

# DECISIONPOINT

## QUARTERLY VIEWPOINT:

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

Q2 | 12

# 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.



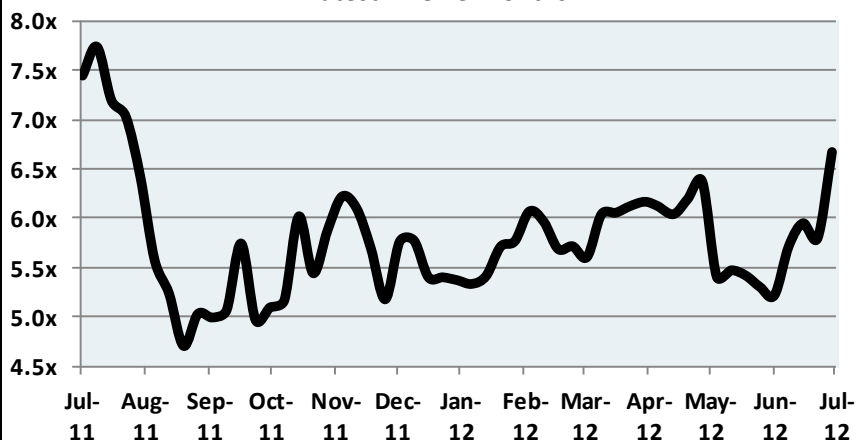
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# Software: Software as a Service (SaaS)

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

### MARKET PERFORMANCE

DP SaaS Index EV/Revenue Multiple  
Latest Twelve Months



### VALUATION METRICS

Company	Stock Price 06/29/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
salesforce.com, inc	\$138.26	\$19,079.9	\$18,919.6	7.7x	NM
Red Hat, Inc.	\$56.48	\$10,894.9	\$10,075.9	8.5x	38.5x
Ariba Inc.	\$44.76	\$4,289.2	\$4,092.8	8.2x	NM
Concur Technologies, Inc.	\$68.10	\$3,729.8	\$3,499.9	8.9x	65.6x
NetSuite Inc.	\$54.77	\$3,845.0	\$3,694.0	14.6x	NM
athenahealth, Inc.	\$79.17	\$2,837.8	\$2,721.8	7.8x	51.5x
The Ultimate Software	\$88.93	\$2,368.1	\$2,308.0	8.2x	82.7x
RealPage, Inc.	\$23.16	\$1,700.6	\$1,696.1	6.2x	50.4x
ExactTarget, Inc.	\$21.86	\$1,440.7	\$1,229.2	5.4x	NM
DealerTrack Holdings, Inc.	\$30.11	\$1,277.9	\$1,177.1	3.2x	20.7x
Cornerstone OnDemand,	\$23.81	\$1,185.1	\$1,102.5	13.6x	NM
OpenTable, Inc.	\$45.01	\$1,015.8	\$958.1	6.6x	22.1x
LivePerson Inc.	\$19.06	\$1,048.9	\$941.0	6.7x	35.1x
Kenexa Corp.	\$29.03	\$793.5	\$744.4	2.5x	29.1x
Medidata Solutions, Inc.	\$32.67	\$824.2	\$713.2	3.7x	17.7x
Demandware, Inc.	\$23.69	\$688.5	\$583.9	9.6x	NM
Ebix Inc.	\$19.95	\$727.6	\$740.0	4.3x	9.8x
Responsys, Inc.	\$12.12	\$582.9	\$487.1	3.4x	20.6x
Constant Contact, Inc.	\$17.86	\$515.7	\$372.7	1.7x	15.3x
Ellie Mae, Inc.	\$18.00	\$444.4	\$414.8	6.3x	40.9x
<b>Median:</b>	<b>\$29.57</b>	<b>\$1,231.5</b>	<b>\$1,139.8</b>	<b>6.7x</b>	<b>32.1x</b>

### SECTOR HIGHLIGHTS

- The median SaaS index was trading at 6.7x revenue (based on Enterprise Value) at the closing of Q2.
- According to Gartner, SaaS and cloud-based services are forecast to grow in usage, expanding from 11% of enterprise application spending in 2010 to 16% in 2015.
- Salesforce will introduce a new product suite, called Government Cloud, which is a version of the Salesforce cloud infrastructure intended specifically to work with all levels of government — from local to federal — and will help government entities to adopt social and mobile technologies.
- According to Cisco CloudWatch, the areas where companies are most likely to have already invested in cloud are email hosting (48%), desktop applications (44%), back up (42%), payroll/ finance (39%) and HR (35%) with around 30% planning to invest in each of the application areas over the next 12 months (including video conferencing, web conferencing, voice services and unified communications).
- SAP has agreed to buy Ariba, Inc. for \$4.4bn. This is SAP's second multi-billion dollar purchase in cloud computing (SuccessFactors, Inc.) in the past year. With businesses increasingly choosing to store and process data on the Web, SAP is shifting many of its staple applications to the Internet. Bill McDermott, SAP co-CEO, said, "We're probably the most strategic cloud player in the enterprise software industry."

