



## UK Software Sector

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### Quarterly Report

**Second Quarter 2009**

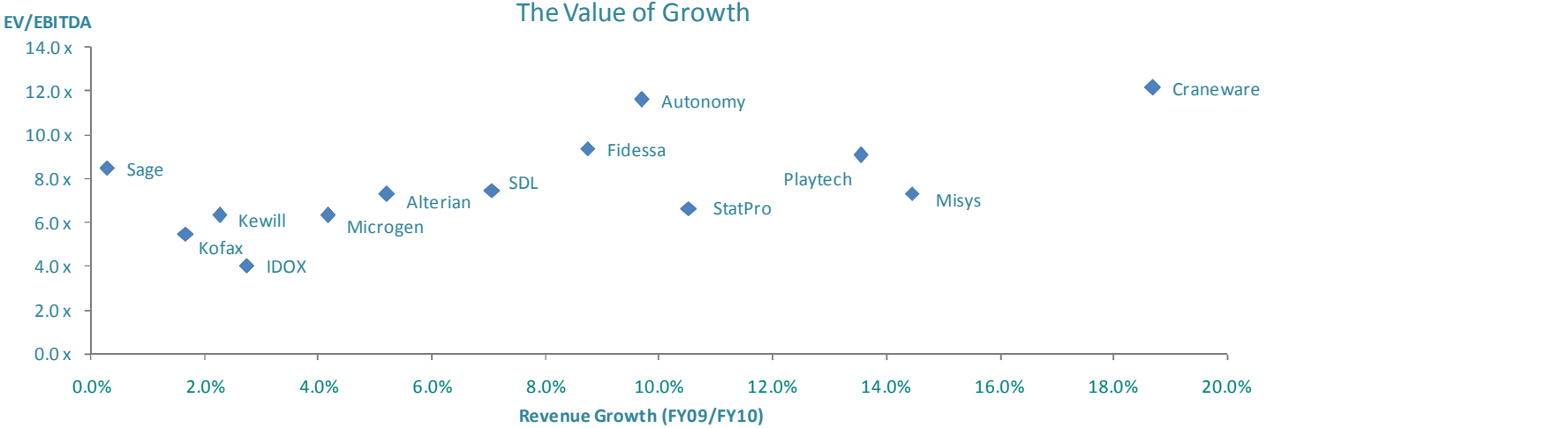
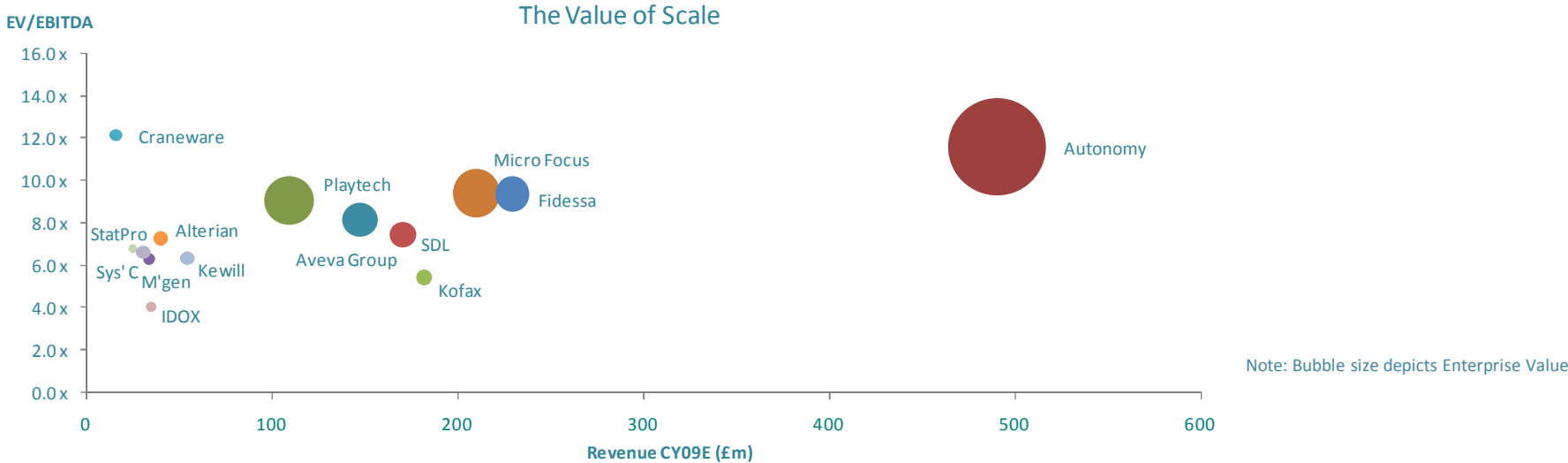
# UK Software Sector Valuation Metrics

