



Project Identis

Personal Identity Management Investment Thesis - Summary

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THOMA BRAVO



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Executive Summary

In the course of a day, we generate the same amount of data as had been captured since the beginning of history up to the year 2003. Much of this is information attached to individuals. Our digital footprints and shadows are being gathered together, bit by bit, megabyte by megabyte, terabyte by terabyte, into personas and profiles and avatars – virtual representations of us, in thousands of locations.

There are few social and legal controls over what happens to our personal information, each of us needs a personal privacy strategy governing what information we release and to whom. Personal information, be it biographical, biological, genealogical, historical, transactional, locational, relational, computational, vocational or reputational, is the stuff that makes up our modern identity and is the foundation of our personal security. It must be managed responsibly – not just by others, but by each of us. The clear and present danger is the irreversible erosion of that most enabling of liberties: anonymity.

Personal Identity Management broadly defined is a service that helps individuals collect and keep their own data safe; to manage, analyze and use and share this data in ways they can control. Personal Identity Management is disruptive innovation, driven by technology, regulatory, consumer and legal trends, forging a new business opportunity in helping individuals and organizations to realize and benefit from a service where a core part of the proposition is restoring individuals' complete control over their own data.

Restoring personal control over your own data and benefitting from that data is a process consisting of; Discovery, Control, Protection and Benefit. The natural first step in the process of Discovery is to accurately determine what digital data is publicly and privately available about you. The act of trying to determine what personal digital data and information is available about you is called "People Search".

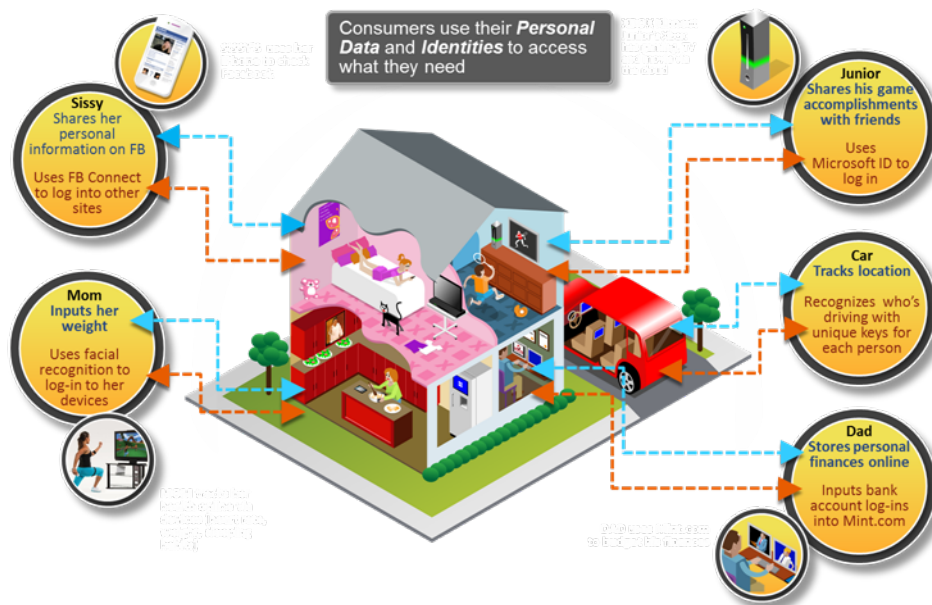
We believe that there is a substantial business and financial opportunity stemming from the acquisition of one of the leading people search businesses and leveraging that platform and the Thoma Bravo – Experian partnership to dominate the category. Further, we believe that current technology, regulatory, legal and consumer trends support the market timing for this buy & build

Marrying experienced private equity investment experience with hands-on experienced operating executives, a trusted brand and significant assets is a winning formula. The combination of Thoma Bravo and Experian can successfully consolidate an industry, disrupt the status quo by changing today's information paradigm to one of consumer control while achieving market leading investment returns.

Personal Identity Management

It may well be that our fundamental ideas about identity and privacy, the strategies that we have collectively pursued and the technologies that we have adopted must change and adapt in a rapidly evolving world of connectivity, networking, participation, sharing and collaboration. But this will take a long time, and in the meantime there are many challenges and even dangers.

