

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

# European Technology Update

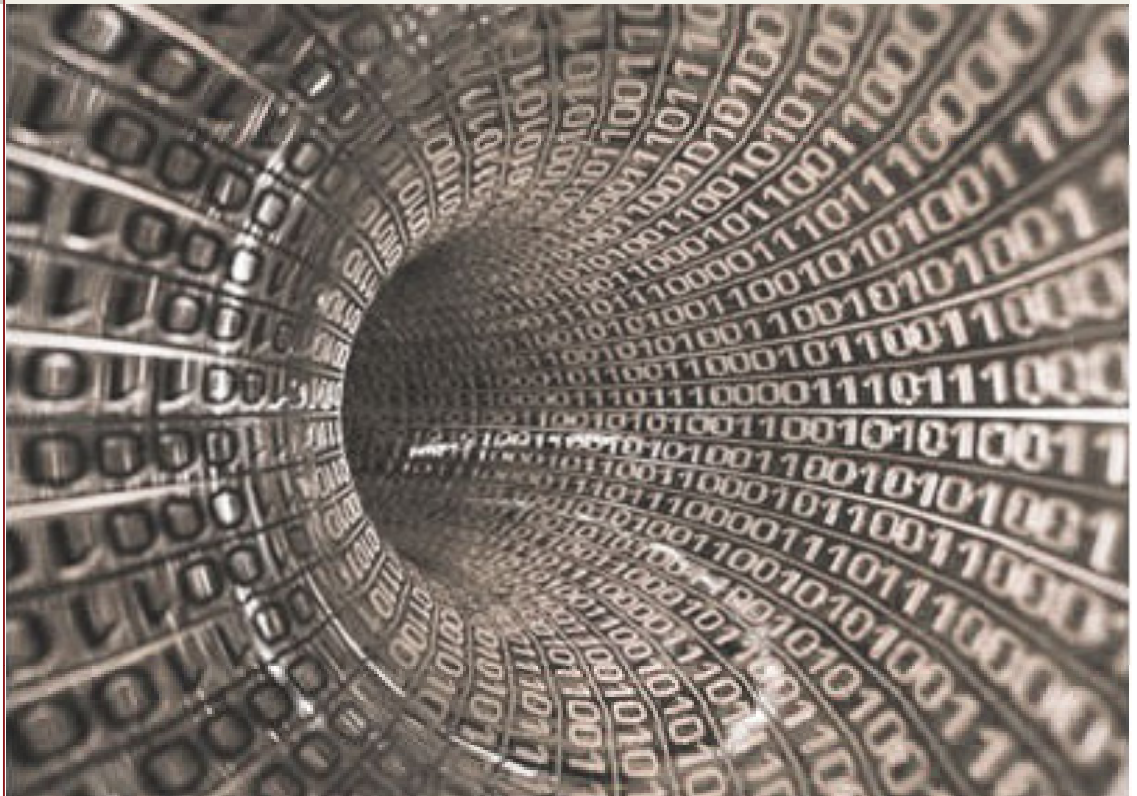
3 August 2011

Member FINRA/SIPC

**Thierry Monjauze**  
Managing Director  
63 Brook Street  
London W1K 4HS  
United Kingdom  
Phone: +44 20 7518 8900  
tmonjauze@harriswilliams.com

**Francois Morin**  
Director  
63 Brook Street  
London W1K 4HS  
United Kingdom  
Phone: +44 20 7518 8900  
fmorin@harriswilliams.com

[www.harriswilliams.com](http://www.harriswilliams.com)



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

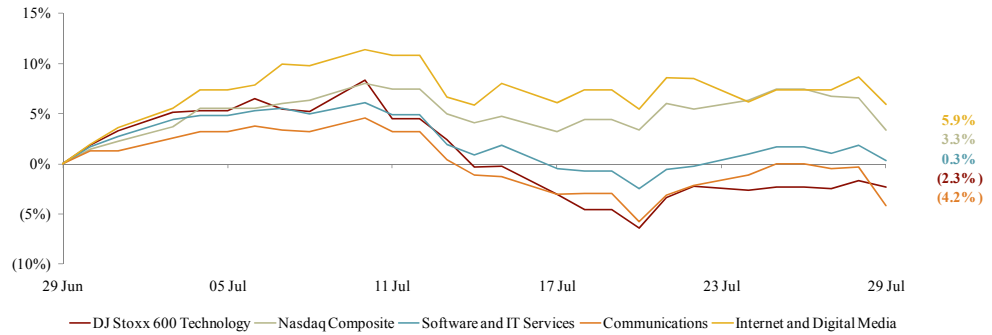
- Advent International and One Equity Partners are bidding for a 60% stake in **Oberthur Technologies'** smart card business in a deal that could be worth up to €600 million
- **Seismic Micro-Technology**, provider of software for oil and gas exploration, was acquired by IHS for \$500 million
- Acer announced the acquisition of **iGware**, a US-based cloud computing systems provider, for \$320 million
- PhotoBox acquired **Moonpig.com**, a UK-based online greetings card business, for £120 million
- Riverbed Technology acquired **Zeus Technology**, a developer of traffic management software, for \$136 million
- Trinity Expert Systems acquired **Eurodata Systems**, a UK-based IT services provider, for £15 million
- Vodafone acquired **Koc.net**, a Turkey-based provider of fixed voice and data services to enterprises, for £11 million
- LogMeIn acquired **Pachube**, a UK-based start-up software developer for sensor-enabled devices, for \$15 million
- Patsystems acquired **Mixit**, a US-based financial software and systems developer, for £12.6 million
- Computacenter acquired a majority stake in the Swiss IT service provider **DAMAX** for £5.4 million
- **FD Systems**, a provider of Sage and e-commerce solutions in the UK, was acquired by K3 for £2 million
- Palamon Capital Partners acquired a majority stake in **EnGrande**, a leading European on-line booking business focused on the budget accommodation sector
- Anoto AB acquired 51% of **Destiny Wireless**, a UK-based developer of mobile data capture solutions
- **Twitter** is reportedly raising \$800 million in a deal that could value the business at \$8 billion
- **Airbnb** raised \$112 million from Andreessen Horowitz, DST Global and General Catalyst
- Lightspeed Venture Partners, Matrix Partners and Northbridge Venture Partners invested \$20 million in **Plexxi**, the cloud datacenter company
- **WorldStores**, an online retailer of home and garden products, raised \$8 million in a round led by Advent Ventures
- **Smartling**, a provider of cloud-based platforms to help Web businesses create and maintain multilingual sites, raised \$10 million from new and existing investors
- **Quid**, a US-based developer of analytics software, raised \$10 million from various investors
- **taulia**, the cloud-based discounting solutions provider, raised \$8.5 million in a round led by DAG Ventures
- Investor Growth Capital invested \$8 million in **WhiteHat Security**, a web security company
- **Workbooks.com**, a web based CRM and business applications provider, raised £5.4 million from angel investors
- **BaseKit**, a web development platform, raised \$6.5 million from Eden Ventures, Nauta Capital and NESTA
- Online video and marketing company **PixelFish** raised \$4 million in a round led by Bullpen Capital
- **NewVoiceMedia**, a UK-based company which offers cost-effective cloud contact centre and call centre solutions for businesses, raised £2.5 million funding from Nottion Capital and Eden Ventures
- **Qapa**, a France-based online recruitment company, raised €1.7 million from Partech and 360 Capital Partners
- Passion Capital invested €400k in **WireWax**, a tagging system for online videos
- **We7**, a UK-based music streaming service, raised funding in a round led by Qualcomm and Pentech Ventures
- **Planet Payment**, a US-based payment processing company for online businesses, filed for a \$75 million IPO
- **Zillow**, a real estate database provider, raised \$70 million from its NASDAQ IPO
- **SAP AG** reported a 20% increase in second quarter profit sending its shares up 3.5% on that day
- **Microsoft's** earnings improved 30% in fiscal fourth-quarter to \$5.9 billion on the back of record sales
- **Nokia** posted a net loss of €368 million in the second quarter
- **Amazon** reported that its second-quarter revenue increased 51% to \$9.9 billion
- **Research In Motion** stated that it will cut 2,000 jobs, almost 11% of its work force

