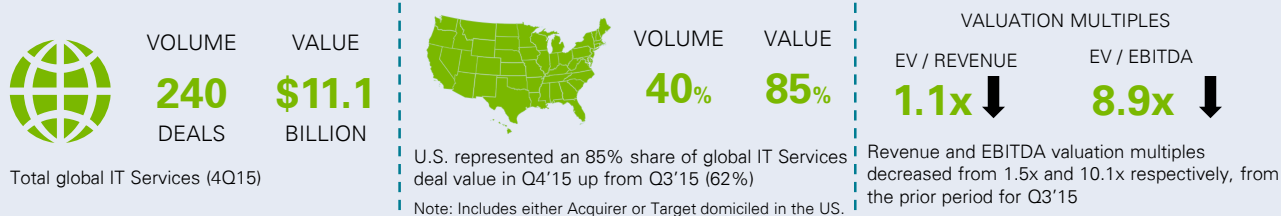


Global IT Services Corporate Finance Update Q4 2015

Across all global IT services sectors, deal value is up from last quarter, with \$11.1 billion in total deal value for Q4'15, compared to \$5.9 billion in Q3'15, which was mainly attributable to the \$4.3 billion acquisition of Heartland Payment Systems in by Global Payments. Global volumes were up versus the prior quarter with 240 total deals in Q4'15 versus 218 in Q3'15.

Global IT Services M&A Market Q4 2015



Featured Transaction (4Q '15)

Public Trading Multiples (EV / EBITDA)

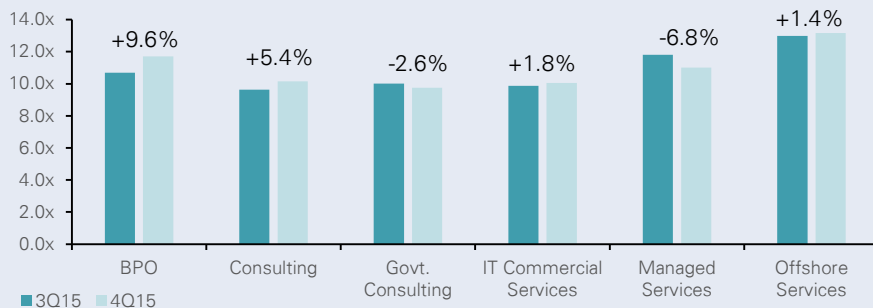
Global Payments Inc. acquired Heartland Payment Systems Inc.



VALUE
\$4.3
BILLION

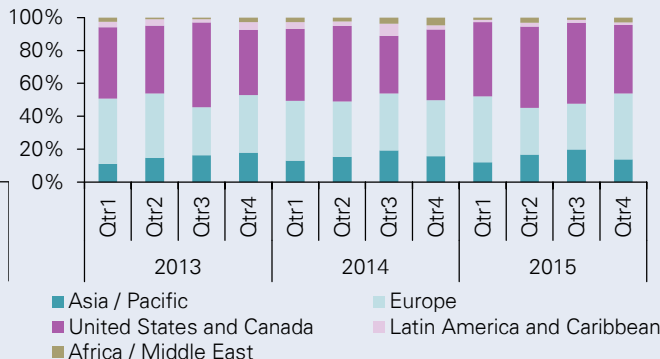
EV / REVENUE
1.7x

EV / EBITDA
19.1x



Cross-Border Deal Volume

Deal Volume By Target Region



Source: Capital IQ and 451 Research

Note: Data source has been narrowed to include only transactions where the target's primary industry classification is IT Services.

Note: Includes announced and closed deals. EV/REVENUE and EV/EBITDA multiples greater than 10.0x and 50.0x were excluded. Volume changes represent quarter-over-quarter percentage increase / decrease for Q4'15 over Q3'15.

