

Executive Summary

Midas Medici Group Holdings, Inc. - Corporate Description: Midas Medici Group Holdings, Inc. (OTCBB: MMED) is a green IT company that supplies mid-sized and select enterprises and institutions with leading-edge IT solutions in the fields of virtualization, cloud computing and data management, as well as working with utilities and other institutions to transform the electric grid through digital technologies. Across all of its business initiatives, Midas works with its customers by optimizing IT and data center investments, cutting energy usage and preventing data loss, all while maximizing productivity. Through a management team with decades of experience, Midas is positioning itself to take advantage of the high-growth IT industry through its unique specialized services at the intersection of energy and technology.

Significant Growth and Cross-Selling Opportunities Expected for Midas Core Target Markets – Data Centers and the Smart Grid: While it may sometimes seem that much around us has already gone electronic, the digitization process is still in its infancy, and it is predicted that the global digital economy will grow 44x by 2020, as noted later in the report. Gartner has forecast that the IT industry will reach \$3.6 trillion in revenue in 2011, increasing 5.1% over 2010. Additionally, as noted later, IDC estimates that worldwide revenue from public IT cloud services exceeded \$16 billion in 2009 and is forecast to reach \$55.5 billion in 2014, representing a compound annual growth rate (CAGR) of 27.4%. The demand for data centers, which already consume 1.5% of total U.S. electrical output, is expected to grow at 2x supply over the coming years, creating a significant outsourcing opportunity for companies to continue focusing on their core businesses and relying on service partners to handle an increasingly robust and complicated information technology (IT) infrastructure.

The opportunity for Smart Grid technologies and know-how is driven by long-term economic trends, environmental concerns, Federal government policy, and simple necessity in response to the massive demand for electricity. BCC research has forecast that the U.S. market for Smart Grid enabling technologies will grow at a compound rate of 15.3% annually, reaching \$39.4

billion in 2014. At the heart of the Smart Grid, Midas sees digital two-way meters replacing decades-old analog meters, and the resulting creation of massive amounts of digital information creates a need for virtualization, disaster recovery, security, backup, IT consulting, and data center outsourcing.

MMED Strategy: Software Solutions and Services to Complement Recurring Revenue, Verticalization of the Utility Sector, and Select Global Expansion: The Midas story begins with the vision and experience of its management team, which, by completing over \$600 million in acquisitions, has proven the ability to identify, integrate and grow business and acquisition opportunities within the Company's target markets. The Midas team has cutting edge IT and utility industry knowledge and partnerships with leading IT manufacturers and service providers. With over 700 clients, including many from the Fortune 1000 and 500 as well as governmental entities and academic institutions, Midas will leverage existing and new business relationships to capitalize on opportunity both domestically and internationally.

MMED Outlook: Over the preceding quarters, Midas has dramatically improved its balance sheet and embarked upon an asset light, service centric business model. As evidenced by the recent acquisition of Weatherwise Holdings and the assets of Energy Hedge Fund Center, LLC, announced 6/9/11, Midas also continues to execute the Company's acquisition strategy. Presented later in the valuation discussion section of this report, price / revenue multiples for a range of IT companies vary from 0.6x for communication equipment providers to 2.3x for application software companies, to 3.0x for internet software / service business and 3.0x to 4x revenue for certain data center operators. As Midas continues to execute its corporate strategy over the coming quarters, Murphy Analytics (MA) expects that the market will begin to value the Company's revenue at a multiple trending towards some of the recently acquired data center operators. Over the coming 12-months, MA expects the Midas valuation to reach 1.25x revenue of approximately \$53 million, implying a market cap of \$66 million and a 12-month price target of \$7.65 based on the MA estimated total potential share count.

MMED Recent Price	\$2.65	<u>Please review the risk factors outlined later in this report and the important disclosures and disclaimers at the end of this report.</u>
Outstanding Share Estimate	7,748,730	
MMED - Market Cap Estimate	\$20.5 million	
MA 12-Month Price Target for MMED	\$7.65	

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Midas Management

Nana Baffour, CFA – CEO and Co-Founder:

Mr. Baffour, co-founded Midas Medici Group Holdings, Inc. (“MMGH”) in 2009 and has grown it from inception to over \$50MM+ in revenues. Prior to co-founding MMGH, Mr. Baffour was a Managing Principal and Co-Founder of Knox Lawrence International, LLC (“KLI”), an energy services investment company that has completed over \$600 million in acquisitions and generated over 55+% IRR for investors. Mr. Baffour has led acquisitions, integrations, financings and held operating roles including executive chairman, president, and CEO for different energy services companies during his tenure at KLI. Mr. Baffour currently serves as Board Member of Dearborn Mid-West Conveyor Co. as well as Chair of the Advisory Board of the University of Utah Opportunity Scholars Program.

Prior to co-founding KLI, Mr. Baffour was an investment banker at Credit Suisse First Boston in Europe and the US, where he was directly involved in billions of dollars of M&A and financing transactions for utilities, including clean energy companies and did the first capital markets wind financing transaction. Mr. Baffour started his career in finance as a Credit Analyst for CIT Group and was an equity portfolio analyst at Standard and Poor’s.

Mr. Baffour received his MBA from New York University’s Stern School of Business, a Master of Science in Economics from University of North Carolina at Charlotte and a Bachelor of Arts Degree in Economics from Lawrence University. Mr. Baffour, who also attended The London Business School, is a Chartered Financial Analyst.

Johnson Kachidza – President, CFO and Co-Founder:

Mr. Kachidza, co-founded Midas Medici Group Holdings, Inc. (“MMGH”) in 2009 and has served as President and Chief Financial Officer since its inception. Prior to co-founding MMGH, Mr. Kachidza was a Managing Principal and Co-Founder of Knox Lawrence International, LLC (“KLI”), an energy services investment company that has completed over \$600 million in acquisitions and generated over 55+% IRR for investors. During his tenure at KLI, Mr. Kachidza has led acquisitions,

integrations, and held operating positions, including Executive Chairman, Chief Financial Officer and Treasurer for different energy services companies. Mr. Kachidza currently serves as a board member of Dearborn Midwest Conveyor Company and also sits on the Board of Directors of Shared Interest, a non-profit organization focused on micro-lending.

Prior to co-founding KLI, Mr. Kachidza was an investment banker at Merrill Lynch and JP Morgan Chase, where he was directly involved in billions of dollars of M&A and debt and equity financing transactions in the energy sector. Mr. Kachidza began his career as a project engineer at General Electric and holds US patent #5686795 for an innovative fluorescent lamp design.

Mr. Kachidza received his MBA from University of Chicago Booth School of Business, a Master of Science in Materials Engineering from University of Illinois at Urbana-Champaign and a Bachelor of Arts Degree in Chemistry from Knox College.

Robert McCarthy – President of Consonus:

Robert F. McCarthy has served as the President of Consonus since June 2010 and as the Co-President of Consonus since October, 2009. Mr. McCarthy has served as the Executive Vice-President of Sales and Marketing of Consonus from May, 2008 through September 2009. He served as the President, CEO, and board member of Ring 9, Inc., a provider of voice over IP and business collaboration services, from 2006 to May 2008. From 2004 until 2006 he served as Vice President for the Florida and Caribbean markets for CA, Inc. (formerly Computer Associates), leading a sales organization serving enterprise business customers. Prior to CA he had a 16 year career at AT&T, where he held a variety of positions in sales, marketing, and operations, most recently as a Sales Center Vice President in Florida.

Mr. McCarthy holds a bachelors degree and masters in electrical engineering, as well as an MBA, all from Cornell University. He has attended executive education at Stanford University.

Frank Asante-Kissi - Chief Administrative Officer: Mr. Asante-Kissi, was appointed to serve as the Vice-President of Midas Medici in May 2009 and as Chief Administrative Officer in July 2009. Since March 2008, Mr. Asante-Kissi has served as Chief Operating Officer and as a consultant since March 2003 of Knox Lawrence International, an energy services investment company that has completed over \$600 million in acquisitions to date since March 2008. Mr. Asante-Kissi has over 10 years experience in business performance management, process improvement and operational efficiency. Mr. Asante-Kissi was Senior Business Analyst at Citigroup from January 2002 through March 2008. While at Citigroup, Mr. Asante-Kissi led several process improvement and performance management initiatives including industry benchmarking. Mr. Asante-Kissi began his career as a software developer prior to joining Citigroup.

Mr. Asante-Kissi received his MBA from Rensselaer Polytechnic Institute's Lally School of Management and Technology (RPI) and a Bachelor of Arts Degree in Mathematics and Computer Science from Lawrence University.

Robert C. Bellemare, P.E. – Chief Operating Officer of Utilipoint: Robert Bellemare joined Utilipoint in 2002. With 20 years of experience in

the utility business, Mr. Bellemare advises clients on asset valuation, financial modeling, strategic planning, public issues management, and pricing products and solutions. He previously worked for Fortune 500 utilities in a variety of capacities including managing director of energy services, director of market research, wholesale trading and operations, research and development, distribution engineering and power plant engineering. Mr. Bellemare was co-lead of the unregulated business merger integration team for the American Electric Power South West Corporation merger, which formed the largest utility of its time. Mr. Bellemare is frequently quoted in the press and makes public presentations on energy issues, with recent forums including CNBC, the World Energy Council, Energy Risk Mutual and industry regulators.

Mr. Bellemare is a registered professional engineer and holds a M.S. in Electric Power Engineering from the Georgia Institute of Technology. Mr. Bellemare also holds a BSEE with Business minor from Kettering University.

