



UK Software Sector

Quarterly Report

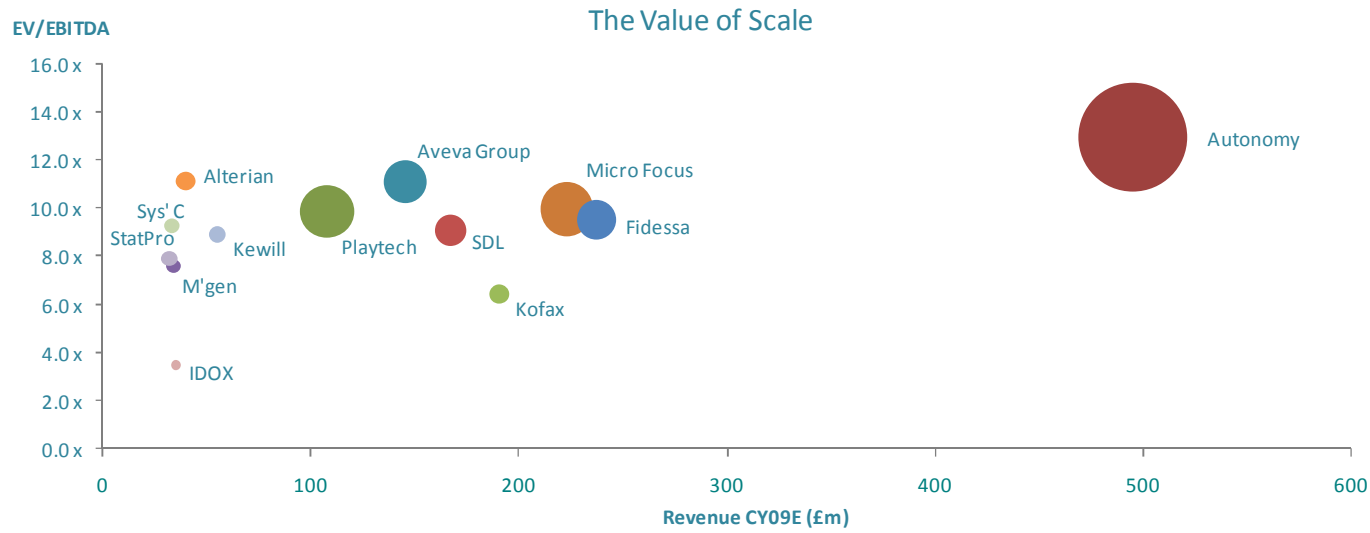
Third Quarter 2009

UK Software Sector Valuation Metrics

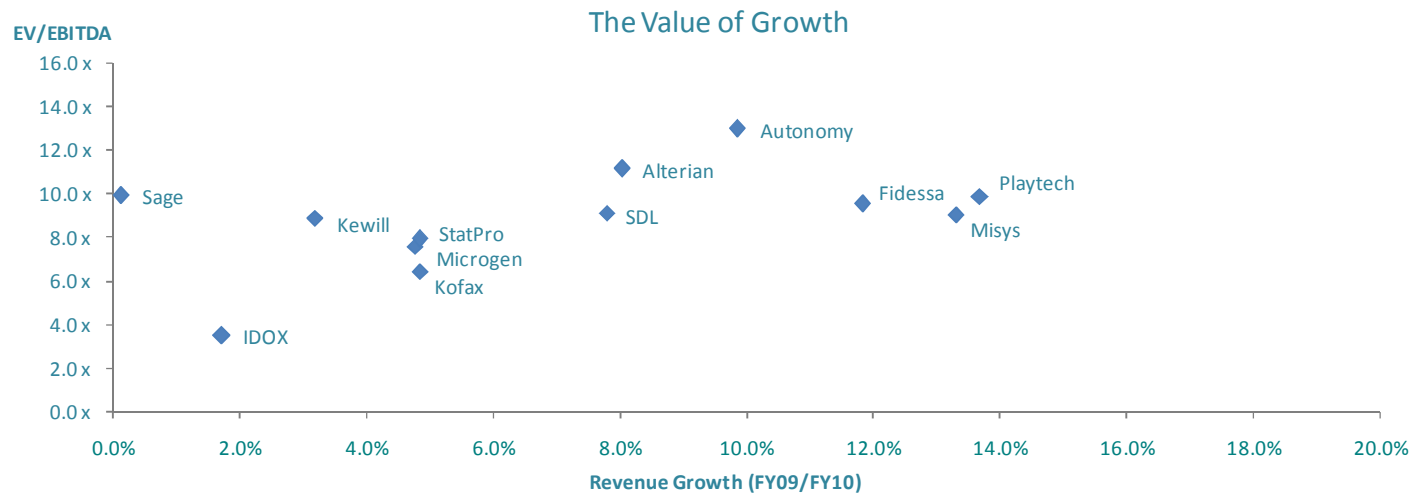
Company	Share Price (£)	Market Cap ⁽¹⁾	Net Debt ⁽²⁾	Enterprise Value (£m)	Revenue	EV/Revenue		EV/EBITDA		Revenue Growth		EBITDA Margin	
	22-Oct-09				CY09E (£m)	CY2008	CY2009	CY2008	CY2009	FY08/09	FY09/10	CY2008	CY2009
Selected UK Software Large													
Sage	2.28	2,990	528	3,517	1,449	2.6 x	2.4 x	11.3 x	9.9 x	11.8%	0.1%	23.4%	24.5%
Autonomy	13.81	3,360	(2)	3,358	495	7.7 x	6.8 x	15.8 x	13.0 x	14.1%	9.9%	49.1%	52.4%
Misys	2.18	1,192	130	1,322	746	2.2 x	1.8 x	11.8 x	9.0 x	40.7%	13.3%	18.4%	19.7%
Average						4.2 x	3.7 x	12.9 x	10.6 x	22.2%	7.8%	30.3%	32.2%
Selected UK Software Mid													
Playtech	3.60	860	(45)	815	107	8.0 x	7.6 x	11.9 x	9.9 x	5.4%	13.7%	67.6%	76.9%
Aveva Group	9.79	663	(135)	528	145	3.4 x	3.6 x	9.2 x	11.1 x	28.5%	-15.2%	37.1%	32.7%
Micro Focus	3.60	745	74	819	223	5.1 x	3.7 x	12.2 x	10.0 x	20.6%	46.9%	41.9%	36.8%
Average						5.5 x	5.0 x	11.1 x	10.3 x	18.2%	15.1%	48.8%	48.8%
