



# UK Software Sector

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## Quarterly Report

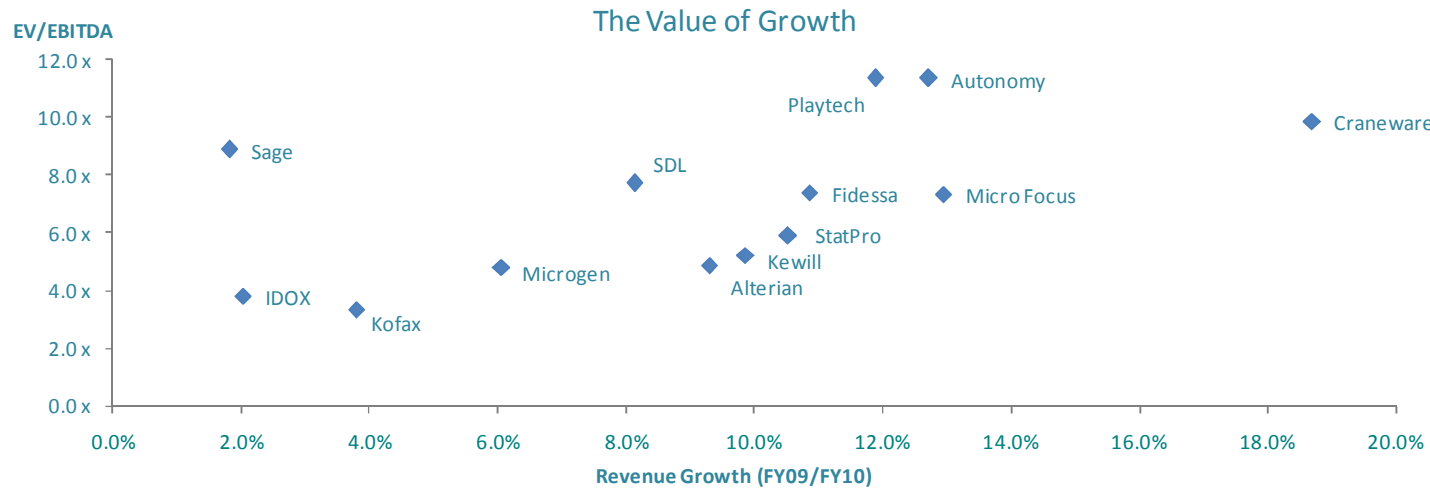
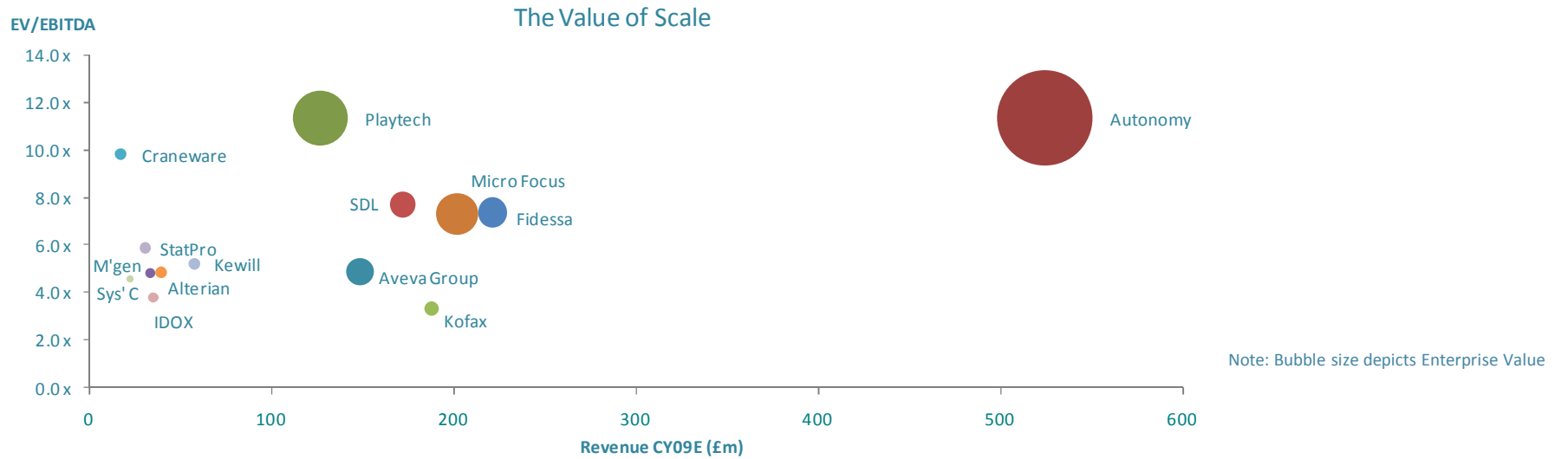
**First Quarter 2009**

