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The Lighthouse

Third Quarter 2008

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

Inside this Issue

- 3 Executive Summary
- 5 Capital Markets Trends
- 6 Notable Transactions
- 12 Public Market Valuations
- 23 Industry News:
 - Software
 - BPO
 - IT Services
- 37 Public Company Universe
- 41 Pharus Advisors Overview

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Key Highlights:

- *Industrial / Mobile Technology:* **Wonderware** acquires **SAT** for \$52.0 million. *Pharus Advisors advised SAT Corporation on this transaction.*
- *Major Supply Chain software sector transaction:* **JDA Software Group** acquires **i2 Technologies** for \$346.0 million (1.3x LTM revenue and 7.6x LTM EBITDA).
- *IBM supplements its BPM offer:* **IBM** acquires **ILOG** for €215.2 million (1.1x LTM revenue and 40.0x LTM EBITDA).
- *Open Text continues to be acquisitive:* **Open Text** acquires **Captaris** for \$131.0 million (1.0x LTM revenue) and the file format viewer solutions division of **Spicer Corporation** for approximately \$12.2 million. **Open Text** acquired **eMotion** from **Corbis** in Q2 2008. *Pharus Advisors advised Corbis on this transaction.*
- *HCL gets acquisitive:* **HCL Technologies** to acquire **Axon Group** for £441.2 million (1.7x LTM revenue and 10.7x LTM EBITDA) and **Control Point Solutions** for \$20.8 million.
- *NTT gets acquisitive:* **NTT Data** acquires 50% stake in **JRI Solutions** and 72.9% stake in **Cirquent**.
- *Other Major BPO Transactions:* **Aegis BPO** to acquire **PeopleSupport** for approximately \$250 million (1.1x LTM revenue and 11.9x LTM EBITDA); **Global Payments** acquires **ZAO United Card Service** for \$120.0 million (3.5x LTM revenue); **WNS (Holdings) Ltd** acquires **Aviva Global Services Pvt Ltd** for \$228 million); **Bedford Funding** acquires **Authoria**; **Ayala, Providence Equity** to acquire **eTelecare Global** for \$290 million (0.8x LTM revenue and 7.7x LTM EBITDA); **Stone Point Capital** acquires 51% in **Fiserv Insurance Solutions** for \$205 million in equity and \$335 million in debt; **Rolta** acquires **WhittmanHart**.
- *Other Major IT Services transactions:* **Groupe Open** acquires **Sylis SA** for €41.2 million (0.3x LTM revenue and 7.6x LTM EBITDA); **Serco** acquires **SI International** for \$523.2 million (1.2x LTM revenue and 13.1x LTM EBITDA); **Ness Technologies** acquires **Logos** for \$67.1 million (1.4x LTM revenue); **Sunguard** acquires **Delphi Technologies**.

Public Valuation Multiples Sector	EV / Revenue		Price / EPS		LTM
	2008	2009	2008	2009	EBITDA
Application Software	1.5x	1.3x	17.8x	15.0x	11.1x
EMS / Infrastructure Software	1.7x	1.5x	15.3x	13.6x	10.5x
IT Services	0.8x	0.7x	13.1x	13.3x	7.4x
BPO	2.2x	1.7x	14.6x	14.1x	8.1x
Financial Technology	1.8x	1.6x	16.1x	15.2x	12.7x

TABLE OF CONTENTS

I.	Executive Summary	3
II.	Capital Markets Trends	5
III.	Notable Transactions	6
IV.	Public Market Valuations	12
V.	Industry News Recap	23
	- Sector Definitions	
	- Software	
	- Business Process Outsourcing	
	- IT Services	
VI.	Public Company Software & Business Services Universe	39
VII.	Pharus Advisors Overview	43
VIII.	Disclaimer	45

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Executive Summary

General Economic Environment

GDP Growth: Economy outlook is gloomy and activity has contracted over this latest quarter. The U.S. has entered a recession as the GDP fell to an annual rate of 0.3%.

Major Indices: The Dow Jones Industrial Average lost 8.6% in 3Q2008, the S&P 500 decreased by 13.6% for 3Q2008, and the Nasdaq decreased by 13.5% for 3Q2008. All major indices are well into negative territory for the year.

Job Growth: The U.S. job market continued to weaken, as payroll contracted for the sixth straight month. The unemployment rate has increased to reach 6.1% in September. Job losses for September amounted to 159,000. Overall 760,000 jobs have disappeared so far this year. The month of August saw the highest monthly job loss in 5 years. Most industries shed jobs this quarter, with significant losses both in manufacturing and financial services. Weekly paychecks for most workers over the past year are up only 2.8%, well below the growth of inflation.

Interest Rates: The Federal Reserve has cut interest rate four times this year in order to prevent the U.S. economy from heading into a recession. In March, the FED cut rates by 75 basis points to 2.25% and cut it again in April by 25 basis points to 2.00%. This rate was left unchanged in the FED's last meeting in June.

Energy Prices: As a consequence of fears of worldwide recession, oil prices have dropped dramatically. Price of a barrel finished the quarter under \$100 as a shock on the demand side.

M&A Environment

Tech mergers and acquisitions took a dive in the third quarter, with spending falling by a third compared with the same period last year. There were a total of 691 transactions with a total value of \$37 billion in the third quarter, down from 822 deals and a value of \$58 billion a year ago. That marked the second consecutive year that third-quarter M&A activity declined.

Overall M&A Market: According to Thomson Financials, the volume of worldwide mergers and acquisitions totaled \$2.5 trillion in announced deals during the first nine months of 2008, a decrease of 25% over the record-breaking first nine months of 2007. However, worldwide-announced M&A for the third quarter of 2008 totaled to \$906.6 billion, a 1% decrease from the second quarter of 2008. Cross border deal activity totaled \$1trillion during the first nine months of 2008 comprising 41% of worldwide volume. Compared to the first nine months of 2007, cross border merger activity was down 28% during 2008, with targets in the United States, United Kingdom and Canada accounting for nearly 50% of overall activity. Demonstrating the appetite of acquirers to pursue strategic mergers, unsolicited and hostile transactions in the U.S. more than doubled during the first nine months of 2008, totaling \$202 billion compared to \$88 billion during the same period last year.

Venture-Backed M&As: In the third quarter of 2008, 58 venture-backed M&A deals were reported, 24 of which had an aggregate deal value of \$3.5 billion. The average disclosed deal value for the quarter was \$146.4 million. The Information Technology sector dominated the venture-backed M&A landscape, with 38 deals and a disclosed total dollar value of \$1.7 billion. Within this sector, Computer Software and Services companies accounted for the bulk of the target companies, with 19 transactions across this sector subset. Within Information Technology sector, Non-High Technology saw the next highest level of activity with 14 deals and a combined disclosed value of \$1.3 billion.

Venture-Backed IPOs: According to National Venture Capital, there was just one venture-backed IPOs in the third quarter of 2008.

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.

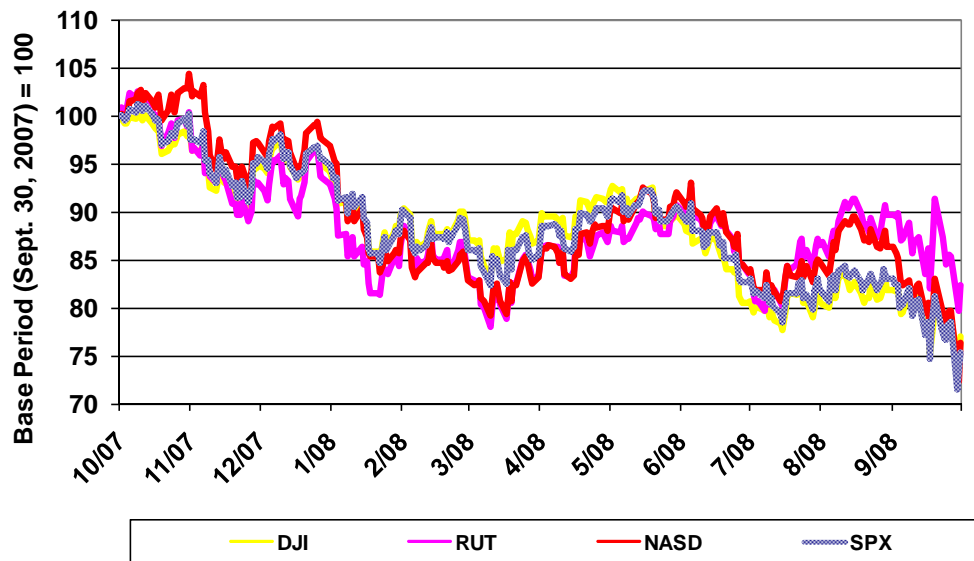
Sincerely,

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 3Q07 - 3Q08



	Close Sep-30-08	Change (%)		
		1 Year	1 Quarter	1 Month
NASDAQ	1,984	(27.6%)	(13.5%)	(16.2%)
Dow Jones	10,365	(26.4%)	(8.7%)	(10.2%)
S&P 500	1,106	(28.5%)	(13.6%)	(13.8%)
Russell 2000	658	(20.3%)	(4.6%)	(11.1%)

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>
Enterprise Application Software				
3Q08				
Sep-08	Captaris	Open Text	\$107.3	1.0x
Aug-08	i2 Technologies	JDA Software Group	346.0	1.3x
Jul-08	Datasul	Totvs	73.3	0.4x
Jul-08	IBS	Deccan Value	154.5	0.4x
2Q08				
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	2.9x
May-08	Kintera	Blackbaud	42.8	1.0x
May-08	Mediasurface	Alterian	35.0	1.5x
Apr-08	CCC Information Services	Mitchell International	1,400.0	7.0x
1Q08				
Feb-08	Eatec	Agilysys	\$23.2	2.9x
Jan-08	Wombat Financial Software	NYSE Euronext	200.0	7.1x
4Q07				
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
3Q07				
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
2Q07				
Jun-07	ClearOrbit	Take Solutions	\$20.6	1.3x
Jun-07	InfoGenesis	Agilysys	90.0	2.1x
May-07	Aldata Solution	Symphony	160.3	1.4x
May-07	Snowdrop Systems	Sage Group	33.9	2.3x
Apr-07	Spotfire	Tibco Software	195.0	4.9x
Apr-07	Cartesis	Business Objects	305.9	2.2x
Apr-07	Mobius Management Systems	Allen Systems	147.7	1.7x
Apr-07	Pro-Concept	Sage Group	14.8	0.8x

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>
Enterprise Application Software (cont.)				
1Q07				
Mar-07	Dendrite International	Cegedim	\$647.1	1.5x
Mar-07	Kronos	Hellman & Friedman Capital	1,800.0	3.0x
Mar-07	Corvu Corp	Rocket Software	21.7	1.4x
Mar-07	Computer Software Group	Hg Capital	193.0	3.4x
Mar-07	Innovative IT Holding BV	Kewill Systems	36.0	2.7x
Feb-07	Seagull Holding NV	Rocket Software	53.3	1.7x
Feb-07	Hyperion Solutions	Oracle	2,797.0	3.4x
Feb-07	Witness Systems	Verint Systems	775.8	3.8x
Jan-07	UGS	Siemens	3,196.0	2.7x
4Q06				
Dec-06	Gowi Group	Bond International	\$17.5	1.9x
Dec-06	Knova Software	Made2Manage Systems	37.2	1.4x
Dec-06	@Road	Trimble Navigation	417.0	5.1x
Dec-06	DocuCorp International	Skywire Software	113.5	1.3x
Nov-06	Digital Insight	Intuit	1,281.0	5.4x
Nov-06	Netsmart Technologies	Bessemer, InSight (VCs)	109.1	1.9x
Nov-06	Stellent	Oracle	367.0	2.8x
Oct-06	MetaSolv	Oracle	149.2	1.6x
Oct-06	Indus International	MDSI Mobile Data Solutions	213.5	1.7x
Oct-06	Rhyme Systems Ltd.	3i Infotech	35.0	1.2x
Oct-06	Cognition Solutions	Maxima Holdings	13.9	1.6x
Enterprise Software Median				1.8x

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>
Infrastructure & Enterprise Management Software				
3Q08				
Jul-08	Utimaco Safeware	Sophos	\$289.2	3.1x
Jul-08	ILOG	IBM	231.2	1.1x
2Q08				
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
1Q08				
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
4Q07				
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
3Q07				
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
2Q07				
Jun-07	BluePhoenix	International Investors	\$165.0	2.3x
Jun-07	Telelogic	IBM	733.2	3.2x
Jun-07	ScriptLogic	Quest Software	90.0	4.5x
Apr-07	SurfControl	Websense	359.8	3.0x
Apr-07	Emabarcadero	Thoma Cressey Bravo	113.9	1.9x
Apr-07	webMethods	Software AG	413.9	2.1x
Apr-07	Quovadx	Battery Ventures	82.6	1.0x
1Q07				
Mar-07	SafeNet	Vector Capital	\$555.8	1.9x
Jan-07	Altiris	Symantec	813.2	3.8x
Jan-07	Mincom	Francisco Partners	228.8	1.1x
4Q06				
Dec-06	Evault	Seagate Technology	\$185.0	7.7x
Oct-06	Acuma Solutions	Saksoft	17.0	0.9x
Infrastructure/Enterprise Mgmt. Software Median				2.2x
Overall Software Median				2.1x

