

# CEO Monthly Technology Market Analysis

## December 2011



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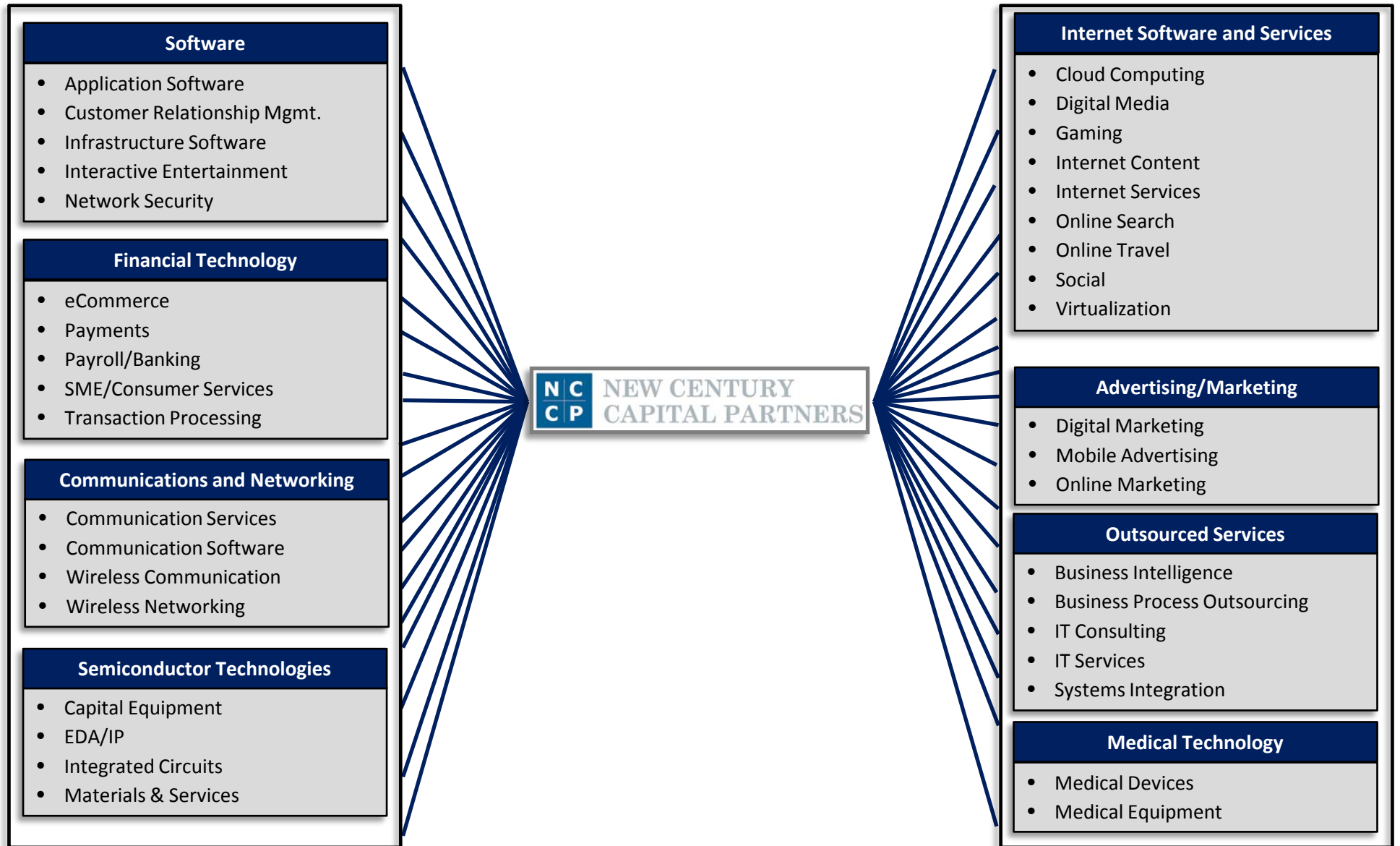
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# New Century Capital Partners Technology Universe Coverage

## New Century Capital Partners' (NCCP) Technology Landscape



# New Century Capital Partners Technology Universe Coverage

New Century Capital Partners has Vast Experience within the Technology Sector



# New Century Capital Partners – Spotlight on The “Cloud”

*“The disruptive shift called cloud computing is about computers talking to each other over the web – software interacting with other software, and thereby other hardware”*

## What is “Cloud Computing”?

- Definition: The practice of using a network of remote servers hosted on the Internet to store, manage, and process data, rather than a local server
- The “Cloud” allows for products and services to be easily accessible by users, and be scalable to an infinite number of users
  - Data and information stored in the “Cloud”, in servers that do not require a direct connection, but rather simply an Internet connection, can be retrieved anywhere by anyone with an Internet connection
  - Products and services, such as CRM systems, hosted in the Cloud do not require installation via downloads or physical CDs, but instead can be fully accessed via a simple log-in on a web-site

## What is the Value Proposition of Cloud-based Products?

- Installation costs, for both service providers and users, are reduced or eliminated
- The availability of data and information wherever an Internet connection is available
- Updates to services, as well as adding additional services to existing product suites, is seamless and instant
- Data stored on Internet-hosted servers allows for the sharing of information between Cloud-based products, greatly enhancing the power and accessibility of important data

## Examples of Cloud-based Services

- CRM Solutions
  - Operational software solutions, traditionally used for customer service, payroll/employee management, and sales, can now be hosted entirely online and can share data with each other
- Music/Photo Hosting
  - Music, photos, videos, and other media typically requiring large amounts of physical hard-drive or server space can now be stored “in the cloud”, accessible by an individual when and where they want, either for downloading or to “stream”
- File Hosting
  - In an effort to enhance work collaboration and accessibility, documents, presentations, and any other files can be stored in the cloud and be easily accessed



# New Century Capital Partners – Spotlight on The “Cloud”

*“Software interacts with three things: people, hardware, and other software. The SaaS (Software-as-a-Service) revolution has been about reducing costs by aggregating remote and dispersed groups over the web – software interacting with people to lower TCO (total cost of ownership)”*

## **Trends in the Cloud Computing Industry**

- The near-future standard of computing – All computing functions will be run off of cloud-based software, with data and information stored completely in the cloud
- Data aggregation – The ability to collect and sort through massive amounts of data, while making it easily accessible to individuals/companies, will create advancements in data-intensive industries
- Mobile – Mobile devices will become more dependent upon cloud-based applications, reducing the need for powerful hardware in response to a more powerful cloud
- Security – A potential barrier to mass-cloud adoption, the security of the cloud needs to be tested to ensure that the massive amounts of data stored on the cloud cannot be compromised

## **Select Recent Market Activity**

- 12/9/2011 – IBM Acquires DemandTec for \$440MM
  - Adds supply chain management cloud solutions to IBM’s Smarter Commerce applications
- 12/3/2011 – SAP Acquires SuccessFactors for \$3.4B
  - Adds human capital management cloud solutions to the SAP’s service offerings
- 10/14/2011 – Oracle Acquires RightNow for \$1.5B
  - Adds customer service cloud solutions to the Oracle Public Cloud ecosystem
- 7/15/2011 – CenturyLink Acquires Savvis for \$2.5B
  - Adds ability to diversify revenue streams and become more active in the cloud.
- 4/30/2011 – Salesforce.com Acquires Radian6 for \$326MM
  - Adds social media monitoring solutions to Salesforce.com’s existing cloud products
- 4/26/2011 – SuccessFactors Acquires Plateau for \$290MM
  - Adds learning management tools to bolster SuccessFactor’s BizX suite
- 1/27/2011 – Verizon Acquires Terremark for \$1.4B
  - Adds cloud computing to Verizon’s services, where it is trying to establish its cloud products as its competitors gain a foothold in cloud-based services

