

SagePoint Telecom Services M&A Review for Q1 2011

An Analysis of M&A Activity and Valuation
Metrics in the Telecommunication & Data
Center Services Market Segments



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SagePoint's Viewpoint - Key Takeaways

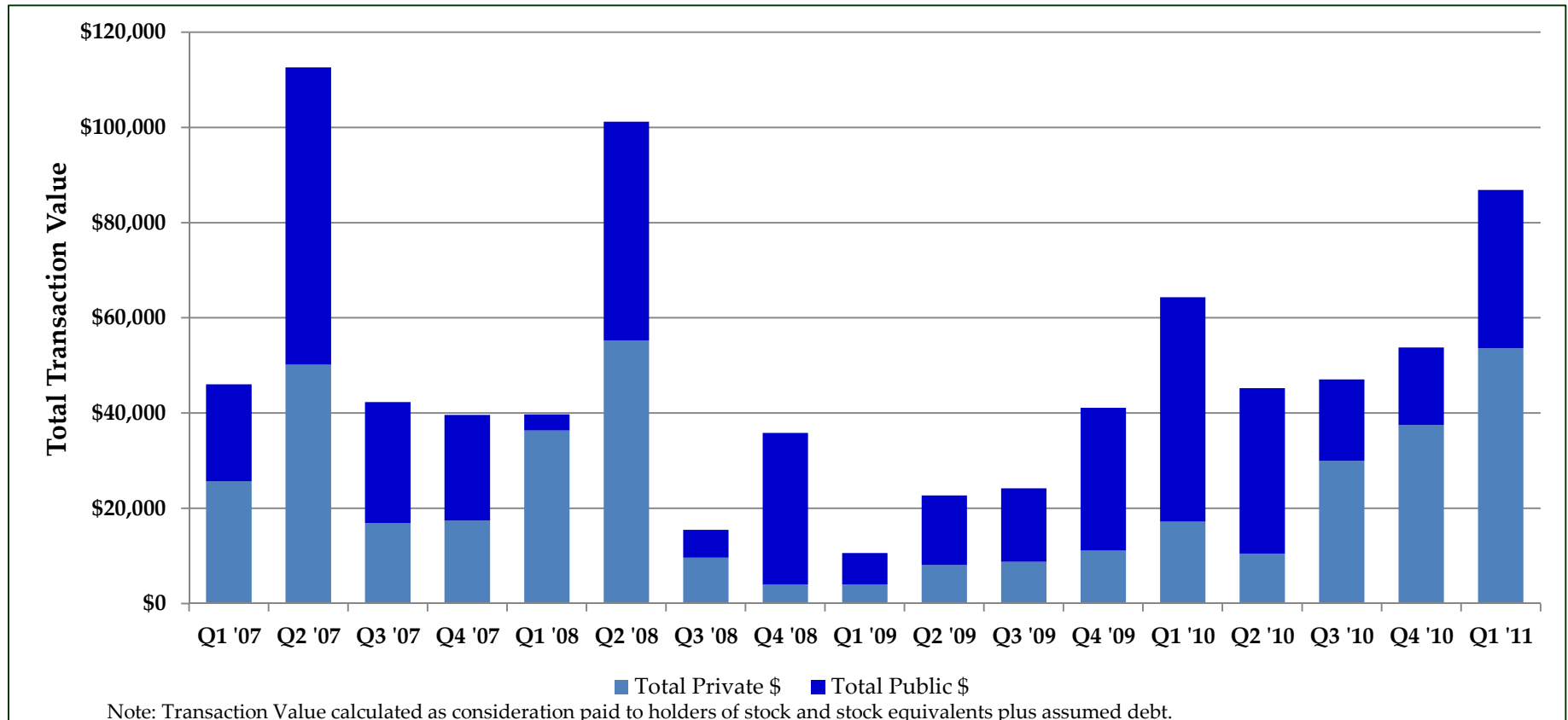
- M&A dollar volume across SagePoint 's entire Internet, Communications & IT Infrastructure ("ICIT") increased 61% from Q4 to \$86.8B, reaching the highest dollar volume since Q2'08
 - The increase was driven by the \$39B telco megamerger of AT&T and T-Mobile
- M&A transaction volume across SagePoint's ICIT universe increased 10% over the prior quarter and nearly 30% compared to Q1'10 to a four year high of nearly 500 deals
- Q1 Telecom Services M&A dollar volume jumped 106% to its highest level since Q2'08, driven by AT&T's \$39B offer for T-Mobile
 - AT&T/T-Mobile is the largest Telco deal since AT&T/Bell South (\$89B) in Q1'06 and the 12th largest ever
- Telecom Services M&A transaction volume fell 13% in Q1 versus Q4'10 but remains quite healthy at over 100 deals for the quarter
- Median deal size across telecom fell to \$30M on a lack of mid-sized deals
 - Private median deal value fell sharply to \$19M despite 3 \$1B+ deals as middle market deals in the \$100-500M dwindled to just 3 after 15 in Q4'10
 - Public median deal size jumped to over \$1B as the majority of transactions were \$1B+
- The Median LTM revenue multiple increased to 1.9x, from 1.5x in Q4'10 with both private and public median revenue multiples at the lower end of their historic range
 - Private median multiple fell sharply to 1.3x in Q1 from 2.3x in Q4'10
 - Public median multiple increased to 2.1x in Q1, rebounding from a meager 0.3x in Q4'10

SagePoint's Viewpoint - Key Takeaways Continued

- Four buyers posted double digit deal counts over the last 24 months, 3 of which were Russian carriers
 - Rostelecom has led activity, aggressively driving consolidation
 - MegaFon and Sistema, also Russia-based telecom providers, have been active with mostly smaller deals
 - Daisy Group is a UK-based, business focused telecom operator that has made several small acquisitions
 - PE players have been very active in the telecom space in recent quarters
- Notable Q1 M&A transactions include:
 - AT&T's acquisition of T-Mobile for \$39B
 - Telecomunicacoes de Sao Paulo's acquisition of Vivo Participacoes for \$17.3B
 - EchoStar Satellite's acquisition of Hughes Communications for \$2.1B
 - Philippine Long Distance's acquisition of Digital Telecommunications Phil for \$2B
 - Verizon's acquisition of Terremark for \$1.9B
 - Dish Network's acquisition of DBSD North America for \$1.4B
 - ESU's acquisition of Ukrtelecom for \$1.3B
 - Rostelecom-Center, Uralsvyazinform and North-West Telecom's acquisition of National Telecommunications Group for \$1.1B
 - VimpelCom's acquisition of New Telephone for \$420M
- SagePoint expects strong M&A activity to continue through 2011
 - Lumpiness of megamergers will continue to cause large swings in dollar volume, but SagePoint expects to see 80-120 deals a quarter in Telecom with revenue multiples in the low 2s
 - Companies will continue to utilize M&A to add scale and drive growth, particularly in emerging growth areas, and carrier consolidation is bound to continue with more \$1B+ transactions in 2011

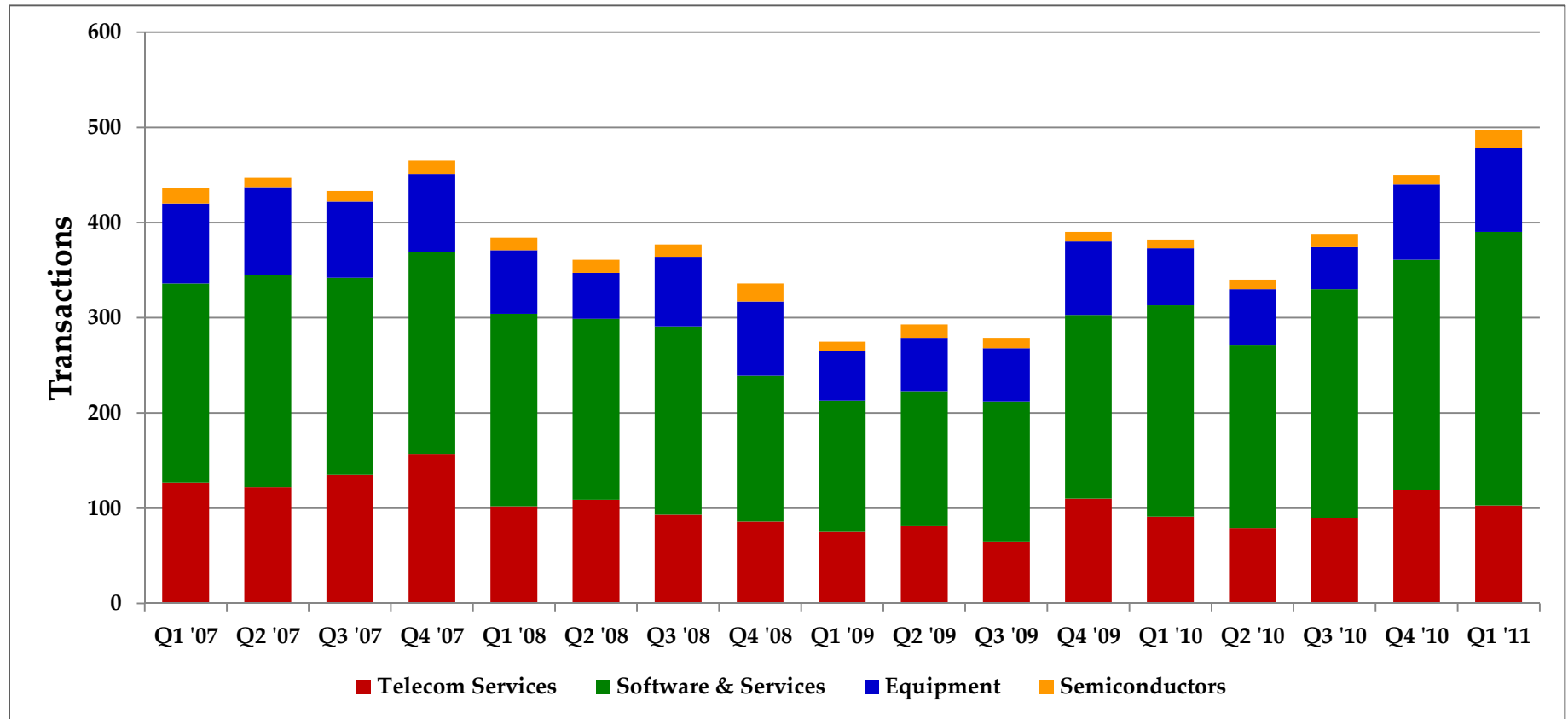
Quarterly M&A Dollar Volume – SagePoint ICIT Universe

- M&A dollar volume across SagePoint 's ICIT Universe rose 61% over Q4, driven by the \$39B telco megamerger of AT&T and T-Mobile (the largest telco deal in five years) and \$17B consolidation of Telefonica's Telesp and Vivo subsidiaries
 - Telecom drove the dollar increase with 8 \$1B+ deals
 - Semis surprised with record dollar and deal volume driven by Qualcomm's \$3.6B acquisition of Atheros
 - Equipment and Software dollar volume fell despite increased deal volume on a lack of \$500M+ deals



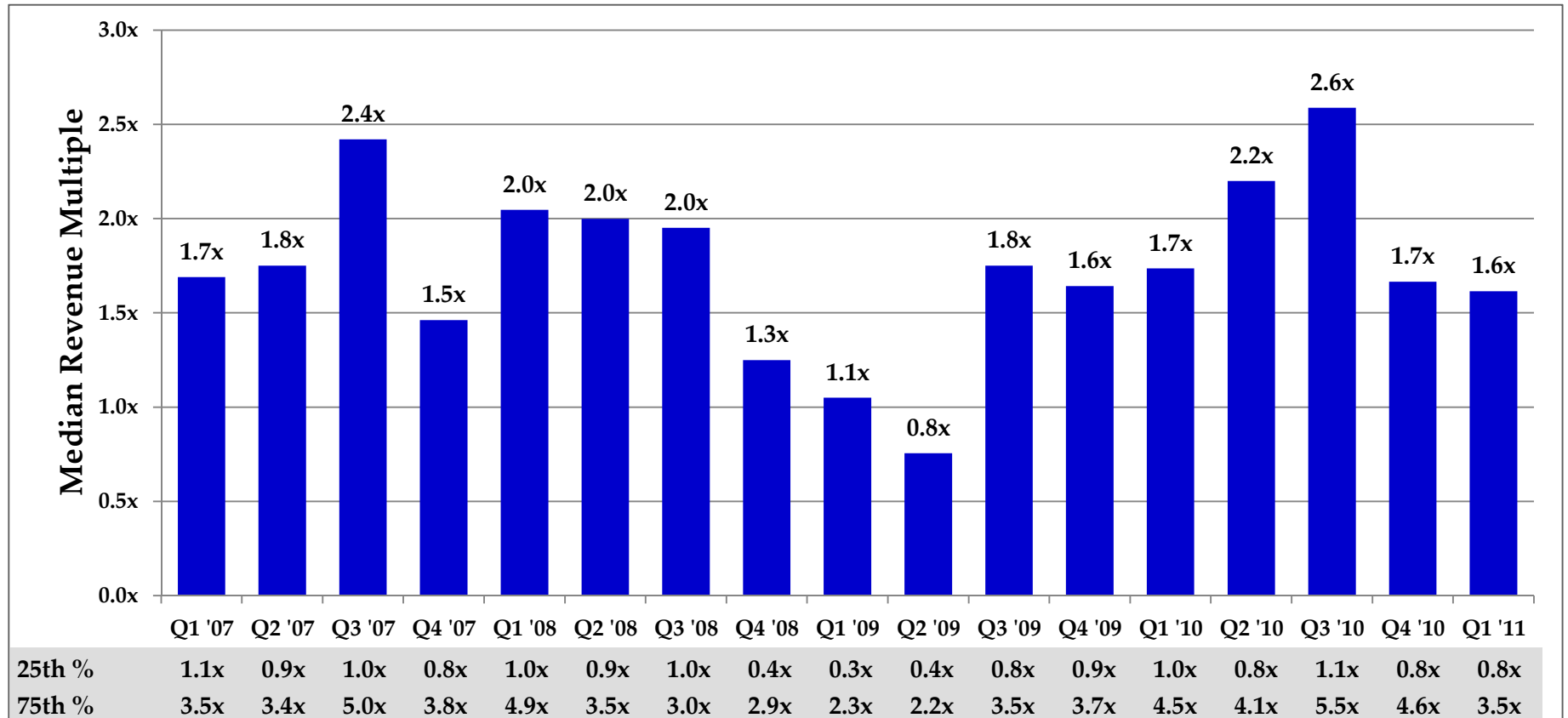
Quarterly M&A Transaction Volume – SagePoint ICIT Universe

