

DECISIONPOINT

QUARTERLY VIEWPOINT:

For the Quarter Ended March 31, 2013 and the Latest Twelve Months

Q1 | 13

QUARTERLY VIEWPOINT:

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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.



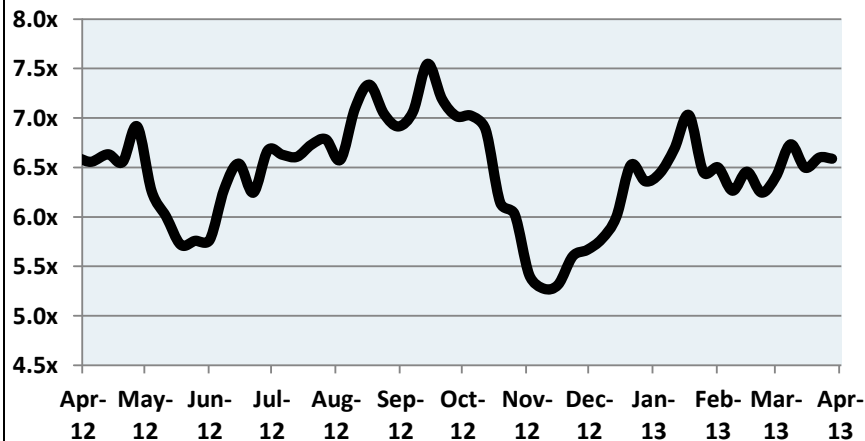
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Software: Software as a Service (SaaS)

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP SaaS Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 03/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
salesforce.com, inc	\$178.83	\$26,189.1	\$25,969.4	8.5x	NM
Red Hat, Inc.	\$50.56	\$9,767.9	\$8,888.4	6.7x	33.3x
NetSuite Inc.	\$80.06	\$5,864.6	\$5,681.8	18.4x	NM
Concur Technologies, Inc.	\$68.66	\$3,818.6	\$3,589.0	7.8x	85.3x
Athenahealth, Inc.	\$97.04	\$3,525.7	\$3,332.6	7.9x	65.3x
The Ultimate Software	\$104.16	\$2,867.5	\$2,809.8	8.5x	67.8x
Cornerstone OnDemand,	\$34.10	\$1,733.5	\$1,662.7	14.1x	NM
ExactTarget, Inc.	\$23.27	\$1,598.0	\$1,489.8	5.1x	NM
RealPage, Inc.	\$20.71	\$1,568.8	\$1,545.0	4.8x	29.2x
Medidata Solutions, Inc.	\$57.98	\$1,539.0	\$1,416.6	6.5x	39.2x
OpenTable, Inc.	\$62.98	\$1,445.8	\$1,342.3	8.3x	29.1x
Dealertrack Technologies,	\$29.38	\$1,265.0	\$1,249.6	3.2x	22.9x
Demandware, Inc.	\$25.35	\$761.8	\$660.0	8.3x	NM
LivePerson Inc.	\$13.58	\$758.4	\$655.0	4.2x	34.5x
Ellie Mae, Inc.	\$24.05	\$628.8	\$568.5	5.6x	21.9x
Ebix Inc.	\$16.22	\$602.5	\$646.8	3.2x	7.7x
Responsys, Inc.	\$8.85	\$434.8	\$329.3	2.0x	17.1x
Constant Contact, Inc.	\$12.98	\$398.3	\$304.8	1.2x	15.4x
Median:	\$31.74	\$1,553.9	\$1,453.2	6.6x	29.2x

SECTOR HIGHLIGHTS

- The median SaaS index was trading at 6.6x revenue (based on Enterprise Value) at the closing of Q1.
- Gartner predicts that by 2017, more than 50% of enterprises will choose cloud-based services as the delivery option for new or refreshed user authentication implementations — up from less than 10% today. However, it is likely that on-premises solutions will persist in the longer term, especially in more risk-averse enterprises that want to retain full control of identity administration, credentialing and verification.
- Companies are still struggling to get comfortable regarding security for cloud computing. Overall, cloud service providers are not as clear as they should be concerning matters such as their business continuity and disaster-recovery practices, making it hard to win customer confidence. It is somewhat simpler to establish a security baseline when using IaaS than for SaaS as there is more flexibility and less dependence on the competence of the service provider.
- At the end of March, SaaS company Marin Software pulled off Silicon Valley's second successful software IPO within a week (behind Model N), showing Wall Street's continuing appetite for software as a service. Analysts say that investors are interested in SaaS companies because they provide a smoother revenue stream than traditional software businesses.
- CA Technologies is releasing a SaaS version of its Application Performance Management offering that addresses a number of market dynamics identified in a survey done last fall. The APM market has been getting mixed signals lately, with an InformationWeek survey finding that APM is seen as less important than it was two years ago.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

