



**M&A for the
digital markets**

QUARTERLY VIEWPOINT:

For the Quarter Ended March 31, 2001
and the Latest Twelve Months

IT Services
Internet Security
Communications
ASP
Data Management

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This quarterly VIEWPOINT covers stock performance, market multiples and relevant M&A for the IT Services, Internet Security, Communications, ASP and Data Management sectors. The volatile market conditions continued through the 1st quarter for these technology sectors as the NASDAQ finished the quarter at 1,840, down approximately 20% from the beginning of the year and 56% over the latest twelve months. M&A activity suffered from the market downturn as devalued stock currency made it harder for acquirors to finance transactions (detailed M&A activity for the last quarter is highlighted in each sector report).

DecisionPoint selected a representative group of public comparables to indicate general trends within each respective market. This data is provided for informational purposes only. All data and stock prices listed are from March 30, 2001.

DecisionPoint International is a boutique Investment Bank providing merger and acquisition services to technology companies in the IT Services, Communications, Software and Internet sectors. DecisionPoint offers clients a complete range of M&A services, including sell-side and buy-side assignments.

For further information regarding the contents of this document or any other questions, please call Don Holbrook at DecisionPoint.

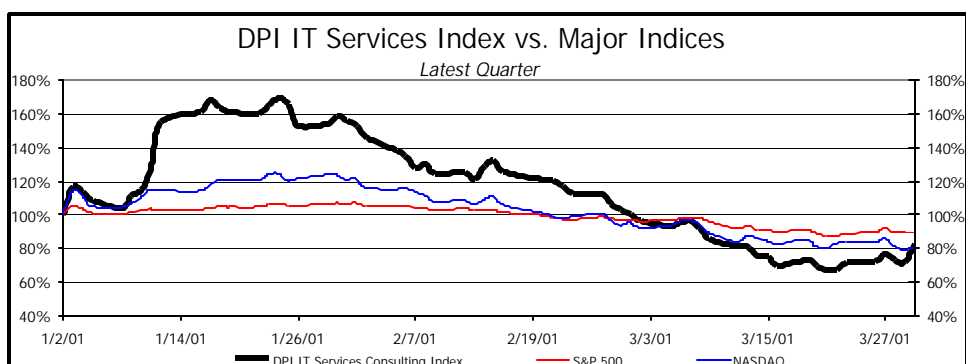
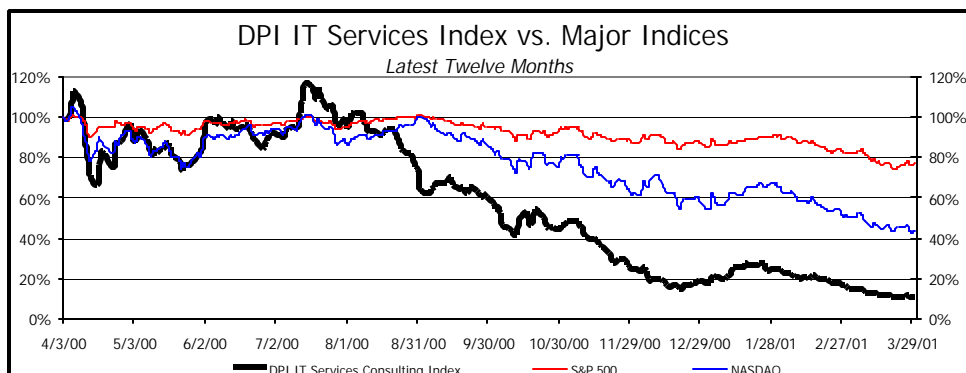
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IT Services Sector

Stock Performance and Recent M&A Activity

Highlights

- The IT Services sector struggles with declining public valuations, down almost 90% LTM and 20% for the quarter.
- There is increasing interest in offshore development models, which allow for development cost advantages over traditional domestic models.
- Cross-border transactions continue to increase as companies try to enter international markets. American companies are becoming attractive targets at low valuations for foreign acquirors.
- Profitability is a major valuation driver as transactions are moving towards more conventional valuation techniques, using EBITDA or earnings multiples instead of revenue multiples.



