

# QUARTERLY VIEWPOINT:

For the Quarter Ended March 31, 2007 and the Latest Twelve Months

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# Market Leader For Mid-Market Technology M&A

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 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 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 advisory and company valuations.

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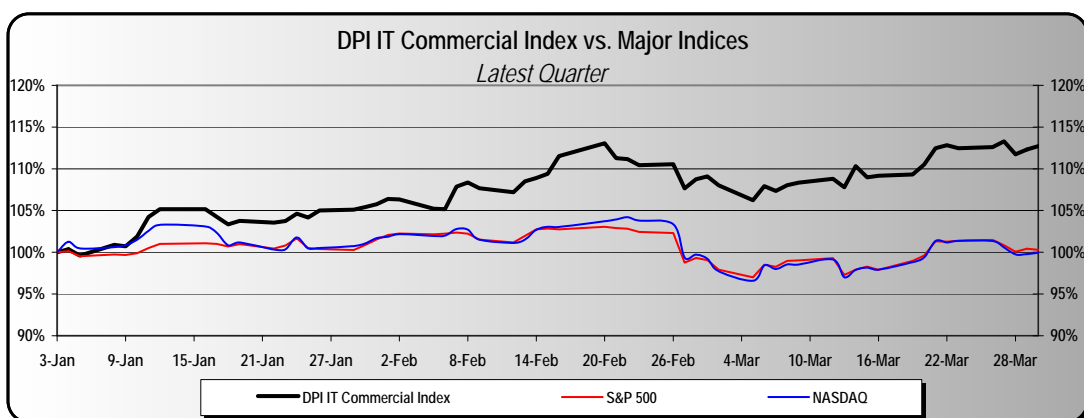
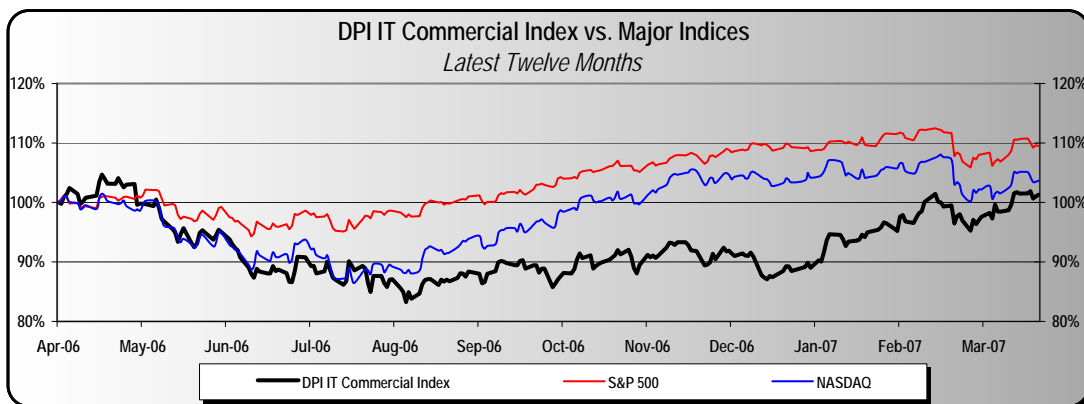
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# Services: Project-Based - IT Commercial

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

### Highlights

- For the LTM and quarter, the IT Commercial Index was up 2% and 13%, respectively.
- Services around the various SAP packages, including post implementation and support have become fairly commoditized driven by firms with staff augmentation and offshore delivery models.
- Example valuation driver (qualitative): Ideal seller has audited financial statements for at least three years and a very good understanding of their key metrics.
- Example valuation driver (quantitative): Ideal seller has stable average bill rates, utilization in the range of 75-80% and gross margin greater than 40% .
- In the wake of Oracle's purchase of Hyperion and rumors involving Cognos and other software vendors in the Business Intelligence (BI) and Corporate Performance Management (CPM) sectors, many BI/CPM consultancies are facing a level of uncertainty.
- Q1'07 had a total of 15 M&A transactions compared to 19 announced in Q4'06.



Note: The DPI IT Commercial Index includes: Accenture, Answerthink, CIBER, Edgewater Technology, Inforte Corporation, Keane, Perficient and Sapient Corporation.

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### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Accenture Ltd.	1.0x	7.1x
Answerthink Inc.	0.7x	10.9x
CIBER Inc.	0.6x	10.1x
Edgewater Technology	1.1x	9.7x
Inforte Corp.	0.2x	NM
Keane Inc.	0.8x	8.6x
Perficient Inc.	3.3x	25.5x
Sapient Corp.	1.9x	36.4x

LTM = Last twelve months  
NM = Not Meaningful

### Representative IT Commercial Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/28/07	Net@Work	Spitz Consulting Systems	NA
03/14/07	Fry	Pinnacle Rock Associates	NA
03/12/07	Ascentium	Centerlogic	NA
03/08/07	AAJ Technologies	Winning Applications	NA
03/07/07	Zanett	DBA Group	NA
02/27/07	Acumen IT	Itvantage	NA
02/23/07	Zensar Technologies	ThoughtDigital	\$24.9
02/21/07	Perficient	E-Tech Solutions	\$12.2
02/20/07	Prosoft Technology Group	Cyber World Solutions	NA
02/08/07	Capgemini U.S.	Software Architects	NA
02/06/07	Caritor	Keane	\$849.8
02/01/07	BT Consulting & Systems Integration	International Network Services	NA
02/01/07	Datalink	Midrange Computer Solutions	\$14.0
02/01/07	Earnest and Associates	Dynitech Systems	NA
01/23/07	Claraview	HandsOn-BI	NA

Please call DecisionPoint for further details on listed transactions.

# Services: Project-Based - IT Federal

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

### Highlights

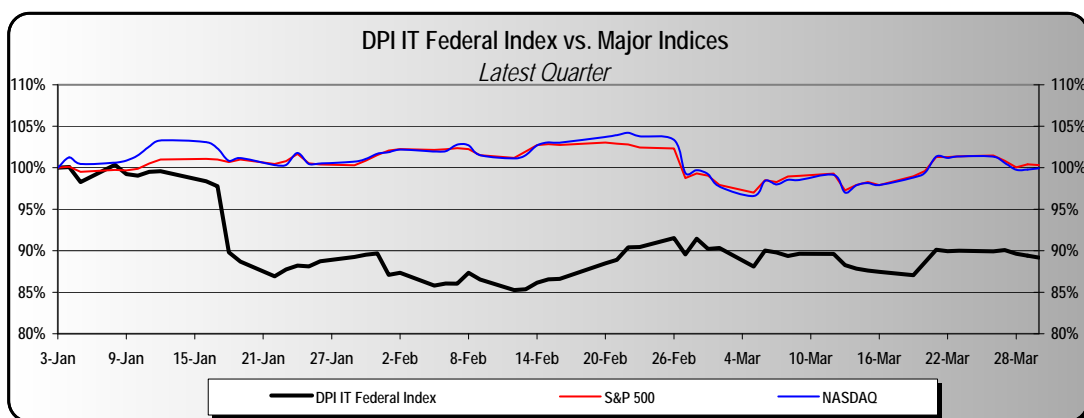
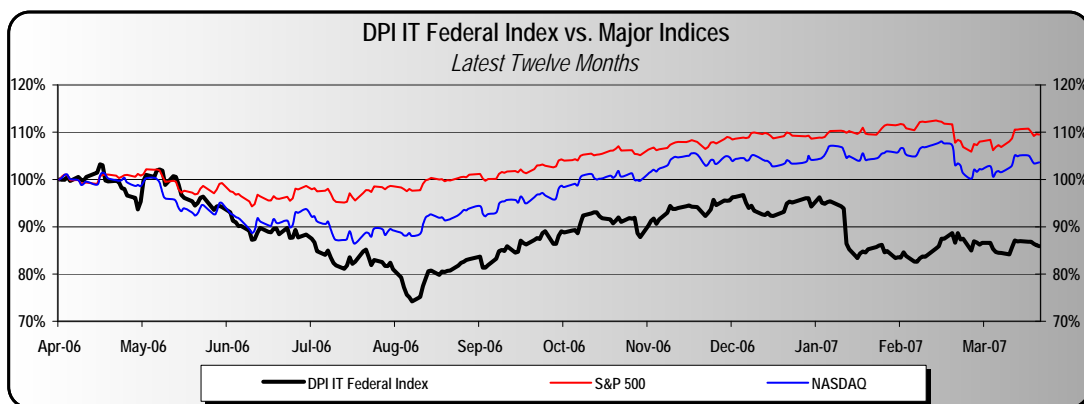
- For the LTM and quarter, the IT Federal Index was down 13% and 11%, respectively.
- As the debate surrounding the war in Iraq between President Bush and Congress comes to a head as well as increased pressure to curb federal deficits, the risk of reduced funding and government spending continues to grow for Federal IT contractors.
- QinetiQ, a British-based defense and security firm, acquired Analex and ITS during the quarter for a combined \$350m. The acquisitions complement QinetiQ's North American growth strategy, further expanding the Company's information technology business with the US federal government.
- In a new rule taking effect July 1, The Small Business Administration will require a small business to recertify its size when it is acquired. If the acquisition pushes a company out of the small-business category, its contracts will no longer count toward agencies' small-business goals. The effect increases the level of risk in selling and could lead to depressed valuations for small companies, but could also drum up buyers looking to spend less on acquisitions.
- Q1'07 had a total of 12 M&A transactions compared to 17 announced in Q4'06.

