



QUARTERLY VIEWPOINT:

For the Quarter Ended June 30, 2011 and the Latest Twelve Months

QUARTERLY VIEWPOINT:

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Market Leader For Mid-Market Technology M&A

This Quarterly ViewPoint covers trends, stock index performances, 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 these sectors, DecisionPoint has selected a group of representative public comparables and transactions. This data is provided for informational purposes only. All data represents publicly available information.

DecisionPoint is a global leader in M&A advisory services for middle-market technology clients in the services, software, and communications sectors. For further information regarding the contents of this document or any other questions, please call DecisionPoint International at 704.248.1111 or visit the web site at www.DecisionPointINT.com.



April 2011



March 2011



February 2011



February 2011



December 2010



May 2010



March 2010



December 2009



November 2009



October 2009



September 2009



March 2009



September 2008



August 2008



August 2008



July 2008



May 2008



March 2008



December 2007



November 2007

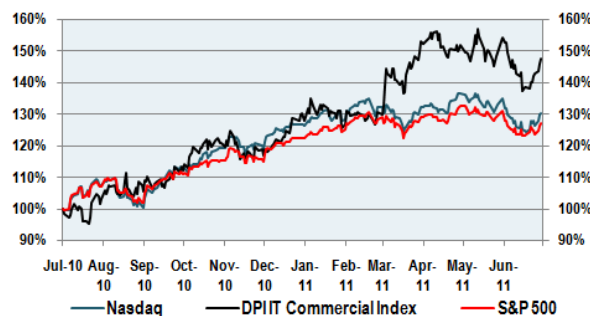
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Services: Project-Based - IT Commercial

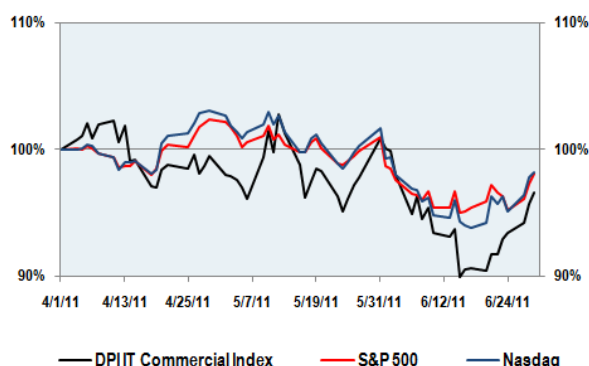
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI IT Commercial Index vs. Major Indices
Latest Twelve Months



DPI IT Commercial Index vs. Major Indices
Latest Quarter



Note: The DPI IT Project-Based Index includes: Accenture, The Hackett Group, CIBER, Edgewater Technology and Perficient

VALUATION METRICS

Company	Enterprise Value/	
	LTM Revenue	LTM EBITDA
Accenture Ltd.	1.3x	8.7x
The Hackett Group, Inc.	0.9x	10.8x
CIBER, Inc.	0.4x	17.0x
Edgewater Technology	0.3x	5.2x
Perficient Inc.	1.3x	14.9x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- IT Project-Based Commercial Index was up 48% for the last 12 months and down 3% for the last quarter.
- Q2'11 had a total of 40 M&A transactions compared to 36 announced in Q1'11.
- Worldwide IT spending is poised to grow at 7.1% in 2011, reaching \$3.67 trillion, according to Gartner's quarterly outlook. This is an upward revision of the 5.6% growth projected by the analyst firm in the first quarter of this year. IT services will comprise the largest area of IT spending at \$846 billion, a 6.6% increase from 2010.
- Accenture announced that Standard & Poor's will add Accenture's common stock to the S&P 500 Index after the close of trading on Tuesday, July 5. Accenture's CFO commented that "the inclusion in the S&P 500, in the same month as the 10th anniversary of our initial public offering, is an exciting milestone. It affirms our long-term commitment to sustainable, profitable growth through the disciplined execution of our business strategy and a relentless focus on delivering value to our shareholders."
- Most large enterprises are still only considering the cloud and less than a third are currently using cloud services, according to Dell. It is difficult for large companies to adopt a public cloud model, which allows data to be located anywhere. This means the hybrid cloud model will be important, to allow companies to keep sensitive data inside the company firewall.
- Citi Venture Capital International (CVCI), a private equity investment fund, announced that it will acquire Ness Technologies for \$331 million in enterprise value. According to CVCI, Ness is the leader in several segments of the IT services marketplace. CVCI is expected to make additional strategic acquisitions in this space.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
06/24/11	Cap Gemini	Praxis Technology	\$7.2
06/10/11	Citi Venture Capital International	Ness Technologies	\$331.0
06/08/11	Cigital, Inc.	Consciere	NA
06/06/11	Knowledgegent Group Inc.	Empirical LLC	NA
05/31/11	OnX Enterprise Solutions, Inc.	Agilysys (TSG division)	\$64.0
05/19/11	All Covered, Inc.	Techcare, LLC	NA
05/16/11	Socius1 LLC	Lean Back-Office	NA
05/11/11	TPG Solutions	Panorama Consulting Group	NA
05/05/11	Cap Gemini	BI Consulting Group, LLC	NA
04/15/11	Silver Oak Services Partners, LLC	Altura Communication Solutions	NA
04/15/11	Emtec, Inc.	Dinero Solutions, LLC	\$2.1
04/06/11	Genpact Ltd.	Headstrong, Inc.	\$550.0

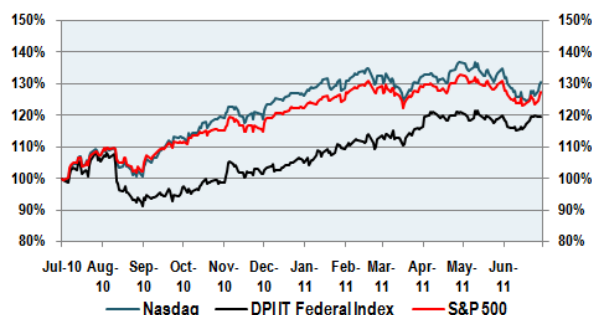
Please call DecisionPoint for further details on listed transactions.

