

March 2009 - Monthly Briefing

8th April 2009

IBM and Sun steal the headlines – but otherwise a steady month

The hardware (and software) sector has been dominated by the news of IBM's proposed \$7 billion (€5.2 million) offer for Sun Microsystems. Buying Sun would have been IBM's biggest purchase to date but at the time of writing, Sun has reportedly rejected the offer. Elsewhere, Sagem Communications signed an agreement to acquire the broadband and WiMAX business of Gigaset Communications. Sagem commented that the deal would "significantly" enhance their position in the market. Hard drive storage firm Western Digital also picked up SiliconSystems, continuing the consolidation in the HD market in 2009.

Mid-March saw the wrapping up of software firm Autonomy's acquisition of Interwoven. The sheer scale of the deal makes it worth revisiting - with the transaction valued at \$775 million (€582 million), it remains one of a few large, eye-catching moves in the European M&A sector this year. With the acquisition, Autonomy has the possibility of becoming a full service provider able to track and discover any piece of corporate content from documents, voice or video. In this age of compliance and demands for corporate transparency after the current horrors of the financial system, a full content creation and discovery suite will become de rigueur for corporations.

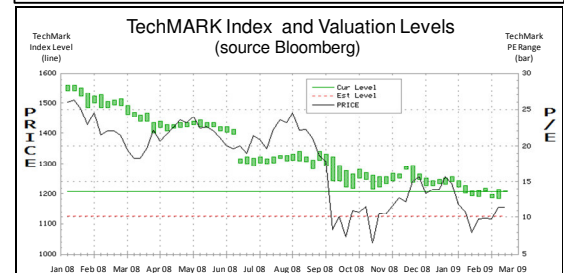
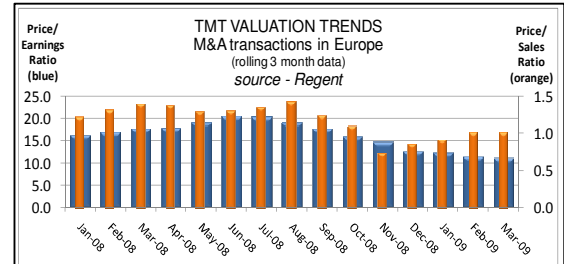
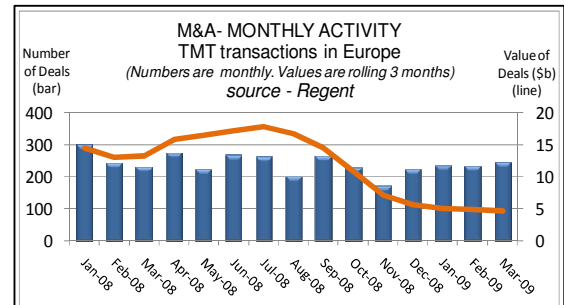
In UK IT services sector, content management specialist Chronicle Solutions was snapped up by NitroSecurity. Oxygen8 Communications picked up Caribbean Multimedia Services. Oxygen8, which runs interactive services in 33 countries, said the firm is looking "to quickly expand its business worldwide". Additionally, IT services provider Computime and security firm Acutec consolidated their respective businesses through a merger. Boasting business clients across the Midlands region, the combined enterprise is able to offer a 24/7 support service and more locally-based engineers.

Sticking to the UK, AT Communications offloaded Rocom, the firm's distribution business. The buyer was Nimans Holdings, who paid a total of £12.5 million (€13.5 million) for the deal. AT said the transaction enabled it to refocus on its core business divisions. WebCertain announced the acquisition of Leeds-based Multidicta Translations for an undisclosed figure. This is the first acquisition for WebCertain and the firm says it will be the first of many.

In the telecoms sector some major names kept themselves busy with transactions. Ericsson divested its TEMS-branded products business, comprising tools for air interface monitoring and radio network planning to communications firm Ascom. The purchase price was 190 million Swiss francs (€167 million). Fujitsu acquired KAZ Group, the IT services arm of Australian telecoms firm Telstra, in a deal worth A\$200 million (€98 million) which sees the Japanese firm extend its reach into the Australian market.

REGENT'S view of the month

The data from March continued the trends of the past few months that now suggest that there was a nadir in November last year. Since that time leading indicators such as the number of acquisitions in Europe as well as the price to sales ratios reversed their previous declines. Lagging indicators such as the combined value of transactions and the price to earnings ratios are now level and may be about to commence an upward move in line with most stock markets.



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