

# QUARTERLY VIEWPOINT:

For the Quarter Ended March 31, 2006 and the Latest Twelve Months

## Services

- IT Project-Based / IT Outsourcing / IT Staffing
- Value Added Resellers
- Management Consulting
- Business Process Outsourcing

## Software

- Enterprise
- Spotlight: Software as a Service (SaaS)
- Spotlight: Analytics Software

## Communications

- Software
- Equipment

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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 the technology industry, 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 International is a boutique investment bank providing merger and acquisition services and business valuations to companies in the services, software and communications sectors. DecisionPoint offers clients a complete range of M&A services (including buy-side and sell-side assignments) and company valuations.

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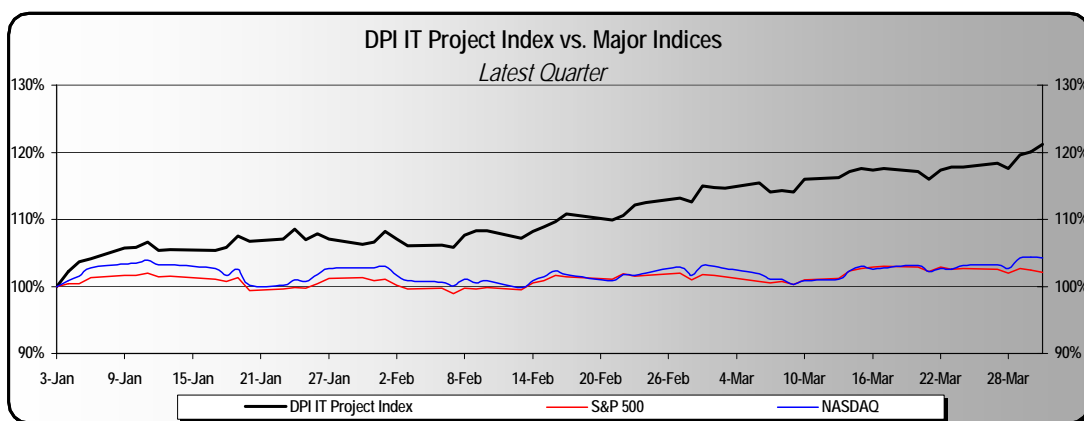
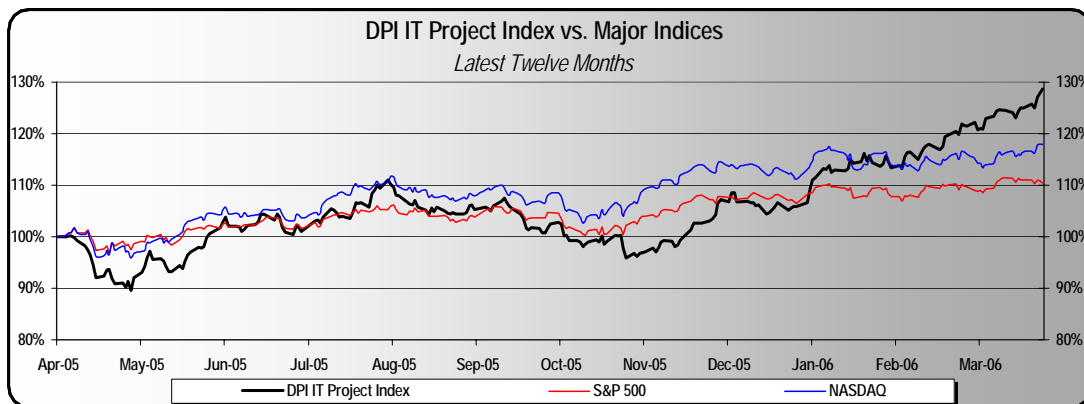
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# IT Project-Based

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the IT Project-Based Index was up 28% and 21%, respectively.
- SOA implementation via Web services continues to gain momentum. Gartner predicts that SOA will provide the basis for 80% of new development projects by 2008.
- Cross-border transactions became more prominent in Q1, including acquisitions of US firms by Wipro, Hitachi Consulting, Ness Technologies and Fujitsu.
- Many IT services companies are expected to supplement their growth via acquisitions and partnerships. Specifically, companies with a deep knowledge and capability base in verticals have been successful and this trend is expected to continue with bolt-on vertical acquisitions.
- According to an IDC study released on April 17, IT consulting spending is expected to increase at a compound annual growth rate of 5.2 percent worldwide between 2006 and 2010. The study cited stabilization in pricing as a key trend shaping this marketplace growth.
- Q1'06 had a total of 68 transactions compared to 42 in Q4'05.



Note: The DPI IT Project-Based Index includes: Answerthink, BearingPoint, CIBER, Digitas, Edgewater Technology, Inforte Corporation, Keane, Perficient and Sapient Corporation.

March 31, 2006

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Answerthink, Inc.	2.9x	50.2x
BearingPoint	0.8x	NM
CIBER, Inc.	0.8x	11.4x
Digitas Inc.	2.4x	33.7x
Edgewater Technology	1.0x	20.1x
Inforte Corporation	0.8x	22.0x
Keane, Inc.	1.3x	15.3x
Perficient, Inc.	3.4x	22.1x
Sapient Corporation	3.0x	32.5x

LTM = Last twelve months

### Representative IT Project-Based Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/13/06	EDB	Guide Konsult	\$84.8
03/10/06	Business & Decision	Mi Services Group	NA
03/02/06	Bull	AMG.net	NA
02/28/06	Apex IT	Dynamic Information Systems	NA
02/24/06	Sigma AB	Meteorit AB	\$8.0
02/22/06	Fujitsu Consulting	Rapidigm	NA
02/20/06	Wipro Limited	cMango	\$20.0
02/15/06	Edgewater Technology	National Decision Systems	\$10.2
02/13/06	Kanbay	Adjoined Consulting	\$165.0
02/09/06	Freeborders	ITK Solutions	NA
02/07/06	Ness Technologies	Innova Solutions	\$25.0
02/03/06	Hitachi Consulting	Navigator Systems	NA
02/02/06	CGI Group	Pangaea Systems	NA
02/02/06	Command Information	Digital Focus	NA
01/11/06	Acandofrontec	Resco AB	\$24.6

