

DECISIONPOINT

QUARTERLY VIEWPOINT:

For the Quarter Ended December 31, 2012 and the Latest
Twelve Months

Q4 | 12

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Market Leader for Mid-Market Technology M&A:

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

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



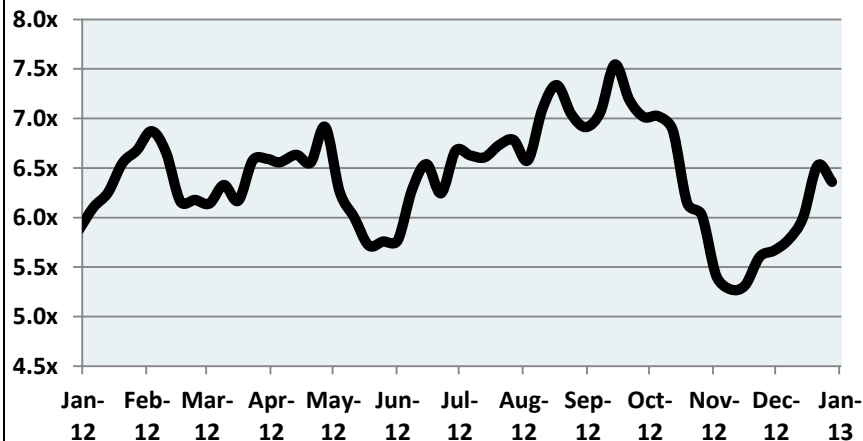
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Software: Software as a Service (SaaS)

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP SaaS Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
salesforce.com, inc	\$164.18	\$23,313.6	\$23,286.5	8.2x	NM
Red Hat, Inc.	\$51.98	\$10,049.0	\$9,162.7	7.2x	35.1x
NetSuite Inc.	\$65.20	\$4,671.7	\$4,495.6	15.6x	NM
Concur Technologies, Inc.	\$66.83	\$3,680.5	\$3,429.4	7.8x	71.4x
athenahealth, Inc.	\$72.52	\$2,630.4	\$2,450.2	6.1x	49.0x
The Ultimate Software	\$93.23	\$2,545.3	\$2,474.3	7.9x	68.6x
RealPage, Inc.	\$21.13	\$1,593.9	\$1,582.7	5.1x	46.3x
Cornerstone OnDemand,	\$28.47	\$1,437.2	\$1,377.1	13.3x	NM
ExactTarget, Inc.	\$19.68	\$1,339.9	\$1,127.8	4.2x	NM
Dealertrack Technologies,	\$28.13	\$1,201.5	\$1,152.9	3.0x	21.2x
OpenTable, Inc.	\$48.85	\$1,110.0	\$1,023.9	6.6x	22.0x
Medidata Solutions, Inc.	\$38.89	\$1,007.7	\$884.2	4.3x	25.3x
Demandware, Inc.	\$27.05	\$803.8	\$701.2	9.8x	NM
LivePerson Inc.	\$12.89	\$720.1	\$616.9	4.1x	29.0x
Ellie Mae, Inc.	\$27.36	\$702.1	\$608.2	6.7x	27.5x
Ebix Inc.	\$15.79	\$601.1	\$653.7	3.5x	8.4x
Constant Contact, Inc.	\$13.65	\$416.9	\$328.8	1.4x	14.5x
Responsys, Inc.	\$5.83	\$284.4	\$184.9	1.2x	9.8x
Median:	\$28.30	\$1,270.7	\$1,140.4	6.4x	27.5x

SECTOR HIGHLIGHTS

- The median SaaS index was trading at 6.4x revenue (based on Enterprise Value) at the closing of Q4.
- Forrester Research is citing SaaS and data-driven smart apps as the major growth engines for the worldwide software market. The SaaS software market will increase 25% in 2013 to \$59 billion, a 25% increase. In 2014, the market is expected to total \$75 billion. Forrester uses the term “smart computing” to define apps that, for instance, provide direct access to data for decision-making. It also includes data analytics and business intelligence in the category.
- Larger companies are looking over their portfolio of applications and identifying which are critical to the business and keeping those in house while moving non-critical applications to SaaS. In many cases critical applications, those that could result in large monetary or reputational damage if they went down, account from only about 15 to 20% of all applications.
- Expect more moves into SaaS from Microsoft for its Dynamics ERP software lines. It is also possible that Microsoft's marketing message for SaaS will attempt to show customers that it can be a virtual one-stop shop for SaaS, covering everything from Office to CRM and ERP.
- SAP acquired its way into SaaS over the past year, scooping up human capital management vendor SuccessFactors as well as Ariba. However, it does have some homegrown SaaS applications and will probably spend most of 2013 focused on integrating the various SaaS components and come out with a longer-term SaaS road-map instead of making more SaaS acquisitions.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

