



QUARTERLY VIEWPOINT:

For the Quarter Ended March 31, 2011 and the Latest Twelve Months

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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

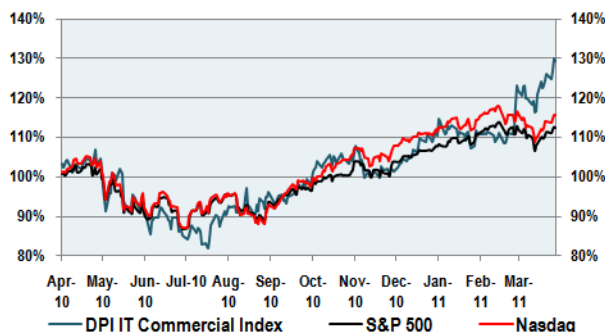
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Services: Project-Based - IT Commercial

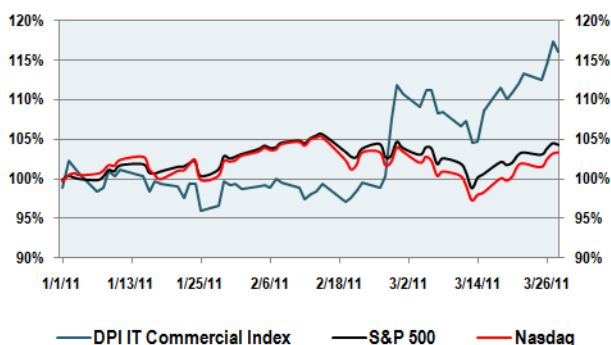
Highlights, Stock Performance and Recent M&A Activity

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	EBITDA
Accenture Ltd.	1.3x	8.8x
The Hackett Group, Inc.	0.8x	7.9x
CIBER, Inc.	0.5x	8.4x
Edgewater Technology	0.5x	7.3x
Perficient Inc.	1.7x	15.0x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- IT Project-Based Commercial Index was up 30% and 17%, for the last 12 months and last quarter respectively.
- Q1'11 had a total of 36 M&A transactions compared to 32 announced in Q4'10.
- Consistent with earlier forecasts, Gartner predicts that spending on IT services will increase by 5% during 2011.
- The IEEE (Institute of Electronic and Electrical Engineers and a standards setting body for the tech industry) said it will try its hand at setting global cloud computing standards. Cloud computing standardization has been a hot topic with many of the industry's top cloud proponents pushing for standards. Even the federal government has called for cloud computing standardization before it gets too deep into cloud solutions.
- Accenture reported strong results in its recent fiscal Q2'11 earnings release, raising the outlook for the full fiscal year's revenues. In order to meet its estimate and maintain the stock price, Accenture needs to hire a large number of consultants. Accenture's headcount stood at 204,000 at the end of fiscal year 2010 and the firm had plans to hire more than 64,000 people in fiscal year 2011. However, the company has only reached a total headcount of 215,000 at the end of fiscal Q2'11 (ending Feb 28, 2011).
- HP recently introduced a package of additional IT consulting services with the objective to help client firms better align their business and IT strategies. The HP Strategic IT Advisory Services portfolio is designed to CIOs better achieve business goals through effective use of IT. HP believes there to be a gap between business consulting and technology consulting.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/30/11	UniTek Global Services, Inc.	Pinnacle Wireless Inc	\$20.0
03/25/11	Rose Business Solutions	TTD Enterprises LLC	NA
02/24/11	American Digital Corporation	VCOMP Solutions	NA
02/10/11	Golden Gate Capital	CedarCrestone	NA
01/31/11	Information Access Systems, Inc.	CES, Inc.	NA
01/27/11	R Systems International Ltd	Computaris International Limited	\$6.8
01/24/11	Proxama Ltd.	Hypertag Ltd.	NA
01/11/11	Saama Technologies Inc.	InfoSTEP Inc. [MIC Electronics]	NA
01/05/11	Alliance Solutions Group, LLC	CIS Consulting Group (West Coast Sage customer base)	NA
01/04/11	Hitachi Consulting Corp.	Sierra Atlantic, Inc.	NA
01/04/11	Applied Computer Solutions	New ProSys Corp [Avnef]	NA

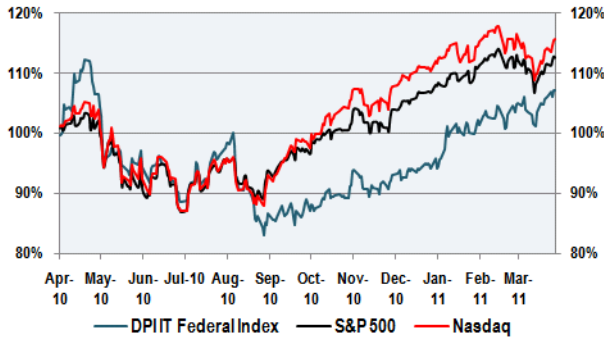
Please call DecisionPoint for further details on listed transactions.

Services: Project-Based - IT Federal

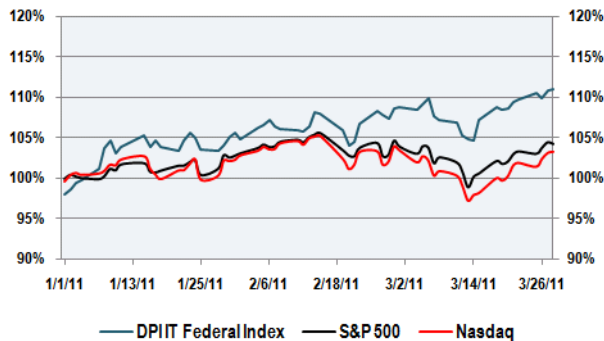
Highlights, Stock Performance and Recent M&A Activity

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 and SRA International.

