



QUARTERLY VIEWPOINT:

For the Quarter Ended December 31, 2011 and the Latest Twelve Months

QUARTERLY VIEWPOINT:

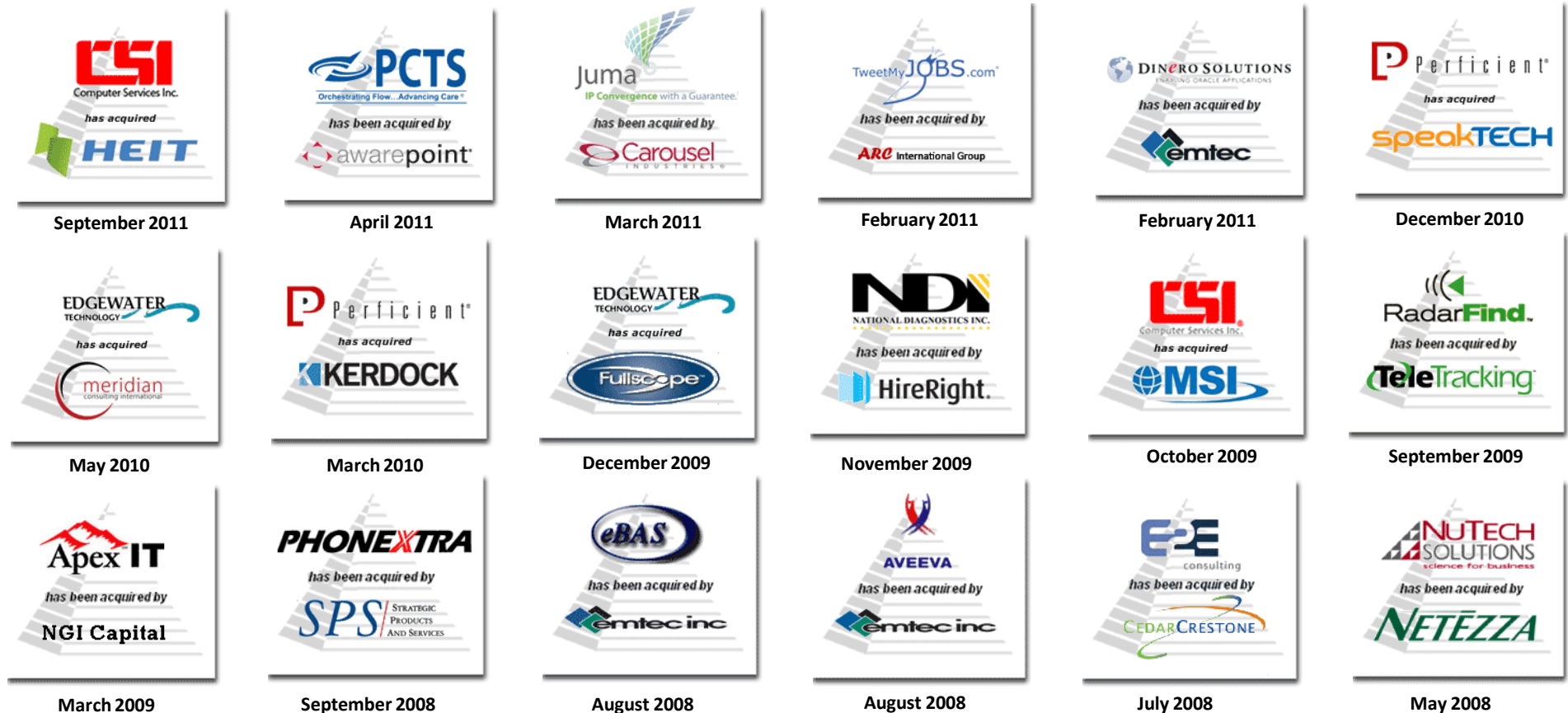
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Market Leader for Mid-Market Technology M&A:

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 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.



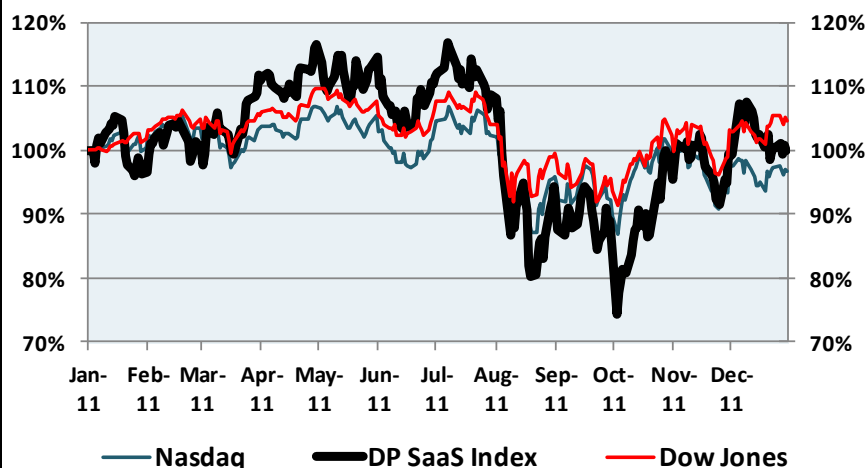
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Software: Software as a Service (SaaS)

HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP SaaS Index vs. Major Indices
Latest Twelve Months



Note: See table below for the companies that make up the DecisionPoint SaaS Index.

VALUATION METRICS

| Company | Stock Price 12/31/11 | Market Cap. | Enterprise Value (EV) | EV/ LTM Revenue | EV / LTM EBITDA |
|-----------------------------------|-------------------------|------------------|--------------------------|--------------------|--------------------|
| Concur Technologies, Inc. | \$50.79 | \$2,747.2 | \$2,432.3 | 7.0x | NM |
| DealerTrack Holdings, Inc. | \$27.26 | \$1,130.9 | \$1,066.4 | 3.3x | 19.7x |
| Kenexa Corp. | \$26.70 | \$722.5 | \$680.7 | 2.6x | 32.9x |
| Red Hat, Inc. | \$41.29 | \$7,974.6 | \$7,166.3 | 6.6x | 29.6x |
| Rightnow Technologies Inc. | \$42.73 | \$1,425.1 | \$1,358.7 | 6.3x | NM |
| Salesforce.com | \$101.46 | \$13,798.6 | \$13,695.4 | 6.5x | NM |
| Taleo Corp. | \$38.69 | \$1,605.5 | \$1,494.6 | 5.0x | 44.5x |
| The Ultimate Software Group, Inc. | \$65.12 | \$1,695.0 | \$1,649.0 | 6.4x | NM |
| Vocus Inc. | \$22.09 | \$442.0 | \$336.4 | 3.0x | NM |
| Median: | \$41.29 | \$1,605.5 | \$1,494.6 | 6.3x | 31.3x |

SECTOR HIGHLIGHTS

- SaaS Index was unchanged in 2011.
- The explosive success of cloud computing, especially SaaS, will spark searches in 2012 for better ways to ensure security, privacy and enterprise-wide identity and access management. Researchers have noted cloud security is attracting more interest from IT. In 2012, IDC predicts as many as 80% of all new commercial apps will be deployed from cloud platforms. Further, by the end of 2012, Forrester Research predicts that enterprises that tap into the cloud will be using 10 or more cloud-based services or SaaS applications.
- Most new cloud applications will use service-oriented architecture design principles and in-memory computing, and new business applications will leverage event processing and SOA gateways. However, few applications will be modified for cloud deployment, mobility support or IMC.
- More and more companies already use or plan to use cloud or SaaS offerings to augment their core business intelligence (BI) functions. However, replacing on-premises BI or analytic systems is difficult and since BI and analytics are data-intensive, some companies are hesitant about relying on outside cloud providers handling massive amounts of corporate data.
- Oracle is one step closer to wrapping up its \$1.5 billion acquisition of RightNow Technologies after RightNow's shareholders overwhelmingly approved the deal in early January. The acquisition is widely seen as a bid by Oracle to compete more directly against Salesforce.com and its cloud-based customer service offerings.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