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

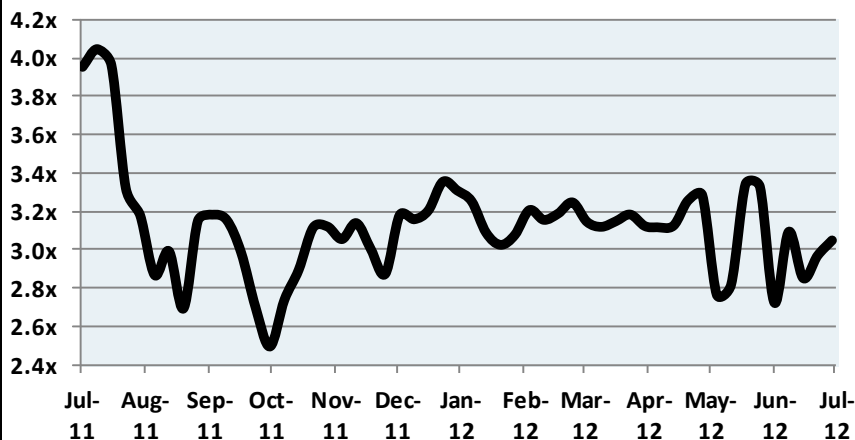
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-06-25	Lightyear Capital, LLC	Fidelity National Information	335.0
2012-06-20	Sage Group Plc	Folhamatic Group	233.7
2012-06-13	Constant Contact, Inc.	SinglePlatform	65.0
2012-06-06	Francisco Partners	Plex Systems, Inc.	160.0
2012-05-25	Pearson Education, Inc.	GlobalEnglish Corp	90.0
2012-05-23	Oracle Corporation	Vitruve, Inc.	325.0
2012-05-22	SAP America, Inc.	Ariba Inc.	4,411.4
2012-05-21	Bridgepoint	BigHand, Ltd.	77.8
2012-05-02	Teradata Coporation	eCircle AG [TA Associates]	150.0
2012-04-27	Intuit, Inc.	Demandforce	423.5

# 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 06/29/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Google Inc.	\$580.07	\$189,117.4	\$149,208.4	3.7x	10.1x
Amazon.com Inc.	\$228.35	\$102,877.6	\$97,162.6	1.9x	NM
Facebook, Inc.	\$31.10	\$66,483.8	\$63,279.8	15.7x	29.7x
eBay Inc.	\$42.01	\$54,244.5	\$50,458.5	4.1x	14.5x
priceline.com	\$664.52	\$33,088.4	\$31,094.6	6.8x	20.1x
Yahoo! Inc.	\$15.83	\$19,356.9	\$17,228.5	3.5x	13.1x
LinkedIn Corporation	\$106.27	\$10,977.8	\$10,357.0	16.8x	NM
Groupon, Inc.	\$10.63	\$6,864.8	\$5,708.0	3.0x	NM
Netflix, Inc.	\$68.49	\$3,802.0	\$3,397.5	1.0x	10.4x
IAC/InterActiveCorp	\$45.60	\$3,725.8	\$3,154.3	1.4x	10.0x
AOL Inc.	\$28.08	\$2,636.5	\$2,396.2	1.1x	6.8x
Pandora Media, Inc.	\$10.87	\$1,808.5	\$1,727.9	5.7x	NM
ValueClick, Inc.	\$16.39	\$1,321.7	\$1,319.0	2.2x	7.8x
WebMD Health Corp.	\$20.51	\$1,145.4	\$803.3	1.5x	8.3x
Vistaprint N.V.	\$32.30	\$1,194.9	\$1,269.3	1.3x	10.9x
OpenTable, Inc.	\$45.01	\$1,015.8	\$958.1	6.6x	22.1x
RealNetworks Inc.	\$8.64	\$300.3	\$133.3	0.4x	NM
<b>Median:</b>	<b>\$32.30</b>	<b>\$3,802.0</b>	<b>\$3,397.5</b>	<b>3.0x</b>	<b>10.6x</b>

### SECTOR HIGHLIGHTS

- The median Internet Software & Services index was trading at 3.0x revenue (based on Enterprise Value) at the closing of Q2.
- The number of initial public offerings in the second quarter ground to a halt because of Facebook's disappointing public debut, according to new data from the NVCA and Thomson Reuters. Facebook's stumble highlights a new reality: The IPO is no longer an important source of capital to fuel startups' growth.
- Social or community customer service is the hottest area of growth for post-sales service with high-tech, media, travel, telecommunications, retail and education-based clients dominating client inquiries. The B2B sector in particular is failing to spot the benefits and risks of social networking.
- Google announced in early July that it is entering the cloud infrastructure market with a product called Compute Engine. Google may have some work to do in convincing companies that it is in this business for the long haul and that it can compete with Amazon whose Web services unit has built a beachhead in the tech startup scene since it was launched in 2006. However, it is a natural extension as the majority of startups use Google Docs, Gmail or Calendar, which are all storing massive amounts of data in the cloud and delivering services on demand.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

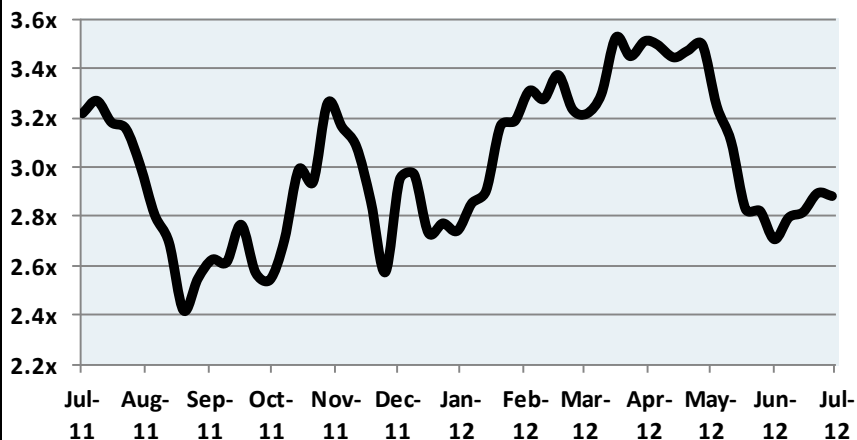
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-06-25	Microsoft Corporation	Yammer Inc	1,200.0
2012-06-12	IHS, Inc.	GlobalSpec [Warburg Pincus]	135.0
2012-06-07	Citrix Systems Inc.	Bytemobile, Inc.	430.0
2012-06-04	Ringier Axel Springer Media AG	Grupa Onet.pl S.A. [TVN]	269.4
2012-05-22	R.R. Donnelley & Sons Company	EDGAR Online	67.0
2012-05-16	Piramal Healthcare Limited	Decision Resources, LLC	635.0
2012-05-16	Kohlberg Kravis Roberts & Company	Fotolia LLC	150.0
2012-05-09	Ritchie Bros. Auctioneers	AssetNation, Inc.	64.0
2012-05-07	Lagardere SCA	LeGuide.com S.A.	110.7
2012-05-04	GeoEye, Inc.	DigitalGlobe [NYSE: DGI]	1,132.2
2012-05-03	LinkedIn Corporation	SlideShare	118.8
2012-04-25	Ancestry.com Inc	Archives.com	100.0
2012-04-09	Cerberus Capital Management L.P.	AT&T Corporation (Advertising Solutions and Interactive divisions)	950.0

