

QUARTERLY VIEWPOINT:

For the Quarter Ended December 31, 2006 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

- Enterprise
- Spotlight: Mobile Solutions

Communications

- Software
- Equipment

Fourth Quarter 2006 Spotlight: Private Equity Backed M&A

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

DecisionPoint International is a boutique investment bank providing merger and acquisition services and business valuations to companies in the services, software and communications sectors. DecisionPoint offers clients a complete range of M&A services including buy-side and sell-side advisory and company valuations.

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.



December 2006 - Software



August 2006 - Services



July 2006 - Services



July 2006 - Services



May 2006 - Services



May 2006 - Services



April 2006 - Services



April 2006 - Software



April 2006 - Services



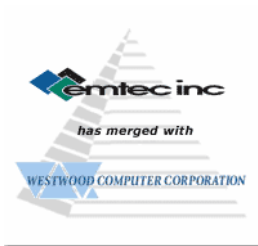
February 2006 - Services



September 2005 - Services



August 2005 - Software



August 2005 - Services



July 2005 - Services



June 2005 - Services



May 2005 - Services



April 2005 - Services



February 2005 - Services



December 2004 - Services



October 2004 - Services

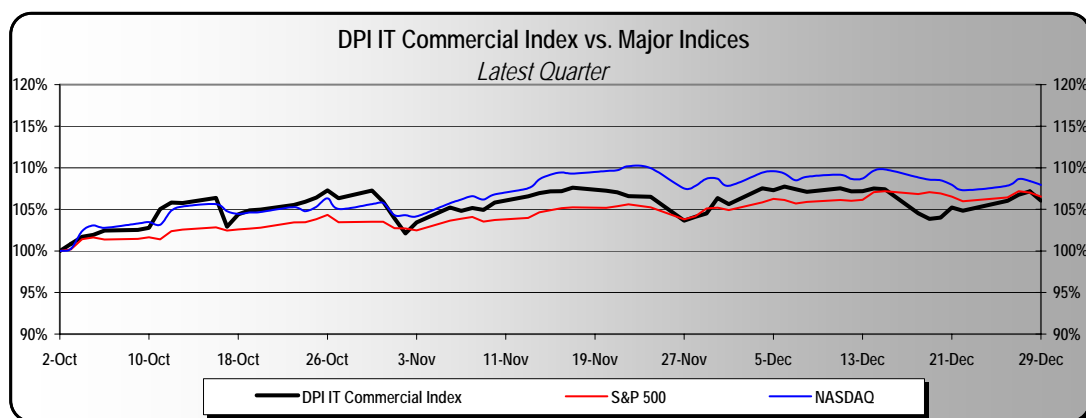
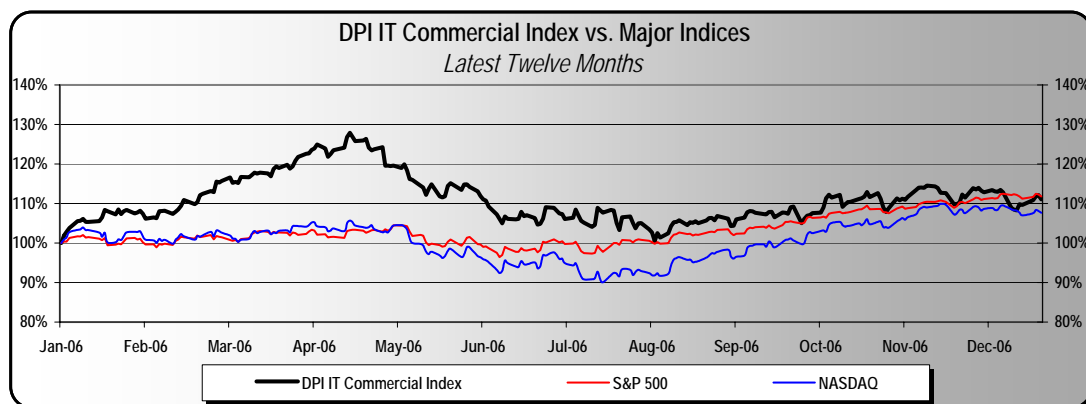
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Services: Project-Based - IT Commercial

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the IT Commercial Index was up 11% and 6%, respectively.
- SAP services remain a high priority for many M&A strategies (e.g. Axon / Zytalis, Axon / PremierHR) and (EDS / GEMS).
- Example valuation driver (qualitative): Ideal seller has an experienced and capable management team with an incentive to remain with the company post acquisition.
- Example valuation driver (quantitative): Ideal seller has an EBITDA margin greater than 15% and low client concentration (no client higher than 20% of revenue)
- Forrester expects Global IT services spending to grow by 5% in 2007, down from 8% in both 2005 and 2006.
- Q4'06 had a total of 19 M&A transactions compared to 12 announced in Q3'06.



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

December 29, 2006

Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Accenture Ltd.	1.0x	8.6x
Answerthink Inc.	0.6x	10.4x
CIBER Inc.	0.6x	10.1x
Edgewater Technology	0.7x	8.7x
Inforte Corp.	0.4x	7.8x
Keane Inc.	0.7x	7.7x
Perficient Inc.	3.2x	24.1x
Sapient Corp.	1.6x	21.1x

LTM = Last twelve months

Representative IT Commercial Transactions

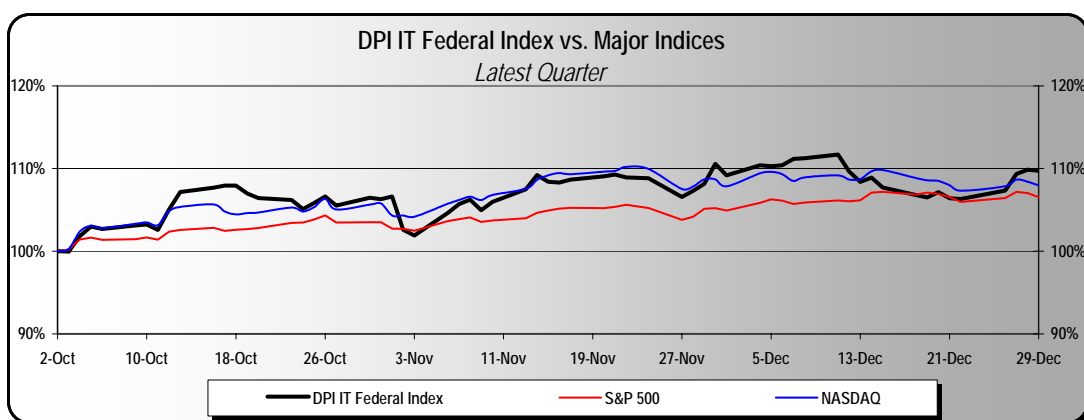
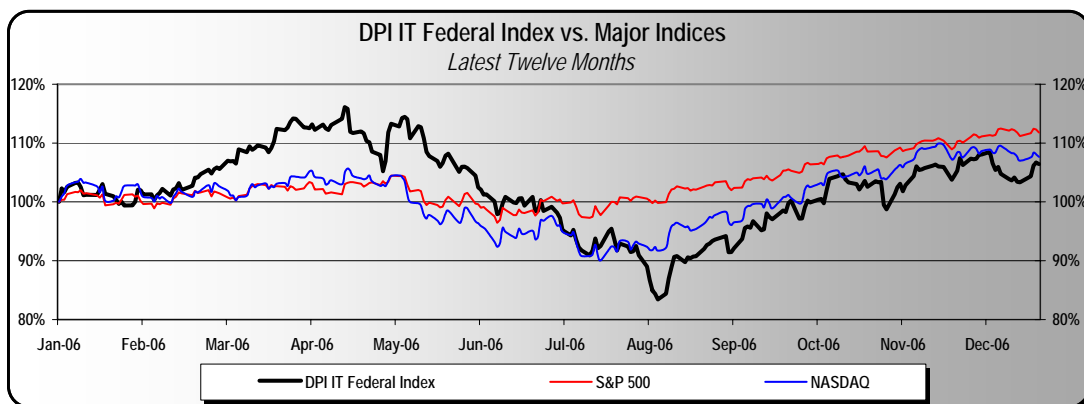
Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/12/06	Hewlett-Packard	Knightsbridge Solutions	NA
12/04/06	CDC Corporation	Vis.align	NA
12/01/06	Axon Group	Zytalis	\$29.6
11/28/06	Computer Generated Solutions	Altara	NA
11/20/06	Compushare	Computer Business Systems	NA
11/14/06	Daybreak Intellectual Capital	Onesta Consulting	NA
11/13/06	EDS	GEMS	NA
11/13/06	Stonebridge Technologies	MTM Corporation	NA
11/06/06	ICI Solutions	en technologies	NA
10/20/06	IBM Corporation	Palisades Technology Partners	NA
10/16/06	Calence	Global Data Systems (assets)	NA
10/10/06	Action Products International	NewMarket Technology	NA
10/03/06	Green Beacon Solutions	MSC eConsulting	NA

