

Technology executive connections

Shaping digital convergence through mergers & acquisitions*

Start-up companies survey results

***connectedthinking**

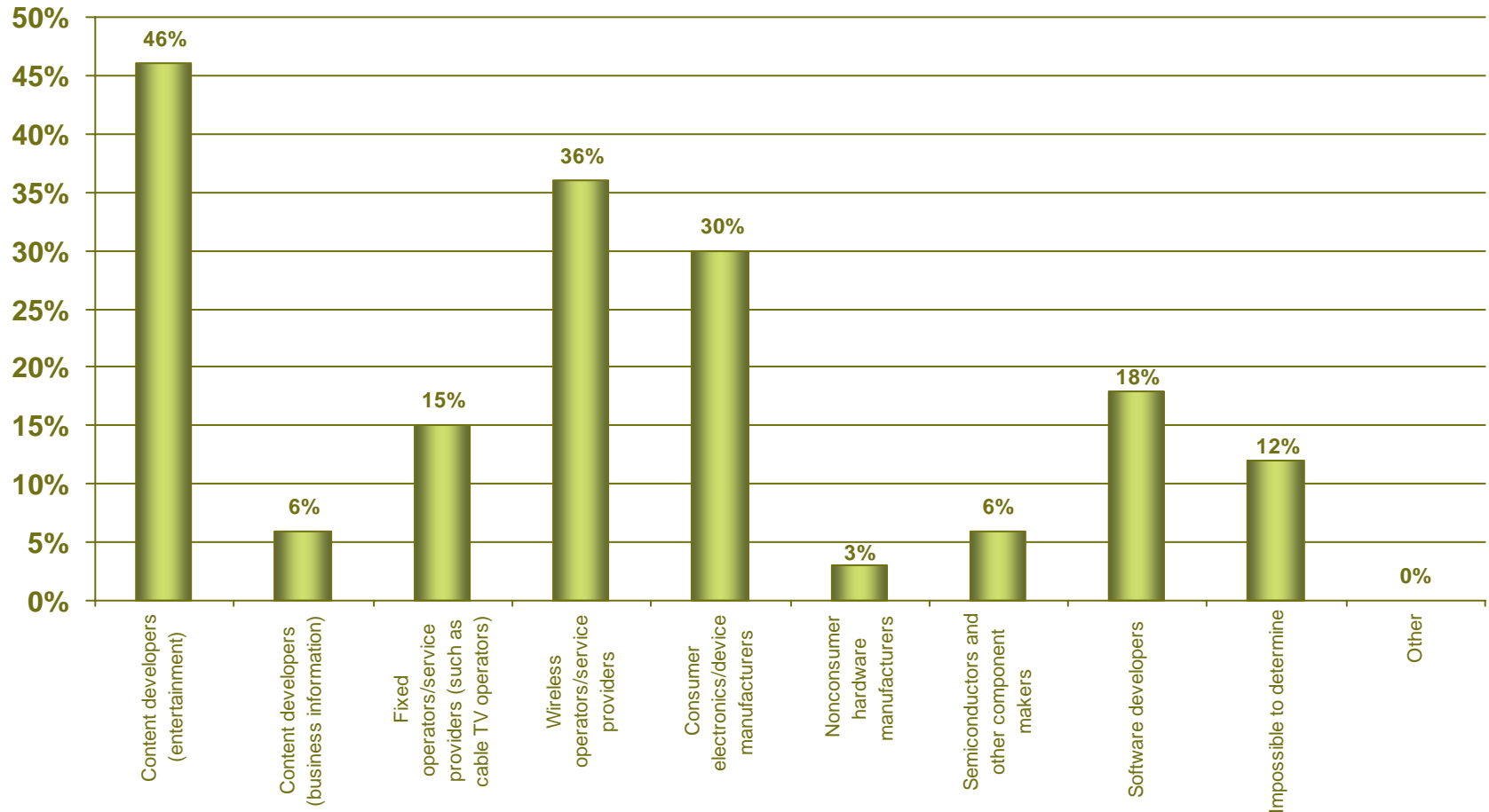
About the survey

To capture the convergence insights of fast-growth companies, PricewaterhouseCoopers conducted both a written survey and interviews with more than 40 start-up technology companies throughout Europe.

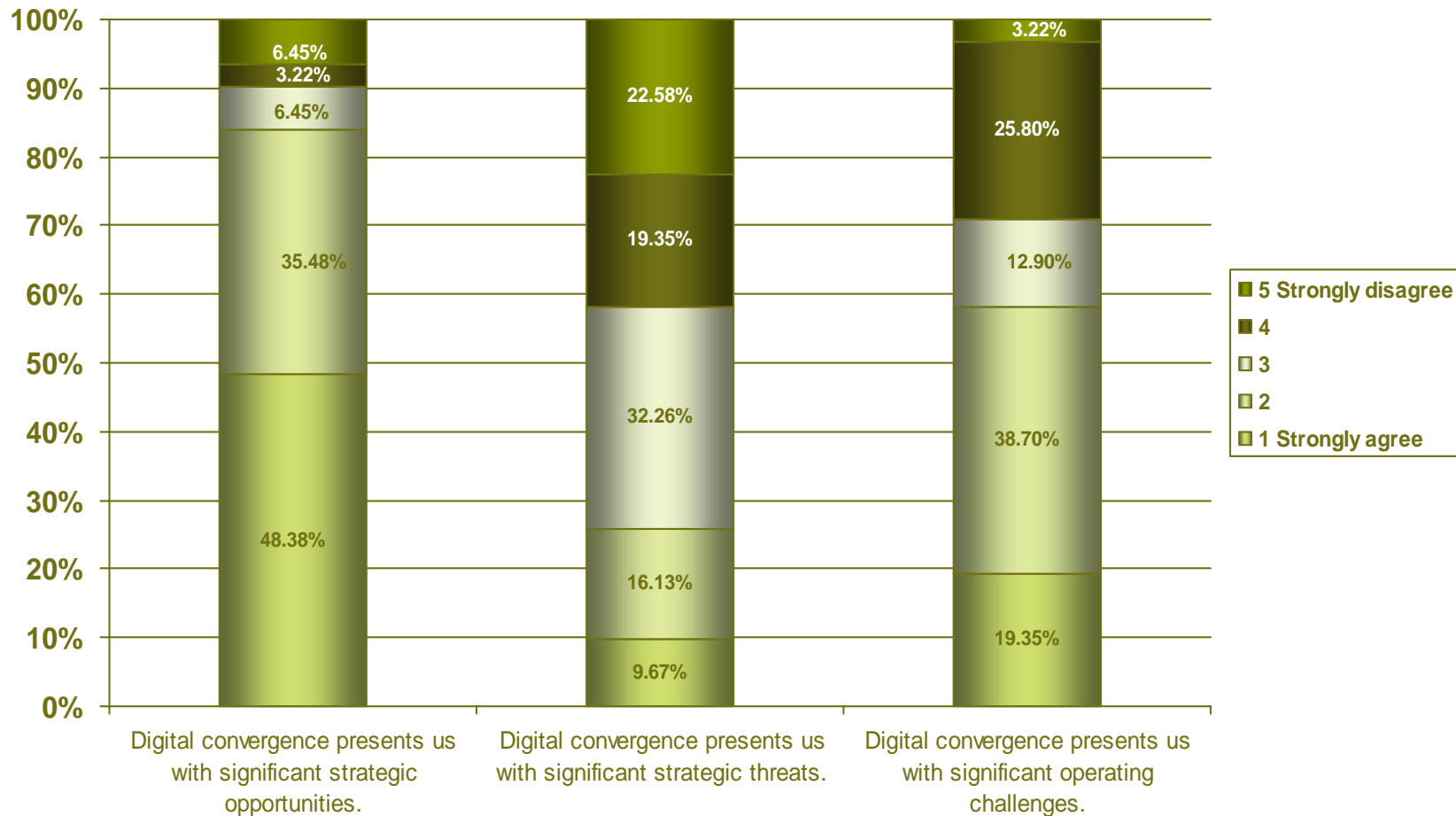
The survey questions are listed at the top of the following pages, with the survey results listed in the charts below.

Please note that totals may not add to 100% due to multiple responses and/or rounding.

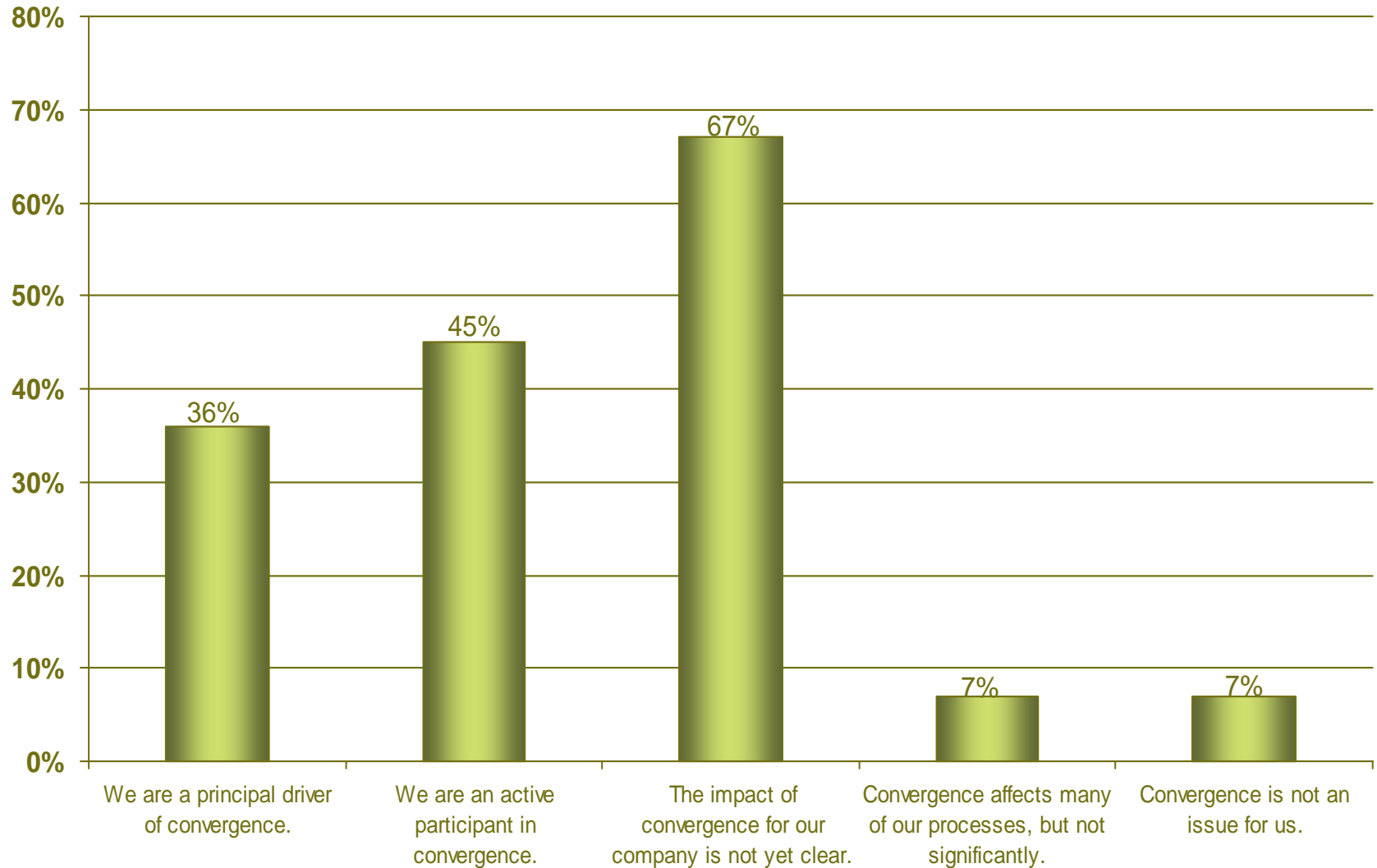
Which types of companies face the most compelling opportunities from digital convergence over the next five years? Select up to two responses.



