



CORPORATE FINANCE

IT industry - Deal activity

ADVISORY



November 2009

KPMG Corporate Finance France provides a full suite of investment banking and strategic advisory services to its domestic and international clients, advising on mergers and acquisitions, divestitures, financings, and other strategic initiatives. If you are considering a transaction or would like our perspective on your industry, please contact one of our seasoned professionals (details on following page).

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

IT services companies widen their offering

- 25 November 2009 – French consultancy and engineering company in information technologies **Devoteam** has acquired **Acamaya**, a leading French systems integrator specialized in document and multimedia content management, collaboration tools and ergonomics. Founded in 1997, Acamaya was placed under bankruptcy protection one year ago and posted revenues of €2m in 2008. This acquisition will widen Devoteam's ECM portfolio offer and expertise.
- 23 November 2009 – French IT services group **Bull SA** has entered into exclusive talks to acquire **Amesys** (€100m of revenues), a French high-security systems provider from Crescendo Industries. The acquisition will enable Bull to provide large-scale computer processing systems for critical, high-security systems, combining Amesys' systems engineering for real-time signal capture and processing and Bull's expertise in the processing, analysis and operation of information systems including High-Performance Computing (HPC) and storage systems. On successful completion of the transaction, Crescendo will receive a cash payment of €33m and become a Bull shareholder, with around 20% of Bull's capital, which values the deal at around €105m.
- 20 November 2009 – French engineering, technological and consultancy services company **Akka Technologies** has acquired Hamburg-based specialist of embedded computing systems serving the aeronautics industry **Octogon**. Octogon, which has staff of 48 people, posted sales of €6.2m in 2008 and generated an operating margin of 8%. This acquisition will strengthen Akka Technologies' presence in Germany where it already operates through a subsidiary based in Munich.
- 19 November 2009 – **Sword Group SA**, the listed France based IT services company specializing in system integration, consulting services and software, acquired US-based **AgencyPort**, the industry leader in insurance distribution technology. This acquisition is in line with Sword's commitment to expand its presence in the North American market. Founded in 2000, **AgencyPort** provides web-based software and solutions to property and casualty insurance companies to automate distribution. With a blue-chip customer base in excess of 50 insurers, 100 employees and revenues of \$22 million, AgencyPort software enables large insurance carriers to manage the provision and renewal of insurance policies via a secure online application. The CEO of the Group declared he will pay less than 6x EBIT for this acquisition, earn-out included.
- 1 November 2009 – **Team Partners Group** acquired **QoS** (quality and service) activity from Assystem SA, a Paris-based provider of engineering services. This acquisition, for which the deal value was not disclosed, will reinforce Team Partners expertise in the Telecommunication sector.