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>
BPO, Outsourcing & Other Services				
3Q08				
Sep-08	ZAO United Card Service	Global Payments	\$120.0	3.5x
Sep-08	eTelecare	Ayala	241.6	0.8x
Aug-08	PeopleSupport	Aegis BPO	159.5	1.1x
Jul-08	En Pointe Global Services	Allied Digital	26.2	0.7x
2Q08				
Jun-08	HireRight	Usis Commercial Services	\$157.2	2.2x
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	80.0	0.7x
Apr-08	Accuro Healthcare	MedAssets	353.0	5.2x
1Q08				
Feb-08	Choicepoint	Reed Elsevier Group	\$4,200.0	4.3x
Jan-08	Stream Holdings	Global BPO	225.8	0.5x
4Q07				
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
3Q07				
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
2Q07				
Jun-07	eFunds	Fidelity National Information Services	\$1,775.0	3.2x
May-07	Metrofile Holdings	Iron Mountain	138.2	3.5x
May-07	ARINSO	Northgate Information Solutions	484.3	1.6x
May-07	Ceridian	Fidelity National Fin./Thomas H. Lee Partners	5,032.9	3.2x
May-07	Alliance Data Systems	Blackstone Group	7,933.8	3.8x
May-07	Axiom	Silver Lake Partners/Value Act Capital	2,852.2	2.0x
May-07	Reuters Group	Thomson	18,304.3	3.6x
May-07	Bisys Group	Citigroup	1,493.6	1.7x
Apr-07	Technology Partners	Information Services Group	280.0	1.9x
Apr-07	First Data	Kohlberg Kravis Roberts & Co.	27,700.0	3.8x
1Q07				
Mar-07	Document Control Services	Mavinwood	\$16.3	2.5x
Mar-07	Affiliated Computer Services	Cerberus Capital Management	8,109.0	1.5x
Mar-07	ValleyUS	Quintegra Solutions	9.5	0.8x
Feb-07	RelQ	Electronic Data Systems	40.0	1.8x
Feb-07	Lason Inc	HOV Services Limited	148.0	0.9x
Feb-07	TALX	Equifax	1,410.3	5.8x
Jan-07	Midrange Computer Solutions	Datalink	5.0	0.1x
4Q06				
Nov-06	Personec Group	Nordic Capital	\$55.3	0.3x
Nov-06	Per-Se Technologies	McKesson	1,643.7	3.0x
Nov-06	Blue Group International	Healthcare Locums	27.4	0.4x
Oct-07	Impsat	Global Crossing Limited	316.5	1.1x
Oct-06	Mphasis	EDS India	705.0	3.3x
Oct-06	Open Solutions	Carlyle, Providence	1,283.4	3.8x
BPO, Outsourcing & Other Services				1.7x

Source: Company Press Releases, Pharus Advisors

*Notable transactions where TEV and revenue are available

Notable Business Services Transactions* (continued)

Date Announced	Target Name	Acquirer Name	Enterprise Value (MM)	EV / Revenue
IT Services				
3Q08				
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	0.3x
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
2Q08				
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
1Q08				
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
4Q07				
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
3Q07				
Sep-07	Red Squared	XploTe	\$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
2Q07				
Jun-07	IXEurope	Equinix	\$478.2	6.4x
Jun-07	Tier1 Innovations	Perficient	14.3	1.3x
Jun-07	Miratech	EDB Business Partner	9.8	2.0x
Jun-07	Web.com	Website Pros	102.7	2.1x
Jun-07	Dunn Solutions	Cranes Software International	14.8	1.6x
May-07	Logtec	SI International	59.0	1.1x
May-07	Computer Systems Advisors	Computer Sciences	111.0	0.9x
May-07	3net	Maxima	35.9	2.9x
May-07	Calyx	Stornoway	201.3	1.7x
May-07	GFI Informatique	Fujitsu	657.9	0.8x
May-07	Inforte	Business & Decision	19.4	0.5x
May-07	Data Return	Terremark	84.7	1.5x
Apr-07	Convansys	Computer Sciences	1,114.1	2.4x
Apr-07	Anix Group	XploTe	20.7	0.3x
Apr-07	Sonnet	CommodiTel	23.5	0.9x

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>
IT Services (cont.)				
1Q07				
Mar-07	Atlantic Systems Engineering	Xedar	\$12.9	2.6x
Mar-07	ITS	Qinetiq	90.0	1.2x
Feb-07	The DBA Group	Zanett	3.5	1.8x
Feb-07	E-Tech Solutions	Perficient	12.2	1.2x
Feb-07	ThoughtDigital	Zensar	24.9	0.9x
Feb-07	Keane	Caritor	839.4	0.9x
Jan-07	Trinity Information Mgt. Services	Pardigm Holdings	7.5	1.9x
Jan-07	Analex	QinetiQ Group	193.1	1.2x
Jan-07	Digica	CompuCenter	54.4	1.4x
4Q06				
Dec-06	Mentec International	Calyx Group	\$21.2	0.8x
Dec-06	TDS Informationstechnologie	Fujitsu Services Holdings	139.1	1.2x
Nov-06	Kanbay International	Cap Gemini SA	1,352.0	3.8x
Nov-06	Intertech Ireland	Maxima Holdings	7.8	7.8x
Nov-06	TCS Management	Tata Consultancy Services	11.5	2.7x
Oct-06	Bradson	Kforce Government Solutions	73.0	2.7x
		IT Services Median		1.2x
		Overall Services Median		1.4x

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 EBITDA	Price / EPS	
			Equity	Enterprise	2008	2009		2008	2009
Enterprise Software Group									
Application Software Groups' Median Multiples									
Customer Relationship Management (CRM)	8	(52.3%)	\$292	\$221	1.9x	1.5x	23.7x	24.9x	20.1x
Accounting/ERP	9	(23.6%)	1,297	1,133	1.4x	1.3x	11.2x	18.1x	15.0x
Retail	2	(47.3%)	264	280	1.0x	0.9x	20.0x	14.4x	12.2x
Supply Chain Automation	8	(30.0%)	509	474	1.6x	1.5x	9.8x	14.3x	12.9x
Procurement	4	(43.9%)	74	19	2.1x	1.8x	22.6x	24.7x	15.8x
Human Capital Management	6	(40.8%)	482	415	2.2x	1.8x	37.2x	32.2x	27.9x
Knowledge / Content Management	6	(38.9%)	451	289	2.1x	1.9x	10.1x	20.1x	16.9x
Overall Application Software Medians	43	(37.5%)	\$454	\$405	1.5x	1.3x	11.1x	17.8x	15.0x
EMS / Infrastructure Software Groups' Median Multiples									
Application / Systems (Production) Mgmt.	5	(25.9%)	\$1,341	\$1,014	2.0x	1.8x	9.5x	13.3x	11.8x
Development / Deployment (Pre-Production)	4	(25.4%)	219	155	1.3x	0.8x	42.8x	25.5x	21.4x
Business Intelligence	8	(37.8%)	550	339	1.4x	1.2x	7.5x	16.1x	13.4x
Communications / Speech	2	(18.6%)	209	190	1.1x	1.1x	12.1x	15.3x	31.0x
Security Software	15	(40.5%)	386	466	2.4x	2.0x	15.2x	17.3x	15.1x
Integration / Middleware	6	(27.6%)	1,205	972	1.7x	1.5x	9.1x	15.7x	13.6x
Platform / OS	6	(33.1%)	59,454	56,422	1.3x	1.2x	8.4x	13.9x	11.6x
Overall Infrastructure Software Medians	46	(33.5%)	\$638	\$570	1.7x	1.5x	10.5x	15.3x	13.6x
Overall Software Medians	89	(35.4%)	\$532	\$466	1.7x	1.5x	10.6x	16.5x	14.4x
Services Group									
Business Services' Median Multiples									
IT Integration & Consulting	12	(39.4%)	\$218	\$304	0.8x	0.7x	7.4x	13.1x	13.3x
Education & Training	4	(46.7%)	111	84	1.7x	NA	5.8x	19.5x	NA
IT Staff Augmentation	3	(34.6%)	28	29	0.4x	0.4x	7.6x	11.5x	11.6x
Government IT Services	4	(16.5%)	1,400	1,622	0.8x	0.7x	8.9x	17.1x	14.8x
European IT Services	4	(33.3%)	2,896	3,889	NA	NA	5.2x	NA	NA
Indian / Offshore IT Services	8	(45.5%)	5,475	4,678	2.1x	1.7x	10.6x	13.7x	12.0x
Call Center	4	(30.8%)	500	410	0.5x	0.5x	6.3x	15.5x	14.2x
Business Process Outsourcing (BPO)	8	(29.0%)	2,536	3,061	2.2x	1.7x	8.1x	14.6x	14.1x
IT Outsourcing	5	(42.2%)	2,079	2,065	0.7x	0.7x	5.6x	13.9x	9.2x
Overall Business Services Medians	52	(36.9%)	\$963	\$901	0.8x	0.8x	7.5x	14.6x	13.0x
Financial Services IT Solutions' Median Multiples									
Bank Processing	8	(27.7%)	\$1,039	\$1,024	2.3x	2.1x	11.6x	16.0x	14.6x
Credit / Debit Card Processing	4	(27.9%)	1,923	1,860	1.6x	1.5x	12.0x	19.1x	16.3x
Insurance Solutions	4	(34.0%)	162	174	NA	NA	12.3x	NA	NA
Investment Solutions	4	(46.1%)	651	570	1.7x	1.6x	20.4x	15.7x	27.4x
Overall Financial Services Medians	20	(32.7%)	\$499	\$478	1.8x	1.6x	12.7x	16.1x	15.2x
Overall Services Medians	72	(35.7%)	\$936	\$883	1.2x	1.0x	8.3x	15.8x	13.7x

Source: CapitalIQ

Application Software Public Company Comparable Valuations

Pharus Advisors

Company	Ticker	Price	High	Low	Market Value		EV / Revenue		EV / LTM	Price / EPS		
					Equity	Enterprise	2008	2009	EBITDA	2008	2009	
Customer Relationship Management (CRM)												
Art Technology Group Inc.	NasdaqGM:ARTG	\$3.52	\$4.84	\$2.78	\$454.3	\$405.4	2.5x	2.1x	63.2x	44.0x	20.5x	
Chordiant Software Inc.	NasdaqGM:CHRD	5.13	16.96	4.20	154.2	89.9	0.8x	0.7x	14.4x	24.9x	19.7x	
Digital River	NasdaqGS:DRIV	32.40	53.52	29.17	1,199.0	915.8	2.2x	2.0x	9.7x	16.3x	13.9x	
LivePerson	NasdaqCM:LPSN	2.91	6.89	2.42	137.4	113.9	1.5x	1.2x	23.7x	242.5x	28.3x	
Interactive Intelligence	NasdaqGM:ININ	9.02	30.16	6.60	162.3	112.6	0.9x	0.8x	11.0x	16.0x	13.2x	
KANA Software Inc.	OTCBB:KANA	1.00	3.64	0.93	41.2	41.9	0.6x	0.5x	25.4x	13.7x	7.9x	
salesforce.com, Inc.	NYSE:CRM	48.40	75.21	44.10	5,856.4	5,289.9	4.9x	3.8x	67.2x	160.8x	75.7x	
Rightnow Technologies Inc.	NasdaqGM:RNOW	12.57	23.38	9.70	422.5	328.3	2.3x	1.9x	NA	NA	62.2x	
					Median	\$292.4	\$221.1	1.9x	1.5x	23.7x	24.9x	20.1x
Accounting/ERP												
Intuit Inc.	NasdaqGS:INTU	\$31.61	\$33.10	\$25.08	\$10,240.5	\$10,417.5	3.1x	2.9x	12.0x	16.8x	15.0x	
Lawson Software Inc.	NasdaqGS:LWSN	7.00	11.39	6.01	1,139.6	902.4	1.0x	1.0x	9.3x	18.1x	14.5x	
Sage	LSE:SGE	3.47	4.52	3.29	4,548.8	5,507.1	NA	NA	9.7x	NA	NA	
Netsuite	NYSE:N	21.54	22.49	21.05	1,296.94	1,133.2	NA	NA	NA	NA	NA	
Epicor	NasdaqGS:EPIC	7.89	14.04	6.08	470.0	725.5	1.4x	1.3x	12.2x	10.5x	8.7x	
QAD	NasdaqGS:QADI	6.92	10.05	6.01	212.3	186.0	0.7x	0.6x	12.4x	27.1x	15.7x	
American Software	NasdaqGS:AMSW.A	5.45	9.50	4.76	138.5	70.5	0.8x	0.7x	5.9x	27.3x	15.4x	
Oracle Corp.	NasdaqGS:ORCL	20.31	23.62	1.00	104,687.0	102,903.0	4.1x	3.7x	10.4x	13.4x	11.8x	
SAP AG	DB:SAP	52.97	58.97	40.01	62,968.6	60,846.3	3.5x	3.2x	13.5x	19.0x	16.3x	
					Median	\$1,296.9	\$1,133.2	1.4x	1.3x	11.2x	18.1x	15.0x
Retail												
Radiant Systems Inc.	NasdaqGS:RADS	8.69	18.33	8.23	281.4	335.7	1.1x	1.0x	8.7x	11.1x	9.3x	
Retalix Ltd.	NasdaqGS:RTLX	12.17	20.99	9.13	247.2	224.5	1.0x	0.9x	31.3x	17.8x	15.1x	
					Median	\$264.3	\$280.1	1.0x	0.9x	20.0x	14.4x	12.2x

