



Communications M&A Activity Up 40% in Q4 Setting the Stage for a Stronger Exit Environment in 2010

San Diego, CA February 22, 2010 - SagePoint Advisors announced today that Communications M&A rebounded strongly in Q4 with transaction volume up 40% from Q3 according to SagePoint's Q4 2009 Communications M&A Review. The increase in M&A activity in Q4 was evident across most of the segments of the Communications value chain with M&A transaction volume up more than 25% for Telecom Services, Software & Services and Equipment. On a transaction value basis, Communications M&A nearly doubled to \$42B in Q4 versus \$22B in Q3 with the increase driven primarily by several multi-billion dollar Equipment deal announcements. "A real resurgence in M&A activity began in Q4 which we believe is picking up momentum and setting the stage for a stronger exit environment in 2010 and 2011", said David Michaels, Founder and Managing Director of SagePoint Advisors.

A number of encouraging observations from the Q4 Communications M&A Review point towards a stronger exit environment including:

- Telecom Services M&A transaction volume increased nearly 60% in Q4 versus Q3 and there was a resurgence in large Telecom Services deals with nine \$100M+ private deals and six \$250M+ public deals announced in Q4;
- Communications Software & Services M&A transaction volume increased nearly 30% in Q4 versus Q3 and the median revenue multiple for private Software & Services M&A transactions was double that of Q3;
- Communications Equipment M&A dollar volume reached a three year peak in Q4 with five \$1B+ public Telecom Services deals and seven \$100M+ private deals, the most in any quarter in the last three years;
- Three \$100M+ Communications Semiconductor private deals were announced in Q4, the most since Q2'07 and the median revenue multiple for private Semiconductor targets was more than 4x that of Q3; and
- There were more than 20 M&A transactions in Q4 that SagePoint deemed to be strategically impactful, all of which are profiled and analyzed in more detail in the Q4 Communications M&A Review.

SagePoint's Q4 2009 Communications M&A Review provides a snapshot of M&A activity levels and valuation trends for the last twelve 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>

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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