

CORUM

USA Switzerland Germany France United Kingdom Canada Norway Brazil

M&A Monthly – May 2010 **Global Update - “Asia Rising”**

Thursday, May 6, 2010
10:00 am PT

Presenters



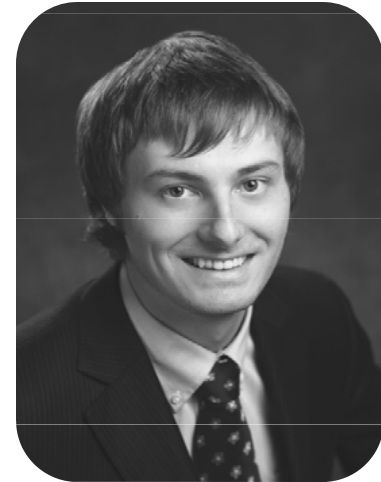
Mark Reed
Executive Vice President
Corum Group Ltd.



Bruce Milne
CEO
Corum Group Ltd.



Tomoki Yasuda
Senior Analyst
Corum Group Ltd.



Dougan Milne
Director of Research
Corum Group Ltd.

>> For today's presentation or more information, contact Pat Sultan
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Agenda

- Market Overview
- Global Field Report
- Corum M&A Update
- “Asia Rising” Report
- Closing Comments - Q&A

Introduction



Bruce Milne
CEO
Corum Group Ltd.

A leader in the software industry, Bruce has founded or owned four software companies, including the largest vertical market software company, AMI, an Inc. 500 firm rated by IDC as the fastest growing computer-related company in the world.

He has served on advisory boards for Microsoft, IBM, DEC, Comdex and Apple, and as board member/founding investor in some of the most innovative firms in their field, including Blue Coat, Bright Star and Sabaki. Past advisor to two governors and a senator, a board member of the Washington Technology Center, and founder of the WTIA, the nation's most active regional technology trade association.

He worked with the Canadian government to found SoftWorld, and he was recently chosen as one of the 200 most influential individuals in the IT community in Europe. He was also the only American juror for the recent Tornado 100 Awards given to Europe's top technology firms

A graduate with Distinction from Harvard Business School, Bruce has written three books on business models for success, including *Power Planning*. He is a frequent lecturer and author.

Euro Zone

- UBS Posts Highest Quarterly Profit in 3 Years
- German Investor Confidence Jumps More Than Forecast
- Euro, Stocks Slide on Debt-Contagion Concern
- ECB's Weber Sees Threat of 'Grave' Greek Contagion
- Euro Drops to One Year Low

United States

- Factory Orders Rise 1.3%, Most in Two Years
- Pending Sales of Existing Homes Rise 5.3%
- U.S. Auto Sale up 20%
- The U.S. Economy Expanded at 3.2% Annual Rate
- More than a Million May Lose Jobless Benefits

Stocks

- Microsoft Third-Quarter Sales Miss Some Predictions
- Amazon Q2 Earnings Forecast Misses Estimates
- IBM says its first-quarter profit jumped 13%
- Dow Posts Longest Winning Streak Since 2004
- Soaring VIX Index Signals More Trouble Ahead

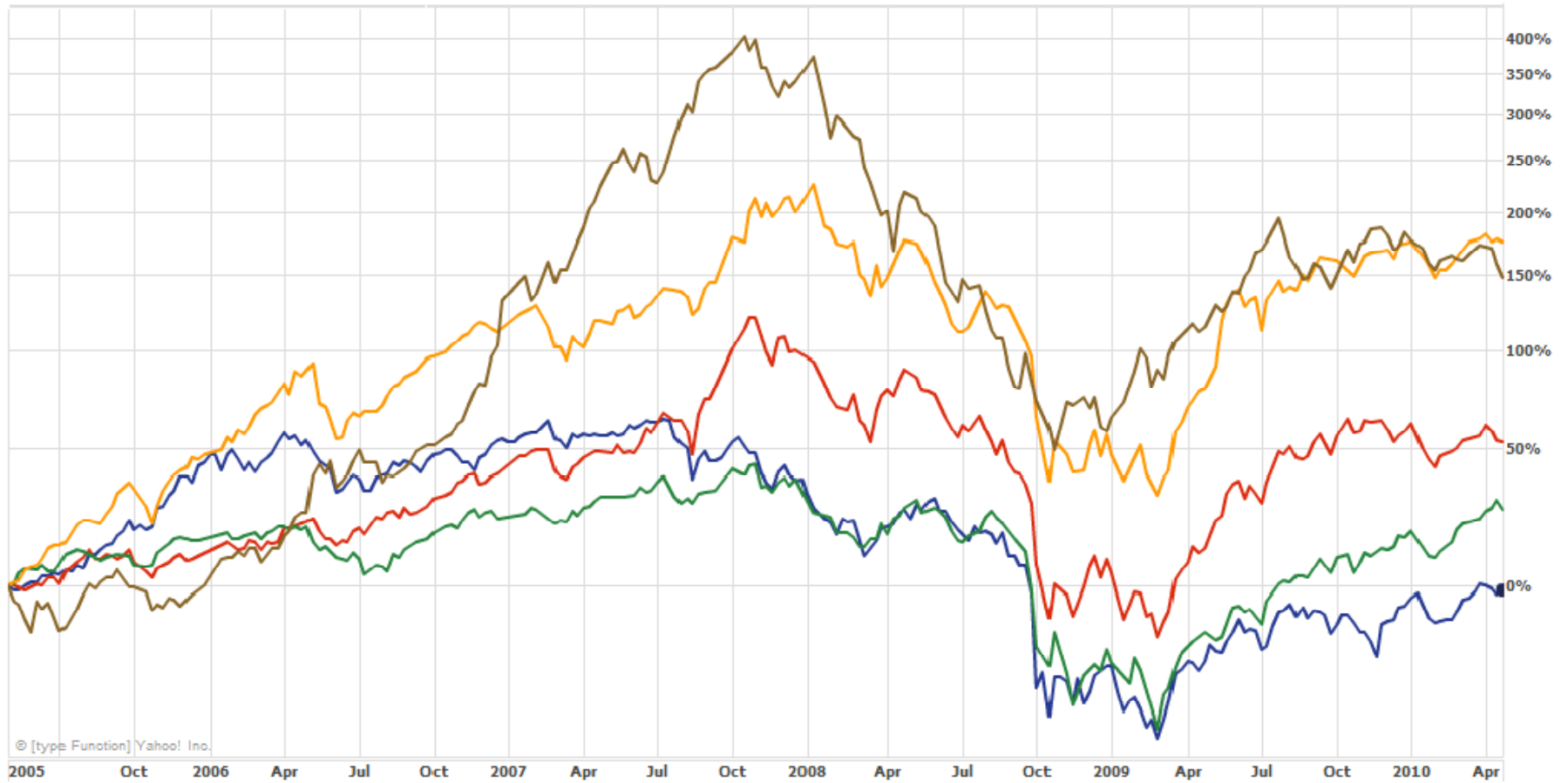
Technology

- Google Taps Eye Tracking, 'Dogfooding' in 8th Version
- Apple Surpasses Microsoft in Market Value
- Government Weighing Possible Apple Antitrust Probe
- First-quarter Chip Sales up 58% over Last Year
- Intel Begins Selling Low-Power Chip for Smartphones

Asia

- Shanghai Expo – the “Olympics of Technology”
- Tata Consultancy Services (TCS) Posted its Best Quarterly Growth in Three Years
- China Slowdown Fears Add to Debt Worries
- Asian Currencies are Set to Keep on Rising
- Stop Calling Them “Developing Countries”!

Asia Market Numbers



Nikkei 225

NASDAQ

Heng Seng (Hong Kong)

BSE Sensex (Bombay)

SSE Composite (Shanghai)

Global Field Update



Global Field Update - Dubai



Mohamed Hamedi
Dubai, UAE

Hi Bruce and Dougan –

This is Mohamed Hamedi from the United Arab Emirates, where I just sold my Dubai-based company Sphere Networks, to the largest Taiwanese OEM/ODM technology company, EdgeCore Networks, a subsidiary of the Accton Technology Group in Taipei.

The Arab world represents nearly a billion people, and is very rapidly growing in technology. Developments like Dubai underscore the change in the area and one of the fastest growing segments is in preparing the region to be the pinnacle of next-generation infrastructure technologies. The growth is in the use of computers and the internet is exceptional, we are seeing high double digit percent growth year over year. When it comes to the mobile space, it's one of the highest regional adoption rates on the planet with over 150% growth year over year.

With a fast growing market, a predominantly young population and a hunger for new technology, every global firm should be considering expansion into the area and should understand what their support needs will be. We'll be glad to talk with anyone who is interested in how to expand here and how to build technology alliances.

Global Field Update - India



K. Srinivasan
Chennai, India

“Hi Nat – glad to be with you.

This is K. Srinivasan from Polaris Software, a differentiated end-to-end financial technology company with a global presence, reporting from India, a country experiencing the fastest growth in its history. A country that grew even in the most turbulent times.

While Corum will report shortly on the large firms in the mega city center, there are many firms that are getting funding for expansion and for going public. Companies that are building rapidly, in cities like Hyderabad and our home town, Chennai, a city of over 8 million formerly known as Madras. And, much of their growth will be through acquisitions.

We too are looking for valuables in BPO, IT services and solutions that can complement us being an end-to-end financial technology company. A good example of a recent acquisition we made is SEEC, a firm Corum represented. SEEC is a firm in the US. It gave us valuable technology in the insurance software space to complement our offering and a marketing footprint in North America and Europe which indeed helped our expansion. Quite Frankly, We are actively looking for additional acquisitions in Europe and the U.S and Australia.

I’ll be very happy to answer any questions later.”

Global Field Update - China



Ping Luo
Nanjing, China

"Hi Bruce

I know you are presenting a full report later this morning so I just want to stop by and say hello from China. Yes, everyone knows of the phenomenal growth China is going through, over 11% now - trust me, it's real. The same holds true in technology, especially software and IT services.

However most people only think of Beijing and Shanghai but each province has directives to expand the technology sector. For example, I'm calling in from Nanjing a city of over 8 million and a hotbed of development. Our staff here has increased from 100 to over 2000 in just the last couple years reflecting the growth in outsourcing, competing with India. we have be enjoying the same growth rate in Shenzhen, a southern city by Hong Kong. Many American firms are turning to our low cost, talented labor.

So, look at China as an alternative. I will be happy to answer any questions"

Global Field Update - Australia



Tim Moore
Perth, Australia

G'Day Bruce,

It's Tim Moore here from Perth, Australia - down under. With us the Chinese are remaining very aggressive as buyers of Australian assets, and our economy is pretty strong.

We've got the reserve bank raising interest rates but business confidence still stays high and housing prices are going strongly. Ipi activity a bit mixed - Myer and Kathmandu are two retailers and they have had pretty poor debuts.

