

SagePoint Telecom Services M&A Review for Q2 2010

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



For more information contact David Michaels at (858) 926-5950 or dmichaels@sagepointadvisors.com

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SagePoint's Viewpoint - Key Takeaways

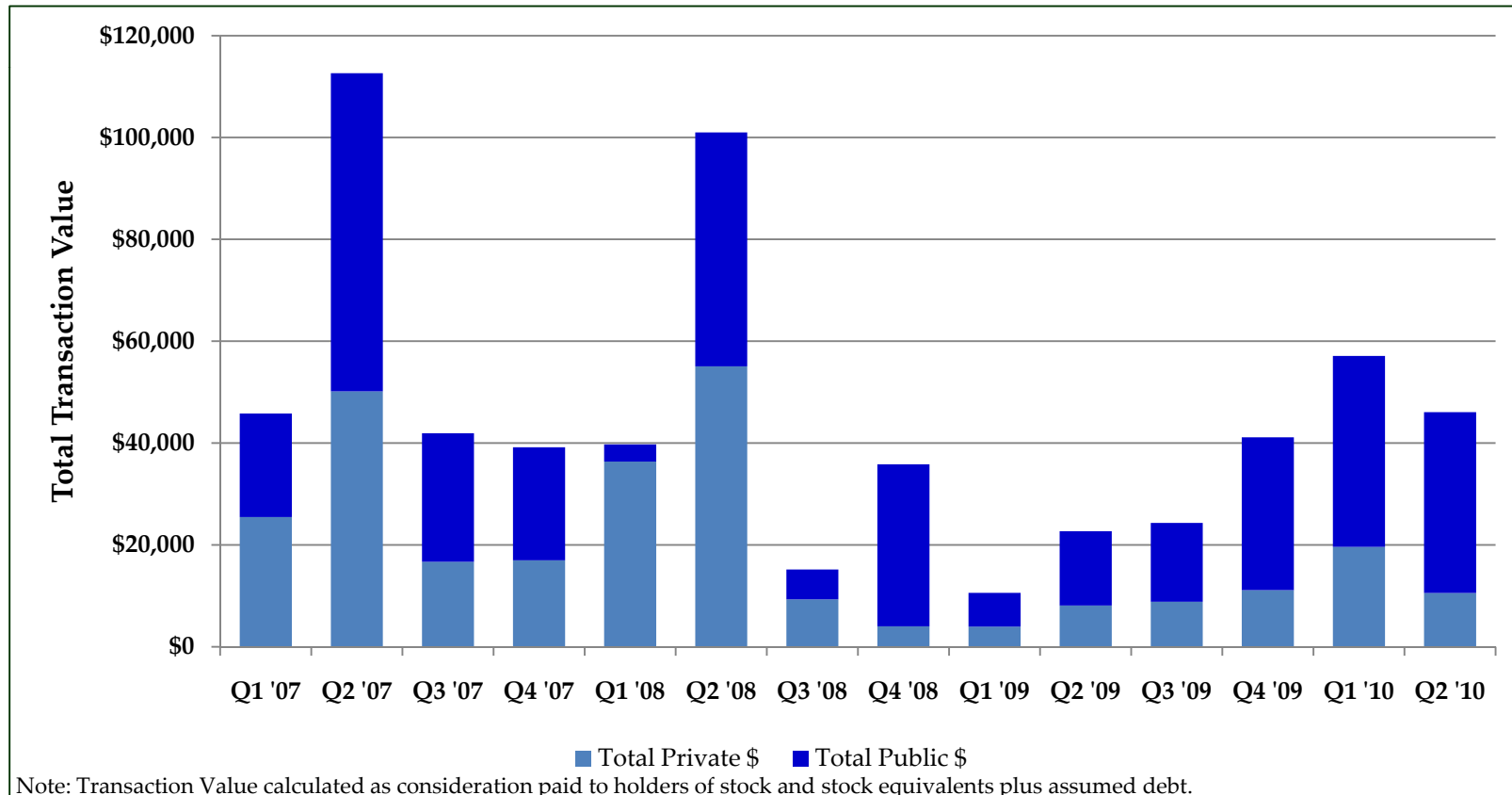
- M&A transaction volume across SagePoint's entire ICIT Universe was up approximately 20% in Q2'10 versus Q2'09 but came in 10% below Q1'10 levels
 - Q2'10 deal volume of 349 still represents a fairly active quarter with activity accelerating late in Q2
 - Only the Semiconductors segment, up from 9 deals to 10 for the quarter, increased versus Q1
- Transaction volume across SagePoint's Telecom Services Universe dropped 13% in Q2 versus Q1
 - Data Access & Transport transaction volume was down 33% while Hosting & Data Center increased significantly
- Telecom Services M&A dollar volume fell significantly from Q1 as only one megamerger came through for the quarter but remains more than 3 times Q2'09 dollar volume
 - CenturyLink's \$24B acquisition of Qwest represented the bulk of Q2 dollar volume
 - Telefonica's \$9B bid for Portugal Telecom's half of Brasilcel was rejected, dropping dollar volume
 - Aside from Q1, the quarter represents the highest dollar volume in the past two years
- Large deal activity levels remained very robust in Q2
 - Eight \$250M+ private deals were announced in Q2, however there was just one \$1B+ deal
 - CenturyLink's \$24B acquisition of Qwest is the second largest Communications deal in the past two years, behind last quarter's America Movil \$35B acquisition
- Revenue multiples remained conservative in Q2 for the most part
 - Median private revenue multiples were down slightly to 1.5x, within historical norms
 - Median public M&A revenue multiples jumped to 3.1x although it is difficult to draw conclusions from only two public deals

SagePoint's Viewpoint - Key Takeaways Continued

- The most active buyers over the last 24 months include tier 1 carriers such as France Telecom, Vodafone and AT&T and Sprint as well as four regional carriers, two focused primarily in Russia
 - Omnicity is a wireless ISP in the Midwest which is rolling up other wireless ISPs in the region
 - Daisy Group is a UK based, business focused telecom service provider that has made a number of small acquisitions
 - OAO Svyazinvest and Sistema are Russia-based telecom providers with mostly smaller deals
- Notable Q4 M&A transactions include:
 - CenturyLink's \$24B acquisition of Qwest Communications
 - FarEasTone/Yuan Cing Infocomm's \$647M acquisition of New Century InfoComm
 - Cincinnati Bell's \$525M acquisition of Cyrus Networks
 - Digital Realty Trust's \$725M acquisition of five data centers
 - Harris' \$525M acquisition of CapRock
- SagePoint expects strong M&A activity throughout the second half of 2010 and into 2011
 - Despite the drop in transaction volume and dollar volume, activity and dollar volume remain at respectable levels and players will likely continue to utilize M&A to add scale and drive growth, particularly in emerging growth areas
 - Carrier consolidation is bound to continue and we will likely see more \$1B+ transactions in 2010
 - SagePoint expects public revenue multiples to stabilize in the 2s as health of the segment continues to improve and revenue growth returns