Services: Project-Based - IT Federal

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the IT Federal Index was up 6% and 10%, respectively.
- Analysts forecast Q4'06 revenue among the nation's top government IT service providers to be either in line with or below Wall Street expectations. Driving factors include the lack of year-end budget flush, imbalances between required labor and contract needs and the ongoing shift of funding for the wars in Iraq and Afghanistan.
- Two IT Federal firms went public in Q4'06-- SAIC and Stanley. They were both valued upon issuance at 12x LTM EBITDA based on Enterprise Value.
- After successfully completing an initial public offering, SAIC completed the acquisition of AETC and announced its agreement to acquire Applied Marine Technology.
- Private equity group Veritas Capital notched the largest acquisition in the IT Federal space for Q4'06 by acquiring Pearson Government Solutions from Pearson Plc for approximately \$600m.
- Q4'06 had a total of 17 M&A transactions compared to 15 announced in Q3'06.



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

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Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
	CACI International Inc.	1.1x
ManTech International	1.1x	11.2x
Nci Inc	0.9x	13.2x
SAIC, Inc.	0.6x	7.5x
SI International Inc.	1.1x	10.9x
SRA International Inc.	1.1x	9.9x

LTM = Last twelve months

Representative IT Federal Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/21/06	Lockheed Martin	Management Systems Designers	NA
12/18/06	Perot Systems	QSS Group	\$250.0
12/11/06	Integrian	Signal Innovations Group	NA
12/11/06	Veritas Capital	Pearson Government Solutions	\$600.0
12/07/06	CSC	Datatrak Information Services	NA
12/05/06	Simtrol	Justice Digital Solutions	NA
11/28/06	United Industrial	Symtx	\$34.3
11/20/06	Dmatek	ProTech Monitoring	\$12.5
11/20/06	McDonald Bradley	Performance Systems (Federal Unit)	\$15.0
11/08/06	Northrop Grumman	Essex	\$580.0
11/09/06	SAIC	Applied Marine Technology	NA
11/08/06	SAIC	AETC	NA
11/02/06	IceWEB Communications	True North Solutions (Federal)	NA
10/17/06	NetStar-1	RGII Technologies	\$15.3
10/04/06	SRA International	RABA Technologies	NA

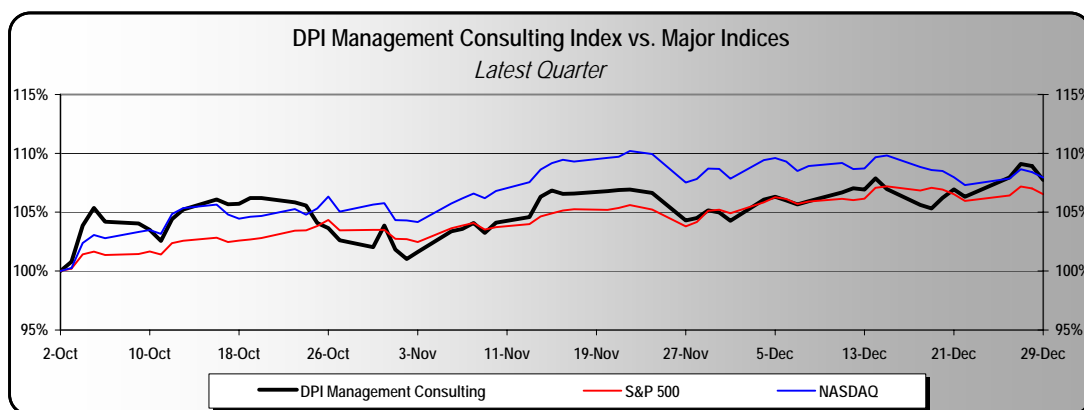
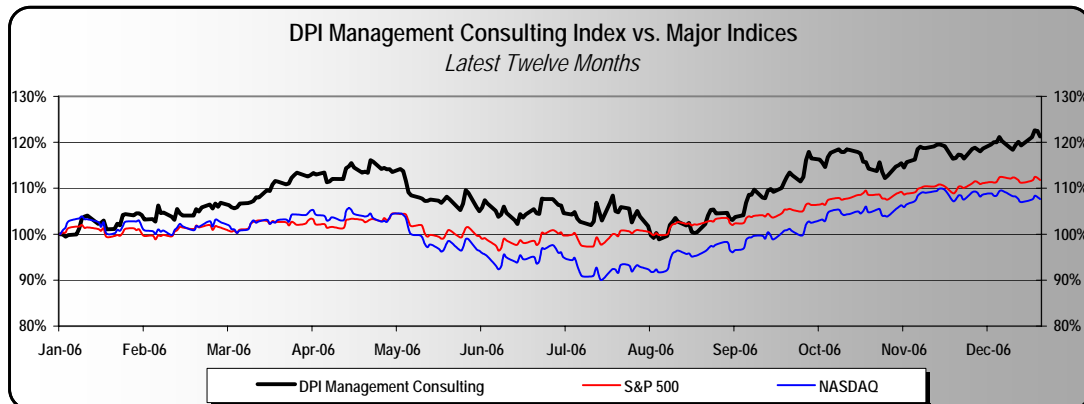
Please call DecisionPoint for further details on listed transactions.

Services: Project-Based - Management Consulting

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the Management Consulting Index was up 21% and 8%, respectively.
- According to Kennedy Information, demand is increasing for HR consulting services. Many factors are driving this demand, including US regulatory and legal changes and shifts from HR outsourcing to executive compensation and HR transformation engagements.
- Demand for Strategy consulting is surging as clients' need for top-line growth has placed Strategy back at the forefront. Several areas of the Strategy portfolio such as strategic planning, branding strategy, and organizational strategy are experiencing strong traction in the market.
- As profitability continues to improve in financial services, spending for consulting services is accelerating within the industry. Pent-up demand has increased the need for expertise in IT, Risk Management, Strategic Marketing and Operations.
- Q4'06 had a total of 12 M&A transactions compared to 14 announced in Q3'06.



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

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Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
CRA International Inc.	1.7x	10.2x
Diamond Management	1.7x	15.6x
FTI Consulting, Inc.	2.3x	9.7x
Huron Consulting	2.9x	14.0x
LECG Corp.	1.3x	8.6x
Navigant Consulting	1.7x	8.2x
Advisory Board Co.	5.5x	20.4x
CEBC	7.3x	24.5x

LTM = Last twelve months

Representative Management Consulting Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/20/06	Plaut AG	acctus Consulting	NA
12/11/06	Protiviti	Enspier Technologies	NA
12/07/06	Baird Capital Partners	Campbell Alliance Group (% stake)	NA
12/01/06	Navigant Consulting	HP3	NA
11/01/06	RiskMetrics Group	Institutional Shareholder Services	\$553.0
10/30/06	EquaTerra	Avanti Advisory	NA
10/25/06	Management Consulting Group	The Salzer Group (% stake)	NA
10/19/06	Constella Group	Lineberry Research Associates	NA
10/17/06	GrowthCircle	MW Advisors	NA
10/11/06	FTI Consulting	Brower, Kriz & Stynchcomb	\$11.5
10/11/06	FTI Consulting	G3 Consulting	\$2.5
10/03/06	FTI Consulting	Financial Dynamics	\$260.0

