

CHILDS

ADVISORY PARTNERS

Quarterly Business Services Update

Q1 2010

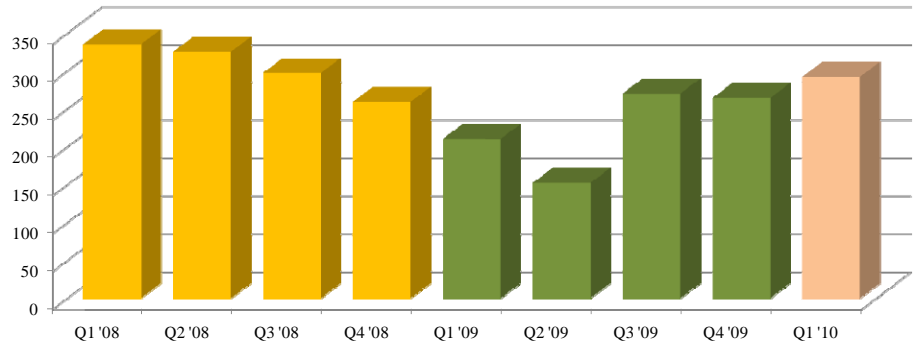
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Letter from Jim:

2010 has gotten off to a fast start for services firms and mid-market M&A activity is definitely picking up as well.

Mid-Market Business Services M&A Deal Volume



CHILDS News and Events

5/25

Alan Bugler joins CHILDS as Vice President

5/18

CHILDS attended SAP's annual Sapphire Convention

4/15

CHILDS advised AMS Utiliserv, a subsidiary of Advantage Human Resourcing on its sale to Olameter Inc.

3/16 – 3/19

CHILDS sponsored the Staffing Industry Executive Forum in Las Vegas

3/1 – 3/4

Don Holbrook, Partner, attended the HIMSS conference in Atlanta

2/10

CHILDS attended the ACG Capital Connection Conference in Atlanta

2/10

CHILDS advised OnSite Resource Solutions on its Sale to a leading HRO player

11/5

CHILDS hosted its 1st Annual IT Services & Outsourcing Summit in Atlanta

For additional information, please visit www.childsadvisorypartners.com

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We see activity picking up from the following reasons:

- Pent-up seller demand
- Private Equity Groups wanting to invest money
- Strategic buyers wanting to buy early in the cycle
- Increased foreign buyer interest in the USA
- Capital gains rates increasing in 2011

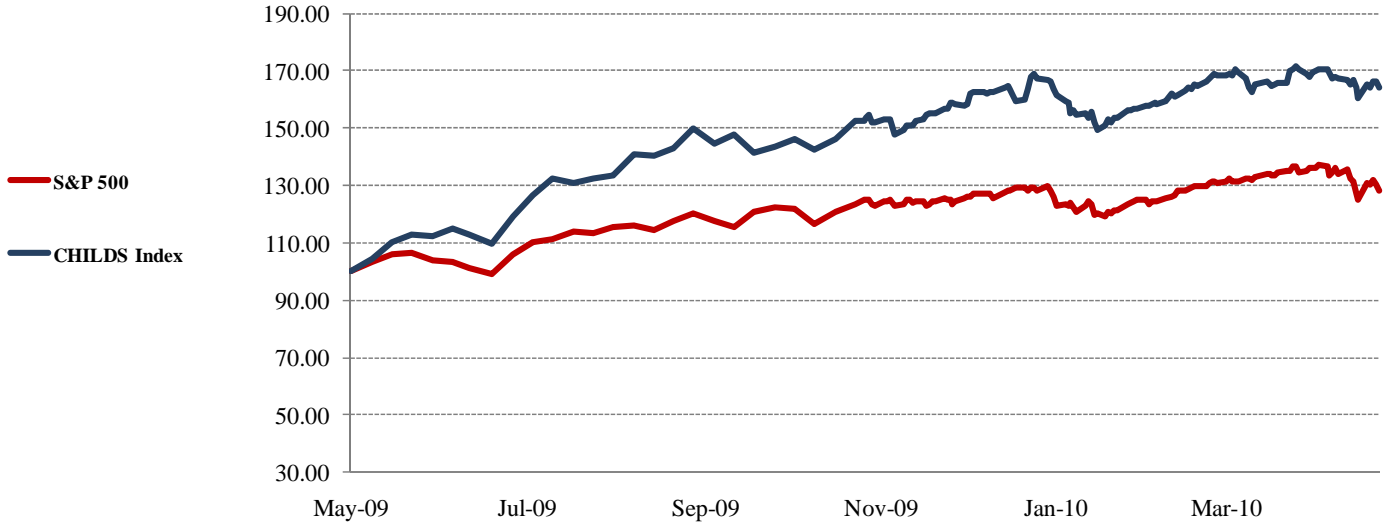
The above factors have narrowed the gap between buyer and seller expectations, thus the transaction environment feels the best it has since 1H 2008. As the economy strengthens we expect to see increased M&A along with capital raise activity. Further easing of credit conditions will hopefully provide additional “lubrication” in the market.

We are very encouraged by the recent business results of our clients and are seeing a fairly significant pick-up in the business. We recently added our eighth professional, thus doubling our team over the past 16 months. As you can see, I do believe that the M&A climate is improving substantially.

I hope all of you have a great summer!

