

# DECISIONPOINT

## QUARTERLY VIEWPOINT:

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

Q3 | 12

# QUARTERLY VIEWPOINT:

---

## Table of Contents

<b>1. Market Leader for Mid-Market Technology M&amp;A</b>	<b>3</b>
<b>2. Software</b>	
I. Software as a Service (SaaS)	4
II. Internet Software & Services	5
III. Enterprise Software	6
IV. Business Intelligence Software	7
V. Financial Software & Services	8
VI. Infrastructure Software	9
<b>3. Services</b>	
I. IT Services	10
II. IT Outsourcing	11
III. IT Staffing	12
IV. Value Added Resellers	13

# Market Leader for Mid-Market Technology M&A:

This Quarterly ViewPoint covers trends, public valuation multiples and relevant M&A activity for the software and services sectors. To illustrate general capital market and M&A trends within these sectors, DecisionPoint has selected a group of representative public comparables and transactions. This data is provided for informational purposes only. All data represents publicly available information.

DecisionPoint is a unique leader in M&A advisory services for middle-market technology companies and their venture capital investors in the software, services, cleantech, biotech, and healthcare IT sectors.



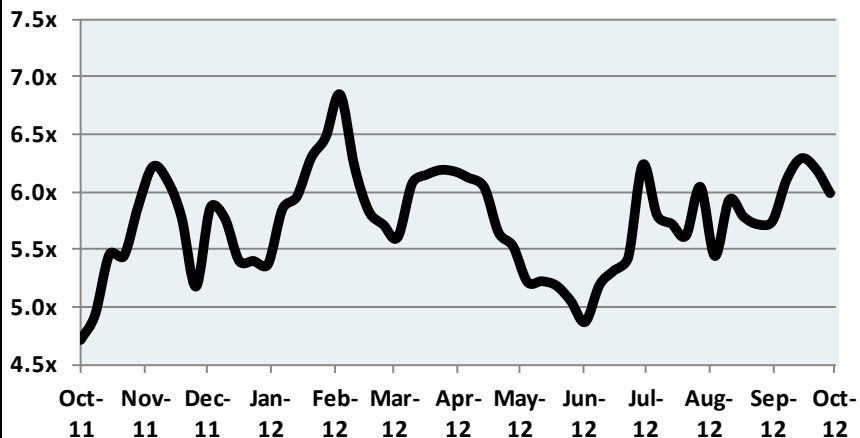
*The information in this Quarterly ViewPoint was prepared by DecisionPoint Advisors, LLC ("DecisionPoint"). DecisionPoint has issued the material contained within this report for information purposes only. The material contained within this report is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe for any investment. Information presented was obtained from various sources that are believed to be reliable. DecisionPoint makes no guarantees, representations or warranties and accepts no responsibility or liability as to the accuracy or completeness of the information provided. Opinions, estimates and analyses in this report do not necessarily reflect the opinions of DecisionPoint and are subject to change without notice. DecisionPoint has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein changes or subsequently becomes inaccurate.*

# Software: Software as a Service (SaaS)

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

### MARKET PERFORMANCE

DP SaaS Index EV/Revenue Multiple  
Latest Twelve Months



### VALUATION METRICS

Company	Stock Price 09/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
salesforce.com, inc	\$152.69	\$21,223.9	\$20,674.6	7.8x	NM
Red Hat, Inc.	\$56.94	\$10,990.9	\$10,121.4	8.3x	38.8x
Ariba Inc.	\$6.68	\$341.3	\$508.5	0.9x	5.4x
Concur Technologies, Inc.	\$73.73	\$4,054.0	\$3,822.1	9.2x	76.7x
NetSuite Inc.	\$63.80	\$4,524.4	\$4,362.7	16.2x	NM
athenahealth, Inc.	\$91.77	\$3,303.6	\$3,148.3	8.4x	63.9x
The Ultimate Software	\$102.10	\$2,733.1	\$2,672.1	9.0x	86.3x
RealPage, Inc.	\$22.60	\$1,694.1	\$1,683.3	5.8x	44.0x
ExactTarget, Inc.	\$24.22	\$1,599.4	\$1,387.9	5.6x	NM
DealerTrack Holdings, Inc.	\$27.85	\$1,187.8	\$1,092.5	2.9x	18.9x
Cornerstone OnDemand,	\$30.66	\$1,537.8	\$1,475.8	15.8x	NM
OpenTable, Inc.	\$41.60	\$940.3	\$868.4	5.8x	20.3x
LivePerson Inc.	\$18.11	\$1,007.9	\$907.3	6.2x	38.3x
Kenexa Corp.	\$45.83	\$1,265.0	\$1,208.4	3.8x	45.3x
Medidata Solutions, Inc.	\$41.50	\$1,065.8	\$952.1	4.8x	26.9x
Demandware, Inc.	\$31.75	\$923.6	\$820.7	12.3x	NM
Ebix Inc.	\$23.61	\$876.3	\$930.3	5.2x	12.2x
Responsys, Inc.	\$10.23	\$496.2	\$397.6	2.7x	20.5x
Constant Contact, Inc.	\$17.40	\$530.6	\$449.5	1.9x	18.5x
Ellie Mae, Inc.	\$27.23	\$686.0	\$652.1	8.4x	40.6x
<b>Median:</b>	<b>\$31.21</b>	<b>\$1,226.4</b>	<b>\$1,150.4</b>	<b>6.0x</b>	<b>38.3x</b>

### SECTOR HIGHLIGHTS

- The median SaaS index was trading at 6.0x revenue (based on Enterprise Value) at the closing of Q3.
- According to a recent Gartner report, cloud services will be worth roughly \$106 billion by end of 2012. By 2016 this figure will rise to \$206.6 billion, with both IaaS and cloud management/security services growing substantially.
- Oracle's improvements around Software-as-a-Service got a big push at Oracle OpenWorld where the company announced seven new services within its cloud that place an emphasis on appealing to specific business tasks. The Oracle Cloud itself was in development for six years before it was unveiled back in June and Oracle has faced criticism for being slow to market. Oracle claims that moving to a "SaaS world has been a subtle change" for the global corporation.
- IBM extends cloud reach and takes on Amazon and Salesforce as IBM has launched a number of incentives that will enable its Managed Services Partners (MSPs) to exploit its cloud services products better and push them in the mid-sized space. While IBM has a firm foothold in the large enterprise space, for the past few years Amazon and Salesforce, along with a number of smaller players, have dominated the mid-size enterprise marketplace.
- Despite the progress made in developing cloud security and convincing enterprises that their data is safe, many enterprises are still avoiding the use of SaaS for critical or sensitive data. Organizations that need to share data with third-parties also have a number of different approaches to risk management.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