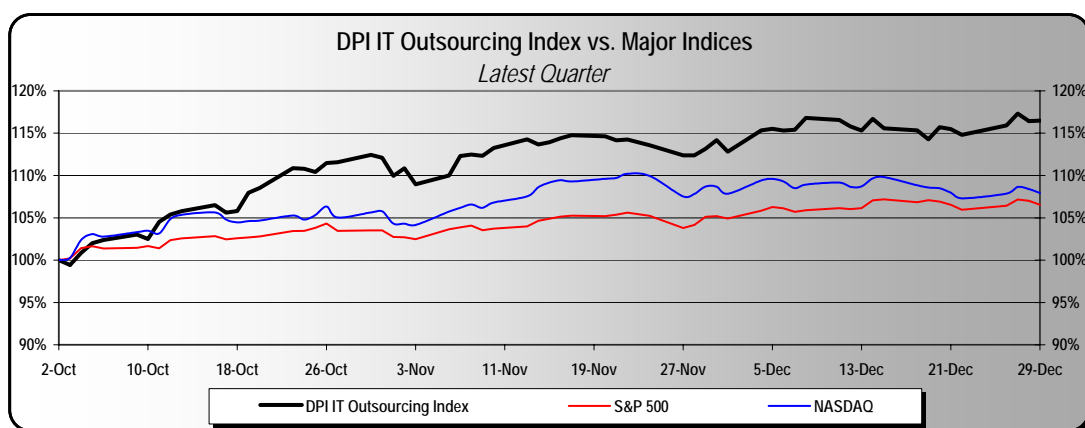
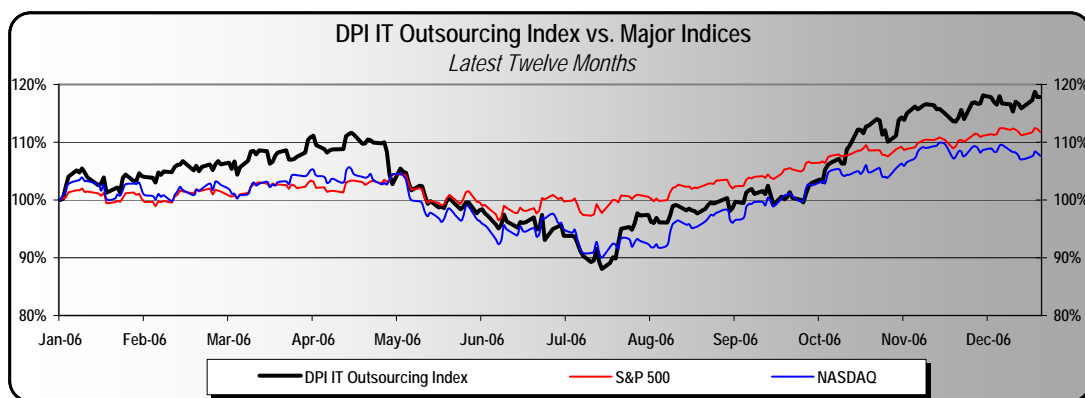
Please call DecisionPoint for further details on listed transactions.

Services: Outsourcing - IT

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the IT Outsourcing Index was up 18% and 17%, respectively.
- The much-hyped trend for in-sourcing - whereby a company brings an outsourced IT function back in-house - failed to materialize in 2006.
- The outsourcing industry buzzword in 2006 was 'multi-sourcing', where organizations opt to divvy up their IT services among a select group of suppliers rather than having 1 major vendor deal.
- The main forecast for 2007 is yet more globalization of ever higher-valued services.
- Q4'06 had several deals with targets in the managed services / hosting space. This sector is expected to continue to have strong M&A activity in 2007.
- India will continue to lead the IT supplier market for 2007 despite Russia's emergence as a strong contender in the IT outsourcing market. Russia is expected to grow 40-45% in 2007 and is currently the third largest IT outsourcing supply market, behind India and China.
- Q4'06 had a total of 113 M&A transactions compared to 42 announced in Q3'06.



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

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Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
CGI Group Inc.	1.0x	7.1x
CSC	0.7x	4.9x
Covansys Corp.	1.6x	13.2x
EDS	0.7x	7.4x
Perot Systems Corp.	0.8x	7.2x

LTM = Last twelve months

Representative IT Outsourcing Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/26/06	Level 3 Communications	Savvis (CDN services)	\$135.0
12/21/06	Seagate Technology	EVault, Inc.	\$185.0
11/30/06	Elephant Outlook	E Solutions' Microsoft Exchange Host	NA
11/17/06	DataPipe	AboveNet (assets)	NA
11/13/06	Global Tel*Link	Verizon (corrections division)	NA
11/13/06	Maxima Holding plc	Intertech Solutions	\$7.8
11/12/06	DR Fortress, LLC	Equinix (IBE center)	NA
11/06/06	Hexaware Technologies	FocusFrame	\$34.3
11/06/06	Phoenix IT Services	Servo Computer Services	\$57.5
11/01/06	Hosted Solutions	Boston Datacenters	NA
10/26/06	Global Crossing	IMPSAT Fiber Networks	\$336.0
10/25/06	BT Group plc	Counterpane Internet Security	NA
10/24/06	Quality Technology Services	NTT Data USA LLC	NA
10/11/06	Covad Communications Group	DataFlo Communications	\$1.4
10/03/06	Quality Technology Services	Globix Hosting LLC	NA

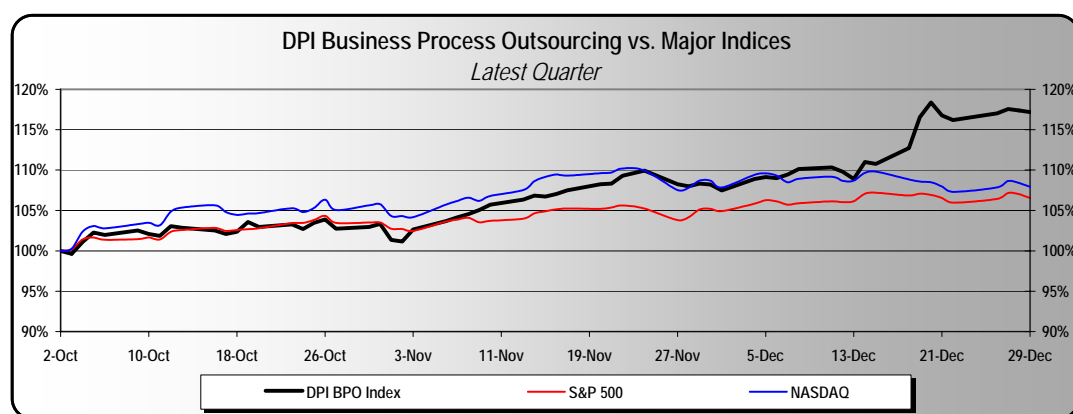
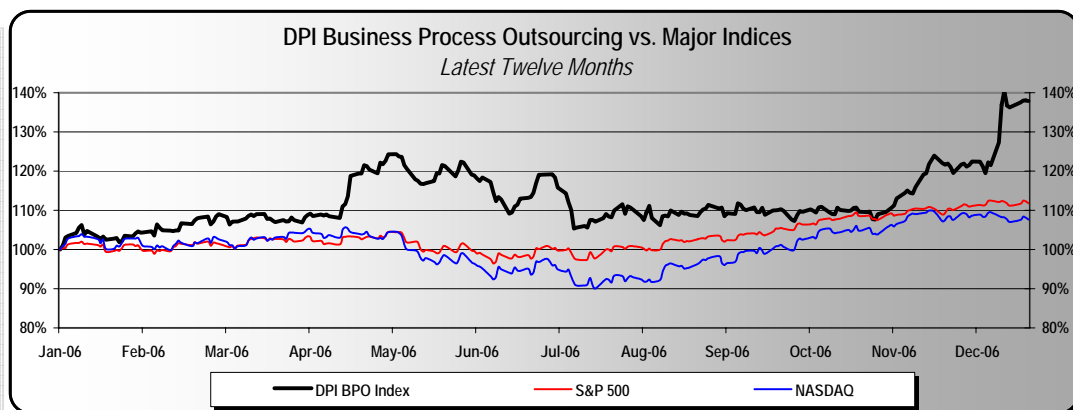
Please call DecisionPoint for further details on listed transactions.

Services: Outsourcing - Business Process Outsourcing

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the Business Process Outsourcing Index was up 38% and 17%, respectively.
- The global Finance and Accounting Outsourcing (FAO) market is predicted to grow in excess of 30% in 2007 as the global infrastructure matures to enable F&A solutions that take advantage of low-cost offshore talent and robust supplier process offerings underpinned by F&A technology.
- Core banking BPO -- once largely localized -- is becoming more global for a variety of reasons. Banks in all geographies are realigning the mix of banking products serviced, usually as a result of rapidly changing consumer demand. Also, more emerging economies are adopting the use of banking services and vendors are being forced to adapt.
- Medical services outsourcing from the United States has seen a compound annual growth rate of 150% in the last two years. Outsourcing in the healthcare sector has come a long way - from low-end claims processing and medical transcription to medical analytics and clinical processing.
- Q4'06 had a total of 106 M&A transactions compared to 123 announced in Q3'06.