Industry  
Trends

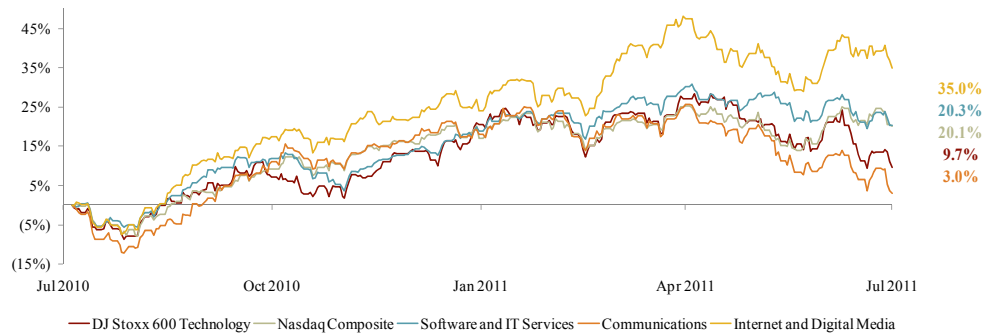
- Sales of **virtual items** from social games in the US are expected to be \$792 million in 2012, according to eMarketer
- Global **mobile phone** shipments grew 11.3% year on year in Q2 2011 to 365 million units, according to IDC
- **Smartphones** will account for 28% of the total phone market this year, according to IMS Research
- Consumers spend an average of \$14 per transaction in freemium **mobile games**, according to research by Flurry
- 20% of **mobile e-commerce** sales are from tablets, despite only 9% of shoppers owning one, according to Forrester
- Global **mobile service provider** revenues will be \$1.1 trillion in 2012, according to Wireless Intelligence
- e-Market estimates that 72.6% of internet users will make an **online purchase** in 2011
- In-Stat projects 48 billion **app** downloads by 2015 generating more than \$29 billion in revenue
- Global **mobile payment** users will increase 38% year on year to 141 million in 2011, according to Gartner
- US **consumer electronics** industry will be worth \$197 billion in 2012, according to Consumer Electronics Association
- Samsung is estimated to have sold between 18 and 21 million **smartphones** globally in Q2 2011, overtaking Nokia and Apple in smartphone sales, according to Strategy Analytics
- Bing search engine has picked up market share and now accounts for more than 14% of **Internet searches** in the US, according to eMarketer

Stock Performance

Last 30 Days



Last Twelve Months

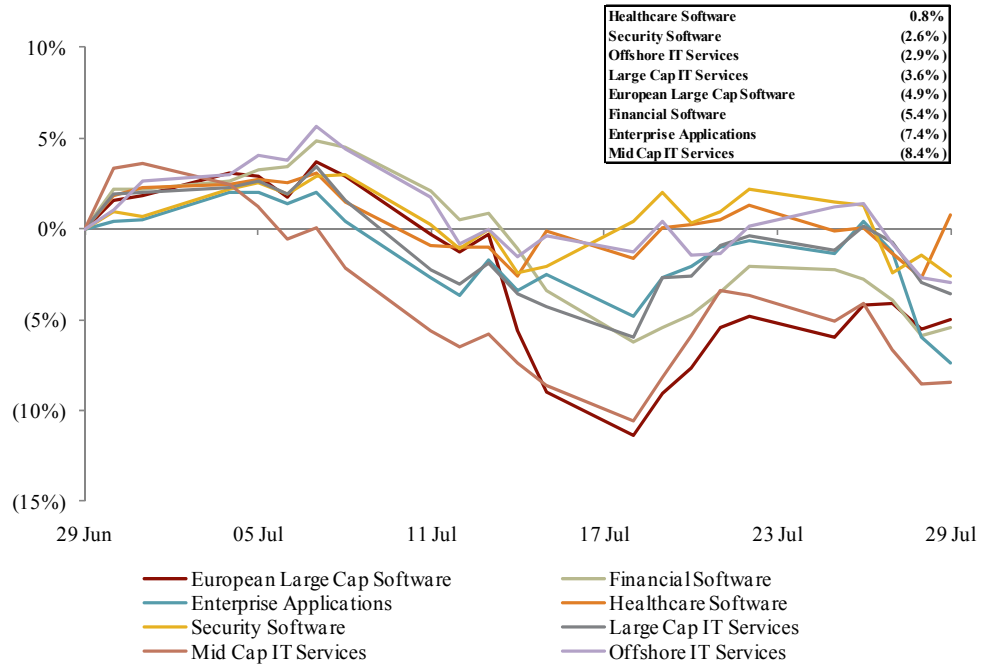


Sources: Capital IQ, 1 August 2011; Brokers' reports.