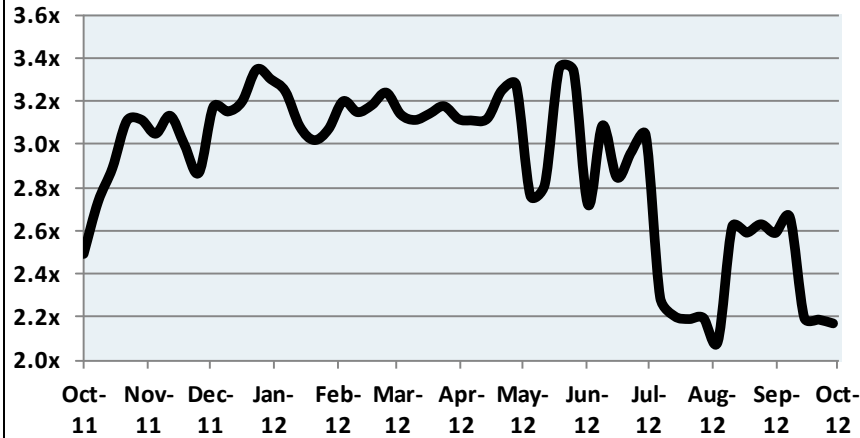
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-09-27	Navarre Corporation	SPEED FC	50.0
2012-09-13	Epicor Software Corporation	Solarsoft Business Systems	90.0
2012-09-04	Move Inc	TigerLead Solutions	22.0
2012-08-27	IBM Corporation	Kenexa Corporation	1,300.0
2012-08-27	Trimble Navigation Ltd.	TMW Systems, Inc.	335.0
2012-08-16	Fair Isaac Corporation	Adepra Ltd.	115.0
2012-08-07	CDC Software Corporation	Consona Corporation	250.0
2012-07-31	Google, Inc.	Wildfire Interactive	350.0
2012-07-30	Roper Industries, Inc.	Sunquest Information Systems Inc	1,415.0
2012-07-02	One Equity Partners LLC	M*Modal	1,100.0

# Software: Internet Software and Services

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

### MARKET PERFORMANCE

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



### VALUATION METRICS

Company	Stock Price 09/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Google Inc.	\$754.50	\$246,746.6	\$213,145.6	4.9x	13.8x
Amazon.com Inc.	\$254.32	\$114,969.2	\$109,999.2	2.0x	NM
Facebook, Inc.	\$21.66	\$46,403.7	\$36,921.7	8.5x	35.2x
eBay Inc.	\$48.37	\$62,333.0	\$58,661.0	4.5x	15.6x
priceline.com	\$619.07	\$30,845.2	\$28,459.7	5.9x	16.9x
Yahoo! Inc.	\$15.98	\$18,924.3	\$17,096.0	3.4x	8.8x
LinkedIn Corporation	\$120.40	\$12,726.9	\$12,109.7	16.7x	NM
Groupon, Inc.	\$4.77	\$3,114.8	\$1,928.0	0.9x	24.4x
Netflix, Inc.	\$54.44	\$3,023.3	\$2,609.9	0.8x	11.4x
IAC/InterActiveCorp	\$52.06	\$4,558.4	\$3,814.3	1.6x	12.7x
AOL Inc.	\$35.23	\$3,310.7	\$1,964.6	0.9x	4.4x
Pandora Media, Inc.	\$10.95	\$1,849.2	\$1,766.9	5.2x	NM
ValueClick, Inc.	\$17.16	\$1,288.6	\$1,372.9	2.2x	7.7x
WebMD Health Corp.	\$14.03	\$688.7	\$524.5	1.0x	8.0x
Vistaprint N.V.	\$34.15	\$1,167.8	\$1,334.6	1.3x	12.0x
OpenTable, Inc.	\$41.60	\$940.3	\$868.4	5.8x	20.3x
RealNetworks Inc.	\$8.32	\$292.0	\$9.1	0.0x	NM
<b>Median:</b>	<b>\$35.23</b>	<b>\$3,310.7</b>	<b>\$2,609.9</b>	<b>2.2x</b>	<b>12.7x</b>

### SECTOR HIGHLIGHTS

- The median Internet Software & Services index was trading at 2.2x revenue (based on Enterprise Value) at the closing of Q3.
- A slight bump in Google's share price on October 1st and a drop in Microsoft's gave Google a market capitalization of \$249 billion, just ahead of Microsoft's \$247 billion. It was one more sign that the technology industry had entered what some call a post-PC era. Investors are becoming more bullish on the growth opportunities ahead for Google, a company whose fortunes are predicated on the Internet and, increasingly, on mobile devices and services.
- However, the increasing mobile usage is causing problems for Google and Facebook as the mobile platforms do not have the screen real estate to support the scale of advertising that a computer screen can. Facebook's problems run yet deeper as it does not have an advertising platform that monetizes. Therefore, many analysts believe Facebook will soon acquire an ad platform company
- PayPal is becoming a larger piece of eBay's overall profitability (now driving 65% of forward profit). For many analysts, it is the key driver behind the new above-Street estimates for the eBay.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

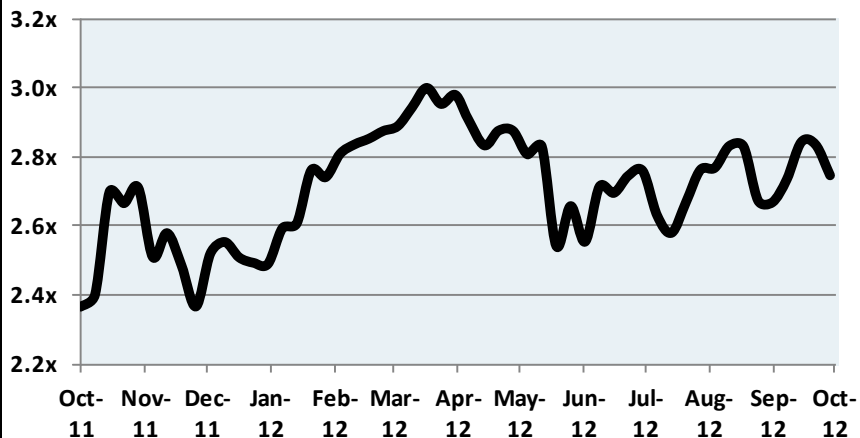
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-09-25	Suning Appliance Co Ltd	Redbaby	66.0
2012-09-20	Singapore Telecommunications Ltd.	Pixable	26.5
2012-09-18	Dice Holdings Inc	Geeknet, Inc.	20.0
2012-09-12	Ringier AG/Tamedia AG	Jobs.ch ag	412.4
2012-08-26	Ask.com	About, Inc.	300.0
2012-08-15	Carlyle Group, The/Getty	Getty Images, Inc.	3,300.0
2012-08-10	As Seen On TV Inc	eDiets.com	13.7
2012-08-09	Libero S.r.l	Matrix SpA	109.2
2012-08-01	Answers Corporation	ResellerRatings.com	35.0
2012-07-23	DigitalGlobe	GeoEye, Inc.	792.6
2012-07-19	DealerTrack Holdings, Inc.	1st Auto Transport Directory, Inc.	74.0
2012-07-10	Tomorrow Focus AG	Webassets B.V.	25.8
2012-07-02	IHS, Inc.	Citation Technologies, Inc.	11.0