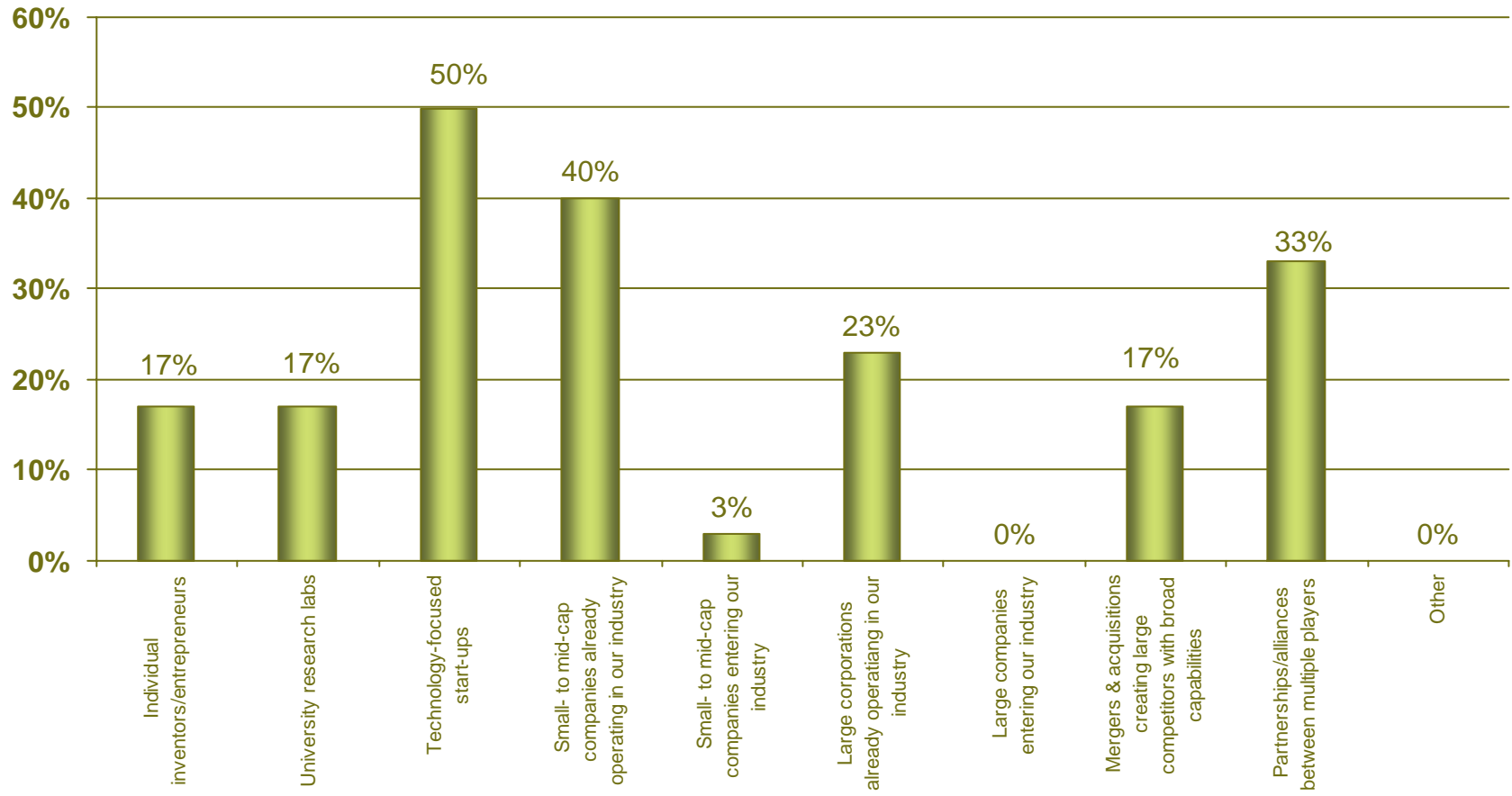
How strongly do you agree or disagree with the following statements?
Rate on a scale of 1 to 5, where 1 = Strongly agree and 5 = Strongly disagree



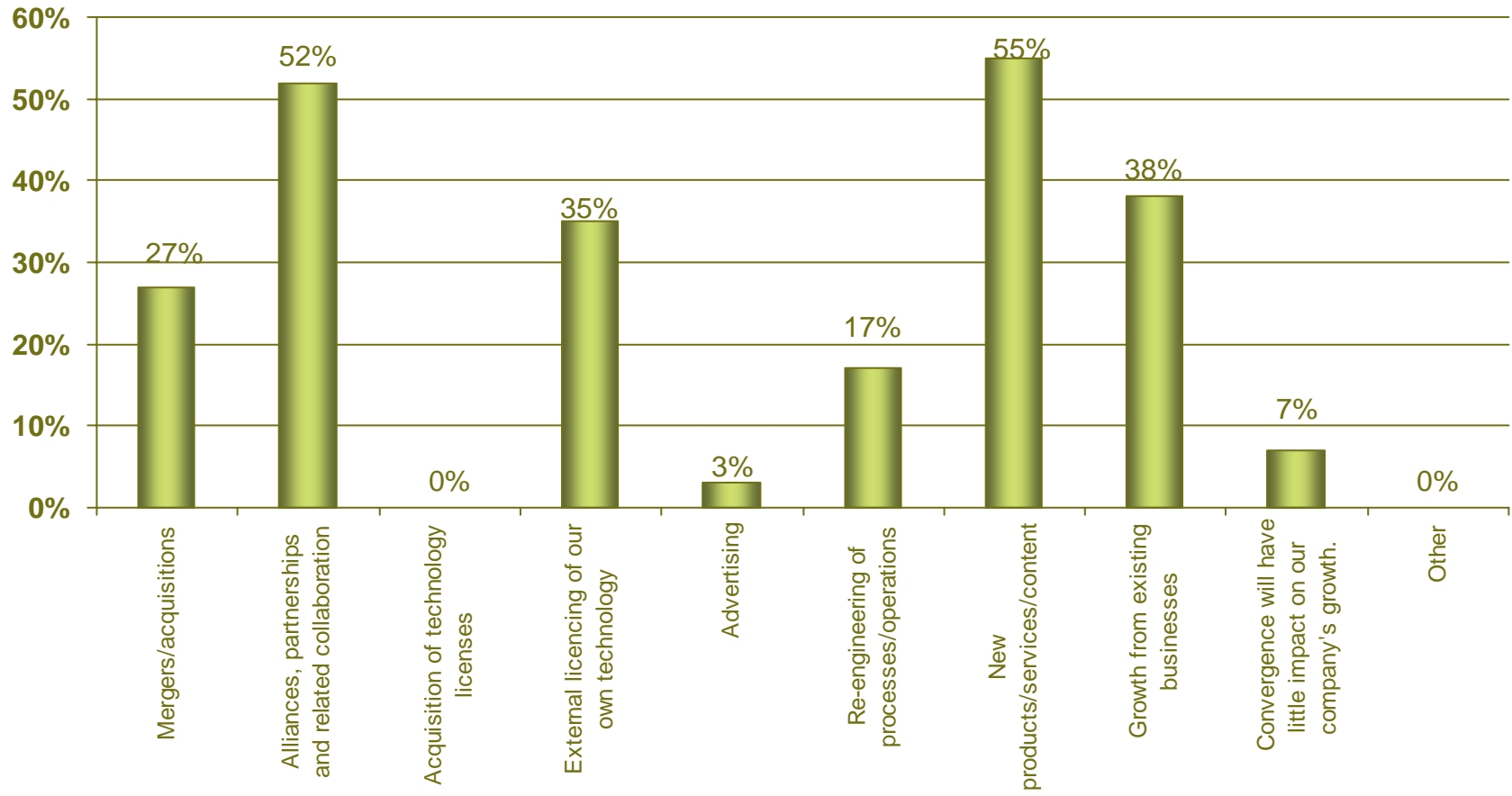
Which of the following statements best describes your company's overall role in the evolution of digital convergence? Please select one response only.



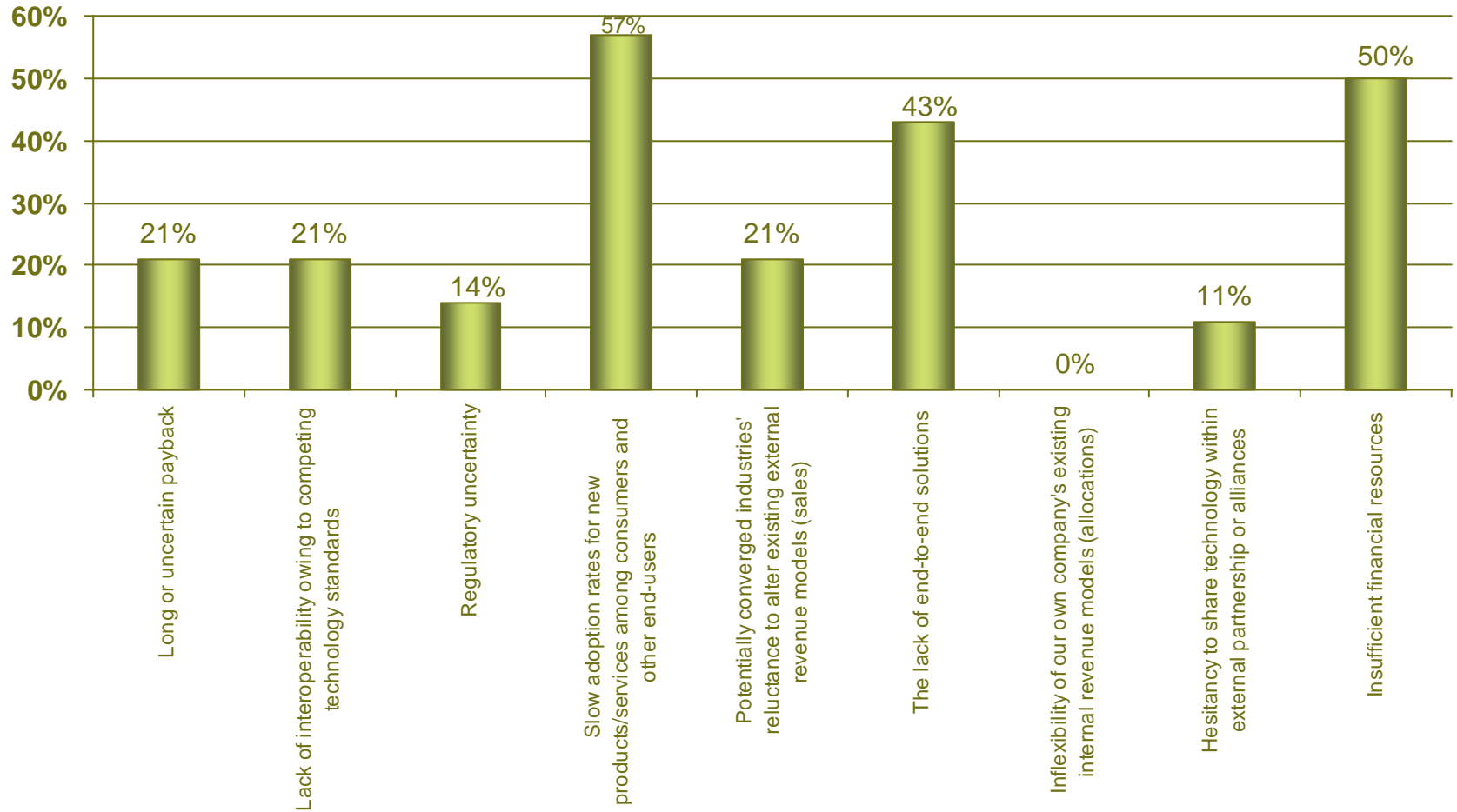
Which of the following will be the most likely sources of significant innovation in digital convergence? Select up to two responses.