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### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
CACI International	0.9x	8.5x
ManTech International	1.0x	10.2x
Nci Inc	0.8x	10.9x
SAIC, Inc.	0.6x	7.2x
SI International Inc.	0.9x	9.2x
SRA International Inc.	1.0x	9.8x

LTM = Last twelve months



Note: The DPI IT Federal Index includes: CACI International, ManTech International, Nci, SAIC, SI International and SRA International.

### Representative IT Federal Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/29/07	Acxiom	Harbinger Technologies	NA
03/28/07	Roark Capital Group	CyberCore Technologies	NA
03/22/07	Xedar	Atlantic Systems	NA
03/12/07	ATS	Reliable Integration Services	NA
03/02/07	Humana	DefenseWeb Technologies	NA
03/01/07	QinetiQ	ITS	\$90.0
02/23/07	Remote Surveillance Technologies	Applied Security Logistics	NA
02/21/07	Caprock Communications	Arrowhead Global Solutions	NA
02/12/07	VT Group	Milcom Systems	\$42.5
02/01/07	Nci	Operational Technologies Services	NA
01/29/07	Spectrum Control	EMF Systems	\$2.3
01/20/07	QinetiQ	Analex	\$258.7

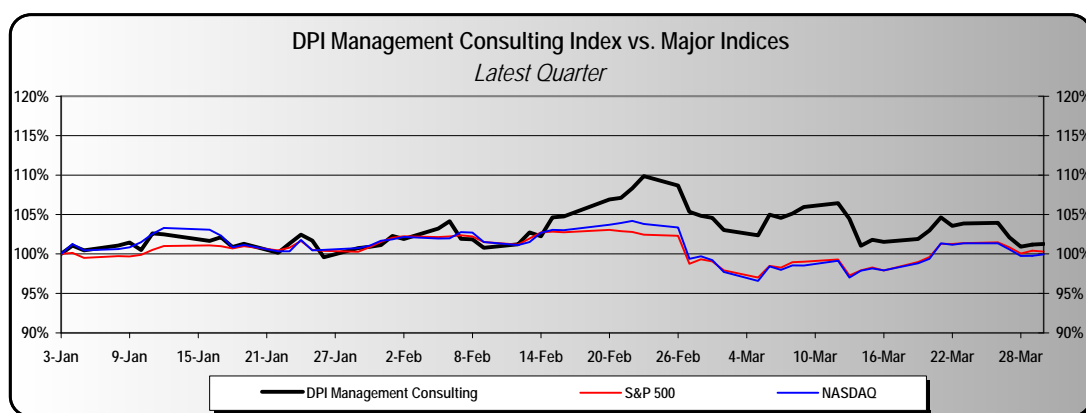
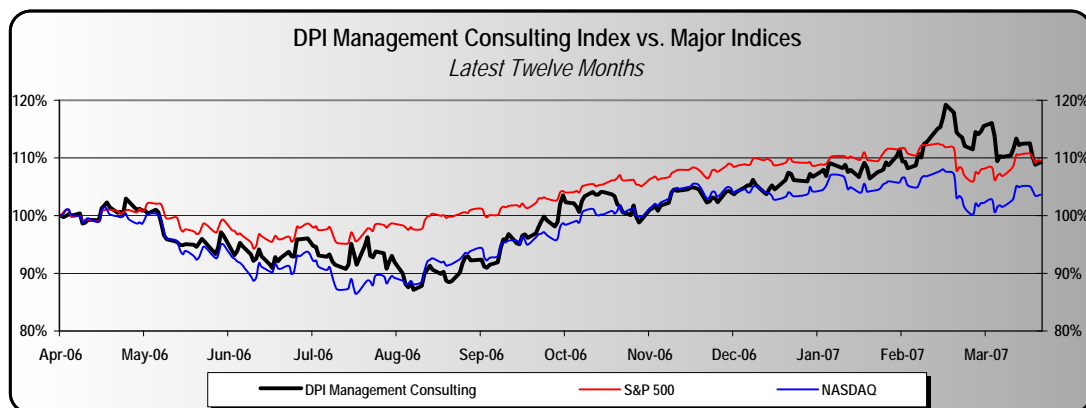
Please call DecisionPoint for further details on listed transactions.

# Services: Project-Based - Management Consulting

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

### Highlights

- For the LTM and quarter, the Management Consulting Index was up 10% and 2%, respectively.
- Huron picked up two firms in Q1'07 in separate deals worth a combined \$95 million. The Chicago firm said it'll pay \$30 million in cash to buy Glass & Associates Inc., a turnaround and restructuring firm. It's also planning to pay \$65 million for Wellspring Partners LTD, a management consulting firm specializing in hospitals and health systems.
- Eastern Europe, China and Russia are experiencing decent demand for management consulting where there was almost none a few years ago.
- Demand for talent appears to be up while pay levels seem to be steady, but not rising as fast as hiring.
- The market for experienced professional consultants remains very competitive and seems to be driving M&A strategies as buyers continue to make add-on acquisitions of small, niche management consulting firms.
- Q1'07 had a total of 7 M&A transactions compared to 12 announced in Q4'06.



Note: The DPI Management Consulting Index includes: CRA International, Diamond Management & Technology Consultants, FTI Consulting, Huron Consulting Group, LECG Corporation, Navigant Consulting, The Advisory Board Company and The Corporate Executive Board.

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### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
CRA International	1.6x	9.0x
Diamond Management	1.5x	11.2x
FTI Consulting	2.7x	11.3x
Huron Consulting	3.4x	16.1x
LECG Corp.	0.9x	6.8x
Navigant Consulting	1.8x	8.4x
Advisory Board	4.9x	18.6x
Corp. Executive Board	5.7x	18.6x

