



# DECISIONPOINT

## QUARTERLY VIEWPOINT:

For the Quarter Ended March 30, 2012 and the Latest Twelve Months

Q1 | 12

# 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 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.



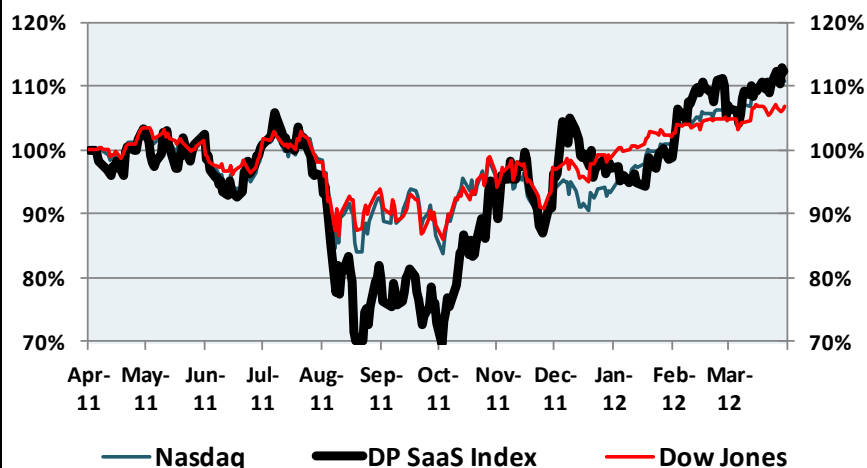
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# Software: Software as a Service (SaaS)

## HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

### MARKET PERFORMANCE

**DP SaaS Index vs. Major Indices**  
Latest Twelve Months



*Note: See table below for the companies that make up the DecisionPoint SaaS Index.*

### VALUATION METRICS

Company	Stock Price 03/30/12	Market Cap.	Enterprise Value (EV)	EV / LTM Revenue	EV / LTM EBITDA
Concur Technologies, Inc.	\$57.38	\$3,128.3	\$2,902.6	7.9x	NM
DealerTrack Holdings, Inc.	\$30.26	\$1,269.3	\$1,190.9	3.4x	22.0x
Kenexa Corp.	\$31.24	\$851.4	\$767.6	2.7x	31.9x
Red Hat, Inc.	\$59.89	\$11,540.8	\$10,727.3	9.5x	42.7x
salesforce.com, inc	\$154.51	\$21,167.9	\$20,947.2	9.2x	NM
Taleo Corp.	\$45.93	\$1,934.7	\$1,818.7	5.8x	NM
The Ultimate Software Group, Inc.	\$73.28	\$1,933.3	\$1,884.4	7.0x	NM
Vocus Inc.	\$13.25	\$268.7	\$161.5	1.4x	NM
<b>Median:</b>	<b>\$51.66</b>	<b>\$1,934.0</b>	<b>\$1,851.6</b>	<b>6.4x</b>	<b>31.9x</b>

### SECTOR HIGHLIGHTS

- SaaS Index was up 12.3% for the latest twelve months.
- Worldwide revenues for software-as-a-service (SaaS) is up 17.9% from 2011, which was \$12.3 billion according to research firm Gartner. Gartner is predicting that this trend will continue, with SaaS-based delivery reaching \$22.1b in 2015. Increasing familiarity with the SaaS model, continued oversight on IT budgets, the growth of platform as a service (PaaS) developer communities and interest in cloud computing are driving adoption forward.
- As in Europe, North America shows the highest SaaS deployments in expense management, financials, email and office suites. However, use of Web conferencing is higher in North America than in all other regions, due to more widely spread workforce.
- Oracle announced this quarter the acquisition of Taleo Corporation, for \$1.9 billion. The takeover represents yet another addition to the IT giant's increasing portfolio of solutions for its public cloud offering in 2012, following the completed acquisition of RightNow, for \$1.4 billion.
- The buzz over SaaS in the enterprise software space may be getting higher, but analysts say the hype surrounding it needs to be checked as this delivery model is not a universal fit for each and every kind of software category. For example, software such as product lifecycle management (PLM), is not a good fit with SaaS, because its end-users are not necessarily mobile and the level of scalability is not as fast.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

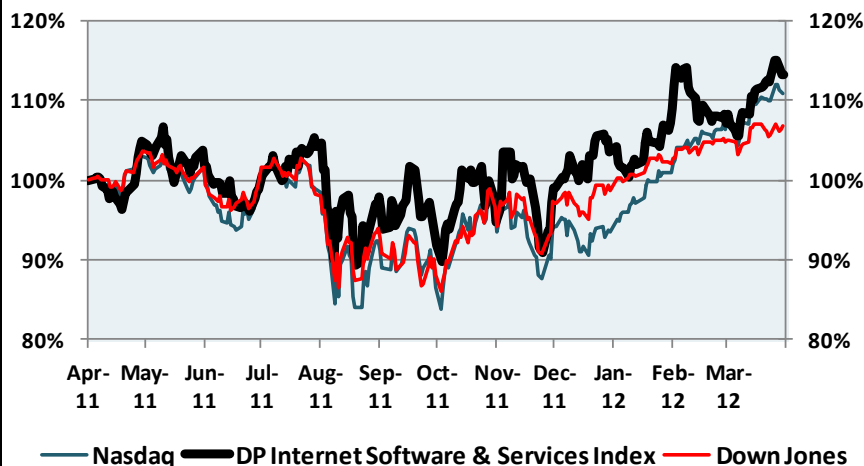
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-03-20	Saba Software, Inc.	HumanConcepts	23.5
2012-03-14	SS&C Technologies, Inc.	GlobeOp Financial Services S.A	790.4
2012-02-29	SS&C Technologies, Inc.	Thomson Reuters Corporation	170.0
2012-02-28	Vocus, Inc.	iContact Corporation	169.0
2012-02-16	Investnet, Inc.	Tamarac Inc.	54.0
2012-02-09	Oracle Corporation	Taleo Corp.	1,900.0
2012-01-17	Blackbaud, Inc.	Convio, Inc.	274.9
2012-01-09	InfoSpace, Inc.	2nd Story Software, Inc.	287.5
2012-01-06	Active Network Inc., The	StarCite, Inc.	64.3

# Software: Internet Software and Services

## HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

### MARKET PERFORMANCE

**DP Internet Software & Services Index vs. Major Indices**  
Latest Twelve Months



*Note: See table below for the companies that make up the DecisionPoint Internet Software & Services Index.*