Sources: Company filings, Infiniti, MergerMarket and press releases

IT industry / Deal activity

Other deals

- 29 November 2009 – **I2S**, French specialist in digital vision and industrial cameras announced the acquisition of 61% of the shares of **Amanager**, a consulting company that offers web design and web hosting services. This acquisition is in line with I2S strategy to strengthen the activity of numeric content enrichment of its subsidiary **i2S DigiBook** which designs and markets a large range of book scanners and scanning solutions for books, maps and bound documents.
- 27 November 2009 – **Trace One**, a French provider of e-collaborative services for managing private label products in food, household cleaning and cosmetics has acquired **Egos**, a UK-based provider of online sourcing solutions for retailers in food and non-food sectors. With consolidated turnover of €20m and 140 employees, the new group becomes the European provider in solutions for managing private label products.
- 26 November 2009 – French home furnishing retailer **Conforama**, a unit of the luxury goods group PPR, announces it is considering the acquisition of mail order and online household goods retailer **La Maison de Valerie**. This company, controlled by PPR's unit Redcats, offers complementary brands and activities in the sector of furnishing and decoration and is expected to help increase Conforama's market share as of 2010.
- 25 November 2009 – The Founders of French online marketplace for buyers and sellers **Priceminister** currently own 47 % of the shares of the company since they recently exercised their pre-emption right after the decision of PE fund 3i to divest from the company.
- 24 November 2009 – Lyon based software and computing company **Flow Line** has bought **Internet et Communication Technologies (ICT)**, a French telecom operator and Infrastructure Systems Engineering firm. Founded in 1987, ICT employs 40 people and generated sales of €7m in 2008. It will strengthen **Flow Line's** expertise in the field of web application hosting. This is the 6th acquisition by the company since it was founded in 2000.
- 23 November 2009 – **Gemalto**, the world leader in digital security and **Xiring**, a leader in smart card based strong authentication solutions for e-banking and e-commerce, announced they have entered into exclusive negotiations with the objective to complete the acquisition of the Xiring banking activity by Gemalto. In 2008, Xiring posted a turnover of €28.5m and an operating margin of €3.5m; banking activity represented 55% of Xiring sales.
- 18 November 2009 – French holding **Windhurst Participations** has bought 75% of the shares of **B2S**, a business support services company from Natexis Ixen. Following the acquisition, the company, which had sales of €90m in 2008, received €3.4 m from its new shareholder to accelerate its development.
- 17 November 2009 – **Credit Mutuel Arkea SA**, the France based provider of financial services, has agreed to acquire **Monext**, the French electronic payment company, from Advent International Corporation, the US based private equity firm for €140m. Monext, which employs 430 employees, should generate €60m of revenues and an EBIT margin of 20 % in 2009. This acquisition will enable Monext to accelerate growth in European markets.
- 17 November 2009 – **Elcimai**, a French company specialized in integrating production management software, with sales of €25m, has acquired **Valerian**, a leading bank Electronic Data Interchange (EDI) software publisher. Founded in 1985, **Valerian** has sales of €3m and claims to hold a market share of 30% in the French Bank EDI software market. This acquisition is the 3rd acquisition of the company since its creation in 1992.
- 16 November 2009 – **AlloCine SA**, a France-based provider of cinema information and ticket booking services, has acquired a 40% stake in **Kinopoisk**, a film website, from Digital Sky Technologies. Both Kinopoisk and Digital Sky Technologies are based in Russia. Kinopoisk is said to be valued between \$3m and \$5m and has approximately 4 million visitors every month.
- 16 November 2009 – **Arkoon Network Security** has increased its capital in order to acquire 100% of **SkyRecon Systems shares**, a company specializing in Intelligent Endpoint Security. This acquisition amounts to €2.4m for the base price which could be completed by a sum ranging from 0 to €2.2m to be determined in 2010 depending on both companies' turnover levels in FY 2009.
- 9 November 2009 – French electronic displays specialist for transportation **Lumiplan** (€24m of sales; 150 employees) has bought **Duhamel**, a French based manufacturer and designer of communication systems for buses and coaches with sales of €9m, for an undisclosed consideration. This acquisition is part of Lumiplan's expansion strategy which was initiated in 2008 with the acquisition of the Heures company from Bull.
- 9 November 2009 – French web agency **Linkeo** (sales of €14m) has bought its direct competitor **Top technology** from the bankruptcy court for €300 000.
- 8 November 2009 – French integrator of voice data and image solutions **Axians** announced the acquisition of the IT services company **IMS**, a subsidiary of Vinci Energies which generates sales of €1.3m.
- 5 November 2009 – French TV film producer **TelFrance** and its subsidiary **Cinequanon** has acquired 70% of the shares of **Weapon**, a digital marketing agency specialized in video production for the web. This operation is in line with TelFrance's strategy to develop in the field of Brand Content Media.
- 3 November 2009 – **Digital Angel**, a US-based developer of emergency identification solutions, has entered into a definitive agreement to sell its **McMurdo** unit in the UK for \$10 million cash to France-based **Orolia Group**, a high-technology firm specializing in positioning, navigation and timing solutions.
- 2 November 2009 – The management of **Telegate 118000**, the France based telephone directory services, has acquired the company in a MBO backed by **Newfund Management SA**, the French private equity, from Telegate AG, the German provider of telephone directory enquiry services and call centre services, for an undisclosed consideration. The transaction is in line with Telegate's strategy to exit the competitive French market on which it was lacking of critical size.

