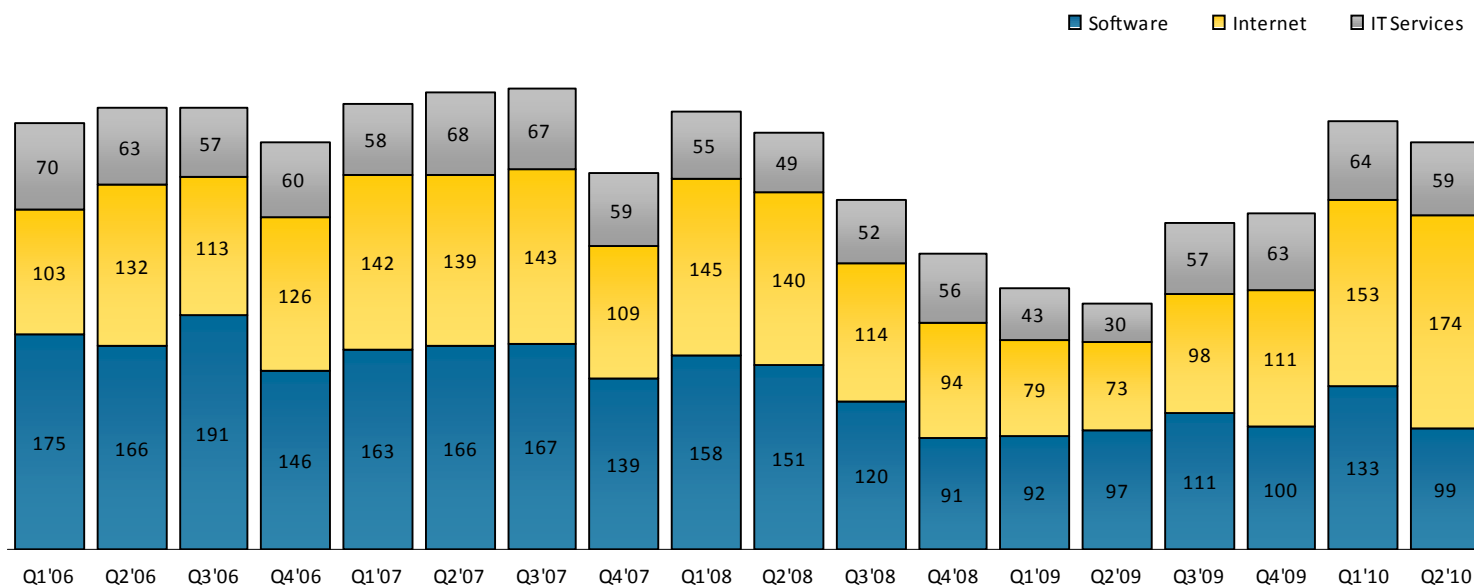


Q2 2010 TECHNOLOGY PRACTICE QUARTERLY M&A REPORT

Technology M&A Transaction Volume by Sub-Sector



Note: Q2 2010 based on data compiled by Capital IQ as of 6/30/2010, and may not reflect yet to be announced transaction data.

Technology M&A Market Review and Outlook

1H10: M&A Markets Continue Attractive Growth in 2010; US Middle Market M&A Up 77%