### VALUATION METRICS

Company	Stock Price 03/30/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Amazon.com Inc.	\$202.51	\$92,155.8	\$85,829.8	2.0x	49.1x
eBay Inc.	\$36.90	\$47,604.8	\$43,765.0	3.8x	13.2x
Google Inc.	\$641.24	\$208,490.4	\$170,075.4	4.5x	12.1x
InfoSpace, Inc.	\$12.81	\$509.5	\$230.2	1.1x	9.8x
IAC/InterActiveCorp.	\$49.09	\$3,989.6	\$3,333.9	1.7x	13.9x
Groupon, Inc.	\$18.38	\$11,852.1	\$10,727.7	6.7x	NM
LinkedIn Corporation	\$101.99	\$10,445.5	\$9,868.0	18.9x	NM
RealNetworks Inc.	\$9.94	\$343.2	\$160.1	0.5x	NM
Yahoo! Inc.	\$15.22	\$18,473.3	\$16,442.5	3.2x	11.7x
<b>Median:</b>	<b>\$36.90</b>	<b>\$11,852.1</b>	<b>\$10,727.7</b>	<b>3.2x</b>	<b>12.6x</b>

### SECTOR HIGHLIGHTS

- Internet Software & Services Index was up 13.1% for the latest twelve months.
- As it plans for an initial public offering, Facebook is growing concerned that a patent dispute with Yahoo could have a material impact on its business. On March 12th, Yahoo sued Facebook for having allegedly infringed patents related to advertising, social networking, privacy, customization, and messaging. This litigation is still in its early stages but if an unfavorable outcome were to occur in this litigation, the impact could be material to Facebook's business, financial condition or results of operations.
- Zynga's CEO will sell 15% of his stock in a secondary offering the company recently announced. Zynga is preparing to issue new stock worth 43 million shares to raise new capital. Employees, who had been under a lock-up period in order to maintain the price of the stock, will also be allowed to sell shares.
- Google's culture and direction have undergone big changes in the past year and a half, as the company tries to find a strategy and place for itself in a "post-pc, post-Web world." The company has expanded into other areas as people become less dependent on using the World Wide Web to access the Internet, and in doing so, Google has moved away from its original principles.
- Though Amazon has built its \$95 billion brand as an online retailer, Amazon is planning its own logistics business to compete with FedEx and UPS. Building a logistics arm will better enhance the services Amazon already provides, and help them sell more goods through Amazon.com. For its debut, Amazon announced the \$775 million acquisition of order fulfillment company Kiva Systems this week.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

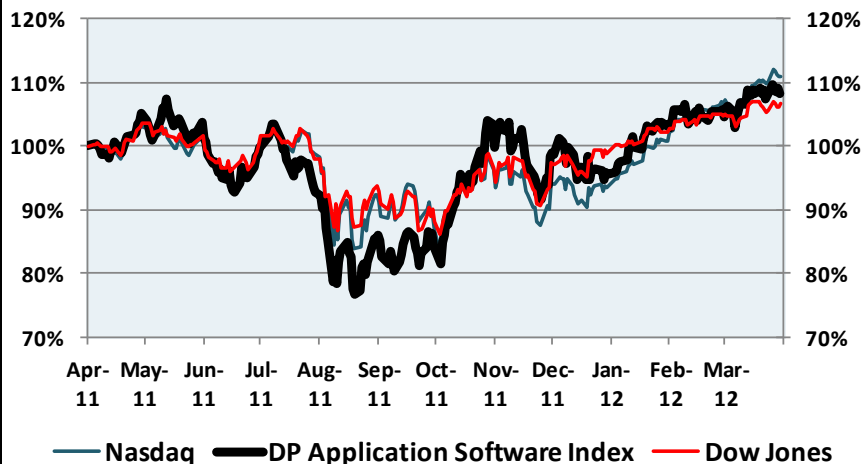
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-03-22	IHS, Inc.	IMS Research	46.0
2012-03-21	Zynga Inc.	OMGPOP	180.0
2012-03-19	Amazon	Kiva Systems	775.0
2012-03-05	PLATO Learning, Inc.[Thoma Bravo]	Archipelago Learning	302.6
2012-02-27	Ahold	Bol.com bv [Cyrte Investments BV]	465.0
2012-02-21	Nations Luxury Transportation	Privatejet.com	30.2
2012-01-24	Meredith Corporation	Allrecipes.com	175.0
2012-01-12	International Game Technology	Double Down Interactive	250.0

# Software: Application Software

## HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

### MARKET PERFORMANCE

**DP Application Software Index vs. Major Indices**  
Latest Twelve Months



*Note: See table below for the companies that make up the DecisionPoint Application Software Index.*

### VALUATION METRICS

Company	Stock Price 03/30/12	Market Cap.	Enterprise Value (EV)	EV / LTM Revenue	EV / LTM EBITDA
Oracle Corporation	\$29.16	\$145,074.1	\$130,502.1	3.5x	8.3x
Adobe Systems Inc.	\$34.31	\$17,022.1	\$15,768.2	3.7x	10.8x
SAP AG	\$69.88	\$83,196.5	\$81,377.8	4.4x	11.8x
Nuance Communications, Inc.	\$25.58	\$7,883.9	\$8,402.7	6.1x	29.3x
TIBCO Software Inc.	\$30.50	\$4,966.7	\$4,749.7	4.9x	23.6x
Intuit Inc.	\$60.16	\$17,741.7	\$17,781.7	4.4x	12.8x
JDA Software Group Inc.	\$27.48	\$1,169.3	\$1,157.0	1.7x	7.0x
Bottomline Technologies Inc.	\$27.94	\$1,012.3	\$880.9	4.2x	25.3x
<b>Median:</b>	<b>\$29.83</b>	<b>\$12,453.0</b>	<b>\$12,085.4</b>	<b>4.3x</b>	<b>12.3x</b>