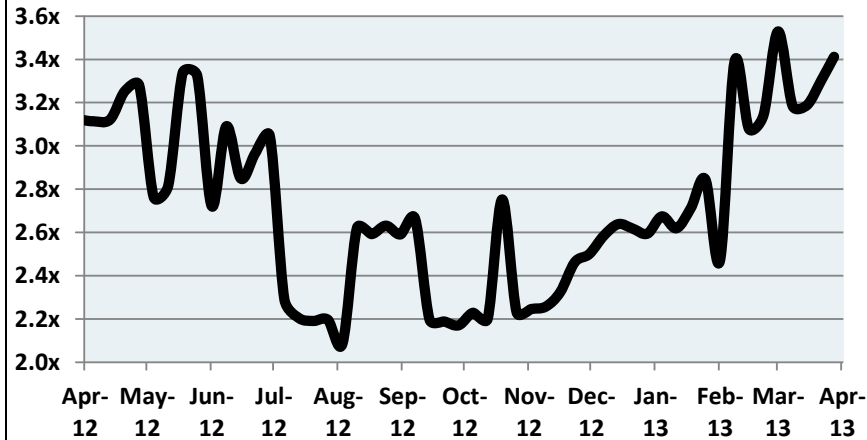
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2013-03-05	Allscripts Healthcare Solutions	dbMotion Inc.	235.0
2013-02-26	Genesys Telecommunications Labs	Angel.com Incorporated	110.0
2013-02-15	Pattington Limited	FFastFill plc	124.3
2013-01-31	Fidelity National Information Services, Inc.	mFoundry	120.0
2013-01-18	CoreLogic Systems, Inc [NYSE: CLGX]	CDS Business Mapping LLC	78.0

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 03/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Google Inc.	\$794.19	\$261,814.6	\$220,936.6	4.4x	13.6x
Amazon.com Inc.	\$266.49	\$121,133.3	\$114,070.3	1.9x	48.5x
eBay Inc.	\$54.22	\$70,224.6	\$65,335.6	4.6x	15.9x
Facebook, Inc.	\$25.58	\$60,935.0	\$53,665.0	10.5x	45.2x
priceline.com	\$688.16	\$34,319.3	\$30,753.4	5.8x	16.1x
Yahoo! Inc.	\$23.53	\$25,912.4	\$21,810.8	4.4x	11.0x
LinkedIn Corporation	\$176.06	\$19,200.0	\$18,450.4	19.0x	NM
Netflix, Inc.	\$189.28	\$10,598.4	\$10,282.2	2.8x	NM
IAC/InterActiveCorp	\$44.68	\$3,764.8	\$3,700.1	1.3x	9.4x
Groupon, Inc.	\$6.12	\$4,029.8	\$2,819.7	1.2x	19.8x
AOL Inc.	\$38.49	\$2,971.9	\$2,624.3	1.2x	5.6x
Pandora Media, Inc.	\$14.16	\$2,448.2	\$2,359.2	5.5x	NM
ValueClick, Inc.	\$29.56	\$2,248.9	\$2,254.8	3.4x	11.2x
OpenTable, Inc.	\$62.98	\$1,445.8	\$1,342.3	8.3x	29.1x
Vistaprint N.V.	\$38.66	\$1,297.9	\$1,463.7	1.3x	13.9x
WebMD Health Corp.	\$24.32	\$1,192.0	\$1,000.2	2.1x	43.1x
RealNetworks Inc.	\$7.71	\$272.5	\$1.1	0.0x	NM
Median:	\$38.66	\$4,029.8	\$3,700.1	3.4x	15.9x

SECTOR HIGHLIGHTS

- The median Internet Software & Services index was trading at 3.4x revenue (based on Enterprise Value) at the closing of Q1.
- Microsoft is cutting prices for hosting and processing customers' online data in an aggressive challenge to Amazon.com Inc's lead in the growing business of cloud computing.
- Foursquare, a service that helps smartphone users find nearby restaurants, shopping venues, clubs and tourist attractions, recently raised \$41 million in a new financing round that relied on debt, rather than equity, to give the start-up the money it needs to keep expanding. Debt financing is unusual for start-ups, which typically rely on selling equity to early investors. Foursquare launched to much fanfare in 2009, but has since struggled to generate revenue from its business.
- LinkedIn continues to do well and is striving to become a one-stop platform to manage all aspects of one's professional relationships, information and communications. Its recent acquisition of Pulse (announced in Q2 so will be covered in the next ViewPoint) enhances LinkedIn's objective to become a content platform and advances LinkedIn's mobile platform.
- Since taking over Yahoo! in July 2012, CEO Marissa Mayer has changed the perception of Yahoo! from a stumbling Internet company with no strategy to one where a strategy is starting to take shape, albeit slowly. Mayer is keen to focus on the company's mobile strategy, beefing up its apps, including Yahoo! Sports, Yahoo! Finance and others.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