To be sure, digital technologies in general and social media in particular are providing new benefits to sharing personal information. There is a real upside to participating in communities, seeing photos, hearing stories or knowing the location of friends and family. Sharing also helps companies deliver personalized products and services. It can improve advertising, as we are targeted for products and services that correspond to our interests. When we reveal personal information we can help society too.



Citizens face a dilemma when they want to participate fully in society yet not live under constant surveillance. There is an incredible amount that we as a society have to gain from innovative new technologies, but there is also an incredible amount that we have to lose. Without a framework in place to assure everyday consumers of the ability to limit the collection and retention of the minutiae of their lives by unknown third parties, any sense of a realm of personal privacy may completely evaporate.

The tensions between information freedom and personal control are exploding today, and not simply because of the benefits of sharing information using new media. Rather there are massive commercial and government interests, as well as malevolent individuals, that have a lot to gain from each of us revealing highly granular personal information, much of it in the public domain by default and in real time as we travel through life.

As proactive or reluctant digital citizens we are involved in an asymmetric release of our personal data. On average an individual releases over 700 items of personal data per day to organizations and other individuals.

The release of data on this scale results in increasing fragmentation of an individuals' identity and a loss of control over the use and security of personal data. With this comes growing concern and distrust towards organizations that are extracting, storing and profiting from our data. On the other hand, organizations also suffer from this asymmetric 'information paradigm', as they lose consumer trust and individuals' passive role means that they are playing no part in keeping data up to date or accurate, filling in data holes, or adding additional information. The current situation is dominated by services that hold personal data that is often only portable to the degree that it can be synced across the provider's suite of applications. Data is stored centrally with the application or service provider, not the individual.

The view of the individual is therefore limited to the data collected by that set of applications. Google is a prime example of this dominant model; data aggregation is supported across Google products but is limited to a users 'Google identity'. This data is stored centrally, in isolation and beyond the control of the user. The opportunity exists therefore for a new 'information contract', one which is built on the consumer as the point of data integration- given the sum of that information is **their** Identity.

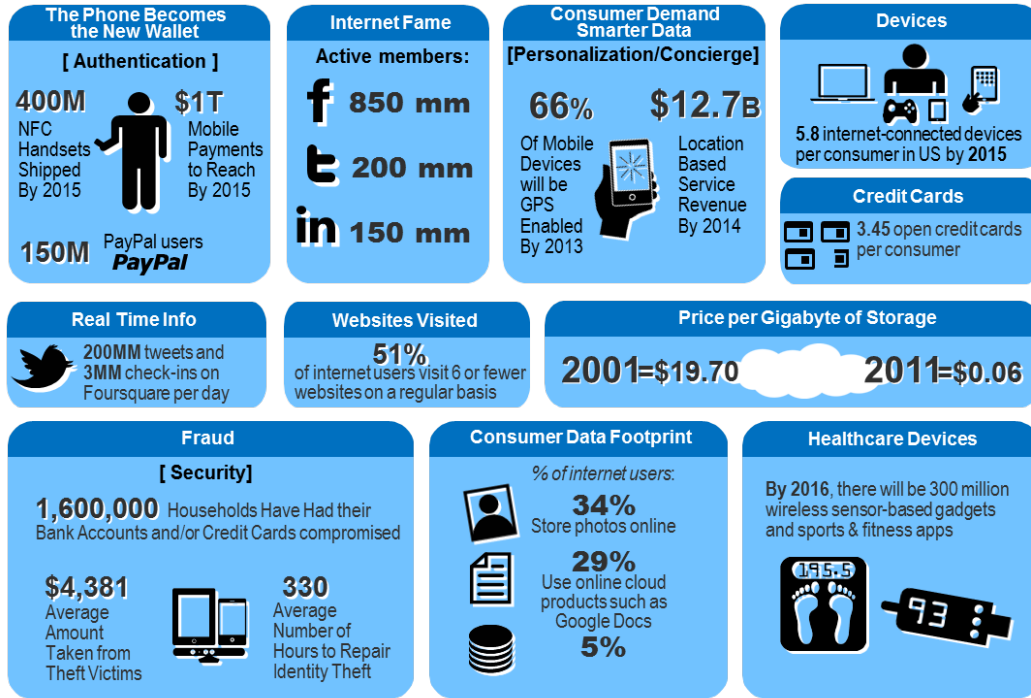
Personal Identity Management broadly defined is a service that helps individuals collect and keep their own data safe; to manage, analyze and use and share this data in ways they can control. Many highly successful services such as Google, Facebook, and LinkedIn already provide individuals with personal data storage and sharing services. Facebook and LinkedIn profiles and Gmail records are obvious examples. However, their 'information contracts' with their users are asymmetric. Issues include privacy (who is able to see the data that is uploaded), the uses it is put to (e.g. the use of profiles and online behavioral data to target advertising), the nature of the value exchange (how much money the service makes from its ability to access and use the individual's data), and restrictions on user control (e.g. their ability to extract their data and take it elsewhere).