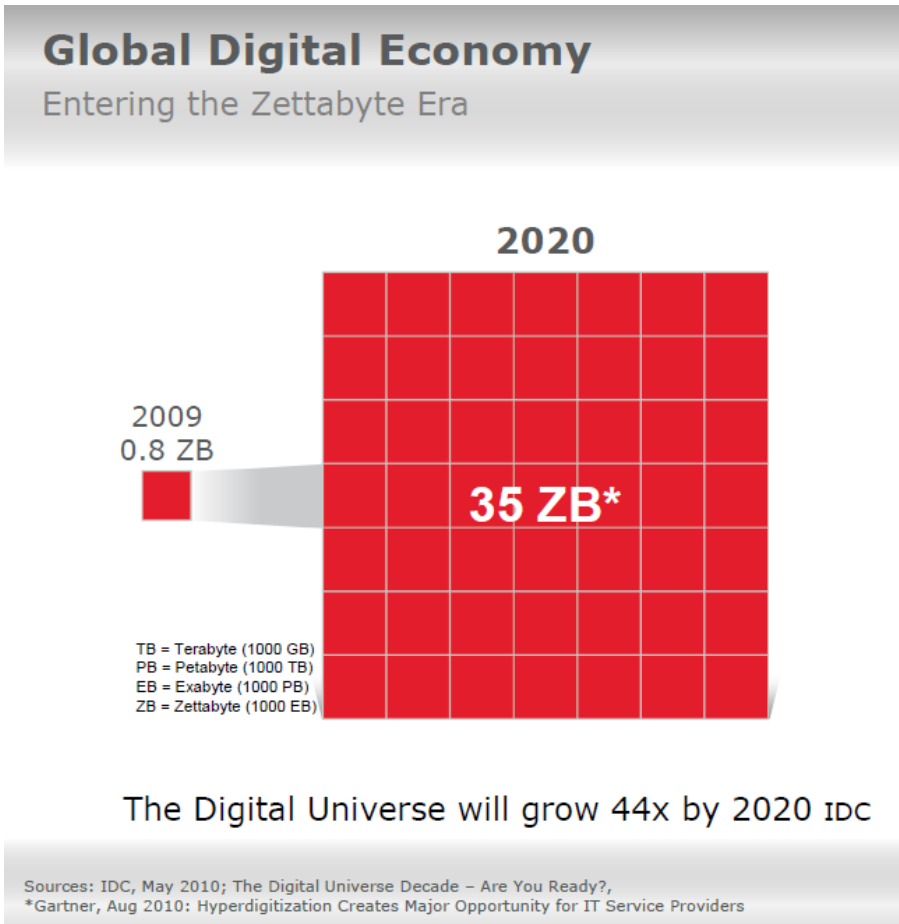
Employees and Offices: As of 3/31/11, Midas had 109 employees. Company headquarters is in New York City, with regional offices in Cary, NC, Albuquerque, NM and Brno, Czech Republic, which maintains the Company's international operations.

The Midas Data Center Opportunity

Equinix (NASDAQ: EQIX) Predicts¹ the Digital Universe Will Grow 44x by 2020: Equinix, Inc. provides network neutral data center services to enterprises, content providers, financial services companies, and network service providers, and the Company operates International Business Exchange (IBX) centers, or IBX data centers, across 18 markets in North America, Europe, and Asia-Pacific where customers directly interconnect with a networked ecosystem of partners and customers.

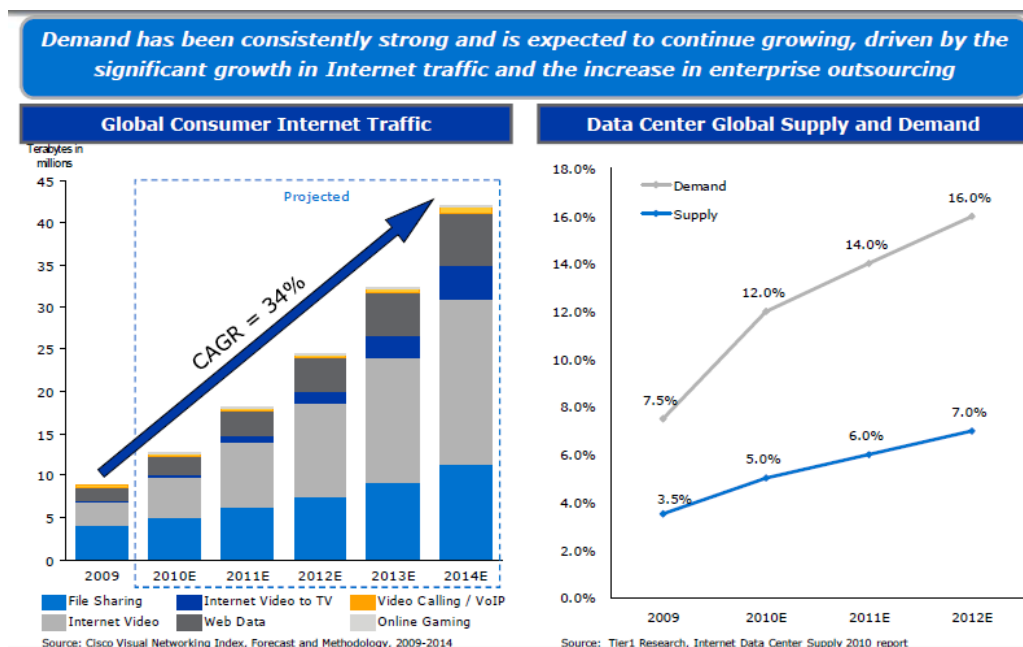
EQIX predicts that the digital economy will grow from 0.8 zettabytes to 35 zettabytes by 2020. EQIX also cites a March 2010 Gartner study that predicts that:

“Through 2013, data center Power, Cooling and Space Problems will increase rapidly as a result of new high-density infrastructure deployments.”



¹ <http://investor.equinix.com/phoenix.zhtml?c=122662&p=irol-presentations>; 11/11/10 Equinix Analyst Day Presentation; Slides 26 and 30.

CoreSite Realty Corporation (NYSE: COR) Predicts² Data Center Demand to Grow 2x Supply:



Cisco Reports Strong Growth in its Data Center Brand: While the market responded negatively to Cisco's recent results, presumably because of lower than expected margin performance, the Company report very strong results for its Data Center brand³, which grew revenues at 59% year over year. Commenting on the progress in this brand, CEO John Chambers reported:

“And if you watch these new market areas that we are moving into, they are ramping at tremendous speed in terms of our video strategy, our TelePresence strategy, our media net, our collaboration and data center.....So momentum feels very good in the data center.”

MMED Targets Medium Sized Businesses and Select Enterprises: MMED has chosen to focus on medium and select business clients in under-served geographic markets, targeting large Fortune 1000 type companies as well as medium sized companies.

The Company defines medium size businesses as companies having between \$50 million and \$1 billion in annual revenue, or companies with 300 to 2,000 employees, as well as regional and department-level offices of large enterprises that satisfy these criteria. Overlaying this definition with internal market analysis of geographic reach, MMED believes there are approximately tens of thousands of potential clients that could require data center outsourcing and IT infrastructure services. To effectively compete, many medium size businesses have become reliant on sophisticated IT infrastructure that, in the past, has been typically deployed at larger enterprises. However, managing, monitoring, administering, and maintaining a sophisticated IT infrastructure can rapidly deplete the limited resources of medium size businesses which need to be directed at core business activities. These complex and growing demands necessitate a closer relationship with solution-oriented technology providers.

² <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NzM1ODV8Q2hpbGRJRjD0tMXxUeXBIPtM=&t=1;>

11/15/10 Presentation at REITWorld 2010; Slide 4

³ <http://investor.cisco.com/events.cfm>

Data Center Market Trends: MMED views the North American market for IT infrastructure and data center services and solutions as highly fragmented with no single dominant player. MMED believes that there is a growing trend to outsource managed services to third-party providers, and the Company expects this trend to remain healthy for the foreseeable future. In particular, medium size businesses face significant challenges in trying to deliver these services on their own because of constraints related to technical expertise and cost. MMED expects that outsourcing these functions will allow organizations to focus capital and personnel resources on their core business operations, as opposed to IT infrastructure. MMED foresees that the growth in cloud and on demand computing, virtualization, increasing data management requirements, energy efficiency in technology (“Green IT”) will be positive drivers of growth.

MMED’s ability to offer a comprehensive suite of data center infrastructure, along with related managed and professional services and solutions, provides an important competitive advantage to capitalize upon the growing trend of IT outsourcing within the Fortune 1000 and medium business market. Consonus’ data center services are positioned to take advantage of significant macro-economic trends that directly impact the data center market. These include but are not limited to:

- **Cloud Computing:** The emergence of Cloud Computing which is estimated to grow to \$42B by 2012 according to International Data Corporation (IDC), a provider of market intelligence, advisory services and events for the information technology, telecommunications, and consumer technology markets.
- **Green IT:** The development of more energy efficient solutions to address the dramatic increase in energy consumption and the required data center infrastructure enhancements to accommodate such demand.

In addition, MMED expects growth in this market to remain robust, as increasingly stringent regulatory requirements in North America, along with the potentially significant loss of revenue and credibility

resulting from unannounced downtime, force businesses to invest in highly secure and reliable products and services such as those offered by Consonus.

Select Data Center Acquisition Multiples: On 5/13/11, the Wall Street Journal published an article, “Serving up Tech Growth for Slowing Titans”⁴ which noted that IT titans such as Intel, HP, and Cisco are finding that, although growth is difficult to achieve in many of its markets, the article states that sales to data centers are “on fire”. The valuations of data center operators Terremark and Switch & Data seem to confirm the market’s view of the potential in this space, which is growing not only as result of the ever increasing quantity of digitization but also in response to the needs of many companies to rely on outside specialists to handle their IT as needs and the technologies change continuously.

Terremark Acquired by Verizon: On 4/11/11, Verizon closed a \$1.4 billion acquisition of Terremark Worldwide, which operates data centers in the United States, Europe and Latin America. In the 10-Q filed 2/7/11, Terremark reported revenue of \$258 million for the 9 months ended 12/31/10. At an annualized revenue rate of \$344 million, Verizon acquired Terremark at approximately 4 times revenue. For the 9 months ended 12/31/10, Terremark reported a net loss of 33.5 million. Terremark revenue for the quarter ended 12/31/10 grew 27% to \$94 million, or \$376 million, with a net loss of \$15 million.