LTM = Last twelve months

### Representative Management Consulting Transactions

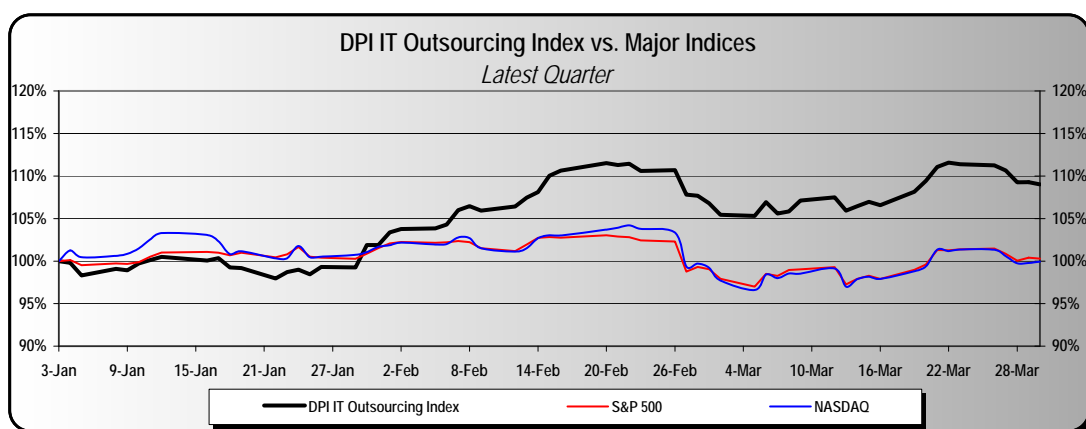
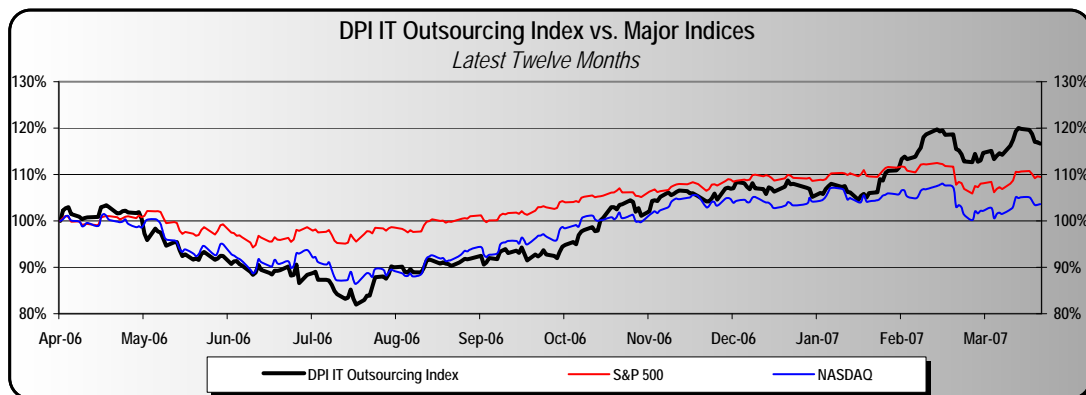
Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/15/07	LECG	Secura Group	NA
03/13/07	Aon Consulting	Z/Yen	NA
02/01/07	Hilb Rogal & Hobbs	Investigative Solutions	NA
01/23/07	FirstService	PKF Consulting	NA
01/10/07	FTI Consulting	Holder International	\$9.0
01/04/07	Huron Consulting	Wellspring Partners	\$65.0
01/04/07	Huron Consulting	Glass & Associates	\$30.0

# Services: Outsourcing - IT

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

### Highlights

- For the LTM and quarter, the IT Outsourcing Index was up 18% and 9%, respectively.
- Due to growing pressure on IT budgets, large outsourcing deals are expected for the remainder of 2007.
- Computer Sciences Corporation and Covansys Corporation announced in April that they have entered into an agreement under which CSC will acquire Covansys for \$34.00 per share in an all-cash transaction. The transaction is valued at approximately \$1.3 billion, (2.5x and 18x LTM revenue and EBITDA respectively) and is expected to be earnings per share neutral to CSC during the first 12 months. The acquisition nearly doubles the size of CSC's workforce in India to approximately 14,000.
- A study by independent business analyst The Everest Research Institute found that traditional IT Outsourcing providers are increasingly coming under pressure from specialized Infrastructure Management Outsourcing (IMO) providers, who are able to offer remote IT support at short notice.
- Q1'07 had a total of 100 M&A transactions compared to 113 announced in Q4'06.



Note: The DPI IT Outsourcing Index includes: CGI, CSC, Covansys Corporation, EDS and Perot Systems.

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### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
CGI Group Inc.	1.1x	7.8x
CSC	0.7x	4.7x
Covansys Corp.	1.7x	12.5x
EDS	0.7x	6.8x
Perot Systems Corp.	0.8x	7.5x

LTM = Last twelve months

### Representative IT Outsourcing Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/29/07	Digital Realty Trust	(Datacenter Facilities)	NA
03/27/07	Best Buy	Speakeasy	\$97.0
03/22/07	Digital Realty Trust	NYC Connect (Datacenter)	NA
03/08/07	Alpheus Communications	Aspen Communications	NA
03/05/07	NetTeks Technology Consultants	A&F Networking	NA
02/28/07	Nihon Unisys	NETMARKS	\$50.6
02/27/07	Canada Web Hosting	DNA Servers	NA
02/27/07	Expedient Communications	Safecore Datacenter Services	NA
02/14/07	Continental Broadband	n Frame	NA
02/12/07	Peak 10	bayMountain	NA
02/06/07	BT Group	i2i Enterprise	NA
02/05/07	MVD Communications	Lenoco Technologies	NA
02/01/07	OneNeck IT Services	Delinea	NA
01/10/07	Equinix	VSNL (assets)	\$7.5
01/04/07	Computacenter	Digica	\$54.4

Please call DecisionPoint for further details on listed transactions.



# Services: Outsourcing - Business Process Outsourcing

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

### Highlights

- For the LTM and quarter, the Business Process Outsourcing Index was up 33% and 13%, respectively.
- Cerberus Capital Management, L.P. submitted a proposal to acquire Affiliated Computer Services, Inc. (NYSE: ACS) for a consideration of \$5.86 billion on March 20, 2007. A special committee of Affiliated's board is studying the offer, which is backed by Affiliated's founder and chairman, Darwin Deason. Cerberus and Deason submitted an amended proposal on April 23 worth \$6.13 billion. Based on the revised terms, the enterprise value of the deal is worth approximately \$8,381.6m.
- Healthcare BPO sales are expected to triple by 2011. More than half of U.S. hospitals are currently outsourcing various components of healthcare services. Rising cost pressures coupled with increasing workloads are forcing healthcare institutions to explore outsourcing and offshoring options.
- As early HRO contracts come up for renewal, price is a key issue but so are the elements that determine what that price will be. Clients and providers are discussing new pricing approaches and are attaching rewards -- as well as penalties -- to service level agreements.
- Q1'07 had a total of 96 M&A transactions compared to 106 announced in Q4'06.

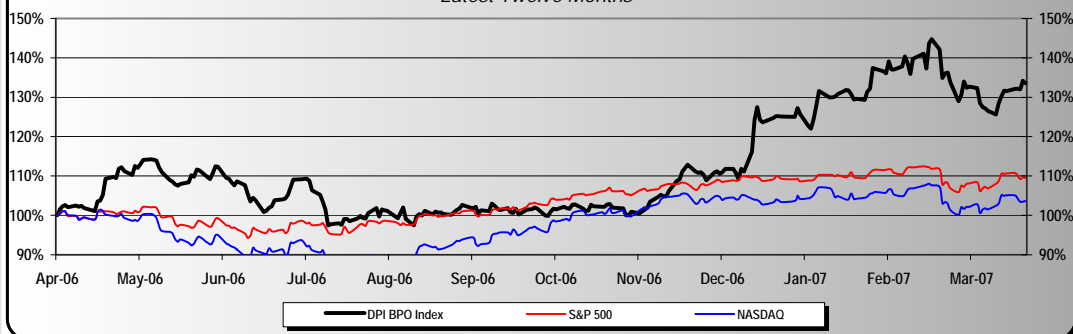
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### Metrics

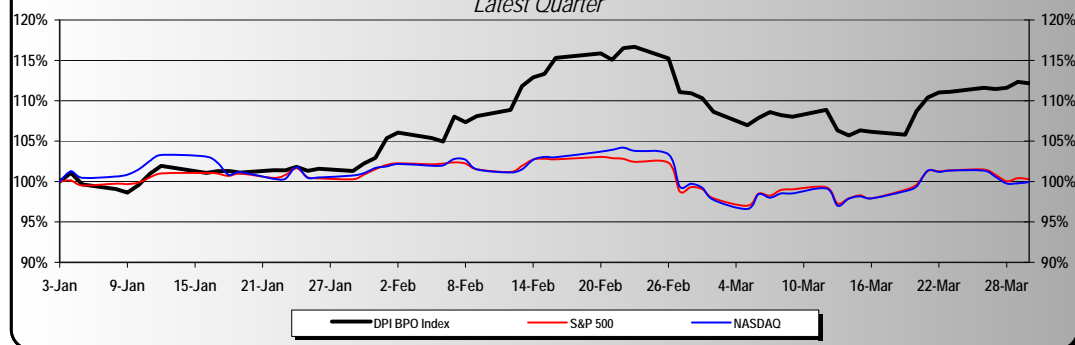
Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
ACS	1.5x	8.3x
Aspen Technology	3.3x	14.2x
ADP	2.7x	11.4x
Bisys Group Inc.	1.5x	9.1x
Ceridian Corporation	3.0x	13.4x
CGI Group Inc.	1.1x	7.8x
GSE Systems Inc.	3.6x	NM
First Advantage Corp.	1.9x	9.1x
Paychex Inc.	7.5x	17.3x

LTM = Last twelve months  
NM = Not Meaningful

DPI Business Process Outsourcing vs. Major Indices  
Latest Twelve Months



DPI Business Process Outsourcing vs. Major Indices  
Latest Quarter



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 and Paychex.