### SECTOR HIGHLIGHTS

- Application Software Index was up 8.1% for the latest twelve months.
- According to a Credit Suisse report, there is a paradigm shift in enterprise software architectures which is the most significant revolution in 20 years. The shift is described in four aspects, namely, the transformation of the user interface via mobile, the transformation of “back end” technologies in “cloud computing,” the rise of “new classes and volumes of data,” the so-called Big Data revolution, and an acceleration of the gathering, analysis, and sharing of data.
- Oracle beat Wall Street's earnings estimates as new software sales came in at the high end of the company's forecast, offsetting a sharp drop in hardware revenue. The value of Oracle seems to be in its software business but some analysts had expected higher hardware revenue as the company turns around the struggling division it got when it bought Sun Microsystems in 2010.
- SAP is getting aggressive in the database business to take on its closest rival Oracle. SAP will this month unveil its unified data management portfolio and demonstrate how we will become a leading database vendor. SAP has said it wants to make its newly-launched specialized database Hana available as a database for business management applications by the end of the year.
- While Salesforce.com has been dominating the CRM market, it has not previously made any major attempts to enter the ERP market until now. Salesforce.com announced that it would team up with Infor to launch ERP applications on the Force.com platform. Infor will integrate with Salesforce's CRM applications, enabling businesses to buy a complete software package which gives them a 360-degree view of their business operations and customers.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-03-15	Scientific Atlanta (Cisco)	NDS Group	4,964.0
2012-03-07	Nuance Communications, Inc.	Transcend Services Inc.	300.0
2012-03-05	Bottomline Technologies, Inc.	Intuit, Inc.	20.0
2012-03-05	Shuffle Master, Inc.	Ongame Network Ltd.	26.0
2012-02-07	Brady plc	Navita Systems	27.0
2012-02-07	Siemens AG	IBS AG	51.2
2012-01-09	Brinks Company, The	Kheops	17.0
2012-01-03	Accelrys Inc.	VelQuest Corporation	35.0

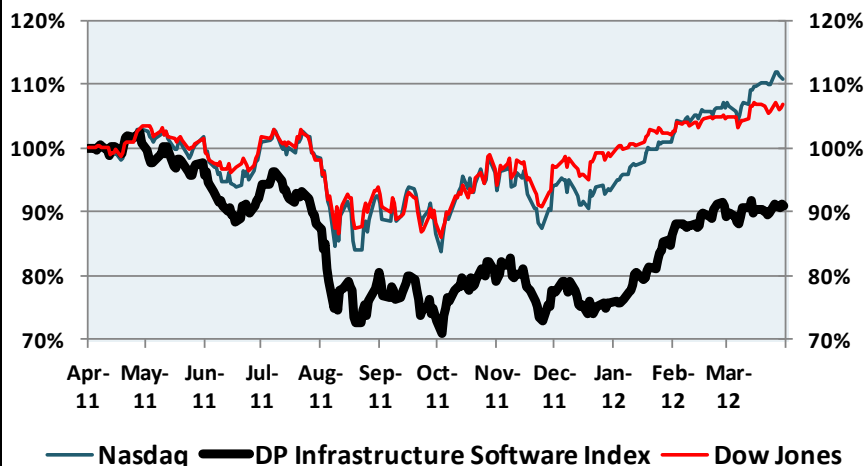


# Software: Infrastructure Software

## HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

### MARKET PERFORMANCE

**DP Infrastructure Software Index vs. Major Indices**  
Latest Twelve Months



*Note: See table below for sample companies that make up the DecisionPoint Infrastructure Software Index, which includes the following sub-sectors: Database and File Management, eCommerce, Enterprise Application, Messaging, Networking, Security, Data Storage, Tools & Testing, and Wireless.*

### VALUATION METRICS

Company	Stock Price 03/30/12	Market Cap.	Enterprise Value (EV)	EV / LTM Revenue	EV / LTM EBITDA
IBM	\$208.65	\$241,754.8	\$261,249.8	2.4x	10.0x
Microsoft Corporation	\$32.26	\$270,644.3	\$232,756.3	3.2x	7.8x
Oracle Corporation	\$29.16	\$145,074.1	\$129,187.1	3.5x	8.4x
Digital River Inc.	\$18.71	\$665.6	\$355.2	0.9x	6.6x
TIBCO Software Inc.	\$30.50	\$4,966.7	\$4,726.5	5.1x	23.9x
Cisco Systems, Inc.	\$21.15	\$113,912.6	\$86,403.6	2.0x	7.7x
OPNET Technologies Inc.	\$29.00	\$654.3	\$543.0	3.3x	17.2x
Symantec Corporation	\$18.70	\$13,640.6	\$13,371.6	2.0x	7.2x
EMC Corporation	\$29.88	\$61,902.1	\$59,976.5	3.0x	11.9x
Compuware Corporation	\$9.19	\$2,008.6	\$2,036.4	2.1x	11.0x
Trimble Navigation Limited	\$54.42	\$6,788.2	\$7,307.6	4.8x	29.1x
<b>Median:</b>	<b>\$29.16</b>	<b>\$13,640.6</b>	<b>\$13,371.6</b>	<b>3.0x</b>	<b>10.0x</b>

### SECTOR HIGHLIGHTS

- Infrastructure Software Index was down 9% for the latest twelve months.
- CA announced it has been named the market share leader in the worldwide network management software and appliance market by IDC.
- Information technology security major Symantec Corporation recently disclosed that it has dissolved its partnership with China-based Huawei Technologies, as the company fears that the alliance with the Chinese company will emerge as a hindrance in obtaining United States government classified information regarding cyber threats.
- Analysts expect more outages as the direct control over a website or Web applications is now replaced with an increased dependence on outside components. Add the converging trends of mobile, cloud computing, users with multiple devices, and the challenges of providing a stellar web experience are getting more complex. In order to address present and future IT challenges, Web businesses must acknowledge their increasing interdependence on the Internet itself, and constantly monitor, evaluate and optimize every element between the data center and the end user.
- EMC is the #1 worldwide storage software market leader in total revenue for the 10th consecutive year, according to IDC. EMC's decade of leadership, is driven in large part by rapid customer adoption of EMC® FAST technology that enables customers to achieve higher levels of performance, cost efficiency and storage utilization in virtual data centers by exploiting the benefits of enterprise Flash drives and a tiered architecture.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

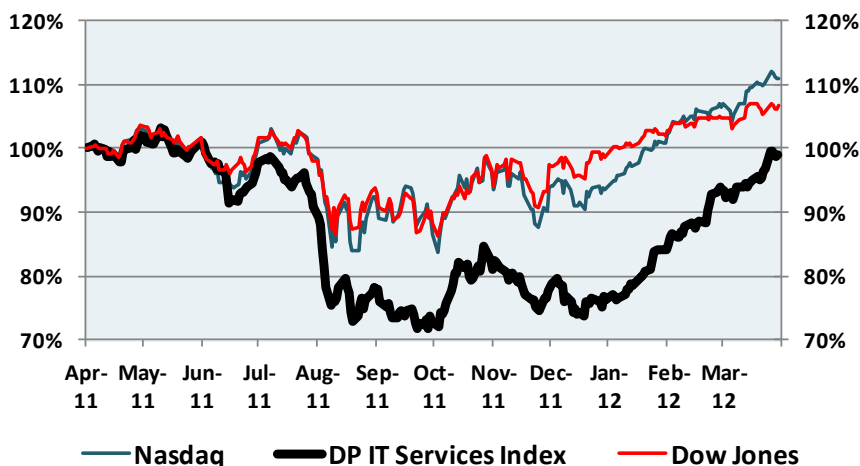
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-03-26	Monitise plc	Clairmail Inc.	168.2
2012-03-23	Verisk Analytics	MediConnect Global, Inc.	348.6
2012-03-09	Insight Venture Partners, LLC/Quest Software management	Quest Software, Inc.	1,894.8
2012-03-05	Singapore Telecommunications	Amobee, Inc.	321.0
2012-02-07	Sage Pay	Integral Card Payment Solutions	26.3
2012-01-30	BMC Software, Inc.	Numara Software, Inc.	300.0
2012-01-05	Synchronoss Technologies, Inc.	Miyowa SA	45.5

