

QUARTERLY VIEWPOINT:

For the Quarter Ended March 31, 2005 and the Latest Twelve Months

Services

- IT Solutions / IT Staffing
- Network Services / Value Added Resellers (VARs)
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Software

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- Spotlight: Business Intelligence (BI)

Communications

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- Equipment
- Converged Services

First Quarter 2005 Spotlight: Financial Buyers

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This quarterly VIEWPOINT covers trends, stock index performance, public valuation multiples and relevant M&A activity for the services, software and communications sectors. To illustrate general capital market and M&A trends within the technology industry, DecisionPoint has selected a group of representative public comparables and transactions. This data is provided for informational purposes only. All data represents the latest publicly available information.

DecisionPoint International is a boutique investment bank providing merger and acquisition services and business valuations to companies in the services, software and communications sectors. DecisionPoint offers clients a complete range of M&A services, including buy-side and sell-side assignments.

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IT Solutions / IT Staffing

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For both the LTM and quarter, the IT Solutions Index was down 8% and 3%, respectively. For the LTM and quarter, the IT Staffing Index was up 21% and down 8%, respectively.
- An increasing number of growth through acquisition strategies are in play, including those of ePartners, Perficient, TECTURA, WHITTMANHART and Zanett.
- IT Services M&A hot spots continue to be the BI / BPM / CPM (e.g. Balanced Scorecard / Painted Word / Thinkfast), Microsoft technology (e.g. Avanade / entegrate) and Federal Government (e.g. Lockheed Martin / The Sytex Group) sub-sectors.
- M&A transaction volume was down 14% sequentially in Q1, with 56 announced transactions compared to 64 in Q4 2004.
- Financing continues to creep back into IT Services, including a \$7.7m PIPE by DynTek and a \$25m debt/equity raise by WHITTMANHART in Q1.

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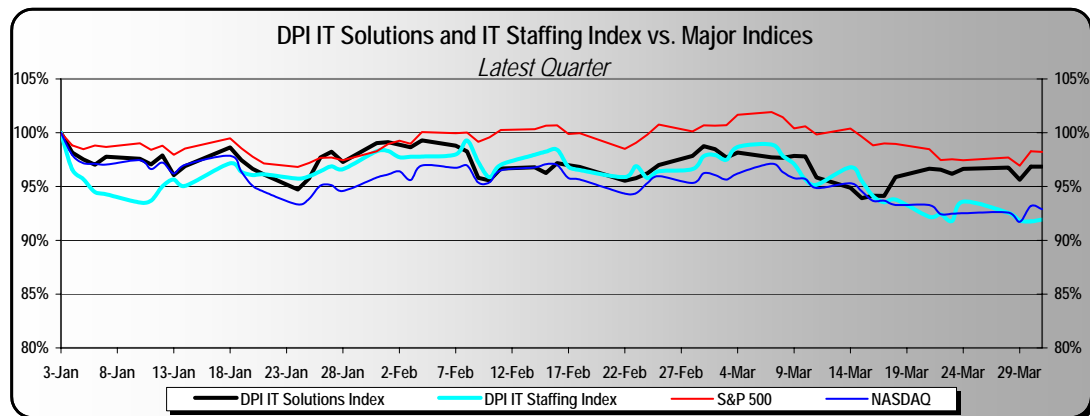
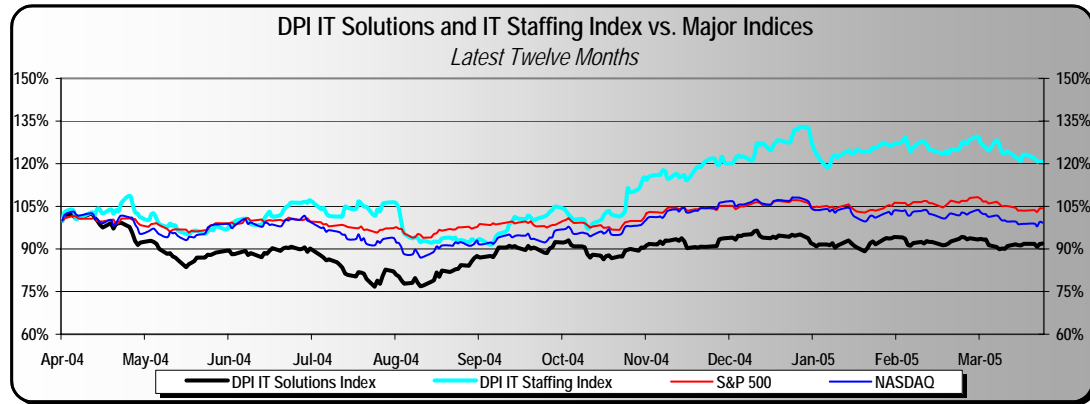
Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
IT Solutions		
Accenture	1.5x	11.0x
Answerthink	1.1x	19.6x
Axon Group	2.1x	17.7x
BearingPoint	0.6x	10.5x
CGI Group	1.1x	7.1x
Ciber	1.0x	13.3x
DiamondCluster	2.7x	NM
Digitas	1.9x	22.3x
Keane	1.0x	11.5x
IT Staffing		
Analysts Int'l	0.2x	17.4x
Butler Int'l	0.5x	11.9x
COMFORCE	0.3x	9.5x
Computer Horizons	0.3x	49.4x
CTG	0.3x	13.2x
COMSYS	0.5x	17.1x
Kforce	0.7x	24.0x
RCM Technologies	0.3x	41.1x
TechTeam Global	0.5x	6.0x
Volt Information	0.2x	5.0x

LTM = Last twelve months

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IT Solutions / IT Staffing



Note: The DPI IT Solutions Index includes: Accenture, Answerthink, Axon Group, BearingPoint, CGI Group, CIBER, DiamondCluster International, Digitas and Keane.