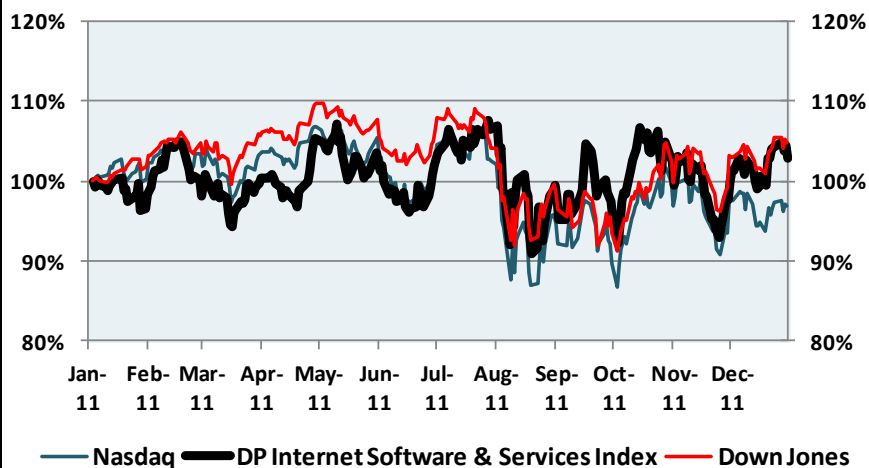
| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|-------------------|---------------------------|---------------------------------|---------------------------|
| 2011-12-23 | Ideagen Limited | Proquis | 5.0 |
| 2011-12-08 | IBM Corporation | DemandTec, Inc. | 440.0 |
| 2011-12-06 | SuccessFactors Inc. [SAP] | Jobs2Web Inc | 110.0 |
| 2011-12-05 | Telular Corporation | SkyBitz, Inc. | 42.0 |
| 2011-12-03 | SAP AG | SuccessFactors Inc. | 3,400.0 |
| 2011-12-02 | NICE Systems Ltd | Merced Systems | 150.0 |
| 2011-11-30 | Adobe Systems Inc. | Efficient Frontier | 400.0 |
| 2011-10-24 | Oracle Corporation | RightNow Technologies, Inc. | 1,433.6 |
| 2011-10-19 | Permira Funds (LIS) | Genesys Telecommunications Labs | 1,500.0 |

Software: Internet Software and Services

HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Internet Software & Services Index vs. Major Indices
Latest Twelve Months



Note: See table below for the companies that make up the DecisionPoint Internet Software & Services Index.

VALUATION METRICS

| Company | Stock Price 12/31/11 | Market Cap. | Enterprise Value (EV) | EV / LTM Revenue | EV / LTM EBITDA |
|----------------------|-------------------------|-------------------|--------------------------|---------------------|--------------------|
| Amazon.com Inc. | \$173.10 | \$78,717.9 | \$72,391.9 | 1.7x | 41.4x |
| eBay Inc. | \$30.33 | \$39,154.0 | \$35,314.3 | 3.0x | 10.7x |
| Google Inc. | \$645.90 | \$209,198.9 | \$170,783.9 | 4.5x | 12.1x |
| InfoSpace, Inc. | \$10.99 | \$433.3 | \$154.1 | 0.7x | 6.6x |
| IAC/InterActiveCorp. | \$42.60 | \$3,494.6 | \$2,838.9 | 1.5x | 11.8x |
| RealNetworks Inc. | \$7.50 | \$257.5 | \$74.4 | 0.2x | 34.2x |
| Yahoo! Inc. | \$16.13 | \$20,006.0 | \$17,975.2 | 3.5x | 12.8x |
| Median: | \$30.33 | \$20,006.0 | \$17,975.2 | 1.7x | 12.1x |

SECTOR HIGHLIGHTS

- Internet Software & Services Index was up 3% in 2011.
- Although new use cases for businesses are still developing, social media remains an immature market. Companies are moving from pure experimentation and social presence to aligning business purpose, processes, people and metrics, particularly in the area of improving customer relationships.
- Google closed out 2011 with a strong focus on cloud, mobile and social technologies and how enterprises can leverage them to boost business. According to Google Enterprise Vice President Amit Singh, the confluence of those three technologies will continue in 2012.
- In a move to fight spam and phishing attacks, email senders, including Google, Yahoo and Microsoft, and service providers, including Facebook, PayPal and Bank of America, have come together under the umbrella of the new Domain-based Message Authentication, Reporting and Conformance (DMARC). Receivers will know which emails are authentic, as DMARC would be placed on either side of a transmission. Email phishing defrauds millions of people and companies every year, resulting in a loss of consumer confidence.
- Facebook hopes to raise \$5 billion in its recently announced IPO. That would be the most for an Internet IPO since Google and its early backers raised \$1.9 billion in 2004. The IPO values Facebook at around \$100 billion. In 2011, Facebook earned \$1 billion on sales of \$3.7 billion. As of December 31, Facebook had 845 million daily active users.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

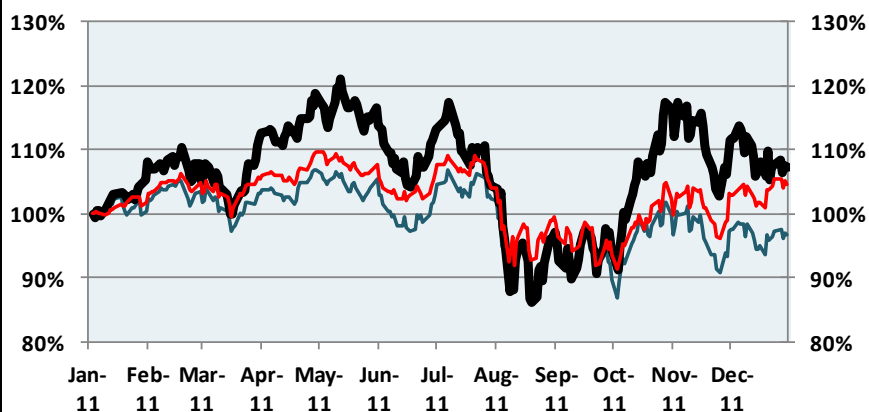
| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|-------------------|------------------------------------|----------------------------------|---------------------------|
| 2011-12-23 | Paragon Partners GmbH | Wer Liefert Was? GmbH | 103.4 |
| 2011-12-21 | Alma Media Corporation | LMC s.r.o | 46.1 |
| 2011-12-07 | Bridgepoint | Wiggle Ltd. | 281.4 |
| 2011-11-14 | LBI International N.V. | Mr Youth | 40.0 |
| 2011-11-14 | Mediagrif Interactive Technologies | LesPAC Inc. | 70.9 |
| 2011-11-08 | Rakuten, Inc. | Kobo Inc. | 315.0 |
| 2011-10-24 | Vistaprint N.V. | Albumprinter BV | 82.5 |
| 2011-10-17 | Premium Lead Company Limited | Shanda Interactive Entertainment | 2,206.2 |
| 2011-10-11 | NeuStar Inc | TARGUSinfo | 650.0 |

Software: Application Software

HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Application Software Index vs. Major Indices
Latest Twelve Months



— Nasdaq — DP Application Software Index — Dow Jones

Note: See table below for the companies that make up the DecisionPoint Application Software Index.

