

**STRATEGY.** With a new majority shareholder, Sagem Communications now has the resources needed to become a world leader in broadband communications and convergence technologies.

# SAGEM COMMUNICATIONS HEADED FOR NEW HORIZONS

In January 2008, Safran finalized its sale of Sagem Communications to The Gores Group, a California-based investment firm. Sagem Communications, a 1.3 billion euro company with 6,500 employees, is specialized in broadband communications and convergence technologies, including printing terminals, digital TV set-top boxes, broadband and residential terminals, telecom systems and partnerships. This market is expanding, but is also undergoing global consolidation.

According to Sagem Communications chairman and CEO Patrick Sevia, "We swung back to the black in 2007, and hold European leadership positions in our markets. But until now, we didn't have the critical mass needed to play a top-tier role in the global market. "Our business plan is to become one of the world leaders in broadband terminals and convergence solutions, through both organic growth and acquisitions."

## Seizing opportunities

Even better than Safran, focused on the aerospace, defense and security markets, The Gores Group can provide Sagem Communications with the resources needed to seize opportunities in today's market and build a hub offering broader international coverage. "The telecom business does not really offer the optimum path for technological and commercial synergies with Safran's other businesses," notes Xavier Lagarde, executive vice president of Safran and head of the Communications branch. Sagem Communications will therefore be shap-

ing its development with The Gores Group, but Safran nonetheless retains a 10% stake, as well as being represented on the company's supervisory board. Furthermore, Sagem Communications' employees and management are heavily involved in this project, since they hold some 20% of the new company's share capital. ■

B. DIETZ



## VIEWPOINT



**STEVEN YAGER,  
SENIOR MANAGING DIRECTOR  
OF MERGERS-ACQUISITIONS,  
THE GORES GROUP**

The acquisition of Sagem Communications is especially important for The Gores Group, since it's our first transaction of this size in France. The company is operating in a growth market, spanning gateways, set-top boxes and printing terminals. Our goal is for Sagem Communications to keep pace with this trend by developing its business through both organic growth and acquisitions. The sector is still highly fragmented, but it is in the process of consolidation, and we plan to make Sagem Communications the hub of a world-class

player based in France. We are therefore planning further acquisitions, and our position as an integral part of the American economy, along with our financial support, will facilitate this growth. We are applying this development strategy in full agreement with company management, and we will be providing unstinting support.