The DPI IT Staffing Index includes: Analysts International, Butler International, COMFORCE, Computer Horizons, Computer Task Group, COMSYS IT Partners, Kforce, RCM, TechTeam Global and Volt Information Services.

Representative IT Solutions and IT Staffing Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/14/05	Getronics	RedSiren	\$9.0
03/03/05	Kanbay	Accurum India	\$12.0
02/28/05	Science Dynamics	Systems Management Eng.	\$4.6
02/22/05	Incentra Solutions	STAR Solutions	\$3.2
02/22/05	International Network Services	Immedient	\$14.0
02/18/05	Lockheed Martin Tech	The SYTEX Group	\$462.0
02/18/05	Northrop Grumman	Integic	\$96.0
02/15/05	Mphasis	Princeton Consulting	\$8.5
02/10/05	Computer Software Innovations	VerticalBuyer	\$9.0
02/04/05	Getronics	PinkRoccade	\$429.5
02/03/05	US Technology Resources	eBuilt	NA
02/03/05	MTC Technologies	OnBoard Software	\$27.1
01/23/05	The A Consulting Team (TACT)	Vanguard Info-Solutions	\$5.7
01/13/05	Ostara	PSNet Communications	\$5.5
01/07/05	SYS	Antin	\$2.6

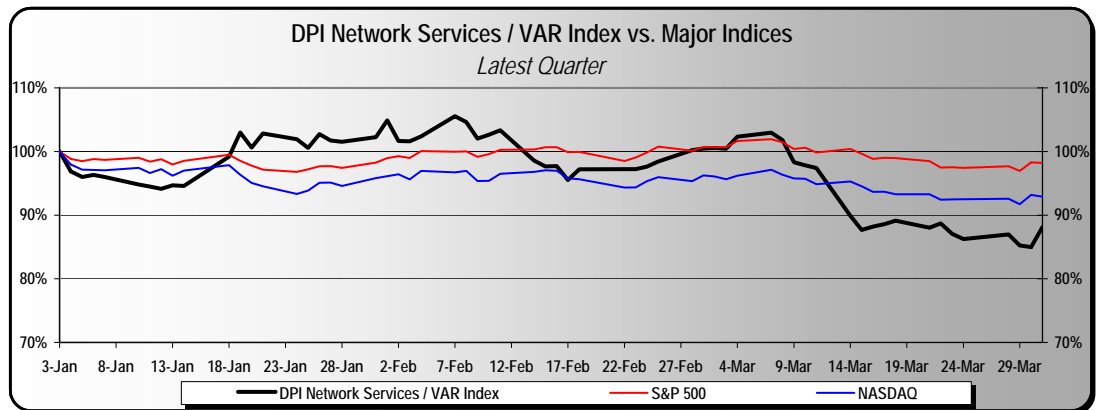
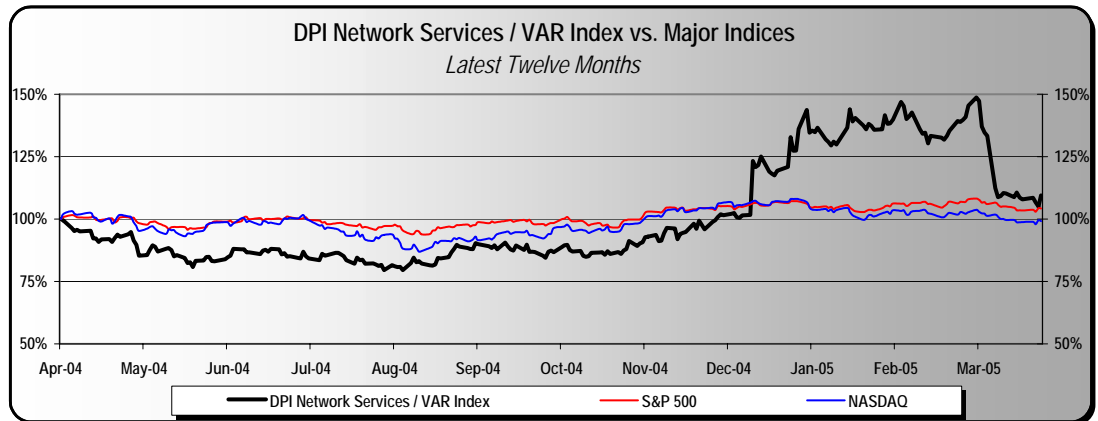
Please call DecisionPoint for further details on listed transactions.

Network Services / Value Added Resellers (VARs)

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the Network Services / VAR Index was up 10% and down 12%, respectively.
- Companies like Glasshouse Technologies and MTM Technologies are expected to continue growing through acquisitions.
- Competition between systems integrators remains intense as providers rely on new projects to stabilize and support expansion.
- Radio frequency identification (RFID) is expected to be a significant force in future enterprise network roll-outs incorporating intelligence and storage capabilities.



Note: The DPI Network Services / VAR Index includes: Black Box, Emtec, En Pointe Technologies, Manchester Technologies and Pomeroy IT Solutions.

