



CORPORATE FINANCE

IT industry - Deal activity

ADVISORY



September 2009

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Major international Group looking for significant acquisitions

- 16 September 2009 – **Sopra Group**, the listed French IT company, is considering to make a significant acquisition by the beginning of 2010. The company declared to be looking for a European company, or even a French one, with annual revenues of €400-500m.
- 15 September 2009 – **GFI Informatique**, one of the leading IT service firms in France and Southern Europe has announced to be willing to acquire a company with sales of €100-300m. The Group is particularly interested in consolidating its position in its historical French market.



This Monthly letter highlights M&A transactions announced in September 2009 in the IT Industry :

Overview of recent IT deals

- 29 September 2009 – **CCA International**, Parisian Group specialized in the management of centres of customers relation has acquired 100% of the shares of **Intra Call Center (ICC)**, the operator of centres of contacts created in 1996 in Amiens. In 2008, ICC achieved a turnover of €27m with 3 production sites in France and 1 in Armenia. Following the acquisition, the new group will have €15m of turnover with 4000 employees.
- 28 September 2009 – Lyon based company **Arkoon Network Security SA**, a France-based developer of computer security solutions, has entered into an agreement to acquire **SkyRecon Systems**, a software publisher specialized in Intelligent Endpoint Security, from PE funds ACE Management and Ventech. The operation was funded 90% through a share swap and 10% in cash. With this acquisition, following the MSI takeover in 2006, **Arkoon Network Security** endows itself with the means to consolidate its position as a major player on the security solutions market: network, communication, data and endpoint protection. It will also strengthen its foothold in the mid-market and key account customer segments through its network of partners.
- 25 September 2009 – **Ingenico SA**, the France based provider of electronic payment systems, terminals, card readers, and related electronic funds transfer point-of-sale peripherals, has agreed to acquire **Easycash GmbH**, the Germany based provider of card-based payment solutions, from Warburg Pincus LLC, the US based private equity firm, for a total consideration of €90m. The acquisition will be financed by a club deal bank facility of €270m, including a term loan of €110m and €60m for working capital needs. The acquisition will allow Easycash to pursue its expansion strategy and strengthen its position in the POS payment services markets. With a total of 350 employees, Easycash generated an adjusted EBITDA margin in excess of 20% in 2008 (on €5m of sales) and is expecting to generate revenues of €100m for FY 2009.
- 22 September 2009 – French website developer **Activis** announced the acquisition of web marketing agency **Scopeo**, based in the Paris suburbs. **Activis**, which invested €1m in the deal, expects to generate 30% of its revenue in the Paris region. The company, generated €5m of revenues in 2008 and claimed to serve over 600 customers and is present in more than 20 countries.
- 22 September 2009 – French mobile widgets company **Webwag** has announced its acquisition of **MobileScope**, the mobile apps developer formerly part of In-Fusio, the mobile games firm that recently went into liquidation. The purchase includes a contract to run the Orange Games embedded games store for operator Orange, as well as MobileScope's other IP and brands. This acquisition is in line with Webwag's strategy to become a key actor in convergent rich media and mobile app stores.

Sources: Company filings, Infionals, MergerMarket and press releases

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Other IT deals (continuing)