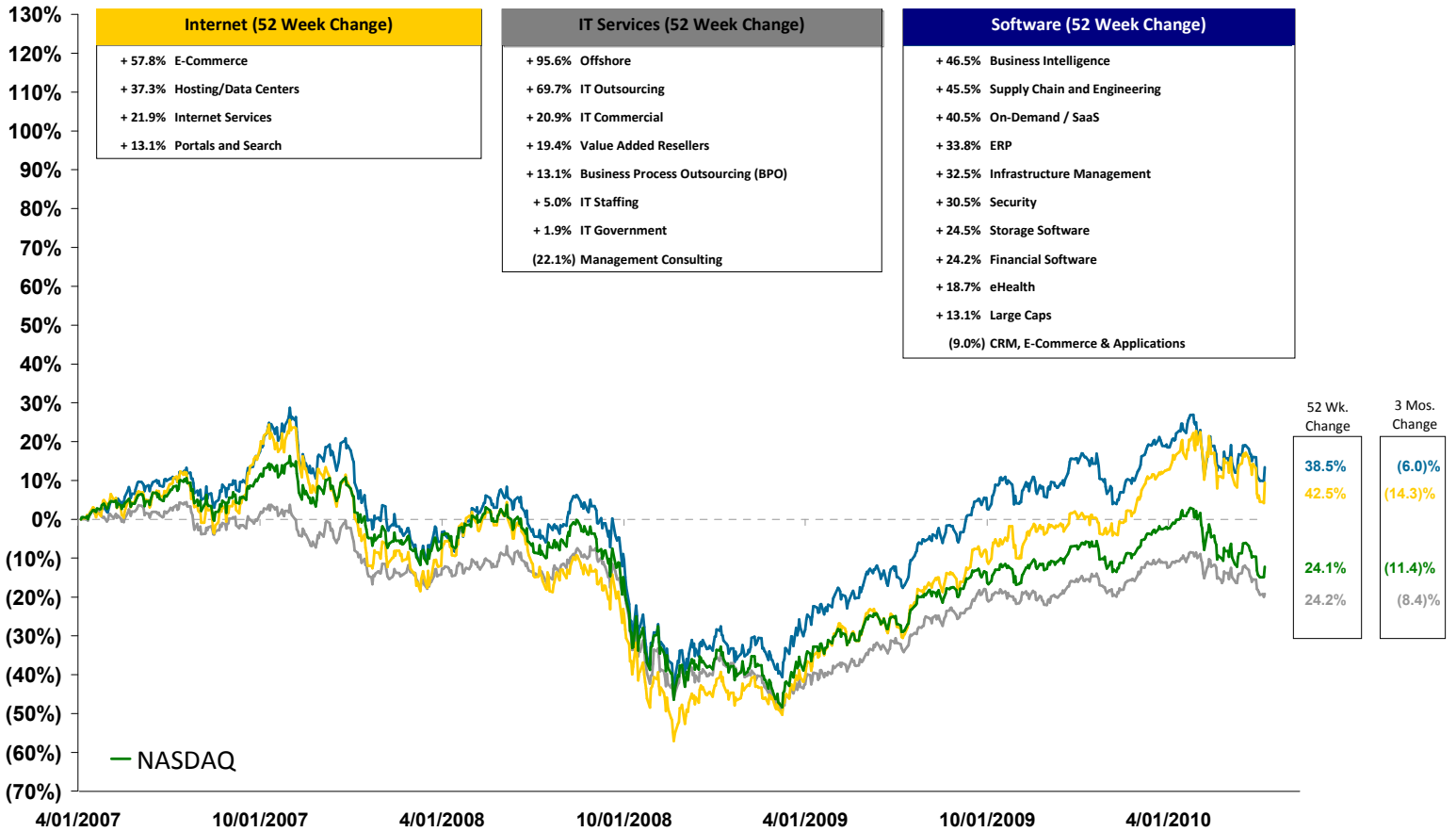
The value of worldwide M&A totaled \$1.1 trillion during the first half of 2010, a 9.4% increase from first half 2009 levels. By number of deals, M&A activity was up 3.8% compared to last year with over 19,000 announced deals. Second quarter M&A activity increased 5.4% over the first quarter of 2010, to \$546.5 billion. Domestically M&A activity with US involvement in the first half of 2010 increased 12.4% compared to the first half of 2009, to \$451.4 billion, representing the first year-over-year increase since 2007. The real news is that US middle market transactions increased 77.2% in Q2 of 2010 with 2,251 announced transactions with dollar volume increasing to \$20.4 billion over the prior period. Additionally, financial sponsor transactions also showed signs of strength accounting for 12.5% of total US M&A volume, highlighted by the \$3 billion acquisition of Interactive Data Corp by Silver Lake and Warburg Pincus LLC. This pick-up in activity is consistent with our own experiences as St. Charles clients completed or signed definitive agreements on five transactions aggregating nearly \$350 million of consideration in the last month.

