

Tekelec: Summary Transaction Overview at Entry

Overview		Transaction Structure																	
Business Description	<ul style="list-style-type: none"> Global leader in control software technology for telecom networks 																		
Closing Date	<ul style="list-style-type: none"> Acquisition: January 27, 2012 Exit: June 10, 2013 																		
Capital Structure at Entry	<ul style="list-style-type: none"> Total Equity & Debt: \$624 mm <ul style="list-style-type: none"> Total Equity: \$260 mm Total Debt: \$364 mm 																		
Co-Investors	<ul style="list-style-type: none"> LPs co-invested \$52.5 mm (20% of equity) Other co-investors: <ul style="list-style-type: none"> GSO Capital Partners ComVest Sankaty Advisors ZM Capital 																		
Executive Partners	<ul style="list-style-type: none"> Merle Gilmore, Rod Randall, Rick Mace 																		
Entry Valuation & Liquidity/Leverage		Entry Summary Financials (FY December 2011A)																	
Valuation	<ul style="list-style-type: none"> TEV⁽¹⁾ / PF2011A Bond EBITDA: 2.9x 	<table border="1"> <thead> <tr> <th>\$ in millions</th> <th>Total</th> <th>Projected Cost Savings</th> <th>PF Total</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>\$417</td> <td></td> <td>\$417</td> </tr> <tr> <td>PF EBITDA⁽³⁾</td> <td>\$72</td> <td>\$34</td> <td>\$106</td> </tr> <tr> <td>% Margin</td> <td>17.3%</td> <td></td> <td>25.4%</td> </tr> </tbody> </table>		\$ in millions	Total	Projected Cost Savings	PF Total	Revenue	\$417		\$417	PF EBITDA ⁽³⁾	\$72	\$34	\$106	% Margin	17.3%		25.4%
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Liquidity/Leverage	<ul style="list-style-type: none"> \$30 mm of minimum cash on balance sheet \$70 mm in cash to fund Call Option losses and restructuring Net Debt⁽²⁾ / PF2011A Bond EBITDA: 1.7x 																		

Note: Please see Appendix-Footnotes and "Sirius Disclaimer" and "Case Studies" for important information, additional considerations and definitions.

(1) The Call Option division reported negative EBITDA at the time of acquisition. Sirius included the cash left on the balance sheet to fund the Call Option division losses in the TEV calculation and then divides the TEV by the legacy Bond division EBITDA, pro forma for projected cost savings, to arrive at the purchase multiple. Total Enterprise Value ("TEV") = \$363.9 mm total debt + \$260.5 mm total equity - \$30.2 mm transaction expenses - \$30.0 mm minimum cash = \$564.2 mm / \$196.4 mm PF2011A Bond EBITDA = 2.9x.

(2) Net Debt = \$363.9 mm total debt - \$30mm minimum cash = \$333.9 mm net debt / \$196.4 mm PF 2011A Bond EBITDA = 1.7x.

(3) Pro Forma EBITDA represents inclusion of Sirius' projected cost savings (opex+capex) over initial two years, primarily attributable to Bond division, as if realized at entry. There can be no assurance such cost savings will be achieved. In addition, pro forma EBITDA for Bond only consideration in purchase multiple whereby Call Option reported negative EBITDA.



Sirius Capital Group, LLC

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