

# QUARTERLY VIEWPOINT:

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

## Services

- IT Project-Based / IT Outsourcing / IT Staffing
- Spotlight: Software Testing
- Value Added Resellers
- Management Consulting
- Business Process Outsourcing

## Software

- Enterprise
- Spotlight: Content Management Software

## Communications

- Software
- Equipment

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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 the technology industry, DecisionPoint has selected a group of representative public comparables and transactions. This data is provided for informational purposes only. All data represents publicly available information.

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

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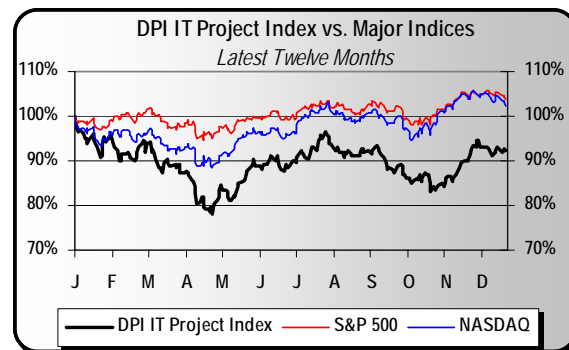
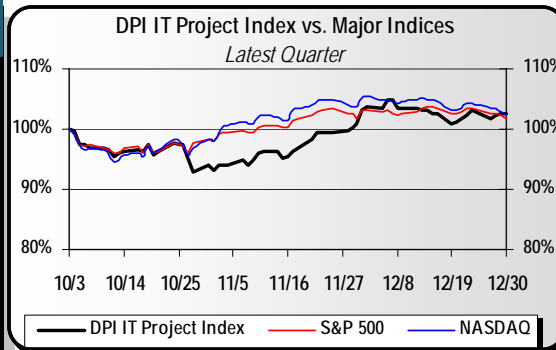
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# IT Project-Based

## Highlights, Stock Performance and Recent M&A Activity

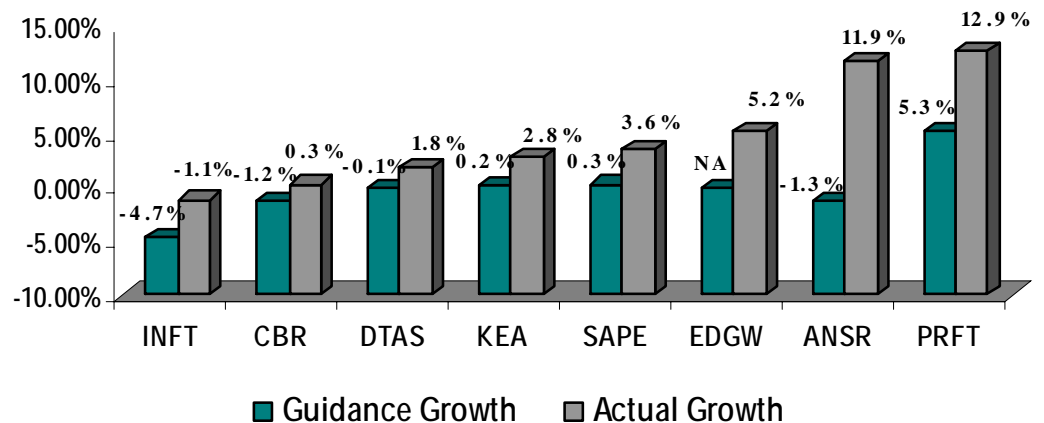
### Highlights

- For the LTM and quarter, the IT Project-Based Index was down 8% and up 3%, respectively.
- Out of the eight companies (BE not included due to no recent filings) in the IT Project-Based Index, all eight exceeded their Sep-Dec quarter revenue guidance. Seven of the companies had sequential quarter growth.
- M&A HotSpots: IT Services acquirors have expressed overwhelming interest in ERP services partners for SAP (e.g. Axon / TUI) and Oracle (e.g. Oracle / i-flex solutions, RCM / Soltre and Amazing Technologies / Axion Solutions).
- What's to come in M&A? We expect to see continued demand for ERP services partners as Oracle integrates applications from its recent acquisition spree into its Fusion product slated for release in 2008. IT Services providers of SAP and IBM could also witness consolidation with SAP's NetWeaver and IBM's WebSphere being the primary competition for Oracle's Fusion.
- Q4'05 had a total of 42 transactions compared to 52 in Q3'05.



Note: The DPI IT Project-Based Index includes: Answerthink, BearingPoint, CIBER, Digitas, Edgewater Technology, Inforte Corporation, Keane, Perficient and Sapient Corporation.

### Quarterly Sequential Revenue Growth: Guidance vs. Actual



December 31, 2005

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Answerthink, Inc.	2.2x	91.0x
BearingPoint	0.7x	NM
CIBER, Inc.	0.8x	11.6x
Digitas Inc.	2.0x	28.5x
Edgewater Technology	0.8x	16.2x
Inforte Corporation	0.7x	18.6x
Keane, Inc.	1.0x	11.4x
Perficient, Inc.	2.2x	14.3x
Sapient Corporation	1.9x	20.9x

LTM = Last twelve months

### Representative IT Project-Based Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/21/05	Axon Group	TUI Consulting	NA
12/15/05	Exact Software	Inspired Solutions	NA
12/13/05	General Dynamics	FC Business Systems	NA
12/01/05	Project Leadership Associates	Nexus Consulting Group	NA
11/30/05	Number Six Software	CrossLogic	NA
11/30/05	Number Six Software	ECMS	NA
11/14/05	NTT Data International	The Revere Group	NA
11/09/05	Safeguard Scientifics	Acsis	\$26.0
11/04/05	Network Installation	Spectrum Communications	NA
10/21/05	Platinum Equity	PEAK Technologies	NA
10/20/05	Tata Consultancy Services	Financial Network Services	\$26.0
10/18/05	Acumen Solutions	Greenwich Technology Partners	NA
10/17/05	Anteon	Milestone Group	\$31.5
10/17/05	CACI	National Security Research	NA
10/10/05	SAIC	IMAPS	NA

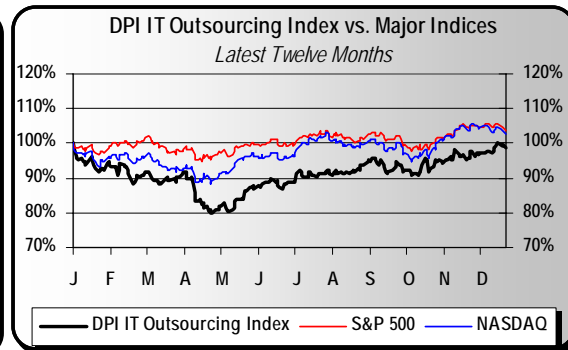
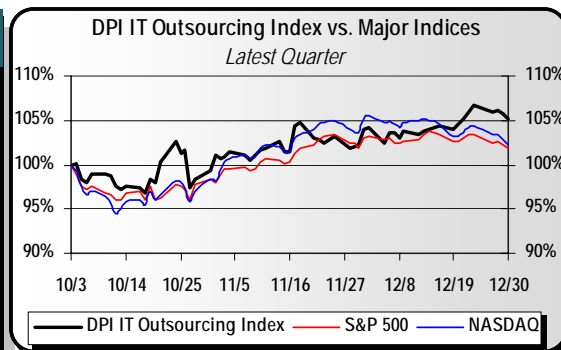
Please call DecisionPoint for further details on listed transactions.