# UK Software Sector Valuation Metrics

Company	Share Price (£)	Market Cap <sup>(1)</sup>	Net Debt <sup>(2)</sup>	Enterprise Value (£m)	Revenue	EV/Revenue		EV/EBITDA		Revenue Growth		EBITDA Margin	
	24-Apr-09				CY09E (£m)	CY2008	CY2009	CY2008	CY2009	FY08/09	FY09/10	CY2008	CY2009
<b>Selected UK Software Large</b>													
Sage	1.84	2,410	649	3,059	1,443	2.3 x	2.1 x	9.9 x	8.9 x	10.9%	1.8%	23.3%	23.9%
Autonomy	13.41	3,192	(88)	3,104	524	6.6 x	5.9 x	13.5 x	11.4 x	11.8%	12.7%	49.1%	52.2%
Playtech	4.47	1,064	(28)	1,036	127	9.9 x	8.2 x	14.6 x	11.4 x	21.2%	11.9%	67.8%	72.0%
<b>Average</b>						<b>6.3 x</b>	<b>5.4 x</b>	<b>12.7 x</b>	<b>10.5 x</b>	<b>14.6%</b>	<b>8.8%</b>	<b>46.7%</b>	<b>49.4%</b>
<b>Selected UK Software Mid</b>													
Misys	1.45	758	181	939	792	1.5 x	1.2 x	8.7 x	6.7 x	43.5%	21.0%	17.6%	17.8%
Aveva Group	5.52	374	(120)	254	148	1.7 x	1.7 x	4.4 x	4.9 x	23.8%	-8.2%	38.2%	35.1%
Micro Focus	3.09	637	(53)	584	201	3.4 x	2.9 x	8.5 x	7.3 x	21.9%	12.9%	39.6%	39.6%
<b>Average</b>						<b>2.2 x</b>	<b>1.9 x</b>	<b>7.2 x</b>	<b>6.3 x</b>	<b>29.8%</b>	<b>8.6%</b>	<b>31.8%</b>	<b>30.8%</b>
<b>Selected UK Software Small</b>													
Fidessa	9.60	336	(33)	303	221	1.6 x	1.4 x	8.2 x	7.4 x	16.9%	10.9%	19.6%	18.6%
SDL	3.30	255	(31)	224	172	1.4 x	1.3 x	8.3 x	7.7 x	8.2%	8.1%	17.0%	16.9%
Kofax	1.19	100	(35)	65	188	0.4 x	0.3 x	3.5 x	3.3 x	8.2%	3.8%	10.6%	10.4%
Microgen	0.52	46	(14)	32	33	1.0 x	1.0 x	4.7 x	4.8 x	0.0%	6.1%	20.6%	20.3%
Craneware	2.24	59	(16)	43	17	3.1 x	2.5 x	12.7 x	9.9 x	23.0%	18.7%	24.2%	25.8%
Alterian	0.87	50	(6)	44	39	1.3 x	1.1 x	8.0 x	4.9 x	24.9%	9.3%	15.8%	23.2%
Kewill	0.57	46	1	47	58	0.9 x	0.8 x	5.9 x	5.2 x	5.5%	9.9%	14.9%	15.5%
IDOX	0.11	37	(3)	34	35	1.0 x	1.0 x	4.0 x	3.8 x	1.5%	2.0%	24.9%	25.9%
System C Healthcare	0.39	35	(15)	20	25	1.0 x	0.8 x	5.8 x	4.6 x	21.5%	21.4%	16.9%	17.5%
StatPro	0.65	39	12	51	30	1.8 x	1.7 x	6.8 x	5.9 x	2.2%	10.5%	26.8%	28.7%
<b>Average</b>						<b>1.3 x</b>	<b>1.2 x</b>	<b>6.8 x</b>	<b>5.7 x</b>	<b>12.2%</b>	<b>10.0%</b>	<b>18.3%</b>	<b>19.4%</b>

