

DECISIONPOINT

QUARTERLY VIEWPOINT:

For the Quarter Ended December 31, 2014 and the Latest Twelve Months

Q4 | 14

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Market Leader for Mid-Market Technology M&A:

This Quarterly ViewPoint covers trends, public valuation multiples and relevant M&A activity for the software and services 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 unique leader in M&A advisory services for middle-market technology companies and their venture capital investors in the software, services, cleantech, biotech, and healthcare IT sectors.

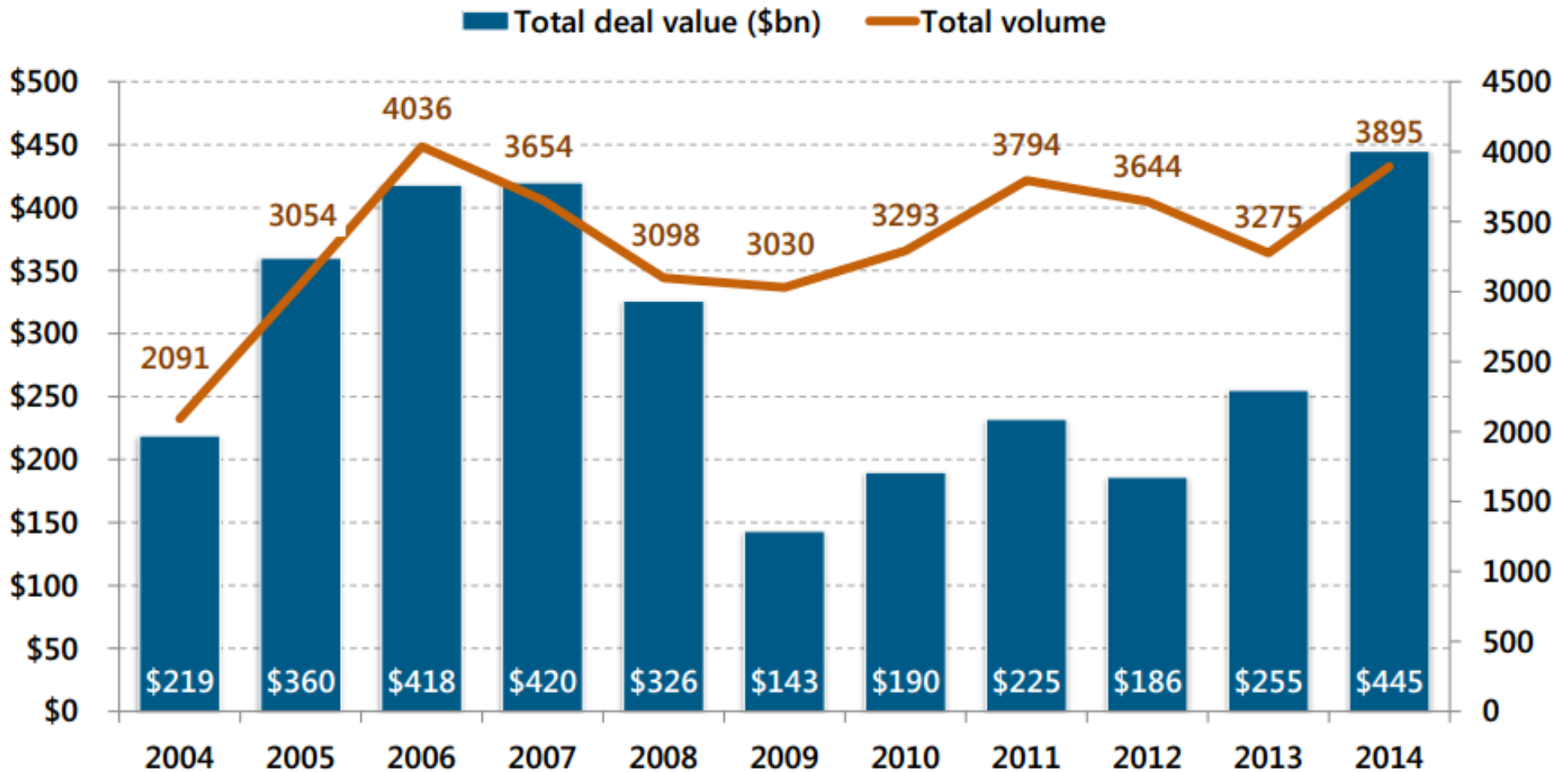


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Overall Tech M&A

2004-2014, annual activity

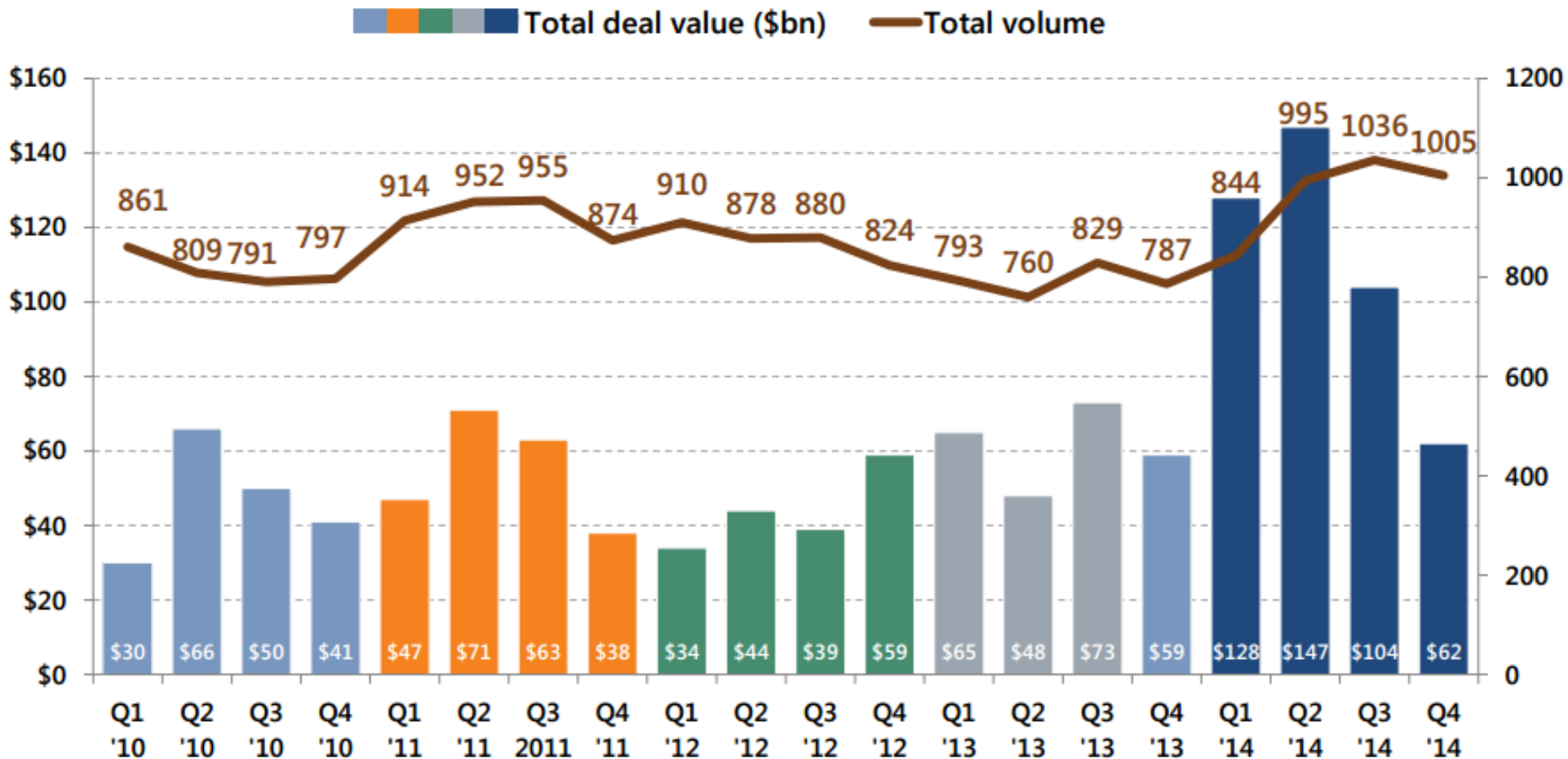
Source: 451 Research M&A KnowledgeBase. Includes disclosed and estimated values.