There is a strong IPO pipeline but it is beset with long lead times and time table delays. On the M&A side the regulators ruled out National Australia Bank buying Axa Asia Pacific, the main deals have been WesTrac Holdings merging with Seven Network and Royal Dutch Shell and PetroChina bidding for Arrow Energy.

And of course, Cintellate Software, local company which Corum helped sell to SAI global.

In software the action remains mining, oil and gas related and I hope enough of it comes my way to justify another fishing trip. Keep up the good work.

Good bye Bruce.

Global Field Update



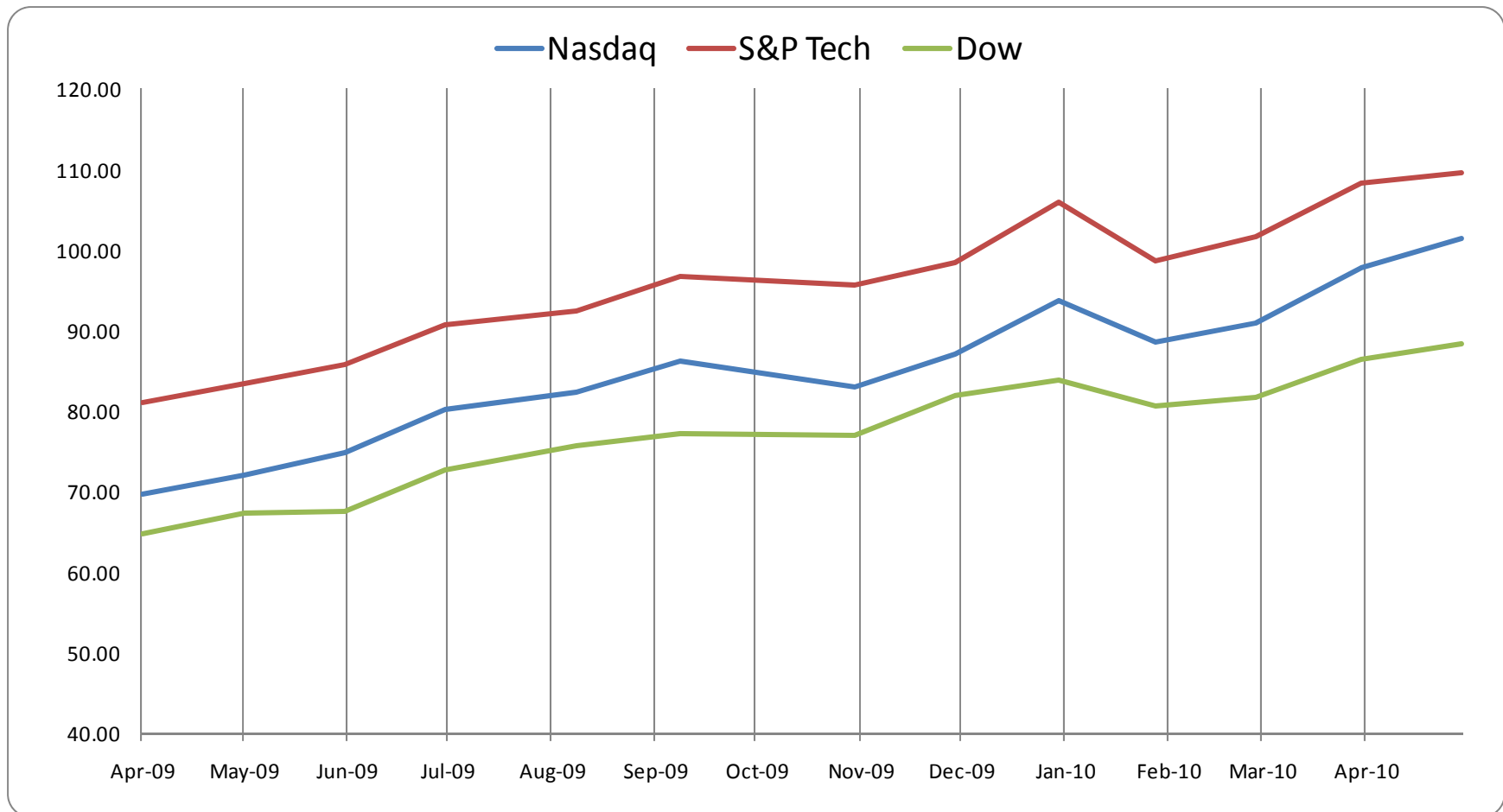
M&A Monthly Update – May 2010



Tomoki Yasuda
Senior Analyst
Corum Group Ltd.

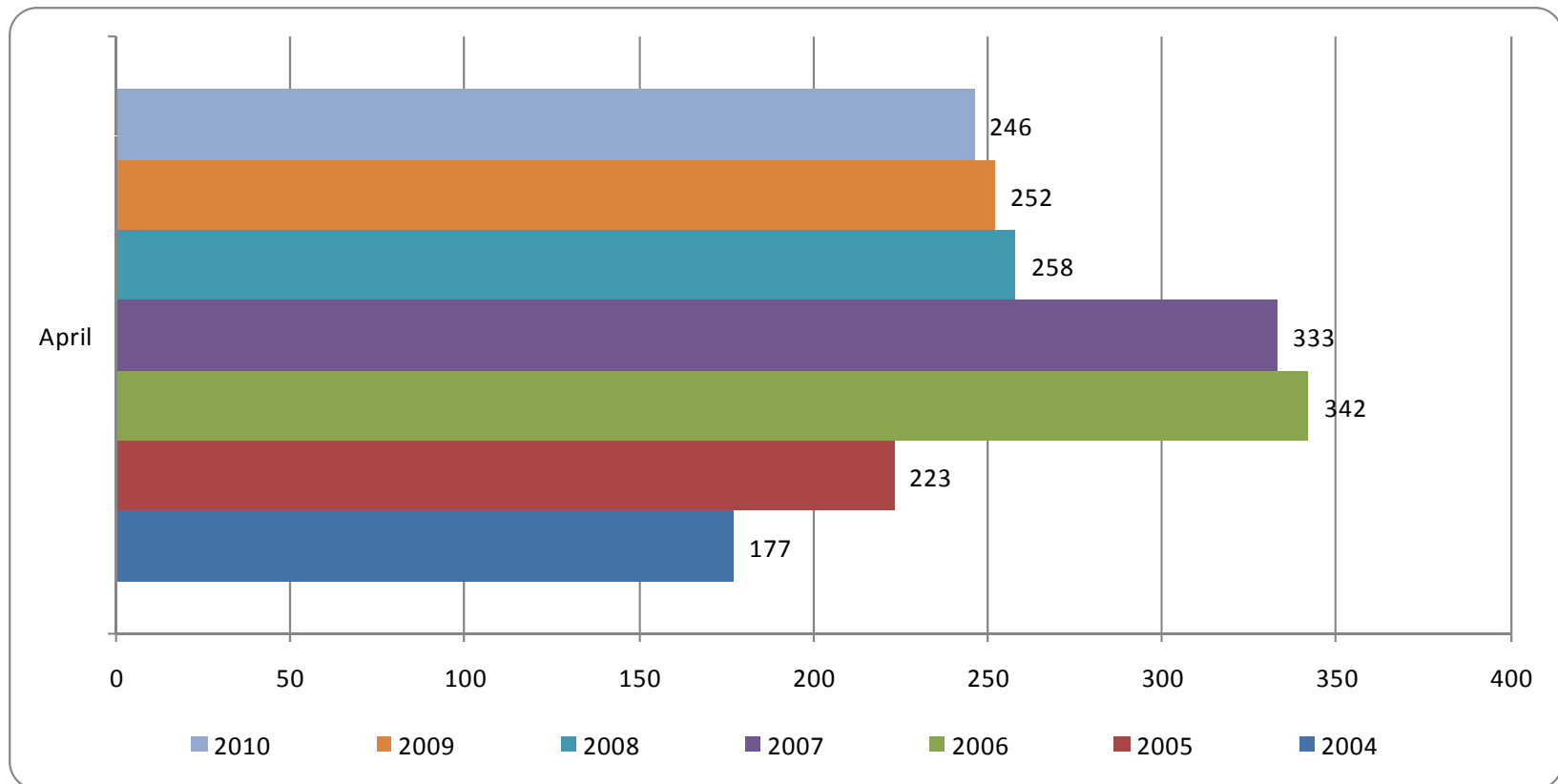
Tomoki is a Senior Analyst working at Corum's headquarters in Bothell, WA. At Corum, he is responsible for conducting research and market analysis on companies, the economy, and valuations. He has a dual degree in Economics and International Studies from the University of Washington and is a contributor to Corum's monthly webinars.

Public Markets



M&A Activity – April

Number of Software and IT M&A Transactions



Corum Index – M&A Statistics

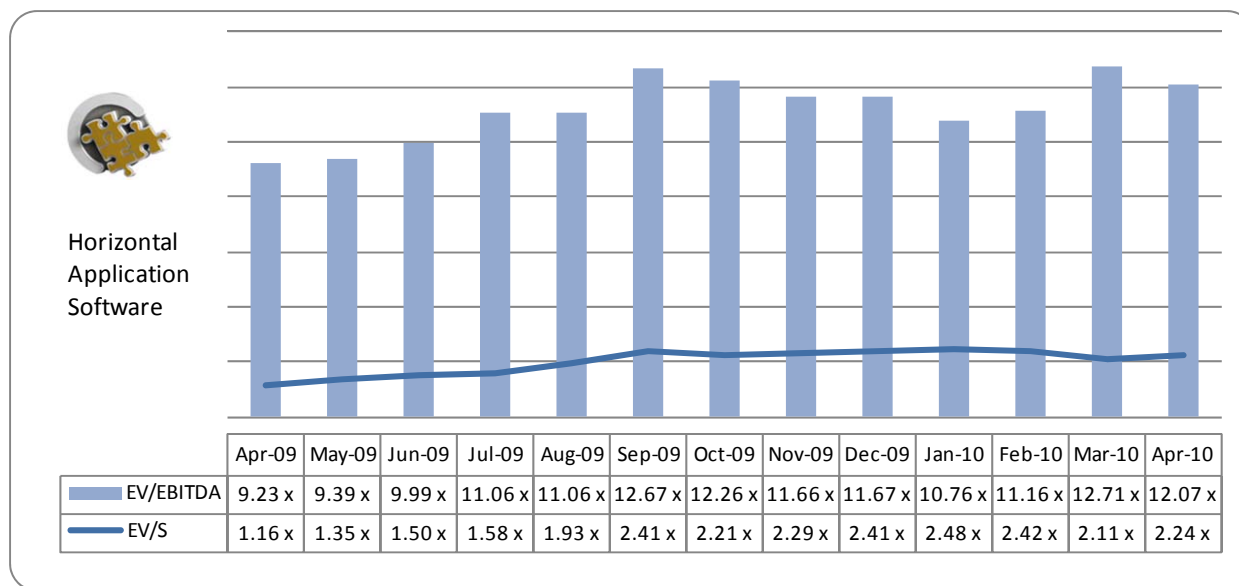
Corum Index

	Apr-09	Apr-10
# of Transactions	252	246
# of Mega Deals	4	4
Largest Deal	\$7,400	\$2,000
Average Deal Size	\$344	\$245
Median Seller Size	\$71	\$23
# VC backed Exits	28	30
% Terms Undisclosed	72%	80%
All Cash (announced)	42%	52%
% Targets were Public	20%	13%
% Public Buyers	48%	49%

**\$ values in millions*

Horizontal Application Software Market

Public Valuations



Deal Spotlight:

Sector: Desktop Productivity

Target: Bumptop

Buyer: Google, Inc.