VALUATION METRICS

Company	Enterprise Value/	
	LTM Revenue	LTM EBITDA
CACI International Inc.	0.7x	8.7x
ManTech International	0.7x	7.3x
NCI, Inc.	0.7x	8.6x
SAIC, Inc.	0.6x	6.4x
SRA International Inc.	0.9x	10.1x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- IT Federal Index was up 8% and 13%, for the last 12 months and last quarter respectively.
- Q1'11 had a total of 9 M&A transactions compared to 8 announced in Q4'10.
- On April 1st, SRA International announced that they have accepted a \$1.9 billion offer from Providence Equity Partners. It is speculated that SRA might receive rival offers from strategic buyers to compete with the current offer that is a 10% premium to the closing price as of March 31.
- Federal IT analyst firm Input has estimated that the U.S. government will spend \$86 billion this year on software and IT services.
- The IT department of the US government is closely following the new IT strategy released by the UK government where open source is at the heart of the new plan. As part of the government strategy, it will push ahead with a move to cloud computing, which will include large-scale datacenters, network, software and asset consolidation. A cloud computing strategy will be published in the next six months to detail the transition of services.
- Defense contractor CACI International is one of 46 companies that will provide information technology support for a major FBI computer contract worth up to \$30 billion. The one-year contract also has options for seven more years. It calls for CACI to compete for orders to provide IT services in areas including cybersecurity, biometrics, system design, software writing, secure communications, and counterterrorism analytics.
- SAIC is planning on selling its U.S. oil and gas information technology services business and certain subsidiaries to Wipro Ltd. as it looks to focus its growth in other areas of the energy sector, including smart grid and renewable energy.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/30/11	AireWire	WindChannel Communications	NA
03/02/11	Salient Federal Solutions	Command Information	NA
02/22/11	CSC	Symantec (cybersecurity division)	NA
02/14/11	ManTech International	TranTech	\$21.6
02/01/01	FedConcepts	Jorge Scientific Corporation	NA
01/05/11	Pragmatics	Innovative Solutions International	NA
01/04/11	Cubic Corporation	XIO Strategies	NA
01/04/11	Communications International	FATPOT Technologies	NA
01/03/11	A-T Solutions	Innovative Technology Systems	NA

Please call DecisionPoint for further details on listed transactions.

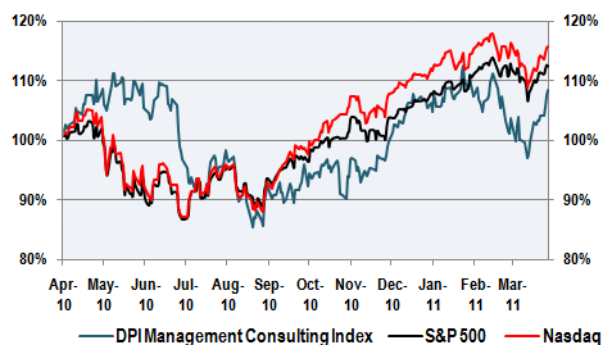
Services: Project-Based - Management Consulting

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

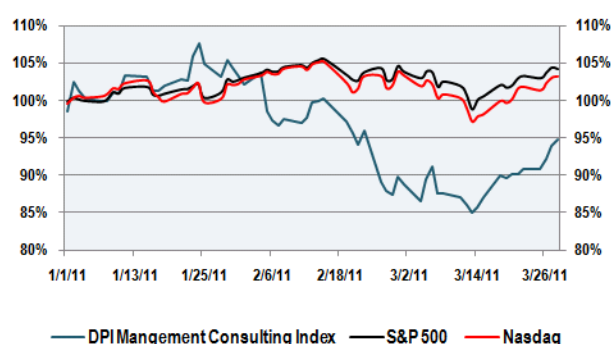
DPI Management Cons. Index vs. Major Indices

Latest Twelve Months



DPI Management Cons. Index vs. Major Indices

Latest Quarter



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

VALUATION METRICS

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
CRA International Inc.	0.8x	NM
FTI Consulting, Inc.	1.4x	7.3x
Huron Consulting	1.4x	9.1x
LECG Corporation	0.1x	NM
Navigant Consulting Inc.	1.0x	8.1x
Advisory Board Co.	2.8x	19.2x
Corp. Executive Board	2.9x	13.0x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Management Consulting Index was up 8% for the last 12 months and down 3% for the last quarter.
- Q1'11 had a total of 7 M&A transactions compared to 7 announced in Q4'10.
- Through a combination of acquisitions and individual hiring, FTI Consulting added significant new practices and more than 200 professionals in Europe, the United States and Latin America since March 1, 2011. With the acquisition of certain assets of LECG, which has approximately 70% of its professionals based in Europe and Latin America, FTI further strengthened its antitrust/competition and international arbitration practices in those regions.
- Navigant Consulting and FTI derive a large portion of their revenues from litigation consulting; this exposure played some part in pulling down their performance when litigation activities slowed down during the recession. As the economy continues to pick up, the total number of class-action filings should increase helped by an expected increase in the number of traditional commercial litigations.
- Cash-strapped professional services and consulting firm LECG Corp. announced in beginning of April a major executive reshuffling, including the resignation of chief executive and president Steve Samek. The firm, which ran into financing difficulties and has been struggling to repay a credit facility, recently sold or announced its intention to sell a number of practice areas to different accounting and consulting firms.
- Huron Consulting Group bolstered its E-Discovery and legal technology services by recruiting a group from LECG that will focus on client e-discovery, forensics and data analysis issues. The addition will broaden Huron's West Coast legal presence, and is another move to further strengthen the company's domestic and global e-discovery and cost savings services.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/29/11	Tripoint Corporation	Platinum Insight	NA
03/14/11	FTI Consulting, Inc.	LECG Corporation (certain assets)	\$38.0
03/04/11	DataFlux Corporation LLC	Baseline Consulting Group Inc.	NA
02/10/11	Information Services Group, Inc.	Salvaggio, Teal & Associates	NA
01/12/11	Enterprise Strategy Group	CentricInfo	NA
01/10/11	Black Duck Software, Inc.	Olliance Group LLC	NA
01/04/11	Information Services Group, Inc.	Compass Management Consulting	NA

Please call DecisionPoint for further details on listed transactions.

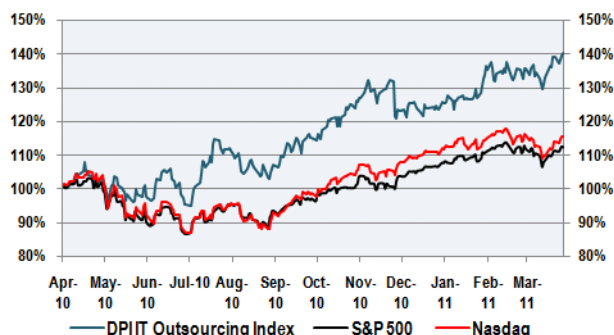
Services: Outsourcing - IT

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

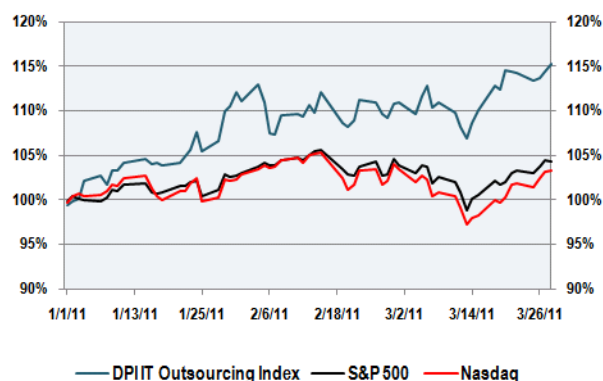
DPI IT Outsourcing Index vs. Major Indices

