



## Press Release

-FOR IMMEDIATE RELEASE-

### IVC's 2010 Exits Report - Summary

## Israeli high-tech M&As in 2010 down 20%

### 70% of Israeli high-tech IPOs raised on Tel Aviv Stock Exchange

Tel Aviv, March 15, 2011. The following summarizes exits of Israeli and Israel-related high-tech companies in merger & acquisition deals and initial public offerings in 2010. The data are based on information derived from IVC-Online Database, and developed by IVC Research Center, which for more than 14 years has been at the forefront of Israeli high-tech, venture capital and private equity research. Additional details about Israeli high-tech exits will be published in the IVC 2011 Yearbook due in April.

Exits involving Israeli and Israel-related high-tech companies in 2010 totaled \$2.2 billion. M&A deals involving Israeli and Israel-related companies that were acquired or merged were valued at \$2.04 billion, 20 percent below the \$2.56 billion of 2009 and 23 percent under the \$2.64 billion of 2008. At the same time only \$127 million were raised in 10 IPOs, though compared to \$22 million in a single IPO in 2009 and no IPOs in 2008, these numbers are an improvement (Chart 1).

Sixty-three Israeli companies were acquired or merged in 2010, a 22 percent decrease from the previous five-year average of 82 deals. The average deal size in 2010 fell 15 percent to \$32 million from 2009's \$37 million. VC-backed deals (26) totaled \$1.25 billion, a 19 percent decrease from \$1.54 billion (28) in 2009.

Three M&A deals exceeded \$200 million and two deals were in the \$100-\$200 million range. The top ten deals in 2010 amounted to \$1.4 billion, 69 percent of the total for the year. The leading M&A deals of 2010 were PMC Sierra's \$240 million acquisition of Wintegra; 3M's acquisition of Attenti, estimated at \$230 million; and Mellanox's \$218 million acquisition of Voltaire.

Koby Simana, IVC CEO, said, "Since IPOs have become difficult to achieve for most Israeli high-tech companies, particularly in foreign markets, companies and their investors are left with acquisition as the most viable exit alternative. This results in a 'buyer's market' which drives valuations down – as we can see by the decline in average deal size. Israeli companies and investors who can afford it," noted Simana, "do not rush for exits, opting simply to wait for better offers or a more hospitable IPO environment."

Throughout 2010 global IPO markets for technology companies were weak, and the Israeli IPO market was no different. Only 10 IPOs by Israeli high-tech companies were completed, raising \$127 million. Still this compares favorably to the \$22 million raised by one Israeli company in 2009 and no IPOs in 2008. Interestingly, 70 percent of Israeli high-

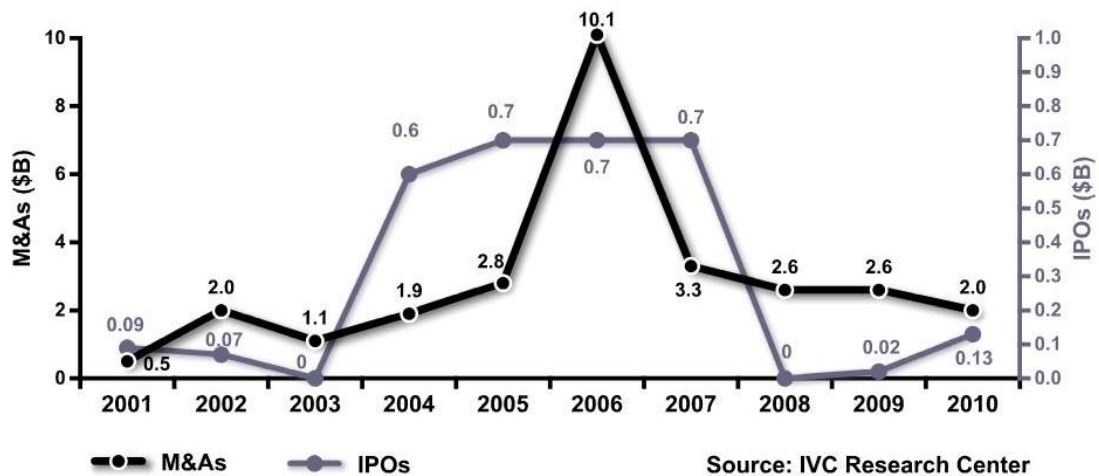
tech IPOs in 2010 (7 companies) were raised on the Tel-Aviv Stock Exchange by life science firms, which raised \$52 million.

