

DECISIONPOINT

QUARTERLY VIEWPOINT:

For the Quarter Ended June 30, 2013 and the Latest Twelve Months

Q2 | 13

QUARTERLY VIEWPOINT:

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Market Leader for Mid-Market Technology M&A:

This Quarterly ViewPoint covers trends, public valuation multiples and relevant M&A activity for the software and services sectors. To illustrate general capital market and M&A trends within these sectors, DecisionPoint has selected a group of representative public comparables and transactions. This data is provided for informational purposes only. All data represents publicly available information.

DecisionPoint is a unique leader in M&A advisory services for middle-market technology companies and their venture capital investors in the software, services, cleantech, biotech, and healthcare IT sectors.



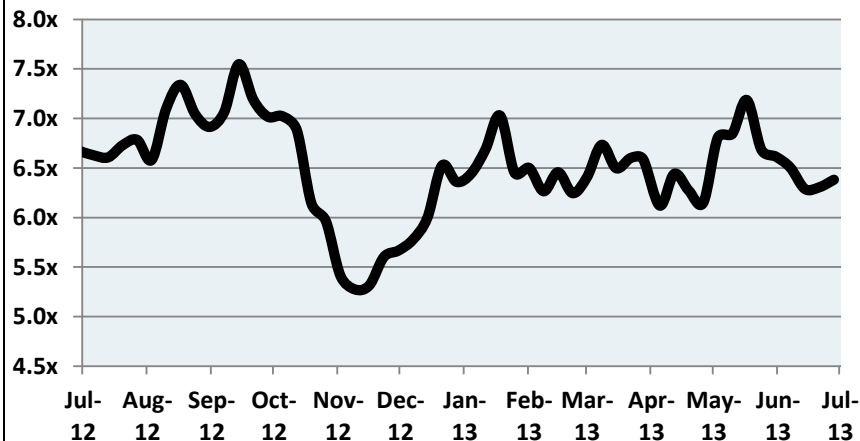
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Software: Software as a Service (SaaS)

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP SaaS Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 06/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Salesforce.com, Inc	\$38.18	\$22,523.7	\$22,118.3	6.8x	NM
Red Hat, Inc.	\$47.82	\$9,052.0	\$8,198.4	6.0x	29.6x
NetSuite Inc.	\$91.74	\$6,768.8	\$6,592.1	19.9x	NM
Concur Technologies, Inc.	\$81.38	\$4,543.5	\$4,335.3	9.0x	NM
The Ultimate Software Group, Inc.	\$117.29	\$3,242.6	\$3,174.2	9.0x	65.5x
athenahealth, Inc.	\$84.73	\$3,113.0	\$3,170.2	7.0x	72.9x
Cornerstone OnDemand, Inc.	\$43.30	\$2,209.7	\$2,140.5	16.3x	NM
Medidata Solutions, Inc.	\$77.45	\$2,059.3	\$1,939.1	8.4x	52.5x
Dealertrack Technologies,	\$35.43	\$1,540.8	\$1,534.2	3.8x	26.4x
OpenTable, Inc.	\$63.95	\$1,457.0	\$1,360.4	8.1x	27.8x
RealPage, Inc.	\$18.34	\$1,404.8	\$1,382.0	4.1x	25.7x
Demandware, Inc.	\$42.41	\$1,279.2	\$1,177.1	14.0x	NM
Evertz Technologies Ltd.	\$14.04	\$1,034.1	\$829.3	2.8x	9.5x
ResponSys, Inc.	\$14.31	\$706.4	\$601.1	3.5x	30.9x
Ellie Mae, Inc.	\$23.08	\$607.3	\$546.8	4.9x	19.7x
Constant Contact, Inc.	\$16.07	\$493.5	\$396.2	1.5x	20.8x
LivePerson Inc.	\$8.96	\$493.2	\$398.4	2.4x	27.9x
Ebix Inc.	\$9.26	\$344.2	\$377.9	1.8x	4.3x
Median:	\$40.30	\$1,498.9	\$1,458.1	6.4x	27.8x

SECTOR HIGHLIGHTS

- The median SaaS index was trading at 6.4x revenue (based on Enterprise Value) at the closing of Q2.
- Gartner research predicts that 77% of companies plan to increase their spending on SaaS in the next two years. The drive toward SaaS is occurring as businesses use cloud-based solutions to replace on-site applications. Attitudes toward the security, reliability and costs of SaaS and cloud applications are also changing, leading to more rapid adoption.
- Oracle and Salesforce recently announced a comprehensive nine-year partnership encompassing all three tiers of cloud computing: Applications, Platform and Infrastructure. The announcement was a surprise as for years, Larry Ellison (Oracle) and March Benioff (Salesforce) have pitted themselves and their companies against each other in brinkmanship-style competition. The two CEOs claim that Salesforce.com's Customer Relationship Management solution integrated with Oracle's Fusion Human Capital Management and Financial Cloud "is the best of both worlds with the simplicity of Salesforce.com combined with the power of Oracle".
- IBM recently unveiled an extensive array of cloud solutions designed for the C-suite to help executives accelerate innovation around customer experience to meet their business objectives in concert with their company's IT strategy. Among the newest cloud business offerings is a Big Data and social analytics solution that chief marketing officers (CMOs) can use to get an emotional reading on how customers view their brand.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