### Representative Business Process Outsourcing Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/30/07	First Data	PolCard	\$324.4
03/20/07	Cerberus Capital Management	Affiliated Computer Services	\$8,381.6
03/16/07	First Data	Wells Fargo (Instant Cash Bus.)	NA
03/15/07	Interactive Response Technologies	CCC Interactive	NA
03/15/07	Nuance Communications	Focus Infomatics	\$58.0
03/01/07	Citigroup	Ecount	NA
02/26/07	Apax Partners	Hub International	\$1,810.2
02/26/07	HOV Services Limited	LASON	\$148.0
02/22/07	Automatic Data Processing	Intuit (Fully Outsourced Payroll Bus.)	NA
02/21/07	First Data	Datawire Communication Networks	NA
02/19/07	Geivity HR	HRAmerica	\$10.0
02/14/07	Checkfree	Corillian	\$220.7
01/25/07	First Data	Size Technologies	NA
01/18/07	JP Morgan Chase	Fisacure	NA
01/04/07	Hilb, Rogal and Hobbs	Nevin, Works & Associates	NA

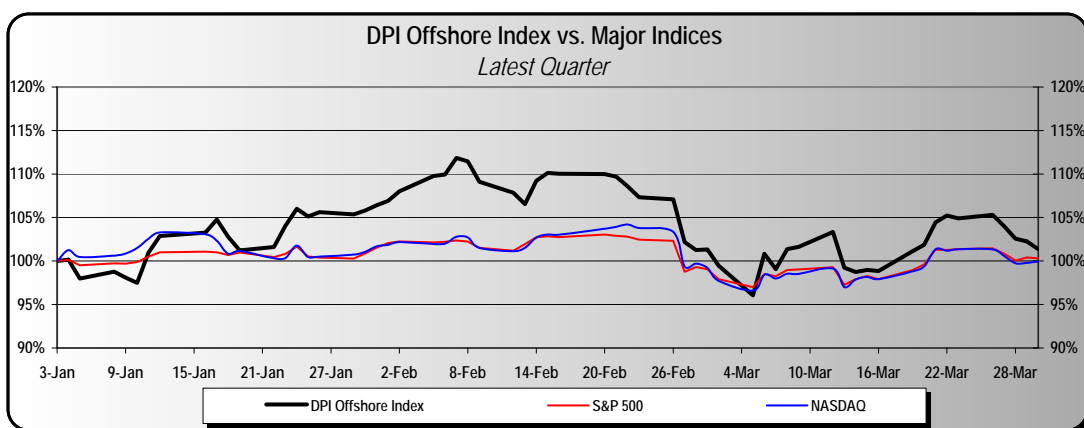
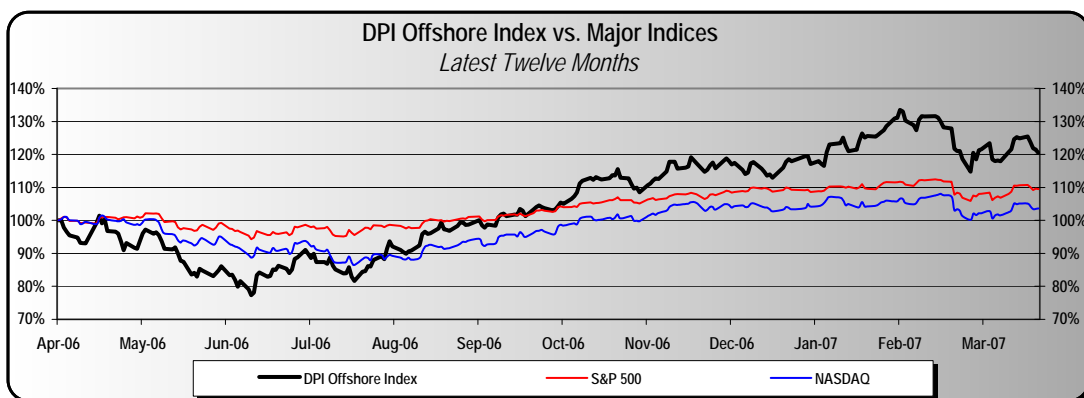
Please call DecisionPoint for further details on listed transactions.

# Services: Offshore

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

### Highlights

- For the LTM and quarter, the Offshore Index was up 21% and 2%, respectively.
- India-based offshore firms have reported improved profits in acquired businesses which has helped offset the impact of wage increases and the strengthening of the rupee against global currencies.
- Both Satyam and Wipro saw wages increase between 12-15% in India last year while both companies struggled to retain talent amongst competitors including IBM and EDS.
- Across the board, India offshore players are seeing both onsite and offshore billing rates increase.
- In an effort to keep India's offshore providers competitive, despite the rupee hitting a nine year high in April, India's Commerce and Industry Minister announced that services exports would be exempted from service taxes.
- SAP services, Banking and Software Testing are continued areas of interest for many offshore acquisition strategies.
- Q1'07 had a total of 3 M&A transaction compared to 2 announced in Q4'06.



The DPI Offshore Index includes: Cognizant Technology, Infosys, Kanbay International, Patni Computer Systems, Satyam and Wipro.

### Representative Offshore Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/15/07	Longtop Group	Minecode	NA
03/05/07	HiSoft Technology	Envisage Solutions	NA
02/15/07	NVISH Solutions	Avaap	NA

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### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Cognizant Technology	8.4x	37.0x
Infosys Technologies	9.7x	30.9x
Patni Computer	2.0x	9.0x
Satyam Computer	4.5x	19.2x
Wipro Ltd.	5.8x	24.1x

LTM = Last twelve months

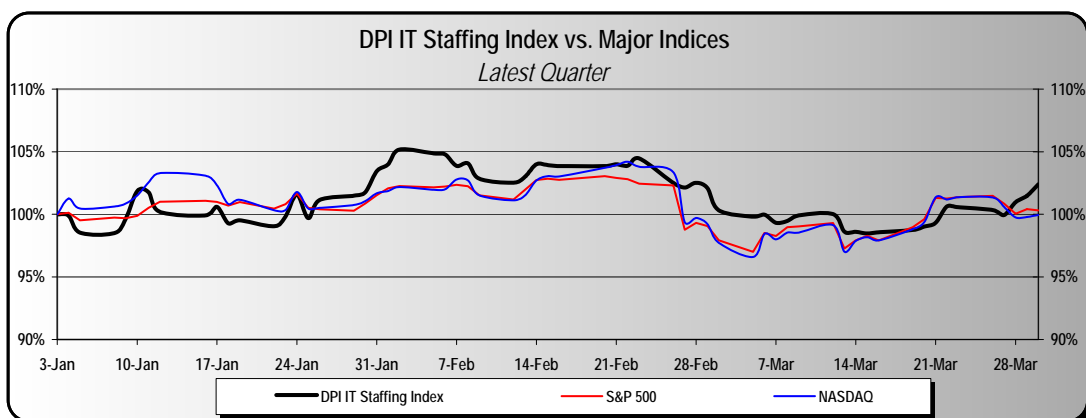
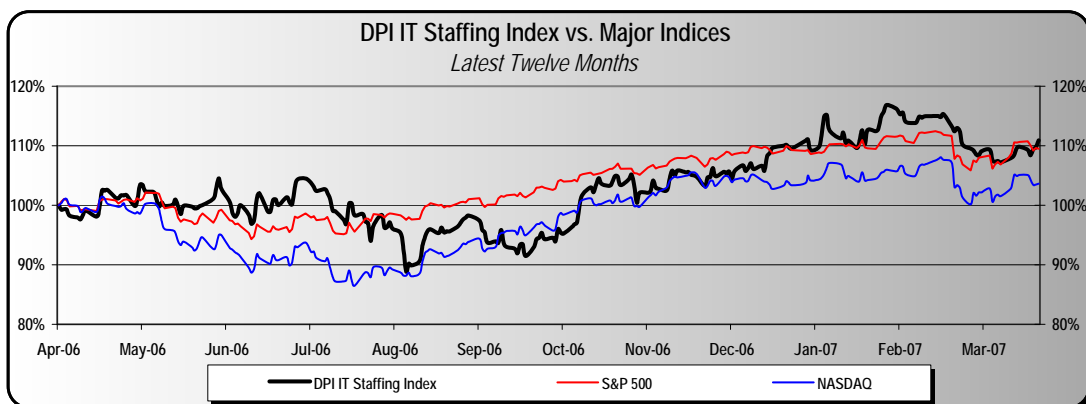