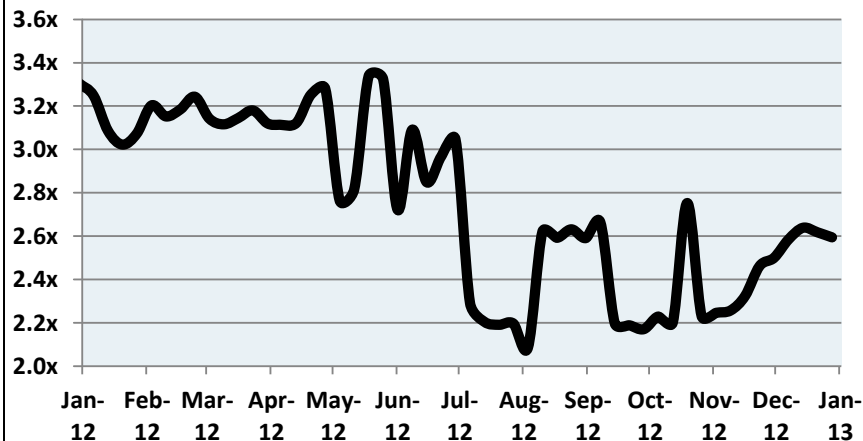
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-12-20	Oracle Corporation	Eloqua	870.5
2012-11-14	Descartes Systems Group Inc.	Exentra Transport Solutions Limited	17.0
2012-11-05	Zillow	Mortech	17.5
2012-11-01	RedPrairie Corporation	JDA Software Group Inc.	1,900.0
2012-11-01	Enghouse Systems Limited	Visionutveckling AB	10.9
2012-10-22	HealthStream, Inc.	Sy.Med Development, Inc.	8.0
2012-10-19	Gannett Co., Inc.	Rovion Inc.	3.9
2012-10-11	ExactTarget	Pardot LLC	95.5
2012-10-02	John Wiley & Sons, Inc.	Deltak	220.0

Software: Internet Software and Services

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Internet Software & Services EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Google Inc.	\$700.01	\$230,019.2	\$193,295.2	4.1x	12.2x
Amazon.com Inc.	\$245.18	\$111,056.5	\$105,808.5	1.8x	NM
eBay Inc.	\$49.81	\$64,453.4	\$59,836.4	4.4x	15.2x
Facebook, Inc.	\$25.91	\$56,134.7	\$46,584.7	10.1x	42.7x
priceline.com	\$608.88	\$30,361.8	\$27,278.8	5.4x	14.9x
Yahoo! Inc.	\$19.50	\$23,062.4	\$14,731.4	3.0x	7.5x
LinkedIn Corporation	\$112.89	\$12,129.9	\$11,453.2	13.7x	NM
Netflix, Inc.	\$89.33	\$4,961.9	\$4,563.5	1.3x	31.1x
IAC/InterActiveCorp	\$46.23	\$4,089.3	\$3,655.6	1.4x	11.0x
Groupon, Inc.	\$4.78	\$3,134.3	\$1,938.7	0.9x	14.8x
AOL Inc.	\$29.43	\$2,463.2	\$1,720.1	0.8x	3.8x
Pandora Media, Inc.	\$9.01	\$1,532.4	\$1,451.9	3.8x	NM
ValueClick, Inc.	\$19.00	\$1,429.5	\$1,484.3	2.2x	7.8x
OpenTable, Inc.	\$48.85	\$1,110.0	\$1,023.9	6.6x	22.0x
Vistaprint N.V.	\$31.33	\$1,073.5	\$1,273.5	1.2x	12.3x
WebMD Health Corp.	\$14.42	\$706.9	\$537.5	1.1x	13.6x
RealNetworks Inc.	\$7.28	\$256.5	(\$17.2)	NM	NM
Median:	\$31.33	\$4,089.3	\$3,655.6	2.6x	13.6x

SECTOR HIGHLIGHTS

- The median Internet Software & Services index was trading at 2.6x revenue (based on Enterprise Value) at the closing of Q4.
- Amazon.com's Web Services unit is gaining larger cloud customers than the developers and startups who first found a home on its EC2 compute service. This is one reason two analyst firms recently have come out with upside predictions for Amazon.
- Internet of Things leaders used the backdrop of the annual Consumer Electronic Show to debut the Internet of Things Consortium (IoT). The group's mission is to foster and support the growth of Internet-connected devices for consumers. This consortium will provide opportunities for hardware, software and service providers to collaborate on ways to make connected devices more rich and rewarding for today's consumer.
- Groupon and Zynga both struggled significantly in 2012 and the outlook is not promising for 2013. Groupon has lost around 78% of its value, and Zynga's stock has gone from a high of \$14.69 in March 2012 to currently around \$2.5 (over 80% drop). Both are now trading low enough for a possible takeover and have failed to deliver the high growth that investors thought was baked into the cost of social stocks as the market has matured.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-12-21	Expedia, Inc.	trivago	632.1
2012-12-21	TJX Companies, The	Sierra Trading Post	200.0
2012-12-20	William Hill/GVC Holdings PLC	Sportingbet PLC (Australian operations)	736.3
2012-12-18	The Nielsen Company	Arbitron Inc.	1,222.9
2012-11-12	j2 Global Inc.	Ziff Davis Media Inc.	167.0
2012-11-08	Priceline.com Inc.	KAYAK.com	1,650.0
2012-11-06	Axel Springer/General Atlantic	IMMOWEB SA/NV	160.3
2012-11-05	Bazaarvoice	Longboard Media, Inc.	33.2
2012-10-31	MSCI	IPD Ltd	125.0
2012-10-24	Yelp, Inc.	Qype	50.0
2012-10-22	Permira Funds (LIS)/Spectrum Equity/Ancestry.com management	Ancestry.com Inc.	1,530.4
2012-10-01	NEXON Co., Ltd.	gloops, Inc.	469.9