# 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 06/29/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Microsoft Corporation	\$30.59	\$256,982.5	\$211,782.5	2.9x	6.9x
International Business	\$195.58	\$225,598.4	\$245,342.4	2.3x	9.2x
Oracle Corporation	\$29.70	\$145,010.4	\$131,207.4	3.5x	8.2x
SAP AG	\$59.36	\$70,653.8	\$69,988.3	3.6x	9.8x
Dassault Systemes SA	\$93.71	\$11,573.8	\$9,988.4	4.1x	13.2x
Autodesk, Inc.	\$34.99	\$8,040.7	\$6,528.7	2.9x	13.3x
Ansys, Inc.	\$63.11	\$5,878.5	\$5,437.0	7.6x	15.8x
Amdocs Limited	\$29.72	\$5,014.3	\$4,118.7	1.3x	6.9x
Informatica Corporation	\$42.36	\$4,585.7	\$4,019.7	5.0x	22.0x
TIBCO Software Inc.	\$29.92	\$4,872.3	\$4,778.9	4.8x	21.2x
Ariba Inc.	\$44.76	\$4,289.2	\$4,092.8	8.2x	NM
MICROS Systems, Inc.	\$51.20	\$4,113.4	\$3,301.1	3.1x	13.5x
Parametric Technology	\$20.96	\$2,502.7	\$2,438.6	1.9x	11.4x
NICE Systems Ltd.	\$0.00	\$0.0	\$2,055.9	2.5x	16.1x
Constellation Software	\$90.87	\$1,925.7	\$1,866.0	2.4x	10.2x
JDA Software Group Inc.	\$29.69	\$1,263.3	\$1,251.0	1.9x	7.6x
Tyler Technologies, Inc.	\$40.35	\$1,214.7	\$1,260.8	4.0x	21.9x
Verint Systems Inc.	\$29.51	\$1,155.1	\$1,851.0	2.3x	14.0x
Blackbaud Inc.	\$25.67	\$1,125.9	\$1,079.9	2.8x	15.8x
Stratasys Inc.	\$49.50	\$1,055.7	\$1,013.7	6.1x	25.4x
Manhattan Associates, Inc.	\$45.71	\$928.6	\$832.0	2.4x	11.0x
Deltek, Inc	\$11.59	\$743.2	\$860.1	2.5x	17.1x
QAD Inc.	\$14.22	\$224.4	\$160.8	0.6x	6.8x
Pervasive Software Inc.	\$7.49	\$122.2	\$80.7	1.6x	18.6x
<b>Median:</b>	<b>\$32.79</b>	<b>\$3,308.0</b>	<b>\$2,869.8</b>	<b>2.9x</b>	<b>13.3x</b>

### SECTOR HIGHLIGHTS

- The median Enterprise Software index was trading at 2.9x revenue (based on Enterprise Value) at the closing of Q2.
- SAP has announced that it will spend nearly \$4.4bn on supplier relationship management vendor Ariba. The purchase adds the largest B2B collaboration network to SAP's rapidly growing technology portfolio, a collection the tech giant has put together with a string of recent top-dollar acquisitions. Additionally, Ariba's revenue will move SAP closer to its oft-stated goal of hitting \$2bn in cloud revenue by 2015
- Businesses across the world will spend \$120 billion on enterprise application software this year, according to the latest Gartner research, with enterprise resource planning (ERP) the most in demand with \$24.9 billion (up 4.5% from 2011).
- Dell has agreed to purchase Quest Software for \$2.4bn (its largest software deal), as Dell continues to shift its operation toward the world of software. Unlike HP, that tried to do an immediate shift from hardware to software, Dell is choosing to gradually augment its existing business with a wide range of software acquisitions.
- The European Court of Justice dealt a major blow to Oracle, ruling that the software maker cannot block the resale of its software online. The decision has the potential to create a multimillion dollar market for second-hand enterprise software licenses.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-06-25	Dell Inc.	Quest Software Inc.	2,400.0
2012-06-19	KBC Advanced Technologies plc	Infochem Computer Services Ltd.	14.9
2012-06-14	Perfect Commerce LLC	Supply Chain Connect	-
2012-06-07	QAD Inc.	DynaSys S.A.	7.5
2012-05-24	NYSE Euronext	Corpedia Corporation	-
2012-05-02	Francisco Partners	Kewill	145.5
2012-04-26	Dassault Systems S.A.	Gemcom Software International Inc.	360.0
2012-04-12	Thomson Reuters Corporation	Fast Facts Computer Systems Limited	-
2012-04-11	Electronics for Imaging, Inc.	Metrics Sistema de Informação	15.0

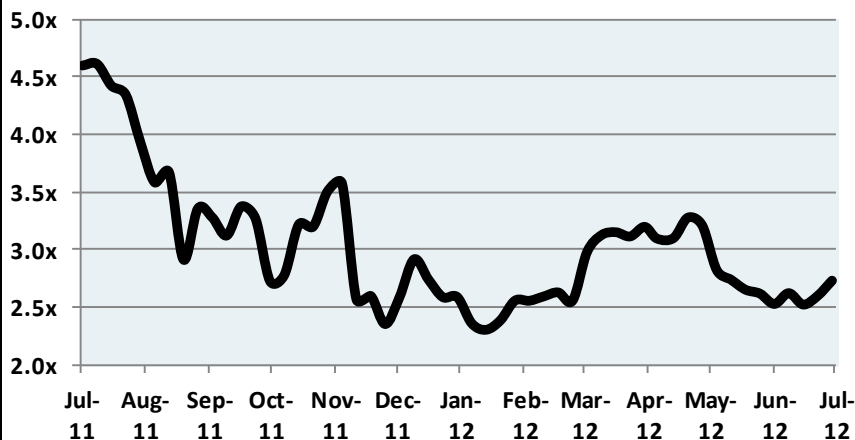
# Software: Business Intelligence Software