Source: CapitalIQ

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	2008	2009	EBITDA	2008	2009	
Supply Chain Automation												
Aspen Technology Inc.	OTCPK:AZPN	12.70	17.96	9.85	1,147.4	1,201.5	3.2x	2.9x	16.1x	14.4x	12.2x	
Descartes Systems Group Inc.	TSX:DSG	3.68	4.57	2.73	195.0	144.5	2.1x	1.9x	9.6x	15.4x	13.4x	
I2 Technologies, Inc.*	NasdaqGM:ITWO	13.49	18.80	10.01	294.2	340.9	1.3x	1.3x	10.0x	24.0x	16.2x	
Logility Inc.	NasdaqGM:LGTY	6.49	15.03	5.49	83.6	39.2	0.8x	0.7x	3.7x	11.8x	9.1x	
Manhattan Associates Inc.	NasdaqGS:MANH	22.34	30.50	20.82	547.8	470.8	1.3x	1.2x	8.2x	14.1x	12.7x	
Dassault	ENXTPA:DSY	52.96	70.37	43.88	6,227.0	5,470.3	2.8x	2.6x	11.2x	17.3x	15.5x	
Parametric Technology Corp.	NasdaqGS:PMTC	18.40	21.54	13.68	2,122.6	1,990.2	1.9x	1.7x	10.3x	14.2x	13.0x	
JDA Software Group Inc.	NasdaqGM:JDAS	\$15.21	\$25.51	\$13.00	\$470.3	\$476.7	1.3x	1.2x	5.7x	10.7x	9.2x	
Median					\$509.0	\$473.8	1.6x	1.5x	9.8x	14.3x	12.9x	
Procurement												
Ariba Inc.	NasdaqGM:ARBA	\$14.13	\$18.58	\$8.26	\$1,215.1	\$1,136.6	3.4x	3.1x	NA	31.1x	20.4x	
Clarus Corp.	OTCPK:CLRS	5.15	7.30	4.77	89.4	3.1	NA	NA	NA	NA	NA	
ClickSoftware Technologies Ltd.	NasdaqCM:CKSW	2.06	7.09	1.80	58.8	34.6	0.7x	0.6x	22.6x	18.2x	11.3x	
Selectica Inc.	NasdaqGM:SLTC	1.01	2.07	1.00	29.0	1.4	NA	NA	NA	NA	NA	
Median					\$74.1	\$18.9	2.1x	1.8x	22.6x	24.7x	15.8x	
Human Capital Management												
Ultimate Software	NasdaqGM:ULTI	27.00	41.68	23.12	666.9	644.7	3.6x	2.9x	54.3x	65.4x	33.2x	
Concur**	NasdaqGS:CNQR	38.26	50.00	25.52	1,889.3	1,897.2	8.9x	7.1x	44.4x	66.3x	50.3x	
Kenexa	NasdaqGS:KNXA	15.79	34.50	14.77	356.1	325.1	1.5x	1.3x	8.0x	10.9x	9.6x	
Taleo	NasdaqGM:TLEO	19.89	34.20	16.55	608.8	504.1	2.8x	2.2x	37.2x	32.2x	22.6x	
SumTotal	NasdaqGM:SUMT	4.09	6.00	3.24	130.3	87.0	0.7x	0.6x	10.6x	11.6x	8.9x	
Callidus	NasdaqGM:CALD	3.96	9.42	3.52	119.0	74.7	0.7x	0.6x	NA	NA	396.0x	
Median					\$482.5	\$414.6	2.2x	1.8x	37.2x	32.2x	27.9x	
Knowledge / Content Management												
Adobe Systems Inc.	NasdaqGS:ADBE	\$39.47	\$48.47	\$30.70	\$20,937.0	\$19,286.1	5.3x	4.8x	14.7x	19.7x	17.7x	
BroadVision Inc.	OTCBB:BVSN	0.73	2.76	0.51	79.9	20.8	NA	NA	2.2x	NA	NA	
Convera	NasdaqGM:CNVR	1.00	3.89	0.90	53.3	25.9	NA	NA	NA	NA	NA	
Interwoven Inc.	NasdaqGM:IWOV	14.12	16.01	10.40	647.3	460.2	1.8x	1.6x	13.7x	20.4x	16.9x	
Open Text Corp.	NasdaqGS:OTEX	34.58	39.09	25.54	1,769.3	1,830.8	2.3x	2.2x	9.9x	14.9x	13.3x	
Vignette Corp.	NasdaqGM:VIGN	10.74	18.96	10.26	255.4	117.7	0.6x	0.6x	10.1x	28.3x	NA	
Median					\$451.3	\$289.0	2.1x	1.9x	10.1x	20.1x	16.9x	

Source: CapitalIQ

* JDA Software announced the acquisition of i2 Technologies on Aug 11th, 2008

**American Express Travel announced the investment of a 13% stake in Concur on July 29th, 2008

EMS / Infrastructure Software Public Company Comparable Valuations

Pharus Advisors

Company	Ticker	Price	High	Low	Market Value		EV / Revenue		EV / LTM	Price / EPS		
					Equity	Enterprise	2008	2009	EBITDA	2008	2009	
Application / Systems (Production) Mgmt.												
BMC Software Inc.	NYSE:BMC	\$28.63	\$40.87	\$27.69	\$5,440.5	\$4,775.1	2.5x	2.3x	8.8x	13.3x	11.8x	
CA, Inc.	NasdaqGS:CA	19.96	28.11	18.31	10,344.3	10,163.3	2.2x	2.1x	7.5x	13.3x	11.9x	
Motive	OTCPK:MOTV	2.17	2.26	1.10	60.2	46.7	NA	NA	NA	NA	NA	
Netscout Systems	NasdaqGS:NTCT	10.64	16.05	7.83	417.0	437.2	1.7x	1.5x	22.1x	16.8x	13.5x	
Quest Software Inc.	NasdaqGS:QSFT	12.69	18.87	12.14	1,341.3	1,013.6	1.4x	1.3x	10.1x	13.0x	11.8x	
					Median	\$1,341.3	\$1,013.6	2.0x	1.8x	9.5x	13.3x	11.8x
Development / Deployment (Pre-Production)												
Borland Software Corp.	NasdaqGM:BORL	\$1.53	\$4.62	\$1.10	\$112.0	\$100.2	0.5x	0.5x	NA	NA	NA	
Compuware Corp.	NasdaqGS:CPWR	9.69	11.91	6.10	2,469.9	2,197.1	1.7x	1.7x	7.8x	14.7x	12.8x	
ILOG SA**	ENXTPA:ILO	13.64	13.86	6.90	252.9	179.1	0.9x	0.8x	44.8x	36.3x	21.4x	
Keynote Systems Inc.	NasdaqGM:KEYN	13.25	15.48	9.00	184.2	130.5	1.7x	NA	42.8x	NA	441.7x	
					Median	\$218.6	\$154.8	1.3x	0.8x	42.8x	25.5x	21.4x
Business Intelligence												
Actuate Corp.	NasdaqGS:ACTU	\$3.50	\$8.99	\$3.35	\$210.5	\$151.1	1.1x	1.0x	8.1x	11.9x	9.5x	
Fair Isaac Corp.	NYSE:FIC	23.05	40.63	18.76	1,116.9	1,541.4	2.0x	2.0x	8.7x	14.7x	13.4x	
Informatica Corp.	NasdaqGS:INFA	12.99	19.31	12.70	1,156.3	923.9	2.0x	1.8x	12.4x	17.5x	14.6x	
Stamford Industrial Group	OTCPK:STMF	1.40	2.00	0.92	58.5	87.8	NA	NA	7.0x	NA	NA	
Verint Systems	OTCPK:VRNT	16.65	27.35	13.17	568.6	302.0	0.5x	0.4x	6.9x	17.5x	10.7x	
SPSS	NasdaqGS:SPSS	29.36	44.98	28.02	531.9	375.9	1.2x	1.1x	5.2x	15.1x	13.4x	
Pegasystems	NasdaqGS:PEGA	12.91	15.10	8.73	468.6	291.8	1.4x	1.2x	28.3x	36.9x	31.5x	
MicroStrategy Inc.	NasdaqGS:MSTR	59.53	112.39	53.50	707.5	587.9	1.6x	1.4x	6.4x	16.1x	12.9x	
					Median	\$550.2	\$338.9	1.4x	1.2x	7.5x	16.1x	13.4x
Communications / Speech												
Captaris Inc.*	NasdaqGM:CAPA	\$4.61	\$5.50	\$3.14	\$122.5	\$100.9	0.7x	NA	NA	NA	41.9x	
TeleCommunication Systems Inc.	NasdaqGM:TSYS	6.91	8.75	2.71	295.4	279.2	1.5x	1.1x	12.1x	15.3x	20.0x	
					Median	\$209.0	\$190.0	1.1x	1.1x	12.1x	15.3x	31.0x

Source: CapitalIQ

* Open Text announced the acquisition of Captaris on Sep 4th, 2008

**IBM announced the acquisition of ILOG on July 28th, 2008

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	2008	2009	EBITDA	2008	2009	
Security Software												
Certicom Corp.	TSX:CIC	\$1.27	\$2.57	\$1.18	\$55.4	\$24.0	1.2x	0.9x	NA	NA	NA	
Check Point Software Technologies Ltd.	NasdaqGS:CHKP	22.74	26.79	20.00	4,872.9	4,120.4	5.1x	4.7x	10.9x	12.9x	11.9x	
Diversinet Corp.	OTCBB:DVNT.F	0.65	0.89	0.25	16.6	8.7	2.1x	0.9x	NA	NA	32.5x	
Entrust Inc.	NasdaqGM:ENTU	2.15	3.41	1.65	131.9	106.5	1.0x	0.9x	46.7x	22.9x	14.9x	
McAfee Inc.	NYSE:MFE	33.96	41.66	27.80	5,137.7	4,301.8	2.7x	2.4x	13.4x	17.3x	15.1x	
Secure Computing Corp.*	NasdaqGS:SCUR	5.48	10.54	3.41	374.4	465.9	1.7x	1.6x	113.2x	22.2x	14.9x	
SonicWALL Inc.	NasdaqGS:SNWL	5.24	11.53	4.78	279.5	173.3	0.8x	0.7x	31.2x	20.7x	15.6x	
Symantec Corp.	NasdaqGS:SYMC	19.58	22.80	14.54	16,429.6	16,243.3	2.5x	2.4x	9.5x	13.1x	12.0x	
ActivIdentity Corp.	NasdaqGM:ACTI	2.26	5.21	2.14	103.5	18.6	0.3x	0.3x	NA	NA	NA	
VASCO	NasdaqCM:VDSI	10.36	44.25	9.49	386.0	343.9	2.4x	2.0x	10.5x	14.8x	12.4x	
Blue Coat Systems	NasdaqGS:BCSI	14.19	53.37	11.85	552.8	553.0	1.2x	1.0x	16.2x	14.5x	8.8x	
Zix	NasdaqGM:ZIXI	2.26	6.24	1.81	142.4	129.4	4.6x	3.6x	NA	NA	33.7x	
WebSense	NasdaqGS:WBSN	22.35	24.60	15.43	1,007.0	1,096.9	3.2x	3.0x	92.1x	16.7x	15.4x	
Trend Micro Inc.	TSE:4704	37.27	49.06	29.53	4,971.0	3,932.3	3.9x	3.5x	10.6x	25.5x	21.2x	
VeriSign Inc.	NasdaqGS:VRSN	26.08	42.50	22.49	5,038.9	5,739.3	6.1x	5.2x	15.2x	25.9x	17.1x	
					Median	\$386.0	\$465.9	2.4x	2.0x	15.2x	17.3x	15.1x
Integration / Middleware												
Jacada Ltd.	NasdaqGM:JCDA	3.80	4.26	2.76	64.6	37.8	NA	NA	NA	NA	NA	
Citrix Systems	NasdaqGS:CTXS	25.26	43.90	21.30	4,606.9	4,218.1	2.6x	2.3x	14.9x	16.1x	13.6x	
Progress Software Corp.	NasdaqGS:PRGS	25.99	34.00	22.92	1,069.6	838.1	1.6x	1.4x	8.2x	13.7x	12.3x	
Sybase, Inc.	NYSE:SY	30.62	36.99	23.28	2,464.2	2,349.4	2.1x	2.0x	8.0x	15.3x	13.6x	
TIBCO Software Inc.	NasdaqGS:TIBX	7.32	9.25	6.50	1,340.5	1,105.6	1.7x	1.5x	10.0x	16.6x	14.3x	
SourceForge, Inc	NasdaqGM:LNUX	1.36	2.75	1.25	93.1	50.7	0.8x	0.7x	NA	NA	28.3x	
					Median	\$1,205.0	\$971.8	1.7x	1.5x	9.1x	15.7x	13.6x
Platform / OS												
Hewlett-Packard Co.	NYSE:HPQ	\$46.24	\$53.48	\$39.99	\$113,246.6	\$108,618.6	0.9x	0.8x	8.1x	12.7x	11.1x	
International Business Machines Corp.	NYSE:IBM	116.96	130.93	97.04	158,462.1	182,847.1	1.7x	1.6x	8.4x	13.3x	12.0x	
Microsoft Corp.	NasdaqGS:MSFT	26.69	37.50	23.50	241,690.7	220,520.7	3.3x	3.0x	8.5x	12.4x	11.1x	
Red Hat	NYSE:RHT	15.07	24.84	14.74	2,888.9	2,397.2	3.6x	3.0x	20.8x	20.8x	22.7x	
Novell	NasdaqGS:NOVL	5.14	8.10	2.49	1,774.6	861.4	0.9x	0.9x	11.2x	19.6x	17.4x	
Sun Microsystems Inc.	NasdaqGS:JAVA	7.60	25.04	6.73	5,661.7	4,225.7	0.3x	0.3x	2.9x	14.6x	9.7x	
					Median	\$59,454.2	\$56,422.2	1.3x	1.2x	8.4x	13.9x	11.6x

