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Valuation & Deal Insights®

Industry Coverage: IT Services, SaaS, BPO, and IT Supply Chain Services

October 2013

IN THS ISSUE

martinwolf | M&A Advisors
San Francisco | Bangalore
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Viewpoint:

Welcome – Have a Look Around!

By Marty Wolf
Founder | President

Welcome to the first issue of our new and improved *Valuations and Deal Insights (VDI).*

You may be asking, so what's new and what's improved?

First, let me address what's *not* new. Our *VDI* mission remains the same: four times a year we will offer you valuable commentary on trends and issues that affect M&A transactions and valuations in the markets we serve. We will chronicle and analyze key transactions. We will feature an Executive Perspective from a leader in our business, representing strategic buyers or private equity firms around the globe. And in each issue I will add my own view on what transactions, events and developments in our industries mean to you.

What *is* new is that in the last two years we've become frequent contributors to prominent news sites such as Forbes, Yahoo! Finance, CRN, GigaOM and C/NET in the United States, VCCircle in India, and Caixin in China. In the first nine months of 2013, we published more than 20 articles in these and other outlets. These articles, combined with the more than 30 reports, commentaries and transaction analyses we have delivered directly to your email in-boxes, provide the most complete picture of current trends and issues in global middle market IT M&A available from any single source.

So starting with this issue of *VDI*, we will select and present the best and most representative of the articles, insights and analyses we have published in the previous three months. For these articles, we'll start with brief summaries for browsing and then include links to the complete articles where they were originally published. Our hope is that you will enjoy being able to quickly scan all of the content, followed by being able to read articles in their entirety, if you wish.

How about what's improved? We think you'll like the way we have re-structured the *VDI* so you can instantly find the information you want. Each issue will open with a viewpoint from me. An Executive Perspective in the form of a Q&A will follow my opening remarks. Then we'll present two regular sections: 1) Insights & Commentary and 2) Key Transactions.

We'll likely make some small adjustments over the next few issues of *VDI*. I ask that you guide us with feedback. Email your likes, dislikes and suggestions to Matthew Putzulu, and we'll promptly respond.

Report from the field: cross-border M&A in China and India

This past quarter, I had the pleasure of visiting both China and India to deliver keynote presentations at key industry events and hold private meetings with executives of buyer and seller organizations. I'd like to share some of what I learned.

On June 20th, I presented at the China International Software and Information Service Forum & Entrepreneurs' Summit 2013 in Dalian to an audience of entrepreneurs, business leaders and senior government officials from China and Asia Pacific countries. My theme was how Chinese IT companies can grow enterprise value and gain a deeper foothold as providers of IT services to enterprises across the globe, especially in the coveted markets of the United States and Europe.

The IT services industry in China is just gathering steam, and currently lags behind the global leaders, which for the most part are found in the United States and India.

For example, compared with IT giants such as IBM Global Services, HP and Accenture in the United States – and TCS, Infosys and Wipro in India – Chinese IT services leaders are relatively small with a tiny global market share. Plus, the biggest buyers of IT services are in North America and Western Europe – regions where companies are more inclined to use and trust U.S. and Indian providers.

However, China does have a major advantage over Indian IT companies: a potentially huge domestic market for outsourcing. No such market exists in India. And as domestic demand grows, it could catapult Chinese companies into a phase of rapid growth in both size and sophistication – essential to be able to compete on the global stage.

Though Chinese companies have a long way to go, I believe they can accelerate progress through cross-border M&A. Making such deals work is harder for Chinese companies than for other non-U.S. companies, though. This is because the cultural fit of two companies is as important as the mechanics of a deal. And creating value across two distinct cultures is as much an art as a science.