Recent IT Services M&A Transactions (>\$25mm)

(US\$ in millions)

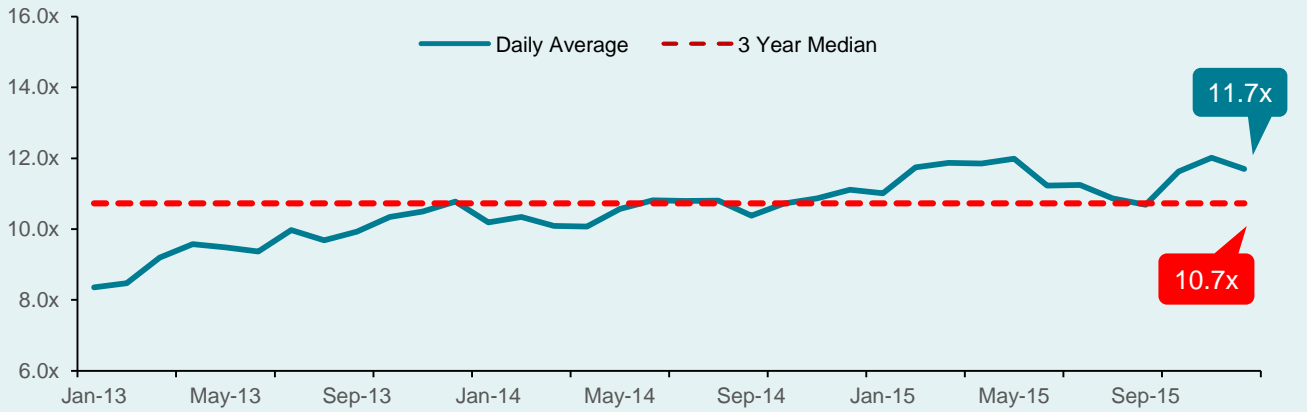
Date Announced	Acquirer	Target	Target Country	Subsector	Enterprise Value	EV as a Multiple of TTM:	
						Revenue	EBITDA
12/22/2015	Wipro Ltd.	Viteos Group	USA	BPO	\$130.0	NA	NA
12/18/2015	New Mountain Capital LLC	Equian [fka Health Systems International] [Great Point Partners]	USA	BPO	\$225.0	NA	NA
12/15/2015	Global Payments Inc.	Heartland Payment Systems Inc.	USA	BPO	\$4,300.0	1.7x	19.1x
12/09/2015	Computer Sciences Corporation [dba CSC]	Xchanging Plc	UK	BPO	\$720.0	0.9x	NM
12/09/2015	Fusion Telecommunications International Inc.	Fidelity Voice and Data	USA	Managed Services	\$30.0	1.7x	NA
12/08/2015	CACI International Inc.	L-3 National Security Solutions Inc.	USA	IT Commercial Services	\$550.0	0.5x	NA
12/02/2015	Wipro Ltd.	cellent AG	Germany	IT Commercial Services	\$77.7	NA	NA
11/24/2015	Computer Sciences Corporation [dba CSC]	UXC Ltd.	Australia	Commercial IT Services	\$307.9	0.6x	9.6
11/24/2015	NCC Group Plc	Fox-IT Holding BV	Netherlands	Managed Services	\$141.8	4.7x	NA
11/23/2015	Eurazeo	Fintrax Group Holdings	Ireland	BPO	\$588.5	2.7x	NA
11/23/2015	Comtech Telecommunications Corp.	TeleCommunication Systems Inc.	USA	Managed Services	\$431.7	1.2x	13.4
11/17/2015	IDI Inc. [fka Tiger Media Inc.]	Fluent Inc.	USA	IT Commercial Services	\$255.0	NA	NA
11/16/2015	ViaWest Inc. [Shaw Communications]	INetU Inc. [BV Investment Partners]	USA	Managed Services	\$162.5	NA	NA
11/05/2015	Virtusa Corporation	Polaris Consulting & Services Ltd.	India	Offshore Services	\$180.0	0.6x	NA
11/02/2015	RWS Holdings plc [dba RWS Group] [fka Randall Woolcott Services Limited]	Corporate Translations Inc.	USA	BPO	\$70.0	NA	NA
10/27/2015	Wirecard AG	Great Indian Retail Group [dba GI Retail Group] (payments business)	India	Offshore Services	\$253.4	NA	NA
10/19/2015	TierPoint LLC [fka Cequel Data Centers, LLC]	Windstream Corp (data center business)	USA	Managed Services	\$575.0	NA	NA
10/19/2015	Deluxe Corporation	Datamx LLC	USA	IT Commercial Services	\$160.0	NA	NA
10/19/2015	Infosys Technologies Limited	Noah Consulting LLC	USA	Consulting	\$70.0	NA	NA
10/14/2015	Blucora Inc. [fka InfoSpace Inc.]	HD Vest Inc. [Parthenon Capital Partners]	USA	BPO	\$580.0	NA	NA
10/13/2015	Ingram Micro Inc.	DOCdata N.V. (DOCdata Nederland B.V. and DOCdata International B.V. business assets)	Netherlands	BPO	\$175.0	NA	NA
10/06/2015	CDI Corporation	EdgeRock Technologies LLC	USA	BPO	\$31.0	0.7x	NA

Source: Capital IQ, 451 Research.

