

CHILDS

ADVISORY PARTNERS

Quarterly Business Services & Technology Update

4Q 2011

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CHILDS News and Events

3/29/12

CHILDS hosts its 3rd Annual IT/Professional Services & Outsourcing Summit in Boston, MA (see page 12 for more details)

3/13/12 - 3/16/12

CHILDS attends the Staffing Industry Executive Forum in Las Vegas, NV

2/20/12 - 2/24/12

CHILDS attends HIMSS conference in Las Vegas, NV

1/6/12

CHILDS advises Fahrenheit Technology on the sale of its IT Staffing Business to Global Employment Solutions

12/30/11

CHILDS advises Cumberland Consulting Group on its recapitalization with Tailwind Capital

12/30/11

CHILDS advises Optimal Solutions on its acquisition of The Glenture Group

11/17/11

CHILDS Advises ABeam in the divestiture of Catalyst

11/2/11 - 11/4/11

CHILDS sponsors the TechServe Alliance Conference in Phoenix, AZ

5/23/11

CHILDS advises EmployBridge on its recapitalization by Morgan Stanley Capital Partners

5/10/11

CHILDS advises FineLine Technologies on its recapitalization by Chicago Growth Partners

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Letter from Jim

Quick Review of 2011 and 2012 M&A Outlook

While the economic news was certainly mixed in 2011, our clients' results were very strong across the board. Private equity funds, holding a record amount of "dry powder", aggressively bid on well-run growth companies. The result was a very strong market for both "control" deals and growth equity financings, primarily for companies with greater than \$5 million in EBITDA and certainly for those companies with north of \$10 million in EBITDA. The lending market for companies under \$20 million in EBITDA was a bit volatile, thus private equity firms financed their transactions with more equity than usual in 2011.

Strategic buyer activity in our sectors was actually a bit on the conservative side in the lower middle market (deals under \$500 million in value). This was largely due to the mixed international economic results and the fact that some recent mega-deals required integration, which meant that the larger buyers were internally-focused at the time. Non-U.S. buyers continued to be active and looked at the U.S. as a buying opportunity, primarily for larger firms.

We expect 2012 to have similar dynamics to 2011. Company results should continue to be strong, private equity will continue to be very active and strategic buyers will continue to be somewhat selective. 2012 will likely see a lot of private equity-backed companies for sale since they're portfolio companies have more than recovered from the Great Recession. The future tax situation is murky for capital gains, healthcare-related taxes and carried interest, thus company owners and private equity firms may have some desire to sell in 2012 and lock in the favorable rates. While the election will be exciting in November, we don't expect to see a significant business impact from it.

We anticipate growth equity deals to be prominent as company owners look to take some chips off the table, raise some capital and gear-up for the next phase of their growth plans. This market has certainly matured over the past several years and offers owners an appealing option to retain control, get some liquidity, and bring on a value-added strategic partner.

At CHILDS, 2011 was a record year and we increased our team size by 60% to 16 professionals. We solidified our leadership position in the Professional Services & Staffing sectors by closing eight transactions totaling over \$400 million. In 2012 we plan to add more team members which will allow us to focus on additional business services and technology sub-sectors such as facility services, marketing services, HR Tech and technology-enabled services. Our mission is to be the leading investment banking firm to growth companies globally, so we have a long way to go!

Miscellaneous (and Relatively Useless) Predictions for 2012

We have run exhaustive analyses and come up with the following predictions (please feel free to weigh-in)

- Tiger Woods wins the Masters
- Novak Djokovich wins the first tennis Grand Slam since Rod Laver in 1969
- Miami Heat wins the NBA championship

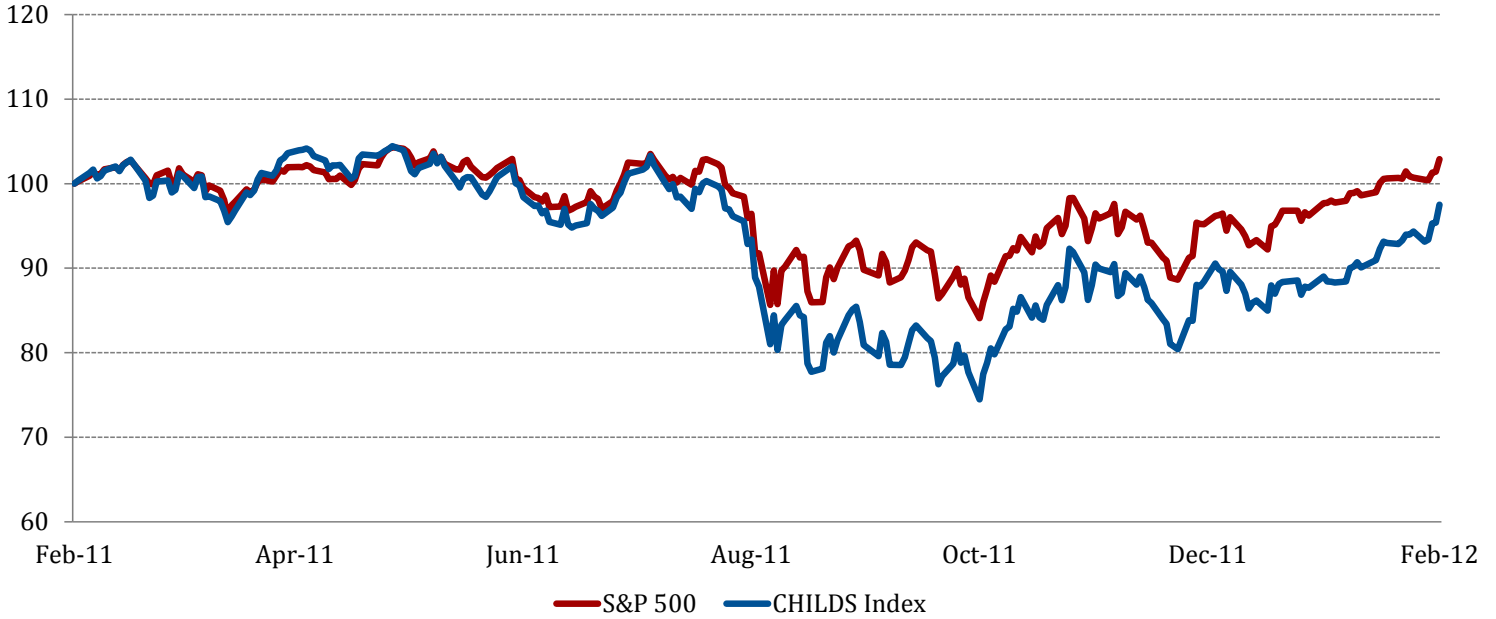
Hope 2012 is off to a great start for everyone!