# Services: IT Staffing

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

### Highlights

- For the LTM and quarter, the IT Staffing Index was up 11% and 2%, respectively.
- Despite Staffing deal multiples and M&A volume increasing in other Staffing sub-sectors such as Federal Government and Healthcare, IT Staffing valuations and M&A volume remain depressed.
- Commodity IT Staffing skill sets in network management, packaged application support and application maintenance continue to be outsourced.
- IT Staffing firms providing a blended model of subcontracting and IT Project-based services are typically valued higher than firms with a 100% IT Staffing model.
- Some IT Staffing firms as well those with a blended model are compensating their consultants with a high percentage of their bill rate for retention purposes and in some cases are utilizing their W2 consultants greater than 100%.
- Q1'07 had 2 M&A transactions compared to 6 announced in Q4'06.



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

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### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Analysts International	0.1x	18.5x
Comforce Corp.	0.2x	6.3x
Computer Task Group	0.3x	8.2x
Kforce Inc.	0.7x	9.3x
RCM Technologies Inc.	0.4x	8.8x
TechTeam Global Inc.	0.6x	11.7x
Volt Information	0.3x	6.2x

LTM = Last twelve months

### Representative IT Staffing Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
02/01/07	On Assignment Inc.	Oxford Global Resources	\$212.0
01/15/07	Arrow Strategies	Technology Professionals	NA

# Services: Value Added Resellers

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

### Highlights

- For the LTM and quarter, the VAR Index was up 10% and down 7%, respectively.
- Storage VARs that add services to their businesses pave an avenue for growth and recurring revenue beyond that achieved through point product sales alone. Despite this, many storage VARs have been slow to add services because of the investments in training and hiring additional staff.
- VARs and service providers in the document and content management market believe 2007 will be a very good year, with 60 percent expecting increased sales compared to 2006 and 28 percent predicting that revenue will increase "significantly."
- Many VARs are considering adding managed services such as backup and recovery to generate a recurring revenue stream.
- Promise of rich solution and service opportunities has VARs eyeing the digital signage market. Digital signage is an information medium that is giving businesses better ways to communicate with customers and employees and is spreading into new niches.
- Q1'07 had a total of 13 M&A transactions compared to 12 announced in Q4'06.

March 31, 2007

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
CDW Corp.	0.7x	9.6x
Emtec Inc.	0.1x	13.5x
En Pointe Technologies	0.1x	7.4x
Insight Enterprises Inc.	0.3x	7.8x
MTM Technologies Inc.	0.2x	NM
PC Connection Inc.	0.2x	11.0x
Pomeroy IT Solutions	0.2x	8.9x
TransNet Corp.	0.2x	NM

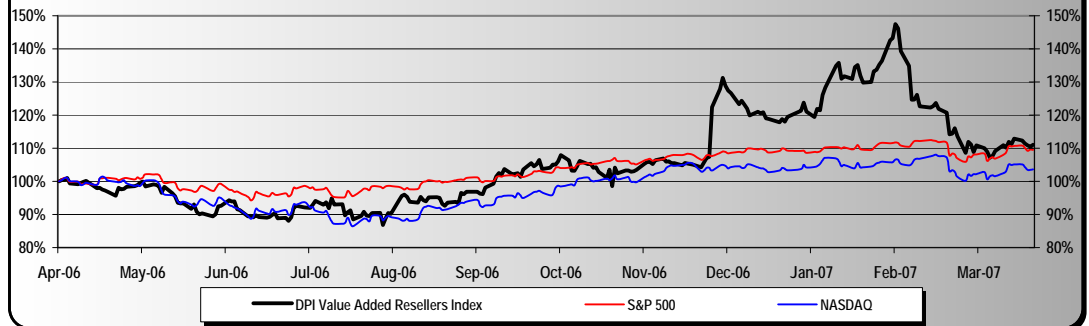
LTM = Last twelve months

NM = Not Meaningful

GP = Gross Profit

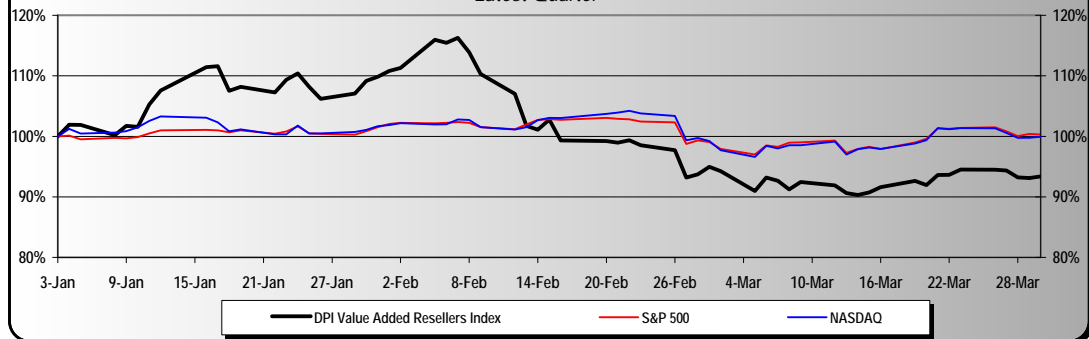
DPI Value Added Resellers Index vs. Major Indices

Latest Twelve Months



DPI Value Added Resellers Index vs. Major Indices

Latest Quarter



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

### Representative Value Added Resellers Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/23/07	Global Imaging Systems	TML Enterprises	NA
03/21/07	Software AG	SPL Software	\$61.6
02/28/07	Blytheco	Macdonald Consulting Group	NA
02/26/07	iPhone2	Brooks Communication	NA
02/26/07	Sysix Technologies	Helix Solutions	NA
02/15/07	Trey Resources	DM Systems (Sage Software Bus.)	NA
02/12/07	Fujin Technology	Posetiv	\$9.0
02/09/07	China Voice Holding	BTSE	NA
01/31/07	Global Imaging Systems	Astro Business Technologies	NA
01/26/07	Hagerman & Company	Spectrum Technologies	NA
01/12/07	Saratoga Technologies	Logic Networks	NA
01/05/07	Cross Telecom	American Communication Tech.	NA
01/05/07	Geomant Enterprise	SimpliCTI Software Solutions	NA

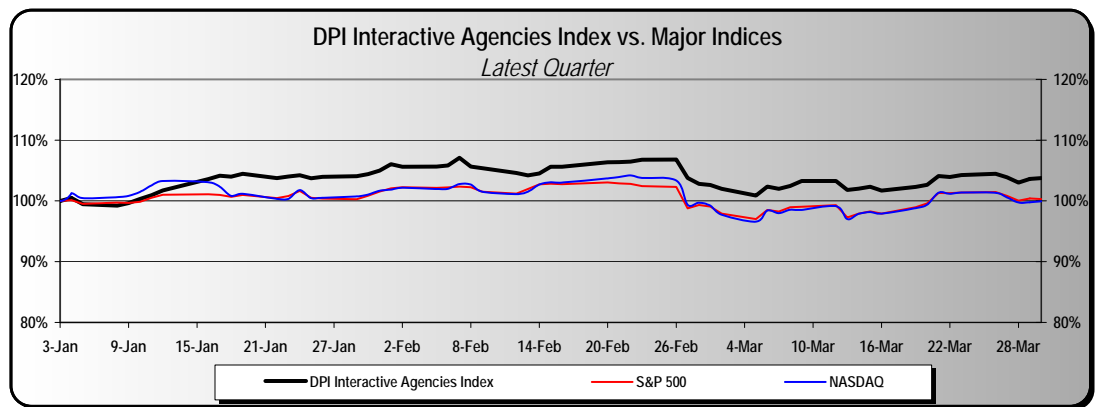
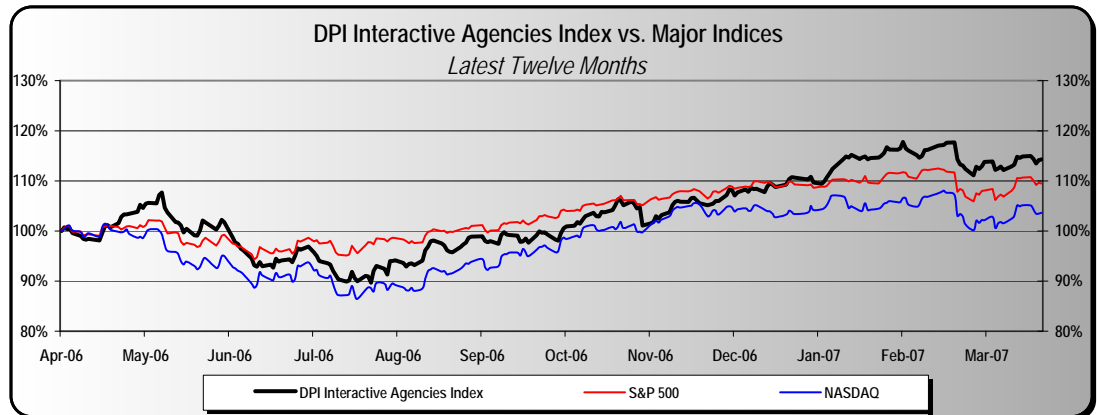
Please call DecisionPoint for further details on listed transactions.

