M&A REVIEW

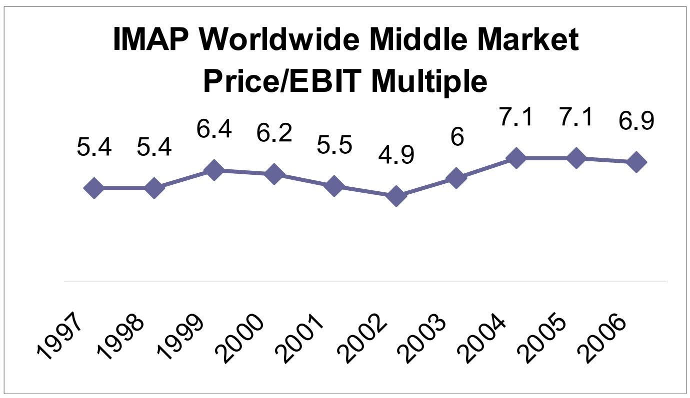
Volume 5, Issue 2 — CORE CAPITAL GROUP INVESTMENT BANKING SERVICES — April 2007

Valuation and Transaction Issue

This issue of M&A Review is dedicated to valuation and transaction news. Two sources of information are provided: (1) from member firms in the International Network of M&A Partners (IMAP), of which Core Capital Group is a member, and (2) from Mergerstat, summarizing the results of last year's transactions.

IMAP M&A Survey Results

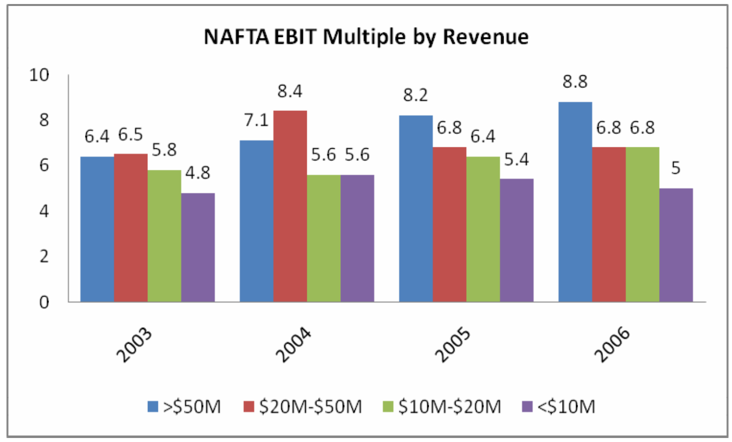
IMAP, a global network of over 60 investment banks, recently reported on their 218 completed transactions totaling $6.3 billion in 2006. Middle market pricing remained relatively strong with an overall average enterprise value to EBIT of 6.9.



In addition, several other key trends were noted: deals continue to take longer periods to close due to financial, legal and accounting advisors being more cautious; continued strong foreign buyer participation; Private Equity Groups competing at prices equivalent to strategic buyers; and ready availability of capital.

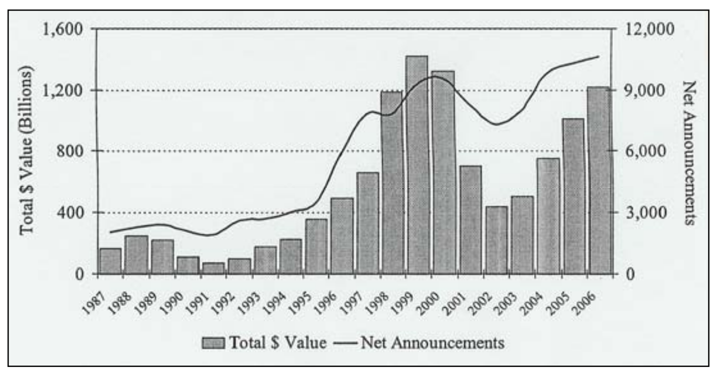
During 2006 the service, distribution and manufacturing segments were the most active within the NAFTA trade zone with the IT services companies commanding the highest median EBIT multiple at 7.9x.

Product/Service	NAFTA Median EBIT Multiple	Europe Median EBIT Multiple
Non-Proprietary Manufacturing	6.5	5.4
Proprietary Consumer Manufacturing	6.0	6.0
Proprietary Industrial Manufacturing	6.8	6.5
Hi-Tech, Non-Proprietary Manufacturing	7.2	7.4
Hi-Tech, Proprietary Manufacturing	5.9	n/a
Distribution	4.1	6.3
Service, Information Technology	7.9	6.4
Service, Non-Information Technology	5.5	5.8



As we've seen in the past, size does matter with the larger firms commanding higher multiples on average.

For those considering selling, today's M&A market is ripe with opportunity. Credit is readily available at historically low rates and cash rich strategic and financial buyers are competing aggressively for acquisitions—giving sellers the ability to negotiate very attractive terms. Given these conditions, it's not surprising 2006 was the most active year since 2000 for global M&A, with total of $1.22 trillion, according to Mergerstat.