2Q10: Technology Transactions in Software, Internet and IT Services up 66% in 2010 over 2009

When comparing the second quarter of 2010 to the second quarter of 2009, technology M&A deals have rebounded substantially, increasing from 200 total deals, to 332 for year-over-year growth of 66%. These positive trends in the technology sector, as well as the substantial amount of cash in the hands of strategic acquirers, leads us to believe that the back half of 2010 will continue to see accelerating technology deal activity.

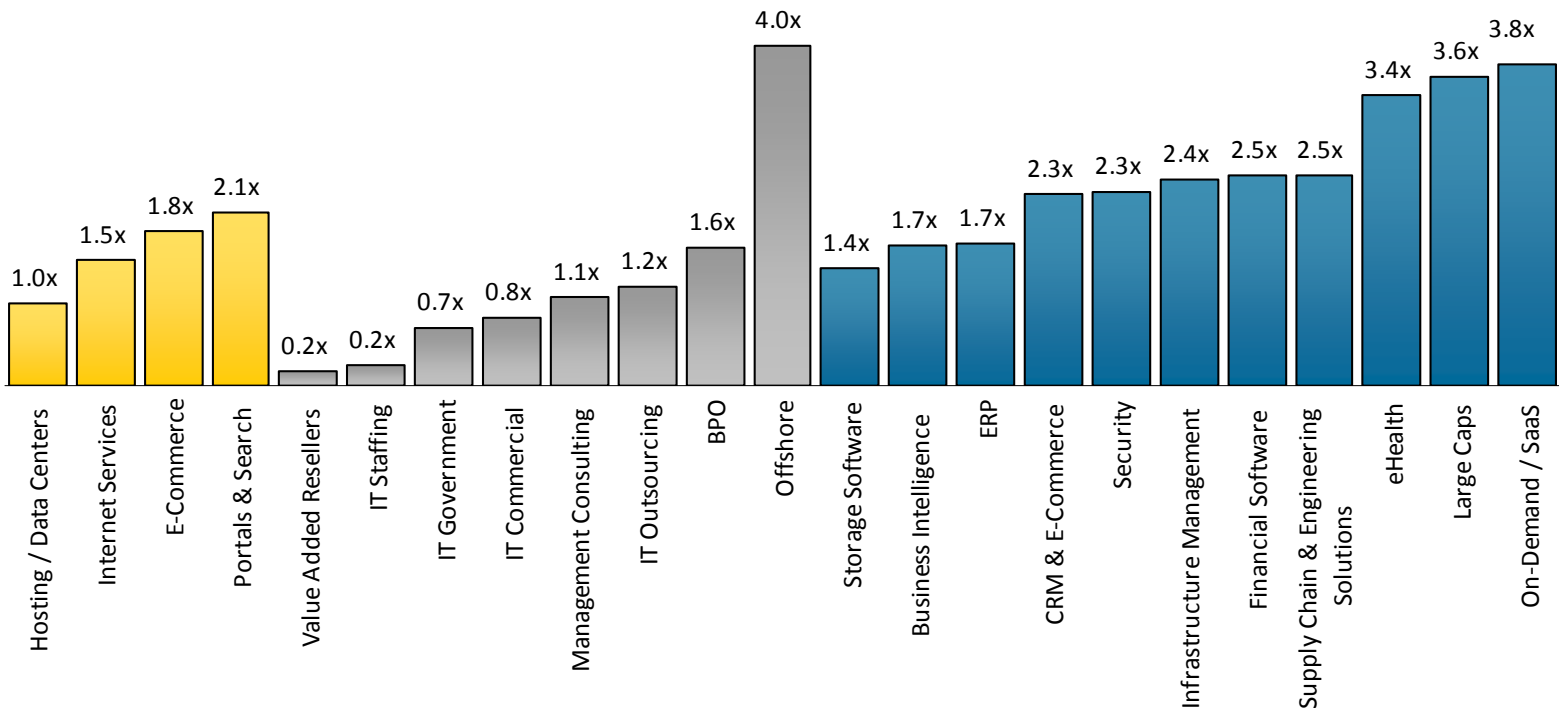
Overall, total technology related M&A transactions decreased slightly from 350 transactions to 332 transactions, or 5.1%, from the first to the second quarter, respectively. Within these transactions, Q2 2010 saw a rebound in large-cap (>\$1 billion) transactions which is a positive forward indicator. During Q1 2010 only two transactions occurred in which the enterprise value of the target was valued to be greater than \$1 billion. Q2 2010 experienced 7 large-cap transactions, with the largest being SAP America's acquisition of Sybase for \$5.4 billion. Other notable transactions can be found on page 3 of this document.

