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Sheppard, Mullin, Richter & Hampton LLP

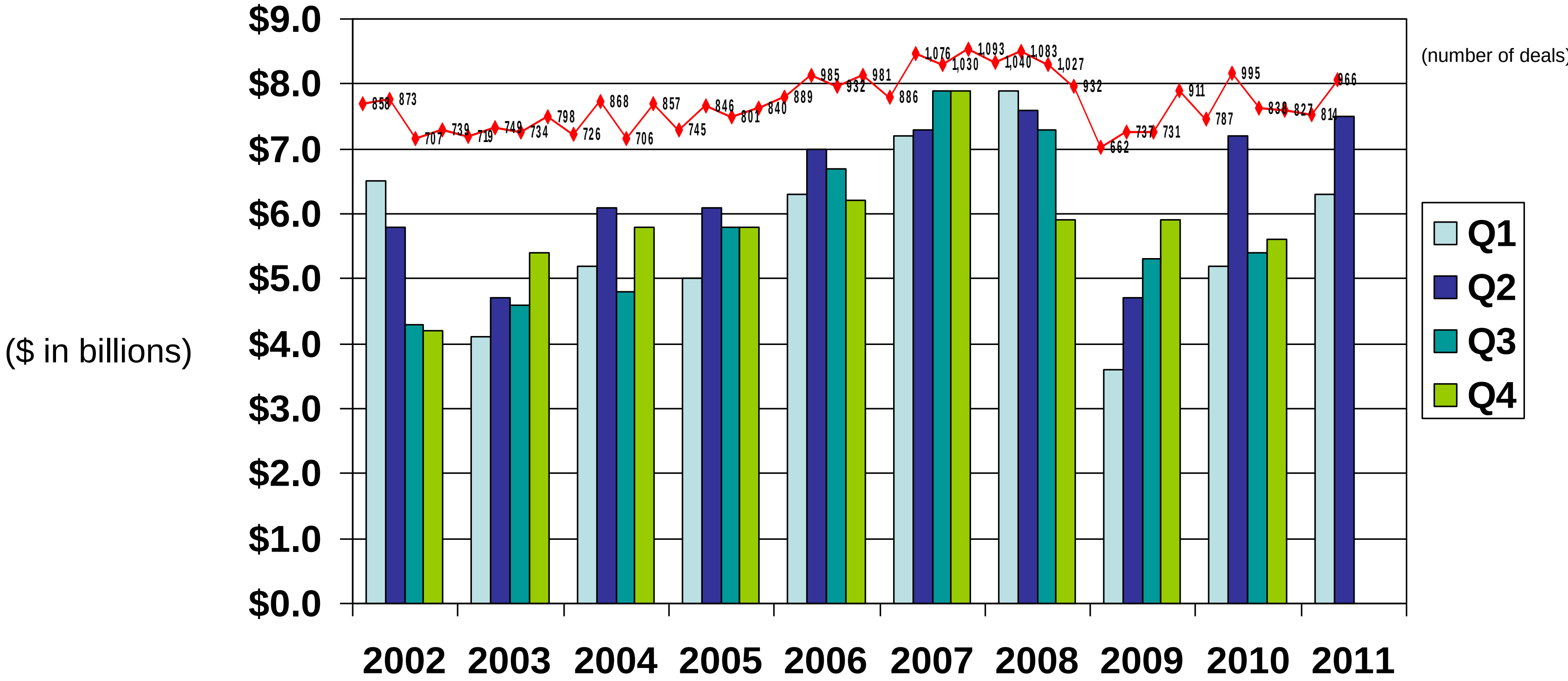
AlwaysOn
Silicon Valley Innovation Summit 2011:

MONEY FALLING FROM THE CLOUD

Host: Louis Lehot, Corporate, Securities and M&A Lawyer, Sheppard Mullin

Bill Butler, President, iPipeline
Rodney Rogers, CEO, Virtustream
Tien Tzuo, CEO, Zuora
Jack Welde, CEO, Smartling

What is feeding the pipeline? Investments!

