

**Core Capital Group**  
*is celebrating our 18th year in investment banking services for middle market technology companies.*

*Whatever the stage of your company's lifecycle, we have the expertise and resources to deliver superior results for you.*

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- In this issue:**
- *IMAP Ranking & Valuations Report*
  - *2009 Software M&A Activity Update*
  - *Recent Deals*

Core Capital Group is a partner firm in the International Network of M&A Partners (IMAP). With 55 partner offices located in 40 countries, IMAP partners closed 252 transactions in 2008 with a combined value of \$13 billion.



INTERNATIONAL NETWORK OF M&A PARTNERS

## IMAP Ranks No. 5 in Global Middle Market M&A for 2008

Core Capital Group has been an active member/partner in the International Network of M&A Partners (IMAP) since 2003. Formed in 1973, IMAP is the world's most established and experienced middle-market M&A organization. IMAP provides creative solutions for middle-market M&A through a partnership of hand-selected independent advisory firms. The IMAP organization brings an exceptional combination of local depth and global breadth to the transaction. IMAP advisors, representing more than 60 offices in nearly 40 countries throughout North and South America, Eastern and Western Europe, Australia and Asia, provide strategic merger, acquisition, divestiture and related corporate finance services. Sellers of mid-size companies and corporate acquirers alike rely upon IMAP for essential local market knowledge and industry expertise delivered with unparalleled global access.

IMAP ranked No. 5 worldwide among the global middle market advisory organizations for deals with a value of up to \$50 million, based on volume of completed transactions, for 2008 according to the recently-released Thomson Financial League tables. Thomson (NYSE: TOC) is a leading provider of information-based services to the global business community.

Market conditions for the majority of 2008 were excellent for seller valuations. During the first three quarters, equity was abundant and lender financing was widely available at reasonable rates of interest. This was true throughout the world. IMAP transaction multiples reached their zenith during the third quarter of 2008. The average transaction multiple of EBIT hit historical record highs in the third quarter. There was some carry-over of strong valuations in the fourth quarter, but on average the multiple values dipped and were dropping as the year 2008 was concluding.

IMAP Ranking Worldwide Deal Size up to \$50 Million		
Region	No. of Trans.	Rank
Worldwide	156	5
Benelux	15	9
China	5	3
Eastern Europe	18	5
Europe	113	4
France	20	5
Latin America	7	10
Nordic	31	1
UK	29	9
US	32	7

*Source: Thomson Reuters Financial Mid-Market M&A Tables*

US & Canada All Manufacturing Co's by Revenue		
Annual Revenue	# of Trans.	Median Multiple
\$50 Million +	12	5.6
\$20 - \$50 Million	13	6.3
\$10 - \$20 Million	6	7.2
Under \$10 Million	12	4.8
<b>Total</b>	<b>43</b>	

US & Canada All Companies by Product or Type		
Annual Revenue	# of Trans.	Median Multiple
Non-Proprietary Mfg. (B)	19	5.5
Proprietary Consumer Mfg.	11	6.1
Proprietary Industrial Mfg.	10	5.8
Hi-Tech, Propr. Mfg.	3	14.2
Distribution	6	4.1
Service, InfoTech (C)	6	7.8
Service, Non-InfoTech	21	5.7
<b>Total</b>	<b>76</b>	

## 2009 Software M&A Activity Picking Up

Software deal activity in 2009 is picking up, according to SandHill.com.

The outlook for software M&A is not easy to forecast. However, a recent spate of deals may indicate that sellers are coming to the realization that they can get their number now, despite the struggling economy.

In the past week alone, CA rescued Cassatt, Intel paid \$884 million for Wind River Systems, McAfee acquired Solidcore Systems, SpringSource tagged Hyperic, Intuit spent \$170 million on PayCycle, Microsoft agreed to buy Merck's Rosetta Bio-software unit, and NetApp and EMC are in a bidding war for DataDomain.

