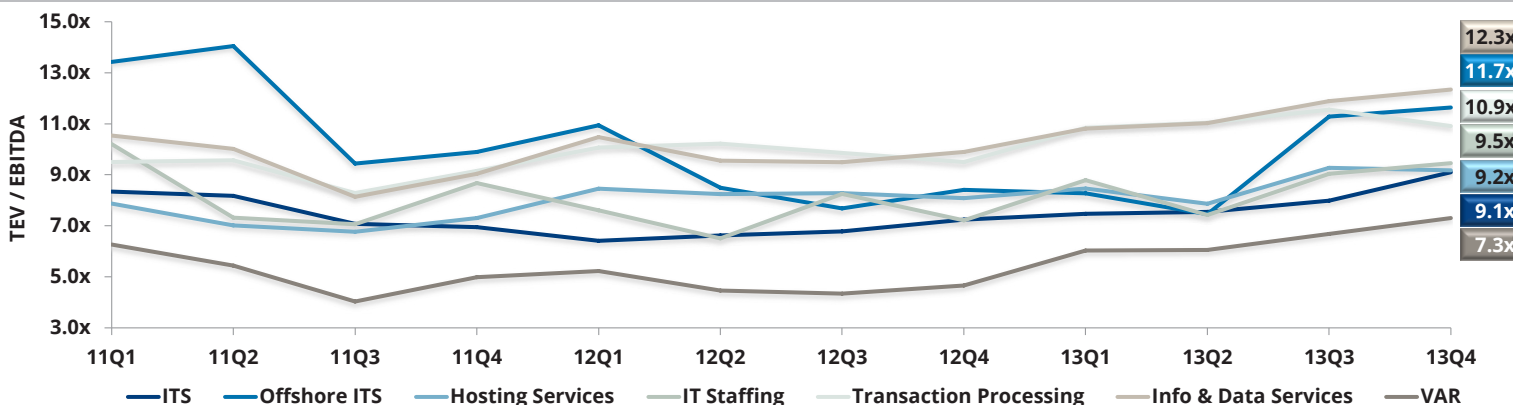




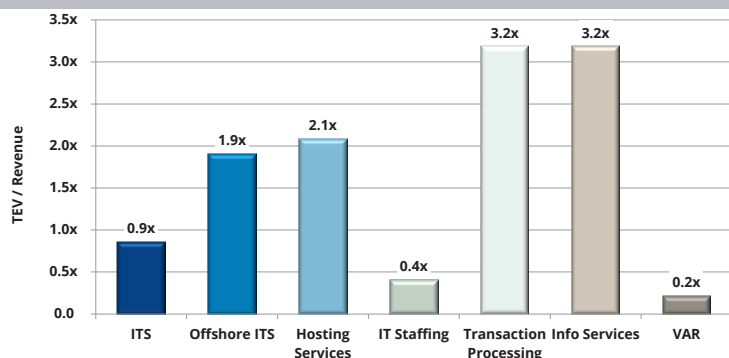
Tech-Enabled Services Market Commentary

M&A activity in the Tech-Enabled Services industry is off to a strong start in 2014, with a number of notable acquisitions announced in January. China-based IT consultancy **Pactera Technology** acquired **Innoveo Solutions** to expand its presence in Europe and strengthen its BFSI service offerings, marking the company's first acquisition since it was formed through the combination of **HiSoft Technology** and **VancelInfo Technologies** in August 2012. On the managed services front, **Ricoh** acquired **mindSHIFT Technologies** from **Best Buy** to expand its professional services portfolio. Best Buy acquired mindSHIFT in 2011 for \$167 million to break into the cloud services market, but wasn't able to effectively leverage the platform. This acquisition will enable Ricoh to better compete with **Konica Minolta** which has been rapidly consolidating the SMB services market through its **All Covered** platform. Finally, we noted two CRM services-related acquisitions in January: **West Monroe Partners** acquired **Madrona Solutions Group**, a bi-coastal provider of MSFT CRM and Salesforce.com services; and **Birlasoft** acquired **EnablePath**, an Atlanta-based Salesforce.com integrator. We are encouraged by the volume of activity in early 2014, and based on our current pipeline of deals, we look forward to another interesting year in the Tech-Enabled Services sector.