- 21 September 2009 – **ITS Group SA**, a French group engaged in designing and implementing IT systems acquired **Prisme Production Reseau Informatique Systems Methode Etude SAS** (86 employees), a Suresnes based provider of IT services which specializes in the management and supervisory of IT infrastructure for €1.9m and an earn out of €1.3m. Prisme's customer portfolio being composed of key accounts in particular in the finance & retail sectors, strong commercial synergies are expected in the next months.
- 16 September 2009 – **ORSYP SA**, the France based provider of IT automation solutions, ITSM software and services, has acquired **Sysload Software SA** (€5m of sales), the France based provider of systems measurement and performance management solutions for servers and data centers, for an undisclosed consideration. The acquisition will enable Orsyp to provide a complete software suite for managing IT operations. It will also provide Orsyp's with a wider customer base and enhance product and services to its customers in open market.
- 13 September 2009 – **Medasys SA**, a designer, producer, and distributor of software used in the medical and scientific sectors, has acquired **RT Consulting**, a Paris based provider of designing solutions for business intelligence. This fourth acquisition for the group in 2009 will enable Medasys SA to provide its customers in the healthcare industry with a full and modern offer.
- 11 September 2009 – **Capgemini Australia**, a subsidiary of the Capgemini Group, one of the world's foremost providers of Consulting, Technology and Outsourcing services announced it has reached an agreement in principle to acquire Australian software testing company **Nu Solutions**. The acquisition positions Capgemini Australia as a leader in the managed testing services market. Capgemini Australia will inherit Nu Solutions' strong client base in the financial services sector, and reinforce its growing links with the Australian Government.
- 8 September 2009 – **Oranjewoud NV**, a Netherlands-based provider of consulting and contracting engineering services has made a bid to acquire **Antea SA**, a France-based engineering and consulting company specializing in environment, water, infrastructure, soil remediation, industrial safety, and waste management, from Brinon Investissement. The acquisition of Antea, which employs 400 employees would reinforce Oranjewoud's international position in the areas of the environment, safety, water, and sustainability.
- 8 September 2009 – **Gemalto NV**, the listed Netherlands based manufacturer of microprocessor personal devices and related software, has acquired the remaining 68% stake, which it did not already own in **Trusted Logic SA**, the France based provider of secure open technology for embedded systems, from its founders and other shareholders; **Trusted Logic** has about 100 employees and reported revenues of €10m for the year 2008. The acquisition is in line with Gemalto's strategy of strengthening its business by acquiring companies which compliment its already existing sectors. It will also enhance Gemalto's services of providing security software into the device.
- 7 September 2009 – **Smart & Co SAS**, the France based company providing gift packages online and via its distributors, has acquired **Buyagift Plc**, the UK based online provider of gift

packages, for an undisclosed consideration. For the year ending 2008, Buyagift reported revenues of £15m. The transaction will comfort **Smart & Co's** strategy to complement its know-how abilities and strengthen its position.

- 3 September 2009 – French company **Diadeis**, which specialises in data capture and information publishing has acquired **Graphotec**, **Noelink** and **Infotechnique** for an undisclosed sum. The first two firms, part of the Angelini group, specialized in design, production, photo-engraving for the packaging and advertising sectors. They employ 55 and post an annual revenue of €9m. Their activities are complementary to Diadeis and will contribute to expand the group's customers' base. Infotechnique, a unit of Belgian IT company Getronics is specialized in digital processing and outsourcing of documents and posts annual revenue of €12 m. This acquisition will strengthen Diadeis's position in Europe particularly with European Union institutions.
- 1 September 2009 – **Docteur Ordinateur**, a provider of computer hardware and network installation services, has acquired a 51% stake in its peer **Lakota** (10 employees and €0.8m of sales).

Fund raising

- 29 September 2009 – **ISCO Private Equity** and **Irdi** invested €4m in **Applied Technologies Internet**, a Merignac based company specialised in online intelligence solutions. With €8m of sales, the company is looking to strengthen its presence in the international markets, in particular in Japan.
- 22 September 2009 – French developer and editor of 3D real time visualisation software **Visioglob**, has raised €1.2m from Finaréa Capitis and regional VCs Rhône-Alpes Création, Expansinvest, Crédit Agricole Création and Sud Rhône-Alpes Capital.
- 22 September 2009 – French start-up **OpenPortal Software SA** has raised €3m from the FSI (through CDC Enterprises), Ouest Ventures and Pays de la Loire Développement to carry out the acquisition of the human capital management division of peer **Triviumsoft SA**. The acquisition will enable the company to augment its services portfolio and to expand on the North American and other foreign markets. Following this acquisition, OpenPortal's revenue should be to €5.4 m and its staff will increase to 50.
- 21 September 2009 – **Gimv** invests €4.5 m in the first institutional financing round of French company **Made In Design**. This online store for design furniture currently operates in France and the UK. The capital increase will be used to further roll out **Made In Design** in several other European countries and to implement and strengthen its presence in the B2B market.
- 21 September 2009 – **Eat On Line**, French pioneer in online ordering systems for restaurants through its website **Alloresto.fr** has welcomed PE fund **Avenir Entreprises** to its capital. By carrying out this LBO, the Management currently owns 74 % of the shares of the company, the remaining 26% belonging to financial investors. Based in Paris, and employing 15 people, Alloresto.fr has generated €7m of sales in FY 2008 and an operating margin of 10 %.
- 17 September 2009 – **BonitaSoft**, the first provider of open source Business Process Management (BPM) software, announced the completion of a first round of funding of \$3m from **Ventech** and **Auriga Partners**. This funding will allow the start-up to accelerate its development internationally as well as in France.