# Software: Enterprise Software

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

### MARKET PERFORMANCE

DP Enterprise Software Index EV/Revenue Multiple  
Latest Twelve Months



### VALUATION METRICS

Company	Stock Price 09/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Microsoft Corporation	\$29.76	\$249,489.9	\$200,220.9	2.7x	6.5x
International Business	\$207.45	\$237,068.7	\$258,365.7	2.4x	9.6x
Oracle Corporation	\$31.46	\$151,607.5	\$135,178.5	3.7x	8.4x
SAP AG	\$71.14	\$84,753.2	\$85,251.5	4.4x	12.1x
Dassault Systemes SA	\$105.00	\$12,974.0	\$11,251.7	4.6x	14.6x
Autodesk, Inc.	\$33.35	\$7,567.1	\$6,136.4	2.7x	12.6x
Ansys, Inc.	\$73.40	\$6,777.3	\$6,331.7	8.4x	17.8x
Amdocs Limited	\$32.99	\$5,444.2	\$4,550.1	1.4x	7.6x
Informatica Corporation	\$34.85	\$3,782.3	\$3,217.0	4.0x	17.7x
TIBCO Software Inc.	\$30.23	\$4,922.0	\$4,803.5	4.7x	20.5x
Ariba Inc.	\$6.68	\$341.3	\$508.5	0.9x	5.4x
MICROS Systems, Inc.	\$49.16	\$3,943.2	\$3,364.7	3.0x	13.4x
Parametric Technology	\$21.77	\$2,584.5	\$2,486.4	2.0x	11.3x
NICE Systems Ltd.	\$0.00	\$0.0	\$1,842.8	2.2x	14.4x
Constellation Software	\$105.36	\$2,232.7	\$2,213.6	2.7x	11.6x
JDA Software Group Inc.	\$31.78	\$1,360.5	\$1,271.6	1.9x	7.1x
Tyler Technologies, Inc.	\$44.02	\$1,333.7	\$1,399.1	4.2x	23.0x
Verint Systems Inc.	\$27.44	\$1,091.4	\$1,802.8	2.2x	13.4x
Blackbaud Inc.	\$23.92	\$1,080.6	\$1,319.9	3.3x	20.9x
Stratasys Inc.	\$54.40	\$1,160.7	\$1,109.5	6.2x	27.8x
Manhattan Associates, Inc.	\$57.27	\$1,146.7	\$1,045.8	3.0x	13.4x
Deltek, Inc.	\$13.02	\$834.9	\$947.4	2.8x	16.8x
QAD Inc.	\$13.58	\$213.7	\$156.0	0.6x	7.4x
Pervasive Software Inc.	\$8.60	\$142.2	\$99.5	2.0x	27.6x
<b>Median:</b>	<b>\$32.39</b>	<b>\$2,408.6</b>	<b>\$2,350.0</b>	<b>2.7x</b>	<b>13.4x</b>

### SECTOR HIGHLIGHTS

- The median Enterprise Software index was trading at 2.7x revenue (based on Enterprise Value) at the closing of Q3.
- SAP, the largest maker of enterprise-management software, will reach its 2015 sales target for Web-based software without more acquisitions after taking over Ariba. Integrating SAP's Hana real-time technology with Ariba's supply-chain management, searching and trading functions will be the company's priority.
- HP CEO's (Meg Whitman) strategy for turning around HP failed to convince investors looking for speedier recovery and more sweeping change at a company struggling to compete in everything from personal computers to technology services. According to Whitman, the two growth engines of the company are going to be the software business and the enterprise business.
- According to the Google CIO, the standard enterprise software model, under which companies purchase licenses and then continue to pay out for renewals, upgrades, and maintenance, represents a big waste of corporate IT dollars and manpower. The better way, according to the CIO -- not surprisingly, given Google's business model -- is the cloud.
- Dell has completed its acquisition of Quest Software, making the software company a division of the PC maker as Dell continues to vie for the enterprise market with a range of business intelligence, and systems and security management software.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-09-21	Sage Group Plc, The	EBS Empresa Brasileira de Sistemas	14.3
2012-09-12	Thoma Bravo LLC	Mediware Information Systems, Inc.	154.8
2012-09-10	Skillsoft Plc	ThirdForce Group plc	70.0
2012-08-28	Aimia Inc.	Excellence in Motivation, Inc.	28.0
2012-08-27	Thoma Bravo LLC	Deltek, Inc.	1,100.0
2012-08-08	Parametric Technology Corporation	Servigistics	220.0
2012-08-01	FEI Company	Visualization Sciences Group	55.0
2012-07-30	Roper Industries, Inc.	Sunquest Information Systems Inc	1,415.0
2012-07-02	Dell, Inc.	Quest Software, Inc.	2,600.0