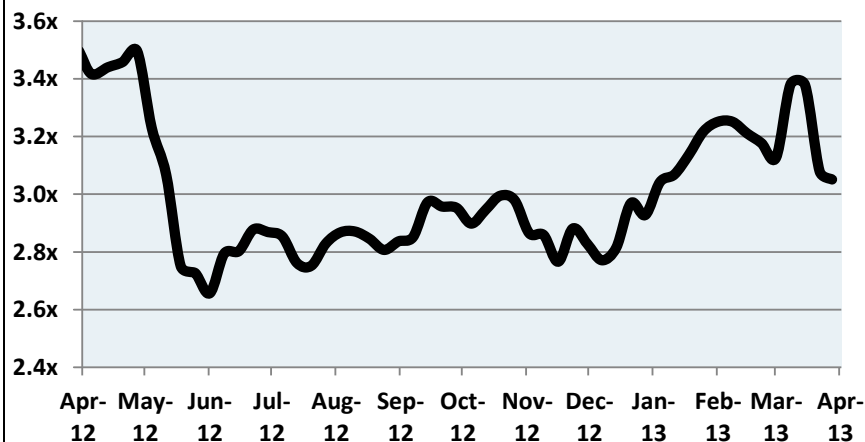
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2013-02-20	France Telecom - Orange	Dailymotion	79.7
2013-02-11	JMG Exploration Inc.	Travora Media, Inc.	5.2
2013-02-05	Electra Partners LLC	United Business Media Ltd (data services businesses)	251.0
2013-02-04	Ziff Davis Media Inc.	IGN Entertainment Inc.	50.0
2013-01-29	OpenTable Inc.	Foodspotting	10.0
2013-01-24	Ladbrokes plc	Betdaq	40.0
2013-01-09	Insight Venture Partners, LLC	Street Response Laboratories	53.0
2013-01-08	2UP Gaming PLC	DBGPoker	32.7
2013-01-07	Shutterfly, Inc.	ThisLife.com Inc	22.5
2013-01-02	CVC Capital Partners	Cerved Group SpA	1,493.3

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 03/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Microsoft Corporation	\$28.61	\$239,602.5	\$185,722.5	2.5x	6.4x
International Business	\$213.30	\$237,725.0	\$259,942.0	2.5x	9.7x
Oracle Corporation	\$32.33	\$152,295.6	\$139,082.6	3.7x	8.1x
SAP AG	\$80.34	\$95,726.8	\$98,921.4	4.8x	14.1x
Dassault Systemes SA	\$115.65	\$14,335.8	\$12,746.8	4.9x	15.6x
Autodesk, Inc.	\$41.25	\$9,231.8	\$8,023.1	3.5x	16.8x
Ansys, Inc.	\$81.42	\$7,567.2	\$7,043.2	8.8x	18.5x
Amdocs Limited	\$36.25	\$5,864.4	\$4,903.1	1.5x	8.1x
Informatica Corporation	\$34.47	\$3,717.2	\$3,184.1	3.9x	17.7x
MICROS Systems, Inc.	\$45.51	\$3,610.8	\$2,982.1	2.5x	11.4x
TIBCO Software Inc.	\$20.22	\$3,245.9	\$3,002.7	2.9x	14.3x
PTC Inc.	\$25.49	\$3,045.6	\$3,165.3	2.5x	14.1x
Stratasys Ltd.	\$74.22	\$2,848.6	\$2,695.2	12.5x	NM
Constellation Software	\$123.07	\$2,608.1	\$2,610.6	3.0x	14.4x
NICE Systems Ltd.	\$36.78	\$2,391.6	\$2,084.9	2.3x	13.4x
Tyler Technologies, Inc.	\$61.26	\$1,928.6	\$1,940.2	5.3x	28.0x
Verint Systems Inc.	\$36.55	\$1,917.9	\$2,561.4	3.1x	15.8x
Manhattan Associates, Inc.	\$74.29	\$1,458.5	\$1,355.4	3.6x	15.8x
Blackbaud Inc.	\$29.63	\$1,317.0	\$1,520.3	3.4x	23.5x
QAD Inc.	\$12.84	\$200.9	\$148.0	0.6x	12.3x
Pervasive Software Inc.	\$9.17	\$155.0	\$109.3	2.2x	23.9x
Median:	\$36.78	\$3,245.9	\$3,002.7	3.1x	14.3x

SECTOR HIGHLIGHTS

- The median Enterprise Software index was trading at 3.1x revenue (based on Enterprise Value) at the closing of Q1.
- New software developers are carving out markets in applications that specialize in certain industries. This goes against the approach of the big enterprise software giants who try to be “horizontal” in terms of industry coverage. For companies disgruntled with expensive software customizations, this could be good news.
- IBM has announced that in 2013 it will make considerable inroads into mobile technology. The company will double its investments in the sector, not including potential acquisitions. The business is already one of the leading players in data analysis, cloud computing and API and is now looking at mobile technologies as a future driver of its growth.
- As consumer software IPOs have failed to live up to their promise in the last couple of years, investors are hungry for enterprise software IPOs. These IPOs have done well in the past and both Marketo and Tableau have announced plans to go public.
- According to a recent IFS study, 75% of executives report little to no mobile access to data kept in enterprise asset management (EAM) software, computerized maintenance management systems (CMMS) or other applications used to manage maintenance and asset data. Only 34% reported using a handheld mobile device to perform work in these systems.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