- M&A transaction volume across SagePoint’s ICIT universe was up 10% Q/Q again, the third straight quarter of increased deal volume
- Q1’11 deal volume reached its highest level since the beginning of ’07, nearly hitting 500 deals
 - Semis, Software and Equipment were at or near their highest volumes since the beginning of ’07
 - Telecom was near its highest level since beginning of ’07 with the most \$1B+ deals since Q2’07
- SagePoint expects M&A transaction volume to remain robust throughout 2011



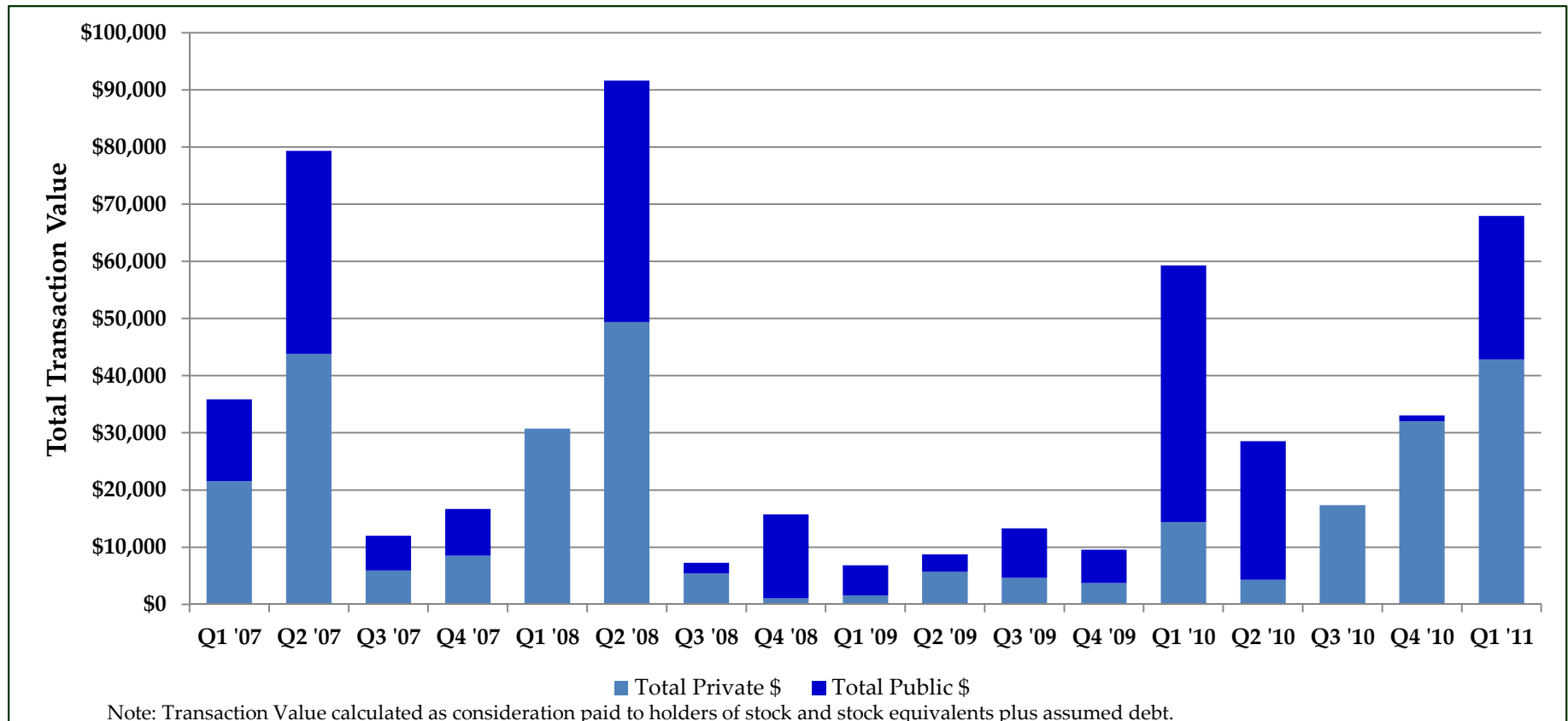
Quarterly Median M&A LTM Revenue Multiple – ICIT Universe

- The Median LTM revenue multiple for SagePoint’s ICIT Universe fell slightly to 1.6x in Q1, remaining at the lower end of its four year range of 1.5-2.0x
 - Actual deal multiples for Q1 were split with 33% below 1x, 33% between 1-3x, and 33% above 3x
 - SagePoint believes the Q3 2.6x median revenue multiple was an aberration but expects multiples to pull back towards the 2x range during 2011



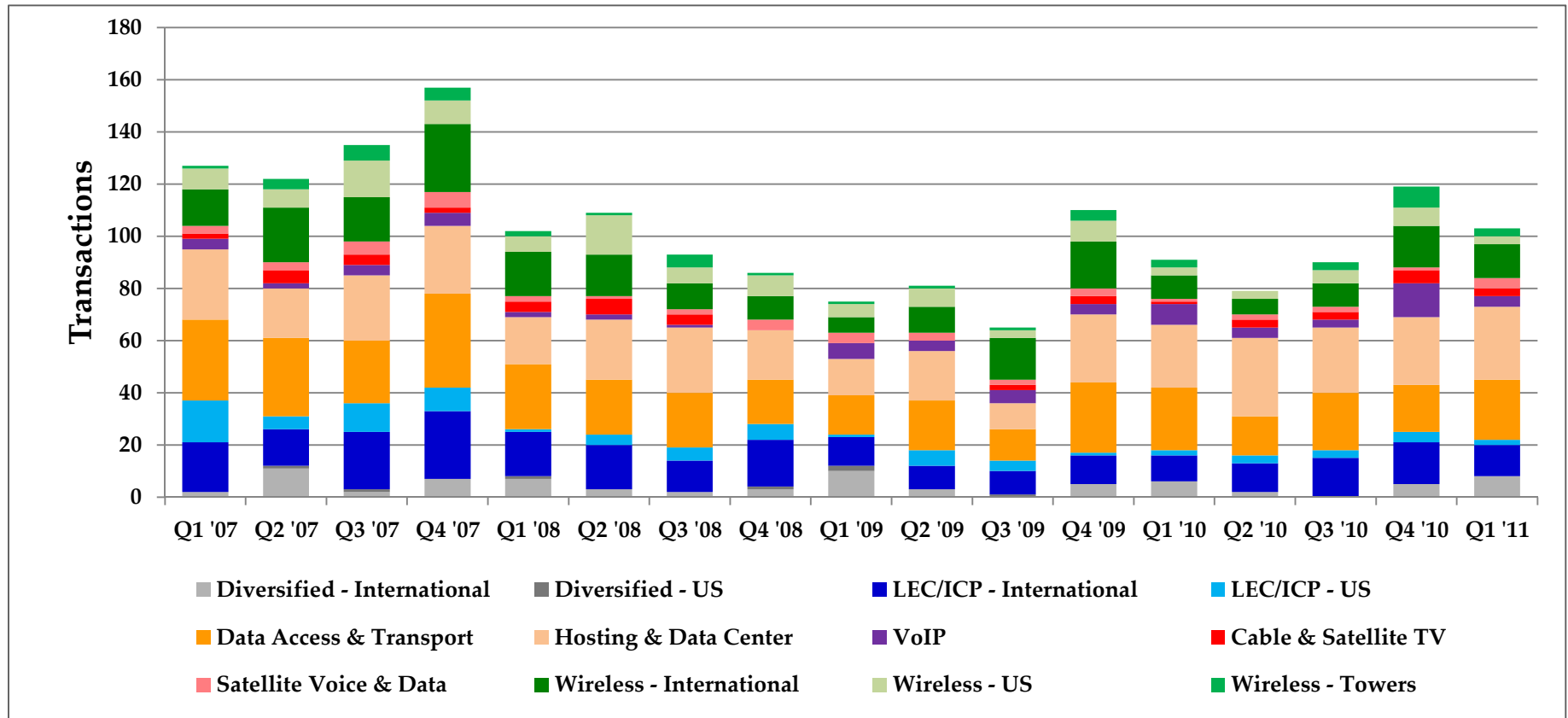
Quarterly M&A Dollar Volume – Telecom Services Universe

- Q1 Telecom Services M&A dollar volume jumped 106%, driven by AT&T's \$39B offer for T-Mobile
 - AT&T/T-Mobile is the largest Telco deal since AT&T/Bell South (\$89B) in Q1'06 and the 12th largest ever
 - Telefonica's consolidation of Telesp and Vivo via stock swap was valued at \$17.3B
- 8 \$1B+ deals for Q1 is the most \$1B+ deals since Q2'07
 - Q2'08 peak driven by China Unicom/China Netcom (\$33B) and Verizon/Alltel (\$30B) transactions



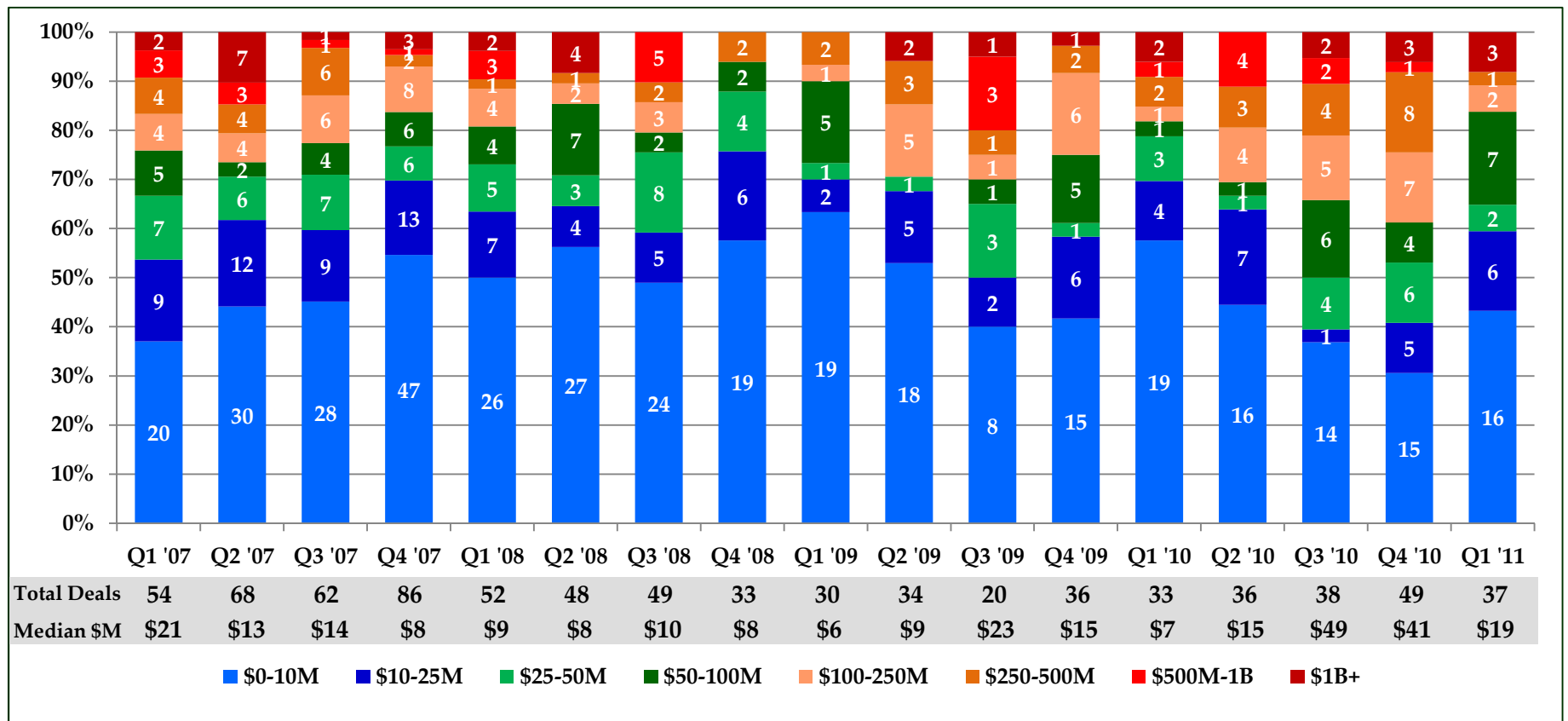
Quarterly M&A Transaction Volume – Telecom Svcs. by Segment

- Telecom Services M&A transaction fell 13% in Q1 versus Q4'10 but remains quite healthy at over 100 deals for the quarter
- Data Access & Transport and Hosting & Data Center led deal activity as the land grab continues for providers looking to keep up with the rapid growth in traffic and desire for cloud services
- International Wireless and LEC/ICP have seen strong activity as consolidation continues, particularly with established players pushing into emerging regions to maintain growth rates