# IT Outsourcing

## Highlights, Stock Performance and Recent M&A Activity

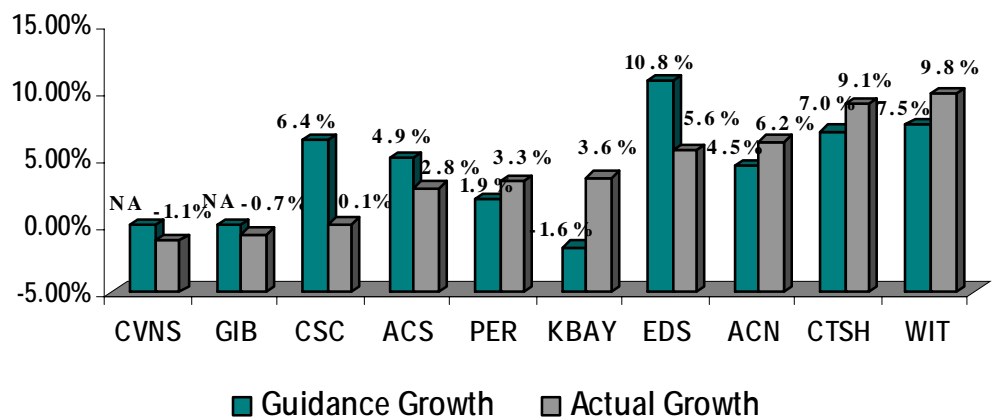
### Highlights

- For the LTM and quarter, the IT Outsourcing Index was down 1% and up 5%, respectively.
- Out of the ten companies in the IT Outsourcing Index, six exceeded their Sep-Dec quarter revenue guidance, while two came in below guidance and two were not available. Eight of the companies had sequential quarter growth.
- China continues to be a fast-growing market as leading IT Outsourcing providers including Infosys, TCS and Satyam set up development centers. BearingPoint, Microsoft and Sun Microsystems are also developing software labs in China.
- India remains the leading destination of global IT offshoring; however, lower cost competitors such as China, Eastern Europe and South Africa continue to gain global market share.
- M&A in the Chinese IT Outsourcing services space has been rampant (e.g. HiSoft / Ensemble / Teksen), (Achievo / Jeyo Computer Technology) and (AsiaInfo Holdings / Changjiang Technology).
- Q4'05 had a total of 22 transactions compared to 20 in Q3'05.



Note: The DPI IT Outsourcing Index includes: Accenture, ACS, CGI Group, Cognizant Technology, CSC, Covansys Corporation, EDS, Kanbay, Perot Systems and Wipro.

### Quarterly Sequential Revenue Growth: Guidance vs. Actual



December 31, 2005

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Accenture Ltd.	1.7x	12.6x
ACS	2.0x	10.6x
CGI Group Inc.	1.3x	8.6x
Cognizant Technology	8.1x	35.9x
CSC	1.0x	6.7x
Covansys Corporation	1.1x	8.2x
EDS	0.9x	9.4x
Kanbay	2.3x	10.6x
Perot Systems	0.9x	7.9x
Wipro Ltd	7.6x	31.7x

LTM = Last twelve months

### Representative IT Outsourcing Transactions

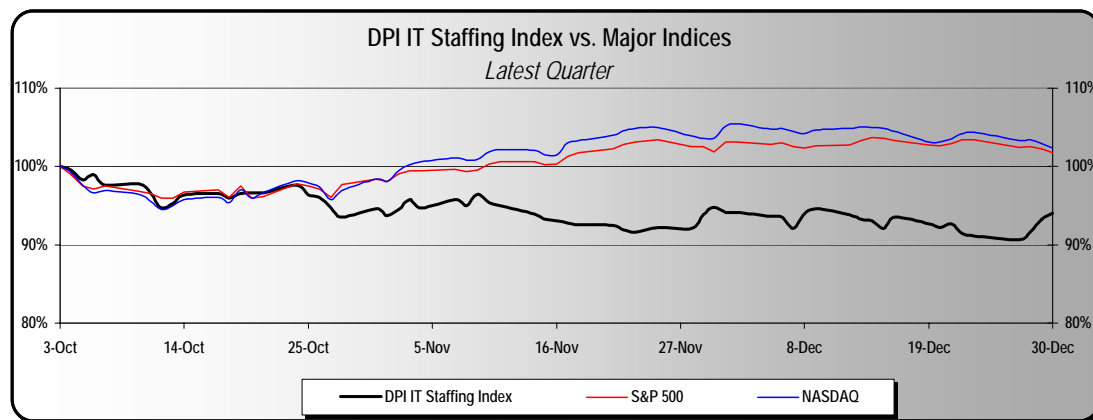
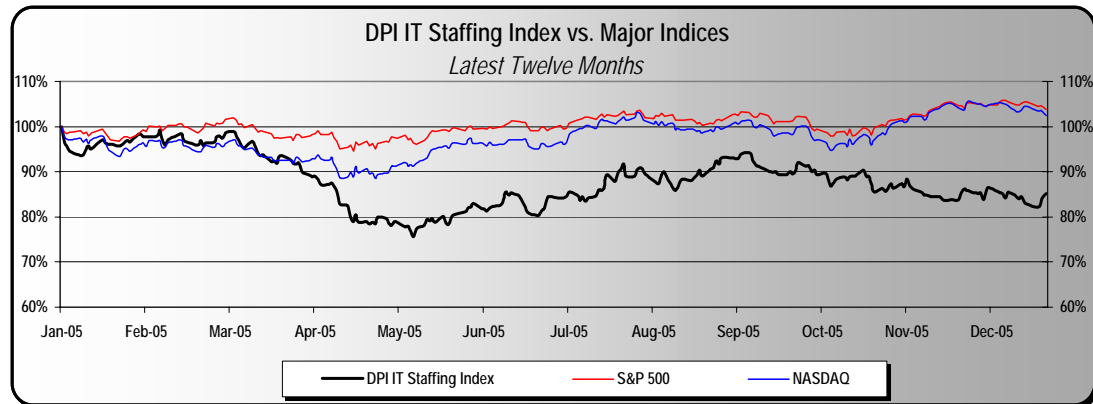
Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/22/05	Black Box	Converged Solutions Group	NA
12/22/05	Wipro	mPower Software Services	\$28.0
12/14/05	General Dynamics	Anteon	\$2,205.3
12/14/05	Tucows	Critical Path	\$8.0
12/13/05	ZenSar Technologies	OBT Global	NA
12/12/05	Offshore Systems International	CHI Systems	\$9.0
12/08/05	EDS	BV Solutions Group	NA
12/01/05	HiSoft	Ensemble and Teksen	NA
11/28/05	Achievo	Jeyo Computer Technology	NA
11/09/05	IBM	NetSol	\$100.0
11/07/05	Achievo	Advanced Network Services	NA
11/03/05	Helio Solutions	Cryptine Networks	NA
11/02/05	SRA International	Spectrum Solutions Group	NA
10/25/05	Infocrossing	(i)Structure	\$91.5
10/06/05	Perimeter Internetworking	U.S. Networks	NA