In fact, bringing a deal to fruition – that is, creating business value – requires:

- A dedicated team that understands both cultures and is multi-lingual in Mandarin, English and potentially the native language of the company being acquired
- A focused work plan to properly pace each phase of the transaction, ensuring that parties remain interested without

destroying value

- Extensive experience in the United States with U.S.-based customers to help determine pricing and understand customs and practices
- Finesse in negotiations that enables both sides to obtain the best value without discouraging potential targets
- Understanding of how to structure transactions through a variety of flexible vehicles
- Proactive, aggressive involvement with due diligence, financing, tax considerations, disclosure obligations, regulatory hurdles, corporate governance, securities law and antitrust issues

Having said all that, in one word, it's complex. When you add cultural differences, deals are even more complex.

But cross-border deals between Chinese IT companies and IT companies in other geographies can – and will – get done.

The situation in India is different. I was in Bangalore on September 19th to present to executives of Indian IT services companies at an IT Enterprise Value Summit co-sponsored by ***martin****wolf.*

Indian IT companies have been leaders on the global stage for some time. But Indian IT services companies face a difficult path forward for the following reasons: a flagging domestic economy facing low growth, inflation, currency volatility and devaluation, a dormant IPO market, spending in new areas such as SaaS and cloud services by customers in North America, and the rise of China as a competitor.

The Indian companies that have done well over the past few years are the larger Tier I companies. They have grown both organically and through acquisitions designed to move up the value chain of service offerings and into more specialized verticals and functions.

I believe these Tier I companies will remain relatively strong for at least the next three to five years, although Tier II companies will continue to suffer for lack of scale.

I also believe that as Chinese IT services companies gain in sophistication and go global, they will give India especially stiff competition. Expect the growing rivalry between India and China to be played out in the next chapter of the global IT services industry.

But for now, India is a more attractive partner for large enterprise customers in the United States and Europe due to strong English language skills, vast industry experience, and the industry's appetite for cross-border acquisitions.

To remain competitive, however, Indian companies must re-double their efforts to make smart investments in IP and make acquisitions that expand their geographic footprint and allow them to move up the value chain – or their key customers will leave them behind.

My takeaways for Indian companies:

1. Size (still) matters.
2. Smart M&A is a key differentiator.
3. Global demand is for repeatable solutions, especially those with Intellectual Property.
4. New delivery models are coming:
    a) Global delivery and hyper-competition cannibalize traditional IT services and continue to put margins under pressure, yet bring higher operating margin potential and more leveragable delivery models.
    b) Total comprehensive solutions are more valuable than point solutions.
5. Chinese companies are consolidating and they will keep taking more share in the IT services market supported by strong domestic demand.
6. Legacy software companies are shifting into SaaS, and SaaS is where the ultimate premium value lies.

The current issue of *VDI*

In this October 2013 issue of *VDI*, our Executive Perspective features the insights of Rob Palumbo, Managing Director of Accel-KKR. Founded in 2000, Accel-KKR is a leading technology-focused private equity firm with over $2.0 billion of capital under management. It is one of the only private equity firms dedicated exclusively to investing in lower middle market software and technology-enabled services companies.

We have completed two transactions with Accel-KKR. One of the deals was a major success – and the other is in the middle of a successful process.

In addition to providing his views on the state of M&A, Rob talks about what Accel-KKR looks for in prospective deals and offers advice to CEOs interested in private equity investments.

Our Insights & Analyses section for this issue includes perspectives on the improving outlook for M&A in the second half of 2013, what might be causing higher valuations for IT channel LBOs, and more advice for Chinese and Indian IT companies considering cross-border

M&A. We also offer continuing commentary on the long-awaited closing of the Dell buyout – the largest tech LBO ever.

Our Key Transactions section spotlights nine transactions, including Salesforce.com's acquisition of ExactTarget, Microsoft's intent to purchase Nokia's smartphone business, and Blackberry's tentative agreement to be acquired and taken private by its largest shareholder.

In closing, we hope you enjoy the changes we have made to the *VDI*, and we thank you for your continued support.