# Services: IT Services

## HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

### MARKET PERFORMANCE

**DP IT Services Index vs. Major Indices**  
Latest Twelve Months



*Note: See table below for the companies that make up the DecisionPoint IT Services Index.*

### VALUATION METRICS

Company	Stock Price 03/30/12	Market Cap.	Enterprise Value (EV)	EV / LTM Revenue	EV / LTM EBITDA
Accenture plc	\$64.50	\$41,567.1	\$36,525.7	1.3x	8.4x
The Hackett Group, Inc.	\$5.97	\$246.3	\$213.4	1.1x	10.6x
Edgewater Technology	\$3.92	\$44.6	\$34.3	0.4x	4.3x
CIBER, Inc.	\$4.24	\$308.5	\$309.7	0.3x	16.3x
Cap Gemini S.A.	\$44.74	\$6,882.7	\$6,321.5	0.5x	5.5x
NTT Data Corporation	\$3,529.91	\$9,901.4	\$13,407.7	0.8x	4.4x
Atos S.A.	\$57.65	\$4,883.8	\$5,074.3	0.6x	5.4x
Logica PLC	\$1.59	\$2,549.3	\$3,049.9	0.5x	7.1x
Sopra Group	\$63.19	\$750.9	\$811.2	0.6x	5.6x
Perficient Inc.	\$12.01	\$375.5	\$365.8	1.5x	12.4x
<b>Median:</b>	<b>\$28.37</b>	<b>\$1,650.1</b>	<b>\$1,930.5</b>	<b>0.6x</b>	<b>6.4x</b>

### SECTOR HIGHLIGHTS

- IT Services Index was down 1% for the latest twelve months.
- According to Gartner, while cloud computing's ability to shift IT spending from capital expenditure to the more palatable operational expenditure, it should also be used to raise the lowest common denominator of IT services. IT resources should be used for "higher-value-added" activities for the business and to support innovation — not just to keep servers running and the lights on. Global systems integrators are also positioning themselves to take on this role.
- There is a growing need for cloud services brokerages (CSBs) — a new breed of middlemen that sit between the corporate users of cloud computing services and the cloud vendors themselves. IT departments should explore how they can position themselves as CSBs to the enterprise by establishing a purchasing process that accommodates cloud adoption and encourages business unit to come to the IT organization for advice and support.
- For the second year in a row, Accenture has been ranked as the number one life science IT services vendor in a survey conducted by IDC Health Insights.
- Deloitte has signed an agreement to acquire business and IT consulting firm Aggressor which focuses on providing deployment services for Workday applications. The acquisition will enable Deloitte to strengthen Workday HR and finance consulting services.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-03-29	Deloitte LLP	Aggressor	-
2012-03-06	UTV Media PLC	Simply Zesty	2.7
2012-02-27	SoundBite Communications, Inc	2ergo Americas	3.8
2012-02-09	Perficient, Inc.	PointBridge	22.0
2012-02-06	CACI Ltd.	Tomorrow Communications	-
2012-01-24	OpenGate Capital LLC	Getronics N.V. (LATAM operations)	-
2012-01-23	Torex Retail [Cerberus Capital Management L.P.]	Sanderson Group PLC (RBS retail division)	18.3
2012-01-04	Trinity Mirror PLC	Communicator Corp.	10.3
2012-01-03	Adapt IT Group	BiPS	2.1

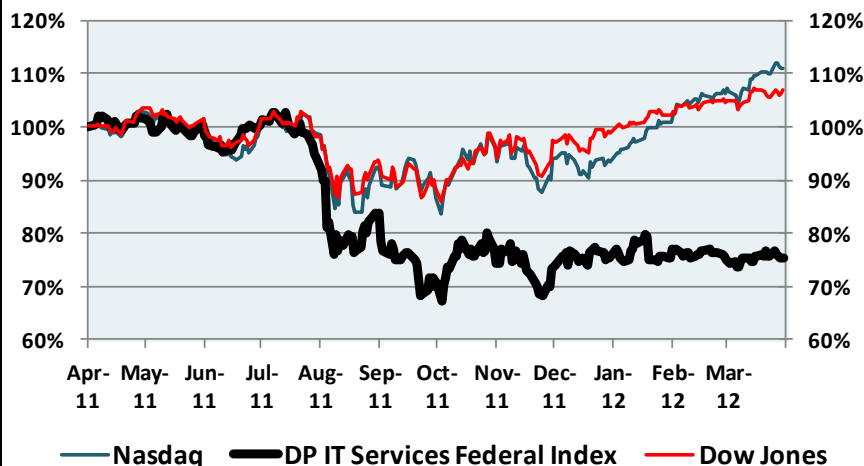


# Services: IT Services Federal

## HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

### MARKET PERFORMANCE

**DP IT Services Federal Index vs. Major Indices**  
Latest Twelve Months



*Note: See table below for the companies that make up the DecisionPoint IT Services Federal Index.*

### VALUATION METRICS

Company	Stock Price 03/30/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
CACI International Inc.	\$62.29	\$1,650.0	\$2,160.1	0.6x	6.5x
ManTech International	\$34.46	\$1,270.8	\$1,289.0	0.4x	4.8x
Booz Allen Hamilton Inc.	\$17.03	\$2,252.7	\$2,876.4	0.5x	6.7x
SAIC, Inc.	\$13.20	\$4,502.5	\$4,891.5	0.5x	6.3x
NCI, Inc.	\$6.39	\$86.7	\$147.2	0.2x	3.5x
<b>Median:</b>	<b>\$17.03</b>	<b>\$1,650.0</b>	<b>\$2,160.1</b>	<b>0.5x</b>	<b>6.3x</b>

