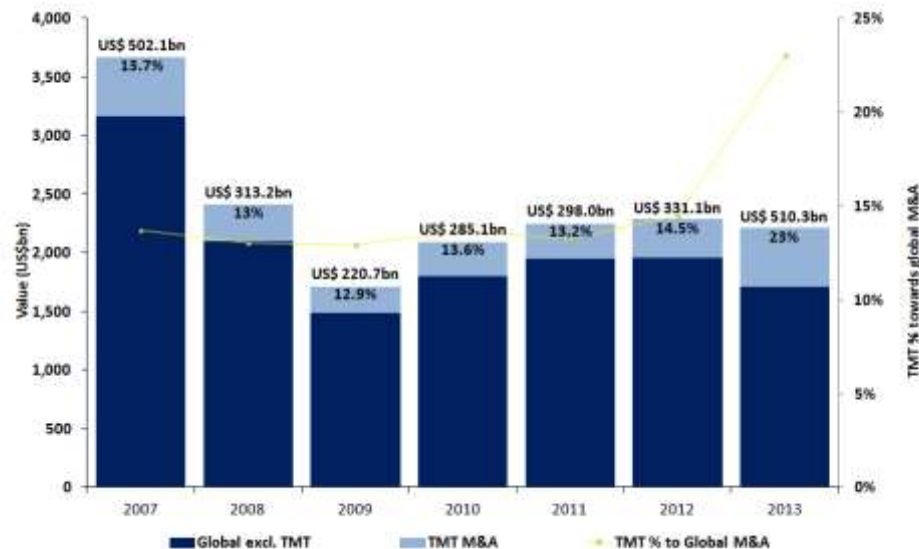


Global Technology, Media & Telecommunications trend report: 2013

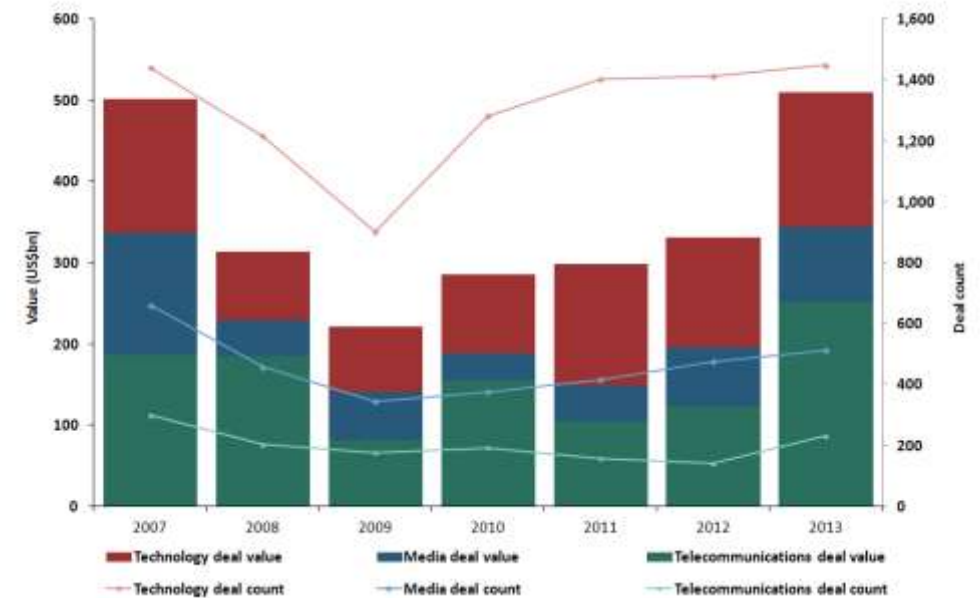
Data analysis

- In 2013 global Technology, Media & Telecommunications (TMT) M&A activity totalled US\$ 510.3bn, an increase of 54.1% above last year (US\$ 331.1bn). This was the highest annual value since 2006 (US\$ 603.8bn) as a result of 14 mega-deals (above US\$ 5bn), the highest number since the 21 mega-transactions in 2007
- A 45% stake in Verizon Wireless sold for US\$ 124.1bn to Vodafone was the highest valued transaction in 2013 and represents almost a quarter (24.3%) of total TMT M&A and 5.6% of global M&A (US\$ 2,216.4bn). Without this deal, TMT activity would have been valued at US\$ 386.2bn, still 16.6% up compared to 2012
- For the first time since 2006 TMT deals overtook the Energy, Mining and Utilities sector (US\$ 426.7bn) accounting for 23% of global M&A activity in 2013, up from 14.5% last year
- M&A activity increased in all subsectors and was particularly strong on the Telecommunications market (US\$ 251.9bn), which was 104.7% up this year. However the increase would be only 3.8% without US\$ 124.1bn Verizon Wireless deal, representing 49.3% of Telecommunications M&A

