

2008

Leveling the Playing Field

Cross-border M&A: India - USA

For the year 2007, the US experienced \$1.4 trillion worth of M&A activity. Of this, 25% of transactions had non-US acquirers. Sovereign wealth funds and emerging markets, including India, accounted for approximately 23% of the non-US acquirers. While signature transactions like Wipro/Infocrossing and Firstsource/MedAssist grabbed the headlines, Indian industry sectors, across the board, have actively been making acquisitions in the US over last two years.



AGILE EQUITY

Global Clients, Innovative Solutions

www.agileequity.com

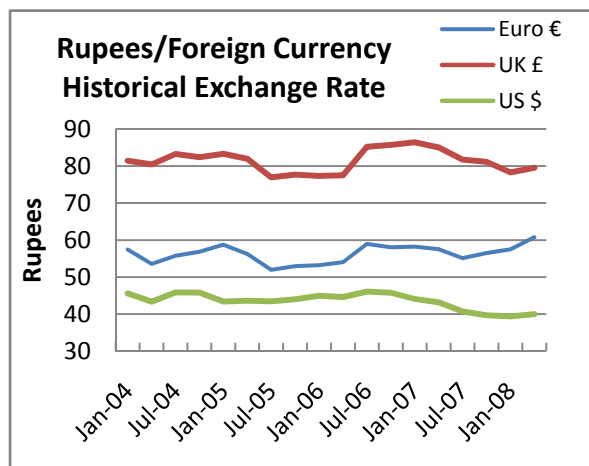
212.475.1100

New York City • Washington DC

Cross-border M&A - Market Update

The strategic benefits of acquiring US brands, skills, resources, distribution systems and technology continue to lure foreign companies who find this a better alternative than penetrating a ready-made customer base on an organic basis.

The principal drivers of foreign acquisitions of U.S. businesses – rapid economic development in emerging nations, the need for geographic diversification, and the weakened dollar continue to create bargains for foreign investors flush with strong currencies and large pools of investment capital. As noted below, the Rupee vs. US dollar is at a historical low relative to the Euro and British pound making investment in the US all the more attractive.



Domestic M&A activity is depressed in the US currently due to recessionary market conditions, and offshore buyers could easily find themselves with more bargains and less competition for targets. As a result, it appears that the pace of foreign acquisitions of US companies is likely to increase significantly in 2008.

Cross-border M&A - Considerations

M&A Know How - It is critical to understand the customary practices in US M&A transactions. Knowing how to approach targets and at what price level to enter negotiations may make or break a potential deal. Successful execution is more art than science, and early involvement by experienced US advisors will be important.

VCS

Vision, Culture & Strategy – The first call with a target should focus on VCS. If in alignment, then proceed with discussions on valuation, financing, structuring and other terms and conditions.

Transaction Structures - In order to bridge potential legal or valuation gaps, flexible acquisition structures are vital. These include earnouts, rollover equity mechanisms, a minority position or a joint venture, possibly with the right to increase to full ownership over time.

Deal Financing - The 2007 credit market upheaval has put even more scrutiny on the financing aspects of transactions. Critical considerations include where equity or debt financing with the most favorable terms and conditions is available; how committed the financing is; and how comfortable the target will feel with the terms and conditions of the financing. In addition, withholding tax requirements and the right mix of debt and equity will be crucial to minimize taxes owed via US interest deductions on acquisition debt.

Corporate Governance and Securities Law - SEC rules, the Sarbanes-Oxley Act and stock exchange requirements should be evaluated to ensure compatibility with home country rules and to be certain that the non-US acquirer will be able to comply.

Other Considerations - Careful thought should be given to political ramifications in advance of any acquisition proposal, particularly if the target company is in a sensitive industry or if the acquirer is sponsored or financed by a non-US government. Concerns of federal, state and local government agencies should be addressed strategically and in a collaborative manner.

Antitrust Issues - To the extent that a non-US acquirer directly or indirectly competes or holds an interest in a company that competes in the same industry as the target company, antitrust concerns

may arise either at the federal agency or state attorneys general level.