# IT Staffing

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the IT Staffing Index was down 15% and 6%, respectively.
- M&A activity picked up steam in Q4'05 with four announced pure staffing transactions. There were only six transactions year-to-date at the end of Q3'05 and none were completed in Q3.
- A recent survey by Kforce Professional Staffing noted that baby boomer retirements and a shortage of IT graduates are expected to create a shortfall in the number of skilled technology workers in 2006. This comes at a time when regulatory deadlines and long-delayed upgrades demand additional staff.
- The increasing size and number of databases makes database administration and support a critical function in nearly every IT organization.
- Preliminary data from a Computer Economics 2005 IT study on high-level staffing issues points to an interesting trend in recruiting: it appears that many companies may be losing interest in online job boards and going back to more traditional recruiting methods, such as—surprisingly—the use of third-party recruiters.
- Q4'05 had a total of 4 transactions compared to 1 announced (not completed) in Q3'05.



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

December 31, 2005

### Metrics

Company	Enterprise Value /	
	LTM Revenue	LTM EBITDA
Analysts Int'l	0.3x	59.4x
Butler Int'l	0.4x	8.8x
COMFORCE	0.5x	12.5x
Computer Horizons	0.4x	NM
CTG	0.5x	21.3x
Kforce	0.6x	10.5x
RCM Technologies	0.4x	10.2x
TechTeam Global	0.6x	7.7x
Volt Information	0.2x	6.6x

LTM = Last twelve months

### Representative IT Staffing Transactions

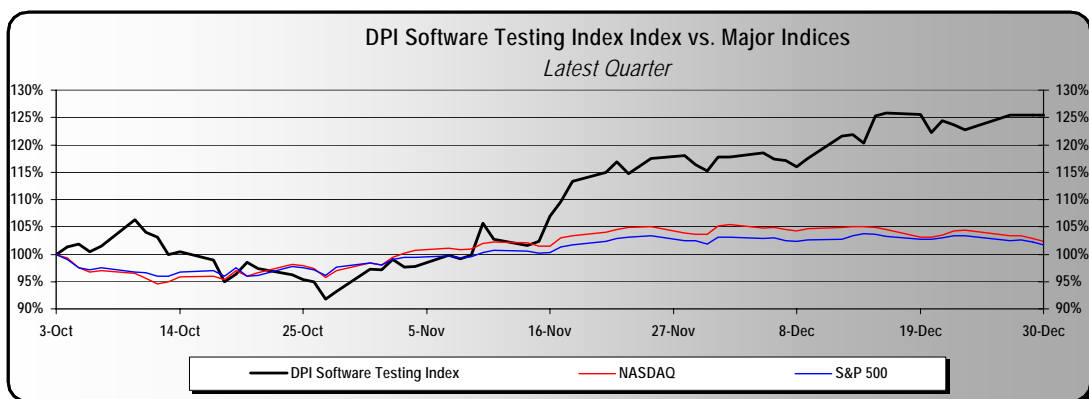
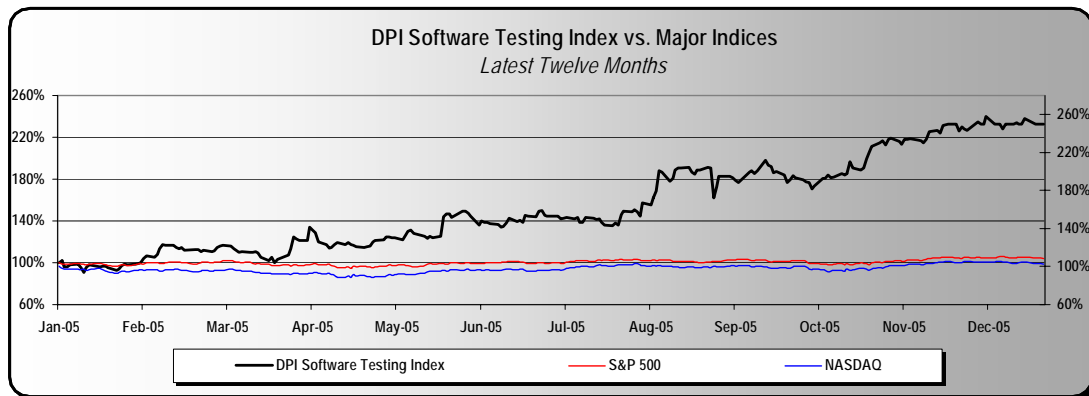
Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/05/05	IntelliMark	Impact Innovations Group	NA
11/18/05	KENDA Systems	Parity (assets)	NA
11/17/05	Brainhunter	iGate Mastech Ltd.	NA
10/19/05	Modis	Pacioli Companies	NA

# Spotlight: Software Testing

Highlights, Stock Performance and Recent M&A Activity

## Highlights

- For the LTM and quarter, the Software Testing Index was up 137% and 25%, respectively.
- The software testing sector saw major cross border and cross vertical consolidations including the HiSoft, Ensemble and Teksen merger; the Applabs, eSolutions and VisualSoft merger.
- The announced merger of Applabs Technologies, eSolutions and VisualSoft Technologies in October created a global, publicly-held provider of services in the software testing and product development markets with a total of 1,800 employees.
- The software testing competitive landscape is primarily comprised of in-house software testing labs, Indian-based outsourcers and software development and consulting firms.
- North American software testing firms are feeling the pressure to utilize offshore resources to compete on price with Indian-based firms.
- Q4'05 had a total of 2 transactions, same as in Q3'05.



The DPI IT Staffing Index includes: Aztec Software and VisualSoft Technologies

## Representative Software Testing Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/01/05	HiSoft	Ensemble and Teksen	NA
10/27/05	VisualSoft	AppLabs Technologies & eSolutions (three way merger)	NA

December 31, 2005

## Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Aztec Software	4.1x	17.5x
VisualSoft Technologies Ltd.	2.4x	10.1x