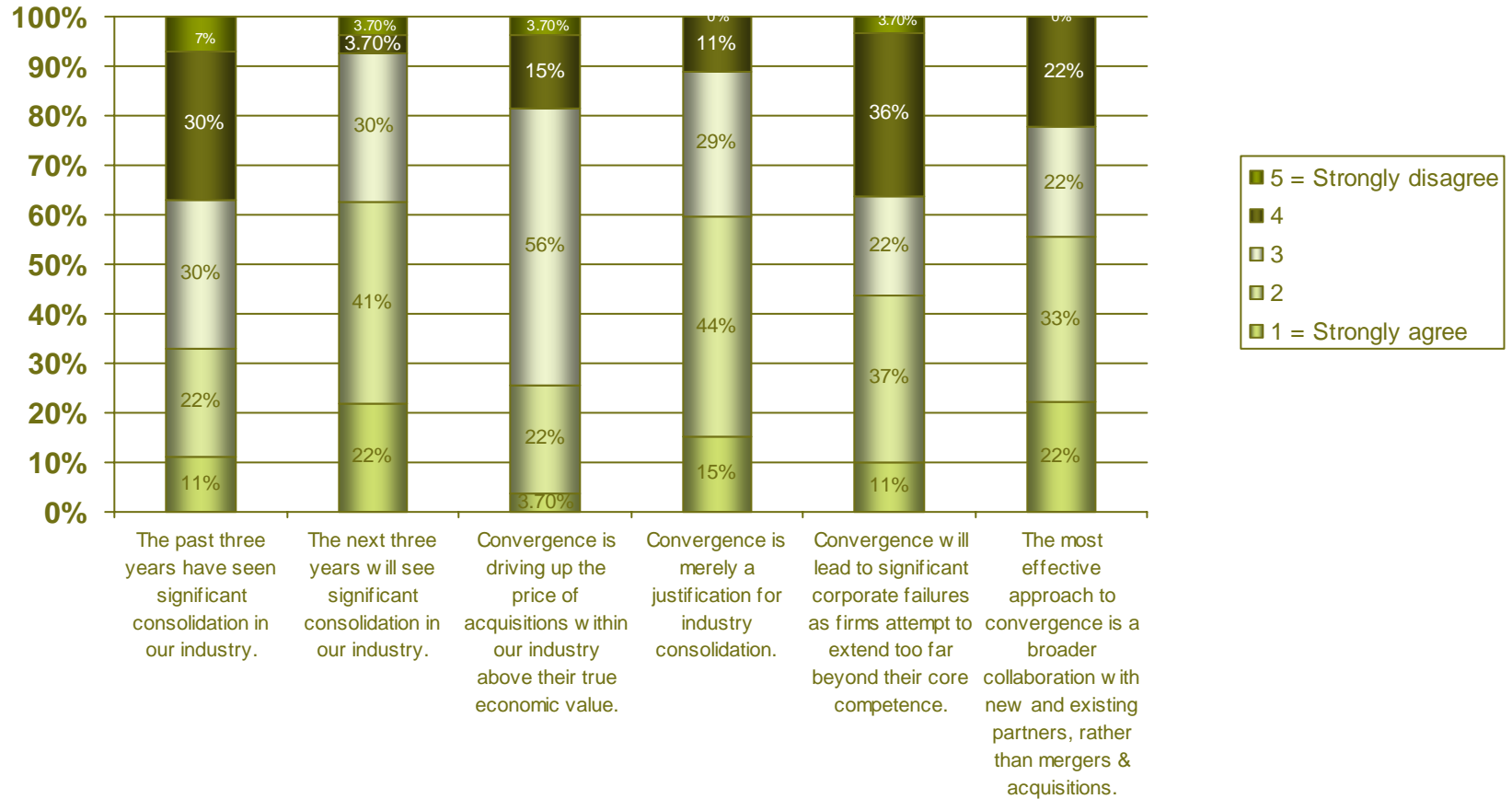
Within the scope of digital convergence, what do you believe will be the most likely sources of revenue growth for your company over the next three years?
Select up to three responses.



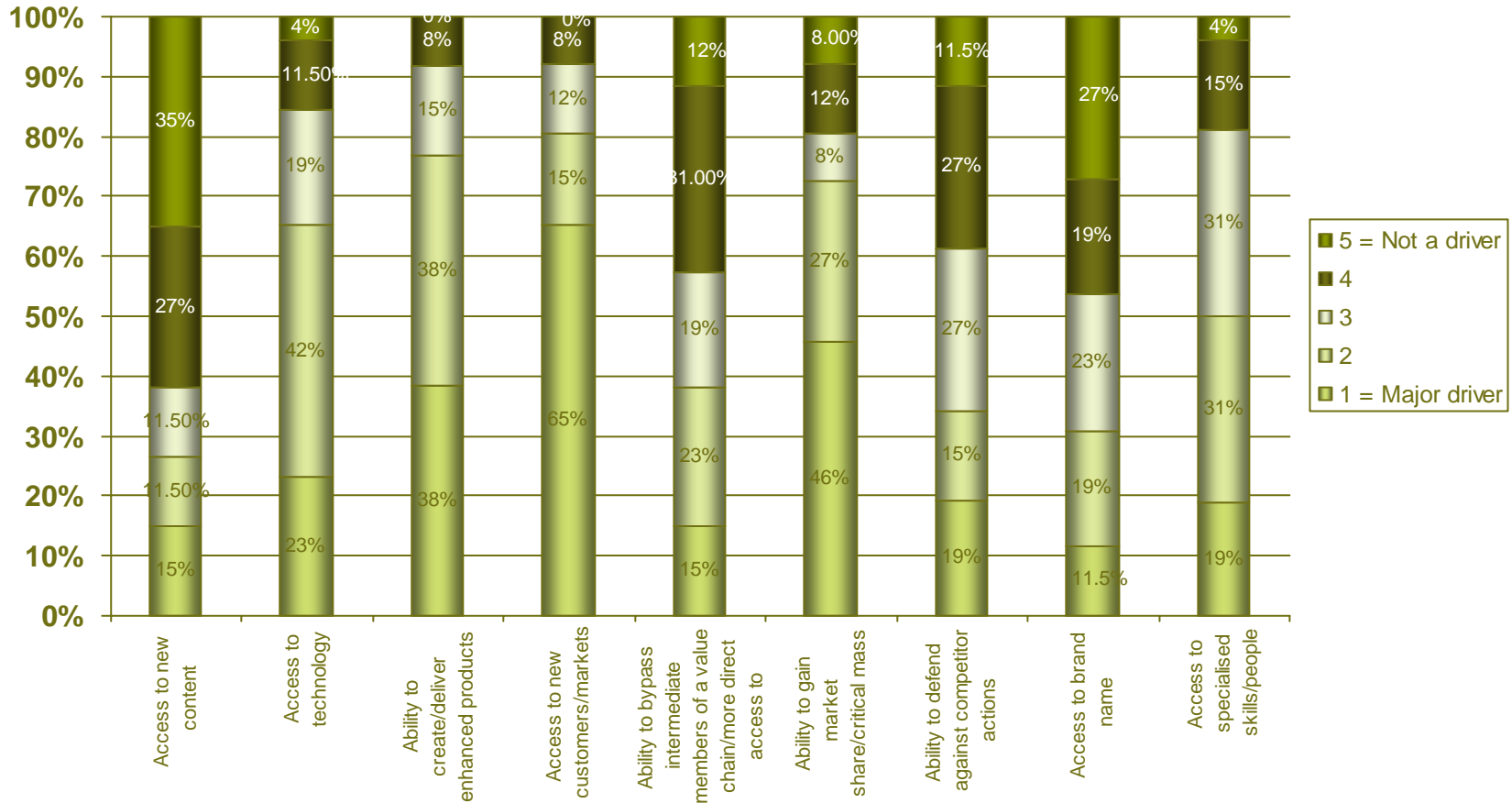
Which of the following are the greatest impediments to the realization of convergence-driven strategies at your company? Select up to 3 responses.