## 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 06/29/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Informatica Corporation	\$42.36	\$4,585.7	\$4,019.7	5.0x	22.0x
Qlik Technologies, Inc.	\$22.12	\$1,888.1	\$1,682.5	5.0x	NM
MicroStrategy Inc.	\$129.86	\$1,407.7	\$1,196.6	2.0x	43.5x
Pegasystems Inc.	\$32.98	\$1,248.8	\$1,160.8	2.7x	42.2x
PROS Holdings, Inc.	\$16.82	\$459.8	\$388.9	3.8x	34.8x
Accelrys Inc.	\$8.09	\$449.1	\$303.7	2.0x	19.4x
Actuate Corporation	\$6.93	\$341.5	\$273.9	2.0x	8.8x
<b>Median:</b>	<b>\$22.12</b>	<b>\$1,248.8</b>	<b>\$1,160.8</b>	<b>2.7x</b>	<b>28.4x</b>

### SECTOR HIGHLIGHTS

- The median Business Intelligence Software index was trading at 2.7x revenue (based on Enterprise Value) at the closing of Q2.
- Actuate Corporation unveiled the results of timely new research on Big data at the 2012 AIIM Roadshow. It reveals that 61% of information users would find it “very useful” to be able to link structured and unstructured datasets. Currently, unified data access across content repositories is a struggle for most respondents. More than half of those interviewed said they would find it “very valuable” (56%) or “hugely valuable” (18%) to be able to carry out sophisticated analytics on unstructured content – particularly in pattern analysis, keyword correlation, incident prediction and fraud prevention.
- While technology provides HR people with a wealth of data, accessing this data and transforming it into meaningful business intelligence remains for many a major stumbling block when trying to apply a successful HR technology strategy.
- The use of mobile business intelligence (BI) software has been on a recent upswing. The rise of smartphones and tablet computers and demand from business users for up-to-the-minute data to help support decision making have combined to create a potent fertilizer for fueling the technology’s growth.
- Traditionally, organizations have focused on “operational business intelligence” – analyzing historical data from transactional applications to monitor performance and manage the business. This type of analysis is still important, but the landscape of business intelligence is growing to include integrated real-time or near real-time analytics and to span more and more data sources.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

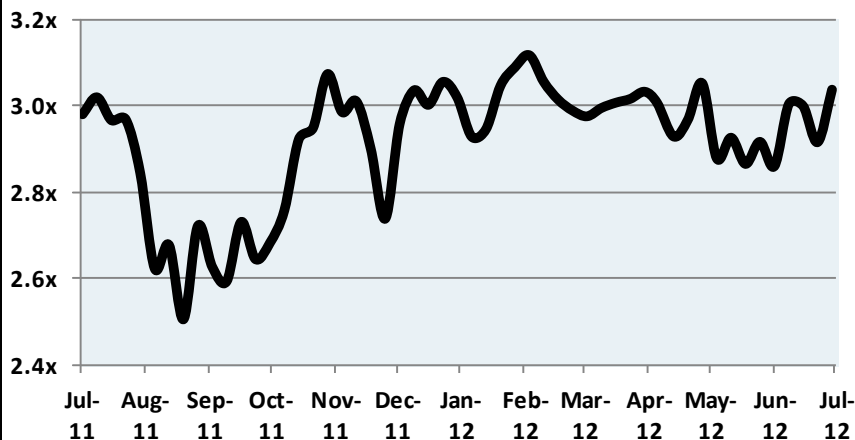
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-06-15	Verisk Analytics	Aspect Loss Prevention	8.0
2012-05-16	LivePerson, Inc.	Amadesa Ltd. (predictive	-
2012-05-10	Silver Lake Sumeru/Essex	MEDSEEK	-
2012-05-03	Cisco Systems, Inc.	Truviso, Inc.	20.0
2012-04-27	Wells Fargo & Company	Merlin Securities, LLC	-
2012-04-24	VMware, Inc	Cetas Software, Inc.	-
2012-04-23	Digital Generation, Inc.	Peer39, Inc.	13.2
2012-04-19	Opera Solutions LLC	BIQ	-
2012-04-16	VMware, Inc	iTHC (assets)	-

# 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 06/29/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Intuit Inc.	\$59.35	\$17,429.3	\$16,406.3	4.0x	11.5x
Paychex, Inc.	\$31.41	\$11,389.3	\$11,073.0	5.0x	11.6x
Fiserv, Inc.	\$72.22	\$9,856.8	\$13,023.8	3.0x	9.8x
Jack Henry & Associates	\$34.52	\$3,013.9	\$3,065.2	3.0x	9.4x
Broadridge Financial	\$21.27	\$2,656.5	\$3,002.0	1.3x	7.6x
DST Systems Inc.	\$54.31	\$2,384.2	\$3,382.9	1.4x	9.2x
SS&C Technologies	\$25.00	\$1,950.0	\$1,993.0	5.3x	14.4x
ACI Worldwide, Inc.	\$44.21	\$1,757.7	\$1,923.5	3.9x	17.4x
Fair Isaac Corp.	\$42.28	\$1,449.5	\$1,770.4	2.8x	9.3x
Advent Software, Inc.	\$27.11	\$1,373.4	\$1,280.0	3.8x	19.6x
Bottomline Technologies	\$18.05	\$663.3	\$544.9	2.5x	15.7x
EPIQ Systems, Inc.	\$12.25	\$441.4	\$694.8	2.4x	10.1x
NetSol Technologies, Inc.	\$0.44	\$32.9	\$47.3	1.5x	9.6x
<b>Median:</b>	<b>\$31.41</b>	<b>\$1,950.0</b>	<b>\$1,993.0</b>	<b>3.0x</b>	<b>10.1x</b>