## **New Century Capital Partner’s Takeaways**

- Cloud computing allows subscribers to extract more value from data, at lower costs, and as a result will continue to be the leading area of software growth as private and public demands for cloud solutions increase
- NCCP anticipates high volumes of M&A activity within and around the cloud-computing industry, as firms attempt to establish broad cloud-product ecosystem



# New Century Capital Partners – Transaction Analysis

To receive future news releases on  
M&A activity, [click here](#)

## Oracle Acquires RightNow Technologies for \$1.5 Billion

### Transaction Overview

- On October 24, 2011, Oracle announced its acquisition of RightNow Technologies for \$1.5 billion
- Oracle has been exploring ways to penetrate the SaaS-solution marketplace, going after CRM leaders such as Salesforce.com and Microsoft Dynamics CRM
- Acquisition of RightNow Technologies, a CRM SaaS vendor, is Oracle's first significant SaaS acquisition
- Supports the notion that Oracle is shifting its focus to a full-suite of cloud-based solutions
- RightNow will be integrated into the Oracle Public Cloud suite of solutions

### Transaction Details <sup>(1)</sup>

- Under the deal terms, Oracle is to pay \$43 for each share of RightNow, reflecting a 20% premium paid to shareholders
- The transaction value stands at \$1.5 billion, signifying a 6.6x TTM revenue (\$216 million)
- Although the valuation is rich when viewing the M&A landscape in 2011, it represents Oracle's willingness to pay a premium for its first large SaaS-based acquisition

### Deal Rationale

- Signifies Oracle's desire to bolster its new SaaS platform, Oracle Public Cloud
- Boosts Oracle's customer service cloud across all cloud solutions
- RightNow's most notable organic asset is RightNow CX, a suite of customer experience solutions delivered via the cloud

### New Century Capital Partners' Takeaways

- The top-dollar payment for RightNow combined with announcement of the Oracle Public Cloud indicate that Oracle is shifting its core focus towards a full range of cloud solutions
- Cloud-based solutions are rapidly evolving to provide complete suites of products that combine traditional CRM systems and other business solutions
  - This shift from traditional software will be the trend in enterprise software, and will continue to drive the M&A market as major players like Microsoft, SAP, and Oracle try to gain competitive advantages and market share in the cloud space

October 24, 2011  
**New Century Capital Partners**  
Transaction Profile:

**ORACLE**<sup>®</sup>

Acquires

  
**RightNow**

In a cash transaction valued at

**\$1,500,000,000**

Transaction Profile Courtesy of:

 **NEW CENTURY  
CAPITAL PARTNERS**

New Century Capital Partners was not involved with this transaction.

<sup>(1)</sup> Capital IQ and The 451Group, December 12, 2011

# New Century Capital Partners – Transaction Analysis

To receive future news releases on  
M&A activity, [click here](#)

## SAP Acquires SuccessFactors for \$3.4 Billion

### Transaction Overview

- On December 3, 2011, SAP announced its acquisition of SuccessFactors Inc. for \$3.4 billion
- Struggling for years to build its own on-demand offering, SAP is buying its way into cloud-based software
- Acquisition combines SAP, the largest ERP vendor with SuccessFactors, the fastest-growing Human Capital Management (HCM) provider
- Even though SuccessFactors will become SAP's cloud-based HCM product, SAP will continue to sell its own existing on-premise talent management offering

### Transaction Details <sup>(1)</sup>

- Under the deal terms, SAP is to pay \$40 per share, reflecting a 52% premium paid to shareholders
- The transaction value stands at \$3.4 billion, signifying a 11.7x TTM revenue (\$292 million)
- This acquisition reaffirms that SaaS platforms are the new trend and future of the enterprise software sector. Companies are willing to pay high premiums in order to establish a foothold within the space

### Deal Rationale

- The acquisition significantly accelerates SAP's momentum as a provider of cloud applications, platforms and infrastructure, creating an advanced end-to-end offering of cloud products and on-premise solutions for managing all relevant business processes
- SuccessFactors provides additional top line revenue and a great opportunity for growth within the SAP organization, as SuccessFactors is growing at 4x the rate of SAP and is forecasting sales growth greater than 50% in 2011, compared with SAP's forecasted growth rate, which is in the low teens

### New Century Capital Partners' Takeaways

- HCM, a submarket of the broader ERP space, is one of the fastest-growing areas of enterprise software. As such, M&A activity in this sector should increase as larger enterprise software companies will look for opportunities to establish themselves in the cloud ERP space
- Existing companies in the HCM market will receive higher valuations, as seen by the shares of HCM vendors Taleo and Ultimate Software rising to all-time highs after the announcement

December 3, 2011  
**New Century Capital Partners**  
Transaction Profile:



Acquires

**SuccessFactors**   
Business Execution Software

In a cash transaction valued at

**\$3,400,000,000**

Transaction Profile Courtesy of:



New Century Capital Partners was not involved with this transaction.

<sup>(1)</sup> Capital IQ and The 451Group, December 12, 2011

# New Century Capital Partners – Transaction Analysis

To receive future news releases on  
M&A activity, [click here](#)

## IBM Acquires DemandTec for \$440 Million

### Transaction Overview

- On December 8, 2011, IBM announced its acquisition of DemandTec for \$440 million
- IBM cloud acquisitions had been relatively idle in the past year, while SAP and Oracle had begun to actively pursue SaaS-solution acquisition targets, heating up the market
- Acquisition of DemandTec, a Supply Chain Management (SCM) SaaS vendor, is IBM's first significant acquisition aimed at enhancing their SCM offering through cloud services
- Supports the notion that IBM is following the industry trend, and shifting its focus to a full-suite of cloud-based solutions
- DemandTec will be integrated into IBM's Smarter Commerce suite of solutions

### Transaction Details <sup>(1)</sup>

- Under the deal terms, IBM is to pay \$13.20 for each share of DemandTec, reflecting a 57% premium paid to shareholders
- The transaction value stands at \$440 million, signifying 5x TTM revenue (\$88.5 million)
- Although the valuation is rich when viewing the M&A landscape in 2011, it represents IBM's desire to be a contender in the cloud space and compete with recent SAP and Oracle acquisitions in the industry

### Deal Rationale

- Signifies IBM's need to be among the leaders in cloud space, and to bolster its cloud-based offerings, specifically the Smarter Commerce application
- Boosts IBM's commerce cloud services by adding cloud-based price, promotion and other merchandising and marketing analytics to existing commerce applications
- DemandTec's most notable organic asset is the Collaborative Analytics Cloud, where retailers and manufacturers can make decisions together from one single trusted source

### New Century Capital Partners' Takeaways

- The high premium paid for DemandTec, coupled with the recent spate of cloud-space acquisitions, indicates that the enterprise software industry is quickly shifting its focus towards cloud-based solutions
- NCCP continues to foresee increased M&A activity with higher premiums paid, and increased investment across the cloud and SaaS industries, as cloud solutions become the core of enterprise and IT software offerings

New Century Capital Partners was not involved with this transaction.