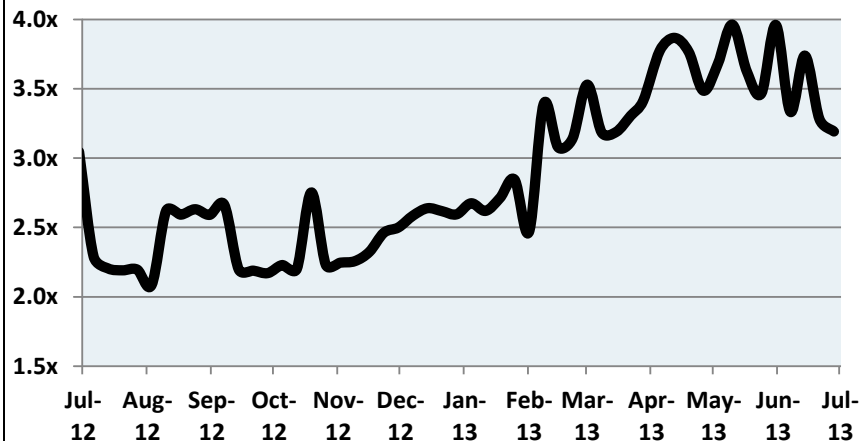
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2013-06-27	Adobe Systems Inc.	Neolane Inc.	600.0
2013-06-05	SAP AG	hybris GmbH	1,100.0
2013-06-04	salesforce.com	ExactTarget	2,399.0
2013-05-28	Fidelity National Financial, Inc.	Lender Processing Services, Inc.	3,879.7
2013-05-20	Genesys Telecommunications	SoundBite Communications, Inc	84.2
2013-05-08	OMERS Capital Partners	Civica plc	606.8
2013-05-08	Trulia, Inc.	Market Leader, Inc.	332.8
2013-05-08	NetSuite Inc	OrderMotion, Inc.	-
2013-04-07	Ebix Inc.	Qatarlyst	-

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 06/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Google Inc.	\$880.37	\$292,076.9	\$249,354.9	4.7x	14.8x
Amazon.com Inc.	\$277.69	\$126,416.4	\$121,561.4	1.9x	49.6x
eBay Inc.	\$51.72	\$67,121.7	\$62,235.7	4.3x	14.4x
Facebook, Inc.	\$24.88	\$60,157.5	\$52,946.5	9.6x	40.4x
priceline.com	\$826.67	\$42,639.6	\$39,111.1	7.1x	19.7x
Yahoo! Inc.	\$25.13	\$27,206.6	\$24,275.5	4.9x	11.8x
LinkedIn Corporation	\$178.30	\$19,677.9	\$18,847.6	17.0x	NM
Netflix, Inc.	\$211.09	\$12,337.3	\$12,011.4	3.2x	NM
Groupon, Inc.	\$8.55	\$5,656.3	\$4,488.3	1.9x	32.6x
IAC/InterActiveCorp	\$47.58	\$3,983.4	\$3,993.1	1.4x	9.3x
Pandora Media, Inc.	\$18.40	\$3,216.4	\$3,140.9	6.7x	NM
AOL Inc.	\$36.48	\$2,825.4	\$2,473.0	1.1x	5.1x
ValueClick, Inc.	\$24.71	\$1,883.2	\$1,834.1	2.7x	8.7x
Vistaprint N.V.	\$49.37	\$1,611.6	\$1,798.8	1.6x	16.8x
OpenTable, Inc.	\$63.95	\$1,457.0	\$1,360.4	8.1x	27.8x
WebMD Health Corp.	\$29.37	\$1,441.9	\$1,242.7	2.6x	30.9x
RealNetworks Inc.	\$7.56	\$267.8	\$7.2	0.03x	NM
Median:	\$47.58	\$5,656.3	\$4,488.3	3.2x	16.8x

SECTOR HIGHLIGHTS

- The median Internet Software & Services index was trading at 3.2x revenue (based on Enterprise Value) at the closing of Q1.
- On June 4th, the White House issued a PR providing various legislative and executive recommendations to address the issue of patent trolls. Patent trolls, also referred to as non-practicing entities, are individuals / entities that obtain patents not for the purpose of protecting their own IP or contributing toward the innovative ecosystem, but rather, as part of a business model that revolves around the aggressive and opportunistic enforcement of those patents against others. Google actually spent more money on patent litigation than R&D last year.
- According to internet analyst Mary Meeker, the next wave of technology will come in such forms as eyewear (Google Glass), watches, GPS-enabled drones, self-driving cars and more sophisticated uses of barcode-like QR codes.
- Apple's newly announced iRadio will bring the company little revenue in the short run, but huge harm to Pandora and other similar services. Apple will offer features similar to that of Pandora, including personalized radio stations, free ad-supported service, as well as the ad-free subscription option. While Pandora has over 1 million songs, Apple's service will give users access to its entire iTunes catalog, which boasts over 26 million songs at a lower ad-free price than Pandora.
- Yahoo! acquired Tumblr for \$1.1 billion and has made it clear they will continue to build cash on the balance sheet to complete more acquisitions. The Tumblr takeover is a big step for Yahoo! as it tries to revitalize itself. It is seeking new users to make up for missing out on the changes in the social networking landscape. All eyes will certainly be on Yahoo!, given its reputation for buying promising start-ups that fizzle.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2013-06-24	Demand Media, Inc.	Society6 LLC	94.0
2013-06-10	IHS, Inc.	R. L. Polk & Co	1,400.0
2013-06-03	Townsquare Media Group	AOL, Inc	-
2013-05-22	LinkedIn Corporation	Maybe (employees)	-
2013-05-20	Yahoo! Inc.	Tumblr	1,100.0
2013-05-09	Yahoo! Inc.	MileWise	-
2013-05-01	DreamWorks Animation SKG Inc	AwesomenessTV	33.0
2013-04-25	Baidu	PPStream, Inc.	370.0