Quarterly M&A Transaction Volume by Deal Size – Private Targets

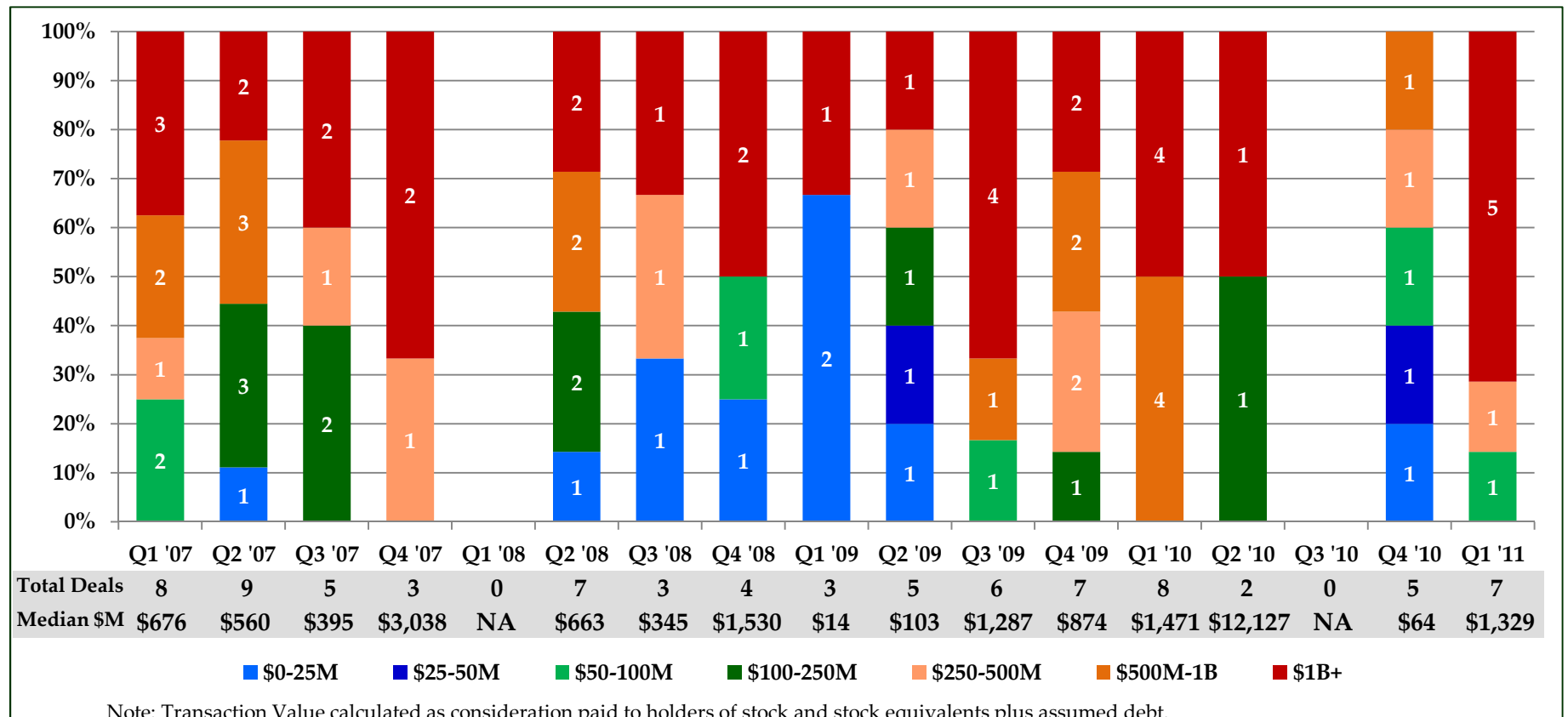
- Q1 Telecom Services private deal volume with announced values fell from Q4, but remains healthy and in line with the prior four quarters
 - Median deal value fell sharply to \$19M despite 3 \$1B+ deals as middle market deals in the \$100-500M dwindled to just 3 after 15 in Q4'10
- \$1B+ private deals were AT&T/T-Mobile (\$39B); Dish Network/DBSD (\$1.4B); Rostelecom-Center, Uralsvyazinform and North-West Telecom/National Telecom (\$1.1B)



Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

Quarterly M&A Transaction Volume by Deal Size – Public Targets

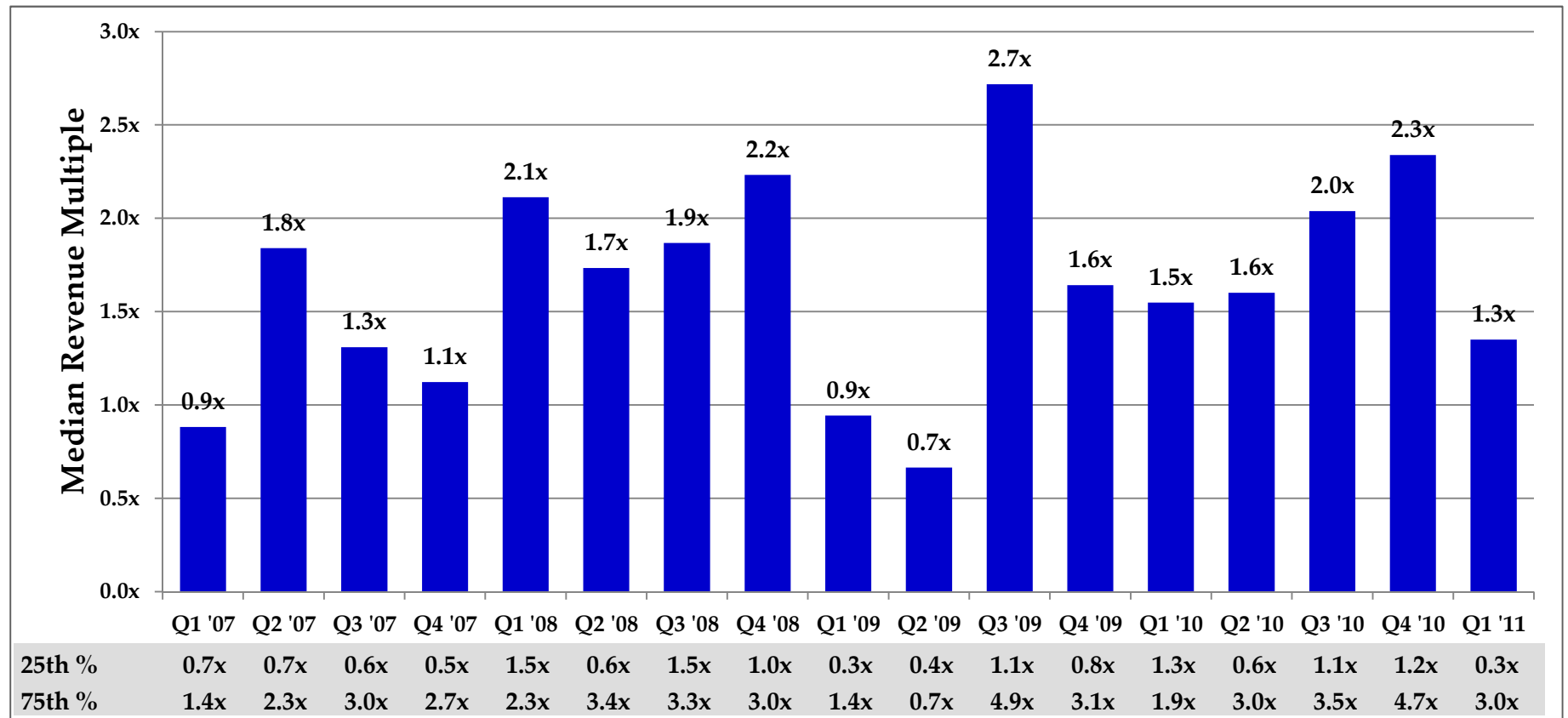
- Public Telecom Services deal volume was strong again in Q1 with 7 deals
 - Surprisingly, the majority of deals were \$1B+, causing a huge jump in median deal size
- SagePoint expects public carrier consolidation activity to continue though deal volume will generally stay in the low to mid single digits per quarter



Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

Quarterly Median Revenue Multiples – Pvt. Telecom Svcs. Targets

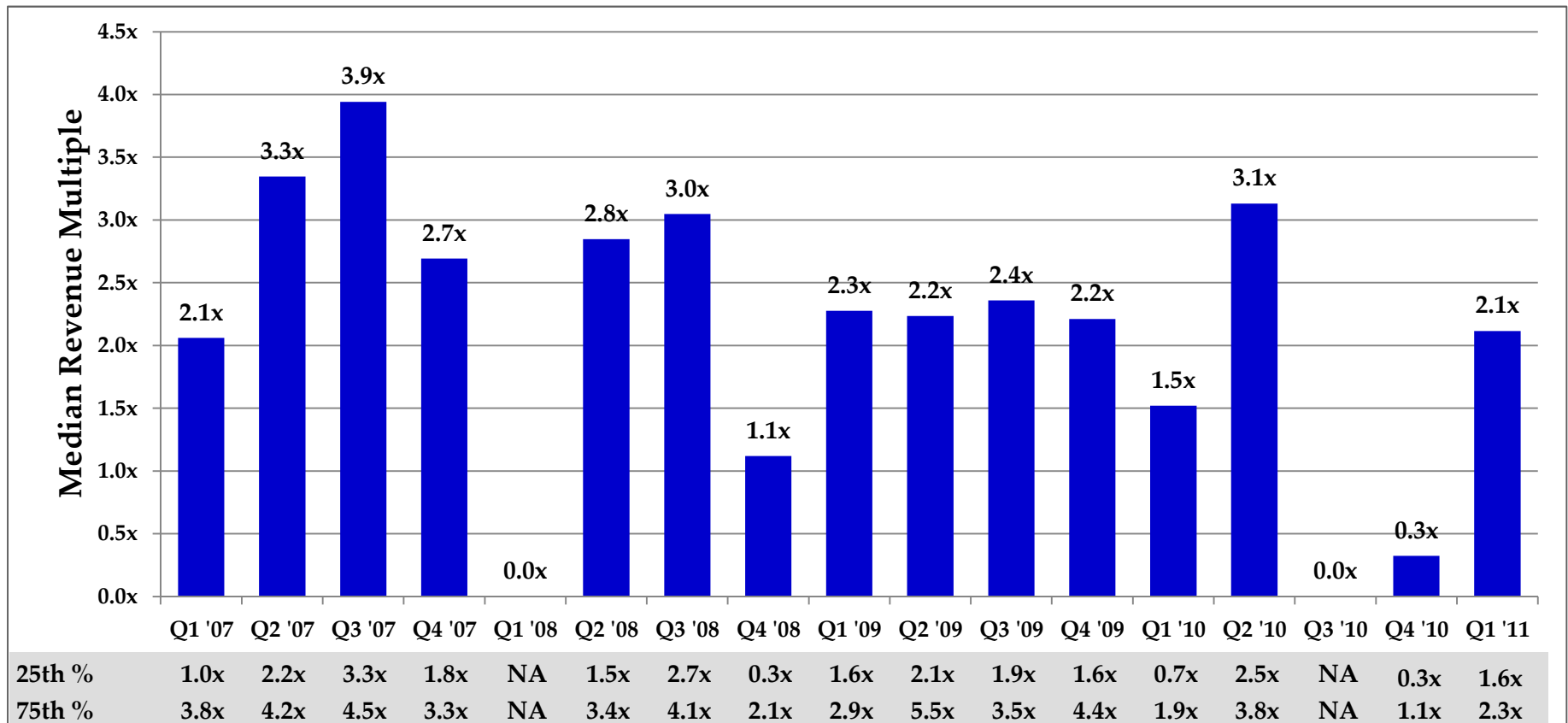
- Median private revenue multiples fell considerably to 1.3x in Q1, at the lower end of the historical range
- There were a few significant private deals done at premium revenue multiples in Q1:
 - VimpelCom paid 3.8x for New Telephone
 - Inmarsat paid 2.8x for Ship Equip
 - AT&T paid 1.8x for T-Mobile



Note: Enterprise Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt less cash and cash equivalents.





Quarterly Median Revenue Multiples – Pub. Telecom Svcs. Targets

- Median public M&A revenue multiple recovered to 2.1x, at the low end of historic norms
 - Philippine Long Distance paid 8.8x Digital Telecom Phils
 - Verizon paid 5.4x for Terremark
 - Vimpelcom paid 3.8x for New Telephone
 - Time Warner paid 2.5x for NaviSite
- SagePoint expects public multiples in the low 2s in the coming quarters







Note: Enterprise Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt less cash and cash equivalents.