LTM = Last twelve months



## DecisionPoint Software Testing Experience:

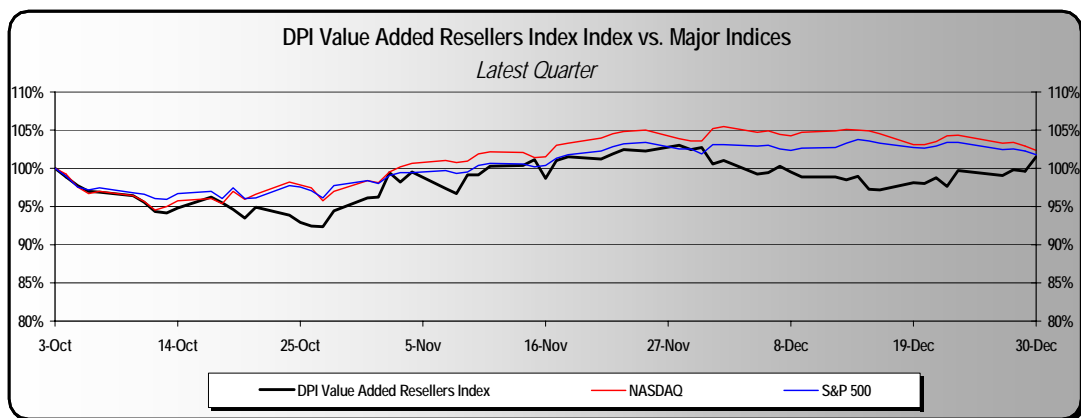
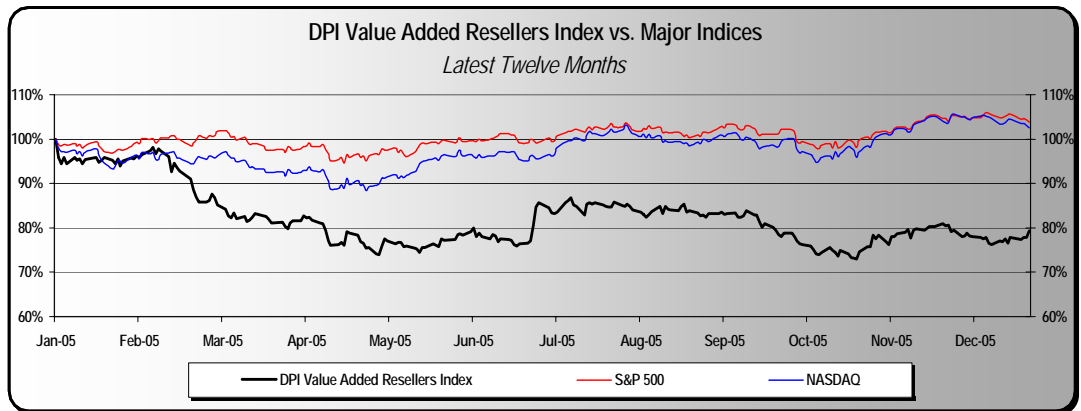
Charlotte, NC; April 25, 2005 -- DecisionPoint International announced that its client, AppLabs Technologies Pvt. Ltd ("AppLabs"), an offshore technology company providing software testing and development services to companies worldwide, has acquired Lab Acquisition Corporation dba KeyLabs ("KeyLabs"). Based in Utah, KeyLabs is a spinout from Exodus Communications and a recognized expert in software and hardware testing and specialized certification services. AppLabs is a portfolio company of WestBridge Capital Partners ("WestBridge"), a venture capital fund with approximately \$140 million under management.

# Value Added Resellers

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Valued Added Resellers Index was down 21% and up 2%, respectively.
- Due to depressed margins in commoditized hardware and software, many traditional VARs are expanding their offerings to include managed services.
- VARs offering high-end equipment and services typically have higher margins resulting in valuations at a premium to traditional VARs.
- Continued strong demand is expected for servers, which are the building blocks for high priority spending initiatives such as security, disaster recovery and virtualization. Partners with strong ties to leading server vendors IBM and HP will continue to benefit from this trend.
- Voice over IP (VoIP) continues to be a hot area for VARs as the U.S. market is expected to boom over the coming years.
- Q4'05 had a total of 8 transactions compared to 9 in Q3'05.



Note: The DPI Value Added Resellers Index includes: Black Box, CDW Computer Centers, Emtec, En Pointe Technologies, Insight Enterprises, MTM Technologies, PC Connection, Pomeroy IT Solutions and TransNet Corporation.

December 31, 2005

### Metrics

Company	Enterprise Value	
	LTM GP	LTM EBITDA
Black Box Corp.	4.6x	11.9x
CDW Computer Centers	4.5x	10.4x
Emtec	3.3x	33.8x
En Pointe Technologies	1.0x	NM
Insight Enterprises	2.8x	8.5x
MTM Technologies	1.8x	15.4x
PC Connection	1.1x	9.5x
Pomeroy IT Solutions	1.2x	5.1x
TransNet Corporation	1.0x	NM

LTM = Last twelve months; GP = Gross Profit

### Representative Value Added Resellers Transactions

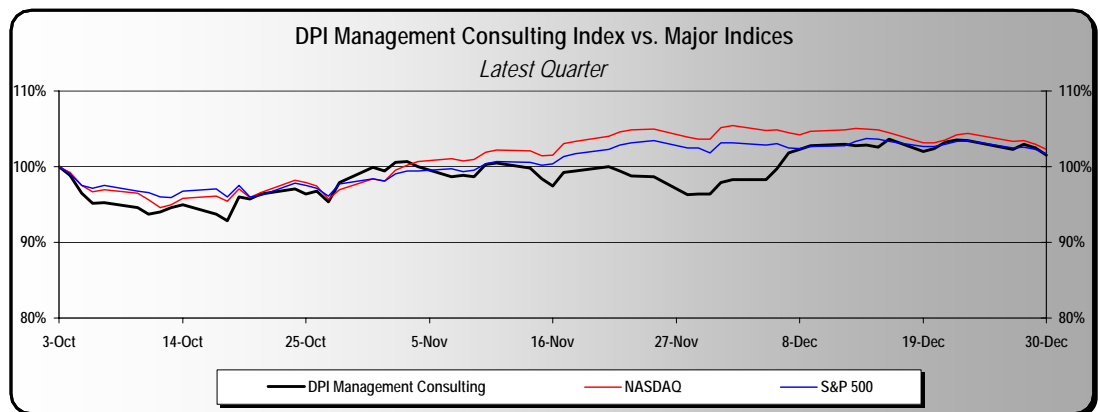
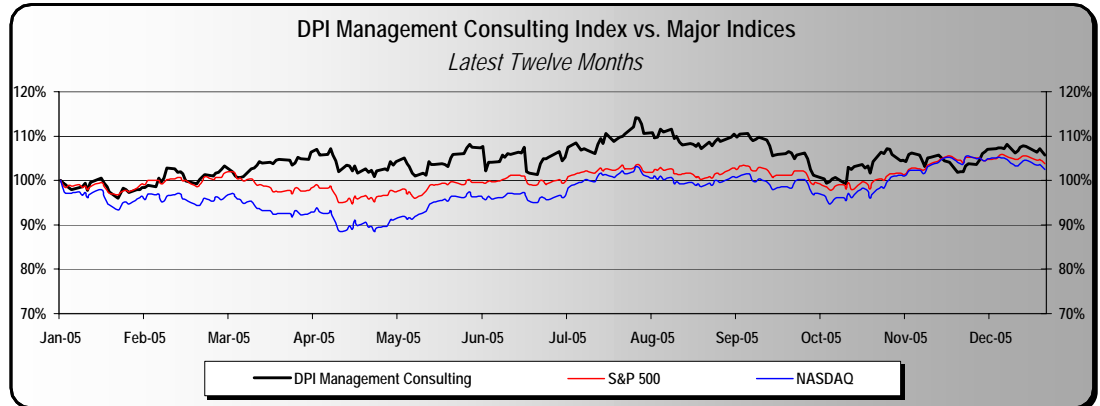
Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/30/05	Global Imaging Systems	CSC Office Automation	NA
11/29/05	Calence	Avnet Enterprise Solutions	NA
11/28/05	Bell Microproducts	MCE	NA
11/03/05	FusionStorm	Intraware (assets)	NA
10/31/05	Arrow Electronics	Ultra Source Technology	NA
10/27/05	Arrow Electronics	DNSint.com AG	\$157.0
10/24/05	PC Connection	Amherst Technologies (assets)	\$7.8
10/17/05	Applimation	Andiamo	NA

