

KNOWLEDGE. VISION. RESULTS.

## QUARTERLY VALUE TRACKER

VALUATION ANALYSIS FOR TECHNOLOGY, HEALTHCARE, AND BUSINESS SERVICES

QUARTER **1**  
2008

### OUTSOURCING

For the second quarter in a row all three indices within TripleTree's Outsourcing sector underperformed the S&P 500 Index. The BPO sector fared the best, trailing the S&P by only 0.5%. **Affiliated Computer Services, Inc. (NYSE:ACS)** gained 11% off fiscal second quarter profit increases and two well-received acquisition announcements in Bower & Associates and Syan Holding Limited. Platform IT Outsourcing lost 8.3% overall, but **Perot Systems Corp. (NYSE: PER)**, which also posted profits above expectations, had a solid quarter with an 11% price appreciation. Performances in the Managed Services index ranged from -10% to -56% as revenues rose and losses persisted across many of the companies in the sector.

M&A activity took a dive in the first quarter with only nine deals recorded. Valuations stayed steady at 1.3x's revenue during the period. Some of the more notable transactions announced this quarter include ViaWest's acquisition of Dataside, a data center infrastructure space and managed network services provider; Equinix's

purchase of Virtu Secure Web-services, a provider of network-neutral data center services in the Netherlands; and Global BPO Services' acquisition of Stream Holdings, a provider of contact center and IT outsourcing solutions, for a reported \$229 million, or 0.5x revenue.

### Outsourcing (\$ millions, except share price) (Multiples over 100x have been excluded as not meaningful "NM")

Ticker	Company name	Market Price 31-Mar-08	Market Cap.	Enterprise Value	LTM Revenue	LTM EBITDA	LTM Net Income	EV/ Revenue	EV/ EBITDA	Price/ Earnings	
<b>BUSINESS PROCESS OUTSOURCING</b>											
ACS	Affiliated Computer Services, Inc.	\$50.11	4,809	6,923	5,965	1,052	267	1.2x	6.6x	18.0x	
ADP	Automatic Data Processing, Inc.	\$42.39	22,159	20,855	7,620	1,947	1,172	2.7x	10.7x	18.9x	
CVG	Convergys Corp.	\$15.06	1,918	2,058	2,844	384	170	0.7x	5.4x	11.3x	
DST	DST Systems Inc.	\$65.74	3,731	4,505	1,695	475	875	2.7x	9.5x	4.3x	
EFX	Equifax Inc.	\$34.48	4,464	5,769	1,843	614	273	3.1x	9.4x	16.4x	
FISV	Fiserv Inc.	\$48.09	7,907	13,003	3,922	943	439	3.3x	13.8x	18.0x	
LOG	LogicaCMG plc	\$1.06	1,628	2,056	3,070	289	224	0.7x	7.1x	7.3x	
ORCC	Online Resources Corp.	\$9.62	277	422	135	29	(1)	3.1x	14.5x	NA	
PAYX	Paychex Inc.	\$34.26	12,346	11,938	1,897	869	562	6.3x	13.7x	22.0x	
SEIC	SEI Investments Co.	\$24.69	4,801	4,628	1,369	631	260	3.4x	7.3x	18.5x	
TSS	Total System Services, Inc.	\$23.66	4,705	4,908	1,428	515	237	3.4x	9.5x	19.8x	
								Average	2.8x	9.8x	15.4x
								Median	3.1x	9.5x	18.0x

BUSINESS SERVICES

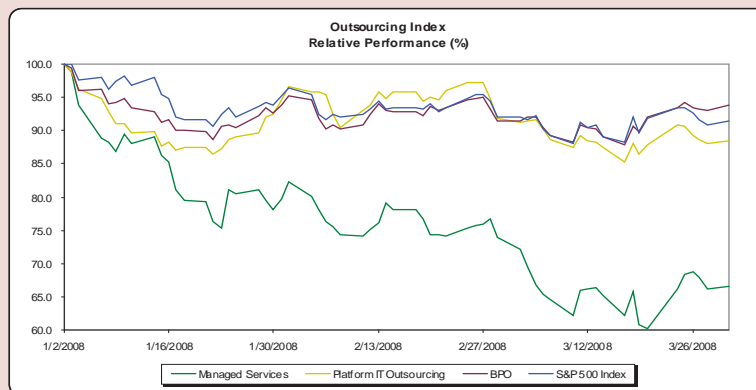
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Ticker	Company name	Market Price 31-Mar-08	Market Cap.	Enterprise Value	LTM Revenue	LTM EBITDA	LTM Net Income	EV/ Revenue	EV/ EBITDA	Price/ Earnings	
<b>PLATFORM IT OUTSOURCING</b>											
TSX:GIB.A	CGI Group, Inc.	\$10.90	3,525	3,854	3,722	572	265	1.0x	6.7x	13.3x	
CSC	Computer Sciences Corp.	\$40.79	6,473	8,971	16,059	2,394	617	0.6x	3.7x	10.5x	
EDS	Electronic Data Systems Corp.	\$16.65	8,480	8,837	22,134	2,534	716	0.4x	3.5x	11.8x	
PER	Perot Systems Corp.	\$15.04	1,810	1,813	2,612	306	115	0.7x	5.9x	15.7x	
								Average	0.7x	5.0x	12.8x
								Median	0.6x	4.8x	12.6x
<b>MANAGED SERVICES</b>											
EQIX	Equinix Inc.	\$66.49	2,437	3,189	419	110	(5)	7.6x	29.0x	NA	
INAP	Internap Network Services Corp.	\$4.96	247	196	221	29	(6)	0.9x	6.9x	NA	
NAVI	NaviSite Inc.	\$2.21	78	239	142	21	(26)	1.7x	11.5x	NA	
TSX:PIX	Peer 1 Network Enterprises, Inc.	\$1.25	145	155	82	21	6	1.9x	7.3x	25.6x	
TSX:Q	Q9 Networks Inc.	\$9.44	197	164	59	14	1	2.8x	11.4x	NM	
SVVS	SAVVIS Inc.	\$16.27	863	1,200	794	127	251	1.5x	9.4x	3.4x	
SDXC	Switch & Data Facilities Co., Inc.	\$10.21	350	365	138	35	(1)	2.7x	10.4x	NA	
TMRK	Terremark Worldwide, Inc.	\$5.48	324	527	161	27	(44)	3.3x	19.8x	NA	
Source: Capital IQ								Average	2.8x	13.2x	14.5x
								Median	2.3x	10.9x	14.5x



## Outsourcing

M&A Activity (01/01/08 - 03/31/08)

Total # of Transactions	9
# Reporting P/R Multiples	3
Average P/R	1.3x
Median P/R	0.8x

\* TripleTree's outsourcing research covers the following segments: Business Process Outsourcing, Managed IT Services, and Platform IT Outsourcing.

\*\* For additional information on how this data might apply to your business, please contact Dave Henderson or Scott Tudor at 952.253.5300.