The largest Israel-related IPO in 2010 was made by MediaMind, a provider of integrated digital advertising solutions, which raised \$62 million and now trades on Nasdaq. A \$2.4 million IPO was made on London's AIM by PeerTV, a developer of hardware and software solutions for the Internet-based TV market, while Vringo, a provider of video ringtones and personalization solutions for mobile devices, raised \$11 million in an NYSE Amex IPO.

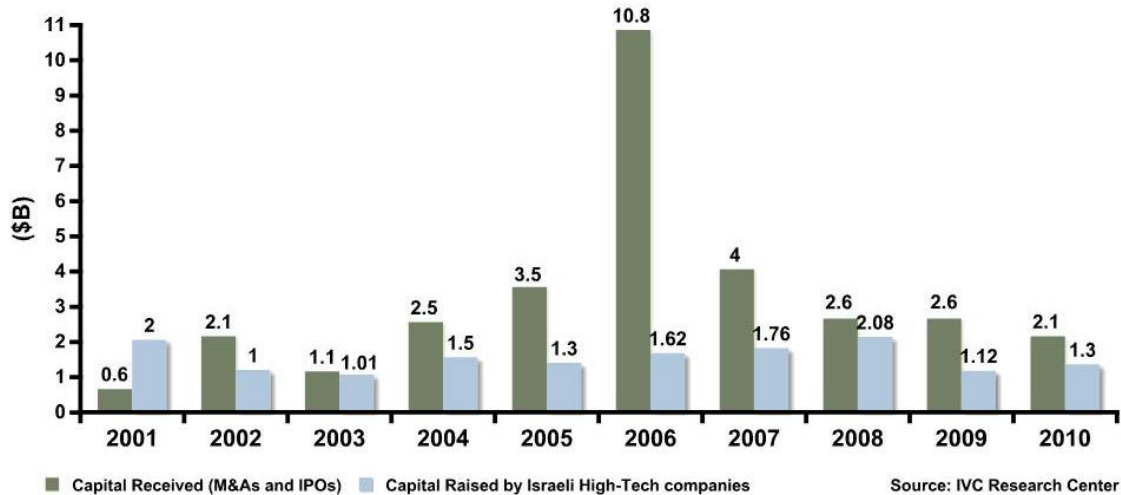
In the last decade, Israeli high-tech companies raised approximately \$15 billion from investors, compared to more than \$32 billion received in M&A or IPO exits (Chart 2).

Full information on M&As and public offerings can be found in the *IVC 2011 Yearbook The Israel High-Tech, Venture Capital & Private Equity Directory* to be published in April.

**Chart 1: M&As and IPOs of Israeli High-Tech Companies \$B (2001-2010)**



**Chart 2: Israeli High-Tech Companies: Capital Raised from Investors vs. Capital Received from M&As & IPOs (2001-2010)**



[IVC Research Center](http://www.ivc-online.com) is Israel's leading research center providing business leaders with an unmatched wealth of data on Israeli high-tech, venture capital and private equity industries. IVC products and services are used regularly by high-tech companies, venture capital funds, private investors, financial investors and institutions, as well as public entities such as the Office of the Prime Minister, the Central Bureau of Statistics, the Bank of Israel and the Office of the Chief Scientist.

IVC owns and operates the *IVC Online Database* ([www.ivc-online.com](http://www.ivc-online.com)) containing over 8,000 Israeli high-tech companies, venture capital funds, investment companies, angels and technology incubators, over 34,000 executives as well as news updates and lots more. Among IVC products and publications are the *IVC Quarterly Survey* which for over 14 years has been examining capital raising trends by Israeli high-tech companies, as well as the most comprehensive guide to Israeli high technology and venture capital – the [IVC 2011 Yearbook](#).

**For additional information, please visit: [www.ivc-online.com](http://www.ivc-online.com)**

Marianna Shapira, Research Manager, IVC +972-73-212-2339 [marianna@ivc-online.com](mailto:marianna@ivc-online.com)