<sup>(1)</sup> Capital IQ and The 451Group, December 12, 2011

December 8, 2011  
**New Century Capital Partners**  
Transaction Profile:



Acquires



In a cash transaction valued at












**\$440,000,000**

Transaction Profile Courtesy of:



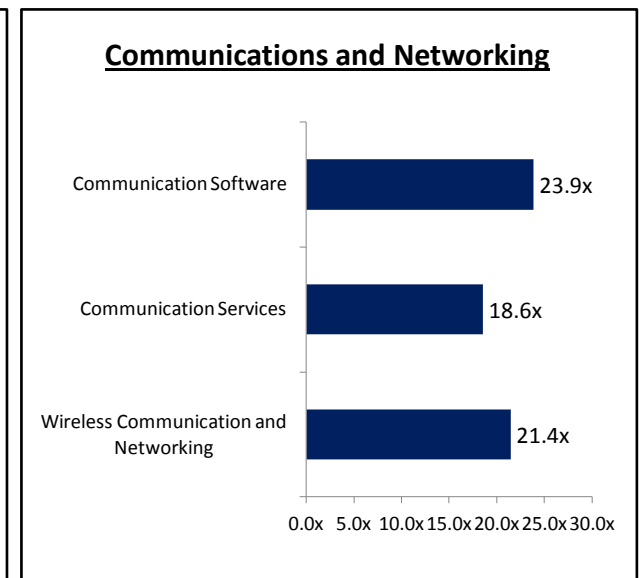
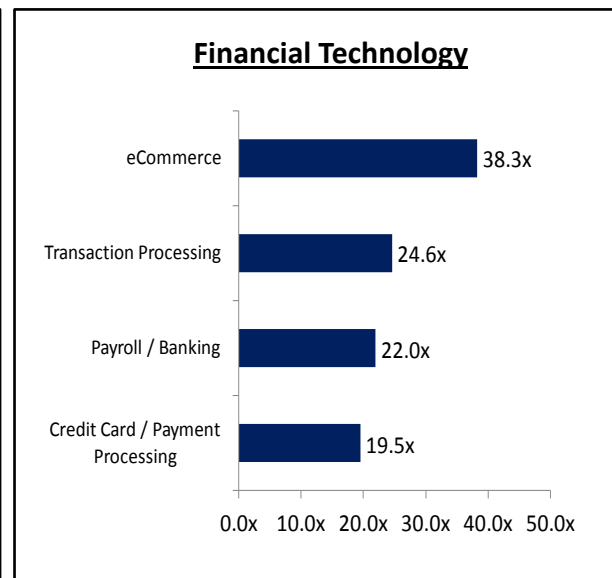
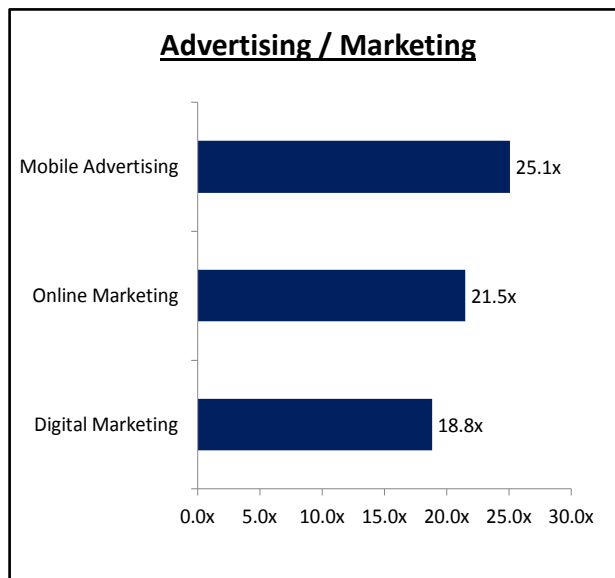
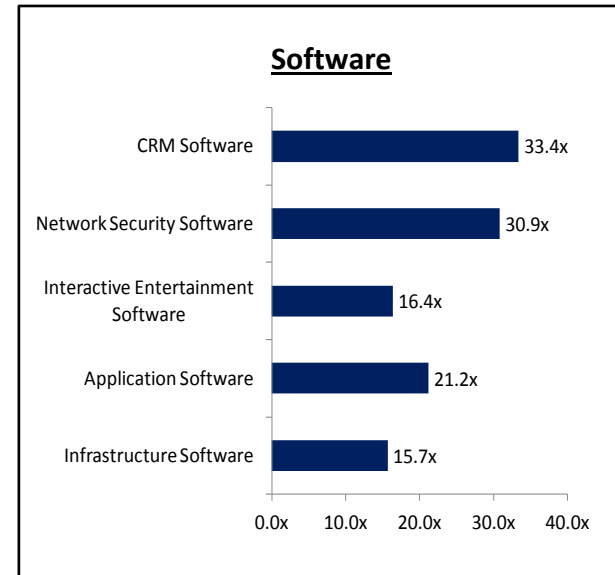
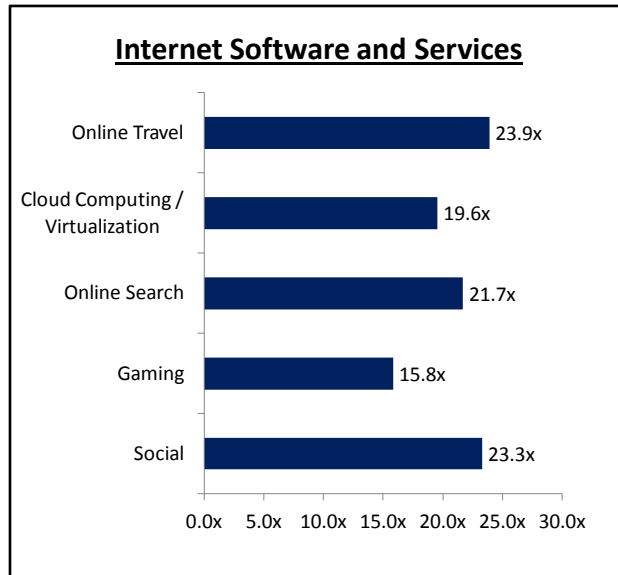
# NCCP Recommended Technology Conferences – 2012

[Click to view complete list and/or attend an NCCP recommended conference](#)

Date	Conference	Sponsors	Location
January 8-9	<a href="#">Storage Visions</a>	 <b>TOSHIBA</b>	Las Vegas, NV
January 10-13	<a href="#">2012 International CES</a>		Las Vegas, NV
January 23-30	<a href="#">Social Networking Conference</a>	  	Miami, FL
January 24-26	<a href="#">DistribuTECH</a>	 <b>ORACLE</b> <b>Microsoft</b>	San Antonio, TX
January 25-26	<a href="#">Mobile Games Forum</a>	 	London, UK
January 30-31	<a href="#">All Things Digital: Drive into Media</a>	<b>Microsoft</b> <b>RICOH</b> <b>AMD</b>	Laguna Niguel, CA
January 31-February 1	<a href="#">iStrategy</a>	  	San Francisco, CA
February 7-9	<a href="#">Stifel Nicolaus Technology &amp; Telecom Conference</a>		Dana Point, CA
February 8-10	<a href="#">D.I.C.E. 2012</a>	  	Las Vegas, NV
February 13-16	<a href="#">Cloud Connect</a>	 <b>Microsoft</b> <b>SUNGARD</b>	Santa Clara, CA
February 26-29	<a href="#">The SharePoint Technology Conference</a>	  <b>Microsoft</b>	San Francisco, CA
February 27-March 1	<a href="#">Mobile World Congress</a>	 	Barcelona, SP
February 27-March 2	<a href="#">RSA Conference</a>	<b>Microsoft</b>  	San Francisco, CA