### SECTOR HIGHLIGHTS

- The median Financial Software & Services index was trading at 3.0x revenue (based on Enterprise Value) at the closing of Q2.
- SunGard has launched a solution for international fund trading, expanding the capabilities of the SunGard Global Network (SGN) Funds solution, to help fund companies and transfer agents broaden and streamline the processing and distribution of funds globally.
- The transaction-processing sector is in a favorable position of innovation due to upcoming technological advances in delivery channels and services such as using the Internet for more purchases, which is still a low percentage of overall retail sales for the U.S.
- Fiserv announced the launch of Central Source Capture™, a web-based, end-to-end check capture and processing solution. With this product, financial institutions are able to scale their check processing solution to meet demand while also capturing check images and data and routing each item for posting or distribution based on rules established by the institution.
- Payroll processor Paychex said it expects checks per payroll, a key metric, to grow at a slower rate. Checks per payroll, the number of paychecks issued by each client, is an indicator of the health of the business market in the United States.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-06-26	Monitise plc	ClairMail, Inc.	174.4
2012-06-25	Deloitte LLP	IE Discovery (assets)	-
2012-06-20	Sage Group plc	Folhamatic Tecnologia em Sistemas	249.9
2012-06-15	Decision Insight Information Group	Automated Benefits Corp.	86.3
2012-06-05	Ebix Inc.	PlanetSoft, Inc.	40.0
2012-06-01	Ebix Inc.	Fintechnix Pty Limited	5.1
2012-05-25	DirectCash Payments Inc.	InfoCash Holdings Limited	18.6
2012-05-24	Quindell Portfolio Plc	Quindell Enterprise Technology Solutions	9.9
2012-05-01	FleetCor Technologies, Inc.	CTF Technologies, Inc.	180.0
2012-04-02	Medical Transcription Billing	Km&M Billing Services, Inc.	-

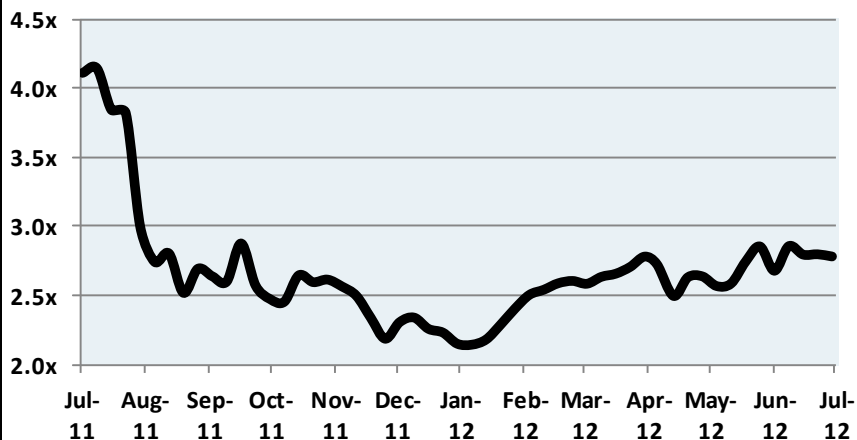


# Software: Infrastructure Software

## 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 06/29/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
EMC Corporation	\$25.63	\$53,815.6	\$50,281.0	2.5x	10.4x
Citrix Systems, Inc.	\$83.94	\$15,628.9	\$14,761.8	6.4x	24.8x
Red Hat, Inc.	\$56.48	\$10,894.9	\$10,075.9	8.5x	38.5x
Symantec Corporation	\$14.61	\$10,530.1	\$9,436.1	1.4x	5.3x
Check Point Software	\$49.59	\$10,279.5	\$8,881.4	6.9x	12.4x
F5 Networks, Inc.	\$99.56	\$7,904.3	\$7,414.7	5.9x	17.8x
BMC Software Inc.	\$42.68	\$6,792.9	\$6,053.7	2.8x	9.0x
Trend Micro Inc.	\$29.26	\$3,849.8	\$2,523.8	2.2x	6.3x
SolarWinds, Inc.	\$43.56	\$3,221.7	\$3,050.6	14.2x	29.6x
CommVault Systems, Inc.	\$49.57	\$2,214.0	\$1,913.8	4.7x	35.6x
Sourcefire, Inc.	\$51.40	\$1,512.8	\$1,362.6	7.5x	NM
Progress Software Corp.	\$20.87	\$1,311.6	\$983.4	2.0x	10.5x
Allot Communications	\$27.86	\$881.9	\$716.5	8.5x	NM
Radware Ltd.	\$38.29	\$833.1	\$702.6	4.1x	22.0x
OPNET Technologies Inc.	\$26.59	\$607.8	\$496.5	2.9x	14.5x
VASCO Data Security	\$8.18	\$308.3	\$214.9	1.3x	8.1x
Guidance Software, Inc.	\$9.51	\$236.4	\$211.3	2.0x	36.8x
Magic Software	\$5.55	\$203.1	\$163.1	1.4x	7.8x
Geeknet, Inc.	\$19.82	\$127.2	\$94.7	0.8x	NM
BSQUARE Corp.	\$2.90	\$31.7	\$14.9	0.2x	NM
<b>Median:</b>	<b>\$28.56</b>	<b>\$1,863.4</b>	<b>\$1,638.2</b>	<b>2.8x</b>	<b>13.4x</b>

### SECTOR HIGHLIGHTS

- The median Infrastructure Software index was trading at 2.8x revenue (based on Enterprise Value) at the closing of Q2.
- Storage software sales growth is slower now than at anytime in the past two years, according to data released by research firm IDC. Incremental spending attributable to recent product refreshes have run their course within some functional markets, such as storage infrastructure software.
- EMC is partnering with Verizon's Terremark unit on cloud computing. Terremark will be standardizing its private cloud business on EMC infrastructure. Such clouds typically involve infrastructure managed for one organization, unlike other types of clouds where multiple companies share space. Verizon-Terremark also will use EMC infrastructure for its other cloud offerings, with hopes the company will eventually standardize those businesses on EMC infrastructure as well.
- Gartner, Inc. has positioned Citrix in the leaders quadrant of the 2012 "Magic Quadrant for x86 Server Virtualization Infrastructure." For its evaluation of the server virtualization market, Gartner highlighted that "vendor understanding and articulation of the strategic path for virtualization (expanding into the foundation for the future of infrastructure architecture and operations, and extending toward cloud computing) is particularly important and differentiating."