VALUATION METRICS

| Company | Stock Price 12/31/11 | Market Cap. | Enterprise Value (EV) | EV/ LTM Revenue | EV / LTM EBITDA |
|------------------------------|----------------------|-------------------|-----------------------|-----------------|-----------------|
| Oracle Corporation | \$25.65 | \$128,912.7 | \$113,025.7 | 3.1x | 7.3x |
| Adobe Systems Inc. | \$28.27 | \$13,877.6 | \$12,480.2 | 3.0x | 8.6x |
| SAP AG | \$53.16 | \$63,265.0 | \$62,608.8 | 3.4x | 9.1x |
| Nuance Communications, Inc. | \$25.16 | \$7,617.1 | \$8,003.2 | 6.1x | 29.9x |
| TIBCO Software Inc. | \$23.91 | \$3,854.8 | \$3,614.5 | 3.9x | 18.3x |
| Intuit Inc. | \$52.59 | \$15,632.3 | \$15,580.3 | 4.0x | 11.9x |
| JDA Software Group Inc. | \$32.39 | \$1,378.2 | \$1,361.6 | 2.0x | 8.0x |
| Bottomline Technologies Inc. | \$23.17 | \$834.7 | \$709.8 | 3.6x | 22.2x |
| Median: | \$26.96 | \$10,747.4 | \$10,241.7 | 3.5x | 10.5x |

SECTOR HIGHLIGHTS

- Application Software Index was up 7% in 2011.
- SAP recently announced very strong revenue and earnings growth. The company's quarterly revenues grew by 12% and profits rose by 23%. Now that the company has announced its plan to acquire SuccessFactors for \$3.4 billion, the company has become a very serious player in the \$130 billion HR software and services marketplace.
- Mergers and acquisitions are creating broader application suites, while new technologies and delivery models, such as social and software as a service, continue to drive innovation in administrative ERP applications.
- Infoblox, which specializes in automated IP address management (IPAM) and other network automation, data center and security products, filed a Form S-1 with the SEC – the usual first step down the path toward an initial public offering (IPO). According to the S-1, Infoblox seeks to raise as much as \$125 million.
- For its last quarter, Oracle came in lower than expected on core software sales. Some analysts claim that Oracle may be suffering from confusion around its Fusion application offerings. Released in mid-2011 but not heavily promoted, the Fusion suite is the company's long-term, cloud-deliverable replacement for Oracle E-Business Suite, PeopleSoft and JD Edwards ERP systems, and Oracle and Siebel CRM systems. Yet Oracle has continued an Applications Unlimited program that promises long-term support and ongoing software upgrades for the legacy apps.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

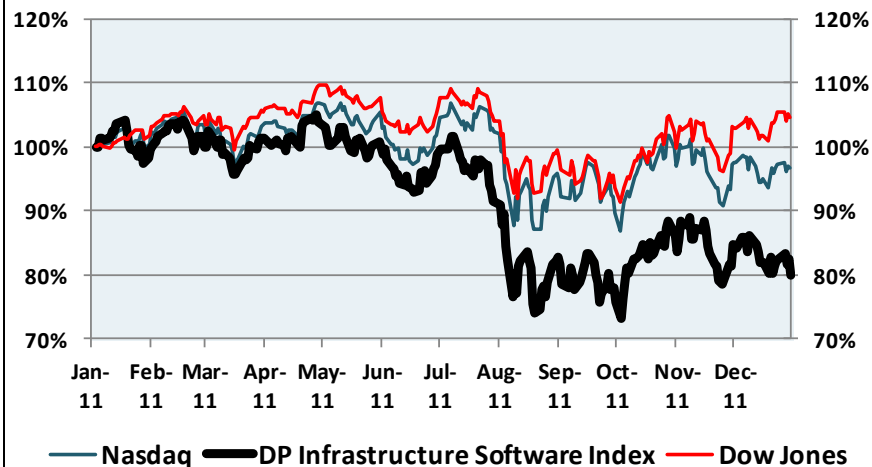
| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|----------------|------------------------------------|-------------------------------|------------------------|
| 2011-12-28 | ORBCOMM, Inc. | PAR Technology Corporation | 6.0 |
| 2011-12-19 | Moodys Corporation | Barrie & Hibbert Limited | 77.4 |
| 2011-11-29 | TMX Group Inc. | Razor Risk Technologies | 9.7 |
| 2011-11-10 | Monotype Imaging | Bitstream, Inc. | 50.0 |
| 2011-11-01 | Yahoo!, Inc. | interclick | 264.5 |
| 2011-10-29 | Apple, Inc. | C3 Technologies AB | 250.0 |
| 2011-10-18 | HTC Corporation | Inquisitive Minds, Inc. | 13.0 |
| 2011-10-14 | Tyler Technologies, Inc. | Windsor Management Group, LLC | 23.5 |
| 2011-10-03 | AVEVA PLC | Z+F UK Limited | 9.8 |
| 2011-10-03 | Sunquest Information Systems, Inc. | Elekta AB | 33.1 |

Software: Infrastructure Software

HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Infrastructure Software Index vs. Major Indices
Latest Twelve Months



Note: See table below for sample companies that make up the DecisionPoint Infrastructure Software Index, which includes the following sub-sectors: Database and File Management, eCommerce, Enterprise Application, Messaging, Networking, Security, Data Storage, Tools & Testing, and Wireless.

VALUATION METRICS

| Company | Stock Price 12/31/11 | Market Cap. | Enterprise Value (EV) | EV/ LTM Revenue | EV / LTM EBITDA |
|-------------------------------|-------------------------|-------------------|--------------------------|--------------------|--------------------|
| IBM | \$183.88 | \$213,300.8 | \$232,795.8 | 2.2x | 8.9x |
| Microsoft Corporation | \$25.96 | \$217,824.4 | \$179,936.4 | 2.5x | 6.0x |
| Oracle Corporation | \$25.65 | \$128,912.7 | \$113,025.7 | 3.1x | 7.3x |
| Digital River Inc. | \$15.02 | \$560.8 | \$250.3 | 0.7x | 4.6x |
| TIBCO Software Inc. | \$23.91 | \$3,854.8 | \$3,614.5 | 3.9x | 18.3x |
| Cisco Systems, Inc. | \$18.16 | \$97,625.7 | \$70,116.7 | 1.6x | 6.3x |
| OPNET Technologies Inc. | \$36.67 | \$825.4 | \$714.0 | 4.4x | 22.7x |
| Symantec Corporation | \$15.65 | \$11,415.8 | \$11,146.8 | 1.7x | 6.0x |
| EMC Corporation | \$21.54 | \$44,133.1 | \$42,207.5 | 2.1x | 8.4x |
| Compuware Corporation | \$8.32 | \$1,817.0 | \$1,844.8 | 1.9x | 9.9x |
| Trimble Navigation Limited | \$43.40 | \$5,351.7 | \$5,871.0 | 3.8x | 23.3x |
| Median: | \$23.91 | \$11,415.8 | \$11,146.8 | 2.2x | 8.4x |