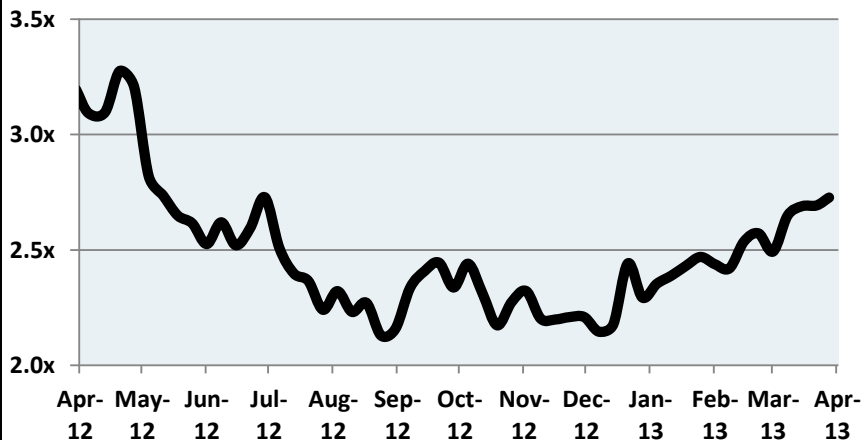
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2013-03-27	TA Associates/Updata Partners	Nintex Group Pty Ltd.	113.2
2013-03-08	Advanced Computer Software Group	Computer Software Holdings	166.1
2013-02-15	Argos Soditic SA	Sage Group Plc, The (C&I, ATL, SPC and Aytos businesses)	36.6
2013-02-13	Cardtronics, Inc.	i-design group plc	11.7
2013-01-28	Actian Corp	Pervasive Software	119.2
2013-01-14	Fiserv, Inc.	Open Solutions Inc	1,015.0
2013-01-08	Autodesk, Inc.	PI-VR GmbH	48.6
2013-01-03	3D Systems, Inc.	Geomagic Inc	55.0

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 03/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Informatica Corporation	\$34.47	\$3,717.2	\$3,184.1	3.9x	17.7x
Qlik Technologies, Inc.	\$25.83	\$2,231.8	\$2,036.0	5.2x	NM
MicroStrategy Inc.	\$101.08	\$1,141.0	\$918.7	1.5x	18.4x
Pegasystems Inc.	\$28.08	\$1,065.4	\$942.4	2.0x	18.9x
PROS Holdings, Inc.	\$27.17	\$750.5	\$667.0	5.7x	NM
Accelrys Inc.	\$9.76	\$542.8	\$443.2	2.7x	37.0x
Actuate Corporation	\$6.01	\$286.7	\$221.0	1.6x	9.2x
Median:	\$27.17	\$1,065.4	\$918.7	2.7x	18.4x

SECTOR HIGHLIGHTS

- The median Business Intelligence Software index was trading at 2.7x revenue (based on Enterprise Value) at the closing of Q1.
- The market for cloud business intelligence (BI) is exploding as enterprises are getting a taste of the cloud in bits and bytes. However, many businesses remain wary due to the perceived increased security risk for cloud-based data warehousing and the intensive data transfer process that it would require.
- More enterprises are embracing — or will soon be embracing — access to data analytics via mobile apps. Having analytics available in a simple app fashion could be a major boost for efforts to “democratize” analytics in organizations.
- Oracle has revised two of its business intelligence products, giving users the ability to wrest intelligence from a wider range of data sources, including spreadsheets, social media sites and Hadoop deployments.
- Visual analytics, sometimes referred as 3D data visualization, is becoming more popular. It provides a deeper understanding than 2D charts, and is typically more interactive with diagrams that enable decision-makers to see at a glance what is trending. Microsoft just announced GeoFlow, which is 3D visualization of big data analytics that is unique, and which, if marketed properly, could really offer Microsoft traction in a space that it is not necessarily associated with.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

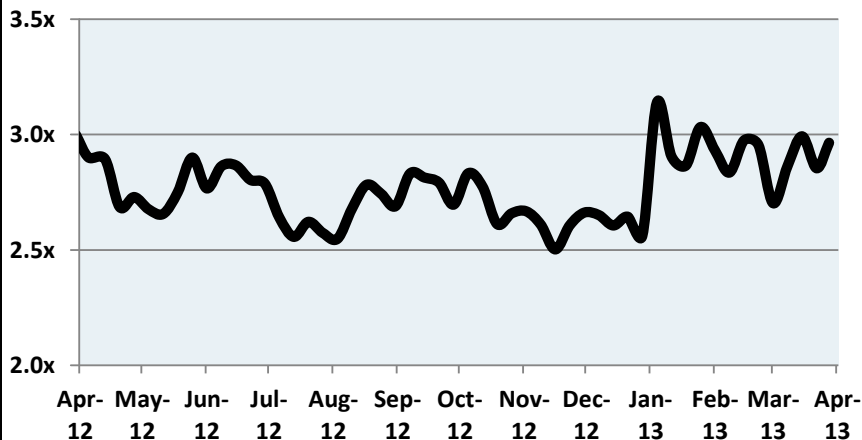
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2013-03-25	Quindell Portfolio Plc	iSaaS Technology Ltd	2.0
2013-03-01	Info Edge (India) Limited	MakeSense	1.5
2013-03-01	Kofax plc	Altosoft, Inc	13.5
2013-02-26	Cymetrix	CareClarity, Inc.	-
2013-02-07	PeopleBrowsr Inc	Swaylo	-
2013-02-01	Nielsen Company, The	G4 Analytics	-
2013-01-31	Aggregate Knowledge	Quantivo Corporation	-
2013-01-28	Peterson Partners	Angoss Software Corporation	6.1
2013-01-08	Blue Health Intelligence	Intelimedix	-
2013-01-08	PNC Riverarch Capital	LawLogix Group Inc.	-
2013-01-07	SunGard	XcitekSolutionsPlus	-

