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SECTORS

Technology & Software

DEAL TYPE

M&A Advisory

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Managing Director

DC Advisory advised QuickArrow on its sale to NetSuite



SAN MATEO, Calif. and AUSTIN, Texas, July 22 — NetSuite Inc. (NYSE: N), a leading vendor of cloud computing business management software suites, today announced that it has signed a definitive agreement to acquire QuickArrow, Inc., an Austin-based software maker of cloud computing software for professional services businesses. QuickArrow will be integrated into NetSuite's OpenAir business. The combination of QuickArrow and OpenAir will create North America's leading professional services automation (PSA) software company, with more than 80,000 subscribers and a customer base that includes such leading organizations as Symantec, Salesforce.com, Thompson Reuters, Genesys, Informatica, Proxicom, Siemens, Software AG, and PRTM.

This acquisition is expected to further advance NetSuite's creation of a next-generation cloud computing application suite for services-based companies. In October 2008, NetSuite announced NetSuite Services Resource Planning (SRP), the world's first cloud-based solution for the overall management of a professional services business — from marketing to project management, service delivery, billing, revenue management and driving repeat business from existing clients.

NetSuite SRP promises to do for services businesses what SAP's R/3 software did for the manufacturing industry in the early 1990s. The addition of QuickArrow and its deep services-automation industry expertise is expected to accelerate the development of NetSuite SRP's capabilities to address the needs of large services-based businesses.

"Underlying both the QuickArrow and the OpenAir acquisition is NetSuite's strategic commitment to lead the business application revolution taking place in the services sector," said Morris Panner, CEO of OpenAir. "Together, we have the resources and the platform to realize a vision to serve the global services economy of tomorrow."

"We are thrilled to be joining with NetSuite and OpenAir," said Kevin Bury, CEO of QuickArrow. "Nothing is more important to us than to provide our customers with a strong platform to run their businesses. With this combination, our customers will have a well-capitalized and visionary partner to drive their businesses forward."

“OpenAir and QuickArrow are the two most well respected companies in the PSA space,” said QuickArrow customer Michael Eicher, Vice President of Professional Services at Thompson Reuters. “We are excited to see the two companies join forces to drive the market forward and deliver even greater value through their solutions.”

NetSuite will maintain QuickArrow offices in Austin, Texas, and will continue to support the current QuickArrow software solution. QuickArrow customers will not be required to migrate to NetSuite or OpenAir products.

NetSuite will purchase QuickArrow for \$20 million in cash. NetSuite does not currently expect that this transaction will have a material impact on its results of operations in 2009. NetSuite expects the transaction on a standalone basis to be accretive in 2010 to non-GAAP net income and cash flow. Non-GAAP net income excludes expenses related to stock-based compensation and the amortization of intangible assets. The Company is not able to reconcile its non-GAAP net income outlook for 2010 with its GAAP equivalent because the Company cannot at this time accurately estimate expenses relating to amortization of intangibles from this acquisition.