



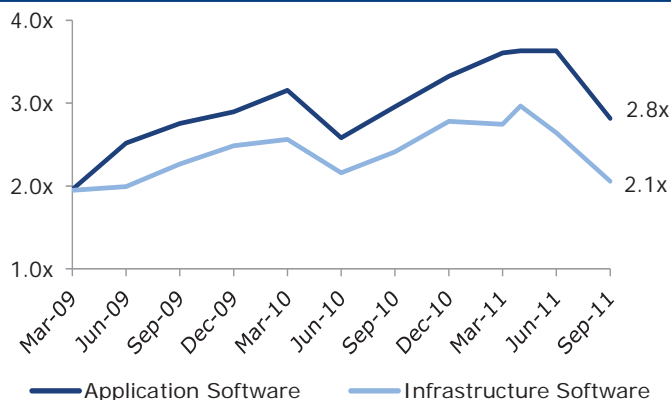
## Software Commentary

September 2011

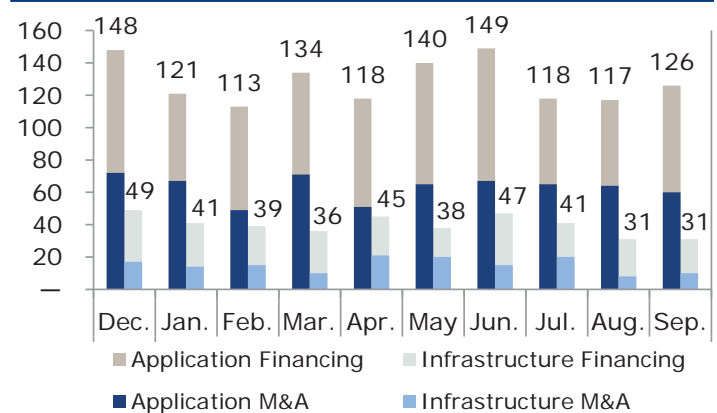
Total M&A deal volume in the Application Software sector increased by 8% in the month of September. The surge was led in large part by a number of notable transactions in the Government, Risk and Compliance (GRC) and Enterprise Risk Management areas. Following IBM's announcement of its plans to acquire U.K. anti-fraud software specialist, i2, the company also signed a definitive agreement to acquire Algorithmics, Inc., which provides risk analytics software for banking, investment and insurance businesses. The acquisition of Algorithmics will enable IBM to incorporate credit and market risk solutions into the operational GRC capabilities it acquired in the Open Pages acquisition last year, and will provide its customers with one of the most comprehensive GRC offerings in the market. Francisco Partners acquired a majority stake in eFront SA, a provider of GRC software solutions for the financial services industry primarily in France. Finally, Lawson Software acquired Approva, a leading provider of Continuous Controls Monitoring (CCM) software. This acquisition delivers industry-leading GRC capabilities to Lawson and Infor financial applications, which reduce risk, improve audit efficiency and readiness, and manage complex financial rules.

On the Infrastructure Software front, there were a number of security software companies that made headlines. Most notably, Ultra Electronics Holdings, the LSE-listed defense, security, transport and energy technology company, acquired AEP Networks, a leading supplier of secure network communication solutions. The AEP acquisition will add high-end security technologies and products to Ultra's existing offering and will enable Ultra to advance its strategy in the growing cyber security domain.

## Software Valuation Environment (TEV/LTM Revenue)



## Enterprise Software Transaction Volume



## Application Software Transaction Activity

**Welsh, Carson, Anderson & Stowe** agreed to acquire **Triple Point Technology, Inc.**, a provider of multi-market commodity and enterprise risk management solutions, in a deal valued at approximately \$500 million

**BServ, Inc.** made a proposal to acquire **Fundtech Ltd.**, which provides end-to-end financial transaction processing software solutions for financial institutions, for approximately \$360 million

**Hellman & Friedman** agreed to acquire **OpenLink Financial** from Carlyle Partners; OpenLink Financial provides cross-assets trading, risk, operational and portfolio management software

**IBM** signed a definitive agreement to acquire **Algorithmics, Inc.**, a provider of risk analytics software, content and advisory services for banking, investment and insurance businesses, for \$387 million

**Meru Networks** acquired **Identity Networks**, a provider of guest management and identity software solutions for network applications

## Infrastructure Software Transaction Activity

**Ultra Electronics Holdings** acquired **AEP Networks, Inc.**, a leading supplier of networking security solutions, in a deal valued at \$75 million

**Oracle** entered into a definitive agreement to acquire **GoAhead Software**, a provider of middleware software solutions for telecom, aerospace and defense, and media equipment manufacturers

**Keynectics S.A.** acquired **OpenTrust S.A.**, a designer and developer of solutions for the implementation of secure information technology infrastructures

## Software News


Google+ opened to the general public on September 21st, just two days before Facebook's annual conference, f8. During f8, CEO Mark Zuckerberg announced a major re-vamp of Facebook's UX with the new "Timeline" layout, which has yet to be rolled-out to its 750 million active monthly user base. "Timeline" is being billed as a massive change to the experience meant to maintain Facebook's stickiness with its users, as the social networking war heats up. These events have set up the next battle ground in an increasingly competitive environment. Additionally, rumors have been flying about Google morphing its Google Docs service into something called "Google Drive." While the functionality is expected to be similar to existing Google Docs, the rebranding and service enhancements are expected to put Google in direct competition with online storage leaders such as Box.net and Dropbox. Similar Google services have been rumored for years, although this time around it seems likely to happen given the level of discussions in the space.

TM Capital has ongoing relationships with the companies mentioned above. If your company fits the acquisition criteria, or to learn more about additional sell-side and buy-side opportunities, contact Murray Beach at 617.259.2201 or mbeach@tmcapital.com.



## Providing Tech M&A Advisory Services on a Global Scale





has been acquired by


has divested its IT staffing business to

has acquired

has acquired




has acquired




has acquired




has obtained a majority investment from




has been acquired by




has acquired




has been acquired by




has acquired




has been acquired by



### About TM Capital

TM Capital Corp. is an independent investment banking firm based in New York, Boston and Atlanta, which has completed over 200 mergers, acquisitions and financings with a combined value of \$12 billion. Since 1989, TM Capital has advised clients navigating a wide range of complex mergers, acquisitions, financings, restructurings, and other critical strategic and financial transactions. We have built deep industry expertise in key sectors and our team regularly publishes research highlighting current and emerging trends in targeted industries and markets. TM Capital is a member firm of M&A International Inc., the world's leading alliance of mid-market investment banks with over 500 professionals operating in every major financial center. Member firms have closed over 1,400 transactions worth more than \$85 billion in the past five years. For more information, visit [www.tmcapital.com](http://www.tmcapital.com).

### TM Capital's Software Practice

Murray M. Beach	617.259.2201	mbeach@tmcapital.com
Bradford A. Adams	617.259.2203	badams@tmcapital.com
Craig M. Gibson	617.259.2204	cgibson@tmcapital.com
Jarrad S. Zalkin	617.259.2207	jzalkin@tmcapital.com
Andrew O. Redmond	617.259.2215	aredmond@tmcapital.com
Luis Miranda	617.259.2212	lmiranda@tmcapital.com



#### New York

641 Lexington Avenue  
30th Floor  
New York, NY 10022  
Tel: (212) 809-1360

#### Boston

200 Clarendon Street  
25th Floor  
Boston, MA 02116  
Tel: (617) 259-2200

#### Atlanta

15 Piedmont Center NE  
Suite 1010  
Atlanta, GA 30305  
Tel: (404) 995-6230