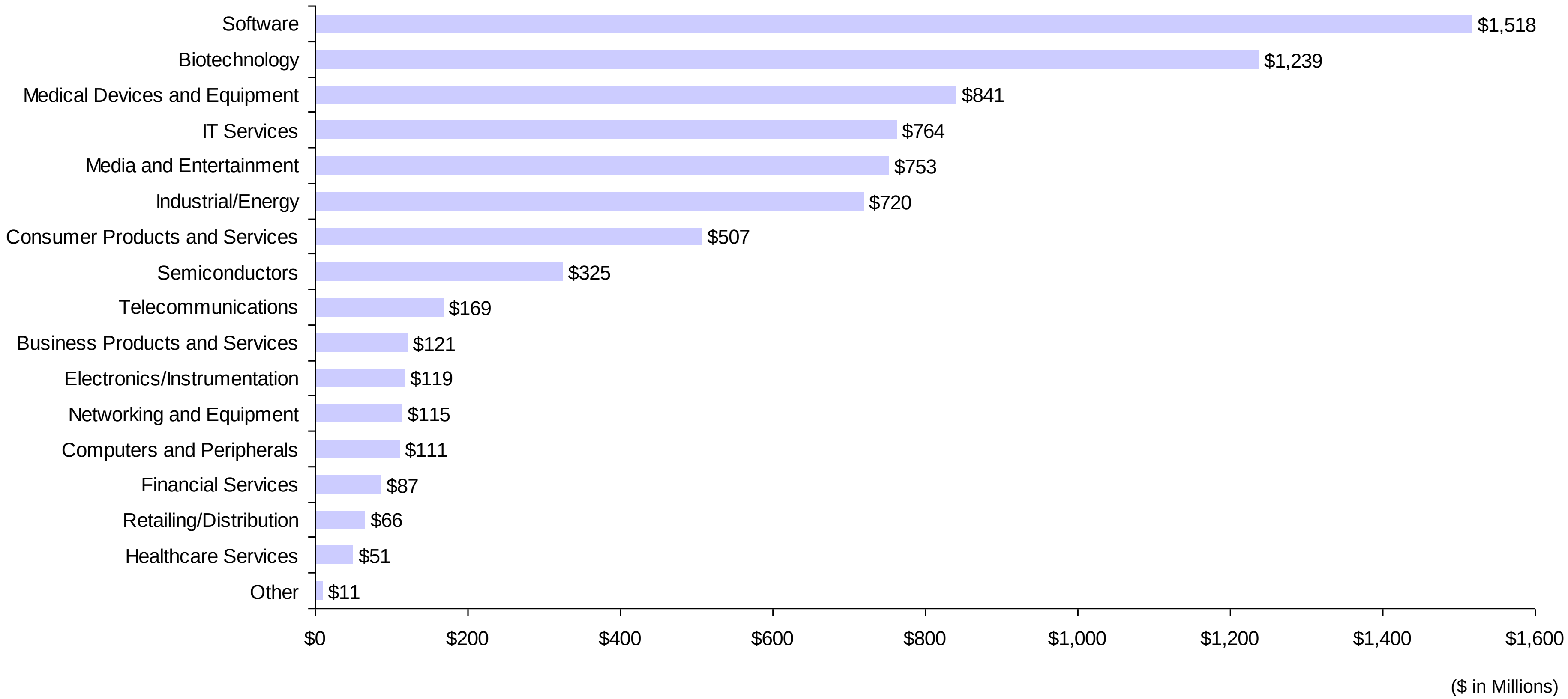


Venture capital investment dollars increase by 19% while number of deals rises in Q2 2011

