



Resurgence in Communications M&A Clearly Underway as Q1 Transaction Volume Climbs 34% from Q1 2009

San Diego, CA May 3, 2010 - SagePoint Advisors announced today that the resurgence in Communications M&A continued in Q1 with transaction volume up 34% over Q1 2009 according to SagePoint's Q1 2010 Communications M&A Review. On a transaction value basis, Communications M&A increased to \$57B in Q1, 14 times the \$4.0B in Q1'09 and 30% higher than the \$43B in Q4'09 with the increase driven primarily by multi-billion dollar Telecom Services deal announcements. "The resurgence in M&A activity which began in Q4 coupled with the recent improvement in the IPO market is setting the stage for a much stronger exit environment in 2010 and 2011", said David Michaels, Founder and Managing Director of SagePoint Advisors.

While it was clear that some segments were less active in Q1 as buyers focused on consolidating large acquisitions made in Q4, a number of encouraging observations from the Q1 Communications M&A Review suggest that the resurgence in M&A activity is continuing to gain momentum:

- Telecom Services M&A dollar volume increased dramatically to more than \$53B in Q1, more than 30 times that of Q1'09 and nearly 5 times that of Q4'09;
- Communications Software & Services M&A transaction volume continued to rebound strongly in Q1, up 64% from Q1'09 and 8% from Q4'09 with the median revenue multiple for private targets reaching a three year peak of 4.6x;
- Median revenue multiples for Communications Equipment private targets increased 50% to 1.4x, nearly returning to historic norms as distressed deals are no longer dominating the deal activity;
- Communications Semiconductor M&A dollar volume increased to \$734M in Q1, nearly twice that of Q1'09 and 6% higher than Q4'09 with the median revenue multiple for public targets reaching a three year high of 3.9x; and
- There were approximately 20 M&A transactions in Q4 that SagePoint deemed to be strategically impactful, nearly all of which are profiled and analyzed in more detail in the Q1 Communications M&A Review.

SagePoint's Q1 2010 Communications M&A Review provides a snapshot of M&A activity levels and valuation trends for the last thirteen quarters along the entire communications industry value chain. Metrics examined for each market segment include M&A dollar volume, M&A transaction volume, deal size metrics, valuation multiples, most active buyers and an analysis of certain, strategically impactful transactions. To access the presentations, please visit <http://www.sagepointadvisors.com/Research.html> or click on the links below:

About SagePoint Advisors

SagePoint Advisors is a boutique investment banking firm providing merger, acquisition and strategic advisory services to technology and telecom companies and their venture backers. SagePoint delivers the senior-level attention, trusted relationships and market insight on \$10-100 million transactions that other investment banks reserve only for much larger transactions. For more information, please visit www.sagepointadvisors.com or contact:

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