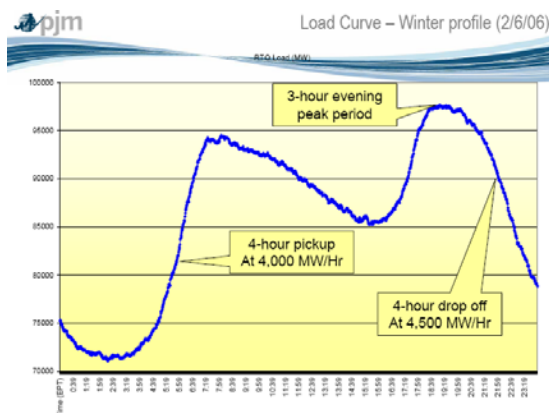
Equinix Acquires Switch & Data: Announced May 4, 2010, Equinix acquired Switch & Data, which operated 34 data centers in 22 markets in the U.S. and Canada, for \$683.4 million. For the quarter ended 3/31/10, Switch & Data reported \$57 million in revenue, a 20% increase over the prior year. Annualized revenue of approximately \$228 million implies a price / revenue valuation of approximately 3x. Switch & Data reported a \$509,000 loss for Q1 10 versus a loss of \$1.98 million for Q1 09.

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<http://online.wsj.com/article/SB10001424052748703864204576319552243915100.html>

The Midas Smart Grid Opportunity

A Power System Designed for Peak and Emergency Demand Creates Significant Inefficiency: The U.S. economy requires an aggregate level of power generation, distribution and transmission sufficient to supply the nation with electricity during predictable periods of peak demand as well as during unpredictable periods of extreme spikes in electricity demand due to weather conditions, unexpected consumer behavior and/or other emergencies. This reality results in a system that is taxed to or occasionally beyond capacity for short periods of time, while having an excess of capacity most of the time. This also produces an asset that is extremely expensive to purchase for short periods of time, and significantly less expensive most of the time.



From PJM Interconnect:

<http://www.pjm.com/services/training/downloads/pjm101part1.pdf>

The Federal Government Has a Vested Interest in the Development of the Smart Grid⁵: "Characteristics of a Smart Grid as described by Title XIII of the Energy Independence and Security Act of 2007:

- 1) Increased use of digital information and controls technology to improve reliability, security, and efficiency of the electric grid;

⁵ <http://www.ferc.gov/industries/electric/industryact/smart-grid.asp>

- 2) dynamic optimization of grid operations and resources, with full cyber-security;
- 3) deployment and integration of distributed resources and generation, including renewable resources;
- 4) development and incorporation of demand response, demand-side resources, and energy efficiency resources;
- 5) deployment of "smart" technologies (real-time, automated, interactive technologies that optimize the physical operation of appliances and consumer devices) for metering, communications concerning grid operations and status, and distribution automation;
- 6) integration of "smart" appliances and consumer devices;
- 7) deployment and integration of advanced electricity storage and peak-shaving technologies, including plug-in electric and hybrid electric vehicles, and thermal storage air conditioning;
- 8) provision to consumers of timely information and control options;
- 9) development of standards for communication and interoperability of appliances and equipment connected to the electric grid, including the infrastructure serving the grid; and
- 10) identification and lowering of unreasonable or unnecessary barriers to adoption of smart grid technologies, practices, and services."

Regional Transmission Operator (RTO) PJM Interconnect Explains⁶ the Drive for a Smarter Grid: "New technologies are emerging. The public wants more development of alternative energy resources. Federal policymakers are deliberating an aggressive expansion and strengthening of the electric system. These and other forces are changing the electric energy industry landscape. To deal with this change and address the reliability and security

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<http://pjm.com/~media/documents/reports/strategic-responses/letters/smartgrid.ashx>

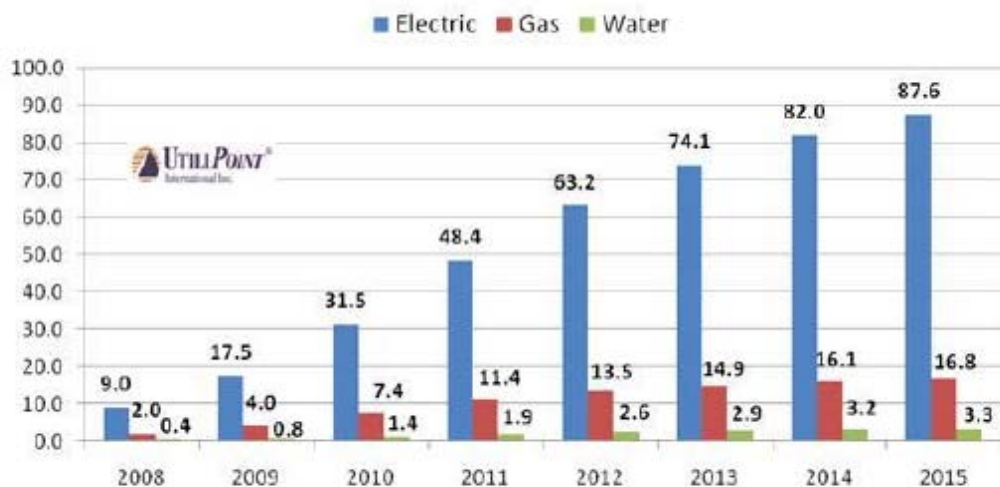
needs of the electricity grid, the electric power industry must facilitate the communications and data sharing at each step in the power supply system, from the generator to the consumer. This electricity value chain encompasses generators and other energy providers, grid operators who manage the high-voltage transmission system, utilities that distribute electricity to homes and businesses and consumers.”

PJM Describes the Smart Grid Solution: *With the advent of the Smart Grid, the U.S. electrical infrastructure may evolve into a highly automated and interconnected network, much in the fashion of the Internet. In the Smart Grid network, information and knowledge will flow through intelligent systems to serve the entire grid community with two-way communications and control; smart devices will enable the real-time balancing of electricity supply and demand with the highest reliability and the lowest cost; and economic growth will be sustained with a careful stewardship of the environment.*

MMED Outlines the Smart Grid Opportunity:
 The utility industry is undergoing significant

transformation in terms of how it generates, transmits and distributes energy in response to increasing customer and regulatory demand for renewable, increasing construction costs, increasing rates and increasing information requirements by consumers as the USA migrates from an analog electric grid to a digital or “smart” grid. This transformation is currently being manifested by the replacing of decades old analog meters by digital two-way meters and associated infrastructure, software and solutions. According to estimates from Utilipoint, there would be approximately 79 million digital meters being deployed from 2008 – 2015. This transformation going on in the utility industry is estimated to increase the annual data storage requirements of the industry by 16 fold – from 37 terabytes, or TB of data to approximately 800TB of data. Management believes that this transformation, if it occurs, would create opportunities for virtualization, disaster recover, security, backup, IT consulting, data center outsourcing among others. The combined company would be positioned to capitalize on this opportunity in the utility industry to increase its revenues and profits.

Smart Metering Installation Projection For US



Based on information available to Utilipoint in November, 2009

Source: Utilipoint International, Inc.

Basics of the Electrical Power Industry: The electrical power industry can be divided into four segments: Generation, Transmission, Distribution, and End-Use Consumption. Generation is the process of producing electrical energy or the amount of electrical energy produced by transforming other forms of energy. Transmission refers to the high-voltage, long-distance transfer of electricity. Distribution refers to medium-voltage, medium-distance transport from transmission substations to customer meters. Furthermore, distribution and transmission are commonly referred to together as the “grid”. End-Use Consumption is the use of electricity by residential, commercial and industrial customers.

Necessity Demands a Smarter Grid: According to the Energy Information Administration, about 218 gigawatts (“GW”) of new generating capacity will be needed from 2007 to 2030, out of which only 47 GW are planned. Worldwide, according to EIA, net electricity generation increases by 77%, from 18.0 trillion kilowatt hours in 2006 to 31.8 trillion kilowatt hours in 2030. To put that growth in concrete terms, the world will need the equivalent of 27,600 additional 500 MW power plants. A 500 MW power plant lights 600,000 homes. Electricity is projected to supply an increasing share of the world’s total energy demand and is the fastest-growing form of end-use energy worldwide in the mid-term. Growth in demand for electricity continues to outpace growth in total energy use throughout the projection. Management believes the challenges in meeting this growing demand are exacerbated by environmental concerns and stringent regulatory environments

which make it increasingly difficult to find suitable sites, obtain permits, and construct generation, transmission and distribution facilities where they are needed most, often in densely populated areas. Management believes that the solution to these issues lie in the more efficient use of the current electric grid driven by the Smart Grid.

Midas Sees the Smart Meter at the Heart of the Smart Grid: For roughly a century, the developed world has delivered electric power using the same basic four-step approach. The elements of this traditional grid critical to its operations have included analog electromechanical devices used to capture and store data; one-way communication system to facilitate communication between the utility and the customer and by human labor to monitor and control the grid. In much the same way that technological advances in microprocessors, power electronics and the internet revolutionized the telecommunications industry as it transitioned from analog to digital, dramatically improving communication capabilities, these similar technological advances are continuously transforming the traditional grid into a “Smarter Grid” significantly improving its capabilities. The heart of an intelligently managed grid, in the view of Midas, is the smart meter. While automated meter reading originated as a means for utilities to save money and speed up the billing process, management believes metering technology is the a key building block to the Smart Grid. The smart meter generates data to facilitate communication between the end-user customer and the utility.

The Midas Cloud Computing Opportunity

Unisys (NYSE: UIS) Poll⁷ Shows Cloud Computing Dominates IT Priority List for 2011:

“Investing in cloud computing – primarily private clouds – is a top priority for IT organizations for 2011, according to two online polls Unisys Corporation (NYSE: UIS) conducted on the Unisys.com website in recent weeks... Of the 262 respondents to the poll, 44 percent indicated that cloud computing would be their top priority. By contrast, 24 percent named support for mobile/end-user devices as their primary IT investment focus. In addition, 17 percent of respondents cited cybersecurity as their top IT investment priority for 2011, while 15 percent said cost-cutting would be their top priority in the new year.”

Unisys Technology Prediction for 2011⁸ Cites Cloud Computing as the # 1 Trend:

“Cloud Computing will accelerate from pilots to production, with private clouds leading the way. Many organizations remain concerned about shifting their mission-critical workloads and sensitive data to public cloud-based environments. This has limited some cloud applications to test and development environments. Over the next 12 months Unisys expects organizations to implement private cloud computing environments for specific production-based applications. This, Unisys says, will be a key steppingstone to broader use of public cloud environments over the next two to three years.”

