2014 IPO Study

Proskauer

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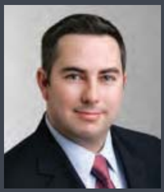

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Executive Summary

Overview

> Our study provides a comprehensive analysis of the 2013 US IPO market.

> We examined several key aspects of IPOs, including:

- The JOBS Act
- Financial profiles and accounting disclosures
- SEC comments and timing
- Corporate governance
- IPO expenses
- Deal structure
- Lock-ups
- Sponsor-backed companies

> We reviewed 100 of the 136 IPOs that priced in 2013 and met our study criteria.

Key Takeaways

> ***The JOBS Act*** - The JOBS Act continues to be an integral component to most IPOs today as 77 companies in our study qualified as EGCs. 68 (88%) of these EGCs elected to confidentially submit their first filing. Despite being required to provide only 2 years of audited and selected financials, the majority of the companies provided financial information for additional years.

> ***Financial Profiles and Accounting Disclosures*** - The financial profiles of the issuers varied greatly: 91% were revenue generating, while only 41% had positive net income and 46% reported a positive adjusted EBITDA. Of the 100 IPOs, 11% had a going concern opinion, 17% disclosed a material weakness and 9% had restated financials in the IPO prospectus.

> ***SEC Comments*** - The average number of total first round SEC comments was 42.

> ***Corporate Governance*** - For the 61 non-controlled companies, 58 (95%) had a majority of independent directors on their Boards at pricing. For the 39 controlled companies, only 10 (26%) had a majority of independent directors on their Boards at pricing. The 68 IPOs in our study with a majority of independent directors on their Boards outperformed in the aftermarket relative to the 32 IPOs that did not have a majority of independent directors on their Boards.

> ***IPO Expenses (excluding underwriting discount)*** - Companies spent $4.2 million, on average, for IPO expenses. On average, EGCs spent $3.7 million and non-EGCs spent $5.9 million.

> ***Deal Structure*** - The 15 IPOs in which management sold in the IPO outperformed in the aftermarket relative to those in which management did not sell. Insiders purchasing in the IPO did not hinder the longer term aftermarket performance of these IPOs.

> ***Lock-ups*** - On average, 99.2% of the shares were locked up. 40% of the IPOs required all bookrunners to release the lock-up, while 39% required a subset of bookrunners and 21% required only the lead left bookrunner.

> ***Sponsor-backed companies*** - 17 sponsor-backed companies paid termination or management fees to the sponsor group from IPO proceeds. The fee ranged from $3.3 million to $79.9 million. The sponsor had invested in the company at least 2 years prior to the IPO in 15 of 17 (88%) of these IPOs and at least 4 years prior to the IPO in 11 of 17 (65%).

Executive Summary

Industry Specific

- ***Sector Activity*** - Our detailed industry analysis focuses on health care, TMT, consumer/retail, financial services and industrials. Health care, particularly biotech/biopharm, and TMT IPOs dominated the 2013 market and we saw significant IPO activity for companies based in California, followed by Massachusetts and New York.
- ***The JOBS Act*** - Consumer/retail and financial services companies tended to provide more financial information than the broader group of IPOs in our study. Compared to the other industries, health care companies most frequently used testing-the-waters communications and provided only the 2 years of audited financials required for EGCs.
- ***Financial Profiles and Accounting Disclosures*** - Industrials IPOs were more mature operating companies and 9 of 10 (90%) of the industrial IPOs had positive EBITDA and/or adjusted EBITDA. 10 of 11 (91%) of the companies that received a going concern opinion were health care companies.
- ***SEC Comments*** - Financial services and health care IPOs tied for the lowest average number of total first round SEC comments (36 comments) and consumer/retail and industrials IPOs tied for the highest average number (51 comments). TMT had the highest percentage of IPOs that received an SEC comment on cheap stock as well as revenue recognition, while industrials had the highest percentage with an SEC comment on segment reporting.
- ***Corporate Governance*** - The majority of consumer/retail, financial services and industrials IPOs were eligible for and elected to take advantage of the controlled company exemption. Multiple classes of common stock were most common in financial services IPOs.
- ***IPO Expenses (excluding underwriting discount)*** - On a sector basis, health care had the lowest average for total IPO expenses ($3.3 million) and consumer/retail had the highest average ($5.9 million).
- ***Deal Structure*** - We identified interesting distinctions in deal structure among the different sectors. For example, TMT had 6 IPOs with management sales, which was the highest number among the sectors and 40% of the 15 IPOs with management sales in our overall study. 19 of 21 (90%) of the IPOs with insiders purchasing in the IPO were in health care. In financial services, consumer/retail and industrials, 50% or more of the IPOs included a directed share program.
- ***Lock-ups*** - Most IPOs required all or a subset of bookrunners to release the lock-up. For IPOs that required only the lead left bookrunner to release the lock-up, the results varied by industry: health care: 5 of 31 deals (16%), TMT: 6 of 29 deals (21%), consumer/retail: 2 of 14 deals (14%), financial services: 4 of 11 deals (36%) and industrials: 2 of 10 deals (20%).
- ***Sponsor-backed companies*** - We did not identify material differences in our study between sponsor-backed companies (57% of the IPOs in our study) and companies without sponsors. Sponsor-backed companies were most common in consumer/retail (12 of 14 companies (86%)) and industrials (8 of 10 companies (80%)). Termination or management fees were paid in connection with the IPO in industrials (6 IPOs), consumer/retail (5 IPOs), TMT (4 IPOs) and health care (2 IPOs).

Overview

Methodology

Population

> In our study, we examined 100 IPOs that priced during 2013.

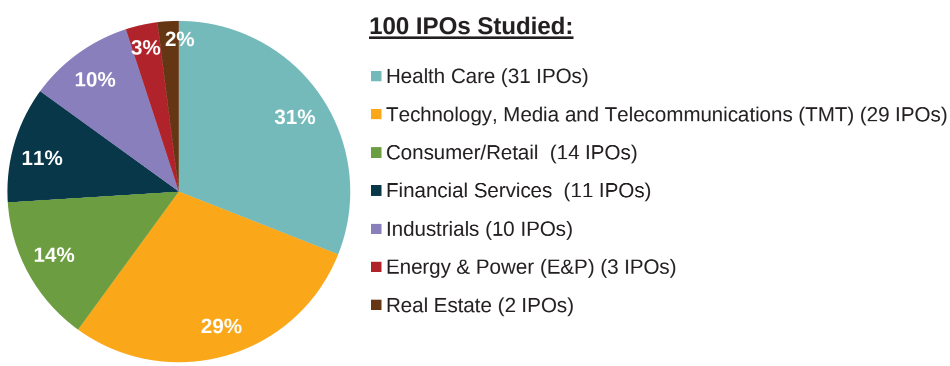
> The criteria for inclusion in our study included:

- C corporations.
- Headquartered in the United States (U.S.).
- Listed on a U.S. exchange.
- Minimum deal size of $50 million in first public filing.

> A total of 136 IPOs that priced in 2013 met this criteria and there were 227 total 2013 IPOs priced by U.S. companies and listed on a U.S. exchange.

> Many REITs and MLPs completed IPOs in 2013; however, these companies were excluded from our study as non-C corporations.*

Industry Sectors Represented



> The number of IPOs studied per industry sector is proportional to the industry composition for all 2013 IPOs fitting our criteria.

> Given the small number of E&P and real estate C Corp IPOs, the detailed industry analysis throughout our study does not cover these sectors.

* Our study also excludes BDCs and trusts

Methodology

Sources and Analysis

- Data compiled from publicly available (i) registration statements on Form S-1 and final prospectuses, (ii) SEC comment letters* and (iii) underwriting agreements.
- Financial information was based on results from the issuer's most recent fiscal year as disclosed in the relevant prospectus.
- Market, industry and performance information was sourced from Dealogic.
- Financial sponsors and industry sector breakout were determined using Dealogic methodology.
- Average offer is the average percentage change from the offering price to the closing price on 1 day, 30 days, 90 days, or 180 days after the initial trading date.
- Numbers and percentages have been rounded to the nearest whole number.
- References to shared locked up refers to shares owned prior to the IPO.
- All data was compiled, review and analyzed by Proskauer capital markets attorneys, a CFA charterholder and an analyst.

* SEC comment letters were not available for 2 IPOs in our study. Except for purposes of the testing–the–waters analysis, review of SEC comment letters included only the first round SEC comment letter.

2013 Market Analysis: Improved IPO Market

Overview

> In 2013, there were 136 C corporation IPOs that priced with an initial filing size of $50 million or more, for an aggregate deal value of $41 billion. This represented:

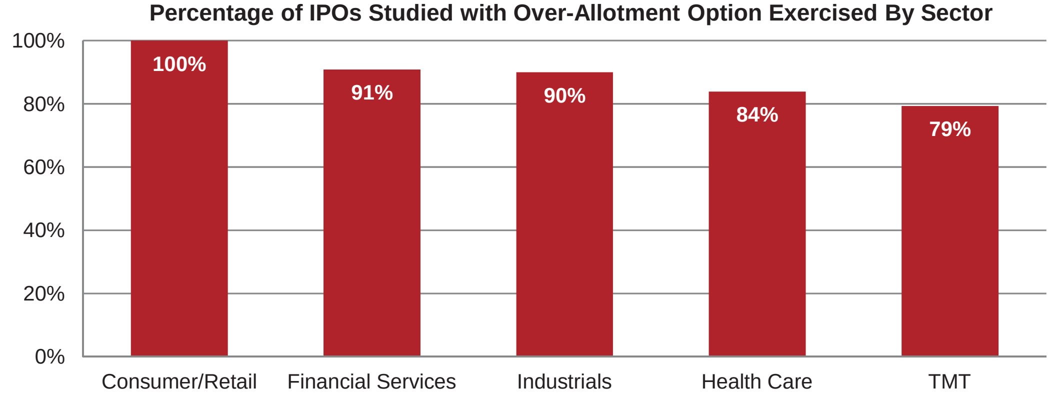
- The largest deal number since 2007 and the greatest aggregate deal value since 2000.
- A 52.8% and 18.7% increase in deal number and size, respectively, compared to 2012.

Deal Execution & Over-Allotment

> In 2013, the majority of IPOs priced above or within the range. In our study, 37% priced above the range, 42% in the range and 21% below the range.

> In our study, the over-allotment option was exercised in 83% of the IPOs.

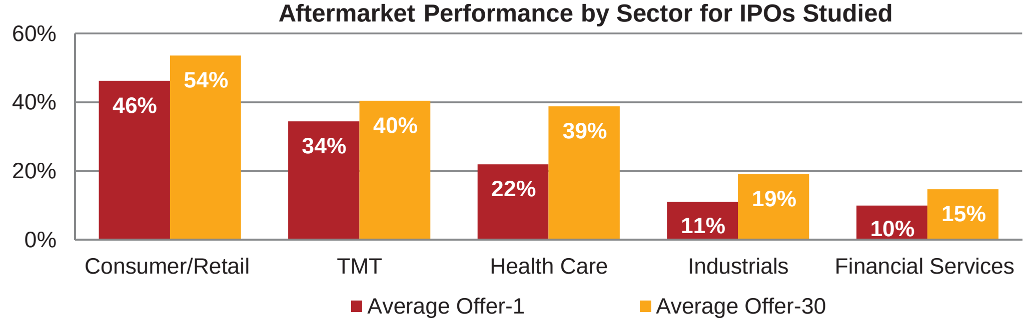
Percentage of IPOs Studied with Over-Allotment Option Exercised By Sector



Aftermarket Performance

> Overall, 2013 IPOs performed strongly in the aftermarket with an average 1 day return of 26.3% (compared to 17.6% in 2012) and an average 30 day return of 35.8% (compared to 21.5% in 2012).

Aftermarket Performance by Sector for IPOs Studied



Note: Includes market data available since IPO pricing as of 3.31.14

Geographic & Sector Analysis

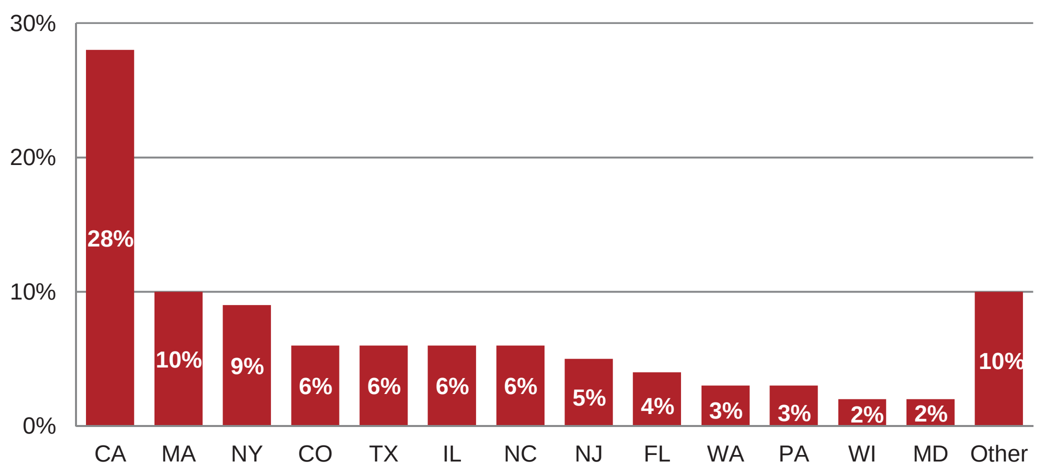
Overview

- The 2013 U.S. IPO market boomed across geographies and industries. In our study, companies with headquarters in twenty-three different states completed IPOs. All of the seven major industry sectors were represented in the IPO market.
- While the IPO market was diverse across sectors, health care and TMT IPOs were dominant, representing 31% and 29% of the deals, respectively.
  - A resurgence of biotechnology IPOs was the driving force behind the strength of the health care IPO market.

Geographic and Sector Analysis

- California reported the highest percentage of IPOs, followed by Massachusetts and New York.
- The California IPO market was dominated by TMT and health care companies, together representing 21 of 28 (75%) of the California IPOs.
- In Massachusetts, health care companies represented 9 of the 10 Massachusetts IPOs.
- The New York IPO market was more diverse with consumer/retail, financial services, TMT and health care representing 3, 3, 2 and 1 of the 9 New York IPOs, respectively.