Services: Project-Based - IT Federal

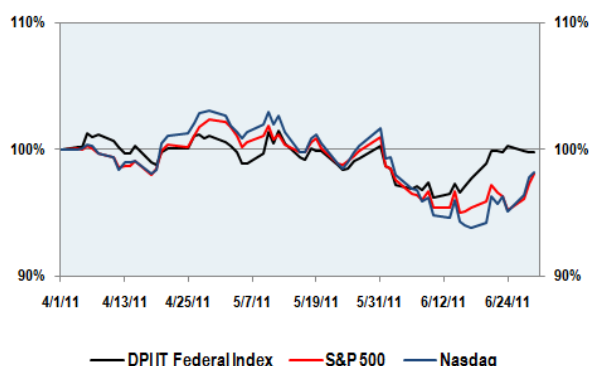
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI IT Federal Index vs. Major Indices
Latest Twelve Months



DPI IT Federal Index vs. Major Indices
Latest Quarter



Note: The DPI IT Federal Index includes: CACI, ManTech, NCI, SAIC, SRA International and Booz Allen Hamilton

VALUATION METRICS

Company	Enterprise Value/ LTM	
	Revenue	EBITDA
CACI International Inc.	0.6x	7.8x
ManTech International	0.6x	6.9x
NCI, Inc.	0.5x	7.1x
SAIC, Inc.	0.6x	6.0x
SRA International Inc.	1.0x	10.4x
Booz Allen Hamilton	0.6x	8.2x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- IT Federal Index was up 20% for the last 12 months and remained at the same level for the last quarter.
- Q2'11 had a total of 9 M&A transactions compared to 9 announced in Q1'11.
- According to research firm Deltek, contractors that sell information technology products and services to federal government will see a healthy uptick in bid opportunities, with the amount spent by agencies on IT contracts increasing more than 8% during the next five years to \$91.3 billion.
- Federal, state and local governments, along with higher education, are keeping their distance from the public cloud model, instead favoring private and hybrid cloud computing environments.
- CA Technologies, a global Fortune 500 provider of IT management software and solutions, is extending its reach into the public sector with the announced purchase of Base Technologies, a private consulting firm focused on the management of government IT assets. The acquisition increases the technical capabilities of CA Services and further strengthens CA Technologies and its alliance partners' ability to execute on all stages of the federal buying cycle.
- URS Corporation has announced it has completed its acquisition of Apptis Holdings, a provider of complex information technology services to the federal government, for \$260 million in cash. The acquisition significantly enhances URS' capabilities in complex IT services – which are expected to be one of the fastest-growing segments of the federal market.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
06/30/11	FedCap Partners	Point One	NA
06/03/11	Dynamics Research Corporation	High Performance Tech	\$143.0
06/03/11	TASC	TexelTek	NA
05/18/11	Camber Corporation	EADS NA Defense Security	NA
05/02/11	The KEYW Holding Corporation	Forbes Analytic	\$16.7
04/27/11	URS Corporation	Apptis Holdings, Inc.	\$260.0
04/06/11	CA Technologies	Base Technologies, Inc.	NA
04/01/11	The KEYW Holding Corporation	JKA Technologies, Inc.	\$41.5
04/01/11	Providence Equity Partners Inc.	SRA International, Inc.	\$1,795.3

Please call DecisionPoint for further details on listed transactions.

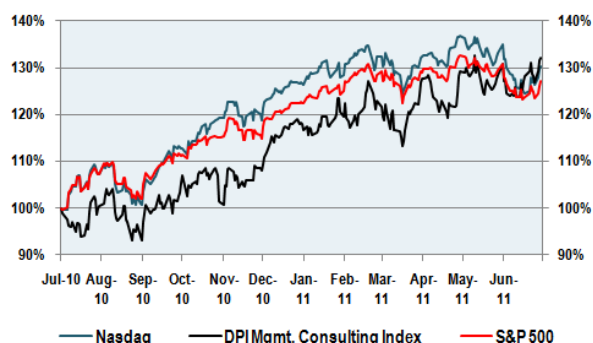
Services: Project-Based - Management Consulting

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

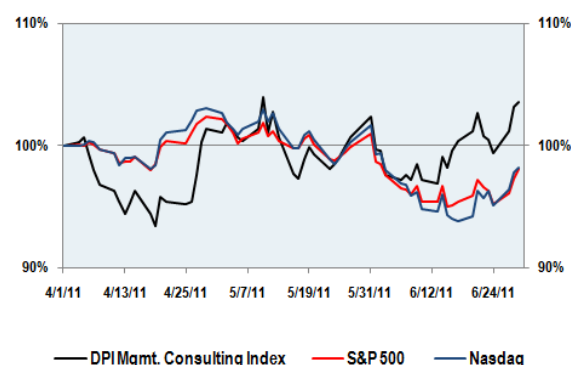
DPI Mgmt. Consulting Index vs. Major Indices

Latest Twelve Months



DPI Mgmt. Consulting Index vs. Major Indices

Latest Quarter



Note: The DPI Management Consulting Index includes: CRA International, FTI Consulting, Huron Consulting Group, Navigant Consulting, The Advisory Board Company and The Corporate Executive Board.

VALUATION METRICS

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
CRA International Inc.	0.9x	NM
FTI Consulting, Inc.	1.6x	8.8x
Huron Consulting	1.5x	9.4x
Navigant Consulting Inc.	1.1x	8.6x
Advisory Board Co.	3.1x	23.2x
Corp. Executive Board	2.9x	13.8x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Management Consulting Index was up 32% and 4% for the last 12 months and the last quarter respectively.
- Q2'11 had a total of 5 M&A transactions compared to 7 announced in Q1'11.
- LECG Corporation announced that it is terminating its listing on the Nasdaq Global Market as of the close of business on April 21, 2011. In light of its current financial condition and certain publicly-disclosed recent asset sales, the company does not anticipate being able to continue to meet Nasdaq listing standards in the future.
- FTI Consulting announced that FTI-International Risk, the leading international risk mitigation and investigation consultancy in Asia, has adopted the FTI Consulting brand. This brand change is a further step in realizing the global 'One Brand' strategy of FTI Consulting and is an important part of the integration of the various FTI Consulting businesses in the Asia-Pacific region.
- The recession has changed the consulting industry where clients are now more demanding and increasingly looking for and expecting to meet with seasoned consultants who have deep sector or service knowledge and expertise. This means that the recruitment and retention of talent, particularly at this more senior and expert level, is right at the top of the agenda for management consultancies.
- PwC and PRTM, a global management consulting firm, today announced that they have entered into a definitive merger agreement whereby PwC will acquire PRTM. The PRTM team will provide PwC with significant capabilities in the areas of operational strategy, execution and business model innovation.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
06/24/11	PricewaterhouseCoopers LLP	PRTM	NA
05/31/11	Koning & Hartman	ACT Consultants	NA
05/26/11	Armedia LLC	Wide Open Consulting, LLC	NA
04/01/11	The Content Group	The Genuine Group	NA
04/01/11	Perficient, Inc.	Exervio Management Consulting	\$13.6

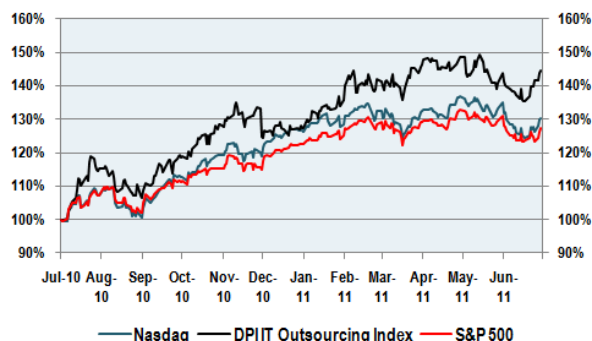
Please call DecisionPoint for further details on listed transactions.

