

Quarterly Industry Update

As of September 30, 2013

Industry: Educational Analytics



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Educational Analytics industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since September 30, 2012, the median 52-week share price return of the Educational Analytics industry has increased by 23.2%. In the last quarter, the median price-to-earnings multiple increased from 31.2x to 36.3x.

Comparable Public Company Key Statistics

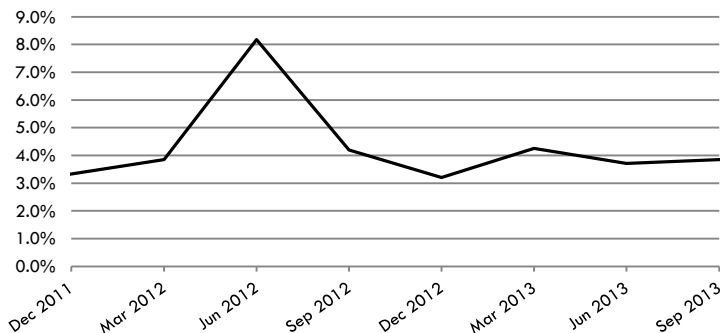
Median 52-Week Return	23.2%	Median EV/Revenue Multiple	2.9x	Median Price/Earnings Multiple	36.3x
Median 3-Year CAGR Return	-18.5%	Median EV/EBITDA Multiple	24.5x	Median EV/Gross CF Multiple	28.2x

Comparable Public Company Market Price Returns (As of September 30, 2013)

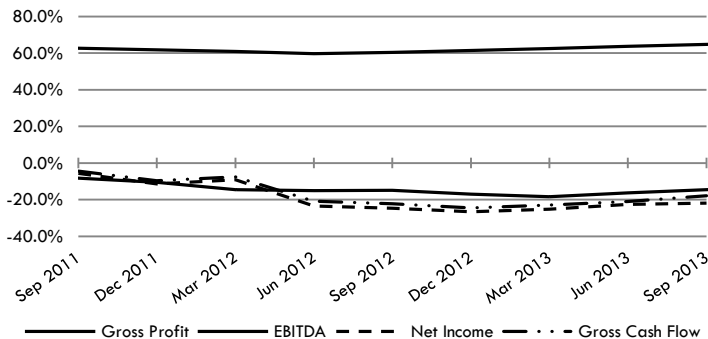
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Callidus Software Inc.	102.0%	39.2%	86.0%	41.0%	29.0%	18.3%	-29.3%	27.1%	67.2%	1.0%	-42.2%
Cornerstone OnDemand, Inc.	74.2%	18.8%	67.8%	102.5%	N/A	N/A	61.9%	N/A	N/A	N/A	N/A
Higher One Holdings, Inc.	-27.2%	-34.1%	-43.1%	-31.3%	-22.5%	N/A	-42.8%	-8.8%	N/A	N/A	N/A
Informatica Corporation	28.5%	11.4%	11.8%	-2.4%	0.5%	24.6%	-17.9%	-16.1%	70.1%	88.5%	-23.8%
IntraLinks Holdings, Inc.	42.6%	21.2%	34.6%	8.2%	-19.6%	N/A	-1.1%	-66.6%	N/A	N/A	N/A
Jive Software, Inc.	-14.0%	-31.2%	-20.4%	N/A	N/A	N/A	-9.2%	N/A	N/A	N/A	N/A
Mattersight Corporation	-23.7%	35.4%	-36.0%	-3.5%	-18.5%	-5.3%	6.9%	-27.3%	-6.8%	165.3%	-80.6%
Splunk, Inc.	106.9%	29.5%	63.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Workday, Inc.	48.5%	26.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Median of Industry Public Companies	42.6%	21.2%	23.2%	2.9%	-18.5%	18.3%	-9.2%	-16.1%	67.2%	88.5%	-42.2%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Educational Analytics Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Educational Analytics Industry

Date:	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013
EV/Revenues Multiple	2.2x	3.4x	4.2x	3.7x	3.9x	3.1x	2.4x	3.3x	2.9x
EV/EBITDA Multiple	15.5x	15.6x	13.8x	16.9x	18.1x	17.2x	20.1x	21.9x	24.5x
Price/Earnings Multiple	27.5x	32.7x	24.2x	29.7x	29.3x	24.1x	28.2x	31.2x	36.3x
EV/Gross Cash Flows Multiple	28.8x	28.0x	20.9x	24.7x	20.2x	19.6x	21.9x	24.8x	28.2x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report.