Most Active Telecom Services Buyers – Last 2 Years



Company	# of Deals		Telecom Services Transactions	
	Telco	Comm		
 ROSTELECOM	20	20	1/31/11 - National Telecom Group - \$1,061M 12/30/10 - OOO Kapital Plyus - NA 12/17/10 - OAO MobiTel - NA 11/9/10 - OAO RadioTelephone Company - NA 9/22/10 - South Telecom LLC - NA 7/12/10 - Severen-Telekom ZAO - NA 5/27/10 - Teleset Networks PLC - \$161M 4/30/10 - OAO Dagsvyazinform - \$20.6M 3/22/10 - Sibirtelecom - \$2,090M 3/22/10 - Central Telecommunication - \$591M	3/22/10 - Uralsvyazinform - \$2,897M 3/22/10 - Volgatelecom - \$2,094M 3/22/10 - North-West Telecom - \$559M 3/22/10 - Southern Telecommunications - \$612M 3/22/10 - Far East Telecommunications - \$852M 12/15/09 - Southern Ural Telephone Company - NA 12/10/09 - Yuzhno-Uralskaya Telephone - NA 6/8/09 - Gorodskaya Telephonnaya Svyaz - \$11.1M 3/31/08 - CJSC Novocom - NA 12/29/07 - Interdaltelecom LLC - \$0.9M
 SISTEMA	11	14	3/30/11 - OOO Infotsentr - NA 1/18/11 - LLC Grazhdan-Servis - NA 1/13/11 - Inteleka OOO - NA 12/24/10 - CJSC Lanck Telecom - \$25.4M 12/24/10 - ZAO Regional Technical Centre - \$1.2M 11/16/10 - Sistema Telecom Group - \$429M	5/20/10 - Penza-Telekom Zao - \$20.0M 4/26/10 - Sky Link Joint Stock Company - NA 1/29/10 - Sky Link Joint Stock Company - NA 11/25/09 - OAO Eurotel - \$110M 6/18/09 - COMSTAR-United TeleSystems - \$2,580M
 daisy	11	13	3/31/11 - Vodafone (Mobile Voice & Data) - \$19.3M 2/11/11 - O-bit Telecom Limited - NA 11/10/10 - Spiritel plc (AIM:STP) - \$64.4M 6/22/10 - murphx Innovative Solutions Ltd - \$7.1M 5/28/10 - Housing Communications Ltd. - \$2.5M 2/17/10 - BNS Telecom Group plc - \$20.7M	2/8/10 - Managed Communications Limited - \$9.9M 2/1/10 - Boucon Network Solutions Limited - \$1.4M 11/3/09 - Edge Solutions Ltd. - \$15.2M 8/14/09 - Redstone Telecom Ltd. - \$28.1M 7/1/09 - FREEDOM4 Group plc - NA
 MEGAFON	10	12	3/4/11 - JSC Start Telecom - NA 2/24/11 - Northwest Telecom & Informatics - NA 10/7/10 - Metrocom JSC - \$68.5M 9/28/10 - ZAO Peterstar - \$215M 8/4/10 - JSC Chermetresurs - NA	4/26/10 - Vimpel (Fibre Backbone Ntw ks) - NA 4/19/10 - Northwest Telecom & Informatics - NA 4/6/10 - OOO Vyborgtelecom - NA 9/28/09 - JSC Synterra Media - NA 5/27/09 - Synterra CJSC - NA



Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.



Acquiror	Target	Deal Rationale/Commentary
 at&t		<p>AT&T's bid for Deutsche-Telekom's US business, T-Mobile, represents the largest telco deal in the past 5 years, joining the number 2 and 4 operators to create a new market share leader.</p>
<h3>Deal Summary</h3>		<p>Many argue the combination will reduce competition as T-Mobile's aggressive pricing kept prices down, though subscriber numbers suggest pricing wasn't enough to compete with the big 3. Still, its presence provided equipment suppliers some diversity and it was a good partner for Google, limiting Verizon and AT&T's ability to overburden Android with bloatware to serve their own desires. It will be interesting to see what the DOJ decides.</p>
<p>Date: 3/20/11 Transaction Value: \$39,000M % Sought: 100% Consideration: Cash/Stock <small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		<p>AT&T believes the complementary network technologies, spectrum positions and operations will create "straightforward synergies" and expand its LTE footprint, though T-Mobile never put forth a clear strategy for migrating to LTE but is ahead of AT&T on HSPA+.</p>
<h3>Valuation Metrics</h3>		<p>The deal returns 0.65x on the \$60B Deutsche Telekom paid for VoiceStream in '00.</p>
<p>LTM Revenue Multiple: 1.8x LTM EBITDA Multiple: 7.1x Multiple on \$ Invested: 0.65x</p>		
<h3>Investors</h3>		
<p>Deutsche Telekom AG (DB:DTE)</p>		

Acquiror	Target	Deal Rationale/Commentary
		<p>Telecomunicacoes de Sao Paulo (“Telesp”) and Vivo have agreed to terms of the stock swap that will consolidate Telefonica’s mobile operator with its fixed-line business with a roughly 50/50 split between mobile and fixed-line revenue.</p>
<h3>Deal Summary</h3>		<p>Vivo is the wireless leader in Brazil with 10% revenue growth and 16% EBITDA growth for 2010 compared to 2009.</p>
<p>Date: 3/25/11 Transaction Value: \$17,328M % Sought: 100% Consideration: Stock</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		<p>Analysts generally were unimpressed with the combination, believing it undervalued Vivo relative to Telesp’s declining fixed-line business which would dilute the 10% growth from mobile while increased sales from bundling would come at the expense of bundle discounts, nullifying revenue synergies. Operating synergies will improve margins, driving improved profitability.</p>
<h3>Valuation Metrics</h3>		<p>The deal completes Telefonica’s promise to merge the units following its buyout of Portugal Telecom’s share of the wireless joint venture last year.</p>
<p>LTM Revenue Multiple: 1.5x LTM EBITDA Multiple: 5.0x</p> <p>Premium to:</p> <ul style="list-style-type: none"> 1 day prior: 3.8% 1 week prior: 12.0% 1 month prior: 13.5% 		


Q1 M&A Transaction Spotlight – Telecom Services



Acquiror	Target	Deal Rationale/Commentary
		<p>Hughes provides global broadband satellite network services and systems.</p>
<h3>Deal Summary</h3>		<p>The acquisition marks a major move for Echostar with Hughes' nationwide broadband services via satellite and managed network services to enterprises complementing Echostar's set top and satellite leasing services business. Echostar also gains a well-diversified portfolio of blue-chip customers, reducing dependence on Dish from 85% to 50% of revenues and gaining desired international presence.</p>
<p>Date: 2/13/11 Transaction Value: \$2,124M % Sought: 100% Consideration: Cash</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		<p>The deal promises to add broadband services to the Dish bundle, rather than partner with other service providers, and with Ergen's potential ownership of Terrestar along with Dish's acquisition of DBSD there are interesting opportunities for further bundling, strengthened by the launch of Jupiter next year enabling online video at up to 25Mbps.</p>
<h3>Valuation Metrics</h3>		<p>Hughes' share price ran up since Jan 19 when Reuters reported that the company was up for sale. The deal values Hughes' at 7.2x NTM EBITDA, a sizable discount to ViaSat at 12.8x.</p>
<p>LTM Revenue Multiple: 1.9x LTM / NTM EBITDA Multiple: 9.3x / 7.2x</p> <p>Premium to:</p> <ul style="list-style-type: none"> 1 day prior: (1.8)% 1 week prior: 1.2% 1 month prior: 34.4% 		

Acquiror	Target	Deal Rationale/Commentary
		<p>Digital Telecommunications Phils (“Digitel”) provides telecom services primarily in the Philippines, offering land line telephone and internet services with 694 regional and local exchanges in 281 towns and cities with ~600,000 installed lines as well as mobile services to 14M subscribers.</p>
<h3>Deal Summary</h3>		<p>PLDT acquired the 51.6% stake from JG Summit and plans to make a tender offer for the remaining shares in either cash or stock.</p>
<p>Date: 3/29/11 Transaction Value: \$2,014M % Sought: 51.6% Consideration: Stock</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		<p>Under the combined networks, PLDT and Digitel will continue to expand its 3G and broadband services, rollout key technologies such as LTE, and improve on its unlimited service offerings. Both operators will also implement co-location of base stations and shared services, consolidate overlapping technical systems, and do bulk purchasing of network equipment, communication devices and other devices. Following the deal, PLDT’s mobile market share will rise to 70%.</p>
<h3>Valuation Metrics</h3>		<p>The deal has been criticized by some as hurting competition.</p>
<p>LTM Revenue Multiple: 8.8x LTM EBITDA Multiple: 25.8x</p> <p>Premium to:</p> <ul style="list-style-type: none"> 1 day prior: (12.6)% 1 week prior: 1.9% 1 month prior: 28.0% 		

Acquiror	Target	Deal Rationale/Commentary
		<p>Terremark provides managed services through its 13 data centers. Verizon leases ~25k sq. ft. from Terremark and resells its vCloud Express product.</p>
<h3>Deal Summary</h3>		<p>Verizon sees the market for cloud services growing at a 20% CAGR to \$120B in five years and sees the fast growing segment as a supplement to slowing mobile sales and a shrinking pool of fixed-line customers. The acquisition will allow Verizon to target businesses and governments looking for cost effective ways to store and share data, as well as expanding its consumer content sharing services that let users access shows, music and pictures on a variety of devices.</p>
<p>Date: 1/27/11 Transaction Value: \$1,911M % Sought: 100% Consideration: Cash <small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		<p>The deal is expected to be slightly accretive before synergies, which could be meaningful considering Terremark's 24% EBITDA margin lags peers and likely could reach 50%. Verizon moved aggressively, paying a healthy premium and 9x '12 EBITDA.</p>
<h3>Valuation Metrics</h3>		<p>Data centers with strong managed hosting/cloud offerings will likely attract interest as major players seek to gain clout through consolidation.</p>
<p>LTM Revenue Multiple: 5.4x LTM / '12 EBITDA Multiple: 22.4x / 9.0x Premium to: 1 day prior: 38.7% 1 week prior: 42.1% 1 month prior: 48.8%</p>		

Q1 M&A Transaction Spotlight – Telecom Services

Acquiror	Target	Deal Rationale/Commentary
	DBSD North America	<p>Dish has purchased ICO Global Communications subsidiary DBSD North America out of bankruptcy for \$1.4B. DBSD provides integrated satellite and terrestrial mobile services.</p>
Deal Summary		<p>Dish appears to be broadening its business focus by acquiring broadband spectrum. The spectrum could be used for phone, video or, most interestingly, mobile internet. Despite being just one of three companies with rights to the broadcast spectrum, DBSD has been unable to build a successful business. Combining Dish's spectrum with DBSD, and perhaps TerreStar as well, a vast wireless network to support data and voice could be created to rival LTE and WiMax offerings.</p>
<p>Date: 2/1/11 Transaction Value: \$1,400M % Sought: 100% Consideration: Cash <small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		<p>There is certainly a tremendous amount of upside if Ergen is able to execute on the opportunity.</p>
Valuation Metrics		
<p>LTM Revenue Multiple: NA LTM EBITDA Multiple: NA Multiple on \$ Invested: 2.2x</p>		
Investors		
<p>ICO Global Communications (Holdings) Ltd. (NasdaqGM:ICOG)</p>		

Acquiror	Target	Deal Rationale/Commentary
		<p>Ukrtelecom provides 3G mobile services, fixed telephony, high-speed dial-up and broadband services. It serves ~10.3M telephone lines, 726k internet users and 630k mobile subscribers.</p>
<h3>Deal Summary</h3>		<p>In the largest Ukrainian privatization deal since '05, Ukraine's State Property Fund has sold 92.8% of Ukrtelecom to financial buyer ESU, the sole bidder after the announcement of intent to sell last Oct.</p>
<p>Date: 2/18/11 Transaction Value: \$1,329M % Sought: 92.8% Consideration: Cash</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		<p>Ukrtelecom's has struggled against the top 3 operators in the oversaturated mobile market. It's main growth driver will be broadband, which will require investment to support.</p>
<h3>Valuation Metrics</h3>		<p>The company has been slated for privatization for a decade, but falling market prices and a struggling business delayed plans. Ukrtelecom cut its net losses by 44% to \$32M despite revenue dropping 1.7% to \$850M.</p>
<p>LTM / NTM Revenue Multiple: 1.7x / 1.6x NTM EBITDA Multiple: 6.0x</p> <p>Premium to:</p> <ul style="list-style-type: none"> 1 day prior: 9.7% 1 week prior: 5.8% 1 month prior: 12.1% 		<p>ESU plans to improve market position with the goal of attracting strategic investors or launching an IPO in the next 4-5 years. ESU paid 1.6x NTM Revenue and 6.0x NTM EBITDA.</p>

Acquiror



Target



Deal Rationale/Commentary

Deal Summary

Date: 1/31/11

Transaction Value: \$1,061M

% Sought: 71.8%

Consideration: Cash

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

Valuation Metrics

LTM Revenue Multiple: NA

LTM EBITDA Multiple: NA

Multiple on \$ Invested: NA

Investors

National Media Group Joint Stock Company; Raybrook Ltd.; Surgutneftegaz (RTS:SNGS)

Rostelecom, along with two of its subsidiaries, has acquired 71.8% of National Telecommunications Group of Companies (“HTK”) which provides analog and digital TV, broadband internet and telephony to over 4.5M cable subscribers and 431k broadband subscribers in Russia. HTK is the country's largest independent cable TV operator and also develops its own TV content.

Rostelecom dominates the fixed-line and data transmission markets in Russia and the acquisition gives them a leading cable provider to complement their fiber-optic backbone network.

The transaction will give Rostelecom the leading position in the Russian pay-TV market and significantly strengthen its position in Russia's largest cities.

Rostelecom has been aggressively acquiring in Russia, building out a complete portfolio of telecom services.

Q1 M&A Transaction Spotlight – Telecom Services

Acquiror



Target



Deal Summary

Date: 3/18/11

Transaction Value: \$420M

% Sought: 100%

Consideration: Unknown

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

Valuation Metrics

LTM Revenue Multiple: 3.8x

LTM EBITDA Multiple: NA

Multiple on \$ Invested: NA

Investors

Sumitomo Corporation (TSE:8053); KT Corp.
 (KOSE:A030200)


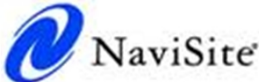
Deal Rationale/Commentary



New Telephone is a Russia based provider of voice and data services over wireless, fixed and broadband as well as providing IPTV and VoIP. New Telephone has 1.5M subscribers and is focused on the Primorskiy region.