# Management Consulting

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Management Consulting Index was up 6% and 2%, respectively.
- Industry leaders continue to snap up smaller niche and vertically focused consulting firms as they add on to their existing capabilities. During the quarter, LECG announced the acquisitions of Beach & Company and Lancaster Consulting, two small expert services firms.
- Management consulting clients are developing more rigorous processes for hiring consulting firms and managing engagements. They're demanding greater hands-on involvement, smaller engagement teams, greater attention to ROI and more competitive bidding. The ability of consulting firms to meet their clients' required level of service undoubtedly impacts their effectiveness at retaining and procuring clients.
- Kennedy Information analysts forecast the Asia Pacific region to grow at 7% through 2008, making it one of the fastest growing regions in consulting today.
- Q4'05 had a total of 9 transactions compared to 8 in Q3'05.



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

December 31, 2005

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Charles River Associates	2.1x	12.0x
Diamondcluster Int'l	1.1x	5.8x
FTI Consulting, Inc.	2.7x	11.3x
Huron Consulting Group	2.2x	12.4x
LECG Corporation	1.6x	10.8x
Navigant Consulting	2.6x	12.2x
The Advisory Board	6.5x	22.8x
The Corp. Executive Boar	9.8x	33.2x

LTM = Last twelve months

### Representative Management Consulting Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/29/05	Clark Consulting	MedEx and Argos Advantage	\$8.6
12/12/05	Accenture	Media Audits	NA
12/01/05	LECG	Beach & Company	NA
12/01/05	LECG	Lancaster Consulting	NA
11/29/05	Answerthink	REL Consultancy Group	\$35.0
11/21/05	FTI Consulting	Competition Policy Associates	\$70.0
11/21/05	Karabus Management	Merton3	NA
11/17/05	Alta Communications	Yankee Group Research	NA
10/19/05	newGOV Solutions	IntelArtisans	NA



# Business Process Outsourcing

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Business Process Outsourcing Index was up 10% and 8%, respectively.
- Demand for skilled Indian labor has begun to overwhelm labor supply resulting in increased prices.
- 2006 looks like it will be the year for successful outsourcing of human resources. HRO suppliers are starting to demonstrate how to build and manage effective service delivery models that meet both the buyer needs for quality and value as well as the business needs for scalability and profitability.
- It is becoming more and more clear that governance is key to the success of an outsourcing relationship. To ensure an enduring outsourcing relationship, it is recommended that a governance unit is established that manages the relationship and is the single point of contact.
- BPO buyers are increasingly looking to experienced, outside / third-party advisors such as TPI to assist in BPO transactions.
- Q4'05 had a total of 61 transactions compared to 68 in Q3'05.

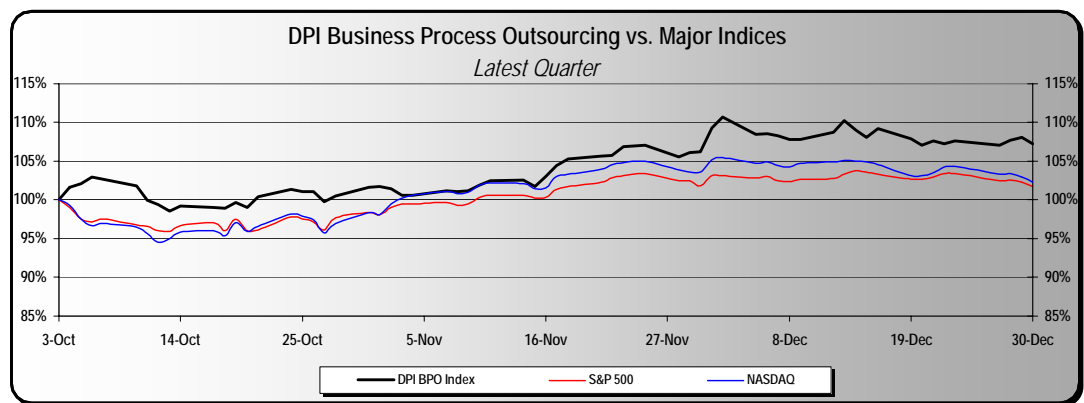
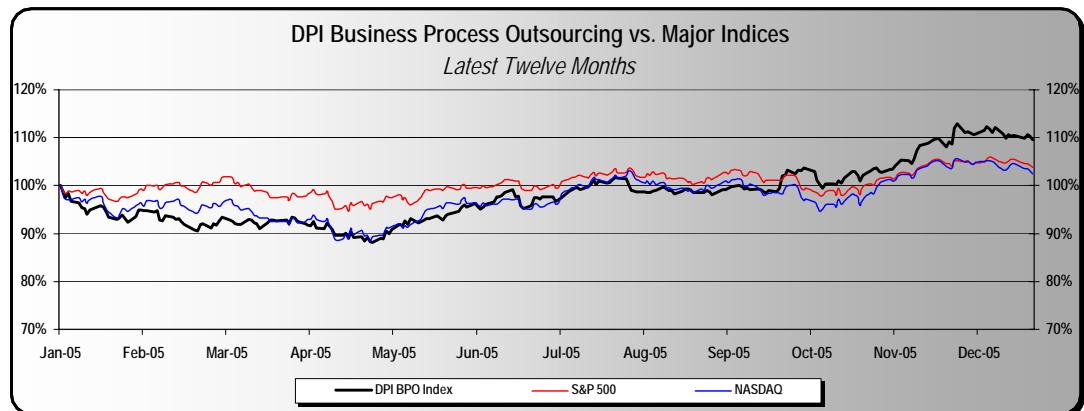
December 31, 2005

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
ACS	2.0x	10.6x
Aspen Technology	1.6x	9.4x
ADP	6.8x	25.9x
Bisys Group	2.0x	10.0x
Ceridian Corp.	6.3x	33.2x
CGI Group	1.3x	8.6x
GSE Systems	0.8x	NM
First Advantage	2.6x	12.0x
MedQuist	0.7x	NM
Paychex	10.7x	24.0x
Per-Se Tech.	2.7x	18.4x
Tier Tech.	0.8x	14.4x