If you have additional colleagues that would like to be added to this monthly distribution or if you would like to be removed from this distribution, please reply to this email.

IT industry / Deal activity

Fund raising

- 28 November 2009 – **Luwview**, owner of the 1st online optician approved by French Social Security **happyview.fr**, has raised €0.9m from individual investors.
- 25 November 2009 – French company **AcheterLouer.fr** announced they will proceed to a capital increase of €1.3m through an issue of new shares with detachment of a preferential subscription right.
- 23 November 2009 – Parisian based company **Playsoft**, which develops and deploys mobile games and mobile applications for top tier editors in Europe has raised €1.5m from **OTC AM**. The company which generated sales of €2.5m and a net profit of €0.2m in 2008 expects to reach €3.5m of sales for FY09.
- 12 November 2009 – The French listed consumer software publisher **Avanquest Software** is planning to raise €9m at the beginning of 2010 from French government's strategic investment fund **FSI** to support a new internal and external growth phase. The company, owned by PE houses **Oddo AM** (15%) and **Turenne Capital** (6.4%) has been facing financial losses for the last two years, mainly due to the integration of **Emme**, a leading European software publisher of interactive content, acquired in 2007.
- 5 November 2009 – French specialist in providing SaaS e-detailing and e-conferencing solutions to the health care industry **Kadrigé**, has secured €3.7m. Founded in 2002, **Kadrigé** develops product promotion, e-visit and online training software solutions for sales forces in the health care industry.
- 3 November 2009 – French video software publisher **Aquafadas** has raised €1.2m from **Credit Agricole Private Equity**, **Soridec** and **business angels**. The company, which develops and promotes high quality software solutions exclusively for the imaging and digital community posted revenues of €80 000 in 2008 and employs 40 people.
- 3 November 2009 – French PE house **Midi Capital**, a subsidiary of Caisse d'Epargne Midi Pyrénées has invested €0.5m in the web design agency **Incomm**. Founded in 2004, the company generated sales of €2.3m and a net profit of €0.1 in 2008 and is currently looking for widening its commercial presence in France.
- 3 November 2009 – French specialist of VOIP integration for SMEs **Iperlink** has raised €0.2m from **Crédit Agricole Création** and **Rhône Dauphiné Développement** to accelerate its geographical presence in France. Founded in 2006 and based in Lyon, the company should generate €1.4m of revenues in 2009, in progression of 40% compared to the previous year.

Sources: Company filings, Infionals, MergerMarket and press releases

Your local correspondents



Mark Wyatt
Corporate Finance
Partner
Paris
+33 1 55 68 93 00
+33 6 14 71 12 35
markwyatt@kpmg.fr



Helene de Cointet
Corporate Finance
Director
Paris
+33 1 55 68 93 05
+33 6 03 10 44 41
hdecointet@kpmg.fr



Frederic Quelin
Partner – Head of Information,
Communication & Entertainment
Paris
+33 1 55 68 70 99
+33 6 22 13 73 65
fquelin@kpmg.fr