Internet-Specific Investments at 10-year High

Source: PWC/NVCA/Thomson Reuters

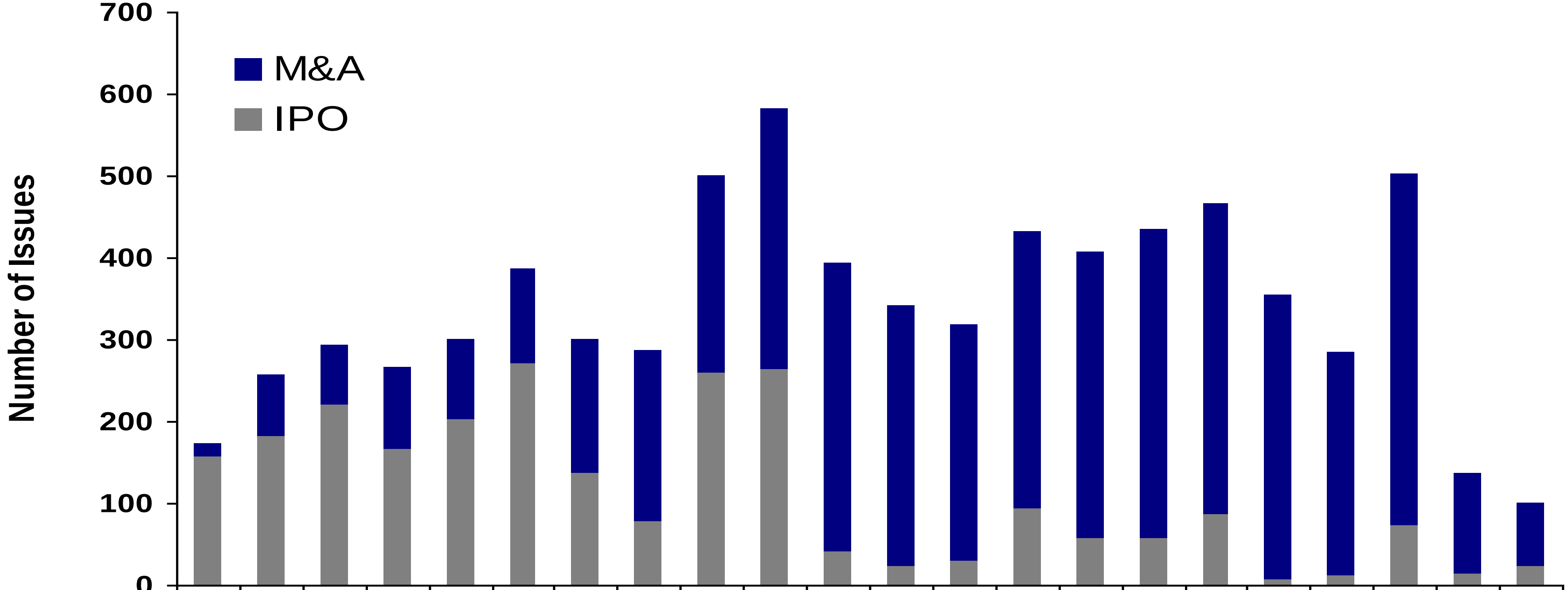
Cloud is attracting new investments…



The Software industry received the highest level of funding for all industries with $1.5B invested during Q2 2011, which represents a 35% increase in dollars compared to the $1.1B invested in the first quarter.

Source: PWC/NVCA/Thomson Reuters

Mergers & Acquisitions (Venture-Backed Exits)



	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	Q1 '11	Q2 '11
M&A	17	76	74	100	97	116	164	209	240	317	353	318	290	339	350	378	380	348	273	431	123	79
IPO	156	181	220	166	202	270	136	77	260	264	41	22	29	93	57	57	86	6	12	72	14	22