Who We Are

Founded in 1996, Agile Equity is a leading M&A focused investment bank headquartered in New York City. We are led by a strong team of corporate finance professionals with extensive IT and IT-enabled M&A transaction experience, with an expertise and track record in executing cross-border M&A transactions.

We advise multinational public and private companies across the globe on a range of strategic M&A transactions including asset purchases, dispositions, restructurings, reorganizations and fairness opinions.

Our dedicated approach to client assignments is focused and highly personal, marked by superior service and creativity. We focus on building long-term relationships with clients. This often leads to multiple engagements with satisfied clients.

What We Do

Buy Side: Agile Equity advises companies seeking to expand distribution, enter new markets, or gain access to technology through acquisitions, mergers, joint ventures or minority investments. In each case, Agile Equity helps clients to define the strategic goals, identify and qualify target companies, handle target contact, conduct due diligence, and structure, negotiate and close the transaction.

Sell Side: Agile Equity advises companies seeking a partial divestiture or a complete sale to achieve broader economies of scale and market presence. Agile Equity helps clients define specific goals and

positioning, preparing marketing materials, identify and qualify potential partners, build the valuation and structure, negotiate and close the transaction.

Representative Transaction



Agile Equity represented India-based Firstsource Solutions in its acquisition of MedAssist Holding, Inc in August 2007 for US \$330 million. Agile sourced the target and led the valuation, structuring, negotiation, due diligence and transaction execution.

MedAssist, headquartered in Louisville, KY had 1,400 employees and was a provider of revenue cycle management services to the healthcare industry. This included Eligibility Services, Receivables Management Services and Post-default Collections services for healthcare providers. The company had over 1,000 clients including hospitals, large physician groups and alternate site providers. MedAssist's revenue for year ended Dec. 31, 2006 was US \$99 million.

Commenting on the acquisition Ananda Mukerji, Managing Director & CEO, Firstsource said, "The healthcare space in the US is a tremendously attractive market from a BPO perspective. Firstsource already has a significant presence in the payor side of the market. This acquisition gives us access to the equally large provider side. MedAssist has an attractive portfolio of service offerings, an excellent customer base and a strong management team. We see significant opportunity to grow our business in the segment by cross-selling Firstsource's services to MedAssist's customers."

Cross-border India-US M&A in IT and IT-enabled Services

Comparable Companies

When comparing public India based IT Services companies to US based, one glaring statistic jumps out – valuation. The favorable trading metrics of Indian IT Services firms as compared to US companies creates ideal conditions for an opportunistic acquisition.

Indian IT Services Companies

\$ in millions, except per share data

Exchange	Ticker	Company	Market Data			LTM Performance			Valuation		
			Price May 16, 2008	Market Cap	Enterprise Value	LTM EPS	LTM Revenue	LTM EBITDA	Price / EPS	EV / LTM Revenue	EV / LTM EBITDA
Nasdaq	INFY	Infosys Technologies Ltd	46.58	26,623.0	24,547.0	2.0	4,176.0	1,376.7	23.1x	5.9x	17.8x
NYSE	WIT	Wipro Limited	13.60	19,870.0	19,650.8	0.5	4,533.9	1,032.3	26.2x	4.3x	19.0x
Nasdaq	CTSH	Cognizant Technology Solns.	31.63	9,137.4	9,137.4	1.3	2,135.6	468.3	25.3x	4.3x	19.5x
NYSE	SAY	Satyam Computer	26.36	8,848.7	8,086.3	1.2	1,913.5	487.0	22.7x	4.2x	16.6x
NYSE	PTI	Patni Computer Systems	13.77	957.4	1,125.8	1.5	674.4	105.7	9.5x	1.7x	10.6x
Mean									21.3x	4.1x	16.7x

