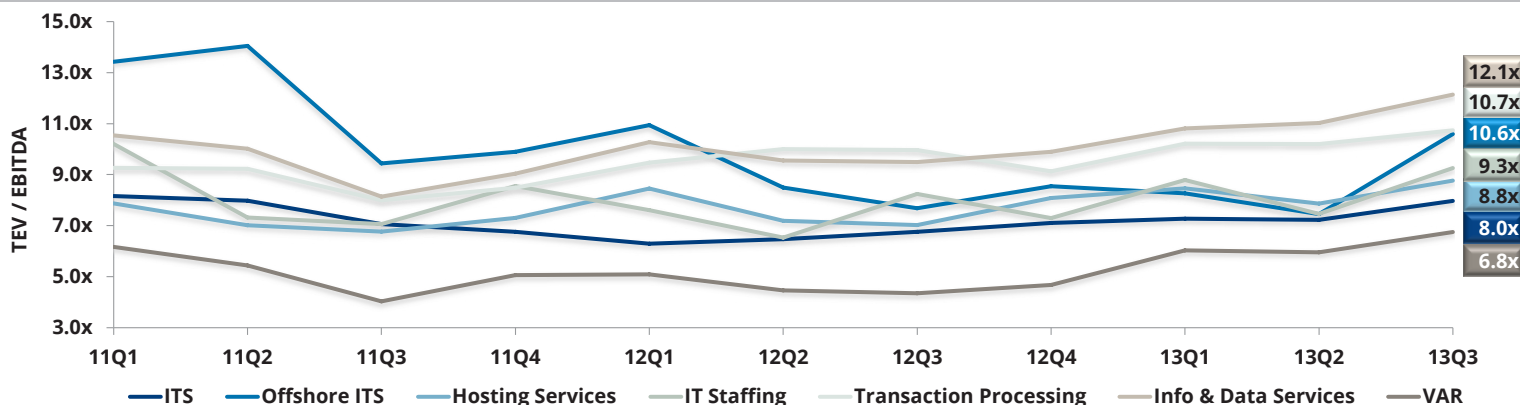


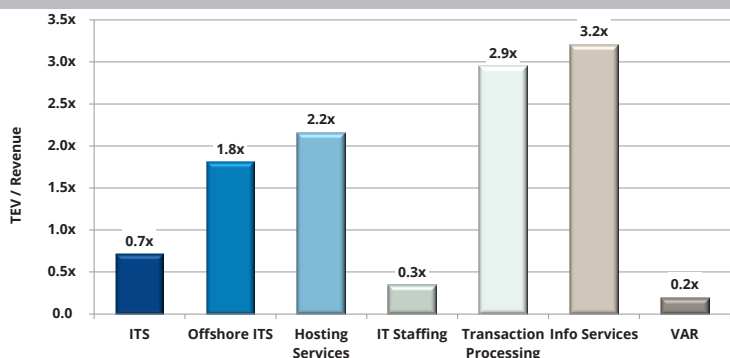
## Tech-Enabled Services Market Commentary

Although summer has drawn to a close, the Tech-Enabled Services vertical continued to bring the heat in September. In the IT Services sector, **TM Capital** advised **MarketSphere Consulting** in the sale of its Oracle Solutions business to **Grant Thornton**. Grant Thornton exited the IT consulting market in 2000 when it sold its e-business consulting unit to Hitachi. Recently, it has been rebuilding these capabilities and MarketSphere will serve as the cornerstone of its Oracle practice. In the social media/mobile marketing services space, **Publicis** acquired **Poke London** for \$16 million, further demonstrating acquirer interest in adding interactive services. **Hitachi Solutions** added to its Microsoft capabilities in the U.K. with the acquisition of **Charteris'** Microsoft Dynamics Practice. In the Hosting Services sector, **Rogers Communications** continued its acquisition spree by acquiring **Sverica International**-backed **Pivot Data Centres** for \$150 million. In addition, **Endurance International Group** purchased India-based data center operator **Directi Web Technology** for \$105 million. As we review the M&A activity in the Tech-Enabled Services sector over the past few months, one notable trend is the increase in cross-border activity. We continue to see robust interest from acquirers around the globe and remain confident that the velocity of M&A transactions in this sector will continue to accelerate despite the overall market volatility that is projected for the fourth quarter.