Software: Enterprise Software

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Enterprise Software Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Microsoft Corporation	\$26.55	\$223,457.1	\$169,759.1	2.3x	5.9x
International Business	\$189.83	\$214,495.0	\$235,983.0	2.3x	8.9x
Oracle Corporation	\$33.02	\$156,326.5	\$142,815.5	3.8x	8.3x
SAP AG	\$80.36	\$95,824.3	\$95,466.1	4.6x	13.3x
Dassault Systemes SA	\$111.65	\$13,810.3	\$12,276.9	4.7x	15.1x
Autodesk, Inc.	\$34.99	\$7,862.3	\$6,643.2	2.9x	14.0x
Ansys, Inc.	\$67.00	\$6,206.7	\$5,731.1	7.4x	15.6x
Amdocs Limited	\$33.61	\$5,463.1	\$4,545.9	1.4x	7.6x
TIBCO Software Inc.	\$21.68	\$3,530.5	\$3,328.9	3.2x	15.5x
MICROS Systems, Inc.	\$42.09	\$3,377.0	\$2,799.4	2.4x	11.1x
Informatica Corporation	\$30.12	\$3,250.1	\$2,665.9	3.3x	17.1x
Stratasys Ltd.	\$77.90	\$3,194.4	\$3,142.6	16.7x	NM
Parametric Technology	\$22.55	\$2,693.9	\$2,574.4	2.1x	11.5x
Constellation Software	\$119.91	\$2,541.1	\$2,518.6	3.1x	13.4x
NICE Systems Ltd.	\$32.69	\$2,125.7	\$1,825.6	2.0x	13.3x
Tyler Technologies, Inc.	\$47.84	\$1,461.9	\$1,489.8	4.3x	22.0x
Manhattan Associates, Inc.	\$59.07	\$1,173.8	\$1,067.0	2.9x	12.9x
Verint Systems Inc.	\$29.07	\$1,165.6	\$1,858.2	2.3x	12.6x
Blackbaud Inc.	\$23.25	\$1,050.3	\$1,271.2	3.0x	20.8x
QAD Inc.	\$13.92	\$217.8	\$161.9	0.6x	8.1x
Pervasive Software Inc.	\$8.74	\$145.1	\$102.4	2.0x	24.9x
Median:	\$33.61	\$3,250.1	\$2,799.4	2.9x	13.3x

SECTOR HIGHLIGHTS

- The median Enterprise Software index was trading at 2.9x revenue (based on Enterprise Value) at the closing of Q4.
- In general, enterprise software remained a growth area in 2012 as companies continued to buy technology. Driving this growth were several trends, including the need to provide better mobile support, the need to get technology that helps facilitate critical customer experience strategies and the need to provide a more collaborative and networked work environment.
- According to Gartner, worldwide enterprise software spending will total \$296 billion in 2013, a 6.4% increase from 2012. It will be driven by key markets such as security, storage management and customer relationship management; however, beginning in 2014, markets aligned to big data and other information management initiatives, such as enterprise content management, data integration tools, and data quality tools will begin to see increased levels of investment.
- Customers are starting to demand real-time access to data and will push accuracy, speed and precision of response up on the enterprise computing agenda.
- In 2012, several hot trends continued to drive acquisition activity and product directions, including cloud, mobile, social, Internet of things, and data analytics.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-12-03	Access Group	thankQ Limited	4.3
2012-11-30	Tyler Technologies, Inc.	EnerGov Solutions	-
2012-11-14	BT Group, plc	Tikit Group Plc	95.4
2012-11-12	Friedman Operating Group	Albat + Wirsam Software AG Group	23.0
2012-11-12	Brady plc	Systems Alternatives International	6.3
2012-11-08	Siemens AG	LMS International NV	870.2
2012-11-05	John Wiley & Sons, Inc.	Efficient Learning Systems Inc	24.0
2012-10-31	Rutter Inc.	OceanWaveS GmbH	3.1
2012-10-22	HealthStream, Inc.	Sy.Med Development, Inc.	8.0
2012-10-19	Idox plc	FMx Ltd.	9.0
2012-10-09	3D Systems, Inc.	INUS Technology Inc.	35.0

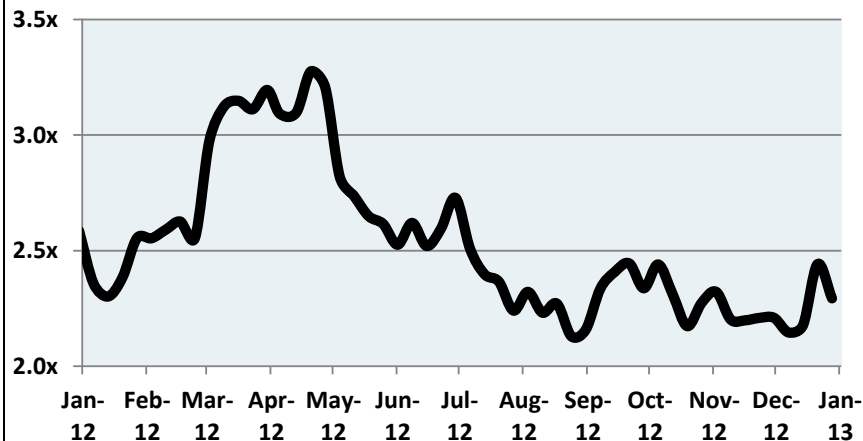
Software: Business Intelligence Software

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP BI Software Index EV/Revenue Multiple

Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Informatica Corporation	\$30.12	\$3,250.1	\$2,665.9	3.3x	17.1x
Qlik Technologies, Inc.	\$21.41	\$1,839.1	\$1,646.1	4.6x	NM
MicroStrategy Inc.	\$93.55	\$1,050.1	\$833.5	1.4x	19.2x
Pegasystems Inc.	\$22.30	\$844.9	\$733.6	1.7x	29.5x
Accelrys Inc.	\$9.05	\$503.5	\$362.6	2.3x	24.4x
PROS Holdings, Inc.	\$17.29	\$474.7	\$402.1	3.6x	38.3x
Actuate Corporation	\$5.50	\$269.3	\$194.7	1.4x	7.1x
Median:	\$21.41	\$844.9	\$733.6	2.3x	21.8x

