

Situation

- In March 2000 ARC Associates and UBS Warburg were appointed by Marconi to review a potential acquisition of Metapath Software International, Inc. ("MSI")
- MSI had over 100 wireless service provider customers in over 60 countries, including Sprint PCS, Nextel, AT&T Wireless, Vodafone Airtouch, PrimeCo and Telstra. MSI had over 600 telecoms professionals in 19 offices worldwide, and revenue of approximately \$100 million
- MSI had recently filed IPO documents with the SEC at the time that serious discussions with Marconi were initiated

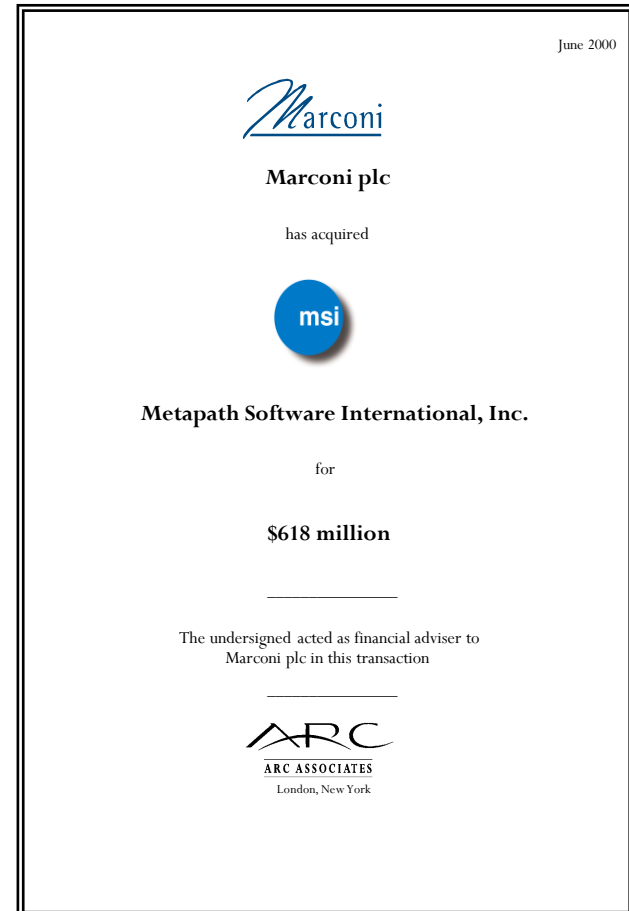
Approach

- ARC Associates prepared an initial valuation analysis for presentation to Marconi management. Following the valuation and other internal review sessions, ARC Associates assisted Marconi in preparing the offer letter to MSI shareholders
- ARC Associates participated in the follow-up negotiation meetings between Marconi, MSI management and MSI shareholders and in the product and strategy due diligence sessions
- Marconi, ARC Associates and their legal advisers undertook a series of discussions with MSI and their advisers regarding valuation, price and terms until agreement was reached

The Transaction

- On 20 April 2000 Marconi announced the acquisition of MSI for \$618 million, comprised of \$310 million in cash and \$308 million in new Marconi shares

–The transaction was completed on 15 June 2000



Transaction Value: \$618m