Overall Tech M&A

Recent deal flow, quarterly

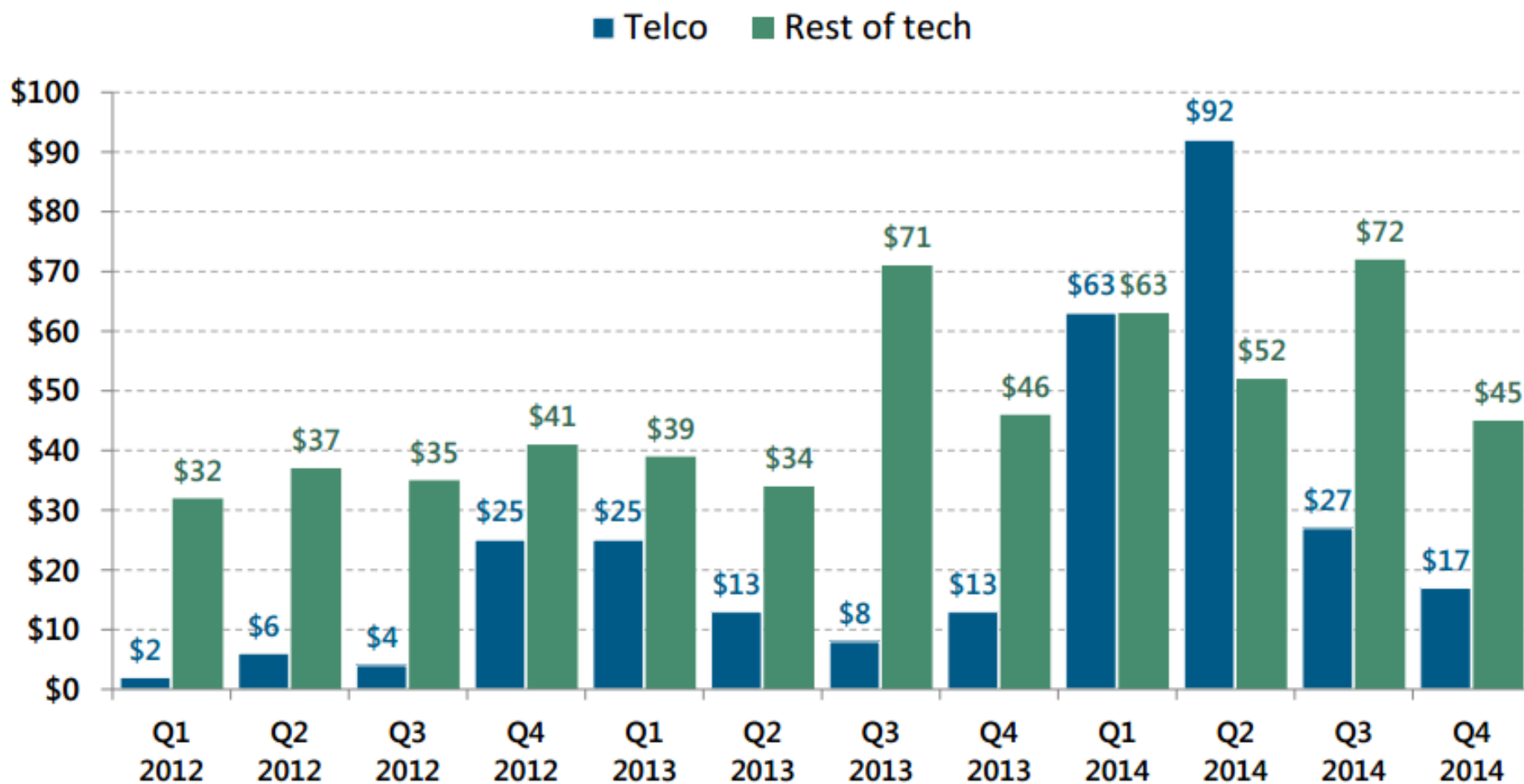
Source: 451 Research M&A KnowledgeBase. Includes disclosed and estimated values.