Jim Childs

Business Services & Technology Market Update

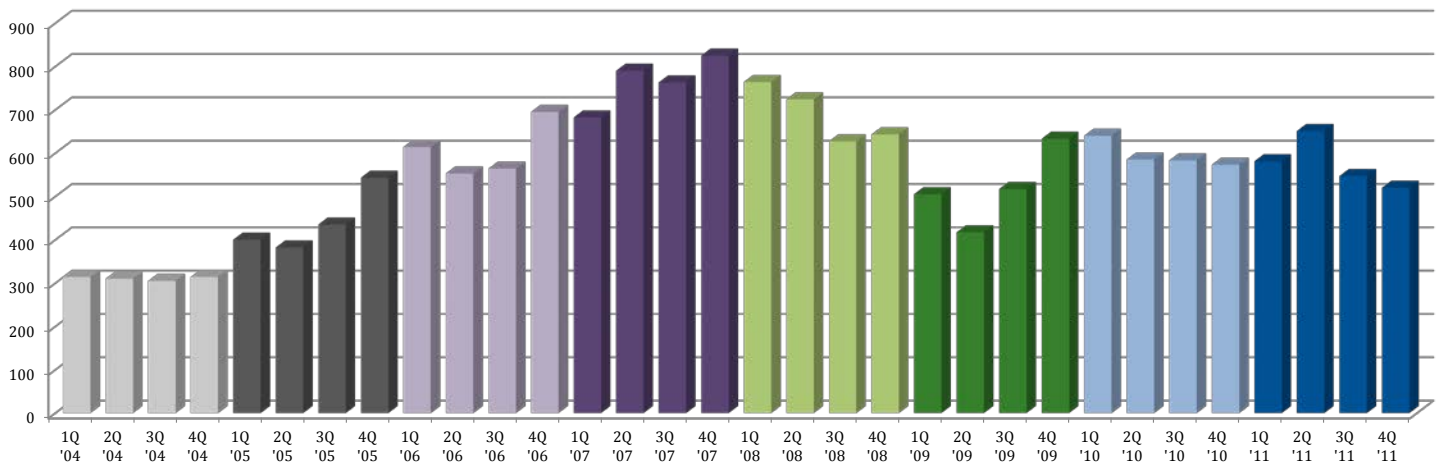
CHILDS Advisory Partners (“CHILDS”) tracks a list of publicly traded companies in our core sectors. In the fourth quarter of 2011, the CHILDS Business Services & Technology Index slightly underperformed the S&P 500 Index but is beginning to recover.



Note: The CHILDS Business Services & Technology Index is made up of select public companies in the following sectors: IT/Professional Services and Business Process Outsourcing (BPO), Human Capital Management (HCM), Marketing & Information Services and Facilities Services. Index data as of February 3, 2012

Business Services & Technology M&A Deals by Quarter (2004 – 4Q 2011)

Business Services & Technology M&A volume was down in 4Q vs. 3Q and year-over-year. We’ve noted a total of 520 transactions in 4Q 2011 compared to 547 transactions noted in 3Q 2011 and 573 in 4Q 2010. While volume is not increasing, the M&A market for Business Services & Technology is proving to be healthy in terms of consistent volume.



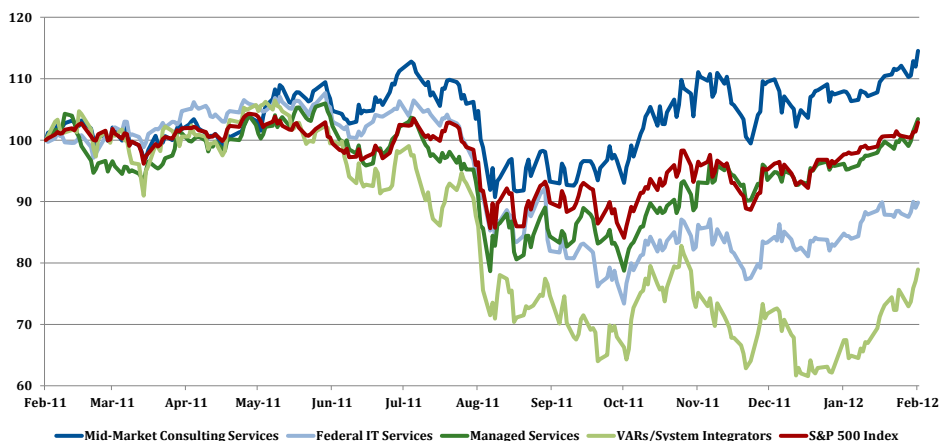
Source: CHILDS database and Capital IQ

Sector Update: IT/Professional Services and BPO

IT/Professional Services Comparable Public Company Analysis

Public Company Stock Performance

In the last six months, the majority of the IT/Professional services indices generally underperformed the S&P. The one exception is the mid-market consulting services segment, which is outperforming the market.



Mid-Market Consulting

The average LTM EBITDA multiple is 9.5x, which is lower than last quarter's multiple of 10.2x.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Advisory Board Co.	\$75.49	93.5%	3.4x	22.9x *
CIBER, Inc.	\$4.55	65.2%	0.3x	24.1x *
CRA International Inc.	\$23.20	77.9%	0.7x	NM
Edgewater Technology Inc.	\$3.34	91.8%	0.2x	3.2x
Exponent Inc.	\$53.00	103.6%	2.2x	10.2x
FTI Consulting, Inc.	\$44.20	100.2%	1.6x	9.3x
Huron Consulting Group Inc.	\$40.27	99.9%	1.6x	9.5x
Mattersight Corporation	\$5.90	72.5%	1.2x	NM
Navigant Consulting Inc.	\$13.26	98.4%	1.0x	8.4x
Perficient Inc.	\$12.14	92.2%	1.5x	13.9x
Resources Connection Inc.	\$13.29	63.4%	0.8x	11.6x
Sapient Corp.	\$13.69	84.2%	1.7x	14.9x
The Hackett Group, Inc.	\$3.98	76.0%	0.7x	7.8x
Towers Watson & Co.	\$60.71	90.2%	1.2x	6.5x
Average		86.4%	1.1x	9.5x

Federal IT Services

The average LTM EBITDA multiple is 6.2x this quarter, higher than last quarter's multiple of 5.9x.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
CACI International Inc.	\$59.65	89.7%	0.6x	6.2x
Dynamics Research Corp.	\$11.52	67.1%	0.8x	7.9x
ICF International Inc.	\$28.66	98.1%	0.7x	7.9x
ManTech International Corporation	\$36.84	79.6%	0.5x	5.1x
NCI, Inc.	\$7.38	29.2%	0.3x	3.8x
SAIC, Inc.	\$12.90	73.1%	0.4x	6.2x
Official Payments Holdings, Inc.	\$4.46	70.3%	0.3x	NM
Tyler Technologies, Inc.	\$36.70	99.8%	3.8x	21.4x *
Average		75.9%	0.5x	6.2x