Note: Due to the broad Business Process Outsourcing market, the DPI BPO Index includes a variety of financial services, healthcare, human resources, energy and IT services companies: Affiliated Computer Services, Aspen Technology, Automatic Data Processing, Bisys Group (The), Ceridian, CGI Group, GSE Systems, First Advantage, Paychex and Per-Se Technologies.

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Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
ACS	1.4x	8.4x
Aspen Technology Inc.	1.7x	8.7x
ADP	2.8x	11.6x
Bisys Group Inc.	1.7x	9.2x
Ceridian Corporation	2.5x	11.3x
CGI Group Inc.	0.9x	6.9x
GSE Systems Inc.	2.8x	NM
First Advantage Corp.	1.9x	9.5x
Paychex Inc.	8.1x	18.7x
Per-Se Technologies	2.9x	14.5x

LTM = Last twelve months
NM = Not Meaningful

Representative Business Process Outsourcing Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/14/06	Intuit	Electronic Clearing House	\$142.0
12/06/06	Trintech Group plc	Concuity Inc.	\$9.0
12/04/06	American Express Company	Harbor Payments	NA
12/01/06	ICT Group	Proyectar Connect	NA
11/29/06	American Capital Strategies	National Processing (assets)	NA
11/13/06	Sage Group	Protx Group	\$38.8
11/08/06	Open Solutions	Raddon Financial Group	\$27.5
11/06/06	Helios HR	HR Advantage	NA
11/06/06	Jack Henry & Associates	US Banking Alliance	NA
11/06/06	McKesson Corporation	Per-Se Technologies	\$2,310.7
10/25/06	Hinduja TMT Limited	AFFINA	NA
10/14/06	The Carlyle Group	Open Solutions	\$1,283.4
10/13/06	ClientLogic	Sitel	\$450.0
10/09/06	Aegis Communications Group	Technion Communications (assets)	NA
10/02/06	West Corporation	InPulse Response Group	\$44.5

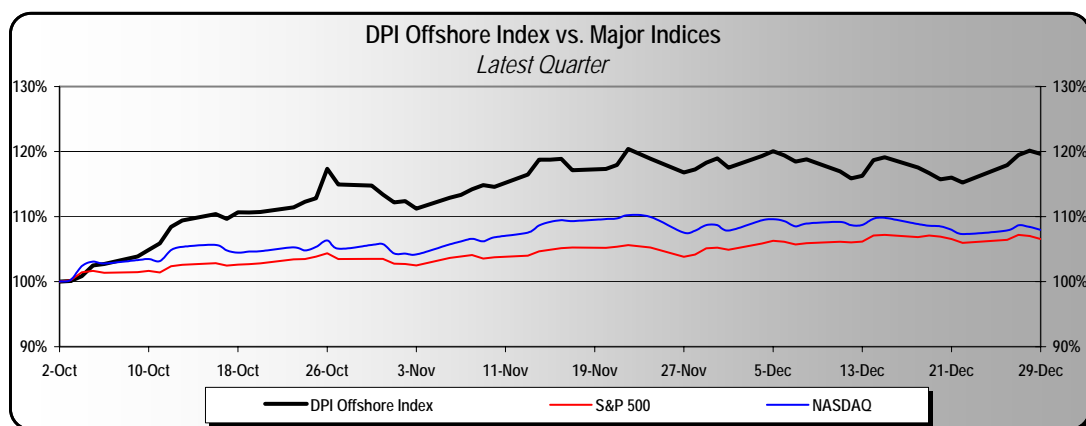
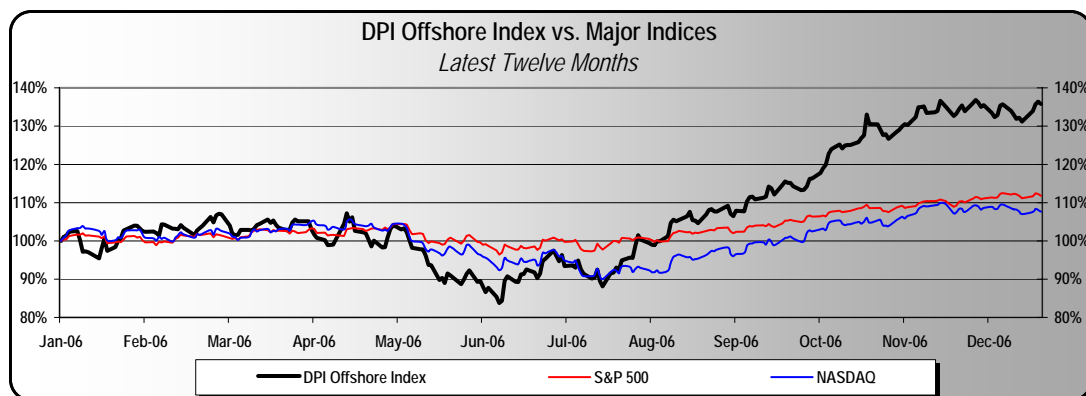
Please call DecisionPoint for further details on listed transactions.

Services: Offshore

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the Offshore Index was up 36% and 20%, respectively.
- The globalization of IT services continued in 2006 as the boundaries between offshore and onshore become ever more blurred.
- Big Indian offshore players like Tata, Wipro, Infosys, etc., are building up their consulting capabilities and have moved away from their pure offshore outsourcing roots to a more borderless global delivery model.
- China is the one country with the resources and scale to challenge India and the West not only in outsourcing but across the entire technology spectrum.
- Security of offshoring work has always been a problem and in 2006, India took steps to ensure offshored work was secure by establishing a watchdog organization to monitor data security.
- Both Infosys and Satyam reported hourly average bill rates of \$23 per person but are starting to sign deals a few percent higher than this.
- Q4'06 had a total of 2 M&A transaction compared to 2 announced in Q3'06.



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

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Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Cognizant Technology	8.3x	36.6x
Infosys Technologies	11.5x	36.1x
Kanbay International	3.3x	18.0x
Patni Computer	2.2x	10.7x
Satyam Computer	5.1x	21.7x
Wipro Ltd.	6.9x	27.7x

LTM = Last twelve months

Representative Offshore Transactions

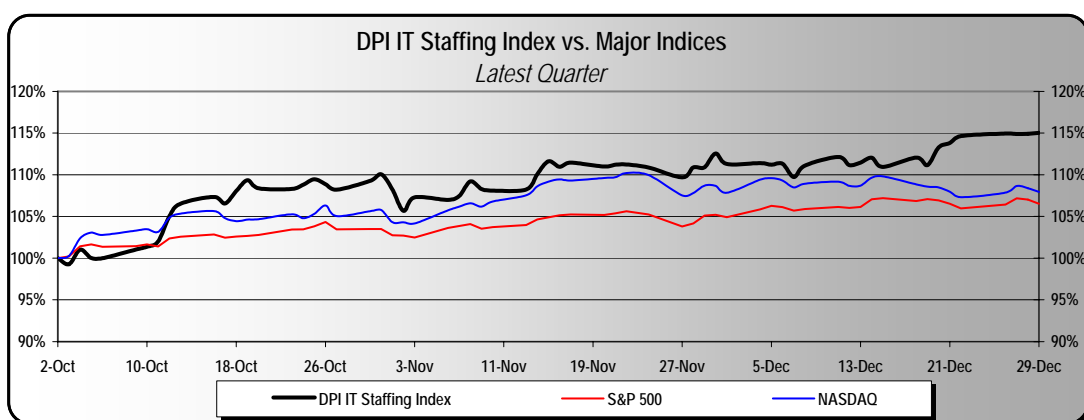
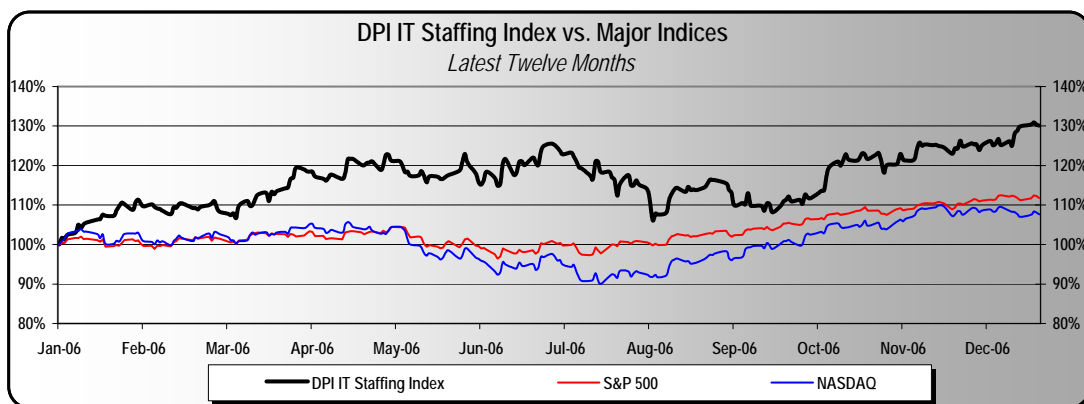
Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
11/13/06	3i Infotech Limited	Professional Access	\$120.0
10/26/06	Capgemini	Kanbay	\$1,286.0

