

# The Lighthouse

Second Quarter 2009

An M&A update on Software, IT Services, and Business Process Outsourcing

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## Key Highlights:

While 2Q 2009 saw a small dip from the already quiet quarter of 1Q 2009 in terms of M&A activity. Technology M&A and in particular small to medium size transactions fared better when compared to other sectors. The Lighthouse reports the metrics for these transactions when available.

- *Oracle remains acquisitive:* **Oracle** is to acquire **Sun Microsystems** for \$7.1 billion at 1.0x LTM revenue, and **Virtual Iron Software** for an undisclosed sum.
- *SAP remains acquisitive:* **SAP** acquires **High Deal** and is to acquire **Clear Standards**.
- *Content and Document Management:* **Open Text** acquires **Vignette Corporation** for \$305 million.
- *Satyam stake to be acquired:* Tech Mahindra subsidiary, **Venturbay Consultants**, is to acquire 20.4% of **Satyam** for \$230 million; Satyam revealed fraudulent accounting activities in January 2009.
- *Private equity transactions:* **Vista Equity Partners** acquires 87.3% of **SumTotal Systems** for \$132 million at 0.9x LTM revenue, after a bidding war with **Accel-KKR**.
- *Infrastructure / Enterprise Management Software (EMS):* **Cisco Systems** acquires **Tidal Software** for \$105 million in cash.
- *Other Major BPO Transactions:* **Davis Henderson Income Fund** is to acquire **Resolve Business Outsourcing Income Fund** for \$167 million at 0.6x LTM revenue and 1.4x LTM EBITDA
- *Other Major IT Services transactions:* **PwC Advisory** acquires **BearingPoint (Japan)** for \$45.0 million in cash; **Scottish Enterprise Investment Arm, Clydesdale**, and **Close Brothers** acquire **Sword Business Technology** for \$42.4 million.

Public Valuation Multiples Sector	EV / Revenue		Price / EPS		LTM
	2009	2010	2009	2010	EBITDA
Application Software	2.1x	1.9x	20.5x	16.9x	10.7x
EMS / Infrastructure Software	1.6x	1.6x	14.2x	13.0x	7.8x
IT Services	0.8x	0.8x	16.6x	14.9x	6.4x
BPO	1.4x	1.4x	12.8x	10.5x	6.8x
Financial Technology	1.9x	1.8x	16.5x	14.2x	8.2x

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## Executive Summary

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### General Economic Environment

**GDP Growth:** Although the GDP decreased at a smaller-than-expected rate of 1.0%, the U.S. recession continues as the economic outlook is gloomy and activity has contracted over the second quarter.

**Major Indices:** The Dow Jones Industrial Average gained 11.0% in 2Q 2009, the S&P 500 increased by 15.2% for 2Q 2009, and the Nasdaq surged by 20.0% for 2Q 2009. Major indices have gained some ground since their lows in March 2009.

**Job Growth:** The unemployment rate has increased to reach 9.5% in June to a 26-year high. Job losses for June amounted to 467,000. The latest report brought the total job loss to 6.5 million since December 2007. Most industries shed jobs this quarter, with significant losses in manufacturing, construction and employment services. Every major sector in June was down, with the exception of health and education services, which added 34,000 jobs over the month.

**Interest Rates:** The Federal Reserve has not changed the federal funds rate in 2Q 2009 since the cut to 0.25% in December 2008. The Fed has kept interest rate at this level as a tool to fight the recession.

**Energy Prices:** The second quarter market recovery fueled a surge in oil prices. The price of a barrel finished the quarter over \$70.

### M&A Environment

The general M&A deal making environment continues to be dim. Healthcare and materials sectors were the only sectors to see year over year gains.

**Overall M&A Market:** According to Thomson Financials, the volume of worldwide-announced M&A for the second quarter of 2009 totaled to \$466.6 billion, a slight 1.3% decrease from the first quarter of 2009 and the lowest level for quarterly deal activity since the third quarter of 2004. Cross border deal activity totaled \$154.2 billion during the second quarter of 2009, comprising 33.0% of worldwide volume. Private Equity firms, with limited access to the global credit markets, continued with low but stabilizing merger activity. Second quarter volume totaled \$17.8 billion in announced transactions, up slightly by 8.2% from first quarter 2009. Financial sponsors accounted for just 3.7% of announced transactions in second quarter of 2009.

**Venture-Backed M&As:** In the second quarter of 2009, 59 venture-backed M&A deals were reported, 13 of which had an aggregate deal value of \$2.6 billion. The average disclosed deal value for the quarter was \$197.7 million. The Information Technology sector dominated the venture-backed M&A landscape, with 46 deals and a disclosed total dollar value of \$215.6 million. Within this sector, Internet Specific companies accounted for the bulk of the target companies, with 17 transactions across this sector subset, while Computer Software and Services companies followed closely with 13 transactions.

**Venture-Backed IPOs:** According to National Venture Capital, there were five venture-backed IPOs in 2Q 2009, the highest number since 1Q 2008, totaling \$720.7 million. Four of the five IPO exits were in the information technology sector, accounting for \$579 million.

In this report, we review relevant industry transactions and trends. Hopefully, you will find our report interesting, informative and helpful. As you have questions, thoughts or business inquiries, please feel free to contact us at any time. Since this report will continue to be an evolving information resource, please feel free to send us any thoughts about how we might improve the report to enhance its usefulness to you.

We look forward to working and/or speaking with many of you in the coming months.

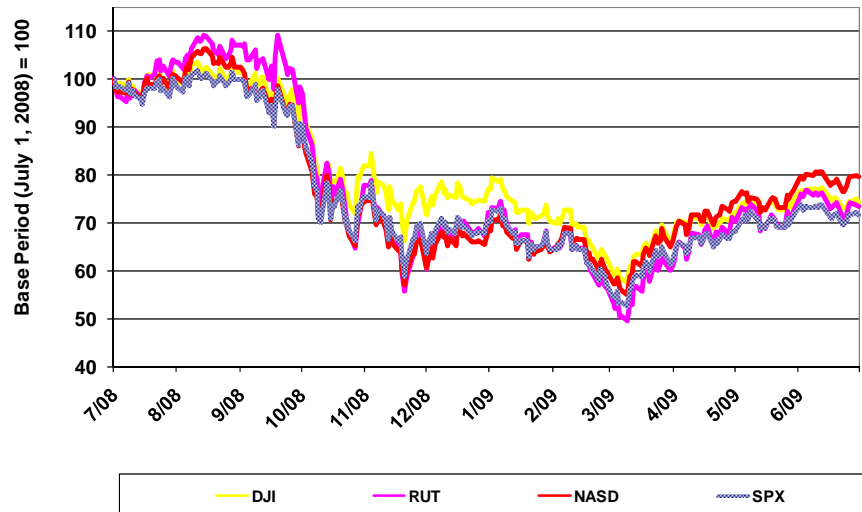
Sincerely,

Pharus Advisors, LLC

*(Sources: Wall Street Journal, National Venture Capital Association, Thomson Financial, VentureOne news articles, Bloomberg, Financial Times, Financial Week, Dealogic, 451Group, Pharus research)*

## Capital Markets Trends

### Relative Performance of Major Stock Indices for 3Q 2008 - 2Q 2009



	Close Jun-30-09	Change (%)		
		1 Year	1 Quarter	1 Month
NASDAQ	1,835	(20.4%)	20.0%	3.4%
Dow Jones	8,447	(25.8%)	11.0%	(0.6%)
S&P 500	919	(28.5%)	15.2%	0.0%
Russell 2000	508	(26.5%)	20.2%	1.3%

Source: Capital IQ; DJI = Dow Jones Industrial; RUT = Russell 2000; NASD = NASDAQ Composite; SPX = S&P 500

**Notable Software Transactions\***

<u>Date Announced</u>	<u>Target Name</u>	<u>Acquirer Name</u>	<u>Enterprise Value (MM)</u>	<u>EV/ Revenue</u>
<b>Enterprise Application Software</b>				
<b>2Q09</b>				
Jun-09	RGI	Groupe 21	\$61.7	1.2x
Jun-09	SoftBrands	Golden Gate Capital	106.9	1.1x
May-09	Business Systems Group Holdings	Advanced Computer Software	21.5	0.4x
May-09	Borland Software	Micro Focus International	38.2	0.2x
May-09	Vignette	Open Text	162.0	1.0x
Apr-09	I-Many	LLR Partners	53.4	1.4x
Apr-09	SumTotal Systems	Vista Equity Partners	106.7	0.9x
<b>1Q09</b>				
Mar-09	Logility	American Software	\$30.8	0.7x
Mar-09	Retalix	First Israel Mezzanine	130.4	0.6x
Feb-09	Fortsum Business Solutions	GFI Solutions	25.6	1.0x
Feb-09	ChoicePay	Tier Technologies	9.5	0.9x
Jan-09	Interwoven	Autonomy	582.3	2.2x
<b>4Q08</b>				
Oct-08	Beijing Founder Chunyuan Technology	UFIDA	\$55.5	3.0x
<b>3Q08</b>				
Sep-08	Captaris	Open Text	\$107.3	1.0x
Jul-08	Datasul	Totvs	73.3	0.4x
Jul-08	IBS	Deccan Value	154.5	0.4x
<b>2Q08</b>				
Jun-08	Insightful	Tibco Software	\$15.3	0.7x
Jun-08	Alphameric Hospitality	Torex	33.8	1.2x
Jun-08	CAM Commerce Solutions	Great Hill Partners	151.3	4.1x
May-08	Gemcom	JMI Equity and Carlyle	143.5	2.8x
May-08	Kintera	Blackbaud	42.8	1.0x
May-08	Mediasurface	Alterian	35.0	0.6x
Apr-08	CCC Information Services	Mitchell International	1,400.0	7.0x
<b>1Q08</b>				
Feb-08	Eatec	Agilysys	\$23.2	2.9x
Jan-08	Wombat Financial Software	NYSE Euronext	200.0	7.1x
<b>4Q07</b>				
Nov-07	VantagePoint Systems	Solarsoft Business Systems	\$10.2	0.8x
Nov-07	Cognos	IBM	4,590.6	4.5x
Oct-07	Stratify	Iron Mountain	152.9	5.1x
Oct-07	Verticalnet	BravoSolution	13.3	1.0x
Oct-07	Business Objects	SAP	6,147.0	4.3x
<b>3Q07</b>				
Sep-07	Applix	Cognos	\$307.8	5.0x
Sep-07	XRT	Sage Group	64.4	1.4x
Sep-07	Longview Solutions	Exact Holdings	51.5	1.8x
Sep-07	Retail Business Solutions	Sanderson Group	27.7	1.2x
Sep-07	Landsteinar Nederland	K3 Business Technology	27.5	3.3x
Aug-07	Gensym Corp	Versata	15.5	0.9x
Aug-07	Accretive Commerce	GSI Commerce	97.5	1.2x
Jul-07	ZANTAZ	Autonomy	375.0	3.8x
<b>Enterprise Software Median</b>				<b>1.2x</b>

Source: Company Press Releases, Pharus Advisors

\*Notable transactions where TEV and revenue are available

**Notable Software Transactions\* (continued)**

<u>Date Announced</u>	<u>Target Name</u>	<u>Acquirer Name</u>	<u>Enterprise Value (MM)</u>	<u>EV/ Revenue</u>
<b>Infrastructure &amp; Enterprise Management Software</b>				
<b>2Q09</b>				
Jun-09	Cura Risk Management Software	Softpro Systems	\$19.0	2.4x
Jun-09	Norman	FSN Capital Partners	26.3	0.6x
Apr-09	Sun Microsystems	Oracle	5,638.5	0.4x
<b>1Q09</b>				
Feb-09	Entrust	Thoma Bravo	\$89.4	0.9x
Jan-09	Infrasolve	Innovise	9.0	1.4x
<b>3Q08</b>				
Jul-08	Utimaco Safeware	Sophos	\$289.2	3.1x
Jul-08	ILOG	IBM	231.2	1.2x
<b>2Q08</b>				
Jun-08	IONA Technologies	Progress Software	\$162.0	1.4x
Jun-08	Digimarc	Safran	271.0	2.4x
Jun-08	Tumbleweed	Axway	117.9	2.0x
Apr-08	Touchstone Software	Phoenix Technologies	17.0	3.9x
<b>1Q08</b>				
Mar-08	Digimarc's ID Business	L-1 Identity	\$228.1	2.1x
Mar-08	BladeLogic	BMC Software	810.6	11.4x
Jan-08	BEA Systems	Oracle	7,109.1	4.8x
<b>4Q07</b>				
Dec-07	Document Sciences	EMC	\$82.4	2.1x
Dec-07	Nuvo Network	Versata	16.9	1.0x
Oct-07	Itheon	XploITe	14.2	2.2x
<b>3Q07</b>				
Aug-07	Helio Solutions	Incentra Solutions	\$25.6	0.3x
Jul-07	Neoware	HP	215.9	2.4x
Jul-07	Opsware	HP	1,626.8	15.1x
Jul-07	Datamirror	IBM	145.4	15.7x
Infrastructure/Enterprise Mgmt. Software Median				2.1x
<b>Overall Software Median</b>				<b>1.4x</b>