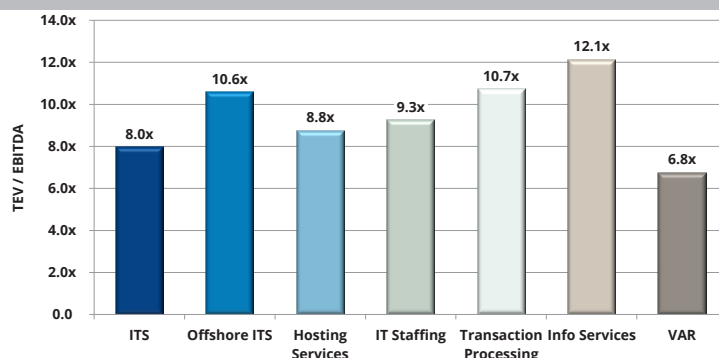
## TEV / EBITDA Multiples Over Time



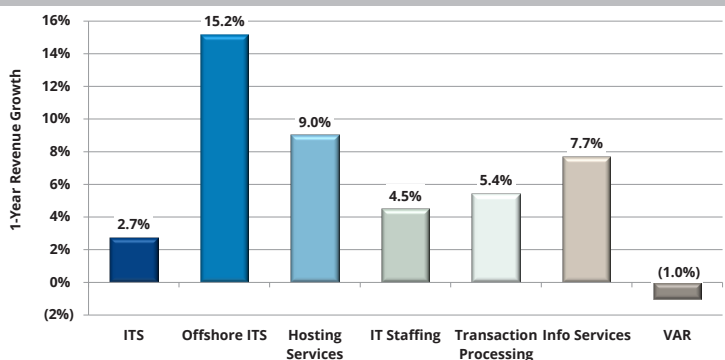
## TEV / Revenue



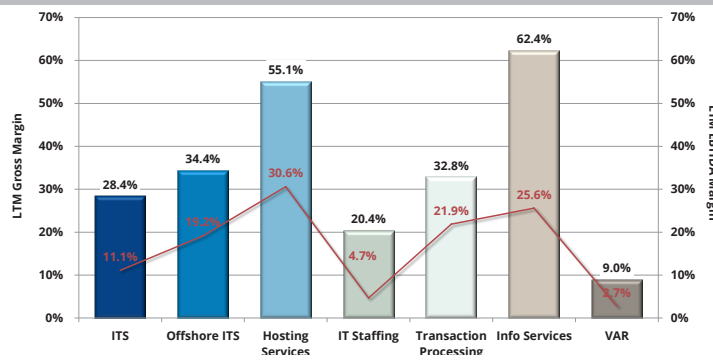
## TEV / EBITDA



## 1-Year Revenue Growth



## LTM Gross & EBITDA Margins



## Select Tech-Enabled Services Transactions Announced in September

Ann. Date	Sector	Acquirer	Target	Target Description	Enterprise Value	Comments
09/27/13	IT Services	Hitachi Solutions Ltd.	Charteris plc, Microsoft Dynamics Implementation Practice	Charteris plc provides business and IT consulting services primarily in the United Kingdom. The Company is a full stack Microsoft systems integrator for UK-based Enterprise and Mid-market clients.	\$0.2	Charteris' Microsoft Dynamics segment of its business has had difficulty achieving critical mass. This acquisition provides Charteris an opportunity to concentrate on stronger aspects of their business, while offering current Dynamics clientele a secure and dependable delivery partner.
09/23/13	Transaction Processing	ACI Worldwide, Inc.	Official Payments Holdings, Inc.	Official Payments Holdings, Inc. provides electronic payment solutions in the United States, Puerto Rico, and the District of Columbia. Its solutions enable clients to accept payments by credit card, debit card, and electronic check through mobile devices, the Internet, telephone, and point of sale devices.	04/16/00	Acquisition of Official Payments Holdings will extend ACI's leadership in the electronic payments space, particularly among federal, state and local governments, municipal utilities, higher education institutions, and charitable giving organizations.
09/23/13	Hosting Services	Rogers Communications, Inc.	Pivot Data Centres, Inc.	Pivot Data Centres, Inc. provides co-location data center solutions in western Canada. The Company offers data center services, including dedicated and shared co-location, business resumption, IT relocation, and facilities management services.	\$150.7	Pivot Data Centers will significantly strengthen Roger Communications' presence in Edmonton and Ottawa, which will enable the Company to achieve greater market penetration in Canada. Additionally, this deal provides synergies with the Company's previous acquisition of BLACKIRON.
09/20/13	IT Services	Huron Consulting Group, Inc.	Blue Stone International, LLC	Blue Stone International, LLC provides business intelligence, strategic modeling, budgeting and forecasting systems integration and consulting services as an Oracle Platinum partner for enterprises in a broad range of industries.	\$30.0	Blue Stone provides Huron Consulting nearly 100 employees and highly complementary services supporting enterprise performance management, information management, and business intelligence solutions. Further, the acquisition will supplement Huron's offerings within the higher education and healthcare markets.
09/19/13	Hosting Services	GoDaddy.com, Inc.	Afternic.com	Afternic.com operates as an Internet site for exchanges and online auctions of domain names. Its registrations include auctions, appraisals, and escrow services. Afternic also provides its members with industry newsletters and the ability to participate in community forums.	NA	GoDaddy continues its string of acquisitions this month with its acquisition of Afternic.com, which will provide its customers access to a leading domain name aftermarket and will strengthen the Company's registrar-led process, enabling customers to purchase registered domain names quickly and easily.
09/18/13	Managed Services	B2B Computer Products, LLC	CT Networks, Inc.	CT Networks, Inc. provides a wide range of outsourced IT and managed services to include hosted security, messaging and desktop virtualization, on and off-site backup and recovery, systems integration and software development services for businesses in the U.S.	NA	B2B Computer Products (doing business as ITsavvy) will benefit from CT Networks' wide choice of managed services as part of the Company's growth by acquisitions strategy. The acquisition will also bolster B2B Computer Products' technical support.
09/18/13	Hosting Services	LeaseWeb USA, Inc.	Shore.Net	Shore.net is a fully independent public data center that delivers IT infrastructure services including colocation, virtual private servers, and network security to large enterprises, government and academia in the U.S. and internationally.	NA	Acquisition of Shore.net will bolster LeaseWeb's substantial organic growth. Moreover, Shore.net offers complementary services to LeaseWeb, while also providing over 500 customers in the transaction. Shore.net has nearly two decades of experience in this space and is a welcome addition to Amsterdam-based LeaseWeb.