Note: The DPI IT Services Index includes: ACOM, ANSR, DTPI, IIXL, INFT, PXCM, RAZF, SAPE, SCNT and VIAN.

March 31, 2001

Metrics

Ticker	Enterprise Value (\$ in M)	LTM Revenue Multiple
ACOM	(\$26.1)	NM
ANSR	\$135.6	0.4x
DTPI	\$100.4	0.4x
IIXL	\$89.2	0.2x
INFT	\$59.4	0.9x
PXCM	\$50.2	0.2x
RAZF	(\$38.7)	NM
SAPE	\$708.1	1.4x
SCNT	(\$47.7)	NM
VIAN	(\$70.4)	NM

Representative IT Services Transactions

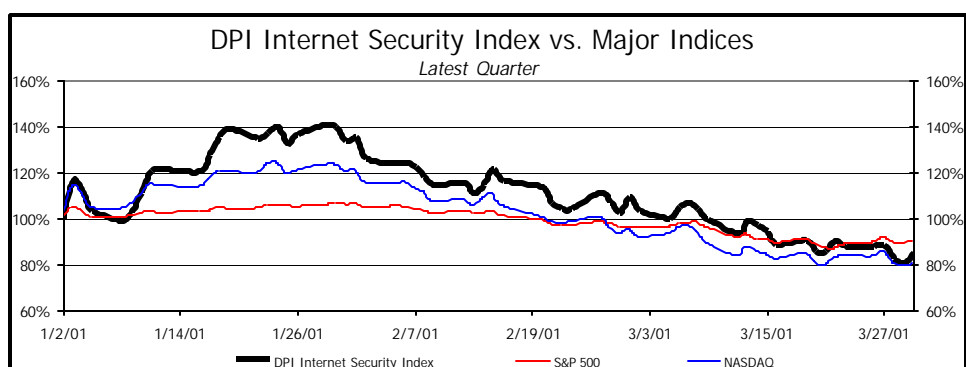
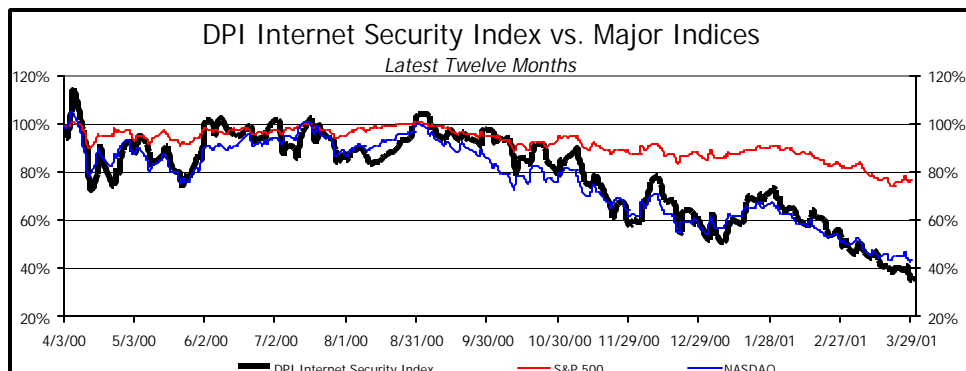
Date	Acquiror Name	Target Name	Value (\$ in M)
03/15/01	SilverStream Software, Inc.	Beijing SilverSolutions Software	NA
03/15/01	ICICI Infotech Inc.	Command Systems, Inc.	\$40.0
03/08/01	Silverline Technologies Ltd.	SeraNova, Inc.	\$99.0
03/07/01	Computer Sciences Corp.	InfoSer SpA	NA
03/06/01	IT FACTORY Inc.	Credenza Pty Ltd	NA
02/27/01	Red Hat Inc.	Planning Technologies Inc	\$47.0
02/26/01	eePulse, Inc.	Integral Software Systems	NA
02/14/01	5B Technologies Group, Inc.	Tailored Solutions, Inc.	NA
02/01/01	ThruPoint	Internetwork Support Ltd.	NA
01/25/01	Remedy Corp.	Deodis SA	\$3.4
01/18/01	SSI Limited	AlbionOrion Company LLC	\$63.7
01/10/01	Experian	Paladian Enterprises	NA
01/09/01	WebGain, Inc.	Bloomsbury Software Ltd.	NA
01/03/01	Providential Holdings Inc.	Datalogic Consulting Inc.	NA