Source: Company Press Releases, Pharus Advisors

\*Notable transactions where TEV and revenue are available

**Notable Business Services Transactions\***

<u>Date Announced</u>	<u>Target Name</u>	<u>Acquirer Name</u>	<u>Enterprise Value (MM)</u>	<u>EV / Revenue</u>
<b>BPO, Outsourcing &amp; Other Services</b>				
<b>2Q09</b>				
Jun-09	Resolve Business Outsourcing Inc. Fund	Davis Henderson Income Fund	\$153.7	0.5x
May-09	UCMS Group	Aegis BPO Services Australia	37.1	0.3x
<b>1Q09</b>				
Mar-09	Gevity HR	TriNet	\$117.3	0.2x
Mar-09	e-services group	Affiliated Computer Services	85.0	1.3x
<b>4Q08</b>				
Dec-08	InfoVision Group	Serco	\$41.2	1.2x
Oct-08	Practice Management Partners	NextGen Healthcare Information Systems	22.0	1.4x
Oct-08	Cambridge Solutions	Xchanging	239.3	0.9x
<b>3Q08</b>				
Sep-08	ZAO United Card Service	Global Payments	\$120.0	3.5x
Sep-08	eTelecare	Ayala	336.6	1.2x
Aug-08	PeopleSupport	Aegis BPO	159.5	1.1x
Jul-08	Premier BPO	Allied Digital	26.2	0.7x
<b>2Q08</b>				
Jun-08	HireRight	Usis Commercial Services	\$201.3	2.8x
Jun-08	Attenex	FTI Consulting	87.8	3.5x
May-08	Financial Engineering Group	NS Solutions	35.1	2.0x
Apr-08	Regulus Group	3i Infotech	100.0	0.7x
Apr-08	Accuro Healthcare	MedAssets	353.0	5.2x
<b>1Q08</b>				
Feb-08	Choicepoint	Reed Elsevier Group	\$4,200.0	4.3x
Jan-08	Stream Holdings	Global BPO	225.8	0.5x
<b>4Q07</b>				
Nov-07	Emergis	TELUS	\$671.5	3.6x
Nov-07	Logisticare	Providence Service	305.0	1.2x
Oct-07	Christian Salvesen	Norbert Dentressangle	599.5	0.3x
<b>3Q07</b>				
Aug-07	AMSplus	Mirrus Systems	\$12.5	0.9x
Aug-07	NuComm	Transcom WorldWide	85.6	0.7x
Aug-07	Globel Direct	Komunik Corporation	9.9	1.3x
Jul-07	Taratec Development Corporation	Patni Computer Systems	27.2	1.4x
Jul-07	HPAL	Salmat	268.5	1.7x
<b>BPO, Outsourcing &amp; Other Services</b>				<b>1.2x</b>

Source: Company Press Releases, Pharus Advisors

\*Notable transactions where TEV and revenue are available

**Notable Business Services Transactions\* (continued)**

<u>Date Announced</u>	<u>Target Name</u>	<u>Acquirer Name</u>	<u>Enterprise Value (MM)</u>	<u>EV/ Revenue</u>
<b>IT Services</b>				
<b>2Q09</b>				
May-09	Anix Group	ACS Business Process Solutions	50.2	0.7x
May-09	Sword Business Technology Solutions	Scottish Enterp., Clydesdale, & Close Bro.	\$54.7	1.1x
Apr-09	Supply Chain Consulting	Fujitsu Australia	34.3	1.0x
Apr-09	Sysnet Info-tech	Longtop Financial Technologies	26.4	2.9x
Apr-09	Satyam Computer Services	Tech Mahindra	112.9	0.1x
<b>1Q09</b>				
Jan-09	Siemens Information Systems	Siemens Corporate Finance	\$93.0	0.5x
<b>4Q08</b>				
Dec-08	Citi Technology Services	Wipro	\$127.0	2.4x
Dec-08	Life tree Convergence	Tecnomen	47.0	3.0x
Dec-08	KMD A/S	EQT	341.2	0.6x
<b>3Q08</b>				
Sep-08	Axon Group	HCL	\$735.0	1.7x
Aug-08	SI International	Serco	508.8	0.9x
Aug-08	Vmetro ASA	Curtiss-Wright	78.1	1.2x
Aug-08	Netstore	2e2	98.9	1.4x
Aug-08	SiRViS	Oryx	27.5	0.5x
Jul-08	Logos	Ness Technologies	67.1	1.4x
Jul-08	Sylis	Groupe Open	72.3	0.4x
Jul-08	Detica	BAE Systems	1,051.6	2.6x
Jul-08	Datacraft Asia	Dimension Data Holdings	447.9	0.6x
Jul-08	EDB Gruppen	Nordic Capital	111.8	0.6x
<b>2Q08</b>				
May-08	Inventa Technologies	ANT Software	30.0	6.0x
May-08	EnterSys Group	Axon Solutions	17.5	0.7x
May-08	Electronic Data Systems	HP	14,174.0	0.6x
Apr-08	Real Solutions	Imtech	29.8	0.4x
<b>1Q08</b>				
Mar-08	Civica	3i	\$202.1	1.6x
Mar-08	ComputerLand	Capita Group	37.8	0.3x
Mar-08	TietoEnator	Nordic Capital	1,990.0	0.7x
Mar-08	Sds Business Services	Affiliated Computer Services	67.0	1.7x
Jan-08	TUSC	Rolta India	45.0	0.9x
Jan-08	ACS Syan	Affiliated Computer Services	60.0	0.8x

Source: Company Press Releases, Pharus Advisors

\*Notable transactions where TEV and revenue are available

**Notable Business Services Transactions\* (continued)**

<u>Date Announced</u>	<u>Target Name</u>	<u>Acquirer Name</u>	<u>Enterprise Value (MM)</u>	<u>EV / Revenue</u>
<b>IT Services (cont.)</b>				
<b>4Q07</b>				
Dec-07	Vertical Pitch	Edgewater Technology	\$17.7	1.4x
Dec-07	Frontline Technologies	BT Singapore	160.8	1.1x
Nov-07	FMC Consulting & Informatics	Ness Technologies	40.4	1.6x
Nov-07	ePairs	Perficient	4.7	0.8x
Nov-07	Advanced Engineering & Planning	VT Group	75.0	1.1x
Nov-07	Vega Group	Finmeccanica	145.8	1.0x
<b>3Q07</b>				
Sep-07	Red Squared	XploITe	\$4.7	0.7x
Sep-07	Boldtech Systems	Perficient	20.9	1.1x
Sep-07	TeamR3	EDB Business Partner	19.7	1.8x
Aug-07	Triton Unternehmensberatung	SQS Software	20.9	3.2x
Aug-07	SARCOM	PC Mall	55.0	0.2x
Aug-07	CS Comm (IT Infrastructure Division)	BT Group	82.7	0.4x
Aug-07	Infocrossing	Wipro	553.4	2.3x
Jul-07	Xansa	Groupe Steria	1,050.0	1.2x
Jul-07	Getronics	Royal KPN	1,648.7	0.5x
IT Services Median				1.0x
<b>Overall Services Median</b>				<b>1.1x</b>

Source: Company Press Releases, Pharus Advisors

\*Notable transactions where TEV and revenue are available

## Summary Valuation Analysis: Enterprise Software & Services Groups

Pharus Advisors

Group	Companies in group	Average Price from High	Market Value		EV / Revenue		EV / LTM	Price / EPS	
			Equity	Enterprise	2009	2010	EBITDA	2009	2010
<b>Enterprise Software Group</b>									
<b>Application Software Groups' Median Multiples</b>									
Customer Relationship Management (CRM)	8	(29.3%)	\$291	\$224	1.9x	1.7x	23.2x	22.2x	18.8x
Accounting/ERP	6	(27.4%)	2,379	2,795	1.2x	1.2x	9.4x	15.9x	14.1x
Retail	2	(33.3%)	229	242	1.0x	0.9x	10.8x	23.2x	24.6x
Supply Chain Automation	8	(25.3%)	444	394	1.3x	1.2x	7.7x	17.8x	11.5x
Procurement	4	(38.8%)	129	81	2.4x	2.2x	25.8x	17.7x	15.0x
Human Capital Management	3	(23.9%)	420	375	2.0x	1.8x	36.2x	34.8x	36.4x
Knowledge / Content Management	5	(37.5%)	313	170	2.5x	2.3x	10.7x	18.8x	15.1x
Overall Application Software Medians	36	(29.5%)	\$397	\$342	2.1x	1.9x	10.7x	20.5x	16.9x
<b>EMS / Infrastructure Software Groups' Median Multiples</b>									
Application / Systems (Production) Mgmt.	4	(22.7%)	\$3,777	\$3,266	1.7x	1.6x	7.3x	12.2x	11.1x
Development / Deployment (Pre-Production)	3	(41.0%)	110	59	1.2x	1.5x	6.7x	100.7x	39.6x
Business Intelligence	7	(26.4%)	604	435	1.6x	1.6x	6.5x	18.1x	16.8x
Communications / Speech	1	(32.3%)	328	305	1.1x	1.0x	11.9x	22.9x	18.0x
Security Software	12	(29.9%)	476	418	2.1x	1.9x	9.6x	14.3x	12.9x
Integration / Middleware	6	(24.7%)	1,052	834	1.6x	1.5x	7.9x	14.2x	12.6x
Platform / OS	6	(20.0%)	49,578	51,737	1.3x	1.2x	7.2x	14.0x	13.0x
Overall Infrastructure Software Medians	39	(27.1%)	\$941	\$825	1.6x	1.6x	7.8x	14.2x	13.0x
<b>Overall Software Medians</b>	<b>75</b>	<b>(28.2%)</b>	<b>\$597</b>	<b>\$520</b>	<b>1.9x</b>	<b>1.7x</b>	<b>9.4x</b>	<b>16.4x</b>	<b>14.5x</b>
<b>Services Group</b>									
<b>Business Services' Median Multiples</b>									
IT Integration & Consulting	11	(50.3%)	\$151	\$176	0.8x	0.8x	6.4x	16.6x	14.9x
Education & Training	4	(47.0%)	82	99	1.8x	NA	6.1x	35.1x	NA
IT Staff Augmentation	3	(51.0%)	14	10	0.4x	0.3x	8.0x	94.3x	35.2x
Government IT Services	4	(21.5%)	1,134	1,331	0.7x	0.7x	7.8x	14.7x	13.1x
European IT Services	4	(31.0%)	2,220	2,813	NA	NA	4.5x	NA	NA
Indian / Offshore IT Services	7	(15.4%)	7,800	6,991	2.6x	2.4x	9.8x	14.8x	14.9x
Call Center	4	(20.6%)	504	401	0.7x	0.7x	5.6x	16.5x	13.6x
Business Process Outsourcing (BPO)	8	(31.4%)	1,718	2,220	1.4x	1.4x	6.8x	12.8x	10.5x
IT Outsourcing	5	(35.5%)	1,729	1,636	0.6x	0.6x	5.6x	10.6x	11.7x
Overall Business Services Medians	50	(34.5%)	\$880	\$958	0.9x	0.8x	6.6x	14.9x	13.9x
<b>Financial Services IT Solutions' Median Multiples</b>									
Bank Processing	8	(30.0%)	\$711	\$691	2.2x	2.1x	8.4x	14.5x	13.7x
Credit / Debit Card Processing	3	(33.3%)	1,564	1,530	1.3x	1.3x	7.7x	15.8x	14.1x
Insurance Solutions	4	(42.9%)	155	145	NA	NA	10.3x	NA	NA
Investment Solutions	4	(43.7%)	564	607	2.4x	2.4x	10.4x	16.9x	14.3x
Overall Financial Services Medians	19	(36.1%)	\$358	\$405	1.9x	1.8x	8.2x	16.5x	14.2x
<b>Overall Services Medians</b>	<b>69</b>	<b>(34.9%)</b>	<b>\$746</b>	<b>\$853</b>	<b>1.0x</b>	<b>0.9x</b>	<b>7.4x</b>	<b>15.4x</b>	<b>14.0x</b>

Source: CapitalQ

## Application Software Public Company Comparable Valuations

Pharus Advisors

Company	Ticker	Price	High	Low	Market Value		EV / Revenue		EV / LTM	Price / EPS		
					Equity	Enterprise	2009	2010	EBITDA	2009	2010	
<b>Customer Relationship Management (CRM)</b>												
Art Technology Group Inc.	NasdaqGM:ARTG	\$3.80	\$4.49	\$1.02	\$481.0	\$414.8	2.4x	2.2x	23.2x	22.8x	18.7x	
Chordiant Software Inc.	NasdaqGM:CHRD	3.63	6.47	2.01	109.5	56.2	0.7x	0.7x	51.9x	NA	NA	
Digital River	NasdaqGS:DRIV	36.32	45.45	16.88	1,386.6	1,040.5	2.6x	2.5x	10.6x	18.7x	17.2x	
Interactive Intelligence	NasdaqGM:ININ	12.26	13.85	5.51	208.4	158.6	1.3x	1.2x	13.8x	20.5x	18.9x	
KANA Software Inc.	OTCBB:KANA	0.74	1.75	0.45	30.5	32.3	NA	NA	NA	NA	NA	
LivePerson	NasdaqCM:LPSN	4.00	4.29	1.19	190.4	162.4	1.9x	1.7x	18.4x	21.7x	15.8x	
salesforce.com, Inc.	NYSE:CRM	38.17	72.37	20.82	4,714.0	4,223.2	3.3x	2.9x	38.0x	63.3x	47.8x	
Rightnow Technologies Inc.	NasdaqGM:RNOW	11.80	17.39	5.02	373.8	285.8	1.9x	1.7x	94.5x	49.6x	33.3x	
					Median	\$291.1	\$224.1	1.9x	1.7x	23.2x	22.2x	18.8x
<b>Accounting/ERP</b>												
American Software	NasdaqGS:AMSW.A	\$5.76	\$6.44	\$2.92	\$145.6	\$98.0	1.2x	1.2x	11.1x	23.0x	15.8x	
Epicor	NasdaqGS:EPIC	5.30	9.08	2.33	323.0	508.7	1.2x	1.1x	6.8x	12.0x	10.0x	
Intuit Inc.	NasdaqGS:INTU	28.19	32.00	20.18	9,107.2	8,634.6	2.7x	2.6x	9.0x	15.5x	14.1x	
Lawson Software Inc.	NasdaqGS:LWSN	5.61	8.70	2.71	916.2	853.4	1.1x	1.2x	8.2x	16.4x	14.5x	
Oracle Corp.	NasdaqGS:ORCL	21.42	23.62	13.80	107,254.9	104,868.9	4.4x	4.1x	10.0x	14.1x	12.7x	
QAD	NasdaqGS:QADI	3.25	7.50	2.14	100.3	80.6	0.4x	0.4x	15.9x	NA	81.3x	
Sage	LSE:SGE	2.93	3.74	2.36	3,842.5	4,737.4	NA	NA	8.4x	NA	NA	
SAP AG	DB:SAP	40.09	57.05	29.31	47,623.7	47,093.8	3.0x	2.8x	9.8x	16.2x	14.1x	
					Median	\$2,379.3	\$2,795.4	1.2x	1.2x	9.4x	15.9x	14.1x
<b>Retail</b>												
Radiant Systems Inc.	NasdaqGS:RADS	8.30	12.55	2.19	273.2	350.4	1.3x	1.2x	10.1x	14.0x	12.9x	
Retalix Ltd.*	NasdaqGS:RTLX	9.07	13.48	3.24	185.1	133.1	0.7x	0.7x	11.4x	32.4x	36.3x	
					Median	\$229.1	\$241.8	1.0x	0.9x	10.8x	23.2x	24.6x