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Metrics

Company	Enterprise Value	
	LTM GP	LTM EBITDA
Black Box	3.3x	9.7x
Emtec	1.0x	5.7x
En Pointe	0.9x	10.1x
Manchester Tech.	1.9x	5.8x
Pomeroy	2.0x	8.9x

LTM = Last twelve months; GP = Gross Profit

Representative Network Services / VAR Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/29/05	Spanlink Communications	Black Box (assets)	NA
03/22/05	National Technical Systems	Phase Seven Laboratories	NA
03/14/05	Technology Infrastructure	Datatec Systems	NA
02/28/05	Logicalis	EISCO Technology	NA
02/24/05	Versatile Mobile Systems	Perfect Order	\$7.5
02/15/05	Business Technology Partners	Koetje Technologies	NA
02/15/05	GlassHouse Technologies	PowerPM	NA
01/28/05	Micros-to-Mainframes	Info Systems	\$13.2
01/27/05	Wireless Facilities	TLA Associates	\$34.0
01/25/05	IBM	Corio	\$160.8
01/20/05	MCI	NetSec	\$105.0
01/17/05	Comm-Works	Fortran Communications	NA
01/17/05	Comm-Works	Mahon Communications	NA
01/11/05	Analysts International	WireSpeed Networks	NA
01/05/05	GlassHouse Technologies	Fortified	NA

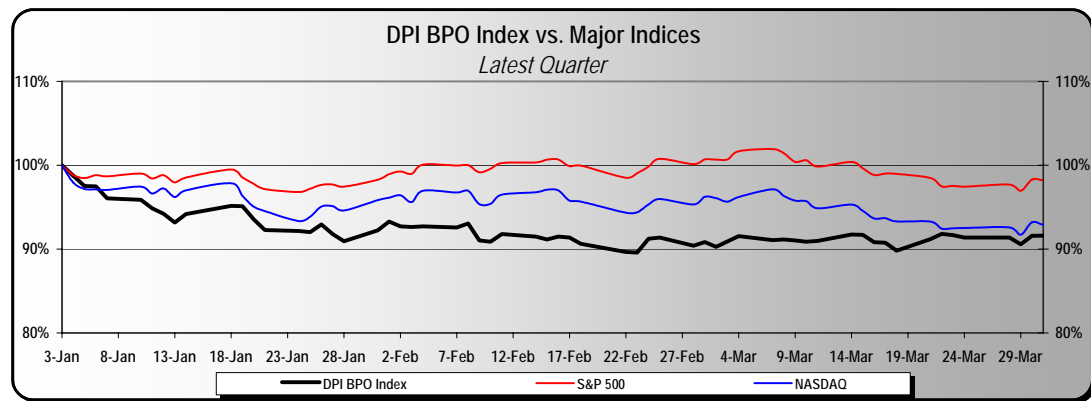
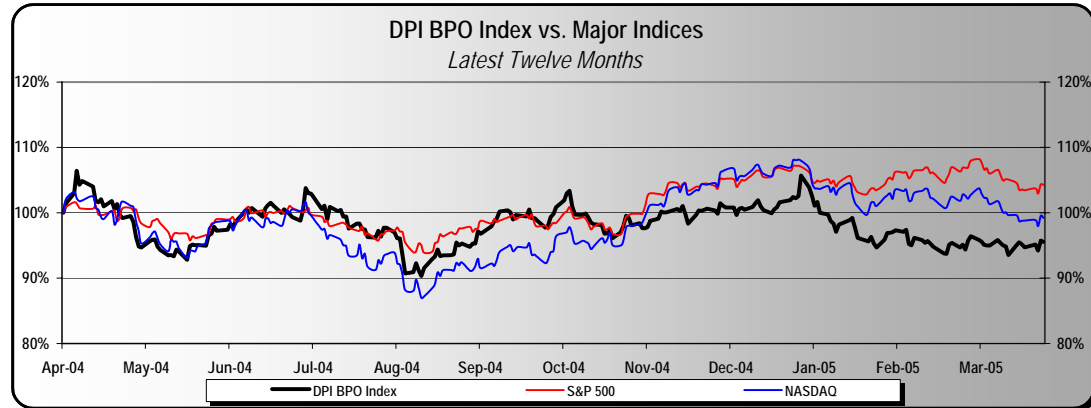
Please call DecisionPoint for further details on listed transactions.

Business Process Outsourcing (BPO)

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the BPO Index was down 4% and 8%, respectively.
- Vertical BPO markets, including hedge fund administration which entails middle- and back-office outsourcing and transparency, are ripe for consolidation with a large number of players in the institutional asset management industry demanding a growing breadth of services from its providers.
- China remains in second place as an alternative to India for offshoring. The Chinese landscape is highly fragmented with only five of the estimated 8,000 providers having more than 2,000 employees.
- M&A in recruiting and workforce compliance saw an increase in Q1 with the announcement of acquisitions by Capital H Group / Tiburon, AP Capital Partners / ZeroChaos and Monster Worldwide / Emailjob.com / ChinaHR.com.



Note: Due to the broad BPO market, the DPI BPO Index includes a variety of financial services, healthcare, human resources, energy and IT services companies: Affiliated Computer Services, Aspen Technology, Automatic Data Processing, Bisys Group (The), Ceridian, CGI Group, GSE Systems, MedQuist, Paychex, Per-Se Technologies and Tier Technologies.

