

Quarterly Industry Update

As of July 30, 2013

Industry: Predictive Analytics



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Predictive 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 July 31, 2012, the median 52-week share price return of the Predictive Analytics industry has increased by 16.3%. In the last quarter, the median price-to-earnings multiple increased from 27.2x to 27.9x. Similarly, other public company multiples have increased this last quarter. Analytics companies have exhibited strong performance, but challenges related to interpreting and capitalizing on analytical information are still present.

Comparable Public Company Key Statistics

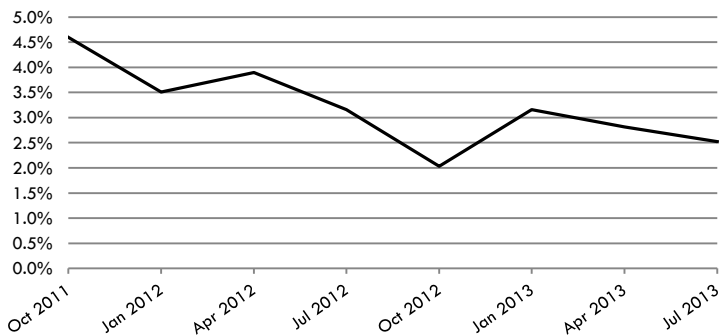
| | | | | | |
|---------------------------|-------|----------------------------|-------|--------------------------------|-------|
| Median 52-Week Return | 15.8% | Median EV/Revenue Multiple | 2.7x | Median Price/Earnings Multiple | 27.9x |
| Median 3-Year CAGR Return | 18.6% | Median EV/EBITDA Multiple | 14.2x | Median EV/Gross CF Multiple | 21.1x |

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

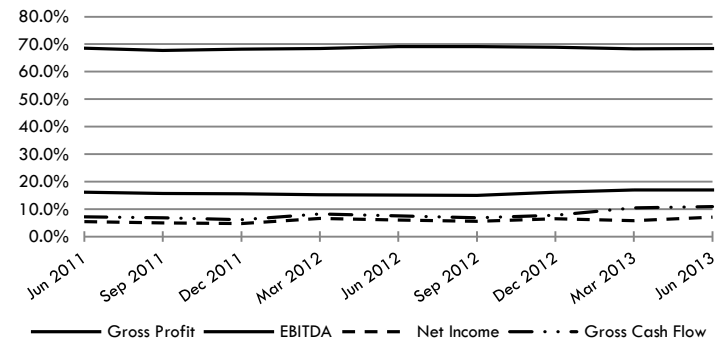
| | YTD | 3 Month | 1 Year | 2 Year | 3 Year | 5 Year | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| NICE Systems Ltd. | 17.5% | 10.5% | 9.0% | 3.8% | 10.3% | 5.6% | -2.9% | -3.8% | 13.8% | 41.2% | -36.2% |
| MicroStrategy Inc. | 2.7% | 6.4% | -19.3% | -22.4% | 5.0% | 9.9% | -13.8% | 26.7% | -9.1% | 153.2% | -61.0% |
| Verint Systems Inc. | 22.6% | 9.0% | 27.9% | 2.9% | 16.8% | 10.6% | 6.6% | -13.1% | 64.7% | 175.0% | -64.2% |
| Fair Isaac Corporation | 19.3% | 7.6% | 16.3% | 29.8% | 28.1% | 17.0% | 17.3% | 53.4% | 9.7% | 26.4% | -47.6% |
| Open Text Corporation | 20.7% | 3.2% | 47.7% | -0.1% | 19.5% | 17.3% | 9.3% | 11.0% | 13.3% | 34.9% | -4.2% |
| NetScout Systems, Inc. | 2.5% | 16.8% | 14.0% | 32.2% | 18.9% | 13.9% | 47.7% | -23.5% | 57.4% | 69.6% | -32.5% |
| Guidance Software, Inc. | -22.2% | -12.3% | -3.6% | 10.8% | 24.6% | -3.4% | 83.2% | -9.9% | 37.2% | 28.4% | -70.8% |
| PROS Holdings, Inc. | 77.7% | 25.4% | 133.0% | 41.1% | 66.3% | 24.8% | 22.9% | 30.6% | 10.0% | 80.0% | -70.7% |
| Pegasystems Inc. | 57.9% | 41.5% | 30.5% | -5.8% | 5.2% | 19.3% | -22.9% | -19.7% | 7.7% | 175.1% | 3.6% |
| IHS Inc. | 14.7% | 13.0% | -0.7% | 22.2% | 20.3% | 11.8% | 11.4% | 7.2% | 46.7% | 46.5% | -38.2% |
| Axiom Corporation | 45.8% | 28.0% | 59.9% | 36.1% | 18.4% | 15.9% | 43.0% | -28.8% | 27.7% | 65.6% | -30.9% |
| comScore, Inc. | 111.0% | 79.8% | 85.3% | 15.5% | 13.7% | 8.0% | -35.0% | -5.1% | 27.3% | 37.6% | -60.9% |
| Brightcove Inc. | 17.4% | 76.2% | -28.7% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Median of Industry Public Companies | 19.3% | 13.0% | 16.3% | 13.1% | 18.6% | 12.8% | 10.4% | -4.4% | 20.5% | 56.0% | -42.9% |

