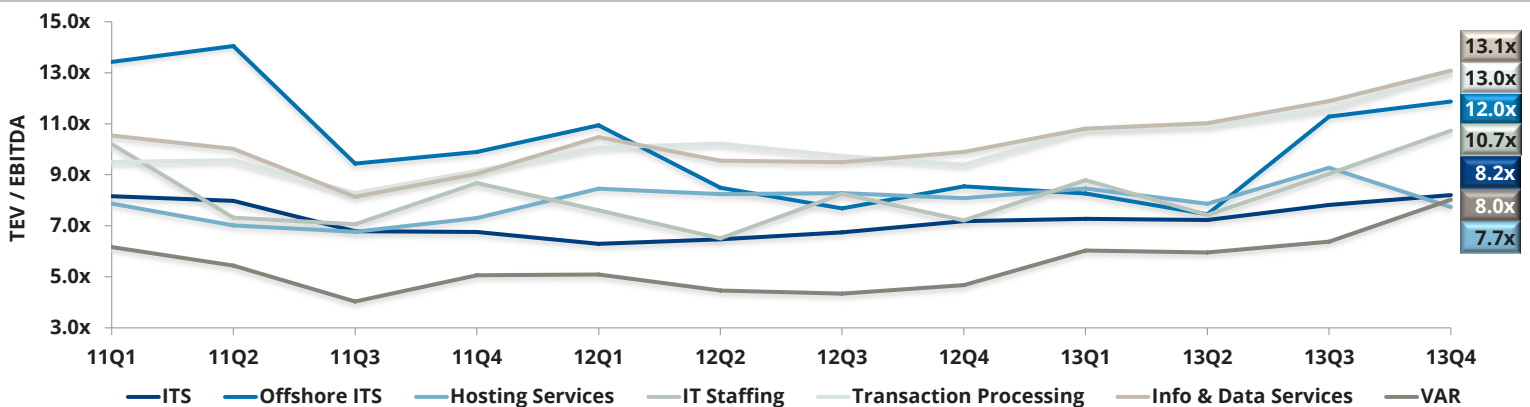


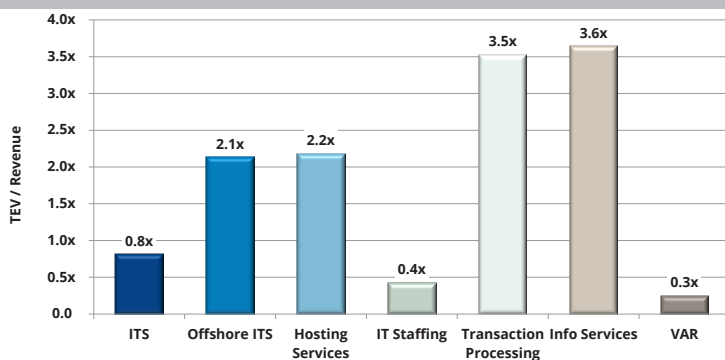
## Tech-Enabled Services Market Commentary

Although M&A activity in general slowed during the holiday season, we observed a number of noteworthy transactions in the Tech-Enabled Services vertical in December – most notably in the IT services sector. **Hitachi Solutions America**, which assumed the MSFT Dynamics business from Hitachi Consulting in early 2012, acquired **Ideaca Knowledge Services Ltd.** to broaden its service offerings and further enrich its MSFT Dynamics capabilities in Canada. Healthcare IT services specialist **emids Technologies** received a joint investment of \$13 million from **Baird Capital** and **Council Capital** to help strengthen its position in the healthcare vertical. In the SAP consulting services space, **BackOffice Associates** acquired **ENTOTA Ltd.** to augment its data migration and information services capabilities and develop a stronger presence in the U.K. Based on recent conversations with a number of strategic acquirers in the IT services sector, there appears to be a growing demand again for SAP consulting services businesses. In the call center space, BPO provider **iQor, Inc.** announced its purchase of **Jabil Circuit's Aftermarket Services Business** for \$725 million to expand the Company's global footprint and technical support services. Overall, 2013 featured a number of notable transactions in the Tech-Enabled Services vertical which reshaped the competitive landscapes in many sectors. We look forward to seeing the ramifications of these deals as they relate to additional M&A activity in 2014.