Managed Services

The average LTM EBITDA multiple has increased to 13.6x from 13.4x in the third quarter of 2011.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
CenturyLink, Inc.	\$37.40	79.9%	3.6x	7.9x
Equinix, Inc.	\$124.19	98.9%	5.2x	12.9x
Internap Network Services Corp.	\$7.18	83.9%	1.6x	10.7x
Limelight Networks, Inc.	\$3.46	40.3%	1.1x	50.8x *
Rackspace Hosting, Inc.	\$47.19	98.4%	6.5x	22.9x
Average		80.3%	3.6x	13.6x

VARs/System Integrators

The average LTM EBITDA multiple has increased to 5.9x from 5.3x last quarter.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Atos S.A.	\$53.82	93.1%	0.7x	6.4x
Black Box Corp.	\$29.70	73.2%	0.6x	5.9x
Datalink Corp.	\$9.26	80.5%	0.4x	6.7x
ePlus Inc.	\$31.34	99.8%	0.3x	5.0x
Logica PLC	\$1.28	54.4%	0.5x	5.2x
Average		80.2%	0.5x	5.9x

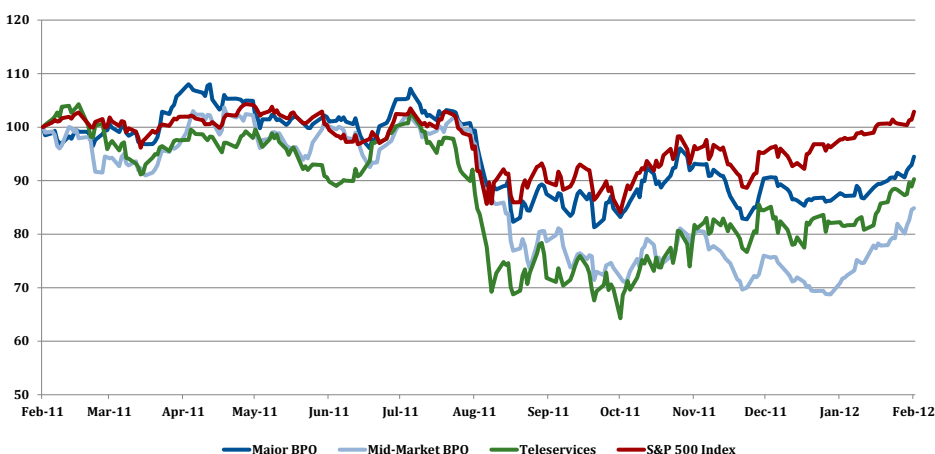
*Excluded from average calculations. LTM = Last Twelve Months. Data obtained from Capital IQ. Stock prices as of February 3, 2012

CHILDS Quarterly Update: 4Q 2011

BPO Comparable Public Company Analysis

Public Company Stock Performance

In the last six months, the Major BPO and Mid-Market BPO segments have generally underperformed the S&P 500, but have begun to show some improvement in recent weeks.



Major BPO

The average LTM EBITDA multiple is 9.7x which is up from 9.3x last quarter.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Accenture plc	\$58.31	91.6%	1.2x	7.8x
CGI Group, Inc.	\$20.71	84.7%	1.5x	8.1x
Cognizant Technology Solutions Co	\$73.35	87.9%	3.4x	16.7x
Computer Sciences Corporation	\$28.07	49.6%	0.4x	3.5x
Convergys Corporation	\$13.50	90.0%	0.6x	2.3x
EPIQ Systems, Inc.	\$12.64	82.6%	2.3x	9.3x
Genpact Ltd.	\$15.65	86.2%	2.3x	11.7x
Infosys Ltd.	\$57.14	83.8%	3.8x	12.2x
Iron Mountain Inc.	\$30.85	86.2%	2.7x	9.2x
ITC Ltd.	\$4.12	92.8%	6.8x	* 20.4x
Pitney Bowes Inc.	\$19.29	73.2%	1.4x	7.0x
Tata Consultancy Services Limited	\$24.01	93.7%	4.8x	15.4x
Unisys Corporation	\$18.33	87.3%	0.1x	1.1x
Wipro Ltd.	\$8.76	86.6%	2.8x	14.3x
Xerox Corp.	\$7.96	65.9%	0.8x	5.9x
Average		82.8%	2.0x	9.7x

Mid-Market BPO

The average LTM EBITDA multiple is 10.0x this quarter, an increase from last quarter's multiple of 8.6x.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Aditya Birla Nuvo Limited	\$17.52	85.8%	1.0x	4.5x
HCL Technologies Ltd.	\$9.32	85.8%	1.7x	10.8x
Hexaware Technologies Limited	\$2.04	97.9%	1.7x	9.5x
iGATE Corporation	\$18.01	72.1%	2.5x	14.3x
Mphasis Limited	\$7.70	54.0%	1.2x	6.1x
Patni Computer Systems Limited	\$9.54	92.5%	1.8x	11.2x
Syntel, Inc.	\$47.90	77.2%	2.8x	11.8x
Tech Mahindra Limited	\$13.45	82.0%	1.8x	8.7x
VanceInfo Technologies Inc.	\$13.41	32.7%	1.8x	13.0x
Average		75.5%	1.8x	10.0x

Teleservices

The average LTM EBITDA multiple has increased to 4.3x from 3.8x in the third quarter of 2011.

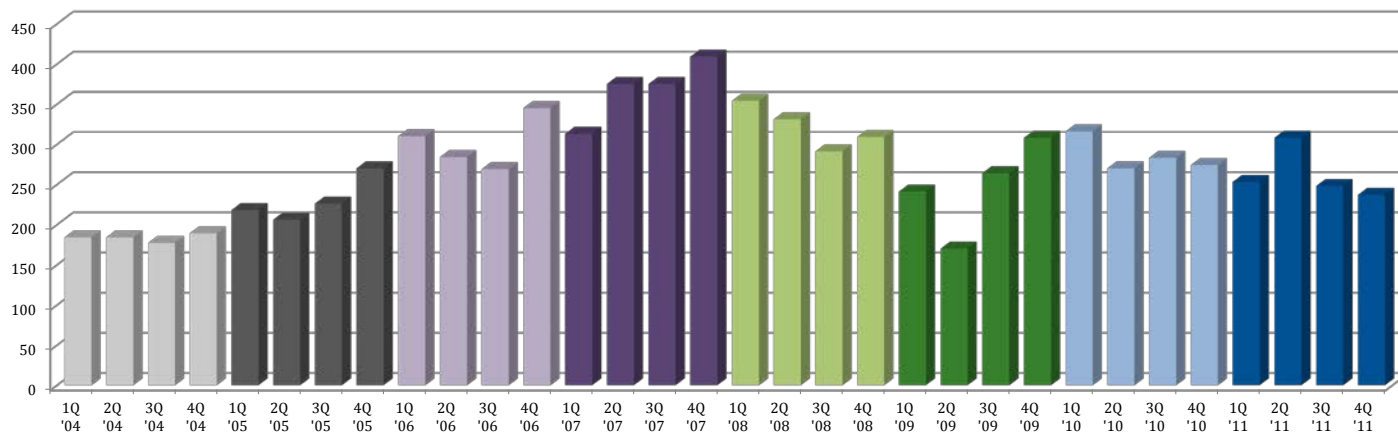
Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Convergys Corporation	\$13.50	90.0%	0.6x	2.3x
StarTek, Inc.	\$3.10	53.9%	0.2x	NM
Sykes Enterprises, Incorporated	\$18.16	79.4%	0.5x	4.1x
TeleTech Holdings Inc.	\$17.97	76.6%	0.8x	6.4x
Average		75.0%	0.5x	4.3x