Executive Perspective

Rob Palumbo

Managing Director, Accel-KKR

Editor's Note: *In this issue,* ***martin****wolf interviews Rob Palumbo, Managing Director at leading technology-focused private equity firm* ***Accel-KKR****. Prior to joining Accel-KKR, Rob co-headed the software investment banking practice at Thomas Weisel Partners in San Francisco. Prior to Thomas Weisel, he spent three years at Deutsche Bank where he built the technology investment banking practice in the southeastern U.S. and later headed the software practice in Silicon Valley. Rob is a Director of Infinisource, Paymentus, Layered Technologies, Applied Predictive Technologies, Pinstripe, North Plains, and EA Holdings, Inc. Rob's former selected directorships include IntrinsiQ Research (sold to AmerisourceBergen Holding Corporation in 2011), Saber (sold to EDS in 2007 for $460 million) and Systems & Software.*

How would you characterize some of the trends that have affected tech mergers & acquisitions in 2013?

First, it's a good lending environment. Credit is available and the cost of capital is cheap. So, that certainly drives M&A. Second, there is a slow but steady improvement in the macro-economic environment and that gives companies greater visibility into what is happening in their businesses. And third, I think that both strategic buyers and private equity firms have cash.

Together these forces make for a fairly robust M&A environment right now.

With a good environment for M&A right now from a buyers' perspective, how would you describe the quality of the opportunities you are seeing? Especially given your focus on software, are there good software companies to acquire?

Software companies are still being born that are taking mundane tasks that were done on spreadsheets and are replacing them through software.

We've been at this as a firm for over 10 years now. My partners and I have been in the business for closer to 20 years. I'll tell you at the most macro level software companies are still being born that are taking mundane tasks that were done on spreadsheets and automating them through software. We still invest in businesses that are replacing an Excel spreadsheet, something really that simple. And I don't foresee any time soon that the opportunity to automate workflows and business processes is going to change.

Also, given the nature of software, you do not need a lot of capital to get started. So, we continue to find a lot of very interesting, entrepreneurial people who see an opportunity in a vertical market and decide to start a company with a credit card. In particular, we're interested in companies that are building mission-critical applications that are automating and increasing productivity for core end-markets.

So as a firm you are more interested in companies that see an opportunity to do something better, faster, and cheaper over companies with breakthrough or disruptive technology?

If it's truly disruptive it's probably more of a venture capital-type investment as opposed to private equity, where we play. We are much more interested in what we would describe as stable, strong businesses in established industries that can provide a very, very obvious return on investment to their customers. It's usually in the form of some sort of productivity enhancement.

Does that lead you, then, to certain sectors? Or are you agnostic to the sector or the niche and instead look for some of the qualities you just described?

We like vertically focused software companies so we look at the end market space being served. It might be healthcare, it might be government, it might be human resources. If you look at our portfolio, the end-markets our companies serve are probably pretty consistent with how GDP breaks down across the economy.

When you are initially screening a specific opportunity, are there two or three things you consistently look at to decide whether it's an opportunity you want to pursue?

We usually start by looking at whether the company has true domain expertise that's embedded in the workflows of their products. In other words, does the company have an understanding of the vertical market it serves that's reflected in the product?

Then we think about whether it's mission-critical to businesses. Is it a "nice to have" or is it a "got to have?" To determine that, we'll look at

At the end of the day we partner with people, not businesses. There has to be good chemistry, high integrity people, people looking for a partner who can help them.

the renewal rates or maintenance and support rates the company gets with its customers. For a software company, we're looking for something in the high 80s or 90+ percent renewal rate range. That's usually indicative of something that's fairly mission-critical to a business.

And then, depending upon the business the company is in, we look at whether the team has the ability to run a profitable business.

Given the stage of companies you're looking at, if there is no consistent ability to deliver to the bottom line, then it's probably not a business you're interested in.

Exactly. And then the last thing I'd say is at end of the day we partner with people, not businesses. There has to be good chemistry, high integrity people, people looking for a partner who can help them. We've had good success because we've partnered with good people. It sounds simple, but it's not.