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<http://www.unisys.com/unisys/news/detail.jsp?id=1120000970009610085&pid=&sid=203>

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<http://www.unisys.com/unisys/news/detail.jsp?id=1120000970008310070>

International Data Corporation (IDC) Study⁹ Predicts Cloud Services Will Grow at 5x Traditional IT Products Through 2014:

A study by IDC, a premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets, predicts that:

“Worldwide revenue from public IT cloud services exceeded \$16 billion in 2009 and is forecast to reach \$55.5 billion in 2014, representing a compound annual growth rate (CAGR) of 27.4%”

“For vendors, cloud computing is critically important for two key reasons - market growth and leadership disruption. The cloud model will propel IT market growth and expansion for the next 20 years and will help the industry to more rapidly develop and distribute a new generation of killer apps, and to more successfully penetrate small and medium-sized businesses. As this happens, industry leadership ranks will certainly change,” stated Frank Gens, senior vice president and chief analyst at IDC.

Cloud Computing also Tops Gartner’s Predictions¹⁰ for Top 10 Strategic Technologies for 2011:

With cloud computing identified as the top trend: Gartner explains the ranking as:

“Gartner defines a strategic technology as one with the potential for significant impact on the enterprise in the next three years. Factors that denote significant impact include a high potential for disruption to IT or the business, the need for a major dollar investment, or the risk of being late to adopt.”

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<http://www.idc.com/about/viewpressrelease.jsp?containerId=prUS22393210§ionId=null&elementId=null&pageType=SYNOPSIS>

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<http://www.gartner.com/it/page.jsp?id=1454221>

Midas Solutions and Strategies

The Midas Data Center and Cloud Computing

Strategy: The Midas Consonus brand provides innovative data center solutions to medium size enterprises focused on virtualization, energy efficiency and data center optimization.

Virtualization refers to creating a virtual version of a device or resource, such as a server, storage device, network or even an operating system where the framework divides the resource into one or more execution environments. The ability to offer a comprehensive suite of related IT infrastructure services gives Midas an ability to offer clients customized solutions to address their critical needs of data center availability, data manageability, disaster recovery and data center consolidation as well as a variety of other related managed services.

Midas' data center related services and solutions primarily enable business continuity, back-up and recovery, capacity-on-demand, regulatory compliance (such as email archiving), virtualization, and offer data center best practice methodologies and Software as a Service (SaaS). SaaS is a software distribution model in which applications are hosted by a vendor or service provider and made available to customers over a network, typically the Internet. Additionally, Midas provides managed hosting, maintenance and support for all of solutions offered by the Company, as well as related professional and consulting services. Midas has a large and diverse customer base through the Consonus brand, comprised of active customers in 32 states in the United States.

In addition to targeting Fortune 1000 type clients, Midas has chosen to focus on medium size business clients in under-served geographic markets. Midas defines medium size businesses as:

- companies having between \$50 million and \$1 billion in annual revenue,
- companies with 300 to 2,000 employees, and
- regional and department-level offices of large enterprises.

Midas Virtual IT Solutions: Through world-class technology solutions and services, Midas supports and strengthens clients' business with a Deployment Model that enables clients to transcend the constraints of technology, resources, and location so that they can focus on their core business. Whether the business needs a single product or a comprehensive blend of IT services, Midas is adept at discerning, designing, and deploying the optimal IT solution for financial, timing and operational needs. Through the Consonus brand, Midas specializes in:

- **Data Center Services:** Data Center Relocation, Data Center Efficiency, and Data Center Virtualization
- **Managed Services:** Cloud Services such as Email and File System Archiving, and Operational Services such as Managed Backup
- **IT Infrastructure:** Oracle, Symantec, NetApp, and HP servers and storage
- **IT Consulting:** Disaster Recovery, Consolidation, and Assessments

Midas is able to assess, build, manage, and support mission-critical data and IT infrastructure by optimizing IT investment through virtualization, data protection, data center efficiency, and disaster recovery solutions.

Ongoing Development of New Solutions: Midas is continuously developing new services and creating customized solution sets to meet customers' evolving requirements. The Company has developed a process whereby it collaborates with customers, vendors, and industry analysts to create a highly targeted solution roadmap. Midas has developed new proprietary solutions such as the Secure Archiving For the Enterprise ("SAFE"), Virtual Business Continuity ("VBC") and Remote Backup Solutions ("RBS"). As well, the Company has developed a new consulting practice focused around data center energy efficiency. New solution sets include a broader offering of Secure Archiving for the Enterprise (SAFETM) 2 and software as a service platform. With the recently completed acquisition, Midas will leverage WeatherWise intellectual property to develop new integrated data center / IT infrastructure energy solutions.

Midas Partner Data Centers in 15 Markets:

Midas has achieved success in markets where medium size business concentration is high and competition is fragmented. The brand provides data center services today through partner data center facilities in 15 markets across North America.

Through partner data centers, Midas offers co-location and managed services to clients. These partner data centers are owned by third parties, with whom Midas enters into contracts to use their data centers. The arrangements with these third party data centers operators are structured such that the customers enter into contracts directly with Midas for hosting services and Midas in turn pays the data center operator for the space occupied by the customer and the power consumed by the customer.

Midas maintains the customer relationships, provides support to the customer and commits to a service level agreement with the customer. Midas has developed a disciplined process of identifying, targeting and assessing new expansion opportunities.

Variables analyzed prior to entering any new market include: customer demographics, competitive landscape, vendor support and labor pool. Once a decision has been made to enter a new region, Midas implements what the Company believes to be a proven expansion process to minimize cost and to maximize speed to market and return on investment.

Midas Facilities: Midas has leased regional sales offices located in the following cities: (a) Atlanta, GA; (b) Birmingham, AL; (c) Charlotte, NC; (d) Ft. Lauderdale, FL; (e) Greenville, SC; (f) Nashville, TN; (g) Salt Lake City, UT; and (h) Rockville, MD.

Leveraging Midas Management Experience to Identify New Growth Opportunities:

Through the Utilipoint brand, the Midas goal is to become a global leader in alternative energy and Smart Grid solutions. The strategy is to grow the business both organically and through acquisitions by leveraging the Company's knowledge and experience in operating energy services companies and in acquisitions. Prior to joining Midas, the company management team had acquired and operated businesses with an aggregate enterprise value of approximately \$600 million in the energy services, BPO (Business Process Outsourcing), and IT technology sectors. Midas intends to identify new areas of growth and expand activities beyond the current consulting business. Midas has targeted the following areas of growth in the energy sector - engineering services, data and information technologies, and financial services. Following are the key points of the MMED growth strategy:

- Establish and grow a software solutions and services platform to complement recurring revenues. This strategy calls for building and adding software companies that fit under the MMED data center/IT and managed services and the smart grid umbrella),
- Verticalization of the utility sector. This strategy calls for selling more current solutions and services from the Consonus brand to the utility sector so that this becomes a significant vertical for MMED.
- Grow in select high growth emerging economies, including Eastern Europe, Africa and Latin America, by expanding business into these markets.

Description of the Midas Service Offering for Energy Industry Clients: Midas works with its vendor clients in an integrated fashion by providing energy industry consulting services as well as proprietary research products and providing ongoing decision support to management.

In providing energy industry consulting services and propriety research, Midas offers specific product and service offerings with a specific time frame and deliverables and outputs (reports) to the client upon completion of the specific engagement. Ongoing decision support consists of continuous broad based consulting services offered to the client to support their decision-making processes. As part of these offerings, Midas provides clients with reports on developments in their market and works closely with the client to provide the necessary support needed in the short, medium and long-term decision-making process.

At times, Midas gets involved in the client's strategy and business planning process by providing market intelligence. Midas' vendor clients also provide the Company with Analyst Briefings, allowing the Company to stay current on their latest service offerings.

Through these continuous interactions with the client, Midas is able to develop insights about the client's business and products/services and proactively identify and suggest product improvement opportunities based on the client's input. Midas analysts work closely with the clients and in the course of these interactions develops new assignments to offer other Midas products and services to add value to clients.

MMED Will Seek Acquisition Opportunities to Complement the Data Center Strategy: Having proven an ability to identify and integrate strategically complementary acquisitions, Midas sees a significant opportunity to participate in the industry consolidation of the fragmented, regional medium size business market.

Areas of future interest include standalone data centers or companies providing data center and IT solutions that may or may not be currently offered by Midas. Midas also will consider companies providing energy efficiency solutions and services to the data center space.

The Midas Energy Services and Smart Grid Acquisition Strategy: A key element of Midas' growth strategy is acquiring companies providing services and solutions that support the development of clean energy and the Smart Grid. The Company believes it can leverage the management team's expertise in investing in and operating companies in the energy services sector to expand activities and leverage Midas' core area of consulting services for marketing additional products and services.

The company plans to pursue an acquisition strategy to obtain new customers, increase revenues and market presence and obtain capabilities that complement the existing portfolio of services, while focusing successfully integrating the acquisitions and their financial impact. The acquisition strategy cuts across technologies that enable the four major segments of the electricity grid: generation, transmission, distribution and end-use consumption.

Midas Data Center Services and Solutions

Managed Services: Use industry standard best practices to ensure integration between the servers, applications and networks available to customers, allowing Consonus to monitor and manage their critical IT functions.

- *Monitoring and Alerting*
- *Patch and Change Management*
- *Managed Security Services and Consulting*
- *Managed Firewall*
- *Managed Virtual Private Network*
- *Remote System Administration*

Managed Solutions: Provide a single-source solution for all data center needs and enabling clients to utilize specialized technical knowledge and benefit from reliable, uninterrupted services.

- *Managed Archived Services*
- *Remote Backup Services*
- *Virtual Business Continuity*
- *Virtual Infrastructure Services*

Maintenance Manager: 24 x 7 staff offers multiple levels of support. Highly skilled team resolves approximately 95% of support cases in-house. When Midas personnel are unable to resolve a customer's IT issue and it is necessary to refer it the vendor, the team follows a well-defined call handling process and serves as the customer's advocate ensuring a rapid response. This "single source accountability" is highly regarded by customers, as is evidenced by the 86% contract value renewal rate based on the twelve months ended February 28, 2010. Midas staff includes 11 Support Engineers, 2 Escalation Managers and 3 Service Managers.

