



QUARTERLY VIEWPOINT:

For the Quarter Ended September 30, 2011 and the Latest Twelve Months

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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 at 704.248.1111 or visit the web site at www.DecisionPointINT.com.



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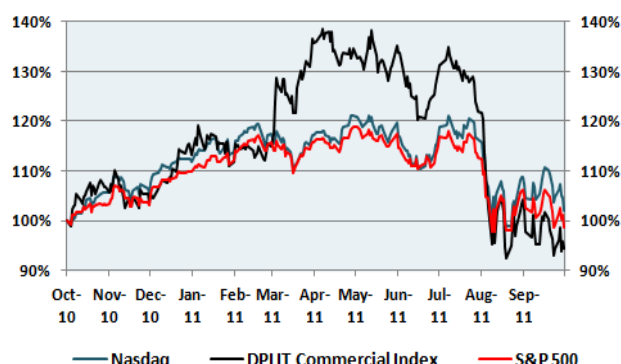
Services: Project-Based - IT Commercial

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

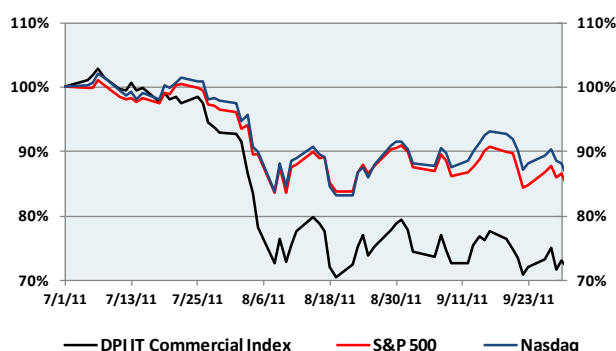
DPI IT Commercial Index vs. Major Indices

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 plc	1.0x	7.1x
The Hackett Group, Inc.	0.6x	7.4x
CIBER, Inc.	0.2x	28.3x
Edgewater Technology Inc.	0.2x	2.6x
Perficient, Inc.	0.9x	9.3x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- IT Project-Based Commercial Index was down 6% and 28% for the last 12 months and the last quarter respectively.
- Q3'11 had a total of 42 M&A transactions compared to 40 announced in Q2'11.
- Gartner predicts that by 2015, industrialized low-cost IT services (ILCS) will represent over 30% of the IT services market. There are multiple ways to reduce the cost of IT delivery, as well as to increase the value of IT. The trend towards ILCS will become paramount for end users to trade nonessential customization for better and less expensive services. Gartner also expects cloud services to become a \$177 billion market by 2015, of which \$77 billion is based on advertising business models.
- Techaris predicts that managed IT services spending within U.S.-based small and midsize businesses (SMB) will grow from \$7 billion this year to \$12 billion in 2015. More and more SMBs are using outside help, VARs and MSPs, for IT maintenance and IT innovations. The research shows there is still plenty of room for new entrants to the SMB managed services market.
- Recently at the Oracle OpenWorld conference, Oracle announced that it still has no plans to acquire major IT services companies. "It's clear all the way up to Oracle CEO Larry Ellison" that Oracle would never make such an acquisition, said Channel Chief Judson Althoff. The statement was an indirect jab at IBM and Hewlett-Packard, each of which continue to push deeper into IT services and potentially compete against partners.
- While the public cloud market is growing swiftly, fueled by major players like Amazon and Google, public cloud growth will not make IT departments obsolete. Instead, IT's focus will shift. Shifts will include taking a more holistic approach to connecting networks, hardware and software.

Mergers & Acquisitions (sample deals)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2011-09-29	KPMG LLP	Optimum Solutions Group	-
2011-09-27	Cognizant Technology	Zaffera LLC (assets)	-
2011-09-19	Insight Enterprises	Ensynch, Inc.	-
2011-09-13	BSquare Corporation	MPC Data Limited	\$3.9
2011-09-01	Negotium	Strophe	-
2011-08-31	Wheat Systems Integration	AssuredPackets	-
2011-08-16	Datamatics Global Services	CIGNEX Technologies Inc.	-
2011-08-16	Emtec Inc.	Emerging Solutions	-
2011-08-16	Triplefin	SharePoint Innovations	-
2011-08-12	FusionStorm	Red River Computer Company	\$60.7
2011-08-04	iSoftStone Holdings Limited	Adventier Consulting Group	-
2011-07-05	Capgemini Group	AIVE Group	\$62.3

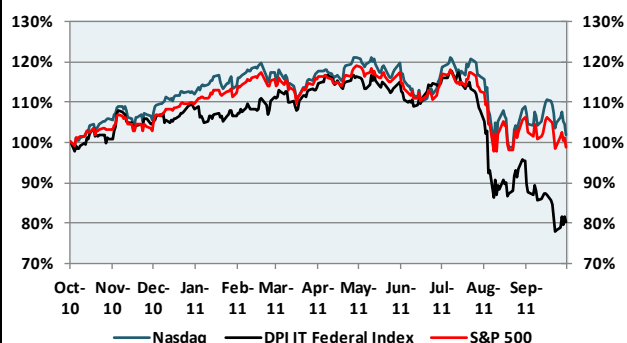
Please call DecisionPoint for further details on listed transactions.

Services: Project-Based - IT Federal

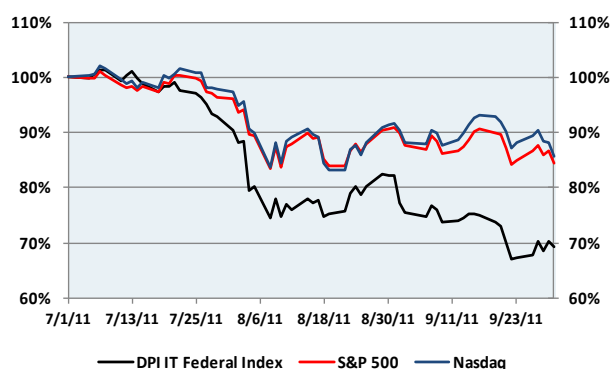
Highlights, Stock Performance and Recent M&A Activity