Internet Security Sector

Stock Performance and Recent M&A Activity

Highlights

- The Internet security sector continues to mirror NASDAQ's performance, down 63% and 15% for the latest twelve months and the last quarter, respectively.
- Internet security remains a high priority for most enterprises and is not considered an area where companies can create a lot of savings if spending is reduced.
- Many smaller computer security companies are benefiting from businesses looking to outsource the security of their computer networks and e-commerce systems.
- Even though M&A continues, rapid consolidation has yet to hit the internet security sector as companies have focused on internal growth.



Note: The DPI Internet Security Index includes: BALT, CHKP, ENTU, ISSX, MCAF, NETA, SYMC and VRSN.

March 31, 2001

Metrics

Ticker	Enterprise Value (\$ in M)	LTM Revenue Multiple
BALT	\$1,148.3	10.9x
CHKP	\$10,382.9	24.4x
ENTU	\$270.4	1.8x
ISSX	\$986.9	5.1x
MCAF	\$186.2	4.0x
NETA	\$1,014.6	1.4x
SYMC	\$2,578.5	3.3x
VRSN	\$5,422.2	11.4x

Representative Internet Security Transactions

Date	Acquiror Name	Target Name	Value (\$ in M)
03/08/01	SonicWALL Inc	Ignyte Technology Inc	\$8.6
02/27/01	Phoenix Technologies Ltd.	Integrity Sciences Inc.	NA
02/21/01	ActivCard SA	Authentic8 International	\$42.0
02/14/01	Avaya Inc.	VPNet Technologies Inc.	\$120.0
02/13/01	Schlumberger Transactions	Alternative Resources Corp. Div.	NA
02/12/01	Schlumberger Limited	Bull CP8	\$325.0
02/01/01	COGNICASE Inc.	Maxon	NA
01/25/01	Nokia	Ramp Networks	\$127.0
01/04/01	Kasten Chase	Rainbow Tech. - Palladium Div.	NA

Communications Sectors

Stock Performance and Recent M&A Activity

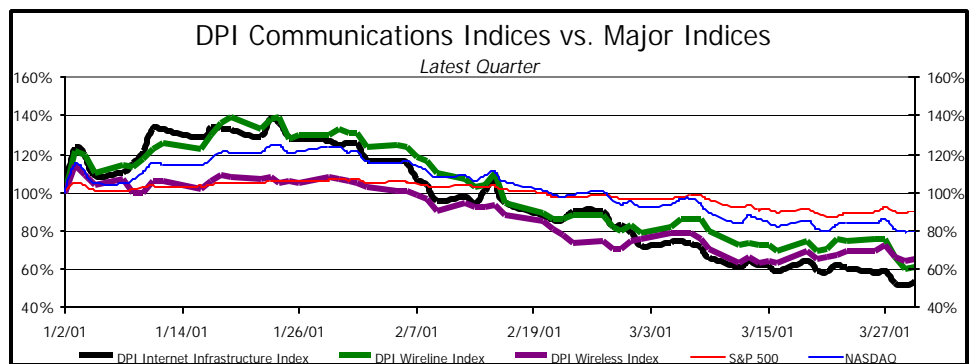
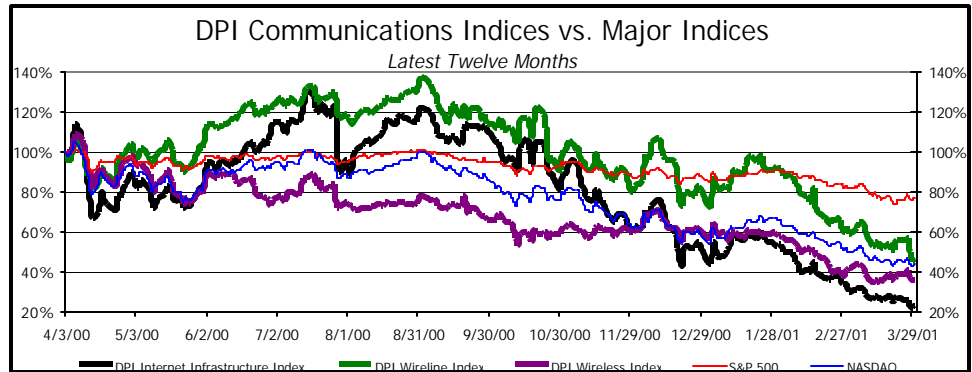
Highlights

