

Quarterly Industry Update

As of September 30, 2013

Industry: Marketing Software



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Marketing Software 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 Marketing Software industry has increased by 24.6%. In the last quarter, the median price-to-earnings multiple increased from 25.1x to 32.7x.

Comparable Public Company Key Statistics

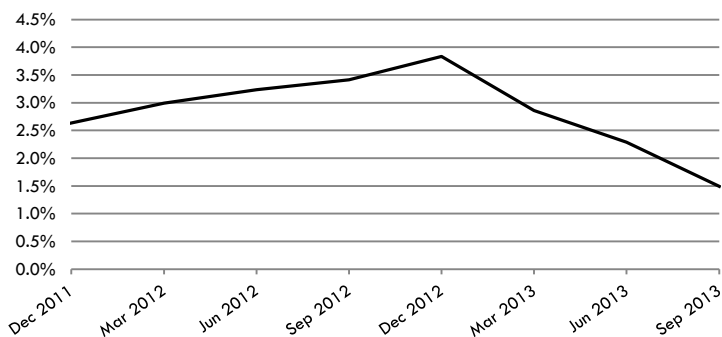
Median 52-Week Return	24.6%	Median EV/Revenue Multiple	2.6x	Median Price/Earnings Multiple	32.7x
Median 3-Year CAGR Return	12.9%	Median EV/EBITDA Multiple	13.0x	Median EV/Gross CF Multiple	25.4x

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

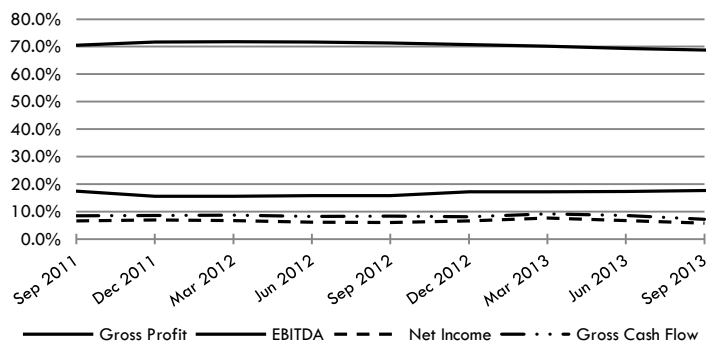
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Guidance Software, Inc.	-23.6%	3.8%	-19.4%	18.2%	15.8%	14.1%	83.2%	-9.9%	37.2%	28.4%	-70.8%
Verint Systems Inc.	26.2%	4.5%	35.1%	18.7%	7.8%	17.4%	6.6%	-13.1%	64.7%	175.0%	-64.2%
NICE Systems Ltd.	24.9%	11.8%	24.2%	14.5%	10.1%	7.6%	-2.9%	-3.8%	13.8%	41.2%	-36.2%
PROS Holdings, Inc.	86.9%	14.2%	79.3%	62.9%	54.4%	29.5%	22.9%	30.6%	10.0%	80.0%	-70.7%
Fair Isaac Corporation	31.5%	20.6%	24.9%	59.1%	30.9%	19.1%	17.3%	53.4%	9.7%	26.4%	-47.6%
NetScout Systems, Inc.	-1.8%	9.4%	0.1%	49.5%	7.6%	19.1%	47.7%	-23.5%	57.4%	69.6%	-32.5%
Median of Industry Public Companies	25.6%	10.6%	24.6%	34.1%	12.9%	18.2%	20.1%	-6.8%	25.5%	55.4%	-55.9%

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

Median Quarterly Revenue Growth of All Marketing Software Companies



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



Median Public Company Multiples of the Marketing Software 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	2.0x	2.3x	2.6x	2.3x	2.4x	2.5x	2.5x	2.4x	2.6x
EV/EBITDA Multiple	12.8x	14.9x	16.4x	14.5x	13.3x	12.3x	11.8x	11.3x	13.0x
Price/Earnings Multiple	25.1x	32.5x	34.1x	25.7x	28.1x	26.9x	26.1x	25.1x	32.7x
EV/Gross Cash Flows Multiple	22.2x	33.1x	28.0x	25.2x	26.0x	20.1x	20.3x	19.9x	25.4x

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 additional information or questions in connection with this research report.