Year

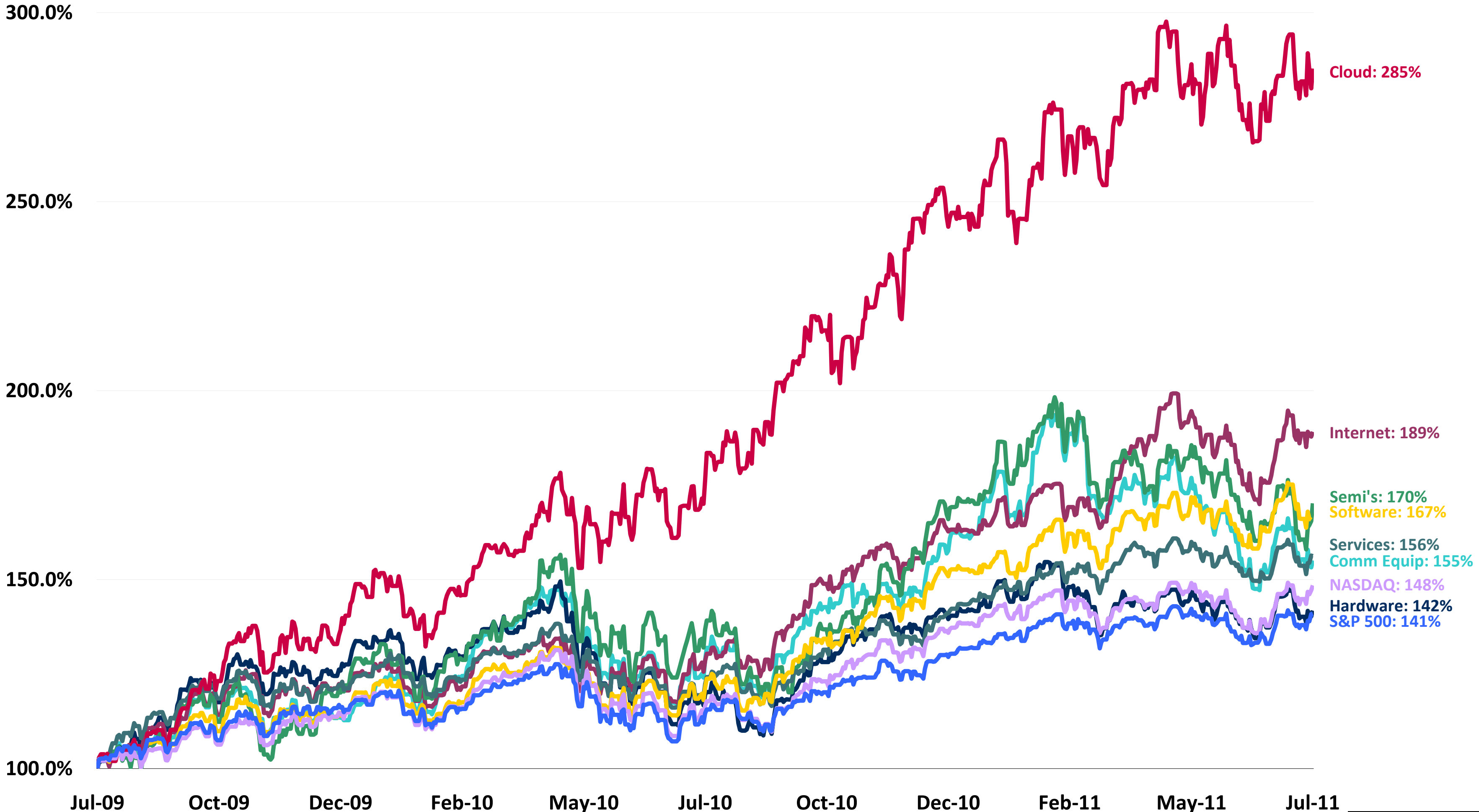
22 IPOs valued at $5.5 billion in Q2 2011, triple the dollar value seen during the second quarter of 2010

Source: PWC/NVCA/Thomson Reuters

Technology Sector Performance

The majority of technology sub-sectors have increased 100% - 200% over the past two years, significantly outperforming the broader indices.

2-Year Share Price Performance

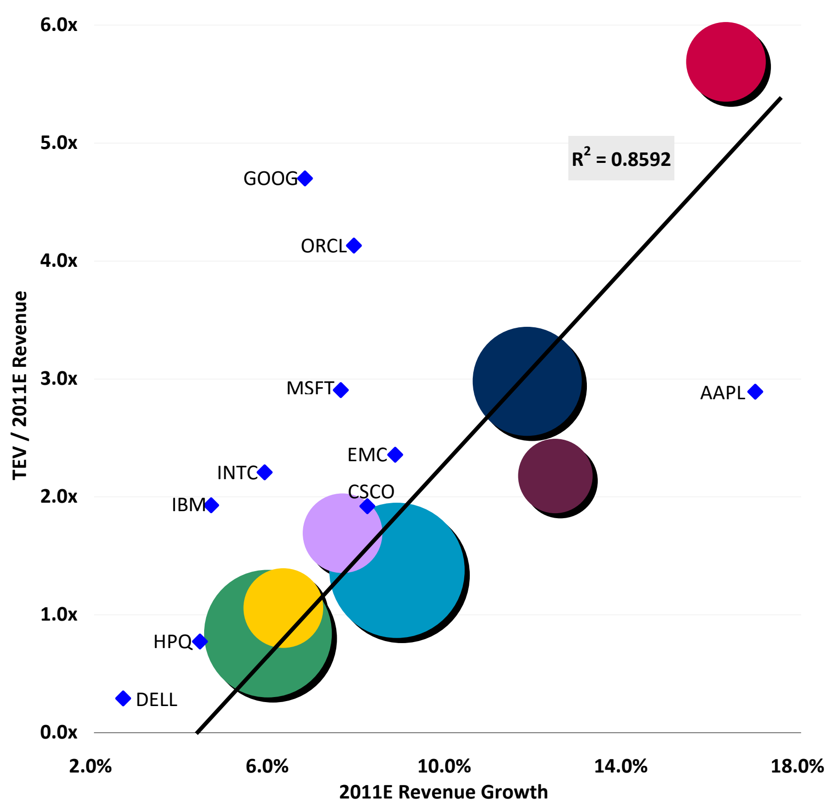


Source: Capital IQ. Market values as of 7/22/2011.
Note: Sectors are equally-weighted indices of representative companies. Cloud index includes Akamai, Apple, Citrix, Google, IntraLinks, Netflix, Netsuite, Rackspace, RightNow, Salesforce.com, SuccessFactors, and VMware.