Business Services Market Update

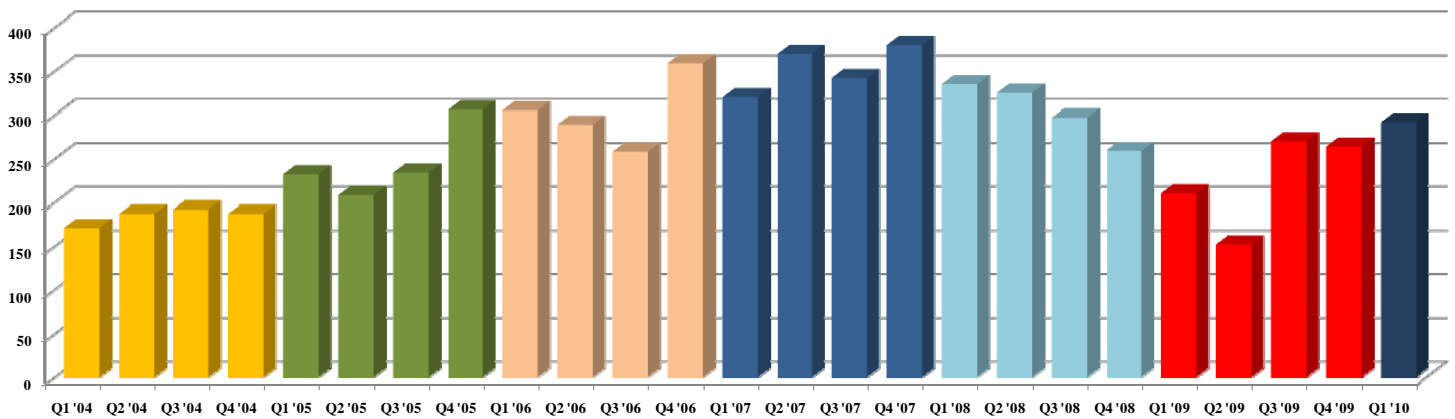
CHILDS Advisory Partners (“CHILDS”) tracks a list of publicly traded companies in the sectors we follow to gain a better understanding of each sector’s performance. In the first quarter of 2010, the CHILDS Business Services Index continued to outperform the S&P 500 Index.



Note: The CHILDS Business Services Index is made up of select public companies in the following sectors: IT Services, Professional Services, Staffing, Collections/Teleservices/Marketing Services and Industrial Services.

Overall, the business services M&A activity increased in the first quarter of 2010 (returning to the 2008 level of around 300 deals per quarter). We expect this trend to continue in 2010.

Business Services M&A Deals by Quarter (2004 – Q1 2010)



Source: CHILDS database and Capital IQ.

Sector Update –IT Services

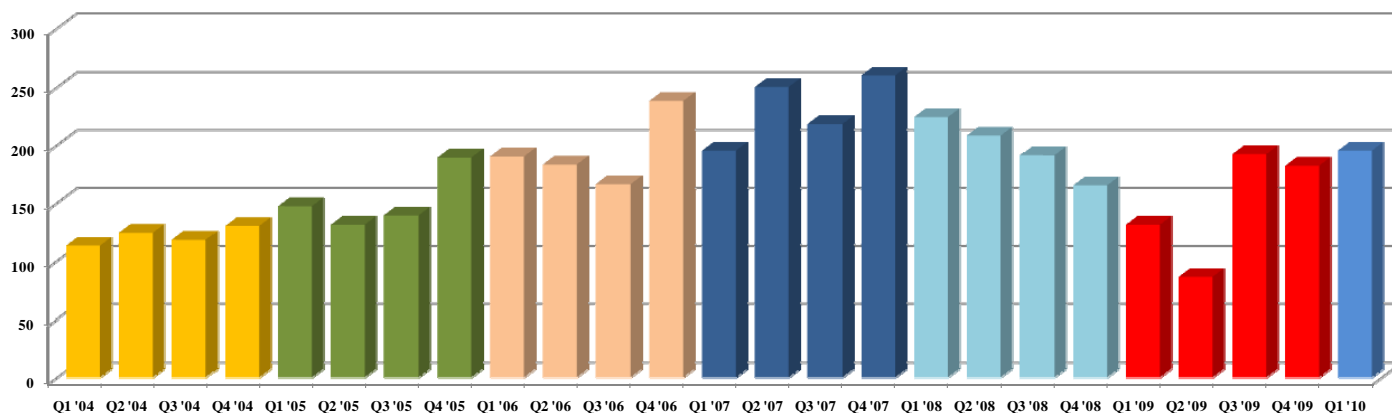
Mergers and Acquisitions:

In the first quarter of 2010, CHILDS noted a total of 195 IT Services deals, compared to 131 transactions in the same period of the prior year. Deal volume also increased 7% compared to 182 transactions noted in the fourth quarter of 2009.

Highlighted Transactions:

Date Announced	Seller	Buyer	Enterprise Value (\$mm)	Target Description/Comment
1/10/2010	ECCOM Network System	Shangai East-China Computer Co.	385	Provides network infrastructure services and solutions
3/22/2010	Personal & Informatik AG	Argon GmbH & Co. KG	154	Provides integrated software solutions for human resources management
1/6/2010	Chordiant Software	CDC Software Corporation	55	Enterprise software vendor in North America and Europe
2/1/2010	ConVista Consulting	Virtusa Corporation	27	Systems integration
3/29/10	Kerdock Consulting	Perficient Inc	6	Systems integrator for Oracle EPM
3/24/10	Intellinet Corporation	Ceridian Corporation	Not Disclosed	Provides IT consulting and enterprise applications development services
3/18/10	Enspira Solutions	Black & Veatch	Not Disclosed	Consulting and systems integration services to utility and cable service providers
2/23/10	Bright Blue Solutions	SMS Management & Technology	Not Disclosed	Operates as a CRM and Oracle BI consulting comp

IT Services M&A Deals by Quarter (2004 – Q1 2010)

