

# QUARTERLY VIEWPOINT:

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For the Quarter Ended March 31, 2009 and the Latest Twelve Months

## Services

- Project-Based:
  - IT Commercial
  - IT Federal
  - Management Consulting
- Outsourcing:
  - IT
  - Business Process Outsourcing
- Offshore
- IT Staffing
- Value Added Resellers

## Software

- Application
- Infrastructure
- Internet Software and Services
- Software as a Service (SaaS)

## Communications

- Software
- Equipment

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Vice President

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Research Analyst



# 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 is a global leader in M&A advisory services for middle-market technology clients in the services, software, and communications sectors. For further information regarding the contents of this document or any other questions, please call DecisionPoint International at 704.248.1111 or visit the web site at [www.DecisionPointINT.com](http://www.DecisionPointINT.com).



March 2009 – Services



September 2008 – Services



August 2008 – Services



August 2008 – Services



July 2008 – Services



May 2008 – Software/Services



March 2008 – Software



December 2007 - Services



November 2007 - Services



October 2007 - Services



September 2007 - Services



September 2007 - Services



August 2007 - Services



July 2007 - Services



July 2007 - Services



June 2007 - Services



May 2007 - Services



April 2007 - Software



February 2007 - Services



December 2006 - Software

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# Market Leader For Mid-Market Technology M&A

The 451 Group recently named DecisionPoint International the top sell-side advisor for the 24-month period ending December, 2008 for M&A transactions closed in the Systems Integration sector. In addition, DecisionPoint was ranked 5<sup>th</sup> in 2008 for M&A transactions closed in the IT Outsourcing & Business Services sector. This follows the firm's # 1 ranking of closed 2007 M&A transactions in the IT Business Services sector. (The 451 Group is a San Francisco-based, independent technology-industry analyst company focused on the business of enterprise IT innovation.)

## 2007-2008 TOP SELL-SIDE ADVISORS SYSTEMS INTEGRATION

	Number
<b>1 DecisionPoint</b>	<b>11</b>
2 BB&T	7
3 St. Charles Capital	3

## 2008 TOP DEALMAKERS IT OUTSOURCING & BUSINESS SERVICES

	Number
1 Houlihan Lokey	8
1 William Blair	8
3 BB&T	6
4 Barclays	5
<b>5 DecisionPoint</b>	<b>4</b>
5 AdMedia Partners	4
5 Banc of America	4
5 Martin Wolf	4
9 JP Morgan	3
9 Morgan Stanley	3

## 2007 TOP DEALMAKERS IT BUSINESS SERVICES

	Number
<b>1 DecisionPoint</b>	<b>10</b>
2 Morgan Stanley	9
3 Goldman, Sachs & Co.	7
4 Raymond James & Associates	6
5 BB&T Capital Markets	6
6 AdMedia Partners	5
7 JP Morgan Securities Inc.	4
8 Jefferies & Company, Inc.	4
9 Savvian Advisors, LLC	4
10 Pagemill Partners	4

# Services: Project-Based - IT Commercial

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

### Highlights

- For the LTM and quarter, the IT Commercial Index was down 40% and 7%, respectively.
- The federal stimulus package passed in February may help some IT companies climb the stock charts. The law provides \$19 billion to replace the ubiquitous paper chart on a clipboard with electronic medical records. While some traditional technology names will benefit from this, it is the healthcare IT companies that will see the biggest boost and represent the biggest opportunities for investors.
- Healthcare IT is benefiting from a host of spending and demand drivers, including federal government initiatives, an aging population, and a desperate need to deploy efficiency-enhancing technologies across the patient, provider, and payer spectrum.
- After a 2008 hiatus, Edgewater Technology has resumed active acquisition efforts with an emphasis on Microsoft (Sharepoint and Dynamics AX/NAV/GP/CRM) and SAP (Business Objects and Outlooksoft) consultancies.
- M&A activity has remained fairly consistent and segments of strength include expansion of multi-shore delivery capabilities and adding expertise in verticals such as healthcare, life sciences and data center operations.
- Q1'09 had a total of 32 M&A transactions compared to 22 announced in Q4'08.

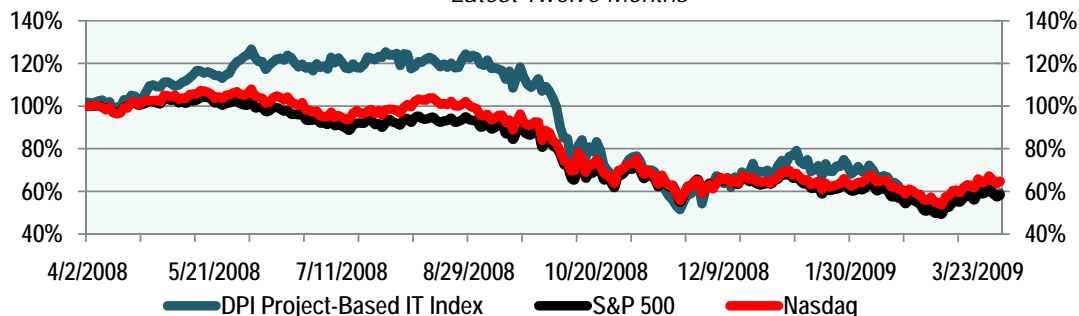
March 31, 2009

### Metrics

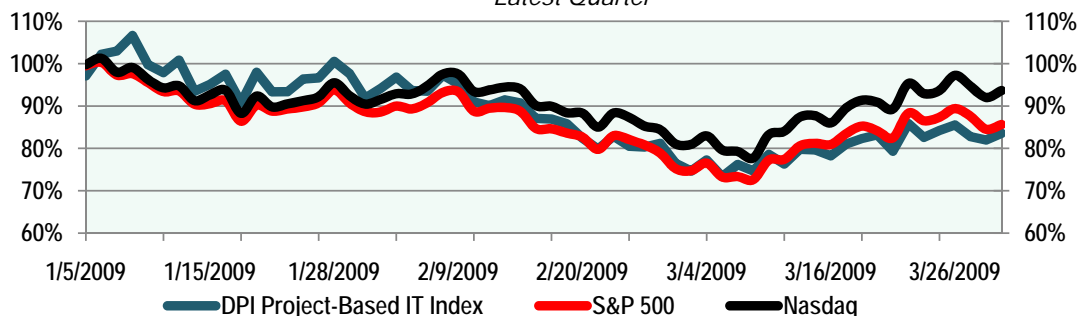
Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Accenture Ltd.	0.5x	3.8x
The Hackett Group, Inc.	0.2x	2.2x
CIBER, Inc.	0.3x	4.2x
Edgewater Technology	0.1x	1.8x
Perficient Inc.	0.7x	5.7x

LTM = Last twelve months  
NM = Not meaningful

DPI Project-Based IT Index vs. Major Indices  
Latest Twelve Months



DPI Project-Based IT Index vs. Major Indices  
Latest Quarter



Note: The DPI IT Commercial Index includes: Accenture, The Hackett Group, CIBER, Edgewater Technology and Perficient.

### Representative IT Commercial Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/31/09	Innovatech	Vivakos	n/a
03/31/09	Worldwide Strategies	New Market Technology	n/a
03/30/09	Black Box	Scottel Voice & Data	n/a
03/23/09	Deloitte LLP	Bearingpoint Inc.	\$350.0
03/16/09	Azaleos Corp	M3 Technology Group	n/a
03/12/09	Convergence Technology Group	Emerging Issuer	n/a
02/23/09	LuciData, LLC	Juritek	n/a
02/19/09	Competitive Companies	International Telecommunications	n/a
02/19/09	Medseek	Visibility Factor	n/a
02/13/09	Emtec	KOAN-IT Corp.	\$2.0
01/28/09	ProSource Development	nFocus Technologies	\$10.0
01/26/09	Tribridge	NavInt Consulting	n/a
01/09/09	Dell	Allin Corp.	\$12.0

# 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 40% and 15%, respectively.
- The Obama administration announced that the Department of Defense and the Department of Veteran Affairs are in the process of creating a joint electronic medical record system utilizing an open-source gateway called Connect.
- Microsoft is helping U.S. government agencies keep track of all aspects of the coming flood of projects stemming from American Recovery and Reinvestment Act (ARRA) stimulus funding. The newly unveiled Microsoft Stimulus 360 solution, available as on-premise software or as a Microsoft-hosted service, combines an intranet portal with dashboards and project tracking and reporting functionality.
- SRA International was awarded a 5-year \$117 million task order for the US government's accountability office. SRA will provide infrastructure as well as software support.
- Mantech International completed the acquisition of DDK Technology Group, Inc.. DDK is a rapidly-growing provider of cyber security to the Department of Defense.
- Strong federal government spending trends relative to commercial verticals are expected to result in increased M&A demand for federal consultancies going forward.
- Q1'09 had a total of 7 M&A transactions compared to 12 announced in Q4'08.