Overall Tech M&A

2010-14 deal flow, quarterly

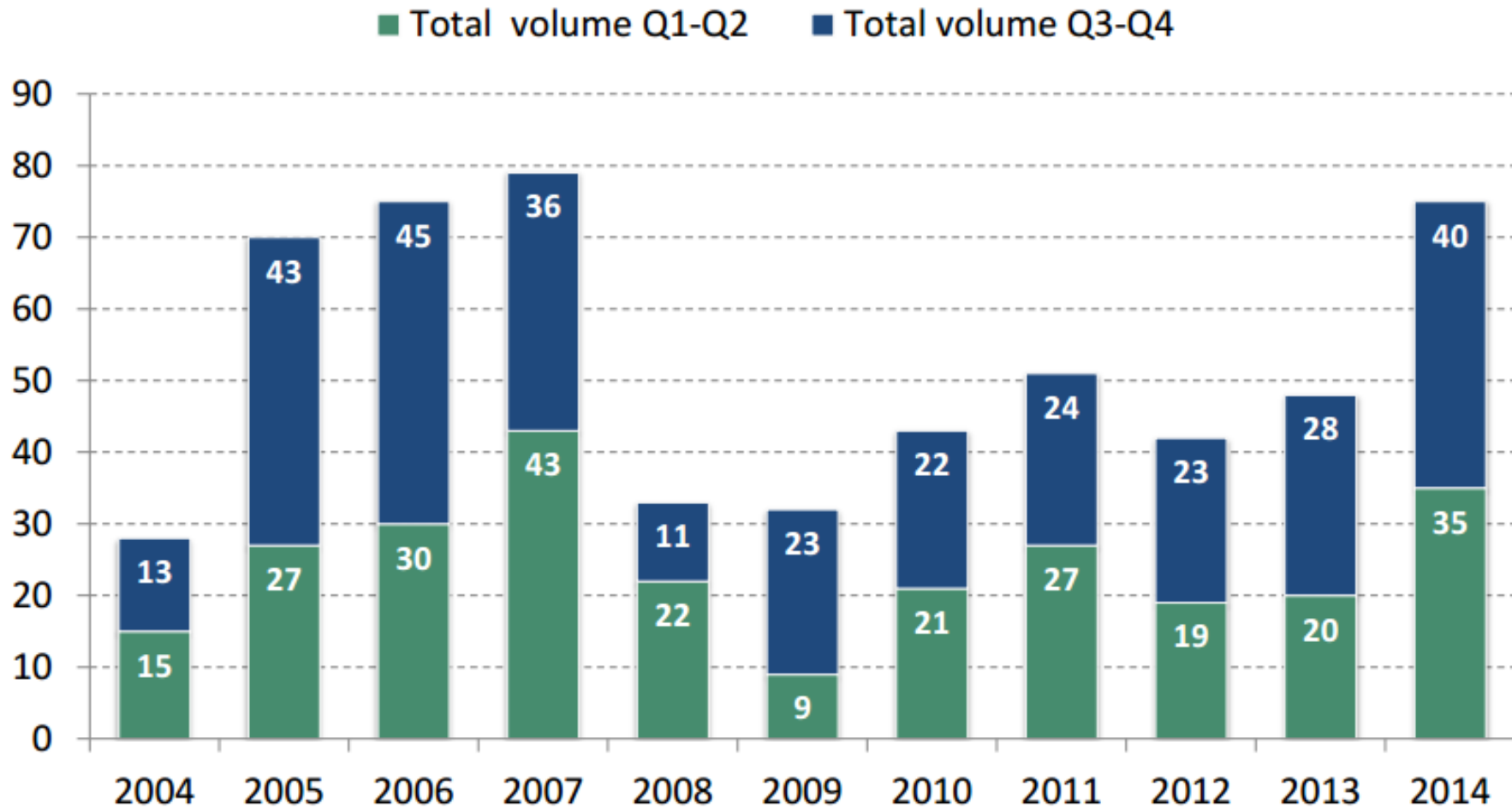
Source: 451 Research M&A KnowledgeBase. Includes disclosed and estimated values.



Overall Tech M&A

Number of deals worth \$1bn+

Source: 451 Research M&A KnowledgeBase. Includes disclosed and estimated values.

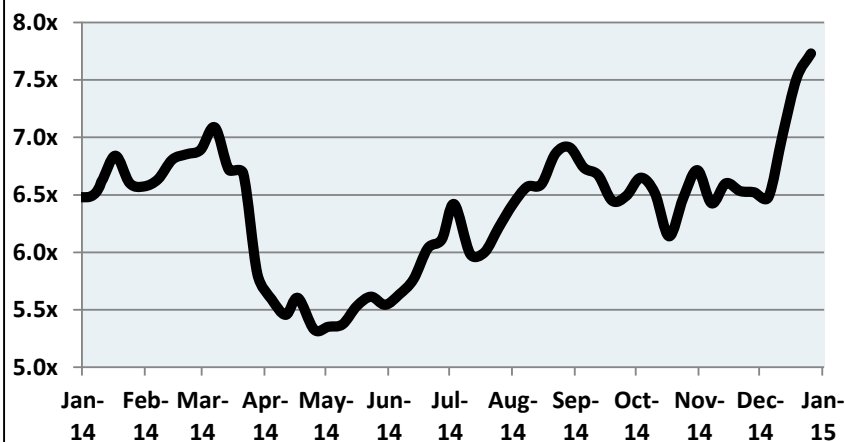


Software: Software as a Service (SaaS)

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP SaaS Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
salesforce.com, inc.	\$60.80	\$38,364.8	\$39,789.6	7.8x	NM
Red Hat, Inc.	\$71.09	\$13,352.3	\$12,947.7	7.5x	40.7x
NetSuite Inc.	\$113.13	\$8,681.5	\$8,522.3	16.6x	NM
athenahealth, Inc.	\$149.19	\$5,683.2	\$5,790.8	8.1x	97.5x
The Ultimate Software	\$152.62	\$4,330.0	\$4,229.1	8.8x	61.5x
Medidata Solutions, Inc.	\$47.66	\$2,585.6	\$2,565.5	8.0x	NM
Dealertrack Technologies,	\$46.26	\$2,509.3	\$3,091.8	4.2x	29.8x
Demandware, Inc.	\$60.42	\$2,193.9	\$1,934.8	13.6x	NM
Cornerstone OnDemand,	\$36.60	\$1,960.1	\$1,956.5	8.1x	NM
RealPage, Inc.	\$22.67	\$1,784.8	\$1,792.7	4.5x	50.9x
Constant Contact, Inc.	\$38.27	\$1,212.2	\$1,057.8	3.3x	28.6x
Ellie Mae, Inc.	\$42.05	\$1,208.7	\$1,123.3	7.7x	42.7x
Evertz Technologies	\$14.67	\$1,092.2	\$1,018.4	3.3x	11.9x
LivePerson Inc.	\$14.09	\$770.1	\$682.9	3.4x	67.5x
Ebix Inc.	\$17.01	\$623.9	\$640.3	3.1x	8.0x
Median:	\$46.26	\$2,193.9	\$1,956.5	7.7x	41.7x

SECTOR HIGHLIGHTS

- The median SaaS index was trading at 7.7x revenue (based on Enterprise Value) at the closing of Q4.
- Looking at worldwide SaaS growth, a large share of the demand originates in the Asia Pacific market, but nearly all leading SaaS companies are of American origin. India has a massive demand for SaaS companies, and China is rapidly becoming a high-potential market owing to the frantic rate of industrial growth here. Both these densely populated countries comprise a large talent pool, allowing them to use these available resources and register an impressive growth rate.
- A two-tier public cloud structure will increasingly take shape throughout 2015. The top tier will continue to be Amazon, Azure, SoftLayer, and Google Compute/App Engines. However, independent developers, startups, small businesses, and tech-savvy dabblers will gravitate to a low-price, minimalist infrastructure tier. A slew of them are now springing up, seeking to capitalize on the model set by DigitalOcean.
- According to IDC reports, there is a trend leading towards a greater use of data-as-a-service (DaaS) with spending reaching \$215 billion in 2015. DaaS will leverage cloud to deliver their services. IDC also predicts that more companies will be using big data analytics as a part of their commercial and open data sets.
- Players in the SaaS market are increasingly offering services that are tailored to specific business verticals. This will bring about a high degree of specialization in the SaaS market. However, this market is heavily influenced by cost competitiveness, and companies tend to move business to locations that offer this cost advantage – often causing an exodus from time to time.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