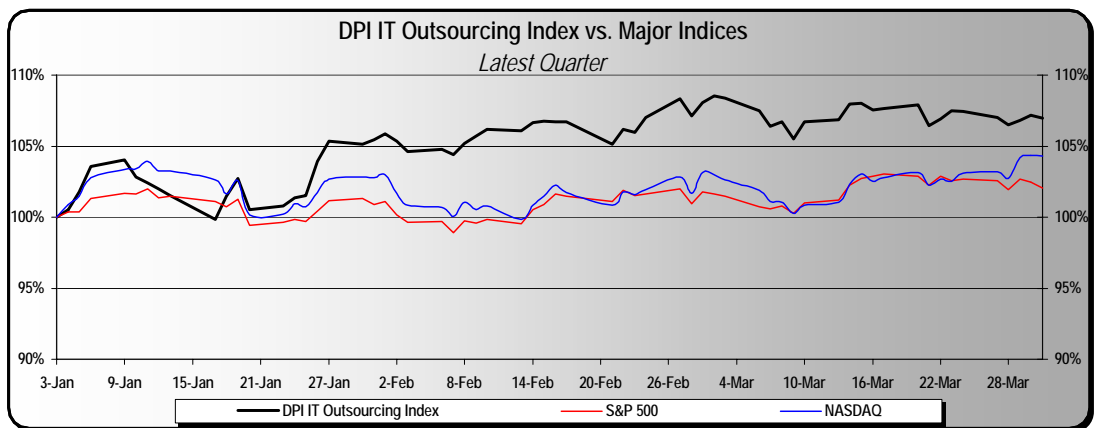
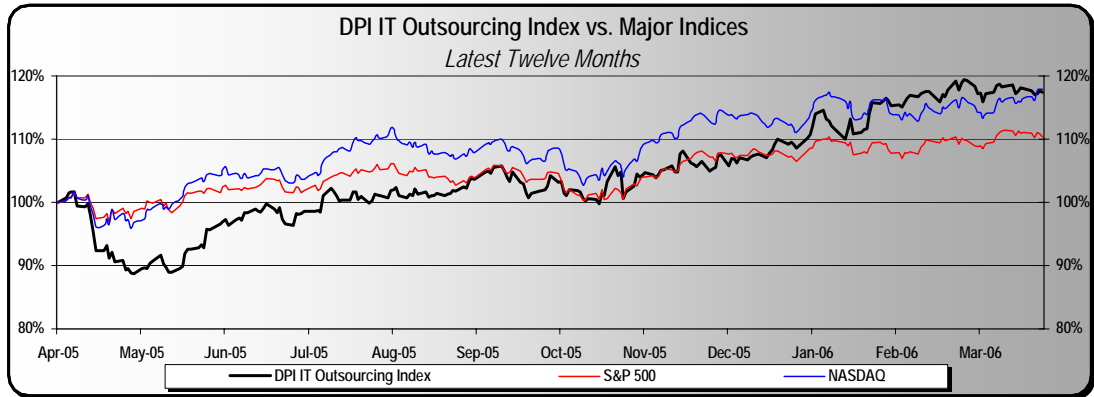
Please call DecisionPoint for further details on listed transactions.

# IT Outsourcing

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the IT Outsourcing Index was up 18% and 7%, respectively.
- Wipro and its India-based peers are diversifying their businesses away from their traditional application development and maintenance services and adding more higher-value services offerings, such as Business Services Management (e.g. Wipro's acquisition of cMango).
- Banks and other financial institutions are increasingly using IT outsourcers to reduce costs, manage risks, achieve remote support, and redirect internal IT resources to more strategic efforts at adding value to the business.
- Indian IT suppliers are experiencing labor shortages in certain positions and salaries are increasing. Buyers who offshore must factor these conditions into their decisions. Specifically, there is a shortage of people with two-to-five years of experience.
- Q1'06 had a total of 31 transactions compared to 22 in Q4'05.



Note: The DPI IT Outsourcing Index includes: Accenture, ACS, CGI Group, Cognizant Technology, CSC, Covansys Corporation, EDS, Kanbay, Perot Systems and Wipro.

March 31, 2006

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Accenture Ltd.	1.8x	14.5x
ACS	2.0x	10.7x
CGI Group Inc.	1.1x	7.3x
Cognizant Technology	9.8x	43.6x
CSC	1.0x	7.1x
Covansys Corporation	1.4x	10.5x
EDS	1.0x	10.1x
Kanbay	2.6x	11.7x
Perot Systems	1.0x	8.6x
Wipro Ltd	9.5x	39.4x

LTM = Last twelve months

### Representative IT Outsourcing Transactions

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
03/29/06	Caneum	TierOne Consulting	\$5.4
03/28/06	Logicalis	Alliance Consulting (Southwest US)	NA
03/20/06	Achievo	VisualSoft Information System	NA
03/10/06	Darwin Partners	Suzsoft	NA
03/08/06	Saber Consulting	Covansys (State and Local Govt)	\$40.0
03/01/06	CACI	Information Systems Support	NA
02/21/06	CDC	Horizon Companies (IT business)	NA
02/14/06	Achievo	NetStar	NA
02/06/06	Frontenac	Systems Maintenance Services	NA
02/02/06	Mascon Global	Anthem Technologies	NA
02/02/06	Mascon Global	Comtel Holdings	NA
01/24/06	RC Group	Huge Wealth Technology	\$1.8
01/11/06	Comtech Group	Huameng Engineering (51%)	\$2.5
01/03/06	RC Group	Skycomp Technology	\$4.5

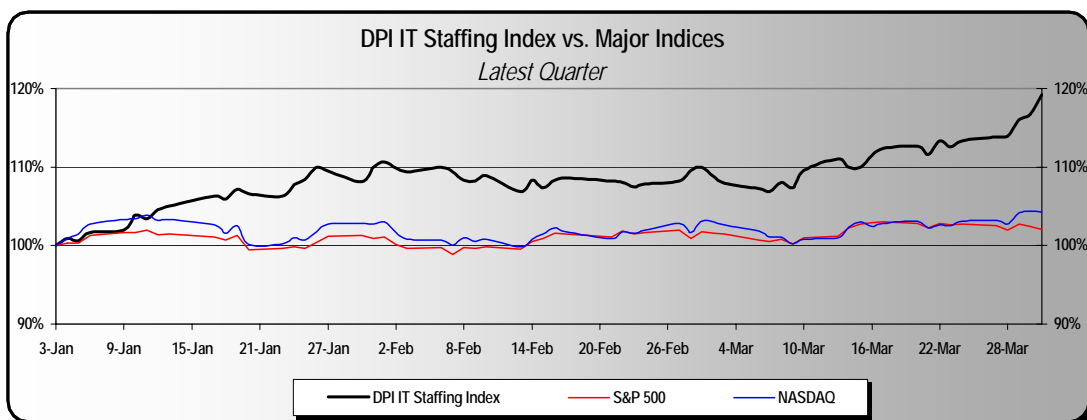
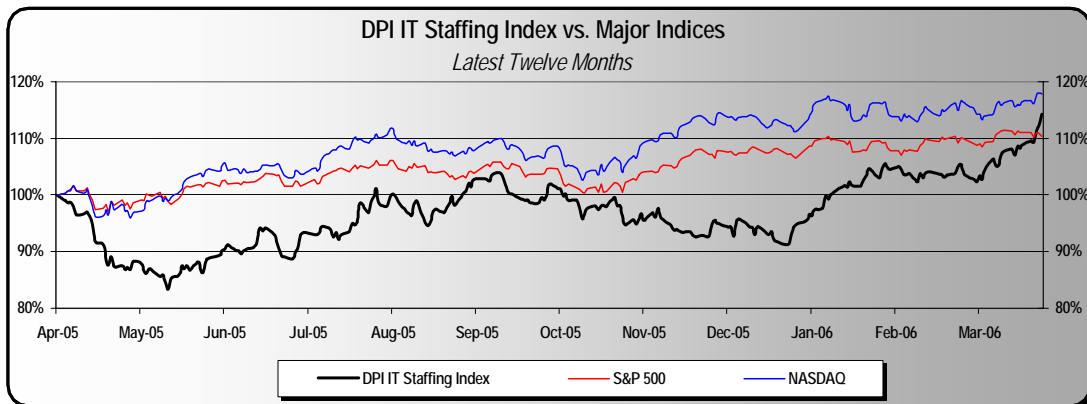
Please call DecisionPoint for further details on listed transactions.