The World Economic Forum has referred to data as 'a new economic asset class', that will only be realized if the individual takes ownership of their data. Consumer Identity Management is one of the key developments in providing the services and infrastructure that enable this shift and is disruptive to the status quo.

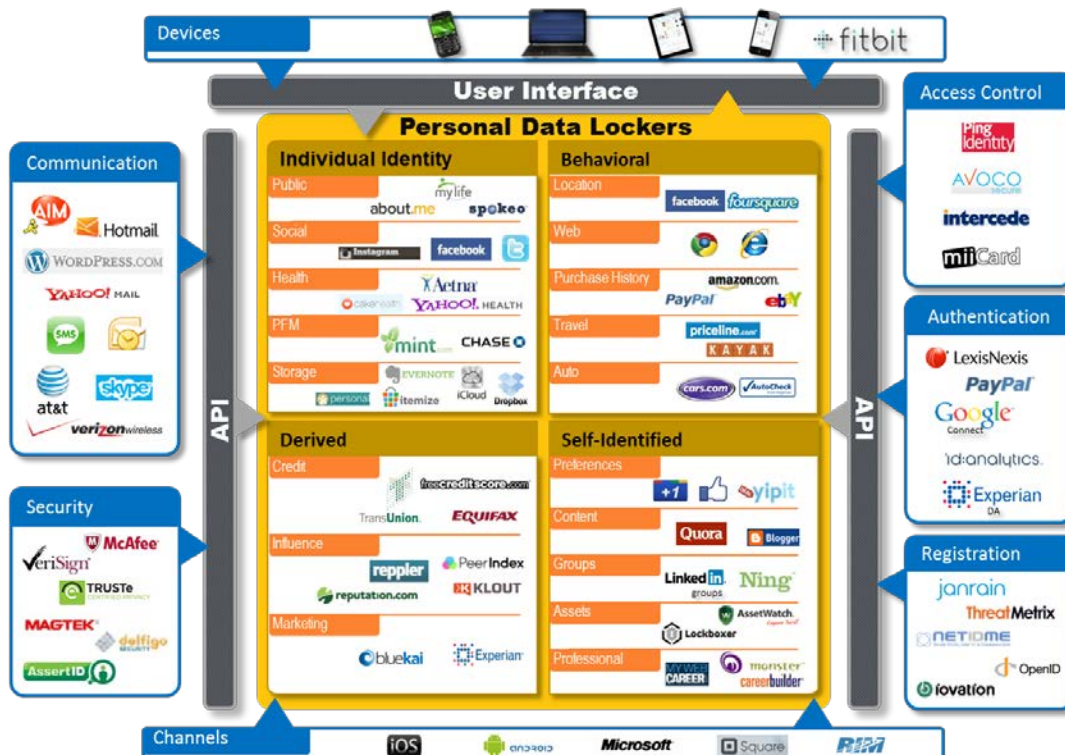
Those most likely affected by this disruption are the current established players in the centralized data markets- most notably Google, Facebook, Telco's, financial Institutions, e-commerce services and credit reference agencies.

Personal Identity Management is a new and disruptive service where a core part of the proposition is restoring individuals' complete control over their own data.