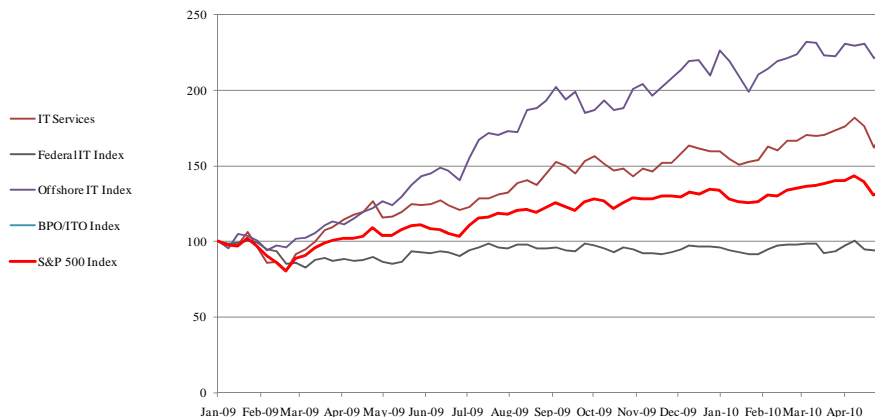


Source: CHILDS database.

Sector Update – IT Services (cont'd)

Public Company Stock Performance:

Led by the Offshore sector, the IT Services stock indices continue to show positive performance in the first quarter of 2010.



Mid-Market IT Services

EBITDA multiples improved from 8.0x in the fourth quarter of 2009 to 9.9x this quarter.

Company Name	Stock Price ⁽²⁾	% of 52 Wk High	Enterprise Value /	
			LTM Revenue ⁽¹⁾	LTM EBITDA ⁽¹⁾
CIBER, Inc.	\$3.39	75.3%	0.3x	6.3x
Diamond Management & Technology	\$9.87	99.7%	1.0x	12.3x
Edgewater Technology Inc.	\$3.00	87.7%	0.5x	NM *
eLoyalty Corp.	\$6.34	60.6%	1.0x	NM *
Intelligroup Inc.	\$3.54	98.3%	0.9x	8.3x
Perficient Inc.	\$11.72	90.2%	1.8x	39.5x *
Sapient Corp.	\$10.41	95.2%	1.8x	18.7x
TechTeam Global Inc.	\$5.14	52.5%	0.3x	4.1x
Average		82.5%	0.9x	9.9x

Federal IT

EBITDA multiples in the federal IT services sector are around 7.4x this quarter, compared to around 8.9x in the prior quarter.

Company Name	Stock Price ⁽²⁾	% of 52 Wk High	Enterprise Value /	
			LTM Revenue ⁽¹⁾	LTM EBITDA ⁽¹⁾
CACI International Inc.	\$48.39	91.4%	0.6x	7.6x
Dynamics Research Corp.	\$12.43	86.8%	0.5x	5.7x
DynCorp International Inc.	\$16.67	75.7%	0.4x	5.7x
ICF International Inc.	\$23.26	74.9%	0.8x	9.2x
ManTech International Corp.	\$43.43	78.8%	0.8x	8.2x
NCI, Inc.	\$21.31	62.3%	0.7x	7.9x
SAIC, Inc.	\$17.22	87.1%	0.6x	7.2x
SRA International Inc.	\$21.79	90.8%	0.7x	8.1x
Stanley, Inc.	\$36.71	98.8%	1.2x	11.5x *
Average		83.0%	0.7x	7.4x

Offshore IT

Offshore IT Services stocks have continued strong gains. EBITDA multiples improved from 10.0x in the fourth quarter of 2009 to 11.7x this quarter.

Company Name	Stock Price ⁽²⁾	% of 52 Wk High	Enterprise Value /	
			LTM Revenue ⁽¹⁾	LTM EBITDA ⁽¹⁾
Cognizant Technology Solutions Corp.	\$49.89	91.8%	3.9x	17.8x
HCL Technologies LTD	\$403.40	98.8%	2.4x	12.1x
iGATE Corp.	\$12.33	92.0%	2.8x	12.7x
Infosys Technologies Ltd.	\$2,656.85	92.4%	6.3x	18.2x
Ness Technologies Inc.	\$5.98	71.4%	0.4x	10.8x
Patni Computer Systems Ltd.	\$562.85	90.1%	2.2x	9.7x
Satyam Computer Services Ltd.	\$88.10	68.6%	NA	NA
Syntel Inc.	\$34.53	69.1%	2.8x	8.7x
VanceInfo Technologies Inc.	\$22.46	84.8%	5.5x	28.5x *
Virtusa Corp.	\$9.62	84.0%	1.0x	8.6x
WNS (Holdings) Ltd.	\$10.57	41.3%	1.0x	6.9x
Average		80.4%	2.8x	11.7x

BPO/ITO

Valuations stayed consistent for the BPO group. EBITDA multiples stayed around 6.0x-7.0x this quarter.