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 03/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
EMC Corporation	\$23.89	\$50,182.2	\$46,891.8	2.2x	9.5x
Symantec Corporation	\$24.68	\$17,009.2	\$15,833.2	2.3x	8.6x
Citrix Systems, Inc.	\$72.15	\$13,466.1	\$12,537.4	4.8x	20.6x
Red Hat, Inc.	\$50.56	\$9,767.9	\$8,888.4	6.7x	33.3x
Check Point Software	\$46.99	\$9,352.4	\$7,849.0	5.8x	10.3x
F5 Networks, Inc.	\$89.08	\$7,000.9	\$6,483.1	4.6x	13.7x
BMC Software Inc.	\$46.33	\$6,620.0	\$6,781.5	3.1x	11.2x
SolarWinds, Inc.	\$59.10	\$4,430.5	\$4,201.6	15.6x	31.7x
CommVault Systems, Inc.	\$82.00	\$3,785.0	\$3,387.7	7.2x	43.6x
Trend Micro Inc.	\$27.97	\$3,689.3	\$2,425.7	2.4x	7.6x
Sourcefire, Inc.	\$59.23	\$1,796.3	\$1,612.2	7.2x	NM
Progress Software Corp.	\$22.83	\$1,321.0	\$999.6	3.0x	12.4x
Radware Ltd.	\$18.87	\$837.9	\$749.7	4.0x	18.4x
Allot Communications	\$11.94	\$388.8	\$245.9	2.3x	19.0x
VASCO Data Security	\$8.44	\$326.3	\$219.8	1.4x	8.9x
Guidance Software, Inc.	\$10.85	\$277.8	\$245.7	1.9x	34.7x
Magic Software	\$5.22	\$198.1	\$161.8	1.3x	7.5x
Geeknet, Inc.	\$14.77	\$97.6	\$40.3	0.3x	NM
BSQUARE Corp.	\$3.08	\$34.2	\$14.5	0.1x	6.7x
Median:	\$24.68	\$3,689.3	\$2,425.7	3.0x	12.4x

SECTOR HIGHLIGHTS

- The median Infrastructure Software index was trading at 3.0x revenue (based on Enterprise Value) at the closing of Q1.
- According to IDC, system infrastructure software made up 27% of total worldwide software revenue and grew 3.3% year over year in 2012. Growing players in big data and cloud sectors require reliable and secure infrastructure which benefits the infrastructure companies.
- Software-defined storage is quickly catching on as a top technology trend in the storage industry. Software-defined storage is not storage virtualization but it can be thought of as a software layer that provides storage services, including such functions as deduplication, replication, snapshots and thin provisioning, using industry-standard server hardware.
- Cisco's recent spate of acquisitions suggest a growing focus on wireless carriers and software-based networking technologies rather than hardware, which faces greater risk of commoditization.
- Infrastructure software company Tibco announced two new platform partners, Amazon Web Services (AWS) and Dutch carrier KPN, as it embarks on a new drive to grow that user base as a cloud service for its tibbr service. While tibbr has in the past been hosted on AWS infrastructure by some of its existing users, this will be the first time that AWS is adding it into its Marketplace, integrating it into its billing and provisioning infrastructure.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

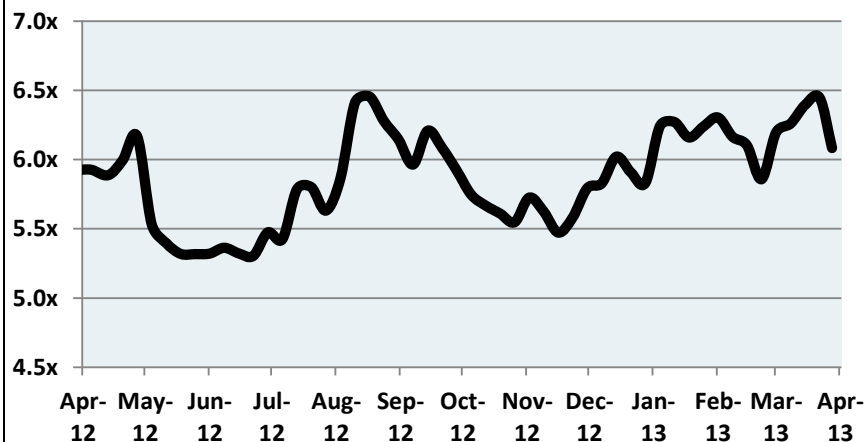
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2013-03-28	Rackspace US, Inc.	Exceptional Cloud Services	-
2013-03-25	Cisco Systems, Inc.	SolveDirect Service Management	21.2
2013-03-18	Google, Inc.	Talaria Technologies	-
2013-03-13	NetSuite Inc	Element Fusion	-
2013-03-13	Oracle Corporation	Nimbula Inc	-
2013-03-05	Microsoft Corporation	MetricsHub	-
2013-02-20	Informatca Corporation	Active Endpoints	10.0
2013-02-11	VMware, Inc	Virsto Software	200.0
2013-02-07	Radware Limited	Strangeloop Networks	8.4
2013-01-04	EMC Corporation	iWave Software, LLC	-