LTM = Last twelve months

**VIEWPOINT**  
Business Process Outsourcing



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

### Representative Business Process Outsourcing Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/30/05	First Data	Gesellschaft fur Zahlungssysteme	NA
12/27/05	Fidelity National Financial	Sedgwick CMS	\$635.0
12/23/05	Certegy	FastFunds	\$24.6
12/19/05	First Advantage	TruStar Solutions	NA
12/12/05	Allsec Technologies	B2K	\$2.9
11/23/05	Fiserv	Arrowhead Trust	\$48.0
11/22/05	Metavante	AdminiSource	NA
11/11/05	Jack Henry & Associates	Profitstar	NA
11/09/05	WNS	Trinity Partners	NA
11/08/05	Tata Consultancy Services	Comicrom	\$23.0
10/21/05	First Data	Vigo Remittance	NA
10/21/05	Private Business	Captiva Solutions	\$8.4
10/18/05	Monster WorldWide	JobKorea	\$94.0
10/18/05	Perot Systems	Technical Management	NA
10/03/05	Metavante	LINK2GOV	NA

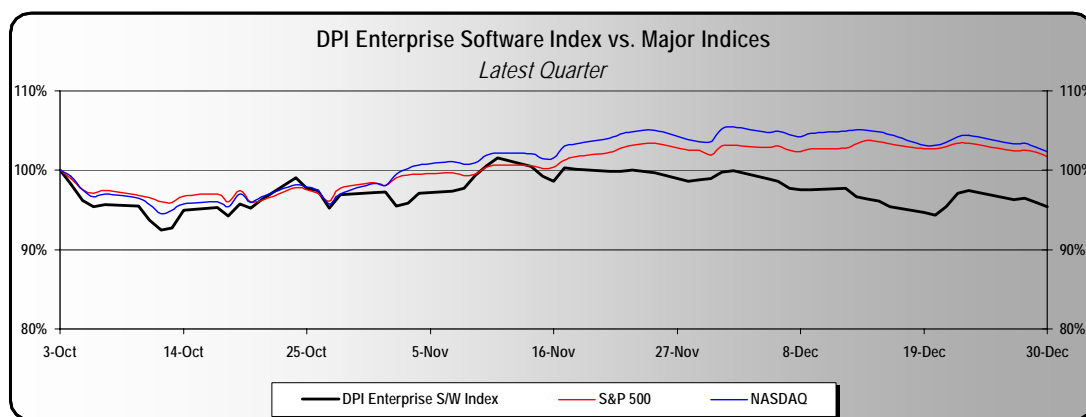
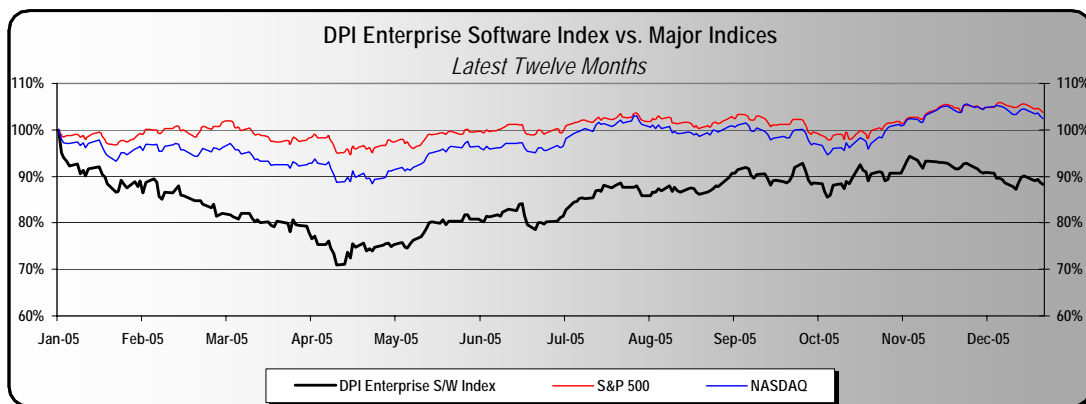
Please call DecisionPoint for further details on listed transactions.

# Enterprise Software

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Enterprise Software Index was down 11% and 5%, respectively.
- The emergence of the independent Software as a Service (SaaS) providers has created a major competitive challenge for the established independent software vendors. Microsoft's chairman Bill Gates' blunt warning to his top executives in an internal memo that recently became public is a clear indication of the perceived severity of the SaaS threat.
- Open-source software continues to grab the attention of the venture capital industry as New Enterprise Associates invested in Sugar CRM and Pentahoe, \$18.7 million and \$5 million, respectively.
- M&A continued in the open-source community with Oracle announcing its acquisition of Finland-based Innobase OY, the developer of discrete transactional database technology, InnoDB, that is distributed under an open source license.
- Private equity firms continue to be active acquirors of Enterprise Software companies (e.g. Silver Lake / Serena) and (Golden Gate / Geac Computer).
- Q4'05 had a total of 95 transactions compared to 122 in Q3'05.



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

December 31, 2005

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
BMC Software	4.2x	22.4x
Borland Software	1.9x	NM
EMC Corporation	3.6x	20.9x
Internet SS	2.7x	10.7x
Manhattan Associates	2.2x	13.5x
Tibco Software	3.2x	15.4x
Vignette Corp.	1.8x	29.7x
webMethods	1.8x	23.8x

### Representative Enterprise Software Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/21/05	IBM	MicroMuse	\$775.1
12/06/05	Automatic Data Processing	Kerridge Computer	\$300.0
12/06/05	Epicor Software	CRS Retail Systems	\$121.0
12/05/05	RSA Security	Cyota	\$145.0
12/02/05	Fluke Networks	Visual Networks	\$64.0
11/15/05	EPIQ Systems	nMatrix	\$125.0
11/14/05	Juniper Networks	Funk Software	\$122.0
11/12/05	Silver Lake Partners	Serena Software	\$1,503.5
11/04/05	Autonomy Corporation	Verity	\$358.8
11/04/05	Francisco Partners	FrontRange Solutions	\$200.0
10/20/05	EMC	Captiva Software	\$324.7
10/07/05	Comverse Technology	CSG Systems	\$249.0
10/06/05	Check Point	SourceFire	\$225.0
10/03/05	Rakuten	LinkShare	\$150.0
10/03/05	Symantec	BindView Development	\$201.9