Annual TMT M&A as a proportion of global M&A



Sub-sector breakdown



- Technology M&A increased by 22.3% and stood at US\$ 166.3bn. In Asia, a significant 70.6% share of the Technology deals targeting the region made up its total TMT value (US\$ 57.3bn). Asian TMT deals in 2013 were driven by large companies looking for technology in the mobile Internet and services segment to seize fast-changing technology, as well as non-core divestitures made by troubled Japanese electronics giants such as Panasonic and Sony
- Global Media M&A valued at US\$ 92.1bn in 2013, up 27.8% from 2012, was driven by Media broadcast companies in Europe and North America, which are using M&A to combat the mounting competition with online services
- Goldman Sachs leads the financial advisor league table both by value and deal count with 53 deals worth US\$ 286.1bn, including the top three highest valued TMT transactions
- Wachtell, Lipton, Rosen & Katz jumped from 18th position to first place in the legal advisor ranking by value after the firm advised on 17 deals worth US\$ 198.6bn

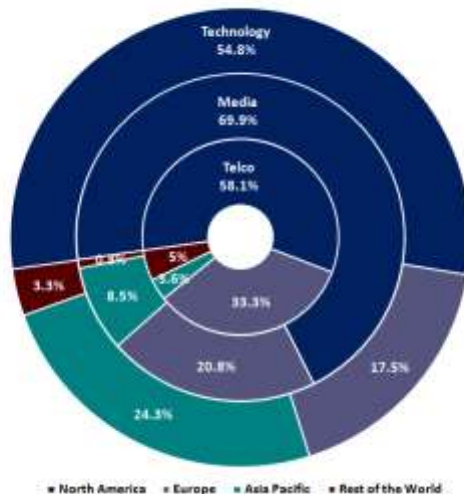
Global Technology, Media & Telecommunications trend report: 2013



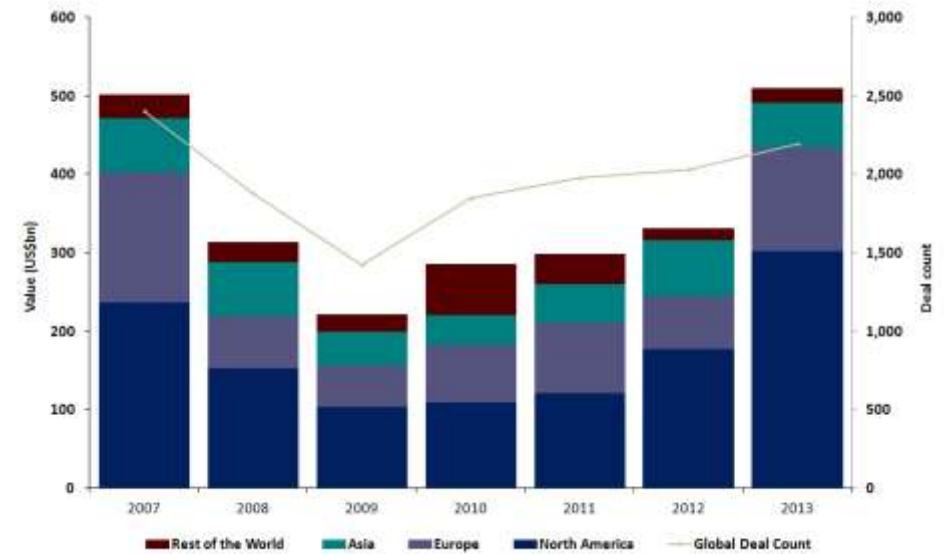
Deal drivers

- Globally, the hunt for high-speed broadband and lower prices than telecoms companies can offer put wireless services in the Q4 dealmaking limelight with Cyfrowy Polsat's US\$ 4.9bn agreement to acquire an 83.8% stake in Polkomtel and Altice's US\$ 1.4bn acquisition of wireless provider Orange Dominicana
- With Sprint and Dish Network reportedly preparing to table US\$ 20bn-plus bids, the sale of Deutsche Telekom-owned T-Mobile US is expected to be the next major deal
- The US\$ 19.4bn Omnicom-Publicis merger and a string of digital advertising IPOs in 2013 signalled an unprecedented push in big data analytics and social marketing
- Having increased every year since 2009 (US\$ 102.7bn) and being driven by Telecommunications mega-deals, North America saw its TMT deal values rise 70.4% from 2012 (US\$ 177.1bn) US\$ 301.9bn in 2013
- In the US, the FCC's new ruling to relax the 25% cap on foreign ownership of US TV and radio stations could spur interest from buyers that currently have little US exposure. This will come particularly from Spanish language broadcasters such as Grupo Prisa and sovereign wealth funds in Asian countries like Korea and Japan