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 06/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Microsoft Corporation	\$34.55	\$288,489.0	\$229,466.0	3.0x	7.6x
International Business	\$191.11	\$211,901.6	\$233,362.6	2.3x	8.8x
Oracle Corporation	\$30.71	\$142,212.1	\$128,987.1	3.5x	7.4x
SAP AG	\$73.04	\$87,098.9	\$87,677.4	4.1x	12.1x
Dassault Systemes SA	\$122.17	\$15,270.1	\$13,388.1	5.0x	16.2x
Autodesk, Inc.	\$33.94	\$7,629.7	\$6,287.6	2.7x	13.4x
Ansys, Inc.	\$73.10	\$6,813.4	\$6,188.5	7.6x	16.2x
Amdocs Limited	\$37.09	\$5,970.5	\$4,992.3	1.5x	8.2x
Informatica Corporation	\$34.98	\$3,780.6	\$3,189.5	3.8x	18.8x
TIBCO Software Inc.	\$21.41	\$3,512.4	\$3,318.0	3.2x	17.2x
MICROS Systems, Inc.	\$43.15	\$3,394.1	\$2,731.9	2.2x	10.3x
Stratasys Ltd.	\$83.74	\$3,238.1	\$3,097.9	11.6x	NM
PTC Inc.	\$24.53	\$2,930.9	\$2,998.2	2.4x	12.5x
Constellation Software	\$137.59	\$2,915.7	\$2,976.1	3.2x	16.3x
NICE Systems Ltd.	\$36.61	\$2,214.9	\$1,901.1	2.1x	12.5x
Tyler Technologies, Inc.	\$68.55	\$2,159.6	\$2,155.1	5.7x	29.1x
Verint Systems Inc.	\$35.47	\$1,869.5	\$2,205.7	2.6x	14.0x
Manhattan Associates, Inc.	\$77.16	\$1,501.7	\$1,393.1	3.7x	15.9x
Blackbaud Inc.	\$32.57	\$1,486.6	\$1,690.3	3.6x	23.5x
QAD Inc.	\$11.48	\$178.7	\$119.2	0.5x	10.4x
Median:	\$36.85	\$3,453.3	\$3,143.7	3.2x	13.4x

SECTOR HIGHLIGHTS

- The median Enterprise Software index was trading at 3.2x revenue (based on Enterprise Value) at the closing of Q2.
- Global spending for enterprise software will be \$304 billion in 2013, with growth of 6.4% over 2012. This is in line with prior forecasts and is being driven by strength in customer relationship management, supply chain management, and Web conferencing and collaboration / social software suites.
- End-users are concentrating on business agility when analyzing different ERP systems. They need their solutions to be flexible to their ever changing business models. ERP systems that can be modified easily without the interaction of the vendor to allow for quick changes are what consumers of ERP systems are moving toward.
- A growing number of companies are migrating from a single-instance ERP system to a two-tier strategy that combines the stability of on-premise ERP with the agility of cloud ERP (i.e., multi-tenant ERP delivered in a SaaS model) to create a hybrid environment. On-premise ERP systems function as “systems of record,” or “a single source of the truth” for corporate data, while cloud ERP systems act as “systems of engagement,” which are more interaction-focused and geared toward serving customers, employees and partners.
- Microsoft recently unveiled its biggest management reorganization in at least five years, to better compete in a world of mobile devices and Web-based services.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