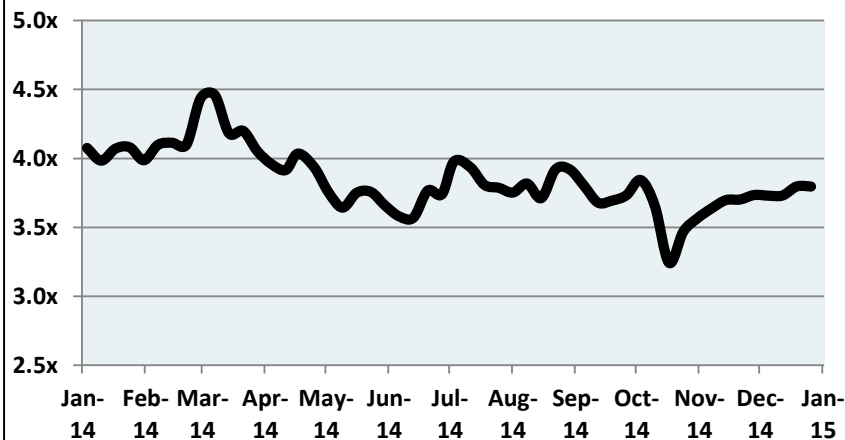
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-12-18	Silverlake Axis Limited	Finzsoft Solutions Ltd.	13.2
2014-11-24	Viad Corp.	N200 Limited	12.5
2014-11-21	Upland Software	Solution Q	5.8
2014-11-20	Descartes Systems Group Inc.	Airclic	29.7
2014-11-19	Pluralsight LLC	Smarterer	75.0
2014-11-11	Cox Automotive	Xtime Inc.	325.0
2014-11-06	ChannelAdvisor Corporation	E-Tale Holdings Ltd.	8.2
2014-11-05	LivePerson Inc.	Contact At Once! LLC	65.0
2014-10-14	Demandware Inc.	CQuotient	21.5
2014-10-07	Cornerstone OnDemand	Evolv Inc.	44.7

Software: Internet Software and Services

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Internet Software & Services EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Google Inc.	\$541.52	\$367,348.6	\$313,389.9	4.6x	15.7x
Facebook, Inc.	\$80.78	\$225,188.4	\$211,216.4	18.9x	34.9x
Amazon.com Inc.	\$309.09	\$143,110.5	\$139,326.5	1.6x	35.7x
eBay Inc.	\$57.04	\$70,864.6	\$68,079.6	3.9x	13.7x
The Priceline Group Inc.	\$1,156.22	\$60,535.1	\$58,223.8	7.2x	18.4x
Yahoo! Inc.	\$50.86	\$48,182.3	\$38,220.4	8.3x	NM
LinkedIn Corporation	\$235.25	\$29,212.6	\$26,954.1	13.3x	NM
Netflix, Inc.	\$340.05	\$20,486.8	\$19,720.0	3.8x	41.7x
Groupon, Inc.	\$8.14	\$5,464.8	\$4,609.7	1.5x	NM
IAC/InterActiveCorp	\$62.37	\$5,226.7	\$5,291.6	1.8x	11.5x
Pandora Media, Inc.	\$18.19	\$3,785.1	\$3,468.7	4.0x	NM
AOL Inc.	\$46.55	\$3,625.6	\$3,617.4	1.4x	8.3x
Cimpres N.V.	\$75.93	\$2,475.5	\$2,898.6	2.2x	15.7x
WebMD Health Corp.	\$39.54	\$1,429.5	\$1,681.8	3.0x	15.6x
RealNetworks Inc.	\$7.45	\$268.2	\$90.1	0.5x	NM
Median:	\$62.37	\$20,486.8	\$19,720.0	3.8x	15.7x

SECTOR HIGHLIGHTS

- The median Internet Software & Services index was trading at 3.8x revenue (based on Enterprise Value) at the closing of Q4.
- Google is reportedly eyeing up an acquisition of Softcard to expand Google Wallet services to more points of sale with retailers; but it also wants to grow its position in the wider world of mobile-based transactions to compete with the likes of PayPal.
- According to numerous sources, AOL is now initiating long-planned changes to drastically reorganize its advertising sales staff, a move which is likely to result in an unspecified number of layoffs at the New York-based portal. While there will also be hiring in new areas of business in a restructuring designed to orient the company toward its more promising businesses going forward, the changes have shaken the AOL divisions in charge of revenue.
- Netflix just announced its best quarter ever. Its subscriber count went up 13 million worldwide, and investors are enthused. Its U.S. business ended 2014 with 39.1 million subscribers.
- The parent company of Vistaprint and other Web-to-print brands has changed its name to Cimpres N.V. The company plans to invest hundreds of millions of dollars over the next five years in the development of proprietary software and production technology, in order to evolve its operational capabilities into a shared mass customization platform (MCP).

MERGERS & ACQUISITIONS (SAMPLE DEALS)

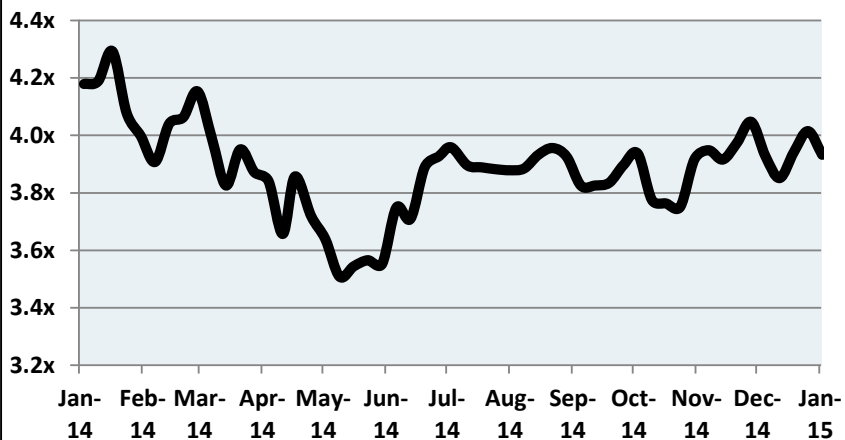
Announced			Enterprise Value (\$m)
Date	Acquirer Name	Target Name	
2014-12-16	BravoFly Rumbo Group	lastminute.com plc	120.0
2014-12-11	Adobe Systems Inc.	Fotolia LLC	800.0
2014-12-04	CVC Capital Partners Limited	Sky Betting & Gaming	941.7
2014-12-01	C.H. Robinson	Freightquote.com	365.0
2014-11-20	Solera Holdings Inc.	CAP Automotive Limited	463.8
2014-11-19	Everyday Health, Inc.	DoctorDirectory.com	65.0
2014-11-17	Elbrus Capital	HeadHunter Group	211.9
2014-11-11	Yahoo! Inc.	BrightRoll	640.0
2014-11-03	RTL Group, The	StyleHaul Inc.	107.0
2014-10-17	Great Hill Partners, LLC	Momondo Group A/S	127.4
2014-10-14	Imperus Technologies Corp.	Diwip Ltd.	50.0
2014-10-09	Intertain Group Limited	Dumarca Gaming Ltd.	102.3