Sub-sector breakdown by geography



Annual geography breakdown



- The US semiconductor industry shows signs of increasing strength with sales exceeding 2012, according to reports, spurring sector players to assess their place in the consolidation market following Q4's semiconductor merger between Applied Materials' merger with Tokyo Electron
- As Asia looks outbound for specialist companies, the region's targeted TMT activity in 2013 was down 20.5% from 2012 (US\$ 72.1bn) with deals valued at US\$ 57.3bn counteracting a two year inclining trend. However there are drivers that could take shape in 2014 such as the US\$ 8.7bn acquisition of Tokyo Electron transaction that sparked interest in Japan's chip equipment manufacturing segment and a proposed amendment to South Korea's Broadcasting act that will likely clear the way for consolidation in the country's multiple system operators (MSOs) segment
- European regulators advocate for single market reforms which could shake up the sector. European telecom companies increasingly looking to offload their portfolio of assets include Vivendi and Telecom Italia, both of whom sold stakes in Maroc Telecom and Telecom Argentina respectively to emerging market buyers

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Top Deals

Ann. Date	Bidder Company	Bidder Dominant Geography	Target Company	Target Dominant Geography	Seller Company	Bidder Advisors	Target/Seller Advisors	Deal Value (US\$bn)
02-Sep-13	Verizon Communications Inc	USA	Verizon Wireless Inc (45% Stake)	USA	Vodafone Group Plc	<p>FA: Bank of America Merrill Lynch; Barclays; Guggenheim Partners; JPMorgan; Morgan Stanley; Paul J. Taubman</p> <p>LA: Jones Day; Macfarlanes; Wachtell, Lipton, Rosen & Katz; <i>Advising FA:</i> Davis Polk & Wardwell; Debevoise & Plimpton; Weil Gotshal & Manges</p>	<p>FA: Advising seller: Goldman Sachs; UBS Investment Bank</p> <p>LA: Advising seller: De Brauw Blackstone Westbroek; Simpson Thacher & Bartlett; Slaughter and May</p>	124.1
06-Feb-13	Liberty Global Plc	USA	Virgin Media Inc	United Kingdom		<p>FA: Credit Suisse; LionTree Advisors</p> <p>LA: Ropes & Gray; Shearman & Sterling; <i>Advising FA:</i> Hogan Lovells; Latham & Watkins; O'Melveny & Myers</p>	<p>FA: Goldman Sachs; JPMorgan</p> <p>LA: Fried Frank Harris Shriver & Jacobson; Milbank Tweed Hadley & McCloy; <i>Advising FA:</i> Cravath, Swaine & Moore</p>	25
05-Feb-13	Silver Lake Partners LP; and Michael Dell (Private investor)	USA	Dell Inc	USA		<p>FA: Bank of America Merrill Lynch; Barclays; Citi; Credit Suisse; Deutsche Bank; LionTree Advisors; RBC Capital Markets; UBS Investment Bank</p> <p>LA: Blake, Cassels & Graydon; Clifford Chance; Fangda Partners; Maples & Calder; Simpson Thacher & Bartlett; Slaughter and May; Sullivan & Cromwell (Advising Microsoft Corporation); Wachtell, Lipton, Rosen & Katz; <i>Advising FA:</i> White & Case</p>	<p>FA: Evercore Partners Inc; Goldman Sachs; JPMorgan</p> <p>LA: Alston & Bird; Debevoise & Plimpton; Hogan Lovells; <i>Advising FA:</i> Davis Polk & Wardwell; Latham & Watkins; Weil Gotshal & Manges</p>	20.2
28-Jul-13	Publicis Groupe SA	France	Omnicom Group Inc	USA		<p>FA: Bank of America Merrill Lynch; BNP Paribas; Citi; Rothschild</p> <p>LA: Darrois Villey Maillot Brochier; NautaDutilh; Wachtell, Lipton, Rosen & Katz; Egorov, Puginsky, Afanasiev & Partners; Slaughter and May</p>	<p>FA: Moelis & Company; Morgan Stanley</p> <p>LA: De Brauw Blackstone Westbroek; Latham & Watkins; <i>Advising FA:</i> Jones Day</p>	19.4
12-Feb-13	Comcast Corporation	USA	NBCUniversal Media LLC (49% Stake)	USA	General Electric Company	<p>FA: Bank of America Merrill Lynch; Morgan Stanley</p> <p>LA: Davis Polk & Wardwell; Freshfields Bruckhaus Deringer; Willkie Farr & Gallagher</p>	<p>FA: Advising seller: Centerview Partners; Goldman Sachs; JPMorgan</p> <p>LA: Advising seller: Weil Gotshal & Manges</p>	16.7