Technology Public Equity Market Performance



Source: Capital IQ

Current LTM Revenue Multiples by Sub-Sector as of 6/30/2010



Source: Capital IQ

Representative Middle-Market M&A Transactions for Q2 2010

(\$ in millions)

	Date Announced	Target	Target Description	Buyer	Enterprise Value	EV / Revenues
Software	06/29/10	Daegis	Develops matter lifecycle management (MLM), electronic discovery, and litigation support solutions for legal clients.	Unify Corp.	\$37.5	1.6x *
	06/21/10	Proginet Corp.	Offers software solutions for secure file transfers inside and outside the enterprise.	Tibco Software Inc.	\$19.7	2.1x
	06/10/10	Vertafore, Inc.	Provides insurance-specific solutions for managing critical business activities.	TPG Capital	\$1,400.0	-
	06/02/10	SonicWALL, Inc.	Designs, develops, manufactures, and sells network security, content security, and business continuity solutions.	Teachers' Private Capital; Thoma Bravo, LLC	\$507.2	2.4x
	05/24/10	Sterling Commerce, Inc.	Provides integration solutions and supply chain applications that optimize and transform customers' business collaboration networks.	International Business Machines Corp.	\$1,400.0	-
	05/20/10	Perceptive Software, Inc.	Develops enterprise content management software solutions for organizations in various industries in the United States and internationally.	Lexmark International Inc.	\$280.0	-
	05/17/10	Double-Take Software, Inc.	Develops, sells, and supports software that allows IT organizations to move, manage, protect, and recover workloads across various physical and virtual server environments.	Vision Solutions, Inc.	\$153.5	1.8x
	05/17/10	Global IP Solutions	Engages in the development, marketing, and sale of IP voice and video processing software for real-time communications.	Google Inc.	\$58.9	4.9x
	05/12/10	Denali Software, Inc.	Provides electronic design automation software and intellectual property for system-on-chip design and verification.	Cadence Design Systems Inc.	\$315.0	-
	05/05/10	Ventyx, Inc.	Provides software, data, and advisory services to optimize the management of customers, workforce, spare parts inventory, equipment, tools, and documentation.	ABB Ltd.	\$1,000.0	4.0x
	04/29/10	PGP Corporation	Provides email and data encryption software solutions for enterprises, businesses, and governments.	Symantec Corporation	\$300.0	4.0x
	04/29/10	GuardianEdge Technologies, Inc.	Provides enterprise endpoint data protection solutions.	Symantec Corporation	\$70.0	3.9x
	04/20/10	Sybase, Inc.	Provides enterprise and mobile software solutions for information management, development, and integration worldwide.	SAP America, Inc.	\$5,422.8	4.5x
	04/20/10	CyberSource Corporation	Provides electronic payment and risk management solutions to enterprise and small business merchants.	Visa, Inc.	\$1,829.1	6.5x
04/05/10	Equifax Enabling Technologies LLC	Provides automated credit risk management and financial technologies for online and traditional lending environments.	CRIF Corporation	\$72.4	-	
				Median:	\$300.0	3.9x
IT Services	06/30/10	EVERTEC, Inc.	Provides transaction processing and business management solutions.	Apollo Management, L.P.	\$1,166.7	-
	06/14/10	Intelligroup Inc.	Develops, implements, and supports information technology solutions for corporations, middle market businesses, and public sector organizations.	NTT Data International, L.L.C.	\$173.8	1.4x
	06/03/10	TechTeam Government Solutions, Inc.	Provides IT-based services including consulting, business engineering and modeling, IT support, managed services, and systems integration.	Jacobs Technology Inc.	\$59.0	-
	05/12/10	DecisionOne Corporation	Provides information technology support services.	Glodyne Technoserve Limited	\$104.0	0.5x
	05/08/10	Adapteq, Inc., Channel Storage Business	Provides redundant array of independent disks (RAID) storage product line, global value added reseller customer base, and board logistics capabilities.	PMC-Sierra Inc.	\$34.0	-
				Median:	\$104.0	0.9x
Internet	06/28/10	NetQuote, Inc.	Operates as an online insurance marketplace which offers online insurance shopping and lead generation solutions.	Bankrate, Inc.	\$205.0	-
	06/28/10	Creditcards.Com, Inc.	Operates as an online credit card marketplace that connects consumers with various credit card issuers.	Bankrate, Inc.	\$145.0	-
	06/17/10	Register.com, Inc.	Provides domain name registration and internet services worldwide.	Web.com Group, Inc.	\$135.0	-
	06/01/10	DivX, Inc.	Creates products and provides services to enhance the consumers' media experience.	Sonic Solutions	\$192.6	2.6x
	05/19/10	VeriSign, Inc.	Comprises business authentication services, which enables enterprises and Internet merchants to implement and operate secure networks.	Symantec Corporation	\$1,280.0	-
	05/12/10	Cyrus Networks LLC	Provides corporate colocation and data center services for businesses.	Cincinnati Bell Technology Solutions Inc.	\$525.0	9.1x
	05/06/10	iPay Technologies, LLC	Provides electronic bill payment products and services for community financial institutions.	Jack Henry & Associates Inc.	\$300.0	-
	04/21/10	Jigsaw Data Corporation	Operates an online business directory that provides company information and business contacts.	Salesforce.com	\$156.2	-
	04/20/10	Viawest Internet Services, Inc.	Provides co-location, managed hosting, and business continuity solutions to mid-sized businesses.	Oak Hill Capital Partners; GI Partners	\$420.0	-
04/07/10	Ankeena Networks, Inc.	Provides new media delivery infrastructure solutions to online media publishers and aggregators, CDNs and service providers.	Juniper Networks, Inc.	\$100.0	-	
				Median:	\$198.8	5.8x