# IT Staffing

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the IT Staffing Index was up 14% and 20%, respectively.
- According to a recent Security Staffing survey, IT security executives believe their organizations are in greater jeopardy due to staffing shortages than their peers that oversee corporate security. Additionally, IT uses flex time and training as a motivator more so than corporate security executives.
- The percentage of organizations posting staffing increases in 2005 outpaced those reporting staffing decreases for the first time since 2001. Based on Computer Economics' research, it is projected that an even larger percentage of companies will increase their staffing levels in 2006, with a much lower percentage engaged in staffing reductions.
- Looking forward, CIOs are seeking managers and analysts (strategists, program and project managers) more than technicians (programmers, operations) for both permanent hires and contract labor.
- Q1'06 had a total of 5 transactions compared to 4 announced in Q4'05. This is a good start to the year as there were only 10 deals announced in 2005.



The DPI IT Staffing Index includes: Analysts International, Butler International, COMFORCE, Computer Horizons, Computer Task Group, Kforce, RCM, TechTeam Global and Volt Information Services.

March 31, 2006

### Metrics

Company	Enterprise Value /	
	LTM Revenue	LTM EBITDA
Analysts Int'l	0.3x	66.6x
Butler Int'l	0.4x	8.6x
COMFORCE	0.5x	14.5x
Computer Horizons	0.5x	NM
CTG	0.4x	16.7x
Kforce	0.7x	11.8x
RCM Technologies	0.5x	12.2x
TechTeam Global	0.7x	8.7x
Volt Information	0.3x	9.1x

LTM = Last twelve months

### Representative IT Staffing Transactions

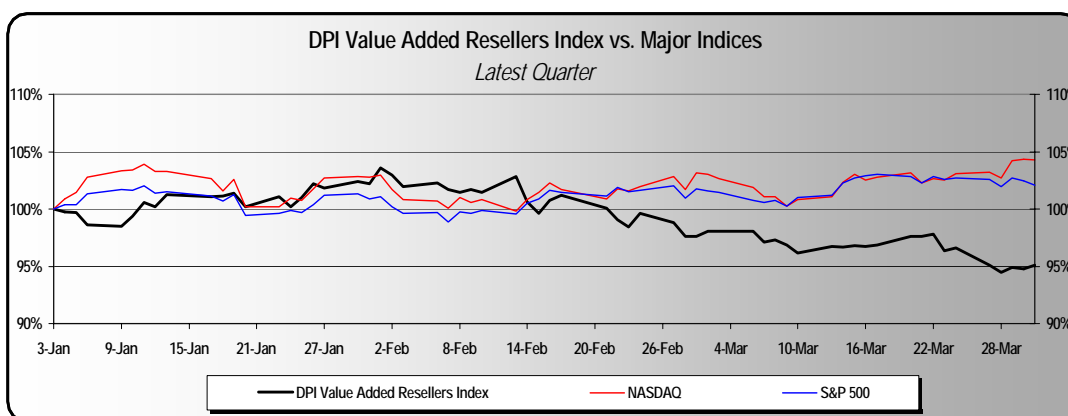
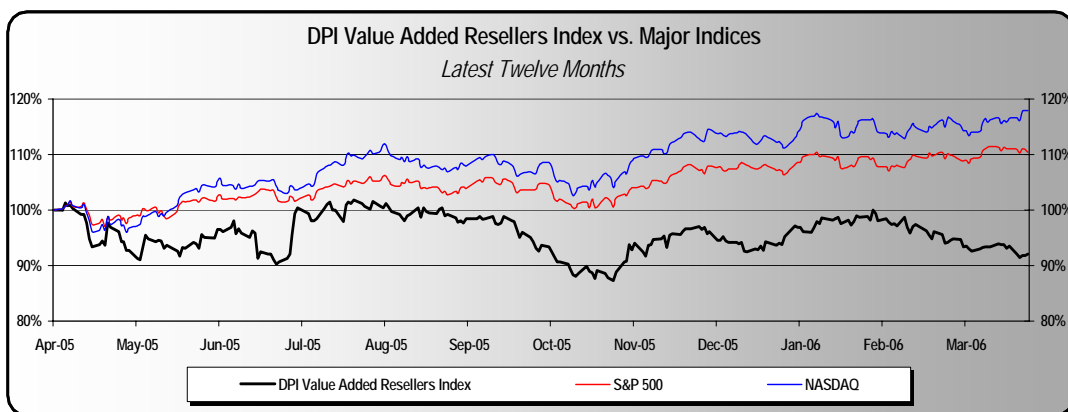
Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
02/24/06	Aquent	Sakson & Taylor	NA
02/15/06	Fujitsu Consulting	Greenbrier & Russel	NA
01/25/06	GFT Technologies	Parity Group (Resourcing Solutions)	\$10.2
01/18/06	Kforce	Pinkerton Computer Consultants	\$60.0
01/09/06	Adecco	DIS Deutscher (minority stake)	\$224.2

# Value Added Resellers

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Valued Added Resellers Index was down 8% and 5%, respectively.
- IT decision-makers are increasingly using business metrics when making purchasing decisions. Solution providers who sell security say that one of the best ways to appeal to potential clients is to warn them about how a security breach might harm their reputation as well their bottom line.
- Physical-security systems are plugging into the network. Everything from video cameras to door locks will run on IP cables, opening opportunities for solution providers. Traditional IT vendors are beginning to recognize the trend and are making deals to get into the game. One recent example was Cisco's purchase of video-surveillance hardware and software vendor SyPixx.
- PC and server solution resellers are having success at moving upstream in the value chain with higher margin service contracts.
- Q1'06 had a total of 8 transactions, equaling the Q4'05 number.



Note: The DPI Value Added Resellers Index includes: CDW Computer Centers, Emtec, En Pointe Technologies, Insight Enterprises, MTM Technologies, PC Connection, Pomeroy IT Solutions and TransNet Corporation.

March 31, 2006

### Metrics

Company	Enterprise Value	
	LTM GP	LTM EBITDA
CDW Computer Centers	4.6x	10.1x
Emtec	1.9x	25.3x
En Pointe Technologies	1.0x	NM
Insight Enterprises	3.1x	9.5x
MTM Technologies	1.7x	13.9x
PC Connection	1.1x	10.0x
Pomeroy IT Solutions	0.9x	5.1x
TransNet Corporation	1.1x	NM

LTM = Last twelve months; GP = Gross Profit

### Representative Value Added Resellers Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/24/06	Kogun	SCS	NA
03/10/06	Halestar	Mission Critical Systems	NA
02/28/06	Telecom Communications	Wukuang Import & Export Limited	\$6.0
02/24/06	Maxima Holding	Seabrook Research Ltd. (MFG/PRO)	\$1.3
02/21/06	Electrograph	ActiveLight	NA
02/21/06	Electrograph	CineLight	NA
02/09/06	Canon USA	Uinta Business Systems	NA
01/12/06	Columbus IT Partner A/S	VerticalSoft	\$3.6

# Management Consulting

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Management Consulting Index was up 14% and 13%, respectively.
- Boutique management consulting firms have seen a recent resurgence as client demand has picked up and more clients seem to be experiencing "rate fatigue" with the Big 4. Some veterans of larger consulting firms have established a successful niche by providing Big 4 capabilities at boutique prices.
- "Gainsharing" arrangements have become more popular for consulting engagements. It involves consultants willing to put their fees at risk in order to collect a portion of the cost savings or revenue enhancements their engagement produces. This arrangement requires effective measures and controls in place to allow an indisputable measurement of results. Accenture cited the capital requirements of this type of arrangement as one of the factors that led to its IPO.
- UK management consulting firms are growing faster than expected. 70% of the UK consulting firms that are members of the Management Consultancies Association (MCA) have seen a sharp rise in new business wins over the last quarter.
- The M&A activity almost doubled in Q1'06 compared to Q4'05 as Q1'06 had a total of 17 transactions compared to 9 in Q4'05.