09/18/13	IT Services	Publicis Ltd.	Poke London Ltd.	Poke London Ltd. provides online, mobile, interactive and social media marketing campaign creation and related services for businesses in the U.K.	\$16.0	Poke has considerable expertise across service design, UK digital architecture, social, e-commerce, and mobile and product development that complements Publicis' current advertising, CRM, content solutions, and digital communications capabilities.
09/18/13	IT Services	Simon Yiming Ma and Employees	Camelot Information Systems, Inc.	Camelot Information Systems, Inc. provides enterprise application services and financial industry information technology (IT) services. The Company's enterprise application services consist of packaged software implementation and maintenance services for enterprise resource planning software packages and software development and maintenance services.	\$98.2	Camelot Information Systems entered into a take private agreement through which Simon Yiming Ma, the Company's CEO, and 34 employees will purchase all outstanding ADSs (American Depositary Receipts) at \$2.05/share in a transaction that is expected to close early next year and will be financed through a combination of debt and equity capital.
09/16/13	Hosting Services	Cologix, Inc.	Jax Meet Me Room, LLC	Jax Meet Me Room operates colocation data centers for Internet and telecommunication sectors. The Company offers enterprise messaging, Internet access, and cloud-computing services. Additionally, it provides private suites, custom cages, single racks, and cabinets.	NA	Jax Meet Me Room (JMR) operates a 9,000 square foot data center in Jacksonville, and is well positioned to take advantage of an underserved local market as well as emerging markets in Latin America. JMR marks Cologix's fifth acquisition in the last eight months.
09/13/13	Hosting Services	Host Europe WVS Ltd.	Telefónica Germany Online Services GmbH	Telefónica Germany Online Services provides colocation and managed hosting services for Microsoft, Citrix, EMC, IBM, Hewlett-Packard and other vendor products for enterprises in Germany and Europe.	NA	Host Europe's acquisition of Telefonica Germany Online Services will strengthen the Company's position as a provider of enterprise hosting services to small and mid-sized businesses. The resulting broader portfolio of the combined companies will benefit from highly technical, customized offerings.
09/12/13	VAR	Ingram Micro, Inc.	SoftCom, Inc.	SoftCom, Inc. provides web hosting, business communications, and business email and collaboration services for consumer and small business markets in the United States and internationally. The Company also provides hosted exchange services to communicate and collaborate with co-workers, customers, partners, and suppliers.	NA	Acquisition of SoftCom provides Ingram Micro its own hosted infrastructure product. SoftCom will benefit from immediate growth as a direct result of the deal, gaining immediate exposure to Ingram Micro's vast user base. SoftCom was named Microsoft's Canadian hosting partner of the year in 2012.
09/11/13	Managed Services	Lockheed Martin Corporation	Amor Business Technology Solutions Ltd.	Amor Business Technology Solutions Ltd. provides business technology solutions and professional and managed IT services catering to energy, transport, and public sectors.	NA	Amor has achieved significant growth and now employs over 600 people across the U.K. The Company will now become a part of Lockheed's information systems and global solutions business. Amor has strategically sought refinancing to support continued growth and provide its private equity partners liquidity.
09/11/13	Transaction Processing	TA Associates	BluePay, Inc.	BluePay, Inc. provides Tier 1 merchant credit card payment processing solutions in the United States and Canada. The Company offers solutions ranging from e-commerce payment gateways and business-to-business processing capabilities to retail and restaurant solutions, and electronic invoicing.	NA	TA Associates completed a majority recapitalization of BluePay Processing as a result of BluePay's rapid merchant base and processing volume growth. BluePay has forged payment relationships with hundreds of third-party software developers, where more than half of the Company's revenues are derived.