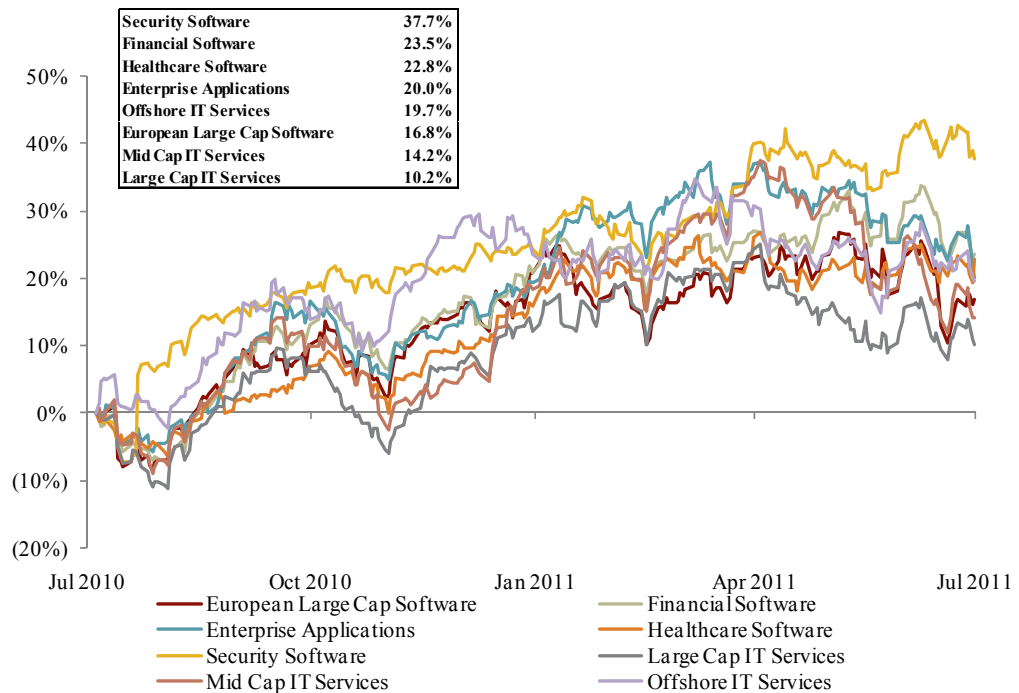
Comparable Trading Summary

	CY2011E		EV / Revenue		EV / EBITDA		P / E	
	EBITDA Margin	Growth	CY2011E	CY2012E	CY2011E	CY2012E	CY2011E	CY2012E
<b><u>Software and IT Services</u></b>								
Enterprise Applications	19.2%	9.0%	1.6x	1.4x	8.3x	7.0x	19.5x	13.9x
European Large Cap Software	31.9%	10.0%	3.7x	3.3x	11.6x	9.9x	18.4x	15.6x
Financial Software	23.5%	7.5%	2.3x	2.1x	9.5x	8.3x	18.2x	15.4x
Healthcare Software	20.6%	18.7%	2.0x	1.8x	9.0x	7.7x	22.0x	16.8x
Large Cap IT Services	13.2%	17.4%	0.9x	0.8x	6.1x	5.5x	13.2x	11.3x
Mid Cap IT Services	11.2%	8.8%	0.7x	0.7x	6.1x	5.7x	10.4x	9.1x
Offshore IT Services	23.5%	24.9%	3.5x	2.9x	14.4x	11.9x	20.6x	17.3x
Security Software	36.9%	13.0%	3.8x	3.5x	9.6x	8.4x	18.2x	15.9x
<b><u>Communications</u></b>								
Digital Broadband	11.7%	12.2%	0.5x	0.5x	4.7x	3.9x	12.2x	9.0x
Diversified Communication Equipment	13.0%	14.5%	1.1x	1.0x	9.6x	6.5x	16.5x	13.1x
Mobile Content / Solutions Providers	16.8%	44.5%	1.7x	1.4x	9.1x	6.1x	19.1x	16.1x
Mobile Infrastructure Software	16.9%	9.4%	2.2x	1.9x	9.9x	8.5x	24.0x	18.8x
<b><u>Internet and Digital Media</u></b>								
Chinese Internet Leaders	34.9%	40.5%	11.1x	7.8x	16.4x	16.5x	21.3x	19.4x
Online Classifieds	42.0%	26.8%	6.5x	5.6x	15.1x	12.4x	24.2x	18.6x
Content Providers / Communities	18.1%	25.2%	5.1x	4.0x	11.9x	9.3x	29.2x	24.2x
Ecommerce	16.9%	34.4%	3.7x	2.9x	21.9x	15.8x	28.5x	32.4x
Global Internet Leaders	34.3%	35.0%	6.6x	5.0x	18.4x	13.8x	20.6x	18.9x
Interactive Entertainment	18.6%	33.2%	1.1x	1.0x	6.6x	9.8x	20.5x	20.5x
Intermediation and Comparison	25.4%	14.4%	2.1x	1.9x	8.6x	7.5x	23.2x	19.9x
Online Gambling	27.6%	51.9%	2.0x	1.7x	6.4x	5.4x	12.5x	10.0x
Online Marketing	15.1%	21.2%	1.3x	1.1x	8.4x	6.9x	17.8x	15.7x
Online Travel	29.3%	23.2%	4.6x	3.8x	14.1x	10.9x	25.3x	20.9x

**Last 30 Days Performance**



**Last Twelve Months Performance**



Source: Capital IQ, 1 August 2011.

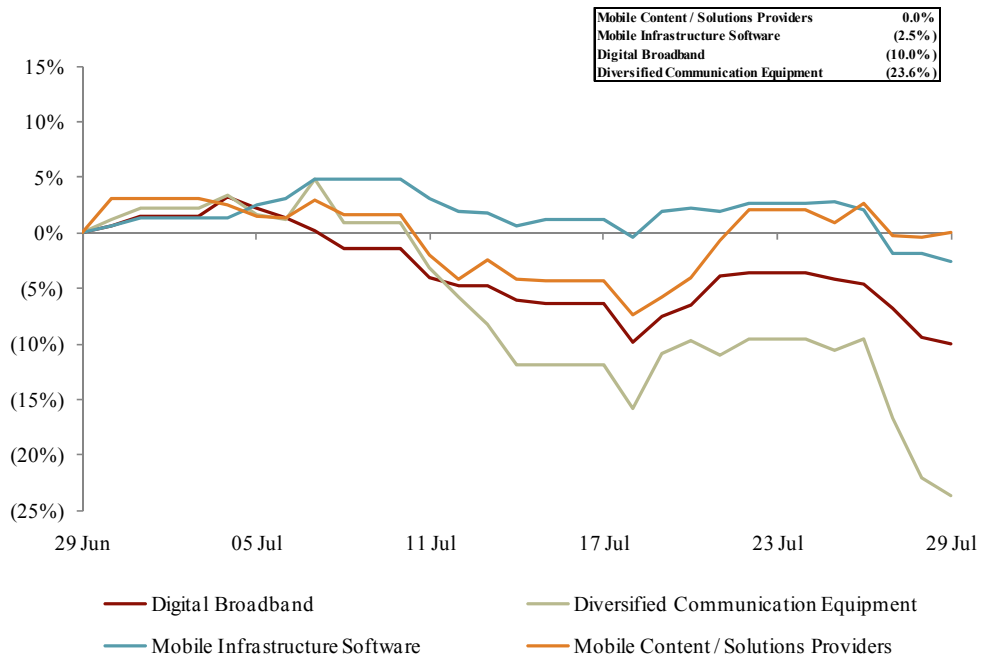
	Market Cap (\$m)	Enterprise Value (\$m)	CY2011E		EV / Revenue		EV / EBITDA		P / E	
			EBITDA Margin	Growth	CY2011E	CY2012E	CY2011E	CY2012E	CY2011E	CY2012E
<b>European Large Cap Software</b>										
SAP	72,450	72,338	34.3%	21.4%	3.6x	3.3x	10.5x	9.4x	16.4x	14.4x
Dassault Systemes	10,599	9,216	30.6%	18.7%	3.7x	3.5x	12.2x	11.0x	22.0x	19.5x
Autonomy	6,587	6,633	46.9%	19.5%	6.4x	5.5x	13.6x	10.9x	22.4x	17.8x
Sage	5,797	5,916	26.9%	8.4%	2.4x	2.3x	9.0x	8.4x	13.7x	12.7x
Software AG	3,989	4,163	28.9%	11.1%	2.5x	2.4x	8.7x	8.0x	14.3x	12.7x
Misys	2,040	2,193	24.4%	(25.7%)	3.3x	2.9x	13.5x	11.2x	24.6x	17.3x
Aveva	1,863	1,614	32.2%	22.4%	5.2x	4.6x	16.2x	13.6x	27.0x	22.9x
Temenos	1,725	1,930	25.9%	14.7%	3.7x	3.3x	14.2x	10.8x	16.2x	14.6x
Micro Focus	935	949	36.8%	(0.9%)	2.2x	2.2x	6.0x	5.9x	9.1x	8.9x
<i>Mean</i>			31.9%	10.0%	3.7x	3.3x	11.6x	9.9x	18.4x	15.6x
<i>Median</i>			30.6%	14.7%	3.6x	3.3x	12.2x	10.8x	16.4x	14.6x
<b>Financial Software</b>										
Intuit	14,197	13,367	37.1%	12.7%	3.3x	3.0x	9.0x	8.2x	17.4x	15.7x
Misys	2,040	2,193	24.4%	(25.7%)	3.3x	2.9x	13.5x	11.2x	24.6x	17.3x
Temenos	1,725	1,930	25.9%	14.7%	3.7x	3.3x	14.2x	10.8x	16.2x	14.6x
Fidessa	1,018	915	20.4%	12.8%	2.0x	1.7x	9.6x	8.8x	23.5x	21.4x
SimCorp	803	730	24.0%	13.7%	2.6x	2.3x	10.7x	8.9x	18.1x	14.4x
Innovation	310	267	12.5%	12.8%	0.9x	0.9x	7.3x	6.7x	19.6x	17.3x
ORC	226	190	23.6%	4.4%	1.3x	1.2x	5.3x	4.3x	15.6x	11.0x
Microgen	224	183	26.0%	19.5%	3.0x	2.7x	11.4x	10.8x	21.0x	19.6x
Linedata	166	162	20.8%	4.0%	0.8x	0.8x	3.9x	3.6x	9.2x	8.1x
StatPro	104	113	19.8%	5.8%	2.1x	2.0x	10.5x	9.5x	16.8x	15.0x
<i>Mean</i>			23.5%	7.5%	2.3x	2.1x	9.5x	8.3x	18.2x	15.4x
<i>Median</i>			23.8%	12.8%	2.3x	2.1x	10.0x	8.8x	17.7x	15.3x
<b>Enterprise Applications</b>										
Unit 4	955	1,154	21.0%	17.5%	1.7x	1.6x	8.2x	7.4x	21.5x	16.0x
SDL	861	787	18.2%	13.0%	2.2x	2.0x	12.1x	11.1x	18.9x	17.3x
Exact	667	605	23.8%	5.3%	1.9x	1.8x	7.9x	7.4x	13.6x	12.7x
IFS	490	426	16.2%	6.6%	1.0x	1.0x	6.3x	5.4x	15.5x	12.5x
F-Secure	485	452	20.0%	17.7%	2.2x	2.0x	11.0x	8.9x	19.1x	15.0x
Kofax	479	408	20.1%	(12.1%)	1.6x	1.5x	7.9x	7.3x	16.5x	14.1x
Cegid	251	347	24.5%	10.9%	0.9x	0.9x	3.8x	3.6x	8.7x	8.0x
Kewill	150	123	18.2%	10.4%	1.2x	1.1x	6.6x	6.2x	12.8x	11.5x
Alterian	90	79	11.1%	11.7%	1.2x	1.1x	11.1x	5.7x	49.0x	17.6x
<i>Mean</i>			19.2%	9.0%	1.6x	1.4x	8.3x	7.0x	19.5x	13.9x
<i>Median</i>			20.0%	10.9%	1.6x	1.5x	7.9x	7.3x	16.5x	14.1x
<b>Healthcare Software</b>										
McKesson	19,980	20,853	2.4%	7.7%	0.2x	0.2x	7.5x	6.3x	14.5x	12.3x
Cerner	11,224	10,656	31.8%	14.2%	5.0x	4.4x	15.8x	13.4x	36.3x	30.1x
Allscripts Healthcare Solutions	3,453	3,757	24.9%	14.7%	2.6x	2.4x	10.5x	8.9x	20.3x	17.0x
CompuGroup	738	975	20.3%	36.0%	1.7x	1.4x	8.2x	6.4x	16.2x	10.5x
Cegedim	705	1,376	19.1%	9.4%	1.0x	1.0x	5.3x	4.9x	8.8x	7.5x
Advanced Computer Software	229	279	25.3%	30.5%	1.7x	1.7x	6.9x	6.5x	36.0x	23.6x
<i>Mean</i>			20.6%	18.7%	2.0x	1.8x	9.0x	7.7x	22.0x	16.8x
<i>Median</i>			22.6%	14.4%	1.7x	1.6x	7.9x	6.4x	18.2x	14.7x