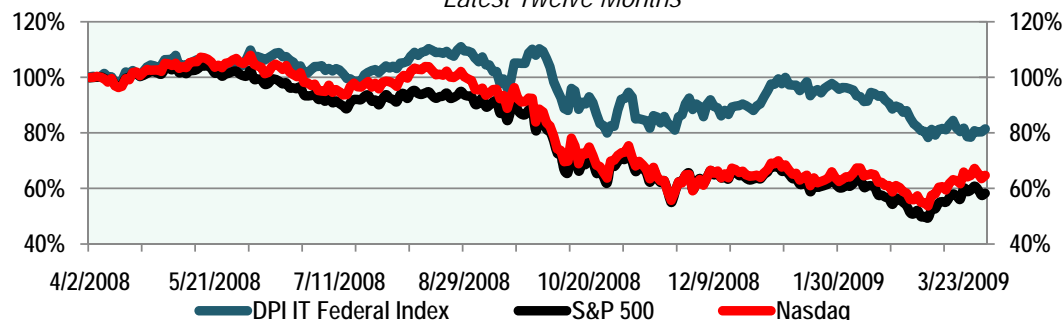
March 31, 2009

### Metrics

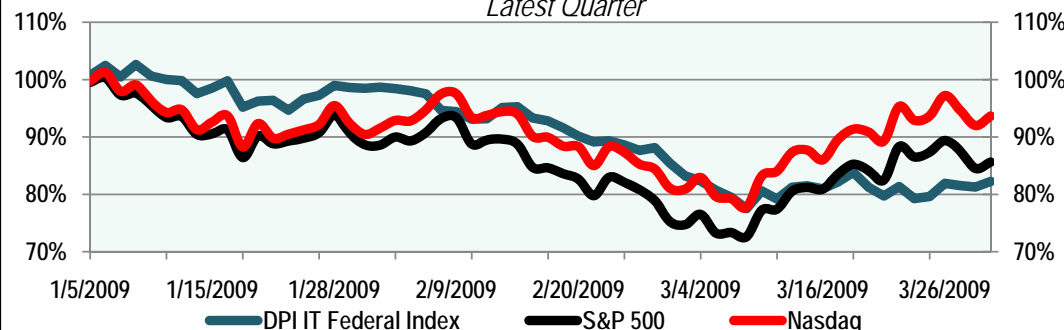
Company	Enterprise Value	
	LTM	LTM
	Revenue	EBITDA
CACI International Inc.	0.6x	7.2x
ManTech International	0.8x	8.9x
NCI, Inc.	1.0x	11.4x
SAIC, Inc.	0.8x	9.5x
SRA International Inc.	0.6x	6.6x

LTM = Last twelve months  
NM = Not meaningful

DPI IT Federal Index vs. Major Indices  
Latest Twelve Months



DPI IT Federal Index vs. Major Indices  
Latest Quarter



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

### Representative IT Federal Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/26/09	Freedom Consulting Group	Concetia Digital	n/a
03/16/09	ManTech International	DDK Technology Group	n/a
03/09/09	TriCord Hurricane Holdings	Aria International	n/a
01/26/09	GlassHouse Technologies	CSSG	n/a
01/15/09	Global Telecom & Technology	FedResults	n/a
01/13/09	Three Pillar Software	Firefly Database Solutions	n/a
01/09/09	Lockheed Martin	Universal Systems & Technology	n/a

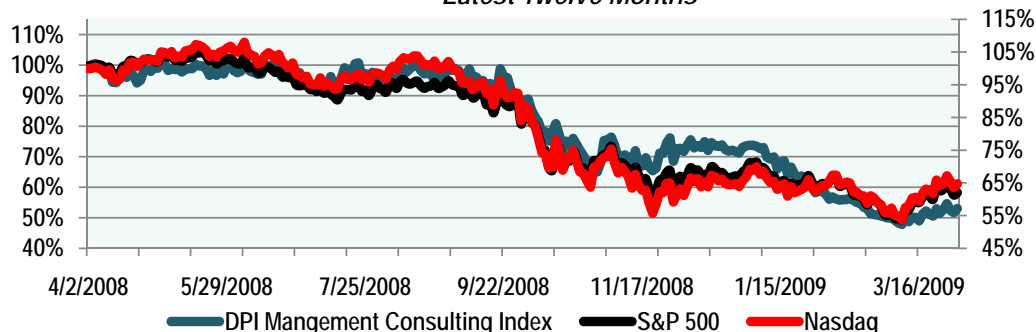
# Services: Project-Based - Management Consulting

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

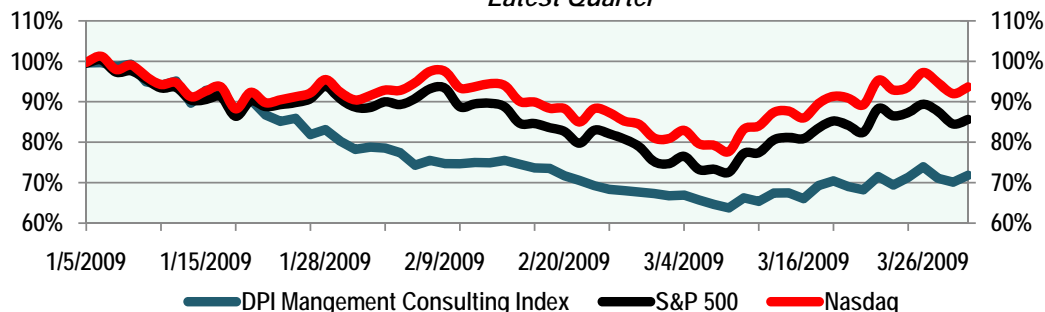
### Highlights

- For the LTM and quarter, the Management Consulting Index was down 43% and 14%, respectively.
- Kennedy Global predicts permanent changes in the market landscape for consulting such as more dependence on emerging economies.
- FTI Consulting announced the release of a new due diligence and transparency offering for private investment funds called the FTI Transparency Report. The new product provides management with a third-party review of their fund management practices.
- Huron Consulting announced a 23% increase in total revenue for 2008.
- Consultancy firm BearingPoint filed for bankruptcy Feb. 18 after reaching an agreement in principle with its lenders to restructure and cut its debt.
- Q1'09 had a total of 3 M&A transactions compared to 1 announced in Q4'08.

DPI Management Consulting Index vs. Major Indices  
Latest Twelve Months



DPI Management Consulting Index vs. Major Indices  
Latest Quarter



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.

March 31, 2009

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
CRA International Inc.	0.4x	3.3x
DTPI	0.1x	5.2x
FTI Consulting, Inc.	2.2x	10.2x
Huron Consulting	1.7x	9.4x
LECG Corp.	0.1x	3.5x
Navigant Consulting Inc.	1.1x	6.7x
Advisory Board Co.	1.0x	5.6x
Corp. Executive Board	0.8x	3.2x

LTM = Last twelve months  
NM = Not meaningful

### Representative Management Consulting Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
02/23/09	The North Highland Company	Qedis	n/a
01/21/09	Workforce Insight	WFM 2.0	n/a
01/06/09	FTI Consulting	CXO Systems	n/a



# Services: Outsourcing - IT

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

### Highlights

For the LTM and quarter, the IT Outsourcing Index was down 40% and 15%, respectively.

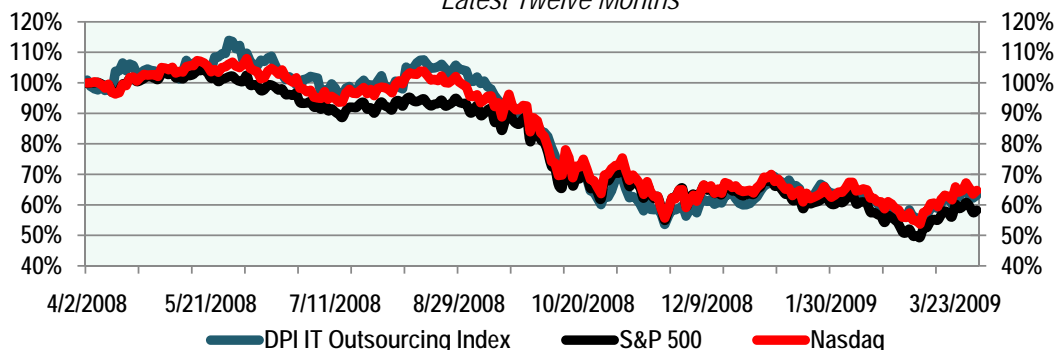
The International Association of Outsourcing Professionals predicted that current economic conditions will lead to an increase of domestic outsourcing, also called in-sourcing, especially in IT outsourcing.