Company Name	Stock Price ⁽²⁾	% of 52 Wk High	Enterprise Value /	
			LTM Revenue ⁽¹⁾	LTM EBITDA ⁽¹⁾
Accenture Ltd.	\$38.99	87.3%	0.9x	6.4x
Automatic Data Processing, Inc.	\$41.80	91.4%	2.2x	8.7x
CGI Group, Inc.	\$16.47	98.9%	1.3x	6.7x
Computer Sciences Corporation	\$49.85	85.4%	0.6x	3.9x
Convergys Corporation	\$11.65	84.5%	0.6x	7.7x
DST Systems Inc.	\$39.92	84.1%	1.3x	6.2x
Genpact Ltd.	\$16.33	89.2%	2.9x	14.1x *
Unisys Corporation	\$25.20	62.4%	0.3x	3.0x
Average		85.4%	1.2x	6.1x

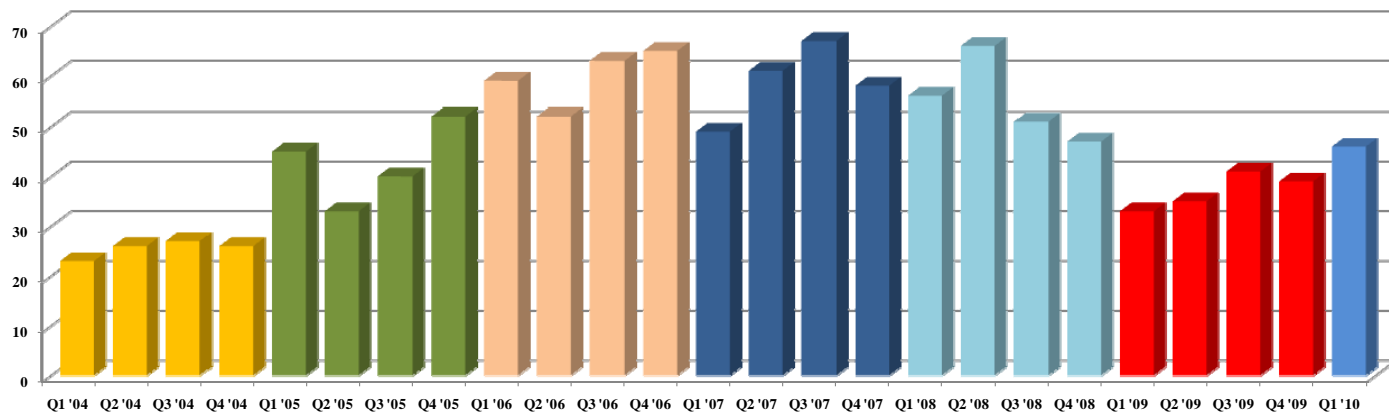
* Has not been included in Mean or Median. LTM: Latest Twelve Months. ⁽¹⁾ Data obtained from Capital IQ. ⁽²⁾ Stock price as of May 14, 2010.

Sector Update – Professional Services

Mergers and Acquisitions:

In the first quarter of 2010, CHILDS noted a total of 46 professional services M&A deals compared to 33 transactions in the same period of the prior year and 39 transactions in the fourth quarter of 2009. M&A volume increased quarter-over-quarter over the past year.

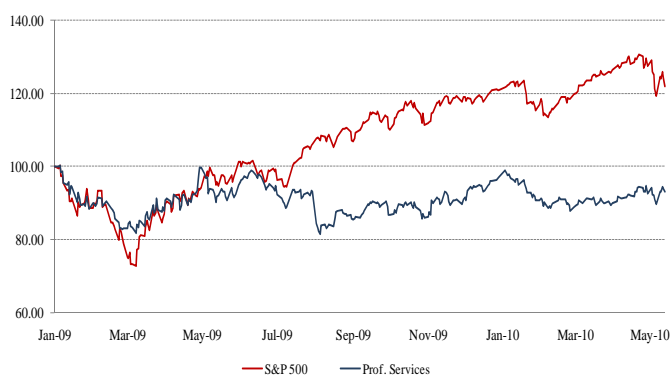
Professional Services M&A Deals by Quarter (2004 – Q1 2010)



Source: Capital IQ and CHILDS database.

Professional Services Stock Index

The Professional Services stocks continued to underperform compared to the S&P 500 this quarter.



Professional Services Public Company Comparables

EBITDA multiples improved from 8.7x in the prior quarter to 9.4x this quarter.

Company Name	Stock Price ⁽²⁾	% of 52 Wk High	Enterprise Value /	
			LTM Revenue ⁽¹⁾	LTM EBITDA ⁽¹⁾
Advisory Board Co.	\$38.59	90.8%	2.2x	16.6x
CRA International Inc.	\$24.18	76.8%	0.7x	8.1x
Exponent Inc.	\$29.72	95.9%	1.5x	8.9x
FTI Consulting, Inc.	\$39.66	70.3%	1.7x	7.3x
Hewitt Associates Inc.	\$38.37	87.5%	1.1x	5.5x
Huron Consulting Group Inc.	\$22.30	44.0%	1.2x	7.8x
LECG Corp.	\$3.11	72.5%	0.6x	NM *
Navigant Consulting Inc.	\$12.73	81.7%	1.2x	8.6x
Resources Connection Inc.	\$17.26	78.8%	1.3x	62.6x *
Watson Wyatt Worldwide, Inc.	\$48.76	93.3%	2.0x	12.2x
Average		79.2%	1.4x	9.4x

* Has not been included in Mean or Median. LTM: Latest Twelve Months.
⁽¹⁾ Data obtained from Capital IQ. ⁽²⁾ Stock price as of May 14, 2010.

Sector Update – Staffing

Mergers and Acquisitions:

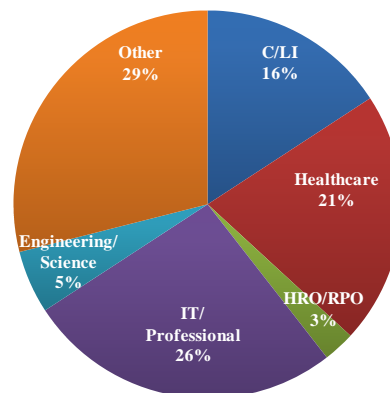
In the first quarter of 2010, CHILDS noted a total of 38 staffing M&A deals compared to 25 transactions in the same period of the prior year and 22 transactions in the fourth quarter of 2009.