Generally speaking, private equity firms bring focus and discipline that can really help businesses grow. What would you say Accel-KKR could bring to a company that might set you apart from other PE firms?

We have a singular focus on tech and tech-enabled services and we've been doing this for 20+ years. So, I think we do have a real understanding and expertise in the market. I also like to think we have a reputation for being good, honorable, high-integrity partners with our management teams.

And then related to that is the willingness and an interest in rolling up our sleeves and working with our portfolio companies to help them in a myriad ways. We are not passive observers; we are hands on people who want to lock arms with management teams to help them.

Lastly, I think given our experience, our relationships and networks can bring some fairly unique resources to bear for our partner companies.

Can you give a couple of examples of the kinds of networks you have access to?

A lot of our companies have an interest in becoming more global, going outside the U.S. We have a presence in Europe; we've done business in Asia; so, we can help them get global. Then if you look at the broader Accel-KKR family, some of the largest customers of our portfolio companies were relationships from Accel-KKR that we brought to bear and where we were able to get them C-level introductions. We've also brought in world-class board members through our network.

It's not just about dollars and cents. It's about finding the partner who can help them create the most value for their business and the constituents.

I'm sure you consider a lot of companies and therefore in some cases you don't end up making the investment. What are some of the things that cause you to walk away from an opportunity?

We won't compromise on our partner principle. So, if it's not a management team that is going to be enthusiastic about working with us and has a longstanding reputation for being high integrity folks, it won't matter how good the business is. So, I'd say that's number one.

With regard to the kinds of metrics around the business and what makes a good software business, we can usually ferret that out quickly given how long we've been doing this. So unless we hear something just completely contrary to what we've been told, we typically know early on about that.

What would dismiss something fairly quickly might be something simple. For example, they might not have a lot of domain expertise or a differentiated product or a competitive advantage. Those are the kinds of things that will probably make for a quick pass from us.

How about if you are fairly deep into a process and then you decide not to go ahead? It sounds like, in that situation, it would be because you discovered something in the diligence process that you just did not expect.

Yes, and I'm not suggesting that we might be misled but you don't always learn everything right away. And so we might in the discovery process learn something that gives us a different perspective on the business. I will tell you, it's rare that we come out of the first one or two weeks of doing work that our view changes.

What advice would you give to the CEO of a company who is interested in private equity versus a strategic buyer? Are there differences that matter?

I think there are meaningful differences. If an owner thinks they are ready to hit the beach, so-to-speak, then they are probably better to sell to a strategic because when a strategic owns the business they might not view the CEO as core and may be more open to replacing them. And so people tend to sell to strategics when they are ready to exit the business for good.

A good private equity partner is more appropriate when an owner wants to get some financial diversification but believes in the business and would like a second bite of the apple with the portion of ownership they are retaining. So, it's important that they pick a good partner.

It's not just about dollars and cents. It's about finding the partner who can help them create the most value for their business and the constituents.

If a CEO decides that private equity is the way to go, what advice would you offer about how to present the company to a PE firm? How can they put their best foot forward?

Demonstrate knowledge of their business and their market. Have a clear and concise plan for where they want to take the business. Have a genuine interest and enthusiasm for working transparently with a partner.

Is there anything else you'd like to say that might be valuable to that CEO?

I'm not sure that entrepreneurs who've built good businesses realize that there are different options available to them, ways to achieve diversification and still run a business, to retain ownership and upside potential – in other words, have their cake and eat it too.

So, I think they might be surprised at the creative ways they can work with a private equity firm to meet their financial and their personal objectives.