Selected UK Software Small													
Fidessa	12.61	450	(25)	425	237	2.2 x	1.8 x	11.5 x	9.5 x	25.4%	11.8%	19.6%	18.9%
SDL	3.97	310	(40)	270	167	1.7 x	1.6 x	10.0 x	9.1 x	5.0%	7.8%	17.0%	17.8%
Kofax	1.68	139	(28)	111	191	0.6 x	0.6 x	6.2 x	6.4 x	9.4%	4.8%	10.1%	9.1%
Microgen	0.80	69	(14)	55	34	1.7 x	1.6 x	8.1 x	7.6 x	1.8%	4.8%	20.6%	21.6%
Craneware	3.51	92	(16)	76	16	5.9 x	4.8 x	24.5 x	19.2 x	23.0%	23.0%	24.2%	25.1%
Alterian	1.90	110	(10)	100	40	2.8 x	2.5 x	18.1 x	11.1 x	27.6%	8.0%	15.5%	22.6%
Kewill	0.99	83	(4)	79	55	1.5 x	1.4 x	10.3 x	8.9 x	4.7%	3.2%	14.4%	16.2%
IDOX	0.10	36	(6)	30	35	0.9 x	0.8 x	3.5 x	3.5 x	2.4%	1.7%	24.9%	24.3%
System C Healthcare	0.66	72	(16)	56	33	2.1 x	1.7 x	12.8 x	9.3 x	18.3%	28.1%	16.5%	18.3%
StatPro	0.99	59	11	70	32	2.4 x	2.2 x	9.1 x	7.9 x	10.7%	4.8%	26.0%	27.9%
Average						2.2 x	1.9 x	11.4 x	9.2 x	13.1%	10.4%	18.1%	19.3%

(1) Fully diluted basis - treasury method

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



Note: Bubble size depicts Enterprise Value



Selected UK Software Sector M&A Transactions (Q3 2009)