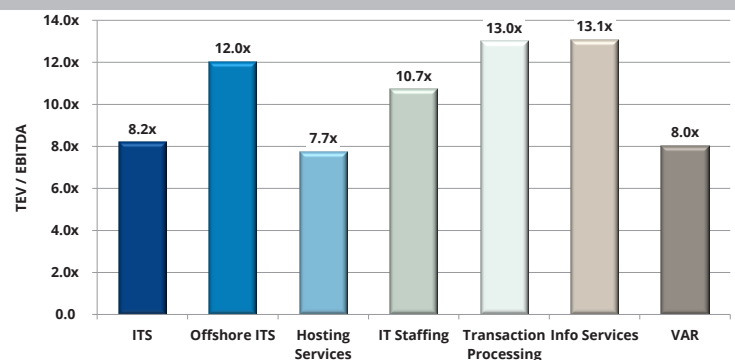
## TEV / EBITDA Multiples Over Time



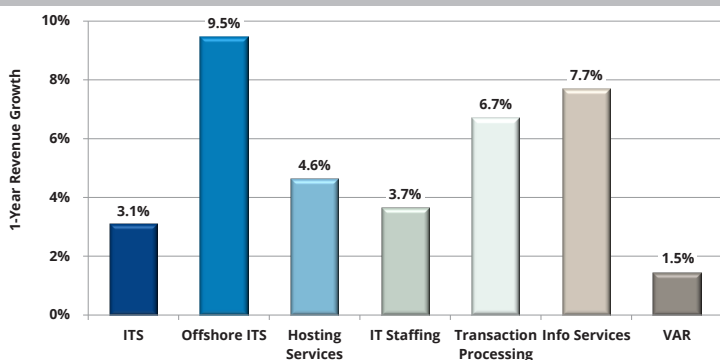
## TEV / Revenue



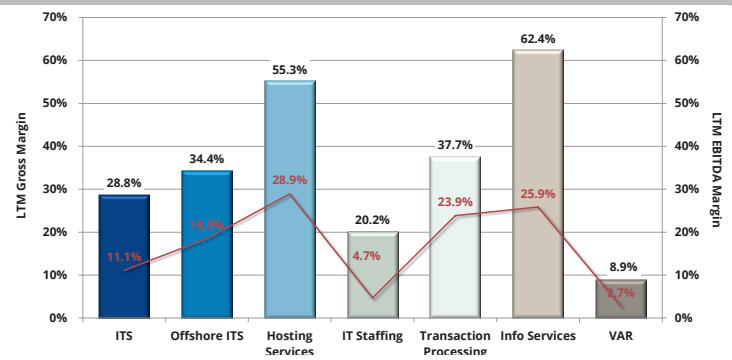
## TEV / EBITDA



## 1-Year Revenue Growth



## LTM Gross & EBITDA Margins



Note: EBITDA Margins in red

## Select Tech-Enabled Services Transactions Announced in December

Annc. Date	Sector	Acquirer	Target	Target Description	Enterprise Value	Comments
12/23/13	IT Services	Engility Holdings, Inc.	Dynamics Research Corporation	Dynamics Research Corporation provides management consulting, science, engineering, technical, and information technology services and solutions. The Company offers its services in the areas of IT, logistics and readiness, cyber security and information assurance, homeland security, healthcare, and intelligence.	\$203.2	Engility Holdings announced its acquisition of Dynamics Research Corporation as part of its strategy to expand their service offerings to existing customers. The acquisition will enable Engility to target higher-end markets and will provide access to key contract vehicles within the federal services market.
12/20/13	IT Services	Xerox Corporation	Invoco Holding GmbH	Invoco Holding GmbH provides customer care services in Germany. It offers customer services, such as inhouse services that provide customers with support and information regarding products, user help desk services, including information and solutions via telephone, as well as technical devices and software.	NA	Xerox's acquisition of Invoco will foster the Company's German capabilities and expand their customer care services to surrounding territories. Invoco's deep expertise in the cable industry will expand the number of verticals Xerox currently serves.
12/19/13	IT Services	Eos Partners, L.P.	RCG Global Services, Inc.	RCG Global Services, Inc. provides professional services to the Global 1000 marketplace. The Company offers business consulting solutions and technology solutions, which include business and technology planning, project management, development and integration, business intelligence and data delivery, quality assurance and software testing, and application management.	NA	RCG completed a management-led buyout in partnership with Eos Partners in a move that will position the Company for future growth in complementary industry verticals and geographies.
12/17/13	IT Services	iQor Holdings, Inc.	Jabil Circuit, Inc., Aftermarket Services Business	Jabil Circuit, Inc., Aftermarket Services Business is comprised of customer care, sales, technical support, accounts receivables management, product diagnostics, and repair services.	\$725.0	Acquisition of Jabil Circuit will provide iQor a unique service offering that encompasses leading customer support capabilities and product support services. iQor's customers will benefit from a larger global footprint and additional financial resources to invest in all lines of its business.
12/16/13	IT Services	BackOffice Associates, LLC	ENTOTA Ltd.	ENTOTA Ltd. provides SAP consulting services. Its services include data migration, data governance, data integration, and data warehousing.	NA	BackOffice's acquisition of ENTOTA will help customers gain control over their data quality issues and help better leverage data to accelerate growth. This acquisition positions the Company as a leading provider of data migration and information governance services across all industries.
12/16/13	Hosting Services	Littlejohn & Co. LLC, Littlejohn Fund IV, L.P.	Hostway Corporation	Hostway Corporation provides infrastructure and hosting services for small and medium-sized businesses worldwide. It offers cloud hosting services, such as public cloud servers, private cloud servers, hybrid cloud hosting, cloud server add-on solutions, and cloud website hosting services. The Company also provides managed hosting services.	NA	Littlejohn & Co. acquired Hostway Corporation to capitalize on increasing demand for hosting services as a result of emerging demand for Software and Platform as a Service. Littlejohn will accelerate Hostway's growth through investments in technology and sales and marketing in addition to selectively making acquisitions targeted at enhancing customer experience.
12/12/13	Managed Services	MDNX Group Ltd.	Easynet Group plc	Easynet Group plc provides IP-based wide area networking solutions to businesses and consumers in the United Kingdom and continental Europe. It offers a portfolio of IP services, including national and cross-border IP virtual private network, Internet connectivity, carrier services, and hosting and colocation in purpose-built data center facilities, as well as security solutions.	\$179.7	MDNX acquired Easynet Group to create the largest independent network and hosting integrator in Europe. Easynet provides MDNX an impressive roster of blue-chip clients and complementary knowledge and experience. The combined entity will operate under the Easynet brand.