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	
	21-Jul-09				CY09E (£m)	CY2008	CY2009	CY2008	CY2009	FY08/09	FY09/10	CY2008	CY2009
<b>Selected UK Software Large</b>													
Sage	1.84	2,414	558	2,972	1,446	2.2 x	2.1 x	9.5 x	8.5 x	11.6%	0.3%	23.4%	24.2%
Autonomy	12.33	3,000	27	3,027	490	7.0 x	6.2 x	14.2 x	11.6 x	12.9%	9.7%	49.1%	53.3%
Playtech	3.43	847	(60)	787	109	8.2 x	7.2 x	12.2 x	9.1 x	13.9%	13.6%	67.6%	79.7%
<b>Average</b>						<b>5.8 x</b>	<b>5.2 x</b>	<b>12.0 x</b>	<b>9.7 x</b>	<b>12.8%</b>	<b>7.8%</b>	<b>46.7%</b>	<b>52.4%</b>
<b>Selected UK Software Mid</b>													
Misys	1.76	934	119	1,053	758	1.7 x	1.4 x	9.5 x	7.3 x	42.1%	14.4%	18.0%	18.9%
Aveva Group	7.38	503	(113)	390	147	2.5 x	2.7 x	6.8 x	8.2 x	28.5%	-14.0%	37.1%	32.6%
Micro Focus	3.74	774	(44)	730	210	4.6 x	3.5 x	11.7 x	9.4 x	20.6%	35.3%	38.8%	37.0%
<b>Average</b>						<b>2.9 x</b>	<b>2.5 x</b>	<b>9.4 x</b>	<b>8.3 x</b>	<b>30.4%</b>	<b>11.9%</b>	<b>31.3%</b>	<b>29.5%</b>
<b>Selected UK Software Small</b>													
Fidessa	11.94	425	(50)	375	229	2.0 x	1.6 x	10.1 x	9.4 x	21.2%	8.7%	19.6%	17.5%
SDL	3.25	252	(40)	212	170	1.3 x	1.2 x	7.9 x	7.5 x	6.9%	7.1%	17.0%	16.8%
Kofax	1.51	125	(33)	92	182	0.5 x	0.5 x	5.2 x	5.4 x	5.9%	1.7%	10.1%	9.3%
Microgen	0.69	60	(14)	46	34	1.4 x	1.4 x	6.7 x	6.3 x	1.8%	4.2%	20.6%	21.6%
Craneware	2.34	62	(13)	49	16	3.8 x	3.1 x	15.6 x	12.1 x	23.0%	18.7%	24.2%	25.8%
Alterian	1.30	75	(9)	65	40	1.8 x	1.6 x	11.9 x	7.3 x	31.1%	5.2%	15.2%	22.4%
Kewill	0.75	63	(4)	59	54	1.1 x	1.1 x	7.0 x	6.3 x	4.7%	2.3%	15.8%	17.1%
IDOX	0.12	41	(6)	35	35	1.0 x	1.0 x	4.1 x	4.0 x	2.4%	2.7%	24.9%	24.6%
** System C Healthcare	0.49	44	(15)	29	25	1.4 x	1.2 x	8.5 x	6.8 x	21.5%	21.4%	16.6%	17.1%
StatPro	0.76	46	12	58	30	2.0 x	1.9 x	7.6 x	6.6 x	2.2%	10.5%	26.8%	28.7%
<b>Average</b>						<b>1.6 x</b>	<b>1.5 x</b>	<b>8.5 x</b>	<b>7.2 x</b>	<b>13.2%</b>	<b>8.0%</b>	<b>18.2%</b>	<b>19.1%</b>

