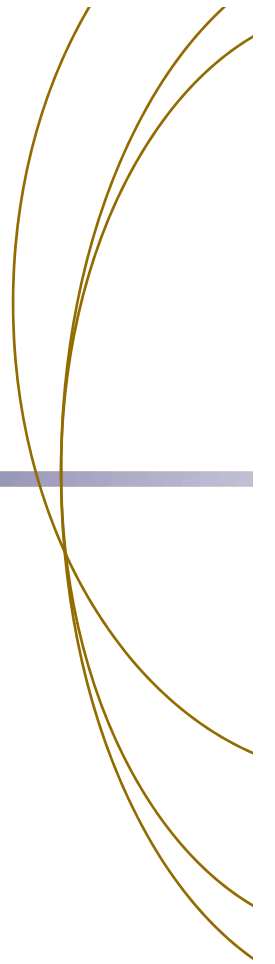




USA Switzerland Germany France United Kingdom Canada Norway Brazil



M&A Flash Report – May 2009

Software and IT Industry Market Update

Live Field Update From The U.S. and EU

Thursday, May 7, 2009
10:00 am PT



Bruce Milne
CEO & Chairman
Corum Group Ltd.

Bruce Milne, the founder of Corum, is one of the true leaders in the software industry. He built the largest vertical market software company in the world before founding Corum, where he has overseen more mergers than anyone in history, generating over \$6 Billion in wealth for the owners of privately held firms. Along the way, in addition to publishing extensively, he has owned three other software companies (Rosesoft, Dataword, Insider Edition) and been a seed investor in some of the leaders in our industry (Blue Coat, Bright Star, Sabaki). He founded the largest regional tech association (Washington Software Association) and, as a recognized leader, has served on numerous advisory boards including Comdex, DEC, Apple, IBM, and personally advised Bill Gates at Microsoft. He has been a tech cabinet advisor to two Governors, a Congressman and U.S. Senator on issues related to the future of the software industry. For his expertise, he was commissioned by the U.S. government to write the definitive high tech business guide for the SBA. The Canadian Government had him conduct research which led to the establishment of SoftWorld, and he was recently voted one of the most influential people in the European software community for his work during the last market decline.

>> For today's presentation or more information, contact Jessica Eastman
(jessicae@corumgroup.com, +1 425-455-8281)



Mark Reed
Executive Vice President
Corum Group Ltd.



Ryan Blakely
Vice President, Research
Corum Group Ltd.

Agenda

- Overview of current market
- “Reading” the headlines
- Major trends that affect you
- Field update from U.S. and EU
- Valuation and structure analysis
- Oracle – The acquisition machine
- Closing comments - Q&A

Market Overview

April


- Stock market buoyancy is changing attitudes
- Technology is a leading sector
- Deal volume on the rise – consistent offers being made
- Many buyers are coming back on deals
- Buyers' cash hoards are steadily increasing (e.g. Cisco)

Headlines lead to conviction or confusion!

“Record gain pushes European stock values to highest in four years”

“Dow ends best 6 weeks since 1938 on econ hopes”

“Consumer sentiment soars as confidence returns”



“We’re at the highest retail credit loss the auto industry has seen”

“Recent reports give ammunition to all sides of the argument, the European Commission said”

“European producer prices fall most in 22 years, fanning deflation concerns”

“Borrowing costs at a 49-year low”



“BlackRock's doll says S&P 500 may fall 11%”

“U.S. home prices may be lost for a generation”

“Fed says U.S. banks expect deepening of loan losses”

“European producer prices decline most in 22 years”

“The U.S. economy contracted at a 6.1 percent annual rate”



“EU says Europe economy to shrink 4%”

“Yen falls as signs of global recovery reduces demand for safety”

“U.S. economy: manufacturing, confidence increase”

“Oil rises to a five-week high as consumer confidence improves”



“U.S. 10-year notes head for 6th weekly loss as economy revives”

“Mexico’s economy probably shrank 7% in first quarter”

“U.S. economy: GDP shrinks in worst slump in 50 years”

“Germany to give bleakest economic outlook since World War II”

“German economy to contract 6% in 2009”



“Bootle says UK may face depression as housing drops”

“Euro advances most in month on signs economic slump is easing”

“UK stocks climb to two-month high”

“Singapore production falls more-than-expected 33.9%”

“Germany’s DAX Index erases loss for 2009 as steelmakers rally”



“Equities are climbing a wall of worry”


...But tech is rising

Valuations Up!

Company	Stock Price 03/03/2009	Stock Price 05/06/2009	% Change	
Sun	\$4.54	\$9.11	100.66%	↑
Nokia	\$9.25	\$15.18	64.11%	↑
Apple	\$87.71	\$132.50	51.07%	↑
Cisco	\$14.50	\$19.61	35.24%	↑
Symantec	\$13.15	\$17.59	33.76%	↑
HP	\$28.30	\$36.33	28.37%	↑
Oracle	\$15.06	\$19.06	26.56%	↑
EMC	\$10.13	\$12.78	26.16%	↑
Google	\$326.67	\$403.47	23.51%	↑
Microsoft	\$16.03	\$19.79	23.46%	↑
IBM	\$88.01	\$104.62	18.87%	↑
SAP	\$32.28	\$38.23	18.43%	↑
Yahoo	\$12.58	\$14.85	18.04%	↑

Cash Up!