*Excluded from average calculations. LTM = Last Twelve Months. Data obtained from Capital IQ. Stock prices as of February 3, 2012

CHILDS Quarterly Update: 4Q 2011

IT/Professional Services and BPO M&A Deals by Quarter (2004 - 4Q 2011)

M&A activity in the IT/Professional Services and BPO sector has slowed in the fourth quarter, with 237 deals announced, compared with 248 in 3Q 2011 and 274 in 4Q 2010. While overall volume is down, certain pockets remain hot, such as healthcare IT, cloud-related services and business intelligence. Other observations are the inclination of big-box retailers like Best Buy and Staples acting on enterprise services strategies and the large consultancies (i.e. Deloitte and KPMG) making plays in mobility and SaaS.



Source: CHILDS database and Capital IQ

Notable Transactions

Date Closed	Buyer	Target	Enterprise Value (\$mm)	EV/Revenue	EV/EBITDA	Target Description/Comment
12/30/11	Tailwind Capital	Cumberland Consulting Group	ND	ND	ND	National provider of healthcare IT implementation and project management services
12/30/11	KT Corp.	H&C Network	87.5	ND	ND	Human resource consulting services
12/30/11	Optimal Solutions	The Glenture Group	ND	ND	ND	Enterprise performance management and business intelligence solutions
12/13/11	ICF International	Ironworks Consulting	100.0	1.8x	ND	Technology and interactive solutions
12/09/11	Appirio	Saaspoint Limited	ND	ND	ND	Cloud computing consulting and software as a service applications
12/05/11	Kofax	Singularity Limited	48.1	3.0x	ND	Implementation of business process management and workflow solutions
12/01/11	Tribridge	ePartners	ND	ND	ND	Business and technology consultancy, provides ERP and CRM solutions
11/15/11	Kratos Defense & Security Solutions	SecureInfo Corporation	19.5	ND	ND	Information assurance solutions and strategic advisory services
11/14/11	Salesforce.com	Model Metrics	57.6	ND	ND	Solutions and services for cloud computing companies
11/07/11	Best Buy	MindSHIFT	167.0	1.5x	ND	Information technology infrastructure and software services
11/01/11	Presidio	INX	150.4	0.4x	42.2x	Network infrastructure, unified communications and collaboration, and data center solutions
10/14/11	NCO Group	APAC Customer Services	436.2	1.3x	9.2x	Customer care outsourcing and business process outsourcing services
10/09/11	Vitruvian Partners	College Group	70.3	1.1x	ND	Business communications consultancy services

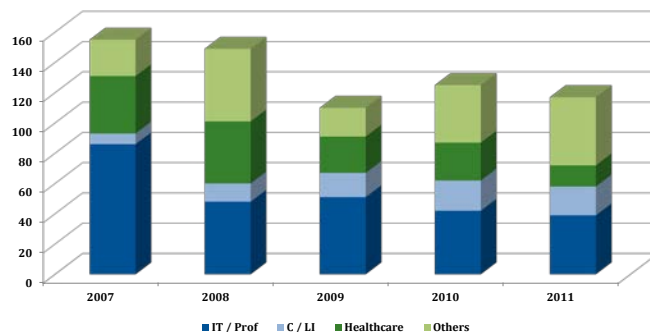
Sector Update: Human Capital Management (HCM)

Mergers and Acquisitions by Segment

Transactions within the commercial/light industrial and IT staffing segments led the M&A activity this quarter with four transactions (or 14.8% of activity) occurring in each. We noted three healthcare staffing transactions in the fourth quarter of 2011.

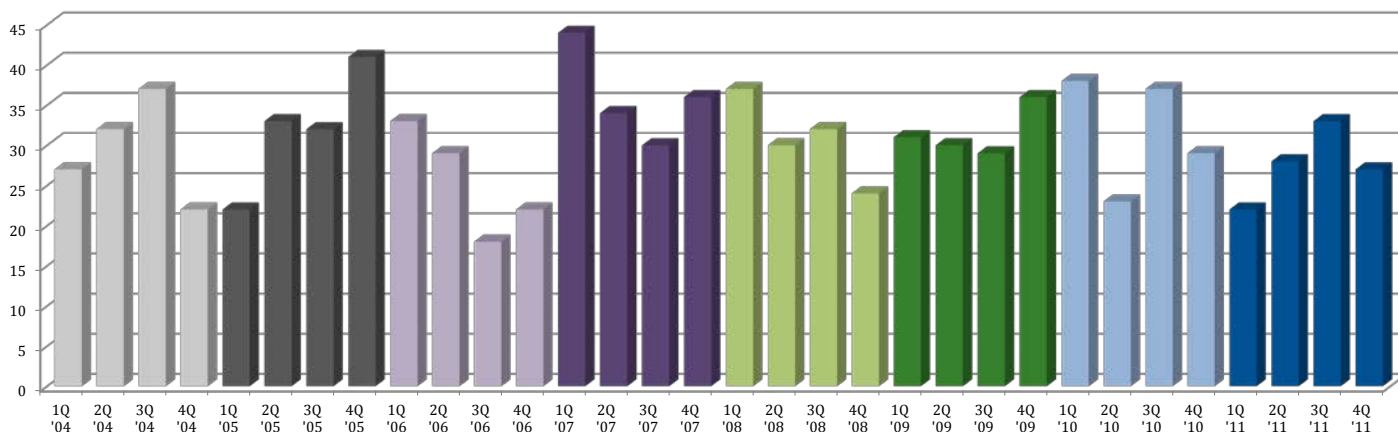
Transaction volume is increasingly being driven by the other HCM segments such as HRO, search, finance & accounting, VMS/MSP and technical/engineering. While we expect activity to continue to be strong within the IT staffing segment, activity in each of these other sectors seems to be ramping up as well

4Q 2011 Staffing M&A Deal Volume by Segment



HCM M&A Deals by Quarter (2004 - 4Q 2011)

M&A activity decreased slightly quarter-over-quarter from 33 transactions in 3Q to 27 in 4Q. International companies were extremely active in the M&A market this quarter with twelve (or 44.4%) of the M&A deals involving international targets and nearly the same percentage involving international buyers.