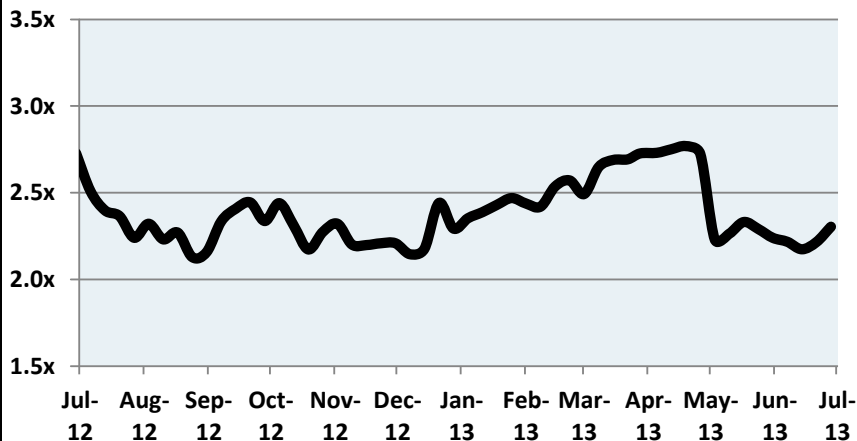
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2013-06-20	Cisco Systems, Inc.	Composite Software, Inc.	180.0
2013-06-13	Software AG	Apama , Inc. [Progress Software]	45.0
2013-06-11	Eckoh Technologies plc	Veritape Ltd	9.8
2013-06-03	P2 Energy Solutions Inc	ISS Group Limited	36.4
2013-05-29	Dassault Systemes SA	Apriso Corporation	205.0
2013-05-14	MYOB Technology Pty Ltd.	BankLink (New Zealand/Australian)	112.8
2013-05-06	Dassault Systemes SA	SIMPOE	-
2013-05-02	Descartes Systems Group Inc., The	KSD Software Norway AS	33.0
2013-04-29	QIAGEN	Ingenuity Systems Inc.	105.0
2013-04-11	LinkedIn Corporation	Alphonso Labs	90.0
2013-04-03	ANSYS, Inc.	EVEN - Evolutionary Engineering AG	-

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 06/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Informatica Corporation	\$34.98	\$3,780.6	\$3,189.5	3.8x	18.8x
Qlik Technologies, Inc.	\$28.27	\$2,460.1	\$2,245.4	5.5x	NM
Pegasystems Inc.	\$33.12	\$1,256.4	\$1,075.6	2.3x	18.8x
MicroStrategy Inc.	\$86.96	\$982.7	\$652.5	1.1x	16.0x
PROS Holdings, Inc.	\$29.95	\$836.1	\$753.6	6.1x	NM
Accelrys Inc.	\$8.40	\$469.1	\$370.1	2.2x	34.5x
Actuate Corporation	\$6.64	\$314.2	\$246.9	1.8x	11.7x
Median:	\$29.95	\$982.7	\$753.6	2.3x	18.8x

SECTOR HIGHLIGHTS

- The median Business Intelligence Software index was trading at 2.3x revenue (based on Enterprise Value) at the closing of Q2.
- Revenue for business intelligence (BI), corporate performance management (CPM) and analytics applications increased 6.8% between 2011 and 2012, according to Gartner.
- Oracle has quietly cut the list price of its flagship BI (business intelligence) Foundation Suite significantly, most likely in response to increased market competition. There is considerable competition in the BI market, from both traditional vendors and newcomers that more or less provide similar functionality.
- Companies evaluating BI systems should not assume large suppliers are the only option. There are many choices for standardizing on an enterprise BI platform, depending on company size, deployment size, regional, vertical and functional requirements of the deployment. In addition, the large players continue to be judged below average on many measures of customer success, ease of use, functionality and overall customer experience.
- In an industry such as financial services where firms rely on lightning fast transactions, in-memory technology is starting to catch the attention of many firms that conduct real-time analysis. In-memory analytics is an approach to querying data when it resides in a computer's RAM, as opposed to querying data that is stored on physical disks. This results in vastly shortened query response times, allowing BI and analytic applications to support faster business decisions.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

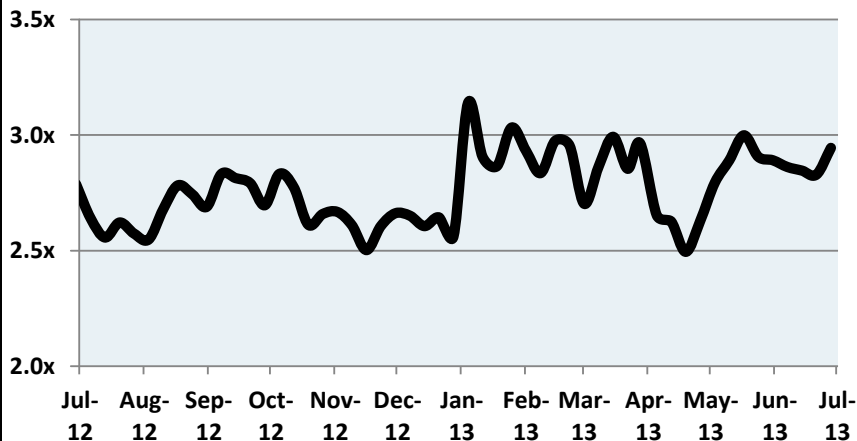
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2013-06-27	Silverback Enterprise Group	Noetix Corp.	-
2013-06-27	Raytheon	Visual Analytics Incorporated	-
2013-06-20	Kennet Partners/ Fidelity Growth	Rivo Software, Inc.	-
2013-06-17	Datawatch Corporation	Panopticon Software AB [MBO]	31.4
2013-06-12	AdRoll	Bitdeli Inc.	-
2013-06-07	salesforce.com	EdgeSpring	-
2013-05-13	Twitter, Inc.	Lucky Sort Inc.	-
2013-05-06	QlikTech	NComVA AB	7.6
2013-04-22	Pentaho Corp.	Webdetails	-