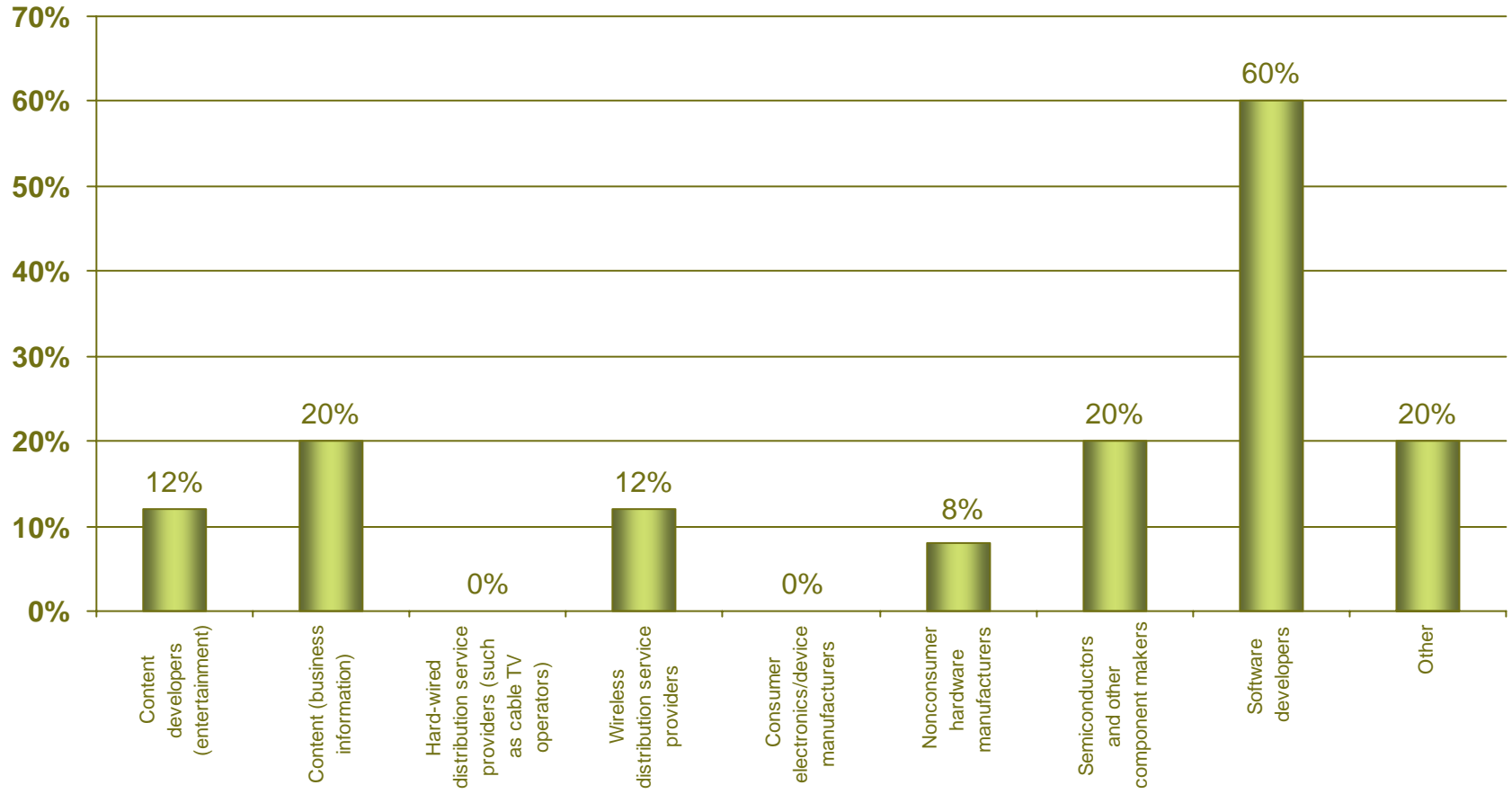
Which of the following are the greatest impediments to the realisation of convergence-driven strategies at your company? Select up to 3 responses.



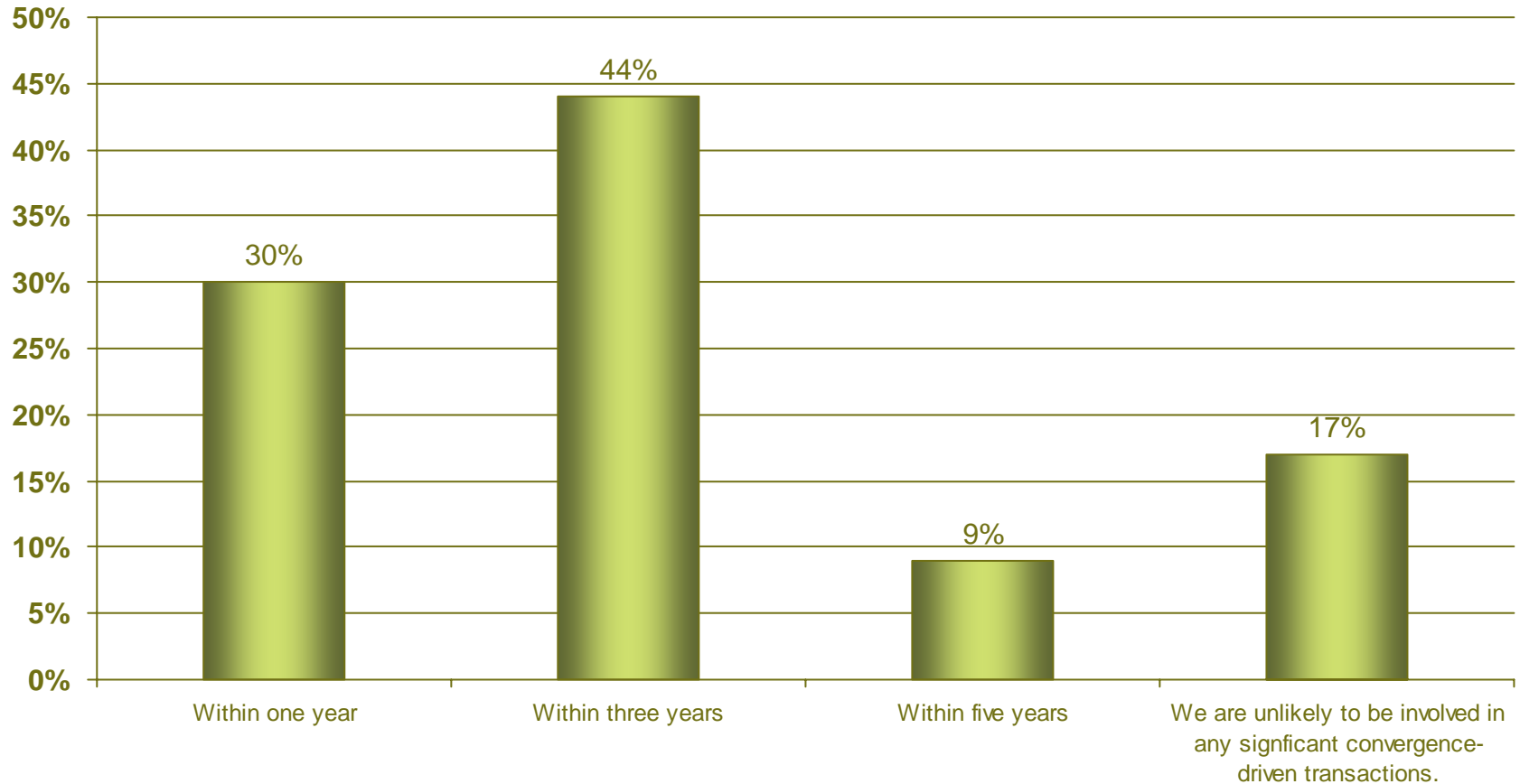
If your company were to pursue a significant merger, alliance, partnership or acquisition, what would drive the decision? Rate on a scale of 1 to 5, where 1 = Major driver and 5 = Not a driver



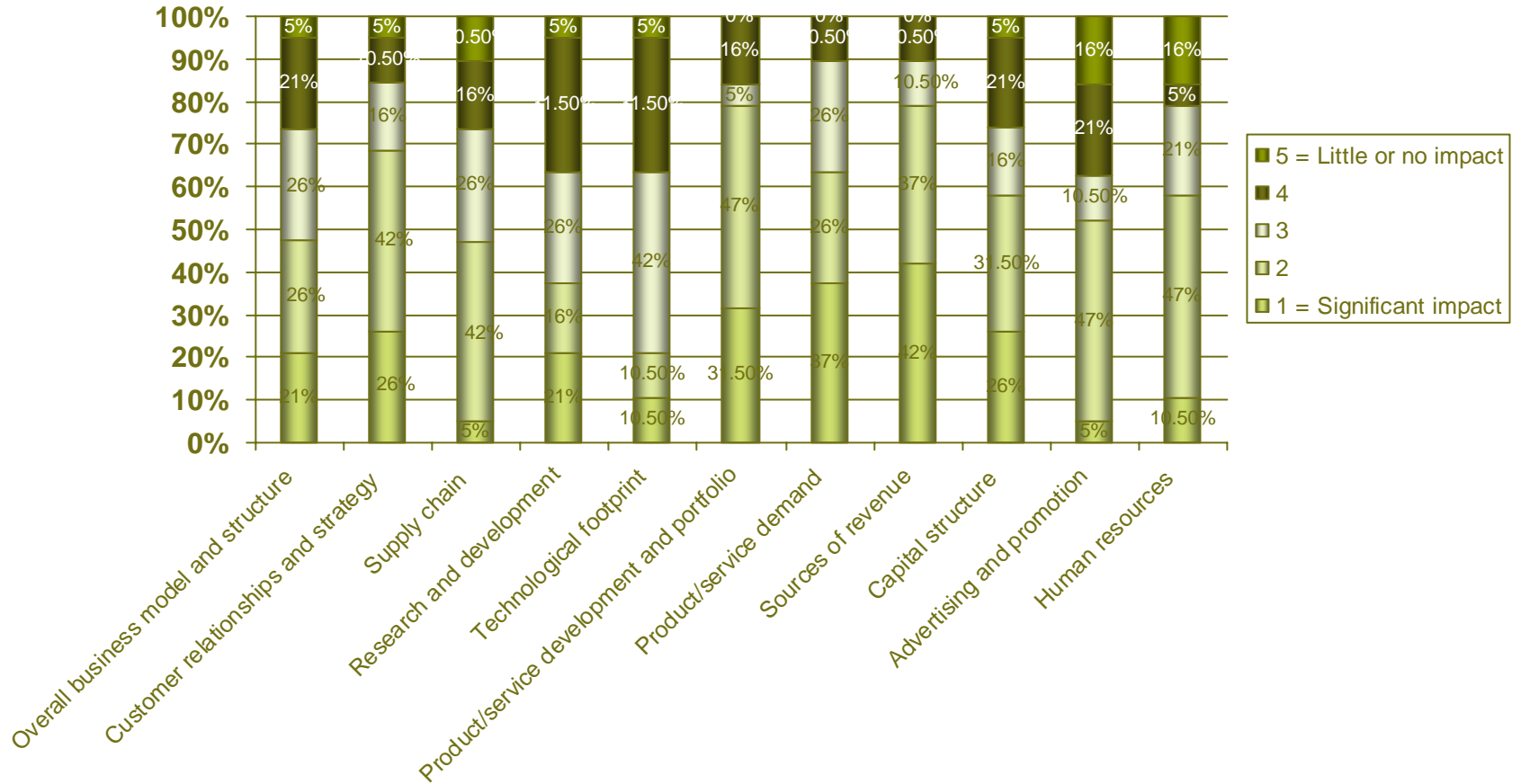
If your company were to pursue a significant acquisition, which of the following segments are most likely candidates? Select up to two responses.