Source: CapitalIQ

* McAfee announced the acquisition of Secure Computing on Sep 22nd, 2008

Business Services Public Company Comparable Valuations

Pharus Advisors

Company	Ticker	Price	High	Low	Market Value		EV / Revenue		EV / LTM	Price / EPS		
					Equity	Enterprise	2008	2009	EBITDA	2008	2009	
IT Integration & Consulting												
Accenture Ltd.	NYSE:ACN	\$38.00	\$43.04	\$31.91	\$23,294.0	\$20,331.4	0.8x	0.8x	5.8x	13.1x	11.9x	
The Hackett Group (FKA Answerthink Inc.)	NasdaqGM:HCKT	5.44	6.65	3.07	222.2	202.5	1.1x	1.0x	10.9x	16.7x	14.7x	
BearingPoint Inc.	NYSE:BE	0.52	5.19	0.50	113.4	744.3	0.2x	0.2x	NA	NA	NA	
CIBER Inc.	NYSE:CBR	6.99	8.97	4.20	418.8	577.7	0.5x	0.4x	7.4x	12.6x	11.4x	
DiamondCluster International Inc.	NasdaqGS:DTPI	4.69	10.70	1.84	123.7	75.5	0.5x	0.5x	7.1x	99.8x	38.1x	
iGATE Corp.	NasdaqGM:IGTE	8.67	12.02	6.35	467.3	406.0	1.7x	1.6x	11.1x	16.1x	13.3x	
Management Network Group Inc.	NasdaqGM:TMNG	0.90	2.76	0.90	30.7	18.1	0.2x	NA	2.9x	5.3x	NA	
Perficient Inc.	NasdaqGS:PRFT	6.64	24.75	6.04	213.6	195.3	0.8x	0.8x	5.7x	8.7x	7.7x	
Sapient Corp.	NasdaqGS:SAPE	7.43	9.97	5.84	933.8	788.0	1.2x	1.0x	14.5x	18.9x	14.5x	
Technology Solutions Co.	NasdaqGM:TSCC	3.55	5.50	2.34	9.1	(2.4)	NA	NA	NA	NA	NA	
Tier Technologies Inc.	NasdaqGM:TIER	7.36	11.01	6.75	145.2	98.3	0.8x	0.7x	NA	NA	35.0x	
Ness Technologies Inc.	NasdaqGS:NSTC	11.47	13.00	7.98	450.1	468.6	0.7x	0.6x	8.3x	11.3x	9.6x	
					Median	\$217.9	\$304.2	0.8x	0.7x	7.4x	13.1x	13.3x
Education & Training												
Learning Tree International Inc.	NasdaqGM:LTRE	\$12.45	\$27.71	\$11.10	\$206.2	\$140.0	0.8x	0.7x	5.8x	14.0x	13.6x	
New Horizons Worldwide Inc.	OTCBB:NEWH	1.49	2.25	1.15	16.8	28.0	NA	NA	5.0x	NA	NA	
SkillSoft plc	NasdaqGS:SKIL	9.29	9.40	5.35	1,030.0	900.25	2.7x	2.5x	10.0x	25.0x	18.3x	
VCampus Corp.	OTCPK:VCMP	0.00	0.06	0.00	0.0	3.0	NA	NA	NA	NA	NA	
					Median	\$111.5	\$84.0	1.7x	NA	5.8x	19.5x	NA
IT Staff Augmentation												
Analysts International Corp.	NasdaqGM:ANLY	\$1.12	\$1.80	\$1.00	\$27.8	\$29.0	NA	NA	9.6x	NA	NA	
MPS Group Inc.	NYSE:MPS	10.08	13.48	8.68	937.5	902.7	0.4x	0.4x	5.6x	11.5x	11.6x	
TeamStaff Inc.	NasdaqGM:TSTF	2.47	4.16	1.83	12.0	12.4	NA	NA	7.6x	NA	NA	
					Median	\$27.8	\$29.0	0.4x	0.4x	7.6x	11.5x	11.6x

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	2008	2009	EBITDA	2008	2009	
Government IT Services												
CACI International Inc.	NYSE:CAI	\$50.10	\$55.01	\$38.89	\$1,516.3	\$2,039.5	0.8x	0.7x	9.7x	16.3x	14.4x	
ManTech International Corp.	NasdaqGS:MANT	59.29	62.06	34.87	2,084.5	2,172.5	1.2x	1.0x	14.0x	23.7x	20.6x	
MAXIMUS Inc.	NYSE:MMS	36.84	48.33	32.82	687.1	610.0	0.7x	0.7x	6.3x	16.9x	11.8x	
SRA International Inc.	NYSE:SRX	22.63	31.88	20.21	1,283.6	1,205.1	0.8x	0.7x	8.1x	17.3x	15.3x	
					Median	\$1,399.9	\$1,622.3	0.8x	0.7x	8.9x	17.1x	14.8x
European IT Services												
Atos Origin SA	ENXTPA:ATO	\$43.49	\$63.95	\$40.41	\$2,984.0	\$3,943.9	NA	NA	5.3x	NA	NA	
Cap Gemini SA	ENXTPA:CAP	46.72	68.51	43.80	6,807.1	6,054.2	NA	NA	5.0x	NA	NA	
Dimension Data Holdings plc	JSE:DDT	0.74	1.10	0.68	1,248.0	1,134.6	NA	NA	5.0x	NA	NA	
LogicaCMG plc	LSE:LOG	1.92	3.01	1.56	2,808.3	3,834.7	NA	NA	7.5x	NA	NA	
					Median	\$2,896.1	\$3,889.3	NA	NA	5.2x	NA	NA
Indian / Offshore IT Services												
Cognizant Technology Solutions Corp.	NasdaqGS:CTSH	\$22.83	\$43.00	\$20.68	\$6,657.8	\$6,106.6	2.2x	1.7x	12.2x	15.8x	13.0x	
HCL Technologies Ltd.	BSE:532281	4.18	7.23	3.83	2,776.0	2,292.1	NA	NA	11.1x	NA	NA	
Infosys Technologies Ltd.	BSE:500209	30.08	46.06	26.09	17,214.6	15,457.6	3.3x	2.7x	11.1x	13.9x	12.0x	
Tata Consultancy Services Limited	BSE:532540	14.26	24.77	12.37	13,958.3	13,860.3	NA	NA	10.0x	NA	NA	
Patni Computer Systems Ltd.	BSE:532517	3.82	10.89	3.72	531.7	481.2	0.7x	0.7x	4.6x	6.5x	5.8x	
Satyam Computer Services Ltd.	BSE:500376	6.38	11.71	5.81	4,292.8	3,249.6	1.4x	1.1x	7.3x	9.2x	7.9x	
Wipro Ltd.	BSE:507685	7.31	11.88	6.82	10,628.8	10,332.4	NA	NA	11.2x	NA	NA	
Syntel Inc.	NasdaqGS:SYNT	24.50	47.74	22.00	1,016.1	900.1	2.1x	1.8x	10.1x	13.7x	12.2x	
					Median	\$5,475.3	\$4,678.1	2.1x	1.7x	10.6x	13.7x	12.0x
Call Center												
APAC Customer Services Inc.	NasdaqGM:APAC	2.15	2.64	0.68	108.5	124.6	0.5x	0.5x	9.6x	NA	13.7x	
ICT Group Inc.	NasdaqGM:ICTG	8.05	15.32	6.87	128.0	113.0	0.3x	0.2x	4.5x	277.6x	22.0x	
Sykes Enterprises Inc.	NasdaqGS:SYKE	21.96	22.55	15.41	905.5	695.4	0.8x	0.8x	7.5x	15.5x	14.7x	
TeleTech Holdings Inc.	NasdaqGS:TTEC	12.44	27.43	10.02	872.0	833.2	0.6x	0.5x	5.0x	9.9x	9.2x	
					Median	\$500.0	\$410.0	0.5x	0.5x	6.3x	15.5x	14.2x

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	2008	2009	EBITDA	2008	2009	
Business Process Outsourcing (BPO)												
Automatic Data Processing Inc.	NYSE:ADP	42.75	49.81	37.74	21,785.8	20,268.6	2.2x	2.0x	9.9x	17.6x	15.6x	
Convergys Corp.	NYSE:CVG	14.78	19.18	11.77	1,800.6	2,052.5	0.7x	0.7x	5.3x	12.7x	11.3x	
CSG Systems International Inc.	NasdaqGS:CSGS	17.53	21.97	10.49	612.6	694.4	1.5x	1.4x	5.7x	10.9x	11.4x	
DST Systems Inc.	NYSE:DST	55.99	88.72	52.22	2,920.2	4,070.3	2.4x	2.3x	8.0x	14.6x	12.8x	
FirstService Corp.	TSX:FSV	14.51	34.10	11.28	423.7	952.0	NA	0.6x	8.2x	NA	15.5x	
Iron Mountain Inc.	NYSE:IRM	24.41	38.85	23.50	4,919.6	8,138.5	2.6x	2.4x	10.9x	31.7x	25.1x	
Paychex Inc.	NasdaqGS:PAYX	33.03	43.00	30.09	11,917.1	11,452.9	5.2x	4.8x	12.4x	20.2x	18.1x	
Watson Wyatt Worldwide	NYSE:WW	49.73	62.00	42.02	2,151.1	2,026.5	1.1x	1.0x	6.7x	13.8x	12.8x	
					Median	\$2,535.6	\$3,061.4	2.2x	1.7x	8.1x	14.6x	14.1x
IT Outsourcing												
CGI Group Inc.	TSX:GIB.A	\$8.75	\$11.29	\$8.41	\$2,717.1	\$3,064.5	0.8x	0.8x	5.6x	10.3x	9.6x	
Computer Sciences Corp.	NYSE:CSC	40.19	60.00	36.91	6,082.4	9,274.7	0.5x	0.5x	3.7x	9.4x	8.5x	
NaviSite Inc.	NasdaqCM:NAVI	1.99	11.29	1.87	69.8	231.3	1.5x	1.3x	9.7x	NA	NA	
Perot Systems Corp.	NYSE:PER	17.35	18.82	11.10	2,079.4	2,065.4	0.7x	0.7x	6.2x	17.6x	15.4x	
Unisys Corp.	NYSE:UIS	2.75	7.90	2.70	988.8	1,581.0	0.3x	0.3x	3.5x	20.7x	8.8x	
					Median	\$2,079.4	\$2,065.4	0.7x	0.7x	5.6x	13.9x	9.2x