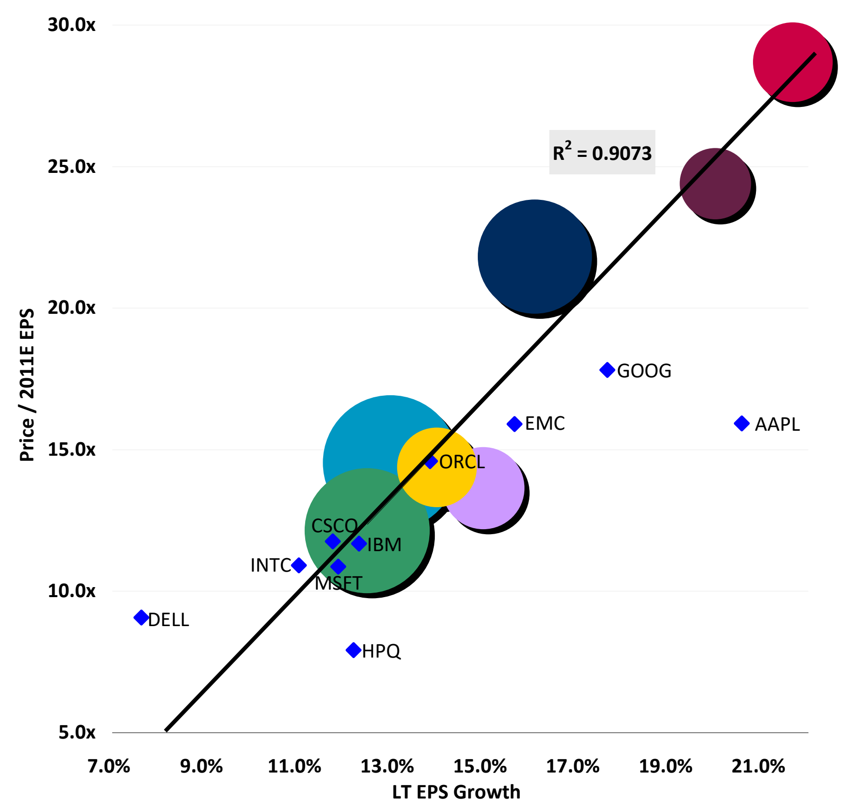
Valuation Multiples Driven by Growth, Not Margins

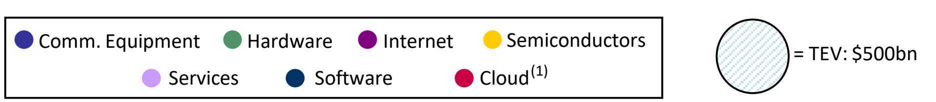
Valuation multiples in the technology industry are predominantly driven by a combination of top and bottom line growth. Approximately 90% of sector multiples are explained by growth alone.

TEV / 2011E Revenue vs. 2011E Revenue Growth



Price / 2011E EPS vs. LT EPS Growth





Source: Capital IQ. Market values as of 12/31/2010.
Note: Sectors are aggregated from smaller subsectors and individual companies within each subsector.
(1) Includes Apple, Google, VMware, RIM, Salesforce.com, Akamai, Rackspace, and NetSuite.