# Services: Spotlight - Interactive Agencies

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

### Highlights

- For the LTM and quarter, the Interactive Agencies Index was up 14% and 4%, respectively.
- After Publicis' \$1.3b acquisition of interactive agency Digitas at the end of 2006, all indicators point to continued momentum in 2007.
- Agencies with specialized skill sets will attract the most interest from a buyer. Online video is an example of an area that is expected to have strong growth and attention.
- Demand for agencies that provide marketing services with measurable results is increasing as advertisers seek quantifiable returns on their marketing spending. Interactive agencies fulfill this need.
- Most acquirors will focus on net revenue and EBIT when valuing interactive agencies.
- Q1'07 had a total of 52 M&A transactions compared to 30 announced in Q4'06.



Note: The DPI Interactive Agencies Index includes: aQuantive, Havas, Interpublic Group of Companies, LBI International, Omnicom Group, Publicis Groupe and WPP Group.

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### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
aQuantive Inc.	4.5x	16.5x
Havas	1.6x	13.9x
Interpublic	1.0x	14.0x
LBI International AB	3.0x	37.1x
Omnicom Group Inc.	1.7x	10.6x
Publicis Groupe SA	1.6x	8.0x
WPP Group plc	1.8x	9.8x

### Representative Interactive Agencies Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/23/07	Onvista	Ad2Net	\$6.0
03/22/07	One Equity, Oak Investment and Rho	Vertrue	\$978.8
03/22/07	Eastpoint	Ryce Holding	NA
03/16/07	GetUpdated	OptiWORD	NA
03/06/07	Avenue A/Razorfish	Duke	NA
03/02/07	OgilvyOne Worldwide	Global Strategies International	NA
03/01/07	DoubleClick	Digital Advertising and Marketing	\$29.4
02/22/07	Aegis Group	AgenciaClick	\$31.0
02/15/07	Google	Adscape Media	\$23.0
02/02/07	General Atlantic	AKQA	NA
02/01/07	Vertrue	Neverblue Media	NA
01/30/07	WPP Group	Reddion	NA
01/11/07	Meredith	Genex	NA
01/10/07	Meredith	New Media Strategies	NA
01/05/07	Acxiom	Equitec	\$14.4

Please call DecisionPoint for further details on listed transactions.

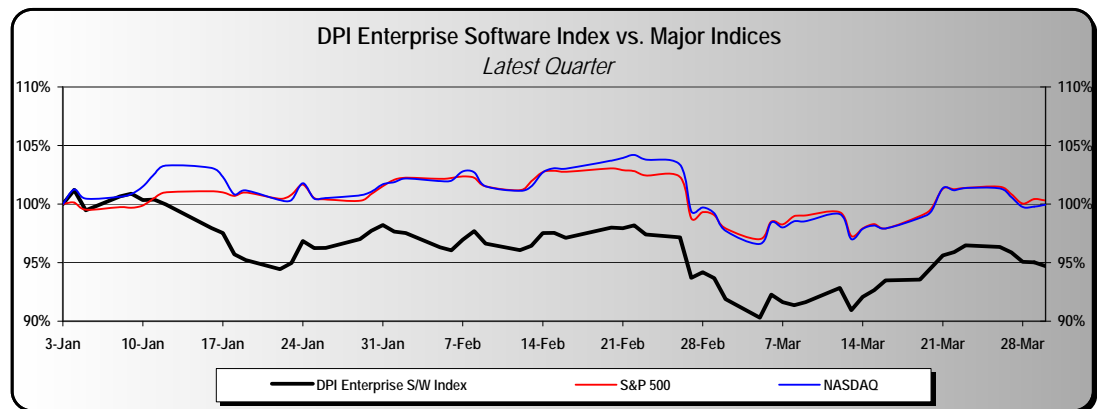
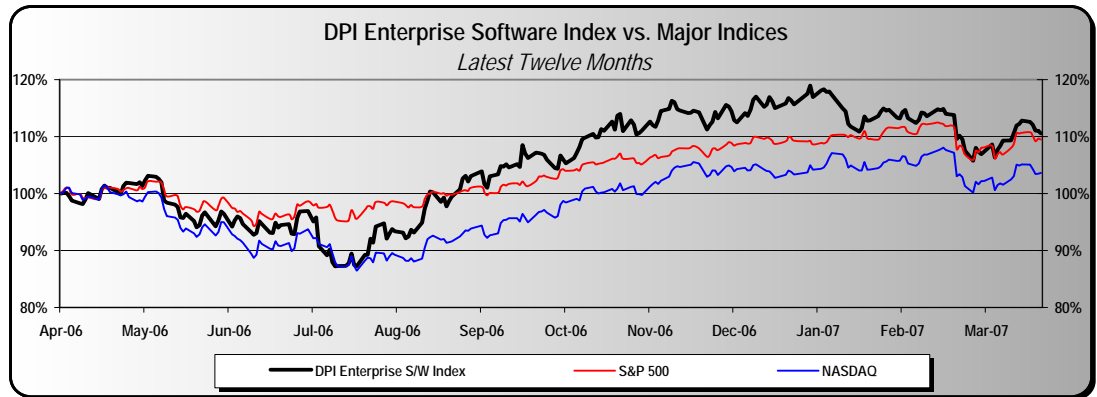
LTM = Last twelve months

# Software: Enterprise

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

### Highlights

- For the LTM and quarter, the Enterprise Software Index was up 10% and down 5%, respectively.
- For the second quarter in a row, Oracle notched the largest enterprise software deal of the quarter by acquiring Hyperion Solutions, a BI software specialist, in all-cash deal. Thousands of SAP customers close their books using Hyperion products. AMR Research estimates about 55 percent of Hyperion's customers run SAP software.
- Kronos, a provider of work force management software, agreed to a purchase by lead investor Hellman & Friedman LLC and secondary investor JMI Equity as private equity investors continued their pursuit of publicly held enterprise software vendors.
- The venture backed M&A landscape for computer software companies saw 18 deals during Q1'07 for \$460m, with only 1 venture backed IPO worth \$87m.
- Although buyouts continue to rise in both deal value and volume, consideration of 100% cash at close continues to be the typical approach for acquirors of software companies.
- Q1'07 had a total of 97 M&A transactions compared to 132 announced in Q4'06.