Services: Outsourcing - IT

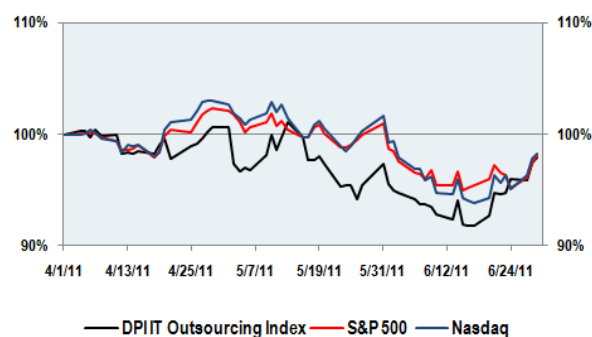
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI IT Outsourcing Index vs. Major Indices
Latest Twelve Months



DPI IT Outsourcing Index vs. Major Indices
Latest Quarter



Note: The DPI IT Outsourcing Index includes: CGI, CSC, ATS Corporation, iGate Corporation and Syntel.

VALUATION METRICS

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
CGI Group, Inc.	0.2x	1.2x
Computer Sciences Corporation	0.4x	3.0x
ATS Corporation	1.0x	9.3x
iGATE Corporation	1.9x	8.0x
Syntel, Inc..	3.8x	16.0x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- IT Outsourcing Index was up 45% for the last 12 months and down 2% for the last quarter.
- Q2'11 had a total of 65 M&A transactions compared to 62 announced in Q1'11.
- The recent global economic slowdown differed from previous recessions in that IT outsourcing did not increase as a result of businesses attempting to cut costs to survive. According to analyst firm Ovum, during the last recession, rather than outsource to save money, businesses slammed on the brakes. It used to be that economic downturns actually increased outsourcing because outsourcing helps reduce costs.
- IT outsourcers dominated the International Association of Outsourcing Professionals (IAOP) league of top global outsourced service providers, with two US and two Indian companies in the top ten. IT service providers Accenture, CSC, Wipro and Infosys made the top ten. The ranking is the result of an evaluation process that emulates what users consider when selecting suppliers. It is a weighted average of size and growth rate, customer references, demonstrated competencies and management capabilities.
- The large banks, which usually play a pioneering role when it comes to buying and using IT services, were blamed for the severity of the economic slump the world is only just emerging from. But the banks could drive the wider economy into a new way of structuring IT outsourcing relationships that could benefit businesses and their suppliers in the entire outsourcing sector. Banks are not only leading the way in investing in IT outsourcing but are changing how they work with outsourcers.
- According to a survey by Lieberman Software, most IT outsourcing contracts turn out more expensive for businesses than were initially anticipated. The disappearance of corporate knowledge, talent and loyalty are to blame.

Mergers & Acquisitions (sample deals)

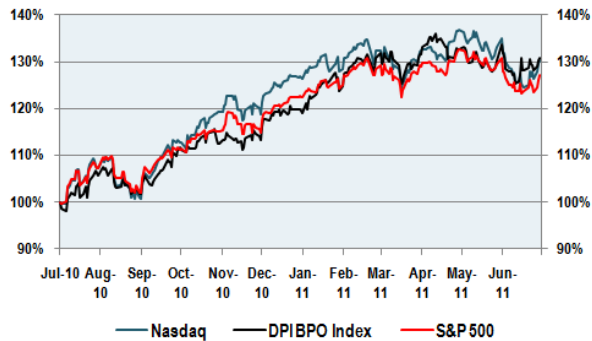
Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
06/20/11	CACI International Inc.	Pangia Technologies LLC	NA
06/15/11	Avista Capital Holdings, L.P.	DataBank Holdings Ltd.	NA
06/03/11	Timico, Ltd.	Power Internet Limited	NA
05/24/11	The Symbio Group	Ethos Technologies Inc.	NA
05/24/11	IOActive, Inc.	Argeniss Security	NA
05/10/11	Software Paradigms	WorldLink Technologies P. Ltd.	NA
05/03/11	Atego	HighRely	NA
04/27/11	CenturyLink, Inc.	SAVVIS Inc.	\$2,921.4
04/13/11	Intertainment Media Inc.	Commobility, Inc.	\$4.4
04/15/11	Emtec, Inc.	Covelix Inc.	NA

Services: Outsourcing - Business Process Outsourcing

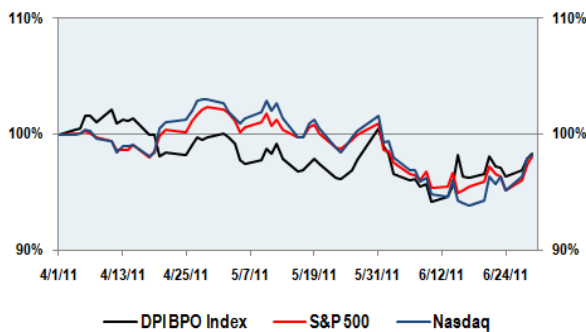
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI BPO Index vs. Major Indices
Latest Twelve Months



DPI BPO Index vs. Major Indices
Latest Quarter



Note: The DPI BPO Index includes: Automatic Data Processing, DST Systems and Paychex.

VALUATION METRICS

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
ADP	2.6x	11.7x
DST Systems Inc.	1.3x	6.6x
Paychex Inc.	5.0x	12.0x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Business Process Outsourcing Index was up 31% for the last 12 months and down 2% for the last quarter.
- Q2'11 had a total of 27 M&A transactions compared to 22 announced in Q1'11.
- According to the research firm Datamonitor Group, the legal outsourcing industry made an estimated \$400 million in revenue in 2010. Datamonitor predicts legal outsourcing revenues will grow to \$2.4 billion by 2012, based on the industry's recent rapid expansion.
- Most companies that outsourced a portion of their finance and accounting functions in the early to mid-2000s generated great savings but are probably currently overpaying for the service levels they receive. More than \$2 billion of outsourcing contracts are set to expire by 2011-2012 and sourcing buyers are expected to aggressively renegotiate with their providers to increase service levels and decrease prices.
- Healthcare BPO companies are positioned well after President Obama recently announced that the US healthcare needs to cut cost by outsourcing work. There will be huge demand for healthcare outsourcing professionals, particularly coding and billing professionals, requirement for professional in EMR implementation and revenue cycle management.
- With legal process outsourcing (LPO) gaining momentum, many outsourcing firms are creating jobs opportunities for lawyers in the US. Though the salaries for outsourced work may look meager compared with what a new law associate might draw at a big law firm, outsourcing jobs pay better than temporary work and is certainly better than no work at all.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
06/08/11	Dohmen Investment Group, LLC	MedComm Solutions, LLC	NA
05/31/11	Serco Group plc	Intelenet Global Services Pvt. Ltd.	\$546.0
05/27/11	Capita Group plc	Call Centre Technology Limited	\$24.3
04/05/11	Affiliated Computer Services, Inc.	Unamic/HCN	NA
06/02/11	Exlservice Holdings, Inc.	Outsource Partners International	\$91.0
05/16/11	Cerberus Capital Management, L.P.	3i Infotech Ltd	\$137.0
05/09/11	Waud Capital Partners, L.L.C.	Revenue Cycle Solutions, Inc.	NA
05/03/11	Emdeon Inc.	EquiClaim, Inc.	\$41.0
04/11/11	MD-IT, Inc.	MDnetwork	NA
04/06/11	Health Systems International, LLC	True Course Medical Data Analysis	NA
04/04/11	NCI Information Systems, Inc.	AdvanceMed Corporation	\$65.0

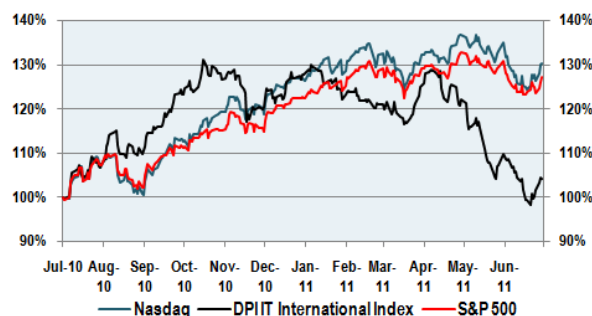
Please call DecisionPoint for further details on listed transactions.