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- 14 September 2009 – French PE house **Ciclad** has bought 40 % of the capital of **Woodbrass**, French leader in online sale of musical instruments or accessories (54 employees, €20m of sales). It invested €3.1m in shares and Convertible Bonds, €1m of which dedicated to finance the development of the Eaglebone brand, which has been launched 2 years ago. Current CEO Christophe Chauvin, which owned 33 % before the transaction, has become the majority shareholder of the company.
- 14 September 2009 – **FittingBox**, the world leader in providing virtual try-on solutions to the eyewear industry has raised €1.5m from **Banexi Ventures Partners**. Headquartered in France, with offices in Paris and Toulouse, FittingBox operates worldwide.
- 11 September 2009 – **EPF Partners** has invested €8m into Paris based online marketing company **Etoile Media Group**, taking a minority share (40% of the capital) in the company. This OBO allows the founders of Etoile Media Group to realise part of the value created since the inception of the company. At the same time, the entry of EPF Partners, in the capital of Etoile Media Group will give the company the means to accelerate its growth. Founded in 2004 and employing 20 people, **EMG** expects to generate €10m of sales in FY 2009.
- 1 September 2009 – **Trod Medical**, a Besancon, France-based provider of medical and surgical equipment for the treatment of tumors and other medical conditions has raised \$1.8m from SGAM Alternative Investment

Rumours and potential deals

- 25 September 2009 – **SSB**, the Italian provider of IT solutions for the banking and financial sector, received binding offers from **Bridgepoint** and **Atos Origin**. The report said that the offers for 100% of SIA-SSB are believed to fall in the EUR 370-400m range.
- 24 September 2009 – **Intel**, US based designer, developer, manufacturer and marketer of microprocessors, chipsets, embedded processors and microcontrollers, is said to be planning to buy **Freescale Semiconductor's Toulouse**, France-based mobile-phone chip division of Freescale Semiconductor Inc.

Sources: Company filings, Infionals, MergerMarket and press releases

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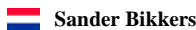
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IT industry / Deal activity