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.	1.8x	9.7x
CSC	0.5x	3.8x
ATS Corporation	1.0x	10.9x
iGATE Corporation	3.7x	16.6x
Syntel	3.8x	13.4x

LTM = Latest Twelve Months

Highlights

- IT Outsourcing Index was up 40% and 15%, for the last 12 months and last quarter respectively.
- Q1'11 had a total of 62 M&A transactions compared to 59 announced in Q4'10.
- Traditionally, IT outsourcing companies provided services such as programming and development. However, with the increasing popularity of cloud computing, the IT outsourcing industry is feeling the pinch as more companies turn to the cloud rather than develop or purchase software, computation, data access or storage.
- ACS, a Xerox Company, has signed a \$200 million, five-year agreement with MGM Resorts International to provide managed IT services. Under the agreement, ACS will perform all service desk and desk side support to MGM Resorts International's employees, manage and continually update company's IT equipment, manage the IT purchasing needs and store vital data.
- IBM has introduced an enhanced services portfolio, which streamlines the way it designs, deploys and manages a client's IT infrastructure. The next-gen IT outsourcing services provide a standardized approach that reduces the time it takes to transition a client's IT environment and management costs. Central to IBM's new services capabilities is a new set of engineered assets that integrate process, software, industry expertise and IBM Research know-how to create reusable service components that act as the underpinnings for IBM's outsourcing services business.
- CSC announced in March that it has been recognized on Fortune magazine's list of "World's Most Admired Companies" in 2011 for the second consecutive year. Contributing factors are CSC's ability to compete on a global scale, social responsibility initiatives, the quality of products and services, as well as the outstanding performance of worldwide employees.
- CompuCom Systems, a leading IT outsourcing specialist, has been positioned by Gartner, Inc. in the "Leaders" quadrant of the 2011 Magic Quadrant for Help Desk Outsourcing, North America. The report positions Help Desk service providers based on an ability to execute and completeness of vision.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/30/11	NCC Group plc.	Escrow Associates LLC	\$9.5
03/28/11	eBay Inc.	GSI Commerce Inc.	\$1,888.1
03/23/11	Heartland Bridge Capital, Inc.	iSAFE Imaging LP	NA
03/18/11	Tangoe, Inc.	Telwares (telecom expense biz)	NA
03/04/11	Transcend Services, Inc.	DTS America, Inc.	\$12.1
02/03/11	Allegis Group, Inc.	Aston Carter International Limited	NA
01/27/11	Verizon Communications	Terremark Worldwide, Inc.	\$1,736.1
01/14/11	Improving Enterprises, Inc.	The Sophic Group, Inc.	NA
01/13/11	ASTIR IT Solutions Inc.	Synet Technology Solutions Inc.	NA
01/12/11	Blackboard Inc.	Presidium Inc.	\$53.0

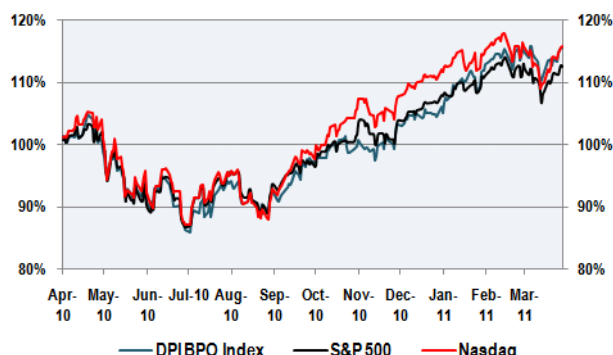
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Services: Outsourcing - Business Process Outsourcing

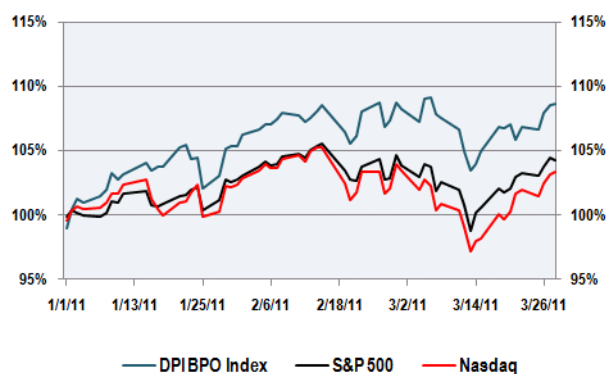
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI BPO Index vs. Major Indices
Latest Twelve Months



DPI BPO Index vs. Major Indices
Latest Quarter



Note: Due to the broad BPO market, the DPI BPO Index includes a variety of financial services, healthcare, HR, energy and IT services companies: Automatic Data Processing, DST Systems and Paychex.

VALUATION METRICS

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
ADP	2.7x	11.4x
DST Systems Inc.	1.5x	6.7x
Paychex Inc.	5.4x	13.3x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Business Process Outsourcing Index was up 14% and 9%, for the last 12 months and last quarter respectively.
- Q1'11 had a total of 22 M&A transactions compared to 17 announced in Q4'10.
- A stronger economy in the beginning of 2011 has brought new contract activity in the Human Resources Outsourcing (HRO) market and research firm Everest Group projects that the HRO market will grow by 8-10% and reach around \$3.35 billion in 2011.
- The finance and accounting outsourcing market is expected to grow 15 to 20% this year and top \$4 billion in annual contract value. Outsourcing of accounts payable, accounts receivable and general ledger continue to be the most outsourced processes, whereas outsourcing of financial planning and analysis is an emerging trend.
- ADP, a provider of human resources and payroll services, announced the acquisition of privately held AdvancedMD which provides practice management (PM) and electronic health records (EHR) solutions. ADP is expected to widen its presence in the small business services segment through this acquisition. The company expects to integrate AdvancedMD's PM and EHR solutions into its full set of services in order to serve medical professionals.
- Global consulting and research firm Everest Group has released a new study, "Role of Software-as-a-Service (SaaS) in BPO." The study provides a framework to differentiate SaaS and non-SaaS solutions in BPO and shows that, although adoption of software-SaaS and BPO is growing rapidly, the combined SaaS-BPO approach has yet to see significant traction in BPO beyond Human Resources Outsourcing.
- Dell has named Suresh Vaswani, who was earlier joint chief of the IT business at Wipro, as the executive vice-president of Dell Services' applications and business process outsourcing business.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/31/11	Pivotal Payments	American National Payments	NA
03/21/11	Affiliated Computer Services	CredenceHealth	NA
03/03/11	Equifax, Inc.	Workload Financial Business Consultants	NA
03/01/11	Fiserv, Inc.	Credit Union On-Line, Inc.	NA
03/01/11	Automatic Data Processing, Inc.	AdvancedMD Software, Inc.	NA
02/25/11	NCI Information Systems, Inc.	AdvanceMed Corporation	\$65.0
02/23/11	NexxLinx, Inc.	Microdyne Outsourcing Inc.	NA
02/03/11	CT-Payment Inc.	CPSN-RPVQc	NA
01/10/11	Iris Data Services, LLC	Itek Imaging, LLC	NA
01/07/11	Endless LLP	Liberata	NA