Forrester Research group has recently speculated that the IT Outsourcing sector may continue face a tough time in 2009, as government and business sector spending in this area will probably reduce by 3.1 percent. The problem for the IT sector, however, is temporary and may remain merely till 2010. The demand for IT functions is still there but companies are not prepared to invest too much at the moment.

Q1'09 had a total of 48 M&A transactions compared to 50 announced in Q4'09.

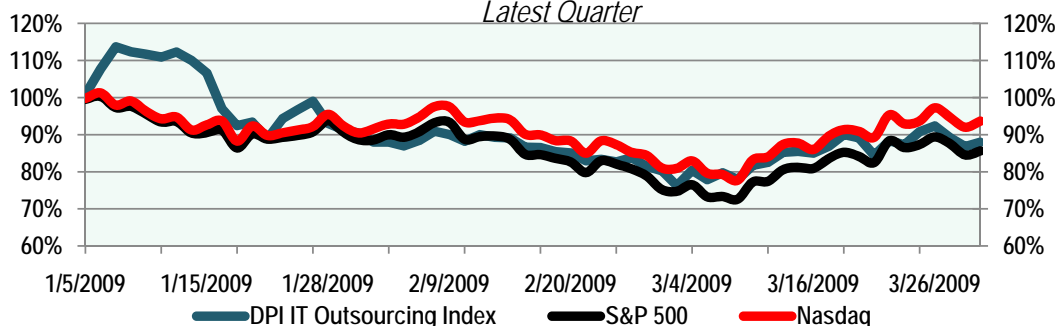
### DPI IT Outsourcing Index vs. Major Indices

Latest Twelve Months



### DPI IT Outsourcing Index vs. Major Indices

Latest Quarter



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

March 31, 2009

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
CGI Group, Inc.	0.9x	6.0x
CSC	0.5x	3.3x
EDS	0.3x	4.5x
Perot Systems Corp.	0.5x	5.3x

LTM = Last twelve months

NM = Not meaningful

### Representative IT Outsourcing Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/31/09	MDT InfoTech	CapInfoTech	n/a
03/30/09	CompleTel Europe	B3G Telecom	n/a
03/26/09	Genesis Communications	Thus Mobile	n/a
03/20/09	xlr8 Technologies	Bowen Technical Solutions	n/a
03/20/09	ICRA Techno Analytics	Sapphire International	\$1.0
03/19/09	Indivision India Partners	Tikona Digital Networks	\$46.0
03/10/09	Hostopia	CI Host	\$3.0
03/02/09	Globecomm Systems	Mach6	\$6.0
02/25/09	U-blox Holding AG	Neonseven Spa	\$12.0
02/19/09	Yahoo! Japan	Softbank IDC Solutions	\$488.0
02/13/09	Elisa Oyj	Xenetic Oy	\$8.0
02/03/09	BS Private Equity	Tiscali Spa	\$60.0
01/30/09	CIBER	Canon Technology Solutions	n/a
01/08/09	UK-2.NET	Virtual Internet	n/a
01/08/09	Phillipine Long Distance Telephone	PhilCom	\$7.0

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 down 38% and 15%, respectively.

NelsonHall research predicts that outsourcing health & welfare administration in North America is to increase by 14% on average per annum to 2013. Clearly organizations have begun to embrace this form of outsourcing, demonstrating a sea change in sourcing strategy for healthcare administration.

Consolidation in the financial sector is inevitable due to the global financial crisis. This will create M&A opportunities which will generate further business for legal process outsourcing (LPO) firms. Strong growth is expected for LPO firms.

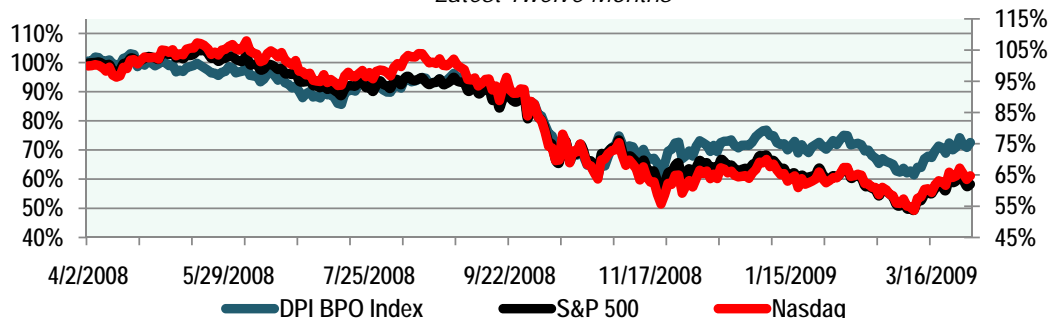
US firm Sallie Mae "in-sources" previously outsourced jobs from India, to the US. America's largest student loan provider will shift approximately 2,000 positions from its offshore facilities in India to US cities.

An increasing number of small business owners are realizing the value of outsourcing their finance and accounting solutions. Reasons to outsource are limited time to focus on financials while running a business and lack of knowledge how to properly maintain the books.

Q1'09 had a total of 24 M&A transactions compared to 35 announced in Q4'08.

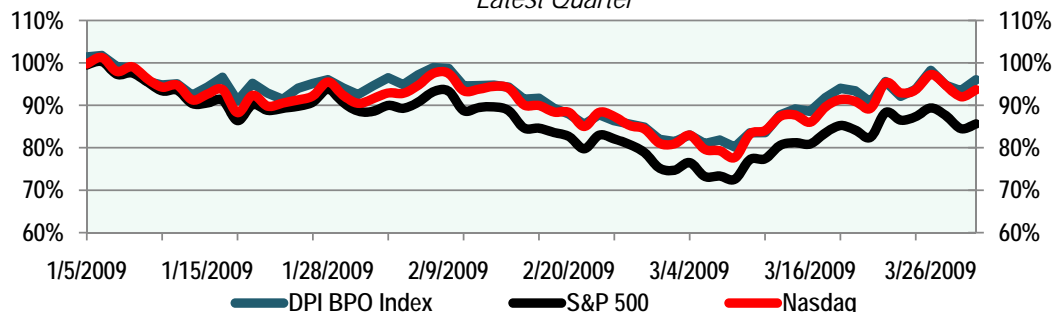
### DPI BPO Index vs. Major Indices

*Latest Twelve Months*



### DPI BPO Index vs. Major Indices

*Latest Quarter*



*Note: Due to the broad BPO market, the DPI BPO Index includes a variety of financial services, healthcare, HR, energy and IT services companies: ACS, Automatic Data Processing, DST Systems, CGI Group, First Advantage and Paychex.*

### Representative Business Process Outsourcing Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/30/09	Advent International Corp.	Fifth Third Processing Solutions	\$561.0
03/24/09	Affiliated Computer Services	E-Services Group International	\$85.0
03/10/09	Inworex Argentina s.a.	Telesoft e-CRM	n/a
03/05/09	Wells Fargo Insurance Services	BridgeStreet Consulting	n/a
03/05/09	TriNET Group	Gevity HR	\$119.0
03/03/09	eTelecare Global Solutions	The Phone House	\$5.0
03/02/09	Aegis BPO Services	ICT Group	\$127.0
02/10/09	Western Union	Fexco	\$159.0
11/03/08	Fiserv	The Data Center	n/a
02/06/09	Arthur J Gallagher & Co.	PartnerSource	n/a
01/28/09	HeadStrong	Lydian Data Services	n/a
01/20/09	Tier Technologies	ChoicePay	\$10.0
01/14/09	MedAvant Healthcare Solutions	HDM Corp	n/a
01/08/09	TD AMERITRADE Holding Corp	ThinkorSwim Group	\$606.0
01/05/09	GSX Holdings	Interchange Servicios S.A.	n/a

March 31, 2009

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
ACS	1.0x	5.9x
ADP	1.8x	7.8x
DST Systems Inc.	1.3x	6.1x
CGI Group, Inc.	0.9x	6.0x
First Advantage	1.0x	6.0x
Paychex Inc.	4.1x	9.2x

LTM = Last twelve months

NM = Not meaningful



# Services: Offshore

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

### Highlights

For the LTM and quarter, the Offshore Index was down 41% and 10%, respectively.