SECTOR HIGHLIGHTS

- Infrastructure Software Index was down 20% in 2011.
- Cloud computing and mobile devices hold the potential to make enterprises more agile, more efficient and more competitive. They also introduce new security risks that must be addressed immediately.
- The platform-as-a-service market is in its early stages. Users are facing a large number of innovative offerings, but with no established leadership, standards or best practices.
- According to data from IDC, the worldwide solid-state disk (SSD) storage industry revenue hit \$5 billion in 2011, up 105% from the \$2.4 billion mark in 2010. IDC expects the market will expand further in 2012 and beyond. 2011 was a record year due to strong SSD shipment growth in the enterprise and client segments.
- McAfee has announced the next generation of McAfee' Mobile Security software, providing smartphone and tablet owners with more controls to preserve their privacy and protection against financial fraud, identity theft and viruses. A Cisco study recently found that half of the respondents would rather lose their wallet or purse than their smartphone – a startling indication of the integral role mobile devices play in our lives.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

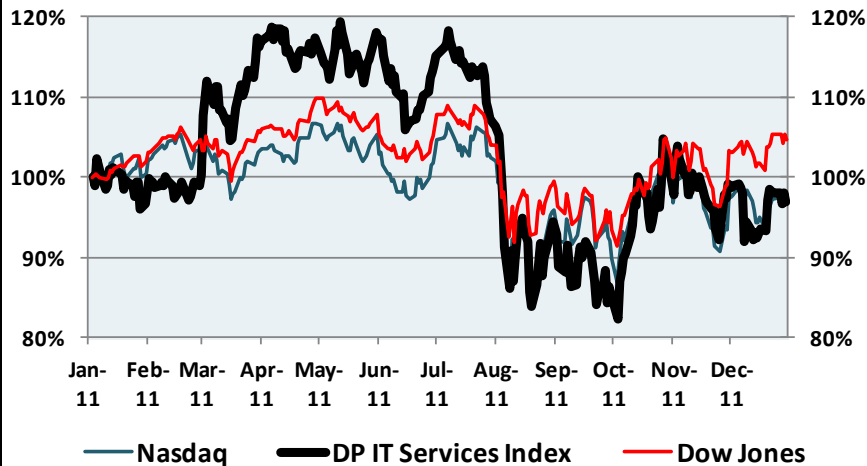
| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|-------------------|-----------------------|--------------------------------|---------------------------|
| 2011-12-20 | Thoma Bravo LLC | InfoVista | 37.3 |
| 2011-12-15 | Virtustream | Enomaly Inc | - |
| 2011-12-09 | Thoma Bravo LLC | Blue Coat Systems, Inc. | 1,017.2 |
| 2011-12-05 | Raytheon | Pikewerks | - |
| 2011-11-17 | Aruba Networks, Inc. | Avenda Systems, Inc. | 20.0 |
| 2011-10-26 | Citrix Systems Inc. | App-DNA | 92.0 |
| 2011-10-25 | GFI Software | Monitis | - |
| 2011-10-24 | Quest Software, Inc. | ChangeBASE Ltd | - |
| 2011-10-11 | IBM Corporation | Platform Computing Corporation | 300.0 |
| 2011-10-10 | Keynote Systems, Inc. | Mobile Complete, Inc. | 60.0 |
| 2011-10-04 | IBM Corporation | Q1 Labs | 575.0 |
| 2011-10-04 | McAfee Inc | NitroSecurity, Inc. | 160.0 |

Services: IT Services

HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Services Index vs. Major Indices
Latest Twelve Months



Note: See table below for the companies that make up the DecisionPoint IT Services Index.

VALUATION METRICS

| Company | Stock Price 12/31/11 | Market Cap. | Enterprise Value (EV) | EV/ LTM Revenue | EV / LTM EBITDA |
|-------------------------|-------------------------|----------------|--------------------------|--------------------|--------------------|
| Accenture plc | \$53.23 | \$34,450.9 | \$29,813.6 | 1.0x | 7.1x |
| The Hackett Group, Inc. | \$3.74 | \$151.1 | \$133.1 | 0.6x | 7.2x |
| Edgewater Technology | \$2.76 | \$31.3 | \$18.1 | 0.2x | 2.3x |
| CIBER, Inc. | \$3.86 | \$279.0 | \$308.0 | 0.3x | 20.8x |
| Perficient Inc. | \$10.01 | \$306.3 | \$304.4 | 1.2x | 11.5x |
| Median: | \$3.86 | \$279.0 | \$304.4 | 0.6x | 7.2x |

SECTOR HIGHLIGHTS

- IT Services Index was down 3% in 2011.
- Worldwide IT spending in 2012 will grow a moderate 3.7% to just shy of \$3.8 billion, less than half of 2011's growth rate, hampered by slow global economic growth, impaired hard-disk drive production in Thailand and the Euro Zone Crisis, according to Gartner.
- As organizations' application portfolios become ever more diversified and distributed, corresponding integration projects will also increase in scope and complexity.
- In 2012, organizations will change how they fund IT investments based on the shift to cloud. For many organizations, the move to "lower-cost" cloud may be surprisingly expensive. For enterprises that have chronically underinvested in IT, the long-term lack of funding will begin to show.
- As the market for cloud services brokerage offerings (CSB) continues to expand, end-user companies and cloud services providers will need help strategizing their use. CSBs will make governance in the cloud the most common way of consuming governance functionality.
- Most midmarket companies are more constrained in IT resources than larger enterprises, and the constraints create unique requirements for selecting and managing IT solutions.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

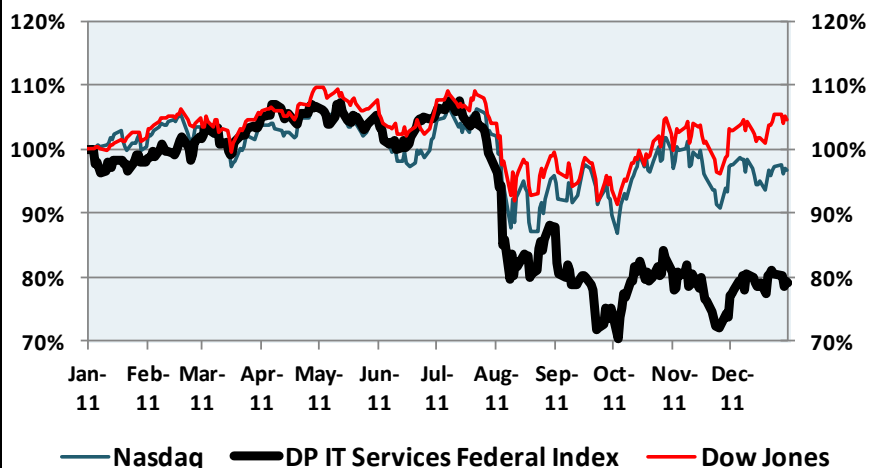
| Announced | | | | Enterprise Value (\$m) |
|------------|----------------------------------|------------------------------|--|---------------------------|
| Date | Acquirer Name | Target Name | | |
| 2011-12-28 | Call Genie Inc. | VoodooVox Inc. | | 2.8 |
| 2011-12-20 | K3 Business Technology Group plc | Retail Systems Group | | 4.3 |
| 2011-12-09 | Thomson Reuters Corporation | Emochila Inc | | - |
| 2011-11-22 | Amcom Telecommunications Ltd | L7 Solutions | | 15.0 |
| 2011-11-17 | Prodware | Qurius | | 4.1 |
| 2011-11-09 | Blinkx | Prime Visibility Media Group | | 36.0 |
| 2011-11-03 | Softchoice Corporation | UNIS LUMIN Inc. | | 16.9 |
| 2011-11-01 | Presidio, Inc. | INX, Inc. | | 81.7 |
| 2011-10-10 | Bankrate, Inc. | InsWeb Corporation | | 65.0 |
| 2011-10-04 | Mindpix Corp. | Unitell WorldWide | | 30.0 |

Services: IT Services Federal

HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Services Federal Index vs. Major Indices
Latest Twelve Months



Note: See table below for the companies that make up the DecisionPoint IT Services Federal Index.