# New Century Capital Partners – Technology Sector Financial Analysis

## LTM Price/Earnings Trading Statistics



# New Century Capital Partners – Technology Sector Financial Analysis

## LTM Price/Earnings Trading Statistics

YTD Change	Company	P/E YTD Change	P/E Multiples	
			CY 11E	CY 12E
<b>Advertising / Marketing</b>				
-15%	Digital Marketing			
	Aegis	-64%	35.5x	13.7x
	Havas	-6%	11.1x	9.5x
	Interpublic Group	17%	14.8x	14.7x
	Publicis	-4%	17.1x	13.2x
	WPP	-18%	15.6x	9.9x
16%	Mobile Advertising			
	2 Ergo Group	NM	NM	NM
	Bango	39%	NM	NM
	Open Text	-7%	33.4x	11.7x
	TradeDoubler	NM	16.8x	11.6x
	Velti	NM	NM	19.7x
-16%	Online Marketing			
	Akamai Technologies	-32%	27.8x	19.3x
	Constant Contact	-11%	NM	37.2x
	QuinStreet	-6%	18.7x	21.4x
	ReachLocal	NM	NM	NM
	ValueClick	NM	17.8x	14.7x

YTD Change	Company	P/E YTD Change	P/E Multiples	
			CY 11E	CY 12E
<b>Financial Technology</b>				
-15%	Credit Card / Payment Processing			
	American Express	-64%	15.2x	12.4x
	Jack Henry	-6%	22.0x	19.5x
	Mastercard	17%	23.1x	20.2x
	Visa	-4%	22.3x	16.6x
	Western Union	-18%	15.1x	11.6x
16%	eCommerce			
	Amazon.com	NM	NM	NM
	Digital River	39%	46.6x	14.9x
	eBay	-7%	30.0x	15.8x
	Web.com Group	NM	NM	NM
-8%	Payroll / Banking			
	ADP	17%	21.6x	19.1x
	Intuit	-32%	26.7x	18.3x
	Paychex	-11%	21.2x	19.9x
	Sage Group	-6%	18.3x	13.9x
-19%	Transaction Processing			
	Global Payments	-19%	16.5x	14.1x
	S1 Corporation	NM	NM	43.8x
	TNS	NM	32.7x	9.5x

YTD Change	Company	P/E YTD Change	P/E Multiples	
			CY 11E	CY 12E
<b>Communications and Networking</b>				
-1%	Communication Services			
	8x8	NM	NM	32.9x
	Apptix	NM	NM	NM
	Constant Contact	NM	NM	37.2x
	Frontier Communication:	17%	21.2x	19.5x
	j2 Communications	-18%	15.9x	10.7x
	Synchronoss	NM	NM	35.5x
-1%	Communication Software			
	Amdocs	-11%	21.1x	11.3x
	Converse Technology	NM	NM	NM
	Evolving Systems	10%	26.6x	NM
	Motricity	NM	NM	NM
	Nuance Communications	NM	NM	15.6x
-43%	Wireless Communication and Networking			
	Broadsoft	NM	NM	39.3x
	Cisco	-25%	18.4x	10.7x
	Juniper	-60%	24.5x	16.0x
	Meru Networks	NM	NM	NM

YTD Change	Company	P/E YTD Change	P/E Multiples	
			CY 11E	CY 12E
<b>Software</b>				
-30%	Application Software			
	Adobe Systems	-21%	21.0x	12.3x
	BMC	-36%	17.7x	10.7x
	Intuit	-32%	26.7x	18.3x
	Red Hat	NM	NM	47.3x
	SAP	-29%	19.4x	15.7x
1%	CRM Software			
	LivePerson	NM	NM	38.3x
	NetSuite	NM	NM	NM
	Open Text	1%	33.4x	11.7x
	RightNow	NM	NM	NM
	Salesforce.com	NM	NM	NM
-17%	Infrastructure Software			
	HP	-43%	8.7x	6.8x
	IBM	8%	18.4x	14.6x
	Microsoft	-28%	12.5x	9.3x
	Oracle	-17%	20.5x	13.1x
	Sage	-6%	18.3x	13.9x
-50%	Interactive Entertainment Software			
	Blizzard	-71%	18.0x	14.3x
	Capcom	NM	NM	NM
	Electronic Arts	NM	NM	NM
	Konami	-29%	14.7x	14.0x
	Nintendo	NM	NM	NM
-11%	Network Security Software			
	Blue Coat	1%	46.2x	29.9x
	Check Point	-14%	26.0x	45.0x
	Fortinet	NM	NM	NM
	Symantec	-21%	20.4x	9.9x
	VeriSign	NM	NM	22.7x

YTD Change	Company	P/E YTD Change	P/E Multiples	
			CY 11E	CY 12E
<b>Internet Software and Services</b>				
35%	Cloud Computing / Virtualization			
	Broadsoft	NM	NM	39.3x
	CA Technologies	23%	13.1x	10.0x
	Citrix	NM	NM	29.0x
	EMC	48%	26.0x	15.8x
	LogMeIn	NM	NM	NM
	NetSuite	NM	NM	NM
	Rackspace	NM	NM	NM
	Salesforce.com	NM	NM	NM
	VMWare	NM	NM	44.8x
-12%	Digital Media			
	AOL	-243%	19.8x	18.3x
	Apple	51%	17.3x	11.3x
	Google	27%	26.8x	17.0x
	Netflix	81%	16.3x	17.1x
	News Corp.	22%	15.4x	12.7x
	Pandora	NM	NM	NM
44%	Gaming			
	Disney	27%	13.8x	12.6x
	Sina	NM	NM	NM
	Sohu	39%	11.4x	11.1x
	Tencent	57%	31.3x	20.7x
	Tipp24	52%	6.8x	7.7x
	Yoku	NM	NM	NM
34%	Online Search			
	Baidu	NM	NM	44.2x
	Google	27%	26.8x	17.0x
	Microsoft	28%	12.5x	9.3x
	Yahoo!	47%	25.7x	19.8x
46%	Online Travel			
	Expedia	8%	19.0x	14.5x
	HomeAway	NM	NM	NM
	Orbitz Worldwide	NM	NM	41.3x
	priceline.com	56%	31.4x	20.9x
	TravelZoo	73%	21.3x	19.8x
-108%	Social			
	AOL	-243%	19.8x	0.0x
	Google	27%	26.8x	0.0x
	LinkedIn	NM	NM	NM
	QuePasa	NM	NM	0.0x