Company	Year Ago Cash	Current Period Cash	
Sun	\$2,363	\$2,640	↑
Nokia	\$3,130	n/a	↔
Apple	\$9,352	\$25,650	↑
Cisco	\$5,191	\$29,530	↑
Symantec	\$1,890	\$1,530	↓
HP	\$11,591	\$11,260	↓
Oracle	\$8,409	\$11,290	↑
EMC	\$4,482	\$7,250	↑
Google	\$6,081	\$17,780	↑
Microsoft	\$10,339	\$20,300	↑
IBM	\$10,786	\$12,300	↑
SAP	\$3,151	n/a	↔
Yahoo	\$2,341	\$3,450	↑



“Oracle's Dicey Deal –
and why it's a sign of the
mergers ahead”

Field Update





A once-in-a-lifetime opportunity
to build value and wealth
in the technology sector

SEVENTH ANNUAL

WFS
WORLD FINANCIAL SYMPOSIUMS
Educating Technology Leaders

**GROWTH & EXIT STRATEGIES FOR
SOFTWARE & IT COMPANIES**

San Jose -- May 14

Partial Speaker List



WORLD FINANCIAL SYMPOSIUMS
Educating Technology Leaders

May 14, San Jose – email info@worldfinancialsymposiums.com



Peter Coffee,
SalesForce.com



Paul Kwan,
Morgan Stanley



Roman Ormandy,
Microsoft



Marc Chiang,
Grant Thornton



Brenon Daly,
451 Group



Vivian Wu,
TA Associates



Matt Picciano,
Alpine Investors



Kevin Werner,
VeriSign



Don Helt, HRMS



Dale Quick, Identiprise

www.worldfinancialsymposiums.com

Growth and Exit Strategies: Staging for Recovery

The Future of M&A, VC, Private Equity and Public Offerings in the New Tech Landscape

May 14, 2009 - San Jose, CA

Attend this conference to learn about:

- Raising capital in the current environment
- The new rules of global tech M&A
- The role of private equity in a credit-starved market
- The IPO window
- Creative transaction structures
- Finding value and opportunity in the cloud
- Acquisition multiples, VC tactics and more