% of IPOs Studied by State



- Note: other includes states representing <1% of IPOs (VA, SC, MI, NE, ID, IN, AZ, KS & GA)

JOBS Act: Overview

Overview

- The Jumpstart Our Business Startups Act (JOBS Act) became effective April 5, 2012.
  - The law creates a new class of issuer called Emerging Growth Companies (EGCs), and provides flexibility for EGCs pursuing IPOs.

Emerging Growth Companies

- EGCs are issuers with less than $1 billion of annual gross revenue during their most recent completed fiscal year.
  - An issuer that is an EGC will remain an EGC until the earliest of:
    - The last day of the fiscal year 5 years after its IPO;
    - The last day of the fiscal year in which it has gross revenues of $1 billion or more;
    - The date it has issued more than $1 billion in non-convertible debt during a 3-year period; or
    - The date it becomes a "large accelerated filer" (generally a company with a public float of at least $700 million that has been publicly reporting for at least 1 year).

Benefits for EGCs

- Under the JOBS Act, there are many accommodations for EGCs, including:
  - Confidential SEC submission and review of IPO registration statement;
  - Testing-the-waters communications;
  - Scaled disclosure requirement including reduced financial disclosure and MD&A, reduced executive compensation disclosures and exemption from certain Dodd-Frank corporate governance requirements;
  - Relief from executive compensation-related shareholder votes and ongoing reporting requirements;
  - Transition period for compliance with new or revised public company accounting standards;* and
  - Exemption from Section 404(b) of the Sarbanes-Oxley Act.

* Substantially all EGCs opt-out of this provision. Election to opt-out is irrevocable.

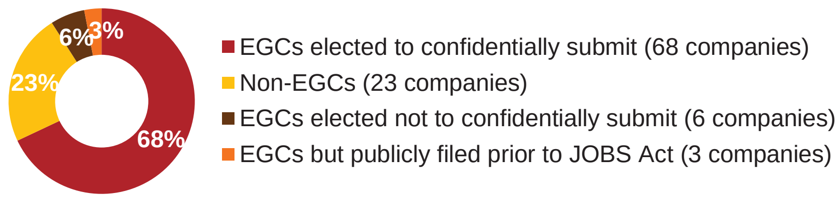
JOBS Act: Confidential Submission & Financials

Confidential Submission

> 77 companies in our study were EGCs.

> 68 of 77 (88%) of the EGCs elected to confidentially submit their first filing under the JOBS Act.

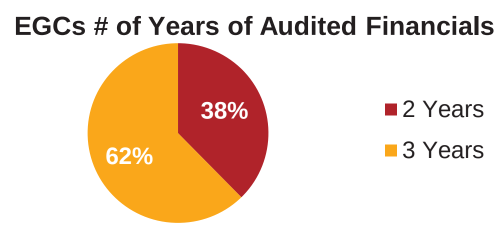
- Of the 9 EGCs that did not confidentially submit, 3 EGCs initially publicly filed prior to the effective date of the JOBS Act.



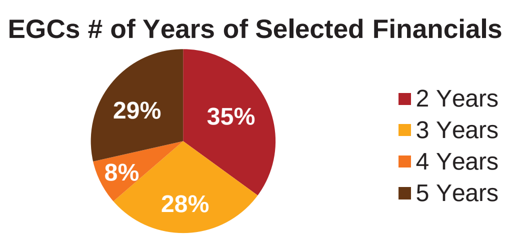
Years of Financials

> For EGCs, only 2 years of audited and selected financials are required.

> 48 of 77 (62%) of the EGCs chose to provide 3 years of audited financials.



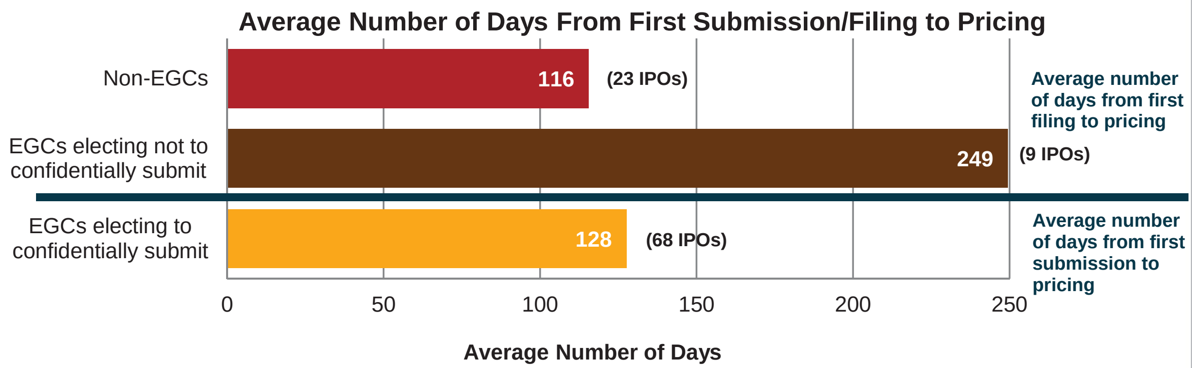
> 27 of 77 (35%) of the EGCs provided 2 years of selected financials, 22 (28%) provided 3 years, 6 (8%) provided 4 years and 22 (29%) provided 5 years.



JOBS Act: Timeline to IPO

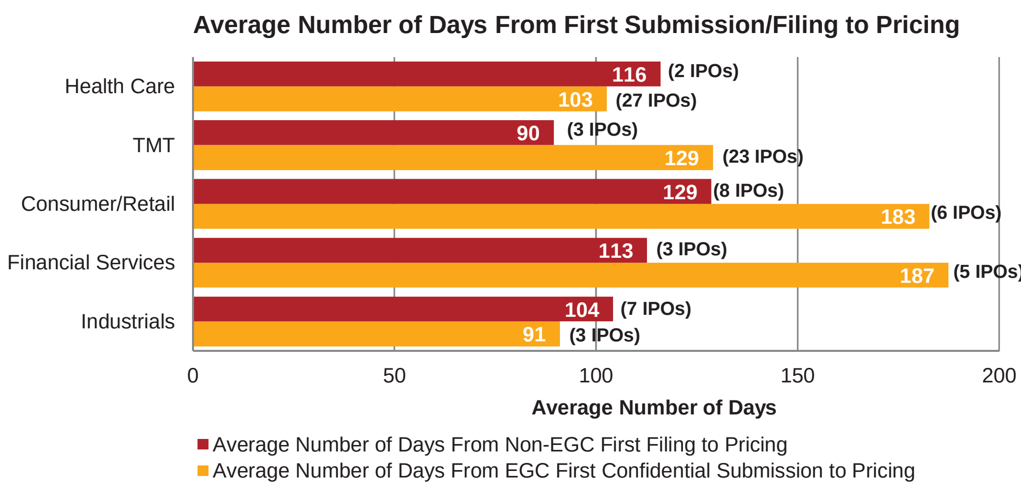
Timeline to IPO*

- > On average, companies that were non-EGCs had a shorter timeline from first SEC filing to IPO pricing compared to the timeline for EGCs from first confidential submission to pricing and the timeline to pricing for EGCs that elected not to confidentially submit.
- > On average, EGCs made their first public filing 50 days after their first confidential submission.



Industry Specific Timeline to IPO*

- > In the TMT, consumer/retail and financial services sectors, IPOs that initially publicly filed reached the market faster than EGCs that confidentially submitted.

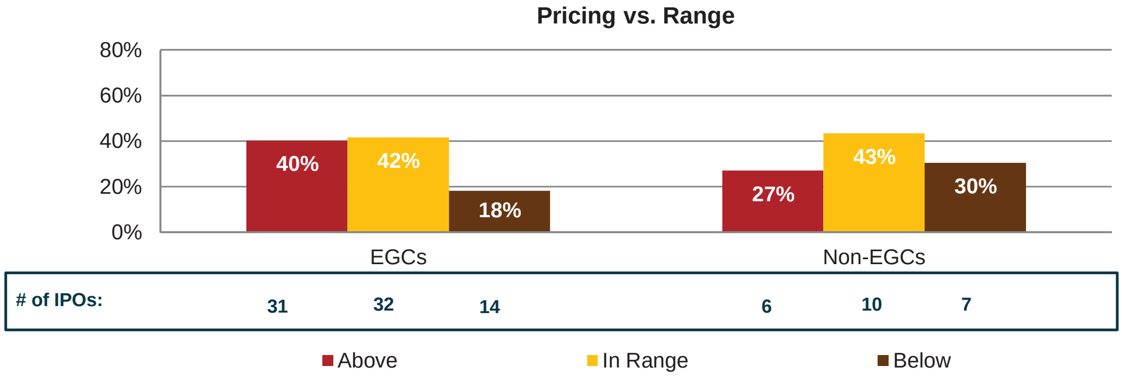


* Excludes 6 deals with time from filing to pricing of greater than 18 months

JOBS Act: Pricing vs. Range & Testing-the-Waters

EGCs vs. Non-EGCs

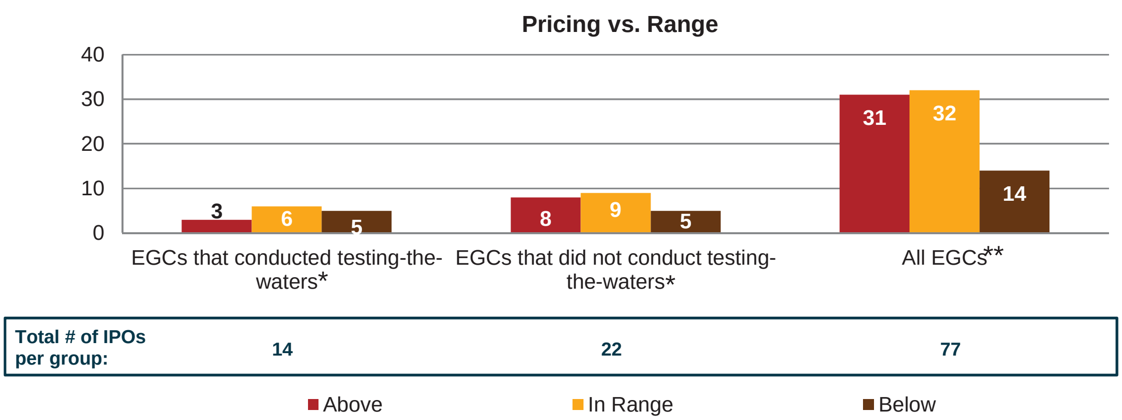
> EGCs had better pricing results overall than non-EGCs.



Testing-the-Waters

> 14 EGCs confirmed using testing-the-waters communications in their SEC response letters: 10 health care, 2 TMT, 1 financial services and 1 E&P.*

> A closer examination of the available data shows that EGCs that used testing-the-waters communications priced similarly to those that did not use testing-the-waters.



* Based on publicly available SEC comment and response letters
** Company response letters addressing testing–the–waters comment not available for 31 EGCs

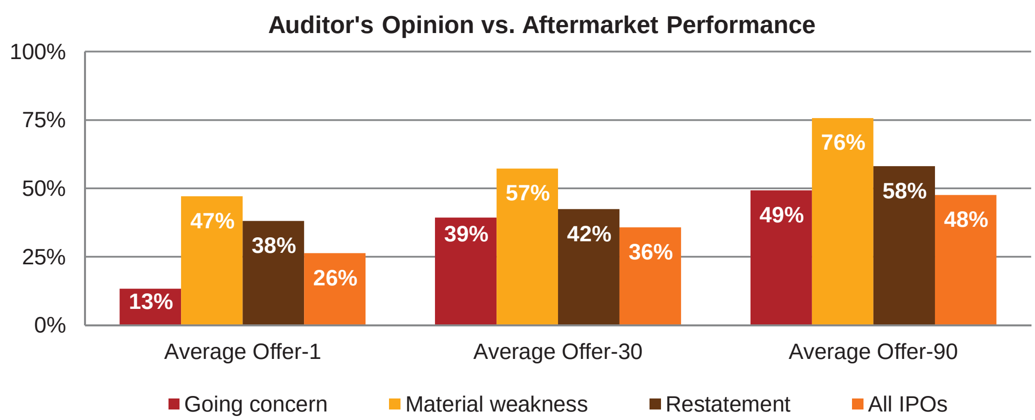
Auditor’s Opinion & Internal Controls

Overview

- The independent auditor’s opinion and disclosure around internal controls are important parts of the company’s prospectus.
- Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers collectively audited 93% of the IPOs in our study.
- Other auditors included BDO, Grant Thornton and McGladrey.

Analysis

- Of the 100 IPOs:
  - 11% had a going concern opinion.
  - 17% disclosed a material weakness in internal control over financial reporting.
  - 9% had restated financials.
- These accounting disclosures were more common in health care and TMT companies.
  - 10 of 11 (91%) of the companies that received a going concern opinion were health care companies, and 9 of the 10 (90%) were biotech/biopharm.
  - TMT companies had the highest number of restatements with 4 of 9 (44%) of the restatements.



Note: Includes market data available since IPO pricing as of 3.31.14

Flash Results

Flash Results

> 36 IPOs priced within 15 to 45 days after the end of fiscal Q1, Q2 or Q3.

- 24 of 36 (67%) of these deals showed flash results or included full quarterly financials for the quarter not yet required to be included.
  - 18 of 24 (75%) showed flash results.
  - 6 of 24 (25%) showed full financials.

- 12 of 36 (33%) of these deals did not show flash results or full financials for the quarter not yet required to be included.
  - 8 of 12 (67%) of these deals were biotech/biopharm companies and 7 of 8 (88%) of these deals were by companies with revenue of $25 million or less in its most recent fiscal year.
  - The remaining 4 deals (33%) commenced their roadshow within the first two weeks of the new quarter.

