



FOR IMMEDIATE RELEASE

NEWS RELEASE

CONTACTS

Emily Mendell NVCA 1.610.565.3904 emendell@nvca.org

Lauren Herman Thomson Reuters 1.646.223.5985 lauren.herman@thomsonreuters.com

VENTURE-BACKED EXITS ENJOYED HIGHER AVERAGE VALUES ON LOWER TOTAL VOLUMES IN 2012

Both IPO and Acquisition Quality Improved as Market Uncertainty Slowed Transactions in the Second Half of the Year

New York, New York, January 2, 2013 – Venture-backed initial public offering (IPO) activity raised \$1.4 billion from eight offerings during the fourth quarter of 2012, a slight decline in volume from the third quarter of this year but a 23 percent increase in dollars raised compared to the previous quarter, according to the Exit Poll report by Thomson Reuters and the National Venture Capital Association (NVCA). For full year 2012, venture-backed initial public offerings raised \$21.5 billion from 49 listings, and driven by the Facebook offering, represented the strongest annual period for IPOs, by dollar value, since 2000. For the fourth quarter of 2012, 95 venture-backed M&A deals were reported, 26 of which had an aggregate deal value of \$3.5 billion, a 57 percent decrease from the third quarter of 2012. Acquisitions of venture-backed companies totaled \$21.5 billion for full year 2012, an 11 percent decline from full year 2011.

"While the venture capital and startup communities were optimistic about a more robust IPO market in 2012, political, economic and market conditions served as the backdrop for a series of fits and starts which hurt volume growth throughout the year for public offerings and acquisitions alike," said Mark Heesen, president of the NVCA. "Yet, while increased volumes remained elusive, the overall quality of exits this year was quite strong, and certainly sends a message that the market is receptive and open for business in 2013."





Page 2 of 5 January 2, 2013

Quarter/Year	Total M&A Deals	M&A Deals with Disclosed Values	*Total Disclosed M&A Value (\$M)	*Averag e M&A Deal Size (\$M)	**Number of IPO's	Total Offer Amount (\$M)	Average IPO Offer Amount (\$M)
2007	488	200	30,745.5	153.7	92	12,365.5	134.4
2008-1	129	43	5,201.6	121.0	6	577.5	96.3
2008-2	102	28	3,145.2	112.3	0	0	0.0
2008-3	109	40	5,248.8	131.2	1	187.5	187.5
2008-4	76	23	2,641.3	114.8	0	0	0.0
2008	416	134	16,236.9	121.2	7	765.0	109.3
2009-1	80	19	830.5	43.7	0	0	0.0
2009-2	77	14	1,982.4	141.6	7	997.6	142.5
2009-3	96	30	2,224.3	74.1	2	522.5	261.3
2009-4	98	45	7,327.7	162.8	4	459.7	114.9
2009	351	108	12,364.9	114.5	13	1,979.8	152.3
2010-1	146	36	4,945.1	137.4	8	921.9	115.2
2010-2	108	30	2,681.4	89.4	18	1,548.4	86.0
2010-3	133	36	4,140.9	115.0	17	1,996.0	117.4
2010-4	134	47	5,932.8	126.2	25	3,142.8	125.7
2010	521	149	17,700.3	118.8	68	7,609.1	111.9
2011-1	135	51	5,966.8	117.0	14	1,526.9	109.1
2011-2	92	37	6,202.3	167.6	21	5,883.5	280.2
2011-3	139	43	6,934.5	161.3	5	475.9	95.2
2011-4	122	38	4,989.6	131.3	11	2,803.2	254.8
2011	488	169	24,093.2	142.6	51	10,689.5	209.6
2012-1	112	28	3,671.0	131.1	19	1,682.8	88.6
2012-2	118	31	6,180.2	199.4	12	17,219.1	1434.9
2012-3	110	35	8,088.8	231.1	10	1,140.7	114.1
2012-4	95	26	3,523.2	135.5	8	1,408.4	176.1
2012	435	120	21,463.2	178.9	49	21,451.2	437.8

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.





Page 3 of 5 January 2, 2013

IPO Activity Overview

There were eight venture-backed IPOs valued at \$1.4 billion in the fourth quarter of 2012. By number of deals, quarterly volume fell 20 percent from the third quarter of this year but increased 23 percent compared to the value registered during the third quarter of 2012.

Five of the eight IPOs of the quarter were IT-related IPOs representing 63 percent of the total issues for in the quarter. By location, seven of the quarter's eight IPOs were by U.S.-based companies with China-based YY, Inc., an operator of an online game community, rounding out the quarter's listings.

In the largest IPO of the quarter, Workday, Inc. (WDAY), a Pleasanton, California-based developer of human resource enterprise solutions, raised \$733 million and began trading on NASDAQ on October 11th.