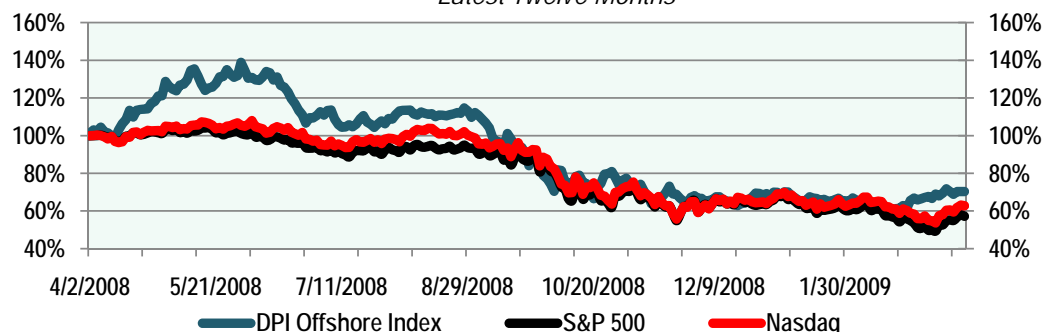
India is struggling to attract business as corporations are concerned about the uncertain business and political climate (result of the Satyam scandal and Mumbai attacks) while rising wages and infrastructure costs combined with a strong rupee have eaten away at the labor arbitrage. In addition, both China and India are now making it more difficult for foreigners to do business there from a tax perspective.

President Obama recently called for a crackdown on companies that send U.S. jobs overseas and hide assets in offshore tax shelters. Obama urged Congress to close loopholes in the federal tax code to attempt to reduce the 11 million jobs projected to move overseas in the next decade.

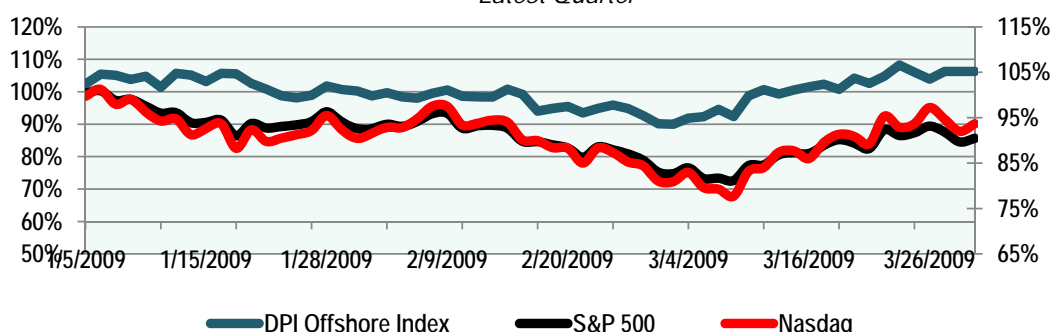
Indian telecommunications outsourcing firm Tech Mahindra won a bid to buy a controlling stake in Satyam Computer Services. Tech Mahindra has agreed to purchase 31% of Satyam now, and an additional 20% via open market bid.

Q1'09 had 0 M&A transactions compared to 1 announced in Q4'08.

DPI Offshore Index vs. Major Indices  
Latest Twelve Months



DPI Offshore Index vs. Major Indices  
Latest Quarter



The DPI Offshore Index includes: Cognizant Technology, Infosys, Patni Computer Systems, VancelInfo Technologies and Wipro.

March 31, 2009

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Cognizant Technology	1.9x	9.0x
Infosys Technologies	2.7x	8.2x
Patni Computer Systems	0.4x	2.9x
VancelInfo Technologies Inc.	1.0x	6.1x
Wipro	1.4x	7.2x

LTM = Last twelve months

NM = Not meaningful

### Representative Offshore Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
There were no transactions for the quarter			

# Services: IT Staffing

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

### Highlights

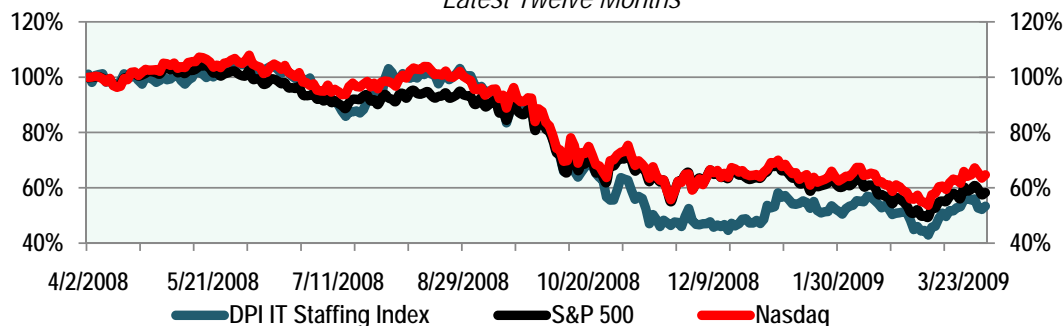
For the LTM and quarter, the IT Staffing Index was down 41% and 15%, respectively.

A recent survey commissioned by Technisource shows that overall confidence levels among IT workers surveyed dropped slightly in the first quarter, as a result of workers' increased uncertainty about the economy, job market and their personal employment situation. More technology workers say they are likely to look for a job in the next year.

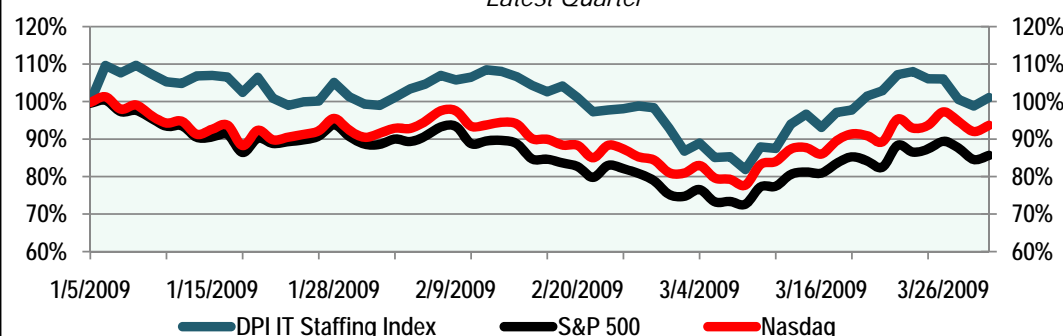
In the IT staffing sector, people with skill-sets in analysis, strategy planning, data architecture, and data management are the most attractive. This indicates that corporations are getting their arms around what they have to do to be prepared but not necessarily buying the products yet.

Q1'09 had 2 M&A transactions compared to 3 announced in Q4'08.

DPI IT Staffing Index vs. Major Indices  
Latest Twelve Months



DPI IT Staffing Index vs. Major Indices  
Latest Quarter



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

March 31, 2009

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Analysts International	0.0x	4.6x
Comforce Corp.	0.2x	5.3x
Computer Task Group Inc.	0.1x	3.4x
Kforce Inc.	0.3x	5.8x
RCM Technologies Inc.	0.1x	13.2x
TechTeam Global Inc.	0.3x	3.3x
Volt Information Sciences	0.1x	2.8x

LTM = Last twelve months

NM = Not meaningful

### Representative IT Staffing Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/27/09	Ascendum Solutions	Cogent Search	n/a
01/15/09	Adayana Inc.	GradePoint Inc.	n/a