Transaction Value:

Estimated \$25 - \$35 million

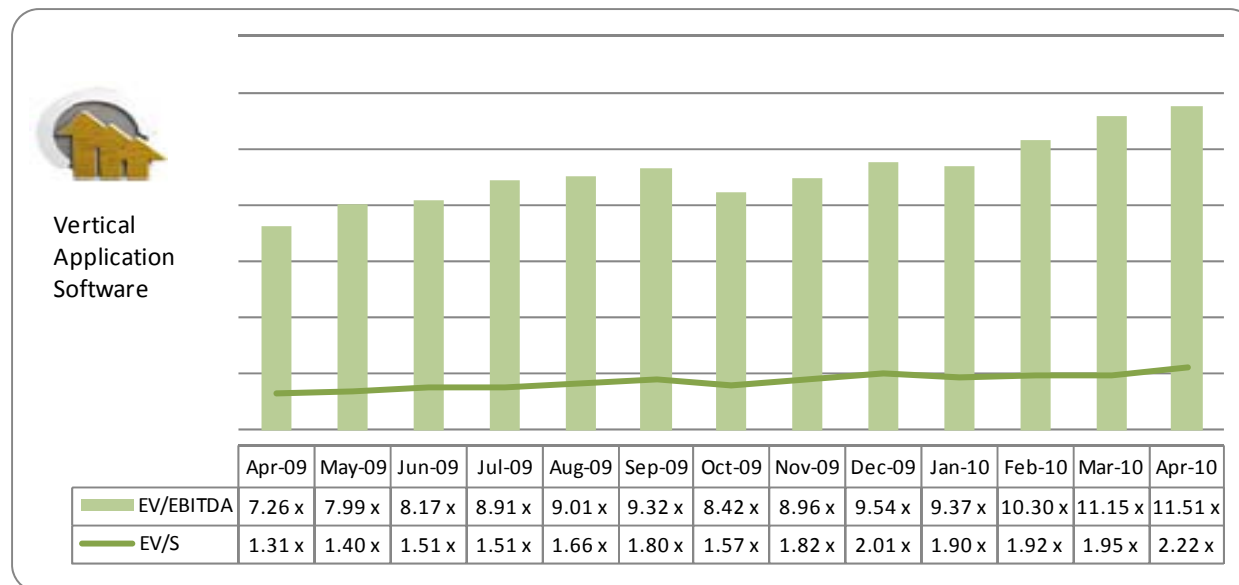
Structure: N/A

Comments:

- Talent & Technology
- Fifth acquisition this month
- Expanding interface capabilities

Vertical Application Software Market

Public Valuations



Deal Spotlight:

Sector: Vertical Applications

Target: Phase Forward, Inc.

Buyer: Oracle Corporation

Transaction Value:

\$755.4 million

3.3x revenues

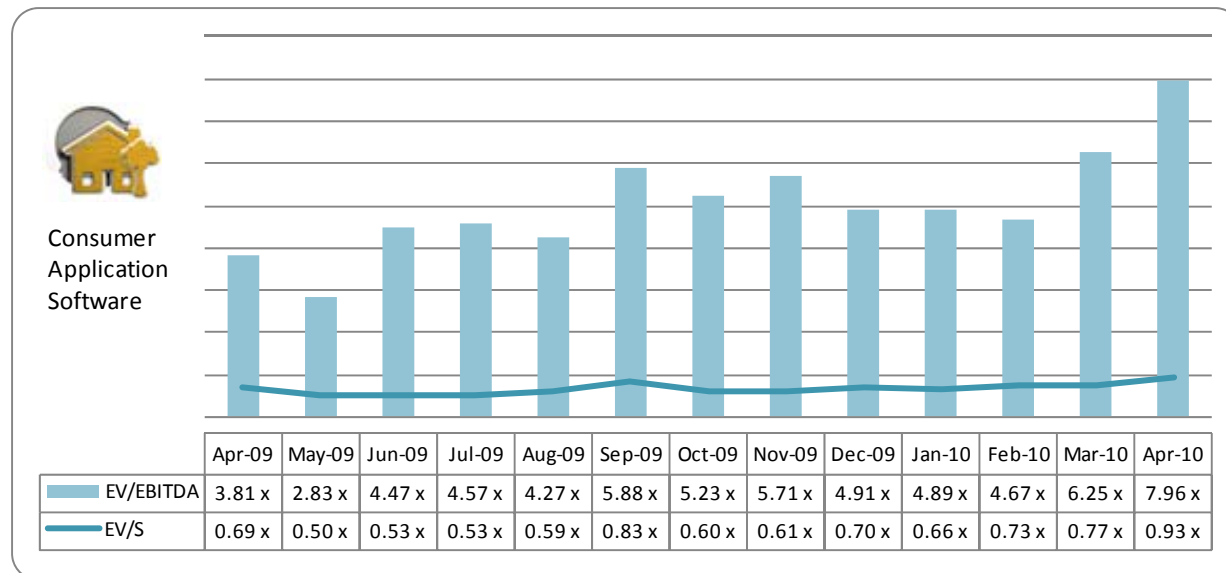
Structure: Cash

Comments:

- Vertical Targeting
- Base of Life Sciences offering
- Pharmaceutical Consolidation

Consumer Application Software Market

Public Valuations



Deal Spotlight:

Sector: Mobility

Target: Hewlett-Packard

Buyer: Palm, Inc.

Transaction Value:

\$1.4 billion

1.1x revenues

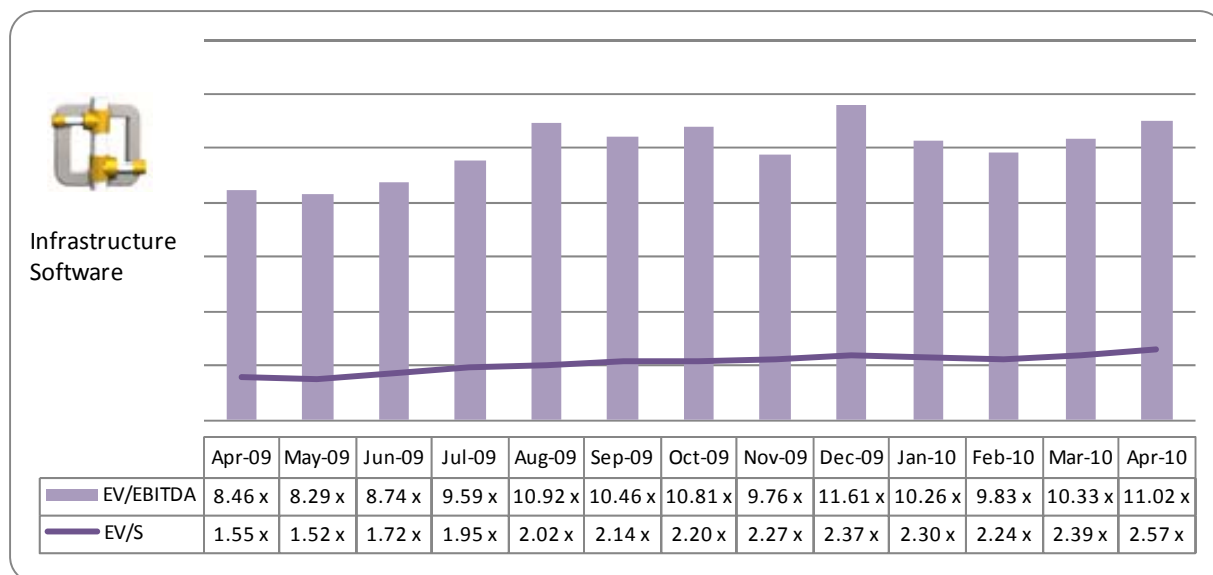
Structure: Cash

Comments:

- HP investing in mobile
- Proprietary OS
- Opportunity for Innovation

Infrastructure Market

Public Valuations



Deal Spotlight:

Sector: Content Delivery

Target: Ankeena Networks

Buyer: Juniper Networks, Inc.

Transaction Value: Undisclosed

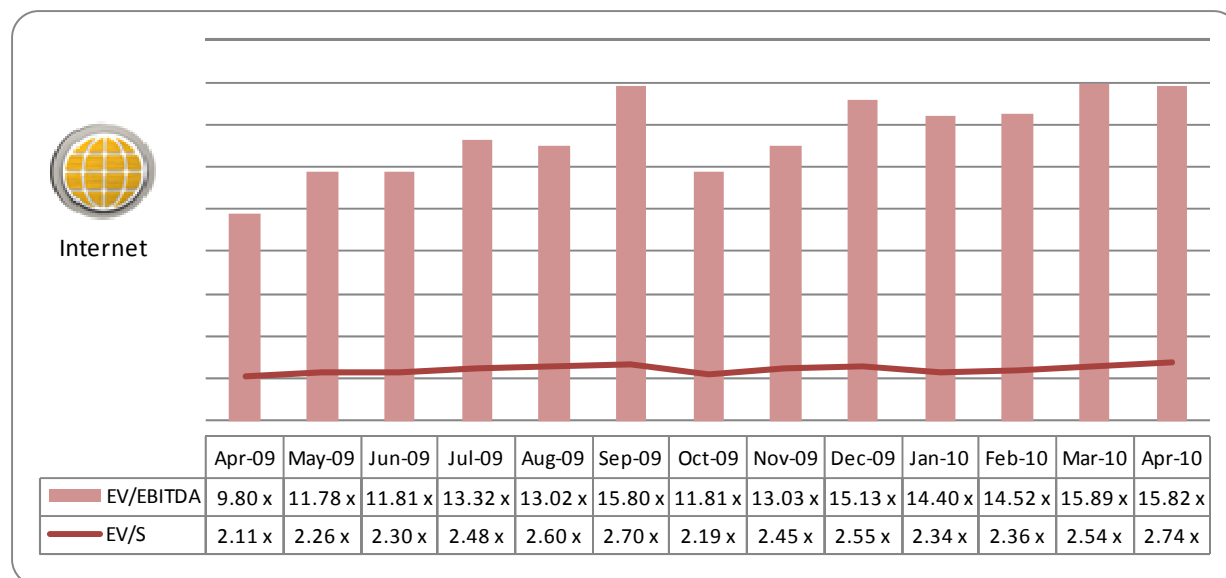
Structure: N/A

Comments:

- Juniper's first deal in five years
- Focus on online-content delivery
- Catch up time with competitors?