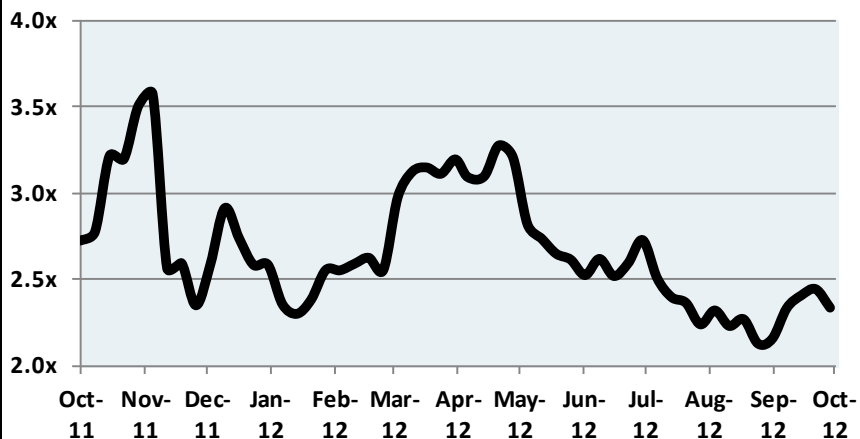


# Software: Business Intelligence Software

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

### MARKET PERFORMANCE

DP BI Software Index EV/Revenue Multiple  
Latest Twelve Months



### VALUATION METRICS

Company	Stock Price 09/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Informatica Corporation	\$34.85	\$3,782.3	\$3,217.0	4.0x	17.7x
Qlik Technologies, Inc.	\$22.39	\$1,915.5	\$1,720.4	4.9x	NM
MicroStrategy Inc.	\$134.07	\$1,466.0	\$1,270.4	2.2x	35.3x
Pegasystems Inc.	\$29.04	\$1,100.8	\$997.9	2.3x	46.8x
PROS Holdings, Inc.	\$19.07	\$522.7	\$451.5	4.2x	40.4x
Accelrys Inc.	\$8.66	\$481.0	\$337.1	2.2x	22.0x
Actuate Corporation	\$7.03	\$346.4	\$265.5	1.9x	8.5x
<b>Median:</b>	<b>\$22.39</b>	<b>\$1,100.8</b>	<b>\$997.9</b>	<b>2.3x</b>	<b>28.7x</b>

### SECTOR HIGHLIGHTS

- The median Business Intelligence Software index was trading at 2.3x revenue (based on Enterprise Value) at the closing of Q3.
- Oracle is touting the business benefits of a big data platform which combines optimized hardware and software offerings into a single branded platform. The company said that the combination of its Exadata and Exalytics platforms along with its BI and analysis software would deliver better performance and data returns than best-of-breed packages. Oracle hopes that the combined offerings will prove a winner in the increasingly crowded big data analytics space.
- Hadoop, NoSQL databases, and other emerging big data platforms are quickly evolving. However, many industry experts think these platforms deserve new BI and analytics tools as the current platforms were not built for the big data world.
- Business intelligence companies are trying to bridge the gap between traditional BI and enterprise social network applications. The idea is for businesses to align their employees with the purpose of the company, bringing all their insights, plans, and experience together in one place in order to create accurate business predictions and outcomes.
- SAP announced new products that marry its Business Objects BI software with the Sybase IQ analytic database. From a strategic standpoint, this suggests that SAP remains committed to IQ (gained through the acquisition of Sybase) even as its homegrown HANA database has become the company's focal point.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

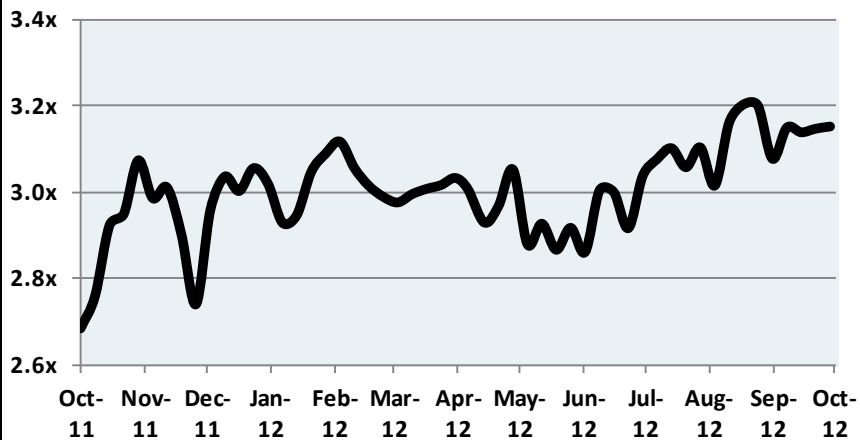
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-09-21	Elevate Services, Inc.	RFx Legal, LLC (analytics division)	-
2012-09-18	Bentley Systems, Incorporated	Ivara Corporation	-
2012-09-13	athenahealth, Inc.	Healthcare Data Services	-
2012-09-10	Adaptive Planning	myDIALS Inc	-
2012-09-04	Access Technology Group Ltd	PRELYTIS S.A.	5.0
2012-08-29	WhatRunsWhere.com	Mobile Ad Spy	-
2012-08-15	SEOMoz	Followerwonk	-
2012-08-10	Aurora Capital Group	Market Track, LLC	-
2012-07-11	SNL Financial	SwiftKnowledge LLC	-
2012-07-10	Aquiline Holdings LLC	BI-SAM TECHNOLOGIES S.A.	-
2012-07-02	Nielsen Company, The	Vizu	-

# Software: Financial Software & Services

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

### MARKET PERFORMANCE

DP Financial Software & Services Index EV/Revenue Multiple  
Latest Twelve Months



### VALUATION METRICS

Company	Stock Price 09/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Intuit Inc.	\$58.88	\$17,391.4	\$17,146.4	4.1x	12.1x
Paychex, Inc.	\$33.29	\$12,099.5	\$11,708.6	5.2x	12.2x
Fiserv, Inc.	\$74.03	\$10,043.7	\$13,250.7	3.0x	9.8x
Jack Henry & Associates	\$37.85	\$3,260.8	\$3,235.2	3.1x	9.8x
Broadridge Financial	\$23.33	\$2,914.0	\$3,117.9	1.4x	9.2x
DST Systems Inc.	\$56.56	\$2,494.3	\$3,334.3	1.3x	8.9x
SS&C Technologies	\$25.21	\$1,969.3	\$2,981.8	7.4x	19.7x
ACI Worldwide, Inc.	\$42.26	\$1,657.3	\$1,883.6	3.5x	17.8x
Fair Isaac Corp.	\$44.26	\$1,497.9	\$1,851.2	2.8x	9.8x
Advent Software, Inc.	\$24.57	\$1,244.6	\$1,160.1	3.3x	16.3x
Bottomline Technologies	\$24.69	\$909.3	\$784.4	3.5x	25.5x
EPIQ Systems, Inc.	\$13.42	\$482.1	\$717.3	2.3x	10.1x
NetSol Technologies, Inc.	\$6.39	\$48.4	\$65.8	1.7x	5.7x
<b>Median:</b>	<b>\$33.29</b>	<b>\$1,969.3</b>	<b>\$2,981.8</b>	<b>3.1x</b>	<b>10.1x</b>