# Services: Value Added Resellers

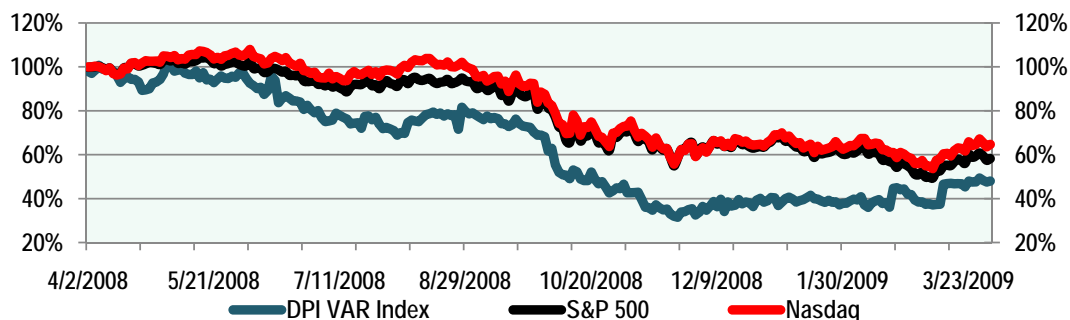
## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the VAR Index was down 41% and 18%, respectively.
- Oracle's CEO Larry Ellison said his company will become a hardware vendor and support Sun Microsystems server and storage offerings after its acquisition of Sun closes and asserted that Oracle will increase its competition with IBM.
- The uncertain economy would seem to be a less-than-ideal environment for launching a new version of Windows. But Microsoft enterprise partners who have been rolling out the OS internally say the improved deployment and management tools for Windows 7 can quickly add up to measurable cost savings.
- As the burgeoning netbook market continues to gain both buzz and traction, VARs are starting to find ways to work these slimmed-down notebooks into business-class solutions. Early front-runners include school systems and government agencies. While a business customer with a highly mobile workforce might seem like a natural fit for netbooks, that market still has not matured.
- Emtec announced that it had acquired IT consulting company KOAN-IT. This is Emtec's third acquisition in 12 months.
- Q1'09 had a total of 10 M&A transactions compared to 9 announced in Q4'08.

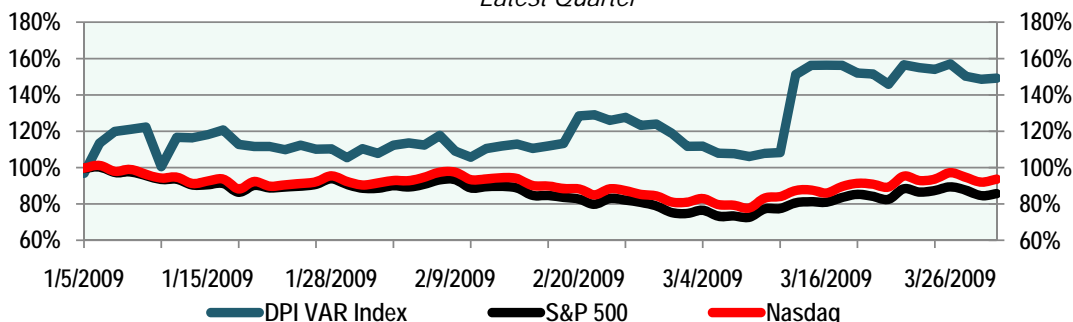
### DPI VAR Index vs. Major Indices

Latest Twelve Months



### DPI VAR Index vs. Major Indices

Latest Quarter



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

March 31, 2009

### Metrics

Company	Enterprise Value	
	LTM Gross Profit	LTM EBITDA
Emtec Inc.	0.4x	2.5x
En Pointe Technologies Inc.	0.4x	NM
Insight Enterprises Inc.	0.6x	2.4x
MTM Technologies Inc.	1.1x	NM
PC Connection, Inc.	0.3x	1.7x
Pomeroy IT Solutions Inc.	0.2x	NM

LTM = Last twelve months

NM = Not meaningful

### Representative Value Added Resellers Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/31/09	CloudBlue Technologies	GreenAssetDisposal	n/a
03/23/09	TekServe POS	Restaurant Solutions	n/a
03/22/09	Concorde Excel Holdings	Phase CRS Ltd.	n/a
03/11/09	Din Global Corp.	En Pointe Technologies	\$20.0
02/12/09	Emtec	KOAN-IT Corp.	\$3.2
02/11/09	SpiderHost	TekGiants	n/a
01/19/09	Paragon Development Systems	Provident Technologies	n/a
01/13/09	Crealogix Holding AG	WebCall GmBh	n/a
01/12/09	Brittenford Systems	Innovative Enterprise Solutions	n/a
01/10/09	INFINITE Software Corporation	RoundStone Systems Corporation	n/a

# Software: Application

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

### Highlights

For the LTM and quarter, the Application Software Index was down 41% and 12%, respectively.

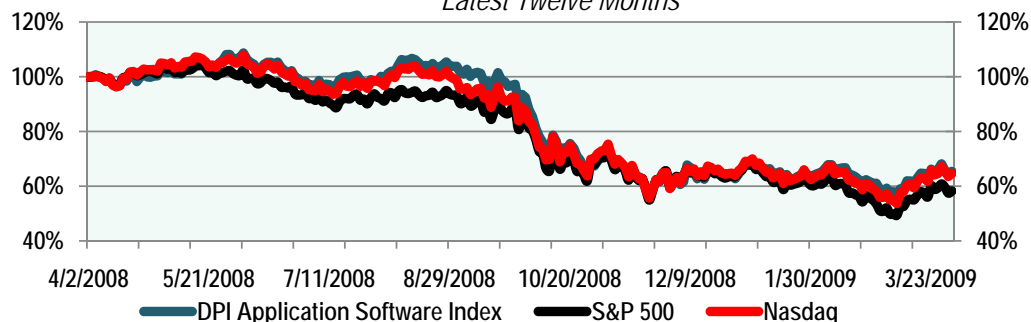
A recent report by Forrester delivers a blow to the myth that the enterprise application software market is consolidated. A software insider Index of 30 software vendors shows that SAP and Oracle do not even make up 50% of the total revenues. The cutoff revenue for the list was \$100 million, and there are even plenty of software vendors under that threshold

2008 was a relatively mild merger and acquisition (M&A) year in the ERP industry and while a down economic climate might initially suggest an even slower 2009, it is predicted that the deflated market valuations will bring acquisition candidates that were previously viewed as over-valued or just too expensive into the realm of acquisition. A few of the smaller or middle-market software players may consolidate in an effort to achieve greater operating efficiencies and cost savings.

Q1'09 had a total of 115 M&A transactions compared to 140 announced in Q4'08.

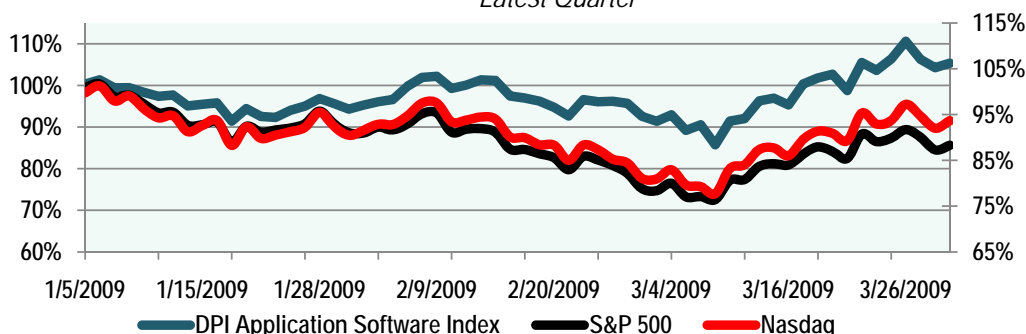
### DPI Application Software Index vs. Major Indices

*Latest Twelve Months*



### DPI Application Software Index vs. Major Indices

*Latest Quarter*



*Note: The DPI Application Software Index includes companies from the following sub-sectors: Accounting and Financial Services, Billing & Service Provisioning, BI, Content & Document Management, CRM, Engineering, Electronic Design Automation, Product Lifecycle Management, ERP, Healthcare, Human Resources & Workforce Management, Media & Entertainment and Supply Chain Management.*

March 31, 2009

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Acct. & Financial	2.4x	9.0x
Billing & Service	3.9x	9.6x
Business Int.	1.2x	6.7x
Content Mgmt.	1.3x	7.2x
CRM	1.0x	22.3x
Engineering, etc.	1.9x	9.2x
ERP	1.3x	6.6x
Healthcare	1.7x	14.2x
HR Mgmt	0.9x	31.7x
Media & Ent.	1.6x	8.6x
SC Mgmt.	1.3x	46.7x

LTM = Last twelve months  
NM = Not meaningful

<u>Representative Application Software Transactions</u>			
Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/30/09	Educational Options	Orchard Learning	\$2.0
03/19/09	SintecMedia	Pilat Media Global	\$23.0
03/11/09	Descartes Systems Group	Scan Code Systems	n/a
03/10/09	Tyler Technologies	Pulse Mark	n/a
03/04/09	Advanced Medical Devices	MyscreenMD.com	n/a
03/02/09	Emerson Electric Company	Roxar AS	n/a
02/25/09	DemandTec	Connect3 Systems	\$13.0
02/24/09	Netezza	Tizor Systems	\$3.0
02/23/09	AMICAS	Emageon	\$39.0
02/19/09	Universal Electronics	Zilog	\$31.0
02/12/09	Informatica	Applimation	\$40.0
02/09/09	Telephonetics	Eden Origin	\$1.0
01/23/09	Dealer Track Holdings	JM Dealer Services	\$33.0
01/20/09	AutoDesk	Algor	\$34.0
01/12/09	ESI Group	MindWare Engineering	\$6.0

Please call DecisionPoint for further details on listed transactions.