Internet Market

Public Valuations



Deal Spotlight:

Sector: Internet Content

Target: Jigsaw Data Corporation

Buyer: salesforce.com

Transaction Value:

\$142 million

7.9x revenues

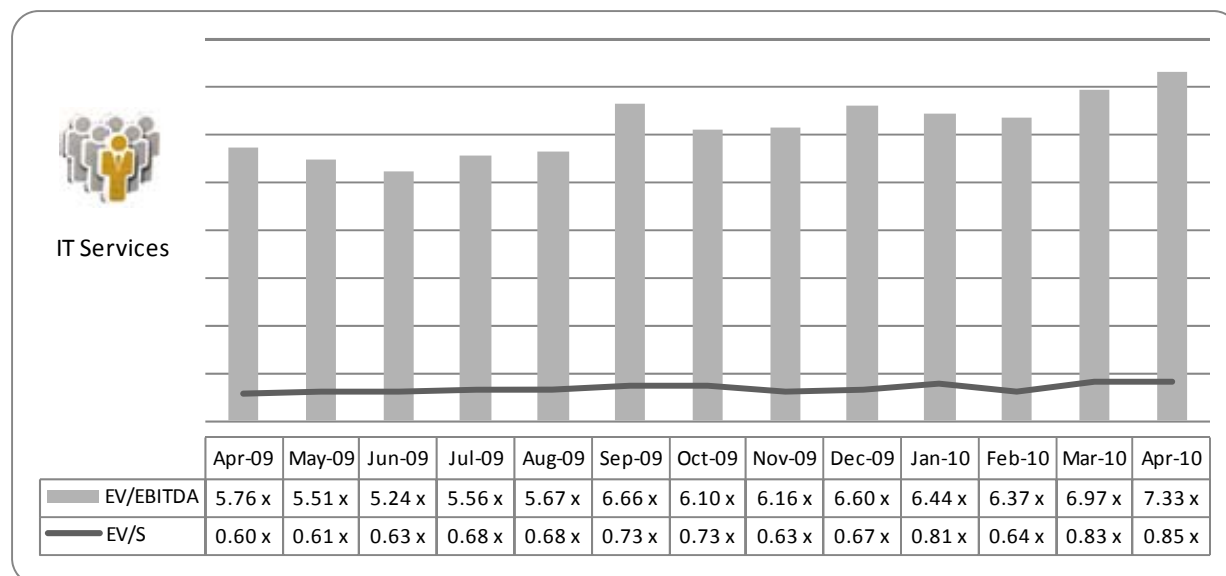
Structure: Cash + Earnout

Comments:

- Largest deal for salesforce.com
- Strengthening SFA offering
- Jigsaw to operate autonomously

IT Services Market

Public Valuations



Deal Spotlight:

Sector: IT Services
Target: Emerio GlobeSoft Pte. Ltd.
Buyer: NTT Comm. Corp.
Transaction Value: Undisclosed
Structure: N/A

Comments:

- Acquiring Talent
- Investing in IT and infrastructure

Asia Rising



Dougan Milne
Director of Research
Corum Group Ltd.

Dougan is Director of Research at the Corum Group, Ltd in Seattle, WA. Previously, he spent 3 years based out of Corum's European headquarters in Zürich, Switzerland. Prior to joining Corum's team in 2005, Dougan spent 3 years working in the banking industry with Bank of America, and Citigroup's Private Wealth business unit.

Before entering finance and investment banking, Dougan founded the successful garment distribution business, Billions Apparel. In 2006, he started an advertising company serving the motorcycle industry, Modo Marketing. Dougan has a Bachelors degree in Business Economics from the University of San Diego (USA).

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May 2010

Bellevue Boston Houston London Mexico City Munich Oslo Paris Philadelphia Phoenix Portland Santa Clara Toronto Zurich



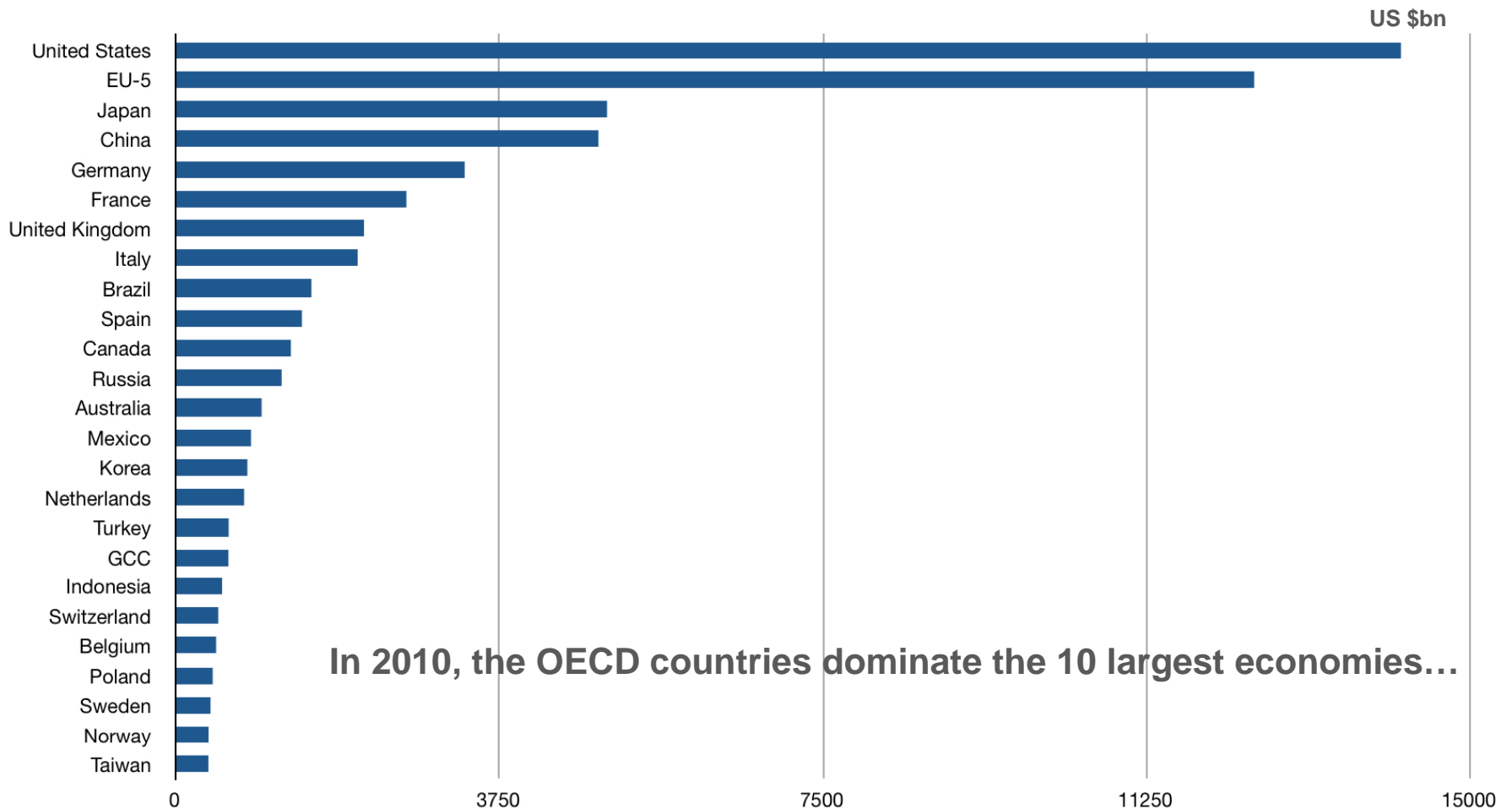
Asia Rising: The things we can't ignore.

