

Venture Capital IPO Report

2nd Half, 2010 – United States

Prepared & Published by: [VentureDeal](#)

IPO Activity for Venture Capital-Backed U.S. Companies

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IPO Activity

Summary

During the second half of calendar year 2010, 23 venture capital-backed U.S. technology companies went public, raising a total of \$2.5 billion in gross offering proceeds. This compares favorably to the \$1.9 billion raised during the first half of the year, resulting in a 32% increase in total amount raised.

11 Digital Media, Software and Financial Services venture-backed companies had IPOs resulting in \$612 million total consideration. 6 life science companies raised \$464 million in gross proceeds. 6 companies in the remaining sectors of Semiconductors, Green Tech, Electronics and Telecom garnered \$572 million from public investors.

With respect to pricing, 12 IPOs priced below or within a revised lower than original range sought. 7 transactions were within the original price range and 4 sold shares above their original expected pricing range. As of 1/31/2011, 20 of the 23 IPO share prices were higher than their initial flotation price.

Digital Media • Software • Financial Services

Digital Media Two Digital Media companies went public during the second half: [RealD](#) (NASDAQ: RLD) and [MediaMind](#) (NASDAQ: MDMD).

The RealD IPO totaled \$200 million at a price of \$16 per share, above its expected range of \$13-\$15. RealD licenses 3-D technologies that enable 3-D viewing experiences in theaters, the home and elsewhere. The company's principal institutional investor was [Shamrock Capital](#). Interestingly, the company did not receive any proceeds from the flotation - existing shareholders received all proceeds.

Software Four Software companies went public during the second half of the year. Radner, PA-based [Qlik Technologies](#) (NASDAQ: QLIK) raised \$112 million at \$10 per share, just above its expected range of \$8.50 to \$9.50 per share. Qlik provides data analysis and reporting solutions software that combines with enterprise office productivity software tools.

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Financial Services

There were five IPOs during the second half of the year for the Financial Services industry, the most active VC backed industry for IPOs, with gross proceeds totaling \$803.5 million. [Green Dot Corporation](#) (NYSE: GDOT) went public to raise \$164 million at \$36 per share, above its expected range of \$32-\$35 per share. Green Dot was backed by [Sequoia Capital](#) and [Technology Crossover Ventures](#) and provides general purpose reloadable prepaid debit cards, cash loading and transfer services.

The largest Financial Services IPO was for [FleetCor Technologies](#) (NYSE: FLT) which raised \$291.5 million on December 14. FleetCor provides customized payment products and services to commercial fleets, petroleum marketers and oil companies around the world. It was backed by a large syndicate of venture capital and private equity firms.

Biotechnology • Pharmaceutical**Biotechnology**

There was only one biotechnology IPO during the second half of the year, though it was a large one.

Menlo Park, CA-based [Pacific BioSciences of California](#) (NASDAQ: PACB) raised gross proceeds of \$200 million at \$16 per share, within its original price range. Pacific Bio is developing an instrument that analyzes single molecule biochemical sequencing reactions in real time for the DNA sequencing market. The company was backed by a top-tier list of venture capital and private equity firms and said it would use the IPO proceeds to invest in applications related to its technologies as well as for general corporate purposes and working capital.

Pharmaceutical

Five venture capital-backed Pharmaceutical companies went public, raising \$263.5 million in aggregate gross proceeds, and representing the second most active VC backed industry for IPOs during 2H 2010.

[Anacor Pharmaceuticals](#) (NASDAQ: ANAC) raised \$60 million in its IPO. Anacor is developing small molecule therapeutics based on its boron chemistry platform. It has an annual revenue run rate of \$31 million and said it would use the proceeds to fund its clinical trials and pay scheduled principal and interest under a loan agreement.

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[Aegerion Pharmaceuticals](#) (NASDAQ: AEGR) went public in October, raising \$47.5 million in gross proceeds at a price of \$9.50 per share. The original range was \$14-\$16 per share, so the final share price was a significant haircut from its original expectations. The company was backed by both US and European venture capital firms and said it would use the proceeds to fund its pivotal Phase III clinical trials of lomitapide for the treatment of patients with HoFH, a rare genetic lipid disorder.