VCCIRCLE

Advice for Indian IT Companies: New Goals Needed for Cross-Border M&A

By Gaurav Sharma
Senior Vice President and Managing Director, India Practice

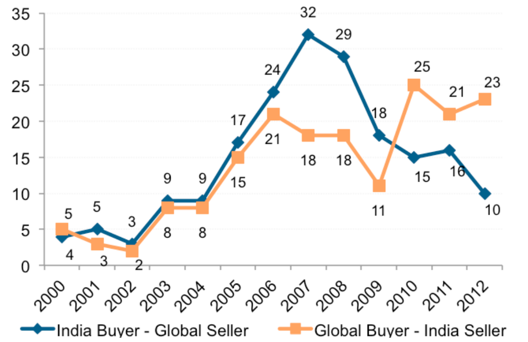
June 7, 2013

Cross-border mergers and acquisitions have fueled the Indian IT Services industry's growth in recent years, helping companies achieve scale and win new customers in new geographies. With this have come higher enterprise valuations.

In an article published in India's VCCircle on June 7th, Gaurav Sharma, Senior Vice President and Managing Director of the India Practice of ***martin****wolf*, wrote, "In the new search for value creation, Indian IT Services companies must acquire high-end services capabilities and continue to move up the value-chain."

Gaurav presents data that shows the number of Indian IT Services cross-border transactions over a 12-year period and juxtaposes it with the plateauing EV/EBITDA numbers over the past 5 years. According to Gaurav, together these data points demonstrate a need for alternative sources of value that could come from a shift in acquisition priorities.

Gaurav concludes that over the next 12 to 24 months, the drive for cross-border M&A will cause Indian IT firms to embrace a wide variety of technologies, "including technology enabled non-voice BPO, analytics and enterprise mobile solutions companies," creating new opportunities to add value.



Indian Cross-Border Transactions: 2000-2013

To read Gaurav's complete analysis in VCCircle, [click here].

What Happens When 14 Sellers Meet 50 Buyers in 24 Hours?

By Tim Mueller
Principal, martinwolf
CEO, Global IT M&A Forum

June 21, 2013

During one 24-hour period, June 11-12, 2013, in New York City, 14 cloud services companies (with enterprise values ranging between \$15 to \$70M) met with more than 50 strategic buyers and private equity firms in 90+ face-to-face private meetings.

The event, a global marketplace for Cloud Services companies co-sponsored by ***martin****wolf***,** leading industry media company UBM, and global accounting firm Grant Thornton, was the Global IT M&A Forum.

The Forum is unique in the M&A industry in that its purpose is to accelerate transactions by introducing pre-qualified buyers and sellers from around the world in a controlled and completely confidential environment during one 24-hour period. In many cases, investors, buyers and sellers participated in as many as nine one-to-one private meetings – each lasting 50 minutes.

To find out what happened when 14 sellers met 50 buyers in 24 hours, [click here] or visit the [Forum's website].

CISIS

The China IT Syndrome – Report on Marty Wolf's Keynote at CISIS

June 22, 2013

For Chinese companies making deals work is harder than for other non-U.S. companies. That is the syndrome – or as we called it – the China IT Syndrome.

This message was at the heart of a presentation Marty Wolf gave on June 20th at the China International Software and Information Service Forum & Entrepreneurs' Summit (CISIS) 2013, the lead forum of CISIS Fair. In front of an audience of senior government officials from China and Asia Pacific countries, Marty addressed how Chinese IT companies can grow enterprise value and gain a deeper foothold as providers of IT services to enterprises across the globe.

Marty Wolf is interviewed by the Dalian Finance & Economics Channel at CISIS

Though Chinese companies have a long way to go, Wolf believes they have strong potential to drive enterprise value by adding IT Services capabilities. IT Services is currently creating more enterprise value than reselling products.

To read Marty's six key takeaways for Chinese IT Companies and the rest of the announcement, click here.

To watch his interview with the Dalian Finance & Economics Channel at CISIS (in Chinese) click here.