Your international Corporate Finance correspondents

 **David Elms**
Partner
London
+44 (0) 2073 11 1000
david.elms@kpmg.co.uk

 **Wouter Van de Bunt**
Partner
Amsterdam
+31 20 656 7777
vandebunt.wouter@kpmg.nl

 **Florian Frei**
Director
Frankfurt
+49 69 9587 2834
ffrei@kpmg.com

 **Peter Wilson**
Managing Director
Baltimore
+1 410 949 8512
pwilson@kpmg.com

 **Jonathan Stankler**
Partner
London
+44 (0) 2073 11 1000
jonathan.stankler@kpmg.co.uk

 **Sander Bidders**
Partner
Amsterdam
+31 20 656 7777
bidders.sander@kpmg.nl

 **Fabio Virga**
Manager
Munich
+49 89 9282 2000
fvirga@kpmg.de

 **Cyrus Lam**
Director
New York
+1 212 872 5540
clam3@kpmg.com

 **Neil Conaghan**
Director
London
+44 (0) 2073 11 1000
neil.conaghan@kpmg.co.uk

 **James Carter**
Director
Geneva
+41 22 704 15 48
jcarter@kpmg.com

 **Peter Lauwers**
Partner
Antwerp
+32 38 211 815
plauwers@kpmg.com

 **Thomas Eggermont**
Senior Manager
Brussels
+32 38 211 815
thomaseggermont@kpmg.com

Produced by Annabelle Caudron, Executive
acaudron@kpmg.fr +33 1 55 68 93 01

If you have additional colleagues that would like to be added to this monthly distribution or if you would like to be removed from this distribution, please reply to this email.

IT industry / Deal activity

Companies	Market Cap. (€m)	EV (€m)	EV/Sales			EV/EBITDA			EV/EBIT			EBITDA margin (2009e)	EBIT margin (2009e)	
			2008	2009e	2010f	2008	2009e	2010f	2008	2009e	2010f			
Generalists														
Cap Gemini SA	FRA	4 536	3 702	0,4x	0,4x	0,5x	4,5x	4,8x	5,0x	6,3x	6,4x	6,9x	9,4%	6,7%
Indra Sistemas SA	ESP	2 529	2 726	1,1x	1,1x	1,0x	10,1x	8,3x	8,0x	11,7x	9,5x	9,1x	11,3%	9,8%
Logica	GBR	2 631	3 254	0,7x	0,6x	0,6x	7,6x	7,6x	7,3x	28,5x	9,5x	9,2x	9,2%	2,5%
Atos Origin SA	FRA	2 030	2 344	0,4x	0,5x	0,5x	12,3x	4,8x	4,5x	12,3x	8,5x	7,7x	3,4%	3,4%
Tieto Oyj	FIN	1 045	1 158	0,6x	0,7x	0,7x	6,5x	7,6x	6,1x	10,4x	12,5x	9,1x	9,5%	6,0%
Steria (Groupe)	FRA	570	812	0,5x	0,5x	0,5x	5,3x	5,6x	5,4x	7,4x	7,4x	7,1x	8,7%	6,2%
Groupe Open SA	FRA	57	53	0,2x	0,2x	0,2x	4,9x	8,5x	3,9x	nm	13,2x	4,6x	4,8%	(5,1%)
Sopra Group	FRA	515	713	0,6x	0,6x	0,6x	5,8x	7,6x	7,4x	6,5x	9,5x	8,8x	10,8%	9,6%