09/10/13	Managed Services	Datapipe, Inc.	Newem Insight Ltd.	Newem Insight Ltd. provides cloud management services. The Company provides automated solutions for utilization, cost, security and other aspects of cloud systems.	NA	Datapipe's acquisition of Newem is consistent with the Company's strategy to be the industry leader in the enterprise managed cloud services space. Newem's strong AWS-focused cloud hosting monitoring, metrics, and analytics SaaS for businesses is highly complementary to Datapipe, whose current service offerings include managed AWS, AWS direct connect enabled services, and managed hosting services.
09/09/13	Hosting Services	Endurance International Group Holdings, Inc.	Directi Web Technology Pvt Ltd.	Directi Web Technology provides a wide range of hosted services and SaaS, including Web and email hosting, domain name registration, hosted communications software, collaboration SaaS and Web hosting and domain name industry analysis software for consumers and businesses in India, China and the UAE.	\$105.0	Endurance International Group has acquired Directi Web Technology to help grow its presence in India. Endurance manages eight brand names in the web hosting space and boasts an expansive roster of small business clients. Directi Web Technology provides complementary services to Endurance and aligns well with the acquirer's growth strategy.
09/06/13	IT Staffing	Matchtech Group plc	Application Services Ltd.	Application Services Ltd. provides Oracle applications consulting services. It offers services in the areas of Oracle applications, including Oracle E-Business, PeopleSoft, J. D. Edwards, and Siebel applications, as well as business intelligence and EPM, such as Hyperion, Analytics, and OBIEE.	\$7.8	As Matchtech launches its newly rebranded technology recruitment business, Connectus, acquisition of Application Services will position the Company to take advantage of the global ERP recruitment market. This bolt-on acquisition will generate additional contract opportunities through cross-selling.
09/05/13	Managed Services	lomart Group plc	Redstation Ltd.	Redstation Ltd. hosts various websites and servers for clients worldwide. It offers domain registration, personal or business Internet, colocation, technical support, and managed and database hosting services.	\$12.6	Redstation manages approximately 20,000 servers for clients in over 50 countries. The Company is a natural fit for lomart, as its services are complementary and deliver organic growth opportunities for the acquirer. lomart will utilize this deal to further consolidate its position in the dedicated server market in the U.K.
09/04/13	Hosting Services	EATEL, Inc.	Venyo Solutions, Inc.	Venyo Solutions, Inc. provides data protection, recovery, delivery, and availability services to small and medium sized organizations in the United States and internationally. Its portfolio includes online data backup, physical and virtualized recovery, managed and virtual hosting, software-as-a-service, and colocation hosting services.	NA	Acquisition of Venyo Solutions provides EATEL new growth opportunities and complementary service lines with integrated business solutions. The Company will remain headquartered in Baton Rouge, Louisiana, where Gonzalez-based EATEL is currently in the process of expanding toward.
09/03/13	IT Services	Grant Thornton LLP	MarketSphere Consulting, LLC	MarketSphere, an Oracle Platinum Partner, provides advisory and technology services to companies leveraging Oracle ERP, HCM, BI and EPM technology solutions.	NA	The addition of MarketSphere's Oracle Solutions business adds more than 160 expert technical and functional consultants to Grant Thornton's Advisory Services platform, complementing its existing tax and audit services offerings and enhancing its competitive positioning in the IT services landscape.

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 	 Linking people, process and content has been acquired by 	 a portfolio company of  has been acquired by 	 has been acquired by 	 a portfolio company of  has been acquired by 	 has been acquired by 
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

## 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 \$13.5 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 40 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).

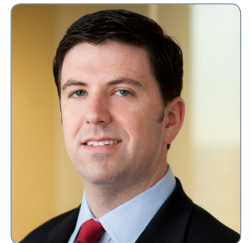
## TM Capital's Tech-Enabled Services Contacts



**Brad Adams**  
Managing Director  
(617) 259-2203  
[badams@tmcapital.com](mailto:badams@tmcapital.com)



**Jarrad Zalkin**  
Principal  
(617) 259-2207  
[jzalkin@tmcapital.com](mailto:jzalkin@tmcapital.com)



**Andrew Redmond**  
Vice President  
(617) 259-2215  
[aredmond@tmcapital.com](mailto:aredmond@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

**TM capital**

An M&A International Inc. firm

[www.tmcapital.com](http://www.tmcapital.com)