### SECTOR HIGHLIGHTS

- IT Services Federal Index was down 24.7% for the latest twelve months.
- SAIC, the giant federal integrator which was involved in implementing New York City's trouble-plagued CityTime payroll project, has agreed to pay \$500 million in restitution and penalties. The Federal government charged SAIC with one count of criminal conduct related to CityTime. However, the government has agreed to defer prosecution because of the SAIC's cooperation and acceptance of responsibility, and that the criminal count could be dismissed in three years if SAIC complies with a deferred prosecution agreement.
- Former federal CIO and now Salesforce Executive Vice President Vivek Kundra made a lot of noise last summer with his decision to leave the Obama Administration. Now, Federal CTO Aneesh Chopra, another key figure in the Administration's focus on improving the way the federal government procures IT, is following him out the door. Chopra's exit marks the second departure among three major appointments the Obama Administration made in early 2009 to focus on technology and IT management in the federal government.
- U.S. government agencies will have tight IT budgets over the next 12 to 18 months, but opportunities for small IT vendors exist as many agencies divide up contracts into small chunks.
- CIBER has sold of its Federal division in order to allow the company to focus on its core offerings. CRGT made the \$40 million acquisition and CIBER's Federal division brings over 25 years of experience supporting the U.S. Federal Government, including a broad base of customers spanning every major federal government agency and various civilian customers.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

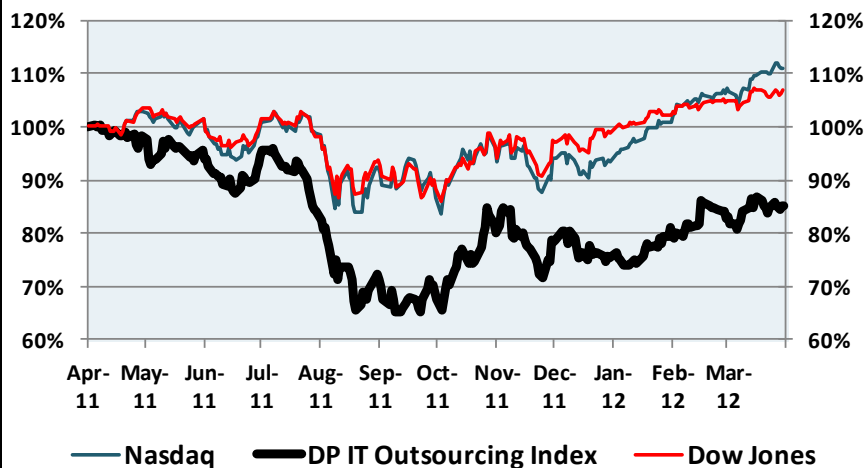
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-03-27	Line Systems	Magellan Hill Technologies	-
2012-03-01	Securadyn Systems, LLC	SecureNet Inc.	-
2012-02-01	Capita Group plc	Smiths Consulting	15.7
2012-01-31	Black Box Corporation	InnerWireless	28.0
2012-01-23	CRGT Inc.	CIBER Inc (Federal division)	40.0
2012-01-09	ASI Government	Frontline Solutions Corporation	-
2012-01-09	ManTech International Corporation	Evolver Technologies Inc	40.0

# Services: IT Outsourcing

## HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

### MARKET PERFORMANCE

**DP IT Outsourcing Index vs. Major Indices**  
Latest Twelve Months



*Note: See table below for the companies that make up the DecisionPoint IT Outsourcing Index.*

### VALUATION METRICS

Company	Stock Price 03/30/12	Market Cap.	Enterprise Value (EV)	EV / LTM Revenue	EV / LTM EBITDA
CGI Group, Inc.	\$22.28	\$5,745.7	\$6,625.7	1.6x	8.8x
Computer Sciences Corp.	\$29.94	\$4,642.9	\$6,523.9	0.4x	20.0x
iGATE Corporation	\$16.76	\$952.3	\$1,876.4	2.4x	11.6x
Unisys Corporation	\$19.72	\$861.9	\$763.5	0.2x	2.0x
Syntel, Inc.	\$56.00	\$2,342.2	\$2,021.8	3.1x	11.3x
<b>Median:</b>	<b>\$22.28</b>	<b>\$2,342.2</b>	<b>\$2,021.8</b>	<b>1.6x</b>	<b>11.3x</b>

### SECTOR HIGHLIGHTS

- IT Outsourcing Index was down 14.8% for the latest twelve months.
- IT market research firm Gartner says interest in data center services is high around the world, but the market structure, dynamics and maturity are quite varied. In North America, hosting and cloud IaaS have achieved the highest level of client adoption, while the markets in the rest of the world are dominated by data center outsourcing. Although the market for traditional outsourcing services in North America is growing, pace has slowed in part because of lower-price IT outsourcing (ITO) industrialized models.
- Texas' first IT outsourcing deal was a disaster that ended up in a public fight between IBM and the state's Department of Information Resources (DIR) over their \$863 million data center consolidation contract. Last month, Texas DIR announced that it had not only awarded the work to new vendors, but that it was taking a very different approach the second time around.
- In a deal worth more than \$1 billion dollars, Xerox and its IT services division (formerly ACS) will take on the service delivery while CapGemini will step in as the master service integrator. Using two vendors is a bold move destined to make a big impact for better or worse.
- HP announced that it has signed a new 6-year \$800 million agreement with travel giant, Sabre Holdings. The contract includes IT outsourcing services, applications management, storage and networking.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

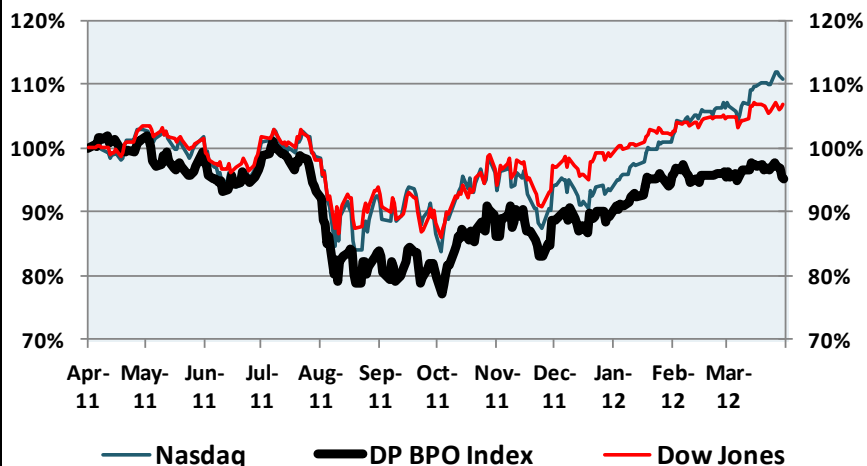
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-03-16	EMC Corporation	Pivotal Labs	-
2012-03-15	Empower Technologies	Northstar Networks Ltd.	1.0
2012-03-07	Mahindra Satyam	vCustomer (Intl. operations)	27.0
2012-02-21	Salient Federal Solutions LLC	ATS Corporation	76.0
2012-02-08	iEnergizer Ltd.	Aptara	150.1
2012-02-07	Brady plc	syseca AG	1.9
2012-02-01	Shopify	Select Start Studios	-
2012-01-18	Zynga Inc.	Page 44 Studios	-
2012-01-17	Tyler Technologies, Inc.	Akanda Innovation, Inc. (assets)	-
2012-01-04	Deloitte LLP	Ubermind Inc	45.0