Please call DecisionPoint for further details on listed transactions.

Services: IT International

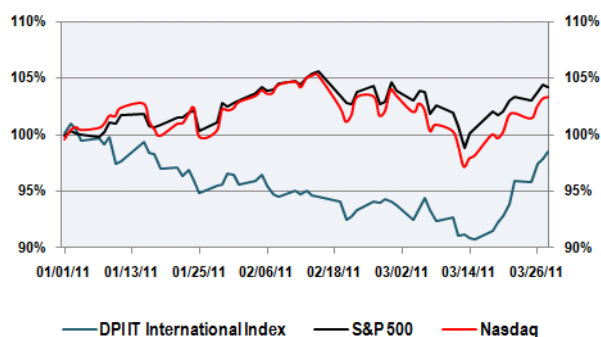
Highlights, Stock Performance and Recent M&A Activity

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	6.0x	28.3x
Infosys Technologies	7.0x	21.0x
Patni Computer Systems	1.9x	8.9x
VancelInfo Technologies Inc.	7.4x	37.1x
Wipro	4.0x	18.2x

LTM = Latest Twelve Months

Highlights

- IT International Index was up 22% for the last 12 months and down 2% for the last quarter.
- Q1'11 had a total of 27 M&A transactions compared to 25 announced in Q4'10.
- The Securities and Exchange Commission (SEC) recently charged India-based Satyam Computer Services with fraudulently overstating the company's revenue, income and cash balances by more than \$1 billion over five years. The Satyam fraud came to light early in 2009. Separately, the SEC said it sanctioned five India-based affiliates of PricewaterhouseCoopers for repeatedly conducting deficient audits.
- Infosys has announced it has been named a "Leader" in The Forrester Wave™: Global IT Infrastructure Outsourcing, Q1 2011, as well as recognized as offering strong consulting-led infrastructure transformation.
- IT services provider Cognizant Technology has said it has signed a multi-million dollar deal with global firm 3M, which manufactures brands such as Scotch Brite. Cognizant has not provided any financial details of the multi-year deal, but the deal includes a range of application development and related services to drive operational efficiencies and improve productivity of 3M.
- Revenues from captive IT-BPO industry in India is estimated at \$12.3 billion in FY11, accounting for over 20% of overall services exports revenues, according to the National Association of Software and Services Companies (Nasscom). Captive centers in India have moved up the value chain to become 'centers of excellence' for specific areas of many companies. Most of these have transformed from cost centers to profit centers.
- Tata Consultancy Services (TCS) is upbeat about growth from the US market but expects slower growth from Europe and the Indian market. The Indian market contributes 8-10% of TCS's total revenue.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/31/11	Blue Turtle Technologies	AfricanPulse Mobile Solutions Pty	NA
03/23/11	VancelInfo Technologies Inc.	Bright Consulting (Beijing) Limited	\$0.7
03/17/11	Logicalis Group Limited	Inca Software Limited	\$11.8
03/16/11	Connectis AG	Grouptec AG	NA
03/09/11	NSC Group Pty Ltd.	PABX Service Group	NA
03/01/11	Interactive Intelligence, Inc.	Agori Communications	NA
02/10/11	Make-IT s.r.l.	Bkon Italia	NA
01/26/11	Enforce Technology Ltd.	Network Si (UK) Ltd.	NA
01/13/11	Shanghai East-China Computer Co., Ltd	ECCOM Network System Co., Ltd.	\$397.9
01/06/11	Omnitech InfoSolutions Ltd.	Avensus Netherlands BV	\$9.0

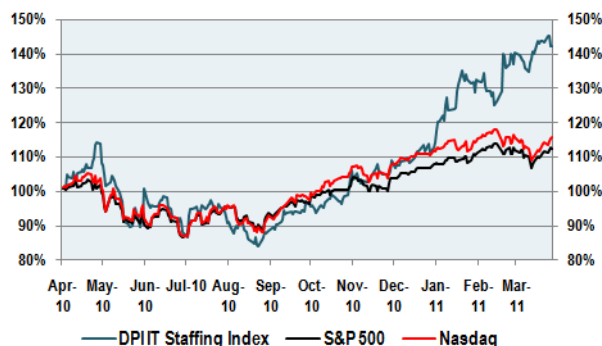
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Services: IT Staffing

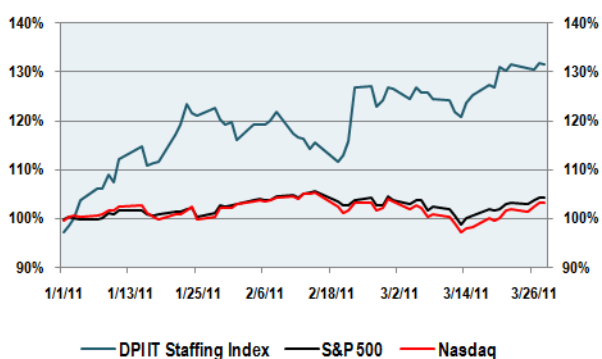
Highlights, Stock Performance and Recent M&A Activity