12/09/13	Hosting Services	TPG Telecom Ltd.	Telecom New Zealand Australia Pty Ltd.	Telecom New Zealand Australia Pty Ltd. provides managed telecommunication and related information technology management services to large enterprises. The Company offers internet, data, and cloud services for businesses and wholesale customers.	\$408.7	TPG Telecom acquired AAPT, a subsidiary of Telecom New Zealand, to enhance its position as a leading provider in the telecommunications market and improve the performance of its corporate business.
12/04/13	IT Services	Baird Capital Partners; Council Capital	emids Technologies, Inc.	emids Technologies, Inc. provides information technology and business process outsourcing services to the healthcare industry, including payers, providers, revenue cycle management companies, third party administrators, healthcare information exchanges, and healthcare software vendors.	\$13.3	emids received a joint investment from Baird Capital and Council Capital to enable the Company to build on its position in the provision of healthcare IT services and solutions, allowing the Company to accelerate growth organically and through acquisition.
12/02/13	Managed Services	Akamai Technologies, Inc.	Prolexic Technologies, Inc.	Prolexic Technologies, Inc. provides managed distributed denial of service (DDoS) detection and protection services. It offers DDoS mitigation services that protect Internet operations from service disruptions caused by DDoS attacks. The Company engages in monitoring, filtering, and routing traffic flows.	\$402.6	Through its acquisition of Prolexic, Akamai intends to provide its customers with a more comprehensive portfolio of enterprise security solutions for defense against application-layer, network-layer and data center attacks through the Internet.
12/02/13	Hosting Services	Evolve IP, LLC	Paragrid, Inc.	Paragrid, Inc. offers cloud computing and virtualization solutions. The Company provides analysis and implementation services that cover storage, server, desktop, and application virtualization, and connections to non-virtualized infrastructure.	NA	Evolve IP acquired Paragrid as part of its national expansion plan and to bolster its current portfolio of cloud computing services. Paragrid provides Evolve IP with an experienced virtualization team, enterprise customers, and data centers to support the Company's Midwest market.
12/02/13	IT Services	Hitachi Solutions America Ltd.	Ideaca Knowledge Services Ltd.	Ideaca Knowledge Services Ltd. provides a portfolio of management consulting, implementation, and support services. It offers services in the areas of enterprise resource planning, business intelligence, portals and collaboration, cloud computing, custom development and integration, customer relationship management, application infrastructure, and support services.	NA	Hitachi Solutions America acquired Ideaca to broaden its services and expand its vertical reach. The acquisition will also increase the Company's global market footprint with the addition of more than 300 resources for service delivery.
12/02/13	IT Staffing	On Assignment, Inc.	CyberCoders, Inc.	CyberCoders, Inc. operates as a recruiting and job search company. It offers positions in technology, healthcare, education, finance, manufacturing, and biotech industries in the United States and Canada.	\$105.0	CyberCoders is well-positioned for accelerated growth as a division of On Assignment, a leader in the staffing industry. The Company's recruiters will have increased opportunities for professional growth through On Assignment's diverse and expansive customer base. The Company will continue to operate under the CyberCoders brand name.

Notes: USD in millions  
Source: Capital IQ, Company SEC Filings, industry research and TM Capital estimates

## Select TM Capital Tech-Enabled Services Experience

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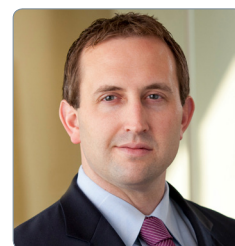
### About TM Capital

TM Capital Corp. is a partner-owned investment banking firm based in New York, Boston and Atlanta, which has completed over 250 transactions with a combined value in excess of \$14 billion. Since 1989, we have advised clients navigating a full range of critical transactions, including complex mergers, acquisitions, debt and equity financings, minority and majority recapitalizations, restructurings, and advisory services including takeover defense, fairness and solvency opinions, valuations, as well as litigation support. 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 600 M&A professionals in 41 countries. Members have closed over 1,300 transactions totaling more than \$75 billion in value over the past five years. For more information, visit [www.tmcapital.com](http://www.tmcapital.com).

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