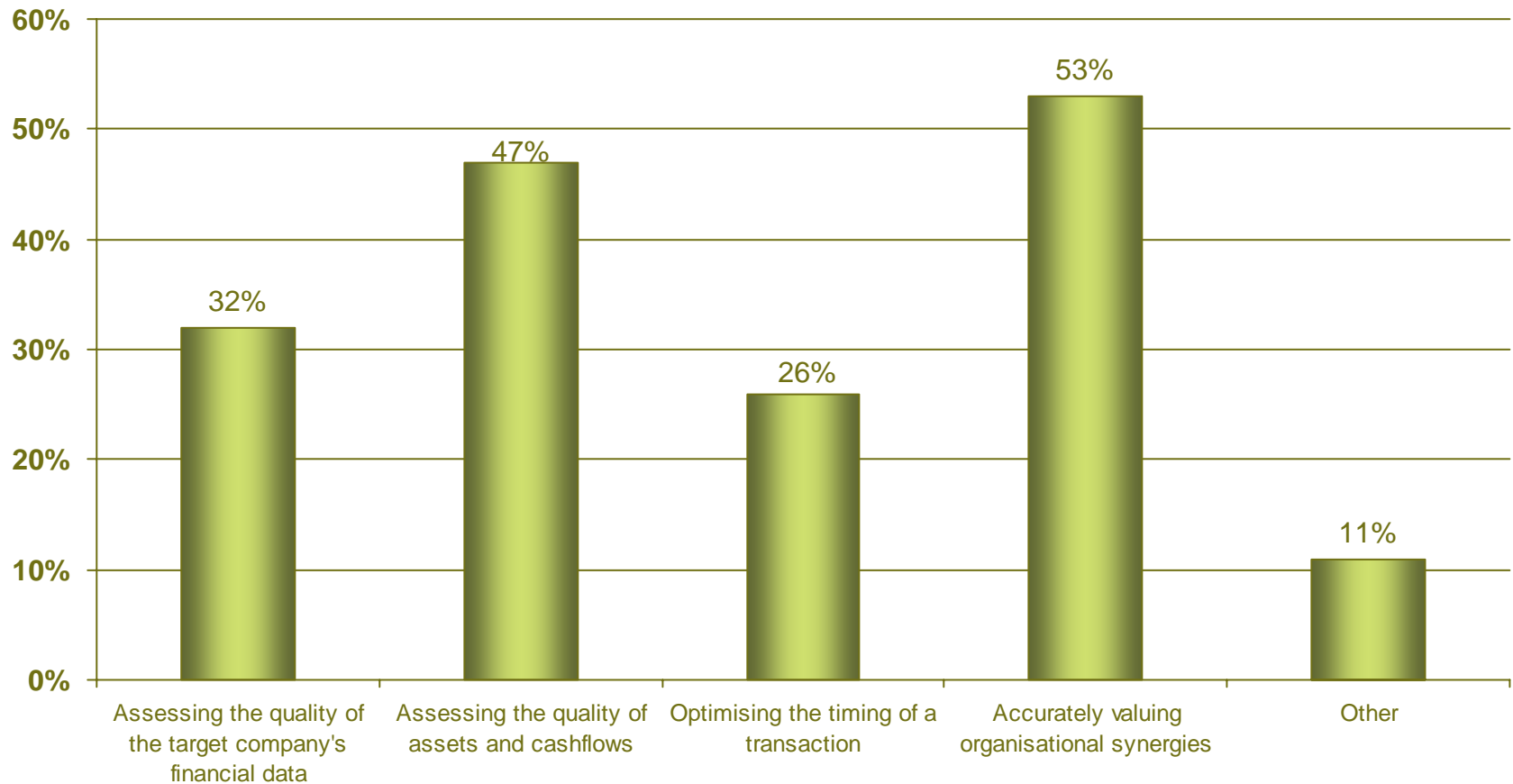
Over what time-frame is your company likely to be involved in a significant convergence-driven transaction such as a merger, acquisition, partnership, or divisional spin-off? Please select one response only.



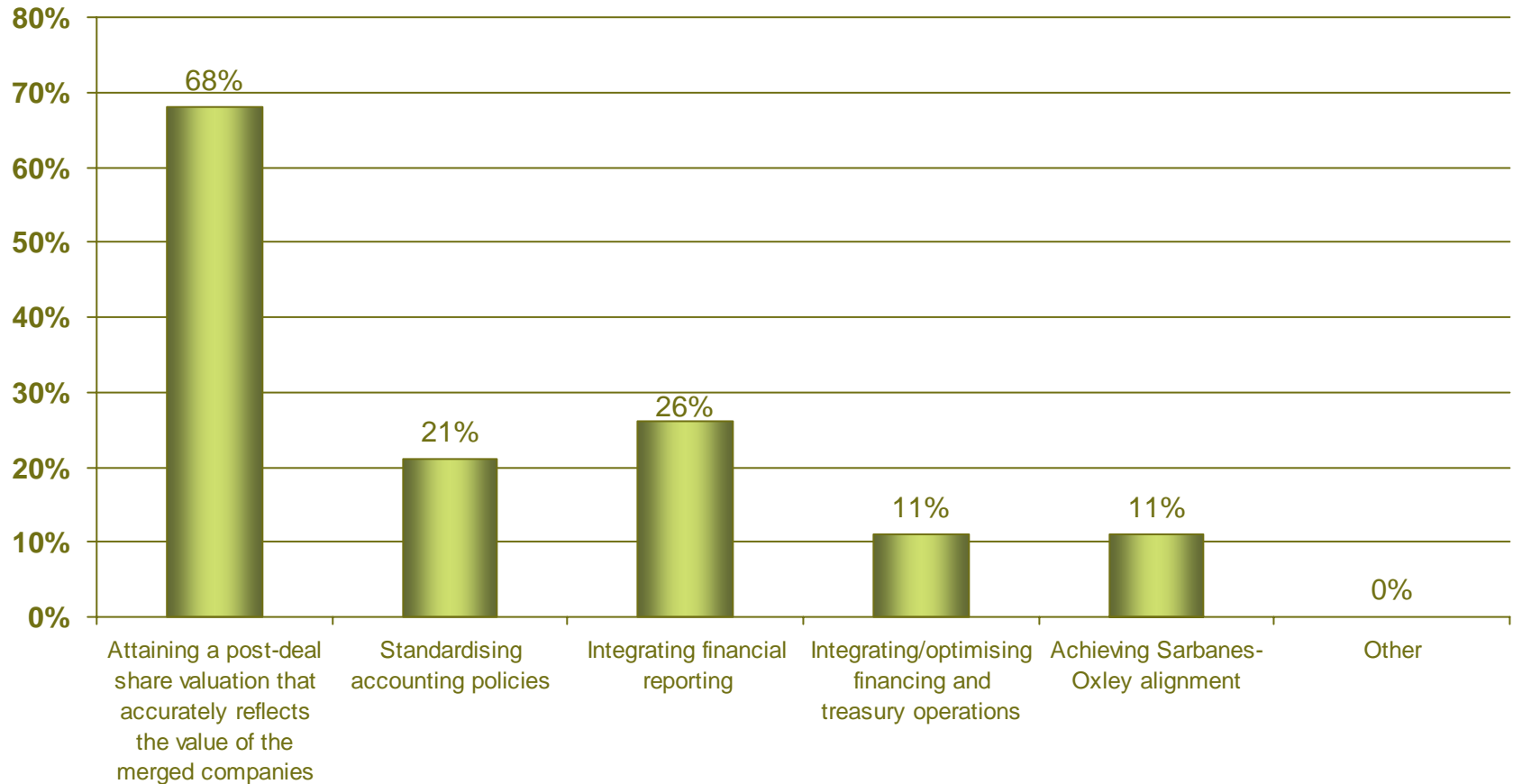
In which areas of your business will anticipated convergence-driven transactions affect the following elements of your corporate strategy? Rate on a scale of 1 to 5, where 1 = Significant impact and 5 = Little or no impact



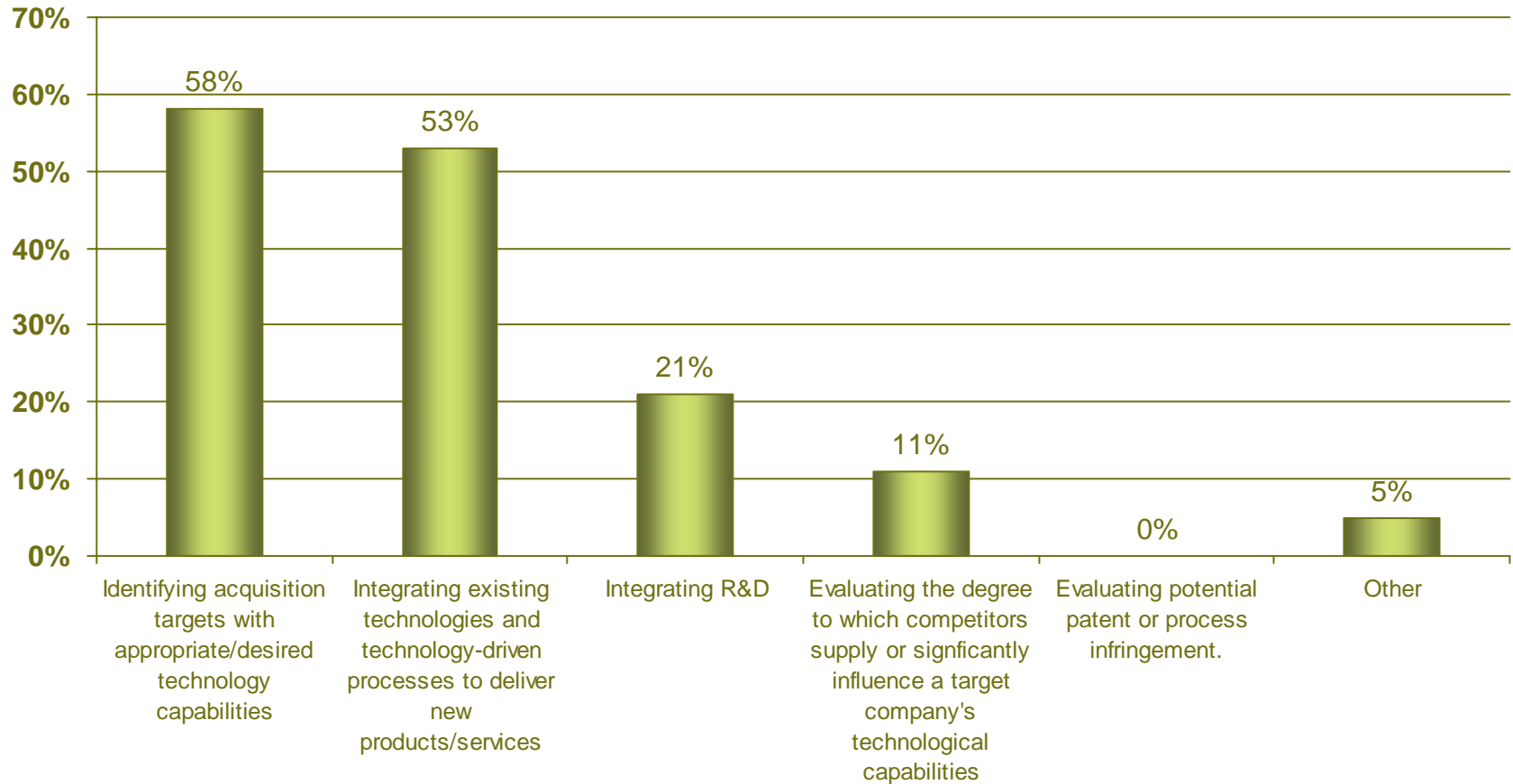
In terms of financial issues, what do you view as the greatest challenges for your company prior to convergence-related mergers & acquisitions? Select up to two responses.