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

March 31, 2007

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
BMC Software Inc.	3.3x	11.8x
Borland Software Corp.	1.1x	NM
EMC Corp.	2.6x	11.4x
Manhattan Associates	2.2x	11.4x
Symantec Corp.	3.0x	9.7x
Tibco Software Inc.	2.4x	10.6x
Vignette Corporation	1.8x	18.6x
webMethods Inc.	1.3x	31.1x

LTM = Last twelve months  
NM = Not Meaningful

### Representative Enterprise Software Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/23/07	Hellman & Friedman	Kronos	\$1,744.5
03/05/07	Vector Capital	SafeNet	\$555.6
03/02/07	Cegedim	Dendrite International	\$647.1
03/01/07	Oracle	Hyperion Solutions	\$2,797.2
02/16/07	CDC Software	Respond Group	NA
02/13/07	ILOG	LogicTools	\$15.0
02/12/07	Verint Systems	Witness Systems	\$775.9
02/05/07	HP	Bristol Technology	NA
02/05/07	Akamai Technologies	Netli	\$177.6
01/29/07	IBM	Softek Storage Solutions	\$175.0
01/29/07	Symantec	Alliris	\$813.2
01/23/07	Hyperion Solutions	Decisioneering	NA
01/17/07	Cognos	Celequest	NA
01/16/07	Blackbaud	Target Software & Target Analysis	\$62.4
01/03/07	Amdocs	SigValue Technologies	\$62.8

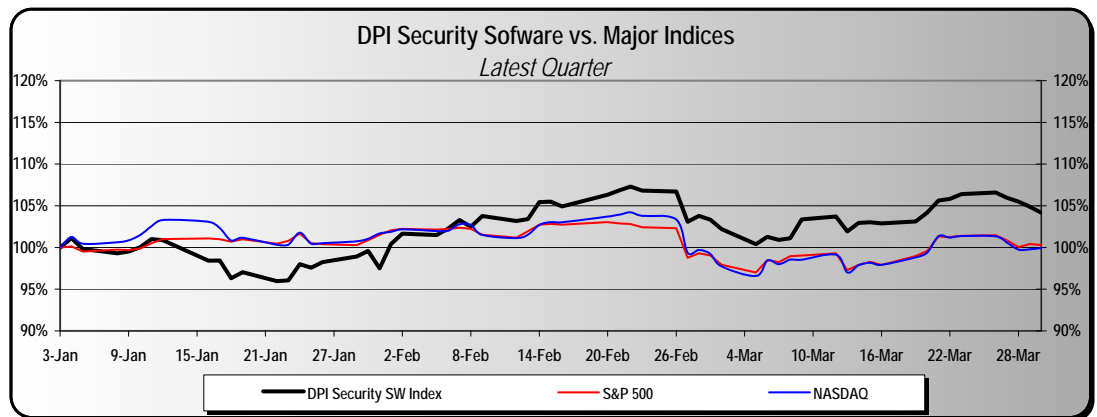
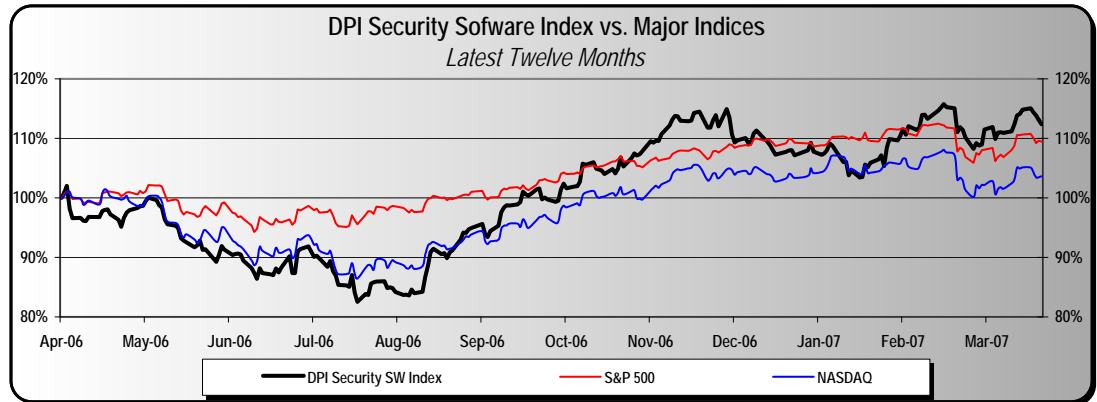
Please call DecisionPoint for further details on listed transactions.

# Software: Spotlight - Security

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

### Highlights

- For the LTM and quarter, the Security Software Index was up 13% and 4%, respectively.
- Security Software M&A market is very active - (56 Deals Closed YTD, over \$3 billion in transaction value)
- Product functionality is the predominant driver of M&A activity in the security software market.
- Current trends and research identify Data Leakage Prevention (DLP) as the next category of product functionality sought after by buyers with buy versus build weighing into buyers market timing. Regulatory compliance (HIPAA, GLBA, EU Safe Harbor, Canadian PIPEDA and PHIPA, etc.) is creating demand for better enterprise solutions relating to Data Loss Prevention.
- In Q1 2007, EMC's RSA division acquired Valyd Software, in India, and announced that it has formed strategic partnerships with CipherOptics, Decru (Network Appliance) and NeoScale Systems to bring a range of solutions to market.
- Q1'07 had a total of 11 M&A transactions.



Note: The DPI Security Software Index includes: Blue Coat Systems, Check Point Software Technologies, Entrust, McAfee, SonicWALL, Symantec, VeriSign and Websense.

March 31, 2007

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Blue Coat Systems Inc.	3.5x	37.6x
Check Point Software	6.8x	12.2x
Entrust Inc.	2.3x	NM
McAfee Inc.	3.0x	11.3x
SonicWALL Inc.	1.7x	19.6x
Symantec Corp.	3.0x	9.7x
VeriSign Inc.	3.6x	13.5x
Websense Inc.	3.9x	11.1x

LTM = Last twelve months  
NM = Not Meaningful

### Representative Security Software Transactions

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$M)
03/28/07	AmbironTrustWave	ReddShell	NA
03/20/07	Solutionary	VigilantMinds	NA
03/14/07	Trend Micro	HijackThis	NA
03/13/07	IdentiPHI	Saflink (assets)	\$0.8
03/05/07	Digital Envoy	Cydality	NA
02/26/07	PatchLink	Harris (STAT)	NA
02/06/07	EMC's RSA Division	Valyd Software	NA
01/31/07	Shavlik Technologies	St. Bernard Software (assets)	\$1.2
01/30/07	DeepNines Technologies	Captus Networks	NA
01/29/07	Perimeter eSecurity	Message Secure	NA
01/11/07	Sophos	ENDFORCE	\$25.0

Please call DecisionPoint for further details on listed transactions.

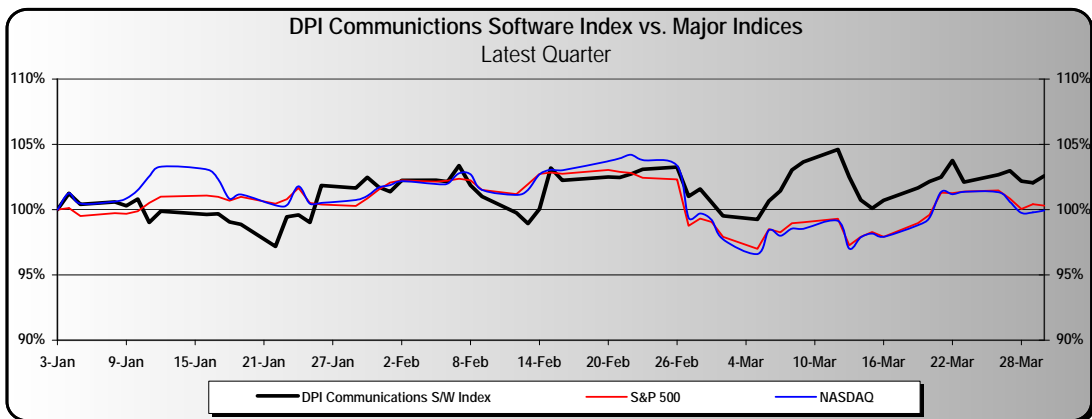
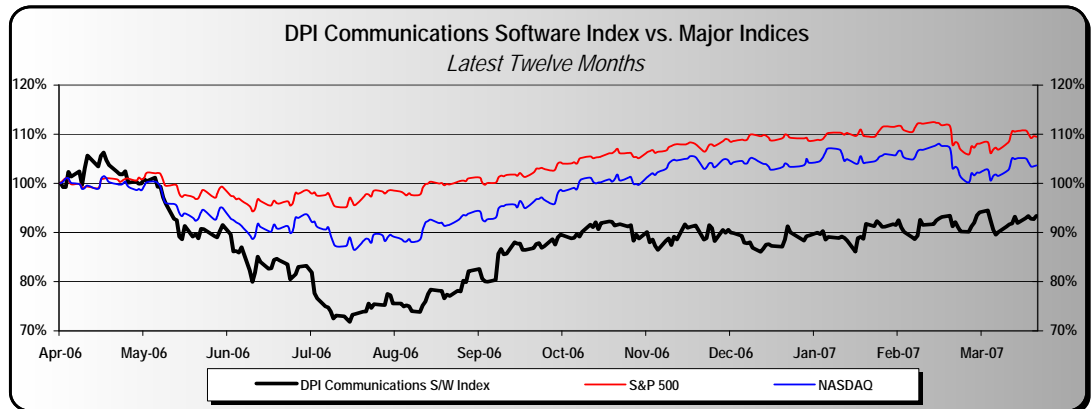