Managed Bandwidth: Connect client equipment directly to a high-performance, extensively connected, reliable, multi-carrier network.

New Data Center Services and Solutions: Recently launched, or will launch, an expanded offering of data center services and solutions, including:

- Secure Archiving for the Enterprise
- Software as a Service Platform

Midas IT Infrastructure Services & Solutions

Consulting and Advisory Services: The Midas trained team of certified consultants enables the Company to quickly identify IT infrastructure challenges, improve business processes and produce comprehensive IT infrastructure services and solutions for clients.

Midas offers a variety of professional and consulting services, including:

- *IT Infrastructure Architecture Design and Installation*
- *Assessment, Consolidation and Disaster Recovery Planning*
- *Regulatory Compliance Tools*
- *Document Retention*
- *Electronic Storage and Encryption*
- *Information Technology Infrastructure Library*
- *Energy Efficiency*
- *Virtualization*
- *Cloud Computing*
- *Project Management*
- *Data Center Relocations and Migrations*

Hardware and Software Procurement and Provisioning: Midas' relationship with its vendors and its technical, sales and operations staff is an integral component of the Company's hardware and software procurement process.

The strategic relationship with vendors enables the Company to provide clients with a comprehensive range of hardware and software products, including server, storage, network and virtualization technology.

Midas' experienced technical, sales and operations staff employs a variety of configuration tools to determine hardware and software compatibility and deliver customized hardware and software products.

Midas Customers

The Midas Data Center Strategy Delivers Recurring Revenue: Midas has consistently demonstrated strong customer retention by providing a superior blend of products and services. Midas has over 700 support, managed and hosting services customers, and historically experiences very high contract renewal rates. Midas believes that this extensive customer base and enhanced service and solution offerings represent a significant opportunity to increase revenue per customer. By cross selling a broad suite of services and solutions, the goal is to expand the share of the customer's IT expenditure with the objective of becoming their single source provider. For example, recent cross-sell activities have resulted in new data center services contracts from existing key customers.

The Company's large and diverse customer base consists of active customers located in 35 states in the United States. With several customers in each of the industries served, including financial services, government, manufacturing, pharmaceutical, telecommunications, technology, education, utilities, healthcare and consumer goods sectors, the Company has a well-diversified revenue base with no one customer exceeding 13% of revenue for the quarter ended 3/31/11. The diverse client base also includes regional and department level offices of Fortune 1000-type companies, which the Company believes demonstrates the ability to meet the highest service standards in the industry.

Overview of Midas Data Center Contracts with Clients: Midas generally provides broad product and service offerings across the IT infrastructure and data center space to customers using the following contractual arrangements:

- **Service Agreements:** The most common type of agreements entered into for the provision of IT infrastructure and data center services is the service agreement. In service agreements, a customer commits to purchase a type of service according to their individual requirements.
- **Statements of Work:** Midas also has entered into Statements of Work, or SOWs, for the provision of IT infrastructure services. Each SOW summarizes a customer's project scope, including their IT platform/infrastructure initiatives and design recommendations. Each SOW also evaluates a customer's current and future system quality requirements (such as reliability, availability and scalability).

Midas Data Center Sales and Marketing: The complex nature of the Company's client engagements requires a highly targeted, structured sales process and a team based approach. Sales combines a highly targeted sales approach, which includes a detailed regional analysis of the medium sized business market across key variables and success parameters, with an in-depth understanding of a client's organization and its complexities. The Company complements this effort with the ability to offer a multi-dimensional solution set that is customized to a client's needs and IT infrastructure.

As of 12/1/10, the Midas sales team consists of 27 commissioned sales professionals, and is supported by 7 solutions consultants and 4 sales operations and channels staff. The team is organized by region and focuses on selling customers the entire range of services and solutions with specialization in specific solutions. With an average of 15 years experience, the sales team draws upon extensive experience in the IT infrastructure and data center services industry.

Midas Technology Partners

Midas Has Developed Established Relationships with Industry Leading Vendors: Technology vendors include VMware, Inc., Sun/Oracle Corporation, Symantec Corporation, NetApp, Inc., Microsoft Corporation, Hewlett Packard Company, Hitachi Data Systems (HDS) and VeriSign, Inc. In addition,

Mr. Robert F. McCarthy, President of the Consonus brand, sits on Symantec Corporation's Partner Advisory Council and Network Appliance's (NetApp) Advisory Council. The advisory positions held by Robert F. McCarthy provide Midas with opportunities to expand and enhance relationships with senior vendor management and to align business strategy with that of the Company's vendor partners.

Midas Contracts with Technology Partners: Consonus is substantially dependent on contracts with:

- **Agreement with Sun Microsystems, Inc.:** Midas markets and sells Sun Microsystems, Inc. hardware maintenance, software support and other products and services to end-user customers in the United States.
- **Solutions Provider Agreement with Symantec Corporation:** Midas is a non-exclusive reseller of Symantec Corporation's products, professional services and first-year support.
- **Authorized Reseller Agreement with Network Appliance, Inc.:** Midas markets and sells NetApp products and services, hardware support and software support to end-user customers in the United States.

Midas Competition

IT Infrastructure and Data Center Services Competition: The market for IT infrastructure and data center services and solutions is highly fragmented and includes small regional providers serving the small and medium size business market, notably in secondary markets such as Raleigh, Nashville, Birmingham and Richmond, and a limited number of national and multi-national providers that serve larger business clients notably in metropolitan markets such as Los Angeles, New York, San Francisco and Washington.

Generally speaking, the small regional providers focus their services on the provision of physical space (hosting and co-location) and managed bandwidth with a limited offering of IT infrastructure and data center services and solutions.

National and multi-national providers' generally are either focused on hosting, co-location and managed services or on being full service IT infrastructure outsourcing providers. Current and potential competitors can be divided into 3 categories:

- National and international hosting, co-location and managed service providers;
- Regional hosting providers; and
- National and international full service IT infrastructure outsourcing providers.

National and international hosting, co-location and managed service providers include companies such as Equinix Inc., SAVVIS, Inc., Terremark Worldwide, Inc. and FusionStorm. These companies provide physical space (hosting and co-location), managed bandwidth and network services, and to varying degrees, some data center related services such as system and network monitoring, security and data and system management.

Midas generally does not compete with these providers because they operate principally in metropolitan markets targeting multi-national companies. In the limited instances where these providers have pre-existing business relationships

with businesses in target small and medium size business secondary markets, Midas is differentiated by providing physical space (hosting and co-location) as well as a broader offering of IT infrastructure and data center services and solutions.

Regional hosting providers include companies such as Hosted Solutions Inc. and Peak 10 in North Carolina, C7 in Utah and ViaWest in Colorado. These companies have limited IT infrastructure and typically only provide physical space (hosting and co-location), managed bandwidth, network monitoring and security, and some managed services. These regional hosting providers generally do not possess, Midas believes, the technical knowledge or resources required for in-depth customer support and product development. These factors, in addition to the comprehensive breadth of Midas' IT infrastructure and data center service and product offerings help enable the Company to effectively compete with the regional hosting providers.

National and international IT outsourcing providers include companies such as Electronic Data Systems Corporation and International Business Machines Corporation, or IBM. These companies provide IT infrastructure and data center services and solutions, including, application hosting, site management, IT professional and consulting services, technology design, co-location facilities and managed bandwidth.

These companies generally target large multi-national companies with global IT sites and broad managed service needs in primary markets and generally do not focus on medium size businesses in secondary markets. Midas has, in limited cases, leveraged core competencies in the data center, including designing, deploying and supporting mission-critical computing environments to service large multi-national customers in primary markets. Midas also competes with mid-sized companies such as DataLink and Agilysis that provide IT infrastructure and data center solutions.

Midas Smart Grid / Energy Services Competition:

Midas divides this competitive universe into three categories: (1) research and consulting services; (2) technology services and solutions; and (3) engineering services and solutions.

Some of the principal competitors in the consulting universe include mid-size, specialty consulting firms such as Navigant Consulting, Inc., FTI Consulting, Inc., and ICF International, Inc – each of which have specific utility-focused consulting practices. In addition, within the key energy and power markets, Midas has numerous smaller competitors, many of which have narrower service offerings and serve niche markets. Within the technology services and solutions category, Midas will compete against firms such as American Superconductor Corp., Esco Technologies Inc., Badger Meter, Inc., Echelon Corp., EnerNOC, Inc., and smaller vendors such as Orion Energy Systems, Inc. and Composite Technology Corp.

Each of the aforementioned is providing utilities with clean and intelligent energy technology solutions. Firms such as Comverge Inc., Itron Inc., Echelon Corp., Netezza Corp., Teradata Corp., and Digi International Inc. are in the market to primarily provide enterprise-class analytic tools and services. Other companies such as Quanta Services provide engineering services to enable the Smart Grid. Competition also includes IT titans such as IBM Corp. and Electronic Data Systems. On some past projects, competitors including IBM and EDS, have also been customers.

Midas considers the principal competitive factors in the market to be client relationships, proprietary products or data, reputation and past performance of the firm, client references, technical knowledge and industry expertise of employees, proprietary products or data, quality of services and solutions, scope of service offerings and pricing.

Midas Recent Events

Midas Medici Acquires Assets of Energy Hedge Fund Center, LLC (EHFC): Announced 6/9/11, Midas has acquired the assets of EHFC, a web portal and community for clients interested in hedge funds in the energy and commodity sectors. EHFC has been historically quite active with approximately 10,000 unique visitors, a community of 1,400+ members and a newsletter with 1,300+ subscribers. Clients include: hedge funds, investment banks, institutional and private investors, energy companies, educational institutions, government, consultants and the media. Commenting on the acquisition, MMED CEO Nana Baffour noted:

"For Midas, EHFC represents an opportunity to establish a brand and reputation in the financial community side of the energy and commodities trading sectors. Through our Czech Republic-based CommodityPoint business, we believe we can successfully leverage current products and services into this community and also penetrate the environmental side of energy as well. In addition, utilizing Midas' expertise in IT infrastructure and deployment we can impact how the data is managed, stored, delivered and presented in order to substantially enhance the value of our EHFC acquisition."