SECTOR HIGHLIGHTS

- The median Business Intelligence Software index was trading at 2.3x revenue (based on Enterprise Value) at the closing of Q4.
- The global market for business intelligence (BI) software and services will reach \$143 billion within four years, according to new analyst research. This growth is being driven by the universal applicability of business intelligence systems.
- Around two thirds of BI-related spend goes towards services such as consulting, development and integration while analytics, the use of statistical analysis to interrogate data, is the fastest-growing component of BI.
- Big data was arguably the buzz of 2012 but many are still confused of what it is. Experts agree that big data exists, but they still question its significance and lack of focus. Businesses will spend time in 2013 figuring out what big data is and is not, what challenges it presents, where the real value is, and how they will need to evolve -- architecturally and culturally -- to tap into that value.
- Business intelligence tools used to only be available to large companies but small and mid-sized business owners (SMBs) are now starting to realize that BI can benefit them as well. Vendors are getting better at making software that is easy to use and affordable. Technologies such as open source, cloud, in-memory and visualization technology are making BI tools much more friendly to SMBs.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

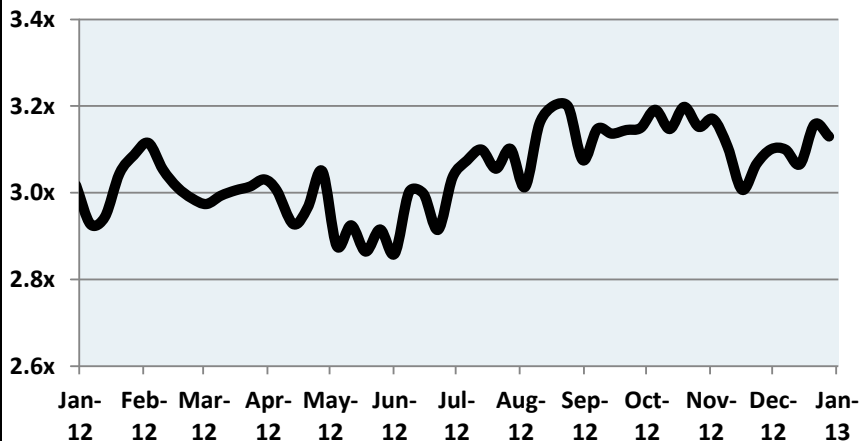
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-12-31	QAD Inc.	CEBOS	3.5
2012-12-27	PAREXEL International Corporation	Liquent, Inc.	72.0
2012-12-05	Equifax Inc.	NettPositive	-
2012-12-03	Mphasis [HP]	Digital Risk LLC	175.0
2012-10-29	OpenX Technologies, Inc.	JumpTime Inc	-
2012-10-23	Accelrys Inc.	Aegis Analytical Corp.	30.0
2012-10-23	Quest Software, Inc. [Dell]	Kitenga	-
2012-10-22	Actuate Corporation	Quiterian	-
2012-10-22	NICE Systems Ltd	Redkitefm	-
2012-10-09	Informa PLC	Zephyr Associates	62.0
2012-10-03	Thomson Reuters Corporation	Avanon AG	-
2012-10-01	Nuance Communications, Inc.	J.A. Thomas & Associates	265.0

Software: Financial Software & Services

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Financial Software & Services Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Intuit Inc.	\$59.33	\$17,564.9	\$17,505.9	4.1x	12.4x
Paychex, Inc.	\$30.88	\$11,231.6	\$10,930.4	4.8x	11.2x
Fiserv, Inc.	\$78.52	\$10,480.3	\$13,622.3	3.0x	9.9x
Jack Henry & Associates	\$39.23	\$3,376.6	\$3,285.7	3.1x	9.6x
Broadridge Financial	\$22.69	\$2,773.3	\$3,085.9	1.3x	9.0x
DST Systems Inc.	\$59.81	\$2,697.4	\$3,367.8	1.3x	9.0x
SS&C Technologies	\$22.93	\$1,808.1	\$2,798.7	5.9x	15.6x
ACI Worldwide, Inc.	\$43.08	\$1,696.7	\$2,005.8	3.5x	18.2x
Fair Isaac Corporation	\$41.40	\$1,445.5	\$1,855.9	2.7x	9.5x
Advent Software, Inc.	\$21.23	\$1,065.6	\$967.2	2.7x	13.9x
Bottomline Technologies	\$25.79	\$968.9	\$861.8	3.7x	28.8x
EPIQ Systems, Inc.	\$12.56	\$450.9	\$680.6	2.1x	9.1x
NetSol Technologies, Inc.	\$6.00	\$47.6	\$65.1	1.5x	4.5x
Median:	\$30.88	\$1,808.1	\$2,798.7	3.1x	9.9x

SECTOR HIGHLIGHTS

- The median Financial Software & Services index was trading at 3.1x revenue (based on Enterprise Value) at the closing of Q4.
- Changes were starting to happen in 2012 and now experts seem to agree that the stars are aligned for the rise of Software as a Service (SaaS) financial management software in 2013. The main reason is that the barriers to broader adoption of SaaS financial management software are now breaking down at both ends. While offerings from vendors have become more legitimate, CFOs are also coming to terms with security and privacy concerns.
- This year banks will invest in mobile banking platforms as the business case for these investments becomes easier to make in the light of increasing demand. Over a billion people will use mobile handsets to access banking services by the end of 2017, according to the results of a study by Juniper Research.
- Intuit, which basically serves as the enterprise resource planning and financial system for small businesses, already has a ton of data on its customer base. The master plan is to democratize big data, build new businesses and become an enabler for small and mid-sized businesses (SMBs). The company is in a unique position to be a big data enabler for SMBs. Its QuickBooks Online has a trends feature to show how businesses stack up to other ones in the area.
- Fraud detection software is becoming more and more a fact of life in big banking to identify for example rogue traders that have been known to cost banks enormous amounts of money and where the damage has even rippled out to the economy as a whole.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