Companies	Market Cap. (€m)	EV (€m)	EV/Sales			EV/EBITDA			EV/EBIT			EBITDA margin (2008)	EBIT margin (2008)	
			2008	2009e	2010f	2008	2009e	2010f	2008	2009e	2010f			
Generalists														
Cap Gemini SA	FRA	5 219	4 385	0,5x	0,5x	0,5x	5,4x	5,6x	5,6x	7,5x	7,5x	7,6x	9,4%	6,7%
Indra Sistemas SA	ESP	2 683	2 881	1,2x	1,1x	1,1x	10,7x	8,8x	8,5x	12,4x	10,1x	9,6x	11,3%	9,8%
Logica	GBR	2 750	3 373	0,7x	0,7x	0,7x	7,9x	7,9x	7,7x	29,6x	10,0x	9,6x	9,2%	2,5%
Atos Origin SA	FRA	2 357	2 672	0,5x	0,5x	0,5x	14,0x	5,5x	5,2x	14,0x	9,8x	8,9x	3,4%	3,4%
Tieto Oyj	FIN	954	1 067	0,6x	0,6x	0,6x	6,0x	7,2x	5,7x	9,6x	10,8x	9,0x	9,5%	6,0%
Steria (Groupe)	FRA	682	925	0,5x	0,6x	0,6x	6,1x	6,2x	5,9x	8,4x	8,4x	8,0x	8,7%	6,2%
Sopra Group	FRA	527	725	0,6x	0,7x	0,6x	5,9x	7,9x	7,4x	6,7x	9,5x	8,8x	10,8%	9,6%
Ordina Nv	NLD	189	272	0,4x	0,5x	0,5x	19,8x	7,5x	6,1x	nm	22,9x	11,5x	2,0%	(13,6%)
Average				0,6x	0,6x	0,6x	9,5x	7,1x	6,5x	12,6x	11,1x	9,1x	8,0%	3,8%
Median				0,5x	0,6x	0,6x	7,0x	7,3x	6,0x	9,6x	9,9x	9,0x	9,3%	6,1%
R&D Services														
Altran Technologies SA	FRA	516	724	0,2x	0,2x	0,2x	2,6x	6,0x	3,9x	3,9x	9,9x	5,4x	7,3%	4,8%
Alten SA	FRA	584	602	0,7x	0,7x	0,7x	5,5x	9,9x	8,0x	6,1x	11,5x	9,2x	13,0%	nm
SII SA	FRA	96	87	0,5x	0,5x	0,5x	5,7x	6,7x	6,5x	6,7x	7,6x	7,3x	8,6%	11,7%
Akka Technologies SA	FRA	128	139	0,4x	0,4x	0,4x	3,7x	6,1x	5,2x	4,6x	7,7x	6,3x	9,7%	7,3%
Average				0,4x	0,4x	0,4x	4,4x	7,2x	5,9x	5,4x	9,1x	7,0x	9,7%	7,9%
Median				0,4x	0,4x	0,4x	4,6x	6,4x	5,9x	5,4x	8,8x	6,8x	9,2%	7,3%
Applied Technology														
Gemalto N.V.	NLD	2 626	2 295	1,4x	1,3x	1,3x	16,3x	9,4x	8,1x	18,6x	12,8x	10,4x	8,4%	7,3%
Tom Tom	NLD	2 513	3 553	2,1x	2,5x	2,3x	11,1x	13,0x	11,4x	nm	21,7x	19,0x	19,1%	(47,8%)
Ingenico SA	FRA	886	808	1,1x	1,1x	1,1x	8,9x	7,9x	7,4x	14,1x	10,5x	9,0x	12,4%	7,9%
Average				1,5x	1,7x	1,5x	12,1x	10,1x	9,0x	16,3x	15,0x	12,8x	13,3%	(10,9%)
Median				1,4x	1,3x	1,3x	11,1x	9,4x	8,1x	16,3x	12,8x	10,4x	12,4%	7,3%
Internet														
SeLogger.com	FRA	451	477	6,7x	6,6x	6,3x	13,4x	12,9x	11,9x	16,0x	15,8x	14,3x	49,9%	41,5%
Meetic SA	FRA	511	491	3,7x	2,8x	2,4x	30,9x	12,8x	9,0x	39,4x	14,0x	9,6x	11,9%	9,3%
1000mercis	FRA	86	69	1,0x	2,5x	2,2x	7,8x	7,4x	6,7x	8,1x	7,7x	7,0x	38,2%	36,5%
Aufeminin.com SA	FRA	113	97	3,9x	3,7x	na	8,9x	10,6x	na	9,7x	11,0x	9,6x	44,0%	40,2%
Adenclassifieds Sa	FRA	128	75	1,3x	1,3x	1,1x	6,3x	7,8x	6,2x	10,0x	12,2x	8,3x	19,9%	12,5%
Leguide com	FRA	60	49	2,7x	2,2x	1,9x	7,7x	7,0x	6,5x	9,1x	7,3x	6,3x	35,5%	30,2%
Maximiles	FRA	26	13	0,8x	0,7x	0,7x	4,4x	3,8x	3,5x	5,4x	5,0x	4,8x	17,9%	14,8%
Weborama	FRA	24	22	2,5x	1,9x	1,6x	10,7x	nm	nm	13,5x	11,5x	8,3x	23,5%	18,5%
Entreparticuliers. Com	FRA	28	14	0,9x	1,2x	1,0x	4,1x	8,2x	6,3x	4,3x	7,4x	5,2x	21,1%	20,5%
Auto Escape	FRA	14	2	0,1x	0,1x	0,1x	2,1x	nm	nm	5,3x	nm	nm	3,7%	1,5%
Average				2,3x	2,3x	1,9x	9,6x	8,8x	7,2x	12,1x	10,2x	8,2x	21,3%	17,1%
Median				1,3x	2,1x	1,6x	7,8x	8,0x	6,5x	9,4x	11,0x	8,3x	21,1%	18,5%