Services: IT International

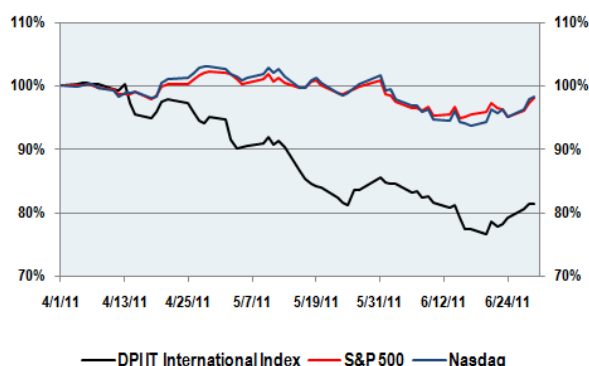
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI IT International Index vs. Major Indices
Latest Twelve Months



DPI IT International Index vs. Major Indices
Latest Quarter



The DPI IT International Index includes: Cognizant Technology, Infosys, Patni Computer Systems, VancelInfo Technologies and Wipro.

VALUATION METRICS

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Cognizant Technology	4.0x	19.0x
Infosys Ltd.	5.6x	17.1x
Patni Computer Systems	1.3x	6.8x
VancelInfo Technologies Inc.	3.7x	20.7x
Wipro Ltd.	3.1x	14.6x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- IT International Index was up 4% for the last 12 months and down 19% for the last quarter.
- Q2'11 had a total of 30 M&A transactions compared to 27 announced in Q1'11.
- For most of the last decade, India's large tech outsourcing firms have had little trouble getting H-1B visas. However, restrictions are increasing in the U.S. and internationally, and could fundamentally alter the business model for Indian IT firms. Visa rejection rates for top Indian IT firms have reached a high of almost 40% from 5% in just 18 months.
- Infosys recently expressed its intention to raise the revenue share of its European business from 22% to 40% in the next five to seven years. Germany and France are prime targets for the Indian software exporter's growth plans.
- According to a report released by Dubai Outsource Zone in collaboration with research and consulting firm Frost & Sullivan, the global outsourcing revenues are expected to increase from \$370 billion to \$479.3 billion by 2016. The report mentions China, the Philippines and Brazil as active BPO regions and expects the Brazilian BPO industry to grow at a compound annual growth rate of more than 10% for the next 5 years.
- Wipro plans to increase its share of outsourcing spend by top customers BP plc and GE, as India's third biggest software exporter seeks to catch up with bigger rivals TCS and Infosys who have more clients contributing over \$100 million in annual revenues.
- Tech Mahindra is on its way to making Africa the next big thing in outsourcing. The company has established Nigeria as the headquarters for its business process outsourcing and plans to scale up its African operations. The company aims to reduce the number of expat employees in Nigeria and instead considerably increase and develop the workforce locally.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
06/09/11	GFT Technologies AG	Asymo AG	NA
06/07/11	Euromicron AG	Telent GmbH	NA
06/01/11	Schneider Electric SA	Telvent GIT S.A.	\$1,902.6
05/12/11	Ricoh India Ltd.	Momentum Infocare Private Limited	NA
05/04/11	QSC AG	Info AG	\$115.3
04/25/11	NTT Data Corporation	Value Team Spa	NA
04/20/11	Ericsson Inc.	Tridge Group	NA
04/12/11	Talktalk Telecom Limited	Executel Limited	NA
04/11/11	KIT digital, Inc.	Ioko365 Ltd.	\$107.4
04/05/11	Cap Gemini	Artesys SA	NA
04/01/11	R3D Consulting Inc.	Solutions-TI	NA

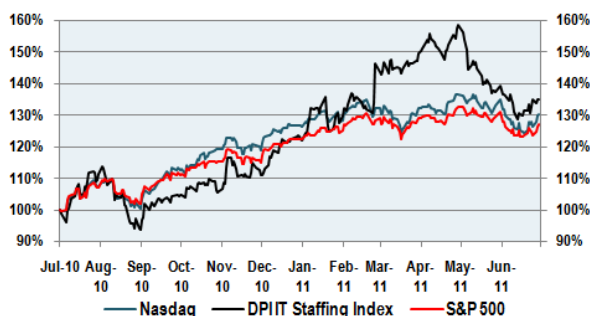
Please call DecisionPoint for further details on listed transactions.

Services: IT Staffing

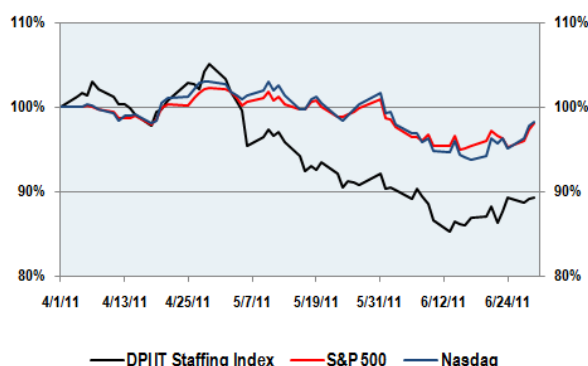
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI IT Staffing Index vs. Major Indices
Latest Twelve Months



DPI IT Staffing Index vs. Major Indices
Latest Quarter



The DPI Staffing Index includes: Analysts International, Computer Task Group, Kforce, RCM Technologies, and Volt Information Services.

