

After the merger—



Frank Berger is living the life of his dreams — enjoying the beauty of Austria from his summer home there, building another house in Munich, participating in sports he loves, and his highest priority — spending more time with his 11-year-old son.

But Berger's life wasn't always this relaxed. As CEO of IQproducts, a leading European provider of enter-

prise storage and network security solutions, Berger often saw his professional responsibilities eclipse personal interests. He was ready for a change and wanted to reap the rewards of his years of hard work.

Since the sale of his company, Berger has been realizing first hand the reward of his entrepreneurial efforts. With the time and resources to pursue the activities of his choice, he exhilarates in an 8-day mountain bike tour over the Alps, attends the opera, studies with a professional chef, or applies his business skills to consulting projects — it's his call.

That newly acquired freedom is what Frank Berger enjoys most about his life since IQproducts — “freedom to decide what you want to do, and to do what you want. There’s a lot of satisfaction in that.”

ACHIEVING THE DREAM:
Getting there from here.

Frank Berger knew it was time for a change. And he wanted the kind of change that would allow him the freedom to lead the life he'd worked so hard to achieve.

For years, Berger had been discussing an exit strategy with IQproduct's Managing Director Uli Franke. Now, eight years after the company's inception, with revenues at 35 million DM, it was time to act. Berger felt strongly that continuing to grow his company was not what he wanted. It was time to move on.

An informed decision.

About this time, Berger attended a Selling Up Selling Out seminar, held by the Corum

Group. At the seminar, Berger recognized the deep M&A experience and relevant industry backgrounds represented in the Corum team. They knew what they were talking about, had the track record to prove it, and the reputation as a leader in valuations, which he felt was critical. Further, Berger felt Corum had the process, team, resources and methodology to help maximize his chance for success. To Berger, a sales and marketing expert, this was important.

Initially, however, with the German Neuer Markt booming, there was temptation to take the Company public rather than sell.

After carefully examining all of his options, Berger concluded that his best course of

action was partnering with Corum Group to sell his company, rather than pursue an IPO.

The process.

To set the M&A process in motion, Corum drew on its database of 70,000 contacts—the largest in the world. This was supplemented with a dedicated research team, who screened potential qualified partners from America, Europe and Asia who were suitable for IQproducts.

All contacts were made confidentially by Corum, and every communication was tracked in an activity report provided every two weeks.

Valuation was a crucial phase of the process. Berger needed an assessment with credibility, and knew a neutral party with proven experience and reputation in the field was needed to provide that figure. Corum's valuation method, which utilizes thorough investigation and comparisons with similar companies and deals, resulted in a number that could be defended on objective grounds.

When Systematics AG emerged as a promising strategic acquirer, Corum's expertise and experience were evident again in structuring the deal. Partnering closely with Berger, Corum was able to propose contract terms that saved time, money and headache.

Berger was impressed with Corum's high level of energy and determination to drive the deal to successful completion.

A happy ending.

Berger is proud to see the company he founded continue to flourish. Systematics AG subsequently was sold to EDS. IQproducts has virtually doubled its business since its sale, and is involved in big projects these days, with a customer list that reads like a Who's Who in European business.

“WE ARE VERY HAPPY WITH CORUM. BASED ON THEIR PROVEN METHODOLOGY, MANY YEARS OF EXPERIENCE, FIRST CLASS CONTACTS AND—LAST BUT NOT LEAST—THEIR HIGHLY QUALIFIED AND EFFECTIVE EUROPEAN MANAGEMENT, CORUM IDENTIFIED THE RIGHT PARTNER FOR IQPRODUCTS AND HELPED US IN EVERY WAY TO CLOSE THE DEAL. WITHOUT CORUM, I AM CONVINCED, WE WOULD NEVER HAVE SOLD THE IQPRODUCTS GMBH AT THE VALUATION WE FINALLY ACHIEVED.”

Frank Berger, IQproducts GmbH

EUROPEAN M&A TRENDS:
Analyzing today's market.

Corum, who provides M&A transaction data to Infoconomist, has just completed a study on European M&A activity.

This study reveals that deal activity in Europe has remained healthy over the past eight months, despite the decline in European equity markets.

BUYER LOCATION	TOTAL NO. OF DEALS	NO. OF CROSS BORDER DEALS	NO. OF WITHIN-SAME COUNTRY DEALS
UNITED KINGDOM	171	65	106
GERMANY	115	44	71
FRANCE	82	30	52
ITALY	54	15	39
SWEDEN	53	21	32
U.S.	42	42	
FINLAND	33	14	19
SPAIN	22	4	18
NETHERLANDS	21	18	3
NORWAY	16	5	11
BELGIUM	15	5	10
SWITZERLAND	14	7	7
DENMARK	13	5	8
AUSTRIA	11	5	6
GREECE	10	2	8
HUNGARY	7	1	6
IRELAND	6	5	1

BUYER LOCATION	# OF DEALS W/TERMS DISCLOSED CROSS BORDER	DEAL VALUE	# OF DEALS W/TERMS DISCLOSED WITHIN-COUNTRY	DEAL VALUE
U.S.	16	7,360.90		
ITALY	11	7,017.81	25	331.91
FRANCE	13	3,592.83	8	126.97
UNITED KINGDOM	49	2,434.25	8	1,1517.38
GERMANY	11	1,016.15	7	70.60
NETHERLANDS	5	942.60		
CANADA	5	388.70		
IRELAND	2	300.84		
ISRAEL	3	300.18	3	50.2
SWEDEN	8	200.35	13	94.51
FINLAND	5	164.05	6	18.67
NORWAY	4	54.47	7	39.37
DENMARK	3	34.01	7	1,129.98
SPAIN	2	19.79	5	28.68

VALUE IN MILLIONS OF EUROS.

Of the total deals announced, 42% were cross-border. The U.K., powered by the strength of the British Pound relative to the Euro, was the most acquisitive country in cross-border transactions.

Cross-border transactions generally have large deal values because the sellers have strong market positions within their respective countries. Many buyers realize how difficult it is to build a customer base and distribution channel in a foreign country and they are willing to pay a premium for international expansion.

This full report will be available to attendees of Corum's Selling Up Selling Out conferences.

Corum Group is the premier provider of M&A services to software and information technology companies worldwide.

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Corum Group is the premier provider of M&A services to software and information technology companies worldwide. Corum has completed over \$4 billion in transactions in 14 countries in its 16 year history and is the leading educator in the M&A field through its *Selling Up Selling Out* conferences. Corum is built and staffed by highly experienced IT executives, most of them former CEOs. They are supported by the best researchers and writers in the industry, and the world's largest database of buyers and sellers (over 70,000 contacts) that helps ensure unparalleled success in client engagements.

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Cyberbranch (CGI)	Quadtel (Phoenix Technology)
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DayOne (Appraisal.com)	Radical Entertainment (Disney Interactive)
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