Source: CHILDS database and Capital IQ

Notable Transactions

Date Closed	Buyer	Target	Enterprise Value (\$mm)	EV/Revenue	EV/EBITDA	Target Description/Comment
01/05/12	APC Workforce Solutions (ZeroChaos)	WorkforceLogic LLC	120.0	0.6x	9.1x	Workforce management services including VMS/MSP and payrolling
01/06/12	Global Employment Solutions (GES)	Fahrenheit Technology's IT staffing division	ND	ND	ND	Insourcing, IT strategy, software development, program/project management and QA testing
12/30/11	Recruit Co.	Advantage Resourcing	410.0	0.3x	10.0x	Staffing services for banking, technology and industrial companies
12/28/11	Epiq Systems	De Novo Legal	106.5	ND	ND	Electronic discovery services, document review and direct-hire staffing
11/21/11	Corporate Resource Services	TS Staffing	64.1	0.3x	ND	Staffing and PEO services to municipalities and private and public companies
10/17/11	Recruit Co.	Staffmark Holdings	295.0	0.3x	8.1x	Clerical and light industrial staffing

CHILDS Quarterly Update: 4Q 2011

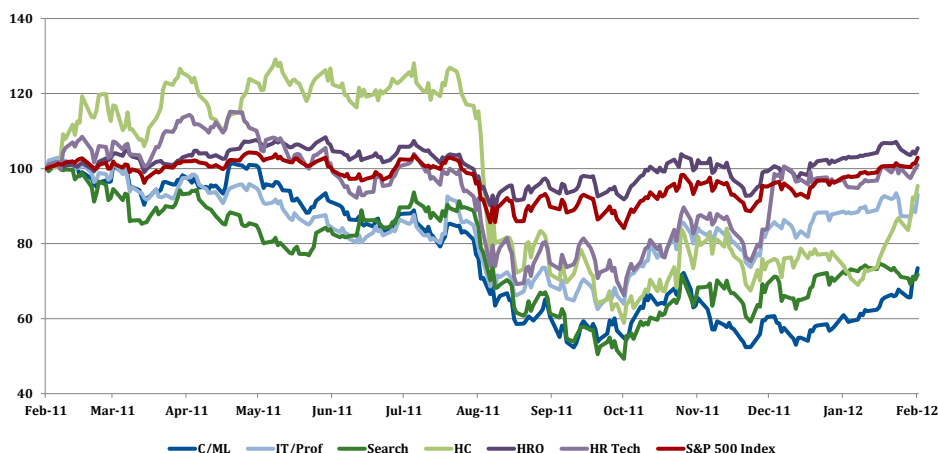
HCM Comparable Public Company Analysis

Public Company Stock Performance

Of the segments we track, search has taken the largest hit in the last few months relative to other sectors, but is beginning to show recovery.

Commercial/multi-line, healthcare and IT/professional staffing have each consistently underperformed the S&P 500 in the last six months.

Recently, HRO is the only segment of HCM that is slightly outperforming the S&P.



Commercial & Multi-Line Staffing

The average LTM EBITDA multiple is relatively flat from 7.0x last quarter to 7.1x this quarter.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Adecco S.A.	\$52.63	72.3%	0.4x	9.5x
Kelly Services, Inc.	\$15.01	65.3%	0.0x	0.0x
ManpowerGroup	\$46.81	67.2%	0.2x	6.3x
Randstad Holding NV	\$38.71	68.5%	0.4x	9.9x
TrueBlue, Inc.	\$17.22	88.4%	0.5x	9.7x
Average		72.3%	0.3x	7.1x

IT & Professional Staffing

The average LTM EBITDA multiple is 9.2x this quarter which is up from 8.2x in the third quarter of 2011.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Analysts International Corp.	\$6.68	95.4%	0.3x	6.3x
CDI Corp.	\$15.95	78.4%	0.3x	10.5x
Computer Task Group Inc.	\$15.25	100.0%	0.7x	13.3x
Kforce Inc.	\$13.36	69.5%	0.5x	8.5x
Mastech Holdings, Inc.	\$4.57	87.2%	0.1x	5.3x
On Assignment Inc.	\$12.19	99.3%	0.9x	11.5x
RCM Technologies Inc.	\$5.60	94.4%	0.3x	4.7x
Robert Half International Inc.	\$29.60	86.7%	1.1x	13.3x
Volt Information Sciences Inc.	\$7.02	65.0%	NM	NM
Average		86.2%	0.5x	9.2x

Executive Search

The average LTM EBITDA multiple increased to 5.8x this quarter, from 4.7x in the third quarter of 2011.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
CTPartners	\$6.10	37.8%	0.2x	4.4x
Heidrick & Struggles International Inc.	\$23.25	77.3%	0.5x	7.8x
Korn/Ferry International	\$16.90	68.2%	0.7x	5.2x
Average		61.1%	0.5x	5.8x

Healthcare Staffing

The average LTM EBITDA multiple has increased to 9.7x from 8.9x in the third quarter.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
AMN Healthcare Services Inc.	\$5.65	60.6%	0.5x	7.9x
Cross Country Healthcare, Inc.	\$6.71	72.0%	0.5x	11.4x
TeamStaff, Inc.	\$2.14	65.4%	0.3x	NM
Average		66.0%	0.4x	9.7x

HR Outsourcing

The average LTM EBITDA multiple is 8.8x this quarter which is down from 9.2x in the third quarter of 2011.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Automatic Data Processing, Inc.	\$55.51	97.2%	2.5x	11.7x
Barrett Business Services Inc.	\$19.10	90.5%	0.4x	10.6x
Capita PLC	\$10.08	80.1%	1.8x	10.8x
Insperity, Inc.	\$29.82	92.1%	0.3x	7.7x
Paychex, Inc.	\$31.95	94.2%	5.2x *	12.1x
Towers Watson & Co.	\$60.74	90.2%	1.2x	6.5x
Xchanging PLC	\$1.20	65.0%	0.2x	2.1x
Average		87.1%	1.1x	8.8x

HR Technology

The average LTM EBITDA multiple is 35.9x this quarter, compared to 32.2x last quarter.