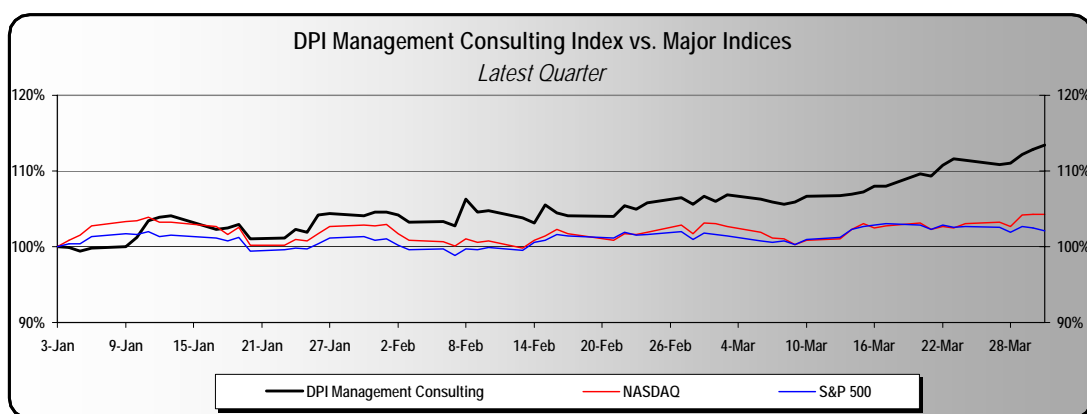
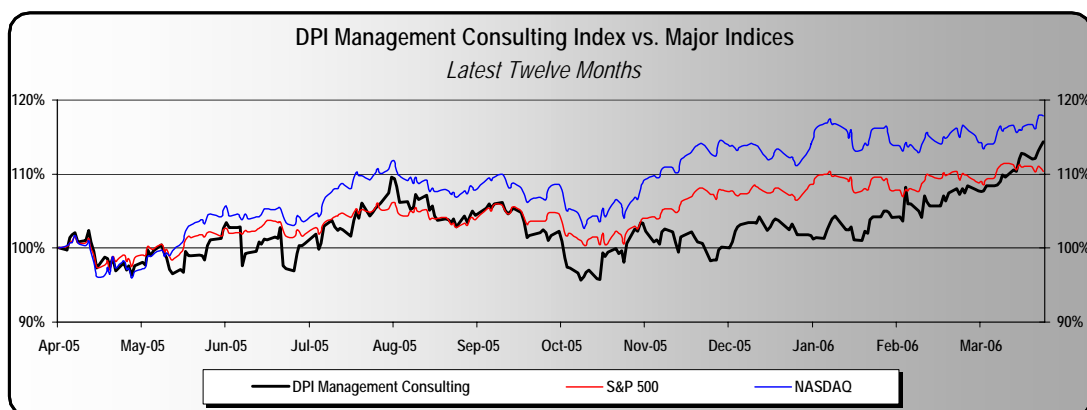
March 31, 2006

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
	Charles River Associates	2.1x
Diamondcluster Int'l	1.7x	8.8x
FTI Consulting, Inc.	2.8x	11.7x
Huron Consulting Group	2.8x	15.5x
LECG Corporation	1.8x	11.9x
Navigant Consulting	2.5x	11.9x
The Advisory Board	7.5x	26.3x
The Corp. Executive Board	11.1x	37.4x

LTM = Last twelve months

**VIEWPOINT**  
Management Consulting



Note: The DPI Management Consulting Index includes: Charles River Associates, Diamondcluster International, FTI Consulting, Huron Consulting Group, LECG Corporation, Navigant Consulting, The Advisory Board Company and The Corporate Executive Board.

### Representative Management Consulting Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/24/06	Navigant Consulting	Precept Programme Management	\$50.0
03/02/06	Abt Associates	IBM (International Group Practice)	NA
03/02/06	Protiviti	P.G. Lewis & Associates	NA
03/01/06	Technology Solutions	Charter Consulting	NA
02/28/06	LECG Corporation	Beach & Company	\$0.9
02/28/06	LECG Corporation	Lancaster Consulting	\$2.5
02/15/06	Protiviti	Radius	NA
02/15/06	Protiviti	Creative Options	NA
02/14/06	General Physics	Peters Management Consultancy	NA
02/14/06	LMI Aerospace	Technical Change Associates	NA
02/13/06	Masterplan	Genesis Technology Partners	NA
01/25/06	AVIEL Systems	Performance Management Cons.	NA
01/23/06	A.T. Kearney (MBO)	A.T. Kearney	NA
01/18/06	Qualis Health	Outlook Associates	NA
01/17/06	West Monroe Partners	Mosaic Consulting Services	NA

Please call DecisionPoint for further details on listed transactions.

# Business Process Outsourcing

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Business Process Outsourcing Index was up 28% and 8%, respectively.
- BPO deals are predicted to get smaller as the outsource market matures, where buyers are realizing they may want to outsource only the "transactional aspects of the process" instead of an entire department.
- Suppliers with industry vertical expertise will find themselves in demand. They will have unique offerings that address the particular needs of that industry in addition to the requisite process expertise. Credit services processing, data management, and healthcare will get attention in 2006.
- Outsourcers will no longer be able to compete on price alone. A supplier will have to be able to prove it has the ability to deliver business transformation to win a BPO contract.
- According to Accenture, interest in procurement outsourcing will swell due to the strong business case created by immediate cost saving opportunities.
- Q1'06 had a total of 89 transactions compared to 61 in Q4'05.

