

# **EDS Agrees to Acquire Saber Corporation, a Leading Provider of U.S. State and Local Government Software and Solutions**

November 13, 2007

PLANO, Texas – EDS today announced it has agreed to purchase an approximate 93 percent equity interest in Saber Holdings, Inc., a leading provider of software and services to U.S. state governments, from various sellers, including majority shareholder Accel-KKR, for approximately \$420 million in cash. Saber’s Chief Executive Officer Nitin Khanna and President and Chief Operating Officer Karan Khanna will retain an approximate 7 percent interest in Saber and continue to lead the company following the closing.

Saber, founded in 1997, is one of the world’s fastest-growing providers of software products and services that enable state and local governments to better serve citizens. The Portland, Oregon-based company, which has operations in 35 states, more than doubled its revenue each year since 2004.

Saber’s current product line includes market-leading software and services that underpin essential, federally funded government functions such as voter registration, election management, public retirement programs, human services, public health services, motor vehicle registration and unemployment insurance.

“This transaction creates a growth opportunity for EDS as Saber brings complementary capabilities to EDS’ already strong presence in the U.S. state and local government market, and is consistent with our strategy to move aggressively into higher-value application services,” said Joe Eazor, EDS executive vice president, Corporate Strategy and Business Development.

“The combination of Saber’s industry-leading applications portfolio, geographic breadth and deep understanding of government technology needs, together with EDS’ global resources and demonstrated strengths in systems integration, will provide unmatched, end-to-end solutions for clients,” continued Eazor.

“The transaction with Saber demonstrates EDS’ commitment to the U.S. government sector and our strategy to provide mission-critical applications to the state and local government market,” commented Dennis Stolkey, EDS vice president and general manager, U.S. Government. “Saber has an impressive track record of success in serving rapidly growing segments of the government market. They have a strong, dynamic management team along with a leverageable delivery model that fits well with EDS’ strategic approach to serve the needs of state and local governments.

“EDS has collaborated with Saber on projects in the past, and we are well aware of the capabilities they bring to our partnership,” said Stolkey. “We look forward to building on our already close relationship and the opportunity to help our government clients improve service to citizens, gain efficiencies in their work processes and reduce costs.”

“At Saber, we cannot imagine having better clients than government organizations who themselves are committed to their citizens. As such, Saber has always been dedicated to providing government clients with customized software that enables them to serve their citizens quickly and efficiently. Augmenting this capability with products, services, assets and talent from EDS will allow Saber to provide clients with the comprehensive solutions that today’s sophisticated citizen demands,” said Nitin Khanna, chief executive officer of Saber.

“We are delighted with our new relationship with EDS as we believe it will enable us to take our already successful business to the next level while continuing to provide ‘white glove’ service to our clients,” said Karan Khanna, president and chief operating officer of Saber.

The state and local government market for IT services is a highly attractive growth segment valued at approximately \$50 billion by research firm INPUT and is estimated to have a compound annual growth rate of nearly 8 percent, driven by modernization of legacy systems and strong demand in new market segments for software and service solutions. Last year, approximately \$3.3 billion, or 16 percent, of EDS’ revenue came from U.S. Government clients.

The transaction, which is subject to termination of the Hart-Scott-Rodino antitrust waiting period, is expected to close before year-end. The acquisition is not expected to have a material impact on EDS’ 2008 earnings, but is expected to be accretive to free cash flow in 2008.

## **About Saber**

Saber, founded in 1997, is headquartered in Portland, OR. The privately held company has deep customer relationships with state and local government entities across the country, providing software and services that underpin essential functions such as voter registration, election management, public retirement programs, human services, public health services, motor vehicles, unemployment insurance, and forms and document processing. For more information, please visit [www.sabercorp.com](http://www.sabercorp.com).

## **About Accel-KKR**

Accel-KKR is a technology-focused private equity firm that invests primarily in technology businesses with \$15 million to \$150 million in revenue that are well positioned for top-line and bottom-line growth. At the core of Accel-KKR’s investment

strategy is a commitment to developing strong partnerships with the management teams of its portfolio companies and a focus on building value through the contribution of unique financial, strategic, technical, and operational resources. Accel-KKR has a particular focus on the following transactions: Recapitalizations of family-owned or closely-held private companies, divisional buyouts of larger companies, and going-private transactions. For more information, please visit [www.accel-kr.com](http://www.accel-kr.com).

## **About EDS**

EDS is a leading global technology services company delivering business solutions to its clients. EDS founded the information technology outsourcing industry more than 40 years ago. Today, EDS delivers a broad portfolio of information technology and business process outsourcing services to clients in the manufacturing, financial services, healthcare, communications, energy, transportation, and consumer and retail industries and to governments around the world. Learn more at [eds.com](http://eds.com).