# Software: Infrastructure

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

### Highlights

- For the LTM and quarter, the Infrastructure Software Index was down 40% and 15%, respectively.
- The malicious software program known as Conficker that many feared would wreak havoc on April 1 is slowly being activated, weeks after being dismissed as a false alarm, security experts said. The program is quietly turning thousands of personal computers into servers of e-mail spam and installing spyware.
- Microsoft has begun outlining its plans for both public and private clouds in relation to its stack of data centre infrastructure software. The vision is a corporate IT world that straddles both public clouds and private clouds. Microsoft is planning on using semantics to align its existing stack of infrastructure and management software with the trendiest topic in network computing.
- Novell announced its intent to acquire Foretifi for an undisclosed sum using current cash. Novell also announced that it will continue look at acquisitions in the areas of open source software as well as software for data centers and identity management
- Q1'09 had a total of 22 M&A transactions compared to 21 announced in Q4'08.

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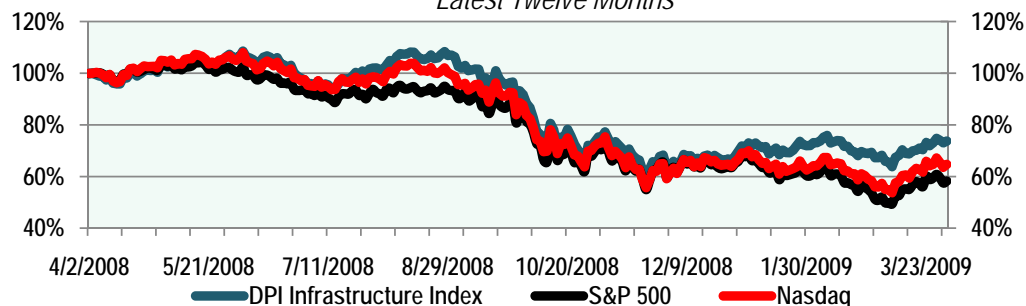
### Metrics

Company	Enterprise Value	
	LTM	LTM
	Revenue	EBITDA
Database Mgmt.	2.5x	7.5x
eCommerce	3.6x	15.7x
Enterprise App.	1.4x	7.0x
Messaging & Conf.	2.0x	7.5x
Networking	0.7x	7.2x
Security	2.6x	12.1x
Data Storage	1.6x	7.5x
Tools & Testing	0.6x	3.5x
Wireless	1.4x	8.0x

LTM = Last twelve months  
NM = Not meaningful

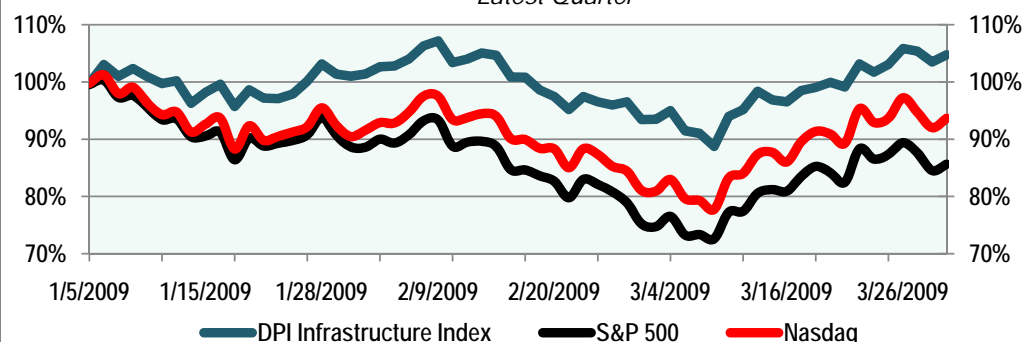
### DPI Infrastructure Index vs. Major Indices

Latest Twelve Months



### DPI Infrastructure Index vs. Major Indices

Latest Quarter



Note: The DPI Infrastructure Software Index includes companies from the following sub-sectors: Database & File Management, eCommerce Enablement, EAI, Messaging & Conferencing, Networking & Connectivity, Security, Storage & ESM, Tools and Testing and Wireless.

### Representative Infrastructure Software Transactions

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
03/04/09	Phoenix Interests	Stonewall Networks	n/a
03/03/09	Networks In Motion	TrafficGauge	n/a
02/23/09	Wind River Systems	Tilcon Software Ltd.	\$4.0
02/19/09	Explorations Group	Hawk Biometric Technologies	\$5.0
02/19/09	Novell	ActivIdentity Corp.	n/a
02/17/09	TrustWave Holdings	Mirage Networks	\$10.0
02/04/09	Oracle Corp	mValent	n/a
02/02/09	Cincinnati Bell	Virtual Blocks	n/a
01/28/09	Flash Networks	Unipier Ltd.	n/a
01/27/09	WebSense	Defensio	n/a
01/26/09	Verisign	Certicom	\$73.0
01/21/09	Research In Motion	Certicom	\$53.0
01/20/09	Riverbed Technology	Mazu Networks	\$25.0
01/14/09	Joyent	Reasonably Smart	n/a
01/13/09	Quest Software	Monosphere	n/a

Please call DecisionPoint for further details on listed transactions.

# Software: Internet Software and Services

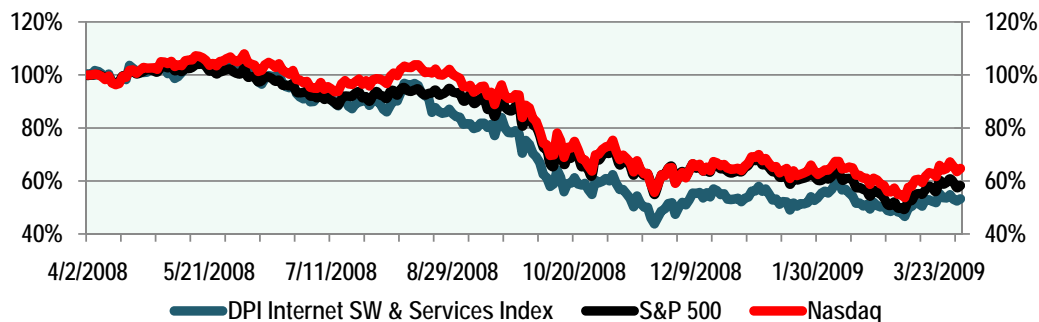
## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Internet Software and Services Index was down 41% and 15%, respectively.
- Yahoo! Announced a partnership with three major universities for research into cloud computing systems and applications, after the announcement that the company is expanding its efforts to develop its BOSS system. (Build your Own Search Service). The three schools are: UC-Berkeley, Cornell and UMASS-Amherst.
- Google continues to address newspaper woes after media owner Rupert Murdoch publicly questions whether it is ethical that Google profits from content provided by news agencies.
- Skype cofounders are looking to become venture capitalists by raising \$266 million for a fund called Atomico Ventures. The fund will primarily invest in entrepreneurs working in consumer facing technology businesses in Europe.
- Q1'09 had a total of 126 M&A transactions compared to 47 in Q4'08.

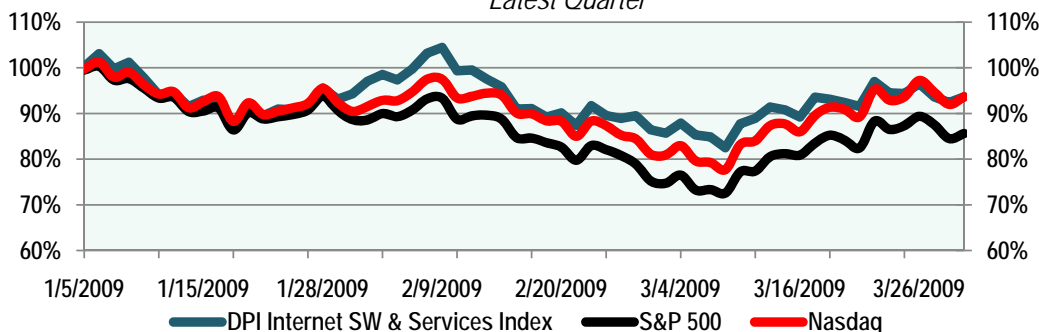
### DPI Internet Software & Services Index vs. Major Indices

Latest Twelve Months



### DPI Internet Software & Services Index vs. Major Indices

Latest Quarter



Note: The DPI Internet Software & Services Index includes: Amazon.com, eBay, Google, InfoSpace, IAC/InterActive, RealNetworks and Yahoo!.

