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VENTURE-BACKED IPO EXIT ACTIVITY MORE THAN DOUBLES IN Q2'2013 WITH STRONGEST QUARTER FOR BIOTECH OFFERINGS SINCE 2000

M&A Volume Declines to Lowest Quarterly Level Since 2009

New York, New York, July 1, 2013 – Twenty-one venture-backed initial public offerings (IPOs) raised \$2.2 billion during the second quarter of 2013, more than double the volume and dollars compared to the first quarter of this year, according to the Exit Poll report by Thomson Reuters and the National Venture Capital Association (NVCA). This quarter also saw the highest number of biotechnology venture-backed IPOs since the third quarter of 2000. For the second quarter of 2013, 83 venture-backed M&A deals were reported, 14 which had an aggregate deal value of \$2.4 billion. This represents a 59 percent decrease in volume from the second quarter of 2012.

“We have been predicting an IPO pickup in the second half of 2013 and it appears as if this momentum has begun, driven by the strong biotechnology offerings,” said Mark Heesen, president of the NVCA. “We are hopeful that this positive trend will not be impacted by negative externalities in the second half of the year, as has been the case over the last several years. While on the surface, the low acquisitions volume thus far in 2013 could appear problematic, our market intelligence is telling us that there is a great deal of in-bound interest for venture-backed targets, suggesting that these companies are holding out for better pricing from strategic buyers. With an improving IPO market, this situation will only improve for our companies.”



| Quarter/Year | Total M&A Deals | M&A Deals with Disclosed Values | *Total Disclosed M&A Value (\$M) | *Average M&A Deal Size (\$M) | **Number of IPO's | Total Offer Amount (\$M) | Average IPO Offer Amount (\$M) |
|--------------|-----------------|---------------------------------|----------------------------------|------------------------------|-------------------|--------------------------|--------------------------------|
| 2008 | 422 | 134 | 16,236.9 | 121.2 | 7 | 765.0 | 109.3 |
| 2009-1 | 81 | 19 | 830.5 | 43.7 | 0 | 0.0 | 0.0 |
| 2009-2 | 79 | 15 | 1,982.4 | 132.2 | 6 | 909.6 | 151.6 |
| 2009-3 | 100 | 30 | 2,224.3 | 74.1 | 2 | 522.5 | 261.3 |
| 2009-4 | 100 | 45 | 7,327.7 | 162.8 | 3 | 327.7 | 109.2 |
| 2009 | 360 | 109 | 12,364.9 | 113.4 | 11 | 1,759.8 | 160.0 |
| 2010-1 | 149 | 36 | 4,945.1 | 137.4 | 8 | 921.9 | 115.2 |
| 2010-2 | 109 | 30 | 2,681.4 | 89.4 | 14 | 1,264.1 | 90.3 |
| 2010-3 | 141 | 36 | 4,140.9 | 115.0 | 10 | 962.8 | 96.3 |
| 2010-4 | 145 | 47 | 5,932.8 | 126.2 | 14 | 1,592.5 | 113.8 |
| 2010 | 544 | 149 | 17,700.3 | 118.8 | 46 | 4,741.3 | 103.1 |
| 2011-1 | 138 | 51 | 5,966.8 | 117.0 | 10 | 905.9 | 90.6 |
| 2011-2 | 95 | 37 | 6,202.3 | 167.6 | 12 | 2,396.5 | 199.7 |
| 2011-3 | 141 | 43 | 6,934.5 | 161.3 | 4 | 301.9 | 75.5 |
| 2011-4 | 124 | 38 | 4,989.6 | 131.3 | 11 | 2,803.2 | 254.8 |
| 2011 | 498 | 169 | 24,093.2 | 142.6 | 37 | 6,407.5 | 173.2 |
| 2012-1 | 113 | 28 | 3,671.0 | 131.1 | 18 | 1,611.3 | 89.5 |
| 2012-2 | 122 | 34 | 6,304.4 | 185.4 | 11 | 17,167.9 | 1560.7 |
| 2012-3 | 124 | 37 | 8,437.6 | 228.0 | 10 | 1,140.7 | 114.1 |
| 2012-4 | 120 | 29 | 3,582.4 | 123.5 | 7 | 1,314.3 | 187.8 |
| 2012 | 479 | 128 | 21,995.5 | 171.8 | 46 | 21,234.2 | 461.6 |
| 2013-1 | 86 | 10 | 984.3 | 98.4 | 8 | 716.9 | 89.6 |
| 2013-2 | 83 | 14 | 2,396.5 | 171.2 | 21 | 2,154.2 | 102.6 |
| 2013 | 169 | 24 | 3,380.8 | 140.9 | 29 | 2,871.1 | 192.2 |

Source: Thomson Reuters & National Venture Capital Association

*Only accounts for deals with disclosed values

**Includes all companies with at least one U.S. VC investor that trade on U.S. exchanges, regardless of domicile.

IPO Activity Overview

There were 21 venture-backed IPOs valued at \$2.2 billion in the second quarter of 2013. By number of deals, quarterly volume more than doubled from the first quarter of this year and registered a 90 percent increase compared to the number of deals listed during the second quarter of 2012.