Midas Medici Closes Acquisition of WeatherWise Holdings, Inc.: Announced 5/11/11, Midas expects the acquisition to provide sophisticated analytical software tools to support Midas' green IT and smart grid mission. The acquisition of WeatherWise was completed in an all-stock transaction. With its proprietary technology, WeatherWise specializes in providing customized consumer energy products including SetYourBill(SM) payment systems, WeatherProofBill® fixed bill and capped bill products, EnerCheck® energy efficiency and carbon footprint reporting, and billing support services. The acquisition of WeatherWise and its sophisticated software and analytical capabilities will allow Midas to more effectively increase participation in the digitization of the electrical grid and offerings of energy efficient IT infrastructure for data centers while enhancing the company's future growth potential. As part of the merger, WeatherWise will

be rebranded "UtiliPoint Analytics," allowing Midas to further leverage its Consonus and UtiliPoint brands as it sets out to monetize WeatherWise's intellectual property and sophisticated technologies.

Founded in 1996 in Pittsburgh, Pennsylvania, the majority of WeatherWise's current revenues come from its WeatherProofBill® Program, where consumers pay fixed annual bills for heating and cooling regardless of the weather. This service is made possible by WeatherWise's highly sophisticated and proprietary analytical software tools which have much broader applications. Over the years WeatherWise has established an intellectual property portfolio that protects its key product offerings, including a patent for energy efficiency monitoring, and multiple patents pending for rates calculation software.

The acquisition gives Midas access to WeatherWise's team of highly seasoned engineers, programmers and energy professionals, who have over 70 years of combined experience in analytical modeling across various energy consumer applications. In addition, Midas has access to the proprietary software developed at WeatherWise, which uses sophisticated heuristic algorithms to model the energy consumption of commercial and residential customers. Midas believes that the accuracy of its models surpasses the most advanced modeling methods currently available to energy companies from academic and research institutions. This accuracy is especially important in the reduction of risks and costs and increased clarity in observation of consumer behavior changes.

MMED / Consonus Merger: Completed 2/28/11, each Consonus stockholder received, in exchange for each share of Consonus common stock, 1.33 shares of Midas Medici. As a result, immediately after the merger, the former Consonus stockholders owned approximately 66% of the fully-diluted shares of the combined company and the Midas Medici stockholders owned approximately 34% of the fully-diluted shares of the combined company.

Strategic Trends Driving the Merger: The Company believes the merger of Consonus Technologies with Midas Medici enables the combined company to accelerate the respective business plans of Midas Medici and Consonus individually through:

- Increased access to capital in the public equity markets,
- Increased management strength and management expertise
- Access to a new customer base for the Consonus sales organization, and
- Ability to develop and acquire new solutions targeting significant trends in the convergence between technology and energy, in particular the impact of increasing data and the use of energy in the data center space.

The merger enables the combined company to take advantage of the following emerging and growing trends in addition to the existing high growth trends in the data center, virtualization and cloud computing and smart grid spaces:

- **Expanded Access to the Data Center Opportunity:** Providing energy efficiency consulting and other solutions to Consonus' existing and prospective clients as part of the existing solution sets in order to reduce costs, enhance data center optimization and reduce the carbon footprint. According to the US Department of Energy, or DOE, data centers are one of the fastest growing electric power consumption sectors in the country.

- **Expanded Access to the Smart Grid Opportunity:** Consonus gains access to a new industry vertical - the utility industry, which is on the verge of explosive data growth as part of its normal operations. The utility industry is undergoing significant transformation in terms of how it generates, transmits and distributes energy in response to increasing customer and regulatory demand for renewables, increasing construction costs, increasing rates and increasing information requirements by consumers as USA migrate from an analog electric grid to a digital or "smart" grid. This transformation is currently being manifested by the replacing of decades old analog meters by digital two-way meters and associated infrastructure, software and solutions.

According to estimates from Utilipoint, there may be approximately 79 million "Smart" meters deployed from 2008 – 2015. This transformation going on in the utility industry is estimated to increase the annual data storage requirements of the industry by 16 fold – from 37 terabytes ("TB") of data to approximately 800TB of data. Management believes that this transformation creates opportunities for virtualization, disaster recover, security, backup, IT consulting, data center outsourcing among others. The combined company would be uniquely positioned to capitalize on this opportunity in the utility industry to increase its revenues and profits.

Consonus Sale Prior to Merger with MMED: On October 1, 2010, Consonus Acquisition Corp. (“CAC”), a wholly-owned subsidiary of Consonus, sold substantially all of its assets to VW Acquisition Corp. (“VW Acquisition”), a wholly-owned subsidiary of ViaWest, Inc. (“ViaWest”)¹¹, pursuant to an Asset Purchase Agreement by and among ViaWest, VW Acquisition, Consonus and CAC dated as of October 1, 2010 (the “Asset Purchase Agreement”). The purchase price paid at closing was equal to approximately \$43,500,000 million, which is subject to certain post-closing adjustments. CAC is entitled to receive up to an additional \$8,500,000 pursuant to an earn-out provision. The portion of the business sold to ViaWest included contracts for the provision of services as well as actual data centers that were owned and operated by Consonus. The sale to ViaWest and the merger with Midas marks a strategic operational shift for the Consonus brand, which has adopted a service centered, co-location focus rather than the bricks and mortar, balance sheet intensive business required to own and operate data centers.

Following is a listing of Midas Current and Long Term Debts of 9/30/10 and post-sale:

- Proficio Bank Debt: \$2.2 million as of 9/30/10 and paid in full 10/1/10.
- Related Party Notes: \$1.1million as of 9/30/10 and paid in full 10/1/10
- Avnet Secured Note: \$26.7 million as of 9/30/10. In exchange for a total payment of approximately \$9.26 million, including \$760,000 for Avnet’s outstanding warrants, Avnet discharged \$15.1 million in principal and interest on its secured note.
- U.S. Bank Term Loans: \$9.9 million as of 9/30/10 and repaid in full 10/1/10
- U.S. Bank Line of Credit: \$1.8 million as of 9/30/10 and repaid in full 10/1/10.
- Bank mortgage note: \$2.1 million as of 9/30/10 (not repaid).
- Unsecured vendor notes: \$4.2 million as of 9/30/10 and settlement agreement reached 10/28/10 in exchange for a payment of \$525,000.

¹¹ www.viawest.net

Discussion of Midas Financials

Unaudited Balance Sheet as of 3/31/11:				
Current Assets	\$21.3 million, including \$2.2 in cash and equivalents, \$8.9 million in current portion of prepaid data center service costs (which represents deferred maintenance support costs) and \$8.9 million in net accounts receivable. As of 3/31/11, 1 customer accounted for 18% of accounts receivable.			
Current Liabilities	\$34.6 million, including \$14.3 million in current portion of deferred revenue, and \$12.9 million in accounts payable. \$2.5 million in current maturities of long-term debt includes a \$2.1 million bank mortgage note maturing in September 2011, which is collateralized by a Company building and fixtures but non-recourse to Midas.			
Working Capital	A deficit of \$13.3 million as of 3/31/11. It should be noted that \$14.3 million in deferred revenue represents future revenue to MMED, meaning that the Company benefits from an increase in this liability. The deferred maintenance support costs represent costs that will be expended in generating the future revenue, implying an expected future gross profit of approximately \$5.4 million on deferred revenue. With the \$5.4 million in expected future gross profit, and assuming the Company is able to refinance its mortgage loan on Company property, the non-GAAP working capital deficit is significantly less than \$13.3 million.			
Total Assets	\$49.4 million, including \$11.1 million in goodwill, \$10.9 million in other intangible assets, and \$5.4 million in property and equipment. Intangible assets consist of customer relationships, developed technology, content and databases and trade name.			
Total Liabilities	\$39.5 million, including \$2.7 million in deferred tax liabilities.			
Stockholder Equity	\$9.9 million, or approximately \$1.28 per share based on 7,748,730 outstanding shares as of 5/13/11. Accumulated deficit was \$14.9 million as of 3/31/11, with additional paid in capital of \$25 million.			
Unaudited Statement of Operations for the Quarter Ended 3/31/11:				
Revenues	Revenue of \$12.8 million increased 10.7% over Q1 10, driven by growth in IT infrastructure solutions.	Q1 11 Revenue Breakdown Data center services and solutions: IT infrastructure services: IT infrastructure solutions: Total:	<u>Revenue</u>	<u>Gross Profit Margin %</u>
			\$7.1 million	31%
			\$0.8 million	28%
			<u>\$4.9 million</u>	<u>17.5%</u>
			\$12.8 million	25.8%
Operating Expenses	\$14.6 million including \$4.3 million in selling / general / administrative expense, which fell 14.7% from Q1 10 while revenue increased 10.7% over the same period. Approximately 99% of the Company's hardware and software purchase for Q 1 11 were from one vendor.			
Net Income	Net loss of \$1.1 million for Q1 11 improved 48%, representing a significant positive trend relative to a net loss of \$2.1 million for Q1 10. With 5.7 million in weighted average outstanding common shares for the quarter, the loss per share was approximately \$0.20.			
Liquidity	\$2.8 million in net cash used in operating activities was funded primarily by a net decrease of \$2.9 million in cash and equivalents. Midas expects to raise funds through the issuance of debt and/or equity to meet projected cash flow deficits and to implement the acquisition strategy over the next 12 months.			