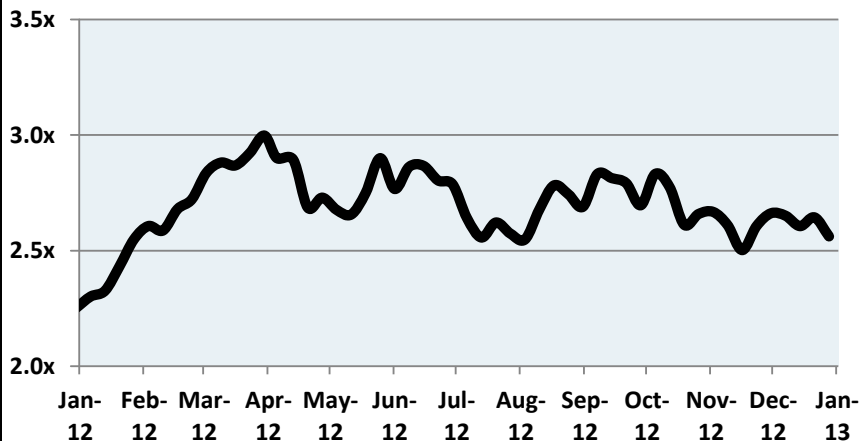
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-12-18	Cambridge Mercantile Group	Global Exchange Group	-
2012-12-17	World Fuel Services Corp.	Multi Service Corporation (assets)	137.00
2012-12-17	SIX Group Ltd.	Oslo Clearing ASA	32.01
2012-12-11	Siris Capital Group LLC	Transaction Network Services	862.00
2012-12-10	Alpha Card Services	Comstat Payroll	-
2012-11-20	Network International LLC	TimesofMoney Ltd.	-
2012-11-02	MarketAxess Holdings Inc.	Xtrakter Ltd [Euroclear]	42.00

Software: Infrastructure Software

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Infrastructure Software Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
EMC Corporation	\$24.83	\$52,308.2	\$49,724.4	2.3x	10.3x
Symantec Corporation	\$18.16	\$12,601.3	\$11,670.3	1.7x	6.4x
Citrix Systems, Inc.	\$64.30	\$12,005.8	\$11,322.8	4.6x	19.4x
Red Hat, Inc.	\$51.98	\$10,049.0	\$9,162.7	7.2x	35.1x
Check Point Software	\$47.07	\$9,639.9	\$8,189.7	6.2x	10.9x
F5 Networks, Inc.	\$96.14	\$7,599.9	\$7,067.7	5.1x	15.3x
BMC Software Inc.	\$39.56	\$6,129.4	\$5,546.6	2.6x	9.0x
Trend Micro Inc.	\$30.12	\$3,963.0	\$2,671.8	2.5x	7.5x
SolarWinds, Inc.	\$51.42	\$3,830.4	\$3,634.7	14.5x	29.3x
CommVault Systems, Inc.	\$67.24	\$3,058.1	\$2,704.1	6.0x	38.8x
Sourcefire, Inc.	\$46.09	\$1,386.8	\$1,218.8	5.8x	NM
Progress Software Corp.	\$20.65	\$1,319.7	\$967.5	2.0x	9.9x
Radware Ltd.	\$32.82	\$723.5	\$600.2	3.3x	15.2x
Allot Communications	\$17.39	\$550.5	\$406.4	4.0x	26.1x
VASCO Data Security	\$8.02	\$302.3	\$206.1	1.3x	6.8x
Guidance Software, Inc.	\$11.81	\$296.6	\$267.3	2.2x	35.9x
Magic Software	\$4.49	\$170.4	\$134.4	1.1x	6.2x
Geeknet, Inc.	\$16.34	\$107.0	\$69.1	0.5x	32.2x
BSQUARE Corp.	\$2.85	\$31.5	\$12.8	0.1x	9.4x
Median:	\$30.12	\$3,058.1	\$2,671.8	2.6x	13.1x

SECTOR HIGHLIGHTS

- The median Infrastructure Software index was trading at 2.6x revenue (based on Enterprise Value) at the closing of Q4.
- The system infrastructure software segment is a steady business and a profit center for the IT industry, and according to projections from IDC, this space is on track to grow over the next few years. The hottest growth areas in systems infrastructure software have been system and network management, with workload management and automation software sales up 11.6% in 2012.
- HP's acquisition of software infrastructure provider Autonomy in 2011 is being tainted by accusations of accounting fraud. HP recently wrote off some \$5 billion of Autonomy's value and accused its former management of accounting improprieties that inflated the value. Mike Lynch, the founder of Autonomy, said he would defend the company's accounts to U.S. Federal investigators.
- Networking provider Cisco Systems has acquired cloud infrastructure and data center management and automation provider Cloupia for \$125 million in cash. The acquisition is a good strategic move for Cisco, considering that Cloupia shares Cisco's overall strategy to develop next-generation data center, virtualization and cloud technologies.
- Infrastructure software deal values reached new highs in 2012 coming in 2.7 times the value from the previous year.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