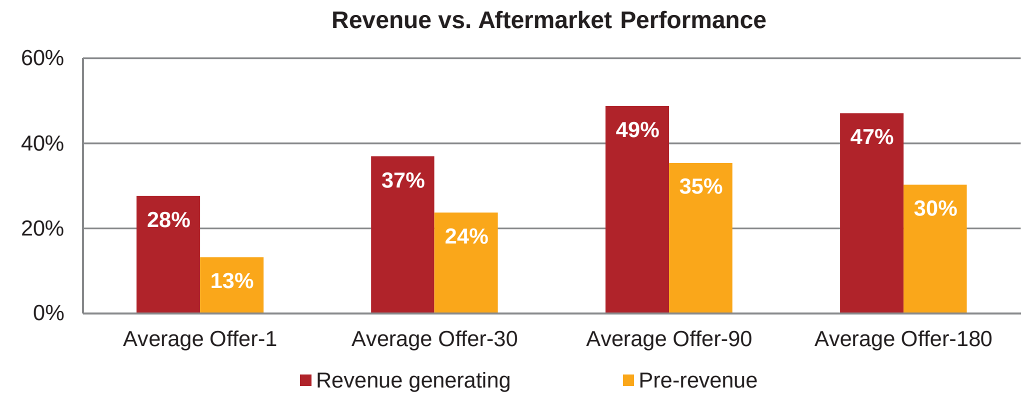
Revenue & Net Income

Overview

- Each company's financial profile is significant to the market's evaluation of the IPO.
- In addition to Generally Accepted Accounting Principles (GAAP) measures, such as net income, many companies use non-GAAP measures, such as EBITDA and adjusted EBITDA.

Revenue

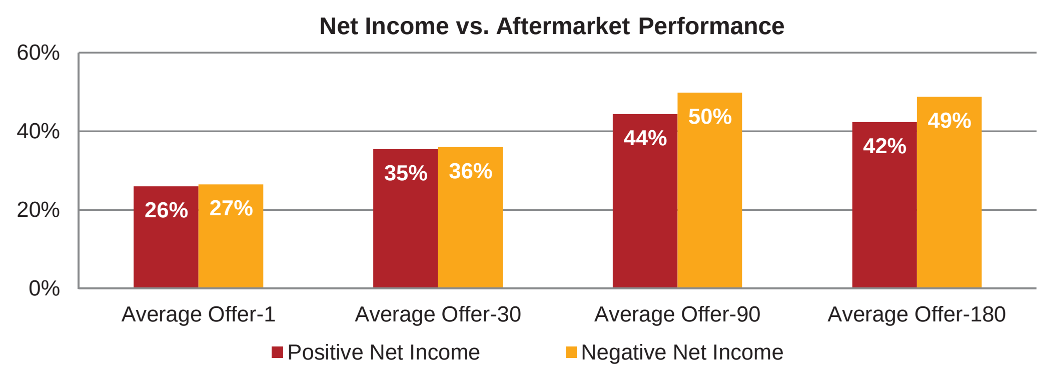
- Only 9% of the companies were pre-revenue. Market performance data indicates that these pre-revenue companies underperformed in the aftermarket compared to the revenue generating companies.



- Of these 9 pre-revenue companies, 4 were health care, 2 were TMT, 2 were financial services and 1 was real estate.

Net Income

- 41% of the companies had a positive net income.
- Companies with a positive net income versus those with a negative net income did not have a materially different aftermarket performance.



Note: Includes market data available since IPO pricing as of 3.31.14

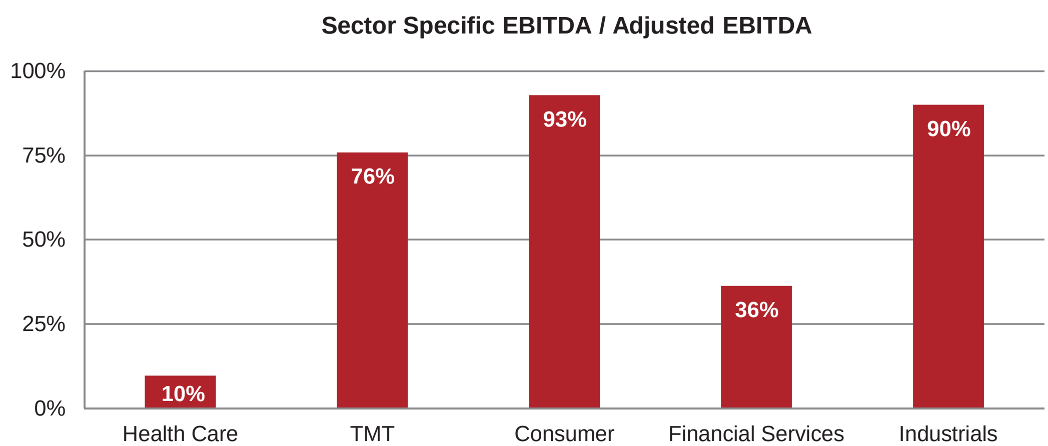
EBITDA/Adjusted EBITDA

EBITDA/ Adjusted EBITDA

- Frequently used non-GAAP measures included EBITDA and adjusted EBITDA.
  - 55 companies disclosed adjusted EBITDA.
    - 46 of 55 (84%) reported a positive adjusted EBITDA.
      - 29 of 46 (63%) also had a positive net income.
    - 9 of 55 (16%) reported a negative adjusted EBITDA.
      - All 9 had a negative net income.
  - 1 company disclosed EBITDA only.
  - 44 companies did not disclose EBITDA or adjusted EBITDA.
    - These companies included 28 health care, 7 TMT, 7 financial services, 1 consumer/retail and 1 industrials.

Industry Specific EBITDA/ Adjusted EBITDA

- The percentage of IPOs in each industry that disclosed EBITDA and/or adjusted EBITDA in the IPO prospectus varied across industries.

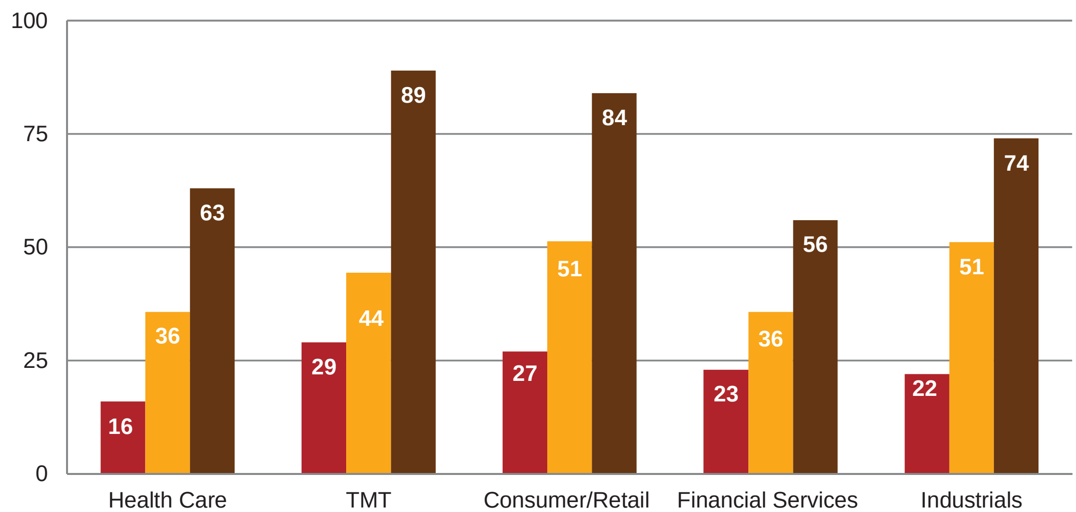


SEC Comments: Total Comments

Total Comments

> Health care and financial services IPOs had the lowest average number of total first round SEC comments, while consumer/retail and industrials IPOs had the highest average number.

Number of Total First Round SEC Comments Per Industry



# of IPOs per industry:	31	29	14	11	10

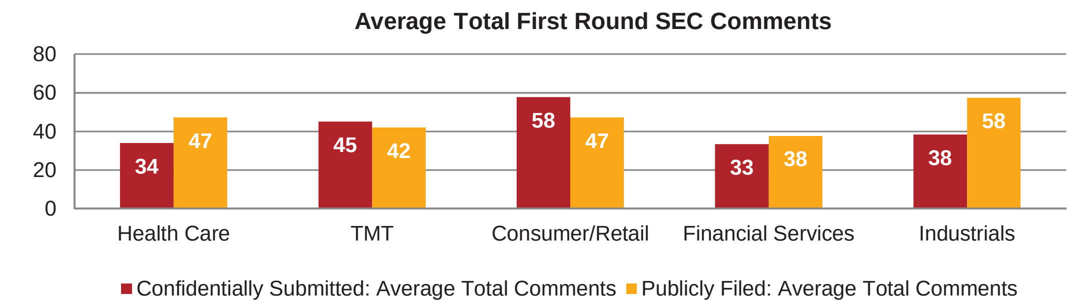
Minimum Average Maximum

Note: Excludes E&P and real estate due to the small number of these IPOs in our study

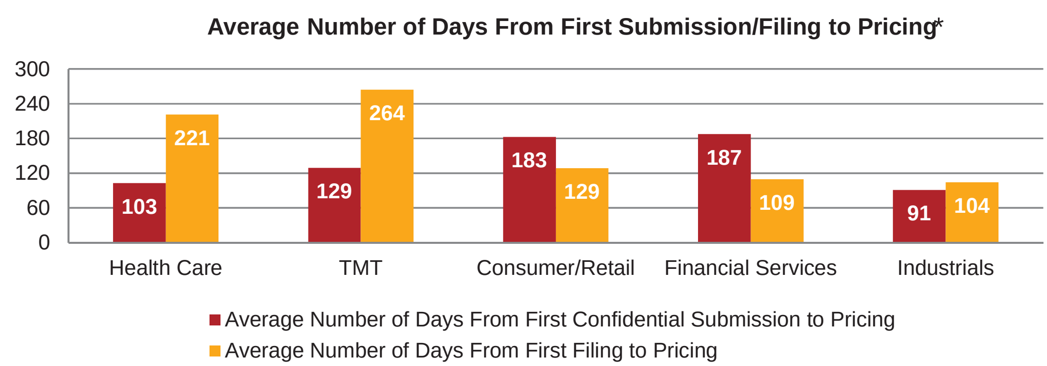
SEC Comments: Timing

SEC Timing

> Whether confidentially submitted IPOs by EGCs received more total first round SEC comments than IPOs that initially publicly filed varied by industry.



> The average time from first filing to pricing also varied across industries for EGC confidentially submitted IPOs versus IPOs that initially publicly filed.



*Excludes deals with time from filing to pricing of greater than 18 months

SEC Comments: Closer Examination

Overview

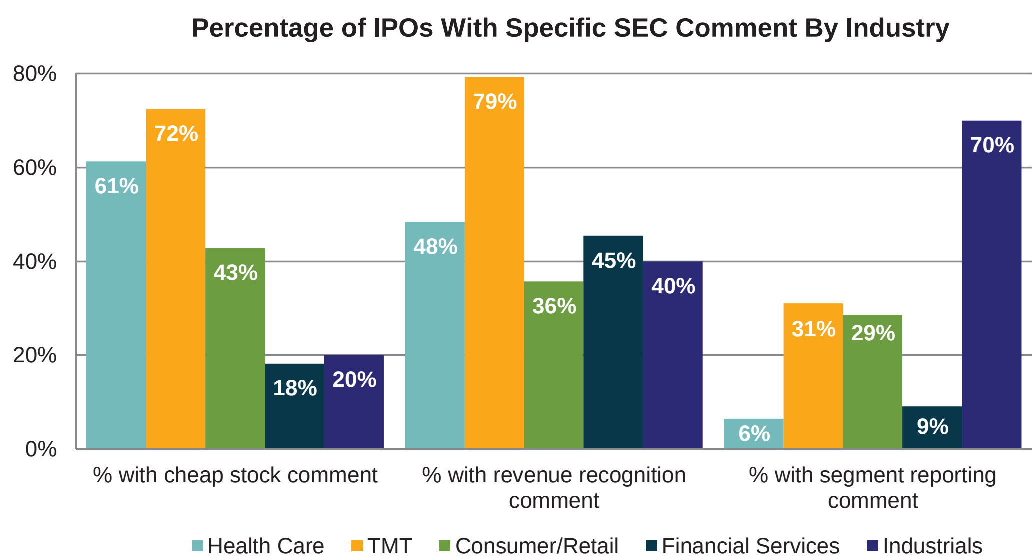
> The SEC frequently issues comments on cheap stock, revenue recognition and segment reporting.

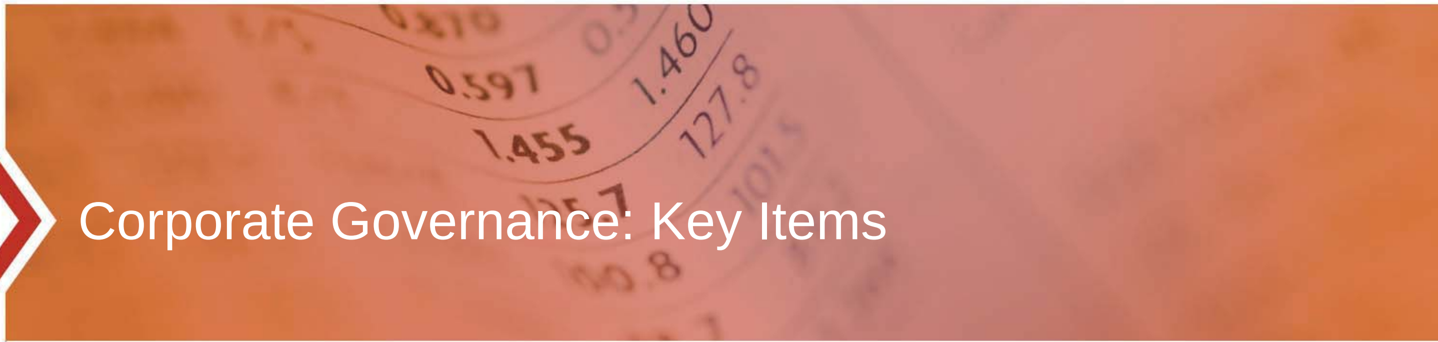
Industry Analysis

> A closer examination of these comment areas showed:

- 51% of the IPOs received a cheap stock comment.
- 53% of the IPOs received a revenue recognition comment.
- 23% of the IPOs received a segment reporting comment.

> However, these comments were more prevalent in certain industries than in others.



