



Information Services Group To Acquire TPI In \$280M Deal

By A. Christian Jean

NEW YORK (Dow Jones)--Information Services Group Inc. (III) announced Tuesday its acquisition of TPI, a private sourcing advisory firm, for \$280 million.

The deal marks the first purchase by the Stamford, Conn., company, the largest blank-check company to go public this year. The deal is expected to close in the fourth quarter of 2007.

"This is a high growth company in a really hot sector," Information Services Chairman and Chief Executive Michael Connors said in an interview. Connors said he hopes TPI will be the first of several data-based companies to help Information Services grow into a multibillion corporation.

Blank-check companies are essentially empty shells that promise to buy a business with the proceeds from their initial public offerings.

TPI's founder and its management will invest 30% of their own proceeds from the sale in Information Services' stock. Information Services also announced the repurchase of up to \$40 million of its stock.

"We were looking for a company that had a great brand, had some global presence, had a strong market leadership position in the niche that they're in, and was in a growth market," said Barry Holt, a spokesman.

Houston-based TPI advises companies on outsourcing strategies in domestic and global markets, including Europe, Australia, India and Japan, in which it set up offices last month. It has been expanding further into the Asia-Pacific region and hopes to leverage growth in Europe. Since its founding in 1989, the company has completed \$250 billion in contracts, working with companies like AT&T Inc. (T) and Chevron Corp. (CVX).

Last year, TPI's revenues, roughly a quarter of it from overseas, came in at \$147 million, which Information Services said it can grow by 15% annually. Offshoring services are expected to grow by 35% through the rest of the decade, Connors said, and the other aspects of TPI's business, including insourcing, outsourcing and shared services should grow substantially as well.

Blank-check companies like Information Services have been growing in popularity. Twenty have already gone public this year, more than the 13 initial public offerings in all of 2004 and set to outpace last year's 40 IPOs.

Together, the companies have raised \$2.1 billion.

Since November, at least 12 blank-checks have filed to go public, planning to raise \$1.5 billion, according to Dealogic.

Information Services priced in February at \$8 a share, or \$258 million, and closed trading Tuesday up 6 cents to \$7.47. Its market capitalization stands at about \$260 million.

-A. Christian Jean, Dow Jones Newswires; 201-938-2007; aymar.jean@dowjones.com
(Yvonne Ball contributed to this report.)