# New Century Capital Partners – Technology Sector Financial Analysis

## Technology Industry Segments<sup>(1)</sup>

Public Comparable Companies - Selected Technology Industry Sectors									
<i>(\$ millions except per share data)</i>									
Company Name	% of 52 wk high	Aggregate Market Cap	Aggregate Enterprise Value	Enterprise Value Trading Multiples				Rev. Growth 2011 / 10	Price/ Earnings
				LTM Revenue	CY 2011E Revenue	LTM EBITDA	CY 2011E EBITDA		
<b>Advertising / Marketing</b>									
Digital Marketing	79%	29,983	35,600	1.0x	1.1x	7.1x	6.8x	8%	18.8x
Mobile Advertising	49%	3,819	3,868	1.6x	1.3x	14.9x	8.0x	21%	25.1x
Online Marketing	53%	7,839	6,935	2.2x	2.1x	14.8x	9.8x	21%	21.5x
<b>Advertising / Marketing Mean</b>				<b>1.6x</b>	<b>1.5x</b>	<b>11.6x</b>	<b>8.3x</b>	<b>17%</b>	<b>20.9x</b>
<b>Communications and Networking</b>									
Communication Services	72%	8,651	16,182	3.1x	3.3x	19.9x	14.8x	22%	18.6x
Communication Software	71%	50,751	13,344	2.0x	2.2x	17.8x	8.0x	-5%	23.9x
Wireless Communication/Networking	51%	113,058	83,038	2.7x	2.7x	14.4x	13.4x	18%	21.4x
<b>Communications and Networking Mean</b>				<b>2.6x</b>	<b>2.7x</b>	<b>18.0x</b>	<b>12.2x</b>	<b>11%</b>	<b>21.3x</b>
<b>Financial Technology</b>									
Credit Card / Payment Processing	92%	185,560	218,021	4.5x	4.4x	10.2x	10.0x	11%	19.5x
eCommerce	65%	129,476	121,443	2.1x	1.8x	22.1x	17.1x	37%	38.3x
Payroll / Banking	92%	58,226	56,475	3.5x	3.4x	11.3x	10.7x	8%	22.0x
Transaction Processing	89%	4,543	4,763	1.7x	1.7x	15.3x	9.7x	13%	24.6x
<b>Financial Technology Mean</b>				<b>3.1x</b>	<b>3.0x</b>	<b>14.7x</b>	<b>12.0x</b>	<b>17%</b>	<b>23.9x</b>
<b>Internet Software and Services</b>									
Cloud Computing / Virtualization	81%	140,532	133,489	7.0x	7.1x	25.5x	22.4x	22%	19.6x
Digital Media	66%	620,013	562,223	2.9x	2.6x	8.2x	7.5x	27%	19.1x
Gaming	57%	106,258	113,658	5.6x	5.1x	15.3x	7.2x	50%	15.8x
Online Search	85%	484,732	403,108	8.3x	7.7x	17.7x	15.5x	31%	21.7x
Online Travel	62%	34,372	32,309	3.9x	3.7x	10.7x	13.3x	23%	23.9x
Social	58%	211,721	175,692	9.3x	8.2x	7.6x	6.8x	21%	23.3x
<b>Internet Software and Services Mean</b>				<b>5.8x</b>	<b>5.5x</b>	<b>15.7x</b>	<b>13.8x</b>	<b>25%</b>	<b>20.1x</b>
<b>Software</b>									
Application Software	83%	113,018	109,027	4.3x	4.1x	15.2x	12.1x	15%	21.2x
CRM/SaaS Software	86%	25,393	25,246	7.3x	7.4x	17.9x	27.9x	21%	33.4x
Enterprise Software	84%	666,656	648,383	2.4x	2.3x	7.9x	7.5x	7%	15.7x
Interactive Entertainment Software	73%	50,751	34,239	1.5x	1.5x	7.2x	9.1x	1%	16.4x
Network Security Software	76%	22,685	21,178	3.8x	3.6x	15.4x	13.4x	9%	30.9x
<b>Software Mean</b>				<b>3.8x</b>	<b>3.8x</b>	<b>12.5x</b>	<b>13.4x</b>	<b>10%</b>	<b>21.5x</b>
<b>High</b>				<b>9.3x</b>	<b>8.2x</b>	<b>25.5x</b>	<b>27.9x</b>	<b>50%</b>	<b>38.3x</b>
<b>Mean</b>				<b>3.8x</b>	<b>3.7x</b>	<b>14.1x</b>	<b>11.9x</b>	<b>18%</b>	<b>22.6x</b>
<b>Median</b>				<b>3.1x</b>	<b>3.3x</b>	<b>14.9x</b>	<b>10.0x</b>	<b>21%</b>	<b>21.5x</b>
<b>Low</b>				<b>1.0x</b>	<b>1.1x</b>	<b>7.1x</b>	<b>6.8x</b>	<b>-5%</b>	<b>15.7x</b>

Source: Capital IQ as of December 12, 2011

(1) All figures are averages based upon respective segment public comparable company groups, unless otherwise noted

# New Century Capital Partners – Technology Sector Financial Analysis

## Advertising/Marketing Segment

Public Comparable Companies - Advertising / Marketing										
<i>(\$ millions except per share data)</i>										
Company Name	Price 12/12/2011	% of 52 wk high	Market Cap	Enterprise Value	Enterprise Value Trading Multiples				Rev. Growth 2011 / 10	Price/ Earnings
					LTM Revenue	CY 2011E Revenue	LTM EBITDA	CY 2011E EBITDA		
<b>Digital Marketing</b>										
Aegis	\$2.15	97%	2,456	3,087	1.2x	1.4x	10.9x	8.5x	0%	35.5x
Havas	3.96	70%	1,708	1,830	0.8x	NA	5.0x	NA	NA	11.1x
Interpublic Group	9.29	70%	4,418	4,344	0.6x	0.6x	5.6x	5.2x	9%	14.8x
Publicis	46.34	84%	8,599	8,912	1.1x	1.1x	6.4x	6.3x	12%	17.1x
WPP	10.15	75%	12,803	17,427	1.1x	1.1x	7.6x	7.0x	10%	15.6x
<b>Digital Marketing Mean</b>					<b>1.0x</b>	<b>1.1x</b>	<b>7.1x</b>	<b>6.8x</b>	<b>8%</b>	<b>18.8x</b>
<b>Mobile Advertising</b>										
2 Ergo Group	\$1.18	47%	41	37	1.3x	1.3x	NM	6.4x	-10%	NM
Bango	1.09	43%	42	37	1.4x	0.4x	NM	13.3x	NA	NM
Open Text	54.47	75%	3,165	3,391	3.1x	2.9x	11.1x	9.7x	24%	33.4x
TradeDoubler	3.66	48%	156	118	0.3x	0.3x	6.0x	5.4x	4%	16.8x
Velti	6.78	34%	414	284	1.8x	1.6x	27.7x	5.4x	67%	NM
<b>Mobile Advertising Mean</b>					<b>1.6x</b>	<b>1.3x</b>	<b>14.9x</b>	<b>8.0x</b>	<b>21%</b>	<b>25.1x</b>
<b>Online Marketing</b>										
Akamai Technologies	\$27.28	50%	5,062	4,374	3.9x	3.8x	10.1x	8.6x	12%	27.8x
Constant Contact	24.94	69%	746	619	3.0x	2.9x	33.8x	17.5x	23%	NM
QuinStreet	9.33	37%	450	408	1.0x	1.0x	5.7x	4.6x	10%	18.7x
ReachLocal	7.89	28%	239	144	0.4x	0.4x	NM	10.1x	29%	NM
ValueClick	15.57	79%	1,343	1,389	2.7x	2.5x	9.7x	8.1x	30%	17.8x
<b>Online Marketing Mean</b>					<b>2.2x</b>	<b>2.1x</b>	<b>14.8x</b>	<b>9.8x</b>	<b>21%</b>	<b>21.5x</b>
<b>High</b>					<b>3.9x</b>	<b>3.8x</b>	<b>33.8x</b>	<b>17.5x</b>	<b>67%</b>	<b>35.5x</b>
<b>Mean</b>					<b>1.6x</b>	<b>1.5x</b>	<b>11.6x</b>	<b>8.3x</b>	<b>17%</b>	<b>20.9x</b>
<b>Median</b>					<b>1.2x</b>	<b>1.2x</b>	<b>8.6x</b>	<b>7.6x</b>	<b>12%</b>	<b>17.5x</b>
<b>Low</b>					<b>0.3x</b>	<b>0.3x</b>	<b>5.0x</b>	<b>4.6x</b>	<b>-10%</b>	<b>11.1x</b>