Sources: Capital IQ, 1 August 2011; Brokers' reports.

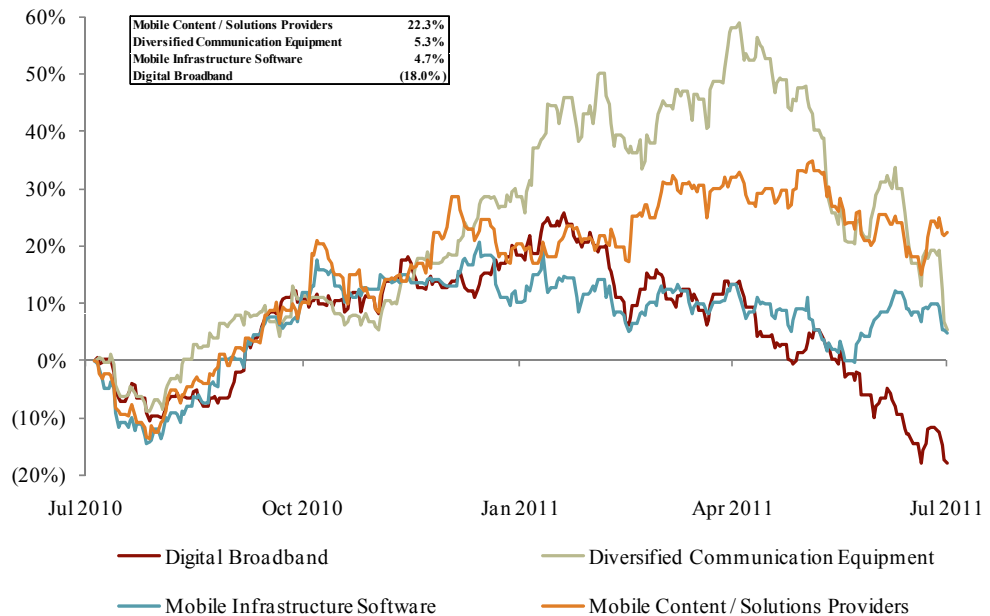
	Market Cap (\$m)	Enterprise Value (\$m)	CY2011E		EV / Revenue		EV / EBITDA		P / E	
			EBITDA Margin	Growth	CY2011E	CY2012E	CY2011E	CY2012E	CY2011E	CY2012E
<b>Security Software</b>										
Symantec	14,401	14,183	34.1%	11.5%	2.1x	2.0x	6.2x	5.5x	12.0x	10.8x
Check Point	11,968	10,817	60.0%	14.6%	8.7x	7.8x	14.5x	13.2x	20.5x	18.4x
Trend Micro	4,216	2,765	33.3%	8.4%	2.2x	2.1x	6.5x	6.0x	21.2x	19.2x
F-Secure	485	452	20.0%	17.7%	2.2x	2.0x	11.0x	8.9x	19.1x	15.0x
<i>Mean</i>			36.9%	13.0%	3.8x	3.5x	9.6x	8.4x	18.2x	15.9x
<i>Median</i>			33.7%	13.0%	2.2x	2.0x	8.8x	7.5x	19.8x	16.7x
<b>Large Cap IT Services</b>										
Accenture	38,111	33,317	15.7%	15.7%	1.3x	1.2x	8.1x	7.5x	17.0x	15.2x
Cap Gemini	7,380	5,859	9.2%	18.7%	0.4x	0.4x	4.7x	4.1x	13.5x	11.3x
Capita Group	7,151	9,152	17.0%	12.1%	1.9x	1.7x	11.1x	10.2x	14.9x	13.6x
Computer Sciences	5,467	6,265	13.6%	0.1%	0.4x	0.4x	2.8x	2.5x	8.7x	7.0x
Atos Origin	3,725	3,856	10.2%	40.5%	0.4x	0.3x	4.0x	3.1x	12.0x	9.4x
<i>Mean</i>			13.2%	17.4%	0.9x	0.8x	6.1x	5.5x	13.2x	11.3x
<i>Median</i>			13.6%	15.7%	0.4x	0.4x	4.7x	4.1x	13.5x	11.3x
<b>Mid Cap IT Services</b>										
CGI	5,655	6,640	19.0%	14.1%	1.5x	1.4x	7.7x	7.3x	13.1x	11.8x
Indra Sistemas	3,113	3,609	12.2%	8.4%	1.0x	0.9x	7.9x	7.5x	11.5x	10.9x
Logica	2,982	3,424	9.1%	9.6%	0.5x	0.5x	5.9x	5.5x	8.9x	8.0x
Tieto	1,031	1,237	10.5%	13.4%	0.5x	0.5x	4.6x	4.2x	12.1x	8.8x
Sopra	882	966	10.7%	0.4%	0.6x	0.6x	5.8x	5.5x	9.5x	8.9x
Groupe Steria	702	989	9.1%	4.7%	0.4x	0.4x	4.6x	4.2x	8.2x	7.1x
GFI Informatique	298	442	7.7%	11.1%	0.4x	0.4x	5.8x	5.4x	9.3x	8.4x
<i>Mean</i>			11.2%	8.8%	0.7x	0.7x	6.1x	5.7x	10.4x	9.1x
<i>Median</i>			10.5%	9.6%	0.5x	0.5x	5.8x	5.5x	9.5x	8.8x
<b>Offshore IT Services</b>										
Tata	50,322	49,060	29.2%	29.2%	4.9x	4.0x	16.6x	13.8x	21.7x	18.7x
Infosys	36,403	32,536	30.7%	21.9%	4.7x	4.0x	15.2x	13.2x	21.5x	17.5x
Wipro	21,729	20,432	20.3%	17.3%	2.6x	2.3x	12.8x	10.9x	17.4x	14.5x
Cognizant	21,258	19,090	20.8%	31.1%	3.2x	2.6x	15.3x	12.5x	25.2x	20.9x
HCL	7,589	7,657	16.6%	25.1%	2.0x	1.6x	11.8x	9.3x	17.2x	14.8x
<i>Mean</i>			23.5%	24.9%	3.5x	2.9x	14.4x	11.9x	20.6x	17.3x
<i>Median</i>			20.8%	25.1%	3.2x	2.6x	15.2x	12.5x	21.5x	17.5x