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			2008	2009e	2010f	2008	2009e	2010f	2008	2009e	2010f			
Software publishers														
Sap AG	DEU	39 603	40 553	3,5x	3,7x	3,5x	12,6x	12,0x	10,4x	15,2x	14,1x	11,8x	27,7%	23,1%
Sage Group	GBR	4 108	4 823	2,4x	2,4x	2,4x	9,4x	10,1x	9,7x	11,4x	10,9x	10,5x	24,9%	20,6%
Dassault Systemes	FRA	4 456	3 817	2,9x	3,0x	2,9x	12,8x	11,3x	10,3x	13,9x	12,3x	11,2x	22,4%	20,5%
Misys	GBR	1 491	1 794	1,8x	1,7x	1,6x	7,9x	8,1x	7,4x	10,8x	9,2x	8,2x	22,8%	16,7%
Cegid Group	FRA	138	222	0,9x	0,9x	0,9x	3,9x	4,4x	4,2x	7,1x	10,0x	8,7x	22,6%	12,6%
Pharmagest Interactive SA	FRA	125	126	1,7x	1,6x	1,6x	8,2x	7,5x	7,0x	9,2x	8,3x	7,7x	20,6%	18,4%
Linedata Services SA	FRA	90	110	0,7x	0,8x	0,8x	6,9x	6,8x	5,9x	13,2x	14,0x	10,7x	9,9%	5,2%
Microgen	GBR	89	73	1,7x	1,6x	1,5x	10,6x	7,4x	6,9x	12,7x	8,2x	7,7x	16,2%	13,5%
Esker SA	FRA	20	16	0,6x	0,6x	0,6x	nm	nm	nm	nm	nm	23,2x	1,0%	(4,3%)
Staff And Line	FRA	5	4	0,4x	0,4x	0,4x	nm	nm	44,7x	nm	nm	nm	(6,7%)	(9,5%)
Average				1,6x	1,7x	1,6x	9,0x	8,5x	11,8x	11,7x	10,9x	11,1x	16,2%	11,7%
Median				1,7x	1,6x	1,5x	8,8x	7,8x	7,4x	12,0x	10,4x	10,5x	21,5%	15,1%
Systems Integration														
Computacenter	GBR	674	791	0,2x	0,2x	0,2x	6,9x	8,0x	7,6x	14,0x	11,9x	10,8x	3,5%	1,7%
GFI Informatique SA	FRA	198	293	0,4x	0,4x	0,4x	5,5x	7,6x	6,7x	7,7x	11,0x	8,1x	7,0%	5,0%
Novabase SGPS SA	PRT	144	136	0,5x	0,6x	0,6x	6,7x	6,4x	6,1x	9,4x	8,7x	8,1x	6,9%	4,9%
Econocom	BEL	216	192	0,3x	0,3x	0,3x	6,8x	6,8x	6,4x	7,5x	7,5x	7,1x	3,9%	3,6%
Groupe Open SA	FRA	55	50	0,2x	0,2x	0,2x	4,6x	8,0x	3,7x	nm	12,6x	4,4x	4,8%	(5,1%)
Average				0,3x	0,3x	0,3x	6,1x	7,4x	6,1x	9,6x	10,3x	7,7x	5,2%	2,0%
Median				0,3x	0,3x	0,3x	6,7x	7,6x	6,4x	8,6x	11,0x	8,1x	4,8%	3,6%
« Saas »														
Salesforce.Com	USA	3 202	2 880	5,0x	4,8x	4,1x	nm	23,4x	19,5x	nm	28,9x	23,4x	9,3%	5,8%
DealerTrack Holdings Inc.	USA	358	264	2,2x	2,4x	2,2x	11,4x	17,0x	12,0x	nm	nm	nm	19,5%	0,5%
Hubwoo.com SA	FRA	37	38	1,2x	nm	nm	nm	nm	nm	nm	nm	nm	(22,2%)	(29,8%)
Average				2,8x	3,6x	3,2x	11,4x	20,2x	15,8x	nm	28,9x	23,4x	2,2%	(7,8%)
Median				2,2x	3,6x	3,2x	11,4x	20,2x	15,8x	nm	28,9x	23,4x	9,3%	0,5%

Sources: Infiniti, KPMG Corporate Finance and company filings

Notes: Market Capitalization amounts are in millions, based on closing Share Prices as of October 1st, 2009 - Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents - EBITDA equals Earnings before Interest, Taxes, Depreciation, and Amortization

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