>> Register at www.worldfinancialsymposiums.com

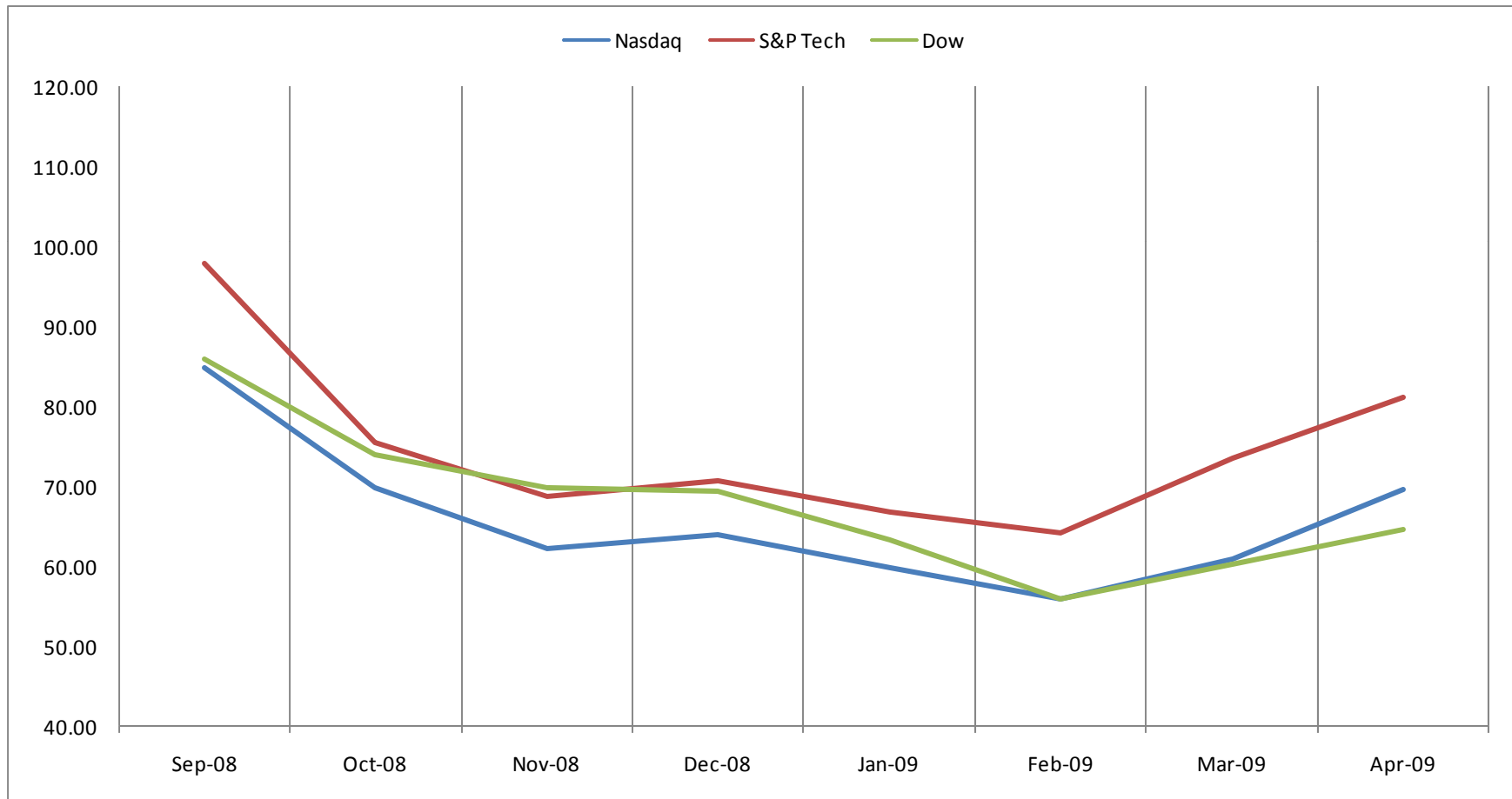
Valuation & Transaction Update



Ryan Blakely
Vice President, Research
Corum Group Ltd.

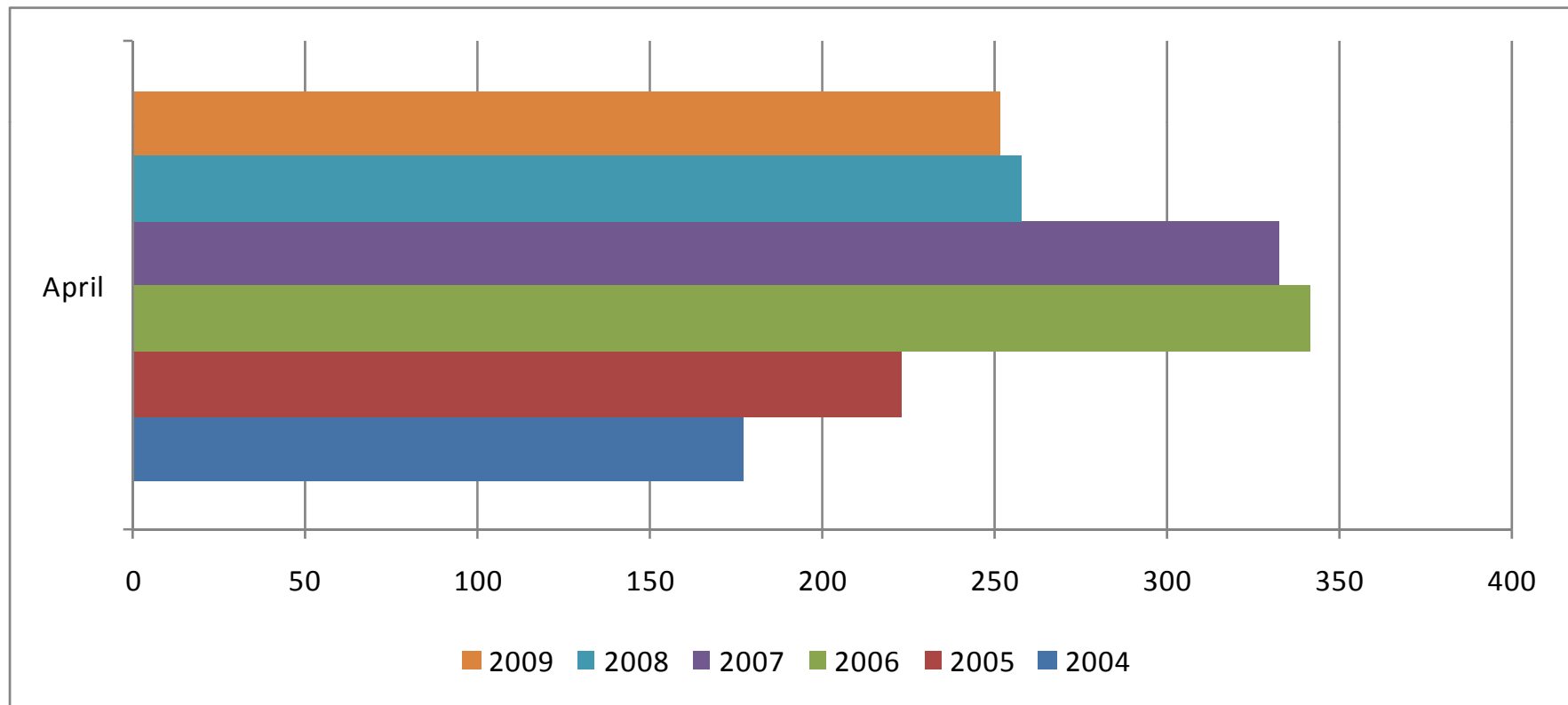
Ryan joined Corum in 1998 and has held a number of roles central to research and market analysis in the software and technology space. With eight years experience in the software M&A environment, Ryan has an intimate understanding of the software industry as a whole, especially as it relates to mergers and acquisitions. As the Vice President of Research, Ryan directs Corum's research group in both North America and Europe, and has played a direct role in developing buyer relationships during his tenure with Corum. He also is a major contributor to Corum's research reports. Ryan graduated from Washington State University with a B.A. in Business Management, with a focus on Entrepreneurial Studies.