Software: Enterprise Software

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Enterprise Software Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Microsoft Corporation	\$46.76	\$385,435.8	\$320,625.8	3.5x	9.6x
Oracle Corporation	\$44.33	\$194,669.3	\$182,811.3	4.7x	10.8x
IBM	\$162.06	\$160,384.3	\$196,658.3	2.0x	8.0x
SAP SE	\$69.85	\$83,507.7	\$84,752.4	4.1x	11.7x
Dassault Systemes SA	\$61.30	\$15,420.5	\$14,490.3	5.5x	18.9x
Autodesk, Inc.	\$59.53	\$13,544.3	\$12,389.9	5.1x	39.9x
Ansys, Inc.	\$81.64	\$7,503.4	\$6,685.9	7.3x	15.6x
Amdocs Limited	\$46.51	\$7,249.6	\$6,035.1	1.7x	9.2x
Constellation Software	\$293.94	\$6,229.0	\$6,494.1	4.3x	42.7x
PTC Inc.	\$36.35	\$4,216.4	\$4,534.6	3.3x	15.3x
Stratasys Ltd.	\$81.05	\$4,125.3	\$3,716.9	5.4x	48.7x
Informatica Corporation	\$37.86	\$4,113.8	\$3,459.2	3.4x	18.1x
Tyler Technologies, Inc.	\$107.85	\$3,562.7	\$3,405.3	7.1x	33.2x
NICE Systems Ltd.	\$50.36	\$3,058.5	\$2,838.2	3.1x	18.1x
Manhattan Associates, Inc.	\$39.72	\$2,964.4	\$2,852.9	6.1x	22.1x
Verint Systems Inc.	\$40.54	\$2,461.4	\$4,043.3	3.8x	28.5x
Blackbaud Inc.	\$42.07	\$1,904.7	\$2,021.9	3.7x	20.2x
QAD Inc.	\$22.95	\$368.6	\$299.2	1.0x	16.0x
Median:	\$48.56	\$5,222.7	\$5,284.9	3.9x	18.1x

SECTOR HIGHLIGHTS

- The median Enterprise Software index was trading at 3.9x revenue (based on Enterprise Value) at the closing of Q4.
- Competitive pressures and new efficiencies will cause enterprise software pricing to continue to shift further toward subscription models. Rather than large lump sum licensing or costly preloads on proprietary hardware, enterprise software will be increasingly priced on a per-user and/or per-year basis.
- Box's saga from cash-burning cloud startup to wildly successful IPO the first day of trading is a testament to savvy leadership, which sharpened the company's mission and message as more than just another cloud file sharing site. Box is now all about enterprise information management and is trying to remove itself from the consumer space.
- In 2015, mobile is expected to continue to be a crucial battleground for the larger CRM players, who will continue to bring their mobile app functionality closer to the level of their main Web product.
- ERP is becoming more versatile, providing deeper integration with procurement, human resources and customer service software. For example, SAP has made a number of strategic acquisitions, most recently with Concur (Q3 2014), that help customers expand the value of their ERP system by having it interact with new areas.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-12-18	DealerTrack Holdings, Inc.	incadea plc	190.3
2014-12-16	Servelec Group plc	Corelogic Limited	36.9
2014-12-01	SS&C Technologies, Inc.	DST Global Solutions Ltd.	95.0
2014-11-25	Vista Equity Partners	Advanced Computer Software Group	1,196.6
2014-11-24	3D Systems Inc.	Cimatron Ltd.	76.9
2014-11-17	Groupon Inc.	Swarm Mobile	-
2014-11-04	TA Associates	Insurity Inc.	-
2014-11-03	Aetna Inc.	bswift	400.0
2014-10-21	Materialise NV	OrthoView	13.6
2014-10-14	HgCapital	Allocate Software plc	152.1
2014-10-14	Siemens AG	Camstar Systems Inc.	-
2014-10-09	Eiger Acquisition BV	Exact Holding N.V.	850.7
2014-10-03	Enghouse Systems Limited	Voxtron NV	9.4

Software: Business Intelligence Software

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP BI Software Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Tableau Software, Inc.	\$88.90	\$6,163.9	\$5,519.4	15.7x	NM
Informatica Corporation	\$38.92	\$4,229.6	\$3,574.9	3.5x	18.7x
Qlik Technologies, Inc.	\$31.88	\$2,879.2	\$2,637.2	4.9x	NM
MicroStrategy Inc.	\$163.78	\$1,850.9	\$1,496.3	2.5x	NM
Pegasystems Inc.	\$21.46	\$1,638.4	\$1,409.9	2.5x	19.5x
PROS Holdings, Inc.	\$28.45	\$825.6	\$787.1	4.6x	NM
Median:	\$35.40	\$2,365.0	\$2,066.7	4.1x	19.1x

SECTOR HIGHLIGHTS

- The median Business Intelligence Software index was trading at 4.1x revenue (based on Enterprise Value) at the closing of Q4.
- To truly gain context around trends and industry happenings, organizations must look to both internal and external data sources. Solutions that are able to process information from multiple sources are expected to increase.
- In 2015, BI solutions that excel in reporting but lack analysis via interaction will be a thing of the past. The shift in BI platform requirements, moving from reporting-centric to analysis-centric, means companies will expect to be able to digest and gain insights at a glance. Visualization is key as users need to be able to understand their data in a way that is natural to them, breaking down the barriers between people and their data.
- Companies are beginning to realize that deploying mobile business intelligence requires more than simply porting BI software to mobile devices or purchasing mobile BI apps. A strong mobile policy and mobile device management is needed before deploying apps with sensitive data and for many companies the costs of implementing mobile business intelligence simply may outweigh the benefits.
- The speed of business has accelerated, and IT systems must keep up. As analytics becomes part of the standard operating procedure, users rely more and more on speed to drive fast and agile business decisions.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

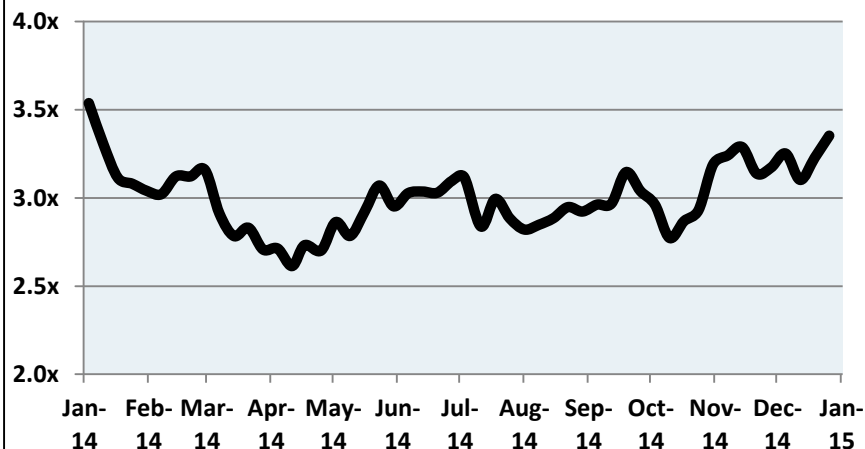
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-12-23	PopHealthCare	UbiquityIQ	-
2014-12-22	Datanyze	LeadLedger	-
2014-12-22	Oracle Corporation	Datalogix	1,100.0
2014-12-19	Roche Holding AG	Bina Technologies	-
2014-12-18	Spectrum Equity Investors	ExactBid Inc.	-
2014-12-17	Brandwatch	PeerIndex	-
2014-12-11	CenturyLink	Cognilytics Inc.	-
2014-12-05	OpenText Corporation	Actuate Corporation	272.0
2014-11-19	Return Path Inc.	Motley Bunch Inc.	-
2014-11-05	Carlyle Group, The	Dealogic	700.0
2014-10-27	Moodys Analytics	Lewtan Technologies Inc.	-
2014-10-20	Epicor Software Corporation	QuantiSense Inc.	-
2014-10-14	Demandware Inc.	CQuotient	21.5

