



## SagePoint 400 Posts Double Digit Revenue Growth for the First Time Since the Recession Began

San Diego, CA - June 11, 2010 - The SagePoint 400 posted a median revenue growth rate of 17% in Q1, the first double digit median growth rate since the recession began in Q3 2008. SagePoint recently expanded its coverage universe to include a broader set of publicly-traded Communications, Internet and IT Infrastructure companies and double digit revenue growth was evident across all segments of the expanded value chain except Telecom Services. "Double digit revenue growth at the SagePoint 400 coupled with strong M&A activity suggests that the recovery is well underway in the Communications, Internet and IT Infrastructure industries although enthusiasm has been dampened somewhat recently by European economic woes", said David Michaels, Founder and Managing Director of SagePoint Advisors.

A number of encouraging observations from the Q1 SagePoint 400 Performance Review suggest a recovery is well underway:

- The SagePoint Telecom Services 100 posted median revenue and EBITDA growth of 5% and 8% respectively in Q1, the strongest growth since the recession began;
- The SagePoint Software & Services 125 posted 17% median revenue growth in Q1, the first double digit growth rate in six quarters with median EPS growth also strong at 15%;
- The SagePoint Equipment 115 posted 21% median revenue growth in Q1, the first double digit growth rate in seven quarters with median EPS growth also very strong at 61%;
- The SagePoint Semis 60 posted explosive median revenue and EPS growth of 50% and 148% respectively in Q1, a dramatic turnaround from Q1 2009 when revenue was contracting at 27% and EPS was contracting at 55%;
- SagePoint 400 companies increased investment in product development and sales and marketing for the first time since the recession began with 65% of companies increasing R&D and more than 50% increasing SG&A; and
- Stock price recovery continued in Q1 although stocks have declined thus far in Q2 due to European economic concerns driving valuation multiples down 5-10%.

The SagePoint 400 Performance Review provides a quarterly assessment of how 400 publicly-traded companies along the Communications, Internet and IT Infrastructure value chain are performing, how they are valued and what impact these factors have on the M&A exit environment. Metrics examined include stock performance, performance versus estimates, revenue and EPS growth rates, margin analysis, valuation multiples and balance sheet strength. To access the presentations, please visit <http://www.sagepointadvisors.com/Research.html>.

### **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](http://www.sagepointadvisors.com) or contact:

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