Source: CapitalIQ

\*On February 14th, Retalix received a non-binding offer for 100% of its outstanding share; the transaction has yet to close as of end of 2Q 2009

**Application Software Public Company Comparable Valuations (con't)**

Pharus Advisors

Company	Ticker	Price	High	Low	Market Value		EV / Revenue		EV / LTM	Price / EPS		
					Equity	Enterprise	2009	2010	EBITDA	2009	2010	
<b>Supply Chain Automation</b>												
Aspen Technology Inc.	OTCPK:AZPN	\$8.53	\$15.10	\$5.10	\$768.7	\$803.0	2.7x	2.2x	18.3x	23.5x	10.8x	
Dassault	ENXTPA:DSY	44.10	60.98	34.34	5,076.7	4,026.8	NA	NA	9.4x	NA	NA	
Descartes Systems Group Inc.	TSX:DSG	3.83	4.01	2.14	202.9	154.9	2.2x	2.0x	9.3x	13.2x	11.0x	
I2 Technologies, Inc.	NasdaqGS:ITWO	12.55	14.60	5.50	275.9	225.0	1.0x	1.1x	5.7x	20.6x	17.4x	
JDA Software Group Inc.	NasdaqGs:JDAS	14.96	20.14	9.04	468.3	455.3	1.3x	1.3x	5.2x	11.7x	10.5x	
Logility Inc.	NasdaqGM:LGTY	6.96	7.77	3.89	89.5	54.9	NA	NA	6.0x	NA	NA	
Manhattan Associates Inc.	NasdaqGS:MANH	18.22	26.28	13.66	419.8	333.5	1.3x	1.2x	8.3x	22.4x	18.3x	
Parametric Technology Corp.	NasdaqGS:PMTC	11.69	21.54	7.18	1,354.6	1,140.2	1.2x	1.2x	7.0x	14.9x	11.9x	
					Median	\$444.1	\$394.4	1.3x	1.2x	7.7x	17.8x	11.5x
<b>Procurement</b>												
Ariba Inc.	NasdaqGs:ARBA	\$9.84	\$18.58	\$6.00	\$859.8	\$747.2	2.2x	2.1x	34.3x	14.8x	13.0x	
Clarus Corp.	OTCPK:CLRS	3.79	5.90	3.75	65.8	(19.3)	NA	NA	NA	NA	NA	
ClickSoftware Technologies Ltd.	NasdaqCM:CKSW	6.60	6.73	1.80	191.3	157.2	2.7x	2.3x	17.2x	20.6x	16.9x	
Selectica Inc.	NasdaqGM:SLTC	0.42	1.42	0.10	23.3	5.2	NA	NA	NA	NA	NA	
					Median	\$128.6	\$81.2	2.4x	2.2x	25.8x	17.7x	15.0x
<b>Human Capital Management</b>												
Callidus	NasdaqGM:CALD	2.85	5.81	1.91	85.4	51.5	0.5x	0.5x	NA	NA	NA	
Concur	NasdaqGS:CNQR	31.08	50.00	17.82	1,507.6	1,287.4	5.2x	4.4x	23.2x	44.2x	36.4x	
Kenexa	NasdaqGS:KNXA	11.57	24.01	3.66	260.6	229.7	1.5x	1.4x	7.8x	18.2x	15.2x	
SumTotal*	NasdaqGM:SUMT	4.81	5.15	1.24	151.6	106.7	1.0x	0.9x	36.2x	NA	46.7x	
Taleo	NasdaqGM:TLEO	18.27	26.16	5.37	579.1	520.1	2.6x	2.2x	41.0x	25.5x	21.0x	
Ultimate Software	NasdaqGs:ULTI	24.24	37.25	10.70	590.3	569.8	2.8x	2.4x	118.3x	82.4x	44.2x	
					Median	\$419.9	\$374.9	2.0x	1.8x	36.2x	34.8x	36.4x
<b>Knowledge / Content Management</b>												
Adobe Systems Inc.	NasdaqGS:ADBE	\$28.30	\$46.44	\$15.70	\$14,857.4	\$12,543.3	4.3x	4.1x	10.7x	18.8x	17.0x	
BroadVision Inc.	NasdaqGM:BVSN	12.65	25.00	9.00	55.6	(5.6)	NA	NA	NA	NA	NA	
Convera	NasdaqGM:CNVR	0.19	1.41	0.15	12.4	(7.5)	NA	NA	NA	NA	NA	
Open Text Corp.	NasdaqGS:OTEX	36.42	39.09	22.01	1,916.5	1,982.1	2.5x	2.3x	9.9x	15.4x	13.2x	
Vignette Corp.**	NasdaqGs:VIGN	13.15	13.97	5.69	313.3	170.2	1.2x	1.0x	36.5x	65.8x	NA	
					Median	\$313.3	\$170.2	2.5x	2.3x	10.7x	18.8x	15.1x

Source: CapitalIQ

\*On April 3rd, Vista Equity Partners made an offer to acquire the remaining 87.28% stake in SumTotal Systems Inc.

\*\*On May 1st, Open Text Corp. entered into a letter of intent to acquire 100% of Vignette Corporation

**EMS / Infrastructure Software Public Company Comparable Valuations**

Pharus Advisors

Company	Ticker	Price	High	Low	Market Value		EV / Revenue		EV / LTM	Price / EPS		
					Equity	Enterprise	2009	2010	EBITDA	2009	2010	
<b>Application / Systems (Production) Mgmt.</b>												
BMC Software Inc.	NYSE:BMC	\$33.79	\$37.37	\$20.58	\$6,234.9	\$5,473.1	2.9x	2.7x	9.6x	14.0x	12.9x	
CA, Inc.	NasdaqGS:CA	17.43	24.67	12.00	9,043.3	8,267.3	2.0x	1.9x	6.0x	11.1x	10.2x	
Netscout Systems	NasdaqGS:NTCT	9.38	16.05	5.69	378.2	364.3	1.3x	1.3x	7.3x	10.9x	10.3x	
Quest Software Inc.	NasdaqGS:QSFT	13.94	15.57	10.31	1,319.1	1,058.3	1.5x	1.4x	7.3x	13.3x	11.9x	
					Median	\$3,777.0	\$3,265.7	1.7x	1.6x	7.3x	12.2x	11.1x
<b>Development / Deployment (Pre-Production)</b>												
Borland Software Corp.*	NasdaqGM:BORL	\$1.29	\$1.95	\$0.25	\$94.5	\$58.5	NA	NA	NA	NA	NA	
Compuware Corp.	NasdaqGS:CPWR	6.86	11.91	5.08	1,659.9	1,381.8	1.5x	1.5x	5.6x	10.4x	9.7x	
Keynote Systems Inc.	NasdaqGM:KEYN	7.64	14.31	6.34	110.0	59.3	0.8x	NA	7.8x	191.0x	69.5x	
					Median	\$110.0	\$59.3	1.2x	1.5x	6.7x	100.7x	39.6x
<b>Business Intelligence</b>												
Actuate Corp.	NasdaqGS:ACTU	\$4.80	\$5.34	\$2.20	\$214.6	\$198.4	1.6x	1.5x	9.5x	22.6x	19.6x	
Fair Isaac Corp.	NYSE:FIC	15.46	27.84	9.76	755.3	1,064.7	1.7x	1.6x	6.5x	11.7x	10.4x	
Informatica Corp.	NasdaqGS:INFA	17.19	17.99	10.42	1,497.9	1,279.0	2.6x	2.4x	13.3x	21.2x	18.6x	
MicroStrategy Inc.	NasdaqGS:MSIR	50.22	68.47	30.55	597.2	435.0	1.3x	1.2x	6.0x	16.7x	16.1x	
Pegasystems	NasdaqGS:PEGA	26.38	27.98	9.58	940.6	767.6	3.0x	2.5x	28.5x	41.5x	31.0x	
SPSS	NasdaqGS:SPSS	33.37	36.93	21.47	611.5	426.7	1.5x	1.4x	5.4x	18.1x	16.8x	
Stamford Industrial Group	OTCPK:SIDG	1.65	10.00	1.03	13.9	33.4	NA	NA	3.0x	NA	NA	
Verint Systems	OTCPK:VRNT	10.30	23.50	3.10	351.7	NA	NA	NA	NA	12.5x	7.7x	
					Median	\$604.3	\$435.0	1.6x	1.6x	6.5x	18.1x	16.8x
<b>Communications / Speech</b>												
TeleCommunication Systems Inc.	NasdaqGM:TSYS	\$7.11	\$10.50	\$4.19	\$327.7	\$305.0	1.1x	1.0x	11.9x	22.9x	18.0x	
					Median	\$327.7	\$305.0	1.1x	1.0x	11.9x	22.9x	18.0x

Source: CapitalIQ

\*On May 5th, Micro Focus International plc entered into a definitive agreement to acquire 100% of Borland Software Corporation

**EMS / Infrastructure Software Public Company Comparable Valuations (con't)**

Pharus Advisors

Company	Ticker	Price	High	Low	Market Value		EV / Revenue		EV / LTM	Price / EPS		
					Equity	Enterprise	2009	2010	EBITDA	2009	2010	
<b>Security Software</b>												
ActivIdentity Corp.	NasdaqGM:ACTI	\$2.53	\$2.92	\$1.07	\$115.9	\$36.2	0.6x	NA	NA	NA	NA	
Blue Coat Systems	NasdaqGS:BCSI	16.54	19.50	6.96	657.2	619.4	1.3x	1.1x	21.6x	16.2x	13.4x	
Certicom Corp.	TSX:CIC	2.57	2.92	0.51	112.6	79.5	NA	NA	NA	NA	NA	
Check Point Software Technologies Ltd.	NasdaqGS:CHKP	23.47	25.74	16.80	4,898.9	3,892.4	4.4x	4.0x	9.4x	12.4x	11.2x	
Diversinet Corp.	OTCBB:DVNT.F	0.55	0.77	0.14	25.9	15.2	NA	NA	NA	NA	NA	
Entrust Inc.	NasdaqGM:ENTU	1.81	2.97	0.98	111.3	84.8	0.9x	0.8x	11.8x	12.0x	9.4x	
McAfee Inc.	NYSE:MFE	42.19	42.57	24.72	6,555.2	5,902.7	3.1x	2.9x	16.8x	18.0x	16.1x	
SonicWALL Inc.	NasdaqGS:SNWL	5.48	6.82	2.90	294.8	178.2	0.9x	0.9x	9.8x	18.6x	17.1x	
Symantec Corp.	NasdaqGS:SYMC	15.58	22.80	10.05	12,741.8	12,850.6	2.1x	2.0x	6.9x	10.3x	9.6x	
Trend Micro Inc.	TSE:4704	32.08	45.37	20.49	4,284.8	3,156.1	NA	NA	8.3x	NA	NA	
VASCO	NasdaqCM:VDSI	7.31	14.34	3.85	274.0	216.7	2.0x	1.8x	7.3x	19.1x	16.0x	
VeriSign Inc.	NasdaqGS:VRSN	18.52	38.81	16.23	3,571.3	3,242.2	3.1x	2.9x	8.5x	14.3x	12.1x	
WebSense	NasdaqGS:WBSN	17.84	24.60	9.48	789.8	825.4	2.4x	2.2x	14.7x	13.8x	12.4x	
Zix	NasdaqGM:ZIXI	1.50	3.70	0.88	95.0	82.7	2.6x	1.8x	NA	NA	15.8x	
					Median	\$476.0	\$418.1	2.1x	1.9x	9.6x	14.3x	12.9x
<b>Integration / Middleware</b>												
Citrix Systems	NasdaqGS:CTXS	\$31.89	\$34.41	\$19.00	\$5,771.1	\$5,214.5	3.3x	3.0x	17.6x	19.3x	17.0x	
Jacada Ltd.	NasdaqGM:JCDA	2.18	3.90	1.41	36.3	8.6	NA	NA	NA	NA	NA	
Progress Software Corp.	NasdaqGS:PRGS	21.17	31.14	14.69	844.6	695.8	1.4x	1.3x	7.6x	12.2x	10.5x	
SourceForge, Inc	NasdaqGM:LNUX	1.25	1.81	0.32	75.6	38.6	0.7x	0.6x	NA	NA	NA	
Sybase, Inc.	NYSE:SY	31.34	36.99	22.20	2,606.0	2,361.9	2.1x	1.9x	8.0x	14.0x	12.3x	
TIBCO Software Inc.	NasdaqGS:TIBX	7.17	8.78	3.45	1,258.5	973.0	1.6x	1.5x	7.8x	14.4x	13.0x	
					Median	\$1,051.5	\$834.4	1.6x	1.5x	7.9x	14.2x	12.6x
<b>Platform / OS</b>												
Hewlett-Packard Co.	NYSE:HPQ	\$38.65	\$49.20	\$25.39	\$92,229.0	\$97,993.0	0.9x	0.8x	6.5x	10.3x	9.4x	
International Business Machines Corp.	NYSE:IBM	104.42	130.93	69.50	137,834.4	156,607.4	1.6x	1.6x	6.8x	11.5x	10.5x	
Microsoft Corp.	NasdaqGS:MSFT	23.77	28.50	14.87	211,546.3	189,650.3	3.2x	3.1x	7.5x	14.0x	13.0x	
Novell	NasdaqGS:NOVL	4.53	6.62	2.49	1,563.7	680.6	0.8x	0.8x	5.7x	15.1x	14.1x	
Red Hat	NYSE:RHT	20.13	23.38	7.50	3,783.4	3,065.9	4.2x	3.8x	23.6x	32.3x	27.6x	
Sun Microsystems Inc.*	NasdaqGS:JAVA	9.22	11.00	2.60	6,927.5	5,481.5	0.5x	0.5x	8.0x	NA	NA	
					Median	\$49,578.3	\$51,737.3	1.3x	1.2x	7.2x	14.0x	13.0x

Source: CapitalIQ

\*On April 19th, Oracle Corp. signed a definitive agreement to acquire Sun Microsystems Inc.