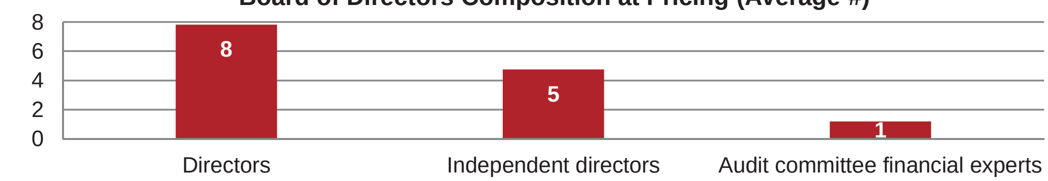


Corporate Governance: Key Items

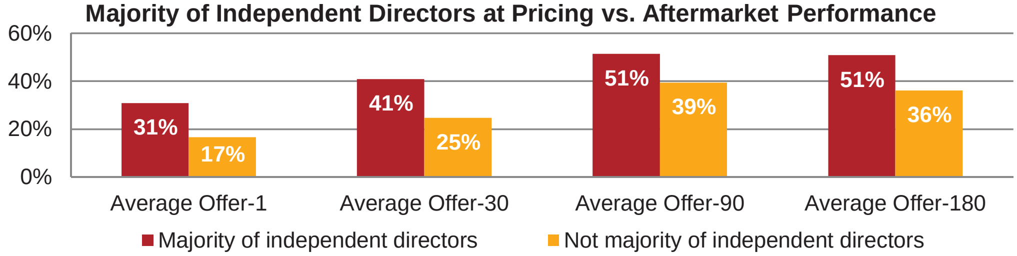
Board of Directors

> 68% of the companies had a majority of independent directors on their Boards at pricing.

Board of Directors Composition at Pricing (Average #)



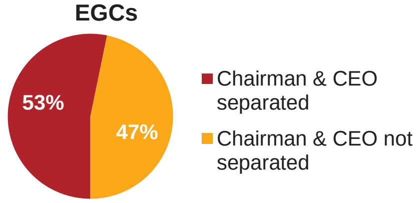
Majority of Independent Directors at Pricing vs. Aftermarket Performance



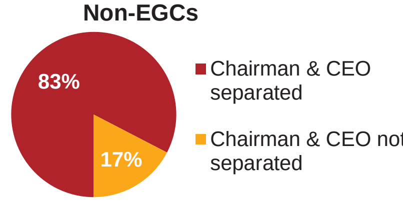
Separation of Chairman & CEO

> More non-EGCs than EGCs separated their Chairman and CEO.

EGCs



Non-EGCs

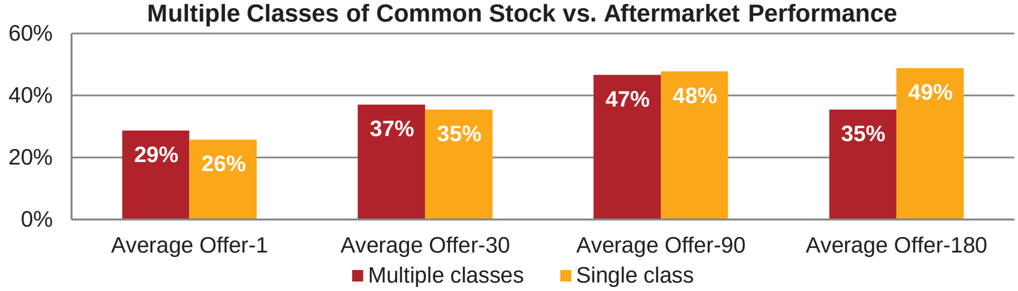


Classes of Common Stock

> 19 of 100 (19%) of the IPOs studied had multiple classes of common stock.
- 12 of 19 (63%) of these companies with multiple classes of common stock were controlled companies.

> Companies with a single class of common stock versus those with multiple classes did not have materially different performance.

Multiple Classes of Common Stock vs. Aftermarket Performance

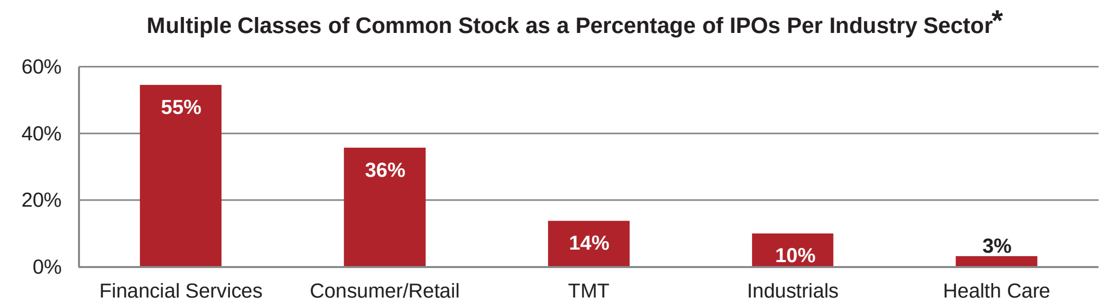


Note: Includes market data available since IPO pricing as of 3.31.14

Corporate Governance: Multiple Classes of Common Stock - Closer Examination

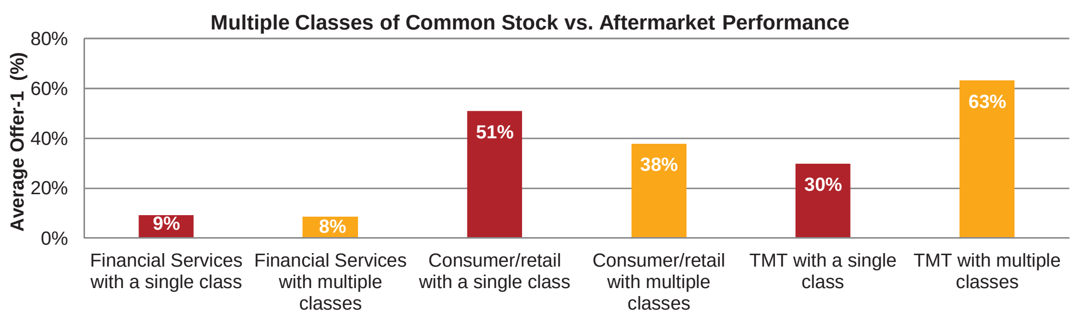
Industry Basis

> The 19 IPOs with multiple classes of common stock included 6 financial services, 5 consumer/retail, 4 TMT, 1 health care, 1 industrials, 1 real estate and 1 E&P.



# of IPOs per industry with multiple classes:	**6**	**5**	**4**	**1**	**1**

Industry Specific Aftermarket Performance



# of IPOs per group:	**5**	**6**	**9**	**5**	**25**	**4**

Note: Includes market data available since IPO pricing as of 3.31.14
* Excludes real estate and E&P

Corporate Governance: Controlled Company Exemption *

Overview

> 39 of the IPOs were eligible for the controlled company exemption and 35 of 39 (90%) of these eligible IPOs elected to take advantage of the exemption.

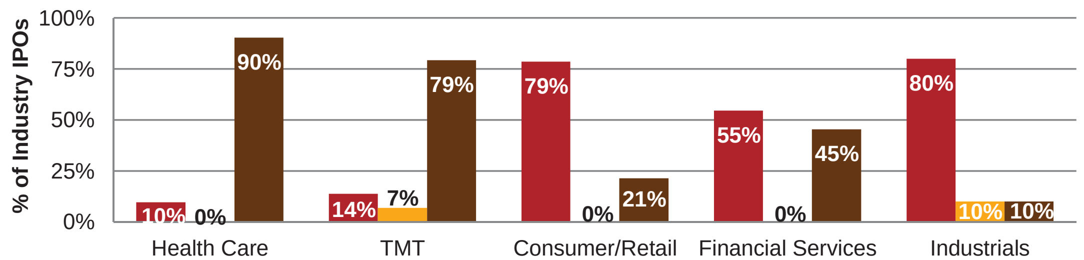
- 27 of 39 (69%) of the controlled companies were sponsor-backed.
- 12 of 39 (31%) had multiple classes of common stock.
- 10 of 39 (26%) had a majority of independent directors on their Boards at pricing, despite being exempt from this corporate governance requirement.

Eligibility & Election of Controlled Company Exemption

Controlled Company Exemption By Industry

> Most health care and TMT issuers were not eligible for the controlled company exemption, while a majority of consumer/retail, financial services and industrials issuers were eligible.

Controlled Company Eligibility and Election by Industry



	Health Care			TMT			Consumer/Retail			Financial Services			Industrials		
# of IPOs per group:	3	0	28	4	2	23	11	0	3	6	0	5	8	1	1

* The listing standards of the NYSE and NASDAQ exempt controlled companies from certain corporate governance requirements, including the requirements for a majority of independent directors on the Board within one year of IPO pricing and to have nominating and compensation committees. A controlled company is a company in which more than 50% of the voting power for election of directors is held by an individual, a group or another company.

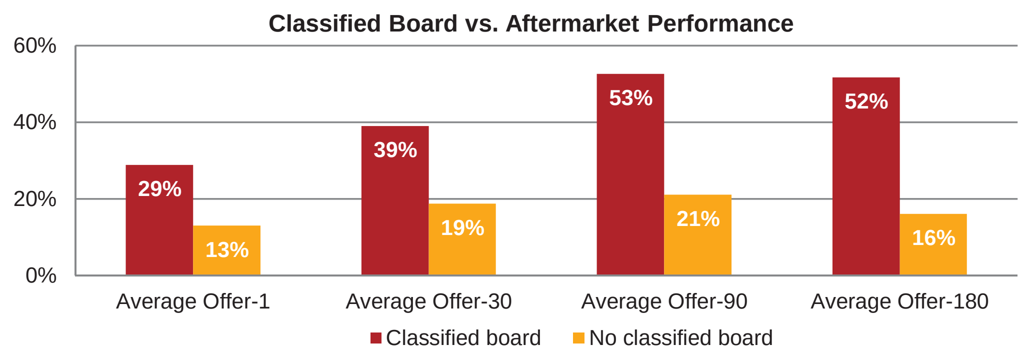
Corporate Governance: Anti-Takeover Defenses

Overview

> Possible anti-takeover defenses include:
- Classified board
- Blank check preferred authorization
- Prohibitions on shareholder action by written consent
- Supermajority voting for certain actions
- Shareholders not permitted to call special meetings
- Advance notice for shareholders' meetings
- Section 203 of the DGCL*
- Poison pill**

Analysis

> 84% of the companies had a classified board and outperformed in the aftermarket compared to the companies that did not have a classified board.



> 100% of the companies provided their Boards with blank check preferred authorization.

> The majority of companies did not permit shareholders to call special meetings, prohibited shareholder action by written consent, required supermajority voting for certain actions and required advanced notice for a shareholders' meeting.
- Some companies with significant sponsor stakes included triggers, frequently an ownership threshold, for many of these provisions.

> In addition, the majority of companies did not opt-out of DGCL 203.*

> None of the companies had a poison pill provision.**

Note: Includes market data available since IPO pricing as of 3.31.14.
* Generally, Section 203 under the Delaware General Corporation Law prohibits publicly-held companies from engaging in a business combination with a shareholder holding 15% or more of its common stock for a period of three years after the 15% threshold is reached without board approval.
** Poison pill is a shareholder rights plan that allows current shareholders to purchase additional shares at a discounted price in order to counteract a potential takeover bid if another shareholder purchases a certain percentage of the company's shares.

IPO Expenses

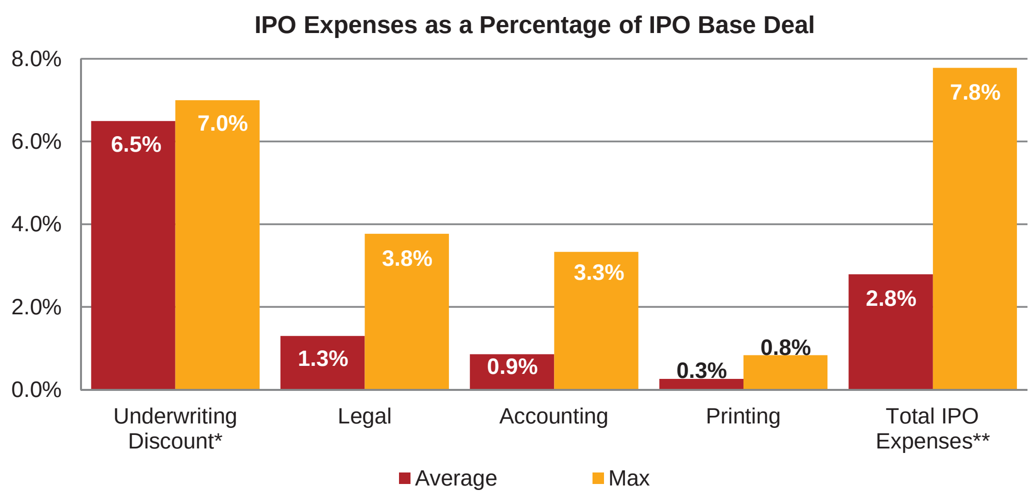
IPO Expenses

> The underwriting discount and total IPO expenses are summarized below. Total IPO expenses varied across IPOs.

Fee Category:	Minimum:	Average:	Maximum:
Underwriting Discount*	$2,2520,000	$15,512,548	$85,289,452
Total IPO Expenses**	$1,762,849	$4,213,072	$14,000,000

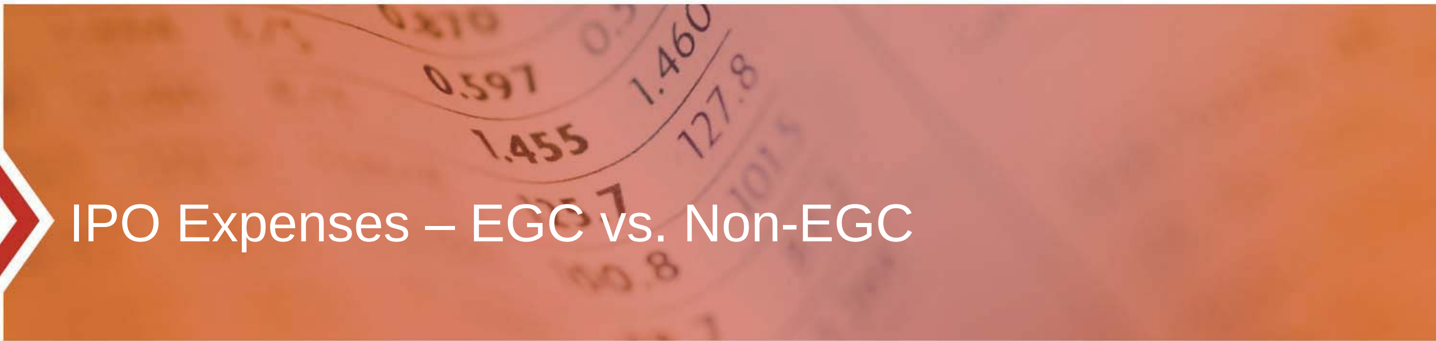
> The key components of the IPO expenses are legal, accounting and printing fees:

Fee Category:	Minimum:	Average:	Maximum:
Legal	$650,000	$1,949,767	$7,000,000
Accounting	$252,500	$1,239,513	$4,950,000
Printing	$100,000	$408,859	$1,300,000



> 19 of 100 (19%) of the IPOs studied disclosed an IPO advisor in their IPO prospectuses. On average, the total IPO advisor fee disclosed, including the base fee and any incentive fee, was $744,474 and this fee is typically taken out of the underwriting discount.