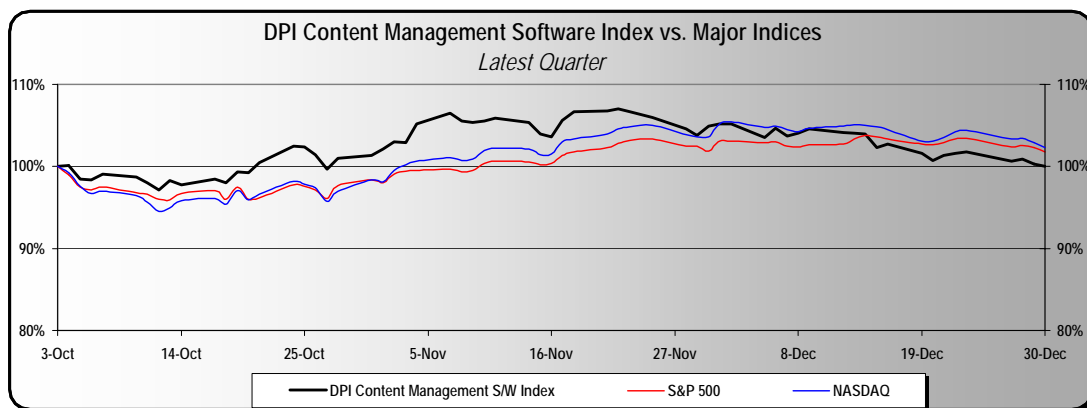
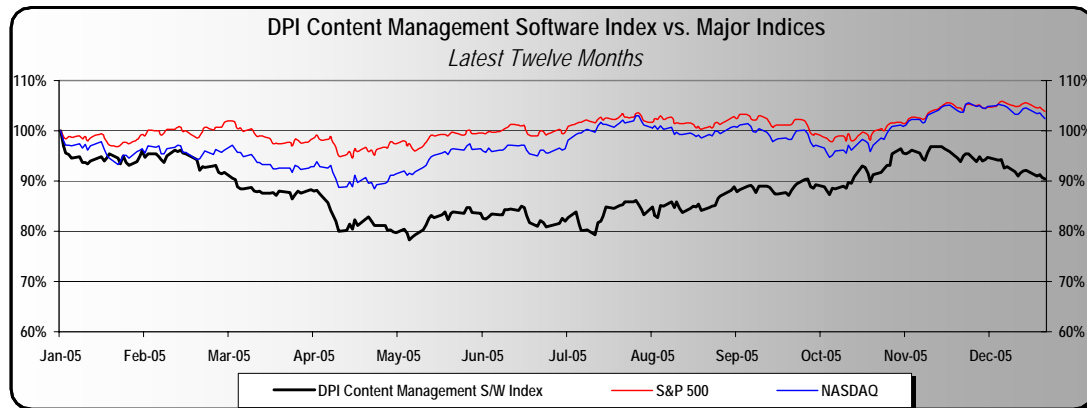
Please call DecisionPoint for further details on listed transactions.

# Spotlight: Content Management Software

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Content Management Software Index was down 9% and flat, respectively.
- During the period, major acquisitions were noted (e.g. EMC / Captiva) and (Autonomy / Verity) as large Enterprise Content Management (ECM) providers continue their pursuit to augment and fill gaps in their ECM offering.
- Providers who can offer a complete solution as well as those who have carved out a niche should be likely targets of future consolidation.
- Hot areas including archiving, e-mail management, e-forms and digital asset management will drive competition as sector specialists try to gain market share from the leaders.
- Q4'05 had a total of 10 transactions compared to 14 in Q3'05.



Note: The DPI Content Management Software Index includes: DocuCorp International, FileNet Corporation, Hummingbird, Ltd., Interwoven, Inc., Open Text Corporation, Stellent, Inc. and Vignette Corporation.

December 31, 2005

### Metrics

Ticker	Enterprise Value /	
	LTM Revenue	LTM EBITDA
DOCC	1.1x	9.2x
FILE	2.0x	17.6x
HUMC	1.6x	13.9x
IWOV	1.8x	127.4x
OTEX	2.2x	14.0x
STEL	2.3x	32.1x
VIGN	1.8x	29.6x

### Representative Content Management Software Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$M)
12/16/05	Microsoft	UMT	NA
11/21/05	Merrill	Wordwave	NA
11/15/05	EPIQ Systems	nMatrix	\$125.0
11/04/05	Autonomy	Verity	\$358.8
11/03/05	Microsoft	FolderShare	NA
10/21/05	6364268 Canada Inc.	Atrion International	\$16.6
10/20/05	EMC	Captiva Software	\$324.7
10/17/05	Iron Mountain	Pickfords Records Management	\$87.0
10/17/05	VeriSign	Moreover Technologies	\$30.0
10/04/05	BlackBaud	ScanStore	NA

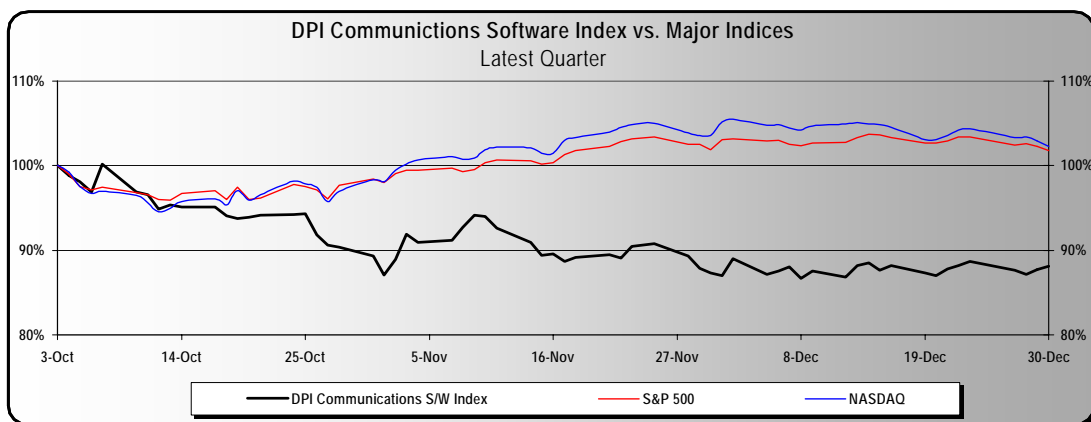
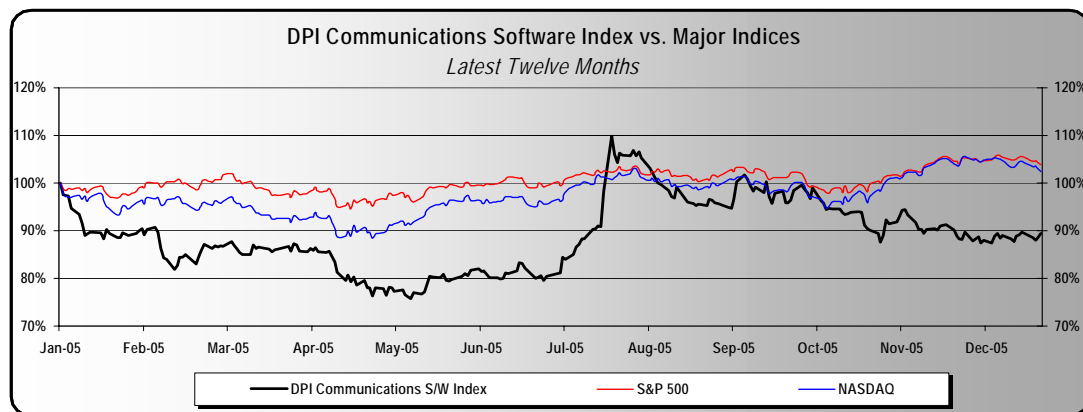
LTM = Last twelve months

# Communications Software

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Communications Software Index was down 11% and 12%, respectively.
- Acquisitions of four of the mobile office players thinned out the space, leaving very few publicly held pure plays in the mobile space in addition to iAnywhere and other mobile business units of major enterprises such as IBM and SAP.
- The telecommunications industry is undergoing massive change as a result of convergence and consolidations. To compete, service providers need to transform themselves into entertainment and communications companies and introduce a variety of new IP-based services. The communications software companies play an important role here since in order to be successful in that transformation, communications service providers rely on software to create a customer experience that is intentional and consistent, building loyalty and customer profitability.
- Q4'05 had a total of 27 transactions compared to 29 in Q3'05.