## Business Services Public Company Comparable Valuations

Pharus Advisors

Company	Ticker	Price	High	Low	Market Value		EV / Revenue		EV / LTM	Price / EPS		
					Equity	Enterprise	2009	2010	EBITDA	2009	2010	
<b>IT Integration &amp; Consulting</b>												
Accenture Ltd.	NYSE:ACN	\$33.46	\$43.04	\$24.76	\$20,553.4	\$17,201.3	0.8x	0.8x	4.9x	12.5x	12.2x	
The Hackett Group (FKA Answerthink Inc.)	NasdaqM:HCKT	2.33	6.65	1.78	89.7	64.1	0.4x	0.4x	3.6x	16.3x	8.7x	
CIBER Inc.	NYSE:CBR	3.10	8.97	2.03	213.0	314.0	0.3x	0.3x	4.9x	8.2x	6.9x	
DiamondCluster International Inc.	NasdaqGS:DTP1	4.20	6.33	1.84	115.2	69.1	0.5x	0.4x	NA	52.5x	29.4x	
iGATE Corp.	NasdaqGM:IGTE	6.62	12.02	2.11	358.8	296.2	1.6x	1.5x	8.2x	17.0x	14.9x	
Management Network Group Inc.	NasdaqGM:TMNG	0.37	1.48	0.16	12.9	11.9	NA	NA	10.8x	NA	NA	
Ness Technologies Inc.	NasdaqGS:NSTC	3.91	13.00	2.36	151.3	175.7	0.3x	0.3x	4.8x	16.3x	9.1x	
Perficient Inc.	NasdaqGS:PRFT	6.99	10.94	2.31	225.5	200.7	1.0x	1.0x	9.0x	21.6x	16.3x	
Sapient Corp.	NasdaqGS:SAPE	6.29	9.97	3.25	801.4	661.6	1.1x	0.9x	7.9x	23.6x	17.8x	
Technology Solutions Co.	OTCPK:TSCC	0.26	5.00	0.26	0.7	(7.3)	NA	NA	NA	NA	NA	
Tier Technologies Inc.	NasdaqGM:TIER	7.72	8.48	3.41	150.7	110.9	0.9x	0.8x	NA	NA	128.7x	
					Median	\$151.3	\$175.7	0.8x	0.8x	6.4x	16.6x	14.9x
<b>Education &amp; Training</b>												
Learning Tree International Inc.	NasdaqGM:LTRE	\$10.30	\$17.63	\$6.01	\$154.2	\$99.3	0.7x	0.7x	6.1x	54.2x	21.0x	
New Horizons Worldwide Inc.	OTCBB:NEWH	0.80	1.75	0.30	9.4	21.0	NA	NA	3.8x	NA	NA	
SkillSoft plc	NasdaqGS:SKIL	9.29	9.40	5.35	1,030.0	900.3	2.9x	2.8x	8.4x	15.9x	14.0x	
VCampus Corp.	OTCPK:VCMP	0.00	0.01	0.00	0.0	NA	NA	NA	NA	NA	NA	
					Median	\$81.8	\$99.3	1.8x	NA	6.1x	35.1x	NA
<b>IT Staff Augmentation</b>												
Analysts International Corp.	NasdaqGM:ANLY	\$0.57	\$1.64	\$0.26	\$14.2	\$9.6	NA	NA	NA	NA	NA	
MPS Group Inc.	NYSE:MPS	7.64	12.77	4.16	706.5	598.2	0.4x	0.3x	5.4x	94.3x	35.2x	
TeamStaff Inc.	NasdaqGM:TSTF	1.73	3.30	1.03	8.5	7.0	NA	NA	10.5x	NA	NA	
					Median	\$14.2	\$9.6	0.4x	0.3x	8.0x	94.3x	35.2x

Source: CapitalIQ

**Business Services Public Company Comparable Valuations (con't)**

Pharus Advisors

Company	Ticker	Price	High	Low	Market Value		EV / Revenue		EV / LTM	Price / EPS		
					Equity	Enterprise	2009	2010	EBITDA	2009	2010	
<b>Government IT Services</b>												
CACI International Inc.	NYSE:CACI	\$42.71	\$52.00	\$33.90	\$1,279.6	\$1,742.4	0.6x	0.6x	7.7x	13.9x	12.7x	
ManTech International Corp.	NasdaqGS:MANT	43.04	62.06	32.86	1,531.9	1,617.6	0.8x	0.7x	9.1x	14.6x	13.3x	
MAXIMUS Inc.	NYSE:MMS	41.25	45.07	25.94	721.8	636.7	0.9x	0.8x	6.7x	14.9x	12.9x	
SRA International Inc.	NYSE:SRX	17.56	24.79	11.22	987.6	1,044.0	0.7x	0.6x	7.9x	18.3x	15.7x	
					Median	\$1,133.6	\$1,330.8	0.7x	0.7x	7.8x	14.7x	13.1x
<b>European IT Services</b>												
Atos Origin SA	ENXTPA:ATO	\$33.86	\$52.91	\$21.04	\$2,380.8	\$2,822.3	NA	NA	3.7x	NA	NA	
Cap Gemini SA	ENXTPA:CAP	36.78	60.21	29.61	5,376.5	4,257.8	NA	NA	3.4x	NA	NA	
Dimension Data Holdings plc	JSE:DDT	0.99	1.02	0.52	1,680.0	1,493.2	NA	NA	6.0x	NA	NA	
LogicaCMG plc	LSE:LOG	1.30	2.39	1.01	2,059.9	2,802.8	NA	NA	5.3x	NA	NA	
					Median	\$2,220.3	\$2,812.6	NA	NA	4.5x	NA	NA
<b>Indian / Offshore IT Services</b>												
Cognizant Technology Solutions Corp.	NasdaqGS:CTSH	\$26.70	\$32.90	\$14.38	\$7,799.6	\$6,991.0	2.3x	2.0x	11.2x	17.4x	16.2x	
HCL Technologies Ltd.	BSE:532281	3.85	5.71	1.85	2,583.1	2,864.8	NA	NA	6.6x	NA	NA	
Infosys Technologies Ltd.	BSE:500209	36.88	38.94	21.59	21,128.4	18,811.0	4.1x	3.7x	12.2x	17.8x	16.8x	
Patni Computer Systems Ltd.	BSE:532517	5.38	5.80	1.95	688.6	639.8	1.0x	0.9x	6.8x	9.8x	9.6x	
Syntel Inc.	NasdaqGS:SYNT	31.44	35.95	16.14	1,305.1	1,167.1	2.9x	2.8x	9.7x	14.4x	14.9x	
Tata Consultancy Services Limited	BSE:532540	8.09	9.24	4.34	15,832.5	15,136.2	NA	NA	9.8x	NA	NA	
Wipro Ltd.	BSE:507685	7.84	9.65	3.77	11,417.7	11,246.4	NA	NA	10.7x	14.8x	13.9x	
					Median	\$7,799.6	\$6,991.0	2.6x	2.4x	9.8x	14.8x	14.9x
<b>Call Center</b>												
APAC Customer Services Inc.	NasdaqGM:APAC	\$5.13	\$6.40	\$0.94	\$261.9	\$267.2	0.9x	0.8x	8.3x	NA	8.6x	
ICT Group Inc.	NasdaqGM:ICTG	8.73	10.39	2.50	140.0	102.4	0.3x	0.2x	4.1x	42.4x	19.4x	
Sykes Enterprises Inc.	NasdaqGS:SYKE	18.09	22.20	12.34	746.1	534.7	0.6x	0.6x	5.6x	14.2x	12.8x	
TeleTech Holdings Inc.	NasdaqGS:TTEC	15.15	21.07	6.43	958.5	924.3	0.8x	0.7x	5.5x	16.5x	14.3x	
					Median	\$504.0	\$400.9	0.7x	0.7x	5.6x	16.5x	13.6x

Source: CapitalIQ

**Business Services Public Company Comparable Valuations (con't)**

Pharus Advisors

Company	Ticker	Price	High	Low	Market Value		EV / Revenue		EV / LTM	Price / EPS		
					Equity	Enterprise	2009	2010	EBITDA	2009	2010	
<b>Business Process Outsourcing (BPO)</b>												
Automatic Data Processing Inc.	NasdaqGS:ADP	\$35.44	\$45.97	\$30.83	\$17,778.2	\$16,425.4	1.9x	1.8x	7.8x	14.9x	14.5x	
Convergys Corp.	NYSE:CVG	9.28	16.99	4.02	1,138.4	1,524.5	0.5x	0.5x	5.6x	9.4x	8.2x	
CSG Systems International Inc.	NasdaqGS:CSGS	13.24	20.16	10.87	465.0	509.4	1.0x	1.0x	4.4x	9.7x	9.1x	
DST Systems Inc.	NYSE:DST	36.95	66.47	25.70	1,837.0	2,915.8	1.8x	1.7x	5.9x	10.2x	9.4x	
FirstService Corp.	TSX:FSV	11.60	15.99	8.17	341.4	958.4	0.6x	0.5x	7.6x	14.6x	9.0x	
Iron Mountain Inc.	NYSE:IRM	28.75	31.27	16.71	5,818.2	8,710.2	2.9x	2.7x	10.8x	32.7x	27.2x	
Paychex Inc.	NasdaqGS:PAYX	25.20	35.53	20.31	9,096.6	8,604.1	4.3x	4.0x	9.7x	18.8x	17.6x	
Watson Wyatt Worldwide	NYSE:WW	37.53	62.00	32.56	1,600.0	1,521.9	0.9x	0.9x	5.2x	11.1x	11.7x	
					Median	\$1,718.5	\$2,220.2	1.4x	1.4x	6.8x	12.8x	10.5x
<b>IT Outsourcing</b>												
CGI Group Inc.	TSX:GIB.A	\$8.89	\$10.04	\$7.14	\$2,745.4	\$2,861.6	0.9x	0.8x	5.6x	10.6x	9.8x	
Computer Sciences Corp.	NYSE:CSC	44.30	49.37	23.93	6,714.3	8,651.5	0.5x	0.5x	3.5x	10.6x	10.0x	
NaviSite Inc.	NasdaqCM:NAVI	1.37	4.15	0.01	48.8	200.5	1.3x	1.2x	6.9x	NA	NA	
Perot Systems Corp.	NYSE:PER	14.33	18.82	10.58	1,729.3	1,636.3	0.6x	0.6x	5.9x	14.7x	13.5x	
Unisys Corp.	NYSE:UIS	1.51	4.29	0.28	559.2	1,171.2	0.3x	0.3x	4.9x	NA	18.9x	
					Median	\$1,729.3	\$1,636.3	0.6x	0.6x	5.6x	10.6x	11.7x

