

**Harris Williams & Co.**  
middle market\*

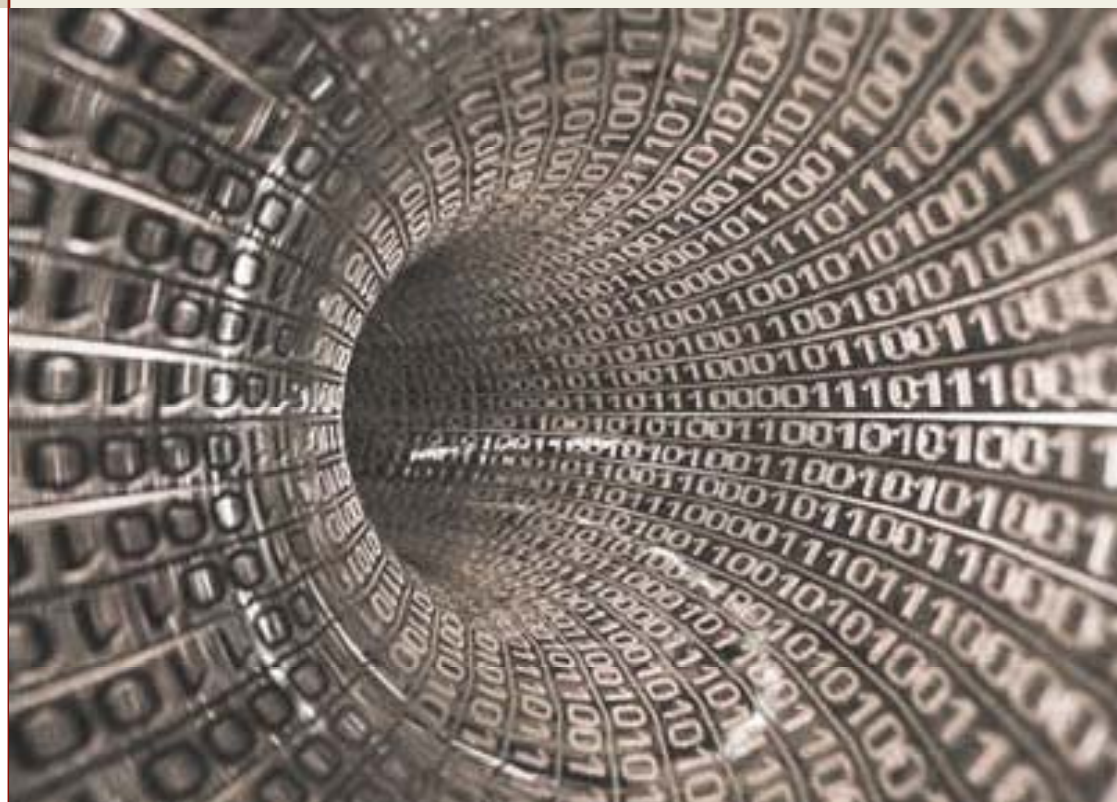
# European Technology Update

November 10, 2010

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This report has been prepared by Harris Williams & Co. Ltd and approved by Sturgeon Ventures LLP in accordance with Conduct Of Business rules COBS 4 of the FSA Handbook. Harris Williams & Co. Ltd is an authorised representative of Sturgeon Ventures LLP which is Authorised and Regulated by the Financial Services Authority. This report is being made by Harris Williams & Co Ltd. Investment banking services are provided by Harris Williams LLC, a registered broker-dealer and member of FINRA and SIPC, and Harris Williams & Co. Ltd. Harris Williams & Co. is a trade name under which Harris Williams LLC and Harris Williams & Co. Ltd conduct business in the U.S. and Europe, respectively.

Company  
Specific  
News

- Oracle has agreed to acquire ecommerce solutions software company **Art Technology Group** for \$950 million
- **Quidsi**, the operator of ecommerce sites including Diapers.com, has agreed to be acquired by Amazon for \$545 million
- The Carlyle Group has agreed to acquire **CommScope**, a manufacturer of wireless infrastructure products, for \$3.9 billion, and **Syniverse Technologies**, a technology solutions provider to the telecom industry, for \$2.6 billion
- Bridgepoint Development Capital has acquired **Lumison**, a U.K.-based IT services company
- Francisco Partners has acquired optical communication products provider **Source Photonics** from MRV Communications for \$146 million
- U.K.-based comparison site **Moneysupermarket.com** has announced that it is open to buyout offers. Apax Partners is rumoured to be interested due to its ownership of Bankrate<sup>1</sup>
- Leading mobile payments provider **Boku** is rumoured to be in merger or partnership discussions with Apple and Google<sup>1</sup>
- **AOL** has announced that it will explore strategic alternatives for the company, including a possible merger with Yahoo
- Israeli-controlled advertising firm **Dotomi** is reported to be in advanced sale discussions with AOL
- Done Management & Systems has acquired **Ottoboni Group**, one of Sweden's largest digital marketing agencies
- ACS, a Xerox company, has acquired U.K.-based parking enforcement software provider **Spur Information Services**
- Security software provider Webroot has acquired cloud anti-malware solutions provider **Prevx**
- OpenText has acquired business communications provider **StreamServe** for approximately \$71 million
- Dutch social network **Hypes** has been acquired by TMG
- Polish social network **Nasza Klasa** is rumoured to be for sale for approximately €130 million<sup>2</sup>
- Azini Capital has acquired a portfolio of 16 growth and development stage technology companies from Apax Partners with a co-investment from Lexington Partners
- United Internet has acquired a 30% stake in cloud computing provider **ProfitBricks**
- U.K.-based **Bathrooms.com** has raised a round of financing from Dawn Capital
- Intel Capital has agreed to back VoIP provider **Nymgo**
- London-based online office supplier **Euroffice** has received a majority equity investment from Darwin Private Equity
- The U.K. Government has announced plans to set up a **tech cluster in East London** with £200 million in financing and partnerships with Google, Facebook, Intel and McKinsey
- Russian internet conglomerate **Mail.ru** priced its IPO on the LSE at the top end of the range, raising \$912 million, and rose approximately 30% on opening day
- Greek mobile-phone marketing company **InternetQ** is planning to raise £10-12 million through an AIM listing
- Polish online supermarket **Fresh24.pl** intends to list on the NewConnect platform in December
- Leading Chinese ecommerce site **Dangdang.com** is targeting a U.S. IPO by the end of the year which is expected to raise nearly \$1 billion
- **YouTube** announced that 500 million promotional videos have been viewed over the past two years and analysts expect the business to hit profitability by the end of 2010
- **SAP** has agreed to pay **Oracle** \$120 million in connection with ongoing intellectual property disputes
- **EA** and **Facebook** have entered into a 5-year contract making Facebook credits the exclusive payment method for EA games on the social network
- **Microsoft** reported first quarter earnings of \$3.6 billion, up 55% from the same quarter last year