SPOTLIGHT

Second-Half Outlook: Corporations Poised to Get Back in the Game

By Geoff Rhizor
Vice President

July 16, 2013

Mid-way through 2013, ***martin****wolf* Vice President Geoff Rhizor looked at the status of the M&A market as a whole. Starting with the June 27th IPO of solutions provider CDW (further analyzed on page 17), Geoff builds on previous commentary regarding the difficulties tech companies face in the private markets. His blog post explores why tech M&A, which for the first half of the year was largely sluggish, was showing signs of perking up.

Drawing on recent reports by research firms such as the Business Roundtable CEO Economic Outlook Index and EY, Geoff identified four key indicators that suggest a strong close for 2013 M&A activity – and told us to stay tuned for big news to come.

To learn about the four indicators and read Geoff's complete post, click here.

YAHOO! FINANCE

Dell or Die

By Marty Wolf
President & Founder

July 17, 2013

As the date for a shareholders' meeting where the vote on whether to approve a proposal by Michael Dell and Silver Lake Partners to take his eponymous computer company private neared, Marty Wolf wrote that the company simply had no real alternative to completing the deal.

For those of us in the industry, the vote was about much more than whether Dell's existing shareholders will be fairly compensated for the value of the company. It was also crucial to whether Dell goes forward as a viable company with the opportunity to engage in a business transformation that creates long-term value for customers, partners and shareholders – or is forced by circumstances to try and squeeze the last bit of life out of it PC business.

To read Marty Wolf's perspective on why, read his article in Yahoo! Finance.

Here's Why China Isn't Taking Over the IT World…Yet

By Marty Wolf
President & Founder

July 24, 2013

This summer, the other Martin Wolf (a celebrated journalist who writes on economics for the Financial Times) wrote an article concluding that the West has no need to worry that China will buy its way into global leadership in key industries through foreign acquisitions – at least for now. Our own Marty Wolf responded with an article confirming this view based on his firsthand knowledge from his trip to China.

Marty wrote that the IT Services industry in China is just gathering steam, and though it currently lags behind the global leaders, which for the most part can be found in the United States and India, its day will soon come – and there are a number of short-term opportunities they can take advantage of in the meantime.

To learn more about these opportunities, and what Chinese IT Services companies have to do to continue building their global competitiveness, click here and read Marty's article in Yahoo! Finance.

For OfficeMax and Office Depot, It's Back to School

By Marty Wolf
President & Founder

August 6, 2013

When OfficeMax reported its second quarter 2013 earnings, its decline in earnings resulted in a net loss of $10 million, or 12 cents a share. These lackluster results were reported just as OfficeMax and Office Depot had cleared all the mandatories for their proposed merger, which was announced in February.

Back in February, Marty wrote in Yahoo! Finance that the merger was a no-brainer. But since the announcement, the companies were barely hanging on to their enterprise values. In this analysis, Marty explored what the companies need to do to succeed both leading up to and following the merger.

To read Marty's commentary, click here.

Potential Buyers of Blackberry, Please Stand Up

By Marty Wolf
President & Founder

August 26, 2013

Before Blackberry announced its purchase offer from its largest shareholder Fairfax Financial Holdings (analyzed on page 17) Marty Wolf took a retrospective look at the tragic story of how the manufacturer never adequately responded to the threat posed by the iPhone and other popular handsets.

His article asked and addressed two crucial questions: What value is still left in Blackberry? And what company might be interested in buying what's left?

To read the conclusions Marty reached in his article for Yahoo! Finance, click here.

Will Buying Nokia Lead to the Breakup of Microsoft?

By Marty Wolf
President & Founder

September 10, 2013

When Microsoft announced that it will buy Nokia's Devices & Services business for $5 billion (further analyzed on page 17) Marty Wolf asked and answered two questions: With Microsoft and Nokia just two years into a strategic partnership, why is Microsoft choosing to own when it can rent? And why now?

The resulting analysis probes the future of Microsoft's business operations and arrives at a provocative conclusion: Microsoft's best hope lies in breaking up into at least two separate operating companies, one focused on its enterprise business and the other on its consumer business.