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	Stock Price 03/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Accenture plc	\$75.97	\$49,386.4	\$44,237.5	1.6x	10.2x
NTT Data Corporation	\$3,290.80	\$9,230.7	\$12,246.5	0.9x	5.2x
Cap Gemini S.A.	\$45.53	\$7,180.7	\$6,221.4	0.5x	4.9x
Atos S.A.	\$68.86	\$5,901.2	\$5,643.2	0.5x	4.5x
SAIC, Inc.	\$13.55	\$4,633.0	\$5,195.0	0.5x	5.8x
Booz Allen Hamilton	\$13.44	\$1,859.2	\$3,268.0	0.6x	6.2x
CACI International Inc.	\$57.87	\$1,331.6	\$2,002.4	0.5x	5.9x
ManTech International	\$26.87	\$995.3	\$1,060.4	0.4x	4.7x
Sopra Group	\$74.06	\$879.4	\$1,141.0	0.7x	7.3x
ICF International Inc.	\$27.20	\$532.3	\$622.6	0.7x	6.9x
Perficient Inc.	\$11.66	\$388.1	\$385.1	1.2x	10.0x
CIBER, Inc.	\$4.70	\$347.3	\$315.0	0.4x	10.3x
The Hackett Group, Inc.	\$4.57	\$145.3	\$153.4	0.7x	8.0x
NCI, Inc.	\$4.84	\$62.6	\$79.3	0.2x	4.5x
Dynamics Research	\$5.96	\$61.7	\$150.8	0.5x	4.5x
Edgewater Technology	\$3.98	\$42.9	\$26.2	0.3x	7.5x
Median:	\$27.04	\$937.4	\$1,100.7	0.5x	6.1x

SECTOR HIGHLIGHTS

- The median IT Services index was trading at 6.1x EBITDA (based on Enterprise Value) at the closing of Q1.
- According to Gartner, worldwide spending on IT products and services will grow 4.1% this year to roughly \$3.8 trillion. IT services spending will grow 4.5% to \$918 billion in 2013, while data center systems spending is set to jump 3.7% to \$146 billion.
- Accenture received the North America Partner of the Year award by CA Technologies at their annual CA World event. This recognizes that Accenture's alliance with CA has resulted in more revenue for CA than any other partner in North America, and the CA LISA partner award is a result of Accenture's joint initiatives and commitment to CA Service Virtualization excellence.
- As a next step in the federal government's strategy of making wider use of shared IT services, the federal CIO Council has issued a guide that outlines seven steps in shared services adoption. The idea is to replace agency-specific IT resources with services that can be shared across departments and agencies, with an eye toward increased efficiency and cost savings.
- KPMG LLP, the U.S. audit, tax and advisory firm, announced that it has completed the acquisition of the Oracle ERP practice of The Hackett Group, a global strategic advisory and business transformation consulting firm. The addition of the Oracle ERP practice of The Hackett Group immediately helps KPMG address the market's growing, broad-based demand for ERP capabilities.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

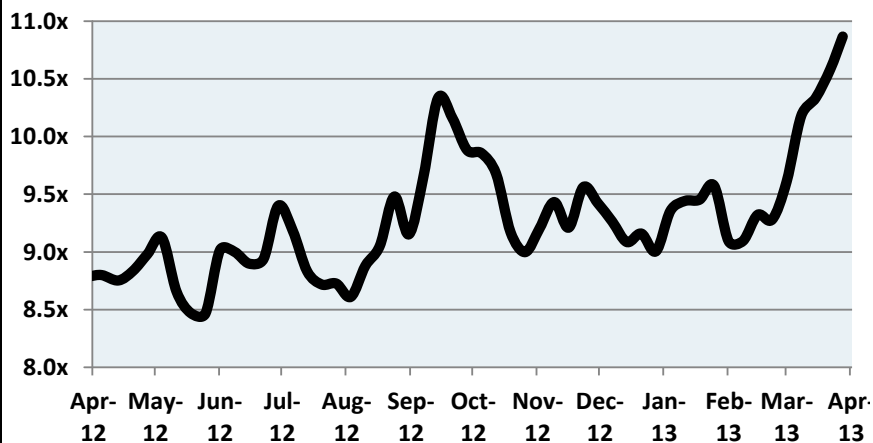
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2013-03-06	SYNNEX Corporation	Supercom Canada	35.5
2013-03-04	Logicalis Group	2e2 (European operations)	31.0
2013-02-20	KPMG LLP	Hackett Group Inc, The (Oracle ERP practice)	-
2013-02-20	Itochu Corporation	CSC (Southeast Asia reseller assets)	90.0
2013-02-14	Capita Group plc	Northgate Information Systems	34.4
2013-02-06	Genpact Limited	JAWOOD	51.0
2013-02-05	Atea AS	Itale AS [dba TeleRing]	9.0
2013-01-14	Accelrys Inc.	Vialis AG	5.0
2013-01-09	ManTech International Corp	ALTA Systems	10.0

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 03/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Automatic Data Processing, Inc.	\$65.03	\$31,540.7	\$30,148.6	2.9x	15.8x
Infosys Ltd.	\$53.24	\$30,419.0	\$26,295.7	3.6x	11.9x
Cognizant Technology Solutions Corporation	\$76.62	\$23,122.8	\$20,259.1	2.8x	13.3x
Wipro Ltd.	\$8.05	\$19,714.2	\$17,827.6	2.3x	11.9x
CGI Group, Inc.	\$27.16	\$8,361.8	\$11,292.9	1.8x	13.1x
Computer Sciences Corporation	\$49.23	\$7,556.0	\$8,002.0	0.5x	4.3x
DST Systems Inc.	\$71.27	\$3,155.0	\$3,681.7	1.4x	9.1x
Syntel, Inc.	\$67.52	\$2,830.5	\$2,459.8	3.4x	10.9x
iGATE Corporation	\$18.84	\$1,085.4	\$2,035.9	1.9x	8.2x
Unisys Corporation	\$22.75	\$1,003.7	\$819.6	0.2x	2.2x
CSG Systems International	\$21.19	\$673.4	\$779.8	1.0x	5.1x
Median:	\$49.23	\$7,556.0	\$8,002.0	1.9x	10.9x