Industry consolidation could be driving another trend: falling prices. Forrester Research says that the proliferation in software pricing and licensing models has caused the industry to lower its prices overall. The report recommends that customers ask for price protection to be built into their contracts to preserve the currently low rates when the global economy emerges from recession.



IBM CEO Sam Palmisano pledged \$5 billion to fund IT projects until federal economic stimulus funding begins to be awarded. The company is quite cash rich: in the nine years Palmisano has been CEO, IBM has generated approximately \$84 billion in cash.

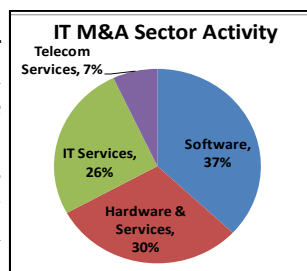
Speaking in Washington, D.C., Susan Crawford, President Obama's special assistant for science, technology, and innovation policy, called for a national tech policy, saying "Tech policy is at the heart of this administration's plans for the future."

Speaking in Palo Alto, Microsoft's Ray Ozzie discussed the importance of cloud computing to Microsoft's strategy. He described the company as moving past the "Vista and Office 2007" thinking.

Source: SandHill.com Software News Summary, Week Ending 6/5/09 ([www.sandhill.com/news/news\\_summary](http://www.sandhill.com/news/news_summary)).

## Recent Transactions

In April, the Software sector accounted for 37% of all announced transactions followed by Hardware & Services (30%), IT Services (26%) and Telecom Services (7%). During April, there were 9 transactions over US\$100 million, with an aggregate value of US\$11.3 billion.



## Recent Transactions (Cont.)

The largest transaction in April was Oracle Corporation's agreement to acquire Sun Microsystems for US\$8.3B in total consideration.

The second largest transaction was Broadcom Corporation's offer to acquire Emulex Corporation, a provider of storage networking solutions for US\$763M in cash. US buyers accounted for 89% of the announced transactions.

**Microsemi Corp [CA] acquires Endwave Corp-Defense [CA]**  
Microsemi Corp, a manufacturer of semiconductors and related products, acquired the defense electronics and security business of Endwave Corp, a manufacturer and wholesaler of radio frequency subsystems.

**OutStart [MA] merges with Hot Lava Software [MA]**  
OutStart, Inc., the leader in social business software and learning systems, is merging with mobile leader Hot Lava Software, a company with applications for reaching mobile cellular subscribers. The newly combined companies will conduct business as OutStart.

**E Ink [MA] acquired by Prime View International [MA]**  
Prime View International ("PVI"), a leading small and medium display provider and the world's highest volume supplier of ePaper display modules, announced that it has signed a definitive agreement to acquire E Ink Corporation, the leader in electronic paper display materials and intellectual property for approximately \$215 million. E Ink's technology is a main component of Amazon's Kindle e-reader product.

**Harris Corp [FL] acquires Crucial Security Inc [VA]**  
Harris Corp, a manufacturer of communications systems and equipment for government and commercial customers, acquired Crucial Security, Inc, a provider of Internet security systems and services.

**En Pointe Technologies, Inc. to acquire En Pointe Technologies, Inc. (Nasdaq: ENPT)**  
En Pointe Technologies, Inc.'s President & CEO, Attiazaz "Bob" Din, Naureen Din and members of Din's family entered into a definitive merger agreement to acquire En Pointe Technologies, Inc., a provider of information technology hardware and software products and services in the US.

**Control Solutions Inc [WA] acquires Compsee Inc [NC]**  
Contact Solutions Inc., a developer of mobile software, acquired Compsee Inc, a developer of mobile software, from McRae Industries Inc.

**Tyler Technologies Inc. [TX] acquires Assessment Evaluation Services Inc. [CA]**  
Tyler Technologies Inc., a developer of information management software and government integrated software applications and services, acquired Assessment Evaluation Services Inc., a developer of integrated tax property software.