(1) Fully diluted basis - treasury method

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

(\*\*) Pre-adjustments for Liquidlogic acquisition



## Selected UK Software Sector M&A Transactions (Q2 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>							
May-09	IMS Holdings	Integrated Medical Software	Ireland	3.8	0.5 x	Healthcare IT solutions	
<b>Private Targets</b>							
Jun-09	UniRisX	UniRisX LLC	US	n/a	n/a	SaaS solutions to the insurance industry	
May-09	The Day	Amteus	UK	1 + 1 <sup>(3)</sup>	n/a	News media solutions	
May-09	ICS Computing	Equiniti	UK	n/a	n/a	HR, accounting and public sector software	
May-09	Bluestar UK Group	System C Healthcare	UK	0.6 + 3.9 <sup>(3)</sup>	1.1 x	Healthcare IT solutions	
May-09	Netmedia Education	it's learning	Norway	n/a	n/a	Education software	
Apr-09	Worldlink Group	ParOS	UK	n/a	n/a	Mobile solutions	
Apr-09	Limehouse Software	Objective Corporation	Australia	4.6 + 2.1 <sup>(3)</sup>	1.4 x	Public sector collaboration solutions	
Apr-09	C8 Software	Cadis Software	UK	n/a	n/a	Financial services software	
Apr-09	m35	Thomson Reuters	UK	n/a	n/a	Financial services software	
Apr-09	Crystal Software Solutions	Trigold Software Solutions	UK	n/a	n/a	Financial services software	
Apr-09	Intersoftware	Fundtech	US	3.9	2.5 x	Financial services software	

(1) Equity value

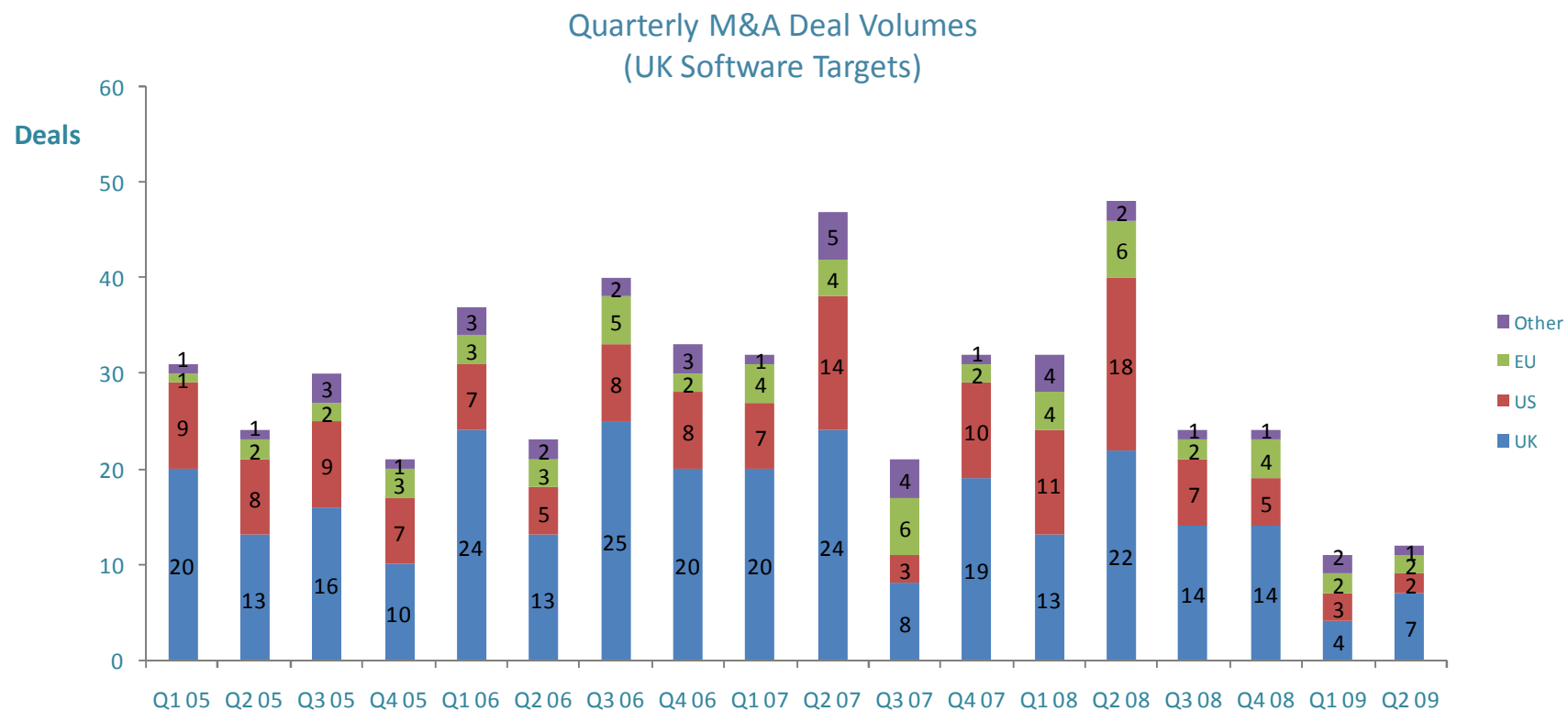
(2) EV to Revenue (last FY)

