

Quarterly Industry Update

As of March 31, 2014

Industry: Internet Software and Services

Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Internet Software and Services 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 March 31, 2013, the median 52-week share price return of the Internet Software and Services industry has increased by 33.5%.

Comparable Public Company Key Statistics

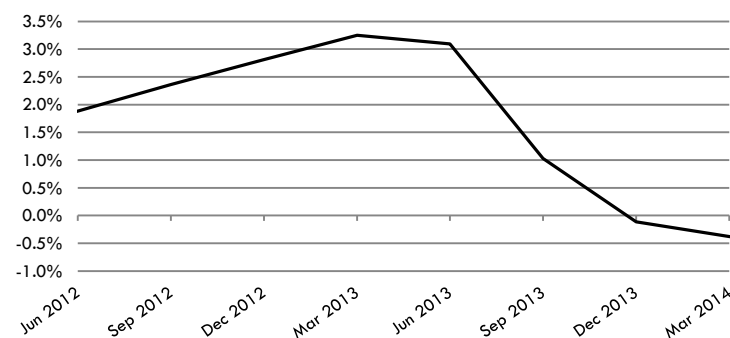
Median 52-Week Return	33.5%	Median EV/Revenue Multiple	2.0x	Median Price/Earnings Multiple	N/A
Median 3-Year CAGR Return	-18.5%	Median EV/EBITDA Multiple	11.9x	Median EV/Gross CF Multiple	10.4x

Comparable Public Company Market Price Returns (As of March 31, 2014)

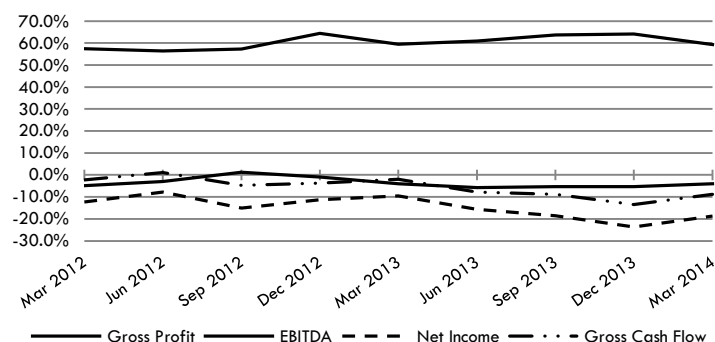
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Limelight Networks, Inc.	-1.8%	10.1%	4.8%	-18.6%	-32.7%	-8.2%	-25.0%	-49.1%	48.2%	60.0%	-64.4%
GlobalSCAPE, Inc.	73.4%	6.4%	53.1%	11.4%	-0.7%	28.8%	-10.1%	-19.7%	31.1%	79.8%	-84.7%
CYREN Ltd.	16.5%	16.1%	24.1%	11.2%	0.3%	16.0%	-4.6%	-12.6%	2.5%	137.3%	-74.8%
Demand Media, Inc.	-47.8%	-15.9%	-43.8%	-18.2%	-40.9%	N/A	39.7%	N/A	N/A	N/A	N/A
Brightcove Inc.	8.7%	-30.5%	58.3%	-37.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ku6 Media Co., Ltd.	98.1%	-25.6%	105.9%	-1.2%	-18.8%	N/A	-11.7%	-75.8%	N/A	N/A	N/A
Selectica, Inc.	2.5%	3.9%	-26.4%	32.0%	4.7%	-4.1%	124.9%	-41.6%	7.6%	-72.6%	-53.3%
MeetMe, Inc.	-6.6%	78.1%	43.0%	-14.3%	-18.1%	25.7%	5.1%	-71.6%	457.1%	25.7%	-31.6%
Median of Industry Public Companies	5.6%	5.2%	33.5%	-6.9%	-18.5%	6.0%	-4.6%	-49.1%	22.2%	42.9%	-58.9%

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

Median Quarterly Revenue Growth of All Internet Software and Services Companies



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



Median Public Company Multiples of the Internet Software and Services Industry

Date:	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014
EV/Revenues Multiple	2.1x	2.0x	1.9x	2.5x	1.6x	1.5x	1.9x	1.9x	2.0x
EV/EBITDA Multiple	12.6x	9.4x	11.8x	14.8x	9.1x	8.5x	9.9x	10.7x	11.9x
Price/Earnings Multiple	18.6x	14.8x	14.6x	16.2x	17.5x	34.9x	14.8x	13.6x	14.3x
EV/Gross Cash Flows Multiple	26.4x	9.9x	29.2x	33.4x	15.2x	12.8x	17.4x	9.8x	10.4x

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 more information or questions in connection with this research report.