Services: IT Staffing

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the IT Staffing Index was up 30% and 15%, respectively.
- TEKsystems emerged as an active acquirer of IT Staffing companies by announcing the acquisitions of TSG IT Resources and The Commercial Services business of Computer Horizons.
- Computer Horizons announced that the company will ultimately be liquidated by the end of Q2'07, once the sale of its Federal, Commercial and Chimes units close.
- Specialized IT Staffing firms in general continue to warrant premium valuations over broader focused staffing companies.
- Hiring talent will only get tougher in 2007 and IT Staffing companies need to focus on employee retention by providing challenging work environments, in-house career opportunities, etc.
- Q4'06 had 6 M&A transactions compared to 1 announced in Q3'06.



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

December 29, 2006

Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Analysts International	0.2x	12.5x
Comforce Corp.	0.2x	6.8x
Computer Horizons	0.4x	22.0x
Computer Task Group	0.3x	9.8x
Kforce Inc.	0.6x	8.5x
RCM Technologies	0.3x	7.3x
TechTeam Global Inc.	0.6x	11.7x
Volt	0.3x	8.7x

LTM = Last twelve months

Representative IT Staffing Transactions

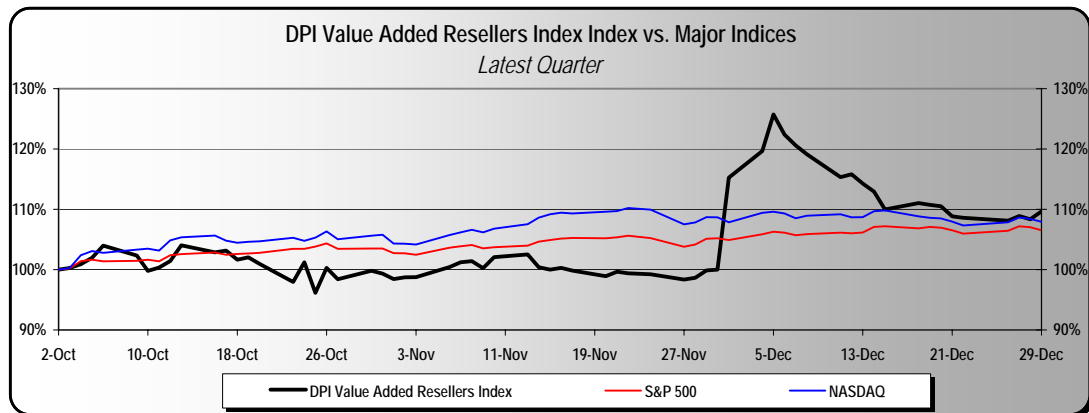
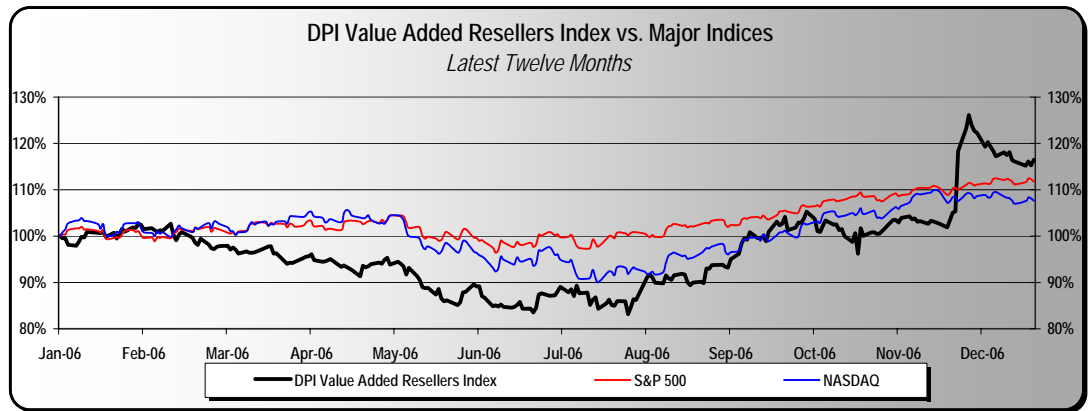
Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
11/29/06	Jobserve	ComputerJobs.com	NA
11/08/06	TEKsystems	Computer Horizons (Commercial)	\$57.0
10/27/06	Paracon Holdings	The Personnel Concept	NA
10/24/06	GoldenRAM	Techies.com	NA
10/16/06	McArthur Murray Dubai	ITP Consulting	NA
10/05/06	TEKsystems	TSG IT Resources	NA

Services: Value Added Resellers

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the VAR Index was up 17% and 10%, respectively.
- VoIP is becoming increasingly popular and service providers are supporting VoIP at a furious pace. While IP telephony is offered by fewer than half of the current networking VARs, it tops the list of additions small VARs will make to their offerings next year.
- The current convergence of voice and data networks is attracting buyers and M&A is expected to be strong for VARs focused on this area.
- New rules that compel companies to produce electronically stored information for civil litigation could boost demand for VARs who sell systems for tracking and archiving e-mail, electronic documents, digital images and spreadsheets.
- VARs are putting more emphasis on professional/consulting, technical break-fix and managed services today than on pushing hardware and software. In addition, sales and marketing skills, not just superior technical capabilities, are increasingly important in winning and keeping customers.
- Q4'06 had a total of 12 M&A transactions compared to 21 announced in Q3'06.



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

December 29, 2006

Metrics

Company	Enterprise Value	
	LTM	LTM
	GP	EBITDA
CDW Corp.	5.2x	10.9x
Emtec Inc.	1.4x	8.5x
En Pointe Technologies	1.0x	19.3x
Insight Enterprises	2.9x	7.7x
MTM Technologies	1.1x	NM
PC Connection Inc.	2.4x	13.8x
Pomeroy IT Solutions	1.0x	7.6x

LTM = Last twelve months
NM = Not Meaningful
GP = Gross Profit

Representative Value Added Resellers Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/04/06	FusionStorm	Technology Deployment Res. (assets)	NA
11/29/06	Global Imaging Systems	Copy Dynamics	NA
11/10/06	Thoma Cressey Equity Partners	Sirius Computer Solutions	NA
11/08/06	CallKey Group Limited	GlobalFon	NA
10/25/06	Acquisitionco	OnX Enterprise Solutions (VAR)	\$6.8
10/17/06	Cellnet Group Limited	VME Systems Pty Ltd	NA
10/17/06	Esprinet S.p.a.	UMD S.A.	\$98.9
10/17/06	Esprinet S.p.a.	Actebis Computer Italia S.p.A	\$0.9
10/09/06	FusionStorm	Jeskell, Inc.	NA
10/06/06	Sebastian River Holding's	Global Communications Solutions	\$0.8
10/05/06	Arrow Electronics	Alternative Technology	NA
10/04/06	Bell Microproducts	ProSys Information Systems (assets)	\$41.0

