



SagePoint 400 Posts Double Digit Revenue and Earnings Growth for Second Straight Quarter

San Diego, CA – September 29, 2010 - The SagePoint 400 posted a median revenue growth rate of 14% and a median EPS growth rate of 23% in Q2 as the recovery continued unabated despite fears of a double dip. Double digit revenue and earnings growth was evident across all segments of the value chain except Telecom Services. “Double digit revenue and earnings growth at the SagePoint 400 coupled with strong M&A activity suggests that the recovery is on track in the Communications, Internet and IT Infrastructure industries despite fears of a double dip recession”, said David Michaels, Founder and Managing Director of SagePoint Advisors.

A number of encouraging observations from the Q2 SagePoint 400 Performance Review suggest that the recovery remains on track:

- The SagePoint Telecom Services 100 posted median revenue and EBITDA growth of 5% and 7% respectively in Q2, the fourth straight quarter of growth;
- Aggregate capital expenditures for the Telecom Services 100 increased 14% in Q2 versus Q1 which is fueling growth throughout the remainder of the value chain;
- The SagePoint Software & Services 125 posted median revenue and EPS growth of 15% and 13% respectively in Q2, the second straight quarter of double digit growth rates;
- The SagePoint Equipment 115 posted median revenue and EPS growth of 19% and 41% respectively in Q2, the second straight quarter of double digit growth rates;
- The SagePoint Semis 60 posted explosive growth once again in Q2 with median revenue and EPS growth of 40% and 126% respectively;
- SagePoint 400 companies increased investment in product development and sales and marketing again in Q2 with 61% of companies increasing R&D and 59% increasing SG&A; and
- Stock prices declined in Q2 due to European economic concerns driving median P/E multiples down 15% but valuations have recovered thus far in Q3 and are now down only 5% from Q1.

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> 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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