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	2008	2009	EBITDA	2008	2009	
Bank Processing												
Bottomline Technologies Inc.	NasdaqGM:EPAY	10.40	16.37	9.50	258.1	222.7	1.5x	1.3x	31.7x	15.6x	12.2x	
CyberSource Corp.	NasdaqGS:CYBS	16.11	20.40	11.47	1,119.5	1,054.8	4.7x	3.9x	44.3x	25.1x	20.9x	
Equifax Inc.	NYSE:EFX	34.45	40.21	31.49	4,418.1	5,686.0	2.8x	2.7x	8.7x	15.1x	13.7x	
Fiserv Inc.	NasdaqGS:FISV	47.32	56.80	43.05	7,762.3	12,067.3	2.5x	2.6x	10.3x	14.2x	11.9x	
Heartland	NYSE:HPY	25.56	33.00	19.44	958.7	992.5	0.6x	0.5x	12.9x	22.1x	17.8x	
Jack Henry & Associates Inc.	NasdaqGS:JKHY	20.33	29.24	19.02	1,749.8	1,753.5	2.2x	2.0x	7.8x	16.0x	14.3x	
Online Resources Corp.	NasdaqGS:ORCC	7.77	13.56	6.44	226.8	376.9	2.5x	2.1x	13.3x	27.1x	18.8x	
S1 Corp.	NasdaqGM:SONE	6.12	9.79	5.25	346.8	286.7	1.3x	1.2x	8.4x	16.1x	15.0x	
					Median	\$1,039.1	\$1,023.6	2.3x	2.1x	11.6x	16.0x	14.6x
Credit / Debit Card Processing												
Fundtech Ltd.	NasdaqGS:FNDT	13.99	17.83	9.68	224.8	178.7	1.4x	1.3x	13.5x	18.5x	15.4x	
Global Payments Inc.	NYSE:GPN	44.86	49.87	35.54	3,579.3	3,139.5	1.9x	1.6x	10.6x	19.8x	17.2x	
Total System Services Inc.	NYSE:TSS	16.40	30.99	14.30	3,241.9	3,263.7	1.7x	1.6x	6.1x	12.4x	11.2x	
ACI Worldwide, Inc	NasdaqGS:ACIW	17.52	26.19	12.32	603.2	580.0	1.4x	1.3x	25.8x	60.0x	25.6x	
					Median	\$1,922.5	\$1,859.8	1.6x	1.5x	12.0x	19.1x	16.3x

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	2008	2009	EBITDA	2008	2009	
Insurance Solutions												
CorVel Corp.	NasdaqGS:CRVL	28.61	37.92	21.38	393.8	372.1	NA	NA	7.4x	NA	NA	
Ebix Inc.	NasdaqGS:EBIX	93.96	120.91	49.00	298.4	331.8	NA	NA	13.6x	NA	NA	
InsWeb Corp.	NasdaqCM:INSW	5.41	12.50	4.53	25.4	14.7	NA	NA	11.0x	NA	NA	
Insure.com Inc.	NasdaqCM:NSUR	3.50	5.19	2.71	24.1	16.3	NA	NA	18.0x	NA	NA	
					Median	\$161.9	\$174.0	NA	NA	12.3x	NA	NA
Investment Solutions												
Advent Software Inc.	NasdaqGS:ADVS	\$35.23	\$58.27	\$32.90	\$947.3	\$864.9	3.4x	2.9x	28.4x	51.8x	41.8x	
BGC Partners, Inc.	NasdaqGS:BGCP	4.29	12.97	3.35	355.1	275.1	0.2x	0.2x	NA	6.6x	6.3x	
NYFIX Inc.	NasdaqCM:NYFX	3.15	5.50	2.50	119.8	140.5	1.2x	0.9x	NA	NA	315.0x	
Thomson Corp.	TSX:TRI	27.18	41.98	24.32	22,358.2	30,046.2	2.2x	2.2x	12.5x	15.7x	13.0x	
					Median	\$651.2	\$570.0	1.7x	1.6x	20.4x	15.7x	27.4x

Source: CapitalIQ

INDUSTRY NEWS RECAP

Definitions

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.

Software Market Sections / Segmentation

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.

Business Services Sections / Segmentation

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.

Application Software

Business Intelligence Software

AFS Technologies acquires IRM Corporation and Motek Information Systems

On September 2nd, AFS Technologies, Inc., a provider of software-based solutions catering to the food and beverage industry, announced the acquisition of IRM Corporation and Motek Information Systems, Inc. IRM Corporation is a provider of business intelligence software that converts static business data into actionable business intelligence. Motek Information Systems, Inc. is a provider of technology for the entire warehouse management system. The acquisitions will club business intelligence and AFS's Order Management solutions, which would enhance the latter's overall product value to its existing customers. It will also help AFS to expand its market potential for its solutions and penetrate into the food manufacturing space. Motek will enable AFS to introduce its technology into markets beyond food and beverage.

Imtech acquires Stas

On August 20th, Imtech, a provider of technical services in the areas of electrical engineering, information & communication technology (ICT) and mechanical engineering, announced the acquisition of Stas GmbH, a provider of software solutions for business intelligence and corporate performance management, through its German ICT division named 'Fritz und Macziol and Infoma®'. Stas registered revenues of over €5 million in 2007. The financial terms of the deal were not disclosed. The acquisition of Stas augments Imtech's position in the German business intelligence market. Imtech expects the acquisition to be earnings accretive.

LogiXML Acquires OnDemandIQ

On July 31st, LogiXML, Inc., a developer and seller of Business Intelligence software to private and public enterprises worldwide, announced the acquisition of OnDemandIQ, Inc., a provider of on-demand sales analytics solutions which help organizations to bring data sets together to gain insight into their sales operations. The financial terms of the deal were not disclosed. The acquisition will enable LogiXML to expand its suite of Software-as-a-Service BI solutions

with the addition of the target company's robust sales analytics platform which will help to leverage the complementary technologies of both companies and deliver a more robust and insightful sales analytics engine.

Systat Software to acquire Cubeware

On July 24th, Systat Software GmbH, a provider of statistical analysis and visualization software such as Sigma Plot, SYSTAT and Sigma statistics, catering to scientists and engineers, announced the acquisition of Cubeware GmbH. The target company is a provider of Business Intelligence and Performance Management solutions. The cash and share deal was valued at €18.0 million (\$28.26 million), comprising of €12.0 million (\$18.8 million) in cash and €6.0 million (\$9.4 million) in shares. The company plans to foray into the field of business solutions by making use of the existing expertise of Cubeware GmbH.

Microsoft acquires Zoomix

On July 14th, Microsoft Corp. (NasdaqGS:MSFT) announced the acquisition of Zoomix Data Mastering, Ltd. from JVP Studio. The target company is a provider of software that automates the delivery of accurate and coordinated enterprise data, within the business workflow of an organization. The financial terms of the deal were not disclosed. This acquisition will enable Microsoft to provide its customers with a convenient enterprise class data quality solution, which would further support its vision of making SQL Server a complete data platform for all data management needs.

Deccan Value Advisors to acquire remaining stake in IBS

On July 1st, Deccan Value Advisors L.P. made an offer to acquire the remaining 72.9% stake in IBS AB (OM:IBS B), a provider of business systems and supply chain management solutions to distribution and manufacturing companies. IBS offers solutions for business intelligence, customer relationship management, warehouse management systems, enterprise application integration, etc. The cash deal was valued at approximately SEK702.3 million (\$116.7 million) or SEK9.64 per share (\$1.60 per share). Based on an implied enterprise value of SEK977.1 million (\$154.5 million), the

transaction was valued at 0.4x LTM revenue and 6.7x LTM EBITDA.

Content and Document Management Software

Open Text to acquire Captaris

On September 4th, Open Text, Inc. (Nasdaq:OTEX), a leading provider of enterprise content management solutions, announced the acquisition of Captaris Inc. (NasdaqGM:CAPA), a provider of computer related software products that mechanize document-centric business processes, from Vector Capital. The cash deal was valued at approximately \$131.0 million or \$4.80 per share. Based on an implied enterprise value of \$107.3 million, the transaction was valued at 1.0x LTM revenue. This acquisition will enable Open Text's ECM solutions to be shored up by Captaris's technology due to the addition of another on-ramp for integrating content into its ECM solutions. Also, the acquisition will lead to development of Open Text's partnership offerings by creating firm integration with its invoice management solutions that function with SAP and Oracle.

Open Text acquires a division of Spicer Corporation

On July 3rd, Open Text Corp. (NasdaqGS:OTEX), a provider of enterprise content management software, announced the acquisition of all the assets of Spicer Corporation relating to its division focused on file format viewer solutions. Spicer Corporation is a provider of enterprise-integrated solutions for visualization, business process management, collaboration, compliance, and reprographics that enable scalable and quantifiable business processes. The cash deal was valued at approximately \$12.2 million. The acquisition will increase Open Text's existing ECM software offerings, providing it with required flexibility in document viewing options and enhancement in its document security functionality.

Interwoven to acquire Discovery Mining

On July 24th, Interwoven Inc. (NasdaqGM:IWOV), a provider of content management software solutions and services for marketing and e-commerce, announced the acquisition of Discovery Mining, Inc., from EVault, Inc. The target company is a provider of

hosted platform to manage electronic documents for litigation, investigation, regulatory response or mergers & acquisitions. The cash deal was valued at approximately \$36.2 million. The acquisition will enable Interwoven to deliver innovative solutions for handling large volumes of information. Also, the company will be able to leverage its experience to bring leadership in the fragmented market for the process of 'eDiscovery'.

Hyland Software acquires Liberty Information Management Solutions

On July 8th, Hyland Software, Inc., a provider of OnBase enterprise content management suite, focusing on integrated document management, business process automation and records management, announced the acquisition of Liberty Information Management Solutions, Inc., a provider of information management solutions for cost reduction purposes. The financial terms of the deal were not disclosed. Hyland Software intends to add 1,000 clients of the target company to its existing client base, and also extend its reseller channel base through Liberty's established network. It will also enable Hyland Software to expand its market in the Western US and Central Canada.

CRM/ERP Software

Synchronoss Technologies to acquire Wisor Telecom

On September 10th, Synchronoss Technologies, Inc. (NasdaqGM:SNCR), a provider of on-demand transaction management software and solutions to communications service providers, announced the acquisition of Wisor Telecom Corporation, a provider of software and service solutions, which permit its clients to serve their end customers with automation order precision. The cash deal was valued at approximately \$18.2 million. The acquisition will extend Synchronoss' customer and technology foundation and will help it to broaden its domestic and international carrier footprint. This will also help the company in better cost control.

Basware to acquire Contempus AS

On September 5th, BasWare Oyj (HLSE:BAS1V), a provider of packaged software solutions for financial processes and buyer-supplier related

transactions, announced the acquisition of entire share capital of Contempus AS, a provider of software solutions, expertise in enterprise information management and 'purchase to pay' solutions from Affecto Oyj (HLSE:AFE1V). The cash deal was valued at NOK85 million (\$15.2 million), comprising of a fixed acquisition price of NOK70 million (\$12.5 million) and a remaining maximum additional price of NOK15 million (\$2.7 million). Based on an implied enterprise value of NOK85 million (\$15.2 million), the transaction was valued at 1.2x LTM revenue and 12.6x LTM EBITDA. On September 29th, the acquisition was approved for NOK83.6 million (\$15.0 million). Through this acquisition, Basware will have the required expertise to improve its competitiveness and strengthen its position in the enterprise 'purchase to pay' markets in Norway, Sweden and the UK.

Totvs to acquire Datasul

On July 22nd, Totvs Sa (BOVESPA:TOTS3), a provider of enterprise management software with a major focus on its Business Expanded Model software, announced the acquisition of Datasul S/A (BOVESPA:DSUL3), a provider of software integrated solutions for automating and managing their clients' critical processes. The cash and stock deal was valued at approximately BRL225.7 million (\$142.1 million). Totvs will issue 4.46 million common shares valued at about BRL 220.8 million (\$139.4 million) to Datasul shareholders, in addition to a dividend payment of BRL480 million (\$303.2 million). Based on an implied enterprise value of BRL116.2 million (\$73.3 million), the transaction was valued at 0.4x LTM revenue and 2.0x LTM EBITDA. The synergistic acquisition will complement the operations of the two companies and will help to expand its customer base.