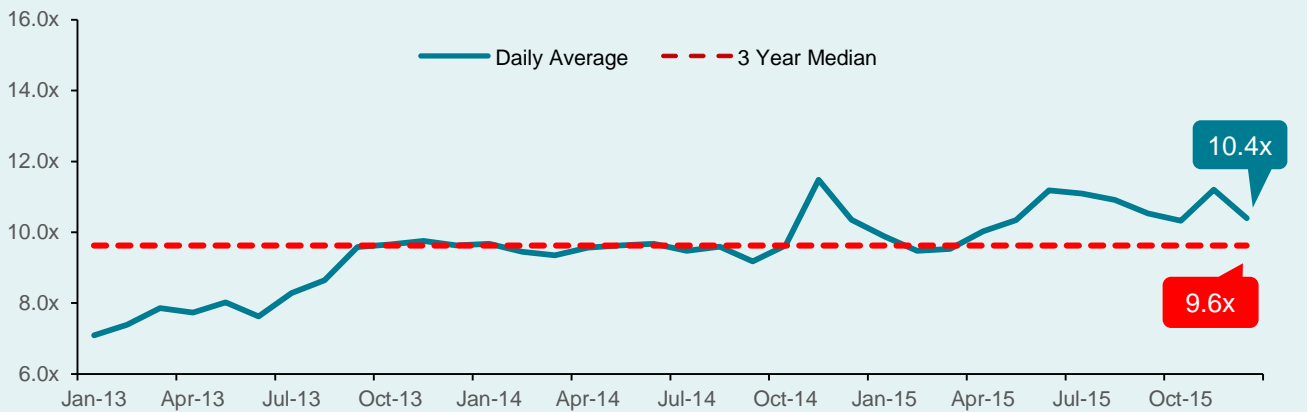
Note: Includes announced or closed deals with disclosed enterprise values of \$25 million and over.

Historical EV / EBITDA Multiples by Subsector

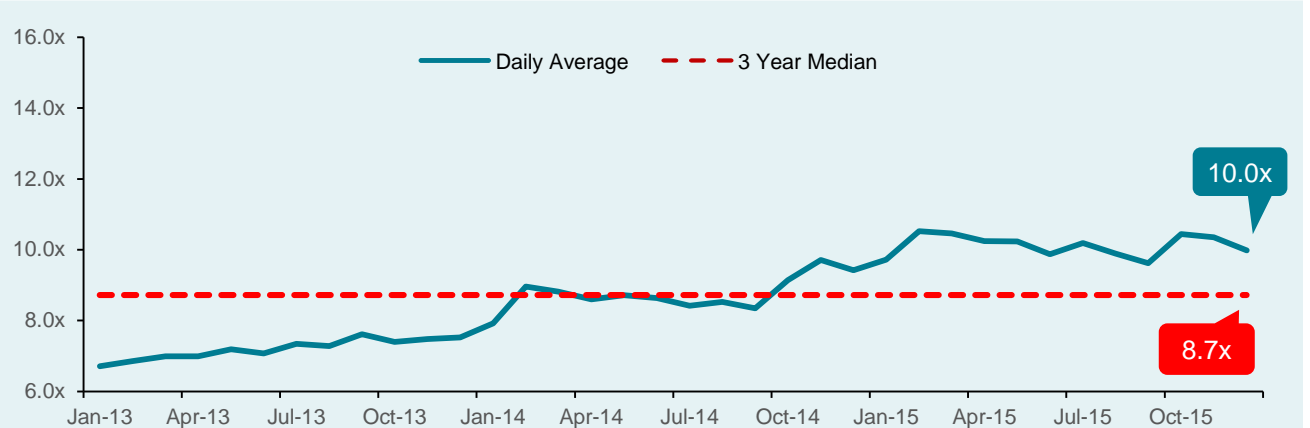
BUSINESS PROCESS OUTSOURCING ("BPO")