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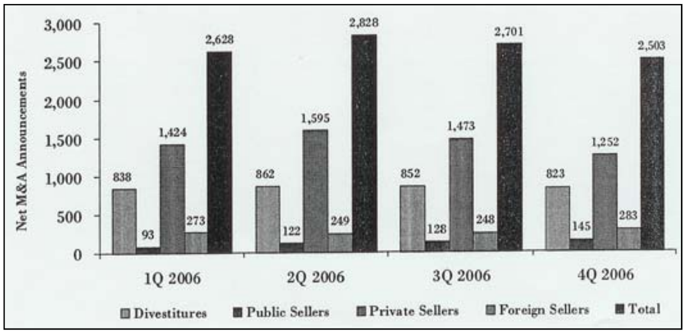
Core Capital Group focuses exclusively on providing a full range of M&A services to middle market companies within the technology sector. We are a member company of the International Network of M&A Partners (IMAP), a global partnership of leading merger & acquisition advisory firms with over 60 member firms located in 20 countries worldwide. We invite you to visit our web site at www.corecapital.net to learn more about us and how we might be of service to you now or in the future.

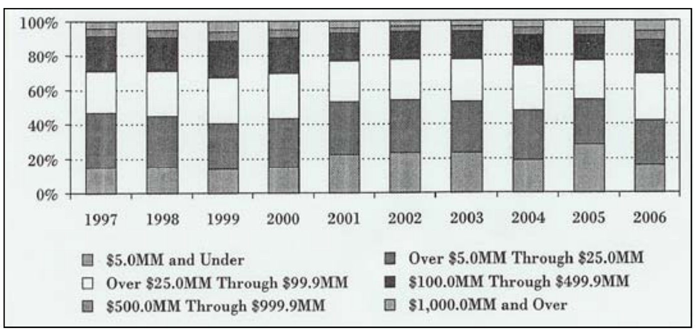
IMAP INTERNATIONAL NETWORK OF M&A PARTNERS

From 2005 to 2006 according to Mergerstat, divestitures decreased from 35% to 32% of total announcements. Publicly traded sellers increased to 5%. Privately held sellers increased from 52% to 54%, while foreign sellers remained unchanged. For 2006, the total value

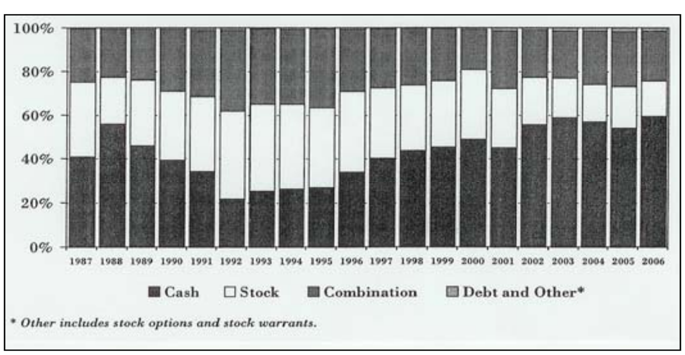


of merger and acquisition transactions for the 3,679 announcements disclosing a purchase price was $1,221,836 million, a 21% increase from 2005. The average transaction price increased 35% to $332 million while the median price increased 77% to $35.4 million.

The following chart shows the distribution of transactions amongst six purchase price ranges.



In monitoring the method of payment utilized to execute a transaction, the payment medium can be classified into four types: (1) cash, which can consist of internal or borrowed funds; (2) stock, common or preferred; (3) debt, which consists solely of notes or debentures issued by the acquiring company to the seller; and (4) some combination of cash, stock and/or debt. For those transactions where the method of payment is disclosed, Mergerstat reports the following for 2006. The proposed exchange of stock as a form of payment was 16% of announced transactions in 2006 as compared with 19% in 2005. Payment in the form of a combination of cash, stock and/or debt decreased from 24% in 2005 to 23% in 2006.



Recent Transactions

For 2007, merger and acquisition announcements targeting US information and communication companies totaled 423 compared to 389 for the same period in 2006. In March, the Software sector accounted for 26% of all announced transactions followed by Telecom Services (25%), IT Services (20%), Hardware & Systems (19%), and eCommerce (9%). US buyers accounted for 90% of the 153 transactions. Foreign acquirers from countries with two or more announced transactions include Canada (5), France (3), and the United Kingdom (2).

Acxiom Corp [AR] acquires Harbinger Technologies Group [VA] Acxiom Corp (Nasdaq:ACXM), provider of Customer Data Integration (CDI) and information technology consulting services, acquired Harbinger Technologies Group Inc, a developer of homeland security and international counterterrorism training tools software, from ICx Technologies Inc, a unit of ICx Electronics Inc.

Optium Corp [PA] acquires Kailight Photonics [TX] Optium Corp (Nasdaq:OPTM), manufacturer of high-performance optical subsystems to network vendors, definitively agreed to acquire Kailight Photonics Inc, a manufacturer of optical modules, for an estimated $40 mil. The consideration was to consist of $35 mil and up to $5 mil in profit-related payments.

AmbironTrustWave [IL] acquires ReddShell Corp [CO] AmbironTrustWave, developer of information security and compliance management technology and solutions software, acquired ReddShell Corp, a provider of data security services.

Roark Capital Group [GA] acquires CyberCore Technologies LLC [MD] Roark Capital Group , a private equity firm, acquired an undisclosed majority interest in CyberCore Technologies LLC, a provider of information technology services, in a leveraged buyout transaction.

IPC Information Systems Inc [NY] acquires WestCom Corp [NY] US - IPC Information Systems Inc, provider of mission-critical communications services, definitively agreed to acquire WestCom Corp, a provider of telecommunications services. The transaction was subject to customary closing conditions and regulatory approvals.

Best Buy Co Inc [MN] acquires Speakeasy Inc [WA] Best Buy Co Inc (New York:BBY), planned to acquire Speakeasy Inc, a provider of Internet services, for $97 million in cash.

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