### SECTOR HIGHLIGHTS

- The median Financial Software & Services index was trading at 3.1x revenue (based on Enterprise Value) at the closing of Q3.
- According to a recent report, the US financial transaction processing industry includes about 2,000 companies with combined annual revenue of about \$40 billion. The global transaction processing industry generates revenue of about \$250 billion annually.
- Fiserv, a provider of transaction and technology services for financial institutions, is introducing a mobile payment device that will allow banks to compete with Square, Inc. and Ebay's PayPal. Fiserv's entry further increases competition in the micro-merchant processing market, set to reach \$1 billion in 2016, up from \$30 million last year, according to researcher Aite Group.
- Banking software and payment processing service Jack Henry and Associates has increased its sales to above \$1 billion for the latest fiscal year just ended, the first time the company has hit that sales level.
- Tax and accounting software firms such as Intuit are concerned about their market outlook. The sheer number of competitors is so high that revenue will be hard to come by in this industry. Just like in the music and books industries, there seems to be no end to the number of outlets offering all or part of Intuit comparable products for free or at no incremental cost. It is almost an emergence of the free online tax filing systems.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-09-24	Digital River, Inc.	LML Payment Systems Inc.	102.80
2012-09-17	RevSpring	BestBill	-
2012-09-06	Spirent Communications plc	Metrico Wireless, Inc.	52.00
2012-08-26	Fujifilm Holdings Corp.	Salmat Ltd. (BPO division)	393.30
2012-08-20	Ikon Science	JRS Petroleum Research	-
2012-08-14	Nets Holding A/S	Luottokunta	209.31
2012-08-14	TrustHCS	Legacy Coding	-
2012-08-14	DANTOM Systems, Inc.	PSC Info Group, Inc.	-
2012-07-09	Investcorp International, Inc.	Archway Marketing Services, Inc.	300.00
2012-07-03	Syniverse Technologies	Mach S.a.r.l.	696.31

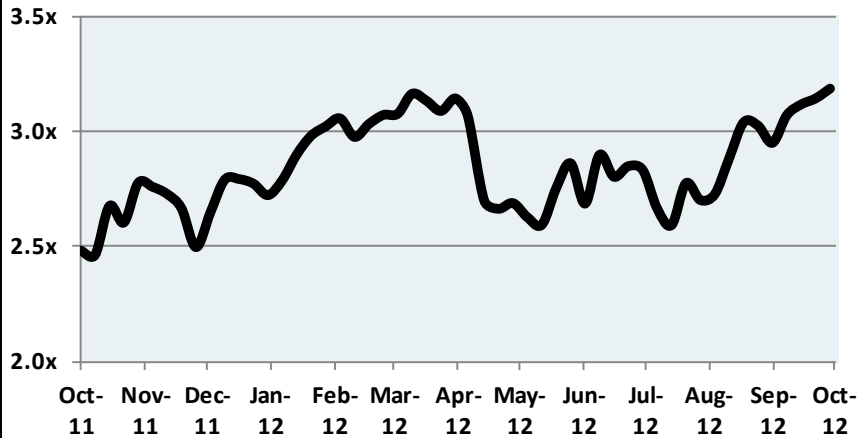


# Software: Infrastructure Software

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

### MARKET PERFORMANCE

DP Infrastructure Software Index EV/Revenue Multiple  
Latest Twelve Months



### VALUATION METRICS

Company	Stock Price 09/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
EMC Corporation	\$27.27	\$57,232.1	\$54,391.1	2.6x	11.4x
Citrix Systems, Inc.	\$76.53	\$14,308.2	\$13,010.4	5.4x	21.9x
Red Hat, Inc.	\$56.94	\$10,990.9	\$10,121.4	8.3x	38.8x
Symantec Corporation	\$17.98	\$12,617.4	\$11,634.4	1.7x	6.6x
Check Point Software	\$48.16	\$9,863.2	\$8,491.4	6.5x	11.5x
F5 Networks, Inc.	\$104.64	\$8,269.5	\$7,749.8	5.8x	17.5x
BMC Software Inc.	\$41.49	\$6,616.2	\$5,860.9	2.7x	9.2x
Trend Micro Inc.	\$27.99	\$3,682.1	\$2,244.7	1.9x	5.6x
SolarWinds, Inc.	\$55.74	\$4,136.1	\$3,952.9	16.9x	35.0x
CommVault Systems, Inc.	\$58.66	\$2,636.8	\$2,316.7	5.4x	38.4x
Sourcefire, Inc.	\$49.03	\$1,463.6	\$1,292.5	6.6x	NM
Progress Software Corp.	\$21.39	\$1,355.2	\$1,003.0	2.1x	10.4x
Allot Communications	\$26.52	\$839.5	\$679.7	7.3x	45.3x
Radware Ltd.	\$36.02	\$794.0	\$658.2	3.7x	18.3x
OPNET Technologies Inc.	\$34.07	\$786.9	\$684.6	3.9x	19.9x
VASCO Data Security	\$9.38	\$353.5	\$268.4	1.6x	8.6x
Guidance Software, Inc.	\$11.26	\$280.3	\$257.2	2.3x	39.8x
Magic Software	\$4.40	\$161.0	\$117.9	1.0x	5.5x
Geeknet, Inc.	\$19.35	\$125.2	\$90.5	0.7x	NM
BSQUARE Corp.	\$3.11	\$34.1	\$14.2	0.1x	NM
<b>Median:</b>	<b>\$31.03</b>	<b>\$2,050.2</b>	<b>\$1,768.6</b>	<b>3.2x</b>	<b>17.5x</b>

### SECTOR HIGHLIGHTS

- The median Infrastructure Software index was trading at 3.2x revenue (based on Enterprise Value) at the closing of Q3.
- Reversing years of cloud-bashing, Oracle CEO Larry Ellison added an infrastructure as a service (IaaS) component to the company's cloud portfolio at Oracle OpenWorld, rounding out the company's strategy to include the three major cloud platforms, including SaaS and PaaS.
- HP is aggressively expanding its software-defined networking (SDN) offerings, from more switches supporting OpenFlow to software and services aimed at helping businesses deploy and manage SDNs. Such a broad offering is a key differentiator in a fast-growing part of the market that not only is seeing established networking stalwarts like Cisco Systems and Juniper Networks making moves, but also a host of startups and big-name tech companies—such as virtualization giant VMware—trying to gain a foothold.
- EMC Corporation has assembled and will announce a lineup of products and technologies designed to transform IT and business. EMC® will highlight broad technology integration with the industry's most advanced cloud infrastructure suite, VMware vSphere®, further enabling the transformation of IT. The combination of EMC's industry-leading information infrastructure products, solutions and services with VMware virtualization and cloud infrastructure technologies accelerates the customer journey to the cloud -- lowering IT costs and improving business agility.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