Note: Excludes 1 IPO with incomplete expense information
* Underwriting discount is the percentage of the gross proceeds of the IPO that is paid as compensation to the underwriters
** Total IPO expenses excludes the underwriting discount



IPO Expenses – EGC vs. Non-EGC

EGC

> The underwriting discount and total IPO expenses for EGCs are summarized below:

Fee Category:	Minimum:	Average:	Maximum:
Underwriting Discount*	$2,2520,000	$10,438,438	$70,735,500
Total IPO Expenses**	$1,762,849	$3,702,136	$14,000,000

> The key components of the IPO expenses are legal, accounting and printing fees:

Fee Category:	Minimum:	Average:	Maximum:
Legal	$650,000	$1,710,725	$7,000,000
Accounting	$252,500	$1,119,538	$4,950,000
Printing	$100,000	$331,760	$1,250,000

Non-EGC

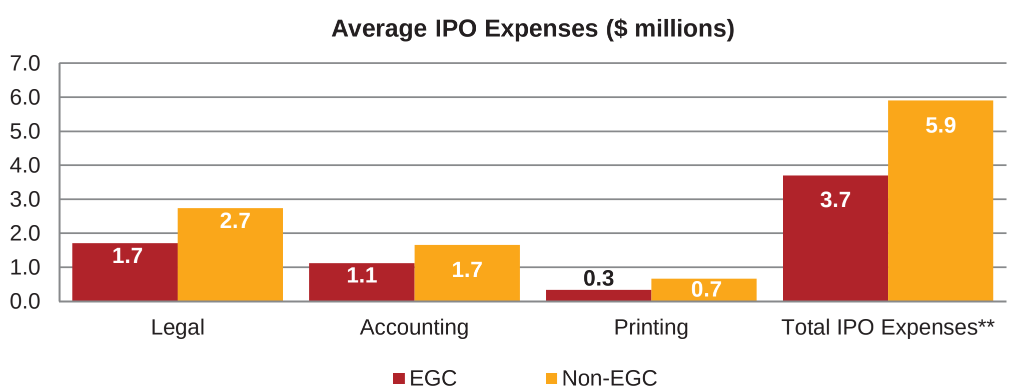
> The underwriting discount and total IPO expenses for non-EGCs are summarized below:

Fee Category:	Minimum:	Average:	Maximum:
Underwriting Discount*	$5,390,000	$32,279,175	$85,289,452
Total IPO Expenses**	$2,000,000	$5,901,380	$12,000,000

> The key components of the IPO expenses are legal, accounting and printing fees:

Fee Category:	Minimum:	Average:	Maximum:
Legal	$875,000	$2,739,645	$6,901,854
Accounting	$400,000	$1,653,973	$4,000,000
Printing	$220,000	$663,619	$1,300,000

EGC vs. Non-EGC



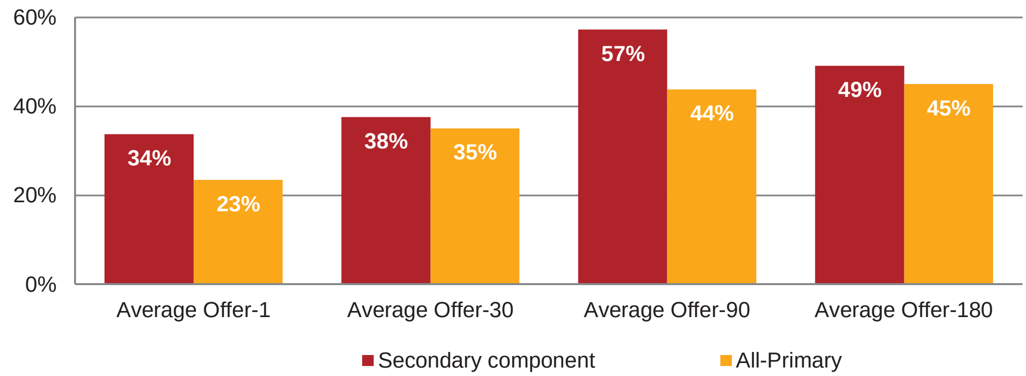
Note: Excludes 1 IPO with incomplete expense information
* Underwriting discount is the percentage of the gross proceeds of the IPO that is paid as compensation to the underwriters
** Total IPO expenses excludes the underwriting discount

Deal Structure: Secondary Component & Management Sales

Secondary Component

> 72% of the IPOs were all-primary offerings, while 28% had a secondary component. The IPOs with a secondary component initially outperformed the all-primary IPOs, but performed in line with the all-primary IPOs by 180 days after pricing.*

Secondary Component vs. Aftermarket Performance

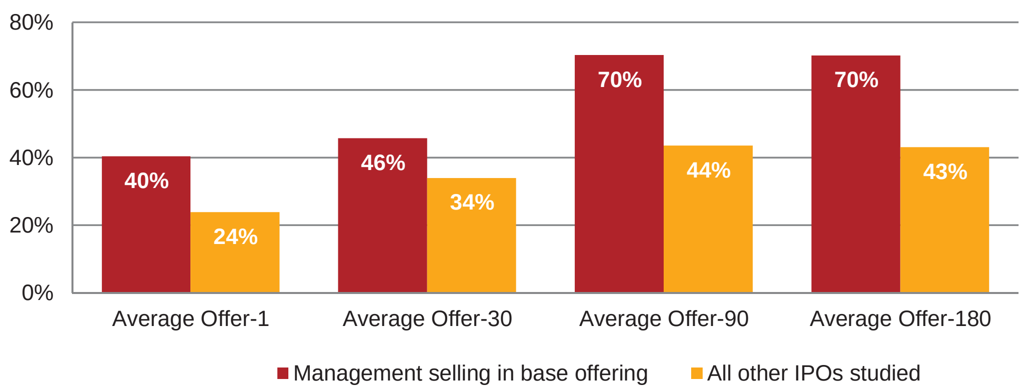


Management Sales

> Management participated as a selling stockholder in 15 of 28 (54%) of the IPOs with a secondary component.**

- As shown in the graph below, the 15 IPOs with management selling in the base offering outperformed the other 85 IPOs in the aftermarket.

Management Selling in Base Offering vs. Aftermarket Performance



Note: Includes market data available since IPO pricing as of 3.31.14
* Excludes 7 deals with secondary component only in the over-allotment option
** Excludes 1 deal with management selling only in the over-allotment option

Deal Structure: Directed Share Programs

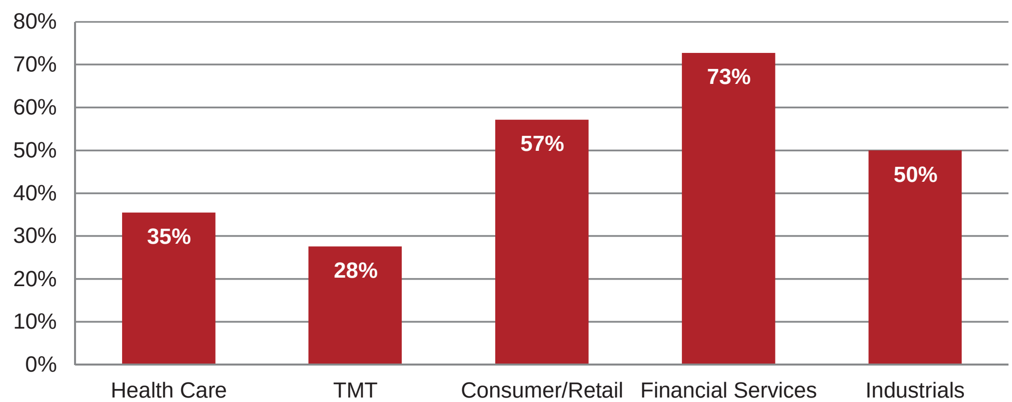
Industry Specific Use

- Directed share programs (DSPs) allow company insiders, employees and other individuals (including family members and customers) to purchase stock in the IPO. At the request of the company, the underwriters reserve a certain amount of the shares in the IPO, typically 5%, for purchase by participants in the DSP.

- 43% of the IPOs included a DSP.

- On an industry basis, a majority of financial services, consumer/retail and industrials IPOs included DSPs, while DSPs were included less frequently in health care and TMT IPOs.

Percentage of IPOs With a DSP



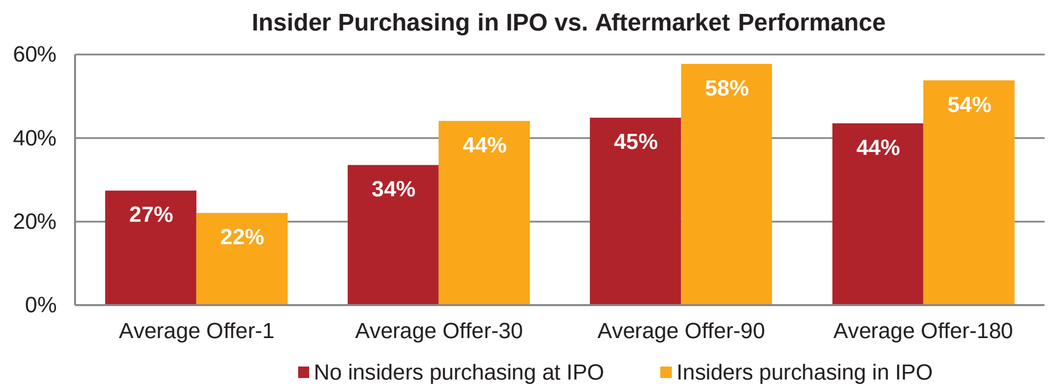
Deal Structure: Insiders Purchasing in the IPO

Overview

- 21 of 100 (21%) of the IPOs studied had insiders purchasing in the IPO.*
  - 19 of 21 (90%) of these IPOs were health care companies and 2 of 21 (10%) were TMT companies.
    - 16 of the 19 health care IPOs with insiders purchasing in the IPO were biotech/biopharm companies.
- All of the insiders purchased at the IPO price and, on average, the insiders purchased 21% of the total IPO size.
- We identified no correlation between the percentage of the IPO purchased by the insiders and the IPO pricing versus the range.

Aftermarket Performance

- The 21 IPOs with insiders purchasing in the IPO underperformed in the short-run with an average 1-day return of 22%, compared to an average 1-day return of 27% for the 79 IPOs without insiders purchasing in IPO.
- However, over time, the IPOs with insiders purchasing in the IPO outperformed in the aftermarket relative to the IPOs without insiders purchasing in the IPO.



Note: Includes market data available since IPO pricing as of 3.31.14
* Excludes purchases through a Directed Share Program (DSP)

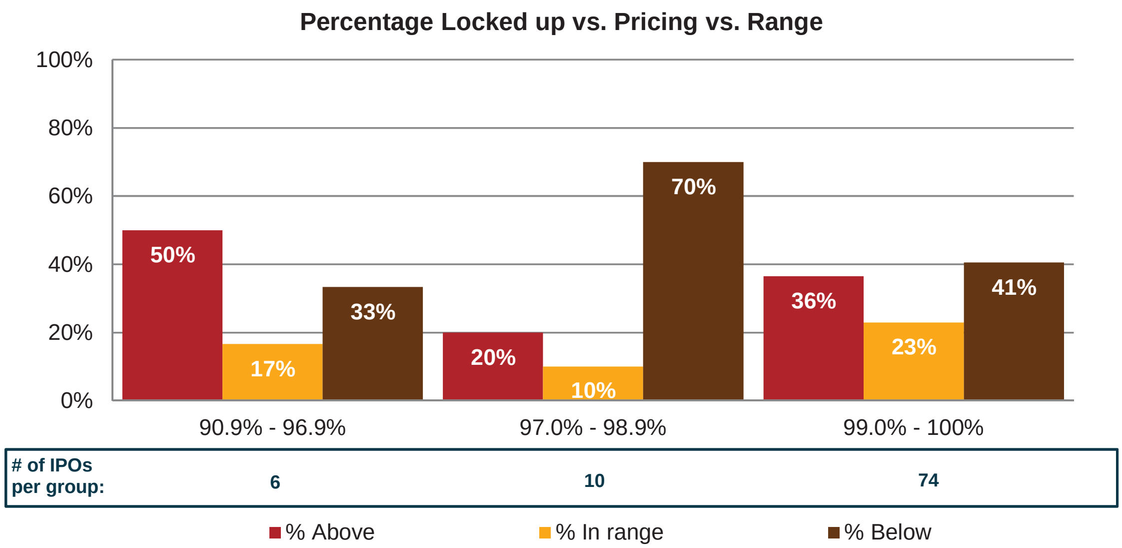
Lock-Ups: Overview

Overview

- On average, 99.2% of the shares were locked up.*
- 40% of the IPOs required all bookrunners to release the lock-up, while 39% required a subset of bookrunners and 21% required only the lead left bookrunner.

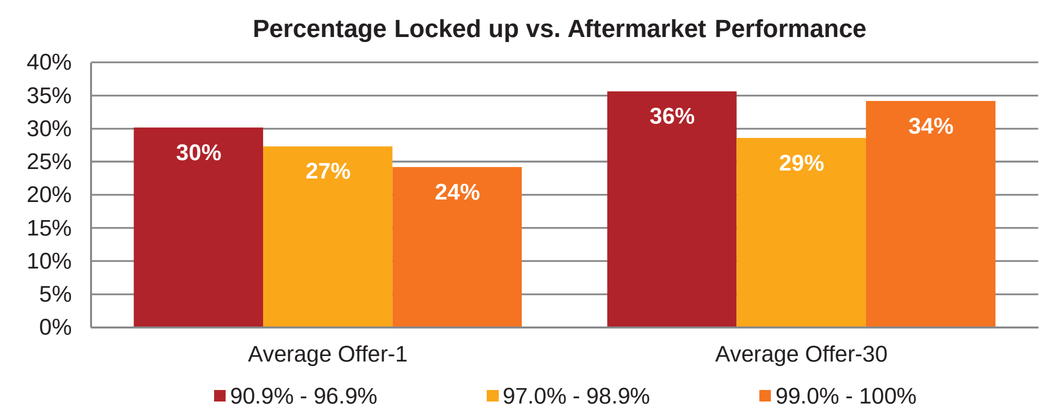
Pricing vs. Range

- We did not identify a correlation between percentage of shares locked up and pricing versus range.