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

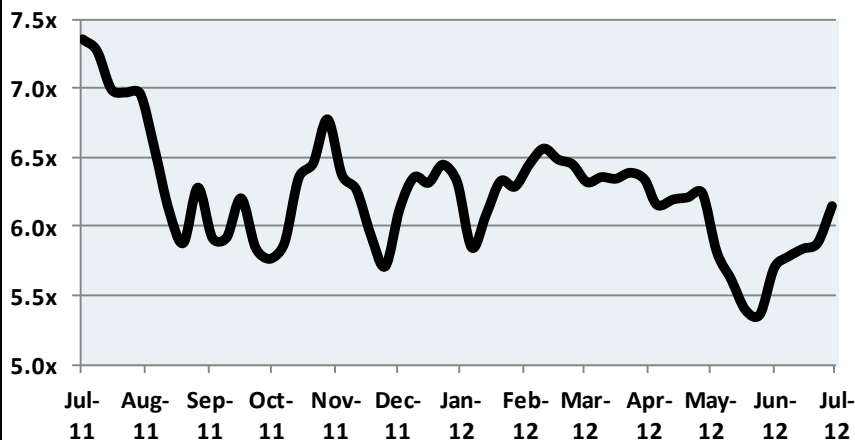
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-06-20	LANDesk Software, Inc.	Wavelink Corporation	82.0
2012-06-08	Daiwa Institute Of Research	Sinocom Innovative Technology	38.1
2012-05-29	Ansys, Inc.	Esterel Technologies S.A.	52.6
2012-05-23	Aveva Group plc	Bocad Group of Companies	22.0
2012-05-11	Sophrosyne Capital, LLC	Birdstep Technology ASA	17.1
2012-05-01	Allot Communications Ltd.	Ortiva Wireless, Inc.	-
2012-04-24	u-blox Holding AG	4m Wireless Ltd.	9.0
2012-04-20	Spirent Communications Plc.	MU Dynamics, Inc.	40.0
2012-04-05	Dell Inc.	MAKE Technologies, Inc.	-
2012-04-03	Dell Inc.	Clarity Solutions, Inc.	-

# 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 06/29/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Accenture plc	\$60.09	\$38,145.2	\$33,001.8	1.2x	7.5x
NTT Data Corporation	\$3,043.91	\$8,538.2	\$11,682.5	0.8x	4.2x
Atos S.A.	\$59.73	\$5,843.7	\$6,031.1	0.7x	6.7x
Cap Gemini S.A.	\$36.76	\$5,648.9	\$5,120.3	0.4x	4.6x
SAIC, Inc.	\$12.12	\$4,139.9	\$4,823.9	0.5x	11.5x
Logica PLC	\$1.66	\$2,675.6	\$3,175.8	0.5x	7.7x
Booz Allen Hamilton	\$15.28	\$2,024.6	\$2,505.6	0.4x	5.2x
CACI International Inc.	\$55.02	\$1,465.2	\$1,991.7	0.5x	5.6x
Tyler Technologies, Inc.	\$40.35	\$1,214.7	\$1,260.8	4.0x	21.9x
ManTech International	\$23.44	\$865.2	\$945.9	0.3x	3.3x
Sopra Group	\$50.96	\$604.9	\$665.6	0.5x	4.9x
ICF International Inc.	\$23.84	\$474.7	\$621.1	0.7x	7.5x
Perficient Inc.	\$11.23	\$358.7	\$362.2	1.4x	11.2x
CIBER, Inc.	\$4.31	\$314.0	\$306.5	0.3x	16.1x
The Hackett Group, Inc.	\$5.57	\$169.0	\$196.2	1.0x	9.6x
Dynamics Research	\$5.81	\$59.7	\$175.0	0.5x	4.5x
NCI, Inc.	\$4.05	\$55.1	\$105.5	0.2x	3.7x
Edgewater Technology	\$3.89	\$44.1	\$35.3	0.4x	4.7x
<b>Median:</b>	<b>\$38.56</b>	<b>\$2,350.1</b>	<b>\$2,840.7</b>	<b>0.5x</b>	<b>6.1x</b>

### SECTOR HIGHLIGHTS

- The median IT Services index was trading at 6.1x EBITDA (based on Enterprise Value) at the closing of Q2.
- Gartner predicts that by 2020, most organizations will run more than half of their IT services from the cloud. This has major implications for the IT roles now focused on looking after IT infrastructure, such as servers, storage, and networks. By 2020, these roles will be of decreasing importance, since much of the infrastructure will be virtual and the management processes will be automated.
- The federal government market is ramping up its move from in-house data centers to cloud services. Related to this, government agencies are continuing to consolidate their data centers, especially smaller ones, as data center services are moved to the cloud.
- Economic problems in Europe have put pressure on European IT service players to broaden their market reach as much as possible, including expanding to the US market.
- Perficient acquired Nascent Systems, a technology consulting firm focused on Oracle ERP solutions, utilizing the Oracle E-Business Suite. Perficient can now leverage its business and technology consultants for Oracle ERP implementations and the transaction will increase Perficient's current annualized revenues to nearly \$340 million.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