Agenda

- Perspective
- Trends & Investment
- M&A Activity

2010 Global GDP

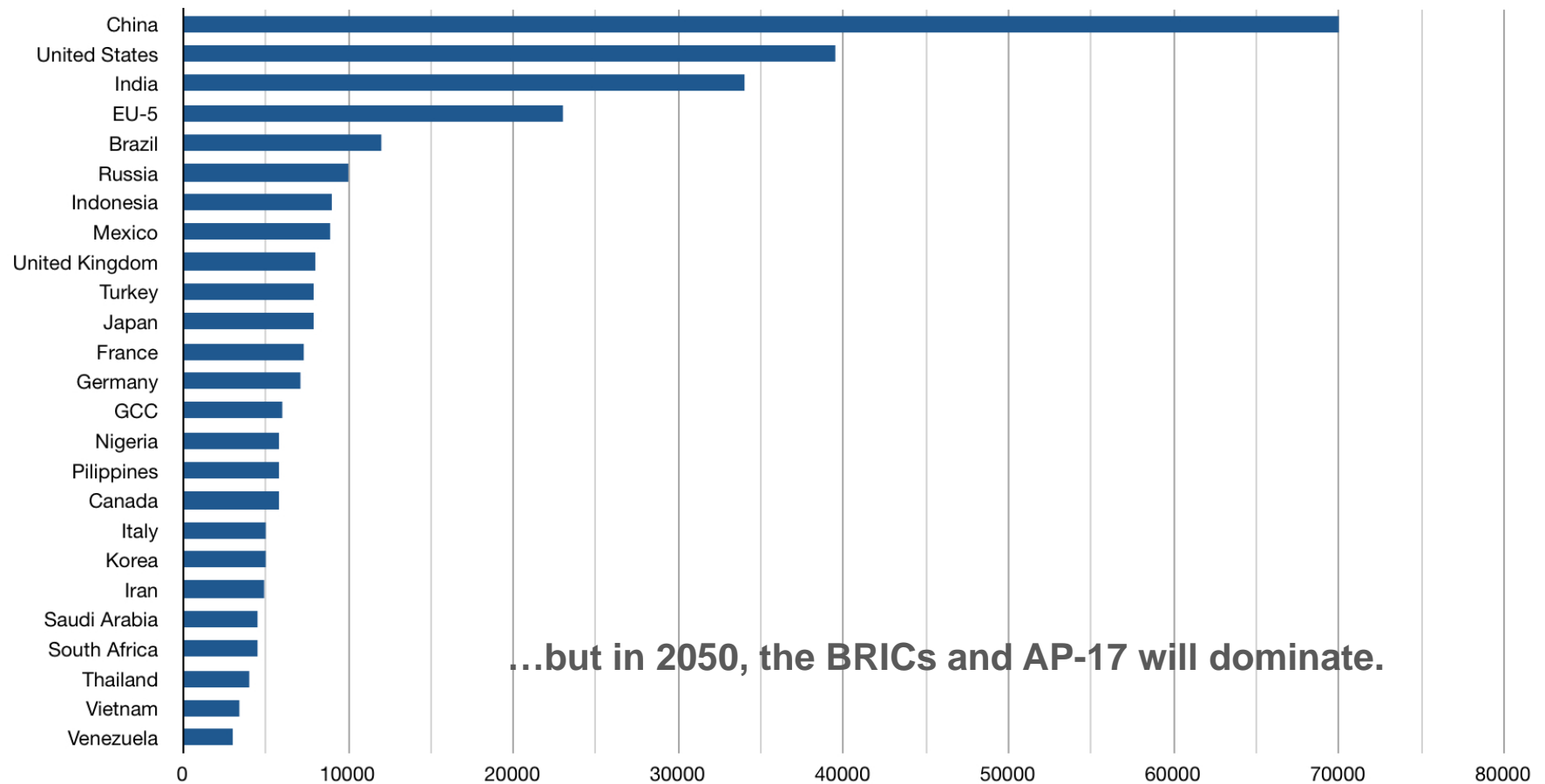
The World in 2010



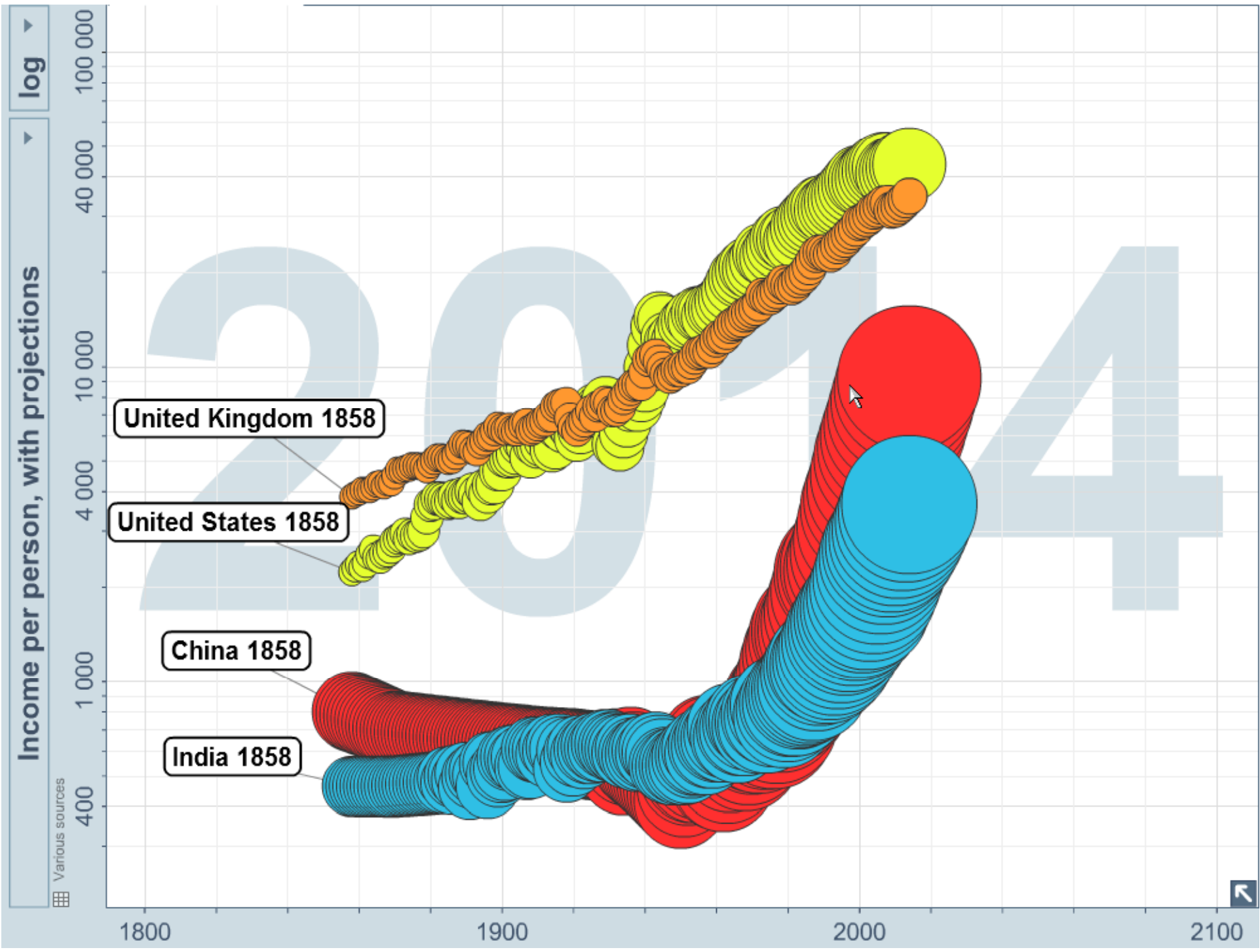
Forecasted Global GDP

The World in 2050

US \$bn (adj. 2010)

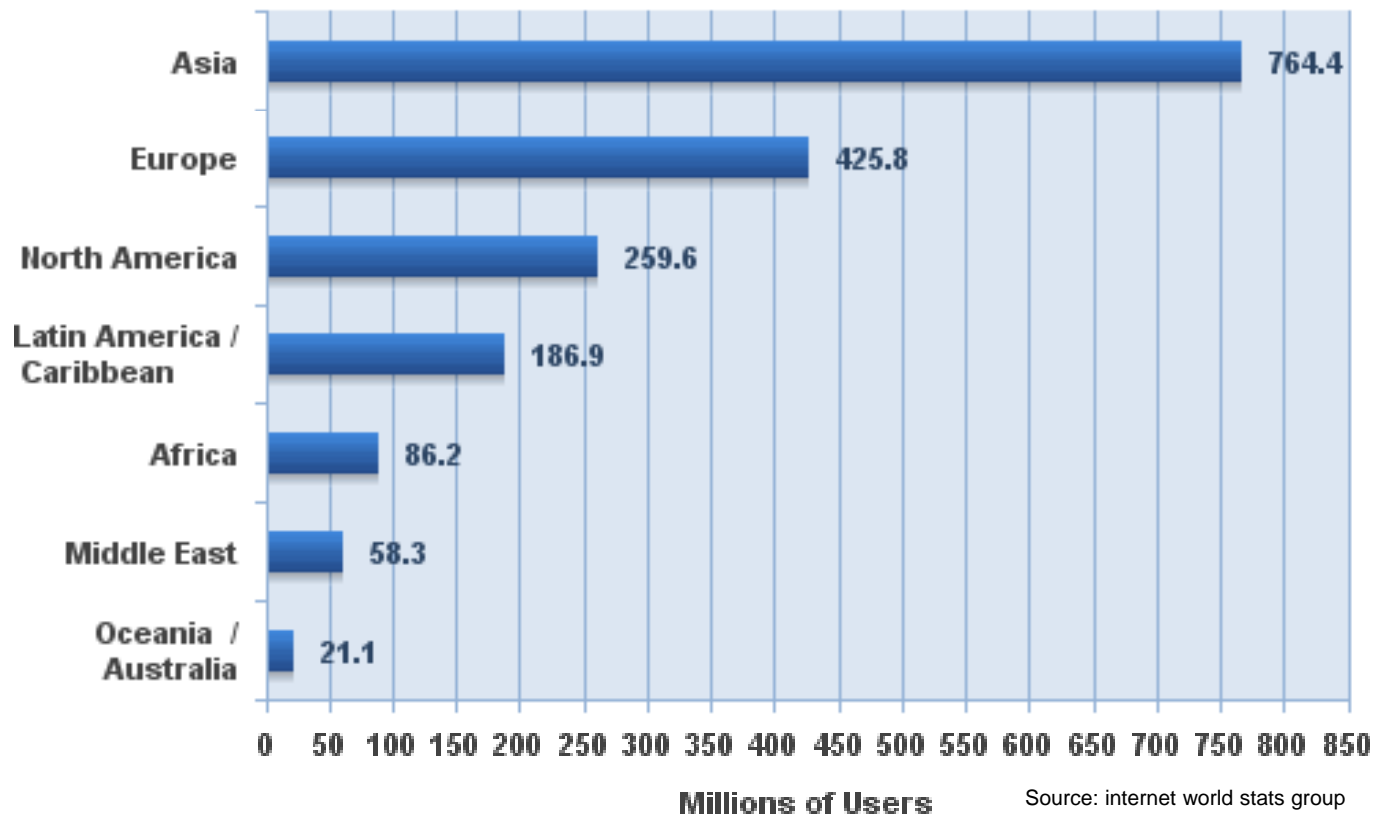


...but in 2050, the BRICs and AP-17 will dominate.