Source: CapitalIQ

## Financial Services IT Solutions Public Company Comparable Valuations

Pharus Advisors

Company	Ticker	Price	High	Low	Market Value		EV / Revenue		EV / LTM	Price / EPS		
					Equity	Enterprise	2009	2010	EBITDA	2009	2010	
<b>Bank Processing</b>												
Bottomline Technologies Inc.	NasdaqGM:EPAY	\$9.01	\$13.00	\$4.46	\$225.8	\$184.8	1.4x	1.3x	24.3x	16.1x	13.3x	
CyberSource Corp.	NasdaqGS:CYBS	15.30	19.30	6.00	1,057.0	977.8	3.8x	3.2x	25.0x	21.0x	18.0x	
Equifax Inc.	NYSE:EFX	26.10	37.29	19.38	3,294.7	4,476.5	2.5x	2.4x	7.3x	12.9x	11.6x	
Fiserv Inc.	NasdaqGS:FISV	45.71	54.67	27.75	7,112.3	10,807.3	2.5x	2.4x	8.6x	12.5x	11.1x	
Heartland	NYSE:HPY	9.57	33.00	3.57	358.5	404.6	0.3x	0.3x	4.9x	10.1x	8.4x	
Jack Henry & Associates Inc.	NasdaqGS:JKHY	20.75	24.45	14.29	1,738.7	1,776.1	2.4x	2.3x	8.2x	17.6x	16.5x	
Online Resources Corp.	NasdaqGS:ORCC	6.24	10.35	1.80	186.5	324.8	2.0x	1.9x	13.7x	18.0x	15.0x	
S1 Corp.	NasdaqGM:SONE	6.92	8.28	4.00	365.7	317.5	1.3x	1.2x	8.1x	12.9x	14.1x	
					Median	\$711.3	\$691.2	2.2x	2.1x	8.4x	14.5x	13.7x
<b>Credit / Debit Card Processing</b>												
ACI Worldwide, Inc	NasdaqGS:ACIW	13.96	22.49	8.86	489.0	454.5	1.1x	1.0x	11.0x	14.7x	12.7x	
Fundtech Ltd.	NasdaqGS:FNDT	\$10.10	\$15.20	\$5.00	\$165.9	\$115.3	1.0x	0.9x	7.8x	27.2x	18.3x	
Global Payments Inc.	NYSE:GPN	37.46	49.39	27.48	3,011.5	2,851.5	1.8x	1.7x	7.7x	17.0x	15.6x	
Total System Services Inc.	NYSE:TSS	13.39	23.15	10.36	2,640.0	2,605.4	1.6x	1.5x	5.5x	12.0x	11.0x	
					Median	\$1,564.5	\$1,529.9	1.3x	1.3x	7.7x	15.8x	14.1x

Source: CapitalIQ

**Financial Services IT Solutions Public Company Comparable Valuations (con't)**

Pharus Advisors

Company	Ticker	Price	High	Low	Market Value		EV / Revenue		EV / LTM	Price / EPS		
					Equity	Enterprise	2009	2010	EBITDA	2009	2010	
<b>Insurance Solutions</b>												
CorVel Corp.	NasdaqGS:CRVL	\$22.77	\$35.98	\$15.78	\$294.4	\$279.8	NA	NA	6.4x	NA	NA	
Ebix Inc.	NasdaqGS:EBIX	31.32	40.30	17.12	319.2	359.0	NA	NA	10.3x	NA	NA	
InsWeb Corp.	NasdaqCM:INSW	3.32	9.36	1.45	15.9	9.8	NA	NA	NA	NA	NA	
Insure.com Inc.	NasdaqCM:NSUR	1.82	3.50	1.50	12.3	5.1	NA	NA	33.7x	NA	NA	
					Median	\$155.2	\$144.8	NA	NA	10.3x	NA	NA
<b>Investment Solutions</b>												
Advent Software Inc.	NasdaqGS:ADVS	\$32.79	\$49.32	\$17.51	\$827.0	\$805.7	2.8x	2.6x	19.7x	37.7x	31.0x	
BGC Partners, Inc.	NasdaqGS:BGCP	3.79	7.73	1.37	301.8	409.1	0.4x	0.3x	3.4x	10.2x	8.4x	
NYFIX Inc.	NasdaqCM:NYFX	0.83	4.10	0.40	32.1	55.0	NA	NA	NA	NA	NA	
Thomson Reuters Corp.	TSX:TRI	29.10	32.59	21.35	24,115.9	31,528.5	2.4x	2.4x	10.4x	16.9x	14.3x	
					Median	\$564.4	\$607.4	2.4x	2.4x	10.4x	16.9x	14.3x

Source: CapitalIQ

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## INDUSTRY NEWS RECAP

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### *Definitions*

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Our Industry News section focuses on highlighting relevant, interesting and notable banking transactions in the software and business services industries during the most recent quarter. While not exhaustive, we selected many transactions that we felt were both interesting and relevant to our readers.

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### **Software Market Sections / Segmentation**

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To make our Industry News section easier to navigate, we have segmented our software industry news into the following sub-sections, or industry sub-segments:

**Application software** - Software that specifically enables a non-IT user to perform a particular business function of non-technical activity. Examples include: accounting software, HR software, sales force automation software, content management software, vertical-industry specific applications, e-mail software, spreadsheets, etc.

**Infrastructure software** - Software that is used to support, and is the foundation for, application software, but is not used to manage application software. Examples include: database software, operating system software, security software, middleware software, etc.

**Enterprise management software (EMS)** - EMS software enables companies to manage, operate, develop, tune and deploy various technology components (e.g., hardware, software, data, etc.) in an enterprise's IT environment. Examples include: performance management software, testing tools, software configuration/development tools, storage management software, etc.

**Other software** - everything else that doesn't fall into the other three categories. Examples might include video game software, etc.

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### **Business Services Sections / Segmentation**

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Similarly, we have segmented our business services news section into the following sub-sections, or industry sub-segments:

**IT services firms** - firms that provide services (and corresponding people) that install, integrate, implement, develop, customize, maintain and upgrade various types of information technology—such as software, server hardware, telecommunications infrastructures, etc. IT outsourcing firms generally provide long-term contractual services of implementing, managing, delivering and operating a piece of technology for a client.

**Business Process Outsourcing (BPO)** - The contractual service of taking over one or more business functions (typically IT intensive functions) in which the outsourcer completely owns, manages, performs and delivers clients' business functions. Having said this, BPO is large, highly fragmented and can be sub-segmented into a number of more specific market niches.

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## ***Application Software***

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### **Business Intelligence Software**

#### **ID Business Solutions To Acquire InforSense**

On June 25th, ID Business Solutions, a UK-based leading provider of innovative data management solutions to multinational R&D organizations, announced its acquisition of InforSense, a UK-based company providing award-winning scientific and business intelligence (BI) technologies with rapid data integration technologies and web-based interactive analytics, in an all-cash transaction for £5.0 (\$10.6m). This transaction creates a unique supplier who can deliver the entire capture, integration and decision-making infrastructure for R&D organizations worldwide.

#### **EnerNOC Acquires eEquilibrium Solutions**

On June 17th, EnerNOC (NasdaqGM:ENOC), a firm that engages in the development, implementation and adoption of demand response and energy management solutions for the electric power grid operators and utilities, closed its acquisition of eEquilibrium Solutions, a designer and developer of business performance management, measurement, and monitoring applications, for an undisclosed amount. The acquisition provides EnerNOC's strategy of providing customers with cost-cutting and energy management capabilities.

#### **An Unknown Buyer To Acquire Data Migration Practice and Blue Ocean Software of Technology Solutions Company**

On May 21st, Technology Solutions Company (OTCPK: TSCC), a provider of application software services, announced the sale of Data Migration Practice and Blue Ocean Software, for an undisclosed amount. The transaction was part of a liquidation and dissolution plan subject to approval by bankruptcy court.

### **Content and Document Management Software**

#### **Omtool Acquires iImage Suite of DocAuto**

On May 11th, Omtool Ltd. (OTCPK:OMTL), a provider of document and information handling software solutions, closed the acquisition of DocAuto's iImage Suite, a provider of imaging and document capturing services for Autonomy

iManage (formerly Interwoven) WorkSite, for an undisclosed amount. The transaction improves Omtool's document capturing capabilities.

#### **IBM Acquires Exeros**

On May 5th, International Business Machines (NYSE:IBM) closed the acquisition of Exeros, a data relationship discovery and management company, for an undisclosed amount. The acquisition of Exeros will further IBM's Information on Demand initiative aimed at capturing the growing market opportunity for enabling customers to use information as a competitive and strategic business asset.

#### **Open Text To Acquire Vignette**

On May 1st, Open Text (NasdaqGS:OTEX), a firm that develops, markets, sells, licenses, and supports Enterprise Content Management solutions, announced the acquisition of Vignette, a firm that develops and sells software for managing and delivering content, for \$305m. Based on the enterprise value of \$162m, the transaction was valued at 1.0x LTM revenue and 34.7x LTM EBITDA. The combination of Vignette with Open Text will extend the breadth of Open Text's offerings.

#### **Data Dimensions Acquires Olim**

On April 1st, Data Dimensions, a provider of document preparation, imaging, document identification, indexing, and extraction, as well as document converting business process outsourcing services, closed the acquisition of Olim, a firm that engages in the development of technology solutions with software applications for business practices, for an undisclosed amount. The acquisition expands Data Dimension's innovative solution offerings, improves value proposition, and creates opportunities for future growth.

### **CRM/ERP Software**

#### **LLR Partners Acquires I-Many**

On June 25th, LLR Partners, a private equity and venture capital firm, closed the acquisition of I-Many, a provider of software and related professional services that enable its clients to manage various aspects of their contract-based business-to-business relationships, for \$50.3m in cash and stock. Based on the enterprise value of \$41.2m, the transaction was valued at 1.1x LTM revenue.

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**Consona Acquires The Enterprise Business of SupportSoft**

On June 23rd, Consona, a firm that engages in the provision of customer relationship management and enterprise resource planning (ERP) software and services to business enterprises in the United States and internationally, closed the acquisition of SupportSoft's Enterprise Business, which designs and develops enterprise software, for \$20.0m in cash. The acquisition provides an extended solution offering for Consona.

**Golden Gate Capital To Acquire SoftBrands**

On June 11th, Golden Gate Capital, a private equity and venture capital firm focused on the technology sector, announced the acquisition of SoftBrands (AMEX:SBN), a provider of enterprise software and related professional services for businesses in the manufacturing and hospitality industries worldwide, for \$94.7m in cash and debt. Based on the enterprise value of \$80.5m, the transaction was valued at 0.8x LTM revenue and 6.0x EBITDA. SoftBrands is within Golden Gate Capital's investment sector focus.

**SAP Acquires Highdeal**

On June 2nd, Germany-based SAP (DB:SAP) closed the acquisition of France-based Highdeal, a provider of pricing, rating, and charging solutions, for an undisclosed amount. The transaction is intended to provide customers a packaged consume-to-cash business process platform to support high-volume billing and enable a reduction in cost of ownership.

**SAP To Acquire Clear Standards**

On May 11th, Germany-based SAP announced the acquisition of Clear Standards, a provider of enterprise carbon management and sustainability solutions, for an undisclosed amount. The acquisition will help SAP accelerate its carbon management offering.

**SS&C Technologies Acquires Unisys Corporation, MAXIMIS Business**

On June 1st, SS&C Technologies, a provider of software products and software-enabled services to the financial services industry primarily in North America, closed the acquisition of the MAXIMIS business of Unisys Corporation, a provider of MAXIMIS software, an investment accounting software, for an

undisclosed amount. SS&C Technologies plans to integrate Unisys' Maximis workforce with its own.

**Emptoris Acquires Contract and Service Management Solutions and Business of Click Commerce**

On May 15th, Emptoris, a provider of enterprise supply and contract management software solutions, closed the acquisition of Click Commerce's Contract and Service Management Solutions and Business, a contract and service management software solution, for an undisclosed sum. The acquisition helps Emptoris expand its product offering and customer base.

**CDC Software To Acquire Informance International**

On May 14th, CDC Software, a provider of a suite of scalable enterprise software applications worldwide, announced the acquisition of Informance International, a provider of enterprise manufacturing intelligence solutions to the manufacturers in the United States and internationally, for \$3.2m in stock. The acquisition facilitates the expansion of the CDC's product lines.

### **Telekom Austria Acquires 25.1% of Data Systems Austria**

On April 30th, Vienna-based Telekom Austria (WBAG:TKA), a provider of long distance, local and wireless services, and corporate data communications services, closed the acquisition of a 25.1% stake of Vienna-based Data Systems Austria, a provider of integrated ERP solutions and applications to mid-size enterprises in Europe, for an undisclosed amount.

### **Blackbaud Acquires RLC Customer Centric Technology**

On April 29th, Blackbaud (NasdaqGS:BLKB), a provider of software and related services for nonprofit organizations worldwide, closed the acquisition of Dutch firm RLC Customer Centric Technology, a provider of software and related services for nonprofit organizations, for €2.2m (\$2.9m) in cash.

### **TVH Consulting Acquires The Enterprise Resource Planning Business of Access Commerce**

On April 14th, TVH Consulting a provider of enterprise resource planning consulting services, closed the acquisition of Access Commerce's Enterprise Resource Planning (ERP) business, which comprises of the Employee Resource Planning software designing and developing capacity, for an undisclosed amount.

### **Equipole Finance Services Acquires Eileo**

On April 10th, France-based Equipole Finance Services, a subsidiary of The Hertz Corporation, a firm that engages in the rental and leasing of cars, trucks, and equipment, closed the acquisition of France-based Eileo, a firm that designs solutions for the car-sharing industry, for an undisclosed sum. The acquisition facilitates Hertz's long-term commitment to be the car sharing leader by providing comprehensive, customer-friendly solutions in this technology-driven business.

### **Syntellect and Enghouse Systems Acquire Trio Enterprise**

On April 3rd, Canada-based Enghouse Systems (TSX:ESL), a firm that engages in the development and marketing of enterprise application software products, and Syntellect, a provider of enterprise contact center solutions for the high-technology, financial services, help

desk, utilities, government, and consumer products industries, closed the acquisition of Sweden-based Trio Enterprise, a firm that develops telephony systems, for \$7.0m. Based on this enterprise value, the transaction was valued at 0.5x LTM revenue. The acquisition will allow Syntellect to obtain complementary technology to its core business and Enghouse to continue growing its global presence.

### **SunGard Data Systems Acquires Genix Systems**

On April 2nd, SunGard Data Systems, a provider of software and processing solutions to financial services industry in the United States and internationally, closed the acquisition of Switzerland-based Genix Systems, a provider of customer information systems to banks, for an undisclosed amount. This acquisition gives SunGard Data Systems access to a wider customer base and provides it with the backing of a strong and experienced company.