Sources: Capital IQ, 1 August 2011; Brokers' reports.

Last 30 Days Performance



Last Twelve Months Performance



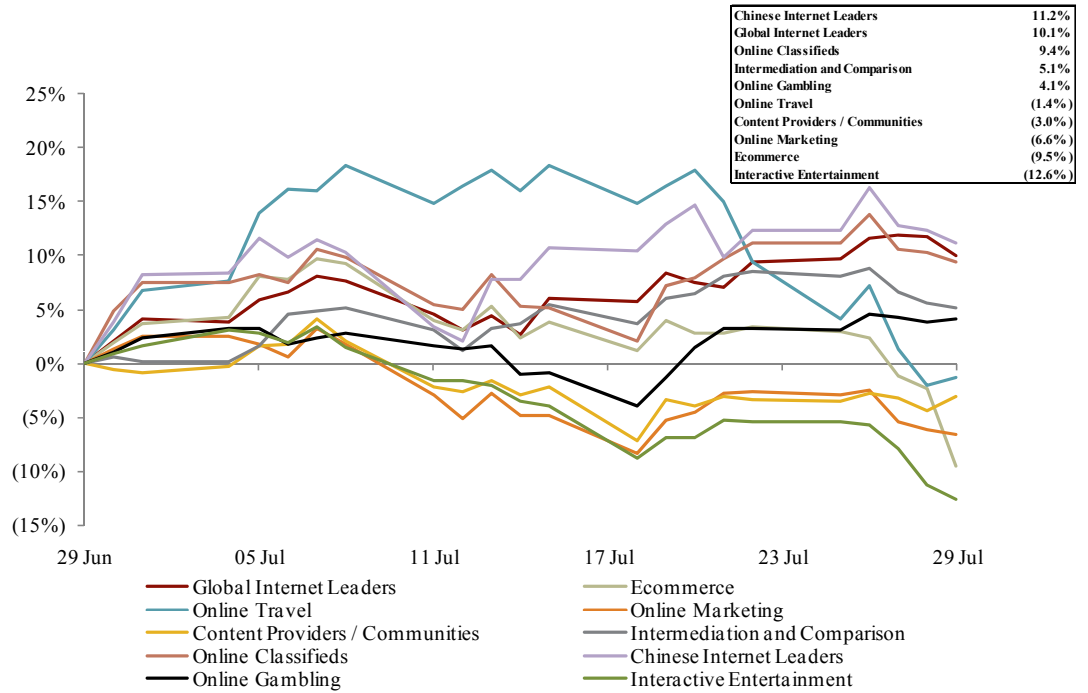
Source: Capital IQ, 1 August 2011.

	Market Cap (\$m)	Enterprise Value (\$m)	CY2011E		EV / Revenue		EV / EBITDA		P / E	
			EBITDA Margin	Growth	CY2011E	CY2012E	CY2011E	CY2012E	CY2011E	CY2012E
<b>Digital Broadband</b>										
Logitech	1,728	1,219	7.0%	5.5%	0.5x	0.5x	7.1x	4.6x	21.2x	14.5x
TomTom	1,009	1,522	16.6%	(10.9%)	0.9x	0.9x	5.1x	5.3x	8.9x	8.3x
Technicolor	944	2,313	13.8%	12.9%	0.5x	0.5x	3.3x	3.0x	NA	NA
Kudelski	698	991	12.7%	7.1%	0.8x	0.7x	6.1x	5.2x	13.2x	8.9x
Pace	535	1,013	8.6%	27.5%	0.4x	0.4x	4.5x	3.9x	5.7x	4.1x
Parrot	349	220	16.7%	15.2%	0.6x	0.5x	3.5x	3.1x	12.0x	10.4x
Advanced Digital Broadcast	135	98	6.5%	28.2%	0.2x	0.2x	3.2x	2.2x	NM	8.1x
<i>Mean</i>			11.7%	12.2%	0.5x	0.5x	4.7x	3.9x	12.2x	9.0x
<i>Median</i>			12.7%	12.9%	0.5x	0.5x	4.5x	3.9x	12.0x	8.6x
<b>Diversified Communication Equipment</b>										
LM Ericsson Telephone	39,265	31,934	15.4%	19.9%	0.9x	0.8x	5.8x	5.2x	15.3x	12.4x
Nokia	20,520	16,797	5.2%	(3.2%)	0.3x	0.3x	5.9x	4.5x	22.5x	15.5x
Alcatel-Lucent	8,448	9,912	9.1%	11.3%	0.4x	0.4x	4.6x	3.9x	13.2x	8.9x
ADTRAN	2,139	2,023	29.4%	21.6%	2.8x	2.5x	9.5x	8.4x	15.0x	13.7x
CIENA	1,479	2,415	5.9%	23.0%	1.3x	1.1x	22.4x	10.7x	NM	15.1x
<i>Mean</i>			13.0%	14.5%	1.1x	1.0x	9.6x	6.5x	16.5x	13.1x
<i>Median</i>			9.1%	19.9%	0.9x	0.8x	5.9x	5.2x	15.1x	13.7x
<b>Mobile Infrastructure Software</b>										
QUALCOMM	91,866	82,445	44.5%	36.8%	5.2x	4.5x	11.8x	10.7x	17.0x	15.0x
Amdocs	5,854	4,720	20.5%	6.2%	1.5x	1.4x	7.1x	7.2x	13.8x	12.4x
VeriSign	5,193	4,384	53.2%	4.0%	5.7x	5.1x	10.7x	9.3x	21.4x	17.1x
Converse Technology	1,538	1,633	16.6%	7.7%	1.0x	1.0x	6.1x	5.6x	9.9x	8.8x
Synchronoss Technologies	1,107	928	26.6%	33.3%	4.2x	3.5x	15.7x	12.1x	35.9x	27.9x
Sonus Networks	824	492	2.8%	16.2%	1.8x	1.7x	NM	18.4x	NM	38.2x
Tekelec	542	301	10.8%	(7.1%)	0.8x	0.8x	7.1x	7.1x	29.5x	19.6x
TeleCommunication Systems	288	376	13.8%	9.9%	0.9x	0.8x	6.2x	5.2x	36.3x	23.1x
Openwave Systems	192	109	(1.0%)	(4.2%)	0.7x	0.6x	NM	6.3x	NM	NM
Smith Micro Software	128	63	(10.6%)	(32.6%)	0.7x	0.5x	NM	3.6x	NM	10.7x
Redknee Solutions	94	87	8.7%	33.5%	1.3x	1.1x	14.4x	8.0x	28.4x	14.7x
<i>Mean</i>			16.9%	9.4%	2.2x	1.9x	9.9x	8.5x	24.0x	18.8x
<i>Median</i>			13.8%	7.7%	1.3x	1.1x	8.9x	7.2x	24.9x	16.1x
<b>Mobile Content / Solutions Providers</b>										
Opera Software	750	660	25.0%	40.1%	4.0x	3.1x	16.0x	10.6x	29.4x	18.4x
GameLoft	512	476	21.5%	21.3%	2.1x	1.9x	9.7x	8.1x	23.8x	20.0x
Buonigiorno	192	252	11.5%	34.9%	0.5x	0.5x	4.8x	3.9x	16.6x	10.4x
Danal	142	118	17.7%	31.6%	1.0x	0.8x	5.6x	4.3x	15.0x	11.0x
Dada	65	128	11.5%	(30.4%)	0.9x	0.8x	7.5x	6.4x	NM	33.4x
Synchronica	42	43	13.9%	169.6%	1.5x	1.0x	11.1x	3.6x	10.7x	3.5x
<i>Mean</i>			16.8%	44.5%	1.7x	1.4x	9.1x	6.1x	19.1x	16.1x
<i>Median</i>			15.8%	33.2%	1.3x	0.9x	8.6x	5.3x	16.6x	14.7x