CONSULTING



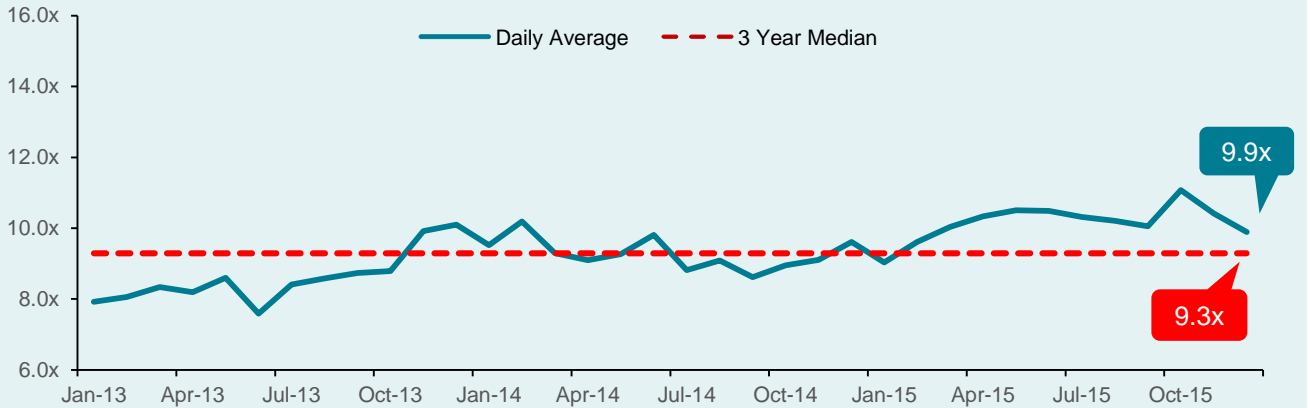
GOVERNMENT CONSULTING



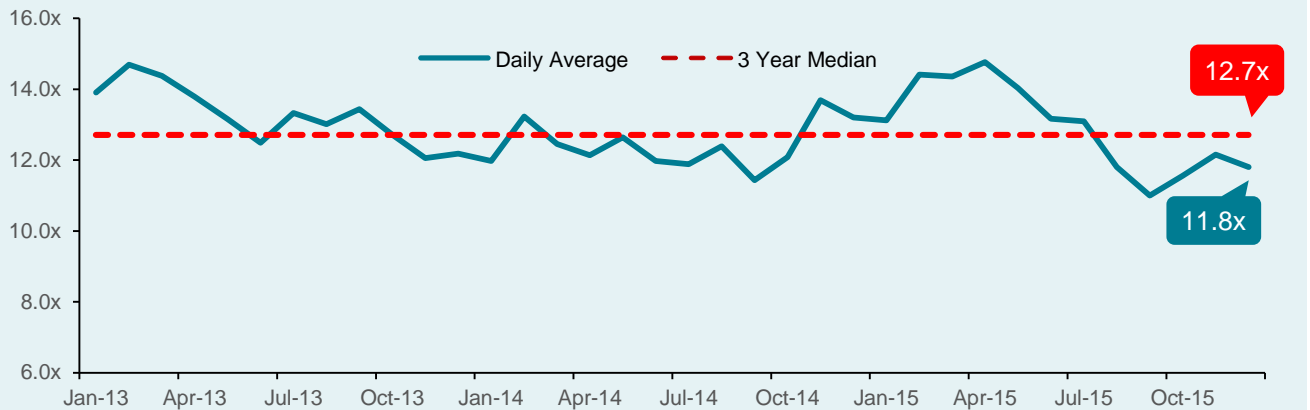
Source: Capital IQ

Historical EV / EBITDA Multiples by Subsector

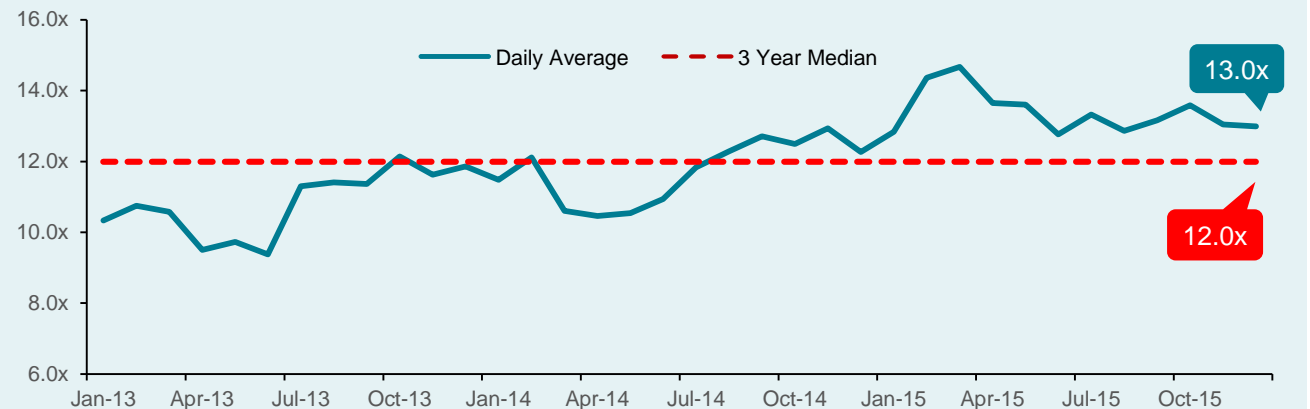
IT COMMERCIAL SERVICES



MANAGED SERVICES / DATA CENTER



OFFSHORE SERVICES



Source: Capital IQ

Public IT Services Companies By Subsector

Public Comparables Analysis

Company	Country	Market Data			LTM Financials (\$mm)				LTM EBITDA	CY 2015 EBITDA
		Market Cap (\$mm)	Enterprise Value (\$mm)	% 52 Wk High	Revenue	Revenue Growth	Gross Margin %	EBITDA %		
BPO										
Automatic Data Processing, Inc.	U.S.A	39,073	37,857	93.4%	11,086	7.6%	43.1%	20.9%	16.4x	16.6x
Capita plc	U.S.A	11,799	14,681	90.4%	7,228	10.7%	27.5%	14.8%	13.7x	14.1x
Convergys Corporation	U.K.	2,428	2,572	93.6%	2,963	3.4%	36.1%	12.5%	6.9x	6.9x
CSG Systems International Inc.	U.S.A	1,176	1,261	92.6%	749	(0.3%)	48.8%	17.5%	9.6x	7.2x
Exlservice Holdings, Inc.	U.S.A	1,481	1,368	86.7%	598	25.3%	35.1%	14.7%	15.5x	12.6x
Firstsource Solutions Limited	France	438	592	94.1%	470	7.5%	33.5%	12.3%	10.2x	9.5x
Genpact Limited	U.S.A	5,313	5,653	96.2%	2,416	7.9%	39.6%	16.9%	13.8x	13.3x
Iron Mountain Incorporated	U.S.A	5,703	10,397	65.0%	3,034	(3.0%)	57.1%	29.8%	11.5x	11.3x
Paychex, Inc.	U.S.A	19,090	18,614	96.5%	2,842	7.7%	71.0%	42.8%	15.3x	14.3x
StarTek, Inc.	U.S.A	56	92	35.4%	264	10.3%	8.4%	0.6%	NM	NM
Sykes Enterprises, Incorporated	U.S.A	1,312	1,155	93.3%	1,299	(3.2%)	34.6%	11.9%	7.5x	7.6x
Teleperformance S.A.	Bermuda	4,807	5,231	97.7%	3,532	23.6%	32.3%	13.2%	11.3x	9.8x