Representative BPO Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/31/05	Corillian	InteliData	\$12.2
03/28/05	Silver Lake Partners	SunGard	\$10,270.0
03/17/05	BCE Emergis	NDCHealth (assets)	\$13.0
03/16/05	ACS	Mellon (assets)	\$445.0
03/10/05	Open Solutions	CGI (assets)	\$24.0
02/14/05	Monster WorldWide	Emailjob.com	\$26.0
02/09/05	Navigant Consulting	Casas, Benjamin & White	\$47.5
02/02/05	IBM	Equitant	NA
02/02/05	Monster WorldWide	ChinaHR.com Holdings	\$125.0
02/01/05	Transcend Services	Medical Dictation	\$4.8
01/21/05	Iron Triangle Payment Systems	Retriever Payment Systems	NA
01/20/05	Great Hill Partners	Payroll Associates	NA
01/19/05	EDS	Towers Perrin (assets)	\$420.0
01/18/05	Mellon Financial	DPM	NA
01/12/05	Capital H Group	Tiburon	NA

Please call DecisionPoint for further details on listed transactions.

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Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
ACS	1.7x	8.9x
Aspen Technology	0.6x	5.4x
ADP	3.1x	13.5x
Bisys Group	2.0x	9.9x
Ceridian Corp.	2.0x	12.9x
CGI Group	1.0x	9.0x
GSE Systems	0.5x	NM
First Advantage	2.1x	17.0x
MedQuist	0.7x	4.1x
Paychex	6.8x	18.1x
Per-Se Tech.	1.7x	11.3x
Tier Tech.	0.7x	8.2x

LTM = Last twelve months

Spotlight: Human Resources Outsourcing (HRO)

Highlights, Stock Performance and Recent M&A Activity

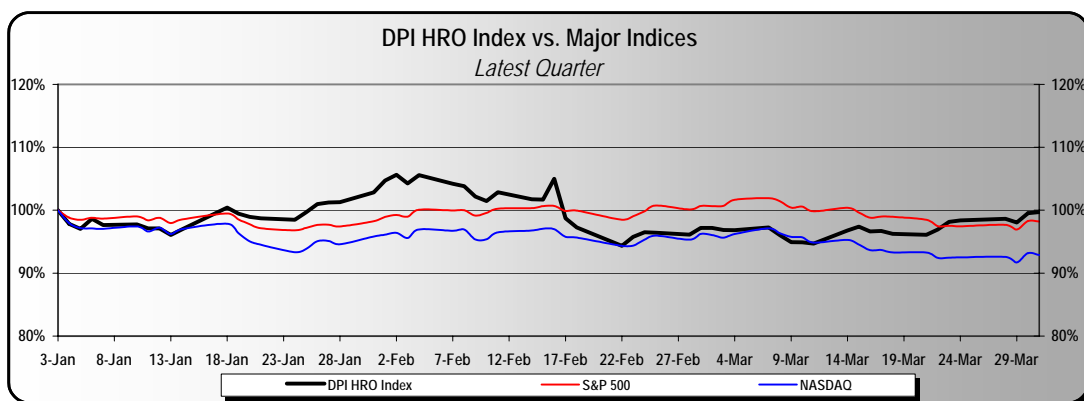
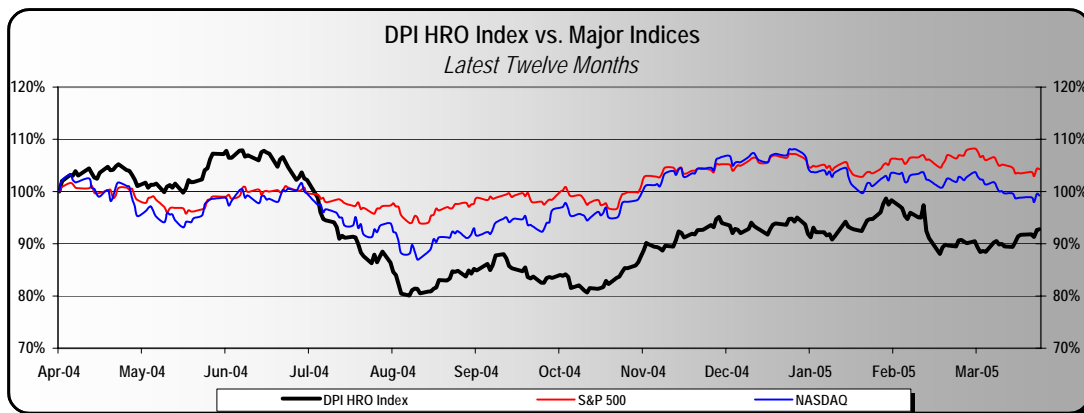
Highlights

- For the LTM and quarter, the Human Resources Outsourcing Index was up 7% and 4%, respectively.
- Consolidation continues at a steady pace as HRO leader EDS announced the acquisition of the HRO unit of Towers Perrin for \$420m, and ACS announced it would acquire Mellon Financial's human resources consulting and outsourcing businesses for \$445m.
- HRO remains the hottest and fastest emerging segment of the outsourcing market.
- HRO firms are seeing strong competition from financial services and IT services firms who are scrambling to grab a piece of the market share.
- Regulatory changes, which include Sarbanes-Oxley, Basel II and the Patriot Act, will continue to create new opportunities for HRO providers.