Accounting for the Merger with Consonus: On February 28, 2011, Midas completed the merger with Consonus. Midas issued 4,963,939 shares of Midas's common stock in exchange for 100% of the equity of Consonus. Midas has accounted for acquisition-related costs of approximately \$0.2 million in selling, general and administrative expenses in the consolidated statement of operations. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition. The total acquisition price of \$5,236 has been allocated as follows (in thousands):

Cash	\$	9
Accounts receivable		185
Furniture, equipment and improvements		6
Goodwill		7,324
Content and databases		1,316
Trade name		529
Customer base intangible asset		630
Other assets		28
Current liabilities		(2,538)
Related party notes		(1,288)
Deferred tax liability		(965)
Total purchase price	\$	<u>5,236</u>

MA Estimate of Midas Outstanding and Potential Common Share Count

Outstanding Common Shares as of 5/13/11	7,748,730
Options as of 3/31/11- \$3.81 average exercise price	501,491
Warrants Outstanding as of 3/31/11 - \$6.00 exercise price	12,800
Non-vested restricted shares as of 3/31/11	9,891
Stock Appreciation Rights - \$4.97 average base price	42,444
Shares issued in April 2011 in settlement of some debt obligations	354,047
Total*	8,669,403
<i>*Does not include shares issued in connection with the all stock acquisition of WeatherWise Holdings.</i>	

MMED Valuation Discussion: CBIZ (NYSE: CBZ), which provides business and financial services to a range of governmental and corporate clients, publishes¹² a periodic “Valuation Snapshot” for the high technology/telecommunications sector. For Q2 10, CBIZ estimated the following multiples:

Sector:	Price / Revenue	Price / Asset	Price / EBITDA
Application Software	2.3x	1.4x	11x
Communication Equipment	0.6x	0.4x	11x
Internet Software / Service	3.0x	1.4x	11x

As noted in the 8-K/A filed 4/26/11, the unaudited pro forma condensed combined statement of operations for Midas for 2010, reporting as if the Consonus merger had been completed, shows \$52.8 million in annual revenue, which is nearly equivalent to annualizing the Company’s Q1 11 results. With price / revenue as the most easily applied metric, the valuation implied for MMED ranges from \$31.6 based on the Communication Equipment multiple to \$158 million based on the Internet Software / Service multiple. With 8.7 million in estimated diluted share count, this CBIZ derived valuation implies a price of between \$3.60 and \$18.00. This extremely wide range clearly implies the market values the growth and profitability prospects of application software and internet software / service companies much higher than communication equipment companies. With a new asset light, service/ software centric model, MMED has an opportunity to earn high valuation multiples.

As illustrated in the tables following this section, the PowerShares Cleantech Portfolio Fund traded recently at 18.7 earnings and 2.7x book value, and the PowerShares Zacks Micro Cap Portfolio traded at 15.2x earnings and 1.2x book value. Assuming a P/E multiple of 17x for MMED, an approximate midpoint between these two funds, the implied earnings expectation for MMED is approximately \$0.15 with a recent stock price of \$2.50. With approximately 8.7 million fully diluted shares, \$1.3 million in net income would translate into \$0.16 EPS. As the Company implements its growth strategy and adds revenue to an already sizeable enterprise, MMED has an opportunity to reach profitability quickly with even small improvements in margin performance or reductions in S/G/A expense, which seem achievable given the Company’s revised operating strategy.

Presented in more detail previously in this report (Page 7 in the discussion of the Midas Data Center Opportunity), the multiples for the acquisitions of data center companies Switch & Data and Terremark ranged from approximately 3x – 4x revenue. Despite each of these two companies reporting net losses, acquirers Equinix and Verizon clearly expect significant long-term potential in this sector.

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http://www.cbiz.com/valuationgroup/pdfs/HIGHTECH_TELECO_M2Q10.pdf

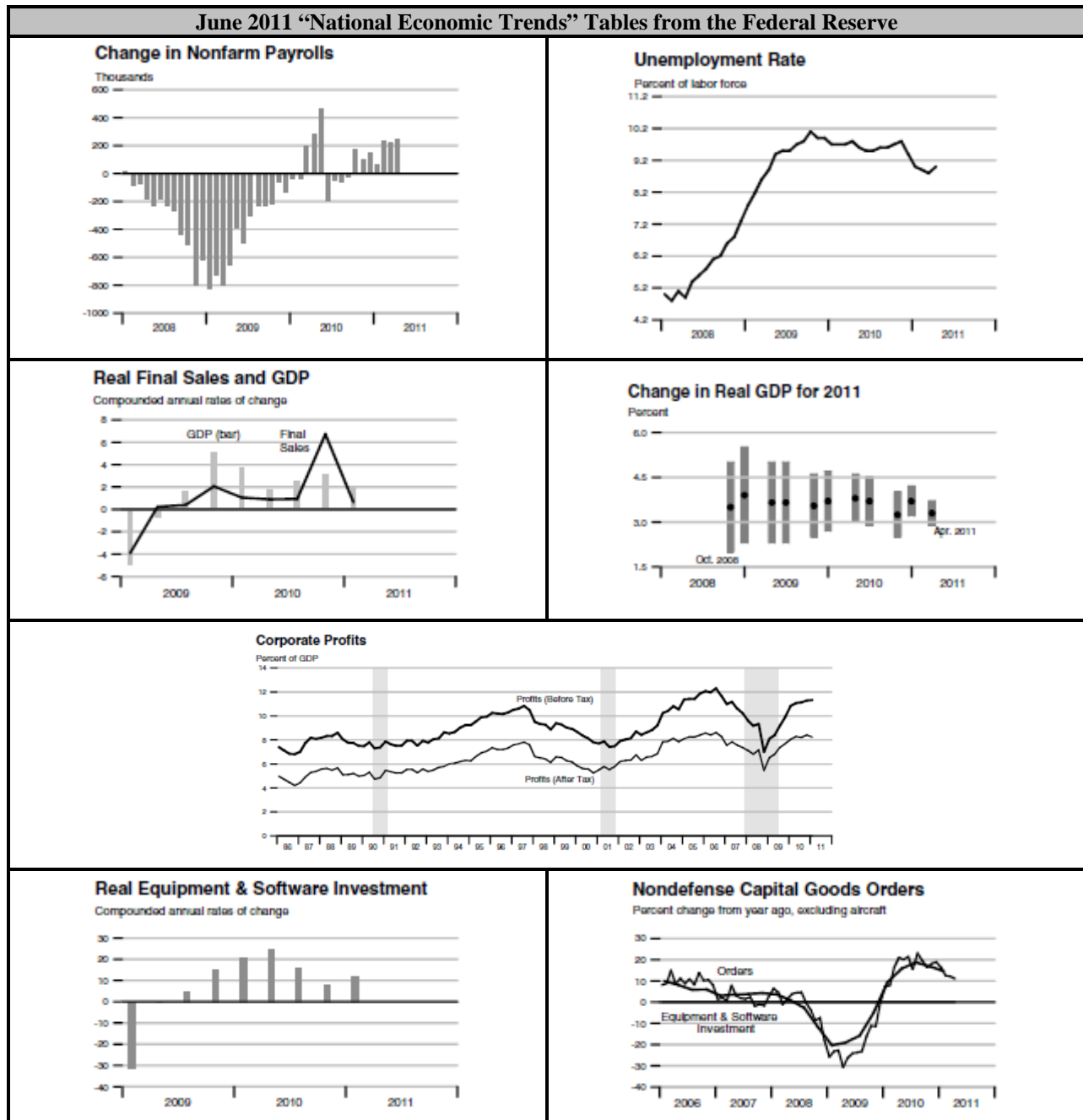
PowerShares Cleantech Portfolio (Fund) and PowerShares Zacks Micro Cap Portfolio (Fund)	
PowerShares Cleantech Portfolio Fund¹³	PowerShares Zacks Micro Cap Portfolio (Fund)¹⁴
<p>Year to Date Performance:</p>	<p>Recent 52 Week Performance:</p>
<p>Recent Top Holdings:</p> <ul style="list-style-type: none"> ABB Ltd. 2.76% Johnson Controls Inc. 2.73% Corning Inc. 2.68% Schneider Electric S.A. 2.64% Siemens AG 2.63% First Solar Inc. 2.61% Iberdrola Renovables S.A. 2.43% Autodesk Inc. 2.42% Vestas Wind Systems A/S 2.41% Trimble Navigation Ltd. 2.40% 	<p>Recent Top Holdings:</p> <ul style="list-style-type: none"> ValueVision Media Inc. (CI A) 0.62% Cost Plus Inc. 0.46% Approach Resources Inc. 0.45% Western Refining Inc. 0.41% Kodiak Oil & Gas Corp. 0.41% Global Ship Lease Inc. 0.40% First Industrial Realty Trust Inc. 0.40% Basic Energy Services Inc. 0.39% Puda Coal Inc. 0.39% Houston American Energy Corp. 0.38%
<p>Recent Select Metrics:</p> <ul style="list-style-type: none"> Price/Earnings Multiple: 18.7 Average Market Cap: \$11.2 billion Price /Book: 2.7x Return On Equity: 16.3% 1 Year Performance: 20.1% Ticker: PZD 	<p>Recent Select Metrics:</p> <ul style="list-style-type: none"> Price/Earnings Multiple: 15.2x Average Market Cap: \$402 million Price / Book: 1.22x Return on Equity: 4.6% 1 Year Performance: 17.6% Ticker: PZI
<p>Methodology: Based on the Cleantech Index™ (Index). The Fund will normally invest at least 90% of its total assets in securities that comprise the Index and ADRs based on the stocks in the Index. The Index is designed to track the leading cleantech companies, from a broad range of industry sectors that offer the best investment returns.</p>	<p>Methodology: The PowerShares Zacks Micro Cap Portfolio (Fund) is based on the Zacks Micro Cap Index (Index). The Index is designed to identify a group of micro cap stocks with the greatest potential to outperform passive benchmark micro cap indexes and other actively managed U.S. micro cap strategies. Due to their low correlation to large, medium and small sized companies, micro caps may complement existing blended portfolios by improving risk adjusted performance.</p>

¹³ <http://www.invescopowershares.com/products/overview.aspx?ticker=PZD#perfchart>

¹⁴ <http://www.invescopowershares.com/products/overview.aspx?ticker=pzi>

U.S. Macroeconomic Data and Indicators

Data from the June 2011 Federal Reserve “National Economic Trends”¹⁵ appears to show generally positive trends, albeit slow moving ones, for a range of economic indicators:



¹⁵ <http://research.stlouisfed.org/publications/net/20110601/netpub.pdf>

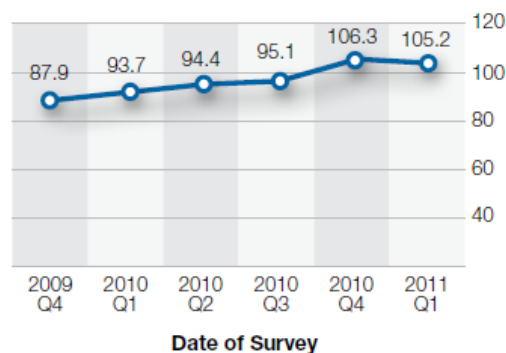
Q1 11 Survey of Professional Forecasters –Forecasters See Stronger Growth in 2011 and 2012:¹⁶ “The outlook for growth in the U.S. economy looks more positive now than it did just three months ago, according to 43 forecasters surveyed by the Federal Reserve Bank of Philadelphia...On the employment front, the forecasters have revised upward the growth in jobs over the next four quarters. The forecasters see nonfarm payroll employment growing at a rate of 129,100 jobs per month this quarter and 188,300 jobs per month next quarter.”

