

Situation

- ARC's wireless team members have been canvassing the mobile data industry across Europe since 2000 and consequently established relationships with the leading players in the mobile data market including iTouch Plc, the London listed mobile value added services provider.
- To accelerate iTouch's expansion plans, ARC was retained in May 2002 to source a diverse range of potential acquisition candidates that met iTouch's evolving acquisition criteria.

Approach

- ARC identified Movilisto S.A. in 2001 as one of the leading premium SMS businesses in Spain and a potential acquisition candidate. ARC verified the availability of this strategic partner for iTouch and arranged an introduction to Movilisto.
- After presenting a comprehensive commercial, technical and financial analysis of the Movilisto business to iTouch, ARC advised iTouch on structuring and negotiating its acquisition of Movilisto.

The Transaction

- On 25th March 2003, iTouch announced that it had agreed to acquire Movilisto for a maximum consideration of €60 million subject to shareholder approval. iTouch will pay an initial consideration of up to €35 million, of which €20 million will be satisfied by the issue of shares and €5 million in cash at completion. An additional amount of up to €10 million will be payable subject to the level of working capital at completion. A further €25 million will be paid in a combination of cash and shares in the event Movilisto achieves certain financial targets in the 24 month period following completion.

June 2003



iTouch plc

has acquired

Movilisto S.A.

for consideration up to

€60 million

The undersigned acted as financial adviser to
iTouch in this transaction

ARC
ARC ASSOCIATES
London, New York

Maximum Transaction Value: €60m