Industry  
Trends

- Having shipped 4.2 million iPads in Q3 2010, Strategy Analytics estimates that Apple controls approximately 95% of the **global tablet market**. According to Juniper Research, global tablet shipments are expected to reach 80 million units by 2015
- Forrester reported that **cloud security spending** will become a \$1.5 billion industry by 2015 and represent nearly 5% of total IT security spending
- Hitwise estimates that **Facebook** now accounts for the second highest share of web traffic in the U.K. behind **Google** with approximately 10% of traffic
- Only 4% of U.S. adults use **location-based services** such as Foursquare and only 1% login on any given day, according to Pew Research
- **U.S. mobile ad spend** is expected to exceed \$5 billion in 2015, according to Smaato, rising from \$800 million in 2010 making it the second largest mobile ad market to Japan
- Informa Telecom & Media reported that **global mobile ad revenue** will reach \$3.5 billion in 2010 and rise to \$24 billion by 2015
- Boston Consulting Group announced that the internet attributed approximately £100 billion to the **U.K. economy** in 2009, representing 7.2% of GDP and near to the 9% contributed by the financial services sector. The same study also reported that over two-thirds of U.K. consumers over the age of 14 made purchased goods, travel or services online at least once per month in 2010
- ComScore reported that Samsung held the top market share for **U.S. mobile handsets** with 23.5% share in Q3 2010 followed by LG with 21.1% share, while RIM had the top share for smartphone platforms with 37.3% share followed by Apple with 24.3%

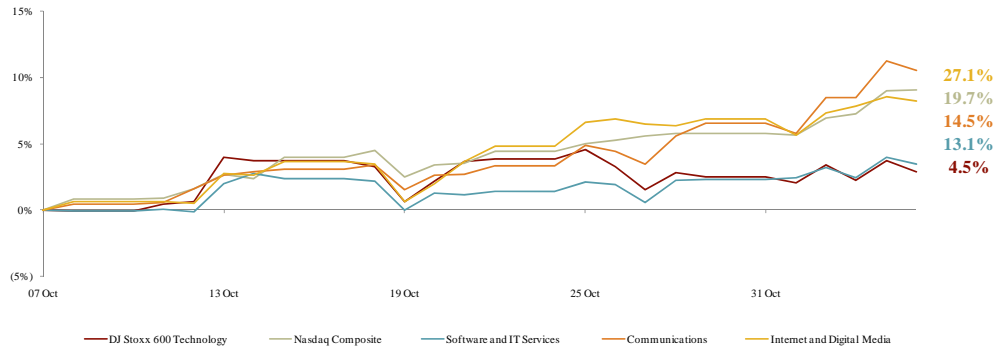
Source: Industry news sources.

(1) Source: MergerMarket.

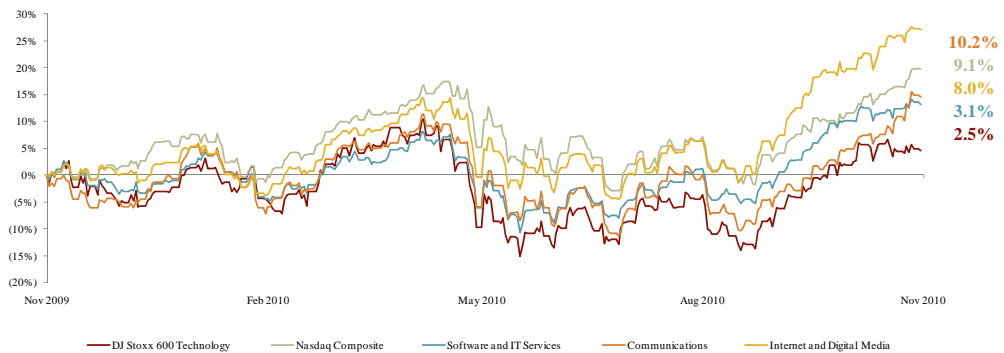
(2) Source: TechCrunch.

Stock Performance

Last 30 Days



Last Twelve Months

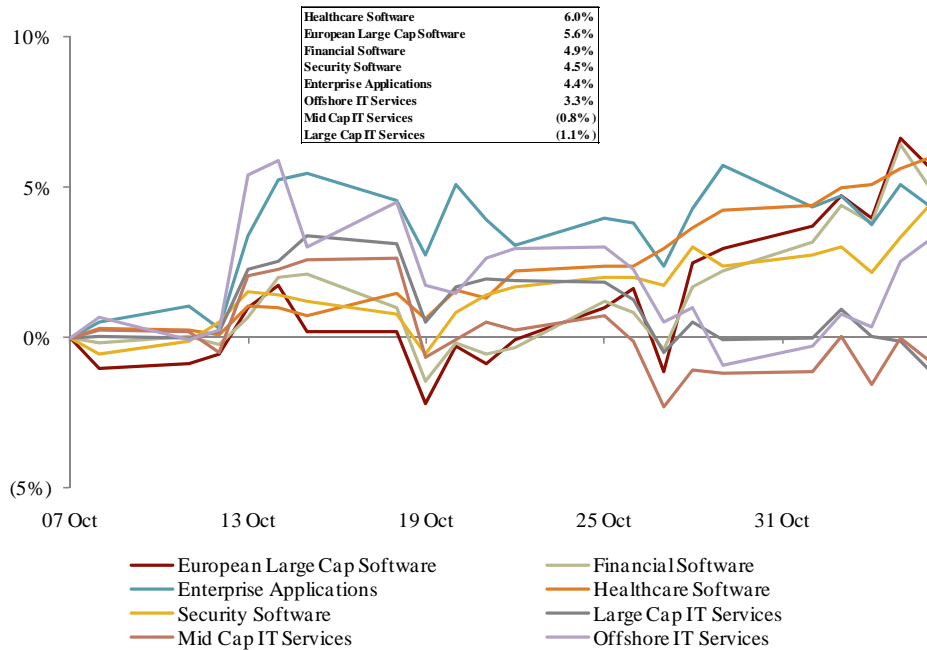


Sources: Capital IQ, 8 November 2010; Brokers' reports.