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Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Administaff	0.3x	7.7x
Ceridian Corporation	2.0x	12.9x
ChoicePoint Inc.	4.1x	12.4x
First Advantage	2.1x	17.1x
Gevity HR, Inc.	0.9x	7.6x
Hewitt Associates, Inc.	1.3x	8.8x
Paychex, Inc.	6.8x	18.1x



Note: The DPI Human Resources Outsourcing Index includes: Administaff, Ceridian, ChoicePoint, First Advantage, Gevity HR, Hewitt Associates and Paychex.

Representative HRO Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/29/05	Benefitdecisions Outsourcing	Black Mountain Management	NA
03/16/05	ACS	Mellon (assets)	\$445.0
02/22/05	Willis Group Holdings	CGI Consulting	NA
02/17/05	Presidion Solutions	Professional Benefits Solutions	NA
02/14/05	Monster WorldWide	Emailjob.com	\$26.0
02/02/05	AP Capital Partners	ZeroChaos	NA
02/02/05	Monster WorldWide	ChinaHR.com Holdings	\$125.0
01/26/05	Willis Group Holdings	PRIMARY Worldwide	NA
01/20/05	Great Hill Partners	Payroll Associates	NA
01/19/05	EDS	Towers Perrin (assets)	\$420.0
01/12/05	Capital H Group	Tiburon	NA
01/05/05	RSM McGladrey Employer Services	Ceridian SourceWeb	NA

LTM = Last twelve months

VIEWPOINT
HRO

Please call DecisionPoint for further details on listed transactions.

Enterprise Software

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the Enterprise Software Index was down 19% and 20%, respectively.
- Blockbuster merger activity continued for the Enterprise Software industry as IBM announced it would acquire Ascential Software, and Oracle overcame a bidding war with SAP in its announced acquisition of Retek.
- As Oracle continues to integrate PeopleSoft / JD Edwards, SAP announced in January it would acquire TomorrowNow, which specializes in maintenance and support for PeopleSoft / JD Edwards in order to provide support for customers running PeopleSoft / JD Edwards software and help them integrate that software with SAP's own products.
- The Enterprise Software industry is expected to continue its rapid consolidation with the SMB market driving buyers as they move to take hold of greater market share, especially in the US.

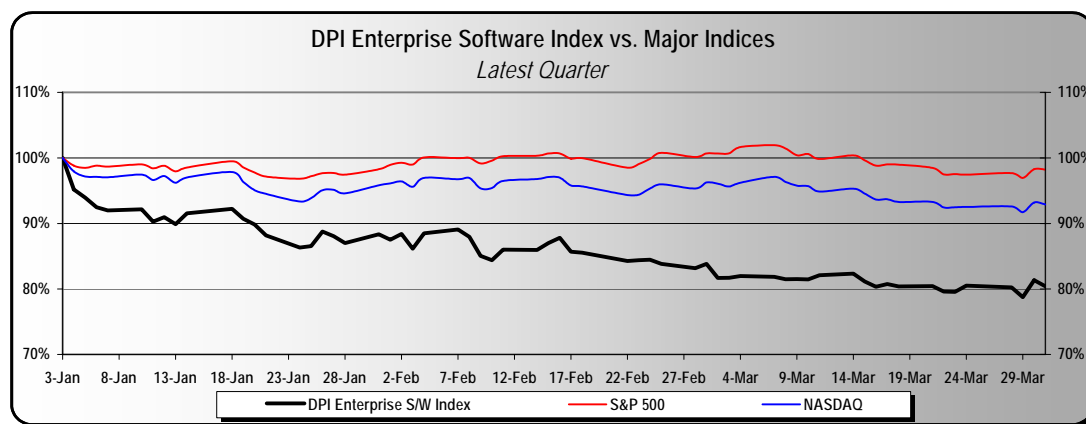
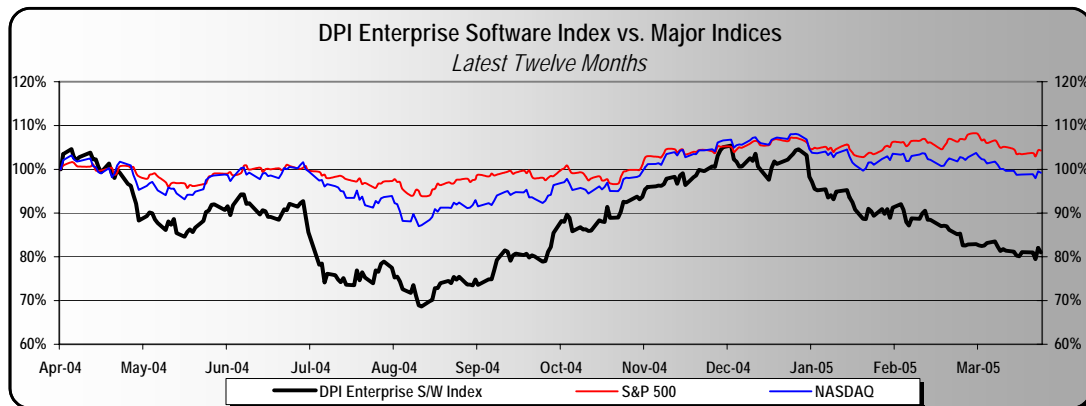
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Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
BMC Software	1.8x	8.9x
Borland Software	1.4x	15.6x
EMC Corporation	3.4x	15.5x
Internet SS	2.3x	10.7x
Manhattan	2.4x	12.0x
Siebel Systems	2.0x	9.1x
Symantec Corp.	5.3x	14.3x
Tibco Software	3.2x	12.2x
VERITAS	4.2x	12.2x
Vignette Corp.	1.2x	NM
webMethods	0.8x	NM

LTM = Last twelve months

VIEWPOINT
Enterprise Software



Note: The DPI Enterprise Software Index includes: BMC Software, Borland Software, EMC, Internet Security Systems, Manhattan Associates, Siebel Systems, Symantec, Tibco Software, VERITAS Software, Vignette and webMethods.