# New Century Capital Partners – Technology Sector Financial Analysis

## Communications and Networking Segment

Public Comparable Companies - Communications and Networking										
<i>(\$ millions except per share data)</i>										
Company Name	Price 12/12/2011	% of 52 wk high	Market Cap	Enterprise Value	Enterprise Value Trading Multiples				Rev. Growth 2011 / 10	Price/ Earnings
					LTM Revenue	CY 2011E Revenue	LTM EBITDA	CY 2011E EBITDA		
<b>Communication Services</b>										
8x8	\$3.80	70%	269	249	3.4x	3.2x	33.5x	28.0x	16%	NM
Apptix	0.48	77%	39	48	1.2x	NA	12.2x	NA	NA	NM
Constant Contact	24.94	69%	746	619	3.0x	2.9x	33.8x	17.5x	23%	NM
Frontier Communications	5.11	52%	5,135	13,124	2.5x	2.6x	5.4x	5.5x	-2%	21.2x
j2 Communications	26.44	81%	1,286	1,123	3.6x	3.3x	7.8x	6.8x	33%	15.9x
Synchronoss	30.05	84%	1,176	1,019	4.7x	4.4x	26.6x	16.4x	37%	NM
<b>Communication Services Mean</b>					<b>3.1x</b>	<b>3.3x</b>	<b>19.9x</b>	<b>14.8x</b>	<b>22%</b>	<b>18.6x</b>
<b>Communication Software</b>										
Amdocs	\$27.78	87%	4,825	3,902	1.2x	1.2x	6.7x	5.9x	6%	21.1x
Comverse Technology	6.99	87%	1,380	1,509	0.9x	1.0x	10.5x	7.1x	5%	NM
Evolving Systems	7.34	88%	83	53	1.6x	2.6x	9.1x	NM	-48%	26.6x
Motricity	1.14	5%	55	58	0.4x	0.4x	33.4x	4.8x	-2%	NM
Nuance Communications	24.04	89%	7,441	7,822	5.9x	5.6x	29.2x	14.0x	15%	NM
<b>Communication Software Mean</b>					<b>2.0x</b>	<b>2.2x</b>	<b>17.8x</b>	<b>8.0x</b>	<b>-5%</b>	<b>23.9x</b>
<b>Wireless Communication and Networking</b>										
Broadsoft	\$35.86	65%	1,028	945	7.1x	7.0x	27.7x	27.4x	47%	NM
Cisco	18.38	82%	101,496	73,961	1.7x	1.7x	6.6x	5.6x	6%	18.4x
Juniper	19.56	43%	10,468	8,112	1.8x	1.8x	8.9x	7.1x	12%	24.5x
Meru Networks	4.23	15%	67	20	0.2x	0.2x	NM	NM	8%	NM
<b>Wireless Communication and Networking Mean</b>					<b>2.7x</b>	<b>2.7x</b>	<b>14.4x</b>	<b>13.4x</b>	<b>18%</b>	<b>21.4x</b>
<b>High</b>					<b>7.1x</b>	<b>7.0x</b>	<b>33.8x</b>	<b>28.0x</b>	<b>47%</b>	<b>26.6x</b>
<b>Mean</b>					<b>2.6x</b>	<b>2.7x</b>	<b>18.0x</b>	<b>12.2x</b>	<b>11%</b>	<b>21.3x</b>
<b>Median</b>					<b>1.8x</b>	<b>2.6x</b>	<b>11.4x</b>	<b>7.1x</b>	<b>10%</b>	<b>21.2x</b>
<b>Low</b>					<b>0.2x</b>	<b>0.2x</b>	<b>5.4x</b>	<b>4.8x</b>	<b>-48%</b>	<b>15.9x</b>

# New Century Capital Partners – Technology Sector Financial Analysis

## Financial Technology Segment

Public Comparable Companies - Financial Technology										
(\$ millions except per share data)										
Company Name	Price 12/12/2011	% of 52 wk high	Market Cap	Enterprise Value	Enterprise Value Trading Multiples				Rev. Growth 2011 / 10	Price/ Earnings
					LTM Revenue	CY 2011E Revenue	LTM EBITDA	CY 2011E EBITDA		
<b>Credit Card / Payment Processing</b>										
American Express	\$47.55	88%	56,680	95,582	3.3x	3.2x	NA	NA	8%	15.2x
Jack Henry	32.81	96%	2,926	2,975	3.0x	3.0x	9.5x	9.4x	9%	22.0x
Mastercard	370.08	96%	47,901	43,509	6.8x	6.6x	12.3x	12.2x	19%	23.1x
Visa	96.59	98%	66,796	63,398	6.9x	6.7x	11.0x	10.6x	13%	22.3x
Western Union	17.50	79%	11,256	12,557	2.3x	2.3x	7.9x	7.8x	6%	15.1x
<b>Credit Card / Payment Processing Mean</b>					<b>4.5x</b>	<b>4.4x</b>	<b>10.2x</b>	<b>10.0x</b>	<b>11%</b>	<b>19.5x</b>
<b>eCommerce</b>										
Amazon.com	\$188.08	76%	87,781	81,455	1.9x	1.7x	46.6x	47.9x	43%	NM
Digital River	14.92	37%	570	260	0.7x	0.7x	4.8x	3.3x	8%	46.6x
eBay	30.93	87%	40,845	39,376	3.7x	3.4x	12.8x	10.4x	27%	30.0x
Web.com Group	9.46	59%	280	352	2.2x	1.6x	24.3x	6.9x	70%	NM
<b>eCommerce Mean</b>					<b>2.1x</b>	<b>1.8x</b>	<b>22.1x</b>	<b>17.1x</b>	<b>37%</b>	<b>38.3x</b>
<b>Payroll / Banking</b>										
ADP	\$51.45	93%	25,647	24,415	2.4x	2.4x	11.2x	11.2x	12%	21.6x
Intuit	52.53	93%	15,834	15,782	4.0x	3.9x	12.1x	10.7x	13%	26.7x
Paychex	29.62	87%	10,893	10,408	4.9x	4.8x	11.5x	11.4x	7%	21.2x
Sage Group	4.45	93%	5,852	5,869	2.8x	2.6x	10.3x	9.6x	2%	18.3x
<b>Payroll / Banking Mean</b>					<b>3.5x</b>	<b>3.4x</b>	<b>11.3x</b>	<b>10.7x</b>	<b>8%</b>	<b>22.0x</b>
<b>Transaction Processing</b>										
Global Payments	\$44.09	82%	3,517	3,484	1.8x	1.7x	7.8x	7.6x	18%	16.5x
S1 Corporation	9.65	92%	537	449	1.9x	1.8x	31.6x	15.6x	16%	NM
TNS	19.59	92%	489	830	1.5x	1.5x	6.4x	6.1x	6%	32.7x
<b>Transaction Processing Mean</b>					<b>1.7x</b>	<b>1.7x</b>	<b>15.3x</b>	<b>9.7x</b>	<b>13%</b>	<b>24.6x</b>
<b>High</b>					<b>6.9x</b>	<b>6.7x</b>	<b>46.6x</b>	<b>47.9x</b>	<b>70%</b>	<b>46.6x</b>
<b>Mean</b>					<b>3.1x</b>	<b>3.0x</b>	<b>14.7x</b>	<b>12.0x</b>	<b>17%</b>	<b>23.9x</b>
<b>Median</b>					<b>2.6x</b>	<b>2.5x</b>	<b>11.2x</b>	<b>10.4x</b>	<b>12%</b>	<b>22.0x</b>
<b>Low</b>					<b>0.7x</b>	<b>0.7x</b>	<b>4.8x</b>	<b>3.3x</b>	<b>2%</b>	<b>15.1x</b>