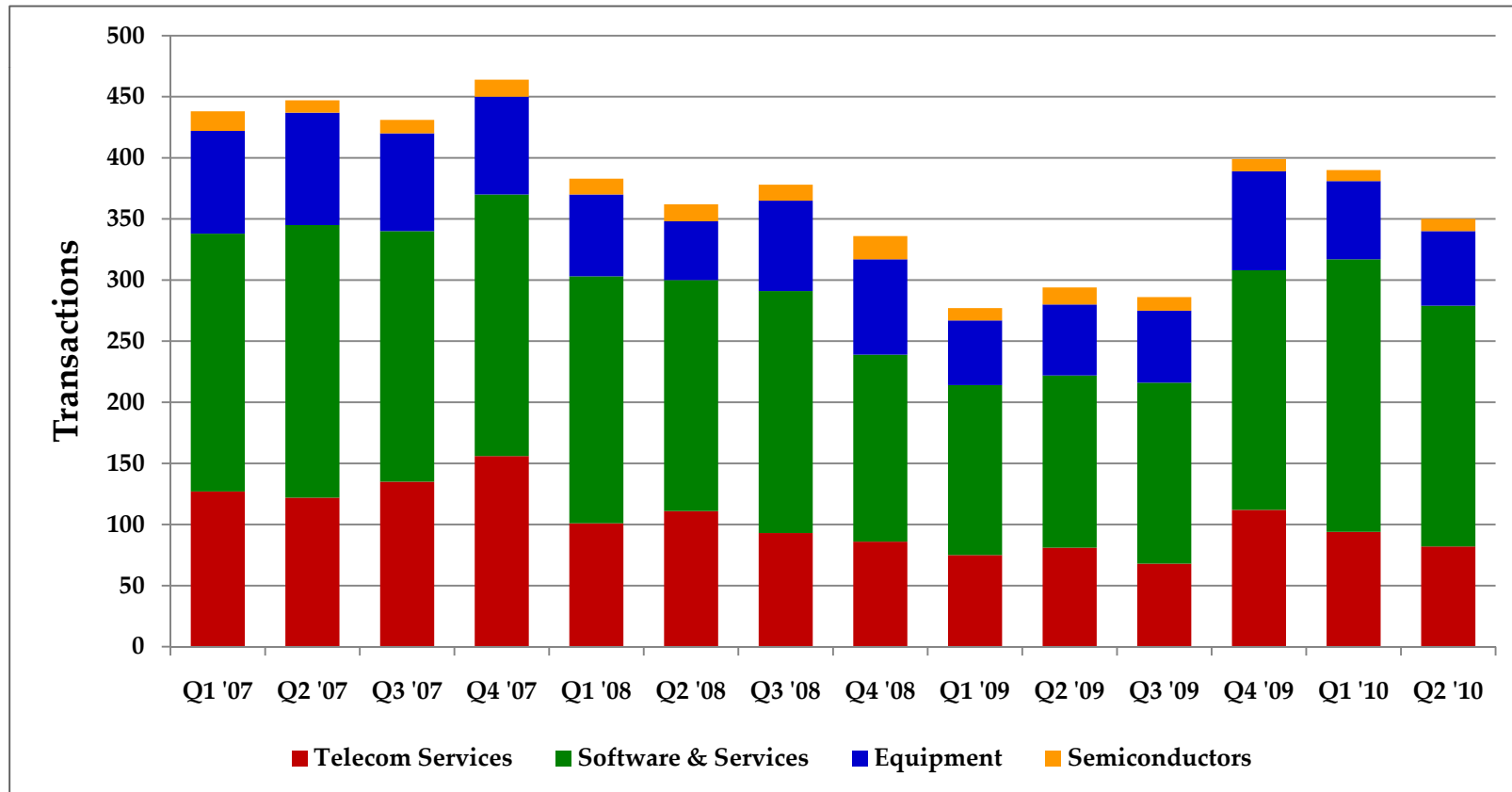
M&A Dollar Volume – SagePoint ICIT Universe

- M&A dollar volume across SagePoint 's entire Internet, Communications & IT Infrastructure (“ICIT”) universe fell in Q2'10 as CenturyLink's acquisition of Qwest was the only megamerger for the quarter as Telefonica's \$9B bid for the remainder of Brasilcel was rejected
 - CenturyLink's \$24B acquisition of Qwest represents more than half of total dollar volume
- M&A dollar volume was up significantly for Equipment and Software & Services with Semiconductors up as well
 - Q2 dollar volume for those three segments reached \$17.5B versus \$4.8B in the prior quarter



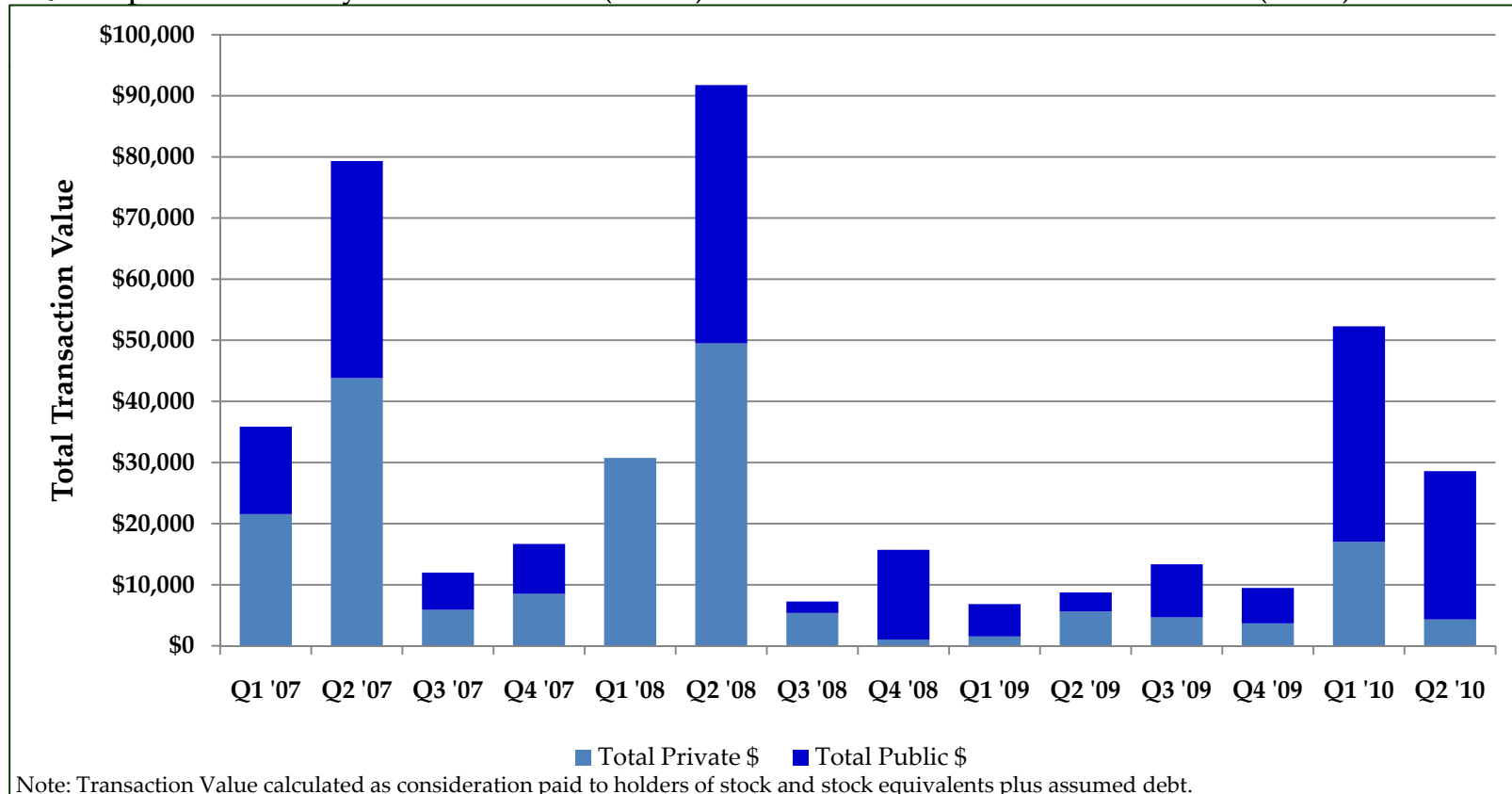
M&A Transaction Volume – SagePoint ICIT Universe

- M&A transaction volume across SagePoint’s ICIT universe was up approximately 20% in Q2’10 versus Q2’09 but came in approximately 10% below Q1’10 levels
 - Though not as strong as the past two quarters, Q2’10 deal volume of 349 still represents a fairly active quarter and deal volume was increasing in the second half of the quarter
 - Only the Semiconductors segment, up from 9 deals to 10 for the quarter, increased versus Q1
- SagePoint expects M&A transaction volume to remain relatively robust through 2010 and 2011