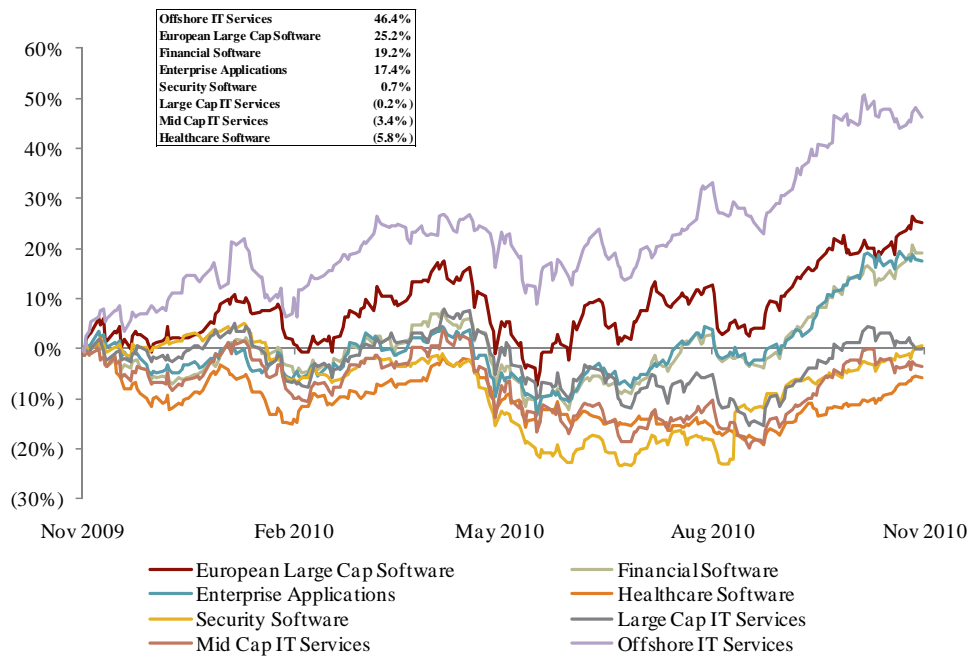
Comparable Trading Summary

	CY2010E		EV / Revenue		EV / EBITDA		P / E	
	EBITDA Margin	Growth	CY2010E	CY2011E	CY2010E	CY2011E	CY2010E	CY2011E
<b><u>Software and IT Services</u></b>								
Enterprise Applications	19.0%	6.9%	1.6x	1.6x	8.6x	7.5x	16.3x	13.8x
European Large Cap Software	32.0%	14.7%	3.9x	3.7x	12.3x	10.9x	19.5x	16.2x
Financial Software	23.2%	11.7%	2.5x	2.3x	10.1x	8.5x	19.5x	15.9x
Healthcare Software	20.8%	35.0%	2.1x	1.9x	9.7x	8.2x	20.4x	20.3x
Large Cap IT Services	13.2%	1.8%	0.9x	0.9x	6.7x	6.1x	14.5x	12.4x
Mid Cap IT Services	10.9%	1.3%	0.7x	0.7x	6.4x	5.9x	11.8x	9.9x
Offshore IT Services	24.7%	27.2%	4.2x	3.7x	16.6x	14.0x	22.5x	20.4x
Security Software	34.2%	8.3%	3.4x	3.3x	9.9x	8.7x	18.5x	16.3x
<b><u>Communications</u></b>								
Digital Broadband	13.2%	10.4%	0.8x	0.8x	5.9x	5.2x	11.8x	9.8x
Diversified Communication Equipment	12.5%	23.1%	1.3x	1.2x	8.0x	8.9x	19.4x	16.0x
Mobile Content / Solutions Providers	16.1%	32.4%	2.5x	2.2x	15.2x	9.3x	30.2x	20.5x
Mobile Infrastructure Software	22.5%	7.6%	2.6x	2.4x	12.5x	9.5x	22.2x	20.3x
<b><u>Internet and Digital Media</u></b>								
Chinese Internet Leaders	40.5%	36.7%	9.5x	7.8x	17.7x	15.7x	28.1x	24.3x
Online Classifieds	37.9%	25.0%	6.2x	5.6x	17.2x	12.9x	30.4x	25.4x
Content Providers / Communities	21.2%	11.7%	2.6x	2.4x	12.9x	10.4x	27.6x	25.3x
Ecommerce	16.0%	23.6%	3.7x	3.1x	21.7x	16.0x	34.4x	33.4x
Global Internet Leaders	33.6%	27.6%	7.3x	5.8x	15.3x	14.8x	24.2x	25.5x
Interactive Entertainment	15.8%	27.2%	1.0x	1.1x	5.9x	6.8x	19.8x	19.2x
Intermediation and Comparison	27.1%	9.0%	2.3x	2.2x	8.8x	7.9x	19.8x	17.6x
Online Gambling	30.2%	(4.5%)	2.8x	2.7x	8.1x	7.2x	12.7x	11.1x
Online Marketing	13.4%	12.8%	1.6x	1.5x	12.9x	8.7x	21.5x	20.6x
Online Travel	28.8%	21.7%	5.2x	4.6x	17.9x	14.0x	33.7x	25.2x

**Last 30 Days Performance**



**Last Twelve Months Performance**



Source: Capital IQ, 8 November 2010.

Software and IT Services  
(Continued)