TeleTech Holdings Inc.	India	1,351	1,392	90.8%	1,283	4.6%	28.1%	12.8%	8.5x	8.5x
Towers Watson & Co.	U.S.A	8,920	8,530	NA	3,662	2.6%	33.3%	19.9%	NM	11.0x
BPO Mean				86.6%		7.5%	37.7%	17.2%	11.7x	11.0x
BPO Median				93.3%		7.6%	34.8%	14.8%	11.4x	11.0x
Consulting										
FTI Consulting, Inc.	U.S.A	1,454	1,869	75.4%	1,762	0.4%	34.5%	11.4%	9.3x	9.1x
Huron Consulting Group Inc.	U.S.A	1,302	1,708	75.3%	815	(3.3%)	40.0%	19.6%	10.7x	9.9x
Information Services Group, Inc.	U.S.A	135	173	72.8%	209	(0.2%)	40.3%	8.7%	9.5x	7.7x
Management Consulting Group PLC	U.S.A	107	168	78.3%	380	1.5%	35.7%	4.8%	9.2x	6.5x
Navigant Consulting Inc.	U.S.A	764	907	89.5%	821	8.0%	32.3%	14.7%	7.5x	7.8x
Resources Connection, Inc.	U.S.A	607	506	87.3%	595	1.9%	38.5%	9.6%	8.9x	7.9x
The Advisory Board Company	U.S.A	2,078	2,582	82.2%	722	35.0%	47.6%	10.5%	NM	15.2x
The Hackett Group, Inc.	U.S.A	472	465	80.3%	229	9.5%	37.6%	11.5%	17.6x	13.0x
Consulting Mean				80.1%		6.6%	38.3%	11.4%	10.4x	9.6x
Consulting Median				79.3%		1.7%	38.1%	11.0%	9.3x	8.5x
Government Consulting										
Booz Allen Hamilton Holding Corporation	U.S.A	4,580	5,994	98.4%	5,324	1.3%	24.8%	9.3%	12.1x	10.4x
CACI International Inc.	U.S.A	2,249	3,231	89.1%	3,321	4.2%	33.9%	9.1%	10.7x	10.4x
CSRA Inc.	U.S.A	4,918	5,088	89.7%	3,928	0.0%	19.6%	14.6%	8.9x	NA
ICF International Inc.	U.S.A	684	1,010	81.3%	1,128	8.6%	38.9%	9.9%	9.1x	9.0x
ManTech International Corporation	U.S.A	1,136	1,095	85.8%	1,559	(12.0%)	15.1%	7.5%	9.4x	9.4x
MAXIMUS, Inc.	U.S.A	3,675	3,815	80.4%	2,100	16.3%	24.4%	14.8%	12.3x	13.5x