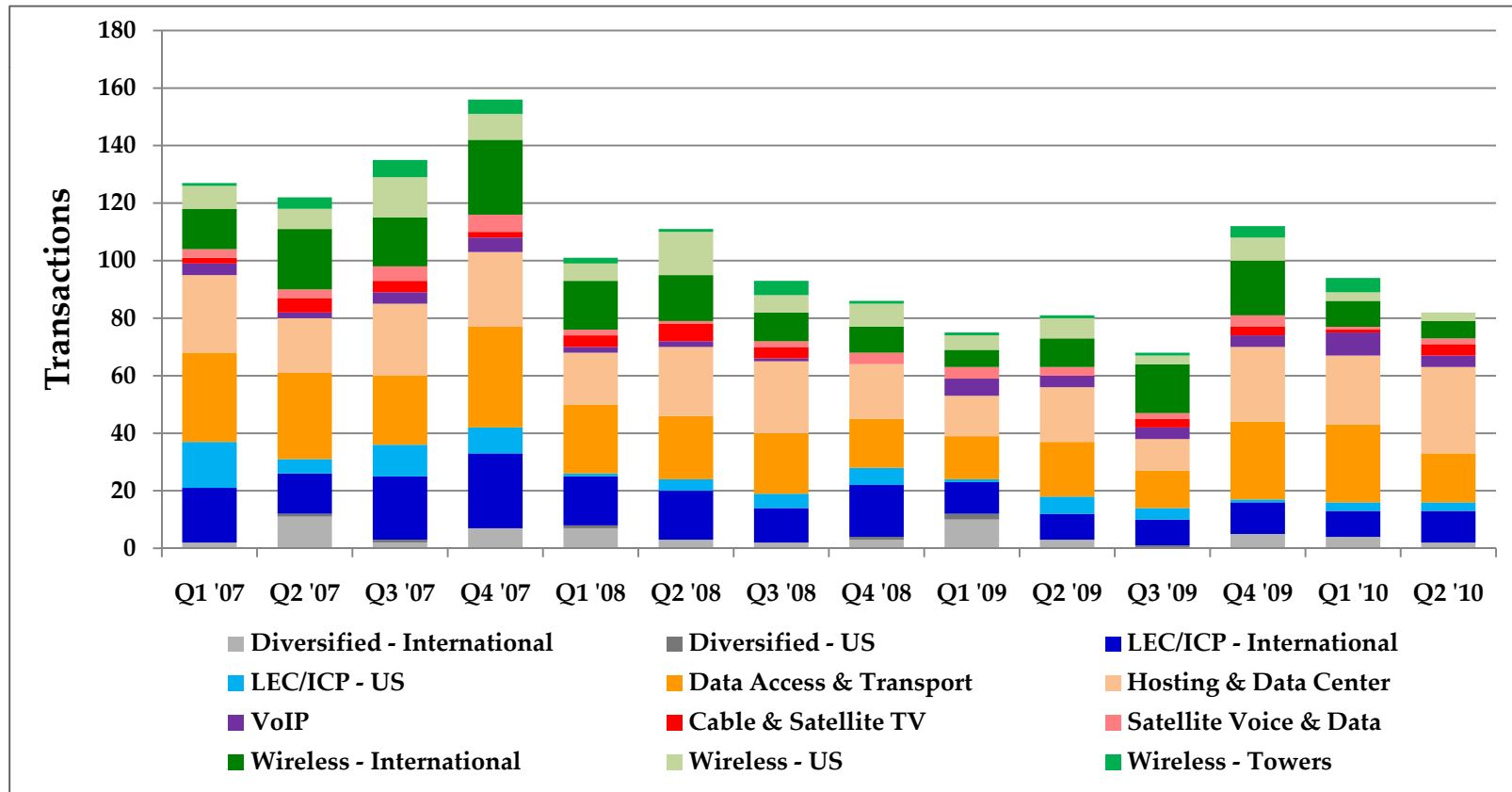
M&A Dollar Volume – SagePoint Telecom Services Universe

- Telecom Services M&A dollar volume fell significantly from Q1 as only one megamerger came through for the quarter but remains more than 3 times Q2'09 dollar volume
 - CenturyLink's \$24B acquisition of Qwest represented the bulk of Q2 dollar volume
 - Telefonica's \$9B bid for Portugal Telecom's half of Brasilcel was rejected, dropping dollar volume
- Aside from Q1, the quarter represents the highest dollar volume in the past two years
 - Q2'10 driven by America Movil/ Carso Global (\$35B) and Bharti Airtel/Zain Africa (\$10.7B)
 - Q2'08 peak driven by Verizon/Alltel (\$30B) and China Unicom/China Netcom (\$33B) transactions



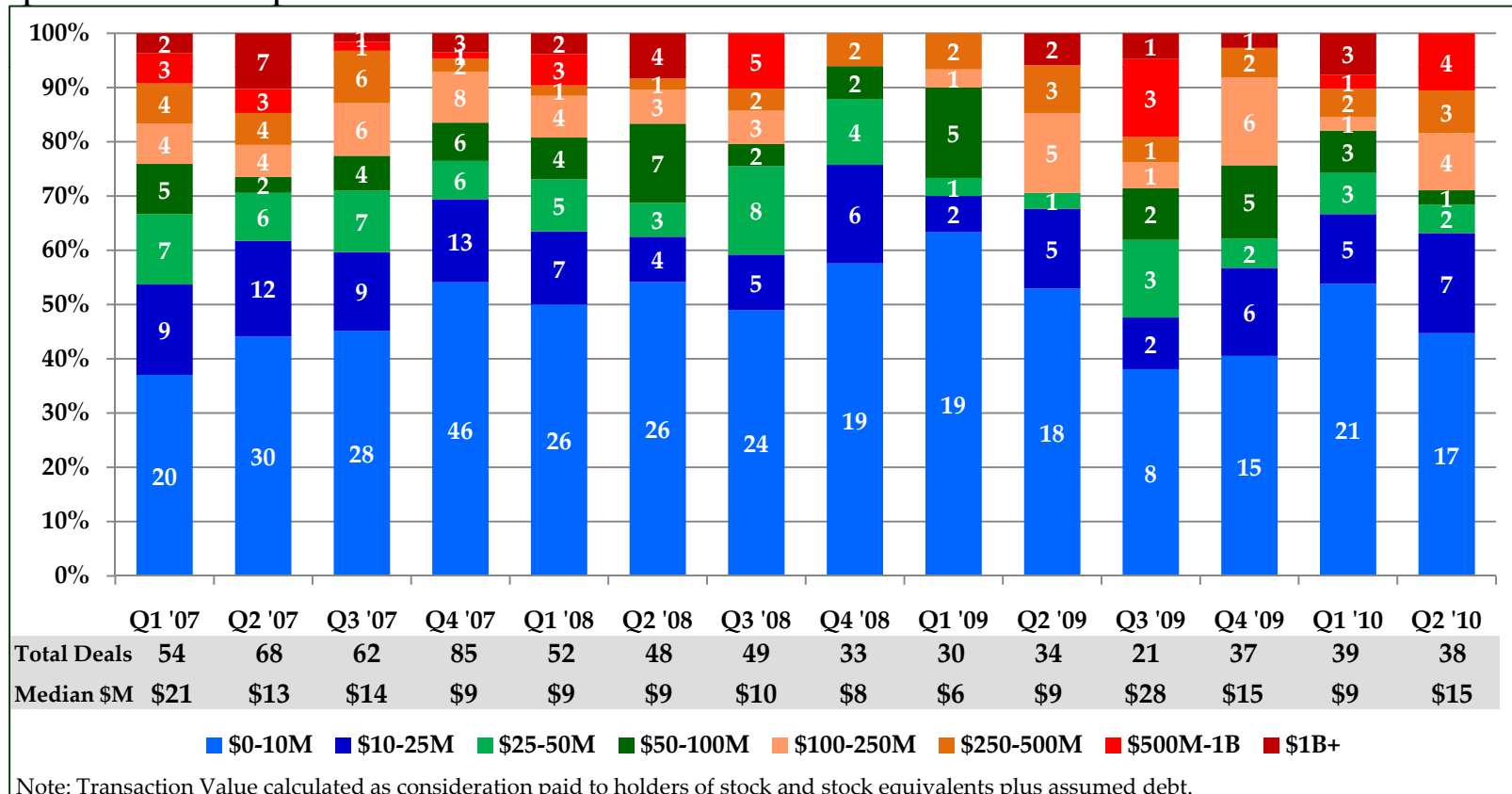
M&A Transaction Volume – Telecom Services by Segment

- Telecom Services M&A transaction volume dropped 13% in Q2 versus Q1
- Data Access & Transport was responsible for most of the lost deal volume, down 37%
- Hosting & Data Center showed the highest increase in deal volume, also experiencing a big jump in dollar volume
- The drop in Wireless Towers deals from 9 over the prior two quarters to no deals in Q2 was surprising as consolidation had been very active the prior two quarters