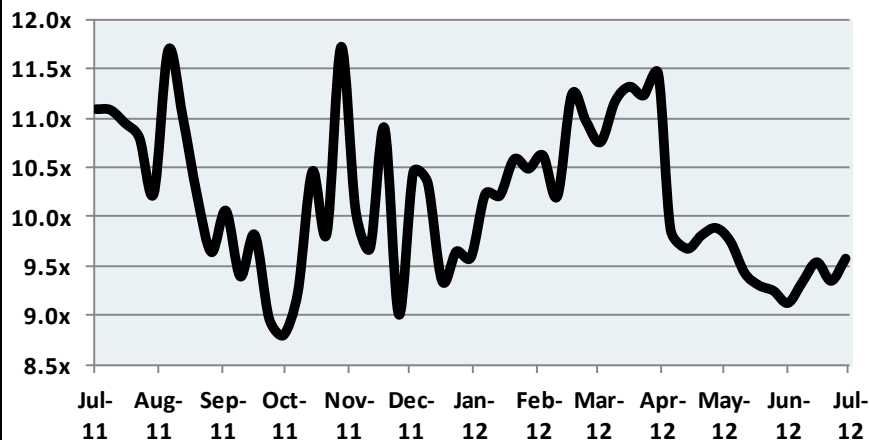
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-06-14	GWA	Q Technology Group	20.4
2012-06-11	Telephone and Data Systems, Inc.	Vital Support Systems, LLC	45.0
2012-06-01	Perficient, Inc.	Nascent Systems, LP.	18.1
2012-05-31	CGI Group Inc.	Logica	3,160.0
2012-05-30	NEC Corporation	CSG Limited (Technology Solutions)	224.1
2012-05-07	UNICOM Systems Inc.	GTSI Corp.	21.8
2012-05-04	Sonda SA	Elucid	74.0
2012-04-13	Securitas AB	Chillida Sistemas de Seguridad	30.3
2012-04-05	Hitachi, Ltd.	eBworx Berhad	47.0
2012-04-02	Tyler Technologies, Inc.	Computer Software Associates Inc	9.8

# 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 06/29/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Automatic Data	\$55.66	\$27,222.5	\$25,546.7	2.4x	10.9x
Infosys Ltd.	\$44.99	\$25,707.0	\$21,936.0	3.1x	9.9x
Cognizant Technology	\$60.00	\$18,269.4	\$15,778.2	2.4x	11.9x
Wipro Ltd.	\$7.18	\$17,547.5	\$16,316.0	2.2x	11.7x
CGI Group, Inc.	\$23.99	\$6,187.5	\$6,982.7	1.7x	9.1x
Computer Sciences	\$24.82	\$3,854.6	\$5,556.6	0.3x	4.1x
Syntel, Inc.	\$60.70	\$2,538.8	\$2,204.4	3.3x	11.1x
DST Systems Inc.	\$54.31	\$2,384.2	\$3,382.9	1.4x	9.2x
iGATE Corporation	\$17.02	\$973.5	\$1,878.4	1.9x	9.1x
Unisys Corporation	\$19.55	\$856.7	\$753.4	0.2x	1.8x
CSG Systems International	\$17.28	\$554.5	\$671.2	0.9x	4.1x
VanceInfo Technologies	\$9.58	\$405.4	\$312.9	1.0x	11.2x
<b>Median:</b>	<b>\$24.40</b>	<b>\$3,196.7</b>	<b>\$4,469.7</b>	<b>1.8x</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 Q2.
- HP announced that it will cut 8% of its workforce (27,000 IT professionals) by the end of 2014. Of these, 15,000 are in the enterprise service division, making HP's outsourcing business no more clear than it was on the day the deal with IT services provider EDS closed.
- The outsourcing deal pipeline is getting a boost from such next-generation delivery models as cloud offerings and remote infrastructure management, says consultancy Everest Group.
- TechNet, an industry lobbying group, released a letter signed by nearly 350 companies that calls on Congress to eliminate the per-country cap on green cards just as details of the latest US. Senate proposal come to light.
- In this global interconnected world, there is realization that not everything can be done from a single country. Languages, skills, proximity to customer, business continuity, and local market opportunities have created a network of global delivery centers across the world. Indian companies are creating a hub of centers across 70 countries that create a seamless solution for the clients. Globalization by Indian companies is being witnessed through this expansion, M&A as well as local hiring.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

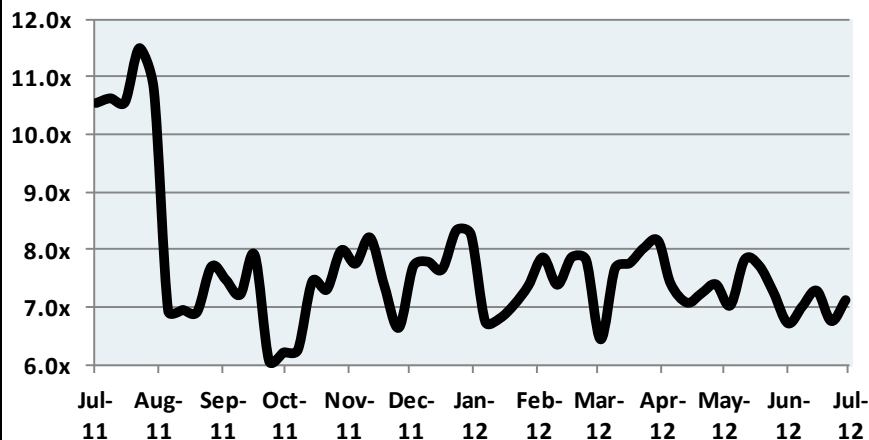
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-06-21	WNS Holdings Limited	Fusion Outsourcing Services (Pty)	15.7
2012-06-20	Altegra Health Inc	Warm Health	
2012-06-08	Thomson Reuters Corporation	Apsmart	
2012-06-04	Zynga Inc.	Buzz Monkey Software, LLC	
2012-05-21	Ultra Clean Holdings, Inc	American Integration Technologies,	99.0
2012-05-14	NTT DoCoMo	BUONGIORNO S.p.A	354.9
2012-04-16	Sysco AS	DataEss	
2012-04-13	eClerx Investments Ltd	Agilyst Inc	
2012-04-04	Viasystems Group Inc.	DDi Corp.	268.0
2012-04-02	Ebix Inc	Taimma Communications Inc	5.2