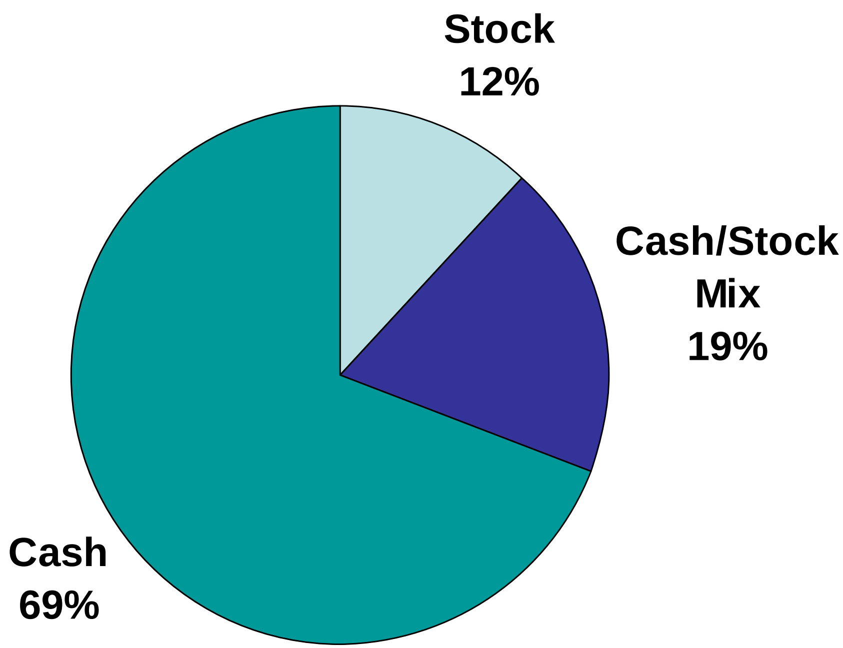
2011: Large Buyers with Lots of Cash

$Bn	Latest Cash	CY2011E Net Income	Noteworthy 2009, 2010 & 2011YTD Deals
Microsoft	$41	$22	Skype
Cisco	40	9	Pure Digital, Starent, Tandberg, CoreOptics
Google	35	11	AdMob, ITA
Apple	27	22	Quattro Wireless
Oracle	25	11	Sun, GoldenGate, ATG
Intel	21	12	Wind River, McAfee
Dell	15	3	Perot, 3Par (failed), Compellent, Force 10
IBM	12	16	SPSS, Sterling Commerce, Netezza, Unica
HP	11	12	3Com, Palm, 3Par, ArcSight, Fortify
EMC²	10	3	Data Domain, Greenplum, Archer, Isilon
Total	$237	$121	

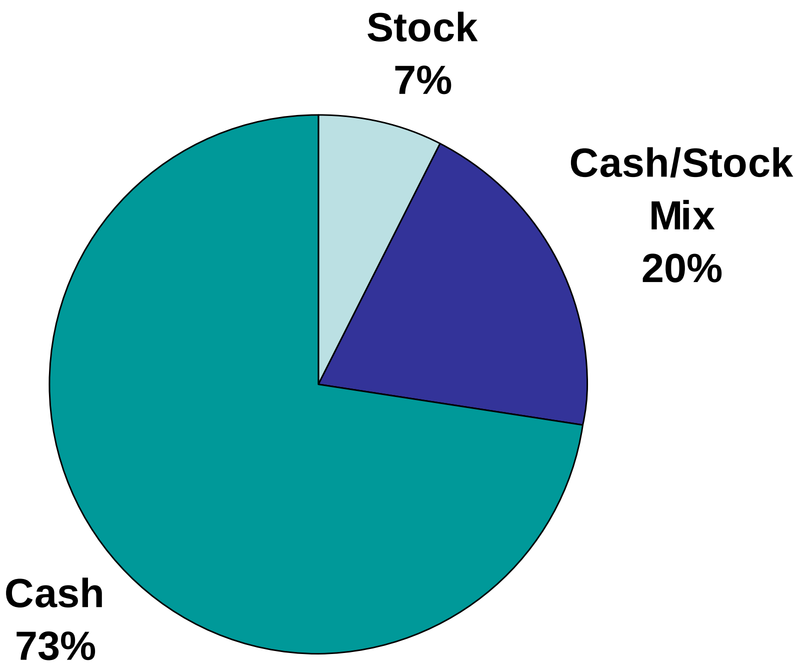
Source: Morgan Stanley

Cash vs. Stock Used in Technology M&A

2009



2010 – 2011 YTD



Source: Morgan Stanley

How cloud companies are benefitting from the gold-storm falling from the cloud…

Tien Tzuo, Co-Founder, Chairman and CEO of Zuora

Subscription billing and e-commerce leader

Rodney Rogers, CEO, Virtustream

Cloud infrastructure services, providing strategy, integration and managed services

Bill Butler, President, iPipeline

Web-based e-platform to insurance companies, wholesalers, banks and brokers

Jack Welde, CEO, Smartling

Translation delivery network