		Q4 2012		
Industry		*Number of Venture-Backed IPO's in the U.S.	Total Venture- Backed Offering Size (\$M)	
	Computer Software and Services	1	732.6	
	Internet Specific	2	235.5	
	Communications and Media	1	126.0	
	Semiconductors/Other Elect.	1	41.4	
Information Technology		5	1,135.4	
	Biotechnology	2	167.2	
Life Sciences		2	167.2	
	Industrial/Energy	1	105.8	
		1	105.8	
TOTAL		8	1,408.4	

Source: Thomson Reuters & National Venture Capital Association

For the fourth quarter of 2012, five companies listed on the NASDAQ stock exchange and three companies listed on the New York Stock Exchange. During full year 2012, 30 companies listed on the NASDAQ stock exchange, while 18 listed on the New York Stock Exchange and one listed Over-the-counter.

Seven of the eight companies brought to market this quarter are currently trading above their offering price. Of the 49 offerings for the year, 30 are trading above their offering price. There are 27 venture-backed companies currently filed publicly for IPO with the SEC. This figure does not include confidential registrations filed under the JOBS Act.

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





Page 4 of 5 January 2, 2013

Mergers and Acquisitions Overview

As of December 31st, 95 venture-backed M&A deals were reported for the fourth quarter of 2012, 26 of which had an aggregate deal value of \$3.5 billion. The average disclosed deal value was \$135.5 million, a three percent increase from the fourth quarter of 2011.

The information technology sector led the venture-backed M&A landscape with 65 of the 95 deals of the quarter and had a disclosed total dollar value of \$1.6 billion. Within this sector, Computer Software and Services and Internet Specific deals accounted for the bulk of the targets with 33 and 23 transactions, respectively, across these sector subsets.

		Q4 2012			
	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)	
	Computer Software and Services	33	4	199.3	
	Internet Specific	23	4	101.7	
	Communications and Media	5	1	1,200.0	
	Computer Hardware	2	0	0.0	
	Semiconductors/Other Elect.	2	2	110.5	
Information Technology		65	11	1,611.5	
	Medical/Health	16	11	1,604.5	
	Biotechnology	2	1	1.5	
Life Sciences		18	12	1,605.9	
	Other Products	4	1	158.0	
	Consumer Related	1	0	0.0	
	Industrial/Energy	7	2	147.9	
Non-High Technology		12	3	305.9	
	TOTAL	95	26	3,523.2	

Source: Thomson Reuters & National Venture Capital Association

The largest venture-backed M&A transaction completed during the fourth quarter of 2012 was Cisco Systems \$1.2 billion purchase of Meraki, Inc, a San Francisco California-based developer of solutions for the deployment of wireless networks.





Page 5 of 5 January 2, 2013

Deals bringing in the top returns, those with disclosed values greater than four times the venture investment, accounted for 58 percent of the total disclosed transactions during fourth quarter of 2012, on par with the third 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 12 M&A**	Q2 12 M&A**	Q3 12 M&A**	Q4 12 M&A**
Deals where transaction value is less than total venture investment	7	3	8	5
Deals where transaction value is 1-4x total venture investment	7	12	7	5
Deals where transaction value is 4x-10x total venture investment	11	6	10	10
Deals where transaction value is greater than 10x venture investment	3	10	7	4
Total Disclosed Deals	28	31	32	24

Source: Thomson Reuters & National Venture Capital Association

About Thomson Reuters

Thomson Reuters is the world's leading source of intelligent information for businesses and professionals. We combine industry expertise with innovative technology to deliver critical information to leading decision makers in the financial and risk, legal, tax and accounting, intellectual property and science and media markets, powered by the world's most trusted news organization. With headquarters in New York and major operations in London and Eagan, Minnesota, Thomson Reuters employs approximately 60,000 people and operates in over 100 countries. Thomson Reuters shares are listed on the Toronto and New York Stock Exchanges. For more information, go to http://thomsonreuters.com.

About National Venture Capital Association

Venture capitalists are committed to funding America's most innovative entrepreneurs, working closely with them to transform breakthrough ideas into emerging growth companies that drive U.S. job creation and economic growth. According to a 2011 Global Insight study, venture-backed companies accounted for 12 million jobs and \$3.1 trillion in revenue in the United States in 2010. As the voice of the U.S. venture capital community, the National Venture Capital Association (NVCA) empowers its members and the entrepreneurs they fund by advocating for policies that encourage innovation and reward long-term investment. As the venture community's preeminent trade association, NVCA serves as the definitive resource for venture capital data and unites its nearly 400 members through a full range of professional services. For more information about the NVCA, please visit www.nvca.org.

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