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	0.2x	NM
Computer Task Group Inc.	0.7x	14.4x
Kforce Inc.	0.8x	16.1x
RCM Technologies Inc.	0.3x	4.0x
Volt Information Sciences	0.1x	3.9x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- IT Staffing Index was up 42% and 31%, for the last 12 months and last quarter respectively.
- Q1'11 had a total of 3 M&A transactions compared to 3 announced in Q4'10.
- According to a monthly index of IT jobs developed and published by TechServe Alliance, a collaboration of IT services firms, clients, consultants and suppliers, the number of IT jobs grew by 0.04% in March to 3,999,400. Although month-over-month growth has moderated as it approaches the 4 million mark, IT jobs are up for the 15th consecutive month.
- The Bay Area tech hotbed produced 1,200 jobs in March and its biggest companies are on track to add thousands more in 2011.
- The price of mobile technology is plummeting and applications are improving drastically. The mobile phone is expected to become a convenient CRM tool where job orders, candidate presentations, video interviews etc. will shift to mobile devices.
- The IT industry continues to show strong signs of growth as technology budgets, cloud services usage, virtualization adoption, and IT staffing plans among small and mid-sized businesses (SMBs) all showed their strongest gains in more than 18 months according to a new report by Spiceworks.
- Political considerations have made it even harder to hire H-1B employees, putting small IT solution providers at a disadvantage.
- Shares of Computer Task Group (CTGX) hit a new 52-week high on March 30th. The stock traded as high as \$13.40 during mid-day trading and closed at \$13.28.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
02/14/11	Queen Associates	FirstPlace	NA
02/03/11	Allegis Group	Aston Carter	NA
01/03/11	Riverside Partners	Eliassen Group	NA

Please call DecisionPoint for further details on listed transactions.

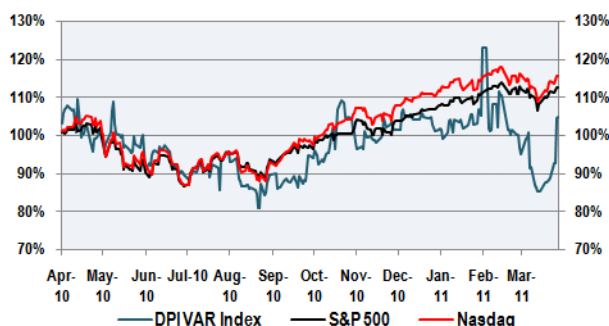
Services: Value Added Resellers

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

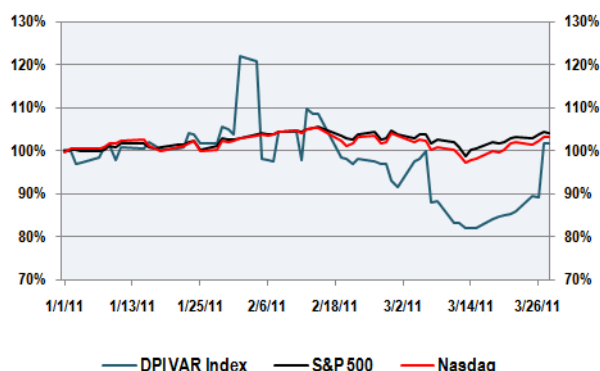
DPI VAR Index vs. Major Indices

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	LTM EBITDA
Emtec Inc.	0.5x	5.1x
Insight Enterprises Inc.	1.3x	5.3x
MTM Technologies Inc.	1.2x	NM
PC Connection, Inc.	0.9x	6.3x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- VAR Index was up 2% and 2%, for the last 12 months and last quarter respectively.
- Q1'11 had a total of 5 M&A transactions compared to 6 announced in Q4'10.
- Gartner estimates that spending on computer hardware will increase by 9.5% in 2011.
- VARs are anticipating new opportunities in the trenches around the Payment Card Industry Data Security Standard (PCI DSS), which is expected to be more strictly enforced come early next year, related to the uncertain area of credit card data and how to protect it. Compliance issues are expected to be the first area as many companies have not upgraded to comply with PCI DSS 2.0 which was released in October.
- Artisan Infrastructure has joined forces with StorageCraft Technology to help bring cloud-based data backup, disaster recovery and migration services to VARs and managed service providers (MSPs). Artisan specializes in infrastructure-as-a-service, and is pitching the alliance as a partnership that will enable MSPs and VARs to offer storage services to customers based on the StorageCraft ShadowProtect technology.
- Cloud VARs welcomed HP's late but inevitable leap into the public cloud arena in March. HP unveiled a three-pronged cloud attack but to make it in the cloud space, HP has to be aggressive and needs to partner with best of breed cloud players to enhance its existing offerings.
- Juma Technology sold its Avaya reseller division to Carousel Industries. With the acquisition, Carousel Industries significantly increases its footprint to serve customers in the northeastern United States while augmenting its engineering staff with additional talent.
- PC Connection picked up ValCom Technology for \$11.6 million at a 0.2x revenue multiple. PC Connection said the acquisition will immediately boost earnings and that ValCom's 200 employees will remain in its existing location.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/17/11	PC Connection	Valcom Technology	\$11.6
02/09/11	PAETEC Holding Corp.	XETA Technologies, Inc.	\$60.7
02/02/11	Syncreon	Compuspar SA	NA
02/02/11	Carousel Industries of North America, Inc.	Juma Technology Corp.	NA
01/04/11	Applied Computer Solutions, Inc.	ProSys Information Systems	NA

Please call DecisionPoint for further details on listed transactions.

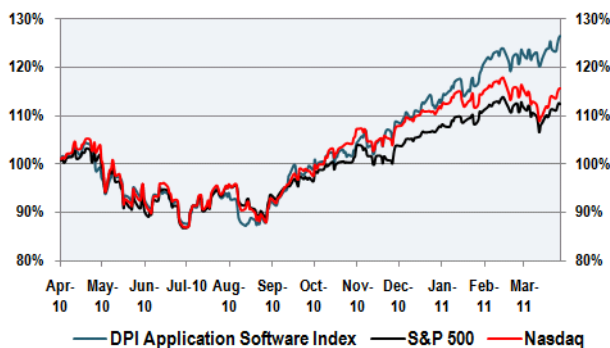
Software: Application

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

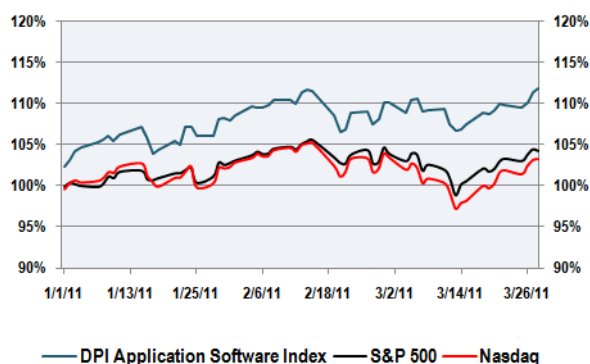
DPI Application Software Index vs. Major Indices