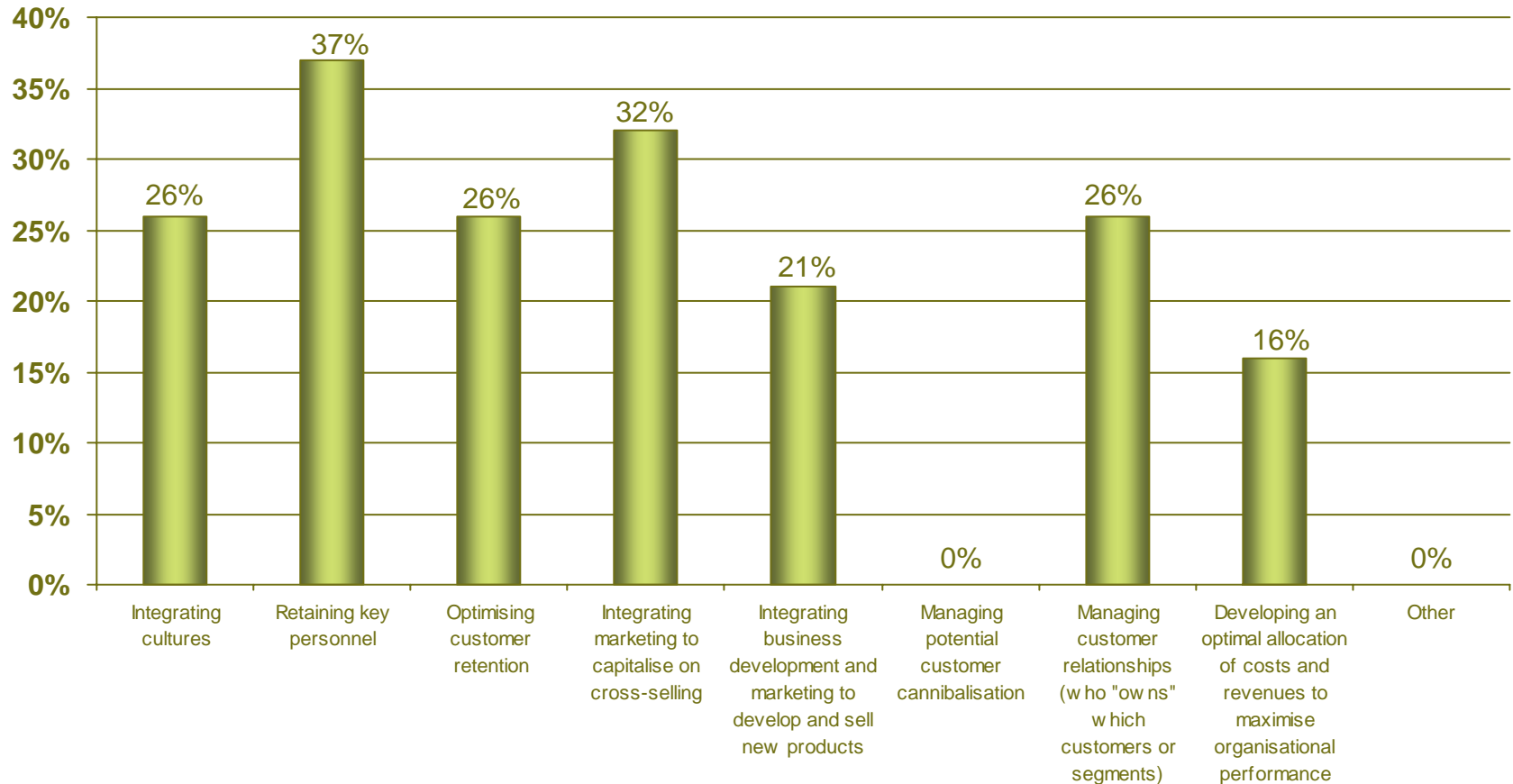
In terms of financial issues, what do you view as the greatest challenges for your company after convergence-related mergers & acquisitions? Select up to two responses.



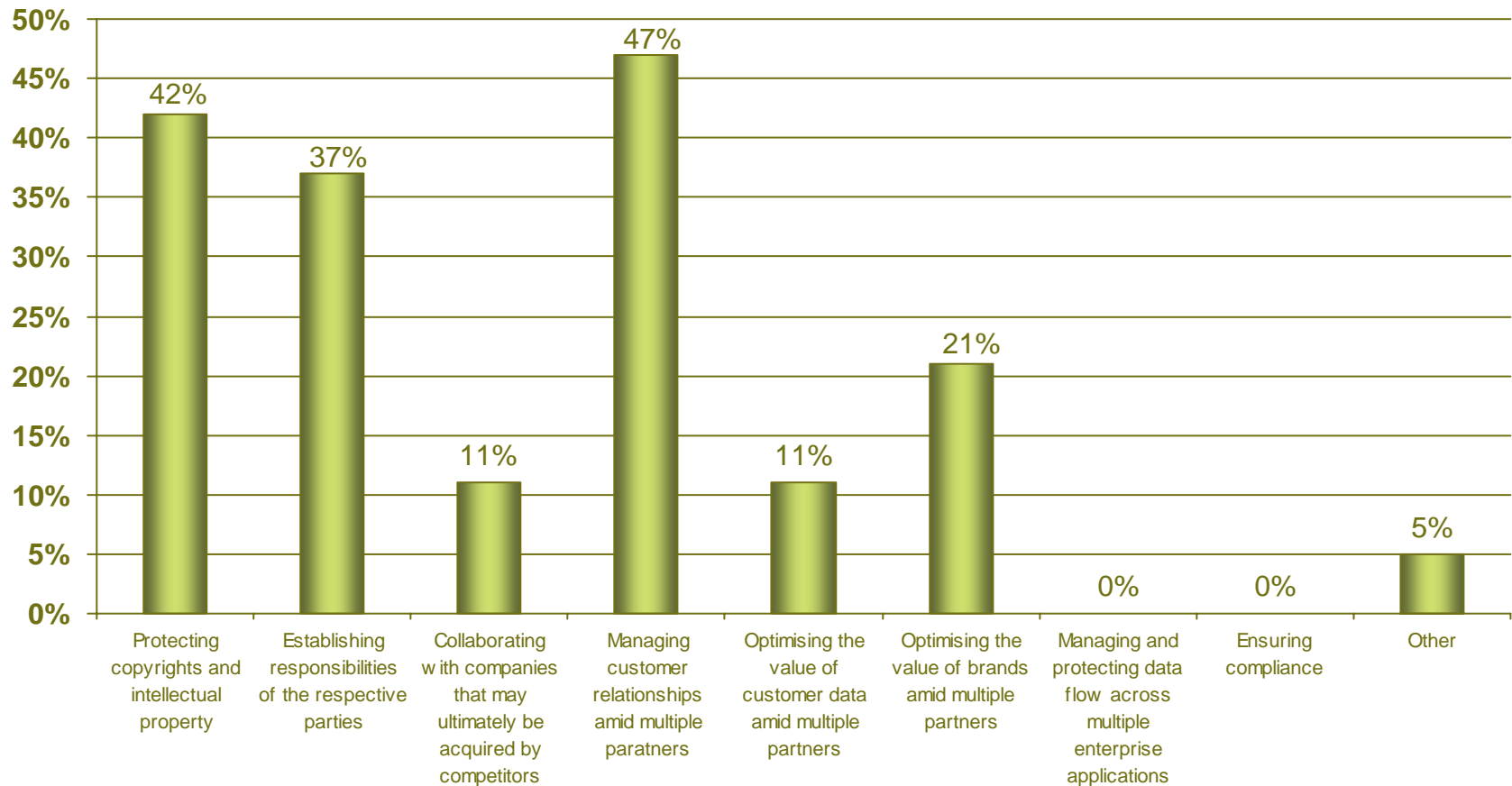
In terms of technology issues, what do you view as the greatest challenges for your company relating to convergence-related mergers & acquisitions?
Select up to two responses.



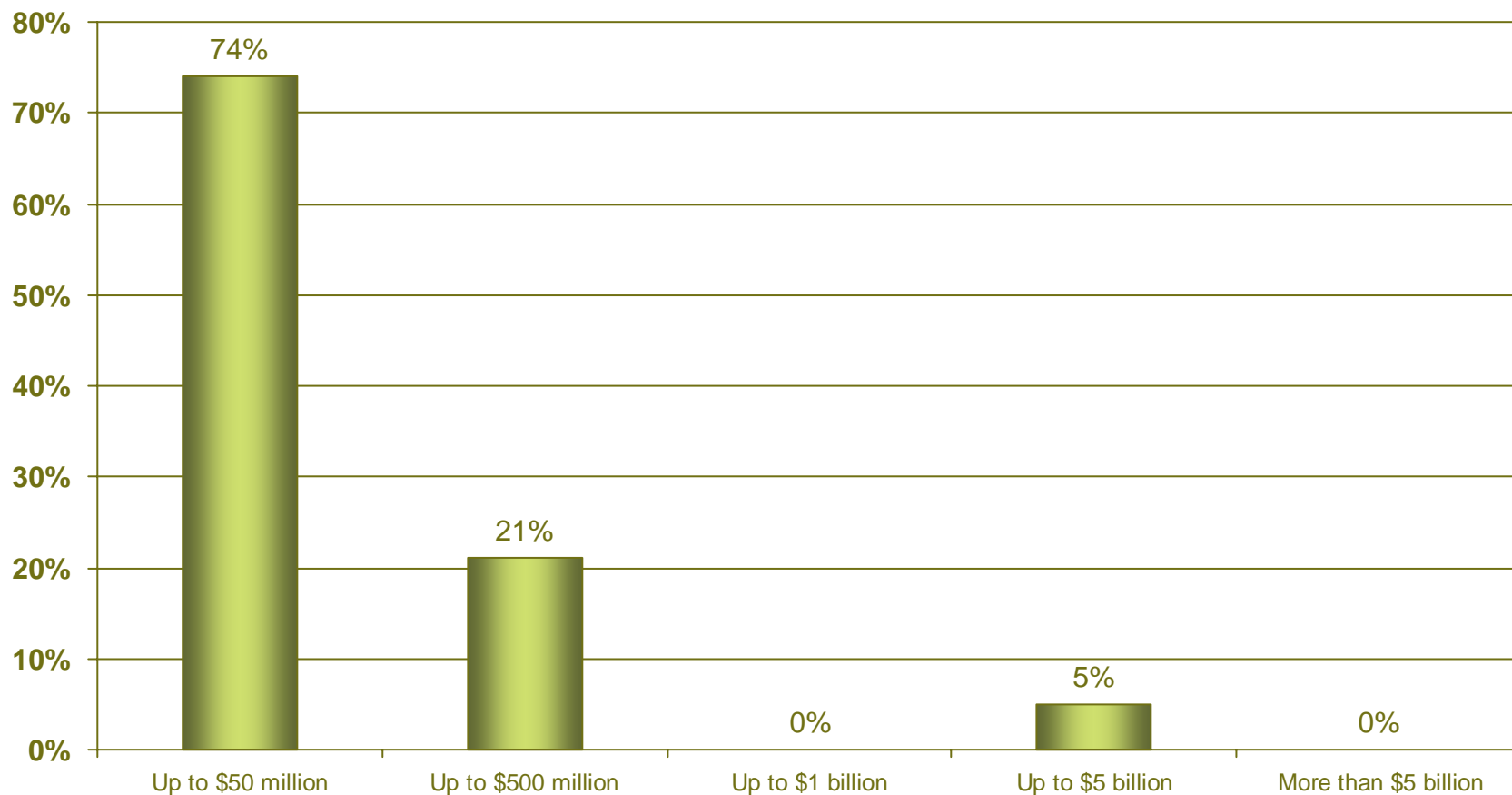
In terms of culture, customers or other remaining significant issues, what do you view as the greatest challenges for your company relating to convergence-related mergers and acquisitions? Select up to two responses.