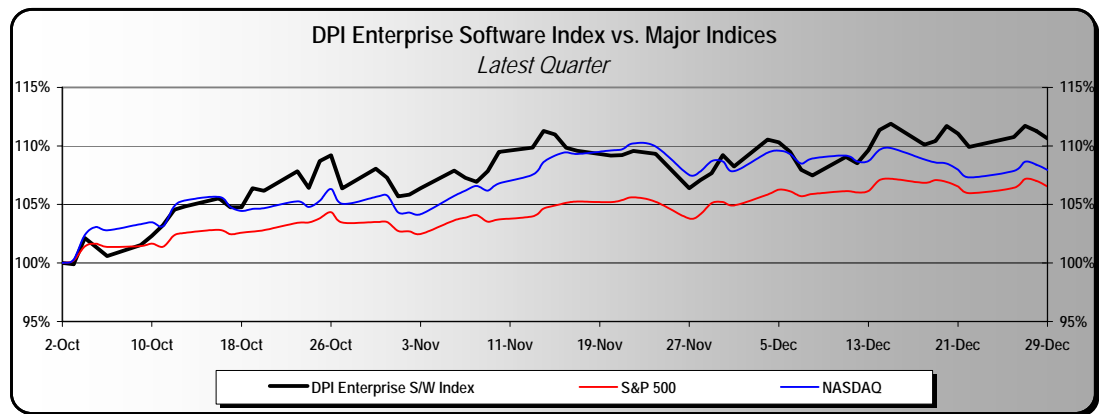
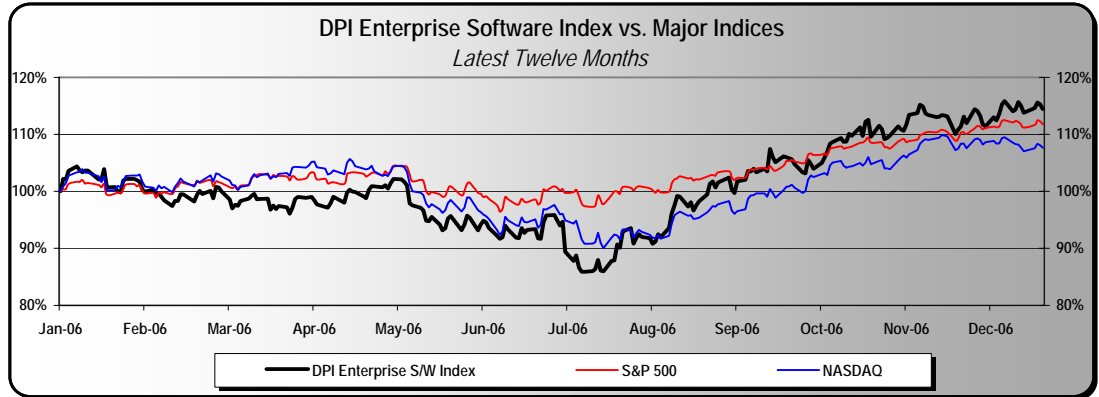
Please call DecisionPoint for further details on listed transactions.

Software: Enterprise

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the Enterprise Software Index was up 14% and 11%, respectively.
- Oracle notched the largest enterprise software deal of the quarter by acquiring Stellent, a leader in content management software for approximately \$375m in cash.
- Mid-tier, publicly-held vendors continue to experience consolidation by private equity backed platforms, (i.e. M2M / Knova backed by Thoma Cresse, and MDSI / Indus backed by Vista Equity Partners).
- The venture backed M&A landscape for computer software companies saw 14 deals during Q4'06 for \$474m, with only 2 venture backed IPOs in the US worth \$130m.
- Large, recurring acquirors continue to consistently fill in gaps and expand into new verticals by means of M&A.
- Q4'06 had a total of 132 M&A transactions compared to 124 announced in Q3'06.



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

December 29, 2006

Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
BMC Software Inc.	3.6x	13.3x
Borland Software	1.2x	NM
EMC Corp.	2.7x	11.5x
Manhattan Associates	2.6x	14.2x
Symantec Corp.	3.8x	12.3x
Tibco Software Inc.	2.9x	14.8x
Vignette Corporation	1.5x	17.1x
webMethods Inc.	1.3x	18.1x

LTM = Last twelve months
NM = Not Meaningful

Representative Enterprise Software Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/18/06	Made2Manage Systems	KNOVA Software	\$40.2
12/06/06	Skywire Software	Docucorp	\$119.0
11/27/06	Informatica	Itemfield	\$55.0
11/20/06	Akamai Technologies	Nine Systems	\$159.7
11/20/06	Sterling Commerce	Comergent Technologies	\$155.0
11/08/06	Network Appliance	Topio	\$160.0
11/02/06	Oracle	Stellent	\$440.4
11/01/06	EMC	Avamar Technologies	\$165.0
10/30/06	Automatic Data Processing	Taxware	\$125.0
10/25/06	LSI Logic	StoreAge Networking Technologies	\$50.0
10/25/06	PDF Solutions	Si Automation S.A.	\$35.7
10/23/06	Vista Equity Partners	Indus International	\$203.7
10/16/06	McAfee	Onigma	\$20.0
10/06/06	Kenexa	BrassRing	\$115.0
10/03/06	McAfee	Citadel Security Software	\$60.2

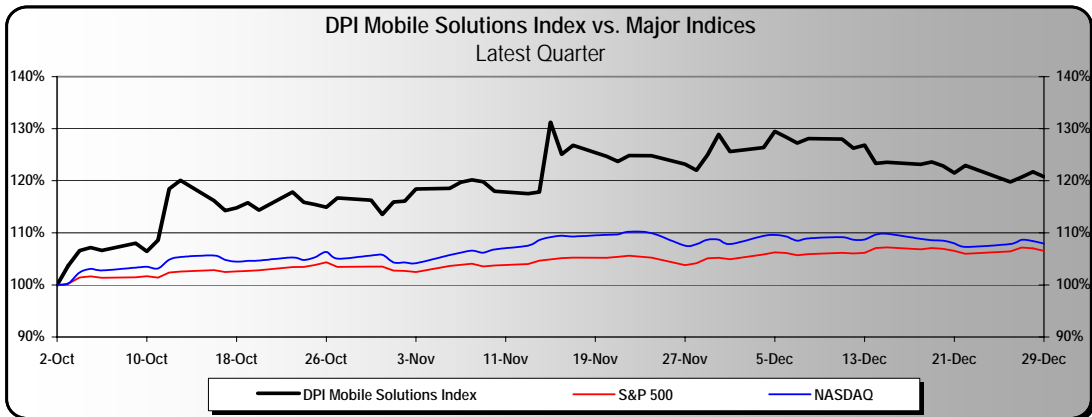
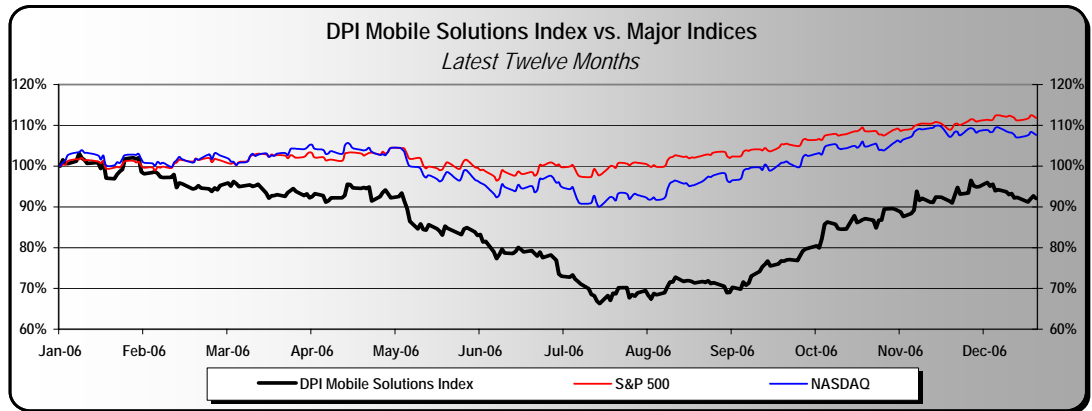
Please call DecisionPoint for further details on listed transactions.

Software: Mobile Solutions

Highlights, Stock Performance and Recent M&A Activity

Highlights

- For the LTM and quarter, the Mobile Solutions Software Index was down 8% and up 21%, respectively.
- In 2006, the M&A market for mobile solutions was driven by deals on both the consumer and enterprise sides, contributing fairly equally to the overall movement of the mobile marketplace.
- Noteworthy deals in Q4'06 were Motorola's acquisition of Good Technology that was well received in the marketplace and Vista Equity Partners' acquisition of Indus International (to be merged with MDSI) at almost 2x revenue.
- The mobile workforce sector saw two important deals (@Road and Indus International acquired) in Q4'06. Growth in this segment is expected to be fueled by combining Internet services with on-demand applications that leverage a variety of technologies including Global Positioning System (GPS), dispatch software, wireless communications, fleet management tools and transaction processes to help companies reduce operating costs and more effectively manage a mobile workforce.
- Q4'06 had a total of 5 M&A transactions.