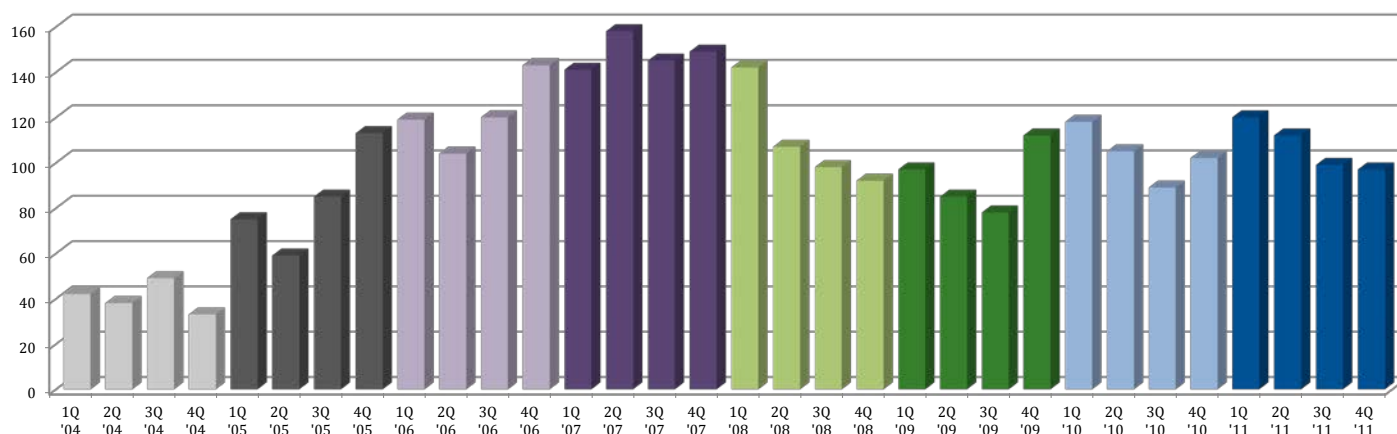
Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
51job Inc.	\$45.33	64.9%	5.1x	14.5x
Concur Technologies, Inc.	\$57.42	91.7%	7.8x	71.5x
Dice Holdings, Inc.	\$8.79	46.9%	2.9x	7.2x
Kenexa Corp.	\$27.19	81.9%	2.6x	33.5x
Monster Worldwide, Inc.	\$7.30	36.9%	0.8x	6.1x
Saba Software, Inc.	\$10.57	99.5%	2.5x	NM
SuccessFactors, Inc.	\$39.83	98.5%	10.7x	NM
Taleo Corp.	\$38.25	89.4%	5.0x	44.0x
The Ultimate Software Group, Inc.	\$69.35	96.4%	6.8x	74.5x
Average		78.5%	4.9x	35.9x

*Excluded from average calculations. LTM = Last Twelve Months. Data obtained from Capital IQ. Stock price as of February 3, 2012

Sector Update – Marketing & Information Services

Marketing & Information Services M&A Deals by Quarter (2004 – 4Q 2011)

We noted a total of 97 transactions in the fourth quarter of 2011, compared to 99 transactions in 3Q 2011 and 102 transactions in the fourth quarter of last year.



Source: CHILDS database and Capital IQ

Notable Transactions

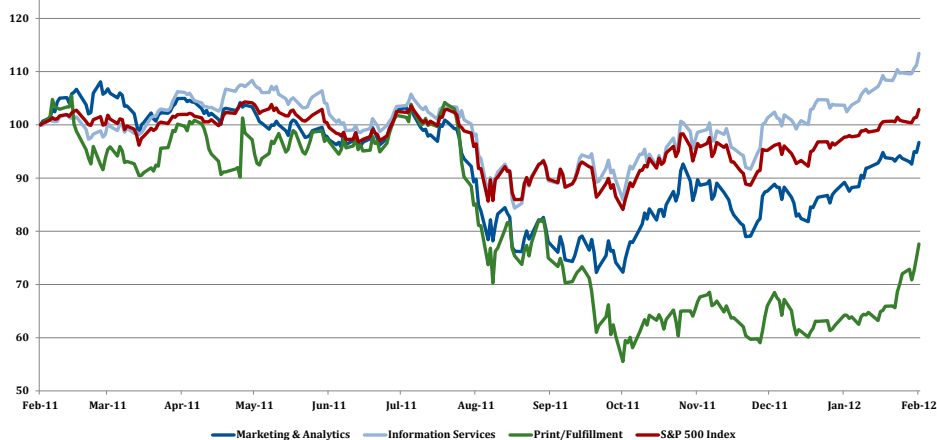
Date Closed	Buyer	Target	Enterprise Value (\$mm)	EV/Revenue	EV/EBITDA	Target Description/Comment
12/08/11	Management Team	MSQ Partners	17.2	0.2x	4.1x	Advertising, marketing and design services
11/14/11	WebXU	Lot6 Media	31.9	2.0x	10.0x	Marketing solutions for online businesses, media agencies and marketers
11/06/11	Lenco Mobile	iLoop Mobile	42.0	ND	ND	Mobile marketing services such as SMS campaigns and mobile coupons
11/01/11	Yahoo!	Interclick	250.7	2.1x	23.1x	Data-driven advertising and interactive marketing solutions
10/10/11	NeuStar	TARGUS Information Corporation	650.0	4.4x	11.6x	Real-time information services that help companies to process customer and prospect transactions

CHILDS Quarterly Update: 4Q 2011

Marketing and Information Services Comparable Public Company Analysis

Public Company Stock Performance

Print/fulfillment continues to underperform compared to other segments of the sector and the S&P. Recently, information services has been the only segment that has outperformed the S&P.



Marketing & Analytics

The average LTM EBITDA multiple is up from 6.3x last quarter to 7.0x this quarter.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Acxiom Corporation	\$13.76	73.1%	1.0x	5.0x
Harte-Hanks Inc.	\$9.91	72.1%	0.9x	7.6x
Havas	\$4.78	84.5%	1.0x	6.6x
The Interpublic Group of Companies, Inc.	\$10.86	81.4%	0.8x	6.9x
MDC Holdings Inc.	\$24.78	76.5%	1.3x	NM
Omnicom Group Inc.	\$47.19	92.1%	1.2x	7.8x
Publicis Groupe SA	\$52.36	95.4%	1.4x	7.8x
Average		82.2%	1.1x	7.0x

Information Services

The average LTM EBITDA multiple is 9.3x this quarter, which is down from 8.7x in the third quarter of 2011.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Alliance Data Systems Corporation	\$115.57	99.6%	3.9x	12.8x
Digital River Inc.	\$17.89	44.9%	0.8x	5.9x
Dun & Bradstreet Corp.	\$84.97	97.6%	2.8x	9.6x
Equifax Inc.	\$39.64	98.9%	3.0x	9.3x
Intersections Inc.	\$12.73	55.3%	0.6x	4.6x
National Research Corp.	\$43.00	96.8%	4.1x	13.6x
Average		82.2%	2.5x	9.3x

Print/Fulfillment

The average LTM EBITDA multiple decreased to 7.8x, which is down from 9.2x in the third quarter of 2011.