## **HCM and Workforce Software**

### **Antenna Software Acquires Dexterra**

On June 10th, Antenna Software, a provider of mobile enterprise software and solutions in North America, closed the acquisition of Dexterra, a provider of mobile workforce software solutions to manage and optimize mobile operations, for an undisclosed amount. This acquisition brings to Antenna an organization with a proven track record in the mobile marketplace.

### **Intuit To Acquire PayCycle**

On June 2nd, Intuit (NasdaqGS:INTU), a provider of business and financial management solutions for small and medium sized businesses, financial institutions, consumers, and accounting professionals in the United States, Canada, and the United Kingdom, announced the acquisition of PayCycle, a provider online payroll services to small businesses and non-profit employers in the United States for \$175m in cash. The acquisition will boost the accounting and tax software vendor's presence in the payroll business for Intuit.

### **ClickSoftware Technologies Acquires The Workforce Management Business of Manchitra Services**

On April 21st, ClickSoftware Technologies (NasdaqGS:CKSW), an Israel-based provider of workforce and service management software products and solutions, closed the acquisition of India-based Manchitra Services' Workforce Management Business (now known as ClickSoftware India), which offers task allocation, work order generation, scheduling, roster management and automated dispatch management services, for \$2.7m in cash. The acquisition will enable ClickSoftware to significantly strengthen its local presence in India.

### **Vista Equity Partners Acquires 87.3% of SumTotal Systems**

On April 3rd, Vista Equity Partners (through Vista Equity Fund III), a private equity firm, closed the acquisition of the remaining 87.3% stake that it does not already own in SumTotal Systems (NasdaqGM:SUMT), a firm that engages in the development, marketing, distribution, and support of learning, performance, and talent development software solutions and on-demand subscriptions worldwide, for \$132m. Based on the enterprise value of \$107m, the transaction was valued at 0.9x LTM revenue and 36.2x LTM EBITDA.

### **Supply Chain, Asset Management and Product Lifecycle Management Software**

#### **Parametric Technology Acquires Relex Software**

On June 3rd, Parametric Technology (NasdaqGS:PMTC), a firm that develops, markets, and supports product lifecycle management (PLM) software solutions and related services, closed the acquisition of Relex Software, a provider of software tools for reliability analysis, for an undisclosed amount. The transaction provides synergies between product lifecycle management and reliability engineering.

#### **Data Systems International Acquires Unibar**

On May 29th, Data Systems International (DSI), a provider supply chain management solutions, closed the acquisition of Unibar, a developer of enterprise barcode and radio frequency

identification (RFID) printing software for UNIX and Linux, and Windows, for an undisclosed amount. DSI will market and sell Unibar's barcode printing software as a standalone product under the UNIBAR brand and will also integrate Unibar's functionality into DSI's core software product, dcLINK.

#### **Marlin Equity Partners Acquires Click Commerce**

On May 8th, Marlin Equity Partners, a private equity firm, closed the acquisition of Click Commerce, a provider of on-demand supply and demand chain management software and consulting, hosting, and related services that enable users to collaborate, in real time, with business partners across an extended enterprise, for an undisclosed amount.

#### **Advanced Computer Software To Acquire 76.4% of Business Systems Group Holdings**

On May 8th, UK-based Advanced Computer Software (AIM:ASW), a provider of software and information technology (IT) services to primary care sector in the United Kingdom, the Netherlands, and Ireland, announced the acquisition of a 76.4% stake in Business Systems Group Holdings (AIM:BSG), a UK-based provider of integrated technology solutions, products, and services throughout the technology lifecycle, for £11.3m (\$17.1m) in cash. Based on the enterprise value of £6.7m (\$10.1m), the transaction was valued at 0.2x LTM revenue and 4.4x LTM EBITDA. The acquisition of BSG will enable ACS to speed up the roll out of our core growth SaaS products.

#### **A Consortium of Private Equity Investors Acquires Trace One**

On May 7th, A consortium of private equity investors closed the acquisition of Trace One, a provider of integrated quality and traceability information management for major distributors and suppliers of distributor-brand products, for an undisclosed sum.

#### **Micro Focus International To Acquire Borland Software**

On May 5th, UK-based Micro Focus International (LSE:MCRO), a provider of enterprise application management solutions worldwide, announced the acquisition of Borland Software, a firm that operates as a

vendor of open application lifecycle management solutions worldwide, for \$212m in cash and options. Based on the enterprise value of \$77.6m, the transaction was valued at 0.5x LTM revenue. The acquisition gives Micro Focus a leading market position in the highly complementary Application Testing / ASQ market.

### **Retail Software**

#### **Wincor Nixdorf Acquires 51% of Connections Canada**

On May 11th, Germany-based Wincor Nixdorf (XTRA:WIN), a provider of information technology (IT) solutions and services to retail and retail banking industries, closed the acquisition of a 51% stake of Ontario-based Connections Canada (now known as CCI - A Wincor Nixdorf Company), a provider of retail automation solutions, for an undisclosed amount. The acquisition allows Wincor Nixdorf to expand its sales in the Canadian market.

### **Financial Software**

#### **Groupe 21 To Acquire RGI**

On June 12th, Groupe 21, an Italian-based venture capital firm, announced its acquisition of RGI (CM:RGI), an Italian designer and developer of IT products for the insurance and banking sectors, for €53.3m (\$65.4m) in cash and equity. Based on the implied enterprise value of €44.0m (\$61.8m), the transaction was valued at 1.2x LTM revenue and 3.9x LTM EBITDA. The investment is in line with Groupe 21's investment strategy.

#### **R.R. Donnelley & Sons Acquires Prospectus Central**

On June 18th, R.R. Donnelley & Sons (NYSE:RRD), a provider of printing and related services, including BPO, closed its acquisition of Prospectus Central, a financial software developer that provides online access to mutual fund data, for an undisclosed amount. The acquisition enhances R.R. Donnelley & Son's eDelivery capabilities.

#### **Softpro Systems To Acquire Cura Risk Management**

On June 15th, Softpro Systems (BSE:532332), a provider of various enterprise and collaborative software solutions, announced the acquisition of

Cura Risk Management, a designer and developer of software solutions, for \$19m in cash. Based on this enterprise value, the acquisition was valued at 2.4x LTM revenue and is in line with Softpro's growth strategy.

#### **Interactive Intelligence Acquires AcroSoft**

On May 18th, Interactive Intelligence (NasdaqGM:ININ), a provider of software application suites for voice over Internet protocol business communications, closed the acquisition of AcroSoft, developer of property and casualty insurance solutions for insurance companies worldwide, for an undisclosed amount in cash. The acquisition strengthens Interactive Intelligence's vertical market presence.

#### **Relm Holdings To Acquire 36.5% of Access Versalign**

On May 5th, Relm Holdings (OTCPK:RELM), a holding company, announced the acquisition of an additional 36.5% stake in Access Versalign (formerly known as First Access Partners), a consumer specialty software company, for an undisclosed amount.

#### **NRT Technology Acquires TNS Smart Network and Smart Processing Solutions**

On April 2nd, Canada-based NRT Technology, a provider of cash handling solutions, products, and services to the casino and gaming industry, closed the acquisition of the combined business of Canada-based TNS Smart Network and Smart Processing Solutions, which design and develop financial services software for the Financial Institutions, Retailers and Independent Sales Organizations, for an undisclosed amount. The acquisition creates an entirely new channel of business and technological capability for NRT.

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***Infrastructure Software & Enterprise Management Software (EMS)***

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**ACS Business Process Solutions Acquires Anix Group**

On June 12th, UK-based ACS Business Process Solutions, a provider of business process outsourcing and information technology services, closed the acquisition of UK-based Anix Group, a provider of information technology infrastructure solutions for organizations in the private and public sectors in the United Kingdom, for £34.7m (\$45.2m) in cash. Based on this enterprise value, the transaction was valued at 0.8x LTM revenue and 13.5x LTM EBITDA. The acquisition strengthens the European and global IT presence of ACS Business Process Solutions.

**FSN Capital Partners To Acquire 67.8% of Norman**

On June 8th, Norway-based FSN Capital Partners, a private equity firm specializing in equity and debt related middle market transactions, announced the acquisition of a 67.8% stake of Norway-based Norman (OB:NORMAN), a firm that engages in the development, distribution, and sale of data security software through a network of independent resellers primarily in Norway and Other European countries, and North America, for NOK 186m (\$28.9m). Based on the implied enterprise value of NOK 170m (\$26.3m), the transaction was valued at 0.6x LTM revenue and 5.9x LTM EBITDA. Norman was acquired through FSN Capital Fund III, a fund specializing in buyouts of industrial, consumer goods, and service companies.

**CA Acquires Cassatt Corporation**

On June 2nd, CA closed the acquisition of Cassatt Corporation, a provider of software solutions and technologies for operating green data centers, for an undisclosed amount. Cassatt's engineering team will join CA.

**McAfee Acquires Solidcore Systems**

On June 1st, McAfee (NYSE:MFE), a security technology company that secures systems and networks from known and unknown threats worldwide, closed the acquisition of Solidcore Systems, a provider of change control software for information technology infrastructures, for

\$47.0m in cash. This acquisition will enhance McAfee's ability to tackle various security challenges and help users to safely connect to the internet, browse and shop the web more securely.

**GK Software Acquires Solquest**

On May 28th, Germany-based GK Software (DB:GKS), a firm that engages in the development, production, sale, and trade of software and hardware products in Europe, Asia, and North America, closed the acquisition of Germany-based Solquest, a producer of software and integrates professional mobile solutions, for an undisclosed amount. The acquisition is a significant addition to GK SOFTWARE'S product portfolio in the field of store integration and mobile solutions.

**EMC Corporation To Acquire Configuresoft**

On May 27th, EMC Corporation (NYSE:EMC), a developer, deliverer, and supporter of information infrastructure technologies and solutions, announced the acquisition of Configuresoft, a provider of enterprise configuration management solutions, for an undisclosed amount. The acquisition gives EMC Corporation market-leading server configuration management solutions.

**LogLogic Acquires ExaProtect Technology**

On May 21st, LogLogic, a firm that develops, creates, and offers log data management and intelligence solutions for business operations of enterprises and mid-market companies, closed the acquisition of ExaProtect Technology, a firm that designs and develops network security and threat detection solutions, for an undisclosed amount. The acquisition allows LogLogic to expand its IT security management capabilities.

**Cisco Systems Acquires Tidal Software**

On May 19th, Cisco Systems, a firm that designs, manufactures, and sells Internet Protocol-based networking and other products relating to the communications and information technology industry worldwide, closed the acquisition of Tidal Software, a provider of application scheduling and performance management software, for \$105m in cash. The acquisition boosts Cisco System's data center capabilities, putting it in direct competition with longtime partner IBM (NYSE:IBM) as well as Hewlett-Packard (NYSE:HPQ).

### **Geodesic Acquires Interactive Networks**

On May 18th, Geodesic (BSE:503699), an India-based provider of universal instant messaging system for business and personal communication in India and internationally, closed the acquisition of Uruguay-based Interactive Networks, a software company that develops instant messaging solutions, for an undisclosed amount. The transaction helps Geodesic expand beyond the retail and consumer markets into the mobile carrier and enterprise markets.

### **HealthWarehouse.com Acquires ION Networks**

On May 14th, HealthWarehouse.com, a firm that designs, develops, manufactures and sells network and information security and management products, closed the reverse merger with ION Networks (OTCBB:IONN), a firm engaged in the design, development, manufacture, and sale of security and network management and monitoring solutions, for an undisclosed amount. The combined company will assume and execute the HealthWarehouse.com business plan as its sole business and will take the ION Networks (OTCBB:IONN) name.

### **Oracle To Acquire Virtual Iron Software**

On May 13th, Oracle Corp. (NasdaqGS:ORCL), an enterprise software company that engages in the development, manufacture, distribution, servicing, and marketing of database, middleware, and application software worldwide, announced the acquisition of Virtual Iron Software, a firm that offers server virtualization software for small and medium-sized enterprises, for an undisclosed amount. The combination of Virtual Iron technology and Oracle VM's scalable, high performance and highly available server virtualization product is expected to provide more comprehensive and dynamic resource management across the full software stack.

### **Bakbone Software Acquires ColdSpark**

On May 13th, Bakbone Software (OTCBB:BKBO), a provider of software-based data protection solutions to government agencies, businesses, and educational institutions worldwide, closed the acquisition of ColdSpark, a provider of enterprise solutions and platforms for email processing and delivery, for \$15.9m in cash and stock. This acquisition provides BakBone with a

strong entrée into the rapidly-growing enterprise message management market.

### **Data Storage Acquires Offsite Backup Service Business of Novavisions**

On May 12th, Data Storage, a provider of data protection, data archival, and disaster recovery services in the United States, closed the acquisition of Switzerland-based Novavisions' Offsite Backup Service Business, a provider of software and services.

### **Trend Micro To Acquire Third Brigade**

On April 29th, Japan-based Trend Micro (TSE:4704), a firm that engages in the development and marketing of antivirus and Internet content security software and services, announced the acquisition of Third Brigade, a Canada-based provider security software for servers and virtual machines, for an undisclosed amount. The transaction Accelerates Trend Micro's datacenter security expansion strategy.

### **Best Union Company To Acquire Sphere Network**

On April 21st, Italy-based Best Union Company (CM:BEST), a provider of electronic ticketing systems and services, announced the acquisition of Sphere Network, an Italy-based firm that develops and integrates ticketing software and access control solutions, for \$10.9m in cash.

### **Lumension Security To Acquire Securityworks:**

On April 20th, Lumension Security, a provider of unified protection and control of enterprise endpoints, applications, and devices internationally, announced the acquisition of Securityworks, a provider of software solutions for IT risk management, for an undisclosed sum. The transaction enhances Lumension's compliance and risk management software capabilities.

