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IVC's 2008 Exit Report - Summary

- **Israeli high-tech mergers and acquisitions valued at \$2.64 billion**
 - **Average acquisition falls to \$31 million**
 - **No IPOs were made by Israeli high-tech companies**

Tel Aviv, March 25, 2009. The following summarizes merger & acquisition activity of Israeli and Israel-related high-tech companies in 2008. The following data are based on information published in the IVC 2009 Yearbook by the [IVC Research Center](#), which for more than 13 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 available in the soon-to-be-published [IVC 2009 Yearbook](#) (due April).

2008 M&A activity involving Israeli high-tech companies that were either acquired or merged totaled \$2.64 billion in 84 deals. The number of deals approximated that of the two previous years (85 in 2007, 88 in 2006), while deal value decreased by 19 percent from that of 2007 and 74 percent from that of 2006. Average deal size fell more than 18 percent from \$38 million in 2007 to \$31 million in 2008.

M&As of Israeli VC-backed companies in 2008 totaled \$1.5 billion, down 22 percent from 2007 figures. The number of VC-backed M&A deals at 34 slightly edged ahead of 2007's 33 deals.

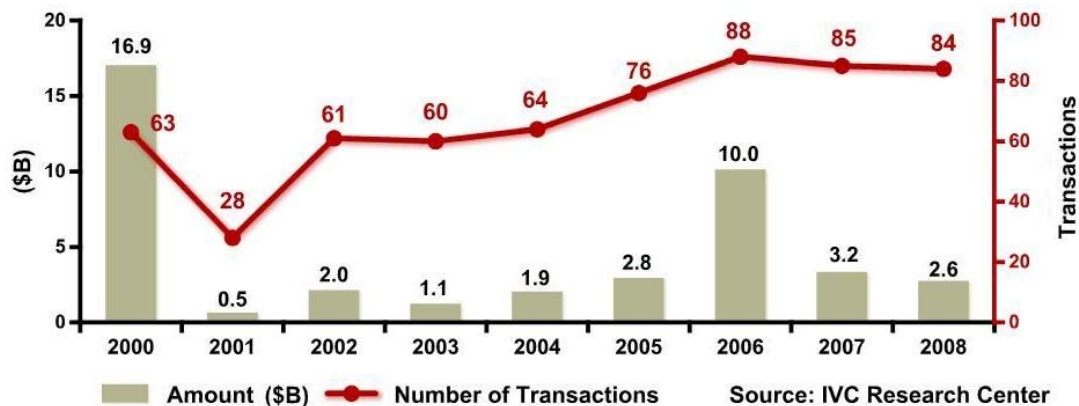
According to Koby Simana, IVC CEO, "Lower valuations present an opportunity to global technology leaders seeking innovative technologies at bargain prices. We forecast an active M&A market in Israel in 2009 as a result."

The two most noteworthy M&A deals of 2008 were both within the life sciences sector. Johnson & Johnson's Ethicon division acquired Omrix, a provider of bio-surgery and passive immunotherapy products, for \$438 million in cash. US medical device and services company St. Jude Medical acquired MediGuide, a firm focused on inter-body navigation and minimally invasive cardiology, for \$300 million.

Acquisitions of foreign companies by Israeli firms reached \$9.42 billion, with approximately 40 deals in 2008. Teva accounted for more than 87 percent of the total with its purchase of two US-based firms – Barr Pharmaceuticals and CoGenesys – and Bentley Pharmaceuticals of Spain. Information on acquisitions made by other Israeli high-tech companies can be found in the [IVC 2009 Yearbook](#) - the Israel High-Tech & Venture Capital Directory - to be published next month.

For the first time since 2003, no IPOs were made by Israeli high-tech companies during calendar year 2008, which reflected the problematic global technology IPO markets.

Mergers & Acquisitions of Israeli High-Tech Companies (2000-2008)



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