On the sub-segment level, IT/professional and Healthcare M&A activity continued to be the leaders in staffing M&A. These two sectors combined represented 47% of the staffing M&A deals in the first quarter of 2010.

EBITDA multiples remain very high as trailing results substantially lag projected results.

Chart B:

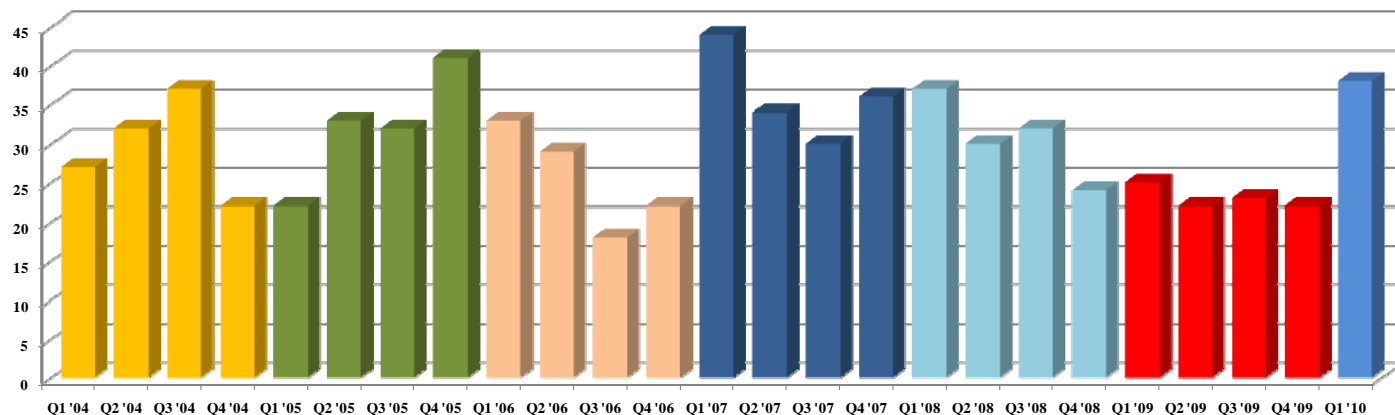
Q1 2010 Staffing M&A Deal Volume by Subsector



Highlighted Transactions:

Date Announced	Seller	Buyer	Enterprise Value (\$mm)	Target Description/Comment
3/15/2010	Truststaff	Medical Connection Holding	27	Places physicians, nurses, pharmacists, and allied healthcare pros
2/19/2010	Astus Technologies	Comp-U-Learn Tech	33	Provides IT staffing solutions
2/2/2010	Comsys IT Partners	Manpower Inc	434	Provides IT staffing solutions
2/1/2010	Tatum	Spherion Corp	46	Executive services firm focused on CFO

Staffing M&A Deals by Quarter (2004 – Q1 2010)

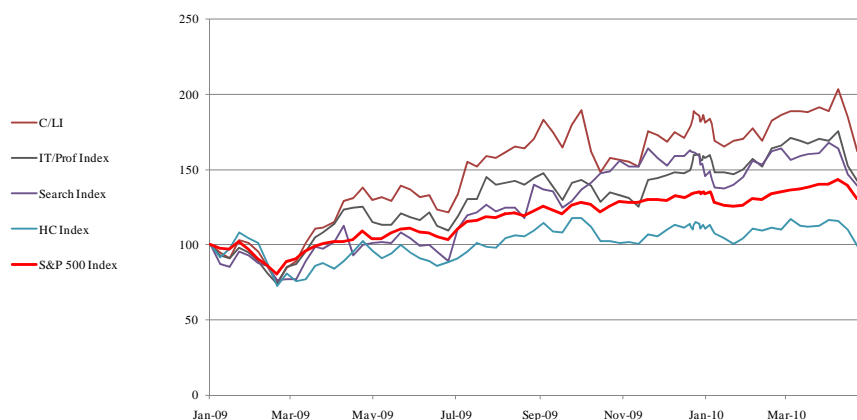


Source: CHILDS database.

Sector Update – Staffing (cont'd)

Public Company Stock Performance:

In the first quarter of 2010, staffing stocks continued to experience healthy appreciation except for the healthcare staffing stock index.



Commercial & Industrial Staffing

The Commercial & Industrial Staffing sub-segment continued to experience positive revenue growth compared to the prior quarter. EBITDA multiples improved again to around 14.7x.

Company Name	Stock Price ⁽²⁾	% of 52 Wk High	Enterprise Value /	
			LTM Revenue ⁽¹⁾	LTM EBITDA ⁽¹⁾
Kelly Services Inc.	\$16.55	87.4%	0.2x	NM
Manpower Inc.	\$49.44	78.5%	0.2x	14.5x
Spherion Corp.	\$8.44	91.8%	0.3x	12.4x
TrueBlue, Inc.	\$16.33	94.8%	0.6x	17.2x
Average		88.1%	0.3x	14.7x

IT & Professional Staffing

EBITDA multiples continued to improve from 7.1x in the prior quarter to 12.7x this quarter.

Company Name	Stock Price ⁽²⁾	% of 52 Wk High	Enterprise Value /	
			LTM Revenue ⁽¹⁾	LTM EBITDA ⁽¹⁾
Hudson Highland Group Inc.	\$5.02	83.4%	0.2x	NM *
Kforce Inc.	\$14.43	88.8%	0.7x	20.0x *
On Assignment Inc.	\$5.99	75.9%	0.7x	11.5x
RCM Technologies Inc.	\$4.00	94.1%	0.2x	13.9x
Robert Half International Inc.	\$26.57	82.4%	1.2x	29.1x *
Average		84.9%	0.4x	12.7x

Search

The Search sub-segment experienced strong EBITDA multiples over the past few quarters. The multiples have since come down to around 30.7x.