	Market Cap (\$m)	Enterprise Value (\$m)	CY2010E		EV / Revenue		EV / EBITDA		P / E	
			EBITDA Margin	Growth	CY2010E	CY2011E	CY2010E	CY2011E	CY2010E	CY2011E
<b>European Large Cap Software</b>										
SAP	62,147	64,543	33.1%	10.4%	3.8x	3.5x	11.6x	10.1x	17.6x	15.0x
Dassault Systemes	9,240	8,263	29.7%	20.4%	3.8x	3.5x	12.9x	11.0x	23.0x	19.7x
Sage	5,758	6,221	25.9%	1.1%	2.7x	2.6x	10.3x	9.9x	14.8x	14.1x
Autonomy	5,607	5,403	49.0%	17.2%	6.2x	5.7x	12.7x	10.9x	20.0x	17.1x
Software	3,975	4,386	27.6%	28.3%	2.8x	2.7x	10.2x	9.4x	15.7x	14.1x
Misys	2,557	2,798	21.3%	(7.7%)	2.4x	2.6x	11.2x	11.8x	22.5x	20.2x
Temenos	2,160	2,303	28.1%	23.3%	5.0x	4.6x	17.9x	13.6x	23.4x	19.8x
Aveva	1,679	1,436	34.4%	5.4%	5.6x	5.5x	16.3x	14.3x	28.3x	NM
Micro Focus	1,217	1,290	38.7%	34.1%	2.8x	2.8x	7.4x	7.0x	10.4x	9.6x
<i>Mean</i>			32.0%	14.7%	3.9x	3.7x	12.3x	10.9x	19.5x	16.2x
<i>Median</i>			29.7%	17.2%	3.8x	3.5x	11.6x	10.9x	20.0x	16.1x
<b>Financial Software</b>										
Intuit	15,385	14,761	36.3%	10.0%	4.1x	3.9x	11.4x	10.3x	22.5x	19.6x
Misys	2,557	2,798	21.3%	(7.7%)	2.4x	2.6x	11.2x	11.8x	22.5x	20.2x
Temenos	2,160	2,303	28.1%	23.3%	5.0x	4.6x	17.9x	13.6x	23.4x	19.8x
Fidessa	897	832	23.5%	11.7%	1.9x	1.8x	8.2x	7.4x	22.2x	20.0x
SimCorp	796	747	23.6%	6.8%	2.7x	2.6x	11.4x	9.7x	18.9x	15.0x
ORC	405	363	19.4%	52.4%	2.4x	2.1x	12.6x	7.4x	25.2x	15.5x
Innovation	205	174	10.5%	5.8%	0.6x	0.6x	6.2x	4.8x	19.6x	13.0x
Linedata	174	177	17.8%	(3.5%)	0.9x	0.9x	5.0x	4.6x	9.8x	9.1x
Microgen	143	106	25.7%	13.0%	2.0x	2.0x	7.7x	7.2x	17.7x	14.7x
StatPro	120	130	26.0%	5.0%	2.4x	2.4x	9.3x	8.5x	13.5x	12.0x
<i>Mean</i>			23.2%	11.7%	2.5x	2.3x	10.1x	8.5x	19.5x	15.9x
<i>Median</i>			23.5%	8.4%	2.4x	2.2x	10.3x	8.0x	20.9x	15.2x
<b>Enterprise Applications</b>										
Unit 4	882	979	20.4%	9.3%	1.6x	1.6x	8.1x	7.0x	23.9x	16.7x
SDL	759	669	19.5%	11.3%	2.2x	2.1x	11.1x	9.6x	19.1x	17.4x
Exact	634	568	22.3%	(3.2%)	1.8x	1.7x	7.9x	7.5x	14.8x	14.0x
F-Secure	458	417	17.3%	1.4%	2.3x	2.2x	13.3x	9.9x	22.2x	16.4x
Kofax	375	325	9.7%	12.9%	0.9x	0.9x	9.5x	9.1x	19.2x	16.7x
IFS	373	325	16.0%	9.4%	0.8x	0.8x	5.1x	4.6x	12.7x	10.7x
Cegid	304	406	24.9%	0.4%	1.1x	1.1x	4.6x	4.3x	10.2x	9.5x
Alterian	190	172	23.4%	13.6%	2.5x	2.4x	10.8x	9.5x	14.8x	13.4x
Kewill	142	115	17.5%	6.8%	1.2x	1.2x	6.9x	6.4x	10.1x	9.7x
<i>Mean</i>			19.0%	6.9%	1.6x	1.6x	8.6x	7.5x	16.3x	13.8x
<i>Median</i>			19.5%	9.3%	1.6x	1.6x	8.1x	7.5x	14.8x	14.0x
<b>Healthcare Software</b>										
McKesson	16,778	16,007	2.2%	1.6%	0.1x	0.1x	6.5x	5.6x	14.6x	12.5x
Cerner	7,276	6,830	29.9%	12.9%	3.7x	3.4x	12.3x	10.5x	30.3x	25.1x
Allscripts-Misys	3,632	3,491	19.3%	78.6%	3.0x	2.4x	15.3x	11.0x	27.5x	22.0x
Cegedim	908	1,545	19.3%	3.6%	1.2x	1.2x	6.2x	5.6x	11.2x	9.0x
CompuGroup	695	853	21.4%	4.4%	1.9x	1.8x	8.9x	7.5x	18.5x	14.6x
Advanced Computer Software	190	255	32.5%	108.7%	2.8x	2.5x	8.7x	9.2x	NM	38.7x
<i>Mean</i>			20.8%	35.0%	2.1x	1.9x	9.7x	8.2x	20.4x	20.3x
<i>Median</i>			20.4%	8.7%	2.4x	2.1x	8.8x	8.3x	18.5x	18.3x

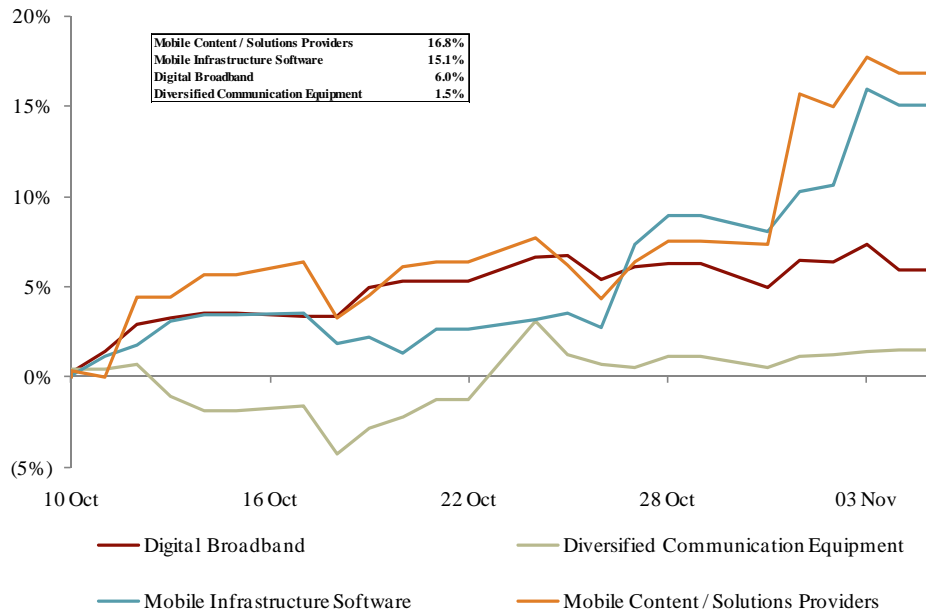
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Software and IT Services  
(Continued)