(1) Fully diluted basis - treasury method

(2) Net financial debt plus pension liabilities plus minority interests



## Selected UK Software Sector M&A Transactions (Q1 2009)

Date	Target	Acquirer	Acquirer Nationality	Deal Value (\$m) <sup>(1)</sup>	Revenue Multiple <sup>(2)</sup>	Target Description	Comments
<b>Publicly Quoted Targets</b>							
Mar-09	Thirdforce	LearnVantage	Ireland	27	0.5 x	e-Learning solutions	P2P MBO
Mar-09	Pilat Media Global	Sintec Media	Israel	22.8	0.9 x	Media industry solutions	
Feb-09	Eidos	Square Enix	Japan	121	0.5 x	Entertainment software	
<b>Private Targets</b>							
Feb-09	Plain Software Company	Avia Investments	UK	n/a	n/a	Healthcare solutions	
Feb-09	WKD Solutions	CDC Software	US	n/a	n/a	Supply chain event management	
Feb-09	Eden Origin	Telephonetics	UK	1 + 4.4 <sup>(3)</sup>	n/m	SOA solutions	
Feb-09	Televisual Data	Miles 33	UK	n/a	n/a	Content management solutions	
Jan-08	SpeedSix Software	GenArts	US	n/a	n/a	Visual effects software	
Jan-08	Background2	Tokheim	France	n/a	n/a	Service station solutions	60% stake
Jan-08	Commodities Software	Brady	UK	1 + 1 <sup>(3)</sup>	n/m	Metals industry solutions	
Jan-08	Applied Information Mgmt	Aspect Software	US	n/a	n/a	Employee performance mgmt software	Asset purchase

(1) Equity value

(2) EV to Revenue (last FY)