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 Booz Allen Hamilton

VALUATION METRICS

Company	Enterprise Value/	
	LTM Revenue	LTM EBITDA
CACI International Inc.	0.5x	6.5x
ManTech International	0.5x	5.0x
NCI, Inc.	0.3x	4.1x
Booz Allen Hamilton Inc.	0.5x	6.9x
SAIC, Inc.	0.4x	4.2x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- IT Federal Index was down 20% and 31% for the last 12 months and the last quarter respectively.
- Q3'11 had a total of 8 M&A transactions compared to 9 announced in Q2'11.
- The U.S. Department of the Interior said it will look at alternatives to Microsoft's cloud computing services and that it would go back to the drawing board and renew its search for a cloud provider in light of market changes. Google had sued the Interior Department last year claiming that it was unfairly passed over as a potential vendor for the agency's nearly \$60 million cloud e-mail and collaboration system and that procurement documents for the project were worded in a way that heavily favored Microsoft and its Business Productivity Online Suite (BPOS) Federal edition.
- Government IT services firm DLT Solutions recently went live with a new resource site aimed at government customers seeking information and advice on cybersecurity. The goal is to have DLT's GovDefenders be a cybersecurity "knowledge portal" -- a resource for federal, state and local government customers whose security knowledge runs the gamut from basic to expert.
- Some lawmakers have raised concern that a rush by President Barack Obama's administration to move U.S. government agencies to cloud computing services may lead to unintended security problems and other issues. While agency adoption of cloud computing could save money, it may also lead to questions about control of agency data, about data portability and about whether cloud vendors will be prime targets for cybercriminals.
- Computer Science Corporation (CSC) said it has definitively agreed to settle with the US government in its dispute of contract claims, a case which had been pending since November last year. Under the terms of the definitive agreement, CSC will receive a lump sum upfront cash payment of \$277 million, and a five-year contract extension with an estimated value of \$1 billion to continue to support the capabilities of the systems covered by the original contract.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
2011-09-22	CACI International, Inc.	Advanced Programs Group, LLC	-
2011-09-01	CSC Computer Sciences	Maricom Systems Inc.	-
2011-08-30	Accelera Solutions	ITS Group (services division)	-
2011-08-04	SIRE Technologies, Inc.	LR Hines (govt contracts)	-
2011-08-01	SE Solutions	Evolution Technologies	-
2011-07-25	CACI International, Inc.	Paradigm Holdings Inc.	\$61.5
2011-07-18	General Dynamics	Network Connectivity	-
2011-07-11	Moelis Capital Partners	CyberCore Technologies	-

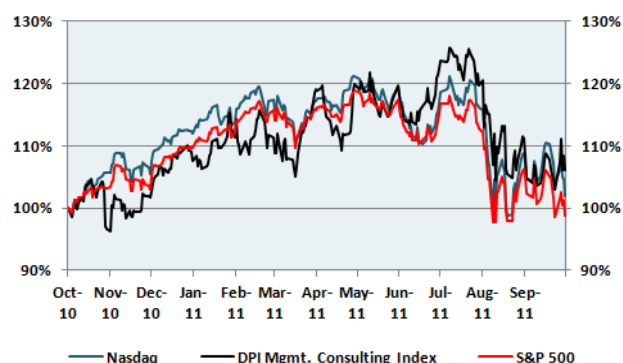
Please call DecisionPoint for further details on listed transactions.

Services: Project-Based - Management Consulting

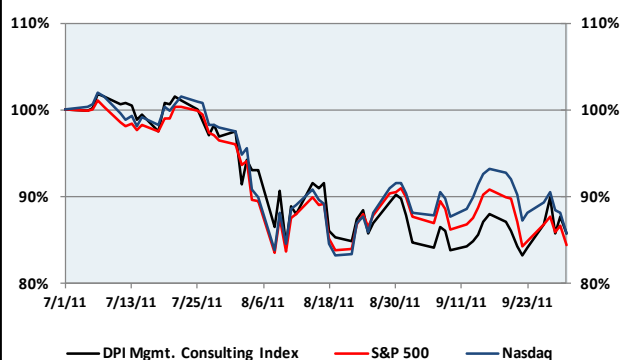
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI Mgmt. Consulting Index vs. Major Indices
Latest Twelve Months



DPI Mgmt. Consulting Index vs. Major Indices
Latest Quarter



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

VALUATION METRICS

Company	Enterprise Value/	
	LTM Revenue	LTM EBITDA
CRA International Inc.	0.5x	NM
FTI Consulting, Inc.	1.5x	8.5x
Huron Consulting Group	1.5x	8.7x
Navigant Consulting Inc.	0.9x	7.5x
Advisory Board Co.	3.3x	24.9x
Corp. Executive Board	1.9x	9.6x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Management Consulting Index was up 6% for the last 12 months and down 14% for the last quarter.
- Q3'11 had a total of 6 M&A transactions compared to 5 announced in Q2'11.
- After years of wanting to move up the value chain into the world of management consulting, India's top information technology (IT) services companies are seeing their high-end consulting practices gain some degree of global importance. But this traction has come after many false starts and even now analysts are divided over how much Indian IT firms can achieve in the consulting space. Infosys is the furthest along among the Indian companies in this segment.
- Navigant, a \$700+ million management consulting and dispute advisory firm, has for the first time appeared on Modern Healthcare's list of "20 Largest Healthcare Management Consulting Firms" issued in late August. The firm placed fifth in the listing that uses total 2010 consulting fee revenue received from healthcare providers as the basis for its rankings and among the few at the top of the list that provide a full spectrum of pure management consulting and strategic advisory services to clients.
- Huron continues to expand its healthcare division as market conditions for healthcare clients are becoming increasingly challenging. Declining hospital margins, reductions in Medicare and Medicaid reimbursement, and the need to anticipate healthcare reforms are all impacting hospitals. Huron's focus on managing cost and quality will be instrumental in helping clients navigate the new healthcare marketplace.
- The Advisory Board Company has launched a new website and unveiled a new logo, reflecting both the evolution of the firm's business and the transformative changes occurring in the health care industry. While research remains an integral part of the firm's work, The Advisory Board Company has in recent years expanded its focus to offer best in class technology applications and operational applications and operative support for the health care industry. These new capabilities allow the firm to deliver deeper and more comprehensive value to members of its programs.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
2011-09-07	Compushare	Styzer Technologies	-
2011-09-05	Chakkilam Infotech	Cigniti	\$2.4
2011-08-10	PricewaterhouseCoopers	S&V Management Consultants	\$8.5
2011-08-08	Symphony Corporation	The Janis Group	-
2011-08-02	EarthLink	Business Vitals	-
2011-07-01	Perficient	JCB Partners	\$17.0

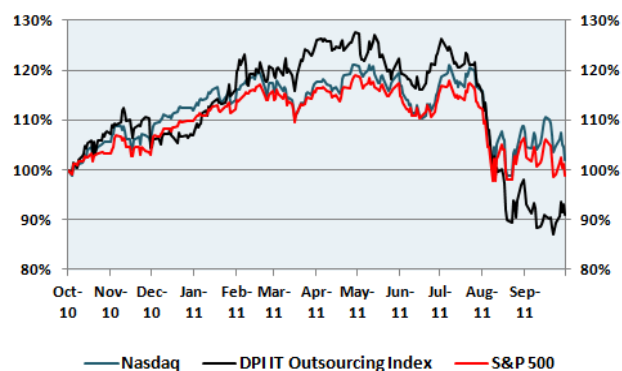
Please call DecisionPoint for further details on listed transactions.

