

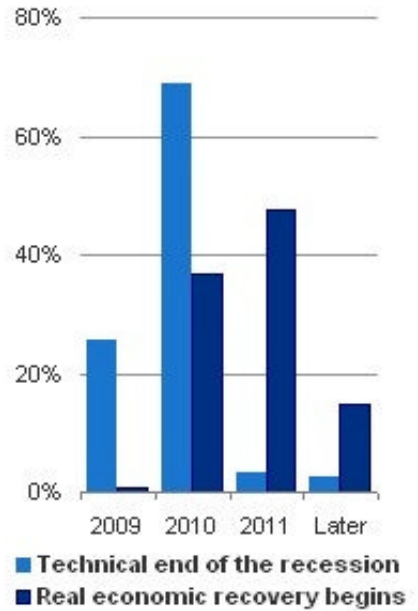
Technology, Media and Telecoms gearing up for a recovery but does it all hinge on the election?

Cobalt, the corporate finance TMT sector specialist, has conducted its second annual survey of over 100 UK mid-market businesses in the Technology, Media and Telecoms industries to get their views on the recession, the impact on their businesses and their preferred election result.

The economy

- The honeymoon period for TMT players ended with a jolt with over 50% now indicating the impact of the recession has been worse than the 2000/2001 downturn compared to 35% in our 2008 survey (15% in 2007)
- Whilst the majority (69%) think the recession 'in a technical sense' will end in 2010 there is a strong belief that the real economic recovery will not commence until 2011 (48%)
- The prolonged recession is still the highest rated threat to the sector in 2010. Other main threats are lengthening customer payment terms/failure and government policy

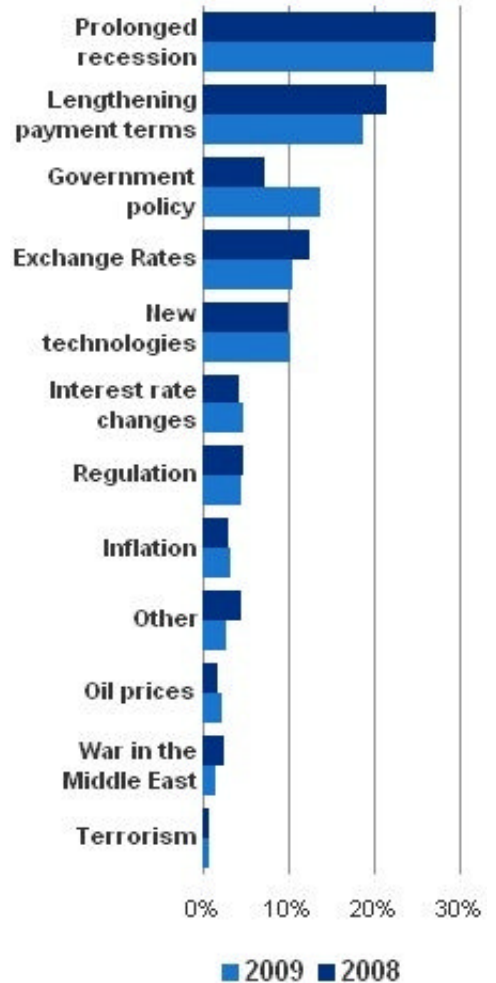
When do you think the key turning points in the economy will be?



The business community

- The debt squeeze has detrimentally affected over 40% of companies within the sector but more remarkable is that 58% believe that there has been no direct negative effect on their business.
- Over 70% of businesses are looking to restructure balance sheets with additional equity and/or change their shareholder base.
- Positive sales growth in 2010 is forecast by over 70% of respondents although the optimism of last years survey may have been misplaced (nearly 60% forecasting growth in 2009)
- Good news for jobs with employment levels expected to increase at 45% of companies. Only 20% expect a decrease compared to over 50% this time last year
- Western Europe remains the key market for TMT companies, being identified by nearly 45% of respondents

Which of the following are the top threats to your sector in 2010?



The government

- A more cynical view of government policy and regulation has developed since 2008 with 50% now assessing it as a threat (37% in 2008)
- Very strong views exist that a Conservative majority would be best for the TMT sector (nearly 60%) with a mere 4% opting for a Labour majority. However 34% believe that the election result will have no impact on their business

Which election result do you think would be best for your sector?

