing a proprietary database to provide customer acquisition solutions for major brands</p> <p>has received an equity investment from</p>  <p>with debt financing from</p> <p>Madison Capital Funding LLC PetskyPrunier</p>	 <p>a leader in technology and global in-app advertising for Facebook, Apple (iOS), and Android developers</p> <p>has received \$66MM investment from</p>  <p>PetskyPrunier</p>	 <p>a provider of a cloud-based integration platform for the digital marketing industry</p> <p>has received \$15MM financing led by</p>  <p>PetskyPrunier</p>
 <p>a leader in multichannel retail, eCommerce, and loyalty marketing services</p> <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>a leader in global healthcare primary market research and influence network mapping</p> <p>has been sold to</p>  <p>a portfolio company of</p>  <p>PetskyPrunier</p>	 <p>the top independent direct-to-consumer marketer of dental savings plans</p> <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>has sold</p>  <p>and</p>  <p>a leading provider of services for domain name registration, acquisition, brokerage and sales</p>  <p>PetskyPrunier</p>	 <p>a leading data management and audience optimization platform (DMP) company</p> <p>has been sold to</p>  <p>a global digital marketing agency</p> <p>a unit of</p>  <p>PetskyPrunier</p>

## About Petsky Prunier LLC

Petsky Prunier 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, member of FINRA/SIPC.

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