VALUATION METRICS

| Company | Stock Price 12/31/11 | Market Cap. | Enterprise Value (EV) | EV/ LTM Revenue | EV / LTM EBITDA |
|--------------------------|-------------------------|------------------|--------------------------|--------------------|--------------------|
| CACI International Inc. | \$55.92 | \$1,477.7 | \$1,987.8 | 0.5x | 6.0x |
| ManTech International | \$31.24 | \$1,149.8 | \$1,167.9 | 0.4x | 4.3x |
| Booz Allen Hamilton Inc. | \$17.25 | \$2,276.3 | \$2,899.9 | 0.5x | 6.8x |
| SAIC, Inc. | \$12.29 | \$4,193.4 | \$4,582.4 | 0.4x | 5.9x |
| NCI, Inc. | \$11.65 | \$158.3 | \$218.8 | 0.4x | 5.2x |
| Median: | \$17.25 | \$1,477.7 | \$1,987.8 | 0.4x | 5.9x |

SECTOR HIGHLIGHTS

- IT Services Federal Index was down 21% in 2011.
- Computer Sciences Corporation (CSC) recently debuted CloudCompute for Government (CCFG). CCFG provides infrastructure as a service for CSC's new federal community cloud. Designed primarily for federal agencies and government personnel, this multi-tenant community cloud provides the flexibility of a public cloud at a fraction of the cost of a private cloud or a traditional data center. The cloud computing solution's pay-as-you-go pricing structure allows users to only pay for services as they use them, providing agility and cost savings.
- Accenture Federal Services won a 13-month, \$71 million contract from the U.S. Department of Homeland Security (DHS) to further enhance the capabilities of the department's immigration and border management technology.
- The federal government has come closer to an official cloud security standard that dictates how federal agencies assess, authorize and monitor cloud computing products and services in a "do once, use many times" fashion which the government says will cut costs, time and resources.
- CACI International announced today that it has been awarded approximately \$189 million in previously unannounced contracts with federal government clients in the Intelligence Community (IC). For these awards, CACI is delivering professional services and information technology solutions to intelligence organizations responsible for carrying out the nation's most vital and sensitive missions.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

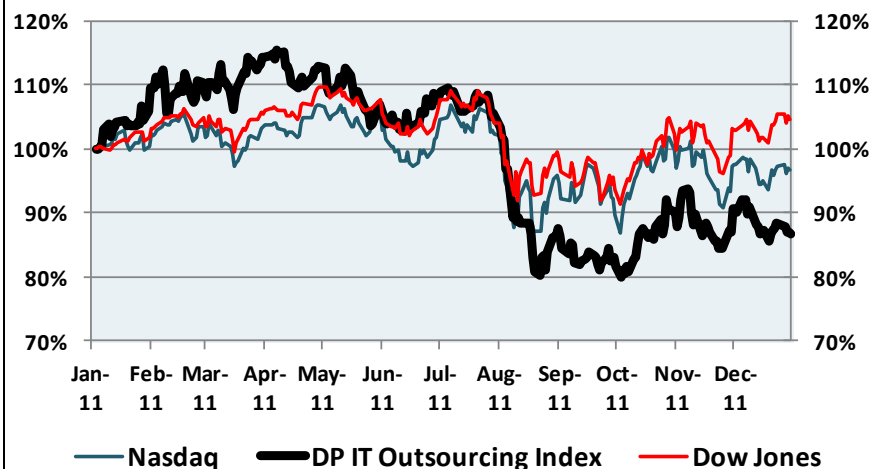
| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|-------------------|-------------------------------------|--|---------------------------|
| 2011-12-12 | ICF International, Inc. | Ironworks Consulting | 100.0 |
| 2012-11-24 | Agathis Capital L.P. | Nexbis Ltd | 78.9 |
| 2011-11-22 | Amcom Telecommunications Ltd | L7 Solutions Pty Ltd | 15.0 |
| 2011-11-15 | Kratos Defense & Security Solutions | SecureInfo Corporation | 17.5 |
| 2011-10-27 | ManTech International Corporation | Worldwide Information Network Systems | 90.0 |
| 2011-10-19 | Parsons | SPARTA, Inc. [dba Cobham Analytic Solutions] | 350.0 |
| 2011-10-03 | Datalink Corporation | Midwave Corporation | 20.1 |

Services: IT Outsourcing

HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Outsourcing Index vs. Major Indices
Latest Twelve Months



Note: See table below for the companies that make up the DecisionPoint IT Outsourcing Index.

VALUATION METRICS

| Company | Stock Price 12/31/11 | Market Cap. | Enterprise Value (EV) | EV/ LTM Revenue | EV / LTM EBITDA |
|-------------------------|-------------------------|------------------|--------------------------|--------------------|--------------------|
| GSW Immobilien AG | \$28.92 | \$1,187.3 | \$3,095.9 | 12.1x | 23.4x |
| Computer Sciences Corp. | \$23.70 | \$3,674.9 | \$6,012.9 | 0.4x | 3.2x |
| ATS Corporation | \$3.12 | \$71.8 | \$75.8 | 0.8x | 7.1x |
| iGATE Corporation | \$15.73 | \$890.5 | \$1,837.3 | 3.1x | 16.5x |
| Syntel, Inc. | \$46.77 | \$1,956.1 | \$1,654.8 | 2.7x | 11.4x |
| Median: | \$23.70 | \$1,187.3 | \$1,837.3 | 2.7x | 11.4x |

SECTOR HIGHLIGHTS

- IT Outsourcing Index was down 13% in 2011.
- Recently some vendors are gearing up to support IT "inshoring" by connecting American IT specialists with the firms that are looking for their skills. The shifting trend from IT offshoring to inshoring could be welcome news for American IT workers as well as for the Obama administration.
- CGI Group participated with President Obama and Vice President Biden in a forum of business leaders and experts exploring approaches to create more jobs in America. Recognizing industry's role in fostering U.S. economic development, CGI's strategy is to open full service IT centers in small town America, creating more than 1,000 high-quality jobs in communities that need them the most.
- The number of global IT outsourcing deals in the fourth quarter of 2011 grew by 3% compared to the same period from the previous year. According to the latest fourth quarter Global Sourcing Market Data and Insights report, some \$95 billion was spent on outsourcing IT operations, making it the highest level since 2005.
- Some enterprises that are contractually committed to a long-term non-cloud managed services or information technology outsourcing (ITO) contract are trying to find ways to renegotiate or possibly bring in a new vendor with cloud offerings to better fit their business and workloads.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

