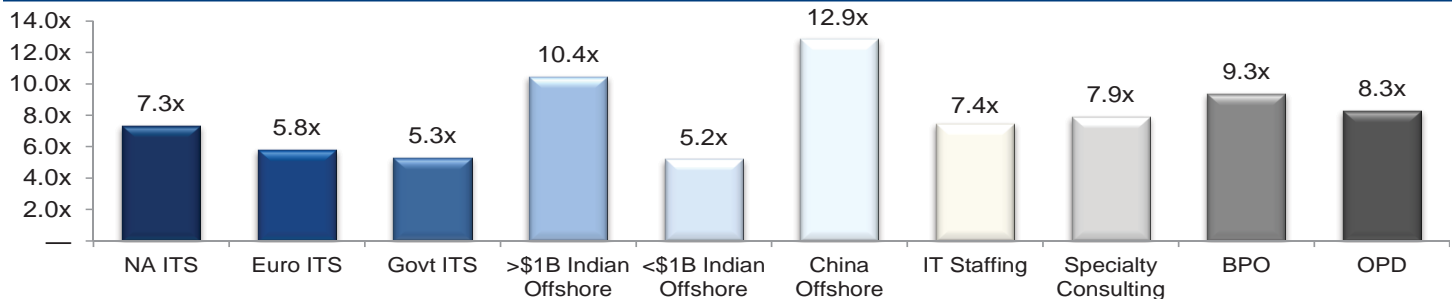




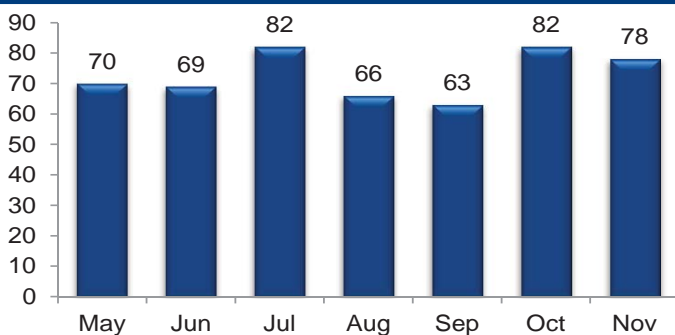
IT Services Commentary

Deal activity remained strong in November, posting totals in line with October, but well above the average monthly volume we have observed in 2012. The aggressive pace of dealmaking continues to confirm our position that motivated sellers are pressing to complete transactions before the end of the year to preserve favorable capital gains tax treatment, which we believe is set to change materially in 2013. November deals had a distinct middle-market flavor with a number of larger advisory firms and systems integrators making tactical acquisitions designed to strengthen practice areas, enhance IP or sharpen best of breed messaging. Managed services, Microsoft solutions, cloud application engineering and federal government services were high demand categories during the month.

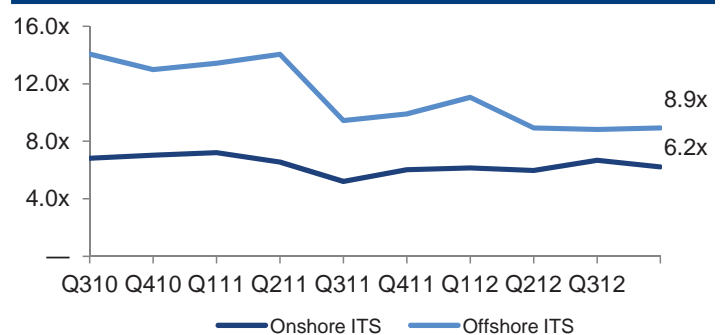
Current Valuations by IT Services Category (TEV/EBITDA)



IT Services Transaction Volume by Month



Valuation Trends Over Time (TEV/EBITDA)



IT Services M&A

- BT Group** acquired the **Tikit Group plc**, an AIM-traded technology solutions provider focusing on the legal and accounting industries
- Avanade**, an IT consulting firm majority-owned by **Accenture**, acquired **Azaleos**, a Microsoft-centric managed services provider focused on Exchange, SharePoint, Lync and mobile device management
- PriceWaterhouseCoopers** acquired **Ray Group International**, an IT consulting and program management services firm delivering solutions to federal government agencies
- Rolta**, an Indian offshore outsourcing provider acquired **AdvizeX Technologies**, an infrastructure and application solutions, services and reseller platform
- Pomeroy IT Solutions**, a **Platinum Equity** backed company, acquired **BluePoint Data**, a cloud-centric managed services platform focused on networks, storage, servers and security
- Fulcrum IT Services**, a federal government oriented systems integrator, acquired **Corbin**, a consulting firm specializing in intelligence community IT, military, healthcare and Army sensor development
- Salient Federal Solutions**, a government focused services platform owned by **Frontenac**, acquired **List Innovative Solutions**, a specialist integrator focused on federal government IT consulting


IT Services Rumor Mill

- Sonda S.A.**, the leading IT services company in Chile, is allocating \$300 million for M&A activity in Central and Latin American territories, including Mexico and Columbia
- Cognizant Technology Solutions** is seeking tuck-in acquisitions in consulting, BPO and infrastructure


IT Services News

- WestView Capital** announced the recapitalization of **Park Place Technologies**, an outsourced data center maintenance services firm – **Abacus Finance Group** served as the Sole Lead Arranger for a \$35 million credit facility supporting the recap
- BT Group** announced its intention to seek a buyer for its 9% ownership stake in Indian offshore platform **Tech Mahindra**

Providing Tech M&A Advisory Services on a Global Scale



has been acquired by





has been acquired by






has been acquired by





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



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 \$13 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 1,400 transactions totaling more than \$85 billion in value over the past five years. For more information, visit www.tmcapital.com.

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