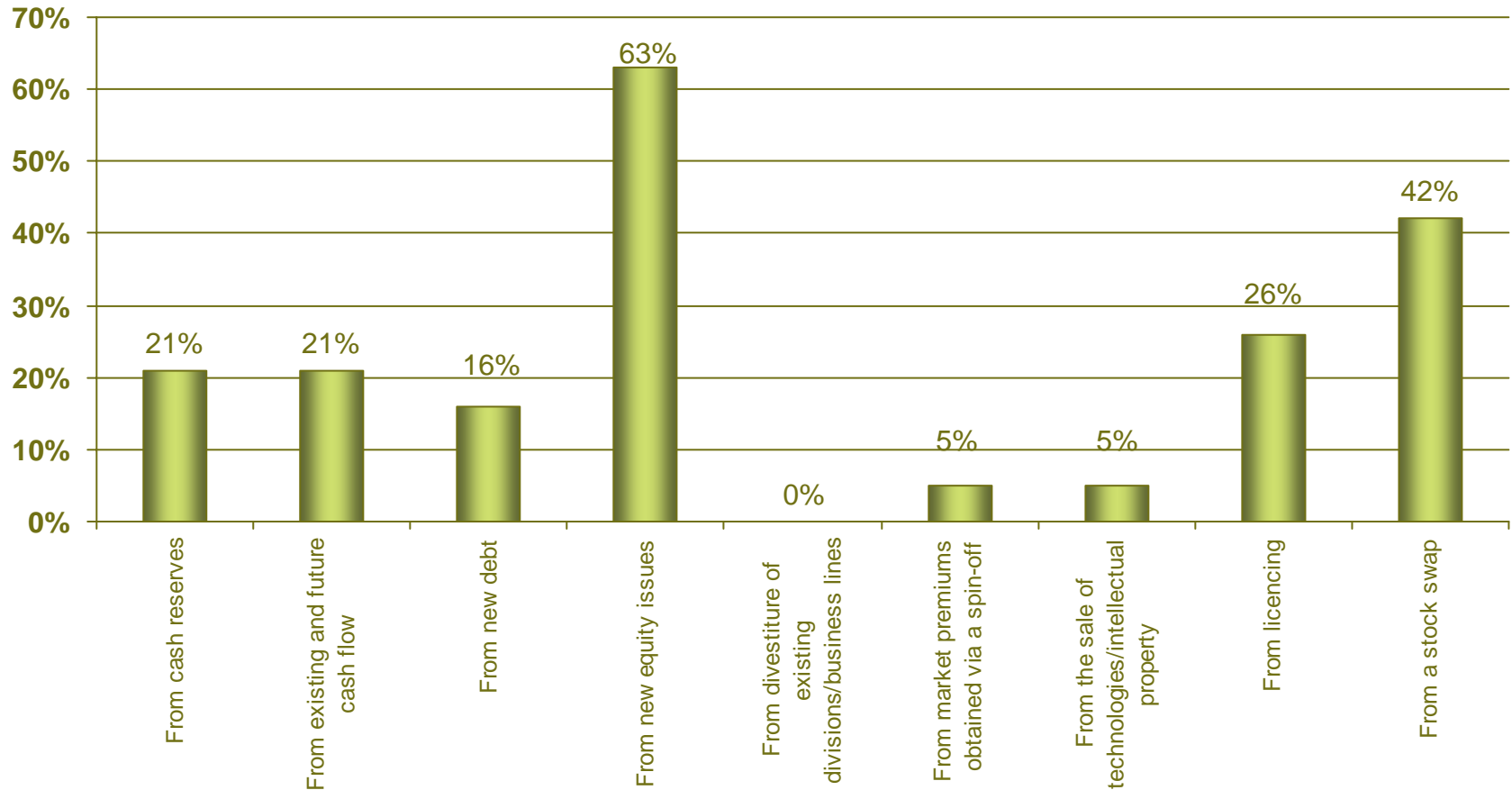
Regarding partnership and alliances, what do you view as the greatest convergence-related challenges? Select up to two responses.



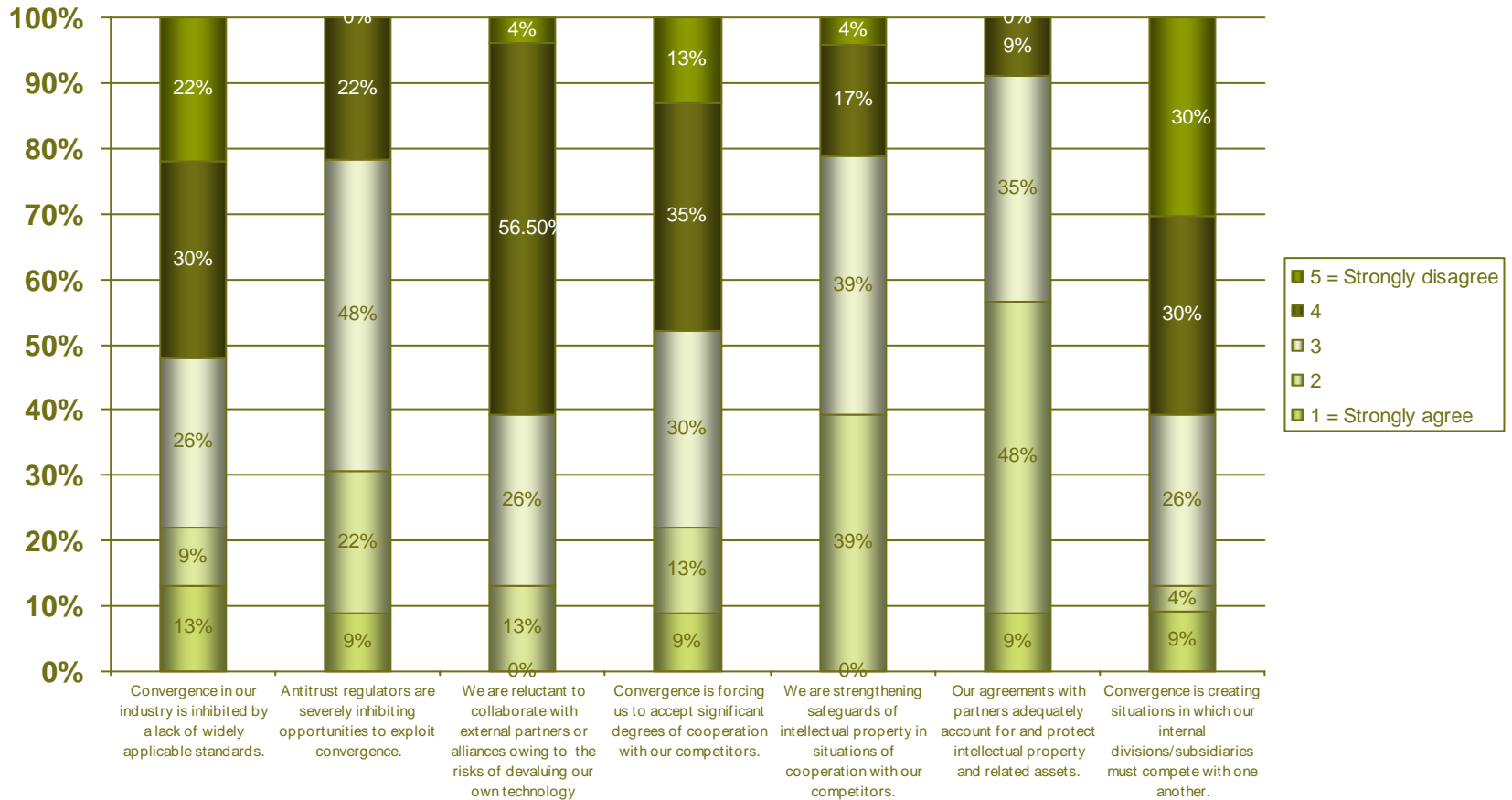
If you were to add up the market value of highly-likely convergence-driven transactions by your company within the next five years, what is the total? Please select one response only.



How might or would your company plan to finance the above convergence-driven corporate transactions? Select the two most significant sources.



To what extent do you agree with the following statements relating to digital convergence's impact on your company? Rate on a scale of 1 to 5, where 1 = Strongly agree and 5 = Strongly disagree



Over the next five years, what is the most likely and most significant effect of digital convergence on you industry?

New winners and new losers will emerge based on strategic decisions made.

Consolidation

Mass market and individualisation

High growth

It is the only way to future growth and profitability.

Strong reduction of players, franchising operations

Repositioning of power between content-owners, broadcasters and distribution

The digitalisation of the operational part of the processes, plus integration of subprocesses in supporting services where they have no synergy now.

To have anytime, anywhere, any kind of information at hand, and to keep all this running, most of all to find the information you are looking for

A much more complex infrastructure picture with many unknown factors outside our control

The complete change of the business model for the telecom service providers: how are they going to react to new converged Internet companies like Google, Yahoo or E-Bay?