For Vimpelcom, who has been on an acquisition spree consolidating smaller rivals, the deal reinforces its position as one of the top 3 major Russian integrated telcos and enhances its presence in one of the most important regions, Far East of Russia. Vimpelcom provides only 3G services in the majority of Russia's Far East, so acquiring New Telephone's GSM licenses made the deal particularly interesting.

Vimpelcom acquired New Telephone after Megafon and Mobile Telesystems were blocked by the Federal Antimonopoly Service from acquiring the company as it would have given them a >50% market share in the Primorsk Territory.

Vimpelcom's territory covers ~843M people and the company has 181M mobile subscribers.

Acquiror	Target	Deal Rationale/Commentary
		<p>NaviSite provides managed services to 1,200 customers through its 10 data centers.</p>
<h3>Deal Summary</h3>		<p>Time Warner acquired NaviSite to enter the fast growing cloud services market with a successful managed service business and managed cloud platform. While the deal is relatively small in scale for TWC, it provides an important service to its SME customers, currently its fastest growing segment, and an opportunity to gain a foothold in a growth market.</p>
<p>Date: 2/1/11 Transaction Value: \$332.9M % Sought: 100% Consideration: Cash</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		<p>The acquisition should be immediately slightly accretive with opportunity for additional ~\$10M in annual synergies.</p>
<h3>Valuation Metrics</h3>		<p>The \$5.50 per share deal culminates an impressive turnaround for Navisite from its low of \$0.26 per share in '09, as it struggled with a sizable debt load and slumping economy.</p>
<p>LTM Revenue Multiple: 2.5x LTM EBITDA Multiple: 12.3x</p> <p>Premium to:</p> <ul style="list-style-type: none"> 1 day prior: 37.5% 1 week prior: 45.5% 1 month prior: 48.3% 		<p>Hot on the heels of Verizon's acquisition of Terremark, expect to see further consolidation with Comcast likely following in TWC's footsteps with an acquisition in the cloud services space.</p>

Acquiror	Target	Deal Rationale/Commentary
		<p>Alog is a carrier-neutral data center services provider offering hosting, colocation and IT infrastructure services to ~1,000 customers across its two data centers in Brazil. With a third data center coming on line shortly, total data center space will reach 67,000 sq. ft.</p>
<h3>Deal Summary</h3>		<p>For Equinix, the transaction provides an entry into the South American market, extending its footprint to 95 data centers across 37 global markets. The deal comes on strong demand from its customers looking to establish a presence in the rapidly growing Brazilian market. Equinix already has a presence in North America, Europe and Asia-Pacific. It serves over 3,100 enterprises in the cloud, digital content and financial markets connecting them to over 600 network service providers.</p>
<p>Date: 2/9/11 Transaction Value: \$126.7M % Sought: 90% Consideration: Cash <small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		<p>Riverwood Capital participated alongside Equinix, acquiring a minority stake in the deal. The remaining 10% not acquired will be held by Alog management, though Equinix has a right to acquire those shares.</p>
<h3>Valuation Metrics</h3>		
<p>LTM Revenue Multiple: NA LTM EBITDA Multiple: NA Multiple on \$ Invested: NA</p>		
<h3>Investors</h3>		
<p>Stratus Investimentos Ltda.</p>		

Appendix – Telecom Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
International Diversified				
3/29/11	Philippine Long Distance Telephone Co. (PSE:TEL)	Digital Telecommunications Phils Inc. (PSE:DGTL)	2,014.0	8.8x
3/18/11	VimpelCom Ltd. (NYSE:VIP)	OJSC New Telephone Co.	420.0	3.8x
2/18/11	ESU LLC	Ukrtelecom (DB:UK1)	1,329.0	1.7x
2/11/11	Daisy Communications, Ltd.	O-bit Telecom Limited	NA	NA
2/7/11	Divenno Holdings Limited	MobilKom, a.s.	NA	NA
1/31/11	Maroc Telecom S.A. (CBSE:IAM)	Benin Telecoms SA	54.0	NA
1/31/11	M2 Telecommunications Group Ltd. (ASX:MTU)	Clear Telecoms (AUST) Pty. Ltd.	24.4	0.4x
1/18/11	Hipso Multimedia, Inc. (OTCBB:HPSO)	Groupe Pagex Inc.	1.5	0.9x
International LEC/ICP				
3/28/11	Investor Group	Stake in Central Telecommunication Company and Uralsvyazinform	NA	NA
3/24/11	Mint Wireless Ltd. (ASX:MINW)	J & C Pacific Sdn. Bhd.	1.2	NA
2/24/11	Open joint stock company MegaFon	OJSC Northwest Telecommunications and Informatics Company	NA	NA
2/23/11	Bragg Group	Cable & Wireless Bermuda	70.0	NA
2/9/11	ZAO "Khemikomp"	Open Joint Stock Company Kvant-2	0.4	NA
2/8/11	Irkutskenergofinans OOO	Irkutskenergosvyaz OOO	NA	NA
2/2/11	AllTele Allmänna Svenska Telefonaktiebolaget (OM:ATEL)	Blixtvik Internet och Telefoni AB	3.7	0.3x
1/26/11	RCS & RDS S.A.	SC Teleson SRL	NA	NA
1/21/11	Blue Sky Communications Inc.	SamoaTel	NA	NA
1/19/11	LAP Green Network	Sonitel SA	63.8	NA
1/18/11	ZAO Comstar-Regions	LLC Grazhdan-Servis	NA	NA
1/11/11	IC Telecom (ENXTPA:ALICT)	Artys Telecom S.L.	NA	NA
US LEC/ICP				
3/9/11	Hawai Direct Telephone Company, LLC	Hontech LLC	NA	NA
2/11/11	CornerStone Telephone Company, LLC	Public Interest Network Services Inc.	NA	NA

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Data Access/Transport				
3/31/11	Systemex Communications Inc.	Metafore Technologies (Advanced Connectivity Solutions)	NA	NA
3/30/11	ZAO Comstar-Regions	OOO Infotsentr	NA	NA
3/25/11	Investor Group	ECHO Broadband, Inc.	NA	NA
3/24/11	MNI Telecom Sp. z o.o.	Pow szechna Agencja Internet S.A.	0.7	NA
3/21/11	Tenzeng Pty Ltd.	ComTel Corporation (Prepaid Retail Mobile Business)	0.9	NA
3/14/11	Shore Capital, Investment Arm	DBD Deutsche Breitband Dienste GmbH	NA	NA
3/10/11	Rogers Communications Inc. (TSX:RCI.B)	Urban Communications (Fibre Optic Network Assets)	8.0	NA
3/8/11	ITD Network AD	SofiaOnline Ltd.	NA	NA
3/4/11	OJSC Multiregional Transit Telecom	JSC Start Telecom	NA	NA
3/4/11	Nebula Oy	24 Online Oy (Corporate Customer Bus.)	NA	NA
3/4/11	Royal KPN N.V. (ENXTAM:KPN)	Netherlands Internet Exchange B.V.	NA	NA
2/28/11	McConnell Jones Lanier & Murphy LLP	Paladin Communications LLC	NA	NA
2/17/11	VimpelCom Ltd. (NYSE:VIP)	Inteleka OOO	NA	NA
2/16/11	Interoute Communications, Ltd.	Royal KPN N.V., 3,600 Dark Fibre Network	NA	NA
2/15/11	Telefonica O2 Czech Republic (SEP:BAAATELEC)	VOLNY, a.s., Residential ADSL customers	NA	NA
2/3/11	Alpheus Communications L.P.	FiberLight (Fiber Rings Texas)	NA	NA
2/2/11	Aksioma-Service	Aychyna Plus ODO	NA	NA
1/13/11	City Fibre Holdings Limited	Fibrecity Holdings, H2O Networks, Opencity Media and Wireless Network Syst.	NA	NA
1/13/11	ZAO Comstar-Regions	Inteleka OOO	NA	NA
1/11/11	VimpelCom Ltd. (NYSE:VIP)	SeverTransTeleCom CJSC	NA	NA
1/11/11	AllTele Allmänna Svenska Telefonaktiebolaget (OM:ATEL)	Bredbandsbolaget AB (B2), Broadband Customers	NA	NA
1/11/11	P&N Telecom Ltd.	Well-Com And Demos	8.0	NA
1/6/11	BigAir Group (ASX:BGL)	AccessPlus Pty Ltd.	5.0	3.3x

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt. Transaction Value and Revenue per public filings and press releases if available, otherwise per analyst estimates. Partial year data is annualized if LTM data is not available. Deals with Public targets shaded.

Appendix – Telecom Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Hosting & Data Center				
3/28/11	Vocus Communications (ASX:VOC)	Perth iX (Belmont) Pty Ltd	7.2	NA
3/16/11	HostingCommunity Inc.	CJSC Regional Network Info Center	NA	NA
3/15/11	RAM Mobile Data (Netherlands) B.V.	Infotechnology B.V.	NA	NA
3/10/11	Harris CapRock Communications	Core180, Inc., Key Infrastructure Assets	NA	NA
3/10/11	Miva Small Business Solutions, Inc.	Hostasaurus, Inc.	NA	NA
3/9/11	Host Europe GmbH	dynamic-net.ch AG	NA	NA
3/8/11	TDC Hosting A/S	DIR A/S	NA	NA
3/4/11	Investor Group	iWeb Group Inc. (TSXV:IWB)	64.5	2.1x
3/2/11	Tecom LLC	Jax Meet Me Room LLC	NA	NA
2/28/11	American Diversified Holdings Corporation (OTCPK:ADHC)	Rebel Networks Inc.	NA	NA
2/28/11	Telecom Liechtenstein (Switzerland) AG	deep AG	NA	NA
2/28/11	Lumison Ltd.	BlueSquare Data Services	35.8	NA
2/25/11	Phonera AB (OM:PHON)	Ventelo Hosting AS	3.9	NA
2/23/11	Born Informatik AG	nhs informatik gmbh	NA	NA
2/22/11	Basefarm AS	WebDeal AS	NA	NA
2/15/11	Investor Group	Alentus UK Limited	NA	NA
2/10/11	ITEISA DESARROLLO Y SISTEMAS, S.L.	Arkait Internet, Systems Division	NA	NA
2/9/11	Equinix (NasdaqGS:EQIX); Riverwood Capital	Alog Soluções de Tecnologia Ltda.	126.7	NA
2/1/11	CornerStone Telephone Company, LLC	ActiveHost Data Center Services, LLC	NA	NA
2/1/11	Yardi Systems, Inc.	Real Estate Electronic Publishing Company Inc.	NA	NA
2/1/11	Time Warner Cable Inc. (NYSE:TWC)	NaviSite Inc. (NasdaqCM:NAVI)	332.9	2.5x
1/27/11	Zabso Oy	Absolutions Oy	NA	NA
1/27/11	Verizon Communications Inc. (NYSE:VZ)	Terremark Worldwide, Inc. (NasdaqGS:TMRK)	1,910.6	5.4x
1/25/11	Keppel Data Centres Pte Ltd.; Keppel Digihub Holdings Ltd.	Keppel Digihub Ltd.	14.8	NA
1/25/11	GTS Czech s.r.o.	SiteData Centre	NA	NA
1/25/11	Keppel Data Centres Pte Ltd.; Keppel Digihub Holdings Ltd.	Keppel Datahub Pte. Ltd.	7.0	NA
1/19/11	Tikona Digital Networks	HCL Ininet Limited	NA	NA
1/18/11	Tulip Data Center Services Private Limited	Data Center Facility in Bengaluru	50.6	NA

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
VOIP Specialty				
3/15/11	Nexon Asia Pacific Pty Ltd.	New Telecom Australia	NA	NA
3/14/11	Reunert Ltd. (JSE:RLO)	ECN Telecommunications	NA	NA
2/22/11	Bandwidth.Com, Inc.	Dash Carrier Services, LLC	NA	NA
1/25/11	AllTele Allmänna Svenska Telefonaktiebolaget (OM:ATEL)	Perfect Communication AB	1.7	NA
Cable & Satellite TV				
3/21/11	Charter Communications Inc. (NasdaqGS:CHTR)	Windjammer Communications, LLC, Three Cable Television Systems in Alabama and Georgia	NA	NA
1/31/11	Rostelecom-Center (RTS:RTKM); Open Joint Stock Company Uralsvyazinform; North-West Telecom	National Telecommunications Group of Companies	1,060.6	NA
1/31/11	NTL (b) Ltd	NTL (South Hertfordshire) Ltd.	22.9	NA
Satellite Voice & Data				
3/31/11	Inmarsat Plc (LSE:ISAT)	Ship Equip AS	159.5	2.8x
3/31/11	Next-Generation Satellite Communications Limited (SGX:B07)	China Unifiednet Holdings Limited	39.0	NA
2/13/11	EchoStar Satellite Services, L.L.C.	Hughes Communications, Inc. (NasdaqGS:HUGH)	2,124.2	1.9x
2/1/11	Dish Network Corp. (NasdaqGS:DISH)	DBSD North America, Inc.	1,400.0	NA

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt. Transaction Value and Revenue per public filings and press releases if available, otherwise per analyst estimates. Partial year data is annualized if LTM data is not available. Deals with Public targets shaded.