SECTOR HIGHLIGHTS

- The median IT Outsourcing index was trading at 10.9x EBITDA (based on Enterprise Value) at the closing of Q1.
- A new bill being debated in the US senate aims to make it more attractive for US firms to repatriate IT outsourcing. The proposals being debated include cutting back the amount of foreign workers that Indian outsourcing firms can send to their US offices.
- Indian outsourcer Wipro reported slow revenue growth in its IT services business, reflecting a continued volatility in the outsourcing market. Wipro and other Indian outsourcing companies are contending with an uncertain market for outsourcing, with wild swings in customer demand from quarter to quarter.
- Printer and copier maker Xerox Corp forecast current-quarter earnings below estimates as it accelerates efforts to transform itself away from printers / copiers into a technology services provider. IT and business process outsourcing is now the larger part of the company's business.
- Crowdsourcing is not likely to overtake traditional IT outsourcing in the foreseeable future, but for well-defined, repeatable tasks that can be pulled out of workflows and plugged back in, it is an attractive option for enterprise IT and product development.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

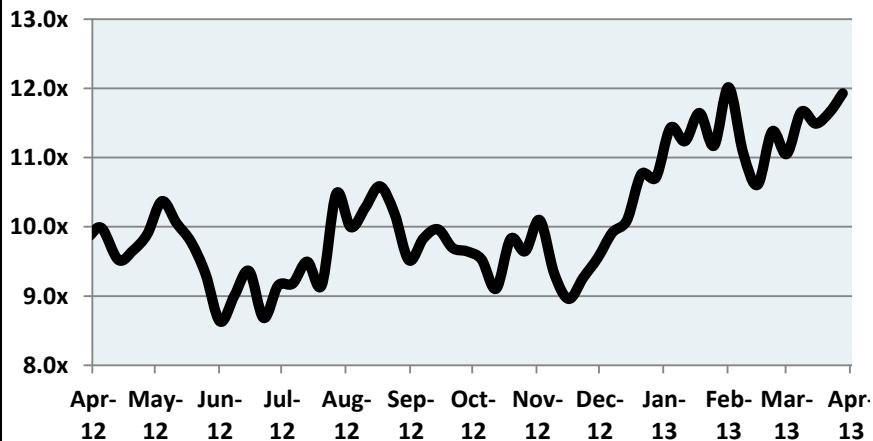
Announced			Enterprise Value (\$m)
Date	Acquirer Name	Target Name	
2013-03-18	Calpian Inc	Pipeline Data, Inc. (assets)	9.8
2013-03-13	PayPal, Inc. [eBay]	Duff Research	-
2013-03-07	Hanover Portfolio Acquisitions, Inc.	Aviva Systems Corporation	-
2013-03-04	Gores Group, LLC, The	GE Healthcare (Strategic Sourcing division)	-
2013-02-28	SAS Global Communications Ltd	Triggersoft Limited	-
2013-02-01	TELUS Communications Company	Digital Wyzdom	-
2013-01-29	Ingenico SA	Ogone	484.6
2013-01-23	Iron Mountain Inc.	Data Technology Services (assets)	-
2013-01-17	CLS Communication AG	4-text software	-
2013-01-07	Beijing Zhumu Culture Communication Company	Zoom Technologies, Inc. (China-based operations)	31.7
2013-01-02	AMREP Corporation	FulCircle, Inc. (certain assets)	1.8
2013-01-02	Geometric Ltd.	3cap technologies GmbH	9.9

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 03/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Robert Half International Inc.	\$37.53	\$5,237.3	\$4,951.3	1.2x	12.1x
On Assignment Inc.	\$25.31	\$1,343.6	\$1,743.1	1.4x	13.6x
Kforce Inc.	\$16.37	\$565.0	\$585.7	0.5x	22.9x
Computer Task Group Inc.	\$21.39	\$398.1	\$357.5	0.8x	13.9x
CDI Corp.	\$17.20	\$333.0	\$292.6	0.3x	6.9x
Hudson Global, Inc	\$3.94	\$126.0	\$87.7	0.1x	11.6x
RCM Technologies Inc.	\$6.06	\$74.6	\$60.5	0.4x	9.2x
Mastech Holdings, Inc.	\$8.91	\$29.8	\$31.7	0.3x	8.3x
Analysts International Corp.	\$3.86	\$19.6	\$13.8	0.1x	11.9x
Median:	\$16.37	\$333.0	\$292.6	0.4x	11.9x