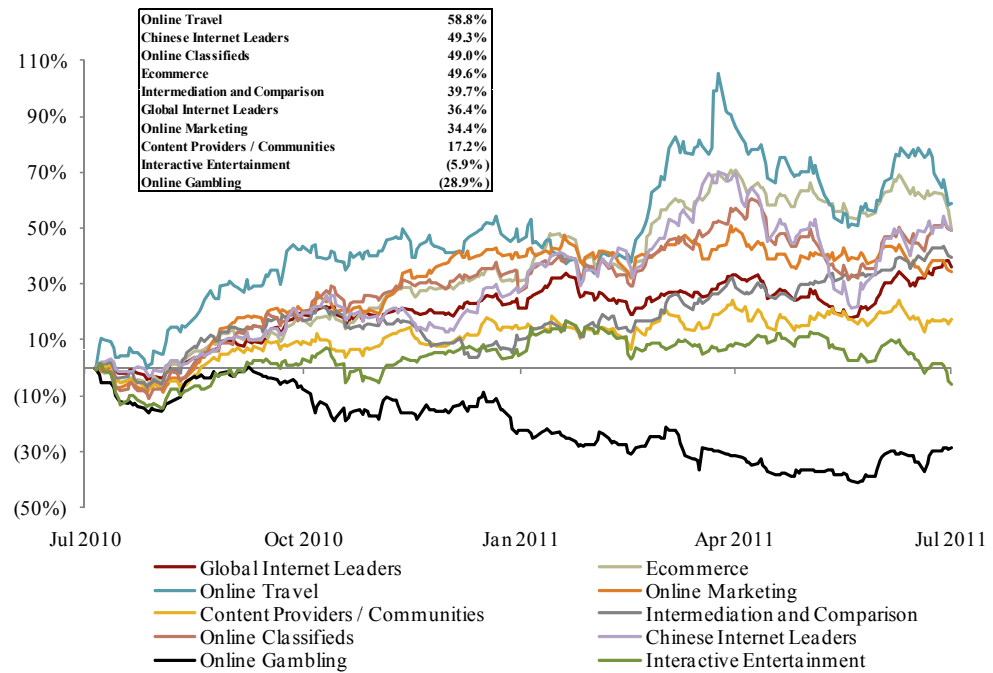
Sources: Capital IQ, 1 August 2011; Brokers' reports.



Last 30 Days Performance



Last Twelve Months Performance



Source: Capital IQ, 1 August 2011.