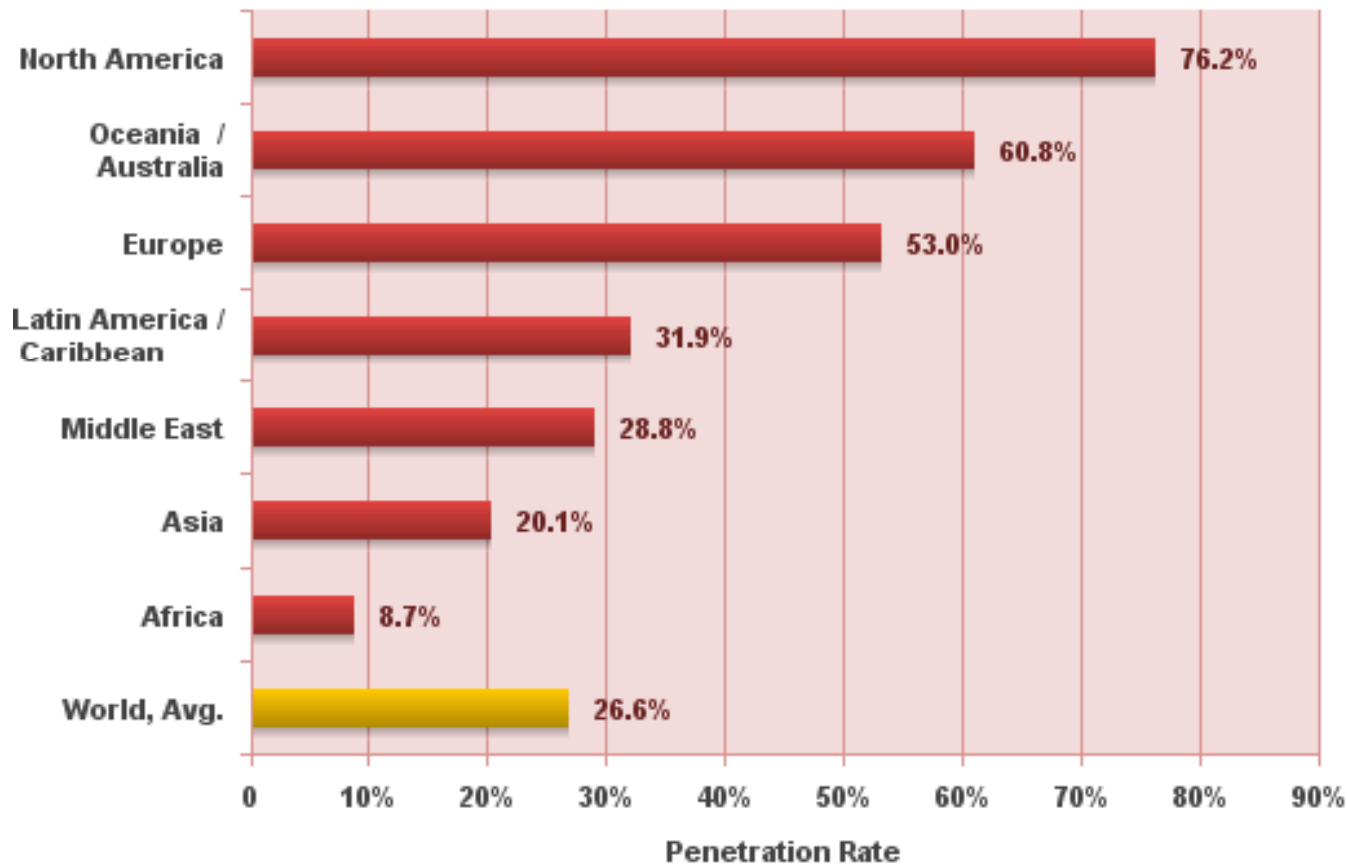
Global Internet Users

Internet Users in the World by Geographic Regions - 2009



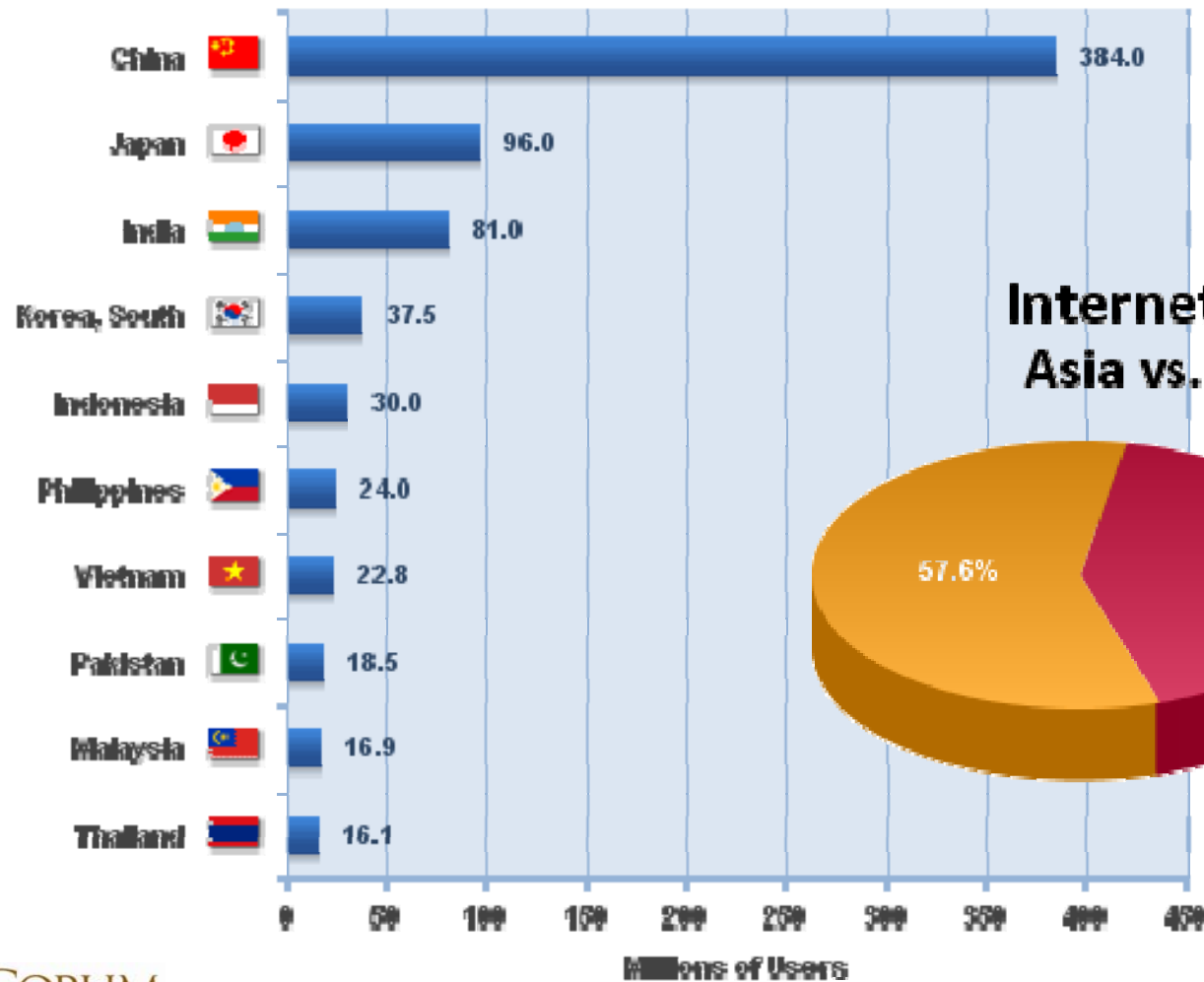
Global Internet Penetration

World Internet Penetration Rates by Geographic Regions - 2009

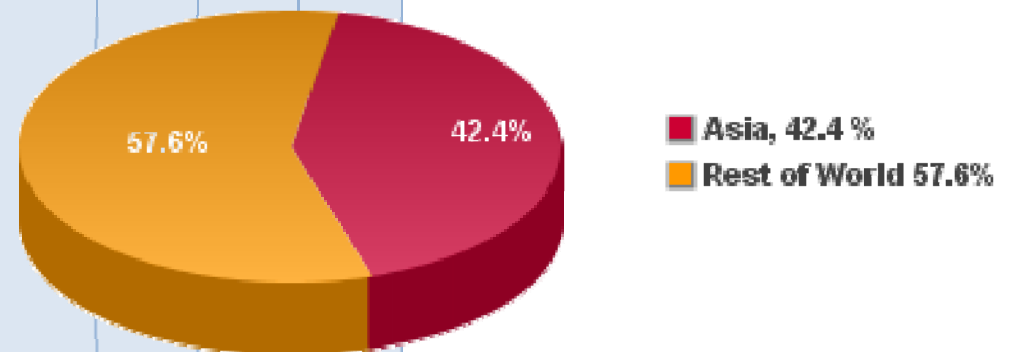


Internet Users in Asia

Top 10 Countries



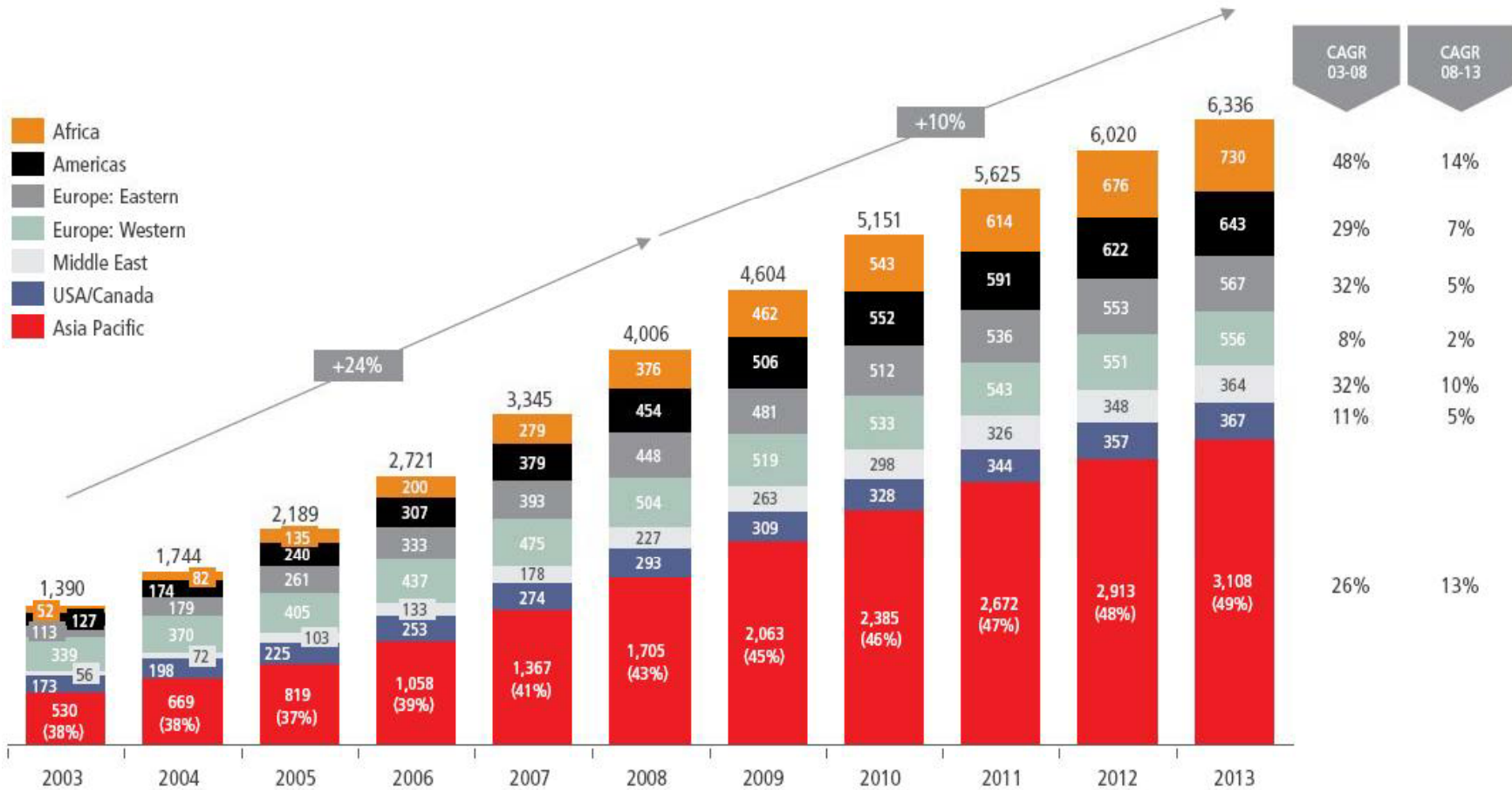
Internet Users in Asia Asia vs. World - 2009



