

## NEWS RELEASE

*For Immediate Release*

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### **Bond & Pecaro Reveals “Who’s Still Buying Technology?”**

#### *CyberValuation 2003 Profiles 841 Recent Technology Company Transactions*

WASHINGTON, DC. – February 24, 2003 – Bond & Pecaro, Inc., a Washington, DC-based consulting firm, has released its fifth annual in-depth study of technology company values. The number and value of technology transactions continued its decline during 2002. The IPO market for technology companies was essentially non-existent with only 17 IPOs. The threat of war, terrorism, and sluggish economic climate were the primary culprits. A few companies did venture forth into the acquisition arena.

See which companies were bold enough to enter the playing field and the valuation multiples paid during a time of severe capital market stagnation. *CyberValuation 2003* investigates technology company mergers, acquisitions, and IPO activity in 2002 to identify trends in technology company valuations.

“In light of the tight capital markets and increased regulatory scrutiny, company valuations have become a key focus for financial executives,” says Bond & Pecaro principal, Tim Pecaro. “Investors demand that acquisitions yield an identifiable return on investment which means a renewed focus on valuations and incremental cash flow. Furthermore, executives are under added pressure to make sure the acquisition price paid is fair in light of the annual financial impairment requirements put into effect by the Financial Accounting Standards Board (FASB) during the past 18 months.”

*CyberValuation 2003* provides analysis and commentary on key technology-related business transactions, providing valuation multiples and detailed summaries for all the critical deals in the ISP/Portal, B2C, B2B, Infrastructure, and Telecom sectors. Bond & Pecaro has developed an innovative index of key players in each of these sectors, providing a convenient snapshot of the state of the industry.

Company principal Jeff Anderson notes that, “Valuation multiples did not change markedly compared to 2001, yet it is still uncertain whether values in the technology sector have stabilized. Many companies have effectively reduced their cost structures, yet the lack of demand for technology products and services has hindered growth in profits.”

A summary of selected findings by segment is as follows:

	ISPs/Portals	B2C	B2B	Infrastructure	Telecom
Range of Weighted Average Trailing Revenue Multiples	0.5x – 1.0x	6.0x – 8.0x	0.5x – 1.5x	1.0x – 2.0x	0.5x – 1.5x
Range of Weighted Average Trailing Revenue Multiples for IPOs	N/A	N/M <sup>1</sup>	0.5x – 1.0x	0.5x – 1.5x	N/A
Range of Weighted Average Trailing Revenue Multiples for M&A Transactions	0.5x – 1.0x	6.0x – 8.0x	0.5x – 1.5x	1.0x – 2.0x	0.5x – 1.5x

Capturing a year’s worth of data in a single volume, *CyberValuation 2003* serves as an invaluable reference tool for industry professionals. Bond & Pecaro’s Web site, CyberValuation.com, tracks current technology transactions in real time and contains a database of historical acquisitions from our previous CyberValuation studies. Located at [www.CyberValuation.com](http://www.CyberValuation.com), the site supports interactive searches of technology company mergers and IPOs. Other features include Current Market Data & Research with up-to-date financial information and valuation multiples for thousands of public companies.

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### **About Bond & Pecaro, Inc.**

Bond & Pecaro provides valuation, financial, and strategic consulting services to major players in the technology, broadcasting, cable television, media, and publishing industries. In recent years, the firm has focused on emerging technologies, such as new media and technology-based businesses. Bond & Pecaro’s professionals have appraised over 4,250 media and technology companies or businesses. Firm members have extensive experience in expert testimony/litigation support, asset appraisals, fair market valuations, market research, business plans, property tax consultation, feasibility studies, strategic consulting, financial and economic analysis, and employee stock options/ESOP valuations.

For additional information about Bond & Pecaro, please call Jeff Anderson at 202-775-8870 or visit [www.CyberValuation.com](http://www.CyberValuation.com) or [www.BondPecaro.com](http://www.BondPecaro.com).

<sup>1</sup> In cases where results were found to be immaterial due to limited data, “N/M” is used to denote that the outcome is not meaningful.