Date	Target	Acquirer	Acquirer Nationality	Deal Value (\$m) ⁽¹⁾	Revenue Multiple ⁽²⁾	Target Description
Sep-09	in4tek	Civica	UK	n/a	n/a	Health and social care sector software
Sep-09	Abacus Enterprise (Deloitte)	Thomson Reuters	US	n/a	n/a	Taxation software
Sep-09	General Robotics	Fugro	Netherlands	n/a	n/a	Simulation software
Aug-09	Gresham Software Labs	comForte	Germany	0.7	n/a	HP NonStop software and support
Aug-09	Wallingford Software	MWH Soft	US	n/a	n/a	Hydraulic modeling software
Jul-09	Open Square	Metaskil	UK	n/a	n/a	Insurance solutions
Jul-09	HoundDog Technology	GFI Software	US	n/a	n/a	Remote monitoring solutions
Jul-09	Liquidlogic	System C Healthcare	UK	16.8 + 6.6 ⁽³⁾	2.2 x	Collaborative solutions for the care sector
Jul-09	Ether-ray	Access Intelligence	UK	3.9	2.7 x	SaaS solutions for the public sector

(1) Equity value

(2) EV to Revenue (last FY)

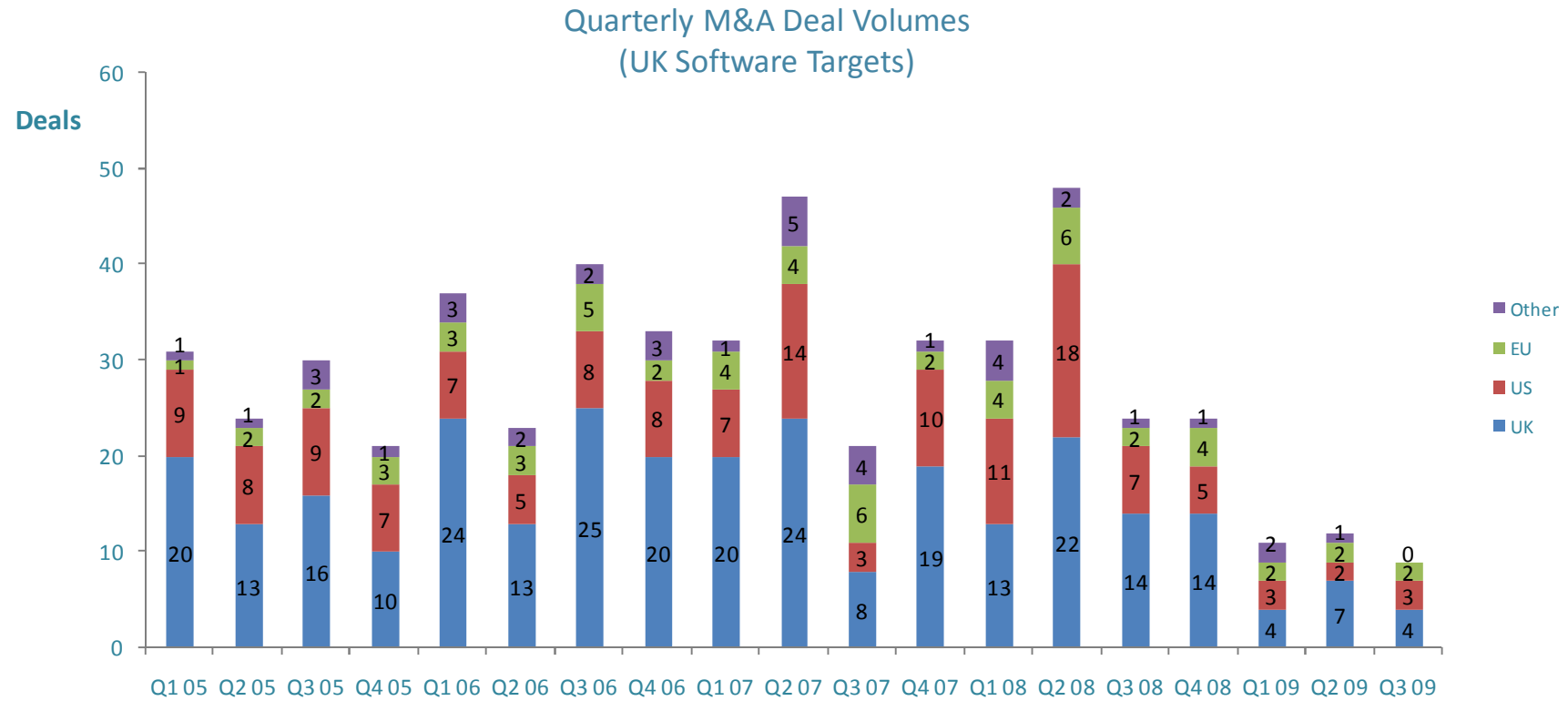
(3) Earn-out

Based on deal announcement date

UK targets only

Excludes minority stakes

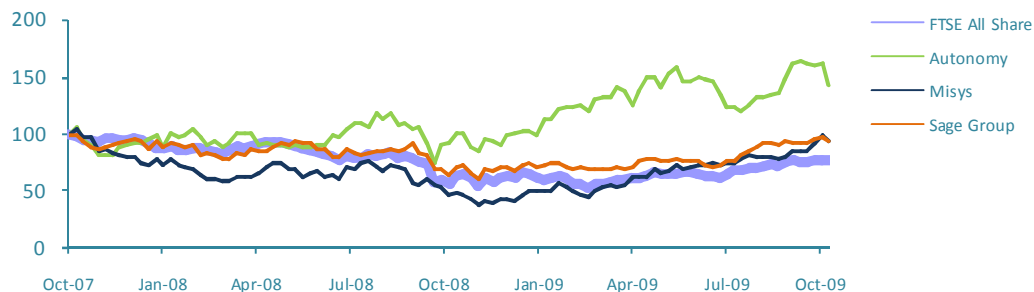
UK Software M&A Deal Volumes by Acquirer Nationality



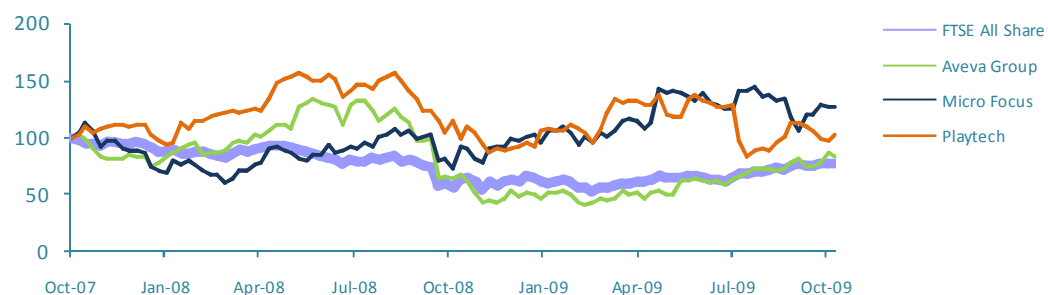
Based on deal announcement date
 UK targets only
 Excludes minority stakes

UK Software Sector Share Price Performance

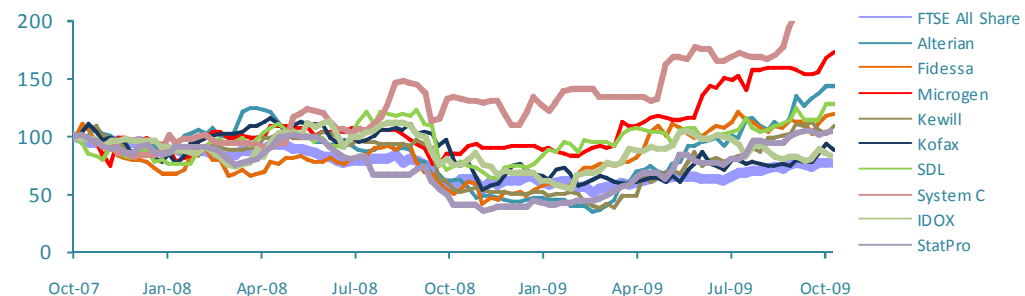
Large Caps	1 Month	3 Months	1 Yr	2 Yrs
FTSE All Share	3%	14%	37%	-22%
Autonomy	-13%	14%	55%	42%
Misys	10%	26%	104%	-5%
Sage Group	2%	24%	48%	-5%