VALUATION METRICS

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Analysts International Corp.	0.1x	9.5x
Computer Task Group Inc.	0.7x	13.7x
Kforce Inc.	0.6x	10.9x
RCM Technologies Inc.	0.3x	4.2x
Volt Information Sciences Inc.	0.1x	4.7x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- IT Staffing Index was up 35% for the last 12 months and down 11% for the last quarter.
- Q2'11 had a total of 3 M&A transactions compared to 3 announced in Q1'11.
- The U.S. gained 1,100 information technology jobs in May, according to a monthly index of IT jobs developed and published by TechServe Alliance, a collaboration of IT services firms, clients, consultants and suppliers.
- Online social networking firm LinkedIn Corp. reported first-quarter revenue from recruiting operations jumped 173.7 percent year over year, according to the prospectus for its initial public offering last week. It also cited "traditional recruiting firms" among its competitors.
- IT staffing firms that rely heavily on H-1B visa workers to deliver their services say they are now in a fight for survival due to new rules created by the U.S. Citizenship and Immigration Services (USCIS). Three IT staffing firms, which hire H-1B workers as software engineers, developers and analysts, have joined with TechServe Alliance, an Alexandria, Va.-based IT services industry association, to file a lawsuit.
- Analysts International Corp. (NASDAQ: ANLY) reported it is back in compliance with Nasdaq listing rules after it changed the composition of the nominating and governance committee of its board so that all members are independent directors, according to a filing with the U.S. Securities and Exchange Commission.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
06/22/11	Interquest Group PLC	Contract Connections Limited	\$6.4
05/03/11	CareerBuilder, Inc.	JobsCentral Pte. Ltd.	NA
04/01/11	Manpower Inc.	Web Development Company Limited	NA

Please call DecisionPoint for further details on listed transactions.

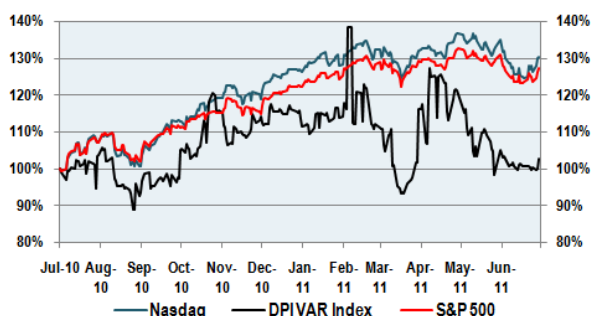
Services: Value Added Resellers

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

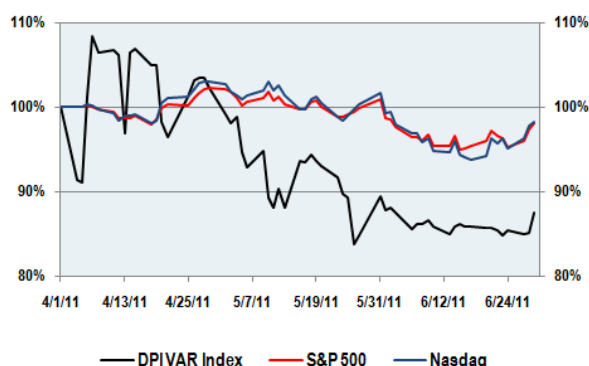
DPI VAR Index vs. Major Indices

Latest Twelve Months



DPI VAR Index vs. Major Indices

Latest Quarter



Note: The DPI Value Added Resellers Index includes: Emtec, Insight Enterprises, MTM Technologies and PC Connection.

VALUATION METRICS

Company	Enterprise Value/ LTM	
	Gross Profit	EBITDA
Emtec Inc.	0.1x	7.8x
Insight Enterprises Inc.	0.2x	5.5x
MTM Technologies Inc.	0.3x	NM
PC Connection, Inc.	0.1x	5.7x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- VAR Index was up 3% for the last 12 months and down 12% for the last quarter.
- Q2'11 had a total of 7 M&A transactions compared to 5 announced in Q1'11.
- Gartner estimates that spending on computer hardware will increase by 9.5% in 2011.
- Several successive quarters with disappointing earnings and major executives departures have caused Cisco to perform a corporate restructure. This will lead to big changes for Cisco's Worldwide Partner Organization (WWPO) including yet-to-be-determined changes to the WWPO's share of Cisco's overall resource pool, a number of major Cisco executive shifts directly relevant to the channel, and some strategic moves that in theory will mean greater emphasis on partner-led sales with Cisco.
- Oracle is offering its VAR and VAD partners bonuses for selling more combined Oracle hardware and software systems through registered deals, and for selling server and storage systems that Oracle deems "strategic." Oracle has been touting the opportunities for channel partners to sell more Oracle hardware.
- According to several cloud VARs, federal CIO Vivek Kundra's planned exit from his position in August will not slow the momentum of federal cloud computing initiatives or have a negative impact on solution providers who sell into the cloud. Instead, solution providers said Kundra's massive cloud efforts lit the fuse for a cloud computing market that is set to explode with or without Kundra as federal CIO.
- Hewlett-Packard (HP) VARs welcomed the vendor's decision to move its Technology Services business to be a part of the company's huge Enterprise Servers, Storage and Networking (ESSN) division, calling it a chance to better align HP's maintenance services with its hardware sales.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
06/20/11	Dedicated Computing LLC	Tushaus Computer Services, Inc.	NA
05/24/11	Hewlett-Packard Company	Printelligent (assets)	NA
05/24/11	Transcend United Technologies	LiquidSpoke, Inc.	NA
05/17/11	Avnet	Amosdec SAS	NA
05/06/11	Momentum Telecom	CommPartners (assets)	NA
05/02/11	Arrow Electronics, Inc.	Cross Telecom Corporation	NA
04/07/11	Global Imaging Systems, Inc	United Business Solutions, LLC	NA

Please call DecisionPoint for further details on listed transactions.

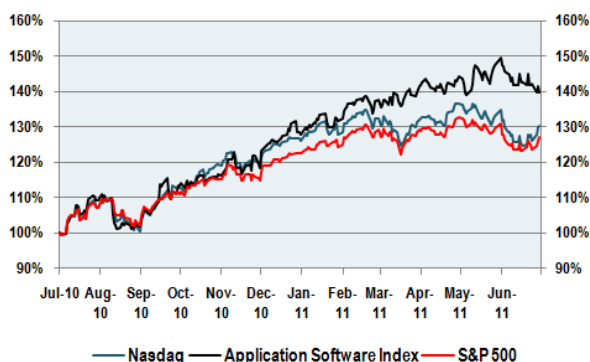
Software: Application

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

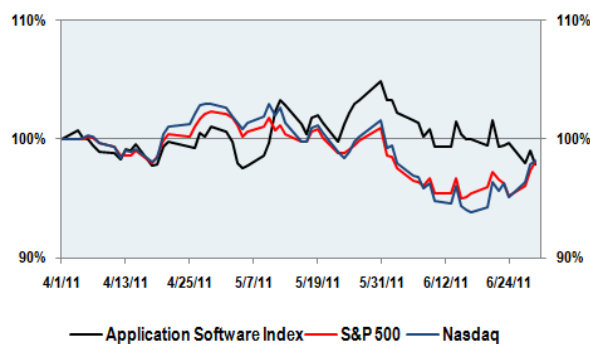
DPI Application Software Index vs Major Indices

Latest Twelve Months



DPI Application Software Index vs. Major Indices

Latest Quarter



Note: The DPI Application Software Index includes companies from the following sub-sectors: Accounting and Financial Services, Billing & Service Provisioning, BI, Content & Document Management, Engineering, ERP, Healthcare, Human Resources & Workforce Management, Media & Entertainment and Supply Chain Management.