Services: Outsourcing - IT

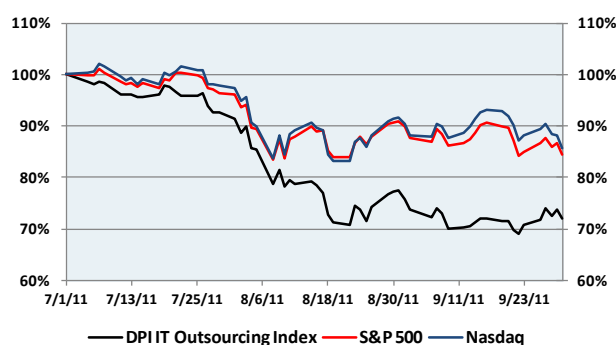
Highlights, Stock Performance and Recent M&A Activity

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.	0.2x	1.2x
Computer Sciences Corp.	0.3x	2.3x
ATS Corporation	0.8x	6.8x
iGATE Corporation	1.0x	4.3x
Syntel, Inc.	2.7x	11.3x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- IT Outsourcing Index was down 9% and 28% for the last 12 months and the last quarter respectively.
- Q3'11 had a total of 62 M&A transactions compared to 65 announced in Q2'11.
- Information technology outsourcing (ITO) services market is expected to reach \$313 billion in 2011, a growth of 6.9% from 2010, and will reach 4.6% compound annual growth rate through 2015, according to an online survey by Gartner.
- With the use of more and more suppliers of IT outsourcing, businesses must dedicate resources to assess the risks associated with working with these suppliers. There are more choices of where to buy IT services, but there are also new risks for CIOs to consider.
- The more investment from businesses in IT-as-a-service, the less the need for internal assets. By end of 2012, 20% of businesses are expected to have no IT assets of their own. In addition, consumerization of IT will not only change the technology used in offices around the world, but also the way businesses interact with and serve customers.
- Computer Sciences Corporation (CSC) revealed setbacks in its managed IT services business in August and is now making corporate changes. Russ Owen is stepping down as CSC's president of the Managed Services Sector. CSC says Owen is staying on as president of strategic account development. In reality, Owen and CSC have signed a separation agreement and he will head for an early retirement in June 2012, according to an SEC filing.
- According to a recent ranking of Latin American IT outsourcing locations, Mexico came in at the top spot. This could be good news for U.S. outsourcing customers seeking nearshore alternatives to offshore outsourcing hot spots.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
2011-09-14	CSC Computer Sciences	AppLabs Technologies	-
2011-09-07	AdoTube Inc.	Jetmind Technologies	-
2011-09-01	SMTC Corporation	ZF Array Technology, Inc.	\$9.1
2011-08-22	Ignite Health	Syndicated Methods	-
2011-08-15	OnCore Manufacturing	Victron, Inc.	-
2011-08-09	Three Pillar Global	BrickRed	-
2011-08-05	Talaris	LUTZWolf	-
2011-07-28	Cognizant Technology	CoreLogic Global	\$50.0
2011-07-13	ZookaWare	Cyberlab	-
2011-07-12	Pariveda Solutions	Softagon	-
2011-07-08	Zynga	Five Mobile	-

Please call DecisionPoint for further details on listed transactions.

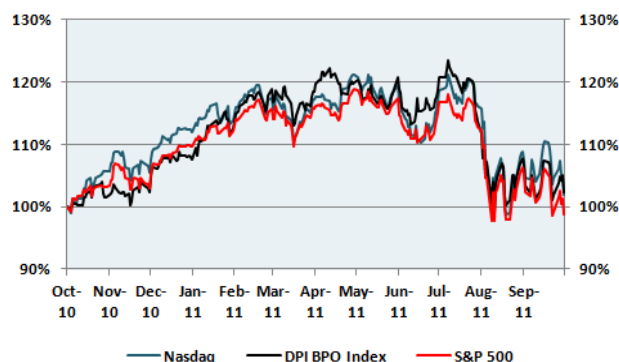
Services: Outsourcing - Business Process Outsourcing

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

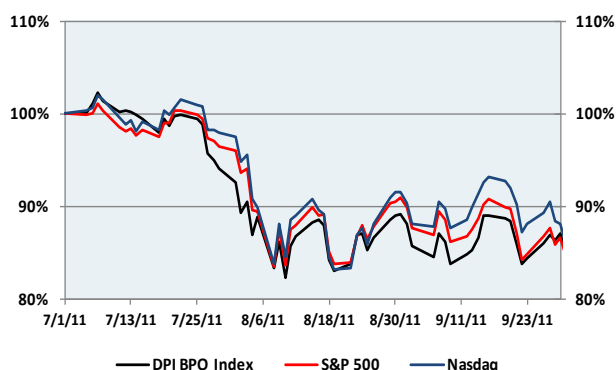
DPI BPO Index vs. Major Indices

Latest Twelve Months



DPI BPO Index vs. Major Indices

Latest Quarter



Note: The DPI BPO Index includes: Automatic Data Processing, DST Systems and Paychex.

VALUATION METRICS

Company	Enterprise Value/ LTM	
	Revenue	EBITDA
Automatic Data Processing	2.2x	10.1x
DST Systems Inc.	1.2x	7.0x
Paychex Inc.	4.3x	10.0x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Business Process Outsourcing Index was up 2% for the last 12 months and down 15% for the last quarter.
- Q3'11 had a total of 30 M&A transactions compared to 27 announced in Q2'11.
- The growth of the global business process outsourcing (BPO) market is set to decelerate over the next year, from 6.3% in 2011 to 5% in 2012, according to a report from Gartner. Gartner found that the US market is dragging down the pace of growth in this industry. It estimates that spending by North American companies on BPO services will only grow 3.8% in 2011.
- The BPO sector is expected to see an increase in transaction volume, especially in payroll, recruiting, accounts payable, and customer data analytics and knowledge process outsourcing (KPO) activities.
- Rumors are that Infosys is planning to acquire the healthcare BPO division of Thomson Reuters. According to the official authorities of Infosys, the deal will be around \$700-\$750 million which is also expected to be one of the biggest acquisitions by an Indian company in 2011. The division had revenue of about \$450 million in 2010.
- Pharmaceutical firms are expected to continue increasing their spend on global sourcing after signing a record number of contracts in 2010. Cost pressures, a changing pharma ecosystem, emerging markets and other market forces are continuing to drive the market. Moving forward, an increase is expected in sourcing of drug development and research, supply chain, data management and analytics functions.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
2011-09-12	Sterling Infosystems	Tandem Select	-
2011-09-08	Billtrust	Invoice Connection	-
2011-09-07	Document Technologies	Bridge City Legal	-
2011-08-24	CVC Capital Partners	Raet	-
2011-08-24	Millennium HealthCare	Premier Technology Resources	-
2011-08-22	TransFirst	Solveras Payment Solutions	-
2011-08-22	Accenture	Zenta	-
2011-08-22	PracticeMax	American Billing Services	-
2011-08-12	Intermedix	Comprehensive Medical Billing	-
2011-07-31	Equifax	DataVision Resources	-
2011-07-25	DiscoverReady	ACT Litigation Services	-
2011-07-19	Navigant Consulting	Ignited Discovery	-