Public Markets



M&A Activity

Number of Software and IT M&A Transactions



Corum Index – M&A Statistics

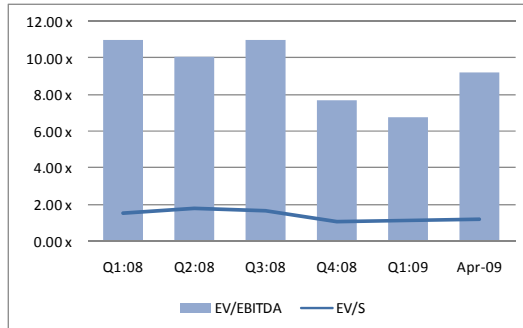
	Apr-08	Apr-09
# of Transactions	259	252
# of Mega Deals	3	4
Largest Deal	\$2,570	\$7,400
Average Deal Size	\$137	\$344
Median Seller Size	\$35	\$71
# VC backed Exits	37	28
% Terms Undisclosed	57%	72%
All Cash (announced)	42%	42%
% Targets were Public	14%	20%
% Public Buyers	57%	48%

\$ values in millions

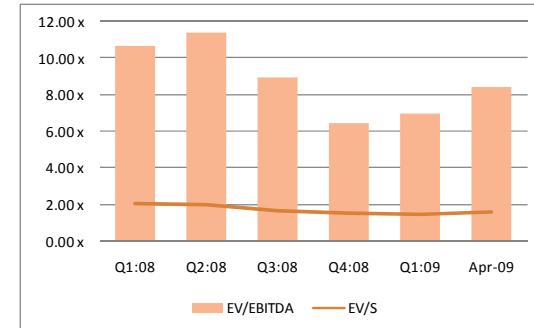
- M&A spending rising
- Private buyers remain active
- Cash still dominant form of consideration
- Struggling public companies are targets