Representative Enterprise Software Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
04/01/05	Retalix	Integrated Distribution	\$44.4
04/01/05	Retalix	TCI Solutions	\$34.4
03/14/05	IBM	Ascential Software	\$641.0
03/01/05	Golden Gate Capital	Blue Martini	\$18.8
02/28/05	Oracle	Retek	\$539.9
02/07/05	Equifax	APPRO Systems	\$92.0
02/03/05	Unify	Acuitrek	\$1.7
01/27/05	Infor Global Solutions	MAPICS	\$320.4
01/24/05	Activant Solutions	Speedware	\$97.3
01/19/05	Retalix	UNIT S.p.A	\$6.8
01/19/05	Trilogy Software	Selectica	\$53.8
01/18/05	McDATA	Computer Network Technology	\$233.0
01/18/05	Merge Technologies	Cedara	\$349.3
01/10/05	Concord Communications	Aprisma Management	\$93.0
01/07/05	JPMorgan Chase	Vastera	\$72.1

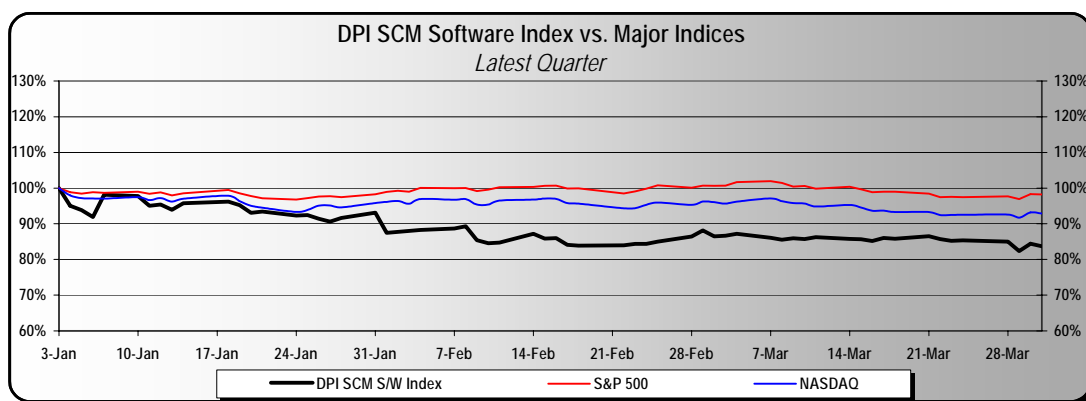
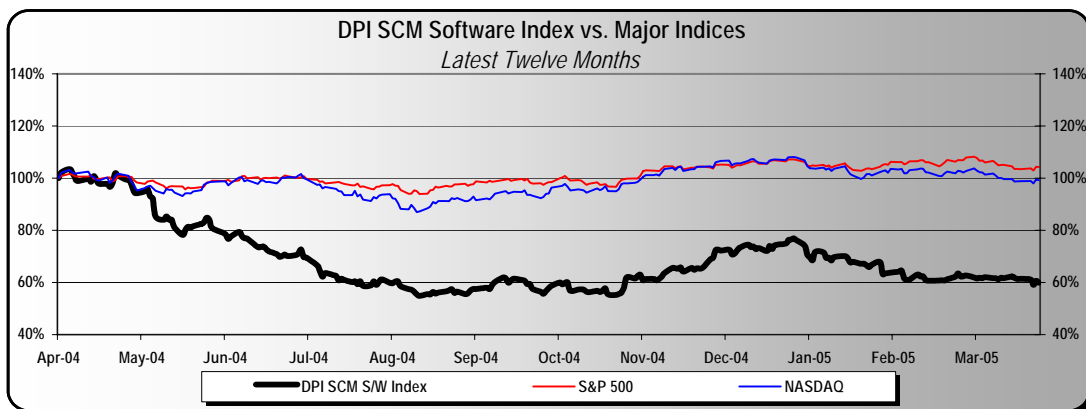
Please call DecisionPoint for further details on listed transactions.

Spotlight: Supply Chain Management Software (SCM)

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the Supply Chain Management Software Index was down 40% and 16%, respectively.
- Outsourcing in the manufacturing industry is causing supply and distribution networks to reach levels of instability, which should create new customer contracts to meet critical supply chain needs.
- Manufacturing companies are increasing their investments in SCM systems with RFID initiatives continuing to be a key driver.
- RFID middleware providers such as Manhattan Associates, OATSystems, and SAP lead the market as companies use their tools to manage RFID data.



Note: The DPI Supply Chain Software Index includes: Ariba, Descartes Systems Group, i2 Technologies, Logility, Manhattan Associates, Manugistics Group and Vastera.