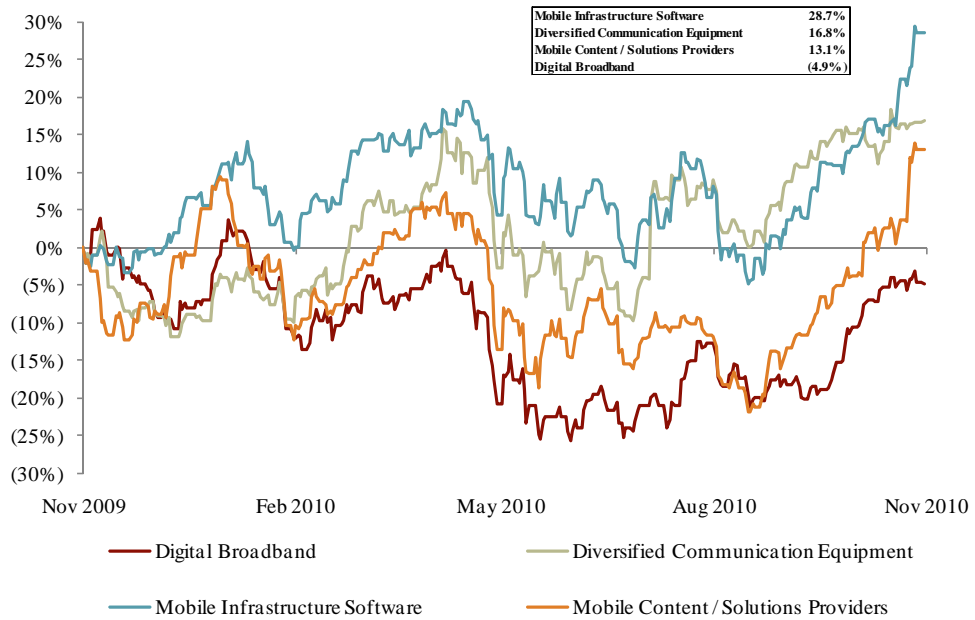
	Market Cap (\$m)	Enterprise Value (\$m)	CY2010E		EV / Revenue		EV / EBITDA		P / E	
			EBITDA Margin	Growth	CY2010E	CY2011E	CY2010E	CY2011E	CY2010E	CY2011E
<b>Security Software</b>										
Symantec	13,355	13,715	33.6%	1.8%	2.3x	2.2x	6.8x	6.4x	12.1x	11.6x
Check Point	9,000	8,046	58.9%	17.4%	7.4x	6.9x	12.6x	11.5x	18.0x	16.3x
McAfee	7,288	6,259	32.8%	7.1%	3.0x	2.9x	9.2x	8.7x	18.2x	16.6x
Trend Micro	4,098	2,596	28.2%	13.9%	2.2x	2.2x	7.8x	7.0x	22.1x	20.4x
F-Secure	458	417	17.3%	1.4%	2.3x	2.2x	13.3x	9.9x	22.2x	16.4x
<i>Mean</i>			34.2%	8.3%	3.4x	3.3x	9.9x	8.7x	18.5x	16.3x
<i>Median</i>			32.8%	7.1%	2.3x	2.2x	9.2x	8.7x	18.2x	16.4x
<b>Large Cap IT Services</b>										
Accenture	28,951	24,551	15.7%	4.6%	1.1x	1.1x	7.1x	6.6x	16.7x	14.7x
Computer Sciences	7,679	9,116	15.0%	2.3%	0.6x	0.5x	3.7x	3.6x	9.5x	8.9x
Cap Gemini	7,479	6,367	8.5%	(0.0%)	0.5x	0.5x	6.2x	5.2x	16.9x	13.1x
Capita Group	7,231	8,859	16.3%	6.0%	1.9x	1.9x	11.8x	10.9x	17.1x	15.3x
Atos Origin	3,091	3,263	10.5%	(4.0%)	0.5x	0.5x	4.4x	4.0x	12.4x	10.1x
<i>Mean</i>			13.2%	1.8%	0.9x	0.9x	6.7x	6.1x	14.5x	12.4x
<i>Median</i>			15.0%	2.3%	0.6x	0.5x	6.2x	5.2x	16.7x	13.1x
<b>Mid Cap IT Services</b>										
CGI	4,170	4,188	18.5%	11.7%	1.1x	0.9x	5.7x	5.1x	12.5x	11.1x
Logica	3,347	3,969	8.8%	0.1%	0.7x	0.7x	7.5x	7.0x	10.7x	10.1x
Indra Sistemas	3,135	3,502	13.0%	(2.3%)	1.0x	1.0x	7.5x	7.3x	11.2x	10.9x
Tieto	1,344	1,492	10.0%	(2.5%)	0.6x	0.6x	6.3x	5.4x	16.4x	10.5x
Sopra	986	1,163	10.0%	2.4%	0.7x	0.7x	7.2x	6.5x	12.6x	10.7x
Groupe Steria	758	1,062	9.0%	1.1%	0.4x	0.5x	5.0x	4.7x	9.8x	8.4x
GFI Informatique	235	396	7.2%	(1.7%)	0.4x	0.4x	5.9x	5.1x	9.3x	7.4x
<i>Mean</i>			10.9%	1.3%	0.7x	0.7x	6.4x	5.9x	11.8x	9.9x
<i>Median</i>			10.0%	0.1%	0.7x	0.7x	6.3x	5.4x	11.2x	10.5x
<b>Offshore IT Services</b>										
Tata	47,625	46,920	29.6%	24.2%	6.0x	5.2x	20.1x	17.2x	25.8x	23.7x
Infosys	39,337	35,367	33.0%	26.4%	6.0x	5.2x	18.3x	15.6x	26.9x	21.6x
Wipro	23,982	22,989	21.8%	18.3%	3.4x	3.1x	15.5x	13.7x	20.8x	18.5x
Cognizant	19,229	17,300	21.0%	39.0%	3.8x	3.2x	18.1x	14.6x	26.7x	23.7x
HCL	6,327	6,426	18.2%	28.0%	2.0x	1.7x	11.2x	9.0x	12.3x	14.5x
<i>Mean</i>			24.7%	27.2%	4.2x	3.7x	16.6x	14.0x	22.5x	20.4x
<i>Median</i>			21.8%	26.4%	3.8x	3.2x	18.1x	14.6x	25.8x	21.6x

Sources: Capital IQ, 8 November 2010; Brokers' reports.