SECTOR HIGHLIGHTS

- The median IT Staffing index was trading at 11.9x EBITDA (based on Enterprise Value) at the closing of Q1.
- According to the SIA, the IT staffing market is expected to grow 8% in 2013.
- The US government has yielded to industry bosses on some Science Technology Engineering and Mathematics (STEM) skilled-immigration issues, but less on others in a new bill meant to reform the existing immigration system. A bipartisan “Gang of Eight” senators released the highlights of the bill, after months of pressure from companies like Facebook and Google to make highly skilled worker hiring easier – because the tech bosses say there just are not enough STEM-qualified Americans to fill the tech sector’s roles.
- With this increased demand for IT staffing firms’ services, however, comes an increased exposure to potential liability. A new alert issued from TechInsurance, the nation’s leading online insurance provider for information technology businesses, warns IT staffing firms of their liability in placing a candidate who may have misrepresented his or her skills, thereby putting a client’s network and data at risk.
- According to a Towers Watson survey on the Healthcare IT market, 67% of U.S. healthcare companies report difficulties recruiting experienced IT workers. This stems from some surprising differences between the factors employers believe attract IT employees and those that the employees themselves say attract them. Employees are focused on the practical while employers are focused on the developmental.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

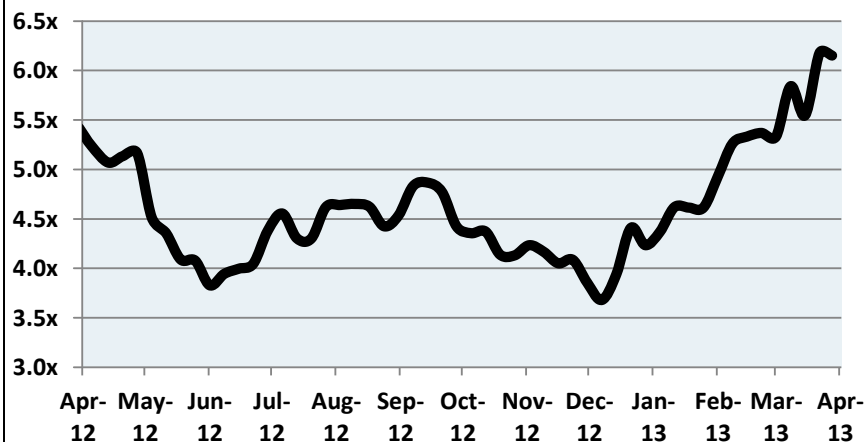
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2013-03-27	Staffing 360° Solutions, Inc.	The Revolution Group, Ltd.	-
2013-03-19	ByBox Field Support Ltd.	echo Ltd.	-
2013-03-12	Connex Telecommunications Corp	Dyna Lync Corp	-
2013-03-01	Willis Group	IS&T Staffing Group	-
2013-02-14	Staffing 360° Solutions, Inc.	IDC Technologies, Inc.	-
2013-01-24	Trellist, Inc.	Forthright Consulting, Inc.	-
2013-01-11	Willis Group	The OCJ Group	-
2013-01-01	Saksoft Inc.	EDP Inc. (Pennsylvania)	-

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 03/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Insight Enterprises Inc.	\$20.62	\$920.2	\$848.7	0.2x	4.4x
PC Connection, Inc.	\$16.35	\$424.4	\$385.5	0.2x	6.2x
ePlus inc.	\$46.21	\$376.7	\$451.2	0.5x	6.2x
Agilysys Inc.	\$9.94	\$217.9	\$138.8	0.6x	NM
Emtec, Inc.	\$1.17	\$19.8	\$45.6	0.2x	NM
Median:	\$16.35	\$376.7	\$385.5	0.2x	6.2x

SECTOR HIGHLIGHTS

- The median VAR index was trading at 6.2x EBITDA (based on Enterprise Value) at the closing of Q1.
- While Lenovo gains share in the PC space in North America, it is also making gains in the rack server space and plans to begin offering EMC storage products through VARs next year.
- Frost & Sullivan research firm expects VARs and other solution providers to play a greater role in providing healthcare solutions during the next few years because IT and telecom vendors are growing more dependent on them to efficiently serve the midsize and small healthcare market segments. They predict that the channel's share of IT healthcare solutions spending will grow from approximately 30% currently to between 35% and 37% within five to ten years.
- The clock is ticking for solution providers to ensure they are compliant regarding updated modifications to the Health Insurance Portability and Accountability Act of 1996. The modifications could mean big changes for VARs, especially if they use subcontractors such as backup storage providers as part of their data protection solutions.
- VAR Bedrock Technologies recently worked with HP to offer what is likely the first solution provider presentation of HP's software-defined networking (SDN) technology to end-user customers. The event comes at a time when SDN is getting a lot of buzz but is still not well known by potential customers and is the first-ever SDN event sponsored with a VAR solution provider.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2013-03-21	MCI Venture Projects Sp.	Indeks Bilgisayar Sistemleri Mühendislik Sanayii ve Ticaret A.S.	129.9
2013-03-07	Roland DG Corporation (TSE:6789)	Roland DG Brasil Importação e Exportação Ltda.	15.4
2013-02-20	ITOCU Corporation	CSC Automated Pte.Ltd. and CSC ESI Sdn Bhd	90.0
2013-01-31	Pegatron Holding Ltd.	Grand Upright Technology Limited	12.8
2013-01-25	Neo Telemedia Limited	CERNET Wifi Technology (Beijing) Company Limited	29.2
2013-01-17	Epitome Networks, LLC	Cottrell Communications Corp.	-

Our team of professionals brings a unique combination of technological, financial and operational experience to our clients and their transactions. With backgrounds and deal experience spanning Wall Street investment banks, multi-billion dollar corporations and high growth start-ups, we have an exceptional understanding of how to successfully achieve our clients' strategic initiatives.



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