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 06/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
EMC Corporation	\$23.62	\$49,621.8	\$45,967.3	2.1x	9.2x
Symantec Corporation	\$22.48	\$15,660.4	\$14,004.4	2.0x	7.4x
Citrix Systems, Inc.	\$60.36	\$11,294.8	\$10,636.9	4.0x	17.7x
Check Point Software Technologies Ltd.	\$49.68	\$9,758.9	\$8,373.9	6.2x	11.0x
Red Hat, Inc.	\$47.82	\$9,052.0	\$8,198.4	6.0x	29.6x
BMC Software Inc.	\$45.13	\$6,383.8	\$6,214.4	2.8x	10.2x
F5 Networks, Inc.	\$68.80	\$5,421.4	\$4,898.5	3.4x	10.6x
Trend Micro Inc.	\$31.74	\$4,185.8	\$2,984.8	3.1x	9.3x
CommVault Systems, Inc.	\$75.89	\$3,527.4	\$3,091.5	6.2x	36.0x
SolarWinds, Inc.	\$38.81	\$2,918.4	\$2,652.6	9.4x	19.1x
Sourcefire, Inc.	\$55.55	\$1,726.8	\$1,520.9	6.5x	NM
Progress Software Corp.	\$23.01	\$1,268.7	\$1,012.9	2.9x	14.0x
Radware Ltd.	\$13.79	\$618.2	\$555.4	2.9x	14.4x
Allot Communications	\$13.71	\$446.5	\$311.7	3.0x	39.5x
VASCO Data Security International Inc.	\$8.31	\$321.3	\$216.6	1.4x	8.6x
Guidance Software, Inc.	\$8.74	\$246.2	\$220.6	1.7x	NM
Magic Software Enterprises Ltd.	\$5.39	\$197.8	\$162.9	1.3x	6.5x
Geeknet, Inc.	\$13.86	\$92.3	\$41.3	0.3x	NM
BSQUARE Corp.	\$2.75	\$30.6	\$11.2	0.1x	7.6x
Median:	\$23.62	\$2,918.4	\$2,652.6	2.9x	10.8x

SECTOR HIGHLIGHTS

- The median Infrastructure Software index was trading at 2.9x revenue (based on Enterprise Value) at the closing of Q2.
- Infrastructure software revenue is expected to reach more than \$169 billion in 2013 as organizations invest in virtualization, data management and security software to support key information-based and analytical initiatives.
- Data centers continue to focus on better managing virtualized servers and storage to handle ever-increasing data volumes. Additionally, the number of data centers and related equipment is expected to continue to expand, creating demand opportunities for infrastructure software providers.
- Infrastructure vendors are offering more technology as subscription-based solutions and "pay as you go" offerings. This is expected to drive new sales in situations where organizations would otherwise be unable to purchase infrastructure software due to the high capital investment or head count required to maintain on-premises solutions.
- Tibco Software has added streaming capabilities to its event-processing portfolio with the acquisition of StreamBase Systems. The move will strengthen Tibco's real-time data analytics offering, particularly for financial applications, the company said Tuesday, allowing it to provide an event-based alternative to batch-centric big data architectures.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

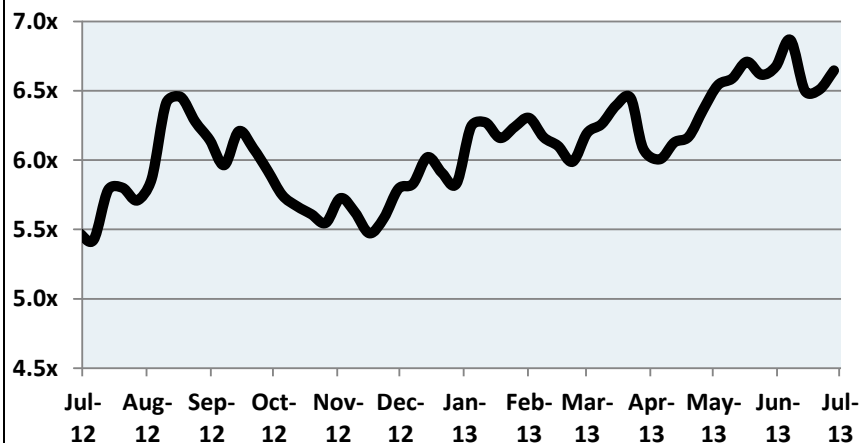
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2013-06-24	Thoma Bravo LLC	Keynote Systems, Inc.	337.1
2013-06-11	TIBCO Software Inc.	StreamBase Systems, Inc.	50.0
2013-06-04	IBM Corporation	SoftLayer Technologies, Inc.	-
2013-06-03	Microsoft Corporation	InCycle Software Inc.	-
2013-05-23	Yahoo! Inc.	PlayerScale Inc.	-
2013-05-21	SolarWinds, Inc.	N-able Technologies	120.0
2013-05-21	EMC Corporation	Adaptivity, Inc. (assets)	-
2013-05-06	Bain Capital/Golden Gate/GIC/Insight Venture Partners	BMC Software, Inc.	7,027.1
2013-05-06	Dell Inc.	enstratus, Inc.	70.0
2013-04-22	CA Technologies	Layer 7 Technologies	155.0
2013-04-22	IBM Corporation	UrbanCode Inc	-
2013-04-09	LANDesk Software [Thoma Bravo LLC]	Shavlik Technologies, LLC [VMWare]	30.0