Scale and scope of Opportunity

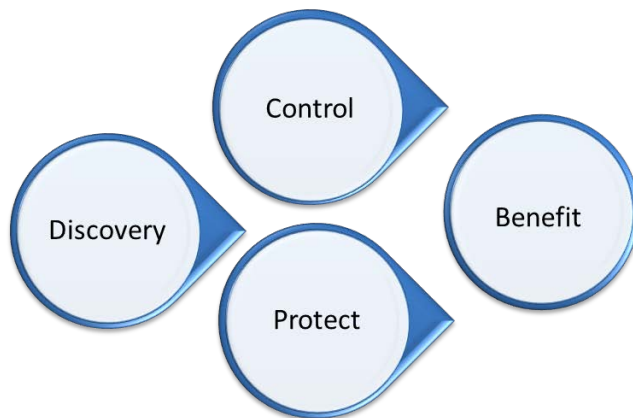


Targets across Identity Landscape



People Search Market

Restoring personal control over your own data and personally benefitting from that data is a process consisting of; Discovery, Control, Protection and Benefit. The natural first step in the process of Discovery is to accurately determine what digital data is publicly and privately available about you. The act of trying to determine what personal digital data and information is available about you is called "People Search".



The People Search industry today generates roughly \$600M in annual revenues with an average EBITDA of 18%. The industry is growing at approximately 20% per year. These companies have assembled a valuable amount of consumer information and have created customer bases that have demonstrated the willing to pay for information about them. Historically, the industry has been characterized by poor consumer business practices and inaccurate data.

We believe that there is a substantial business and financial opportunity stemming from the acquisition of one of the leading people search businesses and leveraging that platform and the Thoma Bravo – Experian partnership to dominate the category. Further, we believe that current technology, regulatory, legal and consumer trends support the market timing for this buy & build industry consolidation strategy.

Market Analysis

The majority of adult internet users (57%) now use search engines to find information about themselves online. Internet users have become increasingly likely to use search engines to check up on their digital footprints. Over the past several years search engines have vastly expanded their reach and now include

everything from images and videos to real time results on twitter. According to the, Pew Research Center, 97 million people or 57% of adult internet users said they used a search engine to look up their name and see what information was available about them online. That marks a significant increase since 2006 when 47% of adult internet users said they had searched for results connected to their names.

Of the 97 million people, approximately 32 million self-searchers continue to be casually curious with approximately 3.4 million people looking up information about themselves on a regular basis.

What has not changed over the years are some of the core demographic trends with this activity. Male and female internet users are equally likely to use a search engine to monitor their digital footprints. Internet users under the age of 50 are consistently much more likely to be self-searchers when compared with older users. Likewise, those with higher income and education levels are much more engaged than lower socioeconomic groups when it comes to monitoring digital footprints. In the latest Pew Research Center survey, 70% of internet users with a college degree conducted a search for themselves.

US Internet Demographics (2010 Census)					
Social Media and Reputation Statistics					
	18-29	30-49	50-64	65+	Total
Total Population	46,433,293	85,751,319	41,860,232	34,991,753	209,036,597
Internet Population	43,647,295	75,461,161	33,069,583	16,796,041	168,974,081
% users	94.0%	88.0%	79.0%	48.0%	80.8%
Takes steps to limit online info	44.0%	33.0%	25.0%	20.0%	33.0%
	19,204,810	24,902,183	8,267,396	3,359,208	55,733,597
Delete unwanted comments	47.0%	29.0%	26.0%	NA	
	20,514,229	21,883,737	8,598,092		50,996,057
Never trust social nets with data	28.0%	19.0%	14.0%	NA	
	12,221,243	14,337,621	4,629,742		31,188,605
Search for themselves	65.0%	61.0%	47.0%	45.0%	57.7%
	28,370,742	46,031,308	15,542,704	7,558,219	97,502,973

Experian – Thoma Bravo Partnership

Partnership Objectives

Marrying experienced private equity investment experience with hands-on experienced operating executives, a trusted brand and significant assets is a winning formula. Thoma Bravo and Experian will invest in Personal Identity Management ecosystem companies with established profitability that has a proven concept and viable business model. During our diligence process, we will look for short and medium term opportunities to improve the core business through the development of improved business strategies, product plans, go to market strategies, and operational execution. We will also look for longer term opportunities for growth, which may include expanding into new distribution channels and geographic segments, pursuing new licensing opportunities, and deploying new business models.

Thoma Bravo will be the lead investor and control the majority of the senior securities and will reserve investment capital to support the company's growth. Experian may make minority investments in the acquired businesses. Where there is an investment syndicate, it will be small and comprised of investment allies whose time horizons, philosophies and expertise are synergistic with the lead investor. Thoma Bravo and Experian will truly be partners with management in financial and strategic matters and both will operate in the framework of a coherent Board of Directors where incentives are aligned.

