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**Taija Sparkman** • Jan. 18, 2012

**Blackbaud, Inc.**, a provider of software for nonprofit organizations, has entered into an agreement to acquire **Convio**, a developer of engagement solutions that help nonprofit organizations more effectively raise funds, advocate for change and develop relationships. Blackbaud and Convio are both publicly traded on the NASDAQ, as BLKB and CNVO, respectively.

The acquisition will combine the two companies' strongest assets in hopes of making multi-channel supporter engagement a reality. Solutions will be developed to achieve optimum engagement across multiple channels such as websites, social networks, email, mobile devices, events and direct mail when receiving messages, donating and advocating for organizations.

"We are extremely excited to announce our agreement to acquire Convio, which is a significant event for both companies," said Marc Chardon, Blackbaud's President and CEO. "We fully expect that Convio's best-in-class, SaaS-based capabilities for large events, advocacy and federated organizations will enable Blackbaud to offer the industry's most diverse and flexible set of online capabilities on a global basis."

According to the terms of the agreement, Blackbaud will acquire all outstanding shares of common stock of Convio for \$16 per share and will finance the deal through a combination of Blackbaud's existing cash balance, expansion and extension of current debt and newly-issued debt. The acquisition is expected to net \$240 million in debt and \$440 million in revenue, with a free cash flow of \$66.5 million (from operations of \$83 million less capital expenditures of \$16.5 million).

“Combining Convio and Blackbaud is expected to help create one of the largest SaaS

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and certain affiliates have agreed to tender all respective shares subject to tender and support agreements. Completion of the offer is subject to various conditions, including a minimum tender of majority of outstanding Convio shares on a fully diluted basis and the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act.

“In addition to the strategic reasons supporting the acquisition of Convio, we believe it is also highly attractive from a financial perspective. We expect the transaction to have an accretive impact on our non-GAAP diluted earnings per share for the full year 2012, and even more so in future years as we realize efficiencies from integrating our companies,” stated Tony Boor, Blackbaud’s Senior Vice President and Chief Financial Officer. “The addition of Convio will also significantly increase the size of Blackbaud’s subscription revenue and further strengthen our SaaS and transactional offerings.”

After the acquisition closes, Gene Austin, President and CEO of Convio, will take on a leadership role at Blackbaud, reporting to Marc Chardon.

“We expect the combination of Convio and Blackbaud to provide large nonprofit organizations with the best of both worlds, the industry’s strongest online fundraising solution along with market leading CRM capabilities. Our respective solutions, areas of vertical expertise and customer bases are highly complementary, and we have received many customer requests to integrate our capabilities over the years,” said Austin. “We will now be able to meet this market demand and provide both of our customer bases with access to a broad and deep application suite designed specifically for nonprofit organizations.”

Blackbaud held a conference call on Tuesday, January 17 to discuss the acquisition. The conference call is available for replay through Tuesday, January 24 at 877-870-

5176 (domestic) or 858-384-5517 (international). The replay pass code is 3746993. It

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