### **Oracle To Acquire Sun Microsystems**

On April 19th, Oracle (NasdaqGS:ORCL), a firm that engages in the development, manufacture, distribution, servicing, and marketing of database, middleware, and application software worldwide, announced the acquisition of Sun Microsystems (NasdaqGS:JAVA), a provider of network computing infrastructure solutions worldwide, for \$8.3b. Based on the enterprise value of \$5.6b, the transaction was valued at 0.4x

LTM revenue and 8.2x LTM EBITDA. The acquisition of Sun transforms the IT industry, combining best-in-class enterprise software and mission-critical computing systems.

**An Unknown Buyer Acquires The WPG Product Line of WebTrends**

On April 9th, An unknown buyer closed the acquisition of WebTrends' WPG Product Line, which comprises of enterprise software solutions, for an undisclosed amount.

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## **Business Services**

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### **Financial BPO Services**

#### **Davis Henderson Income Fund To Acquire Resolve Business Outsourcing Income Fund**

On June 2nd, Canada-based Davis Henderson Income Fund (TSX:DHF.UN), a provider of programs to chequing accounts and lending services in the financial services industry in Canada, announced the acquisition of Resolve Business Outsourcing Income Fund (TSX:RBO.UN), an unincorporated, open-ended, limited purpose trust in Canada that owns 70.5% of Resolve Corporation and CSRS Holdings, providers of customized business process outsourcing solutions primarily to businesses and governments in North America. The value of the transaction was CAD \$215m (\$167m). Based on the enterprise value of CAD \$201m (\$154m), the transaction was valued at 0.6x LTM revenue and 5.4x LTM EBITDA.

#### **Broadridge Financial Solutions Acquires Access Data Corp.**

On May 21st, Broadridge Financial Solutions (NYSE:BR), a provider of technology-based outsourcing solutions to the financial services industry, closed the acquisition of Access Data Corp., a provider of enterprise reporting and data management services for asset management firms and financial intermediaries, for \$45.0m in cash. The acquisition is a strategic expansion of Broadridge's role as an investor communications hub, and its data aggregation and data management solutions for the mutual fund industry.

#### **vwd Vereinigte Wirtschaftsdienste Acquires 60% of Portfolionet**

On May 7th, Germany-based vwd Vereinigte Wirtschaftsdienste (XTRA:BSJ), a provider of customized information, communications, and technology solutions for the securities market in Europe, closed the acquisition of a 60% stake of Switzerland-based Portfolionet, a firm that offers business process outsourcing of financial services, for CHF 8.1m (\$7.2m). The acquisition allows vwd Vereinigte Wirtschaftsdienste to extend its business process outsourcing in portfolio management in Switzerland.

### **Other BPO**

#### **D. Steven Sorensen To Acquire Substantially All Assets of Butler International**

On June 1st, D. Steven Sorensen, Chairman and CEO of Select Staffing, California's largest independent staffing company, announced the acquisition of substantially all assets of Butler International, a provider of outsourcing, project management, and technical staff augmentation services in the United States for \$26.9m in cash. The transaction was a bankruptcy sale and the proceeds shall be used to pay off the debt owed to General Electric Capital Corporation by Butler International.

#### **Fujitsu To Acquire 47.5% of Fujitsu Business Systems**

On May 21st, Tokyo-based Fujitsu Ltd. (TSE:6702), a provider of information technology and communications solutions worldwide, announced the acquisition of the remaining 47.5% stake of Tokyo-based Fujitsu Business Systems Ltd. (TSE:8092), a provider of various services, including consultation, equipment sales, software development, installation, and maintenance, for ¥22.0b (\$231.7m). Based on the enterprise value of ¥9.23b (\$97.2m), the transaction was valued at 0.1x LTM revenue and 2.0x LTM EBITDA.

#### **Aegis BPO Services Australia To Acquire UCMS Group**

On May 15th, Aegis BPO Services Australia, a provider of business process outsourcing services, announced the acquisition of Australia-based UCMS Group (ASX:UMS), a provider of customer management and business process outsourcing services, including customer relationship management system integration services in Australia and New Zealand, for AUD \$58.0m (\$40.7m) in cash. Based on the enterprise value of AUD \$49.2m (\$37.1m), the transaction was valued at 0.3x LTM revenue and 3.9x LTM EBITDA. The transaction positions Aegis BPO Services Australia for growth and geographic expansion.

#### **Teamsun Technology (HK) To Acquire 68.4% of Automated Systems Holdings**

On April 24th, Teamsun Technology (HK), a provider of administrative support to the clients of Beijing Teamsun, announced the acquisition of a 68.4% stake in Hong Kong-based

Automated Systems Holdings Ltd. (SEHK: 771), a holding company that provides information technology infrastructure and products, software and consulting, customer services, and support and managed services, including outsourcing, for HKD 262m (\$33.9m) in cash. The acquisition allows Teamsun to continue its strategy focusing on Hong Kong, Macau, Taiwan and Southeast Asia, as well as having Automated Systems serve as a major platform for Teamsun's expansion and collaboration in this region.

### **IT Services**

#### **Enterprise Investors Acquires Web Inn**

On June 16th, Enterprise Investors, a Polish venture capital investment firm, closed its acquisition of Web Inn, a Polish technology outsourcing provider, for PLN 20.0m (\$4.9m) in cash. The investment was made through the Enterprise Venture Fund I and was valued at 0.9x LTM revenue based on the implied enterprise value of PLN 20.0m (\$4.9m).

#### **Capita Group To Acquire Carillion IT Services**

On June 9th, UK-based Capita Group (LSE:CLLN), a provider of business process outsourcing and business transformation services primarily in the United Kingdom and Ireland, announced the acquisition of UK-based Carillion IT Services, which offers outsourcing, managed services, and network infrastructure solutions to external clients, for £36.0 (\$58.6m). This acquisition will add greater capacity and breadth of expertise to Capita's IT Services division.

#### **Italian Oven To Acquire 80% of Domain Management**

On June 9th, Italian Oven (OTCPK:IOVE), a diversified holding company that seeks business opportunities throughout the world that can benefit our unique shareholder base, announced the acquisition of a 80% stake of Domain Management, a internet website software developer. The terms of the transaction were undisclosed. The transaction allows Italian Oven to seek benefits for its shareholders.

#### **Information Services International-Dentsu Acquires 10% of Bit-Isle**

On June 3rd, Tokyo-based Information Services International-Dentsu (TSE:4812), a provider of

information technology solutions primarily for enterprises in financial, manufacturing, services, and distribution sectors in Japan and internationally, closed the acquisition of a 10% stake in Tokyo-based Bit-Isle Inc. (OSE:3811), a provider of network infrastructures, system integrations, and application services, for ¥1.2b (\$12.5m). Based on the implied enterprise value of ¥24.5b (\$250m), the transaction is valued at 3.3x LTM revenue and 13.4x LTM EBITDA.

#### **Magyar Telekom Telecommunications Public Limited Company To Acquire International System House**

On May 29th, Magyar Telekom Telecommunications Public Limited Company (BUSE:MTELEKOM), a Hungary-based provider of telecommunication services in Hungary and internationally, announced the acquisition of International System House, a Hungary-based provider of hospital information technology solutions, information systems, and services, for HUF 2.9b (\$14.5m). Based on this enterprise value, the transaction was valued at 1.0x LTM revenue and 2.9x LTM EBITDA.

#### **T-Systems Enterprise Services Acquires Metrolico**

On May 28th, T-Systems Enterprise Services, a Spain-based provider of information and communication technology services, closed the acquisition of Metrolico, a Spanish provider of information technology infrastructure management, maintenance, and technical support services for an undisclosed amount. The acquisition gives T-Systems Enterprises Services an edge in the Iberian market.

#### **Cogent Communications Group Acquires Continental VisiNet Broadband, Inc., Data Center and IP Networking Assets**

On May 28th, Cogent Communications Group, a provider of high-speed Internet access and Internet Protocol, or communications services to small and medium-sized businesses, communications service providers, and other bandwidth-intensive organizations, closed the acquisition of the Data Center and IP Networking Assets of Continental VisiNet Broadband for an undisclosed sum.

### **SecureWorks To Acquire Managed Security Services of VeriSign**

On May 26th, SecureWorks, a provider of information security services, announced the acquisition of VeriSign's Managed Security Services, which engages in monitoring and management of security infrastructures and network security systems, for an undisclosed amount. With this acquisition, SecureWorks strengthens its leadership position as a global, pure-play security services provider.

### **Close Brothers Growth Capital and Scottish Enterprise Acquire 77.5% of The Amor Group**

On May 13th, UK-based Close Brothers Growth Capital, a private equity investment arm of Close Brothers Group, and UK-based Scottish Enterprise, a provider of business consulting services, closed the acquisition of a 77.5% stake in The Amor Group, formerly known as the Sword Pragma and Sword Real Time Business of Sword Group, a UK-based information technology consulting company, for £27.8m (\$42.2m). The acquirers of this transaction see rapid expansion opportunities for The Amor Group.

### **Scottish Enterprise Investment Arm, Clydesdale Bank, and Close Brothers Growth Capital Acquires Sword Business Technology Solutions**

On May 12th, A consortium of UK-based investors including Scottish Enterprise Investment Arm, Clydesdale Bank, and Close Brothers Growth Capital, closed the acquisition of UK-based Sword Business Technology Solutions (formerly known as Real Time Engineering), a provider of business consultancy and information technology solutions in the United Kingdom, for €27.8m (\$42.4m). Based on the enterprise value of €35.9m (\$54.7m), the transaction was valued at 1.1x LTM revenue.

### **PwC Advisory Acquires BearingPoint (Japan)**

On May 11th, Japan-based PwC Advisory, subsidiary of PricewaterhouseCoopers International, an international association of accounting and consultancy firms, closed the acquisition of BearingPoint's Japan unit, which provides management and technology consulting services to commercial and public sector organizations, for \$45.0m in cash. The acquisition of BearingPoint's consulting practice

in Japan brought some 1,200 professional staff into PwC Japan and has positions that firm as the leading provider of advisory services in Japan.

### **Fujitsu Australia Acquires Supply Chain Consulting**

On April 27th, Fujitsu Australia, a provider of information technology and communications solutions in Australia and New Zealand, closed the acquisition of Australia-based Supply Chain Consulting, a provider of enterprise software solutions and services in the Asia Pacific, for AUD 48m (\$34.3m). Based on this enterprise value, the transaction was valued at 1.0x LTM revenue. The acquisition of Supply Chain Consulting extends Fujitsu Australia's investments in the SAP segment to offer customers unprecedented choice from a single provider of services and capabilities.

### **Longtop Financial Technologies To Acquire Sysnet Info-tech**

On April 27th, Longtop Financial Technologies (NYSE:LFT), a Hong Kong-based firm that designs, develops, and delivers software solutions and information technology services to the financial services industry in the People's Republic of China, announced the acquisition of Sysnet Info-tech, an information technology service provider based in the Beijing Province, for CNY 180m (\$26.4m) mostly in cash. Based on this enterprise value, the transaction was valued at 2.9x LTM revenue. The acquisition significantly enlarges the scale of Longtop Financial Technologies' insurance operations, as well as provides integral cross-selling opportunities.

### **Atos Origin Acquires Shanghai Covics Business Solution**

On April 24th, France-based Atos Origin (ENXTPA:ATO), a provider of information technology services, closed the acquisition of China-based Shanghai Covics Business Solution, a firm that develops and provides enterprise mobile business solutions and SAP system consultancy services in China, for an undisclosed amount. The acquisition is a strategic move for Atos Origin to sharpen its competitiveness of delivering SAP implementations complying with the SAP quality standards in China.

### **Venturbay Consultants To Acquire 20.4% of Satyam Computer Services**

On April 22nd, Venturbay Consultants, an India-based provider of programming and software solutions, information technology, networking, and consultancy services, announced the acquisition of an additional 20.4% stake of India-based Satyam Computer Services (BSE:500376), a provider of information technology services and business process outsourcing services, for INR 10.5b (\$230m). Based on this enterprise value, the transaction was valued at 0.1x LTM revenue and 0.4x LTM EBIDA.

### **Hitachi Consulting UK Acquires Edenbrook**

On April 6th, UK-based Hitachi Consulting UK, a business and information technology consulting company, closed the acquisition of UK-based Edenbrook, an information technology consultancy company that helps organizations to evaluate, select, and manage advanced technology solutions, for an undisclosed amount. The acquisition demonstrates Hitachi Consulting's ongoing commitment to serving clients across Europe with strategic services.

### **An Unknown Buyer To Acquire The Enterprise Convergence Group, Wireless & Telecom & 4S Divisions of Allied Digital Services Acquires En Pointe Technologies India**

On April 1st, Allied Digital Services (BSE:532875), an information technology infrastructure management and technical support services outsourcing company in India, closed the acquisition of En Pointe Technologies India, a provider of SAP consulting and support services, for an undisclosed amount. The acquisition of En Pointe Technologies would enhance Allied Digital Service's remote infrastructure management and application support services portfolio.