Note: The DPI Communications Software Index includes: 724 Solutions, Amdocs Limited, Comverse Technology, Metasolv and Telecommunication Systems.

December 31, 2005

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
724 Solutions	1.3x	NM
Amdocs Limited	2.7x	12.9x
Comverse Techn.	3.7x	26.0x
Metasolv	1.5x	53.8x
TCS	1.0x	18.1x

LTM = Last twelve months

### Representative Communications Software Transactions

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
12/20/05	Calypso Wireless	Sleipner	NA
12/15/05	MKS Instruments	Umetrics	NA
12/07/05	PAR3 Communications	EnvoyWorldWide	NA
12/05/05	Modavox	Kino Interactive	\$3.0
11/24/05	Ericsson	TUSC	NA
11/21/05	National Auto Credit	Option Technologies Interactive	\$2.9
11/18/05	Intervice	Edify	\$33.5
11/17/05	SYS technologies	cVideo	\$1.5
11/15/05	j2 Global	Puma Unified Communications	NA
11/03/05	Microsoft	media-streams.com	NA
11/02/05	MessageLabs	Omnipod	NA
10/17/05	TANDBERG	GoldPocket Interactive	\$78.5
10/12/05	Voxeo	Vocomo Software	NA
10/11/05	BEA Systems	ConnecTerra	NA
10/06/05	Golden Gate Capital	Symon Communications	NA

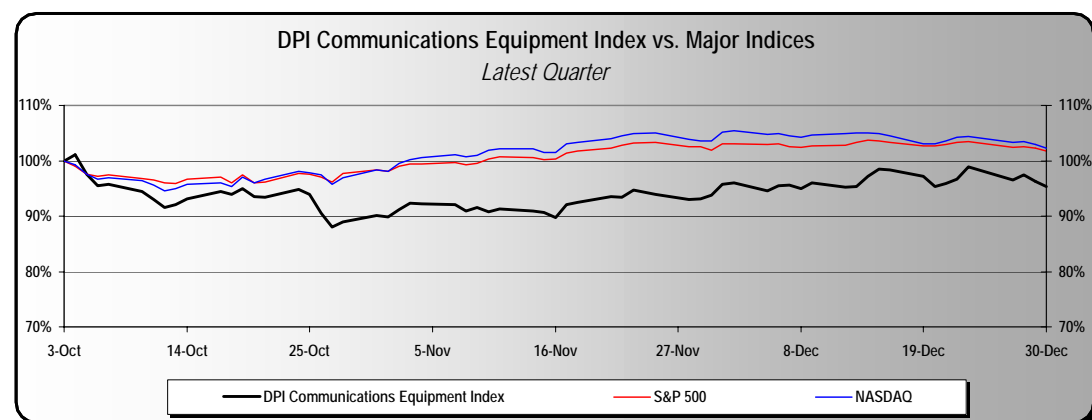
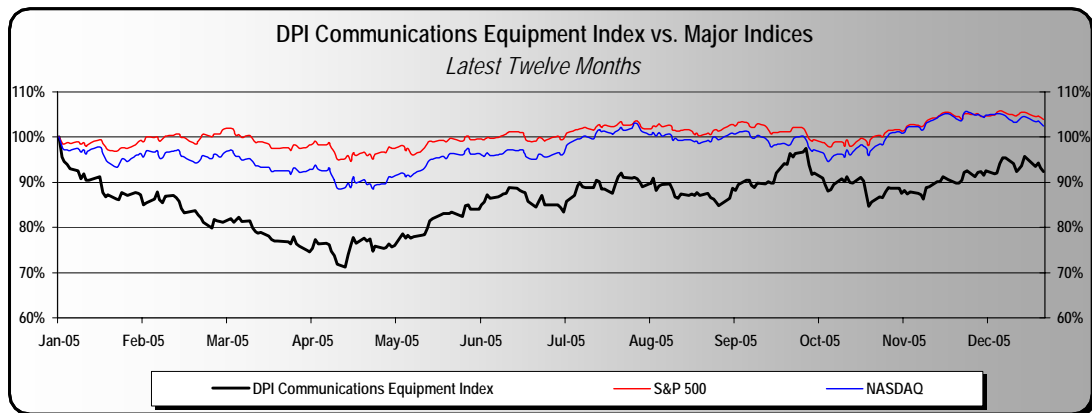
Please call DecisionPoint for further details on listed transactions.

# Communications Equipment

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Communications Equipment Index was down 8% and 4%, respectively.
- According to Gartner, RFID will begin to experience broader industry adoption with business value-focused implementations toward the end of 2006 when new license revenue totals \$751 million. By 2010, Gartner forecasts worldwide RFID spending to surpass \$3 billion.
- Cisco Systems announced its acquisition of Scientific-Atlanta, a provider of set-top boxes, end-to-end video distribution networks and video system integration, giving Cisco 40% of the market for set-top boxes, while creating new competition with US telecom providers rolling out Internet Protocol Television (IPTV).
- Just as the previous quarter, M&A activity remained steady in the fourth quarter as well.
- Q4'05 had a total of 43 transactions compared to 33 in Q3'05.



Note: The DPI Communications Equipment Index includes: 3Com Corporation, ADC Telecommunications, Alcatel, CIENA, Cisco Systems, Lucent Technologies, Nortel Networks and Tellabs.

December 31, 2005

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
3Com	1.2x	NM
ADC	3.0x	22.8x
Alcatel	1.0x	13.8x
CIENA	3.9x	NM
Cisco Systems	4.3x	13.7x
Lucent	2.5x	16.3x
Nortel	1.9x	35.3x
Tellabs	2.3x	13.3x

LTM = Last twelve months

### Representative Communications Equipment Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/27/05	Nortel Networks	Tasman Networks	\$99.5
12/21/05	Texas Instruments	Chipcon	\$200.0
12/20/05	Wipro Technologies	NewLogic	\$57.6
12/06/05	Diodes Incorporated	Anachip	\$30.0
11/21/05	Cisco Systems	Digital Fairway (assets)	\$15.3
11/21/05	ViaSat	Efficient Channel Coding	\$25.5
11/18/05	Cisco Systems	Scientific-Atlanta	\$6,998.9
11/14/05	Andrew Corporation	Skyware Radio Systems	\$9.0
11/14/05	Gores Technology Group	Enterasys Networks	\$386.0
11/09/05	Nayna Networks	Abundance Networks	NA
10/25/05	Ericsson	Marconi (assets)	\$2,100.0
10/25/05	Juniper Networks	Acorn Packet Solutions	\$8.7
10/20/05	SanDisk	Matrix Semiconductor	\$250.0
10/19/05	Broadcom	Athena Semiconductors	\$21.3
10/03/05	TEKELEC	Santera	\$75.6

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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