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 06/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Accenture plc	\$71.96	\$46,403.3	\$40,947.9	1.4x	9.4x
NTT Data Corporation	\$3,546.78	\$9,948.7	\$12,535.8	1.0x	5.5x
Cap Gemini S.A.	\$48.55	\$7,650.6	\$6,678.2	0.5x	5.2x
Atos S.A.	\$74.12	\$6,367.4	\$6,105.8	0.5x	5.1x
SAIC, Inc.	\$13.93	\$4,771.3	\$5,506.3	0.5x	6.3x
Booz Allen Hamilton	\$17.38	\$2,418.5	\$3,783.2	0.7x	7.2x
CACI International Inc.	\$63.49	\$1,464.6	\$2,098.5	0.6x	6.2x
ManTech International	\$26.12	\$969.5	\$997.2	0.4x	5.0x
Sopra Group	\$72.79	\$865.1	\$1,134.5	0.7x	7.0x
ICF International Inc.	\$31.51	\$621.3	\$703.6	0.7x	7.7x
Perficient Inc.	\$13.34	\$446.8	\$448.7	1.4x	11.7x
Ciber, Inc.	\$3.34	\$249.2	\$245.8	0.3x	8.8x
The Hackett Group, Inc.	\$5.19	\$164.1	\$173.3	0.8x	9.3x
Dynamics Research	\$5.57	\$57.7	\$154.4	0.5x	4.9x
NCI, Inc.	\$4.14	\$53.5	\$78.7	0.2x	4.4x
Edgewater Technology	\$4.26	\$46.5	\$33.0	0.4x	13.4x
Median:	\$28.82	\$917.3	\$1,065.9	0.5x	6.6x

SECTOR HIGHLIGHTS

- The median IT Services index was trading at 6.6x EBITDA (based on Enterprise Value) at the closing of Q2.
- The worldwide IT services market is forecast to grow 4.5% in 2013 both in U.S. dollars and in constant currency, up from 4.0% growth in constant currency in 2012.
- The IT services industry is undergoing major secular changes, driven by emerging technologies, such as cloud, social, mobile, analytics, globalization and industrialization. These shifts are muting the growth trajectory for the market, forcing IT services providers to create new business and operating models that essentially decouple the traditional link with revenue and head count growth.
- In order for IT services providers to remain relevant, they must bridge legacy offerings and new services based on new technologies, new delivery models and new architectures. New skills and approaches are required just to survive, let alone succeed.
- Through a new accreditation process with the federal government, Amazon.com can more easily provide IT services to various federal agencies looking to utilize the cloud.
- Accenture cut its full-year outlook, citing a pullback in spending by its consulting business clients, after reporting third-quarter revenue below analysts' estimates. According to Accenture, clients were slowing the pace and level of spending on existing contracts.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

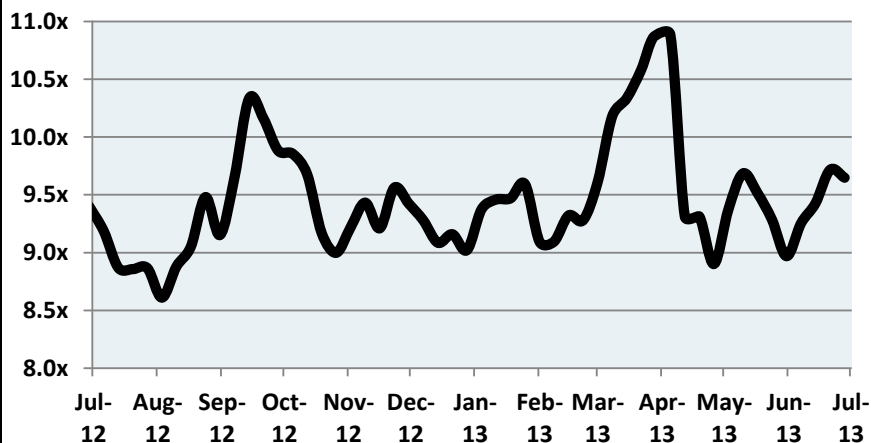
Announced			Enterprise Value (\$m)
Date	Acquirer Name	Target Name	
06/17/13	Mitel Networks Corporation	PrairieFyre Software, Inc.	20.0
06/10/13	Dunedin Capital Partners	Trustmarque Solutions	66.5
06/07/13	Innofactor	atBusiness	8.2
05/22/13	Goodman Networks, Inc.	Multiband	116.0
05/20/13	Blackstone Group	Pactera	518.6
05/17/13	Perficient, Inc.	Clear Task, Inc.	7.9
05/13/13	Guidewire Software, Inc.	Millbrook, Inc.	18.5
05/02/13	Perficient, Inc.	TriTek Solutions, Inc.	18.5
04/09/13	Tata Consultancy Services	Alti SA	97.4
04/09/13	InterCloud Systems, Inc.	AW Solutions, Inc.	5.2
04/08/13	Thomas H. Lee Partners	CompuCom Systems, Inc.	1,100.0