Sage acquires Eurowin Soft

On July 17th, Sage Group Plc (LSE:SGE), provider and developer of business management software and related products and services for small and medium-sized companies, announced the acquisition of Eurowin Soft S.L., a provider of enterprise resource planning software in Spain and Latin America, from Millor Soft SL. The financial terms of the deal were not disclosed. The company has pursued the acquisition as a part of its strategy to

underpin its presence in Spain as a top provider of business management solutions for Spanish small and medium enterprises.

iMagiclab acquires 5Square Systems

On July 9th, iMagiclab LLC, a provider of CRM software, online training solutions, and online ticketing system for automobile dealers, announced the acquisition of 5Square Systems Corporation. The target company is a provider of sales process management system that enables automobile dealers to track inventory, customer prospecting, accounting, inventory management, and financing processing. The financial terms of the deal were not disclosed. The acquisition has enabled iMagiclab to add capacity, new expertise, human resources and a patent-pending process that will benefit a large section of automobile retailers.

Sebastian Holdings to increase stake in Conformat

On July 9th, Sebastian Holdings, Inc. acquired 4.19 million shares or 20.03% stake at an offer price of NOK22.50 per share (\$4.44 per share) in Conformat ASA (OB:CONF). The target Company is a provider of software solutions for market research and enterprise feedback management. Its applications provide solutions for data collection, feedback, panel management, data processing, market and media research analysis, and reporting. Following the 20.03% purchase, Sebastian Holdings Inc, controls 58.20% of the outstanding shares, and has made a mandatory offer to acquire the remaining shares at a price of NOK22.50 per share (\$4.44 per share). Based on an implied enterprise value of NOK425.7 million (\$84.2 million), the transaction is valued at 1.9x LTM revenue and 13.0x LTM EBITDA.

HCM and Workforce Software

Wonderware acquires SAT

On August 21st, Wonderware Corporation, a provider of user-friendly industrial automation and information software solutions, announced the acquisition of SAT Corporation, a provider of integrated automation software and solutions for process manufacturing industries, from Genesis Park LP. The cash deal was valued at \$52.0 million. The acquisition of SAT, renamed as Wonderware Mobile Solutions Group,

extends Wonderware's capabilities to offer operations management offerings, to its large customer base of more than 125,000 plants. *Pharus Advisors advised SAT Corp on this transaction.*

Oracle acquires Global Knowledge Software

On July 31st, Oracle Corp. (NasdaqGS:ORCL) announced the acquisition of Global Knowledge Software, LLC, a provider of self-service training automation software from Global Knowledge, Inc. The financial terms of the deal were not disclosed. The acquisition will strengthen Oracle in providing its customers with a comprehensive, end-to-end enterprise solution for creating and deploying business process documentation, interactive system training, and just-in-time embedded support for all applications across their enterprises.

Ebix acquires Acclamation Systems

On July 31st, Ebix Inc. (NasdaqGS:EBIX), a leading international developer and provider of application software products, support and consultancy services to the insurance and financial industries, announced the acquisition of Acclamation Systems, Inc., a provider of integrated, flexible technology solutions for employee benefits management, with a focus on healthcare benefits and claims management software in the US. The cash deal was valued at approximately \$25 million, comprising of an upfront cash payment of \$22 million plus a potential earn-out cash payment of about \$3 million to be paid over a period of 2 years from the date of acquisition on accomplishment of specific revenue targets of the new Health Benefits division of Ebix. The acquisition will help Ebix to enter the fast-growing health benefits and claims processing sector of the insurance industry and allow cross selling opportunities in health carrier market and life insurance segment. It will also bring in specialized health and claims expertise to the company and a strong revenue base.

American Express Travel to invest in Concur

On July 29th, American Travel announced their investment in Concur, a provider of employee spend management solutions, with the acquisition of a 13% stake. The financial terms of the deal were not disclosed.

Meta4 NV acquires Axys SAS

On July 16th, Meta4 NV, a provider of software applications for managing and developing human and intellectual capital worldwide, announced the acquisition of Axys SAS, a provider of software and payroll services to medium sized enterprises from Securex Medical Services. The financial terms of the deal were not disclosed. The deal will lead to synergies for Meta4 NV in knowledge management and payroll solutions.

Retail Software

Cegid to acquire VCS Timeless

On September 17th, Cegid SA (ENXTPA:CGD), a French developer of management software, with products offering generic and business specific software solutions announced the acquisition of VCS Timeless S.A., a provider of retail software solutions, which aid in improving the efficiency and profitability of specialty retailers, from Flintshell Limited. The cash deal was valued at €4.0 million (\$5.7 million). Based on the implied enterprise value of €4.0 million (\$5.7 million), the transaction was valued at 0.3x LTM revenue. The transaction will enable Cegid to fortify its position as a leader in the fashion and retail sectors and expedite its international business development. It will also enable the company to offer its customers a wider range of industry-specific modules, make retail software solutions available to customers as per the demand and provide software as a service mode.

Supply Chain, Asset Management and Product Lifecycle Management Software

iTradeNetwork to merge with Amphire

On September 2nd, iTradeNetwork, Inc., a provider of supply chain web-based software solutions to retail and foodservice industries, announced that it will merge with Amphire Solutions, Inc., a provider of software services for supply chain and purchasing solutions to the foodservice and hospitality industries. Post merger, the combined company will be iTradeNetwork. The financial terms of the deal were not disclosed. The deal was partly assisted by Accel-KKR, a technology-focused private equity firm that acquired a majority equity stake in iTradeNetwork in December 2007. The

acquisition will provide iTradeNetwork with a modern procurement platform for the food and beverage services, hospitality, and healthcare industries. In addition, the merger will offer an established European operation with major customers from the US and Canada, more than 5,500 manufacturers/suppliers and the capability to provide a single point of connectivity to all its customers.

JDA Software Group to acquire i2 Technologies

On August 11th, JDA Software Group, Inc. (NasdaqGM:JDAS), a provider of supply chain and revenue management planning, execution, and optimization solutions to the consumer-driven and services industries, announced the acquisition of i2 Technologies, Inc. (NasdaqGM:ITWO), a global provider of supply chain management solutions as well as related consulting, technology, and managed services. The cash deal was valued at an enterprise value of approximately \$346.0 million. Based on an implied enterprise value of \$346.0 million, the transaction was valued at 1.3x LTM revenue and 7.6x LTM EBITDA. The acquisition of i2 Technologies extends JDA Software's market position to include discrete manufacturers and will enable it to offer comprehensive global supply chain planning and optimization solutions. Post acquisition JDA software expects annual cost savings of approximately \$20 million.

Infrastructure Software & Enterprise Management Software (EMS)

McAfee acquires Secure Computing

On September 22nd, McAfee, Inc. (NYSE:MFE), a global provider of computer security solutions to prevent intrusion on networks and protect computer systems from various threats and attacks, announced the acquisition of Secure Computing Corp. (NasdaqGS:SCUR), from Warburg Pincus and Invision Private Equity. The target company is a developer and seller of computer security appliances and hosted services to protect data. The cash deal was valued at approximately \$465 million, comprising of \$5.75 per common share or \$413 million and an approximate additional \$84 million for the preferred stock. The acquisition of Secure Computing will enable McAfee to deliver a complete network security portfolio to various companies, ranging from small to the world's largest organizations, and will help the company to establish a leading and highly competitive position in the network security space. This will also expand its sales team, which will enhance cross-selling opportunities.

Quest Software acquires Netpro Computing

On September 12th, Quest Software Inc. (NasdaqGS:QSFT), a provider of application management, infrastructure management, window management and database management software, announced the acquisition of NetPro Computing, Inc. The target company enables organizations to manage security, compliance and health of their Active Directory, Exchange, File Server, DNS, MIIS, and eDirectory environments. The cash deal was valued at approximately \$78.7 million. The acquisition will facilitate Quest to broaden its product offerings and distribute a wide-ranging set of products to manage complex Microsoft infrastructures. This will enable Quest Software to migrate, manage and secure Microsoft Active Directory, Exchange, SharePoint and SQL Server environments.

Versata Enterprises acquires Ecora Software

On September 12th, Versata, Inc., a chief provider of scalable and cost-effective enterprise software solutions and also related, training, support and professional services, announced the acquisition of Ecora Software Corporation.

The target company is a top provider of configuration audit and analytics solutions to global customers by keeping their IT infrastructures operationally effective, secure and compliant. The financial terms of the deal were not disclosed. The acquisition will enable Versata to gain additional capabilities and provide more value to existing customers. It will also assist it to capture further market share.

making better business decisions. IBM will expand its middleware software segment through this acquisition. Middleware is a layer of software that helps servers running databases and Web site software communicate with servers running applications.

Sophos to acquire Utimaco Safeware

On July 28th, Sophos Plc, a provider of endpoint security and control solutions, announced the acquisition of Utimaco Safeware AG (XTRA:USA), a provider of data security solutions, which helps organizations to safeguard their data assets against deliberate or accidental data loss, and also to comply with privacy laws. It also entered into a contract with Investcorp Technology Partners, the major shareholder of the target company, to acquire a 24.99% stake for cash. The deal is valued at €14.75 per Utimaco share in cash and a total implied equity purchase price of €217 million (\$290.1 million). Based on an implied enterprise value of €217 million (\$290.1 million), the transaction was valued at 3.3x LTM revenue and 16.0x LTM EBITDA. The combination of endpoint protection, network access control and encryption provides Sophos with a good platform for innovation, as the market continues to concentrate on securing and controlling information.

IBM to acquire ILOG

On July 28th, International Business Machines Corp. (NYSE:IBM) (IBM), a provider of business and IT solutions, and also consulting services, which operates through three segments namely systems and financing, software, and services, announced the acquisition of ILOG SA (ENXTPA:ILO), a provider of enterprise software and services worldwide. The cash deal was valued at approximately €215.2 million (\$340.3 million). Based on an implied enterprise value of €146.2 million (\$231.2 million), the transaction was valued at 1.1x LTM revenue and 40.0x LTM EBITDA. The proposed acquisition will supplement IBM's business process management (BPM), business optimization, and service oriented architecture (SOA) technologies with ILOG's Business Rules Management Systems software, enabling customers for

Business Services

Financial BPO Services

TCS acquires Citigroup Global Services Limited

On October 8th, Tata Consultancy Services signed an agreement to acquire 96.3% stake in Citigroup Global Services Limited from Citigroup, Inc. for approximately \$505.0 million in cash.

Global Payments announces agreement to acquire ZAO United Card Service

On September 9th, Global Payments Inc. (NYSE: GPN - News), a provider of electronic transaction processing solutions, announced today it has agreed to acquire ZAO United Card Service ("UCS"), a direct merchant acquirer and indirect payment processor in the Russian Federation, from ZAO United Investments in a stock purchase transaction. The cash deal was valued at \$120.0 million. Based on an implied enterprise value of \$120.0 million, the transaction was valued at 3.5x LTM revenue.

Quattro BPO acquires RSM

On April 10th, Quattro BPO Solutions, a provider of outsourced finance and accounting services to small and medium enterprises has bought out the captive accounting unit of RSM McGladrey. Market sources say that the BPO company has bought out the \$18 million captive accounting unit for about \$45-50 million.

Healthcare BPO

Eclipsys to acquire MediNotes

On September 19th, Eclipsys Corporation® (NASDAQ: ECLP), The Outcomes Company®, and MediNotes Corporation announced the signing of a definitive agreement for Eclipsys to acquire MediNotes, a privately held industry leader in physician practice information solutions. The cash and stock deal was valued at \$45.3 million.

Healthvision acquires MediSolution's healthcare products and services division

On July 16th, Healthvision Inc., a provider of web based solutions delivering customized, branded e-health solutions for physicians, patients and consumers, announced the

acquisition of the Healthcare Products and Services Division of MediSolution Ltd., a provider of healthcare technology, from MediSolution Ltd. (TSX:MSH). The cash deal was valued at C\$49.5 million. With the addition of MediSolution's existing customer base, the acquisition will facilitate Healthvision to expand its reach in the Canadian market. It will also help the company to serve the existing joint customers of both the companies in a more efficient manner.

Other BPO

Bedford Funding acquires Authoria

On September 29th, Bedford Funding, a New York-based private equity firm, with \$800 million in available capital, focusing on investments in the software and IT services sector, announced the acquisition of Authoria, Inc., a leading provider of comprehensive talent management solutions, serving more than 300 large enterprises and 4 million managers and employees. The cash deal was valued at \$63.1 million, plus an additional \$8 million investment in working capital to augment Authoria's overall growth. Authoria's strong position in the highly competitive market will enable Bedford Funding to capitalize on growth opportunity in the talent management market, expected to record an annual growth rate of approximately 20% per year over the next five years.