March 31, 2009

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Amazon.com Inc.	1.5x	26.4x
eBay Inc.	1.6x	4.8x
Google Inc.	4.3x	11.6x
InfoSpace Inc.	NM	NM
IAC/InterActiveCorp.	0.3x	5.8x
RealNetworks Inc.	NM	NM
Yahoo! Inc.	2.0x	11.0x

### Representative Internet Software and Services Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/27/09	Teens in Tech	Youth Bloggers Network	n/a
03/23/09	Cibleweb	Arkantos Consulting	n/a
03/19/09	Yellow1	Ambigo	n/a
03/17/09	Autonomy Inc.	Interwoven Inc.	\$612.0
03/03/09	The Linux Foundation	Linux.com	\$57.0
02/25/09	j2 Global Communications	CallWave	\$12.0
02/24/09	Mio.TV	Wamba	\$5.0
02/23/09	GoAdv Sa	LeGuide.com	\$57.0
02/17/09	ABS Capital Partners	Alam.com	\$28.0
02/17/09	Aragon Consulting Group Inc.	Krugle, Inc.	n/a
02/13/09	Fish & Fly Ltd	FishingMagic.com	n/a
02/06/09	Yellow Pages Group Limited	APN News & Media Ltd.	\$10.0
01/30/09	TraveZoo Inc.	Fly.com	\$2.0
01/19/09	Dydacomp	StoreFront.net	n/a
01/08/09	Here Networks	PlanetOut, Inc.	\$49.0

LTM = Last twelve months  
NM = Not meaningful

Please call DecisionPoint for further details on listed transactions.



# Software: Software as a Service (SaaS)

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

### Highlights

- For the LTM and quarter, the Software as a Service Index was down 35% and 15%, respectively.
- According to Gartner, the market for software as a service (SaaS) is forecasted to reach \$9.6 billion in 2009, a 21.9 percent increase from 2008 revenue of \$6.6 billion. The market will show consistent growth through 2013 when worldwide SaaS revenue should total \$16 billion for the enterprise application markets.
- Security is still the main concern for corporations looking to utilize SaaS vendors. Most customers want comfort that their data will not be mixed up with other customers' data and learn how the vendor will handle data destruction once a project has expired or the customer has terminated the engagement.
- According to the 451 group, platform as a service (PaaS) will be a hot sector this coming year because it, attempts to overcome some of the short-comings of SaaS by including more customization applications and control of the development process. Customers will be able to access application development components through a browser then customize and build their applications.
- Q1'09 had 38 M&A transactions compared to 28 in Q4'08.

March 31, 2009

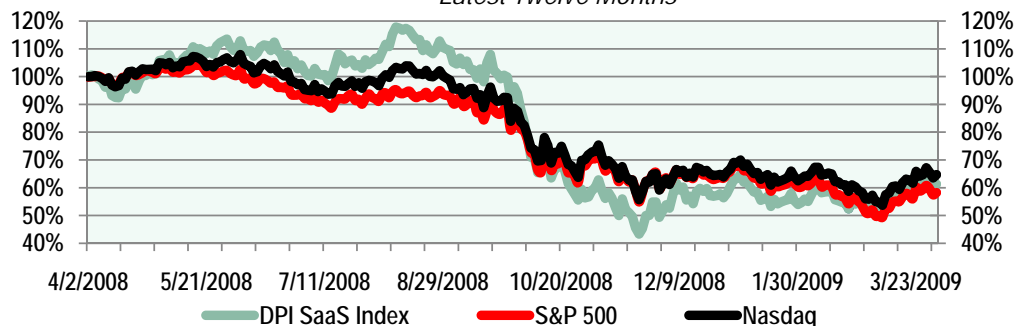
### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Blackboard Inc.	3.3x	19.5x
Concur Technologies	3.2x	14.3x
DealerTrak Holdings	1.3x	7.8x
Kenexa Corp.	0.5x	2.7x
Omniture Inc.	3.2x	70.1x
Red Hat Inc.	4.2x	22.2x
Rightnow Technologies	1.1x	NM
Salesforce.com	3.1x	35.7x
Taleo Corp.	2.0x	27.6x
Ultimate Software	2.2x	84.8x
Vocus Inc.	2.1x	37.6x

LTM = Last twelve months  
NM = Not meaningful

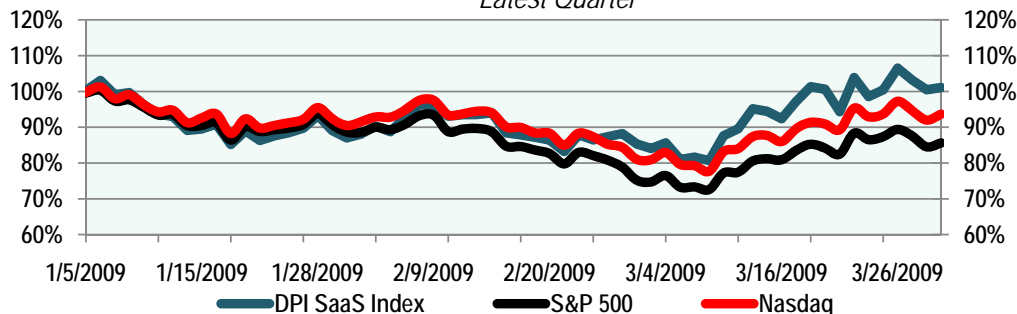
### DPI Software as a Service Index vs. Major Indices

Latest Twelve Months



### DPI Software as a Service Index vs. Major Indices

Latest Quarter



Note: The DPI Software as a Service (SaaS) Index includes: Blackboard, Concur Technologies, DealerTrack Holdings, Kenexa, Kintera, Omniture, Red Hat, Rightnow Technologies, Salesforce.com, Taleo, Ultimate Software Group and Vocus.

### Representative Software as a Service (SaaS) Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/30/09	U-Blox Holding	GeoTate B.V.	\$7.0
03/03/09	Parayil & Mann Dealer Services	DealerUps	n/a
03/23/09	Oracle Corp	RelSys International	n/a
03/17/09	Liason Technologies	First Thought Consulting Ltd	n/a
03/11/09	iFast Corporation PTE Ltd.	ING N.V.	n/a
03/11/09	Eniro AB	Oreo AB	\$1.0
02/26/09	Group Technologies AG	IT Factory A/S	n/a
02/26/09	Calypso Technologies	Codefarm Technologies	n/a
02/23/09	Hitachi Global Storage Technologies	Fabrik	n/a
02/19/09	SAP AG	Coghead	n/a
02/05/09	Descartes Systems Group	Oceanwide	n/a
01/27/09	Archer Technologies LLC	Brabeion Software	\$4.0
01/23/09	TELUS Corp.	Sunnybrook Health Sciences Centre	n/a
01/15/09	Tangoe	Internoded	\$4.0
01/15/09	IBM	Outblaze	n/a

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 42% and 14%, respectively.

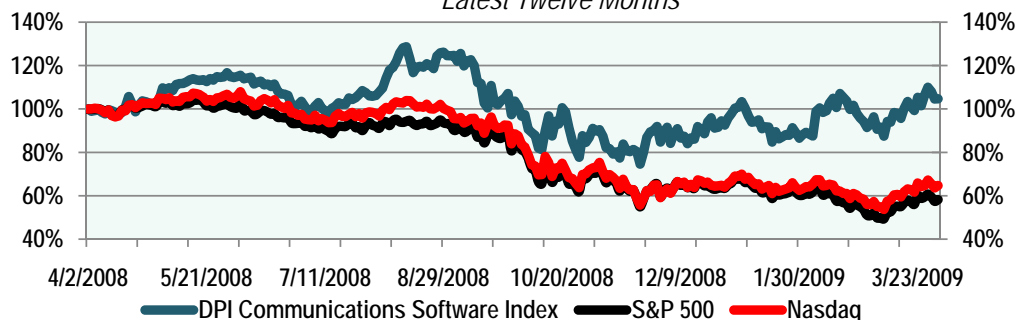
In a prediction destined to cause heartburn at mobile carriers around the globe, Gartner says that more than 50 percent of mobile voice traffic will be end-to-end VoIP by 2019. Third-party app-based providers pose a "huge and direct" challenge to the \$693 billion global voice market.