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	
	Revenue	EBITDA
Acct & Financial	2.6x	10.8x
Billing & Service	1.5x	7.5x
Business Int.	5.0x	26.4x
Content Mgmt.	3.7x	12.1x
Engineering, etc.	3.3x	15.7x
ERP	2.2x	14.2x
Healthcare	3.1x	13.5x
HR Mgmt	2.5x	62.0x
Media & Ent	3.9x	13.0x
SC Mgmt.	5.4x	12.7x

LTM = Latest Twelve Months

Highlights

- Application Software Index was up 27% and 8%, for the last 12 months and last quarter respectively.
- Q1'11 had a total of 143 M&A transactions compared to 120 announced in Q4'10.
- According to Gartner, enterprise software revenue will rise to \$235.7 billion in 2011, an increase of 7.5% from 2010. Business Intelligence, supply chain management and social software will be the top growth segments.
- With the advent of cloud-based computing, companies will be seeking to move their ERP solutions to the cloud. At the company's April Convergence 2011 conference in Atlanta, Microsoft laid out plans to give businesses the ability to use Microsoft Dynamics ERP as a service, running on the Windows Azure platform. Customers will have the ability to run the company's ERP application on premises as well as online or as a hybrid. IBM and other big players are also considering similar solutions.
- Lawson Software decided to cancel its March 31st scheduled earnings call due to the unsolicited offer from industry consolidator Infor Global. While Lawson's silence is entirely understandable from a company in this situation, it did nothing to dampen investor speculation that another suitor would show up. The stock is currently trading around \$12.5 and has not seen these levels since March 2002.
- Oracle announced in late March that it will discontinue all software development on Intel's Itanium microprocessor. After Oracle's announcement, Intel responded that it still has plans for Itanium, and Oracle said it will continue to provide customers with support for existing versions of Oracle software products that already run on Itanium. Microsoft and RedHat have already stopped developing software for the Itanium platform.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/17/11	Dassault Systemes SA	Intercim, Inc.	\$44.5
03/11/11	Infor Global Solutions, Inc.	Lawson Software, Inc.	\$1,781.0
03/03/11	McKesson Corp.	System C Healthcare plc	\$105.3
02/21/11	CareerArc Group LLC	TweetMyJobs	NA
02/15/11	NICE Systems	CyberTech International	\$60.0
02/14/11	Robocom Systems International Inc.	Cambar Software, Inc.	NA
01/18/11	RightNow Technologies	Q-go.com	\$34.0
01/13/11	Concur Technologies	Triplt	\$82.0
01/05/11	SumTotal Systems	GeoLearning	\$150.0

Please call DecisionPoint for further details on listed transactions.

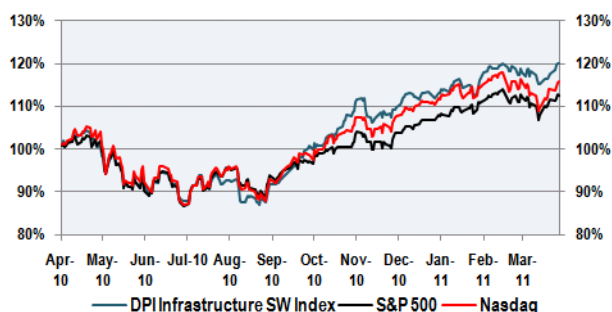
Software: Infrastructure

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

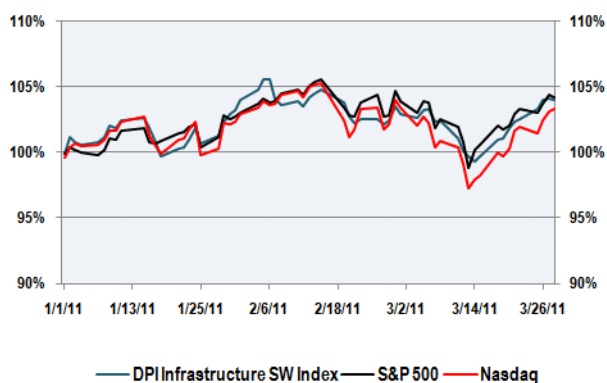
DPI Infrastructure SW Index vs. Major Indices

Latest Twelve Months



DPI Infrastructure SW Index vs. Major Indices

Latest Quarter



Note: The DPI Infrastructure Software Index includes companies from the following sub-sectors: Database & File Management, eCommerce Enablement, EAI, Messaging & Conferencing, Networking & Connectivity, Security, Storage & ESM, Tools and Testing and Wireless.

VALUATION METRICS

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Database Mgmt.	2.8x	8.8x
eCommerce	1.6x	24.7x
Enterprise App.	2.9x	23.8x
Messaging & Conf.	1.6x	6.3x
Networking	3.1x	19.1x
Security	2.8x	12.6x
Data Storage	2.6x	12.2x
Tools & Testing	1.9x	8.8x
Wireless	2.7x	30.6x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Infrastructure Software Index was up 20% and 4%, for the last 12 months and last quarter respectively.
- Q1'11 had a total of 27 M&A transactions compared to 23 announced in Q4'10.
- Dell plans to invest \$1 billion in data centers and other infrastructure over the next year to provide a backbone for its cloud services. The hardware company, best known for its servers and PCs, plans to use the billion-dollar investment to fuel a major expansion in cloud product areas, targeting enterprises with high-margin products. This effort will focus on infrastructure-as-a-service, platform-as-a-service, virtual desktop-as-a-service and IT outsourcing.
- There has been a flurry of activity in the database management space in the last few quarters. This was continued in Q1 with Teradata picking up Aster Data Systems and HP acquiring Vertica Systems. Both of these targets are estimated to have received revenue multiples in the 11x-12x range.
- What is being described as a "massive" security breach at email marketing firm Epsilon has recently compromised the customer names and emails of some of the largest companies in the US, including seven of Fortune's top 10 institutions.
- McAfee plans to acquire security vendor Sentrigo, bringing a mixed bag of database vulnerability management, monitoring and security technologies in-house as it pursues its Security Connected vision. McAfee announced its Security Connected initiative late last year with the goal of enabling partners, developers and customers to take a more comprehensive approach to security by leveraging product integration and global threat intelligence.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
04/06/11	Teradata Corporation	Aster Data Systems, Inc.	\$242.0
04/04/11	EMC Corporation	NetWitness Corporation	\$260.0
03/23/11	McAfee, Inc.	Sentrigo, Inc.	NA
02/14/11	Quest Software, Inc.	e-DMZ Security, LLC	NA
02/14/11	HP	Vertica Systems	\$275.0
02/10/11	GBS Enterprises Incorporated	Permessia Corporation	NA
02/07/11	Corero plc	Top Layer Networks	\$14.8
02/02/11	nCircle Network Security, Inc.	ClearPoint Metrics, Inc.	NA
01/14/11	BAE Systems - North America	Norkom Technologies, Inc.	\$201.8
01/12/11	Network Appliance, Inc.	Akorri Networks, Inc.	NA
01/04/11	Dell, Inc.	SecureWorks, Inc.	\$525.0