Public Valuations By Market

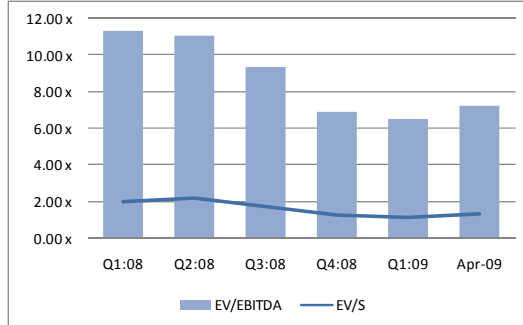
Horizontal Application Software



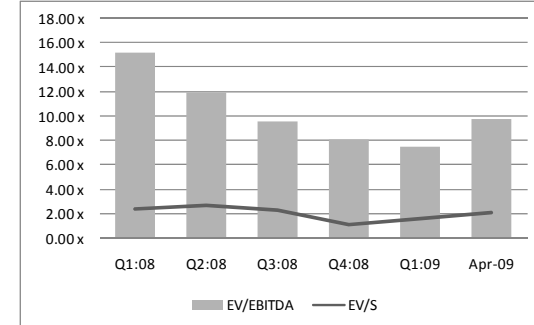
Infrastructure Software



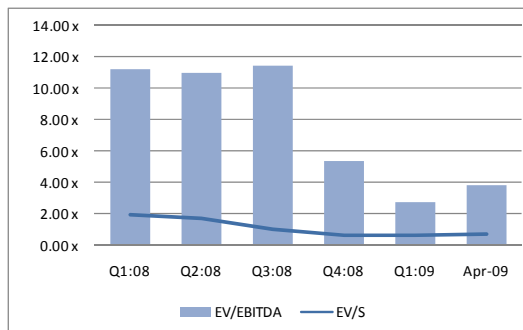
Vertical Application Software



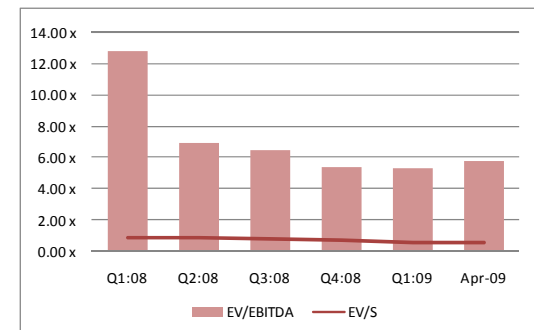
Internet



Consumer Application Software

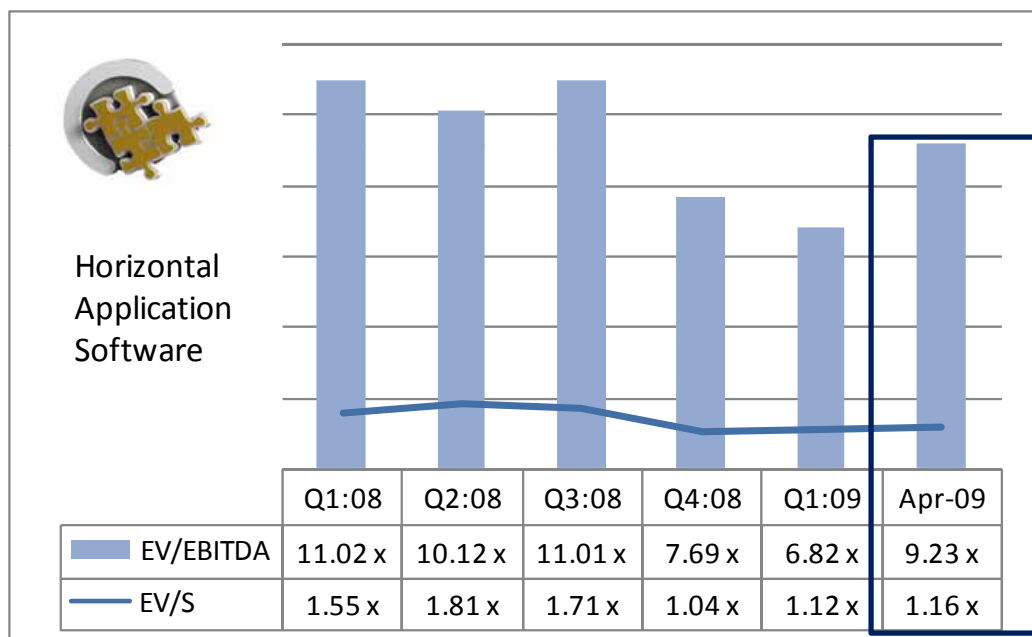


IT Services and BPO



Horizontal Application Software Market

Public Valuations



Notable Transaction

Sector: Other

Target: I-many, Inc.

Buyer: LLR Partners

Date: April 2009

Transaction Value: \$36 million

Structure: Cash

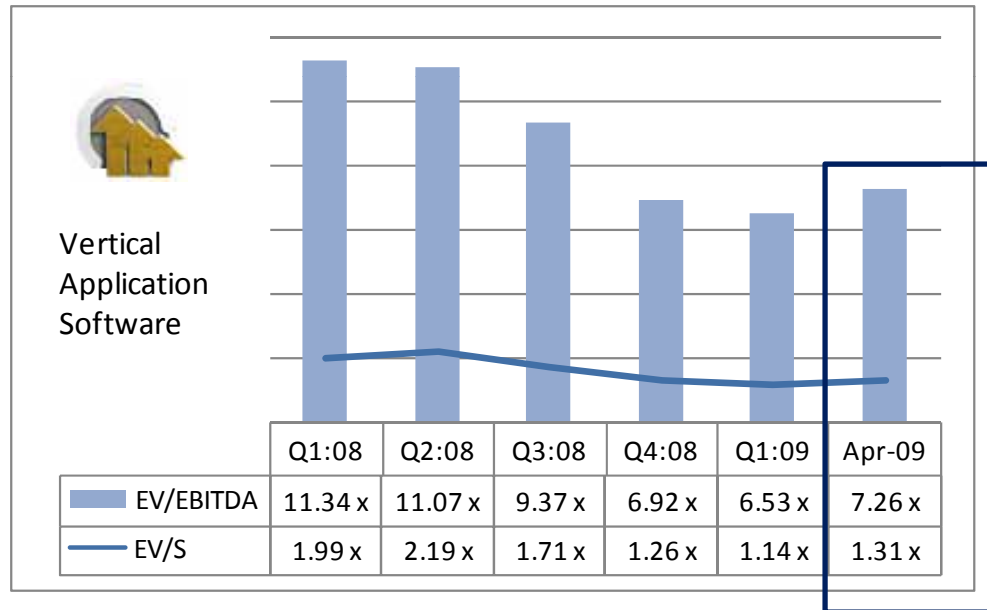
Transaction Multiple: 1.2x

Comments:

- Financial Buyer
- Market Leader

Vertical Application Software Market

Public Valuations



Notable Transaction

Sector: Healthcare

Target: Waban Software Group

Buyer: Phase Forward Incorporated

Date: April 2009

Transaction Value: \$14 million

Structure: Cash

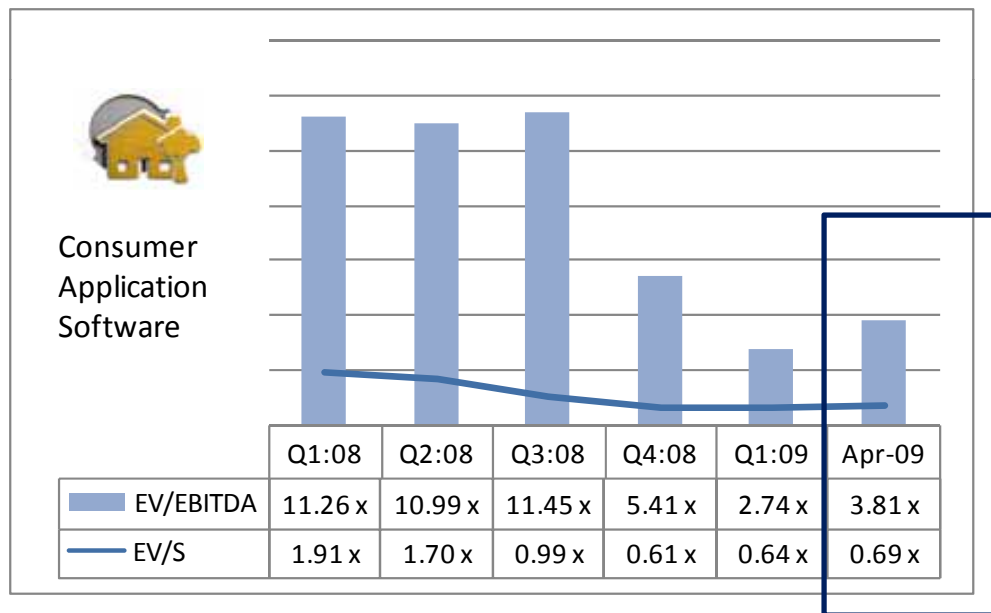
Transaction Multiple: 3.5x

Comments:

- Hot sector
- Strong valuation
- Close proximity

Consumer Application Software Market

Public Valuations



Notable Transaction

Sector: Other

Target: StumbleUpon

Buyer: Private Equity Consortium

Date: April 2009

Transaction Value: \$29 million (est.)

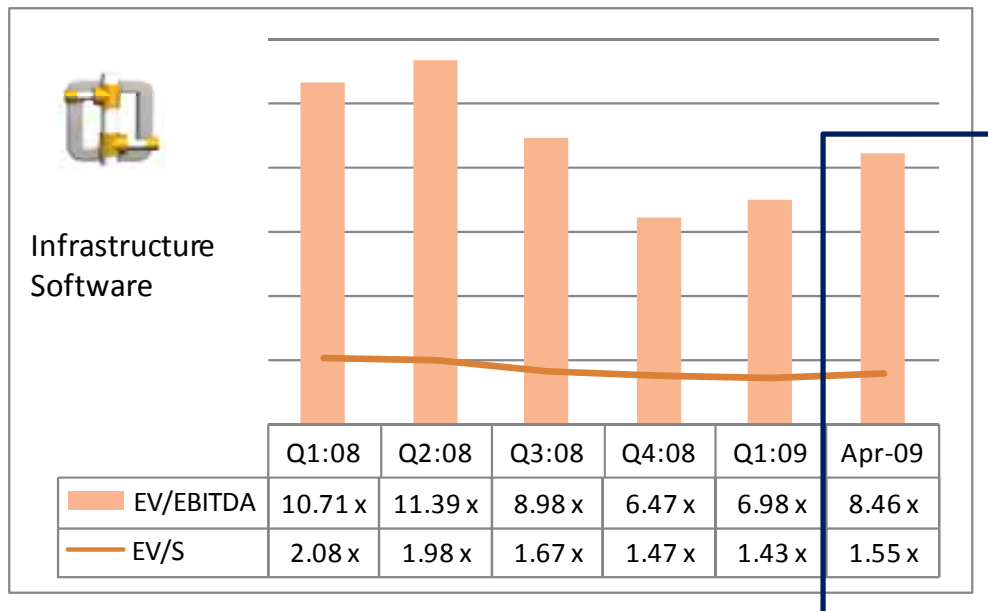
Structure: Cash

Comments:

- Divestiture
- Investors: Accel, August, Sherpalo
- Hot sector
- Maturing sector

Infrastructure Market

Public Valuations



Notable Transaction

Sector: Security

Target: Third Brigade

Buyer: Trend Micro

Date: April 2009

Transaction Value: \$25 million (est.)

Structure: Cash

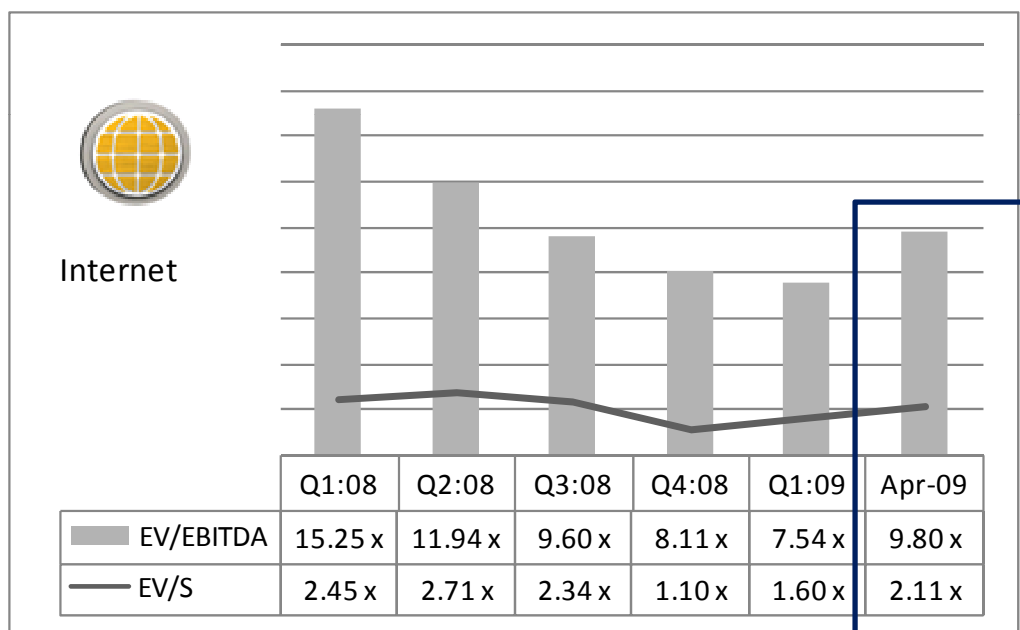
Transaction Multiple: 6.3x (est.)