(3) Earn-out

Based on deal announcement date

UK targets only

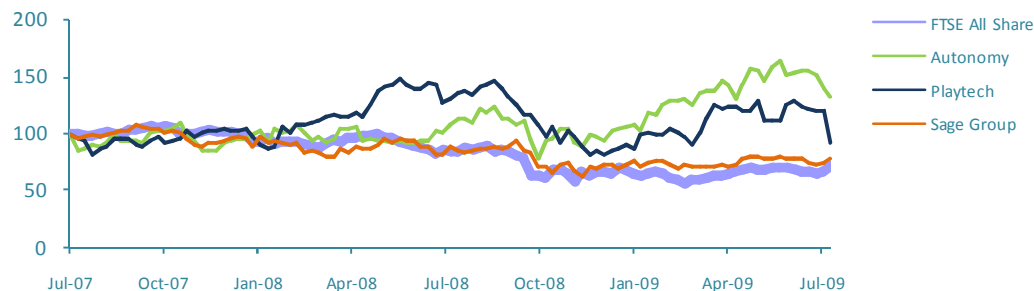
Excludes minority stakes



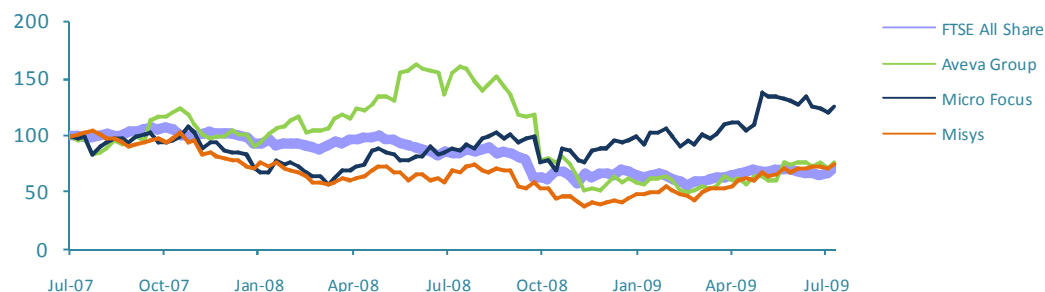
Based on deal announcement date  
 UK targets only  
 Excludes minority stakes

# UK Software Sector Share Price Performance

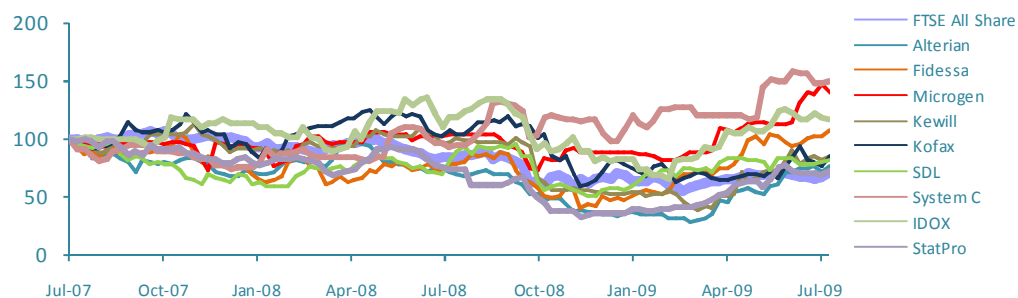
Large Caps	1 Month	3 Months	1 Yr	2 Yrs
FTSE All Share	5%	7%	-16%	-29%
Autonomy	-15%	1%	22%	32%
Playtech	-26%	-25%	-30%	-8%
Sage Group	-1%	8%	-11%	-22%



Mid Caps	1 Month	3 Months	1 Yr	2 Yrs
FTSE All Share	5%	7%	-16%	-29%
Aveva Group	0%	24%	-51%	-24%
Micro Focus	-6%	14%	41%	26%
Misys	4%	22%	7%	-25%