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

Median Quarterly Revenue Growth of All Predictive Analytics Companies



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



Median Public Company Multiples of the Predictive Analytics Industry

| Date: | 7/31/2011 | 10/31/2011 | 1/31/2012 | 4/30/2012 | 7/31/2012 | 10/31/2012 | 1/31/2013 | 4/30/2013 | 7/31/2013 |
|------------------------------|-----------|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|
| EV/Revenues Multiple | 2.7x | 2.5x | 2.4x | 2.8x | 2.2x | 2.2x | 2.3x | 2.0x | 2.7x |
| EV/EBITDA Multiple | 15.4x | 15.1x | 15.3x | 21.1x | 20.7x | 16.2x | 13.8x | 13.4x | 14.2x |
| Price/Earnings Multiple | 32.4x | 35.7x | 34.4x | 26.7x | 27.8x | 28.4x | 27.8x | 27.2x | 27.9x |
| EV/Gross Cash Flows Multiple | 27.0x | 26.0x | 38.2x | 32.9x | 27.3x | 22.5x | 24.2x | 21.4x | 21.1x |

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 Richard Reynolds or Steven Kam at 415-392-0888 for more information or questions in connection with this research report.

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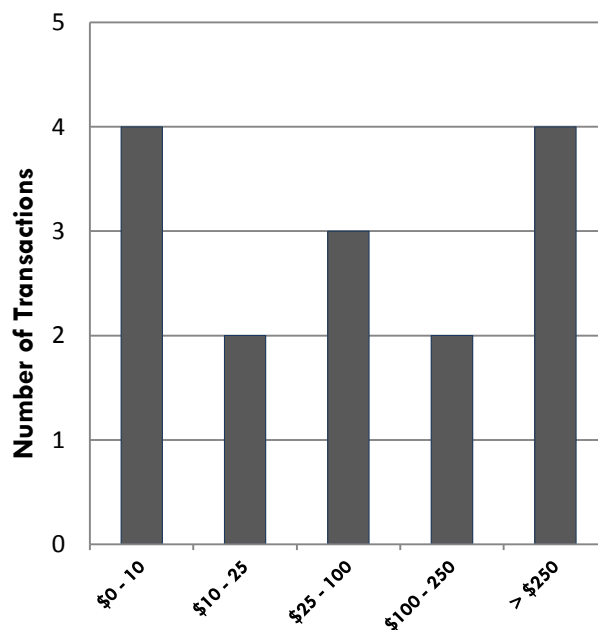
Industry Initial Public Offerings (dollars in millions, except share prices)