Strong integration among players

Significant growth

Change of user behaviour

In our opinion the most significant effect will be cross-market convergence, integrating current unrelated segments

Decrease of costs and increase of speed in operational processes

Migration of our business to new high-added value segments

Machine 2 Machine

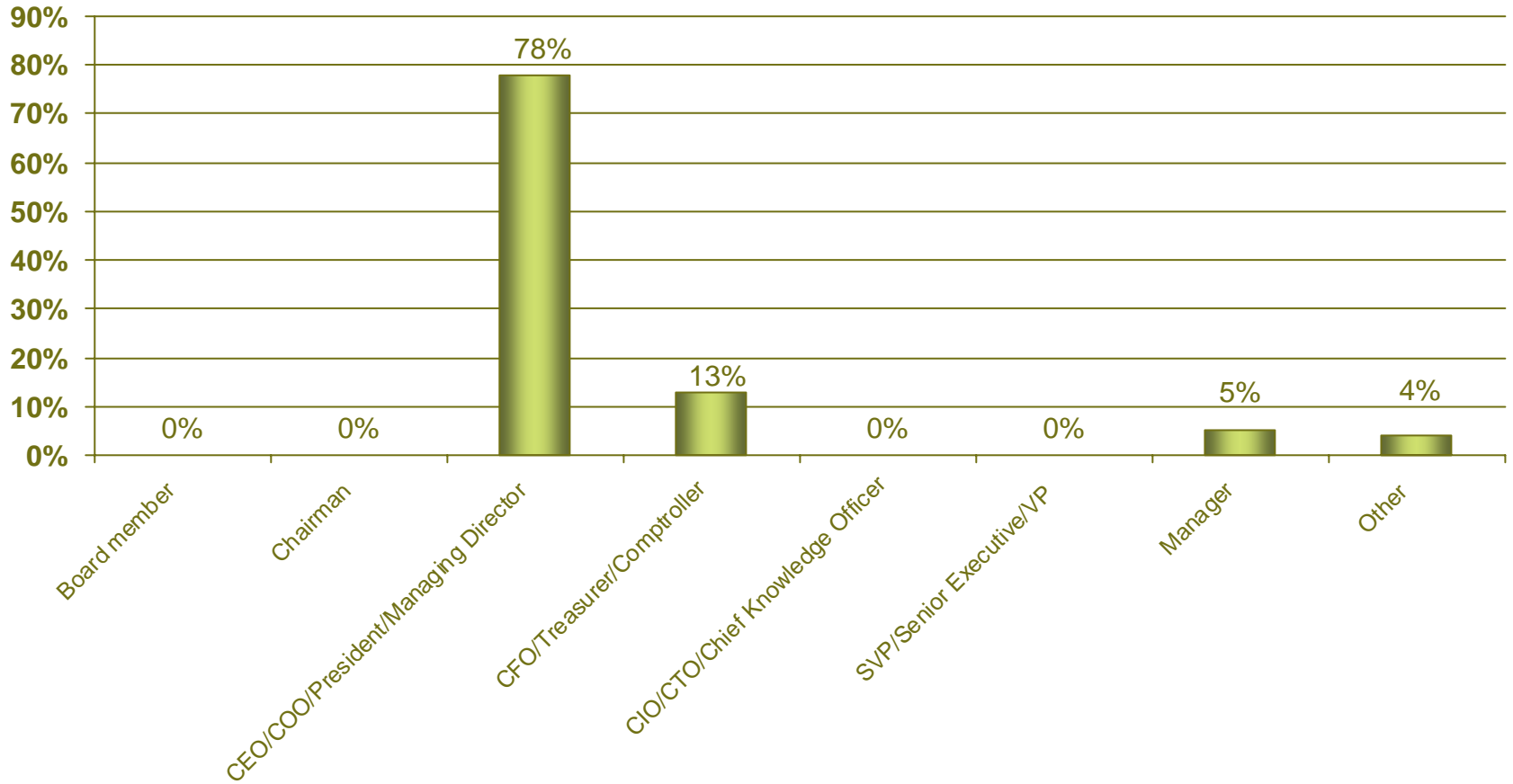
We foresee a major change in the way content is delivered to the consumer. The change is coming and most companies are not prepared for it. It will change the way products will be showcased to us and eliminate a lot of middle men that have benefited from this for years. Knowledge is the new commodity and the people with this knowledge of convergence will be in the forefront.

No effect

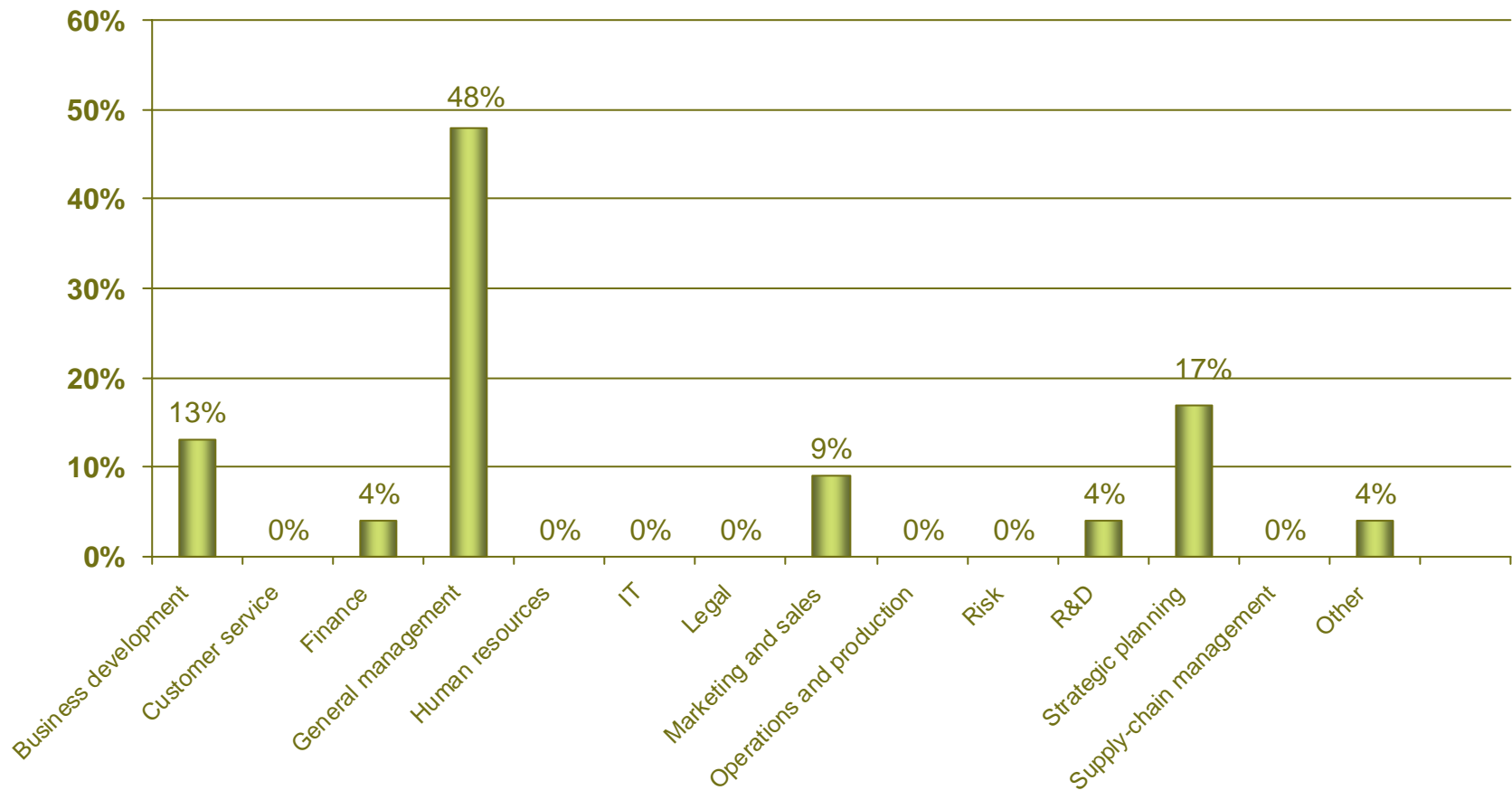
We'll have to make our product offering broader to cover a wider area of application.

Explosion of consolidated information storage management and user mobility demands

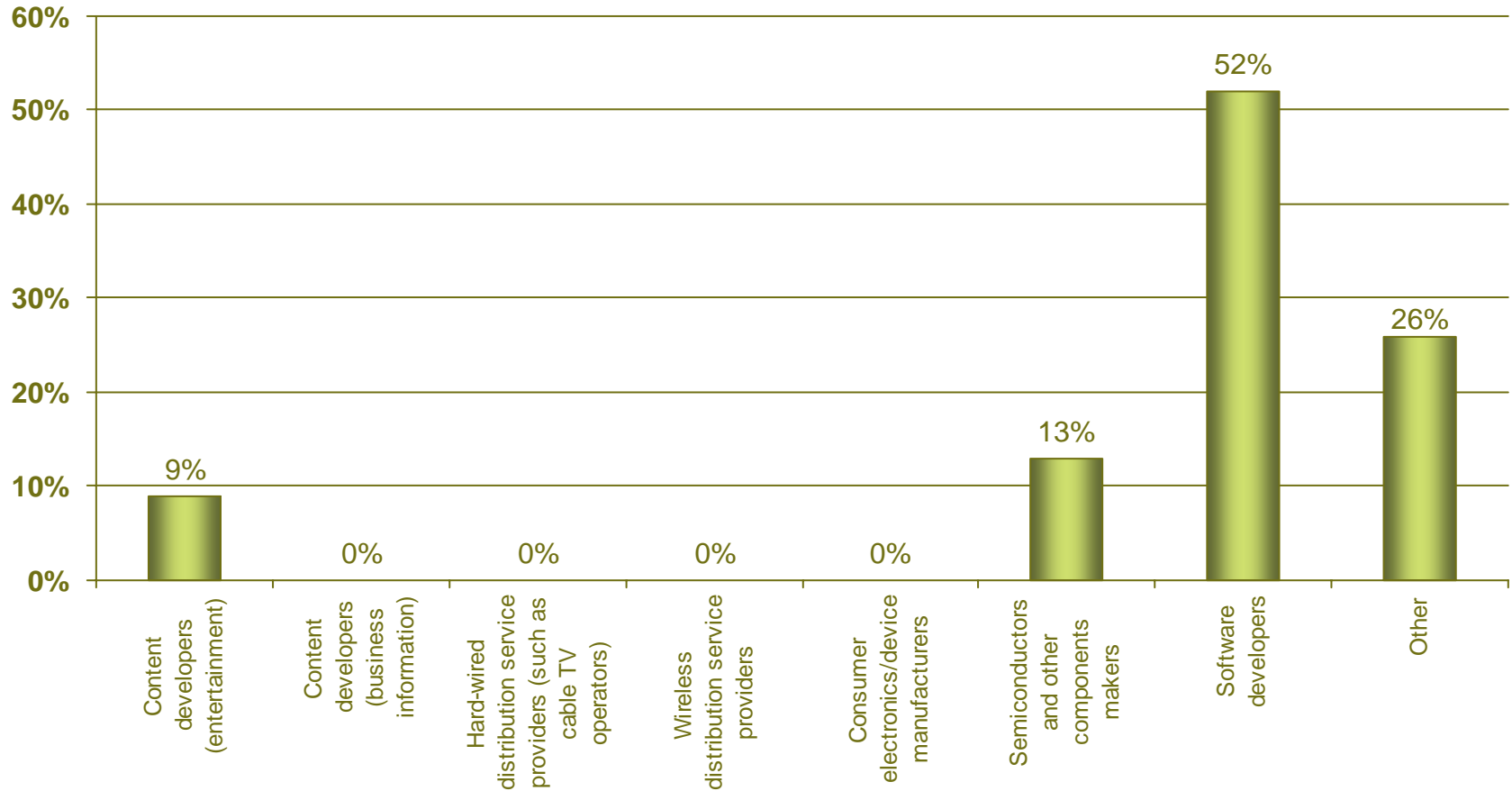
Which of the following titles describes your job best?



What is your main functional role?



What type of company do you work for?



What is your company's annual revenue?