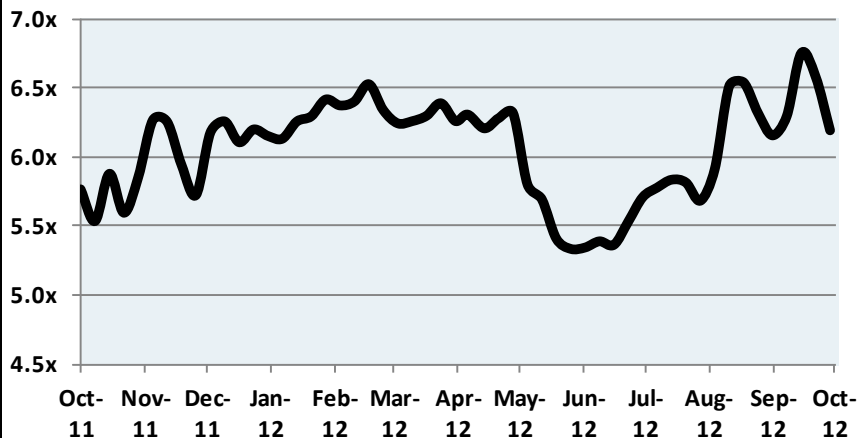
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-09-24	Stratus Technologies Inc.	Marathon Technologies Corporation	5.7
2012-09-17	iRobot Corporation	Evolution Robotics Inc.	74.0
2012-08-14	Gagil FDI Limited	Infotech Enterprises Limited	259.6
2012-08-13	Actian Corporation	Pervasive Software Inc.	110.4
2012-08-13	EQT Partners AB	UC4 Software GmbH	271.6
2012-08-09	Digia Oyj	Qt Development Frameworks	4.9
2012-08-07	Wargaming Public Company Ltd	BigWorld Pty Limited	45.0
2012-08-02	Fortissimo Capital	Starhome BV	80.3
2012-07-19	Saguaro Oil and Gas Recovery Inc.	Tri Eye Design, Inc.	9.7
2012-07-02	Cadence Design Systems Inc.	Sigrity, Inc.	78.3

# Services: IT Services

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

### MARKET PERFORMANCE

DP IT Services Index EV/EBITDA Multiple  
Latest Twelve Months



### VALUATION METRICS

Company	Ticker	Stock Price 09/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Accenture plc	NYSE:ACN	\$70.03	\$44,329.0	\$38,164.8	1.4x	8.5x
NTT Data Corporation	TSE:9613	\$3,144.18	\$8,819.4	\$12,128.9	0.7x	4.1x
Atos S.A.	ENXTPA:ATO	\$69.66	\$5,870.8	\$5,777.7	0.5x	5.1x
Cap Gemini S.A.	ENXTPA:CAP	\$42.28	\$6,497.5	\$6,601.5	0.5x	5.6x
SAIC, Inc.	NYSE:SAI	\$12.04	\$4,115.6	\$4,659.6	0.4x	11.5x
Booz Allen Hamilton	BAH	\$13.85	\$1,835.1	\$2,454.1	0.4x	5.0x
CACI International Inc.	NYSE:CACI	\$51.79	\$1,173.9	\$1,702.3	0.5x	4.8x
Tyler Technologies, Inc.	TYL	\$44.02	\$1,333.7	\$1,399.1	4.2x	23.0x
ManTech International	NASDAQGS:M	\$24.00	\$886.4	\$961.8	0.4x	3.4x
Sopra Group	ENXTPA:SOP	\$47.52	\$564.2	\$925.7	0.6x	7.1x
ICF International Inc.	ICFI	\$20.10	\$396.5	\$534.8	0.6x	6.2x
Perficient Inc.	NASDAQGS:	\$12.07	\$398.3	\$406.5	1.4x	11.8x
CIBER, Inc.	CBR	\$3.47	\$253.8	\$261.1	0.3x	7.5x
The Hackett Group, Inc.	NASDAQGM:H	\$4.18	\$127.4	\$145.6	0.7x	7.2x
Dynamics Research	DRCO	\$6.85	\$70.6	\$180.6	0.5x	4.3x
NCI, Inc.	NCIT	\$6.88	\$93.5	\$123.7	0.3x	5.3x
Edgewater Technology	EDGW	\$3.97	\$45.0	\$36.1	0.4x	6.4x
<b>Median:</b>		<b>\$27.15</b>	<b>\$886.4</b>	<b>\$961.8</b>	<b>0.5x</b>	<b>6.2x</b>

### SECTOR HIGHLIGHTS

- The median IT Services index was trading at 6.2x EBITDA (based on Enterprise Value) at the closing of Q3.
- Gartner's newest IT spending forecast shows the march to digitalization slowing -- on pace to reach \$3.63 trillion in 2012 and \$3.79 trillion in 2013. That is only an estimated 3% and 4.4% increase compared to the \$3.52 trillion spent last year in 2011, which was 7.9% growth compared to 2010.
- The APAC remained the top IT services revenue generator by geography, increasing 11.7% year-to-year on a TTM (trailing 12-month) basis, while the US / Americas grew 10% year-to-year and Europe, the Middle East, Africa (EMEA) grew 3.7% year-to-year.
- IDC released a report about the growth of public cloud services, predicting \$40 billion in spending in 2012 that will grow to \$100 billion annually by 2016. Their expectation over this five year time period is that annual compound growth rate of the public IT cloud business will be five times greater than the growth of the IT industry, signifying a weather change to the acceptance of public cloud IT services across the board.
- During the next five years, Capgemini is set to conduct a global transformation project for E.ON. The contract with E.ON, one of the world's largest private companies in the electricity and gas sector, has a project volume of almost €50m. The move comes as the energy giant seeks to restructure its IT infrastructure and employ smart technology in energy monitoring and metering services.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

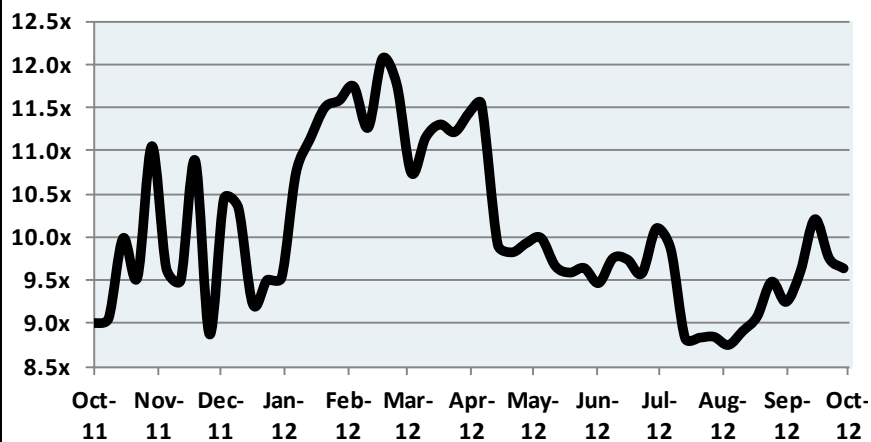
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-09-17	Redstone plc	Maxima Holdings plc	21.1
2012-09-10	Infosys Technologies Limited	Lodestone Holding AG	345.5
2012-09-05	Tech Data Corp.	Specialist Computer Holdings	350.0
2012-08-16	Tata Consultancy Services	Computational Research	34.0
2012-07-23	Global Imaging Systems, Inc.	Martin Whalen Office Solutions	31.0
2012-07-17	Science Applications International	maxIT Healthcare LLC	473.0
2012-07-11	Tech Data Corp.	Brightstar Europe	165.6
2012-07-05	Avnet, Inc	Internix Incorporated	80.1
2012-07-05	RigNet, Inc.	Nessco	46.2
2012-07-02	Ingram Micro Inc.	BrightPoint Inc.	840.0