| Offer Date | Company Name | Offer Price | Shares Offered | Amount Raised | Total Assets | Debt | LTM Revenues | LTM EBITDA | LTM Net Income | LTM Cash Flows |
|---------------------------|-------------------------|-------------|----------------|---------------|---------------|--------------|---------------|--------------|----------------|----------------|
| 2/17/2012 | Brightcove Inc. | \$11.00 | 5.0 | \$55.0 | \$47.3 | \$7.0 | \$63.6 | (\$14.0) | N/A | (\$11.9) |
| 6/27/2007 | PROS Holdings, Inc. | \$11.00 | 6.8 | \$75.1 | \$25.7 | \$20.0 | \$49.9 | \$9.5 | N/A | \$10.7 |
| 6/26/2007 | comScore, Inc. | \$16.50 | 5.3 | \$87.5 | \$45.5 | \$3.3 | \$70.0 | \$11.4 | N/A | \$14.4 |
| 12/12/2006 | Guidance Software, Inc. | \$11.50 | 5.0 | \$57.5 | \$26.6 | \$2.0 | \$51.2 | (\$0.3) | (\$0.8) | \$1.4 |
| 11/10/2005 | IHS Inc. | \$16.00 | 14.5 | \$232.2 | \$743.0 | \$0.3 | \$468.5 | \$63.5 | N/A | \$73.4 |
| 5/15/2002 | Verint Systems Inc. | \$16.00 | 4.5 | \$72.0 | \$119.7 | \$45.9 | \$133.0 | \$10.4 | (\$40.5) | \$14.9 |
| 3/22/2000 | Blaze Advisor | \$16.00 | 4.0 | \$64.0 | \$23.9 | \$3.1 | \$14.8 | (\$14.3) | (\$31.7) | \$1.7 |
| 8/12/1999 | NetScout Systems, Inc. | \$11.00 | 3.0 | \$33.0 | \$43.7 | \$0.0 | \$71.4 | \$18.9 | \$7.4 | \$21.1 |
| 7/13/1999 | TIBCO Software Inc. | \$15.00 | 7.3 | \$109.5 | \$33.9 | \$0.0 | \$67.0 | (\$17.0) | (\$25.0) | (\$15.5) |
| 7/17/1998 | Actuate Corporation | \$11.00 | 3.0 | \$33.0 | \$7.6 | \$0.2 | \$9.5 | (\$6.9) | \$2.1 | N/A |
| 6/11/1998 | MicroStrategy Inc. | \$12.00 | 4.0 | \$48.0 | \$30.6 | \$9.1 | \$65.3 | \$3.8 | \$17.9 | \$5.4 |
| Median of All IPOs | | nm | nm | \$64.0 | \$33.9 | \$3.1 | \$65.3 | \$3.8 | (\$0.8) | \$8.1 |

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 Inc. | \$616.5 | 100% |
| 4/25/2013 | Angoss Software Corp. | Peterson Partners LP | \$8.5 | 100% |
| 12/27/2012 | (m)PHASIZE, LLC | Sapient Corp. | \$18.2 | 100% |
| 10/21/2011 | Algorithmics, Inc. | OpenPages, Inc. | \$380.2 | 100% |
| 7/11/2011 | Kairoleaf Analytics Pvt Ltd | aurionPro Solutions | \$6.1 | 100% |
| 6/9/2011 | smartFOCUS Group PLC | E-mail Vision | \$40.3 | 100% |
| 3/16/2011 | Intercim, LLC | Dassault Systemes SA | \$36.5 | 82% |
| 10/5/2010 | Unica Corporation | International Business | \$489.9 | 100% |
| 7/5/2010 | Portrait Software Plc | Pitney Bowes Software | \$68.9 | 100% |
| 6/8/2010 | Exalead S.A. | Dassault Systemes SA | \$163.5 | 100% |
| 5/4/2010 | Gilon Business Insight Ltd. | Ness Technologies Inc. | \$19.9 | 100% |
| 4/30/2010 | Decision Dynamics Technology | Coreworx Inc. | \$6.2 | 100% |
| 4/20/2010 | Chordiant Software, Inc. | Pegasystems Inc. | \$156.6 | 100% |
| 4/12/2010 | Moore Stephens | Cover-All Systems Inc. | \$2.5 | 100% |
| 1/28/2010 | I2 Technologies, Inc. | JDA Software Group Inc. | \$531.9 | 100% |
| Median of All Transaction Targets | | | \$40.3 | 100% |

Size of Merger and Acquisition Transactions (dollars in millions)



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