*Denotes St. Charles transaction

Source: Capital IQ, Wall Street equity research

About Our Technology Practice

St. Charles Capital assists technology companies in achieving their strategic and financial business objectives by providing merger and acquisition, private capital formation, and financial advisory services.

The St. Charles Capital Advantage: St. Charles combines a history of technology transaction experience with a team that is actively engaged in the middle market. St. Charles' principals have managed transactions for nearly 100 companies in the technology industry. In addition to providing financial expertise, our team leverages extensive knowledge of the industry's competitive landscape as well as relationships with technology business leaders and private equity providers to obtain optimal value for our clients in the transaction process.

St. Charles Capital Deal Spotlight—Unify and Daegis Merge

On June 29, 2010 Unify Corp., a global provider of application development, data management and migration solutions, announced a merger with Daegis, a leading eDiscovery solutions provider. St. Charles Capital sourced the transaction and served as the exclusive advisor to both Unify Corp. and Daegis and assisted in raising \$30 million in senior acquisition financing.

The \$37.5 million acquisition was financed with a combination of cash and stock. The debt/cash portion was sourced by St. Charles and provided by Hercules Technology Growth Capital. For the twelve months ended April 30, 2010, Daegis generated approximately \$23 million in revenue and \$6.5 million in adjusted EBITDA.



The combined entity brings solutions to market that uniquely address the convergence of archiving, information governance and eDiscovery. The combination of Unify's archive repository and Daegis' eDiscovery services and technology will facilitate a new level of data management and cost savings for corporate legal departments and law firms. Clients can strategically manage their data within the firewall and, by leveraging Daegis' eDiscovery Analytics Consulting (eDAC), benefit from intelligent selection of responsive data early in the process. The integration of respective technologies will enable the preservation and repurpose of valuable attorney work product across multiple matters. These solutions will reduce costs, increase defensibility and furnish a blueprint for repeatable success across the Electronic Discovery Reference Model (EDRM).

Unify expects GAAP revenue for fiscal 2011 to be in the range of \$52 to \$58 million. The Company expects Adjusted EBITDA for fiscal 2011 to be a minimum of \$9 million.

Technology Practice Team

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