	Real GDP (%)		Unemployment Rate (%)		Payrolls (000s/month)	
	Previous	New	Previous	New	Previous	New
<i>Quarterly data:</i>						
2011:Q1	2.4	3.6	9.5	9.3	104.2	129.1
2011:Q2	2.7	3.5	9.4	9.2	144.3	188.3
2011:Q3	3.3	3.1	9.2	9.0	139.8	201.1
2011:Q4	2.9	3.4	9.0	8.8	170.6	213.1
2012:Q1	N.A.	3.1	N.A.	8.7	N.A.	201.4
<i>Annual data (projections are based on annual-average levels):</i>						
2011	2.5	3.2	9.3	9.1	105.5	134.9
2012	2.9	3.1	8.7	8.5	N.A.	226.1
2013	3.0	3.0	7.9	7.8	N.A.	N.A.
2014	N.A.	3.4	N.A.	7.3	N.A.	N.A.

CEO Confidence in Remains Strong in Q1 11 According to the Vistage International CEO Confidence Survey¹⁷: According to the Vistage International Q1 2011 CEO Confidence Index, the nation’s largest and only comprehensive survey of U.S. small-and medium-sized business CEO’s:

Dr. Richard Curtin, Director of Surveys and Consumers at the University of Michigan, Ann Arbor, and Vistage consultant for the Confidence Index notes, “Current economic conditions had improved according to 63% of all CEOs in the 1st quarter, up from 48% one year ago and just 2% two years ago. Only 5% thought that the economy had worsened — the lowest percentage in six years.”

Vistage CEO Confidence Index
2009-2011



¹⁶ <http://www.philadelphiafed.org/research-and-data/real-time-center/survey-of-professional-forecasters/2010/survq410.cfm>

¹⁷ http://www.vistage.com/media/confidence-index/pdf/FlierConfIndex_Q410.pdf

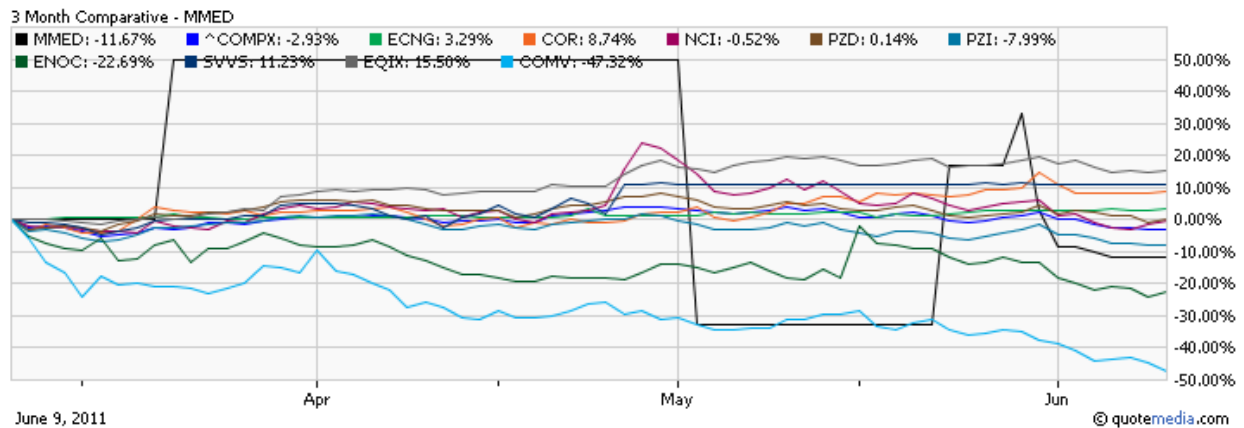
Midas Risks

MMED operations and share performance is subject to a number of risks and uncertainties, outlined in detail in Company filings with the SEC. These filings should be read in conjunction with this report. These risks include:

- MMED has recently incurred net losses, and may continue to incur net losses in the future.
- MMED faces intense competition from many competitors that have greater resources, which could result in price reductions, reduced profitability and loss of market share.
- Because much of MMED's work is performed as short-term projects, research assignments and consulting engagements, the Company is exposed to a risk of under-utilizing staff.
- MMED has reported several material weaknesses in the effectiveness of internal controls over financial reporting, and if the Company cannot maintain effective internal controls or provide reliable financial and other information, investors may lose confidence in the Company's SEC reports.
- If MMED fails to successfully educate existing and potential customers regarding the benefits of service offerings or solutions or if the Smart Grid market fails to develop, the ability to sell solutions and grow the business could be limited.
- If the Company loses key personnel or fails to attract and retain skilled employees, MMED may not be able to manage operations and meet strategic objectives.
- MMED may not be able to identify suitable acquisition candidates or complete acquisitions successfully, which may inhibit the rate of growth.
- MMED may not be able to successfully integrate acquisitions to realize the full benefits of the combined business, and may therefore suffer losses or not be as profitable as planned.
- MMED business may become subject to modified or new government regulation, which may negatively impact the ability to market products.
- To the extent that MMED does not generate sufficient funds from ongoing operations, the Company may need to raise additional capital and failure to do so could adversely affect the Company and shareholders.

MMED and Comparable ETF Performance Chart from quotemedia.com

ECNG: EnergyConnect Group, Inc.	^CompX: Nasdaq Composite	COR: CoreSite Realty	NCI: Navigant Consulting	PZD: PowerShares Cleantech Portfolio Fund
PZI: Powershares Zacks Micro Cap Portfolio Fund	ENOC: EnerNOC, Inc.	SVVS: SAVVIS	EQIX: Equinix	COMV: Converge, Inc.



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Company operates, the development of new products and services that compete with those offered by the Company, competitive pressures, economic and political conditions, changes in consumer behavior, the introduction of competing products having technological and/or other advantages, and other risks not contemplated by the Company or by MA. These and other risks are described in the Company's filings with the Securities and Exchange Commission. These filings should be read in conjunction with the MA report. MA was paid \$8,500 by the Company through Trilogy Capital Partners in advance of the publication of this report. MA assumes no responsibility to update information concerning the Company. MA owns no shares in the Company. No part of the compensation to MA is tied to any content contained in this report or any view expressed in this report. The Analyst for this report Patrick J. Murphy, CFA, has over 15 years of investment and transaction analysis across a range of asset classes including microcap equities, commercial real estate debt and equity, municipal derivatives and public finance, venture capital, fixed income, commercial MBS and mortgage REIT's. In addition to his work with Murphy Analytics, Mr. Murphy also serves as a consultant to a municipal derivatives advisory firm. Additionally, Murphy Analytics sometimes provides analytical services to various venture capital firms, privately held companies, non-profits and investor relations firms, including Trilogy Capital Partners or its affiliates. Mr. Murphy is an alumnus of the University of Notre Dame (1991), with an undergraduate degree in Economics, and earned a Masters Degree in Finance from St. Louis University in 1997. Mr. Murphy is a CFA Charterholder and a member of the CFA Society of St. Louis. I, Patrick J. Murphy, hereby certify that all views expressed in this report accurately reflect my personal views about the Company, and that no part of my compensation was or will be related to the views expressed in this report.

Overview of the OTCBB¹⁸

The OTC Bulletin Board[®] (OTCBB) is a regulated quotation service that displays real-time quotes, last-sale prices, and volume information in over-the-counter (OTC) equity securities. An OTC equity security generally is any equity that is not listed or traded on NASDAQ[®] or a national securities exchange. OTCBB securities include national, regional, and foreign equity issues, warrants, units, American Depositary Receipts (ADRs), and Direct Participation Programs (DPPs). The OTCBB is a quotation medium for subscribing members, not an issuer listing service, and should not be confused with The NASDAQ Stock MarketSM. There are no minimum quantitative standards which must be met by an issuer for its securities to be quoted on the OTCBB; however, the new Eligibility Rule limits quotations on the OTCBB to the securities of issuers that are current in their reports filed with the SEC or other regulatory authority. Issuers do not have any filing or reporting requirements with The NASDAQ Stock Market, Inc., or FINRA. Market Makers will be required to provide the periodic financial reports filed by OTCBB issuers with the SEC or other regulatory authorities pursuant to the Eligibility Rule. NASDAQ has no business relationship with the issuers of securities quoted on the OTCBB. Investors must contact a broker/dealer to trade OTCBB securities. Investors do not have direct access to the OTCBB service. The Securities and Exchange Commission's (SEC's) Order-Handling Rules which apply to NASDAQ-listed securities do not apply to OTCBB securities.

It is important to note that FINRA has no regulatory authority over OTC Bulletin Board issuers. FINRA's responsibilities include establishing rules governing its broker/dealer members' business conduct; setting qualification standards for securities industry professionals; examining members for their financial and operational condition as well as their compliance with appropriate rules and regulations; investigating alleged violations of securities laws; disciplining violators of applicable rules and regulations; and responding to inquiries and complaints from investors and members. Due to the high level of risk involved in investing in Penny Stocks, the SEC created Rule 15g-2, which makes it "unlawful for a broker or dealer to effect a transaction in any penny stock for or with the account of a customer unless, prior to effecting such transaction, the broker or dealer has furnished to the customer a document containing the information set forth in Schedule 15G, Rule 15g-100, and has obtained from the customer a manually signed and dated written acknowledgement of receipt of the document." (SEC Rule 15g-2(a), Risk Disclosure Document Relating to the Penny Stock Market). If you believe that you have been defrauded by an OTC Bulletin Board issuer, you may file a complaint with your State Securities Regulator or contact the SEC's Office of Investor Education and Assistance.

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¹⁸ <http://www.otcbb.com/investorinformation/investorinfo.stm>