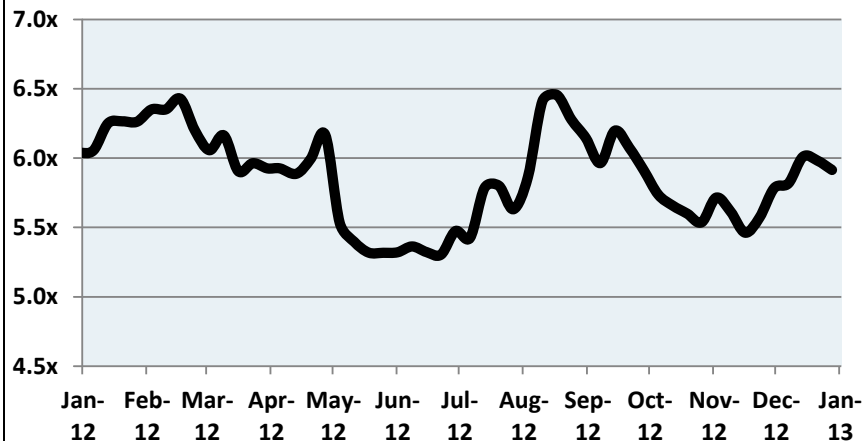
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-12-24	Micro Focus International plc	Progress Software Corporation (Orbix, Artix and Orbacus assets)	15.0
2012-12-20	Red Hat, Inc.	ManageIQ, Inc.	104.0
2012-11-30	SAS Institute, Inc.	rPath Inc. (assets)	-
2012-11-29	Greenplum [EMC]	MoreVRP	-
2012-11-16	Dell Inc.	Gale Technologies	-
2012-11-15	Cisco Systems, Inc.	Cloupia, Inc.	125.0
2012-10-30	Monotype Imaging	Design By Front Ltd	2.7
2012-10-29	Riverbed Technology Inc.	OPNET Technologies, Inc.	921.0
2012-10-18	Trilogy Enterprises Inc.	Progress Software Corp. (Sonic, Savvion, Actional and DXSI assets)	75.0

Services: IT Services

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Services Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Accenture plc	\$65.66	\$42,307.0	\$37,113.1	1.3x	8.7x
NTT Data Corporation	\$3,121.51	\$8,755.8	\$11,451.2	0.8x	4.3x
Cap Gemini S.A.	\$43.86	\$6,739.1	\$6,846.1	0.5x	5.7x
Atos S.A.	\$69.01	\$5,808.4	\$5,712.6	0.5x	4.9x
SAIC, Inc.	\$11.09	\$3,791.4	\$4,559.4	0.4x	7.2x
Booz Allen Hamilton	\$13.61	\$1,847.8	\$3,096.4	0.5x	6.2x
CACI International Inc.	\$53.63	\$1,224.2	\$1,857.1	0.5x	5.4x
ManTech International	\$25.51	\$944.0	\$935.0	0.4x	3.6x
Sopra Group	\$64.00	\$759.9	\$1,132.0	0.8x	8.5x
ICF International Inc.	\$23.08	\$450.8	\$559.7	0.6x	6.3x
Perficient Inc.	\$11.47	\$379.9	\$387.9	1.3x	10.6x
CIBER, Inc.	\$3.23	\$237.5	\$246.6	0.3x	7.8x
The Hackett Group, Inc.	\$4.00	\$121.9	\$135.4	0.7x	6.8x
NCI, Inc.	\$5.21	\$67.9	\$85.8	0.2x	4.8x
Dynamics Research	\$5.80	\$59.9	\$156.6	0.5x	4.2x
Edgewater Technology	\$3.80	\$41.5	\$28.6	0.3x	5.4x
Median:	\$24.30	\$851.9	\$1,033.5	0.5x	5.9x

SECTOR HIGHLIGHTS

- The median IT Services index was trading at 5.9x EBITDA (based on Enterprise Value) at the closing of Q4.
- Gartner raises global IT spend forecast to \$3.7 trillion in 2013--up 4.2% from 2012, above the previous prediction of 3.8%--mainly due to projected foreign exchange gains.
- According to research from IT consultancy firm Pierre Audoin Consultants (AOC), the value of IT services contracts made worldwide in 2012 was down 10% as companies use the challenging economic climate to negotiate tougher contracts and cloud computing continues to replace onsite IT infrastructure.
- Bracing for a year of budget austerity, federal chief information officers are prioritizing their efforts. Acting Office of Management and Budget Director Jeffrey Zients announced recently that agencies expect to save \$2.5 billion over the next three years by consolidating duplicative IT systems, buying in bulk and eliminating failing projects.
- Hewlett Packard said it may divest business units or assets that no longer fit with its long-term objectives, a sign that CEO Meg Whitman may be looking to streamline the struggling tech titan's operations. Although HP did not specify which unit, it's recent financial maneuverings provide strong indication that their Enterprise Services unit could be under scrutiny, of which they wrote down its value by \$8 billion in Q3 2012.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