# Communications: Software

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

### Highlights

- For the LTM and quarter, the Communications Software Index was down 8% and up 3%, respectively.
- On March 15, Cisco Systems announced it would acquire online meeting company WebEx Communications. WebEx says it commands 64 percent of the online meeting market, with more than 3.5 million people using WebEx services every month for online communications.
- In a deal rumored to be in the range of \$800m to over \$1b, Microsoft announced it would acquire mobile speech recognition and search provider, TellMe Networks. If the rumored value is accurate, the deal is likely the largest acquisition announced by Microsoft since 2002.
- TellMe Networks competitor, BeVocal, announced it would be acquired by Nuance Communications in late February, in deal that could be worth up to \$200m if the company achieves the full earnout. BeVocal provides mobile speech enabled solutions.
- Q1'07 had a total of 44 M&A transactions compared to 42 announced in Q4'06.



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

### Representative Communications Software Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/29/07	Gemstar-TV Guide	Aptiv Digital	\$16.0
03/27/07	Sonus Networks	Zynetix	\$13.0
03/15/07	Cisco Systems	WebEx Communications	\$2,788.5
03/14/07	Microsoft	TellMe	NA
02/22/07	Nuance Communications	BeVocal	\$199.7
02/20/07	Openwave Systems	WiderWeb	\$9.0
02/20/07	ViaSat	Intelligent Compression Technologies	\$20.6
02/16/07	CyblIT	Thales Telematics	\$2.0
02/16/07	Vecima Networks	Spectrum Signal Processing	\$15.5
02/11/07	Smith Micro Software	Insignia Solutions (assets)	\$16.0
01/18/07	Subex Azure	Syndesis	\$164.5
01/05/07	Garmin	Digital Cyclone	\$45.0
01/04/07	JDS Uniphase	Casabyte	NA
01/03/07	IP Unity	Glenayre (Messaging Business)	\$25.0
01/03/07	Macrovision	Mediabolic	\$43.5

Please call DecisionPoint for further details on listed transactions.

March 31, 2007

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Amdocs Ltd.	2.7x	13.0x
Converse Technology	2.2x	16.0x
Openwave Systems	1.4x	NM
TeleComm. Systems	1.3x	9.0x

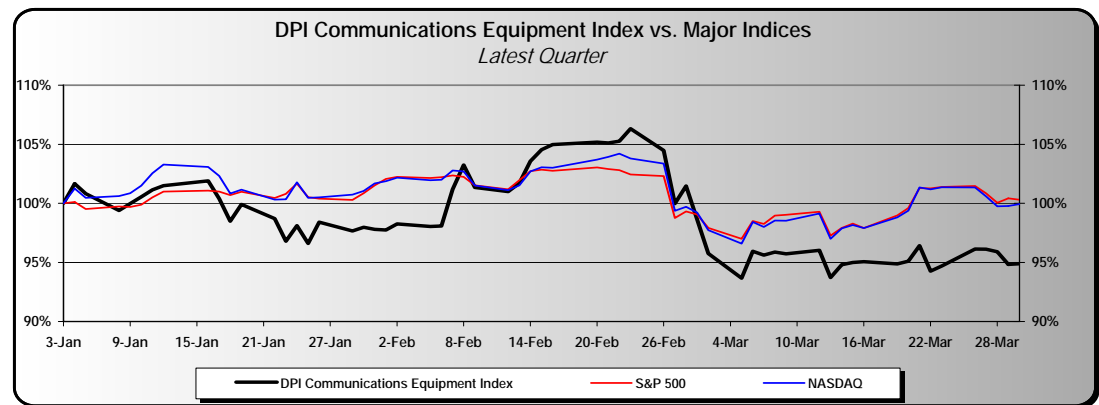
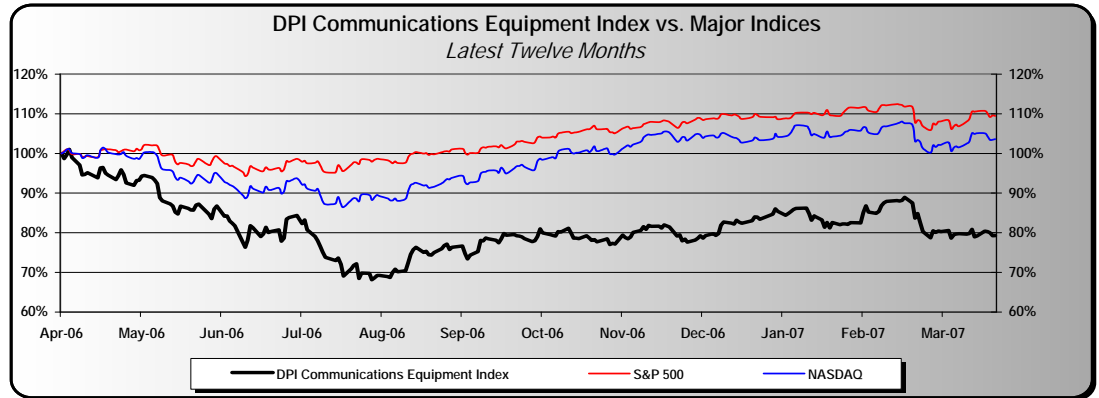
LTM = Last twelve months  
NM = Not Meaningful

# Communications: Equipment

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

### Highlights

- For the LTM and quarter, the Communications Equipment Index was down 20% and 5%, respectively.
- Cisco Systems announced in early January that it would acquire IronPort Systems for \$830m, getting a jump start on a quarter in which it acquired 8 companies. IronPort Systems provides security and anti-malware appliances.
- JDS Uniphase purchased Picolight, a developer of optical transceivers used as backbones and optical interconnects in the datacenter, enterprise, storage area and metro networking markets in a deal worth \$115m.
- Finisar, a competitor of Picolight, announced it would acquire AZNA, a manufacturer of photonic components and subsystems using chirp-managed directly modulated lasers to provide longer reaching optical transmitter solutions.
- Q1'07 had a total of 75 M&A transactions compared to 88 announced in Q4'06.



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

### Representative Communications Equipment Transactions

March 31, 2007

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
3Com Corporation	0.5x	16.9x
ADC Telecomm.	1.4x	12.0x
Alcatel-Lucent	0.8x	6.0x
CIENA Corp.	3.9x	41.8x
Cisco Systems, Inc.	4.5x	13.9x
Nortel Networks Corp.	1.0x	30.8x
Tellabs Inc.	1.5x	7.4x

LTM = Last twelve months

NM = Not Meaningful

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/28/07	Cisco Systems	Spans Logic	NA
03/27/07	Optium	Kaillight Photonics	\$35.0
03/26/07	Finisar	AZNA	\$19.7
03/19/07	CommScope	Signal Vision	NA
03/13/07	Cisco Systems	NeoPath Networks	NA
03/06/07	Sierra Wireless	AirLink Communications	\$26.9
03/02/07	IPC Information Systems	Positron Public Safety Systems	NA
02/27/07	JDS Uniphase	Picolight	\$125.1
02/21/07	Cisco Systems	Reactivity	\$135.0
02/07/07	Polycom	SpectraLink	\$246.4
01/29/07	Cable & Wireless	Cable & Wireless Networks India	NA
01/09/07	Cisco Systems	Tivella	NA
01/08/07	Brocade Communications	Silverback Systems	NA
01/05/07	General Electric	Microwave Data Systems	NA
01/04/07	Cisco Systems	IronPort Systems	\$830.0

Please call DecisionPoint for further details on listed transactions.

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