Software: Infrastructure Software

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Infrastructure Software Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
EMC Corporation	\$30.89	\$62,858.3	\$61,827.3	2.6x	11.9x
Symantec Corporation	\$26.54	\$18,316.5	\$16,618.5	2.5x	8.5x
Check Point Software	\$80.06	\$15,274.6	\$14,034.8	9.6x	17.6x
Red Hat, Inc.	\$71.09	\$13,352.3	\$12,947.7	7.5x	40.7x
Citrix Systems, Inc.	\$64.63	\$10,403.6	\$10,941.4	3.5x	15.9x
F5 Networks, Inc.	\$133.66	\$9,861.8	\$9,216.5	5.3x	17.3x
SolarWinds, Inc.	\$51.34	\$3,883.2	\$3,673.6	9.0x	27.1x
Trend Micro Inc.	\$28.27	\$3,797.8	\$2,838.8	3.0x	8.7x
CommVault Systems, Inc.	\$54.03	\$2,472.6	\$2,058.1	3.4x	23.3x
Progress Software	\$27.62	\$1,386.1	\$1,124.8	3.5x	11.2x
VASCO Data Security	\$29.20	\$1,145.9	\$1,020.0	5.6x	33.7x
Radware Ltd.	\$21.92	\$987.0	\$849.3	4.0x	26.8x
Allot Communications	\$9.11	\$302.9	\$177.5	1.6x	28.8x
Magic Software	\$6.38	\$281.8	\$205.2	1.3x	6.5x
Guidance Software, Inc.	\$6.79	\$200.1	\$184.6	1.7x	NM
Geeknet, Inc.	\$8.03	\$54.0	\$23.2	0.2x	NM
BSQUARE Corp.	\$4.43	\$51.9	\$26.7	0.3x	11.5x
Median:	\$28.27	\$2,472.6	\$2,058.1	3.4x	17.3x

SECTOR HIGHLIGHTS

- The median Infrastructure Software index was trading at 3.4x revenue (based on Enterprise Value) at the closing of Q4.
- Security breaches and data leakage will continue to trouble companies of all sizes. The threat timeline over the last 10-15 years has shown that a new threat tends to be quickly answered by a new defense system. The threat then evolves, and a new defense system is needed. This has led to a myriad of disparate security appliances, software agents and management systems that in many cases are unable to talk to one other.
- The software and expanded cloud strategy (ONE software) Cisco just announced is an attempt to leverage the company's installed hardware base while addressing the software centrism sweeping the industry. The Cisco ONE software licensing plan seeks to take hundreds of separately priced Cisco, hardware-specific perpetual licenses and offer them as three hardware-independent software suites available via perpetual, subscription-based or enterprise licenses.
- HP has launched expanded consulting and support services to help customers as they transition to the New Style of IT. HP experts in Technology Services now offer new consulting services for software-defined infrastructure and new support services.
- Networking bandwidth requirements continue to expand at a rapid pace. The transition from 1G data centers to 10G data centers took about 10 years. The transition from 10G to 100G will be much faster. All parts of the infrastructure need to perform within the high-speed infrastructure.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

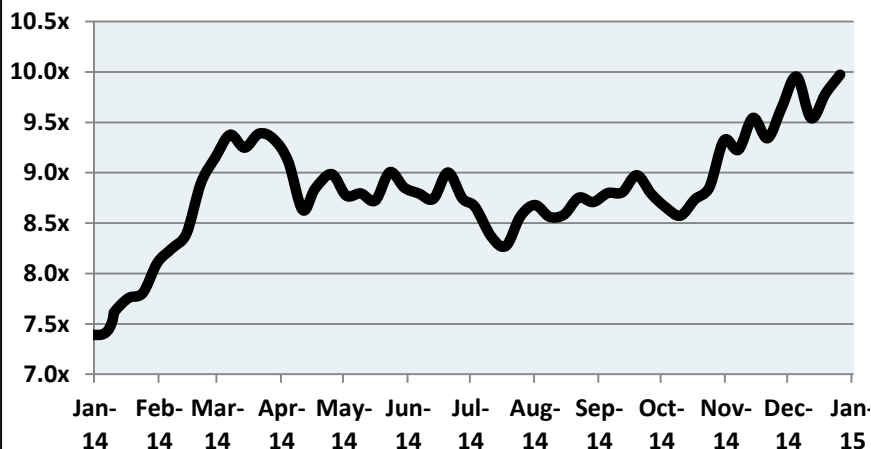
Announced	Date	Acquirer Name	Target Name	Enterprise Value (\$m)
	2014-12-31	Vert Capital	BigDoor Media	5.0
	2014-12-08	CenturyLink	DataGardens Inc.	-
	2014-11-20	Automic Software	Ievatis Software Solutions GmbH	-
	2014-11-18	ROLI Ltd.	Raw Material Software Ltd.	-
	2014-11-12	Idera Inc.	uptime software inc.	9.0
	2014-11-05	Sterling Computers Corporation	BlueSpace Federal	-
	2014-10-23	Deluxe Corporation	Wausau Financial Systems Inc.	90.0
	2014-10-13	EMC Corporation	Cloudscaling	-
	2014-10-13	Numecent Holdings Ltd.	Approxy Inc.	-
	2014-10-09	Lionbridge Technologies Inc.	Clay Tablet Technologies	2.9

Services: IT Services

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Services Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Accenture plc	\$91.26	\$57,323.1	\$53,409.9	1.7x	11.1x
Cap Gemini S.A.	\$72.70	\$11,540.9	\$11,546.5	0.9x	9.6x
NTT Data Corporation	\$38.12	\$10,691.7	\$12,798.2	1.1x	6.8x
Atos SE	\$79.56	\$9,129.6	\$9,098.8	0.9x	8.2x
Booz Allen Hamilton	\$27.09	\$4,004.1	\$5,407.8	1.0x	10.5x
CACI International Inc.	\$88.07	\$2,095.9	\$3,213.3	0.9x	9.6x
Sopra Steria Group	\$77.28	\$1,512.4	\$1,715.0	1.0x	10.5x
ManTech International	\$30.56	\$1,139.1	\$1,084.5	0.6x	8.0x
ICF International Inc.	\$42.07	\$816.1	\$923.8	0.9x	10.4x
Perficient Inc.	\$18.61	\$640.6	\$710.0	1.7x	12.6x
Ciber, Inc.	\$3.63	\$284.8	\$277.1	0.3x	11.9x
The Hackett Group, Inc.	\$9.01	\$263.1	\$279.6	1.4x	15.1x
NCI, Inc.	\$10.43	\$135.2	\$115.5	0.4x	5.8x
Edgewater Technology	\$7.77	\$88.4	\$62.6	0.6x	6.7x
Median:	\$34.34	\$1,325.7	\$1,399.7	0.9x	10.0x