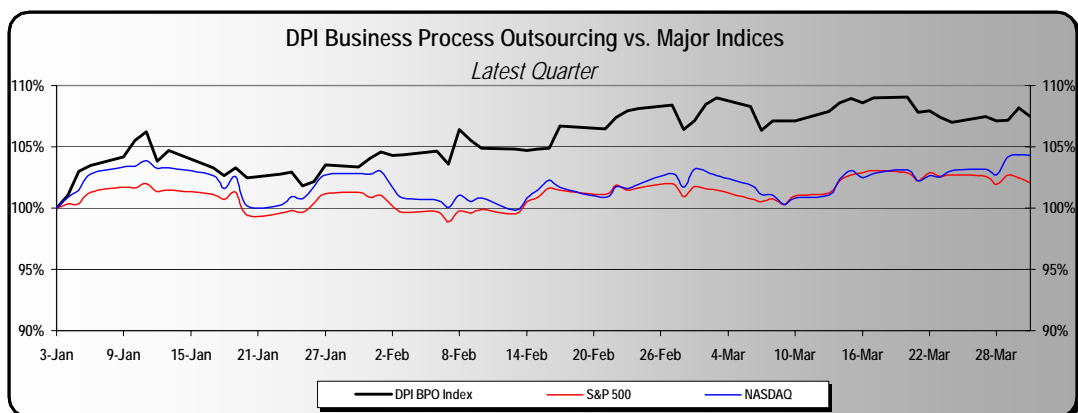
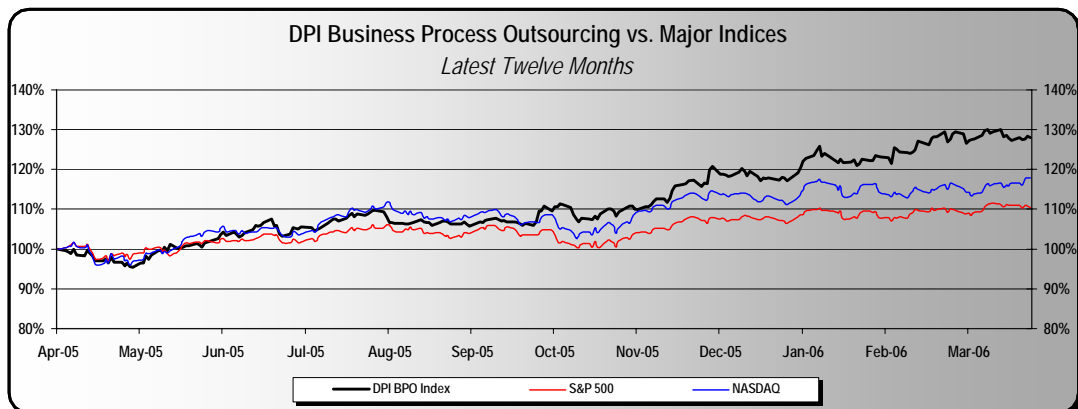
March 31, 2006

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
ACS	2.0x	10.7x
Aspen Technology	2.6x	14.8x
ADP	6.8x	25.9x
Bisys Group	2.0x	9.7x
Ceridian Corp.	6.4x	33.5x
CGI Group	1.1x	7.3x
GSE Systems	1.0x	NM
First Advantage	2.9x	13.3x
MedQuist	0.8x	NM
Paychex	12.3x	27.5x
Per-Se Tech.	3.4x	22.2x
Tier Tech.	0.9x	16.0x

LTM = Last twelve months

**VIEWPOINT**  
Business Process Outsourcing



Note: Due to the broad Business Process Outsourcing market, the DPI BPO Index includes a variety of financial services, healthcare, human resources, energy and IT services companies: Affiliated Computer Services, Aspen Technology, Automatic Data Processing, Bisys Group (The), Ceridian, CGI Group, GSE Systems, First Advantage, MedQuist, Paychex, Per-Se Technologies and Tier Technologies.

### Representative Business Process Outsourcing Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/28/06	Misys	NEOMalogic	\$14.5
03/20/06	R.R. Donnelley	Office Tiger	\$250.0
03/09/06	ChoicePoint	ShortStop	NA
03/03/06	Accenture	Savista (assets)	NA
03/03/06	American Capital Strategies	Financial Asset Management	\$98.0
03/03/06	Fiserv	Wolters Kluwer (assets)	NA
02/28/06	Aetna	Broadspire (disability business)	\$160.0
02/27/06	Investcorp	Conduit	\$107.0
02/14/06	ProxyMed	Zeneks	NA
02/09/06	Solera	ADP (Claims Services Group)	\$975.0
01/17/06	Transaction Network Services	Comms XL	NA
01/09/06	Fiserv	CareGain	NA
01/09/06	PeopleSupport	Rapidtext	\$300.0
01/09/06	Sage Group	Verus Financial Management	\$323.0
01/02/06	Misys	Payerpath	\$49.0

Please call DecisionPoint for further details on listed transactions.

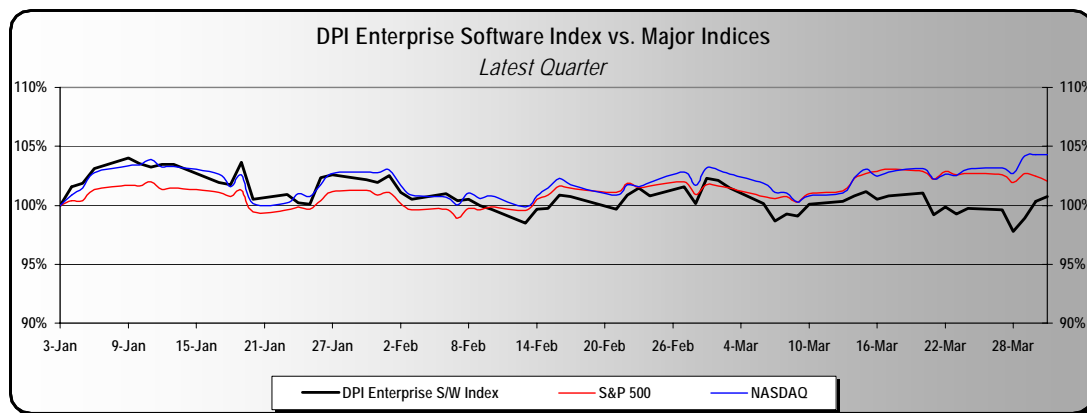
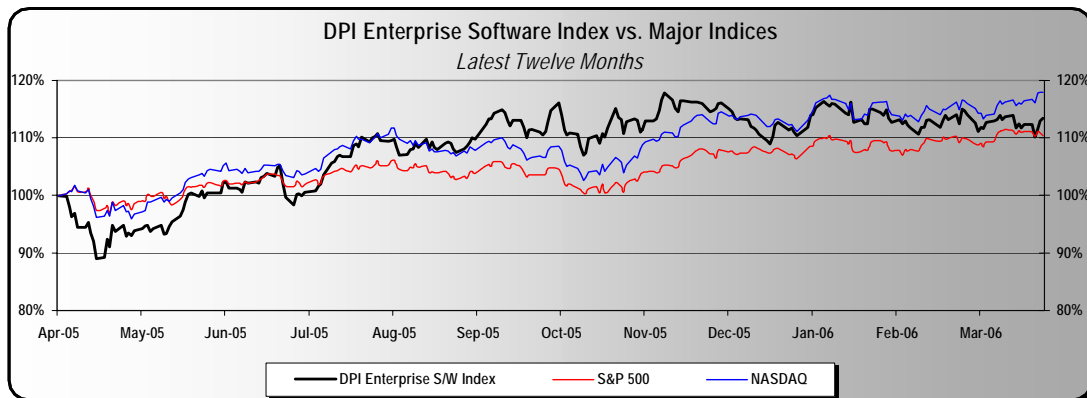


# Enterprise Software

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Enterprise Software Index was up 13% and 1%, respectively.
- Open-source software continues to be a hot topic as Oracle has announced it plans to buy several additional (already acquired Sleepycat Software this quarter) open-source companies for a total sum north of \$500m. This is a bold move from a company that gets a healthy chunk of its annual sales from multi-million dollar software packages deals.
- Google has forged new partnerships with business software suppliers Oracle, Salesforce.com and others as it makes a big push into selling enterprise search features. Google has also partnered with business intelligence software provider Cognos.
- Customers continue to divert their IT budget dollars toward storage software to deal with overflowing data volume challenges and greater information retention requirements
- M&A activity was very active for the quarter where Q1'06 had a total of 140 transactions compared to 95 in Q4'05.