- The Communications sectors have performed poorly during the 1st quarter as valuations are down 35%, 39% and 47% for Wireless, Wireline and Internet Infrastructure, respectively.
- M&A activity in the Internet infrastructure sector will continue with widespread adoption and penetration of broadband networking and continued growth of e-commerce.
- M&A in the wireline industries continues to be driven by the move to optical networking and Internet Protocol (IP) platforms.
- In the wireless sector, North American companies are looking to acquire advanced technology from European wireless firms.

March 31, 2001

Metrics

Ticker	Enterprise Value (\$ in M)	LTM Revenue Multiple
COMS	(\$742)	NM
CS	\$1,674	1.4x
CSCO	\$105,845	4.4x
JNPR	\$11,735	17.4x
RBAK	\$1,497	5.4x
SCMR	\$1,514	3.6x
ALA	\$37,552	1.4x
CIEN	\$10,440	9.9x
JDSU	\$16,020	6.1x
LU	\$27,161	0.9x
NT	\$42,501	1.4x
TLAB	\$14,690	4.3x
ERICY	\$43,060	1.5x
MOT	\$37,952	1.0x
NOK	\$106,494	4.4x
QCOM	\$38,254	13.9x



Note: The DPI Internet Infrastructure Index includes: COMS, CS, CSCO, JNPR, RBAK and SCMR.

The DPI Wireline Index includes: ALA, CIEN, JDSU, LU, NT and TLAB.

The DPI Wireless Index includes: ERICY, MOT, NOK and QCOM.

Representative Communications Transactions

Date	Acquiror Name	Target Name	Value (\$ in M)
03/30/01	Aqilent Technologies Inc.	Gefran Silicon Microsystem S.r.l.	\$55.0
03/30/01	Siemens Info. Networks Group	Efficient Networks Inc.	\$1,394.6
03/27/01	Pirus Networks	Blue Spruce Networks	NA
03/23/01	Dielectric Communications	TCI International, Inc.	\$39.1
03/22/01	Western Multiplex Corp.	WirelessHome Corporation	\$24.6
03/12/01	Tellabs, Inc.	Future Networks	\$133.0
03/08/01	Intel Corp.	Xircom Inc.	\$748.0
03/01/01	Wireless Matrix Corporation	Norcom Networks Corporation	\$32.5
02/28/01	VINA Technologies, Inc.	Woodwind Comm. Systems, Inc.	\$16.3
02/26/01	Cisco Systems	ExiO Communications, Inc.	\$155.0
02/13/01	JDS Uniphase Corp.	SDL Inc.	\$14,000.0
02/12/01	St. Bernard Software	Internet Products Inc.	NA
02/06/01	Extreme Networks Inc.	Opranet	\$78.3
01/24/01	Mirror Image Internet	Clearwav Technologies, LLC	NA
01/23/01	QLogic Corporation	Little Mountain Group, Inc.	\$30.0