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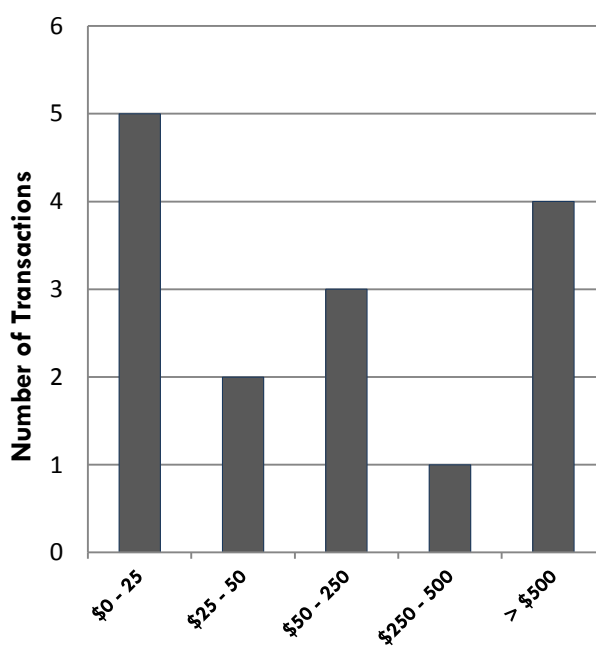
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
4/20/2011	Responsys, Inc.	\$12.00	6.6	\$79.4	\$76.0	\$0.3	\$104.8	\$18.9	\$9.6	N/A
3/24/2011	ServiceSource International, Inc.	\$10.00	11.9	\$119.4	\$108.1	\$17.2	\$152.9	\$1.0	(\$2.6)	N/A
1/25/2011	Demand Media, Inc.	\$17.00	8.9	\$151.3	\$488.5	\$0.0	\$252.9	\$50.3	(\$5.3)	\$67.4
8/11/2010	MediaMind Technologies Inc.	\$11.50	5.0	\$57.5	\$72.7	\$0.0	\$74.9	\$15.7	\$11.4	N/A
7/15/2010	Qlik Technologies, Inc.	\$10.00	11.2	\$112.0	\$103.6	\$4.9	\$193.0	\$31.5	\$17.3	\$32.6
6/17/2010	Voltari Corporation	\$10.00	5.9	\$60.0	\$161.5	\$0.0	\$119.5	\$8.9	(\$10.9)	\$15.4
4/29/2010	Convio, Inc.	\$9.00	5.1	\$46.2	\$41.8	\$2.0	\$65.1	\$6.0	(\$0.1)	N/A
5/19/2009	SolarWinds, Inc.	\$12.50	12.1	\$151.5	\$91.4	\$94.0	\$96.8	\$44.6	\$24.1	\$45.7
6/27/2007	PROS Holdings, Inc.	\$11.00	6.8	\$75.1	\$25.7	\$20.0	\$49.9	\$9.5	\$8.3	\$10.7
Median of All IPOs		nm	nm	\$79.4	\$91.4	\$2.0	\$104.8	\$15.7	\$8.3	\$32.6

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
7/22/2013	Neolane SA	Adobe Systems Incorporated	\$616.5	100%
6/30/2013	VerticalResponse Inc.	Deluxe Corp.	\$27.3	100%
4/25/2013	Angoss Software Corp.	Peterson Partners LP	\$8.5	100%
10/16/2012	Quiterian S.L.	Actuate Corporation	\$8.2	100%
7/4/2012	DGM India Internet Marketing	SVG Media Private Limited;	\$0.6	95%
2/24/2012	iContact LLC	Vocus Inc.	\$235.9	100%
2/9/2012	Xtract Oy	Comptel Oyj	\$2.7	100%
1/27/2012	Alterian plc	SDL plc	\$106.0	100%
1/15/2012	Ancept Media Server, LLC	Genus Technologies Software,	\$0.7	100%
7/22/2011	MediaMind Technologies Inc.	DG FastChannel, Inc.	\$523.9	100%
6/17/2011	eBay Enterprise, Inc.	eBay Inc.	\$2,381.4	100%
6/9/2011	smartFOCUS Group PLC	EmailVision SA (nka:SmartFocus)	\$40.3	100%
2/16/2011	Team Partners Group, SA	FELEUROPE Groupe SAS	\$73.5	100%
10/5/2010	Unica Corporation	International Business	\$489.9	100%
7/26/2010	Sybase, Inc.	SAP America, Inc.	\$6,689.6	100%
Median of All Transaction Targets			\$73.5	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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