Note: The DPI Enterprise Software Index includes: BMC Software, Borland Software, EMC Corporation, Internet Security Systems, Manhattan Associates, Symantec Corporation, Tibco Software, Vignette Corporation and webMethods.

March 31, 2006

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
BMC Software	3.8x	20.1x
Borland Software	1.2x	15.7x
EMC Corporation	3.4x	14.4x
Internet SS	3.0x	13.1x
Manhattan Associates	2.5x	12.7x
Tibco Software	3.1x	17.2x
Vignette Corp.	1.7x	17.1x
webMethods	2.0x	26.6x

LTM = Last twelve months

**VIEWPOINT**  
Enterprise Software

### Representative Enterprise Software Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/22/06	Sage Group	Visma	\$592.2
03/02/06	Dassault Systemes	MatrixOne	\$338.1
03/01/06	BEA Systems	Fuego	\$87.5
02/22/06	Sun Microsystems	Aduva	NA
02/14/06	Oracle	Sleepycat Software	NA
02/10/06	Investcorp	CCC Information Services Group	\$621.7
02/08/06	Borland Software	Segue Software	\$99.6
02/08/06	Business Objects	Firstlogic	\$69.0
02/08/06	IBM	Viacore	NA
02/07/06	Hewlett Packard	OuterBay Technologies	NA
01/27/06	Informatica	Similarity Systems	\$55.0
01/23/06	Concur Technologies	Outtask	\$88.0
01/11/06	Verisign	Callvision	\$30.0
01/09/06	Mercury Interactive	Systinet	\$105.0
01/05/06	Infor	Datastream Systems	\$185.5

Please call DecisionPoint for further details on listed transactions.

# Spotlight: Software as a Service (SaaS)

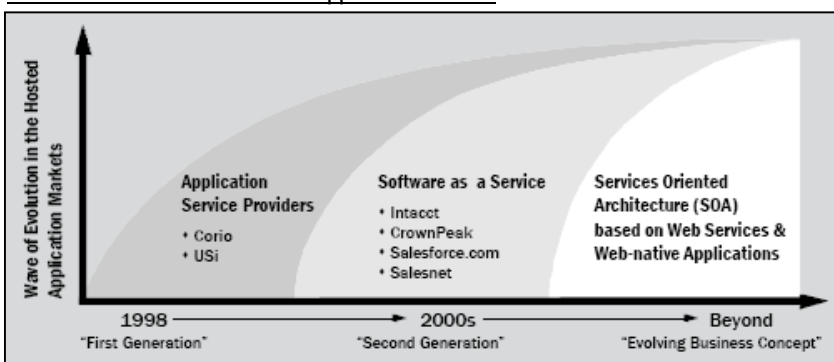
## Highlights and Trends

### Highlights / Trends

- Software as a Service (SaaS) has been around for a while but has lately become a driving force within the software industry. SaaS is a model of software delivery where a company adopts specific activities that provide customers access to software alleviating that customer from the maintenance and daily technical operation and support of business and/or consumer software. SaaS is a model of software delivery rather than a market segment; software can be delivered using this method to any market segment including home consumers, small, medium and large businesses.
- The reason for moving away from the term ASP or Application Service Provider is because the ASP generation was merely traditional client-server applications with HTML front ends added as an afterthought. These applications were hosted by third-parties who ordinarily did not have application expertise, but were managed servers. Because the applications were not written as net-native applications, performance was poor and application updates were no better than self managed applications. By comparison, current net-native SaaS applications are updated regularly, many daily.
- SaaS benefits to customers:
  - Ease of implementation
  - Reduced investment risk & higher ROI
  - Lower initial cash outlays, subscription-based
  - Enterprise-class software functionality with service-based relationship
  - Continuous support & seamless upgrades
  - New functionality and improved application performance
  - Shared risks & single-source accountability
  - Frees up internal resources
  - Full application lifecycle operation
- SaaS concerns / obstacles:
  - Security and reliability of putting data on another company's server (e.g recent disruptive outages at Salesforce.com)
  - In a subscription-based delivery model, who owns the customer? The vendor whose infrastructure underlies the offering, or the solution provider who tailors it to customer needs?
  - Legacy software companies have to re-architect their applications to make them work on the Web
  - The shift from a large up-front software license sale to a more measured revenue flow can be painful in the short term for vendors and partners alike.
  - Ability to attract large enterprise customers that have already invested large amounts into existing CRM or ERP licenses
- IDC estimates that worldwide outlays on SaaS applications, which grew 39 percent to \$4.2 billion in 2004 (the most recent year for which figures are available), will reach \$10.7 billion by 2009. It is also predicted that SaaS providers will enjoy healthy exit multiples in M&A and IPO over the next 12-24 months.
- In October 2005, Microsoft's Bill Gate issued a memo to Microsoft executives and engineers, forecasting a wave of new, scalable applications and experiences to be delivered via the Internet. "This coming 'services wave' will be very disruptive," Gates warned in the memo. "The next sea of change is upon us, and we must recognize this change as an opportunity to take our offerings to the next level."

*"The SaaS model is much cheaper for a service company to run, support and maintain so that it can ultimately sell its applications at a fraction of the cost of the ASP model."*  
Robert Bois, Research Director, AMR Research.