# Services: Business Process Outsourcing

## HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

### MARKET PERFORMANCE

**DP BPO Index vs. Major Indices**  
Latest Twelve Months



*Note: See table below for the companies that make up the DecisionPoint BPO Index.*

### VALUATION METRICS

Company	Stock Price 03/30/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Automatic Data Processing, Inc.	\$55.19	\$27,074.9	\$25,843.4	2.5x	11.9x
DST Systems Inc.	\$54.23	\$2,326.5	\$3,275.2	1.4x	8.6x
CSG Systems International	\$15.14	\$487.5	\$639.5	0.9x	4.0x
Paychex, Inc.	\$30.99	\$11,235.2	\$10,824.1	5.0x	11.7x
<b>Median:</b>	<b>\$42.61</b>	<b>\$6,780.9</b>	<b>\$7,049.7</b>	<b>2.0x</b>	<b>10.2x</b>

### SECTOR HIGHLIGHTS

- BPO Outsourcing Index was down 4.8% for the latest twelve months.
- BPO companies, which have offices across the world, say that a significant proportion of their profits are stuck with the income tax (I-T) department because of issues related to transfer pricing. The industry has been grappling with transfer pricing issues for several years. Transfer pricing refers to the pricing of contributions which are transferred within the company. To ensure that a fair price is charged, tax authorities make sure that goods and services are sold at a price the company would seek from an unrelated third party.
- A recent study shows that in addition to the significant benefits of outsourcing payroll, outsourcing broader HR functions enables large organizations to achieve additional hidden benefits as change is driven throughout the organization. Companies evaluating BPO for payroll must consider that many benefits are experienced beyond the confines of the payroll department, with cost savings and benefits of potentially enormous magnitude.
- Panalpina, a leading freight and logistics company, has rolled out the first phase of a finance and accounting (F&A) BPO initiative as part of a seven-year agreement with Accenture signed in October 2010. Panalpina is working with Accenture to consolidate and standardize finance processes across its global operations, including Purchase to Pay, Order to Cash and Record to Report services.
- Wells Fargo is expanding their BPO operations in the Philippines which is a vote of confidence in the quality of the local workforce.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

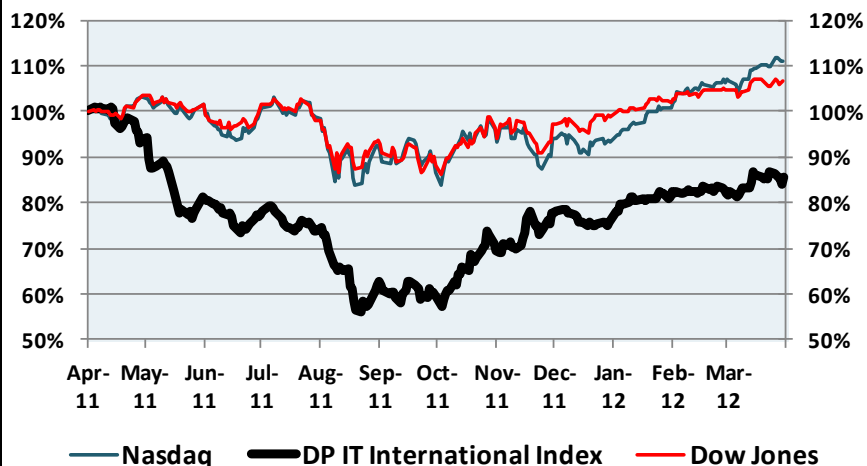
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-03-28	RVM Inc.	EDiscover-E	-
2012-03-09	London Stock Exchange Group Plc.	LCH.Clearnet Group	608.1
2012-03-08	Automatic Data Processing, Inc.	SHPS, Inc. (human resource solutions subsidiary)	-
2012-02-21	Tango, Inc.	ttMobiles	8.7
2012-01-30	Ricoh Americas Corp.	Hill Schwartz Spilker Keller LLC	-
2012-01-24	Green Dot Corporation	eCommLink Inc (assets)	2.5
2012-01-09	ZeroChaos, Inc.	WorkforceLogic	-
2012-01-04	WidePoint Corporation	Avalon Global Solutions, Inc.	7.5

# Services: IT International

## HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

### MARKET PERFORMANCE

**DP IT International Index vs. Major Indices**  
Latest Twelve Months



*Note: See table below for the companies that make up the DecisionPoint IT International Index.*

### VALUATION METRICS

Company	Stock Price 03/30/12	Market Cap.	Enterprise Value (EV)	EV / LTM Revenue	EV / LTM EBITDA
Cognizant Technology Solutions Corporation	\$76.95	\$23,344.8	\$21,053.5	3.7x	17.7x
Infosys Ltd.	\$56.29	\$32,160.9	\$28,441.9	4.2x	13.3x
Patni Computer Systems Limited	\$9.70	\$1,439.3	\$1,396.0	1.9x	11.9x
VanceInfo Technologies Inc.	\$12.04	\$509.5	\$368.2	1.4x	10.5x
Wipro Ltd.	\$8.62	\$21,072.1	\$20,302.0	3.0x	14.4x
<b>Median:</b>	<b>\$12.04</b>	<b>\$21,072.1</b>	<b>\$20,302.0</b>	<b>3.0x</b>	<b>13.3x</b>

### SECTOR HIGHLIGHTS

- IT International Index was down 14.6% for the latest twelve months.
- The Hackett Group's offshoring research, which examined available data on 4,700 companies with annual revenue over \$1 billion headquartered in the U.S. and Europe, found that by 2016, a total of 2.3 million jobs in finance, IT, procurement, and HR will have moved offshore. This represents about one third of all jobs in these areas. India is by far the most popular destination, with nearly 40% of the jobs being offshored headed there.
- India's IT outsourcing sector has nearly doubled the number of jobs it has created in the US in the last five years and now employs more than 100,000 people, an industry group said. The study is an attempt to counter criticism that Indian outsourcing firms are responsible for job losses in the United States amid an expected uptick in protectionist rhetoric ahead of the US presidential election in November.
- China's software and IT services industry grew 32.4% in revenue in 2011. The strong showing was due to the economy's steady growth as well as rising demands from domestic and global markets.
- Health and work-quality issues are pushing Filipino workers to leave call centers in the Philippines for locations abroad in an apparent exodus that may hobble the industry to meet its jobs target by 2016.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