Note: The DPI Mobile Solutions Software Index includes: @Road, BSQUARE, ClickSoftware Technologies, Indus International, Openwave Systems, QUALCOMM, Semotus Solutions, Sybase and ViryaNet.

December 29, 2006

Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
@Road, Inc.	3.6x	NM
BSQUARE Corp.	0.4x	NM
ClickSoftware Techn.	2.3x	NM
Indus International Inc.	1.6x	19.2x
Openwave Systems Inc.	1.5x	NM
QUALCOMM Inc.	7.5x	16.5x
Semotus Solutions Inc.	1.3x	NM
Sybase, Inc.	2.1x	8.3x
ViryaNet Ltd.	0.8x	NM

LTM = Last twelve months
NM = Not Meaningful

Representative Mobile Solutions Software Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/10/06	Trimble Navigation	@Road	\$509.2
11/22/06	Trimble Navigation	Spacient Technologies	NA
11/20/06	Sybase	iFoundry Systems (assets)	NA
11/10/06	Motorola	Good Technology	NA
10/20/06	Vista Equity Partners (MDSI)	Indus International	\$212.8

Communications: Software

Highlights, Stock Performance and Recent M&A Activity

Highlights

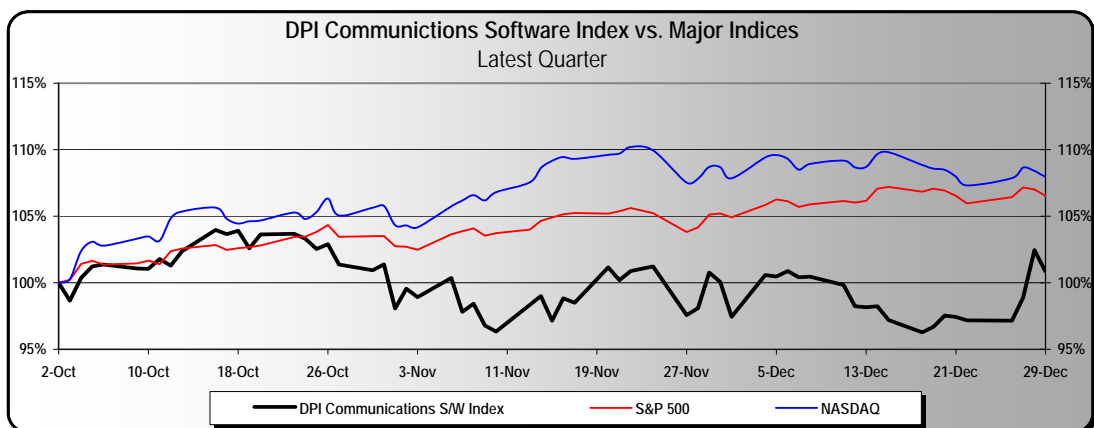
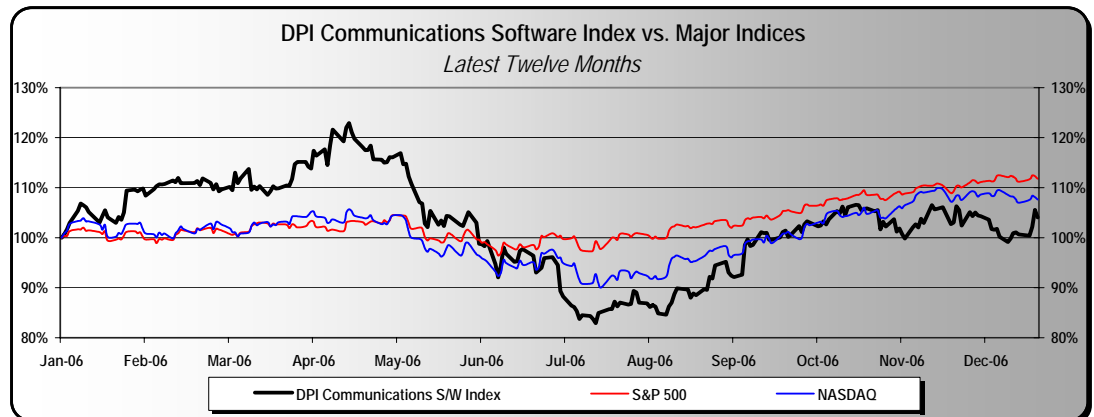
- For the LTM and quarter, the Communications Software Index was up 4% and 1%, respectively.
- Oracle strengthened its telecommunications vertical by snapping up operations support system (OSS) player, MetaSolv Software, for \$161m. The all-cash deal will be integrated into Oracle's Communications Global Business Unit along with earlier 2006 acquisitions, Hotsip and Portal Software.
- Spire Capital Partners platform, Ariston Global Partners, announced its second acquisition of 2006 in Q4 with its buyout of another OSS player, The Strata Group. Ariston was established in the second quarter of 2006 to acquire, develop and operate communications services companies with the acquisition of TeleSciences.
- M&A in the Internet Protocol television (IPTV) sector saw yet another victim fall to Motorola in Tut Systems. Bell Labs estimates that video currently accounts for 5% of traffic on IP networks, however, that figure could reach 40% by 2010. Alcatel-Lucent, Cisco, IBM, Microsoft, Motorola and Siemens are the major players vying for a piece of the action.
- Q4'06 had a total of 42 M&A transactions valued compared to 50 announced in Q3'06.

December 29, 2006

Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
Amdocs Ltd.	3.0x	14.4x
Converse Technology	2.2x	15.7x
Openwave Systems	1.5x	NM
TeleComm. Systems	1.1x	6.8x

LTM = Last twelve months
NM = Not Meaningful



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

Representative Communications Software Transactions

Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/21/06	Motorola	Tut Systems	\$62.9
12/20/06	Hewlett Packard	Bitfone	NA
12/19/06	Ariston Global Partners	The Strata Group	NA
12/12/06	MagiNet	Nomadix	NA
12/07/06	Nuance Communications	MobileVoiceControl	NA
11/27/06	Neustar	Followap	\$139.0
11/24/06	Research In Motion Limited	Epoch Integration	NA
11/20/06	Mobestar	Mobile Life	\$0.7
11/17/06	Avaya	Traverse Networks	NA
10/31/06	MobileMail Limited	Tracebit	NA
10/26/06	Cisco	Orative	\$31.0
10/23/06	Oracle	MetaSolv Software	\$161.2
10/19/06	PacketVideo	TwonkyVision GmbH	NA
10/17/06	Five9	Eco NN	NA
10/12/06	Microsoft	Colloquix	NA

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 up 7% and 7%, respectively.
- Price wars, weak demand and deteriorating margins amongst leading semiconductor chip vendors has led to significant declines in earnings.
- Ericsson shook up the Internet Protocol (IP) edge router market with its \$1.9b acquisition of Redback Networks. The deal reflects a growing need among service providers to upgrade their networks to accommodate bandwidth-devouring video downloads for consumers and increasingly deliver that content to mobile devices.
- WiMAX providers NextWave and Clearwire have filed to go public with the SEC in early 2007. WiMAX is a new source of high-speed broadband services, delivering a serious threat to replace digital subscriber lines, cable modems and slower cellular services.
- Motorola bolstered its offerings for its connected home division by picking up its tenth acquisition of 2006 in Q4 by adding modem and networking infrastructure provider, Netopia, in an all cash deal worth \$180m.
- Q4'06 had a total of 88 M&A transactions compared to 76 announced in Q3'06.

