

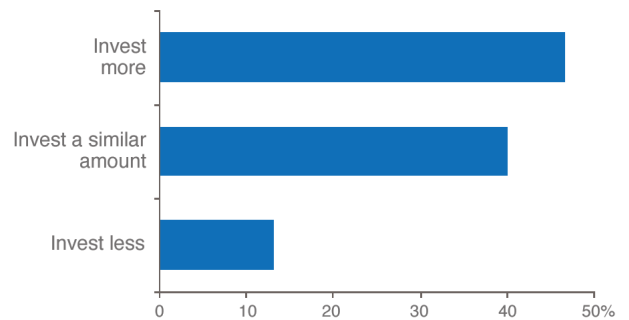
The hottest sectors for investment in 2008

Cobalt, the corporate finance TMT sector specialist, has conducted a survey of 105 investors in technology, media and telecoms to identify their investment predictions for these sectors in 2008. Whilst the industry is keen to continue investing it is concerned about potential reductions in opportunities and debt. Interestingly, despite all the furore over the Capital Gains Tax changes, for over 80% of investors this will have no impact on their behaviour!

Investment appetite

- Investors strongest indication of their sentiment towards the coming year is that 86% expect to invest similar or greater amounts in 2008
- This is reinforced by 96% stating that they anticipate their average investment size to be similar or larger in 2008
- Additionally, 26% of them are anticipating growing their TMT investment team in the coming year

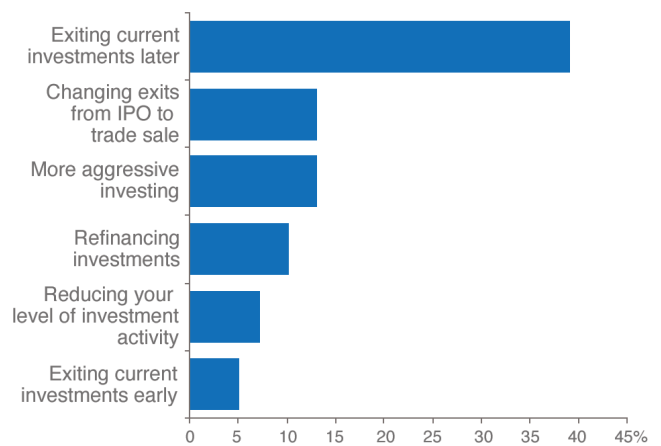
Compared to 2007, in 2008 do you expect to



Responding to the market

- However, the macro economic downturn is taking its toll with most stating that they would be undertaking remedial action over the coming year
- The greatest impact will be the delay in exiting current investments; however 13% are taking advantage of potentially lower valuations with more aggressive investing
- 36% of investors also stated that their exits are likely to be lower in 2008 than 2009, whilst 58% think that there will be a lack of new investment opportunities and 42% foresee availability of debt to be a potential problem

Due to the recent macro shifts and the credit crunch, which of the following will you be undertaking in 2008:



What to watch in 2008

- The hottest TMT sectors predicted for 2008 are Cleantech; Software; Digital Media; Mobile Software and Integration services
- The individuals expected to have an impact in 2008 are generally pursuing a strategy of convergence, such as Arun Sarin, Michael Grade and Richard Branson
- Whilst there is generally positive sentiment toward 2008, 85% of investors will be watching the economy closely, believing recession to be a threat

Which are the top five sectors you will be watching in 2008