# 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 06/29/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Robert Half International	\$28.57	\$4,084.9	\$3,842.1	1.0x	11.4x
On Assignment Inc.	\$15.96	\$600.4	\$663.9	1.0x	11.2x
Kforce Inc.	\$13.46	\$494.0	\$494.4	0.4x	22.4x
CDI Corp.	\$16.40	\$315.9	\$312.0	0.3x	7.1x
Computer Task Group Inc.	\$14.99	\$278.9	\$259.7	0.6x	12.0x
Hudson Global, Inc	\$4.17	\$133.2	\$109.3	0.1x	5.4x
RCM Technologies Inc.	\$5.54	\$70.4	\$38.9	0.3x	5.0x
Analysts International	\$4.29	\$21.8	\$19.8	0.2x	4.2x
Mastech Holdings, Inc.	\$5.80	\$18.3	\$15.5	0.2x	5.2x
<b>Median:</b>	<b>\$13.46</b>	<b>\$278.9</b>	<b>\$259.7</b>	<b>0.3x</b>	<b>7.1x</b>

### SECTOR HIGHLIGHTS

- The median IT Staffing index was trading at 7.1x EBITDA (based on Enterprise Value) at the closing of Q2.
- Most chief information officers (CIOs) plan to maintain their current IT staffing levels in the third quarter of 2012, according to a recent Robert Half Technology IT survey.
- The electronic medical record initiative has many healthcare organizations claiming that lack of staffing resources was cited as the most significant barrier to implementing IT. Underlying the need for staffing resources is the continued focus on meeting federal initiatives.
- New research identifies a number of IT positions that command \$100,000+ salaries in today's market, including information architects, data security analysts, and user experience designers. These highly specialized positions help companies implement essential projects, such as improving and securing the firm's online presence across platforms, or gathering and analyzing business data. Employers are willing to pay well for these roles because they allow organizations to take advantage of new technologies and gain a competitive edge.
- On the heels of its recent acquisition of Intelligent Discovery Management (IDM), SuperiorGlacier announced today that its SRM Legal division has acquired Sight Search & Selection, a premier legal technology staffing company. The acquisition uniquely positions SRM Legal to provide a broad spectrum of legal IT staffing, from document review to critical litigation support for departmental positions.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

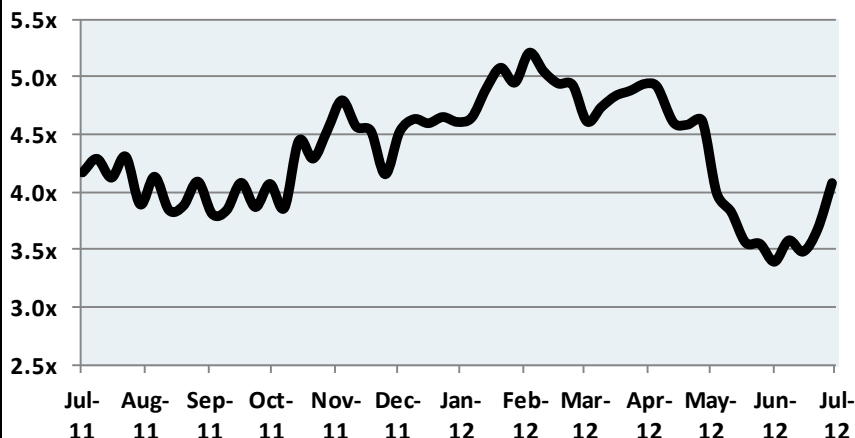
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-06-11	NET (net), Inc.	Copperwood Group, The	-
2012-05-29	SuperiorGlacier	Sight Search & Selection	-
2012-04-17	The Staffing Resource Group, Inc.	Metro Group, Inc.	-
2012-05-18	PBT Group Ltd.	CyberPro Consulting	-
2012-06-01	Talent-IT BVBA	Team4Talent BBVA	-
2012-06-01	Harvey Nash Group plc	Talent-IT BVBA	2.1

# 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 06/29/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Insight Enterprises Inc.	\$16.83	\$747.4	\$754.6	0.1x	3.9x
PC Connection, Inc.	\$10.62	\$280.4	\$232.4	0.1x	4.1x
ePlus Inc.	\$32.35	\$258.2	\$331.0	0.4x	5.7x
Agilysys Inc.	\$8.67	\$189.2	\$92.6	0.4x	NM
Emtec Inc.	\$1.10	\$18.3	\$43.0	0.2x	NM
<b>Median:</b>	<b>\$10.62</b>	<b>\$258.2</b>	<b>\$232.4</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 Q2.
- The managed service providers (MSPs) market, is poised to reach \$86 billion by 2016 according to research firm Visiongain. The barriers to entry for becoming an MSP are low and many VARs and distributors in the technology and networking industry are looking to become MSPs to forge tighter relationship with their clients, as well as enjoy a continuous revenue stream. However, most VARs and distributors struggle to make the transition, and many new entrants to the MSP business struggle to grow.
- With more customers consuming data center and infrastructure resources via the cloud, IaaS providers and VARs are forging uneasy alliances – or competing – in an attempt to determine who owns the customer spend and who should get paid and when for particular cloud-based opportunities.
- Midsize company CIOs want to move to the cloud but are looking for VARs to show them how, according to a panel of end-user executives at the recent CRN Solution Provider 500 conference. These companies need a partner that is going to be there to educate and inform them about the solutions, process, etc.
- Cisco and Citrix announced the launch of the Cisco and Citrix Partner Accelerator. This new global initiative aligns the channel sales and delivery models across the two companies through a single framework to build partner competencies, elevate partner differentiation and drive partner profitability.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-06-26	Ryomo Systems Co., Ltd.	Sunfield Internet Co., Ltd	-
2012-06-15	Motorola Solutions, Inc.	Psion PLC	158.7
2012-06-14	GWA Group Limited	Q Technology Group Limited	18.8
2012-06-18	Sonus Networks, Inc.	Network Equipment Technologies	42.4
2012-05-23	Seagate Technology PLC	LaCie SA	132.2
2012-04-03	Arrow Electronics, Inc.	Altimate Group SAS	64.1

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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