Mid Caps	1 Month	3 Months	1 Yr	2 Yrs
FTSE All Share	3%	14%	37%	-22%
Aveva Group	12%	28%	31%	-16%
Micro Focus	5%	-10%	73%	26%
Playtech	-6%	6%	-9%	3%



Small Caps	1 Month	3 Months	1 Yr	2 Yrs
FTSE All Share	3%	14%	37%	-22%
Alterian	14%	46%	126%	45%
Fidessa	6%	-1%	131%	20%
Microgen	11%	14%	104%	73%
Kewill	0%	30%	102%	9%
Kofax	12%	12%	13%	-11%
SDL	12%	21%	69%	28%
System C	11%	32%	57%	128%
IDOX	5%	-11%	11%	-16%
StatPro	0%	30%	154%	5%



US Software Sector Valuation Metrics

Company	Share Price (\$)	Market Cap ⁽¹⁾	Net Debt ⁽²⁾	Enterprise Value (\$m)	Revenue	EV/Revenue		EV/EBITDA		Revenue Growth		EBITDA Margin	
	22-Oct-09				CY09E (\$m)	CY2008	CY2009	CY2008	CY2009	FY08/09	FY09/10	CY2008	CY2009
Selected US Software Large													
Microsoft	26.59	237,396	(34,696)	202,700	58,577	3.4 x	3.5 x	8.3 x	8.9 x	-3.3%	0.5%	41.1%	38.8%
Oracle	22.19	112,348	(5,841)	106,507	23,586	4.6 x	4.5 x	9.6 x	9.3 x	3.9%	0.7%	48.1%	48.6%
CA	23.91	12,911	(1,058)	11,853	4,324	2.8 x	2.7 x	8.2 x	7.7 x	1.0%	1.7%	33.8%	35.7%
BMC Software	37.78	7,103	(1,038)	6,065	1,902	3.3 x	3.2 x	8.3 x	7.6 x	8.1%	2.1%	39.7%	41.7%
Salesforce.com	62.67	7,771	(1,054)	6,717	1,261	6.4 x	5.3 x	n/m	n/m	43.8%	18.7%	9.1%	13.2%
Average						4.1 x	3.8 x	8.6 x	8.4 x	10.7%	4.7%	34.4%	35.6%
Selected US Software Mid													
Novell	4.39	1,525	(983)	542	865	0.6 x	0.6 x	4.1 x	3.3 x	-9.7%	1.5%	14.1%	18.8%
Quality Systems	62.20	1,779	(83)	1,696	278	7.4 x	6.1 x	23.1 x	19.8 x	31.0%	18.0%	31.9%	30.8%
Advent Software	41.15	1,082	(60)	1,022	265	3.9 x	3.9 x	20.7 x	15.7 x	0.0%	5.7%	18.7%	24.5%
Fair Isaac	22.62	1,106	188	1,294	636	1.8 x	2.0 x	7.7 x	8.2 x	-14.8%	0.5%	23.5%	24.8%
Lawson Software	7.24	1,483	(178)	1,305	723	1.6 x	1.8 x	12.7 x	12.2 x	-11.2%	-7.9%	12.9%	14.8%
Average						3.0 x	2.9 x	13.6 x	11.8 x	-0.9%	3.5%	20.2%	22.8%
Selected US Software Small													
Manhattan Associates	23.53	529	(90)	439	243	1.3 x	1.8 x	8.1 x	14.2 x	-27.9%	5.3%	16.0%	12.8%
Vocus	19.32	373	(100)	273	84	3.5 x	3.2 x	18.2 x	15.2 x	9.1%	9.5%	19.5%	21.4%
Epicor Software	7.43	453	165	618	403	1.2 x	1.5 x	8.1 x	10.8 x	-18.8%	5.0%	15.3%	14.1%
Actuate	5.62	279	(45)	234	120	1.8 x	1.9 x	9.1 x	9.0 x	-8.4%	7.5%	19.6%	21.7%
Pervasive Software	5.80	103	(40)	63	48	1.4 x	1.3 x	7.0 x	6.6 x	10.8%	2.1%	19.9%	20.0%
Average						1.9 x	2.0 x	10.1 x	11.2 x	-7.0%	5.9%	18.1%	18.0%

(1) Fully diluted basis - treasury method

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

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