US IT Services Companies

\$ in millions, except per share data

Exchange	Ticker	Company	Market Data			LTM Performance			Valuation		
			Price May 16, 2008	Market Cap	Enterprise Value	LTM EPS	LTM Revenue	LTM EBITDA	Price / EPS	EV / LTM Revenue	EV / LTM EBITDA
NYSE	ACN	Accenture Ltd	38.22	28,409.0	33,384.7	2.3	22,351.5	3,274.1	16.8x	1.5x	10.2x
NYSE	CSC	Computer Sciences Corp.	47.69	7,568.4	10,061.4	3.5	15,537.8	2,173.1	13.5x	0.6x	4.6x
NYSE	PER	Perot Systems Corporation	16.03	1,909.4	1,921.4	1.0	2,702.0	311.0	16.5x	0.7x	6.2x
NYSE	UIS	Unisys Corp.	4.29	1,528.3	1,960.8	(0.3)	5,652.5	460.3	NA	0.3x	4.3x
NYSE	BE	BearingPoint Inc	1.55	337.8	843.9	(1.7)	3,455.6	(165.8)	NA	0.2x	NA
Nasdaq	TSCC	Technology Solutions Corp.	5.20	13.3	2.3	(3.3)	26.4	(8.1)	NA	0.1x	NA
Mean									15.6x	0.6x	6.3x

Source: ThomsonOne Banker, Worldscope estimates.

Comparable Transactions

M&A activity in the India to US arena has been robust in spite of recent US market conditions. Indian companies have taken advantage of the favorable exchange rate and higher trading multiples to acquire US assets at a bargain. These strategic players are investing on the downside for better positioning in the inevitable upside.

India - US Comparable Transactions












\$ in millions

Announcement Date	Acquirer	Seller	Enterprise Value	LTM Revenue	LTM EBITDA	EV / Revenue	EV / EBITDA
2/20/2008	HCL Technologies Ltd	CapitalStream Inc	40.0	21.0	NA	1.9x	NA
2/15/2008	Mastek Ltd	Systems Task Group International	29.0	17.1	1.7	1.7x	17.0x
2/7/2008	Mindteck (India) Limited	Infotech Consulting Inc	21.0	31.0	NA	0.7x	NA
1/24/2008	Rolta India Ltd	TUSC	45.0	48.0	NA	0.9x	NA
1/22/2008	Satyam Computer Services Ltd.	Bridge Strategy Group LLC	35.0	17.0	NA	2.1x	NA
1/8/2008	Cranes Software International Ltd	Engineering Technology Associates	18.0	NA	NA	NA	NA
11/1/2007	Prithvi Information Solutions Ltd	Agadia Systems Inc	4.5	NA	NA	NA	NA
10/19/2007	Cognizant Technology Solns.	MarketRx Inc	135.0	40.0	NA	3.40	NA
10/16/2007	3i Infotech Ltd	J&B Software (J&B) Inc	25.3	25.0	NA	1.0x	NA
8/31/2007	Megasoft Ltd	Boston Communications Group Inc	64.5	98.8	24.7	0.70	2.6x
8/30/2007	Firstsource Solutions ⁽¹⁾	MedAssist Holding	330.0	99.0	24.4	3.3x	13.5x
8/6/2007	Wipro Technologies Ltd	Infocrossing Inc	553.4	237.6	44.2	2.3x	12.5x
3/30/2007	Paradyne Infotech Ltd	Links Group International Inc	4.8	7.0	NA	0.7x	NA
3/21/2007	Quintegra Solutions Ltd	ValleyUS	9.5	12.0	NA	0.8x	NA
2/22/2007	Zensar Technologies Ltd	ThoughtDigital	24.9	26.8	3.0	0.9x	8.2x
Mean						2.1x	8.1x

(1) Agile Equity Transaction

Source: ThomsonOne Banker, Worldscope estimates.

Selected Agile Equity Cross-border Transactions

 has acquired MEDASSIST for \$330,000,000 India - USA	 has acquired  BPM BUSINESS PROCESS MANAGEMENT for \$40,000,000 India - USA	 has been acquired by Microsoft Israel - USA	BERTELSMANN VOCEL has received an investment from  MOTOROLA Germany - USA
<i>Annie Chun's</i> has been acquired by  USA - South Korea	 has sold mobileplanet. to expansys France - USA - UK	 has acquired LTU technologies  Japan - France	 has acquired  TELISPARK Canada - USA

Ben Boissevain
Managing Partner
212-475-1100

benb@agileequity.com

Dave Cummings
Managing Partner
212-475-1100

davec@agileequity.com


AGILE EQUITY
Global Clients, Innovative Solutions
www.agileequity.com
212.475.1100
New York City • Washington DC