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# DATAPOINT:

Technology Solutions Company to Acquire Zamba Corporation



**DecisionPoint International**

[www.DecisionPointInt.com](http://www.DecisionPointInt.com)

Corporate Headquarters

13777 Ballantyne Corporate Place, Suite 400

Charlotte, NC 28277

Phone: 704.248.1111

Regional Office

Orange County, CA

Phone: 949.365.5700

Regional Office

St. Louis, MO

Phone: 636.537.7825

# TECHNOLOGY SOLUTIONS COMPANY'S PENDING ACQUISITION OF ZAMBA SOLUTIONS

**August 9, 2004** – Technology Solutions Company (“TSC”) (Nasdaq: TSCC) announced today its offer to purchase all of the outstanding common shares of ZAMBA Solutions (“ZAMBA”) (OTC Bulletin Board: ZMBA). Under the terms of the transaction, which was approved by both companies' boards of directors, ZAMBA stockholders will receive 0.15 share of TSC common stock for each share of ZAMBA common stock which they hold as of the effective date of the merger. Upon completion of the transaction, ZAMBA stockholders will own approximately 12.5% of the company. The transaction is subject to certain closing conditions, including approval by ZAMBA's stockholders. The transaction is intended to qualify as a tax-free reorganization for U.S. federal income tax purposes.

## Transaction Details:

### Equity & Enterprise Value Calculations

**Equity Value:** ZMBA Shares Outstanding x 0.15 <sup>(1)</sup> Exchange Ratio x TSCC Price = 38,91m shares <sup>(2)</sup> x 0.15 x \$.88 per share = **\$5.14m**

**Enterprise Value:** Equity Value + Net Assumed Debt = \$5.14m (Equity Value) + \$.4m (Net Debt) <sup>(3)</sup> = **\$5.54m**

### Valuation Metrics Based on the Enterprise Value of the Pending Transaction

Latest Twelve Months <sup>(4)</sup>		Latest Qtr Annualized <sup>(4)</sup>	
Revenue	EBITDA	Revenue	EBITDA
0.65x	NM	0.80x	NM

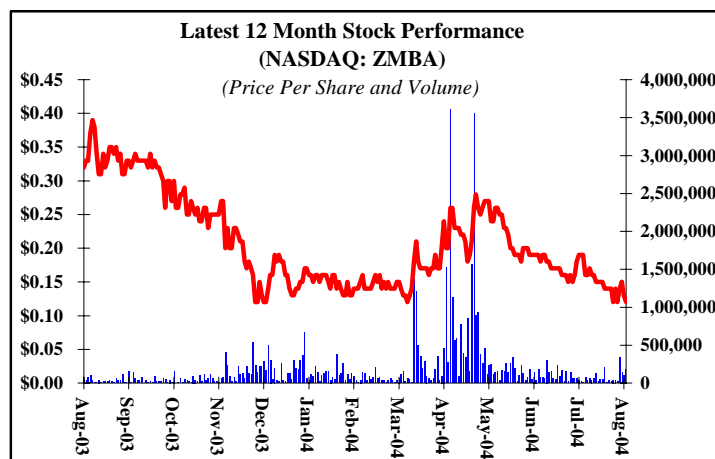
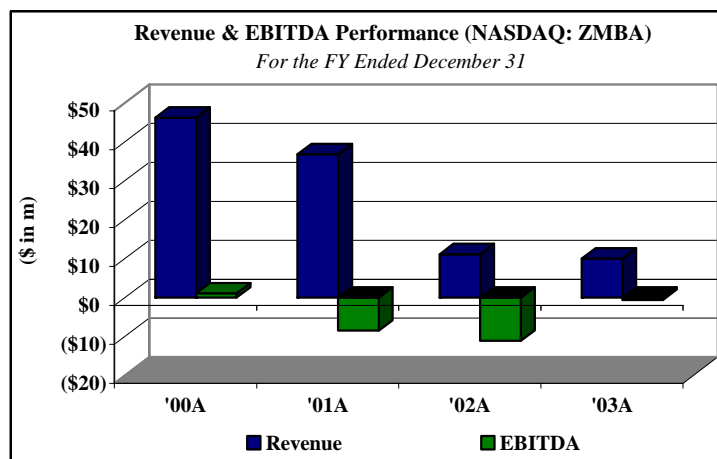
(1) ZAMBA stockholders will receive 0.15 share of TSC common stock for each share of ZAMBA common stock which they hold as of the effective date of the merger.

(2) 38,909,458 ZMBA common shares outstanding per 8/13/04 10-Q filing (for period ended 6/30/04).

(3) Based on the 6/30/04 balance sheet of ZMBA, net debt (cash) assumed is estimated to be approximately \$.4m. See net debt (cash) calculation below.

(4) LTM & LQA operating results as of 6/30/04. Excludes one-time charges.

## Historical Performance of ZAMBA:



### ZAMBA Company Description:

ZAMBA Solutions is a premier CRM services company. ZAMBA helps its clients be more successful in acquiring, servicing, and retaining their customers. Having served over 300 clients, ZAMBA is focused on customer-centric services by leveraging best practices and best-in-class technology to enable insightful, consistent interactions across all customer touchpoints. ZAMBA's clients have included Best Buy, Canon, GE Medical Systems, Direct Energy Essential Home Services, Fleet Bank, Hertz, General Mills, Microsoft Great Plains, Nikon, Northrop Grumman, Symbol Technologies, Union Bank of California, and Volkswagen of America. The company has offices in Minneapolis, San Jose and Toronto.

### Balance Sheet Adjustment -- Net Debt

From 6/30/04 Balance Sheet (\$ in m)

<b>Plus:</b>	
Current installments of long-term debt:	\$0.4
Line of credit:	\$0.3
<b>Total:</b>	<b>\$0.7</b>
<b>Less:</b>	
Cash And Cash Equivalents:	\$0.3
<b>Total:</b>	<b>\$0.3</b>
<b>Net Debt (Cash) Assumed:</b>	<b>\$0.4</b>

The information contained herein was obtained from public sources and should not be relied upon without independent verification.