Services: IT Outsourcing

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Outsourcing Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 06/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Automatic Data Processing, Inc.	\$68.86	\$33,412.4	\$31,747.4	2.8x	13.2x
Infosys Ltd.	\$41.94	\$23,961.8	\$19,997.6	3.0x	10.3x
Cognizant Technology Solutions Corporation	\$62.64	\$18,893.2	\$16,148.8	2.1x	10.3x
Wipro Ltd.	\$5.88	\$14,418.0	\$12,755.0	2.0x	9.8x
CGI Group, Inc.	\$29.23	\$9,030.1	\$11,817.6	1.6x	12.1x
Computer Sciences Corporation	\$43.77	\$6,575.5	\$7,272.5	0.5x	3.6x
DST Systems Inc.	\$65.33	\$2,868.4	\$3,452.6	1.3x	8.3x
Syntel, Inc.	\$62.87	\$2,635.3	\$2,247.3	3.0x	9.6x
Unisys Corporation	\$22.07	\$974.1	\$819.7	0.2x	2.7x
iGATE Corporation	\$16.42	\$950.1	\$1,883.7	1.7x	7.7x
CSG Systems International Inc.	\$21.78	\$693.0	\$793.4	1.1x	5.7x
Median:	\$41.94	\$6,575.5	\$7,272.5	1.7x	9.6x

SECTOR HIGHLIGHTS

- The median IT Outsourcing index was trading at 9.6x EBITDA (based on Enterprise Value) at the closing of Q2.
- According to Gartner, the IT outsourcing market (ITO) is forecast to reach \$288 billion in 2013, growing 2.8% in U.S. dollars and 5.1% in constant currency. The market will record a 5.4% compound annual growth rate from 2012 through 2017.
- Constrained IT budgets, an evolving ITO delivery model, economic conditions and cost-focused buyers are limiting the growth potential of the ITO market.
- Outsourcing providers are acquiring, divesting and merging at an accelerated rate. To terminate an IT services contract due to vendor change of ownership, contract managers must have a solid, contractual change-of-control clause that enables them to exit all or part of the outsourcing deal.
- India-based providers, providers rooted in cloud-based services, providers that approach ITO primarily from the application layer, and providers undertaking mergers and acquisitions (M&As) are most often those taking share away from competitors.
- Indian outsourcer Wipro struggled throughout Q2 but recently secured a \$500 million contract from Citigroup, which includes establishing a large offshore delivery center in Bangalore specifically servicing Citigroup.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

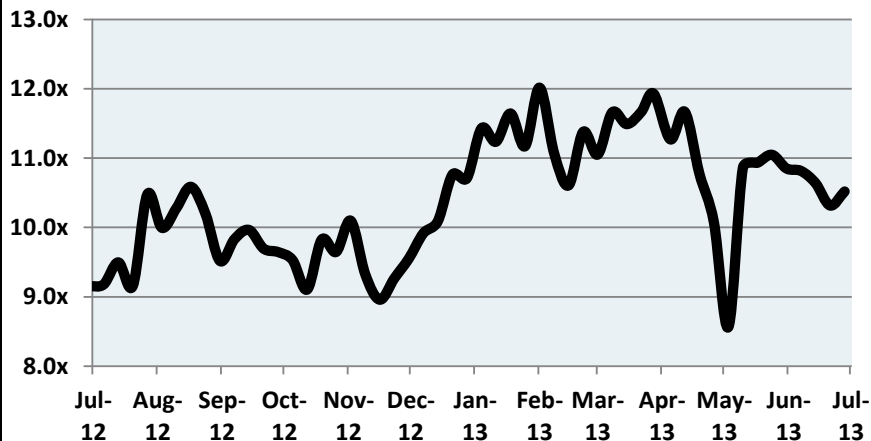
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2013-06-27	Inari Berhad Group	Amertron, Inc.	32.0
2013-06-20	Nektan Ltd.	Mfuse Limited	-
2013-06-06	Games2win	Backyard Game FactoRy	-
2013-05-31	Selima Partners, LLC	Tektronix, Inc.	-
2013-05-29	Cigniti Inc.	Gallop Solutions Inc	-
2013-05-22	Adobe Systems, Inc.	Thumb Labs	-
2013-05-16	Season Group International Co. Ltd.	Outsource Electronics Ltd.	-
2013-04-24	Tech Mahindra Ltd	Sony Mobile Communications AB	-
2013-04-23	1-800 We Answer	TMR, Inc.	-
2013-04-19	Heitech Padu Bhd	Grand-Flo Berhad	28.9
2013-04-18	Publicis Groupe	Neev Information Technologies Ltd.	-
2013-04-12	Mandalay Digital Group	Mia	7.3
2013-04-04	Convergys Corporation	Datacom Group Ltd.	-
2013-04-03	Intel Corporation	ProFUSION Embedded Systems	-