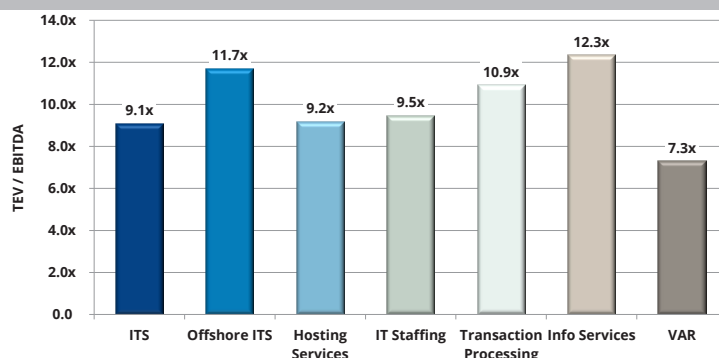
TEV / EBITDA Multiples Over Time



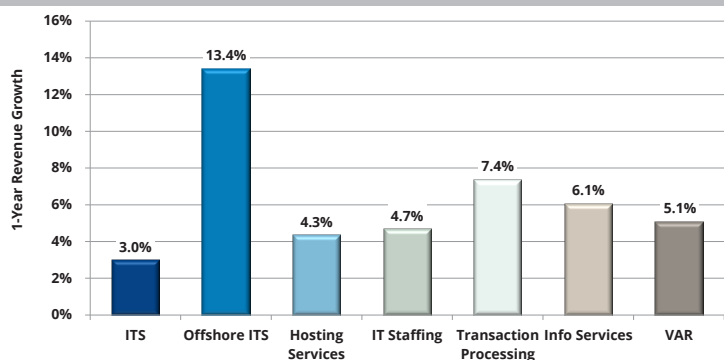
TEV / Revenue



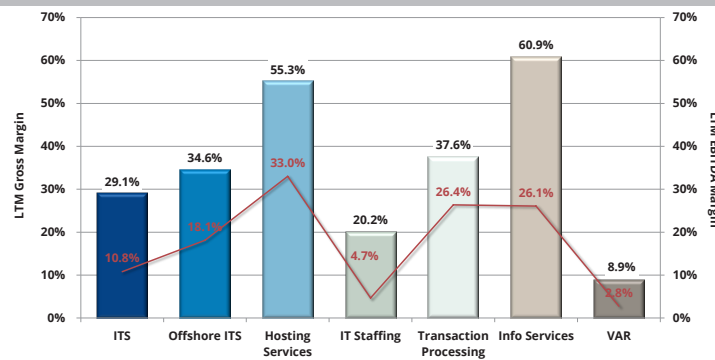
TEV / EBITDA



1-Year Revenue Growth



LTM Gross & EBITDA Margins


















Note: EBITDA Margins in red

Select Tech-Enabled Services Transactions Announced in January 2014

Ann. Date	Sector	Acquirer	Target	Target Description	Enterprise Value	Comments
01/24/14	Managed Services	All Covered, Inc.	Knowledgecentrix, Inc.	Knowledgecentrix, Inc. provides managed and professional services, including business continuity disaster recovery, infrastructure optimization, application delivery, managed services and data backup and recovery services.	NA	Knowledgecentrix's cloud services are closely aligned with those offered by All Covered and enable the acquirer to better meet the growing demand from customers for cloud-based document storage and sharing.
01/24/14	IT Services	Pactera Technology International Ltd.	Innoevo Solutions AG	Innoevo Solutions AG provides software solutions and information technology consulting services, including alignment of business and IT requirements, implementation consulting and support and infrastructure design, sizing, implementation, and operation.	NA	Acquisition of Innoevo will enable Pactera to bolster its BFSI solutions and services to better compete with other providers in the market. Innoevo's team of technology and insurance personnel will also help the Company expand its presence in Europe.
01/23/14	Hosting Services	Alternative Networks Plc	ControlCircle Ltd.	ControlCircle Ltd. provides information technology solutions ranging from global secure hosting and connectivity to managing various security, networking, server, and database technologies for financial, legal, shipping, government, and online businesses in the United Kingdom.	\$65.4	Alternative Networks acquired ControlCircle as part of its growth strategy, through which the Company seeks to acquire growing, profitable companies with cross selling opportunities. This marks Alternative Network's second acquisition this month. ControlCircle reported \$34.1m of revenue last year, implying a 1.9x revenue multiple.
01/21/14	Managed Services	Ricoh Company Ltd.	mindSHIFT Technologies, Inc.	mindSHIFT Technologies, Inc. provides information technology (IT) infrastructure and software services for small and medium-sized organizations. The Company offers managed IT and VOIP, e-discovery and compliance, financial, legal, association and professional services.	NA	Ricoh acquired mindSHIFT Technologies from Best Buy to expand and deepen its services portfolio. MindSHIFT's team of engineers are closely aligned to Ricoh's existing services organization and will enable the acquirer to enhance its professional services capabilities.
01/20/14	IT Services	Accenture Plc	ClientHouse GmbH	ClientHouse GmbH provides cloud computing and customer relationship management consulting services. The Company provides strategy and business process consulting services, cloud and CRM implementation services, user acceptance tests and system handover, as well as data migration and cloud integration services.	NA	Acquisition of ClientHouse will enable Accenture to enhance its Salesforce and SaaS implementation capabilities. ClientHouse employees will work with Accenture's global industry groups to serve life sciences and other industries from the Company's office in Europe.
01/15/14	IT Services	Essex Technology Group, Inc.	Gemini Systems, LLC	Gemini Systems, LLC offers business analysis, architecture design, application development, system integration, operation support, and maintenance of technology solutions and a solution that provides customers with a way to manage the growing needs for high performance data warehousing and analytics.	NA	Gemini Systems will expand Essex Technology's service and solutions offerings to include big data analytics, mobile and social business solutions. The acquisition will also provide Essex software development and IT automation capabilities.