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League Tables for advisors on Technology, Media & Telecommunication deals

Financial advisor league table by value

Rank 2013	Rank 2012	House	Value (US\$m)	Deal count	% Value change
1	1	Goldman Sachs	286,103	53	181.8%
2	3	JPMorgan	265,696	46	205.1%
3	8	Bank of America Merrill Lynch	226,172	33	325.2%
4	6	Morgan Stanley	224,384	43	253.5%
5	13	Barclays	184,123	28	705.1%
6	2	UBS Investment Bank	179,392	21	105.9%
7	27	Guggenheim Partners	133,965	6	2,078%
8	-	Paul J. Taubman	127,600	2	-
9	7	Citi	78,713	33	47.1%
10	5	Deutsche Bank	70,656	25	10.1%

Financial advisor league table by deal count

Rank 2013	Rank 2012	House	Value (US\$m)	Deal count	Deal count change
1	2	Goldman Sachs	286,103	53	4
2	3	JPMorgan	265,696	46	6
3	1	Morgan Stanley	224,384	43	-8
4	4	PwC	2,961	37	-
5	8	Bank of America Merrill Lynch	226,172	33	5
6	14	Citi	78,713	33	10
7	7	Lazard	20,894	32	3
8	19	KPMG	12,326	31	12
9	9	Barclays	184,123	28	-
10	5	Credit Suisse	68,427	28	-6

Legal advisor league table by value

Rank 2013	Rank 2012	House	Value (US\$m)	Deal count	% Value change
1	18	Wachtell, Lipton, Rosen & Katz	198,574	17	667.6%
2	20	Weil Gotshal & Manges	197,376	48	667.4%
3	17	Davis Polk & Wardwell	197,136	30	579%
4	35	Simpson Thacher & Bartlett	181,400	28	1,300%
5	47	Slaughter and May	170,988	12	1,890%
6	56	De Brauw Blackstone Westbroek	170,855	14	2,313%
7	24	Jones Day	165,524	58	710.4%
8	84	Debevoise & Plimpton	150,476	11	4,306%
9	238	Macfarlanes	127,665	4	58,195%
10	21	Latham & Watkins	102,161	63	368.5%

Legal advisor league table by deal count

Rank 2013	Rank 2012	House	Value (US\$m)	Deal count	Deal count change
1	1	DLA Piper	6,945	77	-22
2	4	Kirkland & Ellis	36,290	68	9
3	11	O'Melveny & Myers	32,245	64	26
4	2	Latham & Watkins	102,161	63	-1
5	3	Jones Day	165,524	58	-3
6	6	Wilson Sonsini Goodrich & Rosati	11,242	55	3
7	9	Fenwick & West	9,963	50	9
8	7	Weil Gotshal & Manges	197,376	48	4
9	18	White & Case	48,338	43	10
10	16	Freshfields Bruckhaus Deringer	41,925	43	10

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Notes

All data is based on announced transactions over US\$ 5m. Deals with undisclosed deal values are included where the target's turnover exceeds US\$ 10m. Deals where the stake acquired is less than 10% will only be included if their value is greater than US\$ 100m. Activities excluded include property transactions and restructurings where the ultimate shareholders' interests are not changed.

Criteria

- M&A Trend: based on the dominant sector of the target being Technology, Media & Telecommunications and the dominant geography of the target company being global unless otherwise stated. Excludes lapsed and withdrawn bids.
- Top Announced Deals: based on the dominant sector of the target company Technology, Media & Telecommunications. FA refers to Financial Advisor and LA refers to Legal Advisor. Excludes lapsed and withdrawn bids.
- League Tables: based on the dominant sector of the target, bidder or seller company being Technology, Media & Telecommunications. The Financial Advisor tables exclude lapsed and withdrawn bids. The Legal Advisor tables include lapsed and withdrawn bids.
- All values are in US\$.
- Mega-deal refers to deals above US\$ 5bn.
- 2013/2012 refers to the period 01-Jan-2013/2012 to 31-Dec-2013/2012.

All data correct as of **03-January-2013**

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