Source: internet world stats group

Global Mobile Connections

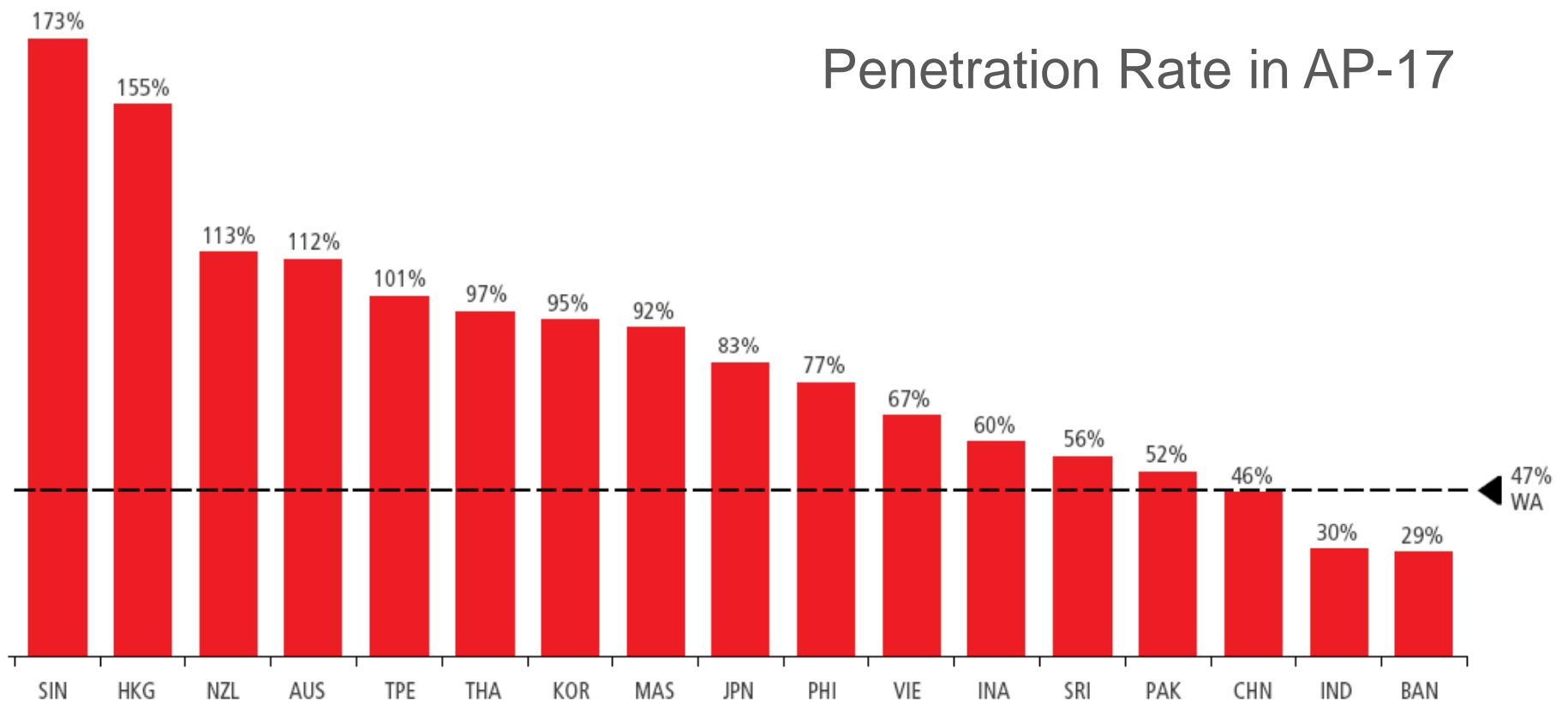
Global Mobile Connections



Source: Wireless Intelligence

Asia Pacific: Mobile Penetration

Penetration Rate in AP-17



Source: Wireless Intelligence, Euromonitor

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Asia Rising: Trends & Investment

India Trends & Growth

- Software exports for 2009 grow 7%. The growth came in the face of a 3% cut in worldwide technology spend.
- Software exports to rise faster, by 15% between 2010-2011.
- IT Services is over 6% of India's GDP, 2009.
- Indian IT exports exceed \$50bn USD, 2009.

■ Hot Sectors:

IT & BPO	Web Dev. & SEO	Managed Services
Social	Education	Mobile
Travel	Customer Service Solutions	Retail & eCommerce
BPM	SCM	Testing

China Trends & Growth

- Despite the impact of the international financial crisis, China's software industry has maintained a growth rate of over 25.6% in 2009.*
- Chinese software industry is projected to grow at a CAGR of more than 24% through 2012.
- Software industry generates total revenue of \$139.24bn USD, 2009*

■ Hot Sectors:

IT & BPO	Web Dev. & SEO	Data Center Mgmt
Social	Games	Mobile
ERP	Security	Manufacturing
Network Infrastructure	Search	Embedded Systems

*Source: MIIT

AP-17 Trends

- **Japan, Korea, Taiwan**

Embedded Systems	Operating Systems (OS)	Games	Media
Mobile	Security	Infrastructure	Engineering

- **Philippines, Malaysia, Thailand**

Hospitality	Travel	Manufacturing	Call Center Solutions	HR
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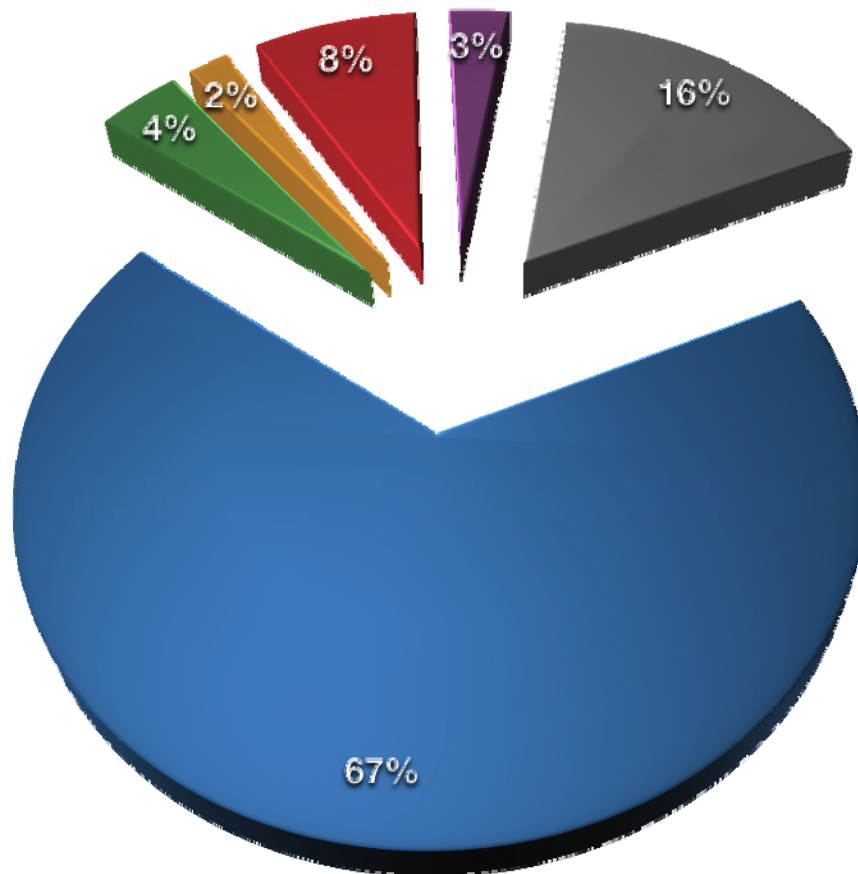
- **Singapore & Hong Kong**

Financial Solutions	Business Intelligence	Network Infrastructure	Telecom
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- **Australia & New Zealand**

Energy & Environment	ERP	Financial Solutions	Healthcare	Media
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Venture Capital Investment: Q1:2010



United States India Canada
China Israel Europe

- 919 venture deals around the world raised \$7 billion in Q1 2010, up 13%
- U.S. accounted for the majority of deals & dollars invested worldwide
- Europe counters upward trend, drops 7%
- Investment in Mainland China rises 35%
- Deals get larger in all regions except U.S.

Source: Dow Jones

CORUM

May 2010

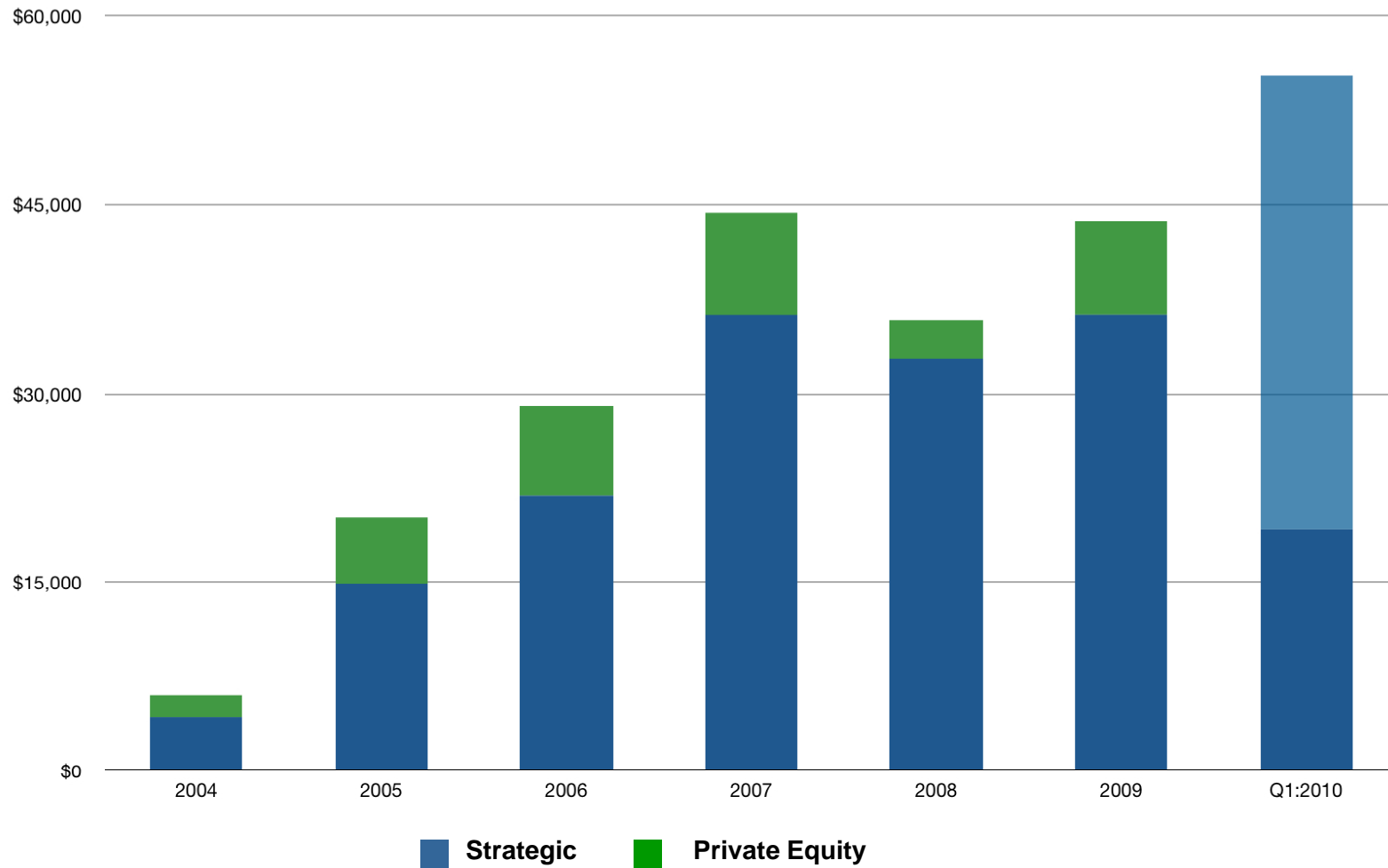
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Asia Rising: M&A Activity