**Last 30 Days Performance**



**Last Twelve Months Performance**

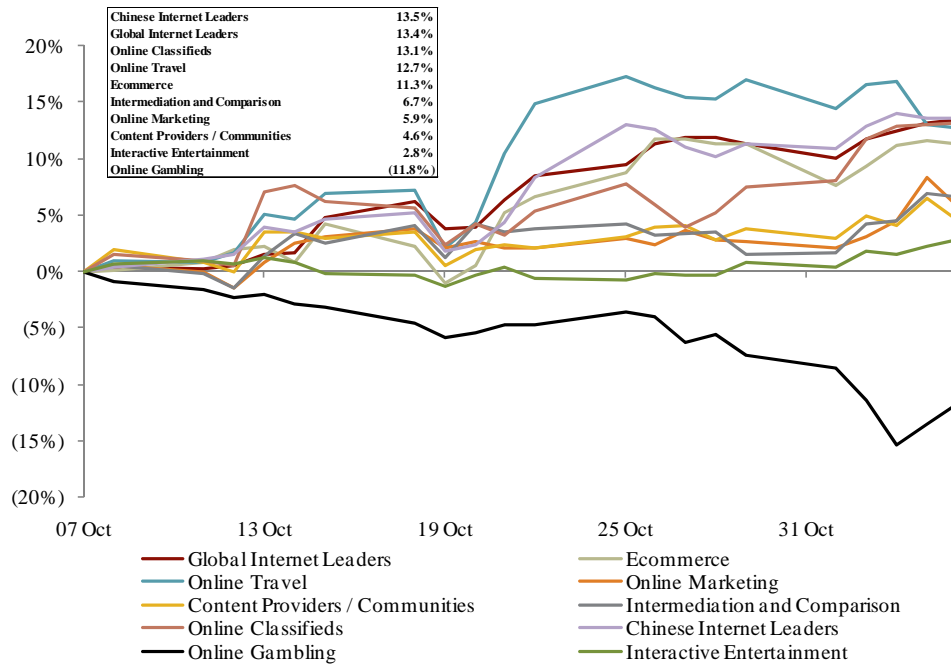


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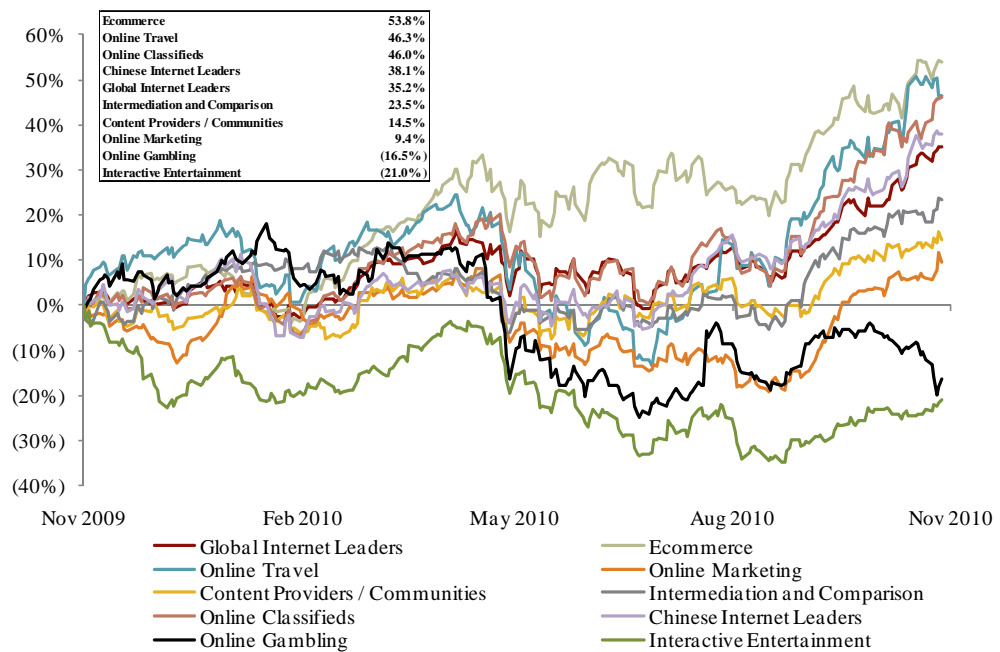
	Market Cap (\$m)	Enterprise Value (\$m)	CY2010E		EV / Revenue		EV / EBITDA		P / E	
			EBITDA Margin	Growth	CY2010E	CY2011E	CY2010E	CY2011E	CY2010E	CY2011E
<b>Digital Broadband</b>										
Logitech	3,329	3,014	11.3%	24.8%	1.3x	1.2x	11.6x	9.3x	NM	NM
TomTom	1,886	2,450	19.6%	(0.9%)	1.2x	1.2x	5.9x	6.0x	9.3x	9.0x
Kudelski	1,306	1,582	16.0%	15.9%	1.3x	1.3x	8.4x	7.3x	14.7x	11.6x
Pace	973	820	9.2%	14.9%	0.4x	0.4x	4.3x	3.3x	9.1x	7.6x
Technicolor	504	2,298	13.8%	(6.8%)	0.5x	0.5x	3.5x	3.3x	NM	9.1x
Parrot	318	198	14.0%	27.3%	0.6x	0.6x	4.6x	4.1x	15.6x	13.9x
Advanced Digital Broadcast	153	103	8.8%	(2.8%)	0.3x	0.2x	3.2x	2.7x	10.4x	7.5x
<i>Mean</i>			13.2%	10.4%	0.8x	0.8x	5.9x	5.2x	11.8x	9.8x
<i>Median</i>			13.8%	14.9%	0.6x	0.6x	4.6x	4.1x	10.4x	9.0x
<b>Diversified Communication Equipment</b>										
Nokia	39,729	35,214	9.6%	0.2%	0.6x	0.6x	6.2x	5.3x	17.9x	13.2x
LM Ericsson Telephone	34,510	28,128	15.3%	5.9%	0.9x	0.9x	6.0x	5.4x	18.3x	12.8x
Alcatel-Lucent	7,446	8,351	6.3%	0.8%	0.4x	0.4x	6.0x	4.1x	NM	14.0x
CommScope	2,989	3,690	14.8%	4.2%	1.2x	1.1x	7.9x	6.9x	17.4x	14.1x
ADTRAN	2,126	1,991	27.3%	22.9%	3.3x	3.0x	12.3x	10.8x	20.0x	18.0x
Ciena	1,345	2,049	2.3%	121.9%	1.4x	1.2x	NM	21.0x	NM	24.0x
ADC Telecommunications	1,230	1,271	11.7%	6.2%	1.1x	1.1x	9.5x	8.9x	23.2x	NM
<i>Mean</i>			12.5%	23.1%	1.3x	1.2x	8.0x	8.9x	19.4x	16.0x
<i>Median</i>			11.7%	5.9%	1.1x	1.1x	7.1x	6.9x	18.3x	14.1x
<b>Mobile Infrastructure Software</b>										
QUALCOMM	78,184	68,991	43.6%	9.0%	6.0x	5.4x	13.7x	12.9x	18.9x	17.3x
VeriSign	6,045	4,074	48.1%	(28.7%)	5.5x	5.5x	11.5x	10.0x	32.1x	23.4x
Amdocs	5,382	4,149	22.1%	6.9%	1.4x	1.3x	6.2x	6.2x	13.6x	11.6x
Syniverse	2,135	2,486	41.2%	31.4%	3.9x	3.7x	9.5x	8.7x	16.6x	15.0x
Comverse	1,616	1,488	0.4%	4.9%	1.0x	0.9x	NM	NM	23.0x	NM
Tekelec	933	710	25.4%	(6.9%)	1.6x	1.6x	6.4x	6.2x	17.8x	15.4x
Synchronoss Technologies	860	804	25.6%	29.4%	4.8x	4.1x	18.9x	13.6x	44.6x	32.9x
Sonus Networks	771	442	7.7%	7.5%	1.8x	1.7x	23.4x	19.2x	NM	45.3x
Smith Micro Software	519	461	38.2%	22.0%	3.5x	3.1x	9.2x	8.4x	18.3x	16.2x
Intec Telecom Systems	358	250	12.5%	(7.1%)	1.0x	1.0x	8.2x	6.8x	15.3x	17.8x
TeleCommunication Systems	270	350	16.6%	32.9%	0.9x	0.8x	5.3x	4.3x	16.8x	15.2x
Openwave Systems	186	80	2.0%	(13.6%)	0.5x	0.5x	24.2x	10.6x	NM	NM
Redknee Solutions	91	71	9.6%	10.9%	1.3x	1.1x	13.8x	7.2x	27.0x	13.0x
<i>Mean</i>			22.5%	7.6%	2.6x	2.4x	12.5x	9.5x	22.2x	20.3x
<i>Median</i>			22.1%	7.5%	1.6x	1.6x	10.5x	8.5x	18.3x	16.2x
<b>Mobile Content / Solutions Providers</b>										
Art Technology	946	794	21.2%	11.9%	4.0x	3.6x	18.6x	14.8x	29.4x	24.2x
Opera Software	617	526	16.0%	12.8%	4.4x	3.9x	27.6x	14.0x	47.2x	24.3x
GameLoft	480	444	18.3%	5.2%	2.3x	2.2x	12.6x	9.7x	32.1x	23.1x
Danal	211	192	16.8%	26.8%	2.1x	2.1x	12.5x	9.7x	NM	NM
Buongiorno	178	249	13.0%	1.7%	0.7x	0.6x	5.1x	5.1x	12.0x	10.6x
Synchronica	26	24	11.4%	136.1%	1.7x	0.8x	14.6x	2.8x	NM	NM
<i>Mean</i>			16.1%	32.4%	2.5x	2.2x	15.2x	9.3x	30.2x	20.5x
<i>Median</i>			16.4%	12.3%	2.2x	2.1x	13.6x	9.7x	30.7x	23.6x



Last 30 Days Performance



Last Twelve Months Performance



Source: Capital IQ, 8 November 2010.