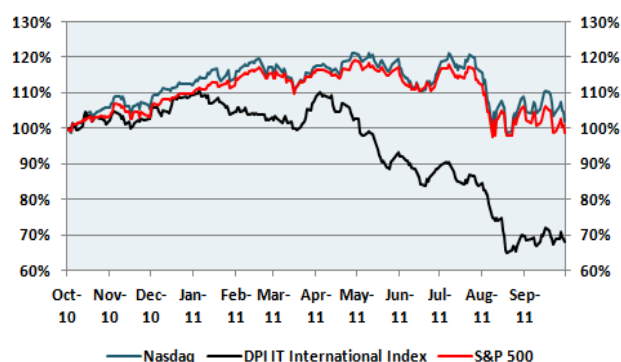
Please call DecisionPoint for further details on listed transactions.

Services: IT International

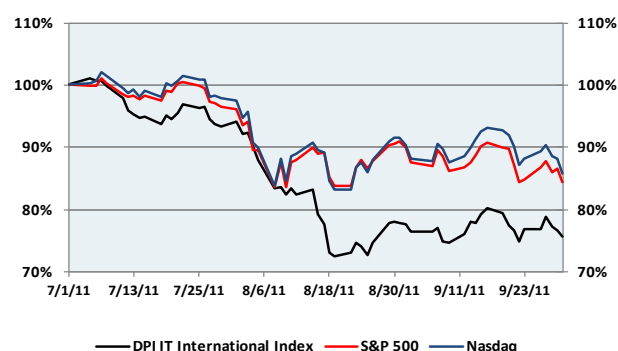
Highlights, Stock Performance and Recent M&A Activity

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	EBITDA
Cognizant Technology	3.4x	16.0x
Infosys Ltd.	4.2x	13.4x
Patni Computer Systems	1.1x	6.0x
VancelInfo	0.6x	3.3x
Wipro Ltd.	2.5x	11.8x

LTM = Latest Twelve Months

Highlights

- IT International Index was down 32% and 24% for the last 12 months and the last quarter respectively.
- Q3'11 had a total of 29 M&A transactions compared to 30 announced in Q2'11.
- Technology today can be delivered from anywhere as a result of the internet. While offshore locations such as India have matured into strategic partners for businesses, there is now a breadth of choice. There are service providers in regions such as Asia, Eastern Europe, North Africa and Latin America providing critical services to large corporations.
- According to Gartner, Indian insurance companies will spend \$1.8 billion on IT products and services in 2012, an increase of 11.7% over the expenditure of \$1.6 billion in 2011. The forecast includes spending by insurers on internal IT, hardware, software, external IT services and telecommunications.
- Thirty three years after it was founded, it looks likely that the Patni brand, synonymous with Indian IT services and outsourcing, might not be around for much longer. According to a source close to the latest discussions, it is unlikely that the merged iGate Patni will retain the Patni brand in the future.
- The voice segment of offshoring is decreasing as many call centers have moved up to higher-end, non-voice-based services, which require more technical knowledge and problem-solving capabilities.
- The back-office market in Greater China, which includes Taiwan and Hong Kong, will grow faster than India in the next five years, says a report from research firm Ovum.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
2011-09-30	Maintel Holdings plc	Totility Ltd.	-
2011-09-19	Capita Group plc	Vertex Data Science	\$63.0
2011-09-07	UAB ATEA	Elsis IT	-
2011-08-23	Canto GmbH	Vitras GmbH	-
2011-08-17	Netas	Probi AS	-
2011-08-08	Crown Telecom Solutions	Strata Communications	-
2011-07-25	K3 Business Technology	FD Systems Ltd	-
2011-07-18	Altruist Technologies Pvt Ltd	RelayStrategy	-
2011-07-05	Capgemini Group	AIVE Group	-
2011-07-01	Point International AB	TS3 Services Ltd	-

Please call DecisionPoint for further details on listed transactions.