M&A Transaction Volume by Deal Size – Private Targets

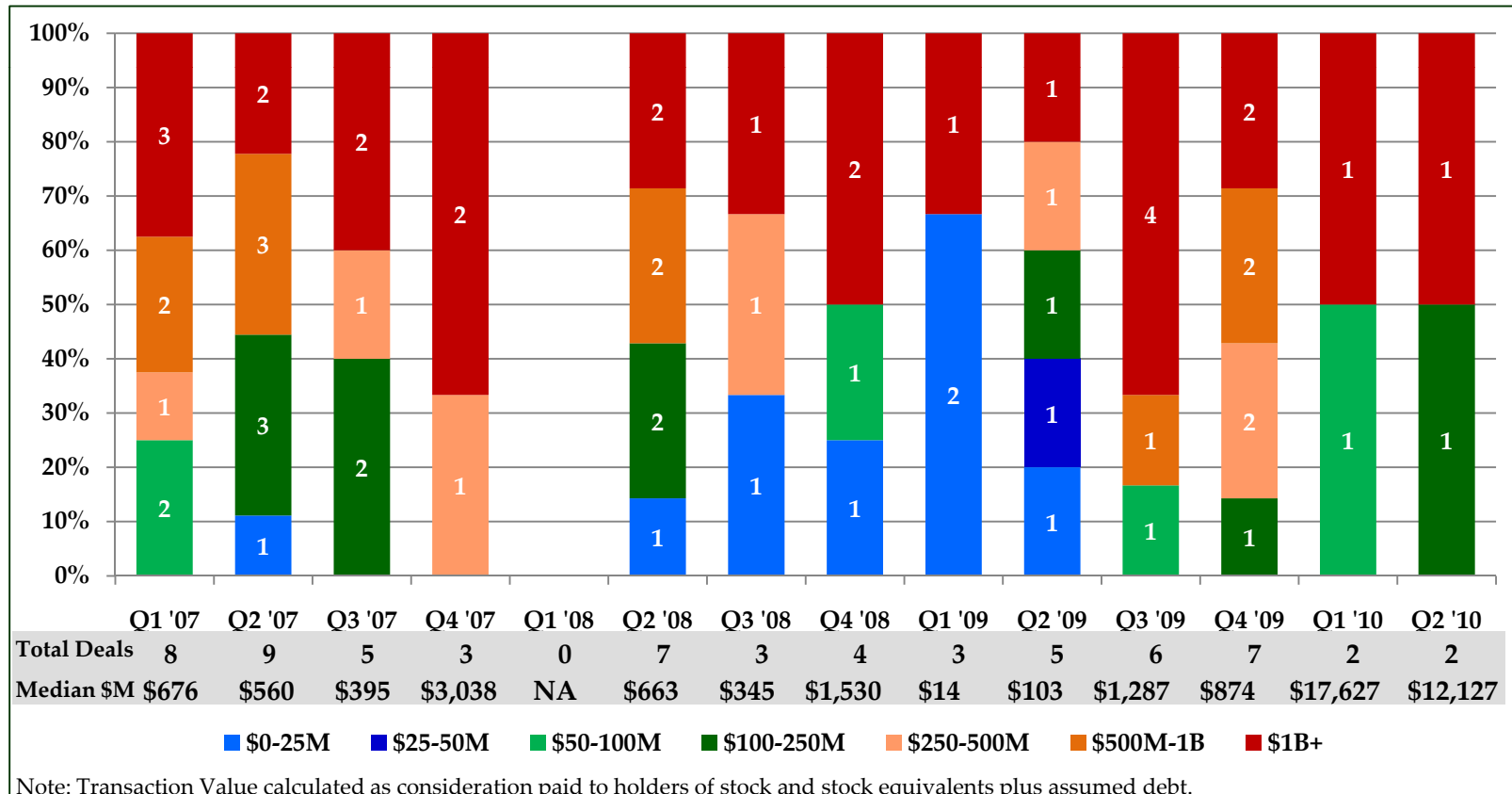
- Telecom Services deal volume was strong in the \$100M - \$1B private size range, but no \$1B deals were announced for the first time in four quarters
 - Small deal volume (>\$25M) remained quite high again in Q1
- The largest private deals included two Hosting & Data Center deals (Cincinnati Bell/Cyrus Networks for \$525M and Digital Realty Trust’s acquisition of 5 data centers for \$725M) as well as FarEasTone’s acquisition of New Century InfoComm for \$647M and Harris’ \$525M acquisition of CapRock



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

M&A Transaction Volume by Deal Size – Public Targets

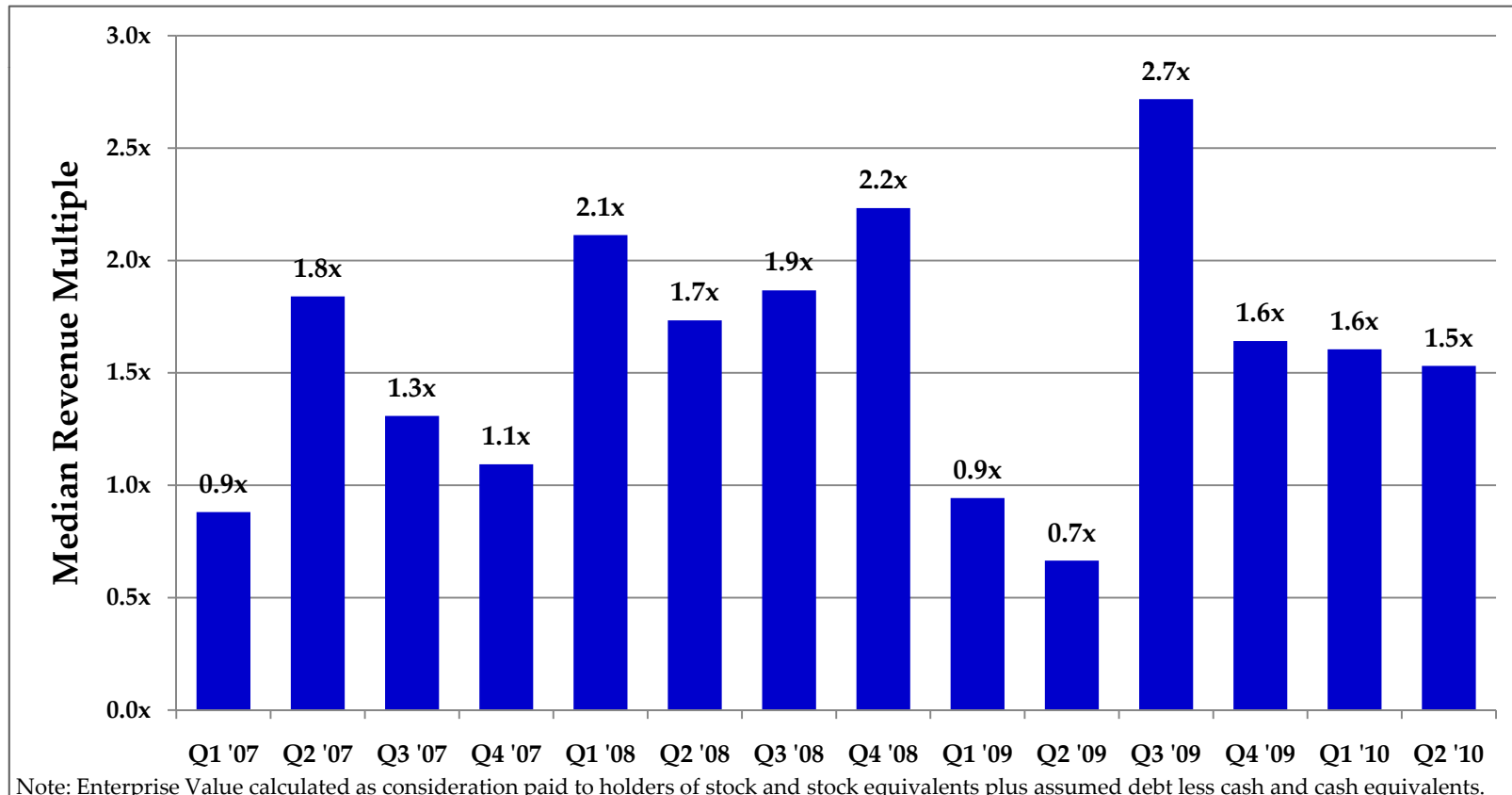
- Public Telecom Services deal volume remained thin again at just 2 deals again in Q2
 - SagePoint expects public carrier consolidation activity levels to pick up in the remainder of 2010
- CenturyLink's \$24B acquisition of Qwest dominated dollar volume for the quarter and creates a major scale player as CenturyLink continues to grow through its second megamerger in the past two years