Company Name	Stock Price ⁽²⁾	% of 52 Wk High	Enterprise Value /	
			LTM Revenue ⁽¹⁾	LTM EBITDA ⁽¹⁾
Heidrick & Struggles	\$26.95	83.8%	0.9x	11.6x
Korn/Ferry International	\$15.98	85.8%	1.0x	49.9x
Average		84.8%	1.0x	30.7x

Healthcare Staffing

EBITDA Multiples stayed around 6.0x-7.0x over the past few quarters.

Company Name	Stock Price ⁽²⁾	% of 52 Wk High	Enterprise Value /	
			LTM Revenue ⁽¹⁾	LTM EBITDA ⁽¹⁾
Allied Healthcare International Inc.	\$2.76	81.2%	0.3x	4.5x
AMN Healthcare Services Inc.	\$8.87	80.6%	0.5x	8.7x
Cross Country Healthcare Inc.	\$9.52	86.3%	0.6x	12.3x *
Sun Healthcare Group Inc.	\$8.63	83.5%	0.5x	5.8x
Average		82.9%	0.5x	6.3x

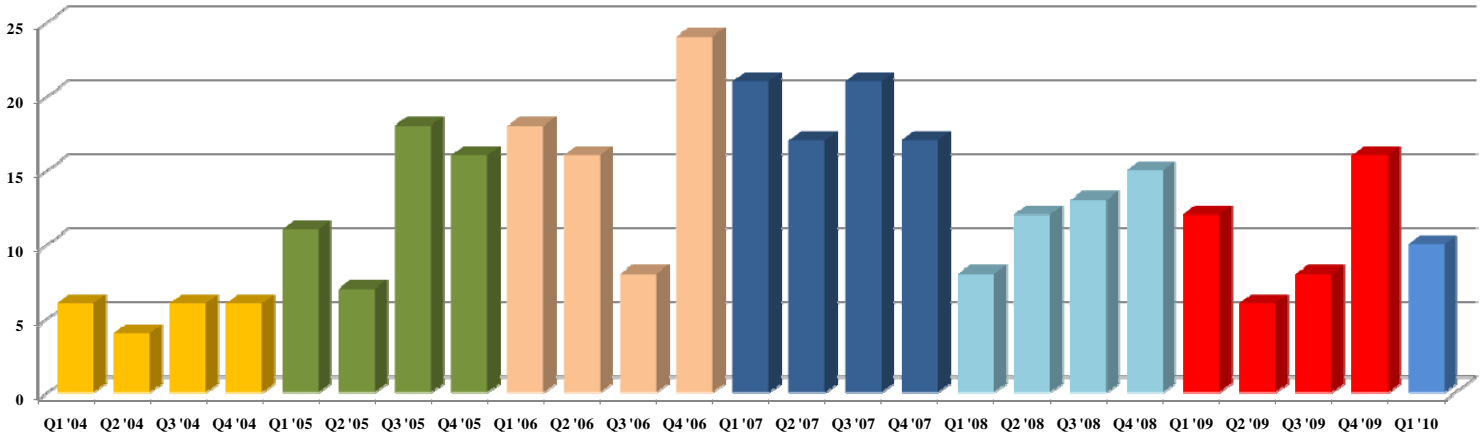
* Has not been included in Mean or Median. LTM: Latest Twelve Months. ⁽¹⁾ Data obtained from Capital IQ. ⁽²⁾ Stock price as of May 14, 2010.

Sector Update – Marketing, Teleservices, and ARM

Mergers and Acquisitions:

Marketing and Teleservices deal flow is down this quarter compared to the fourth quarter of 2009. A majority of the deals in 2009 involved larger agencies acquiring smaller ones, or former executives getting back into the space via acquisition.

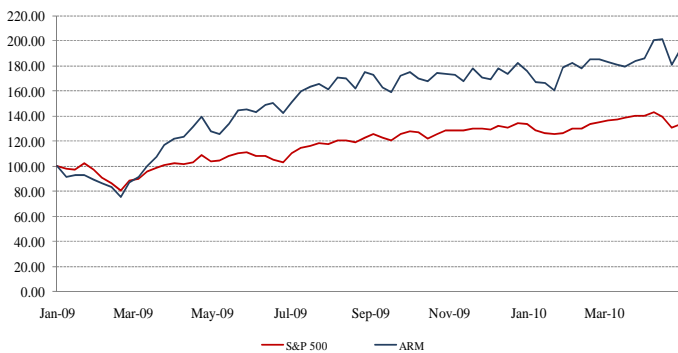
Marketing, Teleservices and ARM M&A Deals by Quarter (2004 – Q1 2010)



Source: Capital IQ.

Marketing, Teleservices and ARM Stock Index

The Collections and Teleservices stock index continued to outperform the S&P 500 index during the first quarter of 2010.



Marketing, Teleservices and ARM Public Company Comparables

EBITDA multiples declined from 8.5x in the prior quarter to around 7.2x this quarter.