	Market Cap (\$m)	Enterprise Value (\$m)	CY2011E		EV / Revenue		EV / EBITDA		P / E	
			EBITDA Margin	Growth	CY2011E	CY2012E	CY2011E	CY2012E	CY2011E	CY2012E
<b>Global Internet Leaders</b>										
Apple	367,823	339,428	32.6%	58.5%	2.9x	2.4x	8.9x	7.8x	13.3x	11.8x
Microsoft	228,475	190,242	42.6%	9.7%	2.6x	2.5x	6.2x	5.6x	9.6x	8.9x
Google	195,919	162,938	41.6%	30.6%	4.3x	3.6x	10.4x	8.6x	17.1x	14.5x
Amazon	100,465	94,110	5.2%	43.0%	1.9x	1.5x	36.9x	26.5x	NM	NM
Baidu	55,457	53,910	58.0%	83.2%	25.2x	16.5x	43.4x	28.6x	NM	36.9x
eBay	42,548	40,697	32.7%	26.2%	3.5x	3.0x	10.8x	9.1x	16.5x	14.3x
Yahoo!	17,069	14,691	32.2%	(2.6%)	3.3x	3.1x	10.2x	8.6x	16.6x	14.8x
<i>Mean</i>			35.0%	35.5%	6.3x	7.2x	18.1x	15.3x	14.6x	16.9x
<i>Median</i>			32.7%	30.6%	3.3x	3.0x	10.4x	8.6x	16.5x	14.4x
<b>Ecommerce</b>										
Amazon	100,465	94,110	5.2%	43.0%	1.9x	1.5x	36.9x	26.5x	NM	NM
eBay	42,548	40,697	32.7%	26.2%	3.5x	3.0x	10.8x	9.1x	16.5x	14.3x
Netflix	13,837	13,696	15.5%	51.9%	4.2x	3.0x	26.9x	19.3x	NM	37.5x
Mail.ru	7,458	7,319	46.4%	56.8%	15.4x	11.8x	33.3x	23.9x	46.3x	32.5x
IAC	3,527	2,767	18.0%	19.0%	1.4x	1.3x	7.9x	6.6x	21.0x	17.5x
Mercadolibre	3,480	3,426	35.9%	37.1%	11.7x	9.1x	32.6x	24.4x	48.4x	35.8x
Asos	2,722	2,714	9.9%	58.5%	3.6x	2.5x	36.3x	25.8x	NM	44.8x
Shutterstock	1,845	1,769	19.6%	63.5%	3.7x	2.8x	18.7x	13.0x	NM	36.6x
OpenTable	1,653	1,598	38.1%	48.9%	10.9x	8.3x	28.6x	19.8x	NM	41.9x
Ocado	1,370	1,370	5.9%	26.8%	1.3x	1.1x	22.7x	15.0x	NM	NM
Vistaprint	1,160	923	16.3%	24.6%	1.0x	0.8x	6.3x	5.8x	13.9x	11.9x
Digital River	1,019	665	21.0%	8.5%	1.7x	1.5x	8.1x	6.4x	23.4x	18.2x
YOOX	890	875	9.9%	41.8%	2.2x	1.7x	22.0x	15.8x	NM	42.7x
Blue Nile	588	510	8.7%	11.7%	1.4x	1.3x	15.9x	14.0x	38.4x	33.1x
Overstock	288	249	1.3%	5.2%	0.2x	0.2x	16.7x	9.0x	NM	NM
<i>Mean</i>			19.0%	34.9%	4.3x	3.3x	21.6x	15.6x	29.7x	30.6x
<i>Median</i>			16.3%	37.1%	2.2x	1.7x	22.0x	15.0x	23.4x	34.4x
<b>Online Travel</b>										
Priceline	26,753	25,640	31.4%	36.9%	6.1x	4.9x	19.3x	15.1x	26.5x	20.5x
Expedia	8,612	8,100	26.4%	17.6%	2.1x	1.8x	7.8x	7.1x	16.2x	14.3x
Ctrip	6,458	5,960	40.5%	29.3%	10.8x	8.5x	26.6x	20.9x	35.1x	27.9x
Wotif	1,077	946	55.7%	15.9%	5.7x	5.1x	10.3x	9.1x	17.6x	15.3x
Travelzoo	908	867	26.9%	37.4%	5.6x	4.5x	20.8x	14.4x	38.1x	27.0x
Orbitz	349	667	14.6%	3.4%	0.9x	0.8x	5.9x	5.1x	NM	34.0x
hotel.de	61	48	9.6%	21.8%	0.8x	0.7x	8.3x	5.2x	18.6x	8.9x
<i>Mean</i>			29.3%	23.2%	4.6x	3.8x	14.1x	11.0x	25.3x	21.1x
<i>Median</i>			26.9%	21.8%	5.6x	4.5x	10.3x	9.1x	22.5x	20.5x
<b>Online Marketing</b>										
ValueClick	1,443	1,243	29.7%	21.6%	2.4x	2.1x	8.1x	7.1x	19.9x	16.9x
Constant Contact	546	427	16.2%	23.3%	2.0x	1.6x	12.2x	8.8x	29.1x	20.4x
InfoSpace	352	89	14.1%	(5.3%)	0.4x	0.4x	2.7x	2.9x	18.3x	22.0x
LBI	328	290	17.8%	20.4%	1.1x	1.0x	6.1x	5.4x	12.5x	10.3x
Marchex	315	275	14.5%	42.6%	2.0x	1.6x	13.7x	10.4x	NM	NM
TradeDoubler	235	196	5.5%	11.6%	0.4x	0.4x	7.6x	6.6x	14.1x	11.9x
Hi-Media	224	274	9.5%	17.4%	0.8x	0.7x	8.2x	7.0x	14.3x	11.0x
1000mercis	201	171	39.7%	34.4%	3.0x	2.5x	7.4x	6.4x	13.0x	11.4x
Sedo	134	105	6.2%	21.0%	0.6x	0.5x	9.2x	6.5x	19.1x	13.0x
ad pepper media	53	35	(2.3%)	25.4%	0.4x	0.4x	NM	7.0x	NM	23.4x
<i>Mean</i>			15.1%	21.2%	1.3x	1.1x	8.4x	6.8x	17.5x	15.6x
<i>Median</i>			14.3%	21.3%	0.9x	0.9x	8.1x	6.8x	16.3x	13.0x
<b>Content Providers / Communities</b>										
LinkedIn	9,833	9,727	7.9%	104.0%	19.6x	14.9x	NM	NM	NM	NM
Pandora Media	2,287	2,251	2.0%	149.5%	16.3x	8.6x	NM	NM	NM	NM
WebMD Health	2,007	1,742	34.2%	10.5%	3.0x	2.7x	8.7x	7.5x	25.7x	23.7x
Mixi	748	577	23.9%	12.7%	2.6x	2.2x	10.8x	9.4x	40.0x	26.5x
Perform Group	643	618	17.2%	60.4%	3.7x	2.9x	21.3x	11.9x	33.9x	17.8x
Meetic	488	436	21.0%	7.4%	1.6x	1.6x	7.8x	7.0x	13.4x	12.1x
XING	452	362	31.6%	31.2%	3.8x	3.3x	12.2x	9.9x	33.2x	24.8x
Move	323	286	13.3%	2.2%	1.4x	1.3x	10.7x	9.4x	27.2x	19.2x
XO Group	298	197	14.0%	8.4%	1.6x	1.5x	11.5x	9.3x	NM	44.3x
<i>Mean</i>			18.3%	42.9%	6.0x	4.3x	11.8x	9.2x	28.9x	24.1x
<i>Median</i>			17.2%	12.7%	3.0x	2.7x	10.8x	9.4x	30.2x	23.7x

	Market Cap (\$m)	Enterprise Value (\$m)	CY2011E		EV / Revenue		EV / EBITDA		P / E	
			EBITDA Margin	Growth	CY2011E	CY2012E	CY2011E	CY2012E	CY2011E	CY2012E
<b>Intermediation and Comparison</b>										
Moneysupermarket	927	868	27.1%	23.7%	3.0x	2.9x	11.2x	10.0x	19.0x	16.7x
Liquidity Services	682	586	15.4%	17.0%	1.7x	1.6x	11.2x	9.4x	29.9x	22.1x
eHealth	279	143	16.2%	(3.6%)	1.0x	1.0x	6.0x	5.6x	33.2x	32.2x
Gruppo MutuiOnline	240	214	43.0%	20.8%	2.7x	2.3x	6.2x	5.2x	10.8x	8.9x
<i>Mean</i>			25.4%	14.5%	2.1x	1.9x	8.7x	7.6x	23.2x	20.0x
<i>Median</i>			21.6%	18.9%	2.2x	1.9x	8.7x	7.5x	24.5x	19.4x
<b>Online Classifieds</b>										
SEEK	2,443	2,697	43.7%	28.7%	6.6x	5.8x	15.0x	12.7x	19.5x	15.8x
Rightmove	2,073	2,035	68.8%	19.3%	13.0x	11.5x	19.0x	16.5x	27.3x	22.9x
51job	1,839	1,574	34.4%	29.3%	7.6x	6.2x	22.1x	17.4x	32.0x	25.9x
SouFun	1,548	1,329	42.2%	46.0%	4.4x	3.6x	10.5x	8.4x	16.0x	13.1x
Monster	1,382	1,305	18.2%	14.6%	1.2x	1.1x	6.6x	4.9x	25.9x	14.7x
Carsales.au	1,187	1,165	55.3%	25.4%	6.6x	6.0x	12.0x	10.6x	18.1x	15.9x
Dice	853	803	41.6%	40.8%	4.5x	3.7x	10.7x	8.6x	25.9x	18.8x
LoopNet	736	628	31.8%	10.6%	7.3x	6.4x	23.0x	18.5x	NM	NM
<i>Mean</i>			42.0%	26.8%	6.4x	5.5x	14.9x	12.2x	23.5x	18.2x
<i>Median</i>			41.9%	27.0%	6.6x	5.9x	13.5x	11.7x	25.9x	15.9x
<b>Chinese Internet Leaders</b>										
Baidu	55,457	53,910	58.0%	83.2%	25.2x	16.5x	43.4x	28.6x	NM	36.9x
Tencent	48,509	46,126	51.4%	46.7%	10.6x	8.1x	20.7x	16.0x	28.2x	22.0x
Alibaba	7,402	5,916	34.0%	25.9%	5.6x	4.6x	16.5x	13.2x	25.2x	19.7x
Sina	7,026	6,222	17.7%	21.6%	12.9x	10.1x	NM	48.9x	NM	NM
Netease	6,442	4,857	50.1%	30.0%	4.7x	4.0x	9.3x	7.9x	14.5x	12.8x
Focus Media	4,453	3,896	39.4%	22.6%	5.8x	4.9x	14.7x	12.1x	22.3x	18.2x
Renren	4,111	4,331	0.9%	59.2%	35.6x	21.7x	NM	NM	NM	NM
Sohu	3,031	2,437	37.7%	38.0%	2.9x	2.5x	7.7x	6.1x	16.5x	13.5x
Shanda Interactive	1,968	1,284	17.6%	34.5%	1.2x	1.0x	6.6x	5.1x	23.3x	17.3x
SouFun	1,548	1,329	42.2%	46.0%	4.4x	3.6x	10.5x	8.4x	16.0x	13.1x
<i>Mean</i>			34.9%	40.8%	10.9x	7.7x	16.2x	16.3x	20.9x	19.2x
<i>Median</i>			38.5%	36.2%	5.7x	4.8x	12.6x	12.1x	22.3x	17.7x
<b>Online Gambling</b>										
bwin.party digital entertainment	1,861	1,646	22.0%	130.2%	1.4x	1.3x	6.5x	5.4x	11.2x	9.2x
Playtech	1,443	1,347	56.0%	40.7%	4.9x	3.9x	8.7x	7.7x	10.5x	9.2x
Betfair	1,081	834	20.0%	24.8%	1.3x	1.2x	6.4x	5.1x	18.4x	12.8x
888	198	133	12.1%	12.1%	0.5x	0.4x	3.8x	3.5x	9.1x	8.2x
<i>Mean</i>			27.5%	51.9%	2.0x	1.7x	6.4x	5.4x	12.3x	9.8x
<i>Median</i>			21.0%	32.7%	1.4x	1.3x	6.5x	5.3x	10.8x	9.2x
<b>Interactive Entertainment</b>										
Activision	13,558	10,199	37.9%	(11.8%)	2.5x	2.2x	6.6x	5.9x	15.7x	12.9x
Electronic Arts	7,273	5,425	12.6%	10.1%	1.3x	1.3x	10.6x	8.0x	29.3x	19.9x
Take-Two Interactive Software	1,149	976	9.6%	(4.6%)	0.9x	0.9x	9.2x	19.3x	16.5x	41.8x
Ubisoft Entertainment	772	591	27.0%	29.8%	0.4x	0.4x	1.4x	0.9x	19.5x	12.3x
THQ	173	154	3.0%	23.7%	0.2x	0.2x	5.6x	13.0x	NM	13.3x
<i>Mean</i>			18.5%	33.4%	1.1x	1.0x	6.7x	9.4x	20.3x	20.0x
<i>Median</i>			16.7%	16.9%	0.9x	0.9x	6.6x	8.0x	18.0x	13.3x