Ayala, Providence Equity to acquire eTelecare Global

On September 19th, eTelecare Global Solutions, Inc. (NasdaqGM:ETEL), a provider of business process outsourcing services including technical support, customer service, sales, customer retention, chat and email from both onshore and offshore locations, announced that the affiliates of Ayala Corporation (PSE:AC) (Ayala) and Providence Equity Partners LLC have acquired it through a tender offer. Ayala is a holding company of a business group in Philippines, which focuses on real estate, financial services, telecommunications, electronics and information technology, and Providence Equity is a global private equity firm. The cash deal was valued at approximately \$290 million, or \$9.00 per share, representing a premium of 76.0%. The transaction will be completed if at least 66.67% of eTelecare's shares and American Depositary

Shares on a fully diluted basis are tendered in the offer, and other conditions, including regulatory approvals are received. Based on an implied enterprise value of \$241.6 million, the transaction was valued at 0.8x LTM revenue and 7.7x LTM EBITDA. The acquisition will enhance eTelecare's ability to serve its customers and to expand its role as a leader in the BPO marketplace.

HCL Technologies to acquire Control Point Solutions

On August 25th, HCL Technologies Ltd., a leading provider of software-led IT solutions and remote infrastructure management services, announced the acquisition of Control Point Solutions, Inc., a provider of voice, data, and wireless telecommunications expense management (TEM) services to its clients. The cash deal was valued at \$20.8 million. The acquisition expands HCL's global presence and equips it with a sustainable competitive advantage of providing end-to-end business process outsourcing services in TEM space.

Aegis BPO to acquire PeopleSupport

On August 4th, Aegis BPO Services Ltd., the business process outsourcing (BPO) services division of the Essar Group, announced the acquisition of PeopleSupport Inc. (NasdaqGS:PSPT), an Internet-based company that specializes in outsourced customer care and sales support for businesses with a presence on the web. The cash deal was valued at an aggregate equity value of approximately \$250 million or \$12.25 per share, representing a premium of approximately 29%. Based on the implied enterprise value of \$159.5 million, the transaction was valued at 1.1x LTM revenue and 11.9x LTM EBITDA. The company expects the acquisition to assist it in providing onshore, nearshore and offshore BPO services or a combination of customized solutions to fulfill client requirements. It will also enable Aegis BPO to become a leader in the global BPO market.

Vertex acquires Alliance's utility services

On July 14th, Vertex Data Science Limited, a provider of outsourced business services and technology solutions with expertise in customer management, announced the acquisition of utility services business of Alliance Data

Systems Corporation (NYSE:ADS). The target company is a provider of billing systems, professional services and process outsourcing to utilities in the US and Canada. The cash deal was valued at approximately \$50 million. The acquisition will enable Vertex to enhance its services in its existing utility businesses and will also help its customers to reduce costs and improve efficiency.

Allied Digital acquires 80.5% stake in En Pointe Global Services

On July 9th, Allied Digital Services Ltd. (BSE:532875), a provider of onsite and remote services to global, large & medium enterprises and service producers, announced the acquisition of a 80.5% stake in En Pointe Global Services, LLC, from En Pointe Technologies Inc. (NasdaqCM:ENPT). The target company provides business administration services, such as collections, credit, billing, document imaging, data entry and transcription, employee benefit processing, procurement, etc. The cash and share deal was valued at \$24 million, comprising of \$10 million in cash and the remaining through an issue of 0.75 million fresh equity shares. Based on the implied enterprise value of \$26.2 million, the transaction was valued at 0.7x LTM revenue. The acquisition will provide Allied Digital access to a ready customer base for remote IM services, and enable it to leverage on the cross selling opportunity available in remote management services and a base in the US to expand its presence.

Swiss Post acquires Global Business Services Plus

On July 8th, Die Schweizerische Post (Swiss Post), a provider of postal, payment and passenger transport services, announced the acquisition of Global Business Services Plus, a provider of services in digital document management, electronic measurement, processing, and digital archiving of documents. The financial terms of the deal were not disclosed. This acquisition would enable Swiss Post to reinforce and enhance its offering in the field of document solutions in Germany and France, and to extend its capability in providing services on a pan-European basis.

WNS (Holdings) Ltd acquires Aviva Global Services Pvt Ltd

On July 8th, WNS (Holdings) Ltd. (NYSE:WNS), a provider of offshore business process outsourcing services in various fields such as travel, insurance, financial services, healthcare, professional services, manufacturing/retail, logistics, finance and accounting, research & analytics, customer service, etc., announced the acquisition of Aviva Global Services Pvt Ltd. Aviva is a provider of business processes and IT outsourcing services. The cash deal was valued at \$228 million. With the acquisition and associated contract, WNS' revenues and resources will increase significantly, positioning the company to compete even more aggressively in the global outsourcing marketplace.

Stone Point Capital acquires majority stake in Fiserv Insurance Solutions

On July 2nd, Stone Point Capital LLC, a global private equity firm that primarily targets investments in the insurance and financial services industries, including insurance underwriting, distribution & services, benefits & healthcare, asset management & retirement savings, and banking & depository institutions, announced the acquisition of a 51% stake in Fiserv Insurance Solutions, a provider of insurance technology, professional services and outsourcing solutions from Fiserv Inc. (NasdaqGS:FISV). Trident IV, a private equity fund managed by Stone Point Capital LLC, will invest approximately \$205 million in equity and \$335 million in debt, and a promissory note of \$30 million to acquire a 51% majority interest in Fiserv's insurance businesses. The company wants to take advantage of tremendous growth opportunities in the insurance technology and outsourcing business, by acquiring Fiserv Insurance Solutions, a leading player in the said business.

IT Services

NTT Data to acquire 50% stake in JRI Solutions Ltd.

On September 29th, NTT Data Corp. (TSE:9613), a Japan-based subsidiary of Nippon Telegraph and Telephone Corporation and a provider of a range IT services, including systems integration, consulting and network development, announced the acquisition of a 50% interest in

JRI Solutions Ltd., a provider IT solutions and services to a wide range of corporate clients, from Japan Research Institute Ltd. Under the terms of the agreement, Japan Research Institute will transfer 100,000 shares of JRI Solutions, which is equal to its 50% stake in the latter, to NTT Data on January 5, 2009. The acquisition of JRI Solutions enhances NTT's client base and augments its capabilities to offer ERP to the manufacturing industry, especially the pharmaceutical industry.

Aztecsoft merges with MindTree

On September 29th, MindTree Limited (BSE:532819), a global provider of software development and IT consulting and implementation services for business-to-business and business-to-consumer applications, announced the approval of the scheme of merger with Aztecsoft Ltd. (BSE:532385), a provider of outsourcing product development and testing services in the North American, European, Indian and Australian markets. The board approved the swap ratio of two-equity share of MindTree of Rs10/- each, fully paid up, to be allotted for every 11 fully paid up equity shares of Rs3/- each of Aztecsoft Ltd. The acquisition of Aztecsoft enhances MindTree's client base, while also adding to its product engineering capabilities.

HCL Technologies to acquire Axon Group

On September 26th, HCL Technologies Ltd. (BSE:532281), a global provider of software-led IT solutions, remote infrastructure management and business process outsourcing (BPO) services, announced the acquisition of Axon Group Plc (LSE:AXO), a provider of business transformation consultancy, focusing primarily on SAP services and solutions, from AEGON Asset Management UK Plc. The cash deal was valued at approximately £441.2 million (\$770.4 million). Based on an implied enterprise value of £399.2 million (\$735.0 million), the transaction was valued at 1.7x LTM revenue and 10.7x LTM EBITDA. The acquisition of Axon strengthens HCL's position in the SAP implementation services space.

Axon Solutions acquires Consulting Principles

On July 17th, Axon Solutions Pty. Ltd., a provider of SAP-enabled Business

transformation solutions, such as business consulting, solutions implementation and applications management announced the acquisition of Consulting Principles Pty. Ltd., a leading provider of dedicated supply chain and logistics SAP consulting services in Australia. The cash deal was valued at A\$6.45 million (\$6.30 million), comprising of an amount of A\$3.45 million (\$3.37 million) in cash to be paid initially and deferred cash payments worth A\$3.0 million (\$2.93 million) to be paid on the basis of the target company's business performance over the course of next two years. Based on an implied enterprise value of A\$6.45 million (\$6.30 million), the transaction was valued at 0.9x LTM revenue. Through the acquisition, Axon intends to boost its existing strength in supply chain services.

Axon acquires SCM Solutions

On July 1st, Axon Solutions, Inc, a consultancy dedicated to assisting customers using SAP as their business transformation system, announced the acquisition of SCM Solutions, LLP, a privately-held provider of integrated supply chain management services, through its division named Axon Americas. The cash deal was valued at approximately \$14 million, comprising of \$8 million in cash and \$6 million in profit related payments. This acquisition will enable the acquirer to receive enhanced transformational value and become a strategic differentiator for all companies using SAP, and can provide outstanding opportunities to the target's consultants.

Zanett to acquire PS GoLive

On September 22nd, Zanett Inc. (NasdaqCM:ZANE), a provider of technology consultancy services, announced the acquisition of PS GoLive LLC, a Florida-based service provider of high-end services for PeopleSoft Enterprise products and business processes. The financial terms of the deal were not disclosed. The acquisition will enable Zanett to acquire some of PeopleSoft's vital customers. This will also enhance its expertise in one of the core Oracle application platforms, and will help it to develop world-class Oracle/PeopleSoft capabilities.

SCS to acquire B4 Consulting

On September 2nd, Sumisho Computer Systems (USA), Inc., a provider of strategic IT design, systems development and systems operation services, announced the acquisition of B4 Consulting, Inc., a provider of business performance management and implementation of SAP. The financial terms of the deal were not disclosed. Through this acquisition, B4 will significantly augment SCS capabilities. The latter will now act as a 'one-stop service' experience for its customers. SCS's global initiatives and IT-focused offerings are completely in line with B4's professional services portfolio and these synergies will advance SCS's strategic business goals.

CONET acquires Accelsis Technologies

On August 29th, CONET Technologie AG (DB:CT71), a provider of customers management and information technology solutions, announced the acquisition of Accelsis Technologies GmbH, a provider of Java Enterprise and SOA-based innovative IT solutions, enabling customers to automate their business processes and make them more efficient. The financial terms of the deal were not disclosed. The acquisition of Accelsis strengthens CONET's market position in Germany and will enable it to expand its service offerings in the areas of portal technologies, service-oriented architectures and enterprise web applications.

Cegeka NV acquires MSP NV and IT Omni

On August 28th, Cegeka NV, a worldwide provider of ICT solutions to health care, social security, public sector, media and financial sector firms, announced the acquisition of Belgium based IT Omni NV and MSP N.V. IT Omni is a consulting firm operating in two sectors; ICT and web technology, and strategic retail marketing consultancy. MSP is a Kontich-based provider of IT services and solutions in the field of the ICT infrastructure to middle-sized companies in Belgium and The Netherlands. The financial terms of the deal were not disclosed. The acquisitions will enable Cegeka to become a 'referential IT services provider' in the private sector and grow into the most cost-effective solution provider on the Belgian market.

Tech Mahindra to acquire 17.28% stake in Servista

On August 28th, Tech Mahindra Limited, a provider of IT services and solutions to the global telecom space, announced the acquisition of a 17.28% stake in privately held Servista Ltd., a provider of managed offshore IT services to the telecom, financial services and the energy marketplace. The financial terms of the deal were not disclosed. The acquisition of Servista extends Tech Mahindra's service delivery footprint in the telecom vertical of key European markets. Further, Servista's know-how in customer relationship management and billing will enable Tech Mahindra to provide its clients with cost-efficient and highly-scalable world-class solutions.

Serco to acquire SI International

On August 26th, Serco, a provider of government and military support services in North America, announced the acquisition of SI International (NasdaqGS:SINT), a provider of information services, technology, and network solutions primarily to the federal government. The cash deal was valued at approximately \$523.2 million. Based on an implied enterprise value of \$508.8 million, the transaction was valued at 0.9x LTM revenue and 11.6x LTM EBITDA.

Curtiss-Wright to acquire Vmetro

On August 24th, Curtiss-Wright (NYSE:CW), a designer and manufacturer of flight control and utility actuation components and subsystems, announced the acquisition of Vmetro ASA, a developer, manufacturer, distributor, and seller of products and services for integrators of high-end embedded computer system. The cash deal was valued at approximately NOK476.9 million (\$88.9 million). Based on an implied enterprise value of NOK419.1 million (\$78.1 million), the transaction was valued at 1.2x LTM revenue and 13.1x LTM EBITDA.

2e2 to acquire Netstore

On August 12th, 2e2 Group Plc, a provider of information technology managed services and solutions comprising of lifecycle support, hardware maintenance, hosting, and project resourcing, announced the acquisition of Netstore Plc, a provider of managed IT services as well as IT outsourcing and security services.

The cash deal was valued at approximately £58.1 million (\$108.1 million) or 32.0p (\$0.61) per share, representing a premium of 77.8%. Based on an implied enterprise value of £52.1 million (\$98.9 million), the transaction was valued at 1.4x LTM revenue and 10.0x LTM EBITDA. The acquisition of Netstore will enable 2e2 to secure greater market presence and strengthen its market position in the UK.