# Internet and Digital Media (Continued)

	Market Cap (\$m)	Enterprise Value (\$m)	CY2010E		EV / Revenue		EV / EBITDA		P / E	
			EBITDA Margin	Growth	CY2010E	CY2011E	CY2010E	CY2011E	CY2010E	CY2011E
<b>Global Internet Leaders</b>										
Apple	290,906	265,286	29.1%	57.1%	3.6x	3.0x	12.4x	10.0x	18.9x	16.2x
Microsoft	229,716	197,128	43.5%	12.2%	3.0x	2.8x	6.9x	6.4x	11.8x	10.4x
Google	199,885	168,627	44.9%	21.5%	5.9x	5.2x	13.1x	11.1x	21.8x	18.9x
Amazon	76,648	70,927	7.1%	38.7%	2.1x	1.8x	29.4x	22.4x	NM	47.3x
eBay	40,240	34,909	35.6%	4.6%	3.8x	3.5x	10.7x	9.7x	18.5x	16.8x
Baidu	37,898	36,862	57.5%	79.0%	31.6x	21.7x	NM	34.2x	NM	45.6x
Yahoo!	21,930	19,282	35.5%	(29.2%)	4.2x	4.1x	11.9x	10.8x	22.0x	20.3x
Alibaba	9,751	8,552	33.8%	44.9%	10.5x	9.4x	31.2x	23.3x	43.7x	33.1x
IAC	2,869	1,652	15.4%	19.6%	1.0x	0.9x	6.5x	5.6x	32.7x	21.1x
<i>Mean</i>			33.6%	27.6%	7.3x	5.8x	15.3x	14.8x	24.2x	25.5x
<i>Median</i>			35.5%	21.5%	3.8x	3.5x	12.2x	10.8x	21.8x	20.3x
<b>Ecommerce</b>										
Amazon	76,648	70,927	7.1%	38.7%	2.1x	1.8x	29.4x	22.4x	NM	47.3x
eBay	40,240	34,909	35.6%	4.6%	3.8x	3.5x	10.7x	9.7x	18.5x	16.8x
Netflix	8,784	8,764	17.0%	29.6%	4.1x	3.2x	23.8x	18.6x	NM	44.4x
Mercadolibre	2,703	2,652	37.0%	23.7%	12.4x	10.3x	33.5x	25.9x	48.4x	39.8x
GSI Commerce	1,711	1,827	9.9%	34.6%	1.4x	1.2x	13.7x	10.9x	NM	41.1x
Vistaprint	1,702	1,530	20.1%	20.2%	2.1x	1.9x	10.5x	8.7x	19.7x	16.8x
OpenTable	1,557	1,469	35.1%	40.5%	15.2x	11.3x	43.4x	28.8x	NM	NM
Asos	1,498	1,473	10.2%	46.9%	3.1x	2.8x	30.1x	22.7x	NM	41.3x
Digital River	1,487	1,123	18.5%	(10.3%)	3.1x	2.9x	16.8x	11.2x	43.1x	28.1x
Ocado	1,183	1,349	3.9%	27.4%	1.7x	1.4x	43.5x	21.8x	NM	NM
Shutterfly	838	677	21.0%	18.4%	2.3x	2.2x	11.1x	9.5x	NM	37.8x
Blue Nile	692	643	9.2%	8.5%	2.0x	1.8x	21.4x	18.9x	NM	42.4x
YOOX	556	541	9.5%	35.1%	1.8x	1.6x	19.4x	13.9x	47.8x	32.1x
Overstock	321	294	2.5%	26.4%	0.3x	0.2x	10.7x	9.2x	29.0x	17.7x
Drugstore	178	159	4.3%	9.8%	0.4x	0.3x	8.2x	7.7x	NM	28.0x
<i>Mean</i>			16.0%	23.6%	3.7x	3.1x	21.7x	16.0x	34.4x	33.4x
<i>Median</i>			10.2%	26.4%	2.1x	1.9x	19.4x	13.9x	36.1x	37.8x
<b>Online Travel</b>										
Priceline	18,816	18,147	27.4%	30.1%	6.0x	5.5x	22.0x	17.1x	32.7x	25.6x
Expedia	7,564	7,716	28.8%	12.6%	2.3x	2.1x	8.1x	7.1x	16.0x	13.7x
Ctrip	6,748	6,326	40.6%	56.2%	14.7x	12.1x	36.1x	26.7x	44.6x	35.3x
Wotif	1,013	907	57.7%	20.9%	6.4x	6.3x	11.1x	10.3x	18.5x	17.0x
Orbitz	594	947	19.9%	1.9%	1.3x	1.2x	6.3x	5.8x	44.1x	24.8x
Travelzoo	553	518	21.1%	19.7%	4.6x	4.3x	21.9x	19.3x	44.8x	37.3x
hotel.de	72	59	5.9%	10.7%	1.1x	1.1x	19.6x	11.6x	35.4x	22.3x
<i>Mean</i>			28.8%	21.7%	5.2x	4.6x	17.9x	14.0x	33.7x	25.2x
<i>Median</i>			27.4%	19.7%	4.6x	4.3x	19.6x	11.6x	35.4x	24.8x
<b>Online Marketing</b>										
ValueClick	1,264	1,100	28.8%	0.8%	2.6x	2.4x	9.0x	8.0x	18.7x	20.1x
Constant Contact	698	576	13.0%	34.8%	3.3x	2.8x	25.4x	16.6x	NM	36.3x
InfoSpace	278	50	11.3%	17.7%	0.2x	0.2x	1.8x	2.1x	35.4x	35.7x
TradeDoubler	248	230	4.5%	3.0%	0.5x	0.5x	11.9x	9.0x	22.0x	15.4x
Marchex	239	207	7.9%	3.8%	2.1x	1.9x	27.0x	12.5x	NM	NM
Hi-Media	207	261	8.7%	28.4%	0.8x	0.8x	9.4x	7.6x	17.2x	12.4x
1000mercis	170	154	34.1%	31.8%	3.4x	3.4x	9.9x	8.6x	15.7x	14.1x
AdLink Internet Media	155	150	7.3%	(13.1%)	0.9x	0.9x	12.1x	9.3x	23.8x	17.1x
ad pepper media	53	33	3.7%	6.4%	0.5x	0.5x	12.5x	6.7x	17.5x	13.4x
<i>Mean</i>			13.4%	12.8%	1.6x	1.5x	12.9x	8.7x	21.5x	20.6x
<i>Median</i>			10.0%	10.3%	1.2x	1.1x	10.9x	8.3x	18.7x	16.3x
<b>Content Providers / Communities</b>										
WebMD Health	3,036	2,763	30.4%	17.7%	5.4x	4.7x	17.6x	13.2x	NM	38.7x
Meetic	700	644	23.6%	20.2%	2.4x	2.3x	10.0x	8.7x	17.0x	14.5x
Move	379	338	11.0%	(6.5%)	1.7x	1.7x	15.6x	13.3x	44.3x	34.4x
The Knot	309	173	10.7%	5.7%	1.5x	1.5x	14.4x	11.8x	NM	NM
XING	231	156	30.4%	21.6%	2.0x	1.8x	6.7x	4.9x	21.6x	13.5x
<i>Mean</i>			21.2%	11.7%	2.6x	2.4x	12.9x	10.4x	27.6x	25.3x
<i>Median</i>			23.6%	17.7%	2.0x	1.8x	14.4x	11.8x	21.6x	24.5x

Sources: Capital IQ, 8 November 2010; Brokers' reports.