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Metrics

Ticker	Enterprise Value /	
	LTM Revenue	LTM EBITDA
ARBA	1.3x	54.1x
DSGX	1.1x	NM
ITWO	0.5x	6.1x
LGTY	1.5x	9.3x
MANH	2.4x	12.0x
MANU	1.0x	17.6x
VAST	0.8x	56.4x

Representative SCM Software Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$M)
03/31/05	ChannelAdvisor	AuktionMaster	NA
03/31/05	ChannelAdvisor	SpeedSell	NA
02/08/05	Tourtellotte Consulting	Inovis (assets)	NA
02/07/05	Click Commerce	Optum	\$36.5
02/02/05	Click Commerce	ChannelWave (assets)	\$5.3
01/27/05	Infor Global Solutions	MAPICS	\$320.4
01/26/05	Accenture	CPGmarket.com	NA
01/25/05	eWork	ProSavvy	NA
01/24/05	Global eXchange Services	G International	NA
01/19/05	Trilogy Software	Selectica	\$53.8
01/13/05	Vertex Interactive	Cape Systems	\$2.0
01/12/05	TECSYS	Application Solutions	\$2.0
01/07/05	JPMorgan Chase	Vastera	\$72.1
01/03/05	Emptoris	Valuedge	NA

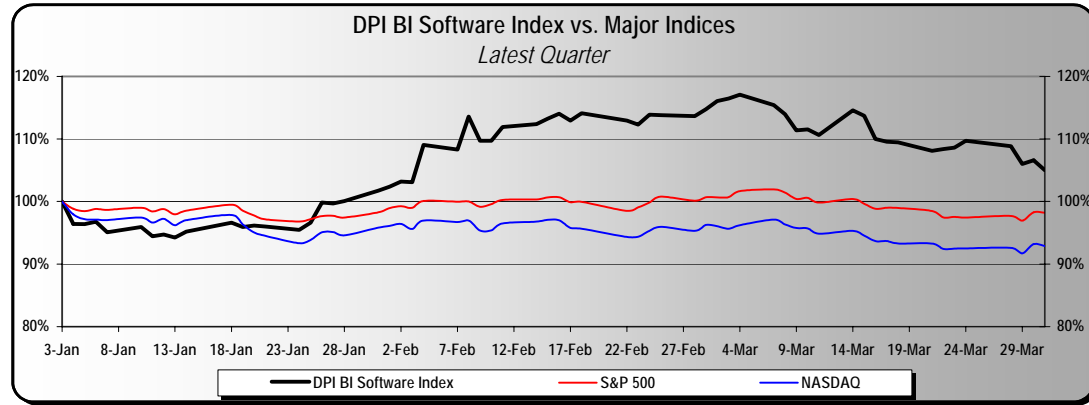
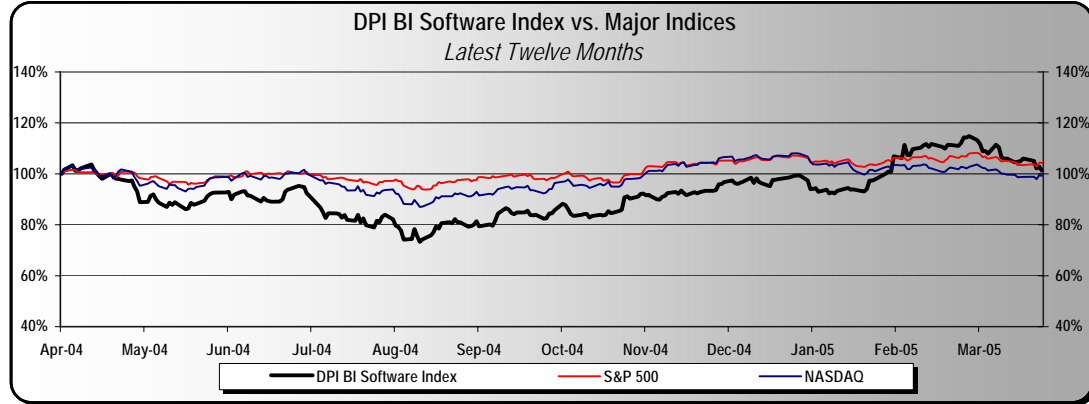
LTM = Last twelve months

Spotlight: Business Intelligence Software (BI)

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the Business Intelligence Software Index was up 3% and 5%, respectively.
- The Corporate Performance Management (CPM) segment remains highly fragmented with no clear leader and sluggish user adoption.
- The Business Process Management (BPM) segment continues to grow and is very competitive with an overwhelming number of vendors. There was no M&A activity in Q1 compared to 2004 when a flurry of deals were made such as market leader Staffware being picked off by newcomer Tibco.
- Business Intelligence software is ripe for continued consolidation as leading vendors eye take-over prospects as a way of acquiring new clients and sustaining growth.



Note: The DPI Business Intelligence Software Index includes: Actuate, Ascential Software, Applix, Business Objects, Cognos, Hyperion Solutions, Informatica, MicroStrategy and SPSS.