Comments:

- VC backed target
- Broad sector hype
- Strong valuation
- Cross border

Internet Market

Public Valuations



Notable Transaction

Sector: Pure Play / content

Target: Urbanspoon

Buyer: IAC

Date: April 2009

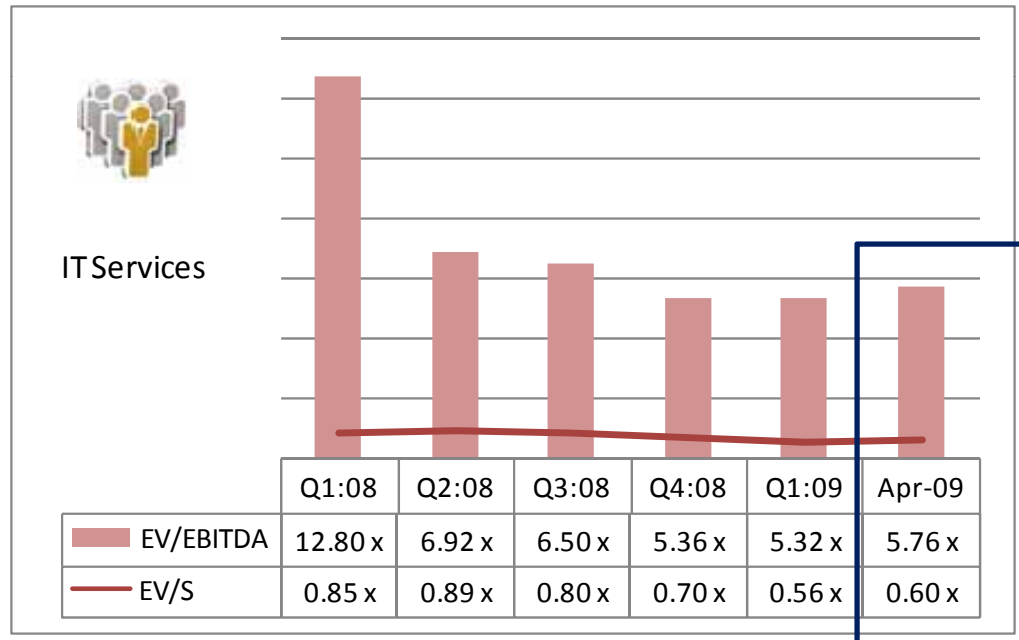
Transaction Value: Undisclosed

Comments:

- Market sub-segment leader
- Leveraging current portfolio
- Harnessing the power of mobile applications

IT Services Market

Public Valuations



Notable Transaction

Sector: IT Services

Target: Edenbrook Ltd.

Buyer: Hitachi Consulting

Date: April 2009

Transaction Value: Undisclosed

Comments:

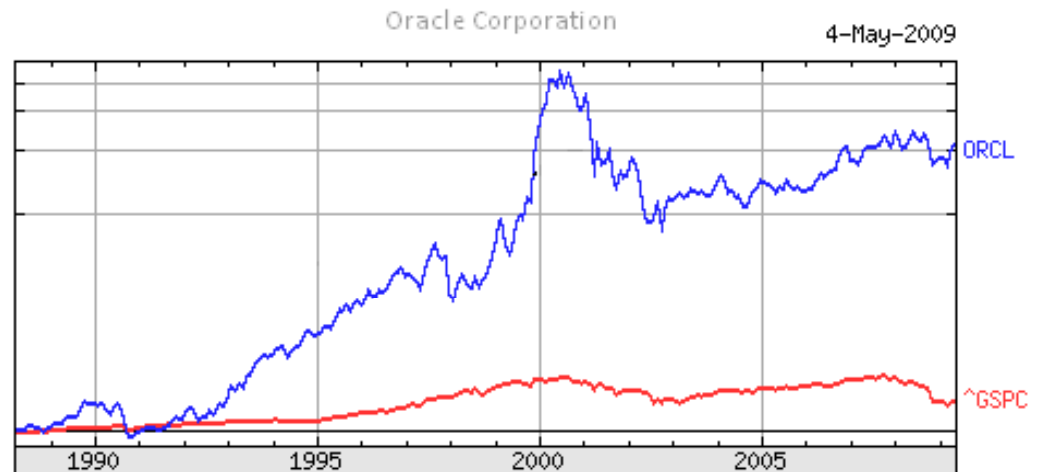
- Expansion into Europe
- Consolidation

The Acquisition Machine

ORACLE

Current Vitals:

- Revenue: \$23 billion
- EBITDA: \$10.4 billion
- Cash: \$11.3 billion
- Market Cap: \$95 billion
- Strong maintenance revenue
- Broad product portfolio