To read more about Marty's conclusion, and the implications it has for the IT space, click here.

Positive Outlook for LBOs in the IT Channel

By Marty Wolf
President & Founder

September 25, 2013

A handful of notable deals point to a positive trend in leveraged buyouts (LBOs) of companies in the IT channel. It started with Dell, the largest IT leveraged buyout ever at $24.8 billion, which was announced in February 2013.

The Dell buyout was unique both for its size and the participation of founder Michael Dell, but it was hardly the only transaction that occurred this year. According to Capital IQ, in June 2013 leveraged buyouts were at the highest levels in more than a year. And so were valuations.

In an article published in CRN, Marty Wolf delves into the story behind the story of these higher LBO valuations – and how IT channel companies and solution providers can increase their appeal to private equity investors – or, for that matter, any potential buyer.

To read Marty's article in CRN, click here.

Key Transactions

June-September 2013

Analyses of transactions shaping the IT mergers and acquisitions space in the markets we serve

IT Services

June 17, 2013

Atlanta-based EarthLink, Inc. announced an agreement to acquire CenterBeam, Inc., a privately held IT Services provider, for $22 million. The acquisition is structured as an asset purchase.
For more information, read our complete analysis.

September 24, 2013

Rogers Communications announced that it is acquiring Pivot Data Centres from private equity investment firm Sverica for CAD 155 million.
For more information, read our complete analysis.

IT Solution Providers

August 2, 2013

San Francisco-based FusionStorm, an IT solution provider with national U.S. coverage and global distribution capabilities, has entered into a strategic alliance with Synoptek, a cloud solutions and managed IT services firm based in Irvine, California. ***martin****wolf* advised FusionStorm in the transaction.
For more information, read the press release announcing the transaction.

SaaS

June 4, 2013

Salesforce.com, Inc. signed a definitive agreement to acquire ExactTarget, Inc. a provider of marketing software services, for $2.5 billion in cash.
For more information, read our complete analysis.

IT Supply Chain Services

June 27, 2013

CDW, which reported EBITDA of $737 million on revenue of $10.22 billion on 3/31/13, completed its IPO, selling approximately 23.3 million shares at $17 per share, raising approximately $396 million.
For more information, read our complete analysis.

September 3, 2013

Microsoft announced that it reached an agreement to acquire the smartphone and cellular handset business of Nokia Corporation for approximately $5.0 billion, with an additional $2.2 billion for the right to license many of Nokia's patents.
For more information, read our complete analysis.

September 23, 2013

BlackBerry announced that it has entered into a letter of intent (LOI) with a consortium of investors led by Fairfax Financial to purchase BlackBerry for $9 a share – implying an enterprise value of $4.7 billion.
For more information, read our complete analysis.

BPO

August 29, 2013

Baring Private Equity Asia announced that it signed a definitive agreement to acquire a 41.9% stake in Hexaware Technologies Limited with an additional open offer to acquire an additional 26% stake in Hexaware – a total potential investment of more than $465 million.
For more information, read our complete analysis.

September 11, 2013

SYNNEX Corporation announced that it entered into an agreement to acquire IBM's $1.2 billion+ worldwide customer care business process outsourcing (BPO) services business for $505 million – $430 million of the purchase price in cash and $75 million in SYNNEX common stock.
For more information, read our complete analysis.

About *martin*wolf

With offices in San Francisco and Bangalore, ***martin**wolf* is the world's leading middle market IT M&A advisory. Since 1997, the firm has completed more than 115 transactions in seven countries. Its knowledge and experience with IT outsourcing and managed services combined with its disciplined approach, which includes a proprietary, proven, step-by-step work plan customized for each client, has produced one of the highest transaction completion rates in the industry. The firm has active engagements in six countries and has complete transactions with six *Fortune 500* companies.

For more information, visit http://www.martinwolf.com.