Appendix – Telecom Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
International Wireless				
3/31/11	Visafone Communications Limited	Multi-links Telecommunications Ltd., CDMA Business	52.0	NA
3/31/11	Daisy Group plc (AIM:DAY)	Outsourcery Limited, Vodafone Mobile Voice and Data Business	19.3	NA
3/25/11	Telecomunicacoes de Sao Paulo S.A. - TELESP (BOVESPA:TLPP4)	Vivo Participacoes S.A. (BOVESPA:VIVO4)	17,327.7	1.5x
3/23/11	Quantel, Inc. (OTCBB:QUMI)	Savvy Communications (Aust.) Pty Limited	3.4	NA
3/22/11	Youfone Netherlands B.V.	LibertyCom, Customer Portfolio	NA	NA
3/15/11	Investor Group	Eventis Mobile S.R.L.	10.0	NA
3/11/11	America Movil S.A.B. de C.V. (BMV:AMXL)	Digicel Group Limited, Businesses in Honduras and El Salvador	NA	NA
3/1/11	Royal KPN N.V. (ENXTAM:KPN)	6GMOBILE B.V., Tringg	NA	NA
2/22/11	Southern Cross Telco Ltd.	Austar United Mobility Pty Ltd, Mobile Assets	2.0	0.2x
2/12/11	Welcomm Communications Ltd.	Crown Mobile Communications Ltd.	NA	NA
2/9/11	Virgin Group Ltd.; Calico Investments	Virgin Mobile South Africa (Pty) Ltd.	NA	NA
2/3/11	BCM	VimpelCom Ltd, Belgorod Branch	NA	NA
1/27/11	British Sky Broadcasting Group plc (LSEBSY)	The Cloud Networks Limited	84.0	NA
US Wireless				
3/20/11	AT&T, Inc. (NYSE:T)	T-Mobile USA Inc.	39,000.0	1.8x
2/10/11	KeyOn Communications Holdings Inc. (OTCBB:KEYO)	ERF Wireless, Inc., Wireless Broadband Assets and Subscribers in Texas	3.0	NA
2/3/11	ICOA, Inc. (OTCPK:ICOA)	Wi-Fi Internet Service Providers, LLC	NA	NA
Wireless Towers				
3/1/11	Ascend Telecom Infrastructure Pvt. Ltd.	India Telecom Infra Ltd.	NA	NA
2/24/11	SBA Communications Corp. (NasdaqGS:SBA C)	154 Towers	70.7	NA
2/1/11	American Tower Corp. (NYSE:AMT)	VTR Banda Ancha (Chile) S.A., 140 Communications Sites in Chile	19.5	NA

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt. Transaction Value and Revenue per public filings and press releases if available, otherwise per analyst estimates. Partial year data is annualized if LTM data is not available. Deals with Public targets shaded.

Appendix – Telecom Services M&A Data

Quarter	Sector	# of Deals		% w/ Ann.	Trans Value		Revenue	Deals w/	Stock Premium to ⁽¹⁾			Deals w/
		Total	Ann. Value	Value	Total	Median	Multiple ⁽¹⁾	Rev. Mult.	1 Day	1 Week	1 Month	Prem Info
Q1 '07	Telecom Services	127	62	49%	\$35,863	\$28	1.1x	19	15.2%	18.7%	28.6%	8
Q2 '07	Telecom Services	122	77	63%	\$79,325	\$16	2.2x	24	31.8%	45.3%	30.7%	9
Q3 '07	Telecom Services	135	67	50%	\$12,001	\$16	2.1x	25	18.7%	21.1%	22.6%	5
Q4 '07	Telecom Services	157	89	57%	\$16,687	\$9	1.2x	27	4.9%	1.9%	7.8%	3
Q1 '08	Telecom Services	102	52	51%	\$30,745	\$9	2.1x	15	NA	NA	NA	0
Q2 '08	Telecom Services	109	55	50%	\$91,628	\$9	2.1x	20	19.2%	17.3%	29.6%	7
Q3 '08	Telecom Services	93	52	56%	\$7,264	\$14	2.1x	17	(16.4)%	(19.4)%	(16.4)%	3
Q4 '08	Telecom Services	86	37	43%	\$15,705	\$9	1.8x	11	101.8%	91.7%	71.8%	4
Q1 '09	Telecom Services	75	33	44%	\$6,837	\$8	1.1x	12	67.2%	76.1%	131.6%	3
Q2 '09	Telecom Services	81	39	48%	\$8,730	\$11	0.7x	13	15.2%	10.3%	10.0%	5
Q3 '09	Telecom Services	65	26	40%	\$13,277	\$52	2.7x	15	26.1%	28.3%	17.3%	6
Q4 '09	Telecom Services	110	43	39%	\$9,540	\$27	1.7x	20	28.3%	28.2%	31.0%	7
Q1 '10	Telecom Services	91	41	45%	\$59,278	\$18	1.5x	21	20.0%	24.1%	4.8%	8
Q2 '10	Telecom Services	79	38	48%	\$28,527	\$17	1.8x	15	40.9%	64.5%	69.0%	2
Q3 '10	Telecom Services	90	38	42%	\$17,330	\$49	2.0x	12	NA	NA	NA	0
Q4 '10	Telecom Services	119	54	45%	\$33,027	\$44	1.5x	22	19.0%	21.0%	26.4%	5
Q1 '11	Telecom Services	103	44	43%	\$67,958	\$30	1.9x	15	9.7%	12.0%	34.4%	7
Total	Telecom Services	1757	852	48%	\$537,049	\$16	1.7x	306	20.8%	22.2%	26.4%	83
Q1 '07	Diversified - International	2	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q2 '07	Diversified - International	11	11	100%	\$12,928	\$185	1.1x	6	53.5%	65.5%	57.7%	3
Q3 '07	Diversified - International	2	1	50%	\$186	\$186	NA	0	29.5%	34.3%	13.9%	1
Q4 '07	Diversified - International	7	6	86%	\$3,674	\$89	3.1x	2	(6.1)%	(4.6)%	(1.7)%	1
Q1 '08	Diversified - International	7	2	29%	\$1,139	\$570	3.0x	1	NA	NA	NA	0
Q2 '08	Diversified - International	3	2	67%	\$343	\$171	2.1x	2	NA	NA	NA	0
Q3 '08	Diversified - International	2	2	100%	\$902	\$451	4.4x	1	NA	NA	NA	0
Q4 '08	Diversified - International	3	1	33%	\$12	\$12	0.2x	1	142.2%	151.9%	186.3%	1
Q1 '09	Diversified - International	10	5	50%	\$556	\$77	2.3x	3	7.3%	1.1%	4.6%	1
Q2 '09	Diversified - International	3	1	33%	\$1	\$1	NA	0	NA	NA	NA	0
Q3 '09	Diversified - International	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q4 '09	Diversified - International	5	4	80%	\$358	\$49	1.7x	3	10.2%	10.2%	3.5%	1
Q1 '10	Diversified - International	6	4	67%	\$7,640	\$2,092	1.7x	4	73.5%	82.9%	1.6%	4
Q2 '10	Diversified - International	2	2	100%	\$488	\$244	2.3x	1	NA	NA	NA	0
Q3 '10	Diversified - International	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q4 '10	Diversified - International	5	1	20%	\$1	\$1	NA	0	NA	NA	NA	0
Q1 '11	Diversified - International	8	6	75%	\$3,843	\$237	1.7x	5	(1.5)%	3.9%	20.1%	2
Total	Diversified - International	76	48	63%	\$32,070	\$100	2.0x	29	35.7%	41.3%	21.0%	14

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

1) Based on median revenue multiple and stock premium data where available.

Appendix – Telecom Services M&A Data

Quarter	Sector	# of Deals		% w/ Ann. Value	Trans Value		Revenue Multiple ⁽¹⁾	Deals w/ Rev. Mult.	Stock Premium to ⁽¹⁾			Deals w/ Prem Info
		Total	Ann. Value		Total	Median			1 Day	1 Week	1 Month	
Q1 '07	Diversified - US	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q2 '07	Diversified - US	1	1	100%	\$686	\$686	3.3x	1	54.5%	45.5%	22.3%	1
Q3 '07	Diversified - US	1	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q4 '07	Diversified - US	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q1 '08	Diversified - US	1	1	100%	\$2	\$2	2.0x	1	NA	NA	NA	0
Q2 '08	Diversified - US	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q3 '08	Diversified - US	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q4 '08	Diversified - US	1	1	100%	\$2,965	\$2,965	2.8x	1	145.0%	138.8%	109.9%	1
Q1 '09	Diversified - US	2	1	50%	\$0	\$0	NA	0	NA	NA	NA	0
Q2 '09	Diversified - US	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q3 '09	Diversified - US	1	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q4 '09	Diversified - US	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q1 '10	Diversified - US	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q2 '10	Diversified - US	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q3 '10	Diversified - US	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q4 '10	Diversified - US	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q1 '11	Diversified - US	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Total	Diversified - US	7	4	57%	\$3,654	\$344	2.8x	3	99.7%	92.1%	66.1%	2
Q1 '07	LEC/ICP - International	19	12	63%	\$9,662	\$74	3.5x	3	11.9%	17.5%	10.9%	3
Q2 '07	LEC/ICP - International	14	13	93%	\$2,514	\$23	2.1x	4	6.7%	5.6%	6.3%	1
Q3 '07	LEC/ICP - International	22	12	55%	\$1,192	\$18	0.9x	8	NA	NA	NA	0
Q4 '07	LEC/ICP - International	26	15	58%	\$6,310	\$11	1.1x	6	4.9%	1.9%	7.8%	1
Q1 '08	LEC/ICP - International	17	9	53%	\$674	\$13	1.4x	3	NA	NA	NA	0
Q2 '08	LEC/ICP - International	17	6	35%	\$40,455	\$31	1.1x	3	29.4%	27.0%	37.9%	2
Q3 '08	LEC/ICP - International	12	7	58%	\$1,852	\$43	2.1x	5	(56.9)%	(53.1)%	(50.2)%	1
Q4 '08	LEC/ICP - International	18	6	33%	\$30	\$5	9.6x	2	NA	NA	NA	0
Q1 '09	LEC/ICP - International	11	4	36%	\$5,280	\$4	3.6x	1	67.2%	76.1%	201.2%	1
Q2 '09	LEC/ICP - International	9	5	56%	\$2,976	\$16	2.2x	1	(25.3)%	(25.3)%	(74.3)%	2
Q3 '09	LEC/ICP - International	9	4	44%	\$4,475	\$524	2.8x	2	(29.3)%	(28.2)%	(33.9)%	2
Q4 '09	LEC/ICP - International	11	3	27%	\$521	\$98	1.3x	2	NA	NA	NA	0
Q1 '10	LEC/ICP - International	10	10	100%	\$37,350	\$35	1.1x	4	(48.1)%	(47.2)%	4.8%	4
Q2 '10	LEC/ICP - International	11	6	55%	\$1,123	\$91	3.9x	2	64.5%	116.3%	120.4%	1
Q3 '10	LEC/ICP - International	15	3	20%	\$281	\$61	1.5x	2	NA	NA	NA	0
Q4 '10	LEC/ICP - International	16	8	50%	\$1,295	\$141	1.4x	4	9.6%	14.3%	9.6%	1
Q1 '11	LEC/ICP - International	12	5	42%	\$139	\$4	0.3x	1	NA	NA	NA	0
Total	LEC/ICP - International	252	129	51%	\$116,147	\$25	1.5x	53	6.7%	5.6%	9.6%	19

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

1) Based on median revenue multiple and stock premium data where available.

Appendix – Telecom Services M&A Data

Quarter	Sector	# of Deals		% w/ Ann. Value	Trans Value		Revenue Multiple ⁽¹⁾	Deals w/ Rev. Mult.	Stock Premium to ⁽¹⁾			Deals w/ Prem Info
		Total	Ann. Value		Total	Median			1 Day	1 Week	1 Month	
Q1 '07	LEC/ICP - US	16	7	44%	\$1,026	\$17	1.6x	2	18.6%	19.9%	31.6%	1
Q2 '07	LEC/ICP - US	5	1	20%	\$5,149	\$5,149	3.8x	1	31.8%	45.3%	39.6%	1
Q3 '07	LEC/ICP - US	11	6	55%	\$1,169	\$70	2.4x	4	17.7%	21.1%	22.6%	1
Q4 '07	LEC/ICP - US	9	6	67%	\$177	\$6	0.9x	3	NA	NA	NA	0
Q1 '08	LEC/ICP - US	1	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q2 '08	LEC/ICP - US	4	2	50%	\$6	\$3	NA	0	NA	NA	NA	0
Q3 '08	LEC/ICP - US	5	4	80%	\$164	\$31	1.1x	1	NA	NA	NA	0
Q4 '08	LEC/ICP - US	6	4	67%	\$11,709	\$54	2.3x	2	35.9%	21.7%	(6.0)%	1
Q1 '09	LEC/ICP - US	1	1	100%	\$1	\$1	NA	0	NA	NA	NA	0
Q2 '09	LEC/ICP - US	6	5	83%	\$354	\$2	1.5x	2	61.2%	94.3%	97.9%	1
Q3 '09	LEC/ICP - US	4	2	50%	\$863	\$431	2.2x	2	NA	NA	NA	0
Q4 '09	LEC/ICP - US	1	1	100%	\$1,138	\$1,138	4.4x	1	28.3%	28.9%	32.0%	1
Q1 '10	LEC/ICP - US	2	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q2 '10	LEC/ICP - US	3	2	67%	\$24,097	\$12,049	1.0x	2	17.3%	12.7%	17.5%	1
Q3 '10	LEC/ICP - US	3	3	100%	\$1,408	\$460	2.2x	3	NA	NA	NA	0
Q4 '10	LEC/ICP - US	4	1	25%	\$370	\$370	0.6x	1	NA	NA	NA	0
Q1 '11	LEC/ICP - US	2	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Total	LEC/ICP - US	84	46	55%	\$47,635	\$35	1.8x	25	28.3%	21.7%	31.6%	7
Q1 '07	Data Access & Transport	31	15	48%	\$790	\$24	0.9x	8	12.7%	17.2%	23.7%	2
Q2 '07	Data Access & Transport	30	14	47%	\$1,413	\$3	2.2x	1	NA	NA	NA	0
Q3 '07	Data Access & Transport	24	16	67%	\$267	\$9	0.4x	4	NA	NA	NA	0
Q4 '07	Data Access & Transport	36	24	67%	\$443	\$1	1.4x	6	NA	NA	NA	0
Q1 '08	Data Access & Transport	25	13	52%	\$468	\$11	2.2x	4	NA	NA	NA	0
Q2 '08	Data Access & Transport	21	13	62%	\$529	\$12	0.4x	1	NA	NA	NA	0
Q3 '08	Data Access & Transport	21	13	62%	\$159	\$4	1.8x	3	(16.4)%	(19.4)%	(16.4)%	1
Q4 '08	Data Access & Transport	17	8	47%	\$493	\$3	0.4x	1	61.3%	44.6%	33.6%	1
Q1 '09	Data Access & Transport	15	6	40%	\$121	\$8	0.3x	3	NA	NA	NA	0
Q2 '09	Data Access & Transport	19	9	47%	\$2,008	\$48	0.4x	3	4.1%	(4.1)%	6.8%	1
Q3 '09	Data Access & Transport	12	2	17%	\$21	\$11	1.8x	1	NA	NA	NA	0
Q4 '09	Data Access & Transport	27	11	41%	\$4,045	\$27	3.1x	5	50.2%	51.8%	51.0%	2
Q1 '10	Data Access & Transport	24	8	33%	\$95	\$4	1.5x	1	NA	NA	NA	0
Q2 '10	Data Access & Transport	15	5	33%	\$61	\$3	0.6x	1	NA	NA	NA	0
Q3 '10	Data Access & Transport	22	11	50%	\$941	\$46	1.1x	4	NA	NA	NA	0
Q4 '10	Data Access & Transport	18	10	56%	\$1,055	\$17	5.5x	5	19.0%	34.9%	53.1%	1
Q1 '11	Data Access & Transport	23	5	22%	\$23	\$5	3.3x	1	NA	NA	NA	0
Total	Data Access & Transport	385	185	48%	\$16,212	\$8	1.3x	53	19.0%	22.2%	25.7%	9

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

1) Based on median revenue multiple and stock premium data where available.