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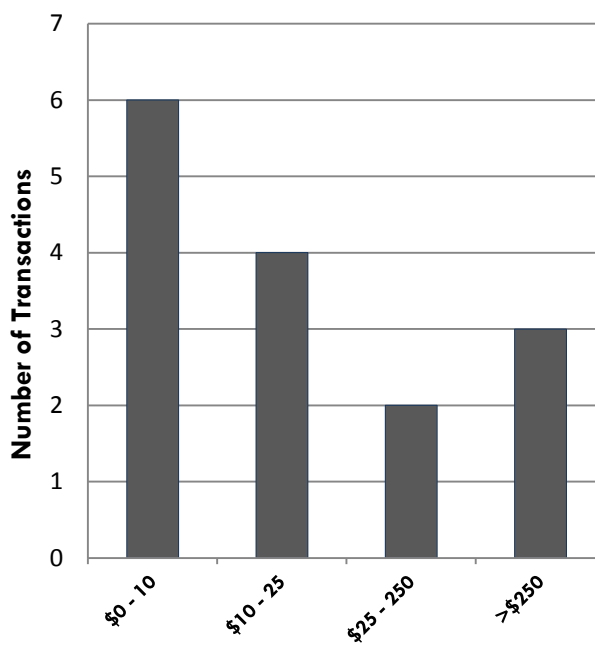
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/24/2013	iSelect Ltd.	\$1.71	62.4	\$199.0	\$178.5	\$35.8	\$114.6	\$23.1	\$13.2	N/A
5/16/2013	Tableau Software, Inc.	\$31.00	8.2	\$254.2	\$89.4	\$0.0	\$143.1	\$0.2	(\$3.7)	\$4.6
4/18/2012	Splunk, Inc.	\$17.00	13.5	\$229.5	\$82.2	\$2.3	\$121.0	(\$6.9)	(\$11.0)	(\$5.0)
12/12/2011	Jive Software, Inc.	\$12.00	13.4	\$161.3	\$143.9	\$32.9	\$69.4	(\$31.9)	(\$44.9)	(\$28.9)
3/16/2011	Cornerstone OnDemand, Inc.	\$13.00	10.5	\$136.5	\$42.9	\$11.6	\$43.7	(\$11.4)	(\$48.4)	(\$10.0)
10/19/2010	TAL Education Group	\$10.00	12.0	\$120.0	\$97.5	\$0.5	\$89.2	\$22.8	\$18.1	\$24.8
8/4/2010	Ambow Education Holding Ltd.	\$10.00	10.7	\$106.8	\$512.1	\$39.7	\$144.3	\$33.7	\$18.4	\$34.5
7/14/2010	Smart Technologies Inc.	\$17.00	38.8	\$660.1	\$521.7	\$530.0	\$708.7	\$165.1	\$92.1	\$188.4
6/16/2010	Higher One Holdings, Inc.	\$12.00	9.0	\$108.0	\$66.7	\$18.5	\$99.2	\$35.9	\$18.4	\$37.7
10/1/2009	Education Management Corporation	\$18.00	20.0	\$360.0	\$4,399.7	\$1,885.4	\$2,111.6	\$462.3	\$123.5	N/A
Median of All IPOs		nm	nm	\$136.5	\$120.7	\$18.5	\$140.5	\$22.8	\$13.2	\$21.8

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
8/22/2013	Keynote Systems, Inc.	Thoma Bravo, LLC	\$398.7	100%
8/1/2013	Lexia Learning Systems, Inc.	Rosetta Stone Ltd.	\$22.5	100%
8/1/2013	Corero Business Systems	Civica UK Limited	\$19.6	100%
7/31/2013	Kapow Software, Inc.	Kofax plc	\$47.5	100%
7/16/2013	Start Bright Limited	DigiSmart (Group)	\$0.7	51%
7/10/2013	ExactTarget, Inc.	Salesforce.com, Inc	\$2,640.0	100%
4/1/2013	LiveMocha, Inc.	Rosetta Stone Ltd.	\$8.5	100%
10/26/2012	I Education Limited	FrogTrade Ltd	\$1.6	51%
11/1/2012	Efficient Learning Systems Inc.	John Wiley & Sons Inc.	\$24.0	100%
10/25/2012	Deltak edu, Inc.	John Wiley & Sons Inc.	\$220.0	100%
9/25/2012	Serengeti Systems Ltd	Netcall plc	\$4.0	100%
5/10/2012	Axiologix Holdings, Inc.	N/A	\$0.1	100%
1/20/2012	SunGard Higher Education, Inc.	Datatel, Inc.	\$1,775.0	100%
12/30/2011	Toolbox.com, Inc.	Ziff Davis B2B Focus	\$2.1	100%
12/13/2011	Intelliworks, Inc.	Hobsons Inc.	\$13.0	100%
Median of All Transaction Targets			\$19.6	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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