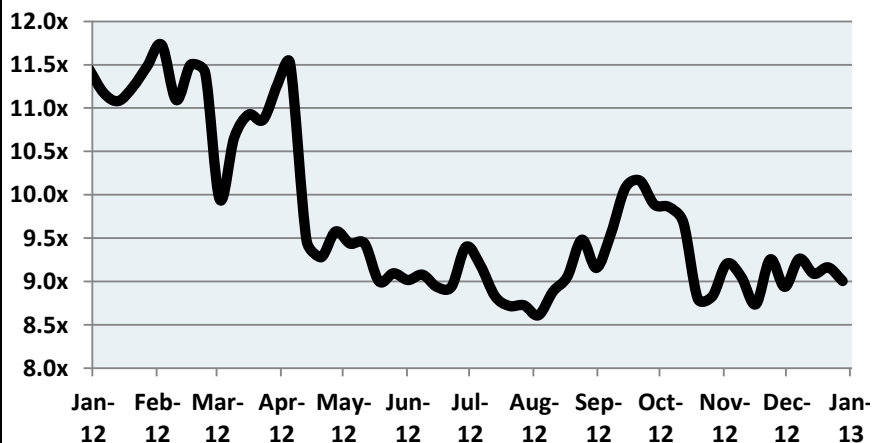
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-12-21	Cognizant Technology Solutions	C1 Group (six companies)	-
2012-12-16	VeriFone Holdings Inc.	Sektor Payments Ltd.	8.0
2012-12-14	Datacentrix Holdings Limited	Nokusa Engineering Informatics	5.3
2012-12-12	NTT Data Corporation	Innogenex	-
2012-12-12	Golden Gate Capital	ioConsulting	-
2012-11-30	Datatec Limited	Comztek Limited	9.0
2012-11-19	Dycom Industries, Inc.	Quanta Services	275.0
2012-11-14	CACI International, Inc.	Emergint Technologies, Inc.	-
2012-11-01	Digi International	Etherios, Inc.	20.5
2012-11-01	NexJ Systems Inc	Broadstreet Data Solutions Inc	5.5
2012-10-30	Nexus Management, Inc.	Enables IT Limited	6.8

Services: IT Outsourcing

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Outsourcing Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Automatic Data Processing, Inc.	\$56.33	\$27,346.8	\$26,652.7	2.5x	11.3x
Infosys Ltd.	\$42.33	\$24,185.1	\$20,076.9	2.9x	9.3x
Cognizant Technology Solutions Corporation	\$72.31	\$21,706.9	\$19,075.1	2.7x	13.0x
Wipro Ltd.	\$7.14	\$17,481.3	\$15,959.3	2.1x	11.1x
CGI Group, Inc.	\$23.06	\$7,073.1	\$10,213.1	2.1x	13.7x
Computer Sciences Corporation	\$39.04	\$6,065.6	\$7,618.6	0.5x	4.8x
DST Systems Inc.	\$59.81	\$2,697.4	\$3,367.8	1.3x	9.0x
Syntel, Inc.	\$52.81	\$2,214.0	\$1,791.9	2.5x	7.6x
iGATE Corporation	\$15.78	\$907.9	\$1,893.1	1.8x	7.3x
Unisys Corporation	\$17.00	\$747.6	\$678.6	0.2x	1.8x
CSG Systems International	\$17.88	\$566.7	\$674.6	0.9x	4.1x
Median:	\$39.04	\$6,065.6	\$7,618.6	2.1x	9.0x

SECTOR HIGHLIGHTS

- The median IT Outsourcing index was trading at 9.0x EBITDA (based on Enterprise Value) at the closing of Q4.
- General Motors has said it plans to move its IT operations in-house over the next three years. As of July, about 90% of the company's tech work was farmed out to third-party providers using both on and offshore workers.
- Ten years ago, most outsourcing providers had a base in Bangalore. In 2013, they may have to set up shop in Birmingham or Boise to satisfy American outsourcing customers. U.S. development centers will enable companies to source work at competitive rates and yet still maintain a certain level of control, high quality, and communication.
- With regard to IT professionals in midsize business, the renewed interest in insourcing, and the recent decline of outsourcing, opens the door for companies to build a larger in-house infrastructure without managing a team overseas. This approach opens up communication channels and collaboration within IT departments.
- India's IT services sector is facing increased scrutiny from US immigration officials as the political backlash against outsourcing continues. Industry body NASSCOM estimates that in 2012, the United States issued 102,000 work visas, of which 60% went to the Indian IT industry. Analysts expect the Indian IT industry to witness higher visa denial rates and visa costs in 2013.
- Analysts forecast the IT Outsourcing market in China to grow at a CAGR of 15.1% over the period 2011-2015. One of the key factors contributing to this market growth is the rapidly developing IT infrastructure and mobility service.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced			Enterprise Value (\$m)
Date	Acquirer Name	Target Name	
2012-12-13	TT Electronics plc	ACW Technology (business and assets)	5.0
2012-12-03	NTT Data Corporation	IFI Solution	-
2012-11-13	Salient Federal Solutions LLC	LIST Innovative Solutions, Inc.	-
2012-10-31	SCISYS plc	MakaluMedia GmbH	3.0
2012-10-22	Raytheon	Teligy, Inc.	-
2012-10-12	Bain Capital, LLC	Atento	1,337.7
2012-10-03	Computer Sciences Corporation	42Six Solutions, LLC	-

Services: IT Staffing

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Staffing Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Robert Half International Inc.	\$31.44	\$4,424.8	\$4,137.0	1.0x	10.7x
On Assignment Inc.	\$19.56	\$1,027.3	\$1,453.0	1.5x	14.2x
Kforce Inc.	\$14.54	\$522.8	\$518.6	0.4x	15.1x
Computer Task Group Inc.	\$17.96	\$335.9	\$306.5	0.7x	12.2x
CDI Corp.	\$16.73	\$323.5	\$312.3	0.3x	7.4x
Hudson Global, Inc	\$4.45	\$142.3	\$108.3	0.1x	11.2x
RCM Technologies Inc.	\$5.32	\$64.0	\$33.8	0.2x	4.6x
Mastech Holdings, Inc.	\$5.11	\$16.3	\$13.1	0.1x	3.9x
Analysts International Corp.	\$3.19	\$16.2	\$11.8	0.1x	5.4x
Median:	\$14.54	\$323.5	\$306.5	0.3x	10.7x