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Metrics

Ticker	Enterprise Value /	
	LTM Revenue	LTM EBITDA
ACTU	1.0x	13.0x
ASCL	2.3x	22.1x
APLX	2.5x	14.0x
BOBJ	2.3x	14.7x
COGN	4.1x	17.6x
HYSL	2.1x	10.8x
INFA	2.1x	NM
MSTR	3.6x	10.7x
SPSS	1.2x	12.1x

Representative BI Software Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$M)
03/28/05	Francisco Partners	WebTrends	NA
03/28/05	Google	Urchin Software	NA
03/02/05	Jack Henry & Associates	Tangent Analytics	NA
02/28/05	Milliman USA	IntelRx	NA
02/28/05	Thomson	Solucient (assets)	NA
02/22/05	Autonomy	Ncorp	NA
02/01/05	Global 360	Cape Visions	NA
01/25/05	Hyperion Solutions	Razza Solutions	NA
01/25/05	Rocket Software	Gentia (assets)	NA
01/07/05	IBM	SRD	NA
01/05/05	Jack Henry & Associates	Stratika	NA

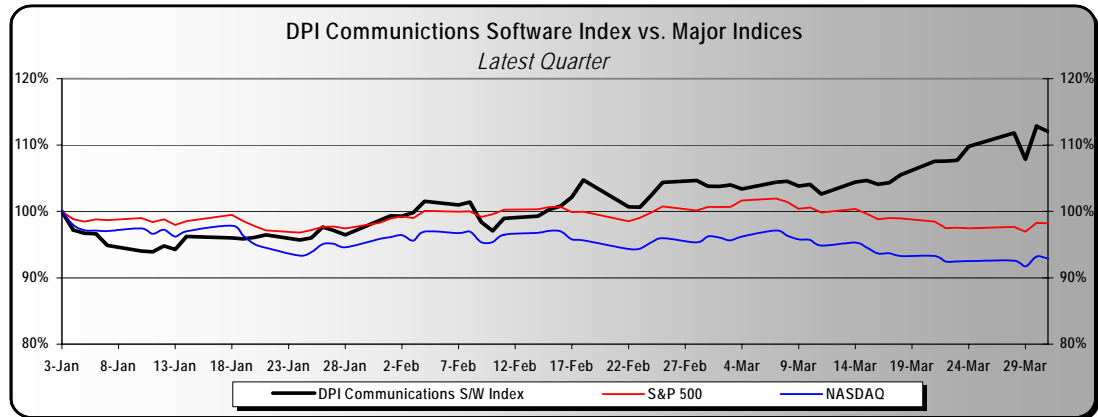
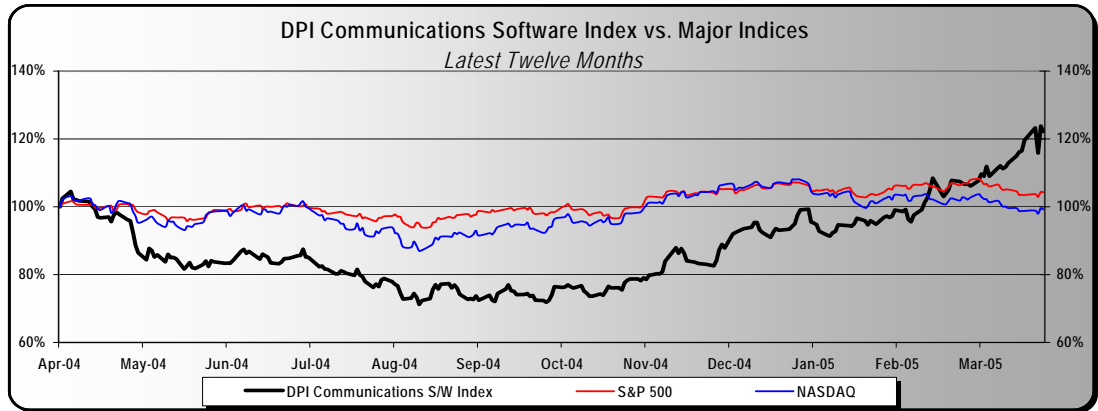
LTM = Last twelve months

Communications Software

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the Communications Software Index was up 12% and 22%, respectively.
- Vendors such as Amdocs have begun offering their service providers strategic consulting services to help accelerate integration of their traditional service-centric approach to one that is more focused on the customer.
- Many vendors warned of disappointing Q1 results, including Visual Networks saying it was impacted by mergers among the largest U.S. local and long distance carriers that it counts as customers: AT&T, MCI, SBC Communications, Sprint and Verizon.
- Wireless software providers continued on their acquisition spree of mobile communications and content providers which deliver services including mobile email, ring tones and pictures.



Note: The DPI Communications Software Index includes: 724 Solutions, Aether Systems, Amdocs Limited, Comverse Technology, Concord Communications, Metasolv, Micromuse, Intellisync, Telecommunication Systems and Visual Networks.

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Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
724 Solutions	5.6x	NM
Amdocs Limited	3.0x	13.6x
Comverse Techn.	3.6x	59.1x
Concord	1.1x	39.9x
Metasolv	0.8x	NM
Micromuse	1.6x	17.3x
Intellisync	4.6x	128.8x
TCS	0.6x	23.8x
Visual Networks	2.0x	35.5x

LTM = Last twelve months

Representative Communications Software Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/28/05	SBE	PyX Technologies	NA
03/24/05	ACE*COMM	2helix	\$8.3
03/10/05	Microsoft	Groove Networks	NA
03/02/05	RADVISION	First Virtual Communications	
02/23/05	CommSoft	Connexn Technologies (assets)	NA
01/24/05	Wind River Systems	Real-Time Innovations	NA
01/18/05	Motorola	Ucentric	NA
01/12/05	Andrew Corporation	Xenicom	\$11.0
01/10/05	Openwave Systems	Cilys	\$10.0
01/10/05	VeriSign	LightSurf	\$270.0
01/05/05	BEA Systems	Incomit	NA

Please call DecisionPoint for further details on listed transactions.