Ordina Nv	NLD	242	325	0,5x	0,6x	0,6x	23,7x	8,7x	7,4x	nm	25,4x	13,4x	2,0%	(13,6%)
Average				0,6x	0,6x	0,6x	9,0x	7,1x	6,1x	11,9x	11,3x	8,4x	7,7%	2,8%
Median				0,5x	0,6x	0,6x	6,5x	7,6x	6,1x	10,4x	9,5x	8,8x	9,2%	6,0%
R&D Services														
Altran Technologies SA	FRA	454	663	0,2x	0,2x	0,2x	2,0x	7,1x	3,9x	3,6x	11,2x	5,4x	8,8%	4,9%
Alten SA	FRA	524	543	0,6x	0,6x	0,6x	4,9x	8,2x	7,0x	5,5x	9,0x	7,8x	13,0%	nm
SII SA	FRA	84	74	0,4x	0,4x	0,3x	5,2x	7,3x	5,8x	5,8x	8,5x	6,6x	8,1%	11,7%
Akka Technologies SA	FRA	116	126	0,3x	0,4x	0,4x	3,4x	5,3x	4,4x	4,2x	7,8x	5,5x	9,7%	7,3%
Average				0,4x	0,4x	0,4x	3,9x	7,0x	5,3x	4,8x	9,2x	6,3x	9,9%	8,0%
Median				0,4x	0,4x	0,4x	4,2x	7,2x	5,1x	4,9x	8,8x	6,0x	9,2%	7,3%
Applied technologies														
Gemalto N.V.	NLD	2 410	2 079	1,2x	1,3x	1,2x	14,8x	9,1x	8,2x	16,9x	12,0x	10,4x	8,4%	7,3%
Tom Tom	NLD	1 316	2 356	1,4x	1,7x	1,6x	7,4x	8,0x	7,6x	nm	12,3x	11,7x	19,1%	(47,8%)
Ingenico SA	FRA	836	758	1,0x	1,1x	1,1x	8,4x	7,6x	6,6x	13,2x	10,1x	8,6x	12,4%	7,9%
Average				1,2x	1,3x	1,3x	10,2x	8,2x	7,5x	15,0x	11,5x	10,2x	13,3%	(10,9%)
Median				1,2x	1,3x	1,2x	8,4x	8,0x	7,6x	15,0x	12,0x	10,4x	12,4%	7,3%
Internet														
SeLoger.com	FRA	415	441	6,2x	6,1x	5,8x	12,3x	11,9x	11,1x	14,8x	14,6x	13,3x	49,9%	41,5%
Meetic SA	FRA	431	411	3,1x	2,4x	2,1x	25,8x	11,0x	8,0x	33,0x	12,4x	8,7x	11,9%	9,3%
1000mercis	FRA	88	71	1,0x	2,5x	2,3x	7,9x	7,6x	7,3x	8,3x	8,3x	8,5x	38,2%	36,5%
Aufeminin.com SA	FRA	111	95	3,8x	3,6x	na	8,7x	10,4x	na	9,5x	11,4x	9,4x	44,0%	40,2%
Adenclassifieds Sa	FRA	135	82	1,4x	1,5x	1,3x	6,9x	8,8x	6,8x	11,0x	13,4x	9,1x	19,9%	12,5%
Leguide.com	FRA	59	49	2,7x	2,2x	1,8x	7,7x	6,9x	6,3x	9,0x	7,3x	6,3x	35,5%	30,2%
Meilleurtaux SA	FRA	48	51	1,3x	na	na	nm	nm	na	nm	nm	nm	(31,6%)	(37,1%)
Maximiles	FRA	31	18	1,1x	1,1x	1,0x	6,3x	5,7x	5,0x	7,6x	9,7x	8,7x	17,9%	14,8%
Weborama	FRA	28	25	2,9x	2,3x	1,9x	12,2x	nm	nm	15,5x	12,9x	9,5x	23,5%	18,5%
Entreparticuliers.Com	FRA	21	7	0,4x	0,6x	0,7x	2,0x	3,5x	5,5x	2,1x	3,6x	4,4x	21,1%	20,5%
Auto Escape	FRA	15	3	0,1x	0,1x	0,1x	2,9x	nm	nm	7,3x	nm	nm	3,7%	1,5%
Average				2,2x	2,3x	1,9x	9,3x	8,2x	7,1x	11,8x	10,4x	8,7x	21,3%	17,1%
Median				1,4x	2,2x	1,8x	7,8x	8,2x	6,8x	9,3x	11,4x	8,7x	21,1%	18,5%