Company Name	Stock Price ⁽²⁾	% of 52 Wk High	Enterprise Value /	
			LTM Revenue ⁽¹⁾	LTM EBITDA ⁽¹⁾
Encore Capital Group Inc.	\$20.95	87.0%	2.5x	7.1x
Portfolio Recovery Associates Inc.	\$68.63	99.6%	4.9x	14.9x
Velocity Asset Management Inc.	\$0.36	3.6%	0.9x	NM
APAC Customer Services Inc.	\$6.45	91.9%	1.1x	6.8x
Convergys Corporation	\$11.65	84.5%	0.6x	7.7x
StarTek Inc.	\$5.19	52.1%	0.2x	2.8x
Sykes Enterprises, Incorporated	\$19.01	70.6%	0.8x	6.7x
TeleTech Holdings Inc.	\$14.93	71.3%	0.7x	4.7x
Average		70.1%	1.4x	7.2x

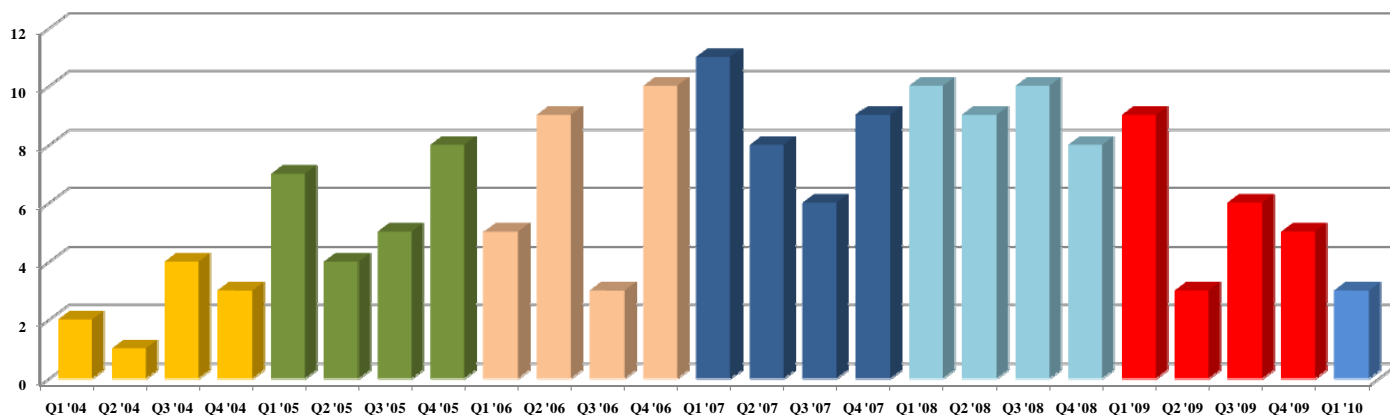
* LTM: Latest Twelve Months. ⁽¹⁾ Data obtained from Capital IQ. ⁽²⁾ Stock price as of May 14, 2010.

Sector Update – Industrial Services

Mergers and Acquisitions:

In this quarter, the Industrial Services M&A activity remained flat compared to the same period of the prior year. However, M&A volume in this sector is down compared to prior quarter.

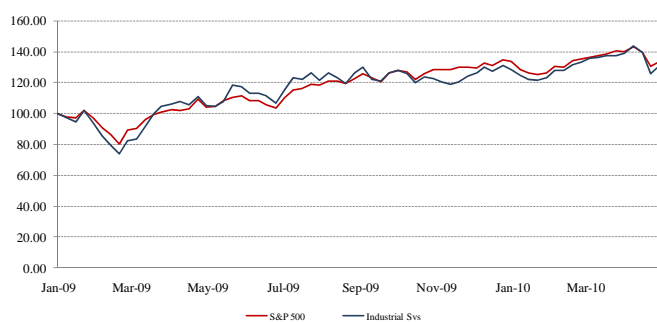
Industrial Services M&A Deals by Quarter (2004 – Q1 2010)



Source: capital IQ.

Industrial Services Stock Index

The Industrial Services Stock Index continues to be closely correlated with the S&P 500 Index.



Industrial Services Public Company Comparables

EV/LTM EBITDA multiples improved from 7.7x in the fourth quarter of 2009 to 8.5x this quarter.

Company Name	Stock Price ⁽²⁾	% of 52 Wk High	Enterprise Value /	
			LTM Revenue ⁽¹⁾	LTM EBITDA ⁽¹⁾
ABM Industries Inc.	\$22.08	94.7%	0.4x	10.6x
Brinks Co.	\$24.72	80.6%	0.4x	4.5x
Command Security Corp.	\$2.55	72.9%	0.3x	10.5x
EMCOR Group Inc.	\$26.90	90.3%	0.3x	4.4x
Garda World Security Corp.	\$7.39	62.1%	0.8x	6.6x
Group 4 Securicor Ltd	\$2.72	95.3%	0.8x	8.8x
Johnson Controls Inc.	\$30.62	85.6%	0.7x	11.0x
Pike Electric Corporation	\$10.49	80.8%	0.9x	10.6x
Rentokil Initial plc	\$1.25	89.2%	1.3x	9.1x
Average		83.5%	0.6x	8.5x

* Has not been included in Mean or Median. LTM: Latest Twelve Months. ⁽¹⁾ Data obtained from Capital IQ. ⁽²⁾ Stock price as of May 14, 2009.

About CHILDS Advisory Partners

CHILDS Advisory Partners provides investment banking and strategic consulting services to growing services companies globally. We have assembled a team of experienced professionals that has both industry and transaction advisory experience to assist company owners in creating and realizing maximum value for their businesses. Collectively, our Partners have executed over 150 transactions in the sector totaling over \$9 billion.