Sources: Capital IQ, 1 August 2011; Brokers' reports.

1001 Haxall Point  
9th Floor  
Richmond, VA 23219  
USA  
Phone: +1 (804) 648-0072  
Fax: +1 (804) 648-0073

Two International Place  
24th Floor  
Boston, MA 02110  
USA  
Phone: +1 (617) 482-7501  
Fax: +1 (617) 482-7503

1900 East 9th Street  
20th Floor  
Cleveland, OH 44114  
USA  
Phone: +1 (216) 689-2400  
Fax: +1 (216) 689-2401

63 Brook St  
London, W1K 4HS  
United Kingdom  
Phone: +44 20 7518 8900  
Fax: +44 20 7526 2187

222 South Ninth Street  
Suite 3350  
Minneapolis, MN 55402  
USA  
Phone: +1 (612) 359-2700  
Fax: +1 (612) 359-2701

1600 Market Street  
21st Floor  
Philadelphia, PA 19103  
USA  
Phone: +1 (267) 675-5900  
Fax: +1 (267) 675-5901

575 Market Street  
31st Floor  
San Francisco, CA 94105  
USA  
Phone: +1 (415) 288-4260  
Fax: +1 (415) 288-4269

[www.harriswilliams.com](http://www.harriswilliams.com)

Our Technology, Telecom & Digital Media (TTDM) Group is dedicated to providing superior merger & acquisition and capital markets advisory services to market leading companies. Our extensive industry knowledge and transaction leadership experience spans the software, digital media, IT services and communications sectors. Our professionals in London, Boston and San Francisco have global relationships with leading technology companies and financial investors. Thoughtful advice, deep experience and technology expertise, creativity and attention to detail from our senior technology bankers have resulted in a track record of consistently exceeding our clients' expectations.

**Thierry Monjauze**  
Managing Director  
63 Brook Street  
London W1K 4HS  
United Kingdom  
Phone: +44 20 7518 8900  
[tmonjauze@harriswilliams.com](mailto:tmonjauze@harriswilliams.com)

**Jeff Bistrong**  
Managing Director  
Two International Place, 24<sup>th</sup> Floor  
Boston, MA 02110  
USA  
Phone: +1 (617) 482-7501  
[jbistrong@harriswilliams.com](mailto:jbistrong@harriswilliams.com)

*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.*

*Harris Williams & Co. ([www.harriswilliams.com](http://www.harriswilliams.com)), a member of The PNC Financial Services Group, Inc. (NYSE:PNC), is the premier middle market advisor with a two-decade legacy of sell side excellence serving clients worldwide. The firm is focused exclusively on the middle market providing sell side and acquisition advisory, restructuring advisory, board advisory, private placements and capital markets advisory services.*

**THIS REPORT MAY CONTAIN REFERENCES TO REGISTERED TRADEMARKS, SERVICE MARKS AND COPYRIGHTS OWNED BY THIRD-PARTY INFORMATION PROVIDERS. NONE OF THE THIRD PARTY INFORMATION PROVIDERS IS ENDORSING THE OFFERING OF, AND SHALL NOT IN ANY WAY BE DEEMED AN ISSUER OR UNDERWRITER OF, THE SECURITIES, FINANCIAL INSTRUMENTS OR OTHER INVESTMENTS DISCUSSED IN THIS REPORT AND SHALL NOT HAVE ANY LIABILITY OR RESPONSIBILITY FOR ANY STATEMENTS MADE IN THE REPORT OR FOR ANY FINANCIAL STATEMENTS, FINANCIAL PROJECTIONS OR OTHER FINANCIAL INFORMATION CONTAINED OR ATTACHED AS AN EXHIBIT TO THE REPORT. FOR MORE INFORMATION ABOUT THE MATERIALS PROVIDED BY SUCH THIRD PARTIES, PLEASE CONTACT US AT +44 20 7518 8900.**

*The information and views contained in this report were prepared by Harris Williams & Co. Ltd ("Harris Williams"). It is not a research report, as such term is defined by applicable law and regulations, and is provided for informational purposes only. It is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. The information contained herein is believed by Harris Williams to be reliable but Harris Williams makes no representation as to the accuracy or completeness of such information.*

*Harris Williams and/or its affiliates may be market makers or specialists in, act as advisers or lenders to, have positions in and effect transactions in securities of companies mentioned herein and also may provide, may have provided, or may seek to provide investment banking services for those companies. In addition, Harris Williams and/or its affiliates or their respective officers, directors and employees may hold long or short positions in the securities, options thereon or other related financial products of companies discussed herein. Opinions, estimates and projections in this report constitute Harris Williams' judgment and are subject to change without notice. The financial instruments discussed in this report may not be suitable for all investors and investors must make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives. Also, past performance is not necessarily indicative of future results. No part of this material may be copied or duplicated in any form or by any means, or redistributed, without Harris Williams' prior written consent.*

*Copyright© 2011 Harris Williams & Co., all rights reserved.*