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

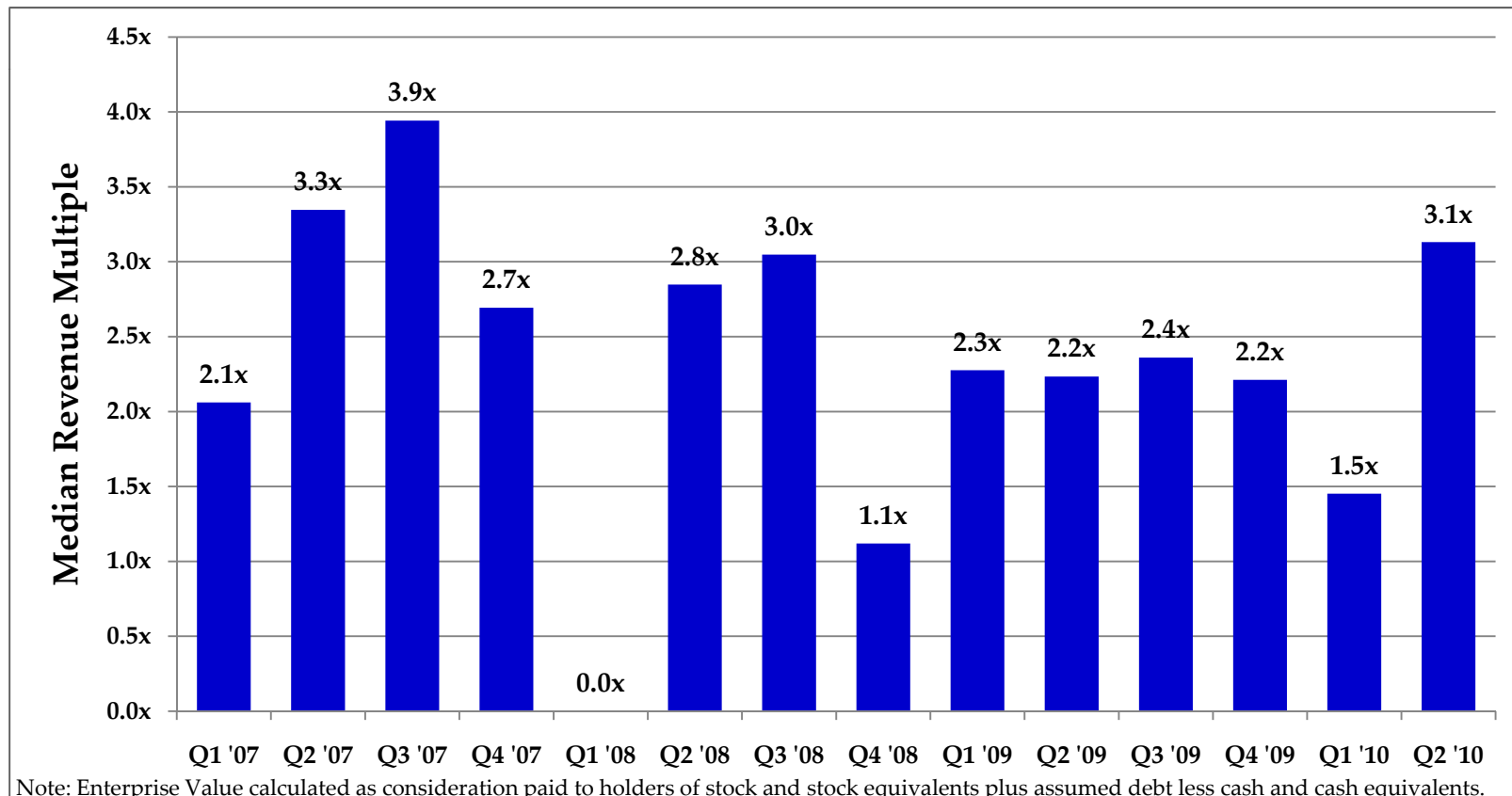
Median M&A Revenue Multiples – Private Telecom Svcs. Targets

- Median private revenue multiples remain at historical levels in Q2 after reaching a peak in Q3'09 due to a handful of premium deals
 - The Q3 peak was well above historical norms and based on too few data points to be sustainable
- There were a few private deals done at premium revenue multiples in Q2:
 - Cincinnati Bell paid 9.1x for Cyrus Networks
 - FarEasTone/Yuan Cing Infocomm paid 3.3x for New Century InfoComm
 - KeyOn Communications paid 3.0x for Dynamic Broadband's Wireless Broadband Assets










Median M&A Revenue Multiples – Public Telecom Svcs. Targets

- Median public M&A revenue multiples doubled to 3.1x in Q2 relative to Q1
 - However, with only two deals the data is not indicative of any trend
- Volgatelecom’s acquisition of Teleset Networks for 4.4x drove the multiple up
- CenturyLink’s acquired Qwest for 1.8x, slightly below median multiple for recent quarters
- SagePoint expects public multiples to stabilize in the mid 2s as the economy continues to recover





Most Active Telecom Services Buyers – Last 2 Years


Company	# of Deals		Telecom Services Transactions	
	Telco	Comm		
	10	8	4/1/10 - LINKdotNET, Inc. - \$130M 2/18/10 - Mauritius Telecom Limited - NA 11/25/09 - KPN Belgium Business S.S. - \$97.9M 11/25/09 - Sunrise Communications AG - \$2,260M	11/5/09 - T-Mobile (UK) Limited - NA 2/22/09 - LINKdotNET - NA 12/18/08 - Telemedia Group S.A. - NA 10/19/08 - Orange Uganda Limited - NA
	8	8	2/3/10 - Digital Network Solutions, Inc. - NA 12/23/09 - USppp, Inc. - NA 10/19/09 - Solutions Unltd (Fixed Wireless) - NA 6/17/09 - Culcom, LLC - NA	6/8/09 - Rushville Wireless & Clinton Wireless - NA 3/18/09 - Cue Connex, LLC - \$0.1M 10/31/08 - North Central Communications - NA 10/31/08 - Forepoint Networks LLC - NA
	7	7	5/27/10 - Teleset Networks PLC - \$161M 4/30/10 - OAO Dagsvyazinform - \$20.6M 12/15/09 - Southern Ural Telephone Company - NA 12/10/09 - Yuzhno-Uralskaya Telephone Co. - NA	9/17/09 - CJSC Ulyanovsk-GSM - NA 9/7/09 - Sky Link Joint Stock Company - NA 6/8/09 - Gorodskaya Telephonnaya Svyaz - \$11.1M
	8	6	12/29/09 - Borusan Telekom Corp. - NA 7/22/09 - BT Communications Ireland (Assets) - NA 9/1/08 - BroadNet Czech AS - NA	8/29/08 - Gateway Telecom (Assets) - \$700M 7/3/08 - Ghana Telecommunications - \$900M 7/1/08 - Westside Trading 163 - NA
	7	6	5/8/09 - Cellco Partnership (Wireless) - \$2,350M 11/7/08 - Centennial Communications - \$2,965M 11/6/08 - Wayport, Inc. - \$275M	8/11/08 - SeaMobile, Inc. (SeaMobile Wireless) - NA 8/7/08 - Windstream N. Carolina (Wireless) - \$57.6M 7/3/08 - MilkyWay Broadband LLC - NA
	7	6	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 7/7/08 - Uralskaya Telefonnaya Kompaniya - \$43.2M
	6	6	6/22/10 - murphx Innovative Solutions Ltd - \$7.1M 2/17/10 - BNS Telecom Group plc - \$20.7M 2/8/10 - Managed Communications Limited - \$9.9M	8/14/09 - Redstone Telecom Ltd. - \$28.1M 7/1/09 - FREEDOM4 Group plc - NA 1/23/09 - 4Com Ltd. - \$7.5M