Led by the biotechnology sector, 13 of the 21 offerings during the quarter were Life Sciences IPOs representing 62 percent of the total issues for the quarter. With 11 biotechnology offerings in the second quarter, this marks the strongest quarter for listings in the sector since the third quarter of 2000, when 13 companies went public.

By location, 20 of the quarter’s 21 IPOs were from U.S.-based companies. Prosensa BV, a Netherlands-based biopharmaceutical company, raised \$78 million on the NASDAQ stock exchange on June 28th.

In the largest IPO of the quarter, Tableau Software LLC (DATA), a Seattle, Washington-based provider of analytics and data visualization software, raised \$292 million and began trading on the New York Stock Exchange on May 16th. The company is currently trading nearly 80 percent above its \$31 offering price.

| | | Q2 2013 | |
|-------------------------------|--------------------------------|---|--|
| Industry | | *Number of Venture-Backed IPO's in the U.S. | Total Venture-Backed Offering Size (\$M) |
| | Computer Software and Services | 3 | 479.5 |
| | Communications and Media | 3 | 432.4 |
| | Internet Specific | 2 | 167.6 |
| Information Technology | | 8 | 1,079.5 |
| Life Sciences | Biotechnology | 11 | 1,003.8 |
| | Medical/Health | 2 | 70.9 |
| | | 13 | 1,074.7 |
| TOTAL | | 21 | 2,154.2 |

Source: Thomson Reuters & National Venture Capital Association

*Includes all companies with at least one U.S. VC investor that trade on U.S. exchanges, regardless of domicile

During the second quarter of 2013, 14 companies listed on the NASDAQ stock exchange and six companies listed on the New York Stock Exchange. One company listed over-the-counter. All of this quarter’s biotechnology IPOs listed on the NASDAQ, while all of this quarter’s internet specific IPOs listed on the New York Stock Exchange.

Fifteen of the 21 companies brought to market this quarter are currently trading above their offering price. There are 39 venture-backed companies currently filed publicly for IPO with the SEC. This figure does not include confidential registrations filed under the JOBS Act, where many observers believe the majority of venture-backed companies now file.



Mergers and Acquisitions Overview

As of June 28th, 83 venture-backed M&A deals were reported for the second quarter of 2013, 14 which had an aggregate deal value of \$2.4 billion. The average disclosed deal value was \$171.2 million, a 74 percent increase compared to the first quarter of 2013.

The information technology sector led the venture-backed M&A landscape with 69 of the 83 deals of the quarter and had a disclosed total dollar value of \$1.9 billion. Within this sector, Computer Software and Services and Internet Specific deals accounted for the bulk of the targets with 35 and 20 transactions, respectively, across these sector subsets.

| | | Q2 | | |
|------------------------|--------------------------------|------------------------------------|---|---|
| Industry | | Number of Venture-Backed M&A deals | Number of Venture-Backed M&A deals with a disclosed value | Total Disclosed Venture-Backed Deal Value (\$M) |
| Information Technology | Computer Software and Services | 35 | 2 | 195.0 |
| | Internet Specific | 20 | 2 | 1,108.5 |
| | Communications and Media | 4 | 1 | 30.0 |
| | Computer Hardware | 2 | 2 | 136.7 |
| | Semiconductors/Other Elect. | 8 | 3 | 416.8 |
| | 69 | 10 | 1,887.0 | |
| Life Sciences | Medical/Health | 6 | 1 | 23.6 |
| | Biotechnology | 4 | 3 | 485.0 |
| | 10 | 4 | 508.6 | |
| Non-High Technology | Other Products | 1 | 0 | 0.0 |
| | Consumer Related | 2 | 0 | 0.0 |
| | Industrial/Energy | 1 | 0 | 0.0 |
| | 4 | 0 | 0.0 | |
| TOTAL | | 83 | 14 | 2,395.6 |

Source: Thomson Reuters & National Venture Capital Association

The largest venture-backed M&A transaction during the second quarter was in the Internet specific sector, with Yahoo! Inc's \$1.1 billion purchase of Tumblr, Inc, a New York-based social networking publishing platform. The Tumblr acquisition was Yahoo! Inc's fourth acquisition of a U.S. venture-backed company this year. Cadence Design System Inc's \$380 million acquisition of Santa Clara, California-based Tensilica, Inc, a developer of application-specific microprocessor solutions ranked as the second largest venture-backed M&A deal during the quarter.



Deals bringing in the top returns, those with disclosed values greater than four times the venture investment, accounted for 43 percent of the total disclosed transactions during second quarter of 2013, a marked increase compared to the first quarter of this year. Venture-backed M&A deals returning less than the amount invested accounted for 21 percent of the quarterly total.

Analysis of Transaction Values versus Amount Invested

| Relationship between transaction value and investment | Q1 13 M&A** | Q2 13 M&A** |
|--|-------------|-------------|
| Deals where transaction value is less than total venture investment | 1 | 3 |
| Deals where transaction value is 1-4x total venture investment | 9 | 5 |
| Deals where transaction value is 4x-10x total venture investment | 0 | 6 |
| Deals where transaction value is greater than 10x venture investment | 0 | 0 |
| Total Disclosed Deals | 10 | 14 |

Source: Thomson Reuters & National Venture Capital Association

** Disclosed deals that do not have a disclosed total investment amount are not included

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