Small Caps	1 Month	3 Months	1 Yr	2 Yrs
FTSE All Share	5%	7%	-16%	-29%
Alterian	2%	43%	7%	-23%
Fidessa	12%	38%	38%	7%
Microgen	6%	33%	34%	41%
Kewill	9%	64%	-13%	-15%
Kofax	-9%	29%	-20%	-14%
SDL	5%	-3%	0%	-18%
System C	-4%	26%	59%	51%
IDOX	0%	12%	-2%	17%
StatPro	5%	22%	-1%	-27%



# 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	
	21-Jul-09				CY09E (\$m)	CY2008	CY2009	CY2008	CY2009	FY08/09	FY09/10	CY2008	CY2009
<b>Selected US Software Large</b>													
Microsoft	24.83	221,285	(21,808)	199,477	60,330	3.3 x	3.3 x	8.1 x	8.3 x	-1.3%	2.2%	40.9%	39.9%
Oracle	21.93	110,856	(2,386)	108,470	23,707	4.7 x	4.6 x	9.8 x	9.5 x	3.9%	1.5%	48.1%	48.1%
CA	18.63	10,172	(776)	9,396	4,227	2.2 x	2.2 x	6.8 x	6.4 x	1.0%	-1.4%	32.3%	34.5%
BMC Software	33.53	6,270	(957)	5,313	1,903	2.9 x	2.8 x	7.3 x	6.8 x	8.1%	2.2%	39.7%	40.9%
Salesforce.com	41.81	5,226	(969)	4,257	1,248	4.1 x	3.4 x	n/m	n/m	43.8%	17.4%	9.1%	13.2%
<b>Average</b>						<b>3.4 x</b>	<b>3.3 x</b>	<b>8.0 x</b>	<b>7.8 x</b>	<b>11.1%</b>	<b>4.4%</b>	<b>34.0%</b>	<b>35.3%</b>
<b>Selected US Software Mid</b>													
Novell	4.37	1,512	(937)	575	875	0.6 x	0.7 x	4.2 x	3.1 x	-8.8%	1.7%	14.5%	21.1%
Quality Systems	54.08	1,563	(78)	1,485	280	6.4 x	5.3 x	20.2 x	15.7 x	31.0%	19.2%	31.9%	33.8%
Advent Software	34.96	902	(21)	881	286	3.3 x	3.1 x	17.8 x	14.7 x	7.9%	9.4%	18.7%	21.0%
Fair Isaac	15.43	753	229	982	649	1.4 x	1.5 x	5.9 x	6.5 x	-13.6%	3.0%	23.1%	23.4%
Lawson Software	5.78	952	(178)	774	723	1.0 x	1.1 x	7.5 x	7.2 x	-11.2%	-7.9%	12.9%	14.8%
<b>Average</b>						<b>2.5 x</b>	<b>2.3 x</b>	<b>11.1 x</b>	<b>9.4 x</b>	<b>1.1%</b>	<b>5.1%</b>	<b>20.2%</b>	<b>22.8%</b>
<b>Selected US Software Small</b>													
Manhattan Associates	16.50	380	(89)	291	247	0.9 x	1.2 x	5.4 x	10.4 x	-26.7%	6.5%	16.0%	11.3%
Vocus	17.39	334	(93)	241	84	3.1 x	2.9 x	16.1 x	13.7 x	9.1%	13.1%	19.5%	21.0%
Epicor Software	5.86	357	185	542	418	1.1 x	1.3 x	7.1 x	9.3 x	-15.7%	5.5%	15.3%	13.9%
Actuate	4.88	233	(17)	216	121	1.7 x	1.8 x	8.4 x	8.7 x	-7.6%	7.4%	19.6%	20.7%
Pervasive Software	5.59	105	(44)	61	48	1.4 x	1.3 x	7.2 x	6.8 x	11.8%	1.3%	18.9%	18.9%
<b>Average</b>						<b>1.6 x</b>	<b>1.7 x</b>	<b>8.8 x</b>	<b>9.8 x</b>	<b>-5.8%</b>	<b>6.8%</b>	<b>17.9%</b>	<b>17.1%</b>

(1) Fully diluted basis - treasury method

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

Goldenhill Technology Advisors LLP  
42 Brook Street  
London  
W1K 5DB  
United Kingdom

Goldenhill Technology Advisors LLC  
4010 Goldfinch Street, 2nd Floor  
San Diego, California  
92103  
United States

[www.gtallp.com](http://www.gtallp.com)

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