# New Century Capital Partners – Technology Sector Financial Analysis

## Internet Software and Services Segment

Public Comparable Companies - Internet Software and Services										
<i>(\$ millions except per share data)</i>										
Company Name	Price 12/12/2011	% of 52 wk high	Market Cap	Enterprise Value	Enterprise Value Trading Multiples				Rev. Growth 2011 / 10	Price/ Earnings
					LTM Revenue	CY 2011E Revenue	LTM EBITDA	CY 2011E EBITDA		
<b>Cloud Computing / Virtualization</b>										
Broadsoft	\$35.86	65%	1,028	945	7.1x	7.0x	27.7x	27.4x	47%	NM
CA Technologies	20.96	82%	10,564	9,632	2.1x	2.0x	5.9x	5.5x	6%	13.1x
Citrix	67.89	77%	13,290	12,515	5.9x	5.7x	22.6x	17.9x	19%	NM
EMC	22.97	80%	48,041	46,706	2.4x	2.3x	10.5x	8.7x	18%	26.0x
LogMeIn	41.56	84%	1,041	856	7.3x	7.2x	47.5x	28.9x	19%	NM
NetSuite	45.73	95%	3,240	3,118	13.9x	14.1x	NM	NM	17%	NM
Rackspace	43.34	93%	5,770	5,789	6.1x	6.2x	21.3x	18.2x	20%	NM
Salesforce.com	114.34	71%	16,848	16,745	8.0x	9.0x	NM	46.6x	18%	NM
VMWare	93.46	84%	40,711	37,184	10.5x	9.9x	42.9x	25.6x	33%	NM
<b>Cloud Computing / Virtualization Mean</b>					<b>7.0x</b>	<b>7.1x</b>	<b>25.5x</b>	<b>22.4x</b>	<b>22%</b>	<b>19.6x</b>
<b>Digital Media</b>										
AOL	\$13.90	54%	1,361	1,030	0.5x	0.5x	2.7x	3.0x	-7%	19.8x
Apple	390.44	92%	365,834	339,882	3.1x	2.8x	9.6x	8.5x	62%	17.3x
Google	623.11	97%	203,213	167,911	4.7x	4.4x	12.5x	10.6x	32%	26.8x
Netflix	76.09	25%	3,925	3,793	1.3x	1.2x	8.7x	8.2x	47%	16.3x
News Corp	17.29	94%	44,083	48,100	1.4x	1.4x	7.5x	7.2x	3%	15.4x
Pandora	9.51	37%	1,598	1,507	6.3x	5.5x	NM	NM	NA	NM
<b>Digital Media Mean</b>					<b>2.9x</b>	<b>2.6x</b>	<b>8.2x</b>	<b>7.5x</b>	<b>27%</b>	<b>19.1x</b>
<b>Gaming</b>										
Disney	\$36.36	82%	65,681	76,761	1.9x	1.9x	7.9x	7.5x	7%	13.8x
Sina	58.07	39%	4,075	3,335	7.3x	7.0x	46.8x	NM	20%	NM
Sohu	49.99	46%	1,995	1,187	1.5x	1.4x	3.6x	3.8x	39%	11.4x
Tencent	18.73	63%	34,184	32,213	7.9x	7.2x	16.4x	15.3x	51%	31.3x
Tipp24	40.52	85%	324	163	0.8x	0.9x	1.9x	2.3x	33%	6.8x
Yoku	18.80	27%	2,274	1,683	14.5x	12.0x	NM	NM	150%	NM
<b>Gaming Mean</b>					<b>5.6x</b>	<b>5.1x</b>	<b>15.3x</b>	<b>7.2x</b>	<b>50%</b>	<b>15.8x</b>
<b>Online Search</b>										
Baidu	\$126.84	76%	45,555	44,151	22.6x	20.1x	39.8x	33.4x	88%	NM
Google	623.11	97%	203,213	167,911	4.7x	4.4x	12.5x	10.6x	32%	26.8x
Microsoft	25.37	86%	216,193	173,351	2.4x	2.4x	5.8x	5.7x	9%	12.5x
Yahoo!	15.46	82%	19,770	17,695	3.4x	4.0x	12.6x	12.3x	-4%	25.7x
<b>Online Search Mean</b>					<b>8.3x</b>	<b>7.7x</b>	<b>17.7x</b>	<b>15.5x</b>	<b>31%</b>	<b>21.7x</b>
<b>Online Travel</b>										
Expedia	\$28.20	86%	7,610	7,250	1.9x	1.9x	8.1x	7.2x	17%	19.0x
HomeAway	24.44	53%	2,023	1,851	8.5x	8.0x	NM	28.2x	NA	NM
Orbitz Worldwide	4.02	62%	420	752	1.0x	1.0x	7.1x	6.0x	1%	NM
priceline.com	469.88	84%	23,883	22,053	5.4x	5.1x	16.5x	14.9x	40%	31.4x
TravelZoo	27.87	27%	435	402	2.8x	2.6x	11.2x	10.2x	35%	21.3x
<b>Online Travel Mean</b>					<b>3.9x</b>	<b>3.7x</b>	<b>10.7x</b>	<b>13.3x</b>	<b>23%</b>	<b>23.9x</b>
<b>Social</b>										
AOL	\$13.90	54%	1,361	1,030	0.5x	0.5x	2.7x	3.0x	-7%	19.8x
Google	623.11	97%	203,213	167,911	4.7x	4.4x	12.5x	10.6x	32%	26.8x
LinkedIn	68.35	56%	7,013	6,626	15.2x	13.5x	NM	NM	NA	NM
QuePasa	3.71	24%	133	125	16.9x	14.5x	NM	NM	39%	NM
<b>Social Mean</b>					<b>9.3x</b>	<b>8.2x</b>	<b>7.6x</b>	<b>6.8x</b>	<b>21%</b>	<b>23.3x</b>
<b>High</b>					<b>22.6x</b>	<b>20.1x</b>	<b>47.5x</b>	<b>46.6x</b>	<b>88%</b>	<b>31.4x</b>
<b>Mean</b>					<b>5.8x</b>	<b>5.5x</b>	<b>15.7x</b>	<b>13.8x</b>	<b>25%</b>	<b>20.1x</b>
<b>Median</b>					<b>4.7x</b>	<b>4.4x</b>	<b>11.2x</b>	<b>10.4x</b>	<b>20%</b>	<b>19.8x</b>
<b>Low</b>					<b>0.5x</b>	<b>0.5x</b>	<b>1.9x</b>	<b>2.3x</b>	<b>-7%</b>	<b>6.8x</b>