VALUATION METRICS

Company	Enterprise Value/	
	LTM Gross Profit	LTM EBITDA
Acct. & Financial	2.6x	9.8x
Billing & Service	1.4x	7.5x
Business Int.	8.2x	NM
Content Mgmt.	3.7x	12.3x
Engineering	3.3x	14.2x
ERP	2.1x	9.7x
Healthcare	1.2x	8.4x
HR Mgmt	2.1x	NM
Media & Ent.	3.2x	10.5x
SC Mgmt.	5.3x	13.3x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Application Software Index was up 40% for the last 12 months and down 2% for the last quarter.
- Q2'11 had a total of 151 M&A transactions compared to 143 announced in Q1'11.
- According to the latest report from analysts at Gartner, worldwide revenue from enterprise resource planning (ERP) software is set to see a 9.5% increase this year translated into \$267 billion. This is confirmed by a recent poll by SAP that revealed that nearly two-thirds of businesses are planning to implement ERP software within the next 2 years.
- Microsoft's official launch of Microsoft Office 365 squarely positions the company as the latest major contender seeking to win a share of the rapidly growing cloud computing marketplace.. Time was running out as Microsoft has been watching its Office suite suffer attacks from Google Apps for years. In fact, Google Apps are quickly becoming the basic productivity suite of choice for most new college graduates entering the workforce.
- Oracle's Larry Ellison mentioned in the most recent earnings call that the company will only pursue acquisitions that are reasonably priced and also focus on organic growth. Analysts expect Oracle to stay away from large acquisitions and focus on smaller SaaS acquisitions to make Fusion stronger. Oracle is rolling out its Fusion applications this year for accounting, human resources, and sales force automation. Oracle has been working on Fusion for the past six years.
- In mid June SAP debuted a new releases of its Business Objects Edge and Crystal Server business intelligence software, bringing to small and midsize businesses many of the same technology advancements SAP unveiled earlier this year for big companies.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
06/28/11	Experian	Medical Present Value	\$185.0
06/21/11	Taleo	Jobpartners	\$38.0
06/09/11	Visa, Inc.	Fundamo (Proprietary) Limited	\$110.0
05/31/11	Parametric Technology Corp.	MKS Inc.	\$281.9
05/23/11	Jive Software	Offisync Corp.	NA
05/06/11	CCH Inc.	TopPower Nv	NA
04/28/11	Kronos Incorporated	API Healthcare Corporation	NA
04/27/11	Dassault Systemes SA	Enginuity PLM LLC	NA
04/12/11	Davis Henderson Income Fund	Mortgagebot LLC	\$231.8
04/01/11	Computer Sciences Corporation	iSoft Group PLC	\$443.0

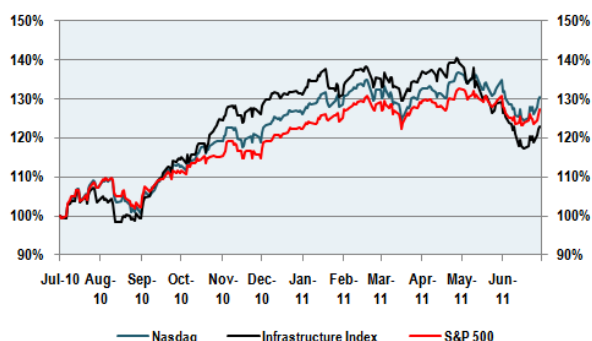
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Software: Infrastructure

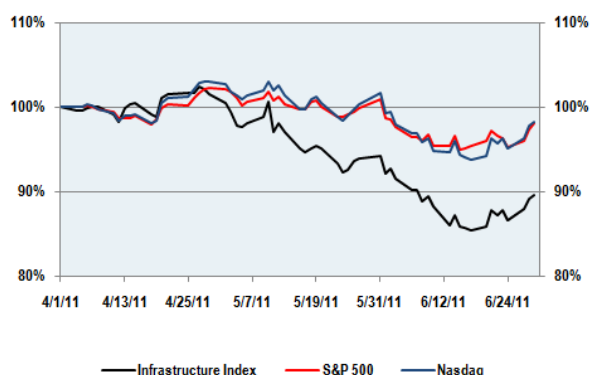
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI Infrastructure Index vs. Major Indices
Latest Twelve Months



DPI Infrastructure Index vs. Major Indices
Latest Quarter



Note: The DPI Infrastructure Software Index includes companies from the following sub-sectors: Database and File Management, eCommerce, Enterprise Application, Messaging, Networking, Security, Data Storage, Tools & Testing, and Wireless.

VALUATION METRICS

Company	Enterprise Value/	
	LTM Gross Profit	LTM EBITDA
Database & File Mgmt	2.7x	9.0x
eComm	2.5x	19.5x
EAI	0.3x	12.3x
Messaging	1.3x	5.2x
Networking	2.8x	16.1x
Security	3.0x	13.1x
Storage	2.2x	12.4x
Tools & Testing	1.6x	7.2x
Wireless	2.1x	22.0x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Infrastructure Index was up 23% for the last 12 months and down 10% for the last quarter.
- Q2'11 had a total of 149 M&A transactions compared to 143 announced in Q1'11.
- The worldwide storage software market revenue is forecast to reach nearly \$13.8 billion in 2011, an increase of 7.8% year over year according to the recent International Data Corporation (IDC) Worldwide Semiannual Storage Software Tracker.
- Investments in quality assurance have been rising as more companies become conscious of how much of the business reputation is tied to the quality of the software it puts in front of customers. In addition, quality assurance teams are now gaining access to security testing tools, which means security issues are now being addressed as an element of the overall quality assurance process.
- Autonomy will acquire Iron Mountain's online backup & recovery, digital archiving and eDiscovery solutions for \$380 million in cash to focus on its core business. Iron Mountain first entered the digital business 10 years ago as a natural extension of its core services to address a clear customer need. Recently the digital business faced a number of challenges resulting from a rapidly changing environment. In light of these factors, the company undertook a strategic review of the digital business beginning last fall and concluded that it could not continue investing in technology development.
- The mobile security market will offer a \$3.6bn opportunity for security software providers by 2016 as there is an increasing extent to which personal and corporate data is stored on mobile devices and the recognition of the need to protect it. The increasing popularity of smartphones and tablets makes mobile security particularly relevant as many users are now accustomed to accessing e-mails, websites and performing online transactions on the move, thereby storing more and more potentially sensitive data.

Mergers & Acquisitions (sample deals)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
06/29/11	CA Technologies	ITKO	\$330.0
06/17/11	BMC Software	NEON Enterprise Software	NA
06/08/11	Virsto Software Corporation	EvoStor Inc.	NA
06/03/11	Iron Mountain Inc.	Autnomy Corp. plc	NA
05/23/11	Citrix Systems	Kaviza	NA
05/16/11	Vmware	Shavlik Technologies	NA
05/02/11	Research in Motion Ltd.	Ubitexx GmbH	\$6.0
04/28/11	BMC Software	Coradiant	\$125.0
04/19/11	FireMon, LLC	Saperix Technologies	NA
04/04/11	EMC Corporation	NetWitness Corporation	\$260.0

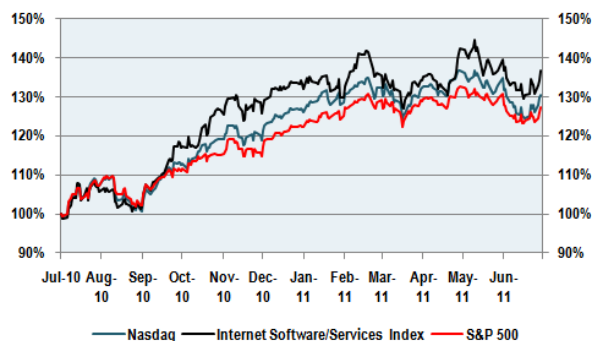
Please call DecisionPoint for further details on listed transactions.