Aftermarket Performance

- We did not identify a correlation between percentage of shares locked up and aftermarket performance.



Note: Includes market data available since IPO pricing as of 3.31.14
* 10 IPOs in our study had "substantially all" of the shares locked up but did not disclose the amount

Lock-ups: Unique Structures

Overview

- 95% of the IPOs had a single lock-up period of 180 days.
- 5% of the 100 IPOs had multiple lock-up periods. Each of these deals had different structures.

Different Structures With Multiple Lock-Up Periods

- Our study included 5 IPOs with multiple lock-up periods, including:
  - Structure 1:
    - Officers & directors: 180 days.
    - The controlling shareholder, owning over 99% of the company pre-IPO: 365 days.
  - Structure 2:
    - Class A shares: 180 days.
    - Class B shares: 170 days.
  - Structure 3:
    - 180 day lock-up for all shareholders, except the founder/chairman had a 2 year lock-up with 25% of his holdings released every 6 months.
  - Structure 4:
    - Officers & directors: 180 days.
    - Staggered lock-up for all shareholders:
      - 20%: 120 days (must be in underwritten registered offering).
      - 40%: 180 days.
      - 40%: 240 days.
  - Structure 5:
    - 180 day lock-up, plus officers, director and certain shareholders are subject to additional lock-up agreements:
      - Additional lock-up agreement shares released in a staggered sequence:
        - 25% of the shares: 180 days.
        - 50% of the shares: 1 year.
        - 25% of the shares: 18 months.
      - However, the additional lock-up agreements immediately expire if the company's market value, based on its common stock trading price, is at least $2 billion for 20 consecutive trading days, meaning that all shares of the company will then be only subject to the standard 180 day lock-up.
      - In addition, the Board can waive the additional lock-up agreements at any time.

Lock-ups: Carve-out for Issuances in Connection with Acquisitions or Joint Ventures

Overview

> 64 IPOs included a carve-out in the company's lock-up agreement for stock issuances in connection with acquisitions/joint ventures (JVs).

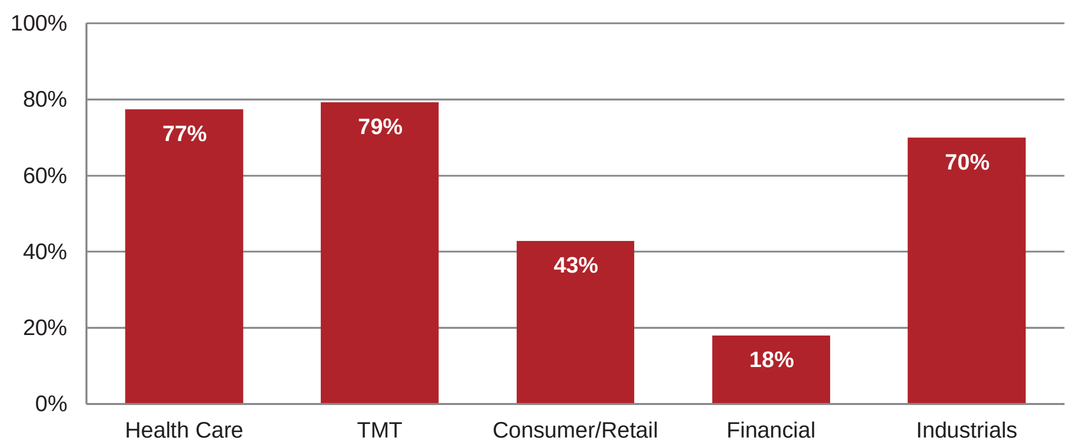
> This carve-out included a cap of the number of shares that could be issued:*

- 31 of 64 (48%): cap = 5% of outstanding common stock.
- 27 of 64 (42%): cap = 10% of outstanding common stock.
- 1 IPO: cap = 7% of outstanding common stock.
- 1 IPO: cap = 7.5% of outstanding common stock.

Industry Analysis

> Lock-up carve-outs for acquisitions/JVs were more prevalent in TMT, health care and industrials IPOs.

Percentage of IPOs With Lock-up Carve-out For Acquisitions/JVs

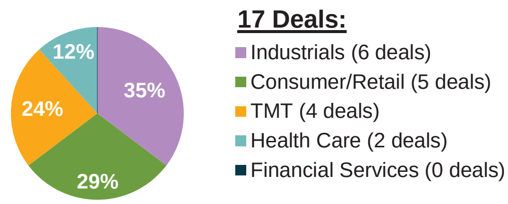


* Exclude 4 IPOs that mentioned a cap in the underwriting agreement but the amount for the cap was not disclosed

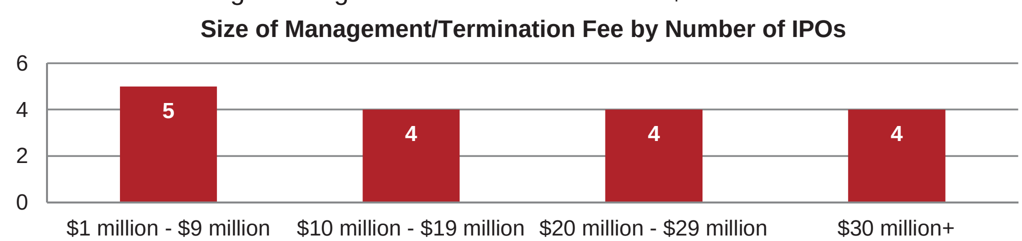
Sponsor-Backed Companies: Management/Termination Fees

Management/ Termination Fees

> 57 of 100 (57%) of the IPOs studied were sponsor-backed companies.
- 17 of 57 (30%) of the sponsor-backed companies paid management/termination fees to the sponsor group from IPO proceeds.

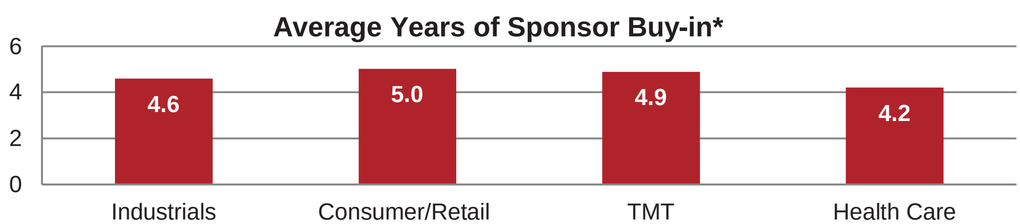


> The smallest management/termination fee was $3.3 million, while the largest was $79.9 million. The average management/termination fee was $22.4 million.



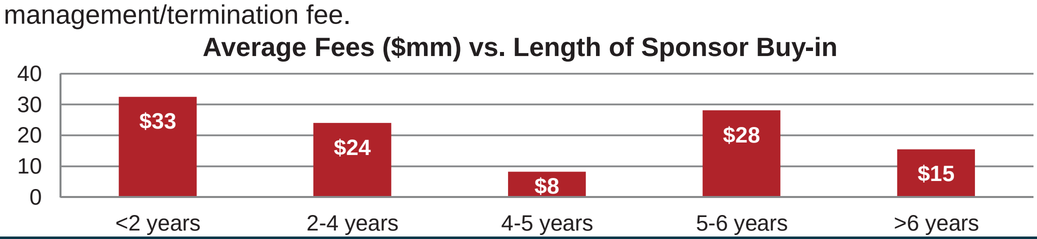
Length of Sponsor Buy-in

> The time from sponsor buy-in to the payment of the management/termination fee post-IPO did not vary materially between sectors.



Length of Sponsor Buy-in Relative to Fee Paid

> We did not identify a correlation between length of sponsor buy-in and the size of the management/termination fee.



# of IPOs:	**2**	**4**	**2**	**5**	**4**

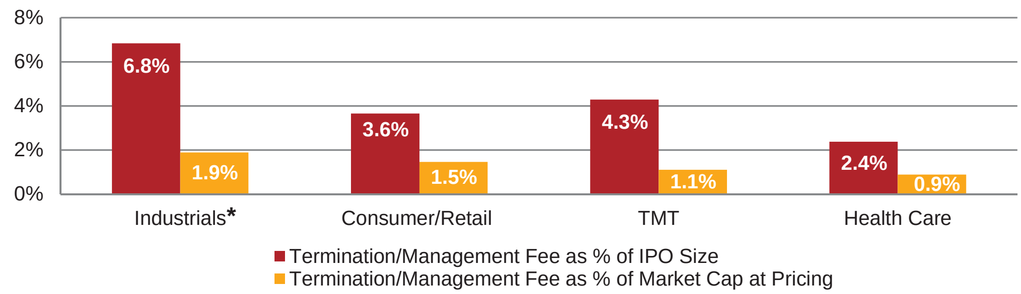
Note: Termination or management fees are one-time fees paid in connection with the IPO
* Based on disclosure in the final prospectus. Sponsor buy-in refers to the sponsor's investment in or acquisition of the IPO company

Sponsor-Backed Companies: Comparative Size of Termination/Management Fees

Fee vs. IPO Size & Market Cap

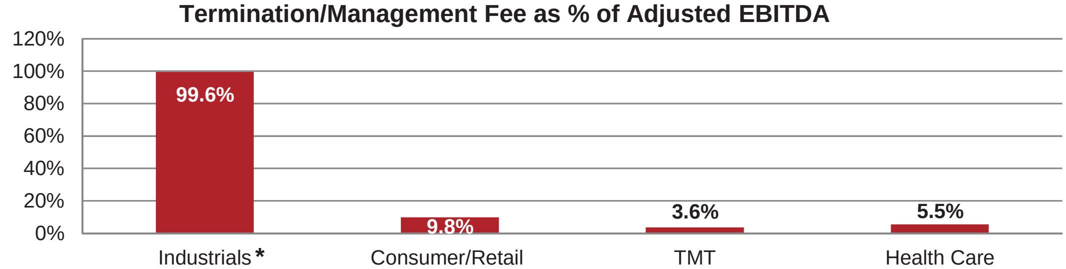
> Termination/management fees were the largest as a percentage of IPO deal size and market cap for industrials companies.

Termination/Management Fee as % of IPO Size and Market Cap at Pricing



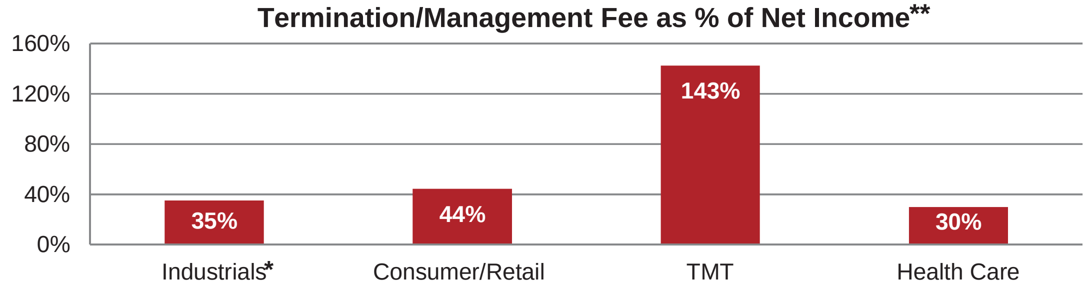
Fee vs. Adjusted EBITDA

Termination/Management Fee as % of Adjusted EBITDA



Fee vs. Net Income

Termination/Management Fee as % of Net Income**



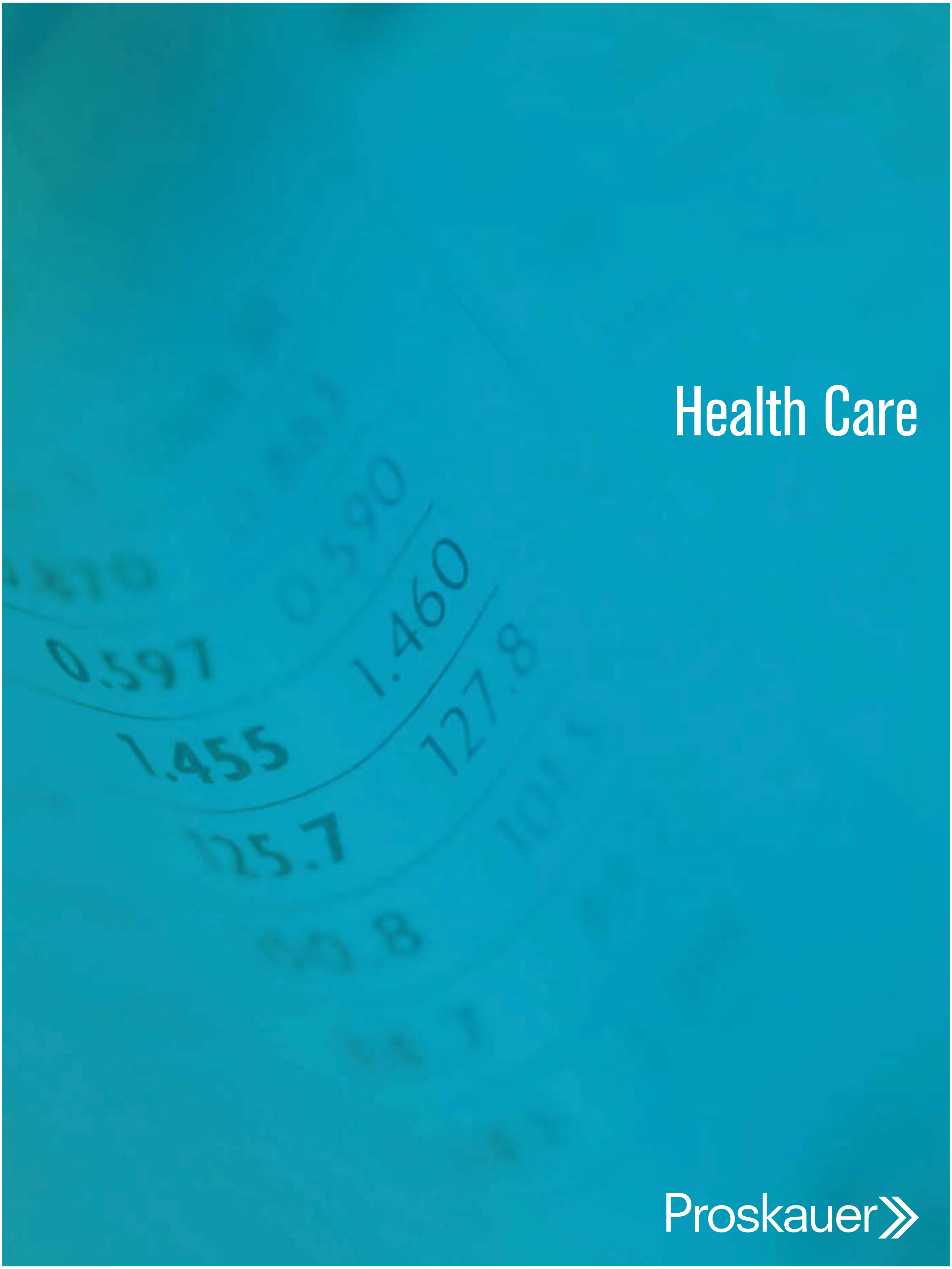
Note: Termination or management fees are one-time fees paid in connection with the IPO
* For industrials, one outlier deal was excluded because the termination/management fee as a percentage of net income was over 1,000%
** Termination/management fee as a percentage of net income excludes companies with negative net income