Oryx International Growth Fund Ltd acquires remaining stake in SiRViS IT Plc

On August 4th, North Atlantic Value, LLP an investment company announced the acquisition of a 70.3% stake in SiRViS IT Plc (AIM:SRV), a provider of services such as information technology, consultancy and installation, network security and systems maintenance support in UK. The cash deal was valued at £3.7 million (\$7.3 million) or £1.6 per share (\$3.14 per share), representing a premium of approximately 4.23%. Based on an implied enterprise value of £14.0 (\$27.5 million), the transaction was valued at 0.5x LTM revenue and 4.1x LTM EBITDA. Through this stake sale, SiRViS IT will be competent to carry out its business plan in an effective manner. This will allow the company to grow profitably within a simplified and more cost effective corporate arrangement.

NTT DATA acquires 72.9% stake in Cirquent

On August 1st, NTT DATA EUROPE GmbH & Co. KG, a provider of IT services including consultancy, systems integration and IT outsourcing, announced the acquisition of Cirquent GmbH, a provider of consultancy services, which includes industry-oriented strategy and process consulting, conceptual design, integration and implementation of individual solutions aimed to support business processes and also operation and maintenance of IT systems, from BMV. According to the agreement, NTT DATA will acquire 72.9% of the issued shares of Cirquent, a 98% owned subsidiary of BMW and the remaining 2% of the shares will continue to be held by Cirquent. The financial terms of the deal were not disclosed. This strategic acquisition will help the company in its attempt to serve multinational clients across Japan and the world.

Ness Technologies to acquire Logos

On July 31st, Ness Technologies Inc. (NASDAQ: NSTC), a provider of a wide range of end-to-end IT services and solutions, specializing in leading-edge information management solutions, announced the acquisition of Logos a.s., a provider of IT solutions to areas of banking, telecommunications, industry and state administration. The cash deal was valued at CZK1,030.7 million (\$67.1 million), comprising of CZK502.8 million (\$32.74 million) at closing and up to CZK527.9 million (\$34.7 million) over the next three years, subject to the satisfaction of certain revenue performance conditions for 2008, 2009 and 2010 agreed upon by the companies. Based on an implied enterprise value of CZK1,030.7 million (\$67.1 million), the transaction was valued at 1.4x LTM revenue. The acquisition of Logos complements Ness Technologies' service portfolio, with a modest duplication in the services and customers of the two companies. Furthermore, the acquisition will also boost Ness' market position in Central and Eastern Europe, which are its top growing and most lucrative markets.

Rolta acquires WhittmanHart

On July 29th, Rolta TUSC, Inc., (NSEI:ROLTA) an information technology consulting company acquired WhittmanHart Inc., WhittmanHart Consulting. WhittmanHart, Inc. operates as an interactive marketing and consulting company. The financial terms of the deal were not disclosed.

BAE Systems to acquire Detica

On July 28th, BAE Systems plc (LSE:BA.), a global defense and aerospace company engaged in the development, delivery and support of advanced defense and aerospace systems, announced the acquisition of Detica Group plc (LSE:DCA), a provider of consulting services, focusing on information-intensive areas of security, fraud containment, risk management, regulatory compliance and customer management, from Deutsche Bank AG London. The cash deal was valued at approximately £538 million (\$1,062.4 million). Based on the implied enterprise value of £532.4 million (\$1,051.6 million), the transaction was valued at 2.6x LTM revenue and 17.0x LTM EBITDA. The acquisition will facilitate BAE Systems to enhance its financial and technical capability to

address growth opportunities and serve its customers in an efficient way. The deal will also enable the company to expand its presence in the national security and resilience sector across its UK market and in the US homeland security market.

Dimension Data Holdings to acquire remaining 44.9% stake in Datacraft Asia

On July 22nd, Dimension Data Holdings plc (JSE:DDT), a provider of exclusive IT services and solutions that assists clients in scheduling, structuring and managing their IT infrastructures, announced the acquisition of remaining 44.9% stake in Datacraft Asia Ltd. (SGX:D06), a leading provider of independent IT services and solutions in Asia Pacific, which focuses in customized business solutions. The cash and stock deal was valued at approximately \$275.89 million or \$1.33 per share of Datacraft Asia. The transaction will be financed through a combination of internal cash resources and placing of new shares worth \$121.14 million. Based on an implied enterprise value of \$447.85 million, the transaction was valued at 0.6x LTM revenue and 8.4x LTM EBITDA. Dimension Data Holdings aims to cash in on the emerging market opportunities in the growing Asia market by making the target company as its wholly owned subsidiary.

Bechtle to acquire Madras Computer

On July 11th, Bechtle AG (XTRA:BC8), a leading provider of IT e-commerce to large corporate groups, financial service providers and public institutions, announced the acquisition of Madras Computer Vertriebs Ges.m.b.H., a provider of systems integration in the areas of enterprise storage and backup solutions, and IT infrastructure and security in Austria. The financial terms of the deal were not disclosed. Through this acquisition, the company has decided to expand its system house segment and achieve full coverage in the German-speaking market.

Groupe Open SA to acquire Sylis SA

On July 7th, Groupe Open (ENXTPA:OPN), a provider of associated computer technology services such as the Internet and maintenance services, announced the acquisition of Sylis SA (ENXTPA:LYSP), a provider of information technology services and consultancy services.

The other services provided by the company include information system management, consulting and expertise, information system operation and infrastructure management. The cash deal was valued at approximately €41.2 million or €4.25 per share. Based on an implied enterprise value of \$72.3 million, the transaction was valued at 0.3x LTM revenue and 7.6x LTM EBITDA. However, in September 2008, the Company revised its offer to €4.60 per share. The acquisition of Syllis would enable Groupe Open to achieve its goal of generating €450 million of revenue in 2010, which it had planned to achieve through such acquisitions.

Business & Decision acquires BnV Consultants

On July 3rd, Business & Decision SA (ENXTPA:BND) (B&D), a provider of data management, consultancy services and systems integration in areas such as business intelligence, customer relationship management and e-business, announced the acquisition of BnV Consultants nv/sa (BnV). The target company is a provider of consultancy services with significant experience in customer relationship management, business intelligence, human capital management and supply chain management. BnV specializes in business processes analysis and optimal implementation of Oracle applications, such as PeopleSoft and Siebel CRM, Oracle BI Enterprise Suite, PeopleSoft HCM and JD Edwards. The financial terms of the deal were not disclosed. This acquisition will enable B&D to significantly benefit from the development of a strategic partnership with Oracle, thus allowing the company to enter a new vertical in HR. Additionally, the company can use the penetration of BnV in the high end mid market to expand its client base, and offer a whole range of B&D services to its clients with increasing needs in BI and CRM.

Telecom Argentina to acquire Cubecorp Argentina

On July 2nd, Telecom Argentina SA (NYSE:TEO), a leading provider of fixed-line public telecommunication services, international long-distance service, data transmission, Internet services and directories publishing services in Argentina, announced the acquisition of Cubecorp Argentina S.A., a provider of IT solutions catering to management of hardware,

software, networks, databases, web servers and operating systems from Votorantim Participacoes S.A., B4 Ventures. The deal was valued at approximately \$32.0 million. Based on an implied enterprise value of \$32.0 million, the transaction was valued at 2.5x LTM revenue. The acquisition will expand Telecom Argentina's presence in Argentina.

Total Specific Solutions acquires 65% stake in Everest B.V.

On July 8th, Total Specific Solutions, a provider of specific solutions to top 200 leading companies, and central and local governments, with focus on IT services, business consulting and software, announced the acquisition of 65% stake in Everest B.V., a provider of front and mid-office solutions for knowledge-intensive enterprises, from Getronics PinkRocade NV. The financial terms of the deal were not disclosed. The acquisition enables Total Specific Solutions to provide targeted solutions (with good balance between centralized and decentralized control) for specific verticals. The acquisition will offer Everest a stable environment and will fully support the vision and long term strategy of the company.

Nordic Capital to acquire remaining stake in EDB Gruppen

On July 7th, Nordic Capital, a private equity investment firm focusing on leveraged buyout transactions primarily in northern Europe, announced the acquisition of the remaining 49.91% stake in EDB Gruppen A/S (CPSE:EDB), through its wholly owned company, Cidron IT A/S, from IBM Danmark A/S. The target company is a developer of various IT solutions and management consultancy services for the Scandinavian market. The cash deal was valued at DKK166 per share (\$35.7 per share) if less than 90% of the shareholders accept the offer and DKK170 per (\$35.8 per share) share if more than 90% accept the offer. Based on the implied enterprise value of DKK300.1 million (\$111.8 million), the transaction was valued at 0.6x LTM revenue and 8.2x LTM EBITDA. The acquisition will enhance the company's position and value and in the long run will be beneficial to both employees and customers by extending cross-selling between different parts of EDB Gruppen's business. It will also enable Nordic Capital to focus on the most profitable product,

optimize its deliveries, continue the integration and development of recent acquisitions and further consolidate small and medium sized IT companies.

SunGard acquires Delphi

On July 2nd, SunGard Data Systems Inc., a global provider of software and processing solutions as well as business continuity, managed IT and professional services, announced the acquisition of Delphi Technologies Limited. The target company is a provider of consultancy services and managed professional services to some of Ireland's largest financial services, insurance and telecommunications companies. The financial terms of the deal were not disclosed. The acquisition will help SunGard to extend its consulting capabilities in Europe, enhance its solution set to cover specific quality and testing skills, and to build its infrastructure in countries where the company has more than 50 customers

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PUBLIC COMPANY SOFTWARE & BUSINESS SERVICES UNIVERSE

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
Netsuite	N
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
Sum Total	SUMT
Callidus	CALD

Supply Chain Automation

<u>Company</u>	<u>Ticker</u>
<u>Planning</u>	
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
Interwoven	IWOV
OpenText	OTEX
Vignette	VIGN
Convera	CNVR

* JDA Software announced the acquisition of i2 Technologies on Aug 11th, 2008

**American Express Travel announced the investment of a 13% stake in Concur on July 29th, 2008

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

<u>Company</u>	<u>Ticker</u>
BMC Software	BMC
CA, Inc.	CA
Quest Software	QSFT
Motive	MOTV
Netscout Systems	NTCT

Development/Deployment (Pre-Production)

<u>Company</u>	<u>Ticker</u>
Borland Software	BORL
Compuware	CPWR
ILOG***	ILOG
Keynote Systems	KEYN

Business Intelligence

<u>Company</u>	<u>Ticker</u>
Data Integration	
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

<u>Company</u>	<u>Ticker</u>
Captaris**	CAPA
TeleCommunication Systems	TSYS

Security Software

<u>Company</u>	<u>Ticker</u>
Access / Public Key Infrastructure / Encryption	
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
Secure Computing *	SCUR
SonicWALL	SNWL
Websense	WBSN

Anti-Virus

McAfee	MFE
Symantec	SYMC
Trend Micro	TMIC

Integration / Middleware

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

Platform / OS

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

* McAfee announced the acquisition of Secure Computing on September 22nd, 2008

** Open Text announced the acquisition of Captaris on Sep 4th, 2008

*** IBM announced the acquisition of ILOG on July 28th, 2008

BUSINESS SERVICES UNIVERSE
IT Integration & Consulting

<u>Company</u>	<u>Ticker</u>
Accenture	ACN
The Hackett Group (fka. Answerthink)	HCKT
BearingPoint	BE
CIBER	CBR
Diamond Management	DTP1
iGate	IGTE
Management Network Group, The	TMNG
Perficient	PRFT
Sapient	SAPE
Technology Solutions	TSCC
Tier Technologies	TIER
Ness Technologies	NSTC

Education & Training

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

IT Staff Augmentation

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

Government IT Services

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

European IT Services

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

Indian / Offshore IT Services

<u>Company</u>	<u>Ticker</u>
Cognizant Technology Solutions	CTSH
Satyam Computer Services	BSE:500376
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

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

Business Process Outsourcing (BPO)

<u>Company</u>	<u>Ticker</u>
<u>HR / Administration Services</u>	
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

FINANCIAL SERVICES IT SOLUTIONS UNIVERSE
IT Outsourcing

<u>Company</u>	<u>Ticker</u>
<u>Platform IT Outsourcing</u>	
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>
<u>Outsourced Solutions</u>	
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>
<u>Bill e-Presentation & e-Payment</u>	
CyberSource	CYBS
Online Resources	ORCC
Heartland Payment Systems	HPY

Credit / Debit Card Processing

<u>Company</u>	<u>Ticker</u>
Fundtech Ltd.	FNDT
Global Payments	GPN
Total System Services	TSS
Transaction Systems Architects	TSAI

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

Pharus Advisors, LLC Overview

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
- 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 Third Quarter 2008 Transactions

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.

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