M&A Stats:

- Averaging a deal a month since 2005
- Spent almost \$40B on M&A transactions since 2004
- Transaction range from market convergence to vertical expansion

The Machine at Work

<u>Announced</u>	<u>Target</u>
2009-04-20	Sun Microsystems, Inc.
2009-03-23	Relsys International Inc
2009-02-04	mValent Inc.
2008-11-03	Tacit Software Inc (Intellectual property assets)
2008-10-29	Haley Ltd [RuleBurst]
2008-10-08	Primavera Software, Inc.
2008-10-01	Advanced Visual Technology Ltd.
2008-09-02	ClearApp [fka Acsera]
2008-07-31	Global Knowledge Software LLC
2008-06-23	Skywire Software, LLC
2008-05-13	AdminServer, Inc.
2008-03-27	Empirix Inc. (E-Test software)
2008-01-16	BEA Systems, Inc
2008-01-16	Captovation Incorporated

The Machine at Work

Announced

Target

2007-12-06

Moniforce

2007-12-06

Auptyma

2007-10-24

Interlace Systems

2007-10-09

LogicalApps

2007-09-02

Netsure Telecom Limited

2007-08-17

Bridgestream

2007-07-18

Bharosa Inc.

2007-05-15

Agile Software Corporation

2007-04-24

LODESTAR Corporation

2007-04-18

AppForge Inc (Intellectual property assets)

2007-03-23

Tangosol, Inc

2007-03-01

Hyperion Solutions Corporation

The Machine at Work

Announced

Target

2006-11-03

SPL WorldGroup Holdings, LLC

2006-11-02

Stellent, Inc.

2006-10-23

MetaSolv Software, Inc.

2006-10-10

Sunopsis

2006-08-23

Sigma Dynamics (Intellectual Property assets)

2006-06-14

Telephony@Work Inc.

2006-06-01

Demantra

2006-04-19

Net4Call

2006-04-17

i-flex solutions

2006-04-12

Portal Software, Inc.

2006-02-14

Sleepycat Software

2006-02-13

Hotsip AB

2006-01-16

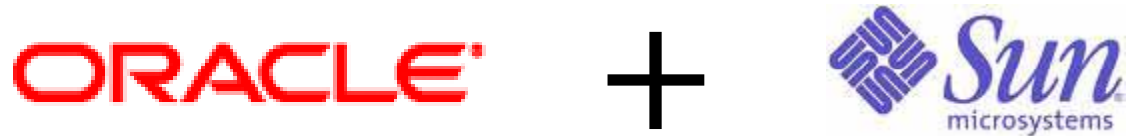
360Commerce

The Machine at Work

<u>Announced</u>	<u>Target</u>
2005-11-16	Thor Technologies, Inc.
2005-11-16	OctetString, Inc.
2005-10-07	Innobase OY
2005-09-20	Global Logistics Technologies Inc. [G-Log]
2005-09-12	Siebel Systems, Inc.
2005-07-15	Context Media
2005-07-05	ProfitLogic
2005-06-14	TripleHop Technologies, Inc.
2005-06-09	TimesTen, Inc.
2005-05-03	Hexaware Technologies (Development centers)
2005-05-03	Covansys Corporation (India development center)
2005-03-28	Oblix, Inc.
2005-03-22	Retek Inc.

<u>Announced</u>	<u>Target</u>
2004-12-13	PeopleSoft, Inc.
2004-06-29	Collaxa Inc.
2004-05-27	Phaos Technology Corporation
2004-01-22	SiteWorks Solutions
2002-07-30	WebGain, Inc. (TopLink)
2002-01-16	NetForce, Inc
2002-01-15	Indicast Corporation

A Defining Transaction



- Transaction value: \$7.4 billion dollars (\$9.50 per share in cash)
- EV/S: 0.6x, EV/EBITDA: 4.9x
- Oracle's third largest deal
- Launches Oracle into hardware
- Oracle acquires synergistic assets
- Sun's hardware component will hurt Oracle's operating margins
- Puts Oracle directly in competition with long-standing ally: Hewlett-Packard
- Defensive move – keep Sun away from IBM

Conference Schedule

May

14	Web	Rebroadcast: M&A Flash Report
14	San Jose	World Financial Symposiums: Growth & Exit Strategies
19	London	Merge Briefing
21	Bellevue	Selling Up Selling Out



June

4	Web	M&A Flash Report
9	Salt Lake City	Merge Briefing
10	Denver	Merge Briefing
17	Web	M&A Flash Report - German
18	San Francisco	Selling Up Selling Out
23	Paris	Selling Up Selling Out

>> Visit www.corumgroup.com to register

Contact Information

Corum Group Ltd.

Bruce Milne, CEO and Chairman

Ryan Blakely, VP Research
ryanb@corumgroup.com

**10500 NE 8th Street, Suite 1500
Bellevue, WA 98004
USA**

+1 425-455-8281

Corum Group International S.à.r.l.

**Beim Paradeplatz
Basteiplatz 7
8001 Zürich
Switzerland**

+41 44 251 82 65

Research and Conferences:

www.corumgroup.com