SECTOR HIGHLIGHTS

- The median IT Services index was trading at 10.0x EBITDA (based on Enterprise Value) at the closing of Q4.
- Gartner cut its global IT services growth forecast to 2.5% for calendar year 2015, from 4.1% it had predicted in the previous quarter. Gartner attributed the cut in IT services outlook in 2015 to reduction in software support services, lower growth rates for enterprise software and lowering of short-term growth rates in Russia and Brazil, due to declining economic conditions and political uncertainty in both countries.
- The managed service providers (MSP) market will continue to see growth over the next five years, according to new research from MarketsandMarkets. The market is pegged at \$101 billion today and is expected to grow to \$193 billion by 2019, resulting in a compound annual growth rate of 12.5%.
- Security is the most sought-after trait for federal IT experts, but only by a single percentage point over implementation support. That means federal agencies want a cloud that's easy to deal with. In addition, federal agencies are still "testing the waters, cautiously," when it comes to the cloud.
- CIOs are opening their wallets to invest heavily in technology to lock down systems that contain critical data, and detect threats and contain them as quickly as possible, according to a new IT spending survey conducted by Piper Jaffray.
- The Obama administration has awarded Accenture — the technology company that swooped in to help revive HealthCare.gov at the start of last year — a five-year, \$563 million contract to continue its work on the federal Obamacare exchange.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-12-18	Atos SE	Xerox Corporation (IT outsourcing business assets)	1,050.0
2014-12-08	Apax Partners	EVRY ASA	1,075.9
2014-11-28	rhipe	nSynergy Pty Ltd.	14.8
2014-11-20	Tech Mahindra Ltd.	Lightbridge Communications Corp.	240.0
2014-11-05	Accuvant Inc.	FishNet Security	350.0
2014-11-05	Inabox Group Limited	Anittel Group Limited	13.4
2014-10-27	Maintel Holdings plc	Proximity Communications plc	15.4
2014-10-20	MasTec Inc.	WesTower Communications Inc.	199.0

Services: IT Outsourcing

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Outsourcing Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Tata Consultancy Services	\$39.40	\$77,175.5	\$75,415.6	5.4x	18.1x
Automatic Data Processing, Inc.	\$85.20	\$41,071.3	\$40,539.7	3.3x	15.5x
Infosys Ltd.	\$30.67	\$35,050.6	\$29,956.9	3.6x	12.6x
Cognizant Technology	\$53.84	\$32,784.1	\$28,165.7	2.9x	13.8x
Wipro Ltd.	\$8.61	\$21,119.1	\$18,882.3	2.6x	11.5x
CGI Group, Inc.	\$38.24	\$11,921.7	\$13,834.6	1.5x	9.6x
Computer Sciences Corporation	\$64.15	\$9,012.5	\$9,904.5	0.8x	4.9x
Syntel, Inc.	\$45.74	\$3,830.0	\$3,161.8	3.5x	11.0x
DST Systems Inc.	\$95.70	\$3,642.3	\$4,167.0	1.5x	9.1x
iGATE Corporation	\$39.49	\$3,190.0	\$4,077.8	3.3x	15.4x
Unisys Corporation	\$29.63	\$1,479.3	\$1,266.6	0.4x	4.5x
CSG Systems International	\$25.50	\$875.4	\$950.0	1.3x	8.0x
Median:	\$39.45	\$10,467.1	\$11,869.6	2.7x	11.3x

SECTOR HIGHLIGHTS

- The median IT Outsourcing index was trading at 11.3x EBITDA (based on Enterprise Value) at the closing of Q4.
- In 2015, more than \$100 billion dollars worth of outsourcing contracts will be renegotiated, according to ISG. Many of those customers will forego the traditional tower-based outsourcing approach for a multisourcing cloud-based model.
- IT services firm Tata Consultancy Services (TCS) today has signed a multi-year contract with Virgin Atlantic Airways covering private cloud, Infrastructure-as-a-Service (IaaS) and IT support services.
- French IT service company Capgemini is planning to strengthen its presence in India by adding another 20,000 people in two years.
- The market for IT outsourcing in healthcare and life sciences is expected to increase at an 8.6% compound annual growth rate through 2019, with the adoption of cloud-based services among the major trends, according to global research firm TechNavio.
- Indian firms began to win more infrastructure deals in 2014. They have always been strong in application development and business process outsourcing and remains to see if they can deliver on the promise for these infrastructure contracts.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

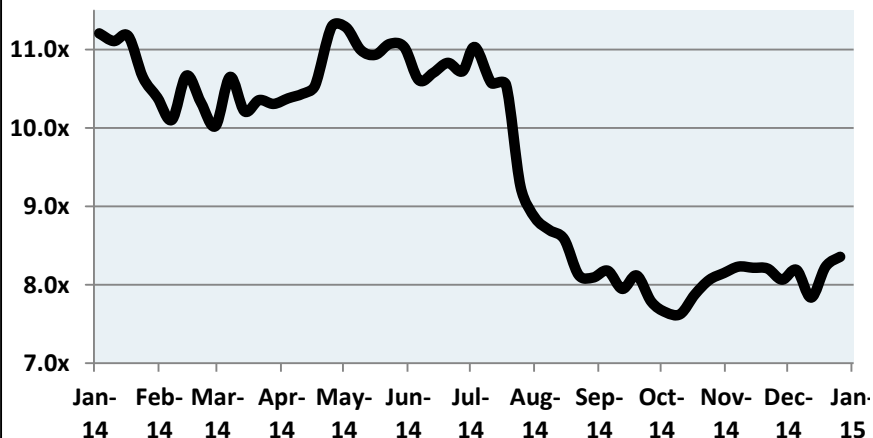
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-12-29	NCI Information Systems Inc.	Computech Inc.	56.0
2014-12-22	Inmar Inc.	Clarus Agency LLC	-
2014-12-18	Perficient, Inc.	Zeon Solutions	35.7
2014-12-18	Zenterio AB	Systemagic AB	6.5
2014-12-16	Autodesk Inc.	Terrible Labs	-
2014-12-01	Volaris Group	Wellington Computer Systems Ltd.	-
2014-11-18	ICT Automatisering N.V.	Strypes Bulgaria	5.4
2014-11-04	Lindsay Corporation	Elecsys Corporation	70.7
2014-10-31	EPAM Systems, Inc.	Great Fridays	-
2014-10-30	Lockheed Martin Corporation	Systems Made Simple	-
2014-10-22	Pegasystems Inc.	Ultima IT Inc.	3.1
2014-10-10	Keywords Studios Plc.	Lakshya Digital Pvt Ltd.	4.2
2014-10-01	Progress Software Corporation	BravePoint, Inc.	12.0