The characteristics of our investment model include:

- Milestone driven investment funding: fund smaller amounts to achieve key milestones and scale investments accordingly
- Merging the best practices of the Private Equity and Corporate Development approaches to investing in terms of due diligence, deal structuring, corporate governance, operating management approach, and exit strategies
- Execute business strategies that address market problems with viable and profitable solutions
- Foster creative management teams that are adaptive to changing market dynamics – offer new and innovative business approaches which are scalable (not a set of features)
- Acquire companies that demonstrate an inherent competitive advantage and defensibility
- Retain complementary founders & management with consistent vision and willingness to take our advice
- Maintain a capital efficient business model with a cash flow mindset
- Leverage Experian's brand, marketing and proprietary assets

Our investment approach is designed to create entrepreneurial companies with the energy, creativity, passion, management savvy and scale with the market access and financial strength of a powerhouse. This approach enables Experian to externally pursue a disruptive innovation strategy while sustaining its existing business. This approach benefits Thoma Bravo by minimizing execution risk in pursuit of its

consolidation strategy while achieving their financial objectives. The benefits of this approach to the acquired businesses include;

- Incentives and rewards an entrepreneurial mind set
- Provide access to engineering and management talent across a broad geography
- Minimizes market, operational and financial risk
- Jointly develop well integrated products by closely sharing proprietary information assets, marketing expertise and product roadmaps
- Brings credibility to brand and helps establish large corporate partnerships
- Ability to recruit industry experts to Board of Directors and advisory boards
- Provides the capital and strategic and operational support that will allow their business to grow more rapidly, become a leader and consolidator in its industry and create more value for its shareholders

Experian Strategy

Experian® is a global leader in providing information, analytical tools and marketing services to organizations and consumers to help manage the risk and reward of commercial and financial decisions. Using our comprehensive understanding of individuals, markets and economies, we help organizations find, develop and manage customer relationships to make their businesses more profitable. The company collects information on people, businesses, motor vehicles and insurance. It also collects 'lifestyle' data from on- and off-line surveys

Experian promotes greater financial health and opportunity among consumers by enabling them to understand, manage and protect their personal information, helping them control financial aspects of key life events, and make the most advantageous financial and purchasing decisions.

Experian's principal business lines are characterized by their market-leading positions, high barriers to entry, global reach and potential for long-term growth, as well as their attractive financial characteristics.

In order to capitalize on the opportunities available to Experian and to drive long-term shareholder value, Experian's strategy is centered on three key elements:

Focus on data and analytics

At the heart of what Experian does is the ownership and operation of very large and comprehensive consumer and commercial data assets. From these Experian is able to extract significant extra value by applying its' own proprietary analytics and software. This combination of data and analytics is a key differentiator for Experian.

Drive profitable growth

Experian aims to extend its global lead by driving profitable growth through geographic expansion, product innovation and further penetration of new customer segments

Optimize capital efficiency

Experian is committed to maintaining a prudent, flexible and efficient balance sheet. Experian aims to use its' strong cash flow wisely by reinvesting in the business to retain competitive advantage. Experian seeks to make targeted acquisitions where they are a strategic fit and meet financial hurdles.

Underlying Experian's strategies are five strategic goals that encapsulate its' business objectives:

1. Extend its' global lead in credit information and analytics
2. Create successful businesses in new customer segments
3. Build large-scale operations in major emerging consumer economies
4. Become the global leader in digital marketing services
5. Become the most trusted consumer brand for credit information and online identity

Thoma Bravo Strategy

Thoma Bravo's investment strategy is based on the concept of "industry consolidation" or "buy and build" investing which creates value through operational improvements, internal expansion, and the strategic use of acquisitions to accelerate earnings growth. This approach was first developed and proven by one of Thoma Bravo's predecessor firms and has been applied and refined by the Thoma Bravo partners over many years, across many different industries, and through various business cycles and investment climates.

Thoma Bravo's investment process involves identifying and becoming deeply knowledgeable about industry sectors which are fragmented and consolidating and then investing in businesses in those sectors that can grow both organically and by acquiring and integrating similar businesses. Thoma Bravo applies their investment strategy and process across multiple industries, currently with a particular focus on application and infrastructure software, business and financial services, education, and media.

Thoma Bravo is able to structure transactions to meet the needs of business owners and executives in many different circumstances, including take-private transactions, buy-outs, management buy-outs, recapitalizations, roll-overs of a portion of existing equity, and growth equity investments.