NCI, Inc.	U.K.	182	194	79.5%	324	4.3%	16.3%	8.4%	7.2x	6.8x
Science Applications International Corporation	U.K.	2,081	3,020	81.8%	4,196	11.2%	9.3%	7.0%	10.2x	10.0x
Government Consulting Mean				84.5%		4.2%	25.9%	10.3%	10.0x	9.9x
Government Consulting Median				81.5%		4.3%	24.6%	9.6%	9.8x	10.0x
IT Commercial Services										
Accenture plc	Ireland	65,617	63,074	95.1%	31,165	3.7%	31.5%	16.7%	12.1x	12.4x
Atos SE	France	8,687	8,541	96.8%	10,934	18.9%	12.2%	11.5%	6.8x	6.6x
Cap Gemini S.A.	France	16,021	14,544	94.3%	12,339	12.6%	25.1%	10.9%	10.8x	9.7x
CGI Group Inc.	Canada	12,315	13,629	93.3%	7,517	3.9%	30.4%	17.2%	10.5x	9.1x
Ciber, Inc.	U.S.A	279	291	83.4%	812	(7.9%)	26.1%	3.1%	11.4x	12.3x
Computer Sciences Corporation	U.S.A	4,535	5,356	44.6%	11,329	(39.5%)	20.9%	8.5%	5.6x	3.0x
Perficient Inc.	U.S.A	605	657	79.4%	450	2.8%	33.7%	12.1%	12.1x	9.4x
Unisys Corporation	U.S.A	552	588	37.1%	3,131	(9.8%)	20.7%	4.1%	4.6x	4.0x
Virtusa Corporation	U.S.A	1,232	1,053	69.6%	527	29.8%	35.9%	13.2%	15.1x	13.7x
IT Commercial Services Mean				78.1%		2.1%	26.1%	10.7%	9.9x	8.9x
IT Commercial Services Median				83.4%		3.9%	25.9%	10.9%	10.8x	9.4x

Source: Capital IQ and company filings.

All figures in USD, where applicable, converted at rates as of December 31, 2015.

- (1) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents as of closing price December 31, 2015.
- (2) Closing share prices as of December 31, 2015.
- (3) EBITDA equals Earnings before Interest Expense, Income Taxes, Depreciation and Amortization.

Public IT Services Companies By Subsector (Contd.)