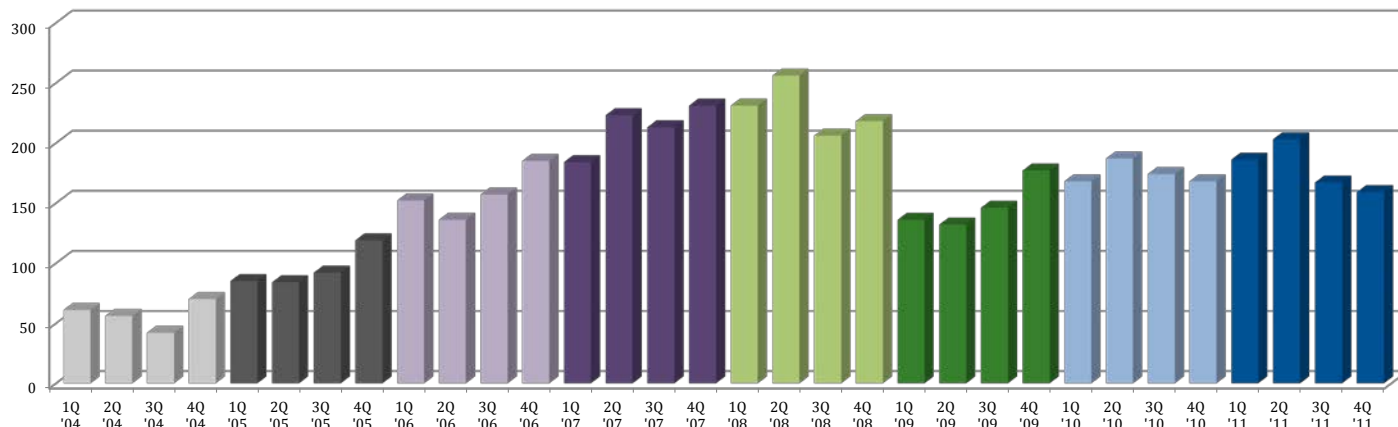
Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Cenveo Inc.	\$4.07	59.4%	0.8x	7.2x
Innotrac Corp.	\$1.25	64.8%	0.2x	6.8x
PFSweb Inc.	\$2.86	42.6%	0.1x	11.6x
Valassis Communications Inc.	\$24.48	68.3%	0.7x	5.6x
Average		58.8%	0.4x	7.8x

LTM = Last Twelve Months. Data obtained from Capital IQ. Stock price as of February 3, 2012

Sector Update – Facilities Services

Facilities Services M&A Deals by Quarter (2004 – 4Q 2011)

We noted a total of 159 transactions this quarter, down from 167 transactions in 3Q 2011 and 168 in 4Q 2010.



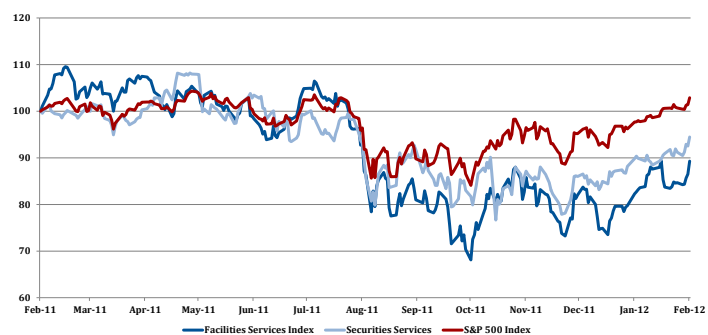
Source: CHILDS database and Capital IQ

Notable Transactions

Date Closed	Buyer	Target	Enterprise Value (\$mm)	EV/Revenue	EV/EBITDA	Target Description/Comment
11/30/11	Ledcor IP Holdings	Renew Resources	68.8	ND	ND	Plastic waste material recycling services
11/02/11	The Turner Corp.	Clark Builders	133.0	0.3x	ND	Construction services
11/01/11	USS Security Eesti	Pristis (Manned and Technical Guarding)	13.7	ND	ND	Manned and technical guarding services
10/01/11	Michael Baker Corp.	RBF Consulting	52.7	0.5x	33.6x	Consulting services for planning, design and construction of built environment

Facilities Services Stock Index

The Facilities Services stock index underperformed the S&P 500 this quarter.



Facilities Services Comparable Company Analysis

The average LTM EBITDA multiple was 8.0x this quarter compared to 7.3x in 3Q 2011.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
ABM Industries Inc.	\$23.18	85.4%	0.4x	8.7x
EMCOR Group Inc.	\$30.74	93.9%	0.3x	6.3x
Fluor Corporation	\$59.86	79.0%	0.4x	8.5x
G4S plc	\$4.33	93.0%	0.7x	8.4x
Garda World Security Cor	\$9.01	79.4%	0.7x	7.0x
Johnson Controls Inc.	\$33.62	78.3%	0.7x	9.3x
Mitie Group plc	\$4.10	94.1%	0.5x	8.0x
National Security Group Ir	\$10.00	66.4%	0.5x	NM
Pike Electric Corporation	\$8.60	82.0%	0.7x	7.4x
Rentokil Initial plc	\$1.24	75.2%	1.0x	* 5.1x *
Securitas AB	\$9.95	85.0%	0.6x	8.1x
Average		82.9%	0.6x	8.0x

*Excluded from average calculations. LTM = Last Twelve Months. Data obtained from Capital IQ. Stock price as of February 3, 2012

About CHILDS Advisory Partners

CHILDS Advisory Partners provides exceptional investment banking services to high-performing business services and technology companies in the middle market. Our combination of sector focus, proven processes and entrepreneurial edge set us apart. Collectively, our senior bankers have executed over 350 M&A and financing transactions. CHILDS, a member of FINRA and SIPC, is a registered broker-dealer.

Our Services

Sell-side Advisory: When you desire to sell or merge your business, we help you prepare, position and execute the process with confidentiality and speed to obtain maximum results.

Buyouts & Recapitalizations: We know the private equity groups interested in the sector and can help you prepare for due diligence and transaction success.

Buy-side Advisory: CHILDS can help you source deals, qualify them and negotiate them. Our sourcing “engine”, market knowledge and experience in creative deal structures will ensure that you see as many deals as possible and have the ability to get them done.

Debt/Equity Capital Raises: We advise companies seeking equity or debt capital for growth, recapitalization or restructuring. CHILDS can help you negotiate with your existing lenders to renew or restructure debt facilities. If needed, we can tap into our many banking relationships to solicit and negotiate term sheets with other potential lenders as well.