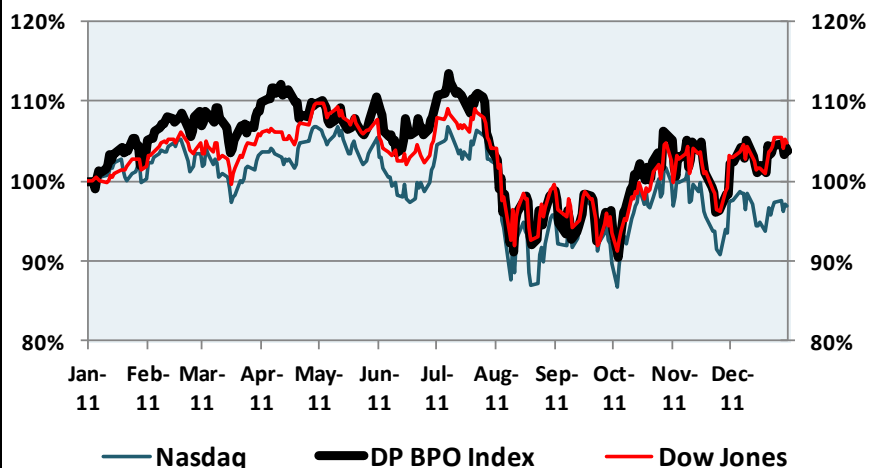
| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|-------------------|--------------------------|-----------------------------------|---------------------------|
| 2011-12-30 | Xdin AB | Enea Experts | 20.4 |
| 2011-12-21 | Geo-Plus | CDWare Technologies Inc | - |
| 2011-12-14 | Foliage | Vignani Inc. | - |
| 2011-12-13 | Gorilla | R3 Systems | - |
| 2011-12-08 | Maven Wave Partners, LLC | Triton-Tek, Inc. | - |
| 2011-12-08 | Norvestor Equity AS | Inmeta Crayon ASA | 135.7 |
| 2011-11-22 | Clear2Pay NV | ISTS Worldwide Inc | - |
| 2011-11-14 | salesforce.com | Model Metrics, Inc. | 57.6 |
| 2011-11-10 | Avnet, Inc | Pinnacle Data Systems, Inc. | 20.5 |
| 2011-10-25 | Artaflex | Adeptron Technologies Corporation | 122.2 |
| 2011-10-18 | GlobalOne | FLOW thru LOGIC | - |
| 2011-10-03 | CHAKKILAM INFOTECH Ltd. | Cigniti Inc. | - |

Services: Business Process Outsourcing

HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP BPO Index vs. Major Indices
Latest Twelve Months



Note: See table below for the companies that make up the DecisionPoint BPO Index.

VALUATION METRICS

| Company | Stock Price 12/31/11 | Market Cap. | Enterprise Value (EV) | EV/ LTM Revenue | EV / LTM EBITDA |
|---------------------------------|-------------------------|-------------------|--------------------------|--------------------|--------------------|
| Automatic Data Processing, Inc. | \$54.01 | \$26,394.6 | \$25,163.1 | 2.5x | 11.6x |
| DST Systems Inc. | \$45.52 | \$2,007.4 | \$2,956.1 | 1.3x | 7.8x |
| Paychex, Inc. | \$30.11 | \$10,912.5 | \$10,501.4 | 4.9x | 11.4x |
| Median: | \$45.52 | \$10,912.5 | \$10,501.4 | 2.5x | 11.4x |

SECTOR HIGHLIGHTS

- BPO Outsourcing Index was up 4% in 2011.
- Buyers are becoming more sophisticated in what BPO processes should look like. In the first generational model, buyers stipulated head counts and wrote SLAs. Today buyers require operational transparency as they want to know how the provider is matching the headcount to the workload.
- According to industry analysts, U.S. auditors will increase their scrutiny of BPO transactions. Enterprises that outsource BPO processes will have to spend more time and money working with their BPO providers to accommodate the auditors. Increasing audits will not halt BPO adoption, but it will change the dynamics.
- Social media is an increasingly relevant factor in the end-customer's decision process. Increasingly, BPO providers are capturing the data real-time, conducting analysis and providing critical insights to drive business agility. Managing the customer experience and responding to customer concerns have created a wide array of opportunities for BPO service providers.
- Today companies do not want to hire a "one shop" outsourcer. Instead, they prefer a BPO specialist in one particular field. The rise of knowledge process outsourcers is a good example of this. This trend towards specialization does not work well for second-tier service providers and experts predict they will either be acquired or pushed out because of these market forces.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

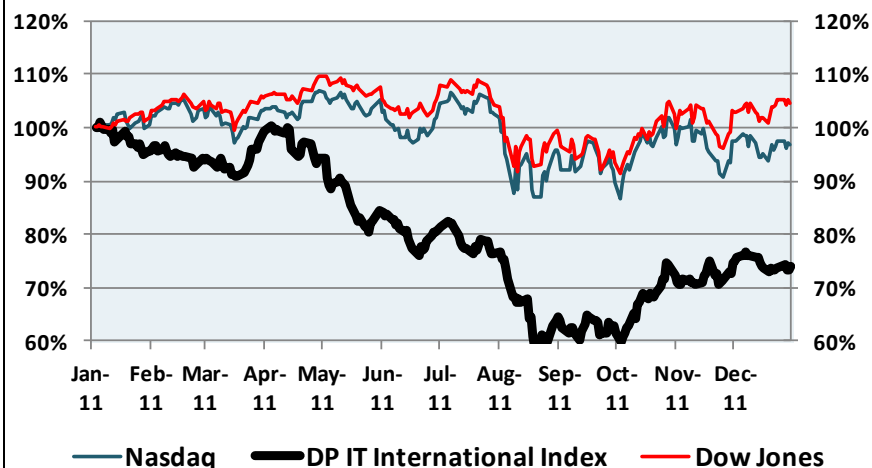
| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|----------------|----------------------------------|--------------------------------------|------------------------|
| 2011-12-27 | Stefanini International Holdings | Orbitall | - |
| 2011-12-23 | Capita Group plc | Applied Language Solutions | 11.8 |
| 2011-12-20 | Infosys BPO Limited | Portland Group Pty Ltd | 36.9 |
| 2011-12-20 | iMedX, Inc. | Abacus Transcriptions, Inc. (assets) | - |
| 2011-12-19 | Tangoe, Inc. | ProfitLine | 23.5 |
| 2011-12-15 | TD Service Financial Corporation | Security Connections, Inc. | - |
| 2011-12-09 | YouTube, Inc. | RightsFlow | - |
| 2011-11-17 | SXC Health Solutions Corp. | HealthTrans, LLC | 250.0 |
| 2011-11-07 | HMS Holdings Corp | HealthDataInsights Inc | 400.0 |
| 2011-10-25 | Analytix On Demand | Integrated Revenue Management | - |
| 2011-10-10 | Automatic Data Processing, Inc. | RightThing, Inc. | - |

Services: IT International

HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT International Index vs. Major Indices
Latest Twelve Months



Note: See table below for the companies that make up the DecisionPoint IT International Index.

VALUATION METRICS

| Company | Stock Price 12/31/11 | Market Cap. | Enterprise Value (EV) | EV/ LTM Revenue | EV / LTM EBITDA |
|--|-------------------------|-------------------|--------------------------|--------------------|--------------------|
| Cognizant Technology Solutions Corporation | \$64.31 | \$19,429.1 | \$17,137.9 | 3.0x | 14.4x |
| Infosys Ltd. | \$52.11 | \$29,773.1 | \$26,054.1 | 3.8x | 12.2x |
| Patni Computer Systems Limited | \$8.41 | \$1,130.1 | \$1,086.8 | 1.5x | 9.2x |
| VanceInfo Technologies Inc. | \$9.07 | \$404.1 | \$262.8 | 1.0x | 7.5x |
| Wipro Ltd. | \$7.52 | \$18,359.5 | \$17,589.4 | 2.6x | 12.5x |
| Median: | \$9.07 | \$18,359.5 | \$17,137.9 | 2.6x | 12.2x |

