



PCE Industry Report

IT & Telecom



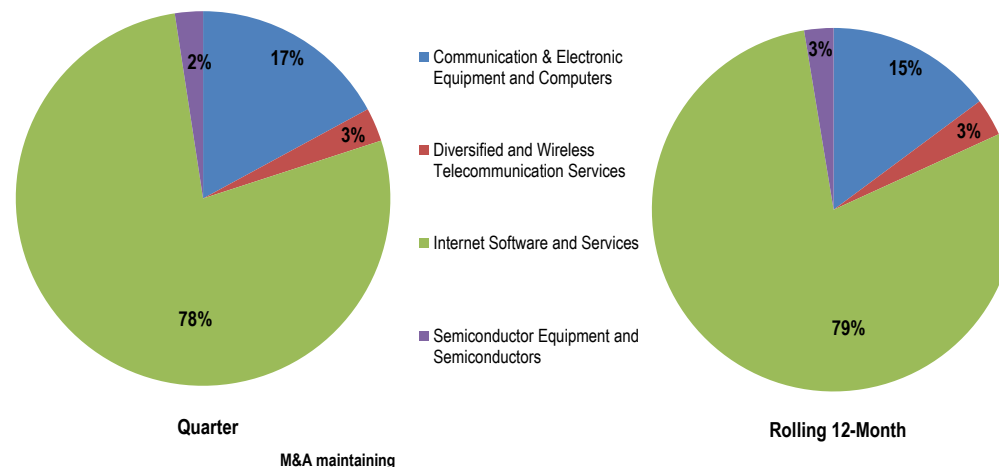
IT & Telecom - For the Quarter Ended 03/31/15

Industry Trends During Quarter

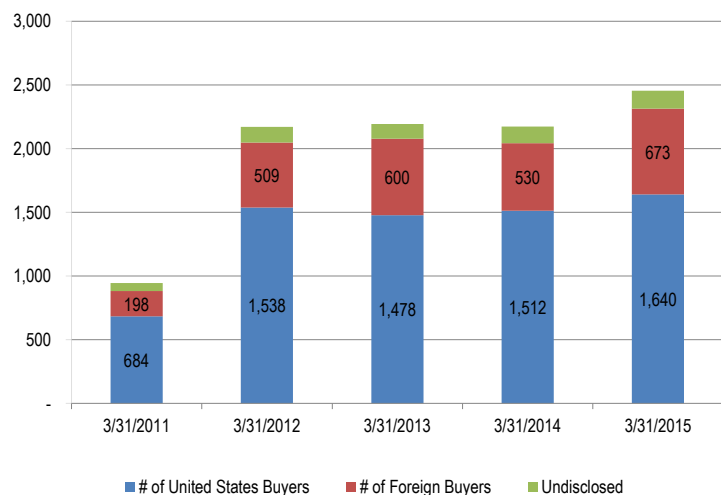
Sector	Transaction Volume	TEV/ Revenue	TEV/EBITDA
Communication & Electronic Equipment and Computers	↑	→	11.3x
Diversified and Wireless Telecommunication Services	↓	→	Market Data Not Available
Internet Software and Services	↑	Market Data Not Available	Market Data Not Available
Semiconductor Equipment and Semiconductors	↓	→	Market Data Not Available

* Based on transactions with reported financial data only; historically ~ 30% to 40% of transactions report financial data

Transaction Volume as % of Industry



Rolling 12-Month Transaction Volume Trends by Buyer Origin



* Results exclude transactions that did not disclose buyer information

Source: S&P Capital IQ as of 5/6/2015 and PCE Proprietary Data

Largest Transactions Announced or Closed During Quarter by Transaction Value (\$ in millions)

Sector	Target	Buyer	Transaction Value
Diversified & Wireless telecom	Verizon Florida LLC, GTE Southwest Incorporated and Verizon Communications Inc.,	Frontier Communications Corporation	\$10,540.0
Comm & Electronic Equipment	Rights To 11,448 Wireless	American Tower Corporation	\$5,053.0
Internet Software & Services	PSI INTERNATIONAL, Inc.	Keystoneglobal Co., Ltd.	\$3,875.0
Comm & Electronic Equipment	TE Connectivity Ltd., Telecom, Enterprise and Wireless Business	CommScope Holding Company, Inc.	\$3,059.0
Comm & Electronic Equipment	Aruba Networks, Inc.	Hewlett-Packard Company	\$2,650.7
Internet Software & Services	Advent Software, Inc.	SS&C Technologies Holdings, Inc.	\$2,585.7
Comm & Electronic Equipment	Blue Coat Systems Inc.	Bain Capital, LLC	\$2,400.0
Internet Software & Services	Fundtech Ltd.	DH Corporation	\$1,250.0
Internet Software & Services	Kofax Limited	Lexmark International Technology S.A.	\$1,014.3
Internet Software & Services	Symphony Teleca Corp.	Harman International Industries, Incorporated	\$780.0