# Services: IT Outsourcing

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

### MARKET PERFORMANCE

DP IT Outsourcing Index EV/EBITDA Multiple  
Latest Twelve Months



### VALUATION METRICS

Company	Stock Price 09/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Automatic Data	\$58.66	\$28,410.7	\$26,849.0	2.5x	11.5x
Infosys Ltd.	\$47.94	\$27,391.7	\$23,503.4	3.2x	9.9x
Cognizant Technology	\$69.89	\$20,866.7	\$18,520.6	2.7x	13.3x
Wipro Ltd.	\$7.21	\$17,644.1	\$16,236.3	2.2x	11.6x
CGI Group, Inc.	\$26.80	\$8,181.9	\$8,838.2	2.0x	11.4x
Computer Sciences	\$32.21	\$5,005.2	\$6,768.2	0.4x	4.9x
Syntel, Inc.	\$62.41	\$2,610.6	\$2,255.7	3.3x	10.1x
DST Systems Inc.	\$56.56	\$2,494.3	\$3,334.3	1.3x	8.9x
iGATE Corporation	\$18.17	\$1,040.2	\$2,080.8	2.0x	8.5x
Unisys Corporation	\$20.82	\$915.2	\$806.6	0.2x	1.8x
CSG Systems International	\$22.49	\$714.7	\$815.0	1.1x	5.0x
VanceInfo Technologies	\$7.85	\$332.2	\$253.8	0.8x	9.4x
<b>Median:</b>	<b>\$29.51</b>	<b>\$3,807.9</b>	<b>\$5,051.2</b>	<b>2.0x</b>	<b>9.6x</b>

### SECTOR HIGHLIGHTS

- The median IT Outsourcing index was trading at 9.6x EBITDA (based on Enterprise Value) at the closing of Q3.
- Global spending on IT outsourcing is set to hit \$251 billion this year, up 2.1% from 2011 and rapid growth in cloud computing is expected to keep the sector growing.
- A recent study by Savvis showed that enterprises believe that having an in-house IT infrastructural facility incurs higher cost without providing optimum utilization of resources. This is in line with the growing trend of corporate houses using outsourced IT infrastructure rather than developing in-house IT infrastructural facilities.
- A report by IT Decisions says, “the ICT industry in Brazil is already huge, but is largely inward facing. Once that expertise starts getting applied to the world, there will be very little that can prevent Brazil from becoming a hi-tech superpower, in just the same way India earned its reputation as an IT giant in only the past decade.”
- Even as Americans continue to view India's business impact as limited to telemarketing and tech support call centers, the country's largest IT outsourcing firms are moving into ever more complex areas. With IT now a core part of almost every business sector, India's large IT firms are building consulting practices that put them in direct competition with multinational management consultancies like McKinsey & Co, PricewaterhouseCoopers and Deloitte, not to mention Accenture and IBM.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

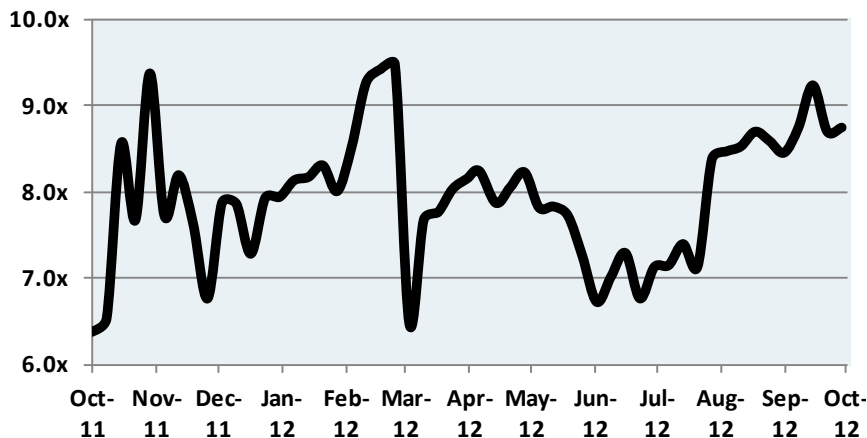
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-09-17	Tech Mahindra Ltd [fka Mahindra-	Comviva Technologies Limited	22.6
2012-09-10	KEYW Corporation	Poole & Associates, INC.	126.0
2012-09-04	Tech Mahindra Ltd [fka Mahindra-	Hutchison Global Services Pvt Ltd	87.1
2012-08-20	NCC Group	Intrepidus Group	5.8
2012-08-10	HiSoft Technology International Ltd.	VanceInfo Technologies Inc.	361.1
2012-08-08	Tangoe, Inc [NASDAQ: TNGO]	Symphony Teleca Corporation	41.0
2012-07-31	Savvis, Inc. [CenturyLink [fka	CIBER Inc (IT outsourcing business)	7.0
2012-07-30	Sykes Enterprises	Alpine Access, Inc.	150.0
2012-07-27	Celestica, Inc.	D & H Manufacturing	70.0
2012-07-17	Artaflex	MTI Electronics, Inc.	12.8

# Services: IT Staffing

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

### MARKET PERFORMANCE

DP IT Staffing Index EV/EBITDA Multiple  
Latest Twelve Months



### VALUATION METRICS

Company	Stock Price 09/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Robert Half International	\$26.63	\$3,776.2	\$3,519.2	0.9x	9.6x
On Assignment Inc.	\$19.92	\$1,040.7	\$1,489.4	1.9x	19.5x
Kforce Inc.	\$11.79	\$433.5	\$444.9	0.4x	15.1x
CDI Corp.	\$17.03	\$329.2	\$323.5	0.3x	8.7x
Computer Task Group Inc.	\$16.18	\$298.6	\$275.0	0.7x	11.8x
Hudson Global, Inc	\$4.46	\$142.6	\$116.1	0.1x	7.4x
RCM Technologies Inc.	\$5.53	\$66.6	\$37.4	0.3x	5.5x
Analysts International	\$3.90	\$19.8	\$16.7	0.2x	3.7x
Mastech Holdings, Inc.	\$5.17	\$16.4	\$14.7	0.2x	4.7x
<b>Median:</b>	<b>\$11.79</b>	<b>\$298.6</b>	<b>\$275.0</b>	<b>0.3x</b>	<b>8.7x</b>