SECTOR HIGHLIGHTS

- IT International Index was down 26% in 2011.
- According to an Indian research firm, current global business environment poses far lower risk to the Indian IT industry compared with that triggered by the insolvency of several big financial entities in 2008. The firm claims that the outlook for 2012 is improved by the likely extension of investments by US companies, opening up of the western European market to offshoring, and further expansion in market share at the expense of global firms.
- Wipro is looking to hire 50% (currently 37%) of employees outside of India for its global IT services by 2015 to leverage local talent and optimally utilize its delivery centers worldwide. The company's global IT business caters to 150 global Fortune 500 clients across financial services, retail, transportation, manufacturing, healthcare services, energy and utilities, technology, telecom and media.
- Offshore providers are doing more work onshore as buyers are reengineering the business model by doing some work nearshore, some work offshore and some work locally. Just sending work offshore to cut cost is now just a part of the conversation as buyers today want to streamline, integrate, standardize and optimize their business processes, which requires work to happen locally as well as abroad.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

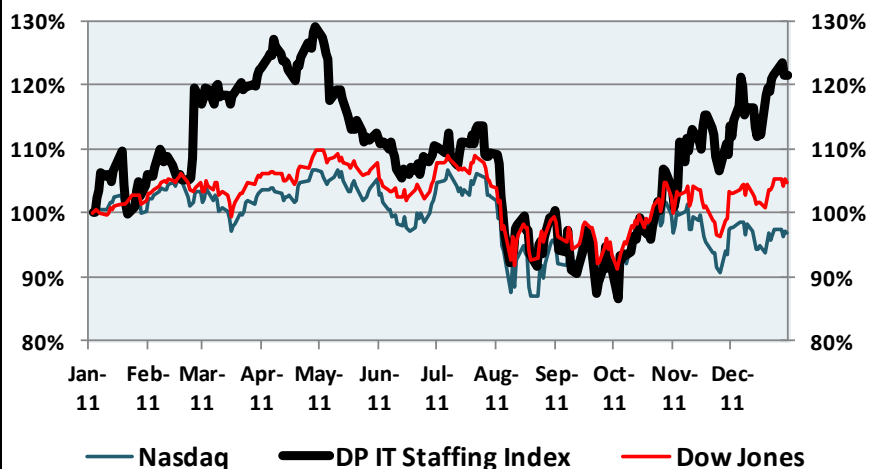
| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|----------------|----------------------------------|-------------------------------|------------------------|
| 2011-12-30 | Xdin AB | Enea Experts | 20.4 |
| 2011-12-23 | Capita Group plc | Applied Language Solutions | 11.8 |
| 2011-12-20 | Infosys BPO Limited | Portland Group Pty Ltd | 36.9 |
| 2011-12-20 | K3 Business Technology Group plc | Retail Systems Group Ltd | 4.3 |
| 2011-12-09 | Asseco Poland SA | Centrum Komputerowe ZETO S.A. | 12.6 |
| 2011-12-08 | Norvestor Equity AS | Inmeta Crayon ASA | 135.7 |
| 2011-12-01 | Vodafone Group PLC | Bluefish Communications Ltd. | - |
| 2011-11-22 | Amcom Telecommunications Ltd | L7 Solutions Pty Ltd | 15.0 |
| 2011-11-17 | Prodware | Qurius NV | 4.1 |
| 2011-10-31 | Accenture Ltd. | Itaca Service | - |
| 2011-10-18 | Serco Group PLC | Excelior | 8.4 |

Services: IT Staffing

HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Staffing Index vs. Major Indices
Latest Twelve Months



Note: See table below for the companies that make up the DecisionPoint IT Staffing Index.

VALUATION METRICS

| Company | Stock Price 12/31/11 | Market Cap. | Enterprise Value (EV) | EV/ LTM Revenue | EV / LTM EBITDA |
|--------------------------------|-------------------------|----------------|--------------------------|--------------------|--------------------|
| Kforce Inc. | \$12.33 | \$466.9 | \$527.1 | 0.5x | 8.6x |
| Computer Task Group Inc. | \$14.08 | \$259.2 | \$246.6 | 0.6x | 12.2x |
| Analysts International Corp. | \$5.58 | \$28.0 | \$22.2 | 0.2x | 5.0x |
| RCM Technologies Inc. | \$5.18 | \$66.1 | \$33.5 | 0.2x | 4.0x |
| Volt Information Sciences Inc. | \$6.20 | \$129.2 | \$101.7 | 0.0x | 2.8x |
| Median: | \$6.20 | \$129.2 | \$101.7 | 0.2x | 5.0x |

SECTOR HIGHLIGHTS

- IT Staffing Index was up 21% in 2011.
- A recent TEKsystems survey reveals that IT job seekers crave a more personal touch in the job search process. These professionals want to see critical decision factors like development opportunities and a defined career path when they are looking for new career opportunities. IT staffing firms that realize this can use it as a differentiator.
- Robert Half, a staffing and risk consulting services company, ended its 2011 with double-digit revenue and operating profit growth. The firm's IT staffing line produced the highest increase at 23% in top-line expansion.
- According to Modis, some of the larger financial institutions are trying to reduce pay for IT professionals. It started with one firm and others have followed suit. However, in the financial services industry, top IT talent will not stick around for less pay which will create some turnover. The skills are transferable and these professionals will move to another sector.
- Hiring developers is the top priority for today's IT staffing firms. Specifically, demand for tech professionals with Java know-how has grown for more than two years.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

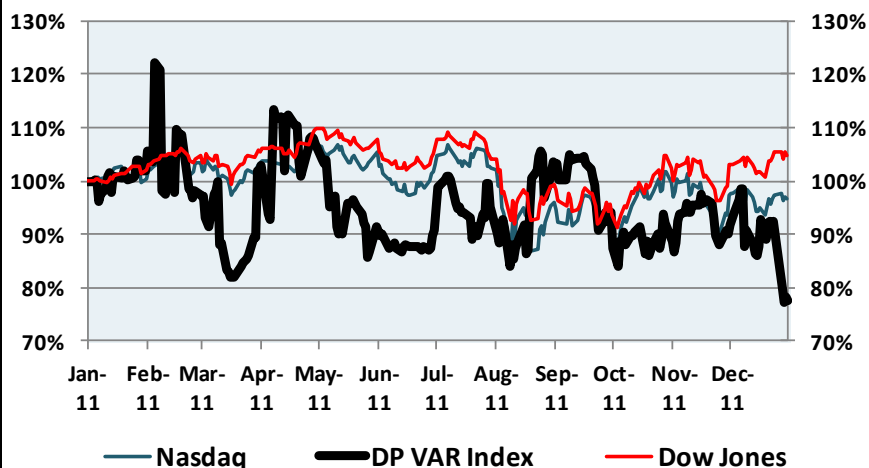
| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|-------------------|-----------------------------|--|---------------------------|
| 2011-12-28 | Epiq Systems, Inc. | De Novo Legal LLC | 72.9 |
| 2011-12-20 | Genuent | Segula Technologies | - |
| 2011-12-19 | Detron ICT & Telecom Group | 2e2 Limited | - |
| 2011-12-16 | Global Employment Solutions | Fahrenheit Technology (IT staffing business) | - |
| 2011-12-09 | League Now Holdings Corp | Infiniti Systems Group | - |
| 2011-11-23 | Outsource UK Limited | Omnium IT Recruitment Ltd. | - |
| 2011-10-27 | EarthLink, Inc. | Synergy Global Solutions Inc. | - |
| 2011-10-07 | Cerner Corp | Clairvia | - |

Services: Value Added Resellers

HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP VAR Index vs. Major Indices
Latest Twelve Months



Note: See table below for the companies that make up the DecisionPoint VAR Index.