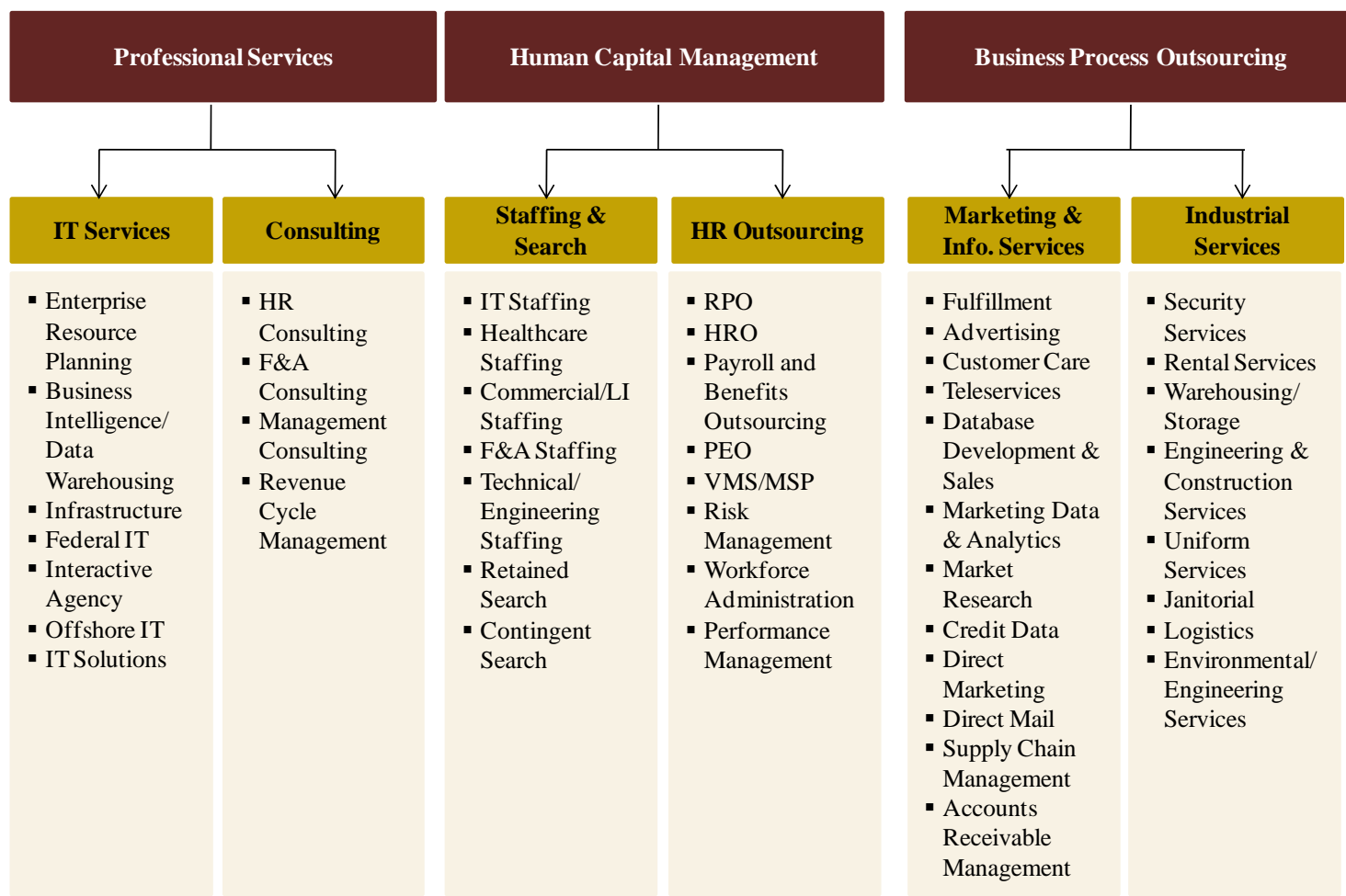
What We Do

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.

Buy-side Assistance: 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 Financing & Restructuring: We advise companies seeking equity or debt capital for growth, recapitalization or restructuring. We can also help with buyouts of partners or other key transactions. CHILDS can help you negotiate with your existing lenders to renew or restructure debt facilities. If needed, we can tap our many banking relationships to solicit and negotiate term sheets with other potential lenders as well.

Strategic Consulting and Valuation: Our Roadmap Process brings an objective and disciplined methodology to help your team develop a winning plan for short-term performance and long-term value creation. Our Strategic Alternatives Assessment project provides insight to the options available for company owners to maximize value and liquidity. Finally, we provide valuations and fairness opinions.



Selected CHILDS Transactions

 <p><i>has been acquired by</i></p>  <p>October 2009</p>	 <p><i>has been acquired by</i></p>  <p>September 2009</p>	 <p><i>has been acquired by</i></p>  <p>September 2009</p>	 <p><i>Finance & Accounting</i></p> <p><i>has been acquired by</i></p>  <p>August 2009</p>
 <p><i>has been acquired by</i></p>  <p>May 2009</p>	 <p><i>has been recapitalized by</i></p>  <p>January 2009</p>	 <p><i>has been acquired by</i></p>  <p>December 2008</p>	 <p><i>has been acquired by</i></p>  <p>September 2008</p>
 <p><i>has been acquired by</i></p>  <p>September 2008</p>	 <p><i>has been acquired by</i></p>  <p>July 2008</p>	 <p><i>has been acquired by</i></p>  <p>June 2008</p>	 <p><i>has been acquired by</i></p>  <p>May 2008</p>
 <p><i>has been acquired by</i></p>  <p>October 2007</p>	 <p><i>has been acquired by</i></p>  <p>July 2007</p>	 <p><i>has been recapitalized by</i></p>  <p>July 2007</p>	 <p><i>has been acquired by</i></p>  <p>June 2007</p>

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