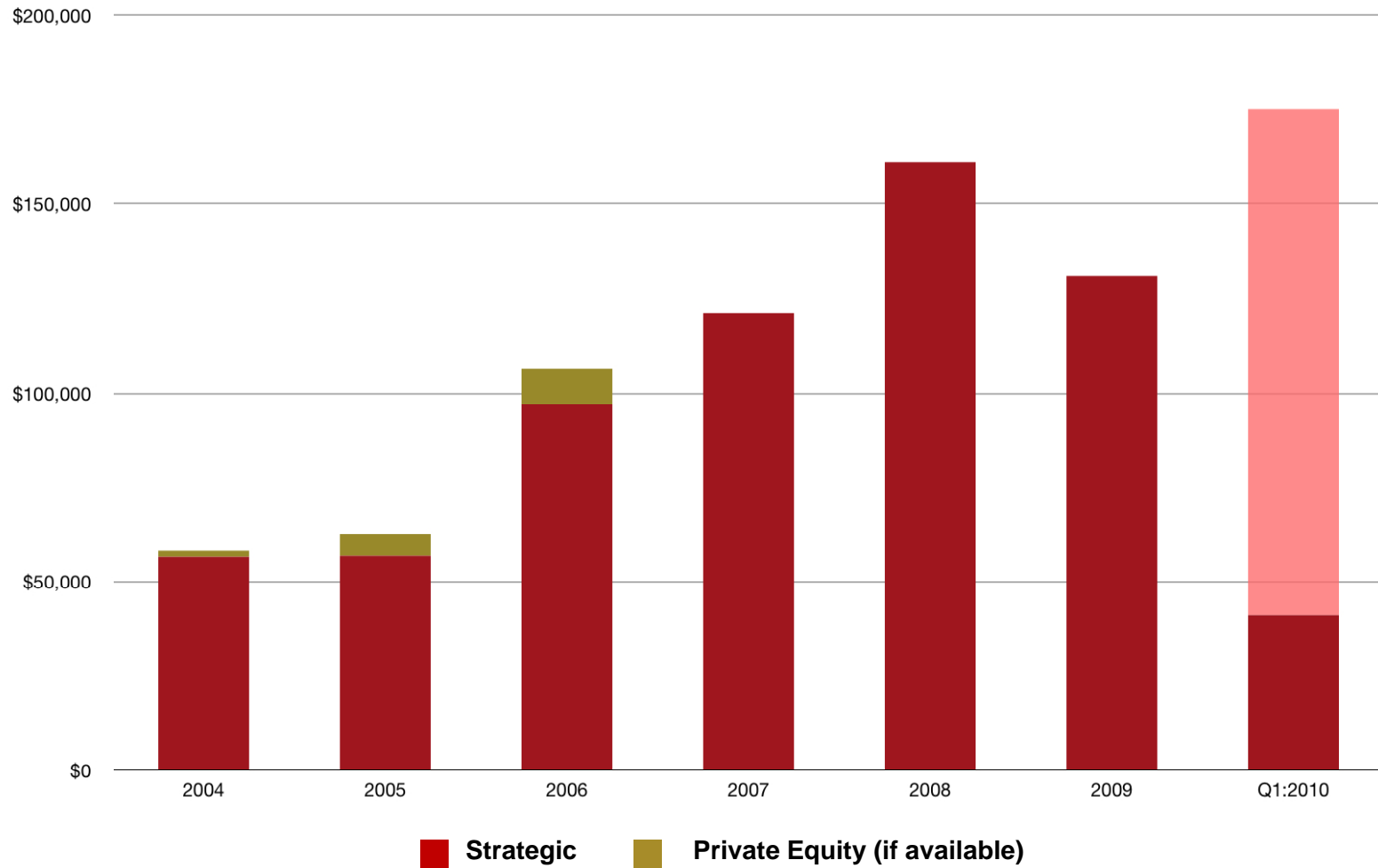
India: M&A

In US\$ m



China: M&A

In US\$ m



AP-17 M&A

- **Japan**

NTT Data



Emerio Globesoft (Singapore)
Shanghai Synergy (China)
Business Formula (Malaysia)
NJK Corporation (Japan)

Dentsu



Innovation Interactive (US)
K. 24/7 Search (US)

- **Other Hot Players:**

KDDI

Fuji Xerox

DeNA Co.

NEC

GrapeCity

Sony

TrendMicro

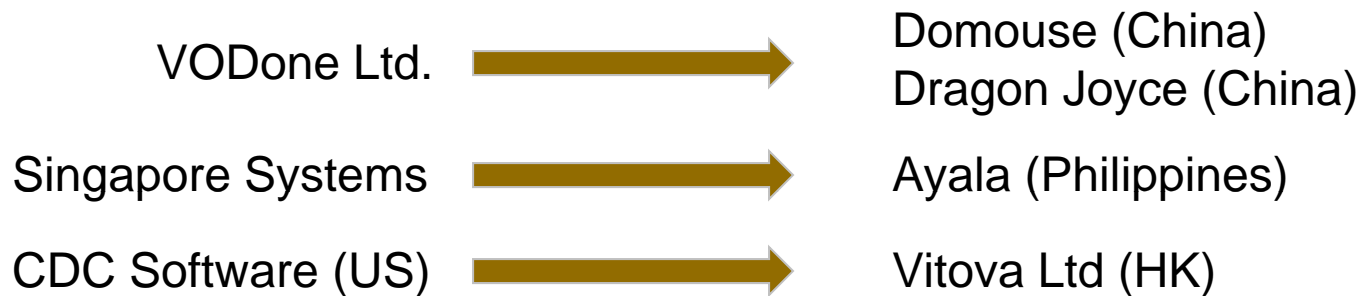
Konami

Capcom

Bandai

AP-17 M&A

■ Singapore & Hong Kong



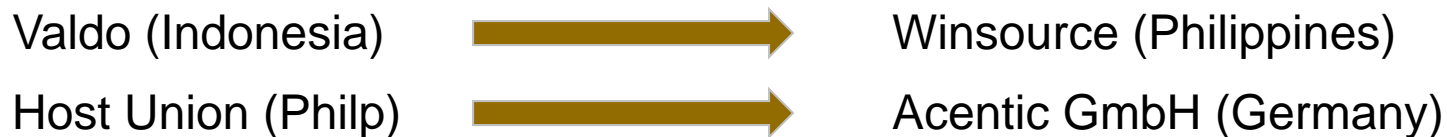
Lenovo

Enzard

Golden Century

iGenesis

■ Philippines, Malaysia, Thailand



Mobiclear

Solid Group

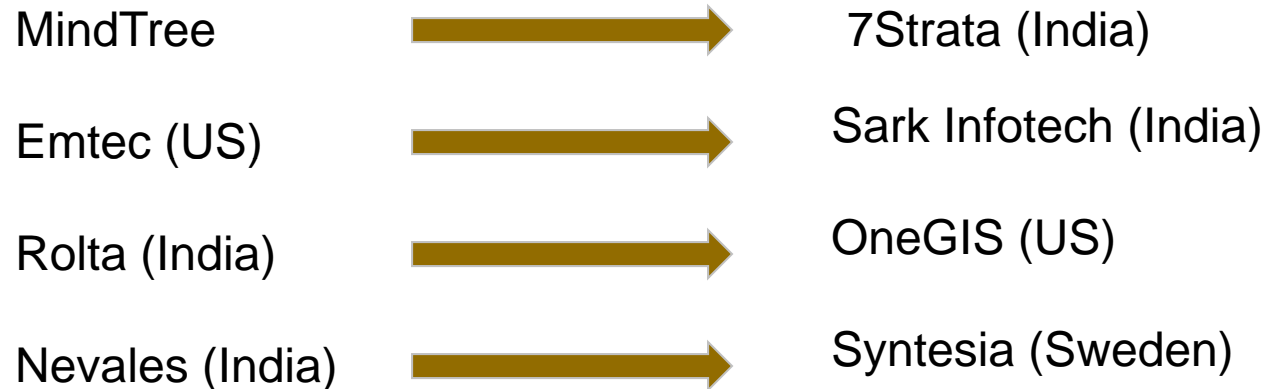
Fastech Synergy

Paxys

Exist Global

India M&A

- **India**



- **Over 100 Tech M&A transactions in the past 12 months**

- **Other Hot Players:**

Mphasis	Wipro	Tata	Polaris	EdServ
Genpact	Zylog	Educomp	Mastek	Glodyne

China M&A

- **China**

Pansoft (China) → HongAo (China)

Vocus (US) → BDL Media (China)

China Auto Logistics → Goodcar.com (china)

The 9 (China) → Red 5 Studios (US)

- **Over 120 Tech M&A transactions in the past 12 months**

- **Other Hot Players:**

BOE Tech

Shanda

Baidu

Kingdee

KongZhong

Symbio

VisionChina

Alibaba.com

CIS

Vimicro

Upcoming Corum Events

May 13:	Silicon Valley – SUSO	May 26:	Edinburgh – MB
May 18:	Toronto – Special Event (PricewaterhouseCoopers)	May 28:	Dublin – MB
May 24:	London – SUSO	June 3:	M&A Update Webinar
May 25:	Troy, Michigan – MB	June 8:	Helsinki – SUSO
May 26:	Cleveland – MB	June 9:	Calgary – SUSO
		June 9:	Oslo – SUSO

Merge Briefing (MB)
Selling Up Selling Out (SUSO)
World Financial Symposium (WFS)