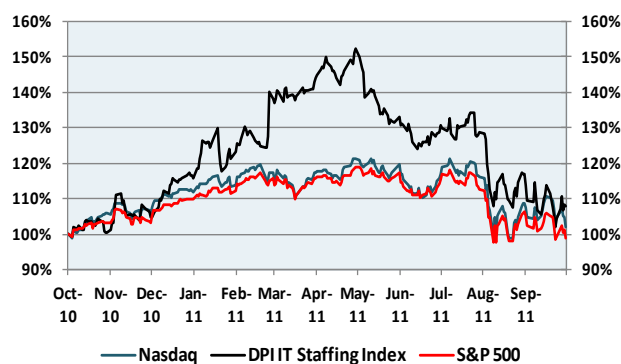
Services: IT Staffing

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

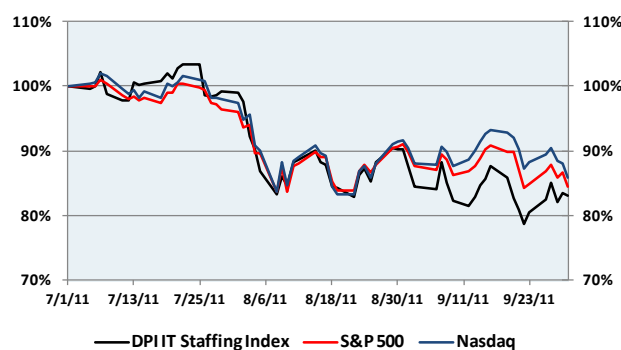
DPI IT Staffing Index vs. Major Indices

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	EBITDA
Analysts International Corp.	0.1x	9.6x
Computer Task Group Inc.	0.6x	11.5x
Kforce Inc.	0.4x	8.3x
RCM Technologies Inc.	0.2x	3.1x
Volt Information Sciences	0.1x	3.1x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- IT Staffing Index was up 8% for the last 12 months and down 17% for the last quarter.
- Q3'11 had a total of 6 M&A transactions compared to 3 announced in Q2'11.
- As cloud-based services become widely available, the door is opening for a host of opportunities and fresh capabilities. However, a lingering uncertainty remains about the future of IT careers as they exist today. Some believe that while big companies are building large IT infrastructures, the larger these infrastructures get the less management is needed, and the need for large IT departments will diminish. The second school of thought is that IT jobs available today are simply different than those in previous years. Businesses must begin strategizing on how they are going to train IT to manage and maintain the diverse virtual and cloud-based environments they have adopted.
- Mobile application development is a sector that is currently in demand in the IT staffing sector. This is especially true for the healthcare and transportation segments. There is also more demand for IT professionals skilled in business intelligence. The uptick indicates a shift from focusing on cost savings to investing in technology that provides access to real-time data, enabling better business decisions.
- IT professionals with networking skills continue to be in high demand and have been for a few quarters. That demand has been fueled, in part, by virtualization and cloud computing projects.
- Like networking, data center operations will be impacted by organizations' virtualization and cloud strategies. In particular, hiring managers will be looking for IT professionals with backgrounds in data center operations and systems integration.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
2011-09-27	Highmans Group	Nakama Global	\$2.0
2011-09-27	All Covered	Vertical IT Solutions	-
2011-09-13	Stockell Consulting, Inc.	Lindenberg Technologies LLC	-
2011-08-17	Grapevine Resourcing	JLi Europe Limited	-
2011-08-16	Nigel Frank International	Dynamics Source, Inc.	-
2011-07-01	Dunedin Capital Partners	Red Commerce	\$70.5

Please call DecisionPoint for further details on listed transactions.

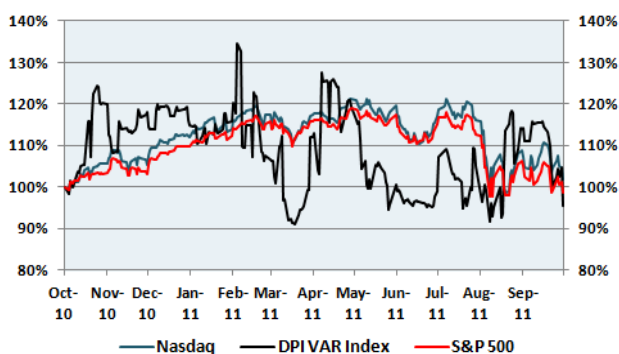
Services: Value Added Resellers

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

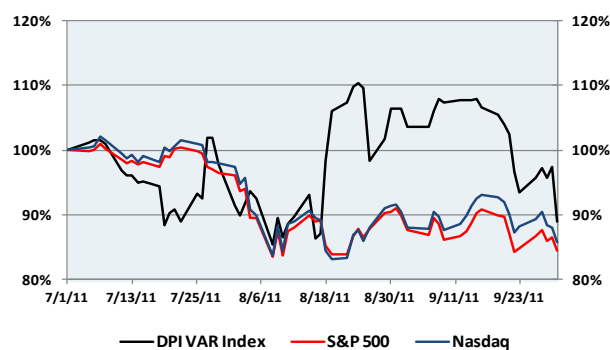
DPI VAR Index vs. Major Indices

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.	0.7x	7.6x
Insight Enterprises Inc.	1.1x	4.6x
MTM Technologies Inc.	1.2x	NM
PC Connection, Inc.	0.8x	5.5x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- VAR Index was down 4% and 11% for the last 12 months and the last quarter respectively.
- Q3'11 had a total of 5 M&A transactions compared to 7 announced in Q2'11.
- Huawei formally launched a channel program for U.S.-based VARs, part of an overall push by its enterprise networking unit designed to establish the China-based networking giant in markets around the world. Its products run the gamut from telecom infrastructure equipment, a market in which by most estimates it holds the No. 2 global market share behind Ericsson, to tablets and smartphones.
- One month after unveiling a plan to integrate and organize its disparate application portfolio into industry-specific solution suites, Infor is aggressively recruiting channel partners to work with the newly revamped product line. Infor's product line is made up of a broad range of ERP, financial, CRM, human resource management and supply chain management applications assembled over time through a number of acquisitions, including Geac Computer Corp., Lawson Software and SSA Global.
- Cisco said in a hard-hitting internal memo that rival Hewlett-Packard's plans to spin off the HP PC business could result in "lower gross profits, price increases" and a weakened brand that will make it difficult for HP to compete in its remaining hardware businesses, including networking. Cisco believes that the negative supply chain implications could generate 2 – 5% margin loss, which HP would have to absorb in the form of lower gross profits, price increases passed on to customers or lower margins for channel partners.
- With PAETEC Holding shareholders yet to vote on the pending offer by Windstream to acquire the N.Y.-based telecom service provider, recent PAETEC stock performance could open the door for a competing offer. Rumors are that Level 3 has an interest to put forward a competing offer and many believe there is a greater strategic fit with Level 3 than with Windstream.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
2011-09-12	BlueStar	Blackroc	-
2011-08-12	FusionStorm	Red River	-
2011-08-01	Windstream	Paetec	\$2,356.0
2011-08-08	Arrow Electronics	Chip One Stop	-
2011-07-26	Black Box	PS Technologies	-

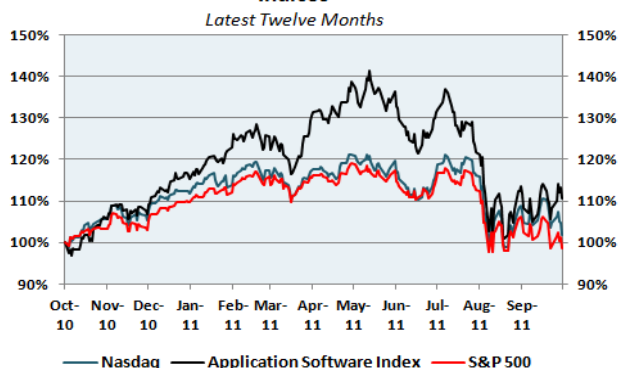
Please call DecisionPoint for further details on listed transactions.

