

Internet/Telco Buying Binge Continues

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Large telecommunications equipment companies continue to snap up emerging telco companies that are poised to play a central role in the Internet infrastructure and data networking for the telco industry. Hale and Dorr has served as counsel in ten significant Internet/telco M&A transactions this year, including three in the past month.

On July 19, Lucent Technologies Inc. (NYSE: LU) acquired Nexabit Networks, Inc. for Lucent stock valued at \$1.08 billion. Nexabit is a startup developer of high-performance Internet Protocol (IP) wide area network switching/routing equipment.

On June 30, Tellabs, Inc. (Nasdaq: TLAB) agreed to acquire NetCore Systems, Inc. for \$575 million in Tellabs stock. NetCore markets a switch/router device that integrates Internet Protocol (IP) routing and asynchronous transfer mode (ATM) switching technologies to enable high-speed transmission of data, voice and video. The transaction is expected to close in the third quarter of 1999.

On June 21, ADC Telecommunications, Inc. (Nasdaq: ADCT) agreed to acquire Saville Systems PLC (Nasdaq: SAVLY) for ADC stock valued at approximately \$700 million. Saville is a leading worldwide software developer and integrator of innovative convergent billing and customer care solutions. The acquisition is expected to be completed by October 31.

Hale and Dorr represented the acquired company in each of the following transactions:

<u>Target</u>	<u>Acquiror</u>	<u>Date</u>	<u>Price(1)</u>
NetCore Systems, Inc.	Tellabs, Inc.	Pending	\$575 million
Saville Systems PLC	ADC Telecommunications, Inc.	Pending	\$700 million
Nexabit Networks, Inc.	Lucent Technologies Inc.	July 19, 1999	\$1.08 billion

Omnia Communications, Inc.	CIENA Corporation	July 6, 1999	\$474 million
Amteva Technologies, Inc.	Cisco Systems, Inc.	June 2, 1999	\$170 million
Redstone Communications, Inc.	Siemens Corporation	April 27, 1999	\$500 million(2)
Castle Networks, Inc.	Siemens Corporation	April 20, 1999	\$300 million(3)
Bright Tiger Technologies, Inc.	Allaire Corporation	April 12, 1999	\$20 million
Cimaron Communications Corporation	Applied Micro Circuits Corporation	March 17, 1999	\$114 million
Kenan Systems Corporation	Lucent Technologies, Inc.	February 26, 1999	\$1.31 billion

(1) For stock acquisitions, the price is based on the market price of the acquiror's shares on the closing date. For pending acquisitions, the price listed is the announced price.

(2) As reported in *PCWeek Online*, March 18, 1999.

(3) As reported in *Computer Reseller News*.