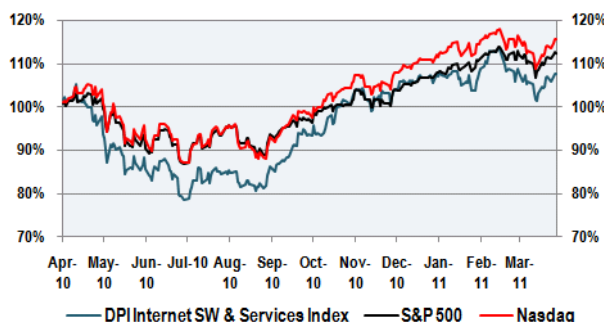
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Software: Internet Software and Services

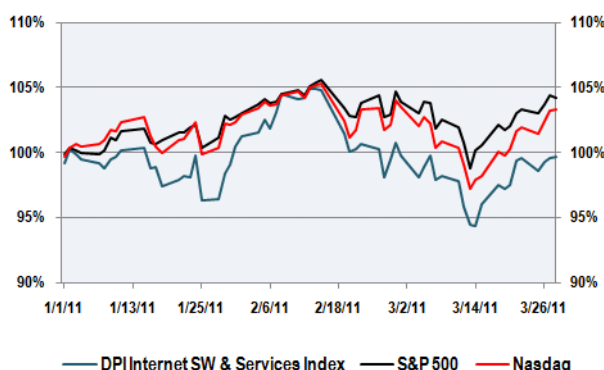
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI Internet SW & Services Index vs. Major Indices
Latest Twelve Months



DPI Internet SW & Services 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.	2.7x	44.3x
eBay Inc.	3.9x	12.8x
Google Inc.	5.7x	14.0x
InfoSpace Inc.	0.4x	4.2x
IAC/InterActiveCorp.	0.9x	10.4x
RealNetworks Inc.	0.4x	NM
Yahoo! Inc.	3.0x	14.5x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Internet Software and Services Index was up 8% and 0.5%, for the last 12 months and last quarter respectively.
- Q1'11 had a total of 192 M&A transactions compared to 181 announced in Q4'10.
- The take-up of mobile devices such as the iPad is driving demand for mobile business-to-consumer applications.
- Growing numbers of businesses are permitting employees to work remotely, allowing workers to clock time from home, a hotel or an airport, according to a recent survey of 1,000 workers commissioned by Skype. Companies most likely to give employees such office flexibility are larger companies such as Deloitte, Cisco, Accenture, etc.
- Polycom's \$50 million acquisition of video content management provider Accordent Technologies is all about synergies according to the two companies. It gives Polycom an in-house video content management solution where it relied on an OEM relationship before.
- Telefonica (Europe's second largest phone company) predicts a technology that allows consumers to make purchases using near-field communications system will account for \$113 billion of transactions worldwide within four years. Near-field communications technology will enable users to make secure payments using mobile phones for items such as public transport tickets, movies and museums.
- Launched late March, Amazon's Cloud Player gives users the ability to listen to their music collection anywhere they have an Internet connection, either via a Web app that's compatible with all major browsers or an Android app. Industry experts labeled it as a move to increase pressure on competitors such as Apple and Google, which are rumored to be releasing similar digital locker products later on this year.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/24/11	Walgreen Co.	Drugstore.com Inc.	\$383.5
03/23/11	Polycom, Inc.	Accordent Technologies, Inc.	\$50.0
03/07/11	Fairfax Media Ltd.	Occupancy Pty Ltd.	\$29.6
03/07/11	YouTube, LLC	NextNew Networks, Inc.	NA
02/16/11	ReachLocal, Inc.	DealOn Media, LLC	\$10.0
02/14/11	Generation Zero Group, Inc.	StaffMD (PhysicianWork.com assets)	\$8.5
02/07/11	AOL, Inc.	HuffingtonPost.com LLC	\$315.0
01/18/11	Pearson PLC	TutorVista Global Pvt. Ltd.	\$139.0
01/05/11	Sourcefire	Immunet Corporation	\$21.0
01/04/11	USA Today International Corporation	Reviewed.com, LLC	NA

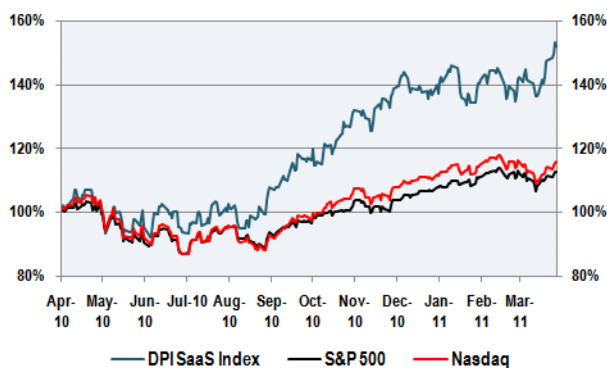
Please call DecisionPoint for further details on listed transactions.

Software: Software as a Service (SaaS)

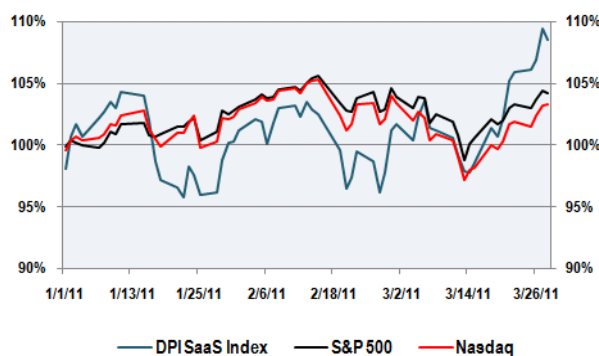
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI Software as a Service Index vs. Major Indices
Latest Twelve Months