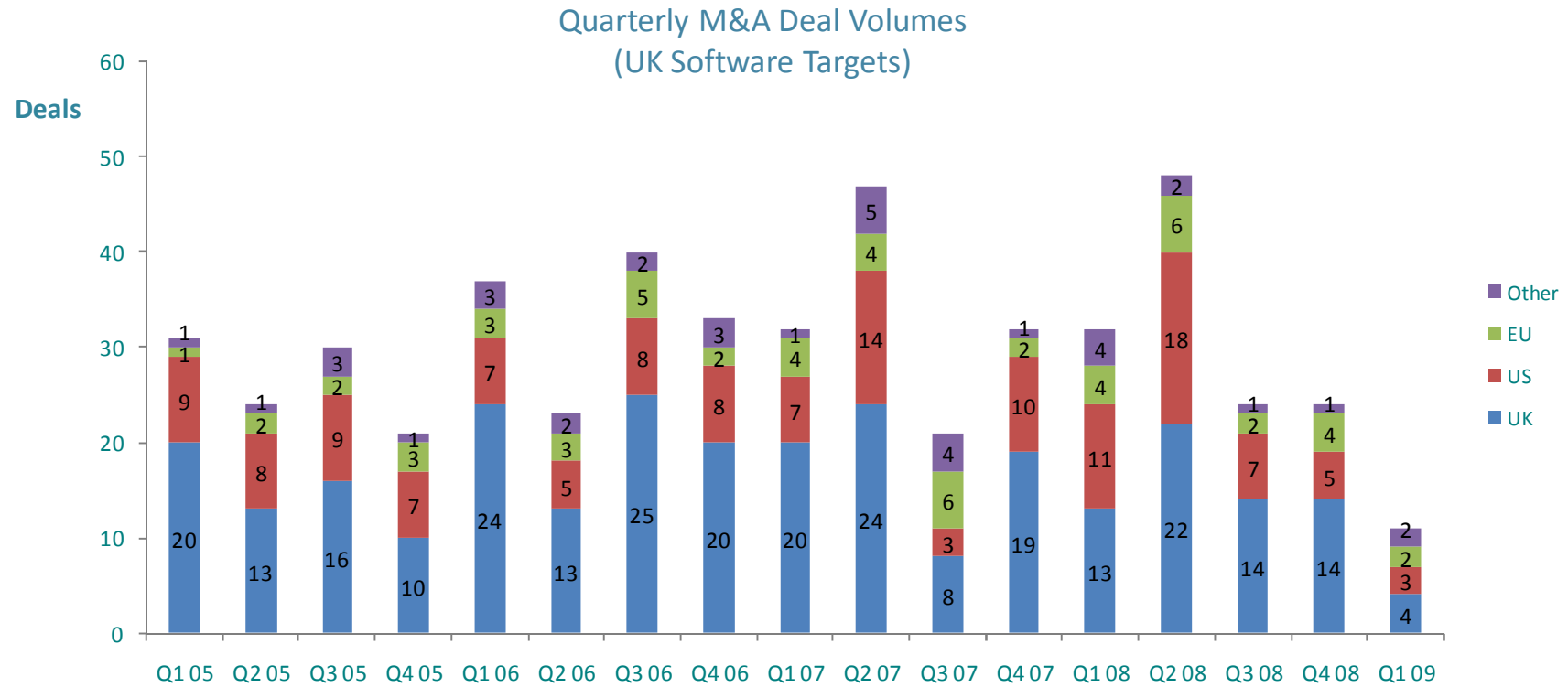
(3) Earn-out

Based on deal announcement date

UK targets only

Excludes minority stakes

# UK Software M&A Deal Volumes by Acquirer Nationality

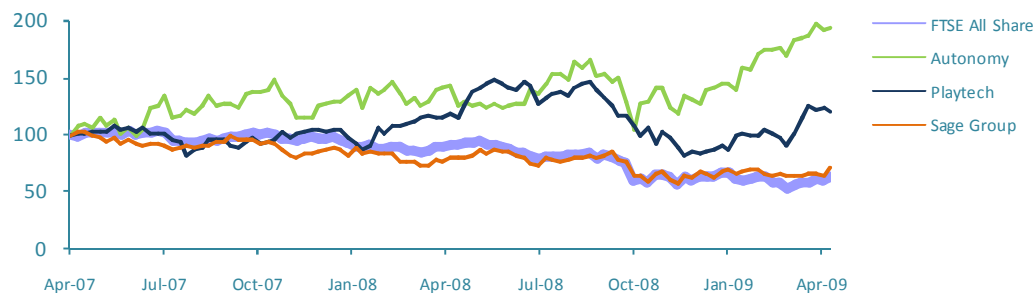


**Q1 2009 deals down 66% versus Q1 2008**

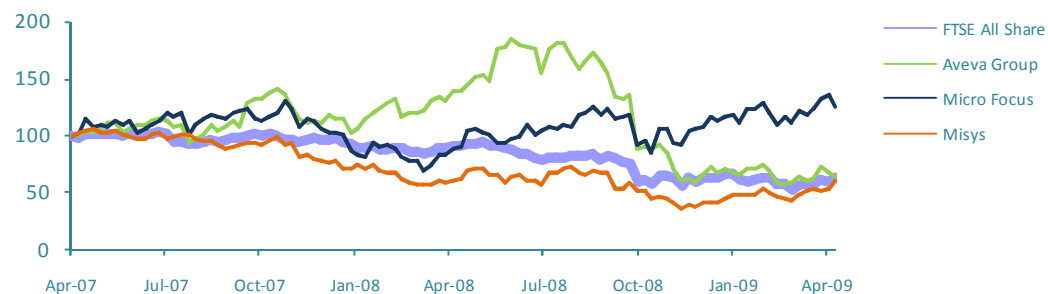
Based on deal announcement date  
UK targets only  
Excludes minority stakes

# UK Software Sector Share Price Performance

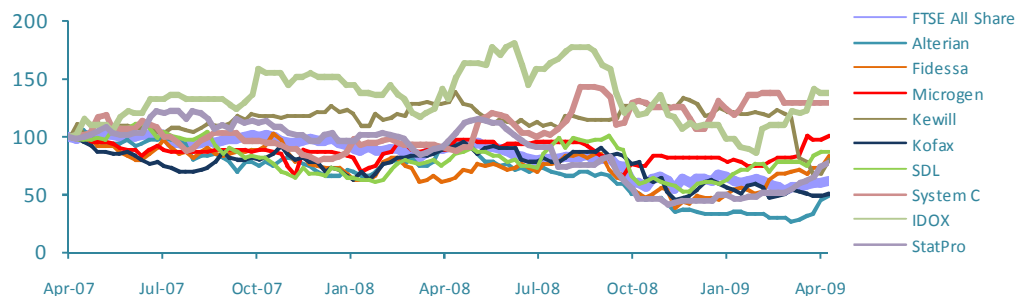
Large Caps	1 Month	3 Months	1 Yr	2 Yrs
FTSE All Share	9%	2%	-31%	-37%
Autonomy	4%	39%	35%	93%
Playtech	5%	21%	2%	20%
Sage Group	11%	8%	-12%	-29%



Mid Caps	1 Month	3 Months	1 Yr	2 Yrs
FTSE All Share	9%	2%	-31%	-37%
Aveva Group	7%	0%	-54%	-35%
Micro Focus	7%	14%	43%	26%
Misys	15%	25%	-1%	-40%