IT industry / Deal activity

Companies	Market Cap. (€m)	EV (€m)	EV/Sales			EV/EBITDA			EV/EBIT			EBITDA margin (2009e)	EBIT margin (2009e)	
			2008	2009e	2010f	2008	2009e	2010f	2008	2009e	2010f			
Software Publishers														
Sap AG	DEU	36 520	37 470	3,2x	3,5x	3,4x	11,7x	11,5x	9,9x	14,0x	13,2x	11,3x	27,7%	23,1%
Sage Group	GBR	4 010	4 727	2,3x	2,4x	2,4x	9,3x	9,8x	9,5x	11,2x	10,7x	10,0x	24,9%	20,6%
Dassault Systemes S.A.	FRA	4 511	3 873	2,9x	3,1x	3,0x	12,9x	12,0x	10,6x	14,1x	12,5x	11,5x	22,4%	20,5%
Misys	GBR	1 623	1 927	1,9x	1,8x	1,7x	8,5x	8,7x	7,4x	11,6x	9,9x	8,7x	22,8%	16,7%
Cegid Group	FRA	147	230	0,9x	0,9x	0,9x	4,1x	4,4x	4,3x	7,3x	10,4x	8,7x	22,6%	12,6%
Pharmagest Interactive SA	FRA	124	125	1,7x	1,6x	1,5x	8,1x	7,3x	6,8x	9,1x	8,0x	7,4x	20,6%	18,4%
Linedata Services SA	FRA	103	123	0,8x	0,8x	0,8x	7,8x	6,7x	5,5x	14,8x	10,6x	9,6x	9,9%	5,2%
Microgen	GBR	103	87	2,0x	2,0x	2,0x	12,6x	9,1x	8,6x	15,1x	10,2x	9,7x	16,2%	13,5%
Esker SA	FRA	22	18	0,7x	0,7x	0,6x	nm	nm	nm	nm	nm	11,3x	1,0%	(4,3%)
Staff And Line	FRA	4	4	0,3x	0,4x	0,3x	nm	nm	13,1x	nm	nm	nm	(6,7%)	(9,5%)
Average				1,7x	1,7x	1,7x	9,4x	8,7x	8,4x	12,2x	10,7x	9,8x	16,2%	11,7%
Median				1,8x	1,7x	1,6x	8,9x	8,9x	8,6x	12,8x	10,5x	9,7x	21,5%	15,1%
Systems Integration														
Computacenter	GBR	579	696	0,2x	0,2x	0,2x	6,1x	6,0x	6,8x	12,3x	10,4x	9,4x	3,5%	1,7%
GFI Informatique SA	FRA	163	258	0,3x	0,3x	0,3x	4,8x	7,0x	5,9x	6,8x	9,8x	7,0x	7,0%	5,0%
Novabase SGPS SA	PRT	136	128	0,4x	0,6x	0,5x	6,3x	6,0x	5,8x	8,9x	7,5x	7,2x	6,9%	4,9%
Econocom	BEL	228	204	0,3x	0,3x	0,3x	7,3x	7,1x	6,5x	8,0x	7,8x	7,1x	3,9%	3,6%
Average				0,3x	0,3x	0,3x	6,1x	6,5x	6,2x	9,0x	8,9x	7,7x	5,3%	3,8%
Median				0,3x	0,3x	0,3x	6,2x	6,5x	6,2x	8,4x	8,8x	7,1x	5,4%	4,2%
« Saas »														
Salesforce.Com	USA	3 718	3 406	5,9x	5,7x	5,0x	nm	28,2x	23,1x	nm	34,3x	28,1x	9,3%	5,8%
DealerTrack Holdings Inc.	USA	333	242	2,0x	2,3x	2,1x	10,4x	13,5x	10,8x	nm	nm	nm	19,5%	0,5%
Hubwoo.com SA	FRA	30	31	1,0x	nm	nm	nm	nm	nm	nm	nm	nm	(22,2%)	(29,8%)
Average				3,0x	4,0x	3,5x	10,4x	20,9x	17,0x	nm	34,3x	28,1x	2,2%	(7,8%)
Median				2,0x	4,0x	3,5x	10,4x	20,9x	17,0x	nm	34,3x	28,1x	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 November 31st, 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

KPMG Corporate Finance, France

Immeuble KPMG
1, Cours Valmy
F - 92923 Paris La Défense Cedex

Tel +33 1 55 68 68 68
Fax +33 1 55 68 92 92

We welcome the opportunity to meet with you, learn more about your company's objectives, and discuss our people and capabilities.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. Corporate Finance Services, including Financing, Debt Advisory, and Valuation Services, are not performed by all KPMG member firms and are not offered by member firms in certain jurisdictions due to legal or regulatory constraints.

© 2009 KPMG Corporate Finance SAS is a French company and a member of KPMG International. KPMG Corporate Finance SAS is a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. All rights reserved. KPMG and the KPMG logo are registered trademarks of KPMG International, a Swiss cooperative.