Appendix – Telecom Services M&A Data

Quarter	Sector	# of Deals		% w/ Ann.	Trans Value		Revenue	Deals w/	Stock Premium to ⁽¹⁾			Deals w/
		Total	Ann. Value	Value	Total	Median	Multiple ⁽¹⁾	Rev. Mult.	1 Day	1 Week	1 Month	Prem Info
Q1 '07	Hosting & Data Center	27	11	41%	\$231	\$3	2.2x	3	NA	NA	NA	0
Q2 '07	Hosting & Data Center	19	12	63%	\$821	\$8	1.6x	4	16.2%	18.2%	23.4%	2
Q3 '07	Hosting & Data Center	25	6	24%	\$423	\$33	2.5x	2	NA	NA	NA	0
Q4 '07	Hosting & Data Center	26	10	38%	\$857	\$19	1.2x	7	59.4%	59.4%	52.2%	1
Q1 '08	Hosting & Data Center	18	10	56%	\$1,074	\$4	2.0x	2	NA	NA	NA	0
Q2 '08	Hosting & Data Center	23	13	57%	\$989	\$6	2.3x	6	23.9%	15.4%	19.2%	3
Q3 '08	Hosting & Data Center	25	10	40%	\$409	\$5	1.7x	5	31.0%	36.4%	35.3%	1
Q4 '08	Hosting & Data Center	19	8	42%	\$101	\$12	1.3x	3	NA	NA	NA	0
Q1 '09	Hosting & Data Center	14	7	50%	\$526	\$10	1.2x	4	266.7%	214.3%	131.6%	1
Q2 '09	Hosting & Data Center	19	6	32%	\$143	\$9	1.2x	2	15.2%	10.3%	13.1%	1
Q3 '09	Hosting & Data Center	10	4	40%	\$169	\$52	2.7x	3	30.7%	30.9%	20.5%	1
Q4 '09	Hosting & Data Center	26	10	38%	\$1,466	\$7	2.7x	6	25.9%	19.4%	16.2%	2
Q1 '10	Hosting & Data Center	24	7	29%	\$163	\$6	1.6x	4	NA	NA	NA	0
Q2 '10	Hosting & Data Center	30	15	50%	\$2,029	\$13	1.6x	5	NA	NA	NA	0
Q3 '10	Hosting & Data Center	25	9	36%	\$1,420	\$50	4.1x	1	NA	NA	NA	0
Q4 '10	Hosting & Data Center	26	9	35%	\$1,569	\$47	3.3x	5	106.9%	93.6%	106.9%	1
Q1 '11	Hosting & Data Center	28	10	36%	\$2,554	\$43	2.5x	3	37.5%	42.1%	48.8%	3
Total	Hosting & Data Center	388	158	41%	\$14,968	\$11	1.7x	66	30.8%	30.1%	37.4%	16
Q1 '07	VoIP	4	2	50%	\$24	\$12	NA	0	NA	NA	NA	0
Q2 '07	VoIP	2	1	50%	\$5	\$5	NA	0	NA	NA	NA	0
Q3 '07	VoIP	4	1	25%	\$161	\$161	6.5x	1	NA	NA	NA	0
Q4 '07	VoIP	5	3	60%	\$30	\$4	0.3x	1	NA	NA	NA	0
Q1 '08	VoIP	2	1	50%	\$2	\$2	NA	0	NA	NA	NA	0
Q2 '08	VoIP	2	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q3 '08	VoIP	1	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q4 '08	VoIP	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q1 '09	VoIP	6	2	33%	\$2	\$1	NA	0	NA	NA	NA	0
Q2 '09	VoIP	4	2	50%	\$18	\$9	0.3x	1	NA	NA	NA	0
Q3 '09	VoIP	5	2	40%	\$2,053	\$1,027	2.7x	2	NA	NA	NA	0
Q4 '09	VoIP	4	1	25%	\$3	\$3	0.4x	1	NA	NA	NA	0
Q1 '10	VoIP	8	4	50%	\$43	\$10	0.7x	4	NA	NA	NA	0
Q2 '10	VoIP	4	1	25%	\$2	\$2	NA	0	NA	NA	NA	0
Q3 '10	VoIP	3	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q4 '10	VoIP	13	5	38%	\$56	\$6	0.7x	3	(26.3)%	(20.8)%	(28.3)%	1
Q1 '11	VoIP	4	1	25%	\$2	\$2	NA	0	NA	NA	NA	0
Total	VoIP	71	26	37%	\$2,401	\$4	0.5x	13	(26.3)%	(20.8)%	(28.3)%	1

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

1) Based on median revenue multiple and stock premium data where available.

Appendix – Telecom Services M&A Data

Quarter	Sector	# of Deals		% w/ Ann.	Trans Value		Revenue	Deals w/	Stock Premium to ⁽¹⁾			Deals w/
		Total	Ann. Value	Value	Total	Median	Multiple ⁽¹⁾	Rev. Mult.	1 Day	1 Week	1 Month	Prem Info
Q1 '07	Cable & Satellite TV	2	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q2 '07	Cable & Satellite TV	5	4	80%	\$18	\$2	NA	0	NA	NA	NA	0
Q3 '07	Cable & Satellite TV	4	2	50%	\$20	\$10	NA	0	NA	NA	NA	0
Q4 '07	Cable & Satellite TV	2	1	50%	\$0	\$0	NA	0	NA	NA	NA	0
Q1 '08	Cable & Satellite TV	4	2	50%	\$555	\$277	2.7x	2	NA	NA	NA	0
Q2 '08	Cable & Satellite TV	6	3	50%	\$83	\$9	3.4x	1	NA	NA	NA	0
Q3 '08	Cable & Satellite TV	4	2	50%	\$518	\$259	3.6x	1	NA	NA	NA	0
Q4 '08	Cable & Satellite TV	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q1 '09	Cable & Satellite TV	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q2 '09	Cable & Satellite TV	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q3 '09	Cable & Satellite TV	2	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q4 '09	Cable & Satellite TV	3	2	67%	\$395	\$198	NA	0	NA	NA	NA	0
Q1 '10	Cable & Satellite TV	1	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q2 '10	Cable & Satellite TV	3	2	67%	\$168	\$84	2.6x	1	NA	NA	NA	0
Q3 '10	Cable & Satellite TV	3	1	33%	\$7	\$7	NA	0	NA	NA	NA	0
Q4 '10	Cable & Satellite TV	5	2	40%	\$768	\$384	NA	0	NA	NA	NA	0
Q1 '11	Cable & Satellite TV	3	2	67%	\$1,084	\$542	NA	0	NA	NA	NA	0
Total	Cable & Satellite TV	47	23	49%	\$3,617	\$15	3.3x	5	NA	NA	NA	0
Q1 '07	Satellite Voice & Data	3	2	67%	\$728	\$364	1.1x	1	9.6%	11.1%	34.6%	1
Q2 '07	Satellite Voice & Data	3	3	100%	\$15,925	\$38	4.9x	2	NA	NA	NA	0
Q3 '07	Satellite Voice & Data	5	3	60%	\$4	\$1	NA	0	NA	NA	NA	0
Q4 '07	Satellite Voice & Data	6	3	50%	\$13	\$6	NA	0	NA	NA	NA	0
Q1 '08	Satellite Voice & Data	2	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q2 '08	Satellite Voice & Data	1	1	100%	\$5	\$5	0.6x	1	NA	NA	NA	0
Q3 '08	Satellite Voice & Data	2	1	50%	\$700	\$700	NA	0	NA	NA	NA	0
Q4 '08	Satellite Voice & Data	4	2	50%	\$47	\$24	NA	0	NA	NA	NA	0
Q1 '09	Satellite Voice & Data	4	1	25%	\$7	\$7	0.7x	1	NA	NA	NA	0
Q2 '09	Satellite Voice & Data	3	2	67%	\$9	\$4	0.7x	1	NA	NA	NA	0
Q3 '09	Satellite Voice & Data	2	2	100%	\$2,102	\$1,051	23.1x	2	47.1%	72.4%	75.4%	1
Q4 '09	Satellite Voice & Data	3	1	33%	\$110	\$110	1.6x	1	NA	NA	NA	0
Q1 '10	Satellite Voice & Data	1	1	100%	\$26	\$26	1.3x	1	NA	NA	NA	0
Q2 '10	Satellite Voice & Data	2	1	50%	\$525	\$525	1.5x	1	NA	NA	NA	0
Q3 '10	Satellite Voice & Data	2	1	50%	\$1	\$1	NA	0	NA	NA	NA	0
Q4 '10	Satellite Voice & Data	1	1	100%	\$398	\$398	2.3x	1	NA	NA	NA	0
Q1 '11	Satellite Voice & Data	4	4	100%	\$3,723	\$780	2.4x	2	(1.8)%	1.2%	34.4%	1
Total	Satellite Voice & Data	48	29	60%	\$24,323	\$38	1.6x	14	9.6%	11.1%	34.6%	3

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

1) Based on median revenue multiple and stock premium data where available.

Appendix – Telecom Services M&A Data

Quarter	Sector	# of Deals		% w/ Ann.	Trans Value		Revenue	Deals w/	Stock Premium to ⁽¹⁾			Deals w/
		Total	Ann. Value	Value	Total	Median	Multiple ⁽¹⁾	Rev. Mult.	1 Day	1 Week	1 Month	Prem Info
Q1 '07	Wireless - International	14	10	71%	\$23,095	\$282	3.2x	2	47.7%	47.7%	59.0%	1
Q2 '07	Wireless - International	21	13	62%	\$6,854	\$16	2.2x	3	NA	NA	NA	0
Q3 '07	Wireless - International	17	8	47%	\$1,067	\$83	3.4x	4	5.3%	11.1%	66.7%	1
Q4 '07	Wireless - International	26	13	50%	\$2,473	\$50	NA	0	NA	NA	NA	0
Q1 '08	Wireless - International	17	8	47%	\$26,050	\$0	NA	0	NA	NA	NA	0
Q2 '08	Wireless - International	16	11	69%	\$19,618	\$73	3.5x	4	13.2%	22.9%	30.2%	2
Q3 '08	Wireless - International	10	7	70%	\$1,160	\$28	9.0x	1	NA	NA	NA	0
Q4 '08	Wireless - International	9	3	33%	\$55	\$19	NA	0	NA	NA	NA	0
Q1 '09	Wireless - International	6	4	67%	\$313	\$31	NA	0	NA	NA	NA	0
Q2 '09	Wireless - International	10	4	40%	\$429	\$69	2.0x	2	NA	NA	NA	0
Q3 '09	Wireless - International	16	7	44%	\$2,851	\$18	2.0x	1	1.7%	1.0%	2.3%	1
Q4 '09	Wireless - International	18	6	33%	\$473	\$46	NA	0	NA	NA	NA	0
Q1 '10	Wireless - International	9	4	44%	\$11,826	\$563	2.4x	2	NA	NA	NA	0
Q2 '10	Wireless - International	6	2	33%	\$33	\$16	1.0x	1	NA	NA	NA	0
Q3 '10	Wireless - International	9	5	56%	\$13,113	\$62	3.6x	2	NA	NA	NA	0
Q4 '10	Wireless - International	16	6	38%	\$24,436	\$109	2.4x	3	24.6%	21.0%	26.4%	1
Q1 '11	Wireless - International	13	7	54%	\$17,498	\$19	0.8x	2	3.8%	12.0%	13.5%	1
Total	Wireless - International	233	118	51%	\$151,344	\$34	2.4x	27	7.3%	17.3%	29.6%	7
Q1 '07	Wireless - US	8	3	38%	\$307	\$5	NA	0	NA	NA	NA	0
Q2 '07	Wireless - US	7	3	43%	\$28,067	\$313	2.9x	2	9.7%	8.5%	15.5%	1
Q3 '07	Wireless - US	14	9	64%	\$5,713	\$10	3.7x	2	30.1%	24.7%	13.8%	2
Q4 '07	Wireless - US	9	5	56%	\$2,543	\$7	1.8x	2	NA	NA	NA	0
Q1 '08	Wireless - US	6	4	67%	\$90	\$10	1.5x	2	NA	NA	NA	0
Q2 '08	Wireless - US	15	4	27%	\$29,599	\$24	1.7x	2	NA	NA	NA	0
Q3 '08	Wireless - US	6	3	50%	\$60	\$2	NA	0	NA	NA	NA	0
Q4 '08	Wireless - US	8	3	38%	\$285	\$8	0.4x	1	NA	NA	NA	0
Q1 '09	Wireless - US	5	2	40%	\$30	\$15	NA	0	NA	NA	NA	0
Q2 '09	Wireless - US	7	4	57%	\$2,791	\$220	0.4x	1	NA	NA	NA	0
Q3 '09	Wireless - US	3	2	67%	\$706	\$353	0.5x	1	59.2%	60.1%	41.1%	1
Q4 '09	Wireless - US	8	2	25%	\$911	\$455	1.5x	1	34.2%	34.8%	32.2%	1
Q1 '10	Wireless - US	3	1	33%	\$2	\$2	NA	0	NA	NA	NA	0
Q2 '10	Wireless - US	3	2	67%	\$2	\$1	3.0x	1	NA	NA	NA	0
Q3 '10	Wireless - US	5	3	60%	\$106	\$0	NA	0	NA	NA	NA	0
Q4 '10	Wireless - US	7	4	57%	\$1,930	\$3	NA	0	NA	NA	NA	0
Q1 '11	Wireless - US	3	2	67%	\$39,003	\$19,502	1.8x	1	NA	NA	NA	0
Total	Wireless - US	117	56	48%	\$112,144	\$7	1.9x	16	34.2%	34.8%	24.9%	5

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1) Based on median revenue multiple and stock premium data where available.