SECTOR HIGHLIGHTS

- The median IT Staffing index was trading at 10.7x EBITDA (based on Enterprise Value) at the closing of Q4.
- In 2012, over 70% of staffing and recruiting firms added staff, and over 40% have added a new niche or area of specialization.
- Job growth in the IT sector has been heating up across the country. And, as it does, the IT job landscape has begun to shift, with many VARs and solution providers taking the hiring plunge from bringing on contract and part-time help to seeking top IT talent for full-time permanent positions.
- Corporations have cut back internal recruiting teams and are more willing to outsource recruiting to third party recruiters. However, social media sites like LinkedIn provide access to passive candidates.
- Computer Sciences Corp. will sell its Australian information technology staffing unit, Paxus, to Adcorp, South Africa's largest employment services company as CSC continues to act on its turnaround strategy. This is CSC's third sale in seven weeks, all of which advance the company's transformation strategy to rebalance its portfolio of services. The company most recently sold its credit services unit to Equifax for \$1 billion.
- According to a recent IBM report, only one in 10 organizations has the skills it needs to tackle the four important technology areas -- mobile, business analytics, cloud and social business.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

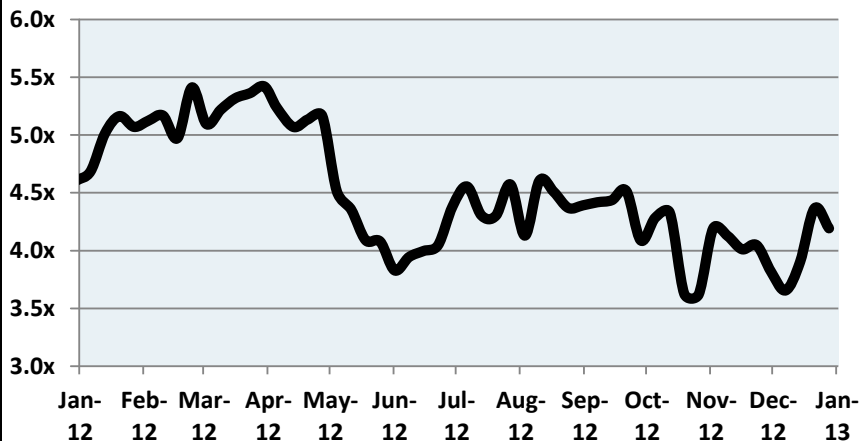
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-12-19	Protiviti Inc.	SusQtech (assets)	-
2012-12-12	Adcorp Holdings Ltd	Paxus	73.5
2012-11-28	Bullhorn, Inc. [Vista Equity Partners]	MaxHire Solutions Inc.	-
2012-11-28	Bullhorn, Inc. [Vista Equity Partners]	Sendouts, LLC.	-
2012-11-27	Lionbridge Technologies Inc.	Virtual Solutions Inc	4.6
2012-11-19	Link Executive Search	Target IT Resources	-
2012-11-12	Infinitive	Convergent Domains, LLC	-
2012-10-30	Nexus Management, Inc.	Enables IT Limited	6.8
2012-10-01	TEKSystems	Frontline Consulting Solutions	-

Services: Value Added Resellers

HIGHLIGHTS, VALUATION METRICS AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP VAR Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/28/12	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Insight Enterprises Inc.	\$16.91	\$753.4	\$725.6	0.1x	3.6x
ePlus inc.	\$39.69	\$320.7	\$393.9	0.4x	5.5x
PC Connection, Inc.	\$11.45	\$303.6	\$251.3	0.1x	4.2x
Agilysys Inc.	\$8.10	\$177.6	\$101.2	0.5x	NM
Emtec Inc.	\$1.05	\$17.7	\$40.8	0.2x	NM
Median:	\$11.45	\$303.6	\$251.3	0.2x	4.2x

SECTOR HIGHLIGHTS

- The median VAR index was trading at 4.2x EBITDA (based on Enterprise Value) at the closing of Q4.
- Dell has quietly launched a new program with a select group of solution providers in which Dell's direct sales force utilizes the channel partners for pre-sales configuration and post-sales implementation and support. Traditionally, solution providers have been asked by vendors to mark up and sell the vendor's professional services, but the new program entails Dell marking up and selling the VAR's services, executives said
- Over the past few years, many point-of-sale VARs and ISVs have at least considered adding payment processing to their roster of services. While actually doing so requires considerable strategizing, it is in most instances well worth the effort.
- Many VARs are struggling to transition from a VAR or solutions provider to a managed services provider with recurring revenue. Among other issues, this process involves reshaping the sales culture from product to services which is not an easy task.
- The now-averted fiscal cliff served as a primary driver for a number of VAR acquisitions that closed in the final days of 2012. In addition, M&A consolidation in the VAR sector is expected to accelerate as there are many VARs struggling from an economic perspective. Consolidation is also expected to occur between the traditional IT VAR channel and the copier and telco space.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2012-12-28	Unitas Capital Pte. Ltd.	Shenzhen ZTE NetView Technology	255.9
2012-12-21	Siphon Networks Ltd.	VCOMM UK Ltd.	-
2012-12-21	Tangibal Group plc (DB:TFGA)	Info Tech Digital Ltd.	13.6
2012-12-13	WestBridge Fund Managers Limited	Anglia Business Solutions Ltd.	9.7
2012-12-12	SmartPay Holdings Limited	Viaduct Limited	13.7
2012-11-30	Westcon SA (Pty) Ltd.	Comztek Holdings (Pty) Ltd.	9.9
2012-11-30	PC Pharma PLC	PC House Limited	20.2
2012-11-25	Protech Century Limited	Daiwa Distribution Limited	8.7
2012-10-16	Nojima Corporation	AbelNet Co.,Ltd.	15.2
2012-10-02	Serial System Ltd.	Bull Will Co. Ltd.	20.3

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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