The disclosures and limitations of this research on page two are an integral part of this report.

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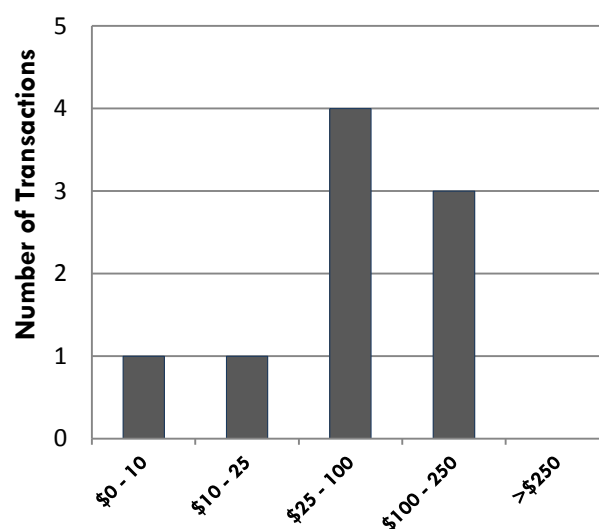
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
2/23/2012	Bazaarvoice	\$12.00	9.5	\$113.8	\$46.8	\$0.0	\$94.0	(\$19.5)	(\$22.6)	(\$17.5)
2/17/2012	Brightcove	\$11.00	5.0	\$55.0	\$47.3	\$7.0	\$63.6	(\$14.0)	(\$17.6)	(\$11.9)
8/16/2011	Tudou Holdings	\$29.00	6.0	\$174.0	\$127.8	\$9.4	\$51.3	(\$43.9)	(\$98.6)	N/A
5/11/2011	Phoenix New Media	\$11.00	12.8	\$140.4	\$72.3	\$0.0	\$92.2	\$7.6	\$5.1	\$7.6
5/4/2011	Renren	\$14.00	53.1	\$743.4	\$444.0	\$0.0	\$83.1	\$11.1	(\$54.7)	\$11.1
1/25/2011	Demand Media	\$17.00	8.9	\$151.3	\$488.5	\$0.0	\$252.9	\$50.3	(\$5.3)	\$67.4
6/21/2010	Vringo	\$4.60	2.4	\$11.0	N/A	N/A	N/A	N/A	N/A	N/A
6/7/2007	Limelight Networks	\$15.00	16.0	\$240.0	\$79.1	\$25.0	\$77.8	\$12.7	(\$8.6)	\$26.6
3/31/2005	ValueClick Media	\$12.00	6.5	\$78.0	\$33.8	\$0.0	\$66.7	\$7.6	\$3.6	N/A
3/3/2004	Linktone	\$14.00	6.1	\$86.0	\$9.7	\$0.0	\$15.5	\$3.7	\$3.6	\$3.8
Median of All IPOs		nm	nm	\$116.9	\$47.3	\$0.0	\$66.7	\$3.7	(\$8.6)	\$7.6

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
3/19/2014	NSO Group	Francisco Partners	\$120.0	100%
2/24/2014	HMV New Entertainment	Action Key Investments	\$6.3	53%
12/11/2013	3 Dynamics	Fairson Holdings Limited	\$23.2	100%
6/20/2013	Tumblr, Inc.	Yahoo! Inc.	\$1,100.0	100%
8/31/2012	Instagram, Inc.	Facebook, Inc.	\$1,010.5	100%
8/23/2012	Tudou Holdings Limited	Youku Inc.	\$1,144.3	100%
12/5/2011	Enswers Inc.	KT Corp.	\$39.9	100%
11/10/2011	Insider Guides, Inc.	Quepasa Corporation	\$100.0	100%
10/10/2011	Qumu, Inc.	Rimage Corporation	\$52.8	100%
1/25/2011	decentral tv Corp.	KIT digital, Inc.	\$6.6	100%
12/14/2010	Openfilm, LLC	Net Element, Inc.	\$3.6	100%
12/2/2010	MMIM Technologies Inc.	Chinasoft International Ltd.	\$91.0	100%
Median of All Transaction Targets			\$100.0	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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