## Internet and Digital Media (Continued)

	Market Cap (\$m)	Enterprise Value (\$m)	CY2010E		EV / Revenue		EV / EBITDA		P / E	
			EBITDA Margin	Growth	CY2010E	CY2011E	CY2010E	CY2011E	CY2010E	CY2011E
<b>Intermediation and Comparison</b>										
Moneysupermarket	730	684	27.4%	0.2%	3.1x	2.9x	11.3x	10.3x	13.8x	12.4x
Liquidity Services	453	384	12.8%	17.2%	1.3x	1.3x	10.4x	8.7x	27.9x	22.2x
eHealth	336	197	21.4%	13.7%	1.3x	1.2x	6.0x	6.0x	24.2x	24.5x
Gruppo MutuiOnline	282	262	46.8%	5.0%	3.6x	3.2x	7.7x	6.7x	13.1x	11.4x
<i>Mean</i>			27.1%	9.0%	2.3x	2.2x	8.8x	7.9x	19.8x	17.6x
<i>Median</i>			24.4%	9.3%	2.2x	2.1x	9.0x	7.7x	19.0x	17.3x
<b>Online Classifieds</b>										
Monster	2,575	2,543	10.6%	3.1%	2.7x	2.3x	25.7x	12.6x	NM	44.2x
SEEK	2,509	2,570	43.8%	54.6%	8.0x	7.2x	18.3x	14.4x	24.8x	18.8x
Rightmove	1,476	1,439	66.3%	19.7%	10.7x	10.0x	16.2x	13.9x	21.9x	18.8x
51job	1,244	1,037	28.2%	35.6%	6.7x	6.1x	24.0x	18.3x	37.2x	28.9x
Carsales.au	1,135	1,122	53.5%	41.5%	8.2x	7.5x	15.3x	12.8x	23.2x	19.3x
Seloger	831	838	53.0%	11.3%	7.2x	6.6x	13.6x	11.8x	23.1x	19.3x
Dice	644	659	38.9%	15.5%	5.2x	4.2x	13.3x	9.9x	36.1x	22.4x
LoopNet	437	349	35.1%	1.7%	4.5x	4.2x	12.8x	11.9x	40.3x	38.0x
Adenclassifieds	261	185	17.4%	12.0%	2.2x	2.0x	12.3x	10.6x	35.5x	25.8x
<i>Mean</i>			37.9%	25.0%	6.2x	5.6x	17.2x	12.9x	30.4x	25.4x
<i>Median</i>			37.0%	17.6%	6.7x	6.1x	15.8x	12.7x	31.2x	20.8x
<b>Chinese Internet Leaders</b>										
Tencent	42,314	40,669	54.7%	58.7%	14.1x	12.3x	25.8x	19.6x	34.7x	26.3x
Baidu	37,898	36,862	57.5%	79.0%	31.6x	21.7x	NM	34.2x	NM	45.6x
Alibaba	9,751	8,552	33.8%	44.9%	10.5x	9.4x	31.2x	23.3x	43.7x	33.1x
Netease	5,336	4,113	52.3%	45.0%	5.2x	4.7x	9.9x	8.1x	16.7x	13.4x
Sina	3,617	2,889	29.2%	11.0%	7.3x	6.7x	24.8x	20.1x	35.4x	29.1x
Focus Media	3,475	2,903	33.5%	12.3%	5.1x	5.2x	15.3x	11.8x	24.5x	20.3x
Sohu	2,802	2,306	43.3%	17.8%	3.8x	3.3x	8.8x	7.3x	19.4x	16.0x
Shanda Interactive	2,310	1,176	27.4%	7.0%	1.4x	1.4x	5.2x	3.9x	19.4x	16.2x
<i>Mean</i>			40.5%	36.7%	9.5x	7.8x	17.7x	15.7x	28.1x	24.3x
<i>Median</i>			33.8%	44.9%	6.6x	6.0x	17.7x	13.0x	27.8x	20.3x
<b>Online Gambling</b>										
bwin Interactive	1,607	1,382	22.5%	26.2%	2.1x	2.0x	9.2x	7.7x	19.3x	13.8x
Playtech	1,578	1,499	64.2%	24.6%	7.3x	6.9x	11.4x	9.9x	11.7x	11.1x
PartyGaming	1,531	1,335	28.3%	12.9%	2.7x	2.6x	9.4x	8.8x	13.8x	13.0x
Sportingbet	491	406	22.6%	(88.0%)	1.2x	1.2x	5.2x	4.8x	9.5x	8.6x
888	249	178	13.4%	1.7%	0.7x	0.7x	5.3x	4.9x	9.3x	9.1x
<i>Mean</i>			30.2%	(4.5%)	2.8x	2.7x	8.1x	7.2x	12.7x	11.1x
<i>Median</i>			22.6%	12.9%	2.1x	2.0x	9.2x	7.7x	11.7x	11.1x
<b>Interactive Entertainment</b>										
Activision	13,836	10,987	34.6%	6.2%	2.4x	2.4x	7.0x	6.8x	15.1x	13.9x
Electronic Arts	5,395	3,738	9.6%	5.1%	1.0x	1.0x	10.4x	7.1x	32.3x	20.0x
Ubisoft Entertainment	1,326	1,223	22.0%	(16.2%)	1.0x	0.9x	4.7x	2.2x	NM	32.2x
Take-Two Interactive Software	946	816	11.4%	17.7%	0.7x	0.8x	6.2x	12.6x	12.1x	18.9x
THQ	282	259	(3.4%)	(15.7%)	0.4x	0.3x	NM	5.2x	NM	11.1x
Atari	111	125	20.7%	166.3%	0.3x	NA	1.2x	NA	NM	NM
<i>Mean</i>			15.8%	27.2%	1.0x	1.1x	5.9x	6.8x	19.8x	19.2x
<i>Median</i>			16.1%	5.7%	0.9x	0.9x	6.2x	6.8x	15.1x	18.9x

Sources: Capital IQ, 8 November 2010; Brokers' reports.

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