



2010 M&A Dollar Volume More Than Doubles in the Internet, Communications & IT Infrastructure Markets

San Diego, CA – February 7, 2011 – SagePoint Advisors announced today that 2010 M&A dollar volume surged to \$202 billion in the Internet, Communications & IT Infrastructure (“ICIT”) markets, more than double that of 2009 according to SagePoint’s Q4 2010 ICIT M&A Review. ICIT M&A transaction volume reached 1,547 transactions in 2010, up nearly 25% from 2009. “Strategic acquirers stepped up their M&A activity levels dramatically in 2010 and are showing a willingness to put their cash to work on larger transactions. This was particularly evident in the Software & Services and Telecom Services market segments where M&A dollar volume more than tripled compared to 2009”, said David Michaels, Founder and Managing Director of SagePoint Advisors.

A number of encouraging observations from SagePoint’s Q4 M&A Review suggest that M&A in the ICIT markets rebounded very strongly in 2010:

- M&A dollar volume across SagePoint’s ICIT Universe surged to \$202B in 2010, up more than 100% from 2009 with transaction volume also up nearly 25%;
- Software & Services M&A dollar volume quadrupled in 2010 to over \$40B, well above 2008 and 2009 combined while transaction volume increased by over 40%;
- Telecom Services M&A dollar volume more than tripled in 2010 to \$130B driven by megamergers while transaction volume increased by 14%;
- Semiconductor M&A dollar volume more than doubled in 2010 to its highest level in four years while transaction volume fell slightly as larger transactions became more prevalent;
- Equipment was the only segment that struggled with M&A dollar volume dropping nearly in half in 2010 due to fewer \$1B deals;
- Buyers are demonstrating more willingness to write large M&A checks as evidenced by the fact that 107 \$100M+ ICIT deals were announced in 2010 versus 65 in 2009;
- The median revenue multiple for M&A transactions across SagePoint’s ICIT Universe reached 2.0x in 2010, the highest level in four years and a 40% increase from 2009; and
- There were 37 M&A transactions in Q4 that SagePoint deemed to be strategically impactful, which are profiled and analyzed in more detail in SagePoint’s Q4 M&A Review.

SagePoint’s M&A Reviews provide a snapshot of M&A activity levels and valuation trends for the last sixteen quarters along the entire Internet, Communications and IT Infrastructure 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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