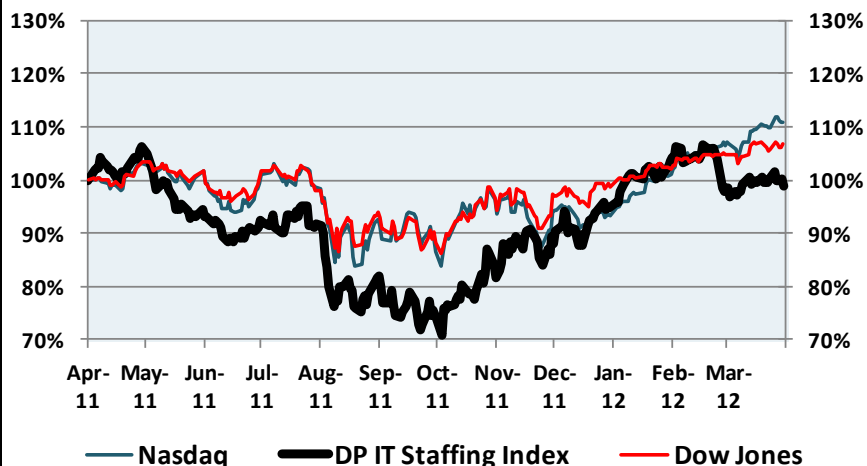
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-03-27	Experian Group Ltd	Altovision Inc	-
2012-03-19	Tibco	Capaciti	-
2012-03-09	London Stock Exchange Group Plc.	LCH.Clearnet Group	608.1
2012-03-06	UTV Media PLC	Simply Zesty	2.7
2012-02-07	Brady plc	syseca AG	1.9
2012-02-01	Capita Group plc	Smiths Consulting	15.7
2012-01-23	Torex Retail [Cerberus Capital Management L.P.]	Sanderson Group PLC (RBS retail division)	18.3
2012-01-04	Trinity Mirror PLC	Communicator Corp.	10.3
2012-01-03	Adapt IT Group	BiPS	2.1

# Services: IT Staffing

## HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

### MARKET PERFORMANCE

**DP IT Staffing Index vs. Major Indices**  
Latest Twelve Months



*Note: See table below for the companies that make up the DecisionPoint IT Staffing Index.*

### VALUATION METRICS

Company	Stock Price 03/30/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Kforce Inc.	\$14.90	\$515.4	\$575.5	0.5x	9.4x
Computer Task Group Inc.	\$15.32	\$284.0	\$271.3	0.7x	13.4x
Analysts International Corp.	\$5.46	\$27.5	\$21.7	0.2x	4.9x
RCM Technologies Inc.	\$5.57	\$71.2	\$38.7	0.3x	4.7x
Volt Information Sciences Inc.	\$6.24	\$130.1	\$102.6	0.0x	2.8x
<b>Median:</b>	<b>\$6.24</b>	<b>\$130.1</b>	<b>\$102.6</b>	<b>0.3x</b>	<b>4.9x</b>

### SECTOR HIGHLIGHTS

- IT Staffing Index was down 1.1% for the latest twelve months.
- Based on interviews with 1,400 CIOs, staffing firm Robert Half Technology expects a net IT staffing gain of 3% this quarter. The survey found that 8% of companies expect to increase their IT staffing levels, while 5% anticipate reductions. The vast majority of those surveyed, 85%, plan no changes in their total headcount.
- In March, USCIS released new guidance that clarifies that staffing firms are eligible to file petitions under the H-1B visa program even though they place workers at third-party sites. TechServe Alliance has been seeking such clarification since issuance of the so called Neufeld Memo in January 2010, which cast doubt on whether staffing firms could establish the employer-employee relationship necessary to file H-1B petitions.
- There is evidence that current economic conditions requiring a strategic reduction in full-time employees costs are resulting in a more flexible resourcing model. Demand for contractor staffing is increasing, and contractors are often now considered under the same staffing profiles as traditional employees.
- On Assignment Inc., a temporary staffing firm, said it has agreed to buy IT staffing firm Apex Systems Inc. for \$600 million in cash and stock. The acquisition would create the second-largest IT staffing firm in the country with combined revenue of \$1.3 billion, the companies said. IT would constitute 70% of revenue.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-03-20	On Assignment Inc.	Apex Systems Inc.	600.0
2012-02-24	CONET Technologies AG	QUEST Softwaredienstleistung GmbH	-
2012-02-09	Buller Group, The	Mabec Solutions	-
2012-01-19	Premier Logic	Computer Methods Corporation	-

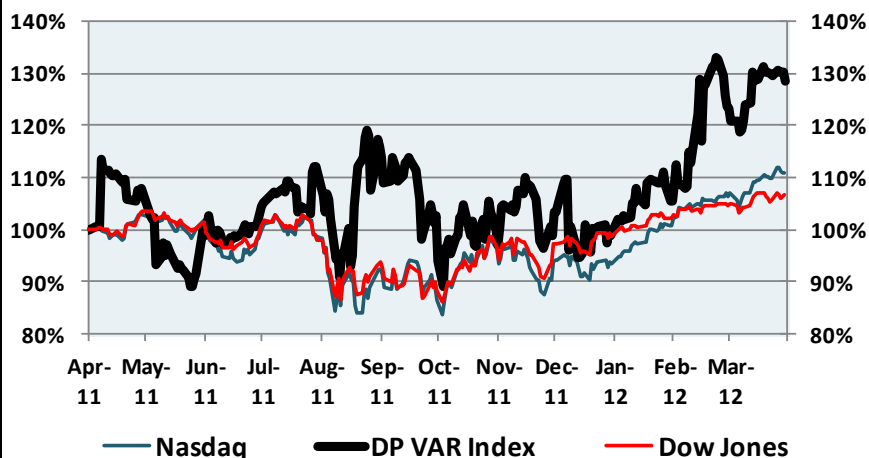


# Services: Value Added Resellers

## HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

### MARKET PERFORMANCE

**DP VAR Index vs. Major Indices**  
Latest Twelve Months



*Note: See table below for the companies that make up the DecisionPoint VAR Index.*