Sponsor-Backed Companies: Key Comparisons

Key Comparisons

	Sponsor-Backed	Not Sponsor-Backed
Percentage of all deals studied	57%	43%
Average market capitalization at pricing ($bn)	1.5	1.3
Average number of directors	8	7
Average number of independent directors	5	5
Average number of total first round SEC comments	42	41
Average total deal expenses ($mm)	4.6	3.7
Average percentage of shares locked up	99.0%	99.6%
Average number of days from initial submission/filing to pricing date *	129	126
Percentage of deals with a secondary component	32%	23%

* Excludes 6 deals with time from filing to pricing of greater than 18 months



Health Care

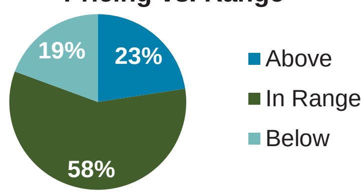
2013 Health Care Market Analysis

Overview

> We analyzed 31 health care companies:
- 24 biotech/biopharm.
- 5 medical devices/diagnostics.
- 2 hospitals/clinics.

> These companies were based in 13 different states, with the highest numbers in Massachusetts (9 of 31 (29%)) and California (8 of 31 (26%)).

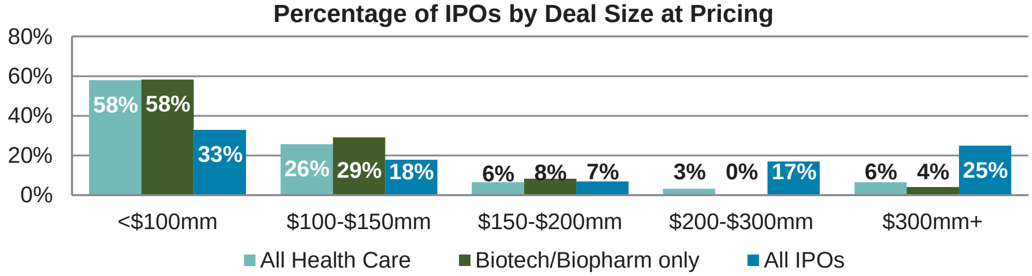
Pricing vs. Range



Deal Size & Over-Allotment

> The majority of health care IPOs were less than $100 million in deal size.

Percentage of IPOs by Deal Size at Pricing

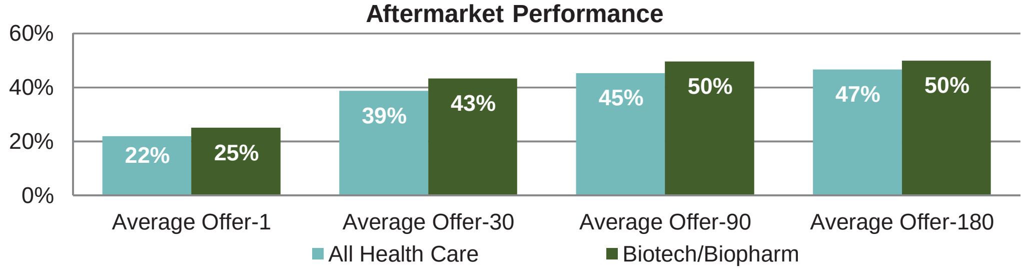


> The over-allotment option was exercised in 26 of 31 (84%) of the health care IPOs.

Aftermarket Performance

> Biotech/biopharm IPOs, on average, outperformed other health care IPOs in the aftermarket.

Aftermarket Performance



Note: Includes market data available since IPO pricing as of 3.31.14
Categorized the Dealogic subsectors “Health care-Drugs/Pharmaceuticals” and “Health care-Biomed/Genetics” as biotech/biopharm.
Categorized the Dealogic subsectors “Health care -Medical/Analytics Systems,” “Health care-Products” and “Health care-Instruments” as medical devices/diagnostics.

JOBS Act: Confidential Submission & Testing-the-Waters

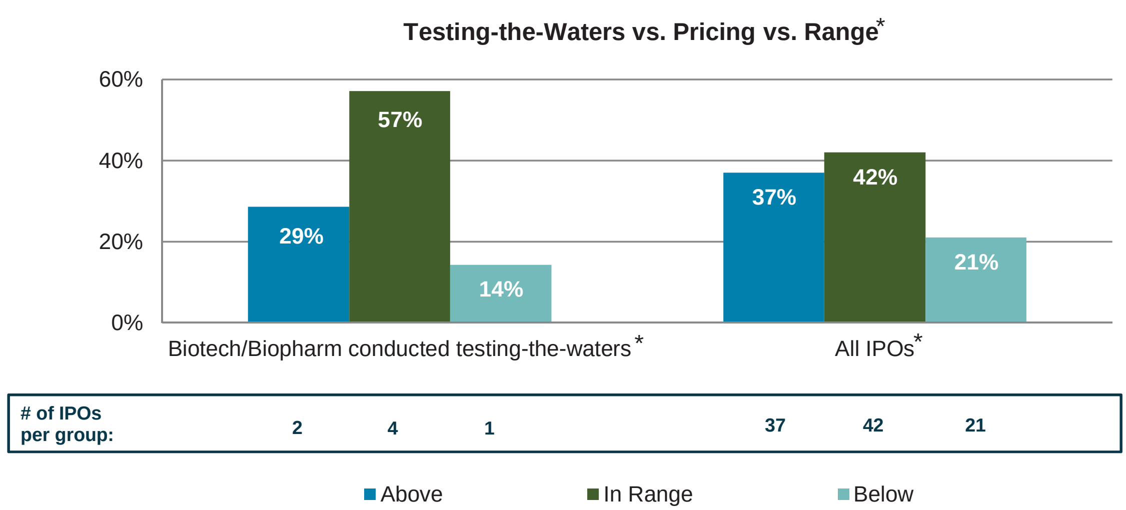
Confidential Submission

- > 29 of 31 (94%) of the health care IPOs were EGCs.
  - ■ 27 of 29 (93%) of the health care EGCs elected to confidentially submit their first filing.

Testing-the-Waters

- > We have data on 13 of 29 (45%) of the health care EGCs as to whether these companies conducted testing-the-waters.*
  - ▪ 10 of 13 (77%) of these health care EGCs conducted testing-the-waters.
    - o 7 of 10 (70%) of the health care EGCs that conducted testing-the-waters were biotech/biopharm EGCs.
- > In our study, 10 of 14 (71%) of the EGCs that reported conducting testing-the-waters in their SEC response letters were health care EGCs.
- > Based on our market knowledge, we believe most biotech/biopharm EGCs are conducting testing-the-waters.

Pricing vs. Range

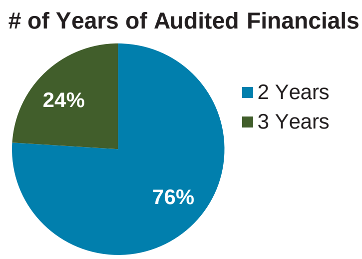


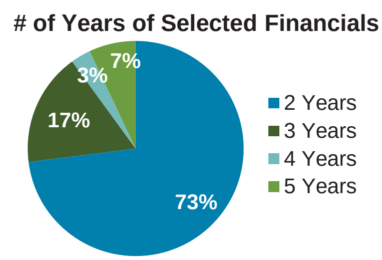
* Based on publicly available SEC comment and response letters. Company response letters addressing testing-the-waters comment not available for 31 EGCs

JOBS Act: Financials

All Health Care IPOs

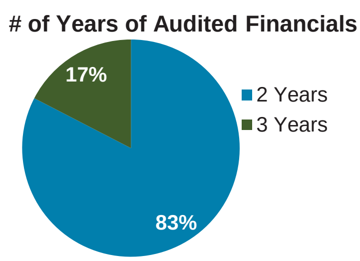
> 29 of 31 (94%) of the health care IPOs were EGCs.
- 22 of 29 (76%) of the health care EGCs provided 2 years of audited financials and 7 of 29 (24%) provided 3 years of audited financials.

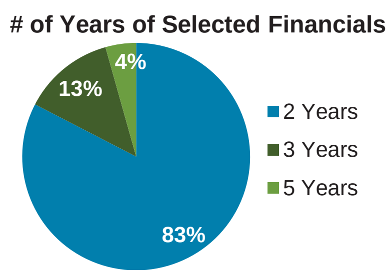




Biotech/ Biopharm IPOs

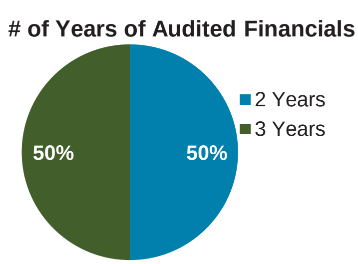
> 23 of 24 (96%) of the biotech/biopharm IPOs were EGCs.
- 19 of 23 (83%) of the biotech/biopharm EGCs provided 2 years of audited financials and 4 of 24 (17%) provided 3 years of audited financials.

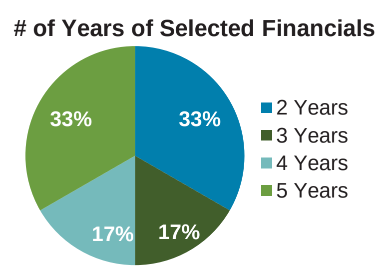




Non-Biotech/ Biopharm IPOs

> 6 of 7 (86%) of the non-biotech/biopharm IPOs were EGCs.
- 3 of 6 (50%) of the non-biotech/biopharm EGCs provided 2 years of audited financials and 3 of 6 (50%) provided 3 years of audited financials.

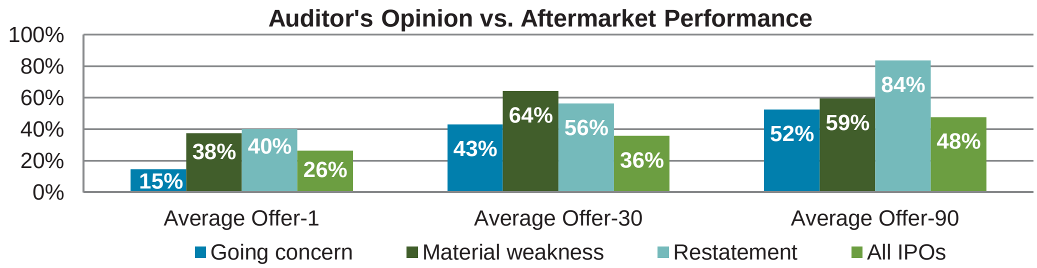




Auditor’s Opinion/Internal Controls & Flash Results

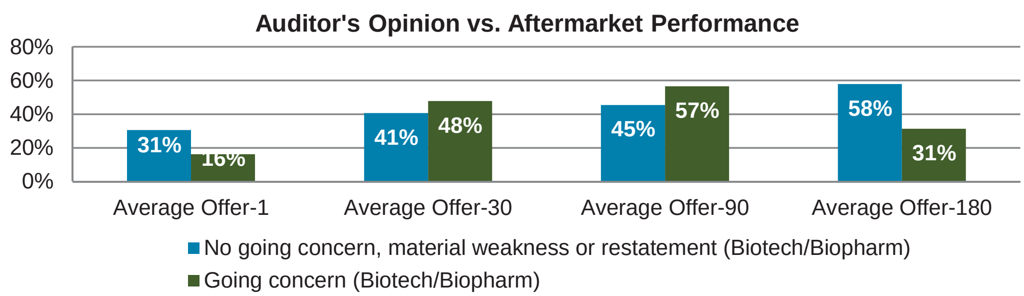
All Health Care IPOs

> 10 of 31 (32%) of the health care IPOs had a going concern opinion, 3 of 31 (10%) had a material weakness in internal control over financial reporting and 2 of 31 (6%) had restated financials.



Biotech/ Biopharm IPOs

> Of the 24 biotech/biopharm IPOs:
- 9 of 24 (38%) received a going concern opinion.
- 2 of 29 (7%) disclosed a material weakness in internal controls over financial reporting.
- 1 of 29 (3%) had restated financials.



Flash Results

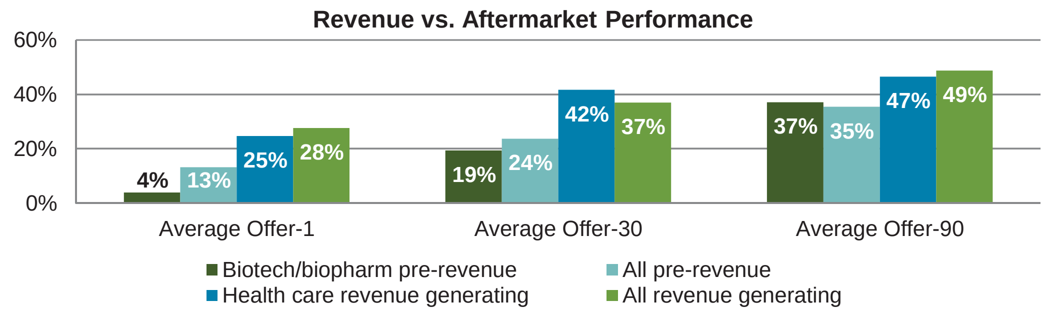
> 14 of 31 (45%) of the health care IPOs priced 15 to 45 days after the end of fiscal Q1, Q2 or Q3.
- 3 of 14 (21%) of these IPOs included full quarterly financials for the quarter not yet required to be included.
- 2 of 14 (14%) of these IPOs included flash results.
- 9 of 14 (65%) of these IPOs did not show flash results or full financials for the quarter not yet required to be included.
  - o 8 of 9 (89%) of these IPOs were biotech/biopharm companies and 7 of 8 (88%) of these deals were by companies with revenue of $25 million or less in its most recent fiscal year.