# New Century Capital Partners – Technology Sector Financial Analysis

## Software Segment

Public Comparable Companies - Software										
<i>(\$ millions except per share data)</i>										
Company Name	Price 12/12/2011	% of 52 wk high	Market Cap	Enterprise Value	Enterprise Value Trading Multiples				Rev. Growth 2011 / 10	Price/ Earnings
					LTM Revenue	CY 2011E Revenue	LTM EBITDA	CY 2011E EBITDA		
<b>Application Software</b>										
Adobe Systems	\$27.16	75%	13,765	12,562	3.1x	3.0x	8.9x	7.3x	10%	21.0x
BMC	33.70	60%	5,906	4,775	2.2x	2.2x	6.8x	4.9x	10%	17.7x
Intuit	52.53	93%	15,834	15,782	4.0x	3.9x	12.1x	10.7x	13%	26.7x
Red Hat	48.68	91%	9,584	8,647	8.4x	8.0x	38.3x	27.7x	27%	NM
SAP	57.09	94%	67,929	67,262	3.6x	3.5x	9.8x	9.9x	16%	19.4x
<b>Application Software Mean</b>					<b>4.3x</b>	<b>4.1x</b>	<b>15.2x</b>	<b>12.1x</b>	<b>15%</b>	<b>21.2x</b>
<b>CRM Software</b>										
LivePerson	\$13.10	88%	714	633	5.0x	4.7x	24.6x	18.8x	21%	NM
Netsuite	45.73	95%	3,240	3,118	13.9x	14.1x	NM	NM	17%	NM
Open Text	54.47	75%	3,165	3,391	3.1x	2.9x	11.1x	9.7x	24%	33.4x
RightNow <sup>(1)</sup>	42.77	99%	1,426	1,359	6.3x	6.0x	NM	36.3x	22%	NM
Salesforce.com	114.34	71%	16,848	16,745	8.0x	9.0x	NM	46.6x	18%	NM
<b>CRM Software Mean</b>					<b>7.3x</b>	<b>7.4x</b>	<b>17.9x</b>	<b>27.9x</b>	<b>21%</b>	<b>33.4x</b>
<b>Infrastructure Software</b>										
HP	\$27.11	55%	55,436	78,027	0.6x	0.6x	4.8x	4.6x	-1%	8.7x
IBM	191.31	98%	229,312	248,143	2.3x	2.3x	9.4x	9.5x	8%	18.4x
Microsoft	25.37	86%	216,193	173,351	2.4x	2.4x	5.8x	5.7x	9%	12.5x
Oracle	31.05	85%	159,863	142,992	3.9x	3.8x	9.4x	8.2x	16%	20.5x
Sage	4.45	93%	5,852	5,869	2.8x	2.6x	10.3x	9.6x	2%	18.3x
<b>Infrastructure Software Mean</b>					<b>2.4x</b>	<b>2.3x</b>	<b>7.9x</b>	<b>7.5x</b>	<b>7%</b>	<b>15.7x</b>
<b>Interactive Entertainment Software</b>										
Blizzard	\$12.03	84%	14,005	11,104	2.3x	2.6x	7.7x	7.1x	-7%	18.0x
Capcom	21.52	82%	7,288	6,318	1.6x	1.5x	NM	11.8x	13%	NM
Electronic Arts	21.52	82%	7,288	6,318	1.6x	1.5x	NM	11.8x	13%	NM
Konami	28.73	77%	3,982	3,810	1.1x	1.1x	6.4x	6.5x	5%	14.7x
Nintendo	142.22	41%	18,187	6,689	0.6x	0.6x	7.6x	8.2x	-21%	NM
<b>Interactive Entertainment Software Mean</b>					<b>1.5x</b>	<b>1.5x</b>	<b>7.2x</b>	<b>9.1x</b>	<b>1%</b>	<b>16.4x</b>
<b>Network Security Software</b>										
Blue Coat <sup>(2)</sup>	\$25.18	78%	1,075	792	1.7x	1.8x	11.8x	12.1x	-11%	46.2x
Check Point	11.88	52%	497	551	0.6x	0.6x	7.7x	7.5x	4%	26.0x
Fortinet	23.79	83%	3,780	3,391	8.3x	7.9x	38.5x	30.8x	35%	NM
Symantec	15.73	77%	11,935	11,694	1.8x	1.7x	6.5x	5.3x	11%	20.4x
VeriSign	33.53	89%	5,399	4,750	6.4x	6.2x	12.7x	11.2x	4%	NM
<b>Network Security Software Mean</b>					<b>3.8x</b>	<b>3.6x</b>	<b>15.4x</b>	<b>13.4x</b>	<b>9%</b>	<b>30.9x</b>
<b>High</b>					<b>13.9x</b>	<b>14.1x</b>	<b>38.5x</b>	<b>46.6x</b>	<b>35%</b>	<b>46.2x</b>
<b>Mean</b>					<b>3.8x</b>	<b>3.8x</b>	<b>12.5x</b>	<b>13.4x</b>	<b>10%</b>	<b>21.5x</b>
<b>Median</b>					<b>2.8x</b>	<b>2.6x</b>	<b>9.4x</b>	<b>9.7x</b>	<b>11%</b>	<b>19.4x</b>
<b>Low</b>					<b>0.6x</b>	<b>0.6x</b>	<b>4.8x</b>	<b>4.6x</b>	<b>-21%</b>	<b>8.7x</b>

Source: Capital IQ as of December 12, 2011

(1) RightNow acquired by Oracle on 10/14/2011

(2) Blue Coat acquired by Thoma Bravo on 12/9/2011

# Overview of New Century Capital Partners

## Selected Transactions

  September 2011	 has been sold to   September 2011	 sale of certain assets to multiple acquirers June 2011	 March 2011	 has been sold to  January 2011	 has been sold to  December 2010
 November 2010	\$33,000,000  May 2010	\$81,000,000  has been sold to  April 2010	\$17,500,000  April 2010	\$1,800,000,000  October 2009	 September 2009
\$135,000,000  February 2009	\$80,000,000  January 2009	\$60,000,000  October 2008	\$40,000,000  July 2008	\$11,200,000  May 2008	\$131,000,000  has acquired  February 2008
 January 2008	 January 2008	\$158,100,000  has acquired  August 2007	\$18,000,000  has acquired  March 2007	\$66,125,000  January 2007	 January 2007

(1) Transaction executed through Maxim Group