



Technology, Media and Telecoms stay strong in turbulent times

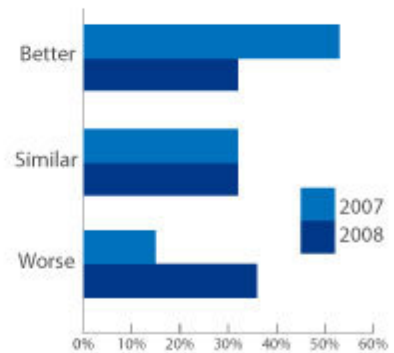
Cobalt, the corporate finance TMT sector specialist, has conducted its second annual survey of over 100 UK mid-market businesses in the Technology, Media and Telecoms industries to get their view on the shocks and turbulence of the last year and the impact on their businesses.

The results show a stark contrast between the state of the economy and the prospects for the TMT sector businesses.

The economy

- Expectations regarding the depth of the recession have worsened
- Surprisingly, however, the impact of the recession on the sector is expected to be largely neutral with as many winners as losers
- Over 60% of businesses expect the recession to end in 2010 but a significant minority (27%) expect the recession to continue into 2011
- Despite the state rescue package for the banking sector, 36% of TMT businesses still see the increased role of government and regulation as a threat

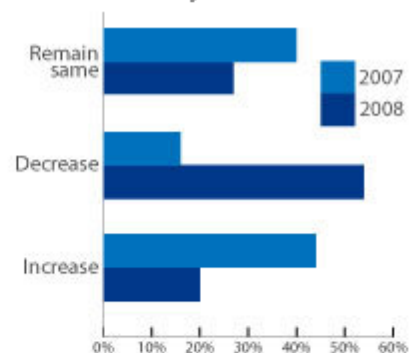
Compared to the downturn of 2000/01, do you think the impact of this recession will be:



Business performance

- Employment is expected to decrease in over 50% of businesses
- But sales are forecast to increase in almost 60% of businesses, a statistic more typically associated with an economy in good health, and perhaps reflecting the strength and maturity of the sector
- Supporting this expression of confidence, 50% of businesses claim no material impact from the credit crunch

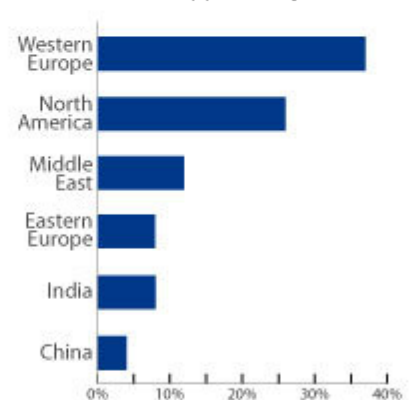
In the next 12 months, do you anticipate employment levels in your sector to:



Opportunities and threats in 2009

- Recession, exchange rates and lengthening payment terms feature prominently as threats, but the endemic threat of disruptive technologies upon sector incumbents is highlighted by only 20% of businesses as a primary threat
- The rise of Asia for opportunities has been reversed, with China and India dropping by 25% and 16% respectively, and a return to traditional markets in Western Europe and North America

Where do you see the most market opportunity in 2009?



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