### SECTOR HIGHLIGHTS

- The median IT Staffing index was trading at 8.7x EBITDA (based on Enterprise Value) at the closing of Q3.
- Chief information officers (CIOs) plan a modest increase in IT staffing activity in the fourth quarter of 2012, according to a new survey done for Robert Half Technology. IT professionals in certain specialties, such as network administration and database management will continue to be in strong demand. Executives in the transportation industry anticipate the most active IT hiring in the fourth quarter.
- Microsoft says tech talent shortage is close to crisis and claims it has 6,000 open jobs right now in the U.S. Over 3,400 of those jobs are for researchers, developers and engineers where there are not enough people with the necessary skill sets. Microsoft fears jobs will start to migrate to other countries unless the skill gap can be dealt with. Microsoft claims it spends 83% of its worldwide R&D budget in the U.S., but says that will not continue unless they can fill those positions.
- Social media has become the chief source of employees for companies, recruiters and staffing agencies worldwide. LinkedIn tops the charts not surprisingly, followed by Facebook and then Twitter, with YouTube and Google+ also part of the recruiting picture.
- McLean-based IT staffing firm Digital Intelligence Systems (Disys) has closed on a \$20 million investment led by Boston-based Weston Presidio. The private equity investment would fuel more acquisitions according to the CEO. In April, the company acquired the assets of Conversion Services International Inc., a New Jersey technology consulting company. Disys is on track to see \$300 million in revenue this year, compared to \$250 million in 2011.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

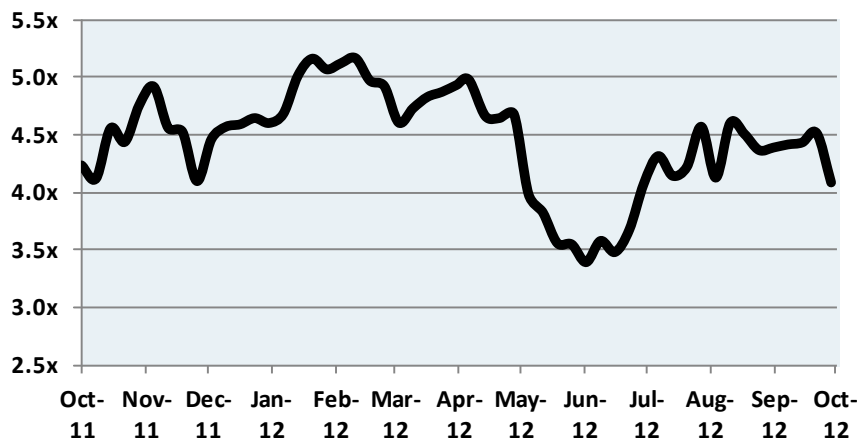
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-09-13	ODESIA Group Inc.	Gestion Passerelle	-
2012-08-14	American CyberSystems Inc.	CrossUSA	-
2012-08-09	Interactive Intelligence Inc.	Bay Bridge Decision Technologies	-
2012-08-01	Xtreme Consulting Group, Inc.	Kipe Technology Resources	-
2012-07-10	Datavail Corporation	Blue Gecko Inc.	-
2012-07-03	The Gores Group LLC	Glotel	-

# Services: Value Added Resellers

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

### MARKET PERFORMANCE

DP VAR Index EV/EBITDA Multiple  
Latest Twelve Months



### VALUATION METRICS

Company	Stock Price 09/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Insight Enterprises Inc.	\$17.47	\$776.6	\$768.7	0.1x	3.9x
PC Connection, Inc.	\$11.51	\$304.5	\$242.5	0.1x	4.1x
ePlus Inc.	\$39.22	\$316.1	\$389.0	0.4x	6.0x
Agilysys Inc.	\$8.60	\$188.2	\$108.7	0.5x	NM
Emtec Inc.	\$1.15	\$19.2	\$43.5	0.2x	NM
<b>Median:</b>	<b>\$11.51</b>	<b>\$304.5</b>	<b>\$242.5</b>	<b>0.2x</b>	<b>4.1x</b>

### SECTOR HIGHLIGHTS

- The median VAR index was trading at 4.1x EBITDA (based on Enterprise Value) at the closing of Q3.
- With the addition of social features to the SaaS stack and the debut of Oracle's Social Relationship Management platform, Oracle is seeing a lot of activity around customers who sell to consumer industries but sell through a reseller.
- Hewlett-Packard is rolling out a new preferred pricing program for channel partners that commit to leading with HP products in the early stages of deals. This is HP's latest bid to rekindle loyalty with channel partners concerned over declining profit margins from selling HP products.
- Tech Data has broken off its TDCloud initiative into a new, separate business unit with more dedicated resources to help solution providers break into the cloud services business. TDCloud was launched about a year and a half ago with sales and educational components to help VARs add cloud-based revenue streams
- Despite being labeled a “national security threat” by U.S. House Intelligence Committee, Chinese telecommunication company Huawei seeks to deepen its U.S. enterprise channel relationships by adding distribution partners. The company said it had entered into agreements with two specialty distributors as well as added BPO capabilities to support its enterprise customers. This is part of the latest development to highlight the sensitive terrain that the United States and China are navigating as they try to build their commercial ties.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-09-27	Infiniti Retail Ltd.	Woolworths Wholesale (I) Pvt. Ltd.	36.4
2012-09-13	InflexionPoint Technologies Pte. Ltd	Dragon Technology Distribution	19.4
2012-09-05	Tech Data Europe GmbH	Specialist Distribution Group (SDG) Ltd., ETC Metrologie SARL, Best' Ware France, and ETC B.V.	350.0
2012-08-16	Wirecard AG	PT Primavista Solusi	54.9
2012-08-07	IJ NEXT	Pedrena Enterprises B.V.	18.1
2012-07-11	Tech Data Corp.	Brightstar Europe Limited	331.2
2012-07-02	Ingram Micro Inc.	Brightpoint Inc.	826.9



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](http://www.DecisionPointINT.com)**

Research Inquiries Can Be Directed To:

**Claes E. Persson**

Vice President

[cpersson@decisionpointint.com](mailto:cpersson@decisionpointint.com)

704.943.5255

**Christian Czentye**

Analyst

[christian@decisionpointint.com](mailto:christian@decisionpointint.com)

704.943.1045