DPI Software as a Service 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	EBITDA
Blackboard Inc.	3.1x	12.9x
Concur Technologies	9.5x	40.8x
DealerTrak Holdings	3.3x	32.8x
Kenexa Corp.	3.5x	33.4x
Red Hat, Inc.	9.5x	45.3x
Rightnow Technologies	5.6x	64.3x
Salesforce.com	12.0x	104.1x
Taleo Corp.	5.7x	44.0x
Ultimate Software	7.0x	123.8x
Vocus Inc.	4.5x	225.0x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Software as a Services Index was up 55% and 11%, for the last 12 months and last quarter respectively.
- Q1'11 had a total of 53 M&A transactions compared to 49 announced in Q4'10.
- According to research firm Infonetics, revenue for managed security services jumped 12% in 2010 and that number is expected to grow by several times over the next five years, with the managed security services market expected to hit \$17 billion by 2015 on the backs of cloud and SaaS.
- Worldwide SaaS market will grow to \$19 billion by end of 2011. This market is forecasted to have a 15.3% CAGR for next 4 years, whereas the overall application market will only grow at 5.3% CAGR.
- More and more companies are using SaaS technology as a means of delivering enterprise resource planning (ERP) solutions. A new report from market analyst TechNavio suggests that demand for SaaS-based applications on the whole is rising, a trend that is also being reflected in the ERP software sector.
- Salesforce.com recently announced a strategic partnership with Intuit, maker of QuickBooks. The popular accounting software is used by 4.5 million small businesses. Under the agreement, Intuit will resell Salesforce.com's CRM through its App Center. Customers will be able to synchronize customer data with QuickBooks and QuickBooks online, a web-based version of its software. The partnership is good news for Salesforce.com, which is hoping to penetrate Intuit's customer base of small businesses with CRM.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/31/11	Information Architects	Enterprise Network Consulting Inc	NA
03/28/11	Salesforce	Radian6	\$326.0
03/03/11	Johnson Controls, Inc.	EnergyConnect	\$26.5
02/22/11	Harris Corp.	Carefx Corporation	\$155.0
02/09/11	Visa, Inc.	PlaySpan, Inc.	\$190.0
02/02/11	Open Text Corporation	Metastorm Inc.	\$182.0
01/31/11	KIT digital, Inc.	KickApps Corp.	\$44.7
01/19/11	Reval.com, Inc.	ecofinance Finanzsoftware	NA
01/06/11	Emptoris, Inc.	Rivermine Software, Inc.	NA
01/06/11	Salesforce.com	DimDim, Inc.	\$31.0

Please call DecisionPoint for further details on listed transactions.

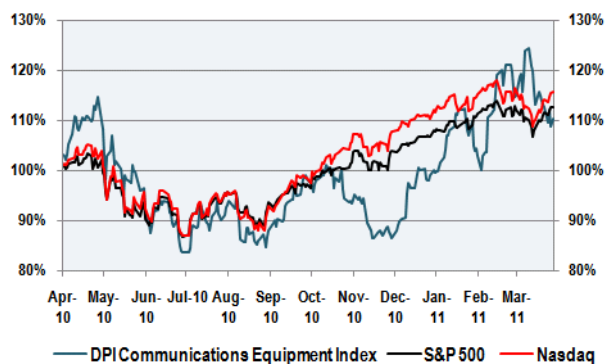
Communications: Equipment

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

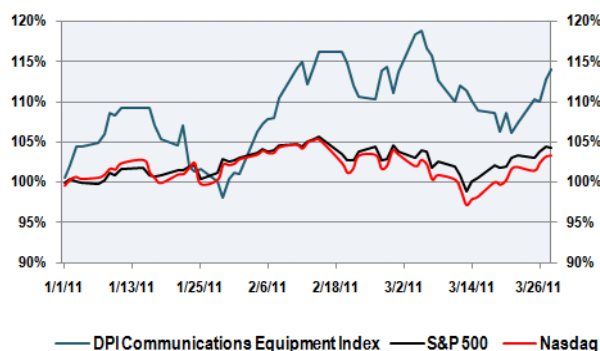
DPI Comm. Equipment Index vs. Major Indices

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	0.6x	8.4x
CIENA Corp.	2.2x	NM
Cisco Systems, Inc.	1.6x	6.3x
Tellabs Inc.	0.5x	2.9x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Communication Equipment Index was up 7% and 14%, for the last 12 months and last quarter respectively.
- Q1'11 had a total of 83 M&A transactions compared to 74 announced in Q4'10.
- In a candid admission on April 5th that left the technology world buzzing, Cisco's CEO and Chairman, John Chambers, told Cisco employees that aspects of Cisco's current "operational execution" are flawed, admitting that Cisco had disappointed its investors, confused its employees and lost some credibility in the market. According to Chambers, Cisco will "make a number of targeted moves in the coming weeks."
- Intel says it will finally enter the tablet market next month, as the leading chipmaker shipped its first Atom-based Oak Trail processors to manufacturers in early April. Intel is looking to make up a significant disadvantage to British design firm ARM in the tablet/mobile market.
- The proposed merger of AT&T and T-Mobile USA may become a huge setback for Nokia Siemens Networks (NSN), a 50-50 joint venture between Nokia Corp. and Siemens AG. This merger will certainly affect the overall telecom equipment manufacturing industry and Nokia Siemens Network is likely to suffer the most as the company is supplying equipments and services including standardization services for the HSPA+ mobile broadband network of T-Mobile. A potential acquisition of T-Mobile by AT&T may eliminate NSN as a vendor for the merged entities.
- Qualcomm Inc., the leading chipset maker for mobile handsets worldwide, intends to dispose of its remaining 76% stake in Broadband Wireless Access (BWA) spectrum in India to the local operator Bharti Airtel for around \$1.2 billion – \$1.3 billion. Qualcomm plans to divest its full stake after creating a next-generation (4G) LTE (Long-Term Evolution) network to roll out super-fast broadband wireless access services.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/28/11	API Technologies Corp.	Spectrum Control, Inc.	\$261.2
03/21/11	NetLogic Microsystems Inc.	Optichron, Inc.	\$185.5
03/21/11	Broadcom Corp.	Provigent Inc.	\$313.0
03/09/11	Network Appliance, Inc.	LSI Corporation (certain assets)	\$480.0
02/22/11	Icahn Capital LP	Mentor Graphics Corp.	\$2,020.9
02/18/11	Juniper Networks, Inc	Brilliant Telecommunications, Inc.	\$4.5
01/26/11	EnerNOC, Inc.	M2M Communications	\$33.3
01/24/11	Integrated Silicon Solution, Inc.	Si En Integration Holdings Limited	\$20.0
01/05/11	Qualcomm, Inc.	Atheros Communications, Inc.	\$2,956.8
01/03/11	Tailwind Capital LP	Ericsson Federal Inc.	NA

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.

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