* Detail above includes announced transactions

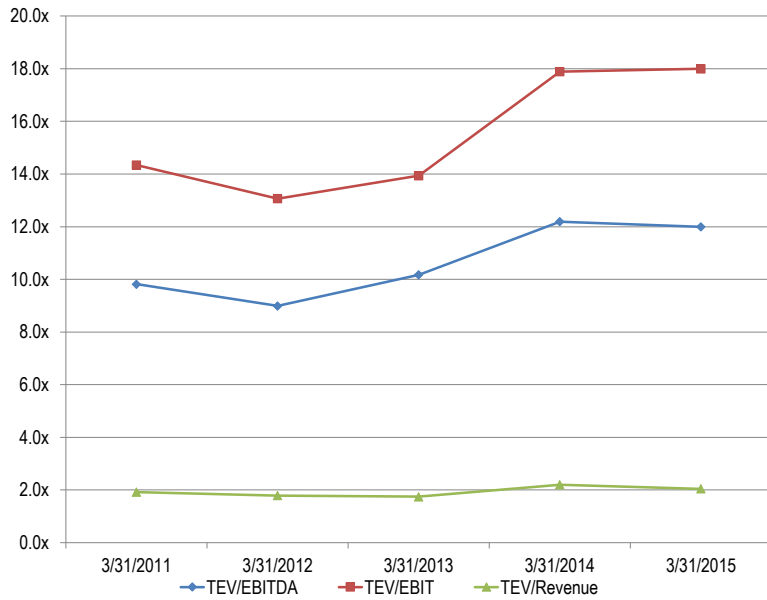
IT & Telecom - For the Quarter Ended 03/31/15

Summary of Public Comparables as of Quarter End (\$ in millions)

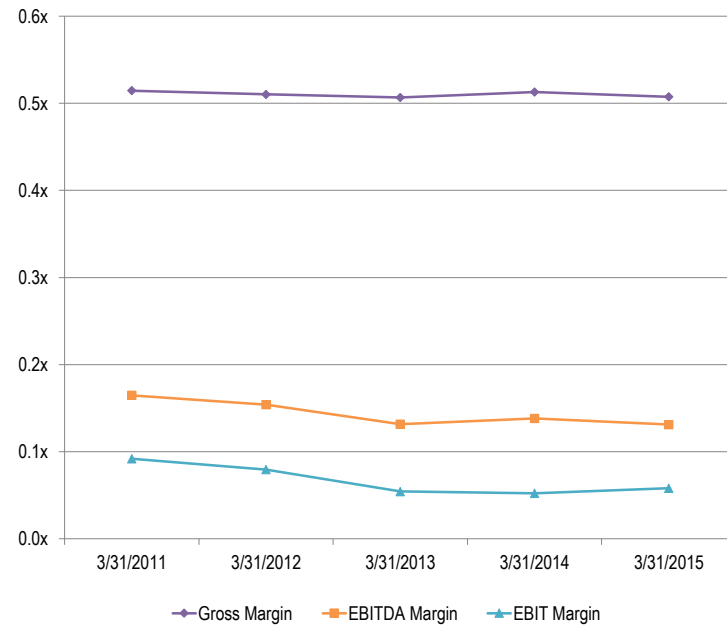
	TEV			LTM 3/31/2015 Trends	
	Market Cap	Revenue	EBITDA		EBIT
Average	\$8,045	4.5x	20.3x	29.8x	TEV/Revenue ↑
Median	\$698	2.0x	12.0x	18.0x	TEV/EBITDA ↑
					TEV/EBIT ↓

	Margins			LTM 3/31/2015 Trends
	Gross Profit	EBITDA	EBIT	
Average	48.8%	-1.3%	7.1%	Gross Margin ↓
Median	50.8%	13.1%	5.8%	EBITDA Margin ↓
				EBIT Margin ↓

Valuation Trends



Margin Trends



Source: S&P Capital IQ as of 5/6/2015 and PCE Proprietary Data

Data Assumptions

At PCE, we consider transaction activity as mergers & acquisitions, consolidations, restructurings and spin-offs. Targets are defined as U.S. based companies with either foreign or U.S. based buyers. Transaction information provided is based on announced dates.



Michael Poole

PCE
200 East New England Ave., Suite 400
Winter Park, FL 32789
Direct: 407-621-2112
Main: 407-621-2100
Cell: 407-620-2337
Fax: 407-621-2199
mpoole@pcecompanies.com



Michael Rosendahl

PCE
580 Sylvan Avenue, Suite 1-A Englewood
Cliffs, NJ 07632
Direct: 201-399-2022
Main: 407-621-2100
Cell: 407-920-6802
Fax: 407-621-2199
mrosendahl@pcecompanies.com

www.pcecompanies.com

Glossary

EBIT - Earnings Before Interest and Taxes

EBITDA - Earnings Before Interest, Taxes, Depreciation, Amortization

LTM - Last Twelve Months

TEV - Total Enterprise Value

About PCE

Eighteen years ago, PCE was formed to provide professional investment banking, business valuation and advisory services to middle market companies. We determined from our experience as business owners that there was a need that was not being professionally fulfilled.

We understand the importance of creating a relationship and the value of trust when providing our services. PCE's professionals are successful business owner, entrepreneurs, lenders, former Federal Reserve board members, CPA's, CFA's, national & international valuation experts, international analysts and investors. PCE offers senior level attention, sound advice, skilled execution and personalized attention you can trust.

Our mission is to be the premier investment bank serving middle market companies. PCE is committed to providing individualized strategies throughout your business life-cycle, focused on maximizing shareholder value.

PCE Investment Bankers, Inc. – member FINRA & SIPC; PCE Valuations, LLC; PCE Advisory, LLC