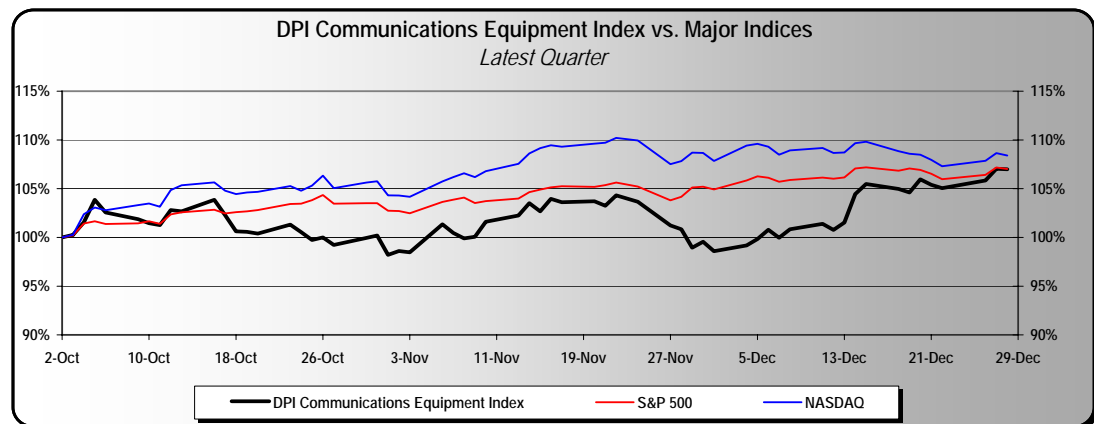
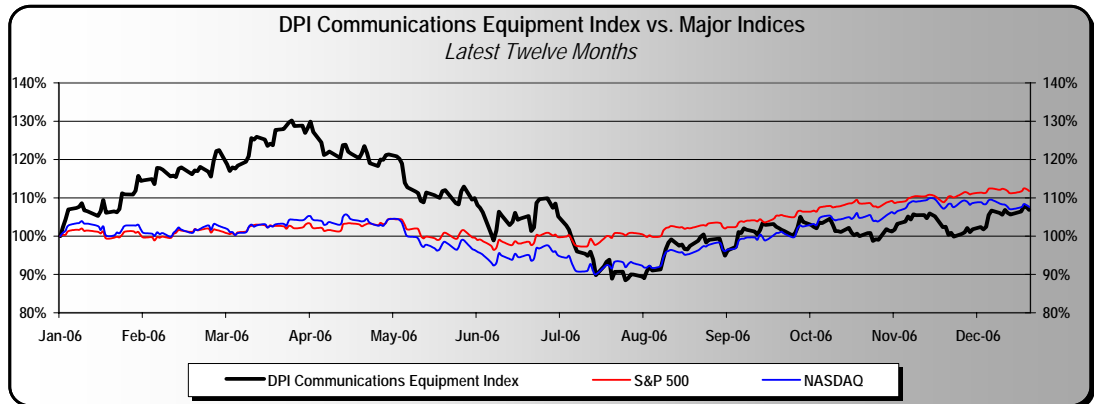
December 29, 2006

Metrics

Company	Enterprise Value	
	LTM Revenue	LTM EBITDA
3Com Corporation	0.7x	NM
ADC Telecom.	1.2x	10.8x
Alcatel-Lucent	1.0x	7.5x
CIENA Corp.	4.2x	62.5x
Cisco Systems, Inc.	5.1x	15.5x
Nortel Networks Corp.	1.2x	NM
Tellabs Inc.	1.6x	7.0x

LTM = Last twelve months

NM = Not Meaningful



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

Representative Communications Equipment Transactions

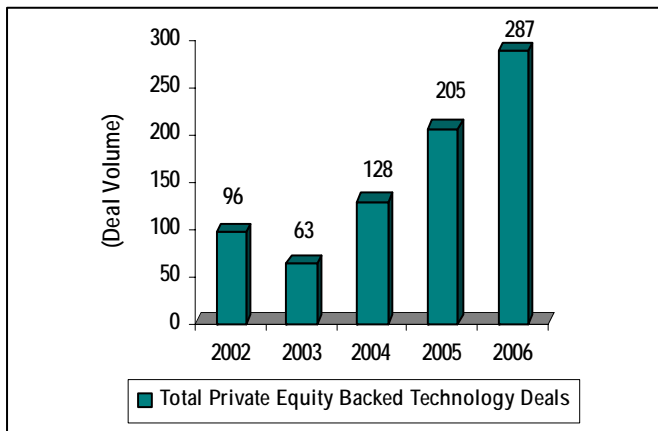
Announced Date	Acquiror Name	Target Name	Enterprise Value (\$m)
12/19/06	Ericsson	Redback Networks	\$1,891.9
12/04/06	LSI Logic	Agere Systems	\$4,230.8
12/03/06	Qualcomm	RF Micro Devices' Bluetooth assets	NA
11/29/06	Broadcom	LVL7 Systems	\$62.0
11/16/06	Qualcomm	nPhase	NA
11/14/06	Motorola	Netopia	\$208.0
11/13/06	Agilent Technologies	Acqiris	NA
11/13/06	Cisco Systems	Greenfield Networks	NA
11/01/06	Andrew	EMS Wireless	\$50.5
10/17/06	JDS Uniphase	Metconnex Canada (assets)	NA

Fourth Quarter Spotlight: Private Equity Backed M&A

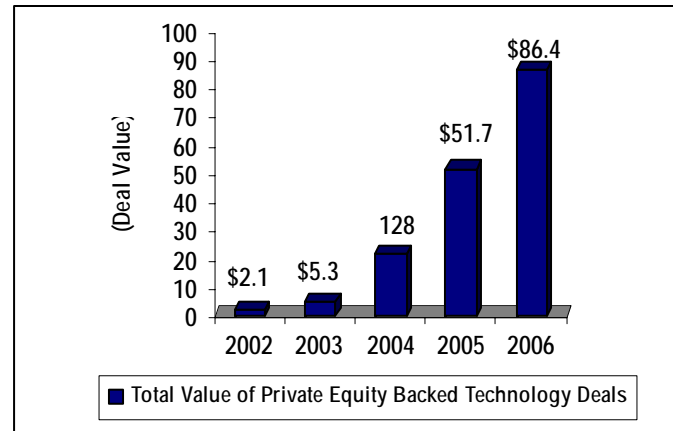
2006 Year in Review

Technology companies were the dominant venture backed M&A sector for 2006, with 273 total deal exits and \$19.3 billion in total deal value as reported by VentureOne. This accounted for 18 more technology acquisitions than in 2005 and a 38% increase in total deal value. For 2006, there were 56 venture backed IPOs, which raised \$3.7 billion. According to Dealogic, private equity firms (PEG) spent a record \$725.3 billion to take companies private, accounting for approximately 18% of the 31,825 deals in 2006. The 451 Group tracked approximately 3,923 technology-focused M&A transactions, of which 7%, or 287 transactions, were private equity deals (see graph 1 below). This accounted for \$86 billion of the total of private equity M&A in 2006 (see graph 2 below). Additionally, U.S. private equity firms raised \$215.4 billion among 322 funds in 2006, according to Dow Jones Private Equity Analyst.

Graph 1:



Graph 2:



The tables below outline select technology platform companies that recently received private equity funding and have since announced an acquisition or multiple acquisitions in 2006. These private equity-backed platform companies are normally looking for the following characteristics: \$1m+ EBITDA, offshoreable services, revenue and EBITDA growth, a committed management team.

Primary Investors	Platform Company	2006 Mergers / Acquisitions
• The Carlyle Group / Paladin Capital	▶ • Anvicom	▶ • Command Information and Digital Focus
• Thoma Cressey / Battery Ventures	▶ • Made2Manage Systems	▶ • AXIS, Encompix, Onyx Software, Intuitive Manufacturing Systems and Knova Software
• General Atlantic	▶ • Hexaware	▶ • FocusFrame
• Golden Gate Capital / Parallax Capital Partners	▶ • Infor Global Solutions	▶ • Datastream Systems, IBS, Systems Union Group and SSA Global
• Vista Equity Partners	▶ • MDSI Mobile Data Solutions	▶ • Indus International
• Spire Capital Partners	▶ • Ariston Global	▶ • TeleSciences and The Strata Group
• Sequoia Capital India	▶ • AppLabs	▶ • IS Integration
• Draper Atlantic, New Enterprise Associates and Sequoia Capital India	▶ • GlobalLogic	▶ • Lambent Technologies and Bonus Technology
• Thoma Cressey	▶ • JDA Software Group	▶ • Manugistics Group
• Silver Lake Partners led Consortium of PEG's	▶ • SunGard Data Systems	▶ • Announced 11 acquisitions in 2006.
• Francisco Partners	▶ • RedPraire	▶ • Rangepate Mobile, ALTA, MARC, BlueCube and StorePerform
• Francisco Partners, Golden gate Capital and Thoma Cressey	▶ • AttachmateWRQ	▶ • OnDemand Software, NetIQ and Infracore
• 12 institutional accredited investors	▶ • CDC Corporation	▶ • Announced 11 acquisitions in 2006.

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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