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



Q2 M&A Transaction Spotlight – Telecom Services

Acquiror	Target	Deal Rationale/Commentary
		<p>Qwest provides data, Internet, video, and voice services in the United States and internationally.</p> <p>The merger will create a new scale player with \$20B in annual revenues, 22M connections (access lines and broadband) operating in 37 states. The combination should have the scale and scope to drive cost savings and potential revenue enhancements.</p> <p>The two companies currently resell DirecTV and DISH but could look to expand on Qwest's entry into IPTV as a means for future growth. On the wireless side, CenturyLink could look to extend Qwest's partnership with Verizon, partner with another 4G provider, or pursue a facilities-based model through purchasing spectrum or a wireless operator.</p> <p>The deal is expected to be accretive immediately. CenturyLink has proven with Embarq that it can integrate large transactions and it appears clear that CenturyLink is looking to become a major player and it will be interesting to see how they go about rounding out their offering.</p>
<h3>Deal Summary</h3>		
<p>Date: 4/21/10</p> <p>Transaction Value: \$24,092M</p> <p>% Sought: 100%</p> <p>Consideration: Stock</p> <p><small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		
<h3>Valuation Metrics</h3>		
<p>LTM Revenue Multiple: 1.8x</p> <p>LTM EBITDA Multiple: 10.8x</p> <p>Premium to:</p> <ul style="list-style-type: none"> 1 day prior: 17.3% 1 week prior: 12.7% 1 month prior: 17.5% 		



Q2 M&A Transaction Spotlight – Telecom Services

Acquiror	Target	Deal Rationale/Commentary
 DIGITAL REALTY TRUST	5 Data Centers	<p>Digital Realty Trust has acquired five data center facilities comprising 919,000 sq. ft., three of which are in California with the remaining two in Arizona and Virginia.</p>
Deal Summary		<p>Digital Realty Trust is the world's largest wholesale datacenter provider and maintains 62 facilities in North America and 13 in Europe. The acquisition will help Digital Realty continue to expand its footprint and add additional scale, making the company better able to support the growing needs of its customer base.</p>
<p>Date: 6/1/10 Transaction Value: \$725.0M % 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 accretive to 2010 funds from operations.</p>
Valuation Metrics		
<p>LTM Revenue Multiple: NA LTM EBITDA Multiple: NA Multiple on \$ Invested: NA</p>		
Investors		
<p>Rockwood Capital</p>		



Q2 M&A Transaction Spotlight – Telecom Services

Acquiror	Target	Deal Rationale/Commentary
		<p>New Century InfoComm, doing business as Sparq, provides telecommunication services in Taiwan. Its telephony services include local, long-distance, and international calls; and data transfer services include ISP, ADSL, private lease line, FR, IFR, and facility management.</p>
<h3>Deal Summary</h3>		<p>FarEasTone, through its subsidiary Yuan Ching Infocomm, purchased the remaining 73.3% it did not already own.</p>
<p>Date: 6/25/10 Transaction Value: \$647.4M % Sought: 73.3% 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>FarEasTone, one of Taiwan's top cellular service providers, is looking at a convergence play incorporating mobile and fixed-line networks as a way to cut operation costs and provide a comprehensive telecom service to consumers.</p>
<h3>Valuation Metrics</h3>		
<p>LTM Revenue Multiple: 3.3x LTM EBITDA Multiple: NA Multiple on \$ Invested: NA</p>		
<h3>Investors</h3>		
<p>NA</p>		



Q2 M&A Transaction Spotlight – Telecom Services

Acquiror	Target	Deal Rationale/Commentary
		<p>Cyrus Networks specializes in high-density colocation services for businesses in the Houston, Dallas, Austin, and surrounding areas. Cyrus operates 7 facilities with 163,000 sq. ft. of capacity.</p> <p>The acquisition of Cyrus helps diversify Cincinnati Bell's revenue and expands the companies data center business to 609,000 sq. ft. in 17 facilities. Tech Solutions will now account for 28% of '10 revenues and 19% of EBITDA.</p> <p>The deal certainly adds scale and diversity to Cincinnati Bell, but comes at a very high price considering Cyrus' top line growth for '10 is expected to be 26% with forward revenue multiple of ~7.2x rather high compared to recent transactions in the space.</p>
<h3>Deal Summary</h3>		
<p>Date: 5/12/10 Transaction Value: \$525.0M % 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>		
<h3>Valuation Metrics</h3>		
<p>LTM Revenue Multiple: 9.1x LTM EBITDA Multiple: 15.8x Multiple on \$ Invested: NA</p>		
<h3>Investors</h3>		
<p>ABRY Partners</p>		

Q2 M&A Transaction Spotlight – Telecom Services

Acquiror	Target	Deal Rationale/Commentary
		<p>CapRock Services Corp. provides mission-critical managed satellite communications solutions for the energy, government and maritime industries. CapRock provides its customers with secure, highly-reliable managed communication services including broadband Internet access, voice over IP, networking and real-time video delivered to harsh and remote locations around the world.</p> <p>CapRock has four international teleports, four network operation centers, 11 field dispatch and customer service centers and service on more than 50 satellites.</p> <p>The acquisition expands Harris' international presence and increases the breadth of the company's assured communications offering. CapRock's mix of military, government and commercial customers with focus on critical communications fits Harris' strategy. CapRock also provides an entry into the energy market.</p>
<h3>Deal Summary</h3>		
<p>Date: 5/21/10 Transaction Value: \$525.0M % Sought: 100% Consideration: Cash <small>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</small></p>		
<h3>Valuation Metrics</h3>		
<p>LTM Revenue Multiple: 1.5x LTM EBITDA Multiple: 18.8x Multiple on \$ Invested: 2.6x</p>		
<h3>Investors</h3>		
<p>ABRY Partners</p>		

Q2 M&A Transaction Spotlight – Telecom Services

Acquiror	Target	Deal Rationale/Commentary
		<p>ViaWest is the largest privately-held, data center and managed services company in the United States. The company offers cost-effective, highly secure, interconnected data center facilities designed to meet the needs of a wide range of business and public sector clients.</p>
Deal Summary		<p>ViaWest has expanded its data center footprint in the western US largely through acquisitions and now operated 16 facilities in Colorado, Texas, Oregon, Utah and Nevada.</p>
<p>Date: 4/20/10 Transaction Value: \$420M % Sought: 100% Consideration: Cash</p>		<p>Oak Hill and GI sought a piece of the growing data center market as growth in internet traffic and a trend in outsourcing data centers is driving tremendous demand. The deal is another in a series of private equity purchases of regional managed hosting companies.</p>
<p>Note: Transaction Value calculated as consideration paid to holders of stock and stock equivalents plus assumed debt.</p>		
Valuation Metrics		
<p>LTM Revenue Multiple: NA LTM EBITDA Multiple: NA Multiple on \$ Invested: 12.4x</p>		
Investors		
<p>Cowen Capital Partners, Quilvest Private Equity, Goldman, Sachs & Co., Trinity Equity Investors</p>		

Appendix – Q2 Telecom Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
International Diversified				
6/4/10	HgCapital; HgCapital Trust plc (LSE:HGT); CPS Partners LLP	Manx Telecom Limited	230.5	2.3x
6/5/10	LAP Green Com	Zambia Telecommunications Company Limited	257.0	NA
International LEC/ICP				
4/2/10	Asialink Technology Development Ltd.	Uhos Sdn. Bhd.	NA	NA
4/19/10	ZAO Peterstar	OJSC Northw est Telecommunications and Informatics Company	NA	NA
4/29/10	Digiweb Limited	TalkTalk Telecom Group PLC, Irish and Belgian Telephone and Broadband Businesses	NA	NA
4/30/10	Rostelecom OAO (RTS:RTKM)	OAO Dagsvyazinform	20.6	NA
5/11/10	HFO Telecom AG	Euphony Communications Ltd., Carrier Pre-Select Customers	NA	NA
5/17/10	People Telecommunications Pty Ltd.	Bell Netw orks Voice & Data Pty Ltd	3.5	NA
5/18/10	Capsa-Premier.cz	Dial Telecom, a.s., Uschovna.cz	NA	NA
5/18/10	Turk Telekomunikasyon AS (IBSE:TTKOM)	Invitel International AG, AT-INVITEL GmbH, Invitel International Hungary Kft and EuroWeb Romania S.A	273.5	NA
5/27/10	Volgatelecom (RTS:NNSI)	Teleset Netw orks PLC	161.1	4.4x
6/15/10	Wao A/S	Dansk Bredband A/S	16.6	NA
6/25/10	Yuan Cing Infocomm Tech Co., Ltd.	New Century InfoComm Tech Co., Ltd.	647.4	3.3x
US LEC/ICP				
4/21/10	CenturyLink, Inc. (NYSE:CTL)	Qwest Communications International Inc. (NYSE:Q)	24,092.2	1.8x
4/29/10	-	The Southern Kansas Telephone Company Inc.	NA	NA
6/30/10	Lightyear Netw ork Solutions, Inc. (OTCBB:LYNS)	SouthEast Telephone, Inc.	4.9	0.1x