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**PUBLIC COMPANY SOFTWARE & BUSINESS SERVICES UNIVERSE**


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**APPLICATION SOFTWARE UNIVERSE**
**Customer Relationship Mgmt. (CRM)**

<u>Company</u>	<u>Ticker</u>
Art Technology Group	ARTG
Chordiant Software	CHRD
Kana Software	KANA.PK
RightNow Technologies	RNOW
salesforce.com	CRM
Digital River	DRIV
Live Person	LPSN
Interactive Intelligence	ININ

**Accounting / ERP**

<u>Company</u>	<u>Ticker</u>
Intuit	INTU
Lawson Software	LWSN
Oracle	ORCL
SAP	SAP
Sage	SGE
Epicor	EPIC
QAD	QADI
American Software	AMSW.A

**Retail**

<u>Company</u>	<u>Ticker</u>
Radiant Systems	RADS
Retalix*	RTLX

**Human Capital Management**

Ultimate Software	ULTI
Concur	CNQR
Kenexa	KNXA
Taleo	TLEO
SumTotal**	SUMT
Callidus	CALD

**Supply Chain Automation**

<u>Company</u>	<u>Ticker</u>
<b><u>Planning</u></b>	
Aspen Technology	AZPN
i2 Technologies	ITWO
Logility	LGTY
JDA Software	JDAS

**Logistics & Execution**

Descartes Systems Group	DSGX
Manhattan Associates	MANH

**Product Lifecycle Mgmt.**

Parametric Technology	PMTC
Dassault	DSY

**Procurement**

<u>Company</u>	<u>Ticker</u>
Ariba	ARBA
Clarus	CLRS.PK
ClickSoftware Technologies	CKSW
Selectica	SLTC

**Knowledge / Content Mgmt.**

<u>Company</u>	<u>Ticker</u>
Adobe Systems	ADBE
BroadVision	BVSN
OpenText***	OTEX
Vignette	VIGN
Convera	CNVR

\*On February 14th, Retalix received a non-binding offer for 100% of its outstanding share; the transaction has yet to close as of end of 2Q 2009

\*\*On April 3rd, Vista Equity Partners made an offer to acquire the remaining 87.28% stake in SumTotal Systems Inc.

\*\*\*On May 1st, Open Text Corp. entered into a letter of intent to acquire 100% of Vignette Corporation

**EMS / INFRASTRUCTURE SOFTWARE UNIVERSE**
**Application / Systems (Production) Mgmt.**

Company	Ticker
BMC Software	BMC
CA, Inc.	CA
Quest Software	QSFT
Netscout Systems	NICT

**Development/Deployment (Pre-Production)**

Company	Ticker
Borland Software*	BORL
Compuware	CPWR
Keynote Systems	KEYN

**Business Intelligence**

Company	Ticker
<b>Data Integration</b>	
Actuate	ACTU
Informatica	INFA

**Financial BI**

MicroStrategy	MSTR
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**Analytics**

Fair Isaac	FIC
Stamford Industrial Group	NETP.PK
Verint Systems	VRNT
SPSS	SPSS
Pegasystems	PEGA

**Communications / Speech**

Company	Ticker
TeleCommunication Systems	TSYS

**Security Software**

Company	Ticker
<b>Access/ Public Key Infrastructure/ Encryption</b>	
Certicom	TSX:CIC
Diversinet	DVNTF.OB
Entrust	ENTU
VeriSign	VRSN
ActivIdentity Corporation	ACTI
VASCO	VDSI
Blue Coat Systems	BCSI
Zix	ZIXI

**Firewall/ VPN**

Check Point Software Technologies	CHKP
SonicWALL	SNWL
Websense	WBSN

**Anti-Virus**

McAfee	MFE
Symantec	SYMC
Trend Micro	TMIC

**Integration / Middleware**

Company	Ticker
Citrix Systems	CTXS
Jacada	JCDA
Progress Software	PRGS
Sybase	SY
TIBCO Software	TIBX
Source Forge	LNUX

**Platform / OS**

Company	Ticker
Hewlett-Packard	HPQ
IBM	IBM
Microsoft	MSFT
Sun Microsystems	JAVA
Red Hat	RHT
Novell	NOVL

\*On May 5th, Micro Focus International plc entered into a definitive agreement to acquire 100% of Borland Software Corporation

**BUSINESS SERVICES UNIVERSE**
**IT Integration & Consulting**

<b>Company</b>	<b>Ticker</b>
Accenture	ACN
The Hackett Group (fka. Answerthink)	HCKT
BearingPoint*	BE
CIBER	CBR
Diamond Management	DTPI
iGate	IGTE
Management Network Group, The	TMNG
Perficient	PRFT
Sapient	SAPE
Technology Solutions	TSCC
Tier Technologies	TIER
Ness Technologies	NSIC

**Education & Training**

<b>Company</b>	<b>Ticker</b>
Learning Tree International	LTRE
New Horizons Worldwide	NEWH.PK
VCampus	VCMP
SkillSoft	SKIL

**IT Staff Augmentation**

<b>Company</b>	<b>Ticker</b>
Analysts International	ANLY
MPS Group	MPS
TeamStaff	TSTF

**Government IT Services**

<b>Company</b>	<b>Ticker</b>
CACI International	CAI
ManTech International	MANT
MAXIMUS	MMS
SRA International	SRX

**European IT Services**

<b>Company</b>	<b>Ticker</b>
Atos Origin	ATO
Dimension Data Holdings	DMDHF.PK
LogicaCMG	LGIAF.PK
Cap Gemini SA	CAP

**Indian / Offshore IT Services**

<b>Company</b>	<b>Ticker</b>
Cognizant Technology Solutions	CTSH
Wipro	BSE:507685
HCL Technologies Ltd.	BSE:532281
Infosys Technologies Ltd.	BSE:500209
Tata Consultancy Services Limited	BSE:532540
Syntel	SYNT
Patni Computer Systems Ltd.	BSE:532517

**Call Center**

<b>Company</b>	<b>Ticker</b>
APAC Customer Services	APAC
ICT Group	ICTG
Sykes Enterprises	SYKE
TeleTech Holdings	TTEC

**Business Process Outsourcing (BPO)**

<b>Company</b>	<b>Ticker</b>
<b>HR / Administration Services</b>	
Automatic Data Processing	ADP
DST Systems	DST
FirstService	FSRV
Iron Mountain	IRM
Paychex	PAYX
Watson Wyatt Worldwide	WW

**Customer Care / Billing Services**

Convergys	CVG
CSG Systems International	CSGS

**Financial Services BPO & IT Solutions**

See Next Page

\*On February 18th, BearingPoint Inc. filed a voluntary petition for reorganization under Chapter 11 in the US Bankruptcy Court

**FINANCIAL SERVICES IT SOLUTIONS UNIVERSE**
**IT Outsourcing**

<u>Company</u>	<u>Ticker</u>
<b>Platform IT Outsourcing</b>	
CSC	CSC
Unisys	UIS
CGI Group	GIB.A
Perot Systems	PER

**Managed Hosting / Services**

NaviSite	NAVI
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**Bank Processing**

<u>Company</u>	<u>Ticker</u>
<b>Outsourced Solutions</b>	
Equifax	EFX
Fiserv	FISV

**In-House Solutions**

Jack Henry	JKHY
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**Internet Solutions**

Bottomline Technologies	EPAY
S1	SONE

**Bank Processing (Continued)**

<u>Company</u>	<u>Ticker</u>
<b>Bill e-Presentation &amp; e-Payment</b>	
CyberSource	CYBS
Online Resources	ORCC
Heartland Payment Systems	HPY

**Credit / Debit Card Processing**

<u>Company</u>	<u>Ticker</u>
Fundtech Ltd.	FNDD
Global Payments	GPN
Total System Services	TSS
Transaction Systems Architects	TSAI
Brasileira De Meios De Pagamento	VNET3

**Insurance Solutions**

<u>Company</u>	<u>Ticker</u>
CorVel	CRVL
Ebix	EBIX
InsWeb	INSW
Insure.com	NSUR

**Investment Solutions**

<u>Company</u>	<u>Ticker</u>
Advent Software	ADVS
BGC Partners	BGPC
NYFIX	NYFX.PK
Thomson Corp.	TOC.TO

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## Pharus Advisors, LLC Overview

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### **Introduction**

Pharus Advisors, LLC ("Pharus") is a boutique investment bank providing focused merger & acquisition, financing, and restructuring advisory services in a variety of industries. Our industry practice areas are:

- Enterprise and Systems Management Software
- Business Process Outsourcing and IT Services
- Media / Broadcasting Technology and Services
- Financial Technology
- Consumer Products
- Selected Traditional Industries

Pharus' principals established the firm with a commitment to provide clients a high level of attention, independent and objective advice, and creative solutions in challenging environments. With significant expertise our team can help investors, Boards of Directors, and executives evaluate challenging situations and develop defined strategies to maximize value on an expedited basis.

### **Broad and Deep Knowledge of Sectors**

Pharus prides itself in maintaining a deep understanding of sectors in which we serve clients. We feel greater level of strategic understanding allows for added creativity.

### **Highly Customized Approach for Each Client**

Pharus takes additional steps to develop an in-depth understanding of our clients' businesses and marketplaces, and designing and deploying a tailored transaction approach that best meets the needs and sensitivities of each client.

### **Strong Network of Key Relationships**

Clients benefit from the firms' key executive level contacts at relevant companies, private equity, venture capital firms, and debt capital providers.

### **Highly Experienced and Senior Transaction Team**

The Pharus team brings depth and complementary experience of senior professionals to each engagement including: mergers and acquisitions, private and public financings, business development, restructurings, operational turn-arounds, equity research, operations, management consulting and private equity transactions.

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**Selected 2008 Transactions**


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**SEMICONDUCTOR**
**BUY-SIDE M&A**


- Pharus Advisors advised Telefunken Semiconductors, an affiliate of Tejas Silicon Holdings (UK) Limited, on its Dec 31, 2008 acquisition of the Atmel Germany GmbH & Co. KG from Atmel Corp. (NASDAQ:ATML).
- Tejas Silicon was founded in 2007 by a seasoned team of semiconductor industry executives with the goal to acquire and operate semiconductor fabrication units, develop value-added foundry business and commercialize its portfolio of analog mixed signal products and manufacturing processes.
- Atmel designs, develops, manufactures and sells a range of integrated circuits (IC) products, including microcontrollers, advanced logic, mixed-signal, nonvolatile memory and radio frequency (RF) components. Atmel's products are used primarily in the communications, computing, consumer electronics, storage, security, industrial, automotive, military and aerospace.

**AUDIO TECHNOLOGY**
**SELL-SIDE M&A**

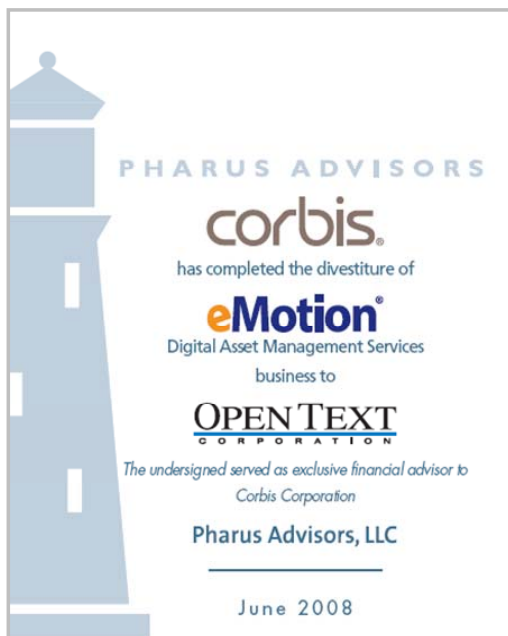

- Pharus Advisors advised Neural Audio Corporation ("Neural") in the sale of its business to DTS Inc. (Nasdaq:DTSI).
- Neural is a provider of audio technology that licenses branded intellectual property solutions for the creation, distribution and playback of music, movies, broadcast programs and video games. Neural is at the forefront of delivering audio technologies that are deployed throughout the entertainment content creation, distribution and playback process to enhance the consumer experience.
- DTS, Inc. (NASDAQ:DTSI) is a digital technology company dedicated to delivering the ultimate entertainment experience. DTS decoders are in virtually every major brand of 5.1-channel surround processor, and there are hundreds of millions of DTS-licensed consumer electronics products available worldwide.

**MOBILE ASSET MANAGEMENT /  
WORKFORCE SOFTWARE  
SELL-SIDE M&A**



- Pharus Advisors advised SAT Corporation (“SAT”) in the sale of its business to Wonderware Corporation, a 100% subsidiary of the U.K. based Invensys plc (LSE:ISYS) for \$52 million in August 2008.
- SAT is a Houston, Texas based provider of mobile workforce management and asset management solutions. The Company’s solution helps asset intensive manufacturing businesses to maintain assets and prevent plant breakdowns. SAT is the pioneer and leader in providing preventive maintenance solutions using state of the art mobile technology.
- Wonderware Corporation offers industrial automation and information software solutions. Wonderware Corporation is a subsidiary of Invensys plc, which with its subsidiaries, operates as an industrial automation, transportation and controls company.

**DIGITAL ASSET MANAGEMENT  
SELL-SIDE M&A**



- Pharus Advisors advised Corbis Corporation in the divestiture of their digital asset management business, eMotion LLC, to Open Text Corporation.
- eMotion is the a pioneer and leader in on-demand multimedia asset management offering state-of-the-art and user-friendly solutions using Software as a Service (SaaS) business model.
- The acquisition gives Open Text’s Artesia Digital Media subsidiary a broader portfolio of offerings for marketing departments and advertising agencies, adding capabilities that complement its industry-leading enterprise marketing asset management solution, Artesia DAM.

**FINANCIAL TECHNOLOGY**  
*BUY-SIDE M&A*



- Pharus Advisors advised HCL Technologies Ltd. on its successful acquisition of Capital Stream, Inc.
- HCL Technologies is one of India's leading global IT Services companies, providing software-led IT solutions, remote infrastructure management services and BPO.
- Capital Stream is a leading provider of front-office automation solutions that enable financial institutions (FIs) to streamline inefficient paper-based commercial finance operations.

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