Software: Application

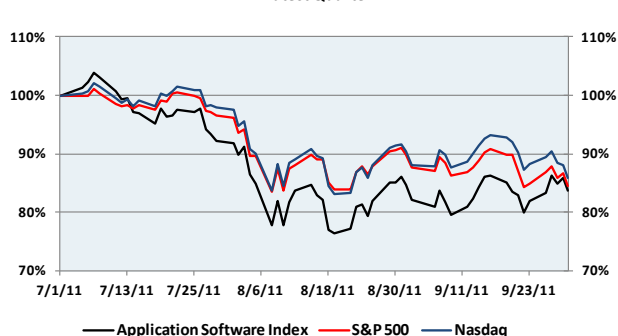
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI Application Software Index vs Major Indices



DPI Application Software Index vs. Major Indices



Note: The DPI Application Software Index includes: Oracle, Adobe, SAP, Nuance Communications, TIBCO Software, Intuit, JDA Software and Bottomline Technologies

VALUATION METRICS

Company	Enterprise Value/ LTM	
	Revenue	EBITDA
Oracle Corporation	4.1x	9.8x
Adobe Systems Inc.	3.5x	10.1x
SAP AG	3.7x	10.4x
Nuance Communications, Inc.	5.5x	26.1x
TIBCO Software Inc.	5.1x	23.3x
Intuit Inc.	3.9x	11.9x
JDA Software Group Inc.	2.0x	8.4x
Bottomline Technologies Inc.	3.8x	24.1x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Application Software Index was up 11% for the last 12 months and down 16% for the last quarter.
- Q3'11 had a total of 147 M&A transactions compared to 151 announced in Q2'11.
- According to Deloitte, ERP is not going away despite what some people claim, and it is not going into the clouds – at least not soon. In fact, mature, core, on-premise enterprise applications managing critical business information assets are the foundation on which cloud, mobile and social computing offerings are being integrated for enterprise value.
- Oracle remains committed to building server products on Intel processors -- despite recent comments from CEO Larry Ellison that he "doesn't care" about Oracle's Intel business. Oracle later issued a statement that Ellison was referring only to the company's plans to phase out sales of commodity servers.
- Traditionally present largely in the on-premise software market, SAP recently announced a partnership with HP to provide cloud based delivery of SAP applications via HP's enterprise cloud platform.
- Even after the \$11 billion purchase of Autonomy and the board's decision to replace Leo Apotheker with former Ebay CEO Meg Whitman, HP still must decide whether to continue a new strategy of tipping the balance of sales from PC's to higher profit margin services and software businesses, a plan that may require more software acquisitions.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
2011-09-28	GBS Enterprises Inc.	Synaptris, Inc.	-
2011-09-21	Siemens AG	Active SA	-
2011-09-21	Salesforce.com	Assistly	-
2011-09-07	Lawson Software	Approva	-
2011-08-31	IBM	i2 Limited	-
2011-08-18	HP	Autonomy	\$11,036.0
2011-08-16	Permira Funds	Renaissance Learning	\$485.0
2011-08-08	Great Hill Partners	Plimus	-
2011-07-28	Oracle Corporation	InQuira	-
2011-07-20	Thomson Reuters Corporation	Jurisoft	-
2011-07-01	Providence Equity Partners	Blackboard	\$1,851.0

Please call DecisionPoint for further details on listed transactions.

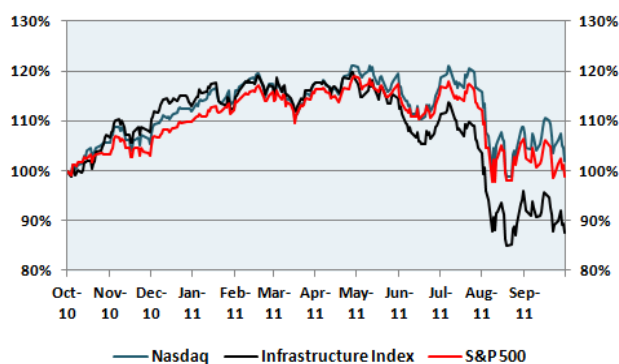
Software: Infrastructure

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

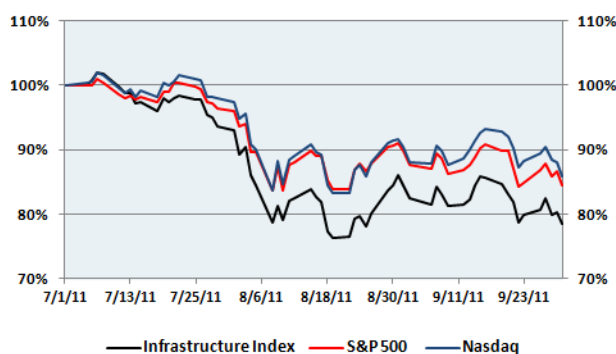
DPI SW Infrastructure Index vs. Major Indices

Latest Twelve Months



DPI SW Infrastructure Index vs. Major Indices

Latest Quarter



Note: The DPI Infrastructure Software Index includes companies from the following sub-sectors: Database and File Management, eCommerce, Enterprise Application, Messaging, Networking, Security, Data Storage, Tools & Testing, and Wireless.

VALUATION METRICS

Company	Enterprise Value/	
	LTM Revenue	LTM EBITDA
Database & File Mgmt	2.5x	8.5x
eComm	1.3x	9.8x
EAI	0.2x	9.4x
Messaging	1.3x	5.1x
Networking	2.2x	14.4x
Security	2.0x	9.6x
Storage	1.6x	7.9x
Tools & Testing	1.1x	5.0x
Wireless	1.6x	18.6x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Infrastructure Index was down 13% and 21% for the last 12 months and the last quarter respectively.
- Q3'11 had a total of 151 M&A transactions compared to 149 announced in Q2'11.
- HP's cloud strategy will rely heavily on its participation in the OpenStack open source cloud community, the tech titan announced at the OpenStack conference in early October. HP joins roughly 120 other companies, including major players like Cisco, Citrix and Dell, that participate in the OpenStack community. Moving forward, HP plans to add strong SLAs, tightened security and more support around its OpenStack-based cloud offerings.
- Symantec is currently the largest player in the computer security business, especially in the consumer segment. Its two new products focused on tablet and cloud security will help Symantec expand its market share in the enterprise segment as more companies start migrating their infrastructure to the cloud and use tablets instead of laptops.
- Red Hat is poised to become the first open-source software company with a billion dollar per year revenue run rate. The slowdown of the American and global economies has had little effect on Red Hat. This may partly be from the "dollar store effect": Red Hat Enterprise Linux is a much less expensive operating system than its main rivals, UNIX and Windows Server, yet it is equally capable.
- Cloud storage provider Box.net announced it has closed an \$81 million extension to its fourth round of funding. The new round gives Box.net, which has evolved into a provider of back-end storage on remote servers for enterprise applications, a lot of cash to make future acquisitions even though the funding is earmarked for other developments according to the company.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
2011-09-29	Ultra Electronics Holdings plc	AEP Networks, Inc.	\$75.0
2011-09-29	Keynectis	OpenTrust	-
2011-09-22	Velti Ltd	Air2Web, Inc.	-
2011-08-25	Terremark	CloudSwitch, Inc.	-
2011-08-14	RJT Compuquest, Inc.	Kogent Corporation	-
2011-08-10	Citrix Systems Inc.	RingCube Technologies, Inc.	-
2011-07-29	CA Technologies	Watchmouse	-
2011-07-18	ACLS Systems, FZC	Rolta India Ltd.	-
2011-07-05	Allen Systems Group	Information Systems Manager	-
2011-07-01	Compuware Corporation	dynaTrace Software	\$231.0