Financial & Strategic Advisory: We provide an objective and disciplined methodology to help your team develop a winning plan for short-term performance and long-term value creation. Whether it’s a Value Creation Road Map, Strategic Alternatives Assessment, Employee Stock Ownership Plan, or Fairness Opinion, we provide insight to the options available for company owners to maximize value and liquidity.

Sector Focus – Business Services & Technology

Business Services & Technology

IT/Professional Services	Business Process Outsourcing	Human Capital Management	Industrial Services	Marketing & Info Services
<ul style="list-style-type: none"> ▪ Consulting ▪ Managed Services ▪ Federal ▪ Tech-enabled business services ▪ Software 	<ul style="list-style-type: none"> ▪ Collections/Receivables ▪ Legal Process Outsourcing ▪ Teleservices ▪ Knowledge Process Outsourcing ▪ Revenue Cycle Management 	<ul style="list-style-type: none"> ▪ Staffing ▪ Human Resource Outsourcing ▪ Vendor Management Services/ Managed Service Provider ▪ Recruitment Process Outsourcing ▪ Professional Employment Organization ▪ HCM Technology 	<ul style="list-style-type: none"> ▪ Facilities Management ▪ Security ▪ Building & Janitorial ▪ Engineering & Maintenance ▪ Equipment Rental ▪ Logistics 	<ul style="list-style-type: none"> ▪ Advertising & Media ▪ Digital Agencies ▪ Data Analytics ▪ Direct Marketing ▪ Print/ Fulfillment

Our Conference

Our 3rd Annual IT/Professional Services & Outsourcing Summit on Thursday, March 29th at the Seaport World Trade Center in Boston. This full-day conference is attended by executives from a variety of IT/professional services and outsourcing backgrounds as well as private equity investors interested in the space.

Our panelists will share their experiences and offer their insight on:

- Perspective from the C-Suite: Opportunities and Challenges Facing IT/Professional Services & Outsourcing Firms in the Post-Recessionary Environment
- Hot Sectors: Managed Services, Healthcare IT, SaaS/Cloud and Social Media/Mobility
- The ABCs of Private Equity Groups Investing in Services Firms
- Entrepreneur Successorship: The Organization, Market & Cultural Challenges of Taking the Reins from Founders

Who attends:

- CEOs, owners, and C-level executives of mid-market IT/Professional Services & Outsourcing Firms
- Private equity investors
- Executives from major IT/Professional Services firms

You will benefit from exceptional networking opportunities where you can make contacts and connections with both your peers and our featured speakers. To learn more, please see the [latest agenda and bios of our panelists](#).

Please contact Katie Clarke at kclarke@childsap.com or 770.738.2563 to reserve your spot or for any questions. We also have a block of rooms available at the Boston Seaport Hotel for a discounted rate – please call 617.385.4514 and reference code “IT Summit.”

CHILDS  **CTPartners**
ADVISORY PARTNERS

Invite you to join us for the

2012 **IT/PROFESSIONAL SERVICES & OUTSOURCING SUMMIT**

March 29, 2012
10:00 am to 5:00 pm
Cocktail Reception Following
Seaport World Trade Center
Boston, Massachusetts

<p>WHO ATTENDS</p> <ul style="list-style-type: none">- CEOs, owners, and C-level executives of mid-market IT/Professional Services & Outsourcing Firms- Private equity investors- Executives from major IT Services firms <p>AGENDA</p> <ul style="list-style-type: none">- Perspective from the C-Suite: Opportunities and Challenges Facing IT/Professional Services & Outsourcing Firms in the Post-Recessionary Environment- Hot Sectors: Managed Services, Healthcare IT, SaaS/Cloud and Social Media/Mobility- The ABCs of Private Equity Groups Investing in Services Firms- Entrepreneur Successorship: The Organization, Market & Cultural Challenges of Taking the Reins from Founders	<p>REGISTER</p> <p>by February 27, 2012 kclarke@childsap.com or call 770.738.2563</p> <p>ROOMS AVAILABLE</p> <p>at the Boston Seaport Hotel. Book by February 27, 2012 using the code “IT Summit” for a special rate of \$259. For reservations call 617.385.4514</p>
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Recent Activity

We completed the following transactions recently:



About Optimal: Headquartered in Irving, TX, Optimal is a leading SAP consulting and solutions company that works with businesses and government organizations worldwide. The company's services include SAP consulting, enterprise mobility, data analytics, value engineering, program management, upgrades, optimization, application development, application management, and education.



About Cumberland: Cumberland Consulting Group, LLC is a national technology implementation and project management firm serving ambulatory, acute, and post-acute healthcare providers. Through the implementation of new technologies, Cumberland helps their clients advance the quality of patient care they deliver and improve their business performance. The Company is based out of Nashville, TN.



About Fahrenheit: Based in Richmond, VA, Fahrenheit Technology's IT staffing business offers recruitment services in the areas of insourcing, IT strategy, software development, Program and project management consulting as well as quality assurance testing. The Company serves mid-sized to Fortune 500 clients throughout the United States.

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Selected CHILDS Transactions



Fahrenheit
technology
IT Staffing Division
has been acquired by




GLOBAL
Employment Solutions

January 2012



Cumberland
consulting group
has been recapitalized by



TAILWIND CAPITAL

December 2011

glenture
has been acquired by



optimal

December 2011

talagry
GA and SC Operations
has been acquired by



HireDynamics
Great Jobs • Great People

August 2011

EMPLOYBRIDGE™
has been recapitalized by

**Morgan Stanley
Capital Partners**

May 2011



FINELINE
TECHNOLOGIES
has been recapitalized by



cgp Chicago Growth Partners

May 2011



clovis
has been acquired by



ELIASSEN
GROUP
A Riverside Partners Company

April 2011

THE JOHNSON GROUP
A WATERSTONE COMPANY
has been acquired by



PRGX

December 2010




vcg
has been acquired by




BOND

November 2010



Hazelwood
Partners
has been acquired by



ABeam
Consulting®

October 2010

Centre for High Performance Development
has been acquired by



Kenexa™

July 2010



The CSI Companies
has been acquired by



RECRUIT

July 2010



UTILISERV
has been acquired by



Olameter

May 2010



OnSite
RESOURCE SOLUTIONS
has been acquired by



zerochaos

October 2009



ARISTON
has been acquired by



BLACK & VEATCH

September 2009



manifest
has been recapitalized by



BIA Digital Partners

January 2009



AXON
has been acquired by



HCL

December 2008



E-E
consulting
has been acquired by



CEDARCRESTONE

July 2008



ENTERSYS GROUP
SUSTAINABLE SOLUTIONS
has been acquired by



AXON

May 2008



b2bworkforce
has been acquired by



Vedior
where people matter

October 2007