#### Wave of Evolution in the Hosted Application Market:



Source: TripleTree

#### Competitive Landscape and Industry Players:

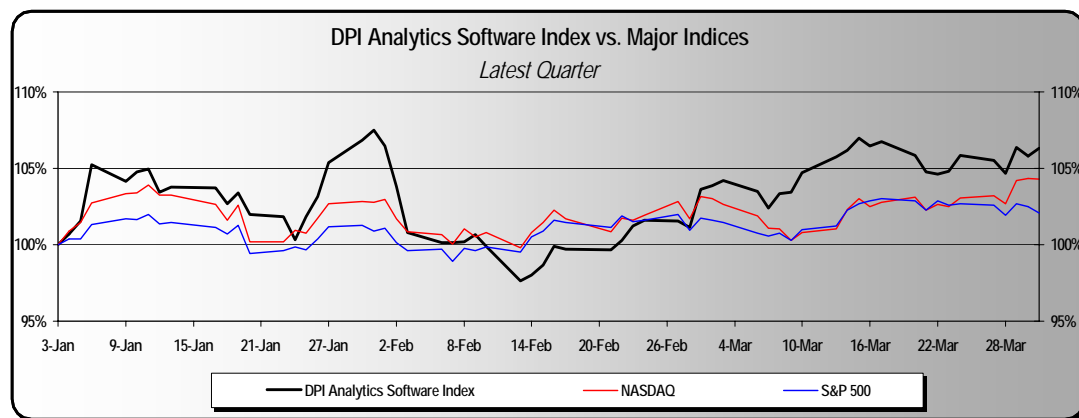
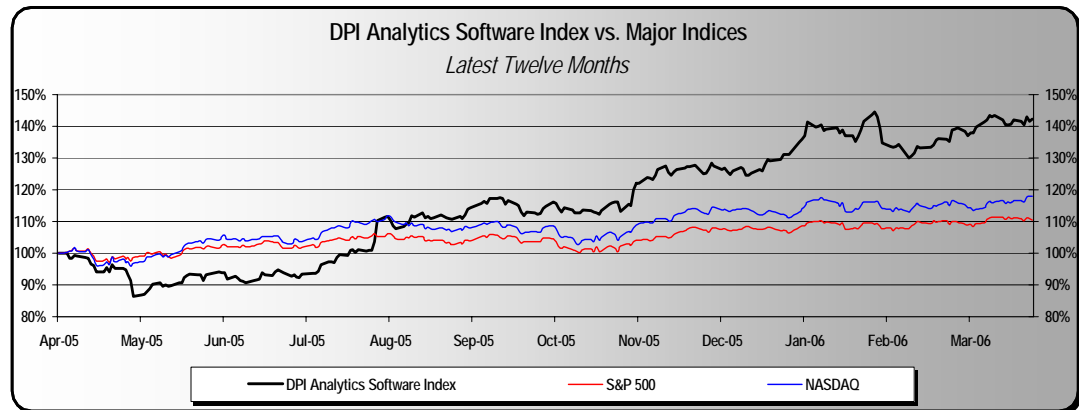
Sample SaaS Providers			
<b>Enterprise ASPs</b> <ul style="list-style-type: none"> <li>- Apptix</li> <li>- TeleComputing</li> <li>- USi</li> </ul>	<b>Outsourcing Companies</b> <ul style="list-style-type: none"> <li>- ADP</li> <li>- EDS</li> <li>- Globix</li> <li>- InfoCrossing</li> <li>- Navisite</li> <li>- Verio</li> </ul>	<b>Proprietary Software</b> <ul style="list-style-type: none"> <li>- Atomz</li> <li>- CrownPeak</li> <li>- Intacct</li> <li>- Ketera</li> <li>- NetSuite</li> <li>- RightNow Tech.</li> <li>- Salesforce.com</li> <li>- Salesnet</li> </ul>	<b>Independent Software Vendors</b> <ul style="list-style-type: none"> <li>- IBM</li> <li>- Microsoft</li> <li>- Oracle</li> <li>- SAP</li> <li>- Siebel</li> </ul>

# Spotlight: Analytics Software

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Analytics Software Index was up 41% and 6%, respectively.
- Large corporations like IBM, Alcatel and Cisco are showing interest in audio analytics software. Companies in this space have technology that has large potential in sectors like contact center, intelligence / reconnaissance / surveillance, VoIP networks, targeted advertising, search, etc.
- Oracle wants Business Intelligence (BI) to be its fourth technology arm, although right now it is behind the database, middleware and application segments. Oracle is making no secret of the fact it wants to take on the large BI players like Cognos, Business Objects and Hyperion Solutions.
- An IDC study illustrates how adoption of RFID technology will serve as a driver for investment in business analytics software, ranging from data integration and data warehouse management to analytics and information delivery.
- Q1'06 had a total of 9 transactions.



Note: The DPI Analytics Software Index includes: 724 Solutions, Amdocs Limited, Converse Technology, Metasolv and Telecommunication Systems.

March 31, 2006

### Representative Analytics Software Transactions

#### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Actuate Corporation	2.5x	16.1x
Applix, Inc.	3.2x	15.6x
Business Objects	3.2x	17.6x
Cognos, Inc.	3.9x	20.5x
Hummingbird Ltd.	1.7x	16.7x
Hyperion Solutions Corp.	2.5x	14.0x
MicroStrategy, Inc.	5.4x	14.2x
SPSS Inc.	2.6x	13.7x

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/30/06	Microsoft	ProClarity	NA
03/17/06	SAS	Veridium	NA
03/16/06	IBM	Language Analysis Systems (LAS)	NA
02/08/06	Nuance Communications	Dictaphone	\$359.0
02/06/06	Verint Systems Inc.	CM Insight Limited	\$5.8
02/02/06	WebSideStory	Visual Sciences	\$57.0
01/30/06	Symphony Technology Group	Metreo	NA
01/27/06	Informatica	Similarity	\$55.0
01/05/06	Infor	Datastream Systems	\$185.5

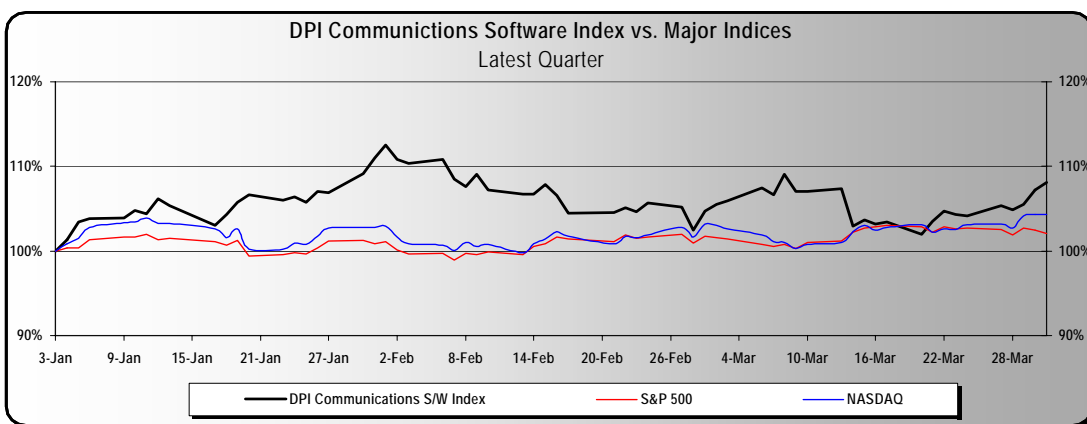
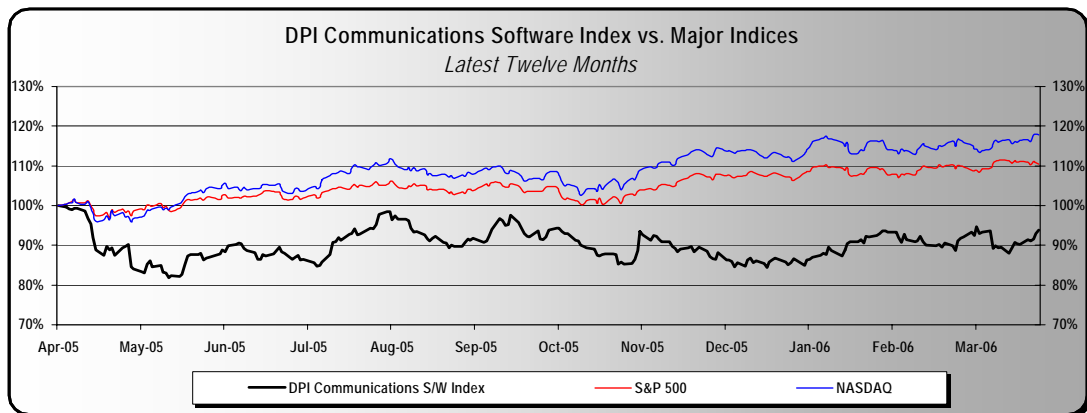
LTM = Last twelve months

# Communications Software

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Communications Software Index was down 8% and up 8%, respectively.
- Amdocs announced acquisition (in April) of Qpass illustrates the transformation of service providers from carriers of voice and data services to dynamic retailers of ubiquitous, converged services and digital content.
- Consumers have begun to expect higher levels of personalization and richer content via multiple electronic channels. As the consumption of content and digital goods becomes mainstream, volume and complexity will increase significantly and the demand for additional services will grow.
- Q1'06 had a total of 36 transactions compared to 27 in Q4'05.