01/13/14	IT Services	Birlasoft (India) Ltd.	EnablePath, LLC	EnablePath, LLC provides sales force driven customer relationship management consulting services. It offers business assessment services, implementation services and data services.	NA	Through its acquisition of EnablePath, Birlasoft aims to strengthen its expertise in business consulting, cloud transition, implementation, integration and app exchange services.
01/13/14	IT Services	CloudSmartz, LLC	IPLogic, Inc.	IPLogic, Inc. provides information technology services. It offers collaboration, data center and virtualization, cloud-based, mobility & wireless and security services.	NA	The merger of IPLogic and CloudSmartz will allow both companies to expand their geographic presence and enhance their complementary services, which include software development and infrastructure services.
01/08/14	IT Services	Marlin Equity Partners, LLC	Compuware Corporation, Select Business Units	Compuware Corporation, ChangePoint, Professional Services and Uniface business units provide business portfolio management and professional services automation solutions, various IT services for mainframe, distributed and mobile environments and an application development environment.	\$135.0	Compuware Corporation divested its ChangePoint, Professional Services and Uniface business units as part of its strategic transformation strategy designed to accelerate top-line growth. The Company will now focus on its APM capabilities and mainframe business.
01/07/14	Hosting Services	CoSentry, Inc.	XIOLINK, LLC	XIOLINK, LLC provides managed infrastructure, managed hosting, colocation and private cloud computing solutions to mid-market and enterprise clients in the United States and internationally.	NA	Acquisition of XIOLINK will provide CoSentry with a data center presence in the St. Louis region. The acquisition will also bolster CoSentry's IT infrastructure solutions and services, and provide private and public cloud capabilities.
01/06/14	IT Services	Virtusa International BV	TradeTech Consulting AB	TradeTech Consulting AB provides business and technology consulting services to treasury, asset management and capital markets segments worldwide. The Company's services range from management consulting to technology to sourcing of entire functions or systems.	\$23.9	Acquisition of TradeTech will expand Virtusa's presence in Europe, particularly in the Nordic countries, where the IT services market is in a period of accelerated growth. The acquisition also enhances Virtusa's consulting and outsourcing services.
01/06/14	IT Services	West Monroe Partners, LLC	Madrone Solutions Group, Inc.	Madrone Solutions Group, Inc. operates as a consulting company that provides customer relationship management and business intelligence solutions to mid-market and enterprise-sized clients in the United States.	NA	Madrone Solutions supports West Monroe's geographic expansion strategy and enhances the acquirer's service offerings. West Monroe will retain Madrone's office in Raleigh, NC to serve as the Company's technology hub on the East Coast.

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

Select TM Capital Tech-Enabled Services Experience

 a portfolio company of  has been acquired by 	 a portfolio company of  has been acquired by 	 Linking people, process and content has been acquired by 	 BUSINESS IN CONTROL has been acquired by 	 a portfolio company of  has been acquired by 	 marketing on demand has been acquired by 
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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.

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