VALUATION METRICS

| Company | Stock Price 12/31/11 | Market Cap. | Enterprise Value (EV) | EV/ LTM Revenue | EV / LTM EBITDA |
|--------------------------|-------------------------|----------------|--------------------------|--------------------|--------------------|
| Emtec Inc. | \$0.27 | \$4.8 | \$32.9 | 0.2x | NM |
| Insight Enterprises Inc. | \$15.29 | \$670.9 | \$729.6 | 0.1x | 3.9x |
| MTM Technologies Inc. | \$0.00 | \$0.0 | \$119.9 | 0.7x | NM |
| PC Connection, Inc. | \$11.09 | \$293.2 | \$255.6 | 0.1x | 4.7x |
| Median: | \$5.68 | \$149.0 | \$187.7 | 0.1x | 4.3x |

SECTOR HIGHLIGHTS

- VAR Index was down 22% in 2011.
- According to a market research report, reseller and distributor sales of commercial hardware and services rose 5.5% in 2011 last year as companies upgraded PCs and networking equipment and added storage hardware. Tablets had no significant impact on PC sales among the distributors and direct market resellers surveyed.
- IBM is starting a social business solution authorization program for solution providers under which channel partners can earn higher margins and other benefits when selling IBM social networking products. The effort is part of a larger social business initiative IBM is launching that targets the adoption of social networking by businesses, a market opportunity that's expected to grow from \$600 million in 2011 to \$6.4 billion, according to Forrester Research.
- Ingram Micro has launched an IT asset disposition service for U.S. VARs, a program that cleans hard drives and properly recycles and disposes of IT hardware. The new IT Asset Disposition (ITAD) Services are part of the Ingram Micro Services Division's Professional Services portfolio and offer both on-site and facility-driven removal of information from devices, including the secure transport of devices to the processing facility.
- Cisco is now offering a cloud-based platform intended for VARs that want to sell basic managed services to SMB customers – a move that's part of Cisco's \$75 million investment in its partner-led model for driving more SMB sales of Cisco products and services through the channel.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

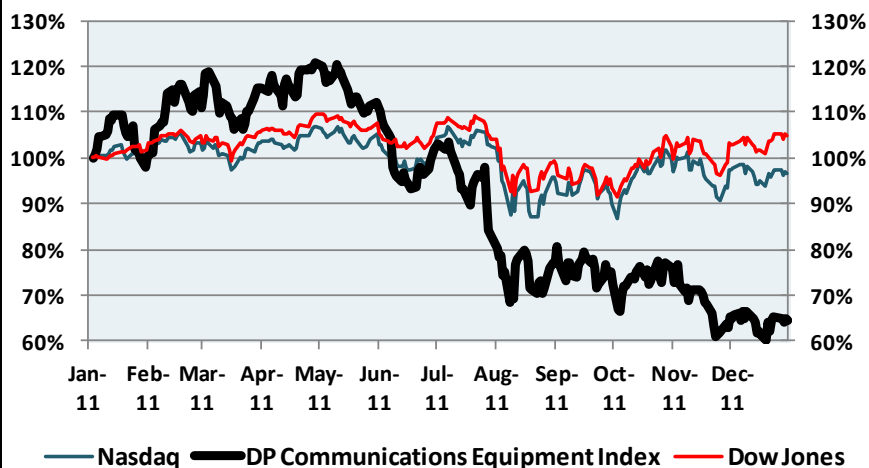
| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|-------------------|------------------------------|----------------------------------|---------------------------|
| 2012-12-14 | Global Imaging Systems, Inc. | Merizon Group, Inc. | - |
| 2011-12-06 | Euroset Trade House LLC | Alt Telecom | 70.0 |
| 2011-11-30 | Du Pont Telecom | Konica Minolta Corp. Solutions | - |
| 2011-11-21 | Quartet Services, Inc. | KLM Solutions Ltd. | - |
| 2011-11-10 | Dutch-Belgian_Trading GmbH | ChartWorld GmbH | - |
| 2012-11-08 | Westcon SA Ltd. | Sentronics Security Distributors | - |
| 2012-11-01 | Earnest & Associates, LLC | Proven Data Solutions, Inc. | - |
| 2011-10-18 | T-Gaia Corporation | Maemura Co., Ltd | 24.4 |

Communications: Equipment

HIGHLIGHTS, STOCK PERFORMANCE, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Communications Equipment Index vs. Major Indices
Latest Twelve Months



Note: See table below for the companies that make up the DecisionPoint Communications Equipment Index.

VALUATION METRICS

| Company | Stock Price 12/31/11 | Market Cap. | Enterprise Value (EV) | EV / LTM Revenue | EV / LTM EBITDA |
|----------------------|-------------------------|------------------|--------------------------|---------------------|--------------------|
| Alcatel-Lucent, S.A. | \$1.57 | \$3,555.0 | \$5,499.5 | 0.3x | 2.8x |
| CIENA Corp. | \$12.10 | \$1,179.1 | \$2,079.5 | 1.2x | 40.2x |
| Cisco Systems, Inc. | \$18.08 | \$97,195.6 | \$69,686.6 | 1.6x | 6.2x |
| Tellabs Inc. | \$4.04 | \$1,474.4 | \$444.3 | 0.3x | NM |
| Median: | \$8.07 | \$2,514.7 | \$3,789.5 | 0.8x | 6.2x |

SECTOR HIGHLIGHTS

- Communications Equipment Index was down 36% in 2011.
- Samsung is planning a record-high investment budget of \$41.6 billion in 2012 to fund operations and fuel its growth. The Korean-based chipmaker and mobile device giant also plans to expand its workforce by approximately 26,000 employees this year.
- Intel recently made a surprise announcement by declaring the chip maker had formed a "multi-year, multi-device" strategic partnership with Motorola Mobility around smartphones and tablets. The partnership will combine Intel's newest processor with Motorola's Android-based devices. The news comes as somewhat of a shock as it puts longtime partner Microsoft and its Windows Phone operating systems in the backseat of Intel's new mobile strategy.
- Shares of Brocade has increased following a published report that the company has received buyout bids from several potential acquirers, many of them private equity firms. Brocade is said to have been seeking a buyer for the past two years, and was close to doing a deal with Dell which ended up buying data networking vendor Force10 instead.
- NetApp recently became the latest major storage vendor to officially raise hard drive prices in the wake of the Thailand floods. The move, according to NetApp, was necessary due to increased hard drive costs in the wake of severe floods in Thailand that wiped out nearly one-third of the world's hard drive manufacturing capacity. NetApp's planned price increases follows similar moves by rivals EMC and Hewlett-Packard.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|-------------------|---|----------------------------------|---------------------------|
| 2011-12-19 | Belden CDT, Inc. | RuggedCom Inc. | 263.0 |
| 2011-12-15 | Crown Castle International Corp. | NextG Networks, Inc. | 1,000.0 |
| 2011-12-12 | American Tower Corporation | Pegaso PCS S.A. de C.V. | 500.0 |
| 2011-12-09 | Shere Group Ltd. | Royal KPN N.V. | 153.8 |
| 2011-12-08 | Teachers' Private Capital; Thoma Bravo, LLC | Blue Coat Systems Inc. | 1,258.3 |
| 2011-11-14 | Huawei Technologies Co., Ltd. | Huawei Symantec Technologies Co. | 530.0 |
| 2011-10-27 | Sony Corporation | Sony Ericsson Mobile | 2,589.1 |
| 2011-10-10 | Arris Group Inc. | BigBand Networks, Inc. | 161.7 |

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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