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**The 451 Group: Booming Cross-Atlantic IT and Telecommunications Sector M&A is a Boon for Financial Advisors**

***New Report Ranks Top Advisors for Cross-Atlantic M&A in the IT and Telecommunications Sectors***

**New York, September 14, 2007** – The 451 Group has found that four bulge-bracket investment banks – Morgan Stanley, Credit Suisse, Goldman Sachs and Merrill Lynch – led in advising the fast-growing cross-Atlantic technology M&A market in the past year (as measured in total dollars). Out of the more than 75 investment banks that advised technology M&A transactions over the past year, larger firms Citigroup, Deutsche Bank and UBS, as well as mid-market banks Houlihan Lokey and Jefferies, also made strong showings in advising transactions between European countries and North America.

These findings come from a new report released today by The 451 Group, a New York-based technology-industry analyst company. The report, "Tech M&A Banking Review: Cross-Atlantic Advisory," ranks advisers by total deals and total dollar amounts advised for information technology transactions, which include hardware, software and IT services and outsourcing deals. It also lists investment banks by specific technology sectors where they advised. The report draws its data from the 451 M&A KnowledgeBase – a proprietary transaction database that tracks deal advisory activity for more than 300 technology-industry sectors and subsectors.

Overall, 451 analysts found that technology M&A activity across the Atlantic is on the rise. Year-over-year spending increased about 65% to \$56bn for the 12-month period ended June 30, 2007, compared with the previous 12-month period. Year-over-year spending on North America-based companies by EU-based doubled to \$27.9bn, while spending on EU-based companies by North American buyers rose almost 30%.

The half-dozen traditional bulge-bracket banks accounted for 49% of the of advised deal value for the 12-month period ended June 30, 2007. Full-service mid-market banks accounted for 20% of spending, while "new bulge" banks – including UBS, Deutsche Bank and JP Morgan – accounted for 18% of spending. Large and small boutique advisory firms made up the remaining 13% of spending. In all, 75 separate banks advised on at least one transaction during the period.

**Top Advisers to Cross-Atlantic Technology M&A Transactions**

Advisers to transactions in either direction – 12 months ended June 30, 2007

<b>By Total Dollar Figures (billions)</b>		<b>By Number of Deals</b>	
Morgan Stanley	\$19.2	Jefferies	9
Credit Suisse	\$17.0	Morgan Stanley	8
Goldman Sachs	\$14.1	Credit Suisse	8
ABN AMRO Rothschild	\$12.5	Deutsche Bank	8
Banc of America	\$10.5	Goldman Sachs*	7

*(\*In case of 'ties,' banks are ranked in order of total spending. Citigroup and UBS also had 7 deals each, but trailed Goldman Sachs in total spending advised.)*

*Source: 451 M&A KnowledgeBase*

Additional findings from the report include:

- Deal flow was nearly even in each direction: North America-based acquirers spent \$28.1 billion to acquire EU-based companies, while EU buyers spent \$27.9 billion on North American companies.
- North America-based investment banks ranked highest in advising cross-Atlantic deals with announced deal values below \$100 million. Leaders for these deals include Mooreland Partners, Savvian, Morgan Joseph, Allen & Co., Stephens Inc. and Needham.
- A handful of very large deals made French acquirers the largest-spending "importers" of technology companies among all EU countries. French companies spent \$13 billion to acquire 19 companies based in North America. UK buyers accounted for the largest number of deals in North America, but spent only \$2.8 billion to acquire those 71 companies.
- The two most popular technology sector targets for North American acquirers were software applications and systems. North American buyers spent \$16 billion to buy EU-based companies in those two sectors alone. Meanwhile, EU-based acquirers favored Internet commerce and semiconductor firms, spending nearly \$17 billion to buy North American targets in those sectors.

#### **About the 451 M&A KnowledgeBase**

The 451 M&A KnowledgeBase is a transaction database service that combines the most-granular and best-categorized set of data on mergers and acquisitions in the technology industry with analytical insight from the well-recognized analyst team at The 451 Group. The KnowledgeBase service complements the well-established 451 TechDealmaker M&A analysis service that examines opportunities for future mergers and acquisitions as well as the implications of current, announced deals within core areas of enterprise IT innovation covered by 451 analysts. By integrating the detailed transaction data with the analysis of The 451 Group, the KnowledgeBase service provides technology-industry professionals with a single source of deep insight into the rationales that drive both sector M&A activity and individual deals.

For more information about 451 M&A KnowledgeBase, please visit:  
<http://www.the451group.com/intake/TechBankingKB-Jan06>

#### **About The 451 Group**

The 451 Group is an independent technology-industry analyst company focused on the business of enterprise IT innovation. The company's analysts provide critical and timely insight into the market and competitive dynamics of innovation in emerging technology segments. Clients of the company – at vendor, investor, service-provider and end-user organizations – rely on 451 insight to support both strategic and tactical decision-making for competitive advantage.

The 451 Group is headquartered in New York, with offices in key locations, including San Francisco, London and Boston. The company also operates Tier 1 Research – an independent division of The 451 Group, headquartered in Minneapolis – which analyzes the financial and industry implications of developments impacting public and private companies within the IT, communications and Internet sectors.

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