Small Caps	1 Month	3 Months	1 Yr	2 Yrs
FTSE All Share	9%	2%	-31%	-37%
Alterian	74%	39%	-47%	-50%
Fidessa	17%	55%	33%	-16%
Microgen	21%	25%	12%	0%
Kewill	-3%	-35%	-39%	-20%
Kofax	-4%	-7%	-44%	-49%
SDL	12%	28%	9%	-13%
System C	0%	9%	46%	30%
IDOX	15%	41%	5%	39%
StatPro	27%	65%	-20%	-23%



# US Software Sector Valuation Metrics

Company	Share Price (\$)	Market Cap <sup>(1)</sup>	Net Debt <sup>(2)</sup>	Enterprise Value (\$m)	Revenue	EV/Revenue		EV/EBITDA		Revenue Growth		EBITDA Margin	
	24-Apr-09				CY09E (\$m)	CY2008	CY2009	CY2008	CY2009	FY08/09	FY09/10	CY2008	CY2009
<b>Selected US Software Large</b>													
Microsoft	20.91	186,183	(21,808)	164,375	60,537	2.7 x	2.7 x	6.7 x	6.8 x	-0.4%	1.1%	41.0%	39.8%
Oracle	19.79	100,058	(56)	100,002	23,235	4.4 x	4.3 x	8.8 x	8.6 x	2.2%	0.9%	49.4%	50.2%
CA	18.13	9,772	(251)	9,521	4,287	2.2 x	2.2 x	6.7 x	6.4 x	0.9%	0.7%	33.2%	34.6%
BMC Software	34.65	6,525	(644)	5,881	1,917	3.2 x	3.1 x	8.0 x	7.7 x	8.5%	2.7%	39.7%	39.8%
Salesforce.com	40.17	5,021	(883)	4,138	1,294	3.9 x	3.2 x	n/m	n/m	43.8%	22.0%	9.1%	11.0%
<b>Average</b>						<b>3.3 x</b>	<b>3.1 x</b>	<b>7.6 x</b>	<b>7.4 x</b>	<b>11.0%</b>	<b>5.5%</b>	<b>34.5%</b>	<b>35.1%</b>
<b>Selected US Software Mid</b>													
Novell	3.87	1,332	(980)	352	896	0.4 x	0.4 x	2.7 x	2.5 x	-6.7%	2.6%	13.6%	15.6%
Quality Systems	50.99	1,452	(67)	1,385	282	6.0 x	4.9 x	17.4 x	14.2 x	32.6%	18.1%	34.2%	34.6%
Advent Software	32.78	915	(23)	891	289	3.4 x	3.1 x	18.0 x	14.4 x	9.1%	10.0%	18.7%	21.5%
Fair Isaac	16.01	780	202	982	651	1.4 x	1.5 x	5.9 x	6.4 x	-13.3%	2.9%	23.2%	23.5%
Lawson Software	5.39	887	(73)	814	727	1.0 x	1.1 x	7.8 x	7.3 x	-12.3%	-4.9%	13.1%	15.2%
<b>Average</b>						<b>2.4 x</b>	<b>2.2 x</b>	<b>10.4 x</b>	<b>9.0 x</b>	<b>1.9%</b>	<b>5.8%</b>	<b>20.6%</b>	<b>22.1%</b>
<b>Selected US Software Small</b>													
Manhattan Associates	15.88	366	(89)	277	255	0.8 x	1.1 x	5.1 x	7.7 x	-24.3%	7.5%	16.0%	14.1%
Vocus	15.47	278	(93)	186	84	2.4 x	2.2 x	12.4 x	10.5 x	9.1%	13.1%	19.5%	21.0%
Epicor Software	5.34	315	235	550	457	1.1 x	1.2 x	7.2 x	8.1 x	-7.9%	3.9%	15.3%	14.9%
Actuate	3.78	246	(28)	218	125	1.7 x	1.7 x	8.5 x	8.6 x	-4.6%	4.8%	19.6%	20.2%
Pervasive Software	4.42	80	(44)	36	47	0.8 x	0.8 x	4.2 x	4.6 x	11.8%	0.0%	19.0%	16.4%
<b>Average</b>						<b>1.4 x</b>	<b>1.4 x</b>	<b>7.5 x</b>	<b>7.9 x</b>	<b>-3.2%</b>	<b>5.9%</b>	<b>17.9%</b>	<b>17.3%</b>

(1) Fully diluted basis - treasury method

(2) Net financial debt plus pension liabilities plus minority interests

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