Software: Internet Software and Services

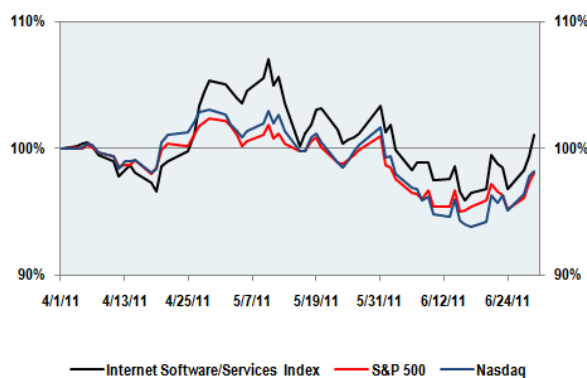
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI ISS Index vs. Major Indices
Latest Twelve Months



DPI ISS Index vs. Major Indices
Latest Quarter



Note: The DPI Internet Software & Services Index includes: Amazon.com, eBay, Google, InfoSpace, IAC/InterActive, RealNetworks and Yahoo!.

VALUATION METRICS

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Amazon.com Inc.	2.3x	NM
eBay Inc.	3.7x	12.1x
Google Inc.	4.1x	10.6x
InfoSpace Inc.	0.4x	6.3x
IAC/InterActiveCorp.	1.3x	11.2x
RealNetworks Inc.	0.4x	NM
Yahoo! Inc.	2.8x	11.8x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Internet Software and Services Index was up 37% and 1% for the last 12 months and last quarter respectively.
- Q2'11 had a total of 188 M&A transactions compared to 192 announced in Q1'11.
- According to Cowen & Co, Amazon Web Services (AWS), the retail giant's hosted computing offering, will be a \$4 billion business by 2016. Amazon's S3 storage service which is part of AWS now houses 339 billion objects, more than doubling the volume from the same time last year.
- Internet radio provider Pandora saw its shares jump 9% during their first day of trading, becoming the latest online stock to enjoy a strong public offering and fueling fears of another dot-com bubble. LinkedIn more than doubled during its initial public offering last month, which valued the professional networking site at nearly \$9 billion after its first day of trading. Internet coupon provider Groupon filed for a \$750 million initial offering, and reports surfaced that online game maker Zynga may soon follow suit. The giant of the social networking world, Facebook, is expected to go public next year with a valuation that could reach \$100 billion.
- Yahoo! shareholders hoping for a change in the company's leadership are not likely to see one before CEO Carol Bartz's contract expires in January 2013. Despite recent rumors to the contrary, Bartz has the full support of the company's board.
- Federal regulators are poised to hit Google with subpoenas, launching a broad, formal investigation into whether the Internet giant has abused its dominance in Web-search advertising. The civil probe, which has the potential to reshape how companies compete on the Internet, is the most serious legal threat yet to the 12-year-old company, though it would not necessarily lead to any federal allegations of wrongdoing against Google.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
06/20/11	Canvas4Life Limited	Photobloc Limited	NA
06/14/11	Channel Intelligence, Inc.	ClickEquations, Inc.	NA
06/10/11	Evolve Media	Crowd Ignite	NA
06/03/11	Walgreen Co.	Drugstore.com Inc.	\$383.5
05/31/11	Match.com, LLC	Meetic	\$442.8
05/26/11	Reply!, Inc.	MerchantCircle [fka WYBS Inc]	\$60.0
05/18/11	Yahoo! Inc.	5to1.com LLC	\$24.8
04/27/11	CoStar Group, Inc.	LoopNet, Inc.	\$516.3
04/18/11	Ad Pepper Media International N.V.	SocialTyze LLC	\$12.5
04/06/11	Groupon, Inc.	Disdus.com	NA

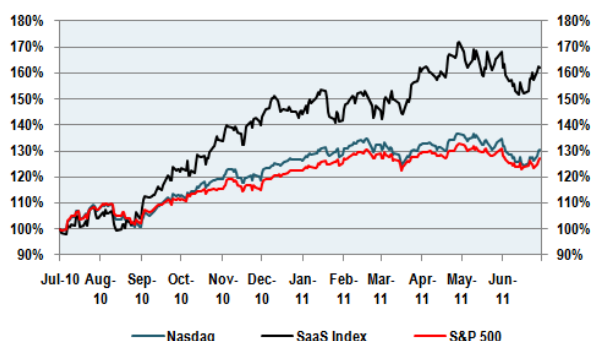
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Software: Software as a Service (SaaS)

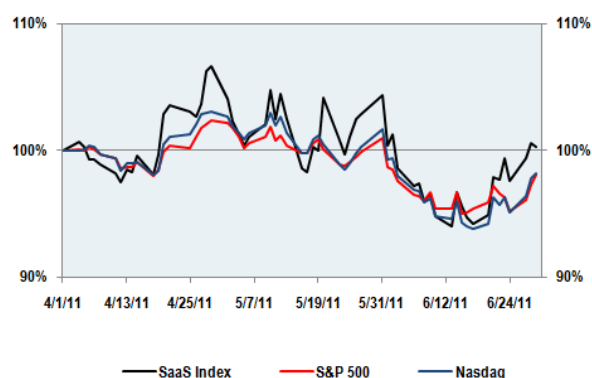
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI SaaS Index vs. Major Indices
Latest Twelve Months



DPI SaaS Index vs. Major Indices
Latest Quarter



Note: The DPI Software as a Service (SaaS) Index includes: Blackboard, Concur Technologies, DealerTrack Holdings, Kenexa, Red Hat, Rightnow Technologies, Salesforce.com, Taleo, Ultimate Software Group and Vocus.