Other Technology

Summary	There were 6 IPOs covering the remaining technology sectors of IT, Semiconductors, Electronics, Clean Tech and Telecom. Aggregate gross proceeds totaled \$571.5 million.
Clean Tech	Amyris Biotechnologies (NASDAQ: AMRS) raised \$84.8 million in gross proceeds for its IPO, at an offering price of \$16 per share, within its original expected range of \$16-\$18 per share. Amyris has developed a process that uses yeast to convert plant-sourced sugars into a range of products from specialty chemicals to industrial lubricants and transportation fuels, such as diesel. The company was backed by top-tier venture capital and private equity firms Kleiner Perkins Caufield & Byers , Khosla Ventures and TPG Biotechnology Partners .
Semiconductors	Sunnyvale, CA-based Inphi Corporation (NYSE: IPHI) went public, raising \$81.6 million at \$12 per share, within the original range. Inphi designs high-speed analog semiconductor solutions aimed at the communications and computing markets in the United States. The company was backed by Walden International , Mayfield Fund , Tallwood and Samsung Ventures .

Table 1 is on the following page

Table 1

Venture Capital IPO Activity – 2nd Half 2010

(Sorted by Industry)

Company Name	Ticker	Industry	IPO Date	IPO Amount	IPO Price	1.31.11 Price	% Change
Pacific BioSciences	PACB	Biotechnology	10/26/2010	\$200,000,000	\$16.00	\$15.80	-1%
Amyris Biotechnologies	AMRS	Clean Tech	9/28/2010	\$84,800,000	\$16.00	\$31.56	97%
RealD	RLD	Digital Media	7/15/2010	\$200,000,000	\$16.00	\$23.67	48%
MediaMind	MDMD	Digital Media	8/11/2010	\$57,500,000	\$11.50	\$15.13	32%
SemiLEDs	LEDS	Electronics	12/9/2010	\$89,250,000	\$17.00	\$18.08	6%
Green Dot	GDOT	Fin. Svcs.	7/22/2010	\$164,000,000	\$36.00	\$62.91	75%
Envestnet	ENV	Fin. Svcs.	7/29/2010	\$63,000,000	\$9.00	\$14.25	58%
NetSpend Holdings	NTSP	Fin. Svcs.	10/19/2010	\$204,000,000	\$11.00	\$14.30	30%
FleetCor	FLT	Fin. Svcs.	12/14/2010	\$291,500,000	\$23.00	\$30.00	30%
Gain Capital Holdings	GCAP	Fin. Svcs.	12/14/2010	\$81,000,000	\$9.00	\$9.63	7%
KEYW Holdings	KEYW	IT	9/30/2010	\$91,000,000	\$10.00	\$14.57	46%
ExamWorks	EXAM	IT	10/27/2010	\$164,800,000	\$16.00	\$21.88	37%
Trius Therapeutics	TSRX	Pharmaceutical	8/3/2010	\$50,000,000	\$5.00	\$4.41	-12%
NuPathe	PATH	Pharmaceutical	8/6/2010	\$50,000,000	\$10.00	\$7.32	-27%
Aegerion Pharmaceuticals	AEGR	Pharmaceutical	10/22/2010	\$47,500,000	\$9.50	\$11.90	25%
Zogenix	ZGNX	Pharmaceutical	11/22/2010	\$56,000,000	\$4.00	\$5.04	26%
Anacor Pharmaceuticals	ANAC	Pharmaceutical	11/23/2010	\$60,000,000	\$5.00	\$7.72	54%
Inphi Corporation	IPHI	Semiconductors	11/11/2010	\$81,600,000	\$12.00	\$18.93	58%
QlikTech	QLIK	Software	7/15/2010	\$112,000,000	\$10.00	\$23.21	132%
IntraLinks Holdings	IL	Software	8/5/2010	\$143,000,000	\$13.00	\$20.24	56%
RealPage	RP	Software	8/11/2010	\$135,300,000	\$11.00	\$47.39	331%
SciQuest	SQI	Software	9/24/2010	\$57,000,000	\$9.50	\$13.43	41%
RigNet	RNET	Telecom	12/14/2010	\$60,000,000	\$12.00	\$13.75	15%
Total Venture Capital IPOs	23			<u>\$2,543,250,000</u>			

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Notes

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The information source used was the VentureDeal.com database and reputable online resources. VentureDeal is a venture capital database that provides the latest information about venture-backed technology companies, venture capital firms and transactions in the United States.

The database obtains transaction and company information from a wide variety of reputable public and private sources. While this report is free of charge, users may view the individual transactions supporting the totals herein by subscribing to VentureDeal.

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