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 06/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Robert Half International Inc.	\$33.23	\$4,637.0	\$4,414.9	1.1x	10.5x
On Assignment Inc.	\$26.72	\$1,423.5	\$1,795.7	1.2x	12.2x
Kforce Inc.	\$14.60	\$498.4	\$538.4	0.5x	8.9x
Computer Task Group Inc.	\$22.97	\$432.4	\$401.6	0.9x	15.3x
CDI Corp.	\$14.16	\$274.9	\$258.0	0.2x	6.5x
Hudson Global, Inc	\$2.48	\$79.9	\$48.1	0.1x	12.2x
RCM Technologies Inc.	\$5.43	\$66.9	\$53.1	0.4x	8.5x
Mastech Holdings, Inc.	\$7.70	\$25.8	\$27.8	0.3x	6.8x
Analysts International Corp.	\$3.85	\$19.7	\$14.0	0.1x	11.4x
Median:	\$14.16	\$274.9	\$258.0	0.4x	10.5x

SECTOR HIGHLIGHTS

- The median IT Staffing index was trading at 10.5x EBITDA (based on Enterprise Value) at the closing of Q2.
- According to Staffing Industry Analysts, IT remains the strongest performing segment of temporary staffing. In terms of month-to-month trends, information technology revenue in the U.S. showed widespread improvement in May, a slight slowdown from the very widespread improvement in the previous three months, but still consistent with continued positive performance in this sector.
- TEKsystems (Allegis), On Assignment, Randstad Technologies and Experis (ManpowerGroup) rank as the four largest suppliers of information technology staffing in the U.S., according to an analysts report released in June.
- Java, SAP, mobile / app development, business intelligence, and business analysts / experience are among the hardest skills to recruit in employees, lending to the need for specific IT Staffing.
- Health care leaders continue to bemoan the difficulty in hiring IT staff even as they have myriad deadlines for federal mandates bearing down on them. Adding to this problem is the fact that IT salaries in health care lag those in other industries.
- IT staffing firm Zycron Inc acquired Computer Professionals Inc., an IT staffing and recruiting agency. The acquisition adds several customers to Zycron's client base and increases Zycron's team by 10%. It also bolsters the company's footprint in the healthcare sector, as many of CPI's staff of 36 work on-site at Nashville-based healthcare companies.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2013-06-17	Zycron, Inc.	Computer Professionals, Inc.	-
2013-06-11	Howard-Sloan Professional Search,	Jonathan Roberts Associates, Inc.	-
2013-06-04	LTN Staffing, LLC	InStaff Personnel, LLC	-
2013-05-29	Cigniti Technologies Ltd.	Gallop Solutions, Inc.	-
2013-05-28	Synergion Information Systems	Navigator Informatika Zrt.	-
2013-05-21	Fahrenheit IT	Indecon Solutions, LLC	-
2013-05-21	Earthbend LLC	Tonka-Tek, Inc.	-
2013-05-09	Attero, Inc.	Technical ProSource, Inc.	-
2013-04-30	Solu Technology Partners	Technology Staffing Solutions	-

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 06/28/13	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Avnet, Inc.	\$33.60	\$4,604.9	\$5,863.6	0.2x	6.5x
Ingram Micro Inc.	\$18.99	\$2,893.9	\$3,483.7	0.1x	6.1x
Insight Enterprises Inc.	\$17.74	\$772.0	\$681.1	0.1x	3.7x
ALSO Holding AG	\$49.66	\$636.7	\$628.7	0.1x	4.6x
ePlus inc.	\$59.89	\$488.1	\$542.4	0.6x	7.3x
PC Connection, Inc.	\$15.45	\$403.5	\$345.7	0.2x	5.5x
PCM, Inc.	\$9.60	\$110.8	\$199.5	0.1x	6.4x
Emtec, Inc.	\$1.00	\$17.0	\$41.7	0.2x	9.1x
Median:	\$26.30	\$1,833.0	\$2,082.4	0.1x	6.3x

SECTOR HIGHLIGHTS

- The median VAR index was trading at 6.3x EBITDA (based on Enterprise Value) at the closing of Q2.
- Tablet shipments continue to rise and are expected to be almost in line with PC shipments by 2014, according to a Gartner report. This creates a shift in focus for VARs as consumers want anytime-anywhere computing that allows them to consume and create content with ease.
- The convergence of the telecom and IT channels is nothing new to master agent Telarus, which for years has offered targeted programs for VARs interested in adding carrier services to their broader IT portfolio. Telarus recently urged its agent partners to further drive this convergence and to stress to traditional IT VARs that not embracing carrier and telecom services could ultimately be their downfall.
- Oracle's recent alliances with Microsoft and Salesforce.com will require VAR integration to merge the programs of these software giants.
- Microsoft's new Microsoft Devices Program, which was announced early July, has riled partners by limiting Surface tablet reseller authorizations to just 10 large account resellers (LARs). Many solution providers are frustrated that the Surface is being presented more as an entertainment device and not as a business product. A recent CRN survey found 75% believe Surface is a better product for business customers than Apple's iPad.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
06/30/13	CameronTec Intressenter AB	E2E Infotech	-
04/16/13	Sektor Distributors Pty Ltd	Walfield Holdings Pty Ltd.	-
04/11/13	PlayNetwork, Inc.	Leibold Communications, Inc.	-
04/08/13	Massive Dynamics, Inc.	Real-View Corporation	-

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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