VALUATION METRICS

Company	Enterprise Value/	
	LTM Revenue	LTM EBITDA
Blackboard Inc.	3.5x	19.0x
Concur Technologies	7.4x	44.2x
DealerTrak Holdings	3.3x	24.2x
Kenexa Corp.	3.0x	38.1x
Red Hat, Inc.	8.1x	37.9x
Rightnow Technologies	5.1x	46.5x
Salesforce.com	NM	NM
Taleo Corp.	5.4x	46.9x
Ultimate Software	5.7x	NM
Vocus Inc.	4.9x	NM

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Software as a Services Index was up 62% and 0.3%, for the last 12 months and last quarter respectively.
- Q2'11 had a total of 58 M&A transactions compared to 53 announced in Q1'11.
- According to the International Data Corporation (IDC), Software as a Service (SaaS) will account for around 75% of public cloud services from now until 2015. The report says that spending for SaaS products includes all three software-oriented cloud categories, not just applications. Spending on hardware-oriented cloud services (servers and storage) will be largely driven by SaaS providers building out their infrastructure.
- SaaS gains additional momentum in healthcare vertical as growing familiarity with SaaS appears to be offsetting some earlier reluctance among healthcare providers around the issues of security and control of data.
- A report released by the Forrester Research Group in May suggested that the majority of those making decisions regarding the implementation of SaaS products within companies were not IT departments. The report says that out of 1,007 North American and European IT service buyers, 56% said that it was business groups acting as the primary driver of SaaS purchases.
- Salesforce.com announced recently that hundreds of government organizations in the United States, including more than half of federal cabinet-level departments, have already adopted its cloud computing services. According to Salesforce.com, the Obama administration's Cloud First Policy is driving government adoption of cloud computing.

Mergers & Acquisitions (sample deals)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
06/21/11	ECS Refining Texas, LLC	ServoTerra	NA
06/13/11	VMware, Inc.	Digital Fuel Technologies, Inc.	\$85.0
06/07/11	MyTeam1, LLC	Vontoo Inc.	NA
06/01/11	Altus Group Limited	ARGUS Software, Inc.	\$130.0
05/16/11	Apax Partners	Epicor Software Corporation	\$930.5
05/04/11	Citysearch, Inc.	BuzzLabs	NA
05/02/11	Salesforce.com	Radian6 Technologies Inc.	\$350.0
04/27/11	Verisk Analytics, Inc.	Bloodhound Technologies, Inc.	\$82.0
04/26/11	VMware, Inc.	SlideRocket, Inc.	NA
04/05/11	KANA Software Inc.	Overtone Inc.	NA

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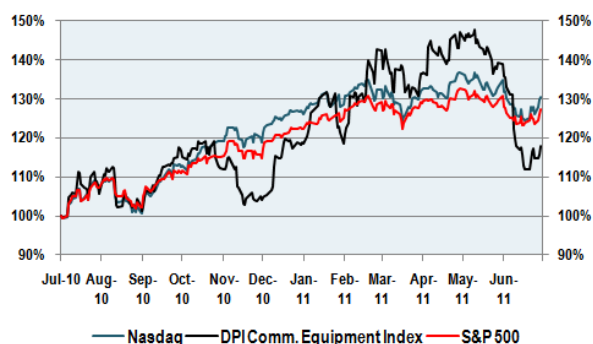
Communications: Equipment

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

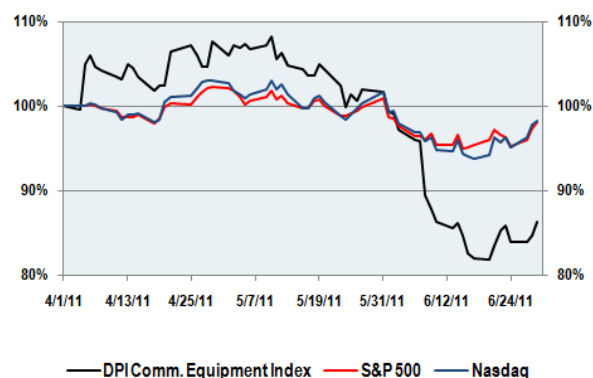
DPI Comm. Equipment Index vs. Major Indices

Latest Twelve Months



DPI Comm. Equipment Index vs. Major Indices

Latest Quarter



Note: The DPI Communications Equipment Index includes: Alcatel-Lucent, CIENA, Cisco Systems and Tellabs.

VALUATION METRICS

Company	Enterprise Value/	
	LTM Revenue	LTM EBITDA
Alcatel-Lucent	0.5x	7.0x
CIENA Corp.	1.6x	NM
Cisco Systems, Inc.	1.3x	5.2x
Tellabs Inc.	0.4x	3.1x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Communication Equipment Index was up 18% for the last 12 months and down 14% for the last quarter.
- Q2'11 had a total of 86 M&A transactions compared to 83 announced in Q1'11.
- According to Motorola, despite the great potential of the 4G wireless platform, it is just not big enough to support the huge amounts of video that will be consumed by people around the world over the next several years. That is why the broadband-equipped home will be the central hub for the news, information and entertainment that consumers will access.
- Avaya recently filed a Form S-1 with the U.S. SEC, the usual first step toward an IPO. Avaya said the IPO will be for \$1 billion of its common stock. Avaya was taken private in 2007 for \$8.2 billion by private equity firms Silver Lake and TPG Capital.
- Nokia announced recently it is talking to multiple parties about bidding for its stake in the Nokia Siemens Networks (NSN) joint venture. The Nokia and Siemens venture, which has \$17 billion in revenue, is one of the world's biggest telecommunication equipment makers. NSN has been losing money since it was formed in 2007.
- The big router battles continues with Alcatel-Lucent introducing a new network processor, the innards of its next-generation routers, capable of supporting up to 400 Gb/s network speeds, twice the throughput of the best chip from archrival Cisco. The company stressed that the vendor's 400 Gb/s processor is not designed for specialty applications like data center or low latency but will soon be the workhorse in carrier core (and ultimately edge) networks weighted down with video, cloud and growing mobile data traffic demands.
- Technology giants such as Oracle and HP have been racing to turn themselves into one-stop shops for tech buyers. While Oracle posted a 36% jump in profits and a 13% revenue increase for its fiscal fourth quarter that ended May 31, declining sales of hardware products raised new questions about Oracle's decision to expand beyond its traditional software business and specifically about its acquisition of Sun Microsystems.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
06/20/11	CommScope, Inc.	Argus Technologies Pty Ltd.	NA
06/14/11	General Dynamics	Fortress Technologies, Inc.	NA
06/06/11	Rambus Inc.	Cryptography Research, Inc.	\$288.3
06/01/11	API Technologies Corp.	Spectrum Control, Inc.	\$261.2
05/27/11	Crompton Greaves Ltd.	QEI Inc.	\$30.0
05/24/11	Qualcomm, Inc.	Atheros Communications, Inc.	\$2,956.8
05/11/11	IDEX Corporation	CVI Melles Griot, Inc.	\$400.0
04/26/11	Silver Lake Partners	SMART Modular Technologies	\$507.9
04/15/11	NETGEAR Inc.	Westell Technologies	\$33.5
04/04/11	Ducommun Inc.	LaBarge, Inc.	\$338.1

Please call DecisionPoint for further details on listed transactions.

Our team of professionals brings a unique combination of technological, financial and operational experience to our clients and their transactions. With backgrounds and deal experience spanning Wall Street investment banks, multi-billion dollar corporations and high growth start-ups, we have an exceptional understanding of how to successfully achieve our clients' strategic initiatives.

DecisionPoint International

3420 Toringdon Way

Suite 350

Charlotte, NC 28277

Phone: 704.248.1111

Fax: 704.248.1121

www.DecisionPointINT.com

Research Inquiries Can Be Directed To:

Claes E. Persson

Vice President

CPersson@DecisionPointINT.com

704.943.5255