### VALUATION METRICS

Company	Stock Price 03/30/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Emtec Inc.	\$0.98	\$16.1	\$44.2	0.2x	NM
Insight Enterprises Inc.	\$21.93	\$963.8	\$952.1	0.2x	4.9x
Agilysys Inc.	\$8.99	\$196.5	\$113.8	0.2x	NM
ePlus Inc.	\$31.97	\$255.6	\$308.0	0.3x	5.5x
PC Connection, Inc.	\$8.22	\$217.3	\$220.0	0.1x	4.1x
<b>Median:</b>	<b>\$8.99</b>	<b>\$217.3</b>	<b>\$220.0</b>	<b>0.2x</b>	<b>4.9x</b>

### SECTOR HIGHLIGHTS

- VAR Index was up 28.4% for the latest twelve months.
- Dell is gearing its partners for the cloud services world with a new certification uniquely designed for the cloud. But it does not mean VARs have to go all-Dell when they go to the cloud. Dell is encouraging partners to mix and match where they see fit and the intent is to provide cloud services & solutions to customers based on both Dell technology and their own technology services.
- Avnet agreed to acquire Ascendant Technology, its second purchase of a VAR this year. Avnet does not specifically look to buy solution providers but looks to purchase any company that can bring a service to other VARs. Avnet acquired Ascendant for its services, not for its IBM software reseller business.
- Hewlett-Packard is planning to announce a restructuring Tuesday that will move its Imaging and Printing Group (IPG) into its PC-making Personal Systems Group, according to a report from All Things Digital. Last month at HP's Global Partner Conference, Joshi said HP wants partners to move up in the printing and imaging technology stack into more lucrative business areas.
- Avaya and Radvision partners see positives in Avaya's planned \$230 million acquisition of videoconferencing specialist Radvision, but are cautioning Avaya to make clear to partners right away how they expect those video products to be sold through channel partners.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-03-30	Constellation Software, Inc.	Computer Software Innovations, Inc.	16.3
2012-03-26	Avnet, Inc.	Ascendant Technology LLC	-
2012-03-26	Media Matrix Worldwide, Ltd.	DigiVive Pvt. Ltd.	-
2012-02-06	Burg-Wachter KG	Sanyo Video Vertrieb AG	-
2012-01-31	Avnet, Inc.	Canvas Systems LLC	-
2012-01-19	Lumenate, LLC	Ani Direct Network Security, L.P.	-

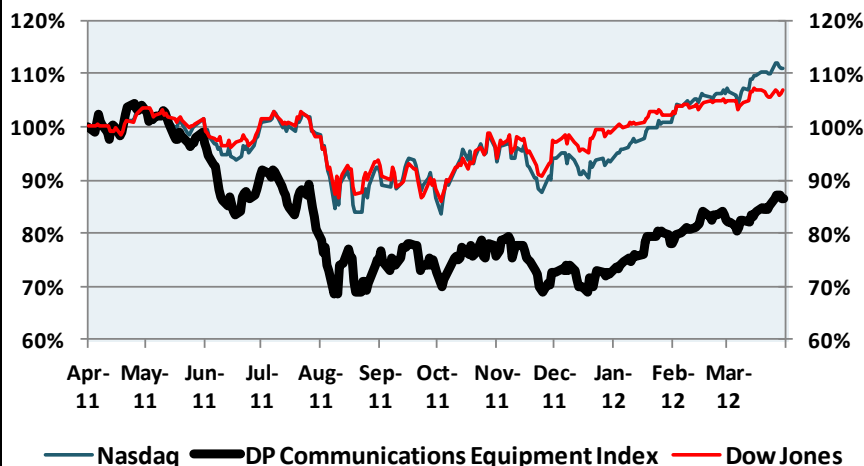


# Communications: Equipment

## HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

### MARKET PERFORMANCE

**DP IT Communications Equipment Index vs. Major Indices**  
Latest Twelve Months



*Note: See table below for the companies that make up the DecisionPoint Communications Equipment Index.*

### VALUATION METRICS

Company	Stock Price 03/30/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Alcatel-Lucent, S.A.	\$2.27	\$5,153.0	\$6,313.1	0.3x	3.7x
CIENA Corp.	\$16.19	\$1,597.3	\$2,438.9	1.4x	43.2x
Cisco Systems, Inc.	\$21.15	\$113,912.6	\$84,093.6	1.9x	6.9x
QUALCOMM Incorporated	\$68.06	\$115,117.9	\$104,521.9	6.4x	15.8x
Tellabs Inc.	\$4.05	\$1,478.7	\$502.1	0.4x	NM
<b>Median:</b>	<b>\$16.19</b>	<b>\$5,153.0</b>	<b>\$6,313.1</b>	<b>1.4x</b>	<b>11.4x</b>

### SECTOR HIGHLIGHTS

- Communications Equipment Index was down 13.4% for the latest twelve months.
- lightRadio™, the ground-breaking wireless networking technology from Alcatel-Lucent has helped the company into the 2012 TR50 - the annual list of the world's most innovative technology companies published by Technology Review. The lightRadio architecture will lower power-consumption and operating costs for service providers and allow the transfer of vast amounts of data at lightning fast speeds.
- In what is reported as the fastest developing mobile system technology ever, the 4G LTE boom is creating significant growth throughout the technology sector. The number of LTE handsets is expected to top 154 million devices by 2015 and market research firm I.H.S. iSupply says capital spending on LTE technology is projected to jump in size to \$24.3 billion in 2013. Tellabs and Powerwave Technologies are key players in this 4G shift.
- Qualcomm, the world's biggest maker of mobile-phone chips, said it plans to buy back as much as \$4 billion of shares and raise its dividend by 16 percent to return cash to shareholders as earnings increase.
- Telecom equipment maker Avaya has signed a deal to buy Israeli video conferencing company Radvision for \$230 million. Avaya has faced difficulties in the past two years after Cisco, previously its largest customer, acquired Radvision's Norwegian rival Tandberg. With this acquisition, Avaya will seek to extend video conferencing to any device, anytime, anywhere, making it as easy as a phone call.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-03-28	Cisco Systems, Inc.	ClearAccess	-
2012-03-27	Panasonic Avionics Corporation	AeroMobile Communications Ltd.	-
2012-03-22	NEC Corporation	Convergys Corporation (Information Management business)	449.0
2012-03-21	Zayo Group Inc.	Arialink	18.0
2012-03-19	Zayo Group Inc.	AboveNet, Inc.	2,136.6
2012-03-15	Avaya	Radvision	230.0
2012-02-21	SBA Communications Corporation	Mobilitie LLC (2,300 tower sites &	1,092.9
2012-01-13	Acacia Research Corporation	ADAPTIX Inc [fka Broadstorm]	16.0

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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