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Data Access/Transport				
4/1/10	BigAir Group Limited (ASX:BGL)	Wizz Pty Ltd.	1.3	NA
4/6/10	ZAO Peterstar	OOO Vyborgtelecom	NA	NA
4/7/10	Unison Capital, Inc.	UCOM Corporation	53.4	NA
4/7/10	Telestrada SA (WSE:TLS)	Tele24 SP zoo	0.8	NA
4/16/10	S.v. Electricals Ltd (BSE:517534)	Parshw a Purushotam Parind Parekh Netw orks Pvt. Ltd.	NA	NA
4/26/10	Synterra CJSC	Vimpel-Communications, Fibre Backbone Netw orks in the Ural, Siberia, and Southern Volga Regions	NA	NA
4/27/10	-	Infocom JV	NA	NA
5/3/10	TransACT Capital Communications Pty Ltd.	Grapevine Ventures	NA	NA
5/7/10	Unison Fibre Limited	FX Netw orks Ltd., Fiber Assets in Napier	NA	NA
5/10/10	XETA Technologies Inc. (NasdaqGM:XETA)	Hotel Technology Solutions, Inc.	2.8	NA
5/20/10	Perseus Telecom Limited	Wholesale Global Services Ltd.	NA	NA
5/28/10	Spiritel plc (AIM:STP)	Housing Communications Ltd.	2.5	0.6x
6/3/10	TelNet Worldw ide, Inc.	DigitalRealm, Inc	NA	NA
6/14/10	Tunisie Telecom	Topnet Ltd	NA	NA
6/15/10	GTS Central Europe Holdings B.V.	Interw are Internet Szolgaltato Rt	NA	NA
6/24/10	Chengdu Dr Peng Technology Company Ltd (SHSE:600804)	Great Wall Broadband Netw ork Service Co., Ltd.	47.6	NA
6/29/10	E-Talk Communications Pty Ltd.	Australis Pty Ltd.	NA	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 – Q2 Telecom Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Hosting/Data Center				
4/1/10	Egyptian Co. for Mobile Services (CASE:EMOB)	LINKdotNET, Inc.	130.0	NA
4/7/10	Specialist Computer Centres plc	Groupe Ares, Infrastructure Facility Management and Value-Added Hosting Operations	NA	NA
4/14/10	ConnXion Ventures Limited (ASX:CXN)	KAZ SG	NA	NA
4/14/10	Cloud Centric Systems, Inc. (OTCPK:CLDR)	V-Clouds Limited	NA	NA
4/14/10	FusionStorm, Inc.	Global Netoptex, Inc., Certain Assets	NA	NA
4/20/10	Oak Hill Capital Partners; GI Partners	Viawest Internet Services, Inc.	420.0	NA
4/20/10	Local.com Corp. (NasdaqCM:LOCM)	Turner Consulting Group, Inc., 8,032 Web Hosting Subscribers	0.8	NA
4/30/10	GCI Telecom Group Limited	Wan Services Ltd and NetServices plc, Trade and Assets	4.9	0.5x
5/1/10	8x8 Inc. (NasdaqCM:EGHT)	Central Host, Inc.	1.6	1.6x
5/4/10	j2 Global Communications, Inc. (NasdaqGS:JCOM)	FuseMail, LLC	6.6	NA
5/10/10	BlueBridge Networks, LLC	Nationwide Insurance Data Center in Mayfield Heights, Ohio	NA	NA
5/12/10	Cincinnati Bell Technology Solutions Inc.	Cyrus Networks LLC	525.0	9.1x
5/14/10	Netbone Digital AG	RACENET.ch	NA	NA
5/17/10	w3 create Oy	Finnish Teleservice Center Ltd.	NA	NA
5/24/10	Spiral Hosting Ltd.	Eideashop Internet Development, Web Hosting Division	NA	NA
5/25/10	Light Tower, LLC	Verosity Technology Partners, Inc.	NA	NA
5/28/10	Local.com Corp. (NasdaqCM:LOCM)	LaRoss Partners, LLC, 26,000 Web Hosting Subscribers	2.2	NA
6/1/10	Digital Realty Trust, L.P.	Five Property Data Center Portfolio	725.0	NA
6/8/10	SARCOM, Inc.	Network Services Plus, Inc.	9.1	NA
6/9/10	Steadfast Networks, Inc.	RikeMedia.com	NA	NA
6/11/10	Silver Lake Partners	Vantage Data Centers	NA	NA

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
Hosting/Data Center				
6/14/10	Business Connexion (Pty) Ltd.	Business Connexion Technology Holdings (Pty) Limited, Two Data Centre Buildings	17.3	NA
6/16/10	Access Northeast, Inc.	RezZilant, Inc., Data Center & IT Managed Services Division	NA	NA
6/17/10	Sonda S.A. (SNSE:SONDA)	Nextiraone Mexico, S.A. de C.V.	29.0	NA
6/21/10	Xchanging PLC (LSE:XCH)	Data Integration Ltd.	13.3	0.6x
6/22/10	Daisy Group plc (AIM:DAY)	murphx Innovative Solutions Ltd	7.1	NA
6/22/10	ancotel GmbH	ancotel USA	NA	NA
6/23/10	-	SANDirect	NA	NA
6/25/10	Alinda Capital Partners LLC	DukeNet Communications, LLC	137.0	NA
6/29/10	Plan First Technologies, Inc.	Odyssey Networks & Computers, Inc.	NA	NA
VoIP Specialty				
4/28/10	Telio Telecom AS (OB:TELIO)	Bellit AS	NA	NA
4/30/10	Stonyfish	8x8 Europe, SARL	NA	NA
5/20/10	Transit Publishing Inc.	Kurrant Mobile Catering, Inc. (OTCBB:KRMC)	NA	NA
5/27/10	NorCall AS	Phonzo AS, Private Customers	1.9	NA
Cable & Satellite TV				
4/15/10	PR-Telecom ZRt.	TvNetWork, Electronic Communications Network In Seven Hungarian Communities	4.1	NA
4/16/10	Shentel Cable Company	JetBroadBand, Inc.	148.0	NA
5/20/10	ZAO Comstar-Regions	Penza-Telekom Zao	20.0	2.6x
5/28/10	NetCologne Gesellschaft für Telekommunikation mbH	Tele Columbus Multimedia GmbH, North Rhine-Westphalian Broadband Cable Networks	NA	NA
Satellite Voice & Data				
4/26/10	Settelecom JSC	ZAO Race Telecom	NA	NA
5/21/10	Harris Corp. (NYSE:HRS)	CapRock Services Corp.	525.0	1.5x

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 – Q2 Telecom Services M&A Transactions

Ann Date	Acquiror	Target	Transaction Value	Value / Revenue
International Wireless				
4/26/10	Sistema Inventure Closed Joint Stock Company	Sky Link Joint Stock Company	NA	NA
5/6/10	Gemini Communication Ltd. (BSE:532318)	Rosy Blue Wireless Africa	20.0	NA
5/11/10	Ripple Communications Group	ICE Communications Ltd.	NA	NA
5/18/10	Lebara B.V.	Dutch United Telecommunication Services BV	NA	NA
5/28/10	Tele2 AB (OM:TEL2 B)	Sw eFour AB	12.8	1.0x
6/30/10	Scarlet Extended NV	Mobisud Belgique, Belgian Operations	NA	NA
US Wireless				
4/30/10	KeyOn Communications Holdings Inc. (OTCBB:KEYO)	Dynamic Broadband, Inc., Wireless Broadband Assets	2.1	3.0x
6/3/10	-	HighLight Netw orks, Inc	0.1	NA
6/9/10	Cellular One, LLC	Broadpoint, Inc.	NA	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 – Q2 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	156	88	56%	\$16,686	\$9	1.1x	26	4.9%	1.9%	7.8%	3
Q1 '08	Telecom Services	101	52	51%	\$30,745	\$9	2.1x	15	NA	NA	NA	0
Q2 '08	Telecom Services	111	55	50%	\$91,743	\$11	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	68	27	40%	\$13,343	\$62	2.7x	15	26.1%	28.3%	17.3%	6
Q4 '09	Telecom Services	112	44	39%	\$9,471	\$27	1.7x	20	28.3%	28.2%	31.0%	7
Q1 '10	Telecom Services	94	41	44%	\$52,276	\$10	1.6x	16	3.6%	5.4%	4.8%	1
Q2 '10	Telecom Services	82	40	49%	\$28,579	\$17	1.7x	14	40.9%	64.5%	69.0%	2
Total	Telecom Services	1443	714	49%	\$408,569	\$14	1.8x	247	20.8%	22.2%	23.7%	63
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	4	1	25%	\$2,500	\$2,500	NA	0	NA	NA	NA	0
Q2 '10	Diversified - International	2	2	100%	\$488	\$244	2.3x	1	NA	NA	NA	0
Total	Diversified - International	61	38	62%	\$23,087	\$82	2.1x	20	35.7%	41.3%	22.3%	8
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
Total	Diversified - US	7	4	57%	\$3,654	\$344	2.8x	3	99.7%	92.1%	66.1%	2