Appendix – Telecom Services M&A Data

Quarter	Sector	# of Deals		% w/ Ann. Value	Trans Value		Revenue Multiple ⁽¹⁾	Deals w/ Rev. Mult.	Stock Premium to ⁽¹⁾			Deals w/ Prem Info
		Total	Ann. Value		Total	Median			1 Day	1 Week	1 Month	
Q1 '07	Wireless - Towers	1	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q2 '07	Wireless - Towers	4	1	25%	\$4,944	\$4,944	NA	0	NA	NA	NA	0
Q3 '07	Wireless - Towers	6	3	50%	\$1,798	\$215	NA	0	NA	NA	NA	0
Q4 '07	Wireless - Towers	5	3	60%	\$166	\$9	NA	0	NA	NA	NA	0
Q1 '08	Wireless - Towers	2	2	100%	\$691	\$345	NA	0	NA	NA	NA	0
Q2 '08	Wireless - Towers	1	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q3 '08	Wireless - Towers	5	3	60%	\$1,340	\$426	NA	0	NA	NA	NA	0
Q4 '08	Wireless - Towers	1	1	100%	\$9	\$9	NA	0	NA	NA	NA	0
Q1 '09	Wireless - Towers	1	0	0%	\$0	NA	NA	0	NA	NA	NA	0
Q2 '09	Wireless - Towers	1	1	100%	\$1	\$1	NA	0	NA	NA	NA	0
Q3 '09	Wireless - Towers	1	1	100%	\$39	\$39	4.9x	1	NA	NA	NA	0
Q4 '09	Wireless - Towers	4	2	50%	\$120	\$60	NA	0	NA	NA	NA	0
Q1 '10	Wireless - Towers	3	2	67%	\$2,135	\$1,067	11.9x	1	NA	NA	NA	0
Q2 '10	Wireless - Towers	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Q3 '10	Wireless - Towers	3	2	67%	\$53	\$26	NA	0	NA	NA	NA	0
Q4 '10	Wireless - Towers	8	7	88%	\$1,149	\$81	NA	0	NA	NA	NA	0
Q1 '11	Wireless - Towers	3	2	67%	\$90	\$45	NA	0	NA	NA	NA	0
Total	Wireless - Towers	49	30	61%	\$12,535	\$126	8.4x	2	NA	NA	NA	0

Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.

1) Based on median revenue multiple and stock premium data where available.



Introduction to SagePoint Advisors

Introduction to SagePoint Advisors

SagePoint Advisors is a boutique investment banking firm focused exclusively on providing merger, acquisition and strategic advisory services to growth companies in the technology and telecom sectors.

Mission	To deliver the senior-level attention, trusted relationships and market insight on \$20-150 million M&A transactions that other investment banks reserve only for much larger transactions.
Services	Sell Side Advisory, Divestitures, Buy Side Advisory, Strategic Investments
Industry Focus	Internet, Communications & IT Infrastructure
Offices	San Diego, CA

David P. Michaels - Founder & Managing Director



Prior to founding SagePoint Advisors in 2008, David Michaels was a Co-Founder, Partner and Managing Director at Montgomery & Co., a leading investment bank focused on serving emerging-growth technology companies and their venture backers. Mr. Michaels co-founded Montgomery's investment banking business in 1996 as the lead banker and played an instrumental role in building the business to over \$50 million in revenues and 80 employees. Mr. Michaels launched Montgomery's San Diego office in 2003 and established Montgomery as the dominant brand in the region. Mr. Michaels also ran the firm's Communications and Digital Media Technology practice areas for several years prior to his departure. During his 14 year tenure at Montgomery, Mr. Michaels advised CEOs and Boards on more than 75 corporate strategy, M&A and fund raising engagements.

Mr. Michaels has intimate knowledge of the strategic landscape, market dynamics and technology underpinnings of several high technology market segments including wireless infrastructure, software and services, voice, video and data infrastructure, software and services, storage infrastructure and software, networking equipment, Internet software and services and semiconductors. Prior to co-founding Montgomery's investment banking business, Mr. Michaels managed strategic consulting assignments for the firm including market entry analysis, acquisition search studies and strategic portfolio assessments.

Prior to joining the Montgomery in 1994, Mr. Michaels held various investment banking positions including a position within Bankers Trust Corporate Finance Department, where he helped execute merger and acquisition assignments such as sale mandates and valuation analyses. Prior to that, Mr. Michaels worked as a structural engineer at General Dynamics, where he assisted on the Advanced Tactical Fighter program. Mr. Michaels received an M.B.A. with an emphasis in marketing and entrepreneurship from the Anderson School of Management at UCLA and holds a B.S. in Mechanical Engineering from the University of Michigan.

Teak Murphy - Senior Associate



Prior to joining SagePoint, Teak worked as a Senior Associate with Enterprise Partners Venture Capital, the largest Southern California based VC firm, where he evaluated investment opportunities and worked closely with senior management and board members to successfully grow portfolio companies. Prior to Enterprise Partners, Teak worked as an Associate in technology investment banking at Montgomery & Co. where he spent three years working closely with SagePoint's founder David Michaels on buy-side and sell-side M&A transactions. Prior to Montgomery, Teak worked at Cowen & Co. advising technology companies on M&A and IPO transactions.

Teak's experience working on fund raising, mergers and acquisitions, and initial public offerings as both an advisor and investor provides unique insight into the needs of venture-backed companies. Teak graduated from the University of Southern California with honors, receiving a B.S. in Business Administration and Finance .

Segment	Subcategory Examples	
Cloud, SaaS & Internet Services	<ul style="list-style-type: none"> • Cloud Computing • Cloud Storage • Cloud Security • Software-as-a-Service 	<ul style="list-style-type: none"> • Web Hosting & Colocation • Web-Based Communications • Social Networking • Internet Search & Marketing
Wireless & Mobile	<ul style="list-style-type: none"> • Mobile Applications • Mobile Advertising • Mobile Payments • Location Based Services • Wireless Gateways 	<ul style="list-style-type: none"> • Network Infrastructure • Network Software • Client Devices • Semiconductors
Voice, Video & Data	<ul style="list-style-type: none"> • Service Providers • Client Software • Server Software • Telecom Equipment 	<ul style="list-style-type: none"> • Customer Premise Equipment • Semiconductors • Consumer Devices
IT Infrastructure	<ul style="list-style-type: none"> • Data Networking • Computing • Storage • Security • Virtualization 	<ul style="list-style-type: none"> • Network Management • Systems Management • Application Acceleration • Data Analytics

Transaction Experience of SagePoint Team

 <i>has been acquired by</i>  Up to \$120,000,000 Pending	 <i>has been acquired by</i>  August 2009	 <i>has been acquired by</i> Undisclosed Buyer November 2008	 <i>has sold certain assets to</i> Undisclosed Handset OEM October 2008	 Buyside Advisory 2008	 <i>has been acquired by</i>  April 2008	 <i>has sold its assets to</i>  \$10,000,000 October 2007
 <i>has been acquired by</i>  \$34,875,000 September 2007	 Initial Public Offering \$82,500,000 Co-manage June 2007	 <i>has been acquired by</i>  January 2007	 Initial Public Offering \$167,440,000 Co-manager September 2006	 <i>has been acquired by</i>  August 2006	 <i>has been acquired by</i>  August 2006	 Senior Convertible Debentures \$5,000,000 Financial Advisor and Placement Agent July 2006
 <i>has been acquired by</i>  \$150,000,000 July 2006	 <i>has sold its SRAM assets to</i>  January 2006	 Private Investment in Public Equity \$14,400,000 Co-Agent January 2006	 <i>has been acquired by</i>  October 2005	 <i>has agreed to the sale of their NAS Software Intellectual Property to</i>  \$50,000,000 May 2005	 <i>has sold a minority stake to</i> Strategic Investor 2005	 <i>has been acquired by</i> THOMSON August 2004
 <i>has been acquired by</i>  \$122,500,000 April 2004	 <i>has been acquired by</i>  December 2003	 <i>has been acquired by</i>  August 2003	 <i>has been acquired by</i>  February 2003	 <i>has been acquired by</i>  April 2002	 Private Placement \$9,900,000 Placement Agent July 2001	 <i>has merged with</i>  \$157,000,000 March 2000

Transaction Experience by Market Segment

The SagePoint Team has led more than 75 M&A and fund raising engagements with deal experience across the Internet, Communications and IT Infrastructure value chain.

Segment	Transaction Experience Examples	
Cloud, SaaS & Internet Services	<ul style="list-style-type: none"> • Xumii sale to Myriad Group • AccessLine sale to Telanetix • Neven Vision sale to Google • Unicru sale to Kronos • Element5 sale to Digital River 	<ul style="list-style-type: none"> • ZoneOfTrust sale to Guardent • GeoNet sale to Level 3 • Compute Intensive sale to Verio • Speakeasy Capital Raise • Cephren Strategic Investment
Wireless / Mobile	<ul style="list-style-type: none"> • CCPU sale to Radisys • Xumii sale to Myriad Group • Strix sale to Idream • Sky Mobile Media Asset Sale • Neven Vision sale to Google 	<ul style="list-style-type: none"> • CommAsic sale to Freescale • Peregrine Strategic Investment • Synad sale to STMicro • Airprime sale to Sierra Wireless • Tachyon Capital Raise
Voice, Video & Data	<ul style="list-style-type: none"> • Vativ sale to Entropic • AccessLine sale to Telanetix • CrystalVoice sale to GIPS • DivX IPO • TIR sale to Philips 	<ul style="list-style-type: none"> • Gyration sale to Philips • Compute Intensive sale to Verio • Speakeasy Capital Raise • Tachyon Capital Raise • Telecore sale to ViaSource
IT Infrastructure	<ul style="list-style-type: none"> • Network Physics sale to OpNet • AuthenTec IPO • Raptor Networks Capital Raise • Procom sale to Sun 	<ul style="list-style-type: none"> • LVL7 sale to Broadcom • Neteon sale to CA • ZoneOfTrust sale to Guardent • DataDirect Capital Raise

Representative Buyer Relationships

Internet / Media	Service Providers	IT Infrastructure & Software	Telecom Equipment	Consumer Electronics	Semiconductors
amazon.com.	at&t	ca	AVAYA	Apple	AMD
AOL	BT	CITRIX®	Alcatel-Lucent	LG	BROADCOM.
Disney	Comcast.	DELL®	CISCO SYSTEMS	NOKIA Connecting People	freescale™ semiconductor
facebook.	COX COMMUNICATIONS	EMC²	ERICSSON	PANASONIC	infineon
Google	orange™	hp®	HUAWEI	PHILIPS	intel®
IAC/InterActiveCorp	NTT/VERIO	IBM	Juniper NETWORKS	SAMSUNG	MARVELL®
Linked in.	Sprint	Microsoft®	MOTOROLA	SHARP.	MEDIA TEK
Microsoft®	T-Mobile...	NetApp™	Nokia Siemens Networks	SONY	QUALCOMM
News Corporation	verizon	ORACLE®			ST ERICSSON
YAHOO!	vodafone	SAP®			TEXAS INSTRUMENTS
zynga®		symantec.			
		vmware			

Why Work With SagePoint?

- SagePoint delivers the senior-level attention, trusted relationships and market insight on \$20-150M transactions that larger investment banks reserve only for much larger transactions
- SagePoint's domain knowledge is world-class across most segments of the Internet, Communications and IT Infrastructure value chain
- SagePoint has developed trusted relationships with the most active strategic buyers across the Internet, Communications and IT Infrastructure value chain
- SagePoint has the M&A expertise that comes only from decades of experience focusing on strategic transactions
- SagePoint's unwavering integrity and commitment to intellectual honesty ensures that we tell our clients what they need to hear to make sound business decisions
- At SagePoint, we offer sage advice that points our clients in the right direction to ensure an optimal outcome