Note: The DPI Communications Software Index includes: 724 Solutions, Amdocs Limited, Converse Technology, Metasolv and Telecommunication Systems.

March 31, 2006

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
724 Solutions	1.1x	NM
Amdocs Limited	3.5x	17.1x
Converse Techn.	3.1x	21.9x
Metasolv	1.3x	48.5x
TeleCommunication Systems	1.2x	20.5x

LTM = Last twelve months

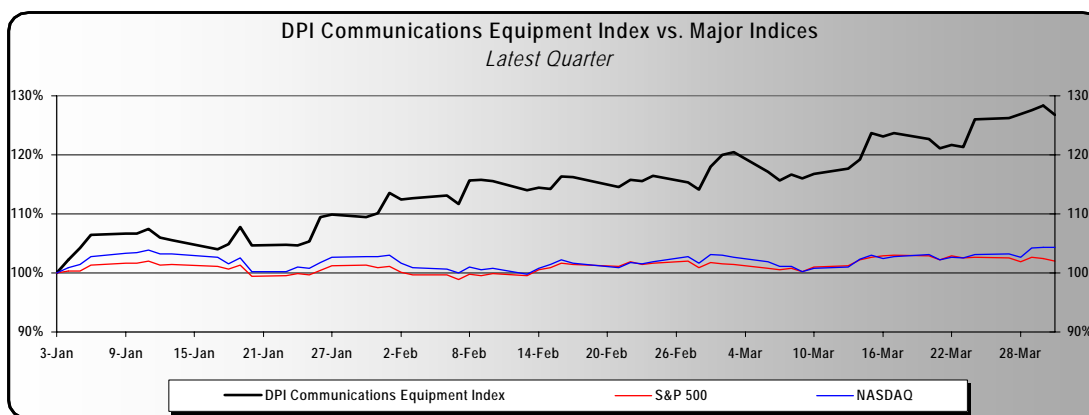
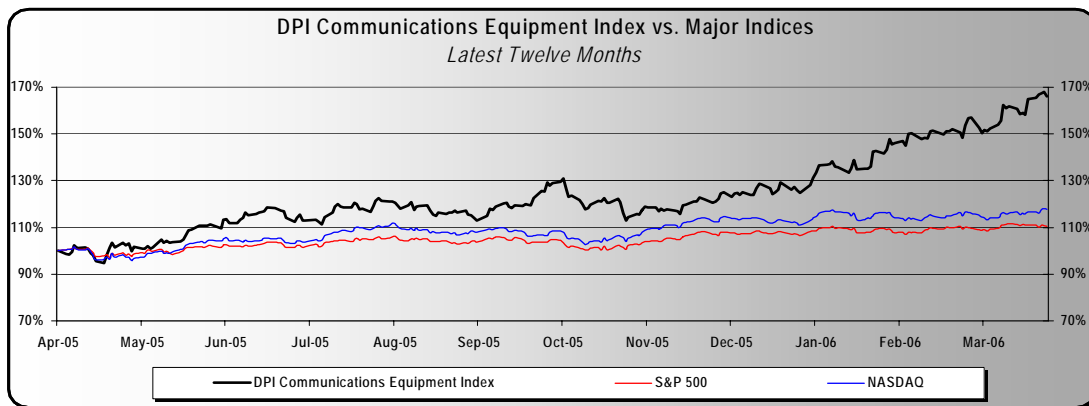
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
03/20/06	Verisign	m-Qube	\$250.0
03/20/06	Wind River Systems	Interpeak AB of Stockholm	\$20.0
03/17/06	SiRF Technology Holdings	TrueSpan	NA
03/10/06	Research In Motion	Ascendent Systems	NA
03/01/06	CSG Systems	Telution	\$26.0
02/22/06	Neomedia	Sponge	\$17.4
02/17/06	Neomedia	HipCricket	\$4.5
02/15/06	Oracle	Hotsip	NA
02/14/06	Neomedia	12snap	\$22.0
02/13/06	Scientific-Atlanta	UB Video	NA
02/08/06	Nuance Communications	Dictaphone	\$357.0
02/08/06	TANDBERG	SkyStream	\$80.0
02/06/06	West	Raindance Communications	\$112.2
01/30/06	West	Intrado	\$463.6
01/25/06	SiRF Technology Holdings	Impulsoft	NA

# Communications Equipment

## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Communications Equipment Index was up 66% and 27%, respectively.
- The Communications Equipment Index had the highest increase in this report for both the LTM and the quarter.
- The announced merger between Alcatel and Lucent is good news for the communication equipment market which is oversaturated with vendors and long overdue for consolidation.
- However, the planned merger between AT&T and BellSouth could hamper spending on equipment in the short-term, but over the long haul it is clear that telecom operators are committed to upgrading their networks to offer the next-generation of services.
- Q1'06 had a total of 65 transactions compared to 43 in Q4'05.



Note: The DPI Communications Equipment Index includes: 3Com Corporation, ADC Telecommunications, Alcatel, CIENA, Cisco Systems, Lucent Technologies, Nortel Networks and Tellabs.

March 31, 2006

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
3Com	2.4x	NM
ADC	2.6x	19.5x
Alcatel	1.6x	4.6x
CIENA	6.5x	NM
Cisco Systems	5.4x	16.7x
Lucent	3.0x	19.4x
Nortel	2.0x	35.2x
Tellabs	3.5x	20.3x

LTM = Last twelve months

### Representative Communications Equipment Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/22/06	Avocent	Agilent (assets)	NA
03/02/06	Bookham	Avalon Photonics	\$7.7
03/01/06	IXI Mobile	ITAC	\$137.5
02/21/06	Coherent	Excel Technology	\$327.8
02/15/06	Qlogic	Pathscale	\$109.0
02/13/06	Blade Network Technologies	Nortel (assets)	NA
02/07/06	Lucent Technologies	Riverstone Networks (assets)	\$170.0
02/02/06	Amtag	iPico	\$15.0
02/02/06	Emerson	Artesyn	\$607.3
01/26/06	Avocent	Cyclades	\$90.0
01/23/06	Broadcom	Sandburst	\$77.0
01/17/06	Ikanos Communications	ADI technology (assets)	\$30.0
01/17/06	Motorola	Kreatel Communications	NA
01/06/06	EXFO Electro-Optical Engineering	Consultronics	\$19.8
01/05/06	Qualcomm	Berkana Wireless	\$56.0

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.

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