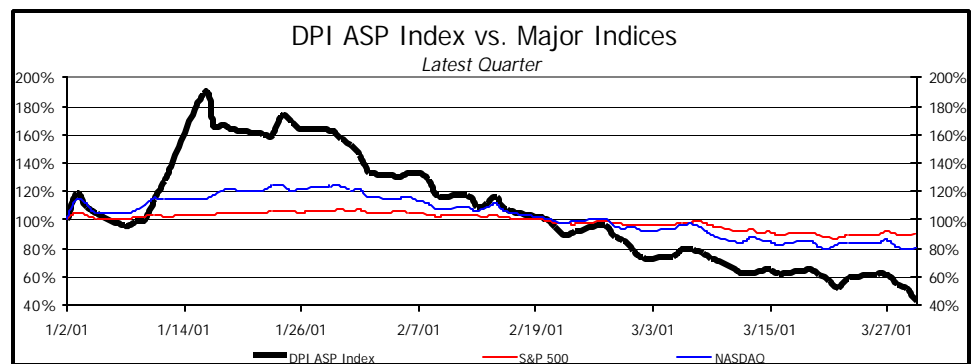
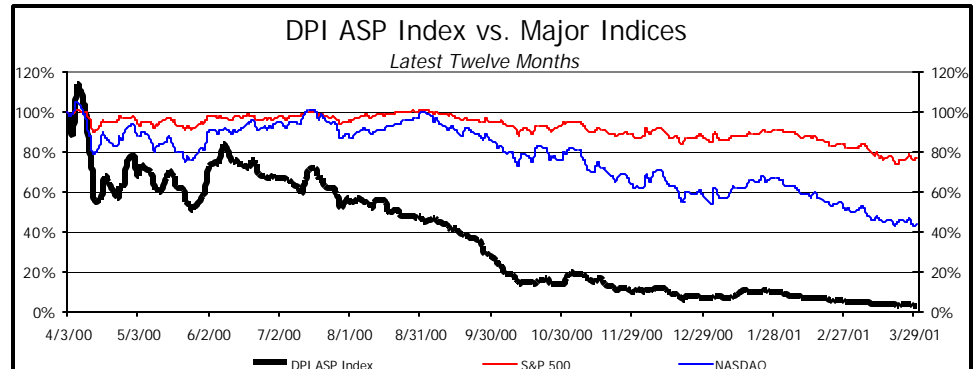
Transactions consist of completed M&A activity

ASP Sector

Stock Performance and Recent M&A Activity

Highlights

- The ASP sector has taken the biggest hit in the technology space as the public companies have lost 98% and 58% of their valuations during the latest twelve months and the last quarter, respectively.
- Even though the current public environment looks gloomy, some analysts insist that the ASP model will be the next step in the evolution of personal computing.
- ASP companies are hoping that frozen capital spending due to an overall economic slowdown will benefit the pay-as-you-go ASP subscription model.
- The ASP sector is predicted to go through some major changes with the shake out of many players.



Note: The DPI ASP Index includes: BWAY, FTRL, INIT, NAVI AND USIX.

March 31, 2001

Metrics

Ticker	Enterprise Value (\$ in M)	LTM Revenue Multiple
BWAY	(\$10.1)	NM
FTRL	\$42.7	0.4x
INIT	\$148.6	0.9x
NAVI	\$60.5	0.7x
USIX	\$300.3	2.7x