Verizon Wireless announced that it will join China Mobile, SOFTBANK and Vodafone to create the largest global platform for mobile developers. This initiative will create fun and useful mobile widgets for approximately one billion customers.

Q1'09 had a total of 32 M&A transactions compared to 28 announced in Q4'08.

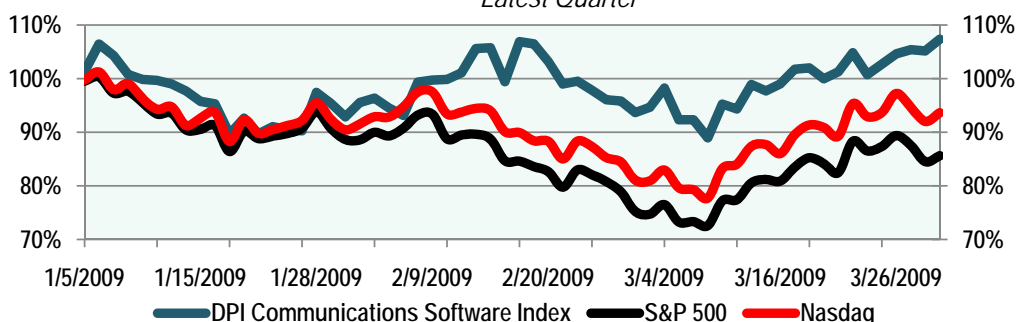
### DPI Communications Software Index vs. Major Indices

*Latest Twelve Months*



### DPI Communications Software Index vs. Major Indices

*Latest Quarter*



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

March 31, 2009

### Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Amdocs Ltd.	0.9x	4.7x
Converse Technology	NM	NM
Openwave Systems	NM	NM
TeleCommunication Sys.	1.8x	16.8x

### Representative Communications Software Transactions

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
03/31/09	CPP Investment Board	Broadcast Australia	\$250.0
03/25/09	Hub Telecom	Masternaut	n/a
03/18/09	NAMCO BANDAI Games	D3 Publisher	\$13.0
03/10/09	China Tel Group Inc.	Perusat S.A.	\$3.0
03/02/09	TNS, Inc.	VeriSign	\$230.0
03/01/09	Maroc Telecom	Sotelma	\$321.0
02/26/09	Nuance Communications	Zi Corporation	\$38.0
02/13/09	Esmertec AG	Purple Labs	\$82.0
02/12/09	Square Enix Holding Co.	Eidos Interactive	\$124.0
02/05/09	Handmark	FreeRange Communications	n/a
02/02/09	Wave-Technology Solutions Group	Radianta	n/a
01/22/09	Hilbert Communications	Bug Tussel Wireless	n/a
01/21/09	Turkcell Iletisim Hizmetleri	Cosmofon AD	n/a
01/13/09	Orascom Telecom Holding SAE	Cell One	\$59.0
01/06/09	CS Software Holdings LLC	Planar Systems Inc.	n/a

LTM = Last twelve months  
NM = Not meaningful

Please call DecisionPoint for further details on listed transactions.

# Communications: Equipment

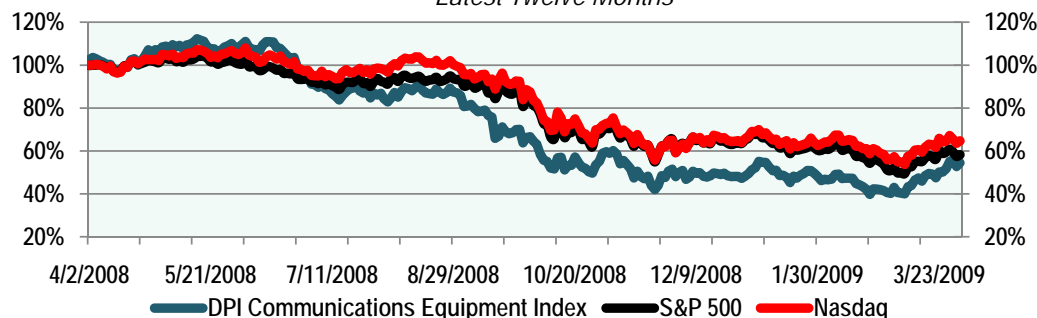
## Highlights, Stock Performance and Recent M&A Activity

### Highlights

- For the LTM and quarter, the Communications Equipment Index was down 42% and 15%, respectively.
- Nortel has filed for bankruptcy protection in Canada and the U.S., becoming the first major technology company to take that step in this global downturn.
- Suppliers of networking equipment such as Alcatel-Lucent also say orders improved near the end of the quarter after plunging during the final months of 2008. Big phone carriers, which delayed some projects until they got a better read on the economy, are starting to resume network expansion and upgrades.
- Oracle's acquisition of Sun Microsystems will allow it to compete on a broader level against IBM, Sun's previous acquisition suitor. By acquiring Sun, Oracle will be able to expand its end-to-end offerings and further drill into the capabilities of Java and Solaris, which already provide the foundation for many of its solutions, as well as compete more heartily against IBM's DB2 database middleware.
- Q1'09 had a total of 72 M&A transactions compared to 18 announced in Q4'08.

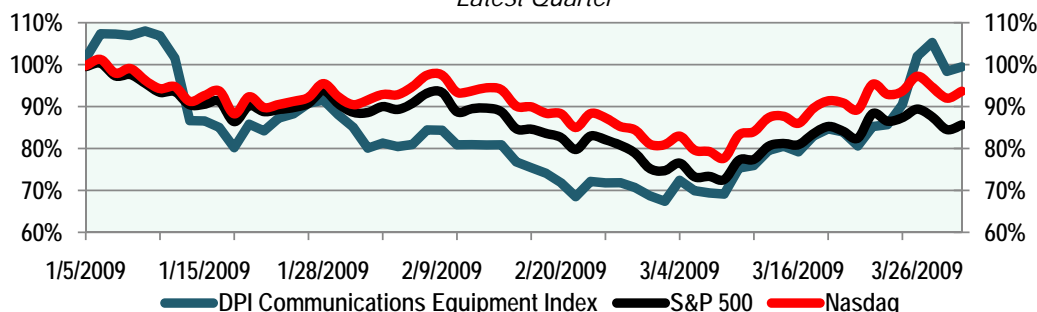
### DPI Communications Equipment Index vs. Major Indices

*Latest Twelve Months*



### DPI Communications Equipment Index vs. Major Indices

*Latest Quarter*



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

March 31, 2009

### Metrics

Company	Enterprise Value	
	LTM	LTM
	Revenue	EBITDA
3Com Corporation	0.6x	8.2x
ADC Telecommunications	0.4x	4.4x
Alcatel-Lucent	0.2x	3.0x
CIENA Corp.	0.7x	14.0x
Cisco Systems, Inc.	1.9x	7.1x
Nortel Networks Corp.	0.2x	2.4x
Tellabs Inc.	0.4x	4.5x

### Representative Communications Equipment Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
03/24/09	Printronic Inc.	TallyGenicom LP	\$42.0
03/23/09	Ultralife Corp.	SAIC	\$6.0
03/23/09	Unimicron Technology	Phoenix Precision Technology	\$130.0
03/19/09	Cisco Systems	Pure Digital Technologies	\$590.0
03/19/09	Gennum Corp.	Tundra Semiconduction	\$68.0
03/18/09	Acuity Brands Lighting	Sensor Switch	\$205.0
03/06/09	Curtiss-Wright Corp	EST Group	\$40.0
02/23/09	Exar Corp.	Hifn	\$63.0
02/19/09	Maxim Integrated Products	Zilog	\$31.0
02/10/09	CSR plc	SiRF Technology Holdings	\$136.0
01/27/09	Bookham	Avanex	\$110.0
01/26/09	Screen Service Broadcasting	RRD Reti Radiotelevisive Digitali Srl	\$25.0
01/20/09	Qualcomm	Advanced Micro Devices	\$65.0
01/06/09	DTS	Neural Audio	\$15.0
01/05/09	PLX Technology	Oxford Semiconductor	\$27.0

Please call DecisionPoint for further details on listed transactions.

LTM = Last twelve months  
NM = Not meaningful

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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