Thoma Bravo seeks to invest in established companies that have a history of profitability, earnings (ebitda) greater than \$10 million, and a strong management team with a record of accomplishment. Thoma Bravo's principal focus is on companies headquartered in the U.S., but can invest elsewhere as well. The usual equity commitment is at least \$25 million and can be as large as \$200 million or more. Thoma Bravo also has access to substantial co-investment funds where necessary.

Operating strategy and financial model

Operating Strategy

Thoma Bravo and Experian will leverage their respective expertise to achieve Thoma Bravo's financial objectives and Experian's disruptive innovation strategy to deliver the Personal Identity Management vision. The team will acquire undervalued companies with critical technology or large user bases. Each of the target companies will have; a large and growing user base, significant internet traffic, paying members and profitable revenue. It is expected that the target companies may lack; vision, strategic direction, new product innovation, a broad set of information assets and/or executive talent.

Thoma Bravo and Experian will partner to add value to the areas of weakness in order to build and scale the platform while delivering outstanding investor returns. It is anticipated that both companies will invest into the new businesses and that the new businesses will leverage Experian's brand, marketing expertise and information assets via commercial agreements between Experian and the new companies.

Experian

- Trusted Brand
- World-class partners
- Proprietary Information
- Marketing Expertise

THOMA BRAVO

- Access to substantial capital
- Network of industry experts
- Industry consolidation strategy

In addition to the People Search business, Thoma Bravo and Experian will seek to explore broader opportunities in areas such as Reputation, Authentication, Credential Management, Predictive Commerce, Hyper-targeting and Analytics.

Financial Opportunity

Based on initial due diligence, including management reviews and confidential information exchanges with the Top 5 people search companies, we believe there is an opportunity to generate market leading investment returns from pursuing this strategy. Depending on the scale of the initial target company,

the proforma financial model for the people search opportunity is annual revenue of \$100-150M in 3 years growing at 20% per annum with EBITDA margins in excess of 20-25% per year. Further we believe we can accelerate the category's market growth rate by applying world-class financial resources, consumer marketing and brand named partnerships to an undervalued industry that is a key part of the new consumer identity universe.

The data tables below contains a summary of the market and financial analysis developed from the initial due diligence. Table 1. is an assessment of industry and company specific valuations based on the proforma model established for the people search business.

Table 1. Industry Financials

Market Share & Growth	Yr1	Yr2	Yr3
Rev/share pt	\$ 4.8	\$ 5.8	\$ 6.9
Annual growth rate	20%	20%	20%

Industry Financials				
Revenue \$	400.0	\$ 480.0	\$ 576.0	\$ 691.2
EBITDA \$	70.0			
EBITDA %	17.5%			

Anonymity Financials	Yr1	Yr2	Yr3	
Base Revenue	\$ 35.00	\$ 46.80	\$ 66.72	
Incremental Revenue:				
Take Share				
<i>Cum. Share pts</i>	1.0	2.0	3.5	
Share \$	\$ 4.80	\$ 11.52	\$ 24.19	
Organic Growth	\$ 7.00	\$ 8.40	\$ 10.08	
Total increase	\$ 11.80	\$ 19.92	\$ 34.27	
Total Revenue	<u>\$ 46.80</u>	<u>\$ 66.72</u>	<u>\$ 100.99</u>	
EBITDA \$	\$ 13.34	\$ 19.68	\$ 30.80	
EBITDA %	28.5%	29.5%	30.5%	

Valuation Analysis

	Yr1	Yr2	Yr3
EBITDA Multiples			
6	\$ 80.0	\$ 118.1	\$ 184.8
8	\$ 106.7	\$ 157.5	\$ 246.4
10	\$ 133.4	\$ 196.8	\$ 308.0
12	\$ 160.1	\$ 236.2	\$ 369.6

	Yr1	Yr2	Yr3
Revenue Multiples			
5	\$ 234.0	\$ 333.6	\$ 505.0
10	\$ 468.0	\$ 667.2	\$ 1,009.9
15	\$ 702.0	\$ 1,000.8	\$ 1,514.9
20	\$ 936.0	\$ 1,334.4	\$ 2,019.8
25	\$ 1,170.0	\$ 1,668.0	\$ 2,524.8