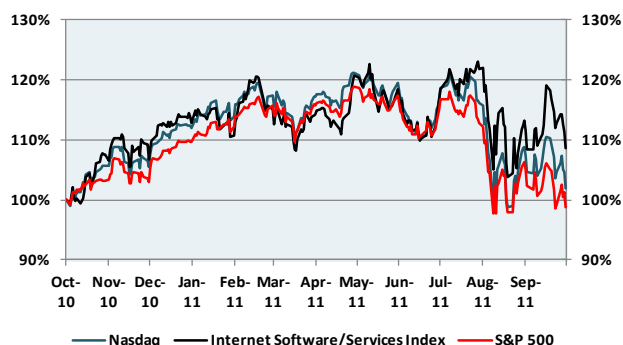
Please call DecisionPoint for further details on listed transactions.

Software: Internet Software and Services

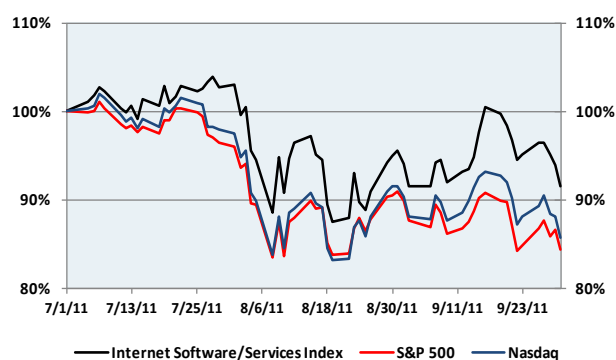
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI ISS Index vs. Major Indices
Latest Twelve Months



DPI ISS 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.	2.5x	50.9x
eBay Inc.	3.5x	11.4x
Google Inc.	4.3x	11.1x
InfoSpace, Inc.	0.3x	4.9x
IAC/InterActiveCorp.	1.2x	11.0x
RealNetworks Inc.	NM	NM
Yahoo! Inc.	2.3x	9.8x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Internet Software and Services Index was up 9% for the last 12 months and down 8% for the last quarter.
- Q3'11 had a total of 176 M&A transactions compared to 188 announced in Q2'11.
- Amazon is making no secret of its massive cloud growth, revealing that its Amazon Web Services Simple Storage Service (S3) cloud storage offering has now exceeded 500 billion objects stored at close of the third quarter, doubling the number from just nine months ago. Amazon's S3 success is just one component of Amazon Web Services' cloud domination. While the Seattle-based company keeps its cloud numbers close to the vest, the number of objects in Amazon S3 cloud storage gives a small glimpse into Amazon's cloud dominance.
- Co-founder of Yahoo! Jerry Yang is interested in a deal with private equity firms that would take the \$20 billion company off public markets, according to people familiar with the situation. Shortly after firing Carol Bartz as CEO in September, Yahoo and its longtime advisers at Allen & Co. and Goldman Sachs began working on a strategic review, which could include a sale of the Internet pioneer, after receiving unsolicited expressions of interest. Potential buyers are Chinese e-commerce giant Alibaba, Microsoft, Silver Lake Partners, Providence Equity Partners and Hellman & Friedman.
- The European Union cleared Microsoft's acquisition of Skype and the \$8.5 billion transaction is now closed. The purchase was the subject of criticism from rivals who complained that it would enable Microsoft to use its PC software monopoly to dominate internet communications – an echo of the argument over "bundling" of software that led to earlier European action against the company.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
2011-09-28	SNL Financial LC	Highline Data	-
2011-09-21	Market Leader, Inc.	RealEstate.com	-
2011-09-19	Opera Software ASA	Handster Inc	-
2011-09-08	SMA Alliance	USAutoplex.com	-
2011-08-24	Nine Mile Software	SaveDaily.com Inc	-
2011-08-18	HubSpot, Inc.	oneforty inc.	-
2011-08-01	Google	Centerd Corporation	-
2011-07-27	EduTone	Global Grid for Learning	-
2011-07-19	Vitruve, Inc.	GamesThatGive	-
2011-07-01	Thomson Reuters Corporation	Cleardocs Pty Ltd	-

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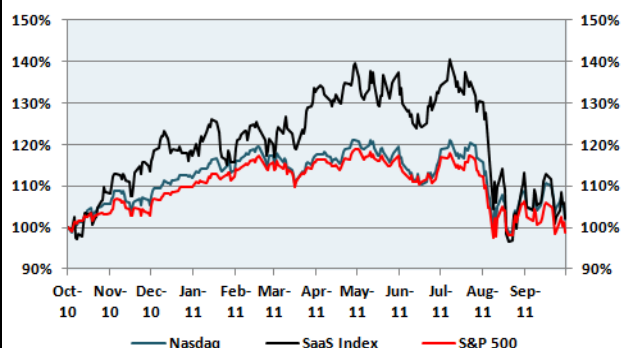
Software: Software as a Service (SaaS)

Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

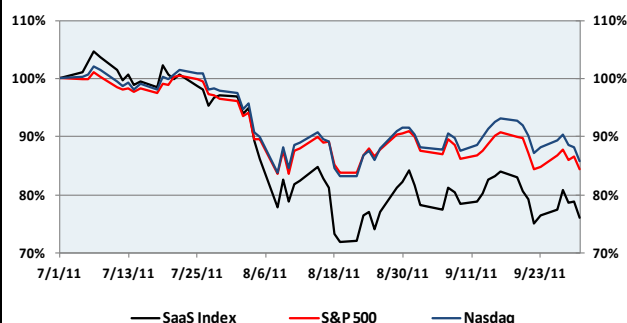
DPI SaaS Index vs. Major Indices

Latest Twelve Months



DPI SaaS Index vs. Major Indices

Latest Quarter



Note: The DPI Software as a Service (SaaS) Index includes: 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
Concur Technologies, Inc.	5.1x	34.7x
DealerTrack Holdings, Inc.	2.0x	12.6x
Kenexa Corp.	1.6x	21.3x
Red Hat, Inc.	7.0x	32.0x
Rightnow Technologies Inc.	4.9x	47.8x
Salesforce.com	8.0x	134.1x
Taleo Corp.	3.3x	25.6x
Ultimate Software Group, Inc.	4.7x	54.8x
Vocus Inc.	2.2x	1124.4x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Software as a Services Index was up 2% for the last 12 months and down 24% for the last quarter.
- Q3'11 had a total of 64 M&A transactions compared to 58 announced in Q2'11.
- At a conference in early October, Oracle announced that its long-gestating Oracle Fusion Applications are finally generally available along with a public cloud service. The Oracle Public Cloud will combine Platform-as-a-Service and Software-as-a-Service capabilities. Customers will be able to run Oracle Fusion applications, extensions to those applications and custom-build applications on the Oracle Public Cloud. It will offer a database service, a Java service for developers, a data service and a security service.
- The software-as-a-service customer relationship management (CRM) market in the U.S. will record double-digit year-over-year growth in the next five years, according to AMI-Partners.
- Adobe Systems recently introduced a cloud service for creative artists and new design tools. This move is designed to silence critics who said the software company's technology would hamper its entry into the fast-moving market for touch screens and tablet devices.
- The public brawl between Salesforce.com and Oracle went to another level when Larry Ellison suddenly removed Marc Benioff, chairman and CEO of rival Salesforce.com, from the list of speakers at Oracle's OpenWorld technology conference. Benioff responded by saying Ellison was out of touch with modern trends. Ellison shot back, calling Salesforce.com "the roach motel of clouds," meaning its proprietary cloud computing and storage technology keeps customers' data hostage.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
2011-09-28	VisiInc	VIA3 Corporation	-
2011-09-26	Verint Systems Inc.	GMT	-
2011-09-22	Vista Equity Partners	Sage Software Healthcare	\$320.0
2011-09-07	BroadSoft, Inc	iLinc Communications Inc.	-
2011-08-30	Tibco Software	Nimbus	-
2011-08-17	R.R. Donnelley & Sons	LibreDigital	-
2011-08-03	comScore, Inc.	AdXpose, Inc. [fka Mpire]	-
2011-07-25	VoxPop Worldwide, Inc.	MediaPal Inc.	-
2011-07-18	Adobe	EchoSign	-
2011-07-11	NCR Corporation	Radiant Systems, Inc.	\$1,241.0

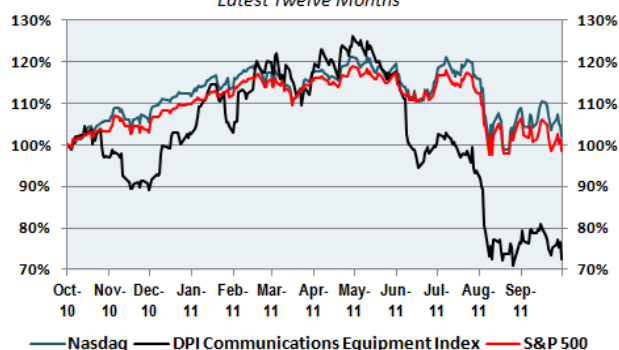
Please call DecisionPoint for further details on listed transactions.

Communications: Equipment

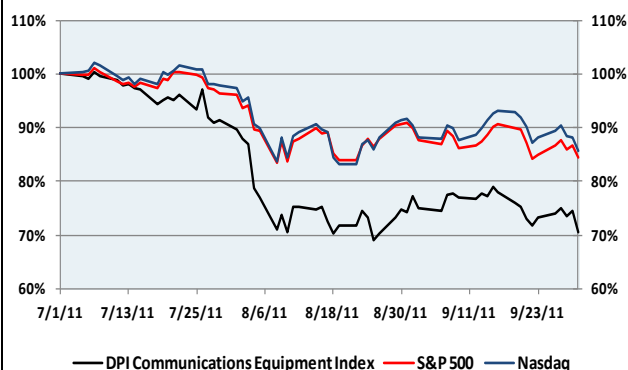
Highlights, Stock Performance and Recent M&A Activity

MARKET PERFORMANCE

DPI Communications Equipment Index vs. Major Indices
Latest Twelve Months



DPI Communications 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	0.3x	3.8x
CIENA Corp.	1.2x	NM
Cisco Systems, Inc.	1.3x	5.1x
Tellabs Inc.	0.3x	2.8x

LTM = Latest Twelve Months

NM = Not Meaningful

Highlights

- Communication Equipment Index was down 28% and 29% for the last 12 months and the last quarter respectively.
- Q3'11 had a total of 79 M&A transactions compared to 86 announced in Q2'11.
- Fortinet has an ambitious goal of becoming a billion-dollar company within the next three years. To get there, the network security vendor is looking to get aggressive with some very large competitors in Cisco and Juniper. During its first annual global partner conference, Fortinet executives discussed the company's plan to increase its market share, revenue and overall brand awareness in the networking security space.
- IBM has launched a low-priced application server, based on its XPages technology, that ISVs and solution providers can use to develop and deploy social networking and business process applications through the Web and mobile devices. The IBM XWork Server is an extension of the company's Lotus Domino Server line, but while the Domino Utility Server is targeted toward the enterprise market at \$20,000 per processor, the XWork Server has a \$2,000 fixed price per install with no per-processor or per-user costs.
- Juniper Networks is cutting headcount as part of an internal restructuring, but has declined to confirm the number of employees being let go and what Juniper groups the layoffs affect. A number of IT vendors have downsized this year following lackluster earnings reports and an uncertain economic climate. Among the most notable is Juniper archrival Cisco, which has cut nearly 13,000 positions -- a combination of layoffs, early retirements and asset sales -- as part of a plan to remove \$1 billion in expenses in its fiscal 2012.
- The stocks of several computer chip makers have suffered steep declines as more investors became convinced that the industry's recent woes will linger into next year. The weakening economy threatens to compound the challenges already facing chip makers trying to overcome a slowdown in sales of personal computers and other electronics relying on their technology.

Mergers & Acquisitions (sample deals)

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
2011-09-29	NeoPhotonics Corporation	Santur Corporation	\$46.0
2011-09-26	AT&T Corporation	Superclick, Inc.	-
2011-09-12	Tempest Telecom Solutions	Bayly Comm. (IP and assets)	-
2011-08-29	Aurora Networks	Enablence Technologies Inc	-
2011-08-15	Google	Motorola Mobility	\$12,033.0
2011-08-09	ADTRAN	Bluesocket (certain assets)	-
2011-08-01	Communications Systems	Patapsco Designs	-
2011-07-26	Tektronix	Optametra, LLC	-
2011-07-18	Foxconn Electronics	Cisco (manufacturing. facility)	-
2011-07-05	II-VI Incorporated	Aegis Lightwave, Inc.	-

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.

DecisionPoint

3420 Toringdon Way

Suite 350

Charlotte, NC 28277

Phone: 704.248.1111

Fax: 704.248.1121

www.DecisionPointINT.com

Research Inquiries Can Be Directed To:

Claes E. Persson

Vice President

CPersson@DecisionPointINT.com

704.943.5255