

MWS Tracker Spotlight: Shared Technologies, Inc acquires Cross Telecom

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Deal Overview:

Shared Technologies, Inc (a wholly owned subsidiary of Arrow Electronics (NYSE: ARW)) has acquired Cross Telecom. The transaction is expected to be \$.01-\$.05 per share accretive to Arrow's earnings in the first full year of operations. The financial terms of the deal have not been disclosed.

Shared Technologies, Inc is a total solutions provider specializing in unified communications, voice and data technologies, contact center, network security, and traditional telephony. Cross Telecom will be managed through Shared Technologies for Arrow. Arrow Electronics is a global provider of products, services and solutions to industrial and commercial users of electronic components and enterprise computing solutions. In 2010, Arrow had sales of \$18.7 billion.

Cross Telecom Corporation provides converged and internet protocol technologies and unified communications solutions to a variety of industries. Its portfolio of services includes voice, data, IP telephony, wireless, and professional services. Cross Telecom Corporation was founded in 1996 and is headquartered in Bloomington, MN with approximately 315 employees. Total sales were approximately \$120 million for the year ending December 31, 2010.

MWS Intelligence:

The acquisition of Cross Telecom follows Arrow's acquisition in September 2010 of Shared Technologies for \$250 million, and represents a continuation of Arrow's move into the unified communications and managed services market. The combination of Shared with Cross Telecom provides Arrow with approximately \$370 million in revenue based on Shared's revenue of \$250 million and Cross' \$120 million in revenue.

This acquisition allows Arrow to continue to expand into the faster-growing, high-margin unified communications market. MWS expects Arrow to continue to acquire companies in the space that provide additional higher margin returns than its traditional electronic distribution business.

In addition to Arrow moving into the unified communications space, Paetec Holding Corp (NASDAQ GS: PAET) announced, in February 2011, it will acquire Xeta Technologies, Inc. (NASDAQ GM: XETA) for \$61 million. Unified communications and converged infrastructure is a growing market and new players such as Arrow and Paetec are moving into the space through acquisitions.

To learn more about this transaction or Martin Wolf Securities, please contact Yousif Abudra at yabudra@martinwolf.com or (925) 215-2760.

About Martin Wolf Securities

Based in the San Francisco Bay Area, Martin Wolf Securities is a leading middle market investment bank focused on companies with services-based business models. Since 1997, our

team has completed over 100 transactions in 6 countries. We are a 5 year member of the Merrill Lynch PS Referral Network, and effective June 25, 2010, have been selected as ICICI Bank's (India's leading private bank) exclusive strategic partner for acquiring U.S. IT companies. For more information, visit www.martinwolf.com.

On March 11, SS&C Technologies Holdings, Inc. (NASDAQ: SSNC) announced that it had acquired Glastonbury, Connecticut-based BenefitsXML. BenefitsXML is a leading provider of enterprise software and SAAS solutions for employee benefit service providers. Martin Wolf Securities advised the seller in this transaction. Please [click here](#) to read more.

On March 17, PC Connection, Inc. (NASDAQ: PCCC) announced that it had acquired Chicago, Illinois-based Valcom Technology. Valcom Technology delivers infrastructure management and onsite managed services utilizing its proprietary cloud-based IT service management software, WebSPOC™. Martin Wolf Securities advised the seller in this transaction. Please [click here](#) to read more.