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 – Q2 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	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%	\$425	\$98	1.1x	2	NA	NA	NA	0
Q1 '10	LEC/ICP - International	9	9	100%	\$35,355	\$20	1.5x	2	3.6%	5.4%	4.8%	1
Q2 '10	LEC/ICP - International	11	6	55%	\$1,123	\$91	3.9x	2	64.5%	116.3%	120.4%	1
Total	LEC/ICP - International	205	111	54%	\$112,323	\$20	1.9x	44	6.7%	5.6%	9.4%	15
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	3	1	33%	\$18	\$18	9.0x	1	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
Total	LEC/ICP - US	75	42	56%	\$45,870	\$22	1.8x	21	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	35	23	66%	\$442	\$1	1.4x	6	NA	NA	NA	0
Q1 '08	Data Access & Transport	24	13	54%	\$468	\$11	2.2x	4	NA	NA	NA	0
Q2 '08	Data Access & Transport	22	13	59%	\$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	13	3	23%	\$87	\$12	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	27	9	33%	\$104	\$6	1.5x	1	NA	NA	NA	0
Q2 '10	Data Access & Transport	17	6	35%	\$108	\$3	0.6x	1	NA	NA	NA	0
Total	Data Access & Transport	322	159	49%	\$11,035	\$8	1.1x	42	5.2%	12.2%	21.7%	7

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 – Q2 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	1.0x	6	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	24	13	54%	\$1,104	\$7	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	11	5	45%	\$197	\$42	1.8x	4	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	1.1x	4	NA	NA	NA	0
Total	Hosting & Data Center	307	130	42%	\$9,544	\$9	1.6x	55	27.7%	28.7%	25.7%	12
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	4	1	25%	\$2,025	\$2,025	5.1x	1	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
Total	VoIP	50	19	38%	\$2,315	\$3	0.5x	9	NA	NA	NA	0
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	3	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	4	3	75%	\$172	\$20	2.6x	1	NA	NA	NA	0
Total	Cable & Satellite TV	38	19	50%	\$1,763	\$13	3.3x	5	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.

Appendix – Q2 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	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	4	2	50%	\$137	\$69	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
Total	Satellite Voice & Data	42	24	57%	\$20,229	\$23	1.3x	11	28.3%	41.8%	55.0%	2
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	17	7	41%	\$2,851	\$18	2.0x	1	1.7%	1.0%	2.3%	1
Q4 '09	Wireless - International	19	6	32%	\$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
Total	Wireless - International	197	100	51%	\$96,297	\$33	2.7x	20	7.3%	17.3%	30.8%	5
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
Total	Wireless - US	102	47	46%	\$71,105	\$9	2.0x	15	34.2%	34.8%	24.9%	5

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 – Q2 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	5	4	80%	\$2,241	\$174	11.9x	1	NA	NA	NA	0
Q2 '10	Wireless - Towers	0	0	NA	\$0	NA	NA	0	NA	NA	NA	0
Total	Wireless - Towers	37	21	57%	\$11,349	\$158	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 providing merger, acquisition and strategic advisory services to technology and telecom companies and their venture backers.

Mission	To deliver the senior-level attention, trusted relationships and market insight on \$10-100 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	Software, hardware and services in the Wireless, VoIP, IP Video, Networking, Internet, Telecom Equipment, IT Infrastructure and Enabling Technology sectors
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 .

Primary Industry Focus – Communications & Networking

Value Chain	Wireless	VoIP	Video	Data
Services	Mobile messaging, content, search, LBS, social networking, gaming, etc.	VoIP service providers, voice search, website voice enablement, etc.	Cable & DBS, Internet video, conferencing, video delivery networks, etc.	Internet access, web hosting, co-location, SaaS delivery networks, etc.
Software	Mobile and fixed wireless application and infrastructure software, etc.	VoIP softphone client and server software, FMC software, etc.	Video encoding, transcoding, editing, sharing and player software, etc.	Networking & Internet client and server software, etc.
Equipment	Handsets and modules, fixed and mobile wireless equipment, etc.	VoIP handsets, gateways, IP-PBXs, SBCs, media servers, etc.	Cable & IPTV equipment, video conferencing, VOD, DVRs, STBs, etc.	WAN, LAN and optical data networking and telecom equipment, etc.
Semiconductors	3G/4G, WiMax, WLAN, & WPAN RF & BB ICs, etc.	VoIP DSPs and ASICs	Video encode/decode, processing and transport ICs, etc.	WAN, LAN, I/O storage and security networking ICs

Transaction Experience of SagePoint Team






































 <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 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>  August 2004	 <i>has been acquired by</i>  \$122,500,000 April 2004	 <i>has been acquired by</i>  March 2004
 <i>has been acquired by</i>  August 2003	 <i>has been acquired by</i>  December 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	 Private Placement \$11,000,000 Placement Agent May 2000	 <i>has merged with</i>  \$157,000,000 March 2000

Transaction Experience by Market Segment

SagePoint's Founder has led more than 75 M&A and fund raising engagements with deal experience across the entire communications and networking value chain.

Value Chain	Wireless	VoIP	Video	Data
Services	<ul style="list-style-type: none"> • Sale of Xumii to Myriad Group • Capital Raise for InfoSonics 	<ul style="list-style-type: none"> • Sale of AccessLine to Telanetix • Strategic Advisory for Voice 2.0 Service Provider 	<ul style="list-style-type: none"> • Strategic Advisory for DirecTV Reseller 	<ul style="list-style-type: none"> • Sale of Compute Intensive to Verio • Sale of GeoNet to Level 3 • Capital Raise for Speakeasy
Software	<ul style="list-style-type: none"> • Sale of Neven Vision to Google • Sale of SKY MobileMedia; 	<ul style="list-style-type: none"> • Sale of CrystalVoice to Global IP Solutions • Buyside Advisory for VOIP Softphone Vendor 	<ul style="list-style-type: none"> • IPO for Divx • Strategic Advisory for Mobile Video SW Vendor 	<ul style="list-style-type: none"> • Sale of LVL7 to Broadcom • Sale of Neteon to CA
Equipment	<ul style="list-style-type: none"> • Sale of Strix to Idream • Sale of Aiprime to Sierra Wireless 	<ul style="list-style-type: none"> • Strategic Advisory for Unified Messaging Vendor • Strategic Advisory for IP-PBX Vendor 	<ul style="list-style-type: none"> • Sale of Gyration to Philips • Sale of TIR to Philips 	<ul style="list-style-type: none"> • Sale of Network Physics to OpNet • Capital Raise for Raptor Networks • Sale of Procom to Sun
Semis	<ul style="list-style-type: none"> • Sale of CommAsic to Freescale • Peregrine Strategic Investment • Sale of Synad to ST 	<ul style="list-style-type: none"> • Strategic Advisory for Noise Cancellation IC Vendor 	<ul style="list-style-type: none"> • Sale of Vativ to Entropic • Strategic Advisory for Video Processing IC Vendor 	<ul style="list-style-type: none"> • Strategic Advisory for Storage Networking IC Vendor

Representative Buyer Relationships

Internet / Media	Service Providers	Communications Software / SaaS	Communications Equipment	Communications Semiconductors
         	         	         	         	         

Why Work With SagePoint?

- SagePoint delivers the senior-level attention, trusted relationships and market insight on \$10-100M transactions that larger investment banks reserve only for much larger transactions
- SagePoint's domain knowledge is world-class across the entire communications and networking value chain
- SagePoint has developed trusted relationships with the most active strategic buyers across the communications 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