Representative ASP Transactions

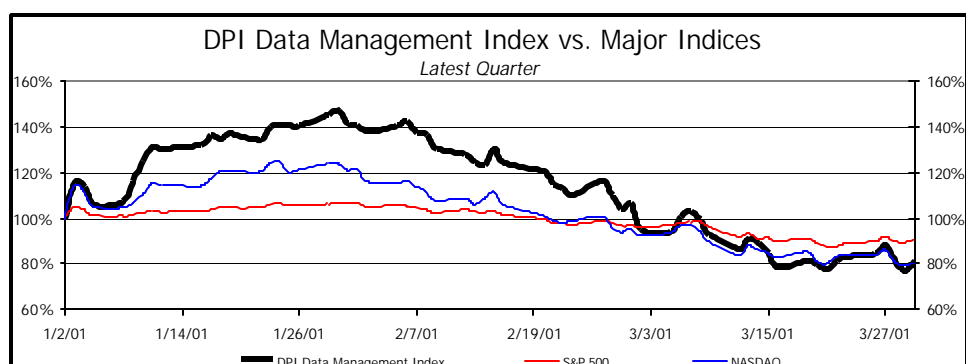
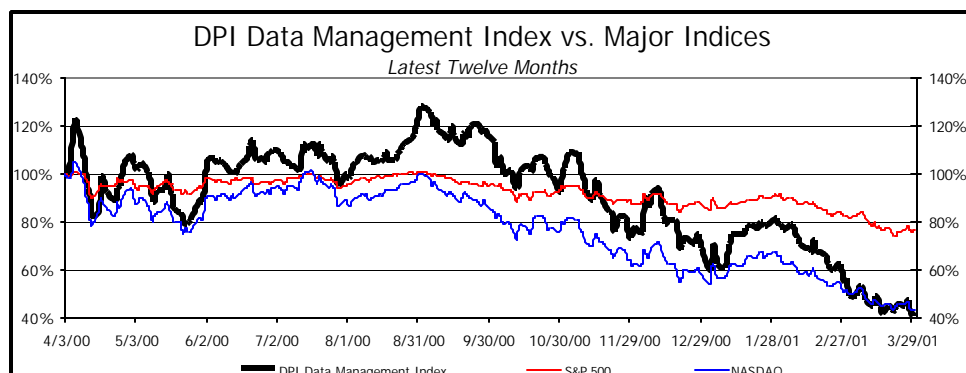
Date	Acquiror Name	Target Name	Value (\$ in M)
03/21/01	Systems Xcellence Inc.	ComCoTec, Inc.	NA
02/12/01	I-trax, Inc.	MyFamilyMD	\$6.6
02/12/01	Intuit Inc.	Apps.com, Inc.	NA
02/08/01	Metromedia Fiber Network	SiteSmith, Inc.	\$754.0
02/02/01	DoubleClick Inc.	@plan.inc	\$90.7
01/31/01	MandrakeSoft	Coursemetric Corp.	NA
01/30/01	Nuclio Corporation	Revere Group's MSP Division	NA
01/24/01	WorldNet Resource Group	MyMobileCity Inc. (80%stake)	NA
01/10/01	Etensity	OneSoft Corporation	NA
01/03/01	Platinum Equity	Infocus Employee Services, Inc.	NA

Data Management Sector

Stock Performance and Recent M&A Activity

Highlights

- As with all sectors, the Data Management public companies have lost significant value, down 58% LTM and 20% for the last quarter.
- Data Management is becoming a broad term as most companies are providing multiple solutions.
- M&A activity in the Data Management sector has been active throughout the latest twelve months with many smaller companies being acquired.
- CRM and Business Intelligence continue to be attractive niches when evaluating potential acquisition targets.



Note: The DPI Data Management Index includes: ARBA, BEAS, BOBJ, BVSN, COGN, HYSL, IFMX and ORCL.

March 31, 2001

Metrics

Ticker	Enterprise Value (\$ in M)	LTM Revenue Multiple
ARBA	\$1,668.5	3.9x
BEAS	\$10,577.6	12.9x
BOBJ	\$1,721.8	4.9x
BVSN	\$1,216.3	2.9x
COGN	\$1,209.4	2.6x
HYSL	\$332.2	0.6x
IFMX	\$1,310.1	1.4x
ORCL	\$81,549.9	7.4x

Representative Data Management Transactions

Date	Acquiror Name	Target Name	Value (\$ in M)
03/28/01	Quantum-Storage Systems	M4 Data (Holdings) Ltd	\$56.0
03/14/01	Novell Inc	Novetrix	NA
03/02/01	Platinum Equity	Gupta Technologies, LLC	\$20.0
02/28/01	BMC Software Inc.	Perform, SA	\$23.0
02/26/01	Starbase Corp.	Technology Builders Inc.	\$36.0
02/21/01	MERANT	NetObjects - Enterprise Division	\$18.0
02/16/01	Firepond	Brightware	\$17.7
02/14/01	IONA Technologies	Netfish Technologies, Inc.	\$270.0
02/05/01	webMethods, Inc.	IntelliFrame Corporation	\$31.3
02/01/01	Software AG	SAGA Systems, Inc.	\$327.0
01/26/01	EXE Technologies, Inc.	AllPoints Systems, Inc.	\$24.9
01/23/01	CE Computer Equipment AG	TREEV, Inc.	\$23.7
01/18/01	Hewlett-Packard Company	Bluestone Software, Inc.	\$320.5