Public Comparables Analysis

Company	Country	Market Data			LTM Financials (\$mm)				LTM EBITDA	CY 2015 EBITDA
		Market Cap (\$mm)	Enterprise Value (\$mm)	% 52 Wk High	Revenue	Revenue Growth	Gross Margin %	EBITDA %		
Managed Services / Data Center										
Equinix, Inc.	U.S.A	18,739	23,040	99.1%	2,634	10.8%	52.4%	41.8%	20.9x	18.1x
Internap Corporation	U.S.A	354	713	59.5%	324	(4.2%)	46.9%	18.6%	11.9x	8.8x
Level 3 Communications, Inc.	U.S.A	19,367	29,689	95.2%	8,090	21.6%	47.7%	30.9%	11.9x	11.4x
Rackspace Hosting, Inc.	U.S.A	3,410	3,530	45.1%	1,951	11.5%	66.7%	26.8%	6.8x	5.2x
Teradata Corporation	U.S.A	3,514	3,350	56.2%	2,572	(7.9%)	51.9%	17.2%	7.6x	6.1x
Managed Services/Data Center Mean				69.2%		1.1%	37.9%	16.5%	11.8x	9.9x
Managed Services/Data Center Median				73.9%		2.4%	34.8%	12.6%	11.9x	8.8x
Offshore Services										
Cognizant Technology Solutions Corporation	U.S.A	36,496	33,396	86.0%	11,926	21.0%	40.1%	19.9%	14.1x	13.3x
Genpact Limited	Bermuda	5,313	5,653	96.2%	2,416	7.9%	39.6%	16.9%	13.8x	13.3x
Globant S.A.	Luxembourg	1,276	1,203	98.1%	237	25.7%	36.9%	11.9%	NM	NM
HCL Technologies Ltd.	India	18,199	16,703	80.8%	6,139	14.9%	34.3%	21.5%	12.6x	11.1x
Hexaware Technologies Limited	India	1,108	1,051	72.5%	460	21.5%	26.9%	18.0%	12.7x	12.5x
Infosys Limited	India	38,153	33,544	90.6%	9,214	17.2%	36.7%	27.8%	13.1x	12.4x
MindTree Limited	India	1,819	1,744	89.5%	644	30.0%	32.5%	18.0%	15.0x	11.4x
Mphasis Limited	India	1,579	1,276	93.1%	899	5.3%	30.1%	14.0%	10.1x	9.7x
Sonda S.A.	Chile	1,544	1,598	0.0%	1,258	(2.7%)	19.3%	13.6%	9.3x	8.3x
Tata Consultancy Services Limited	India	72,510	69,402	86.7%	15,768	14.3%	33.0%	25.4%	17.3x	15.3x
Tech Mahindra Limited	India	7,616	7,234	69.7%	3,800	17.4%	29.6%	16.9%	11.3x	11.5x
Wipro Ltd.	India	20,758	17,999	82.7%	7,513	7.9%	31.0%	21.6%	11.1x	9.8x
WNS (Holdings) Ltd.	India	1,597	1,467	90.7%	552	5.5%	34.8%	17.3%	15.3x	12.2x
Offshore Services Mean				79.7%		14.3%	32.7%	18.7%	13.0x	11.7x
Offshore Services Median				86.7%		14.9%	33.0%	18.0%	12.9x	11.8x
Public Comparables Analysis Mean				84.1%		7.2%	38.0%	15.1%	11.2x	10.5x
Public Comparables Analysis Median				89.5%		6.1%	35.9%	13.0%	10.2x	9.8x

Source: Capital IQ and company filings.

All figures in USD, where applicable, converted at rates as of December 31, 2015.

- (1) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents as of closing price December 31, 2015.
- (2) Closing share prices as of December 31, 2015.
- (3) EBITDA equals Earnings before Interest Expense, Income Taxes, Depreciation and Amortization.



2015 Global		No. of Deals
1.	PWC	433
2.	KPMG ²	368
3.	Goldman Sachs & Co	365
4.	Morgan Stanley	345
5.	Ernst & Young LLP	305
6.	Rothschild	293
7.	JP Morgan	285
8.	Deloitte	246
9.	Citi	234
10.	BoA Merrill Lynch	227

2015 U.S.		No. of Deals
1.	Houlihan Lokey	175
2.	Morgan Stanley	96
3.	Duff & Phelps	89
4.	Goldman Sachs & Co	88
5.	Jeffries LLC	87
6.	Raymond James Financial Inc.	84
7.	Generational Equity	83
8.	Stifel/KBW	81
9.	KPMG	78
10.	JP Morgan	77

Source: Thomson Reuters SDC; Each set of figures is taken from the league table press releases issued for that year. Middle market is defined as deals less than US\$500 million.

Global Coverage. Industry Knowledge. Middle-Market Focus.

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KPMG Corporate Finance LLC

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1. Includes transactions completed by KPMG CF professionals while employed at another firm, substantially all of whose assets were acquired by KPMG CF.
2. Transactions represent the global corporate finance practices of KPMG International's network of independent member firms.

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