Services: IT Staffing

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Staffing Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Robert Half International Inc.	\$58.66	\$7,973.2	\$7,683.7	1.7x	14.9x
ManpowerGroup Inc.	\$69.08	\$5,467.0	\$5,290.2	0.3x	6.5x
On Assignment Inc.	\$33.81	\$1,769.9	\$2,143.7	1.2x	12.0x
Kforce Inc.	\$24.47	\$748.5	\$760.8	0.6x	12.2x
CDI Corp.	\$17.40	\$341.3	\$301.1	0.3x	8.1x
Computer Task Group Inc.	\$9.60	\$178.1	\$149.9	0.4x	6.4x
RCM Technologies Inc.	\$8.50	\$106.7	\$98.3	0.5x	8.6x
Hudson Global, Inc	\$3.05	\$101.0	\$90.9	0.1x	NM
Mastech Holdings, Inc.	\$11.20	\$48.2	\$45.7	0.4x	7.7x
Median:	\$17.40	\$341.3	\$301.1	0.4x	8.4x

SECTOR HIGHLIGHTS

- The median IT Staffing index was trading at 8.4x EBITDA (based on Enterprise Value) at the closing of Q4.
- The three drivers for tech employment is mobile, big data and security. However, companies recruiting for workers in software development, security and networking may find it especially challenging to recruit skilled talent.
- The job market for talented security professionals continues to be hot. An analysis of job postings found that the security industry posting the strongest hiring trends. In addition, the vast majority of technology-focused human resources and recruitment professionals plan to boost hiring efforts in 2015, according to a semi-annual survey from Dice. Most companies surveyed are planning to increase IT staffing by significant margins, and they are also looking for highly experienced candidates.
- More than half of IT employers plan to add full-time, permanent staff this year and three quarters will offer higher starting salaries, according to CareerBuilder's new IT forecast.
- About half of IT employers are providing financial assistance for current employees going back to school to earn an advanced degree with some footing the bill completely.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

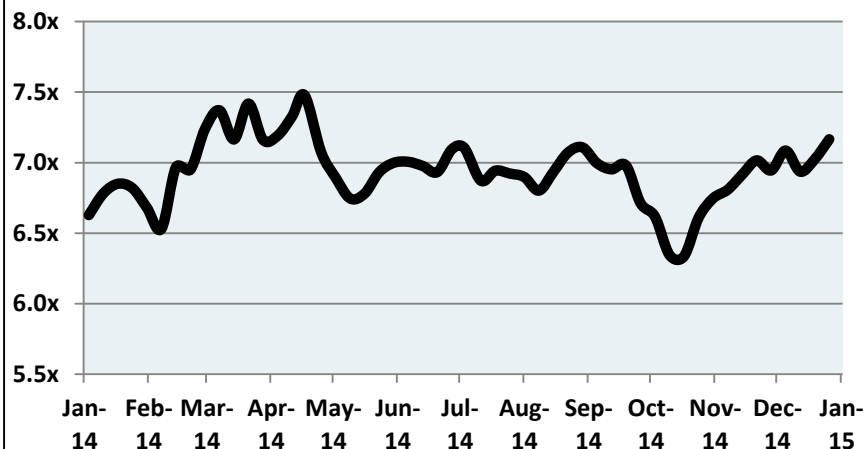
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-12-18	HTC Global Services	CareTech Solutions Inc.	-
2014-12-04	Hays plc	Veredus	44.0
2014-12-01	Internet Initiative Japan Inc.	RYUKOSHA NETWORKARE Inc.	-
2014-11-20	Stone Point Capital LLC/ Oasis Outsourcing management	Oasis Outsourcing	-
2014-11-17	Sowell & Co./ Vedicsoft management	Vedicsoft	-
2014-11-17	Vedicsoft	Uclid IT Services Pvt. Ltd.	-
2014-11-04	Impellam Group plc	Lorien Resourcing	70.0
2014-10-09	Nihilent Technologies Pvt Ltd.	GNet Group	-
2014-10-09	eTERA Consulting	Discovery Services LLC	-

Services: Value Added Resellers

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP VAR Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/14	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Avnet, Inc.	\$43.86	\$6,011.0	\$7,285.6	0.3x	7.0x
Ingram Micro Inc.	\$27.88	\$4,347.5	\$4,922.5	0.1x	6.8x
Insight Enterprises Inc.	\$26.03	\$1,066.6	\$994.0	0.2x	5.4x
ALSO Holding AG	\$52.66	\$675.1	\$944.3	0.1x	6.4x
PC Connection, Inc.	\$25.84	\$679.7	\$613.2	0.3x	8.1x
ePlus inc.	\$72.20	\$534.1	\$660.0	0.6x	7.8x
PCM, Inc.	\$9.90	\$122.6	\$203.1	0.1x	7.3x
Emtec, Inc. *	\$0.90	\$15.3	\$37.6	0.2x	8.2x
Median:	\$26.96	\$677.4	\$802.1	0.2x	7.2x

*Emtec is OTCPK; last traded 6/29/2014

SECTOR HIGHLIGHTS

- The median VAR index was trading at 7.2x EBITDA (based on Enterprise Value) at the closing of Q4.
- Cisco Systems is investing heavily in the Internet of Everything (IoE), the concept of Internet-enabling everyday objects tied with the Internet of Things (IoT). The company believes it is a \$19 trillion global opportunity over the next decade and represents a major opportunity for channel partners who will inevitably be key drivers behind connecting the unconnected.
- Google is ringing in 2015 with some significant changes to its partner program, which will transition this year to one that is not only more lucrative, but also more exclusive. Large resellers and managed services providers, as Premier partners, will see their margins jump to 30 percent for products such as Google Apps For Work and Search For Work.
- Toshiba America vows to crack open the SMB market with a new multipronged channel offensive that includes new hardware, partner perks and a strengthened IT strategy. The move comes four months after Toshiba announced a major restructuring of its PC business to focus on the B2B space and "significantly downsize" its B2C business by pulling out of unspecified B2C geographic markets.
- EMC's recently named North American Distributor of the Year, Ingram Micro, has fallen from grace with the vendor and, effective April 17, will no longer be an authorized distributor for EMC North America. Ingram Micro declined to disclose the number of channel partners affected and the percentage of its revenue that stems from EMC offerings.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2014-12-19	Optus Business	Ensyst Pty. Ltd.	10.6
2014-12-18	Deloitte Australia	Lonsdale Group, The	-
2014-12-01	Ingram Micro Inc.	Armada Bilgisayar Sistemleri Sanayi	-
2014-11-24	BrainSell Technologies LLC	Monthend Solutions Inc.	-
2014-10-27	Apogee Corporation Ltd	Positive Digital Solutions Ltd	-
2014-10-21	Dimension Data Holdings plc	Agile Business Solutions	-
2014-10-21	Dimension Data Holdings plc	Xpedia Fusion	-
2014-10-20	Datalink Corporation	Bear Data Solutions Inc.	18.5
2014-10-03	Montech Holdings Ltd.	Breeze Training Pty Ltd.	2.5

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.



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