Note: Includes market data available since IPO pricing as of 3.31.14

Revenue, Net Income & EBITDA/Adjusted EBITDA

Revenue

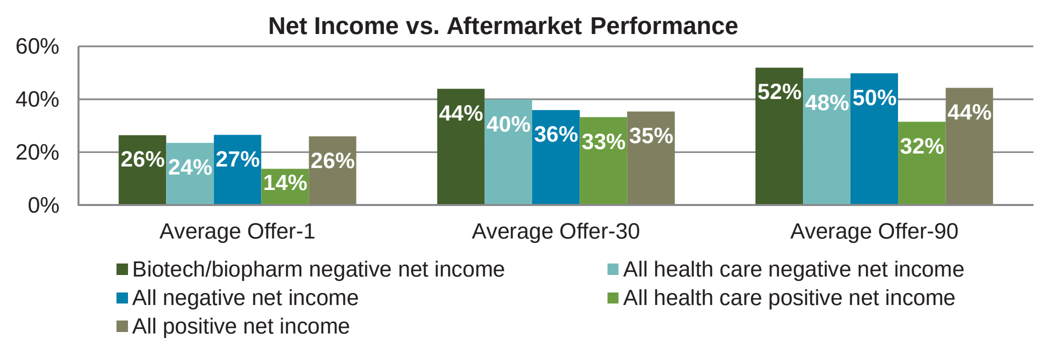
> 9 of 100 (9%) of the companies in our study were pre-revenue.
- 4 of 9 (44%) of these pre-revenue companies were in health care, specifically biotech/biopharm.



Net Income

> Positive operating measures were not necessarily indicative of aftermarket performance for health care IPOs.

> 26 of 31 (84%) of the health care IPOs in our study had negative net income.
- 21 of 24 (88%) of the biotech/biopharm IPOs had negative net income.



EBITDA/ Adjusted EBITDA

> 3 of 31 (10%) of the health care IPOs disclosed adjusted EBITDA.

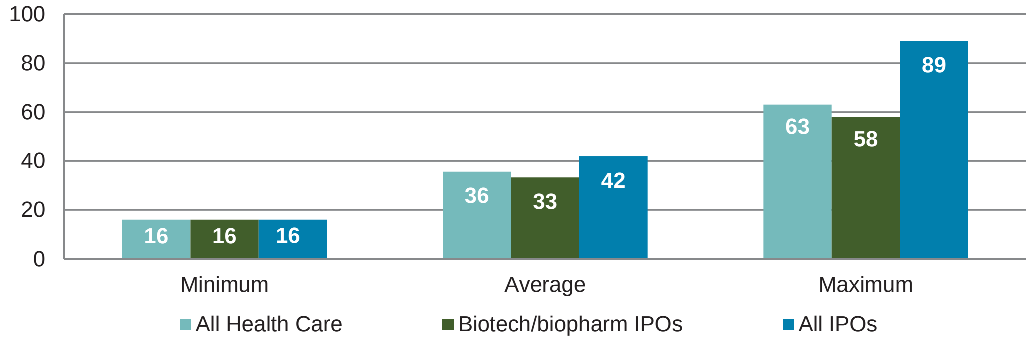
> 28 of 31 (90%) of the health care IPOs did not disclose EBITDA or adjusted EBITDA.

SEC Comments and Timing

SEC Comments

> On average, health care IPOs received 6 fewer comments than IPOs in our overall study, while biotech/biopharm companies received 9 fewer comments.

Number of Total First Round SEC Comments

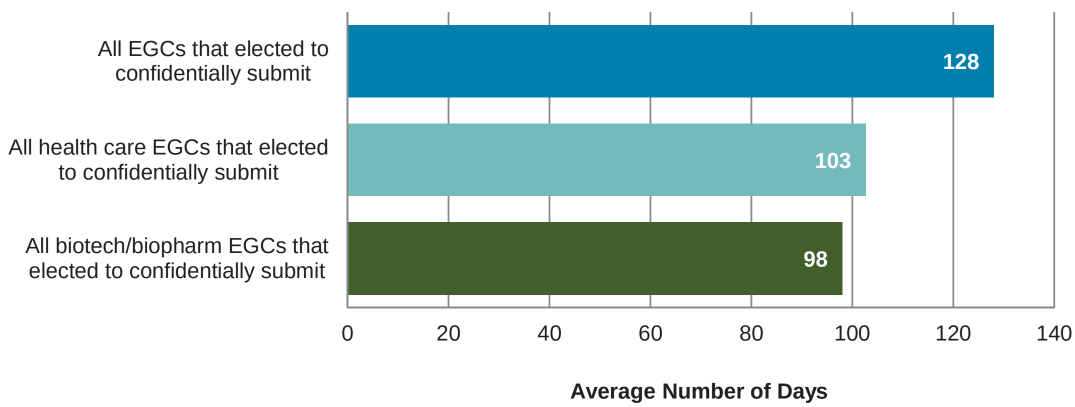


> Taking a closer look at specific SEC comments:
- 19 of 31 (61%) of the health care IPOs received a cheap stock comment, compared to 51% in our overall study.
- 15 of 31 (48%) of the health care IPOs received a revenue recognition comment, compared to 53% in our overall study.
- 2 of 31 (6%) of the health care IPOs received a segment reporting comment, compared to 23% in our overall study.

SEC Timing*

> 29 of 31 (94%) of the health care IPOs were EGCs and 27 of 29 (93%) of the health care EGCs elected to confidentially submit under the JOBS Act.
- 23 of 24 (96%) of the biotech/biopharm IPOs were EGCs and 22 of 23 (96%) of the biotech/biopharm EGCs elected to confidentially submit under the JOBS Act.

Average Number of Days From First Submission to Pricing

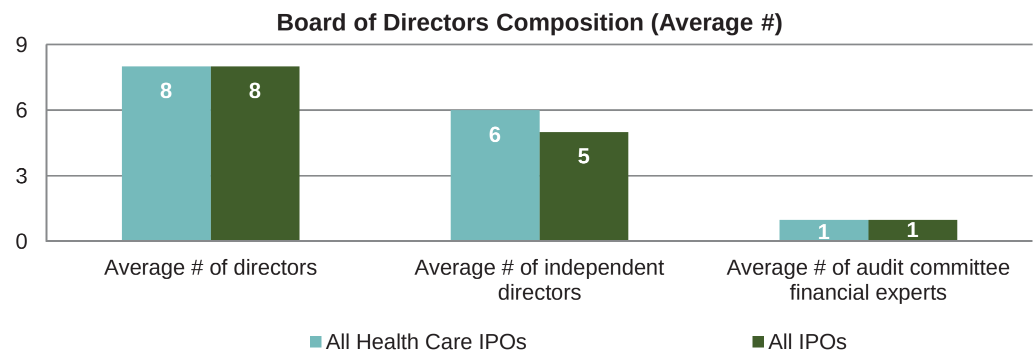


*Excludes deals with time from filing to pricing of greater than 18 months

Corporate Governance: Key Items

Board of Directors

> 28 of 31 (90%) of the health care IPOs had a majority of independent directors on their Boards, compared to 68% in our overall study.



Separation of Chairman & CEO

> 21 of 31 (68%) of the health care IPOs separated their Chairman and CEOs, compared to 60% in our overall study.

Classes of Common Stock

> Multiple classes of common stock were less common with health care companies. Only 1 health care company had multiple classes of common stock, compared to 19% in our overall study.

Controlled Company Exemption

> 3 of 31 (10%) of the health care IPOs were eligible for the controlled company exemption, compared to 39% in our overall study.

- 3 of 3 (100%) of these health care companies eligible for the controlled company exemption elected to take advantage of the exemption.
  - 1 of 3 (33%) of these IPOs had a majority of independent directors on the Board.

IPO Expenses

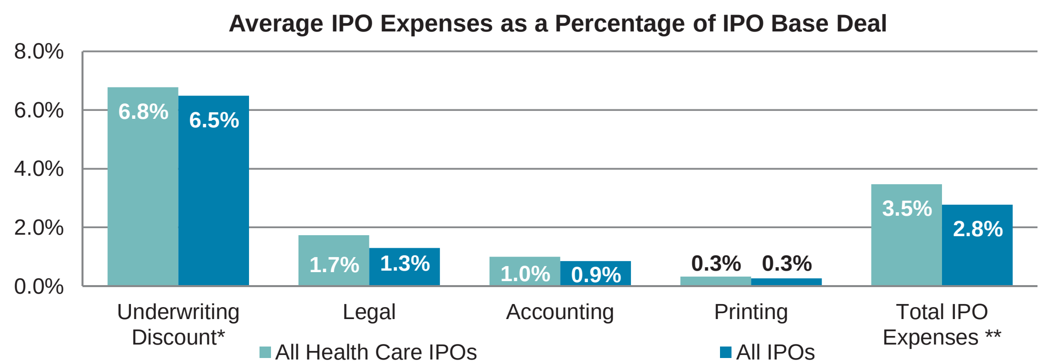
IPO Expenses

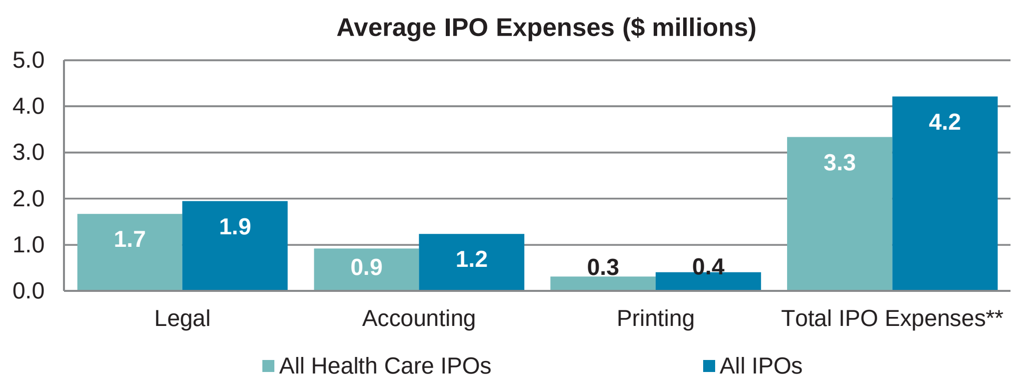
> The underwriting discount and total IPO expenses for the health care IPOs are summarized below:

Fee Category:	Minimum:	Average:	Maximum:
Underwriting Discount*	$2,868,810	$10,356,798	$82,828,200
Total IPO Expenses**	$2,050,000	$3,334,343	$11,175,141

> The legal, accounting and printing fees for the health care IPOs are set forth below:

Fee Category:	Minimum:	Average:	Maximum:
Legal	$950,000	$1,670,852	$5,000,000
Accounting	$400,000	$917,420	$4,000,000
Printing	$100,000	$314,716	$1,200,000





* Underwriting discount is the percentage of the gross proceeds of the IPO that is paid as compensation to the underwriters
** Total IPO expenses excludes the underwriting discount

Deal Structure: Secondary Component, Management Sales & DSPs

Secondary Component	> 3 of 31 (10%) of the health care IPOs had a secondary component, compared to 28% with a secondary component in our overall study.
Management Sales	> In 2 of 31 (6%) of the health care IPOs, management sold shares in the IPO, compared to 15% in our overall study.
Directed Share Programs	> 11 of 31 (35%) of the health care IPOs included DSPs, compared to 43% in our overall study. ▪ 9 of 11 (82%) of the health care companies with DSPs were biotech/biopharm companies.

Deal Structure: Insiders Purchasing in IPO

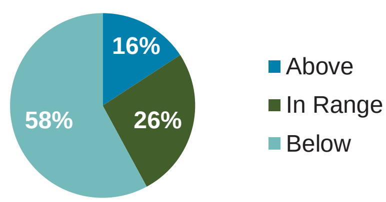
Insiders Purchasing in IPO

> 21 IPOs had insiders purchasing in the IPO.
- 19 of 21 (90%) of the IPOs with insiders purchasing in the IPO were health care companies and 16 of 19 (84%) of these health care companies were biotech/biopharm companies.

Pricing vs. Range

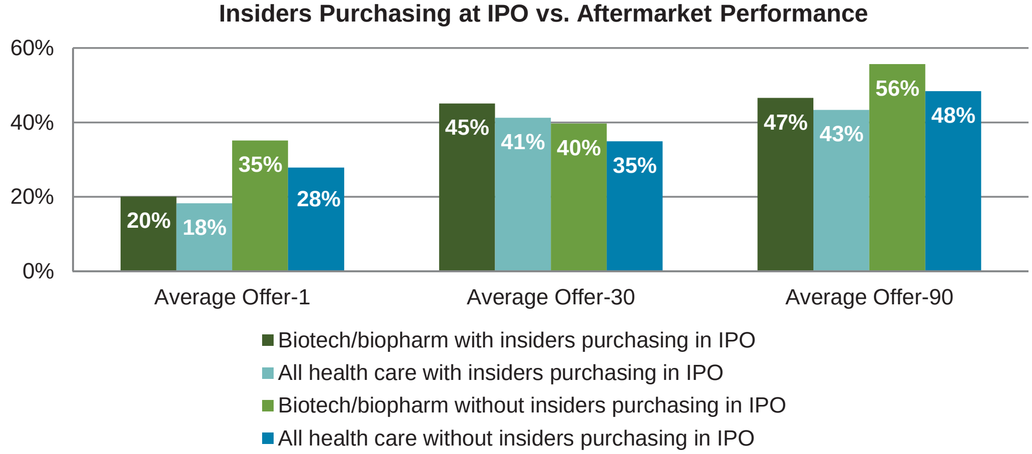
> For the 19 health care IPOs with insiders purchasing in IPO, 11 of 19 (58%) priced below the range.

Insiders Purchasing in IPO vs. Pricing within Range



Aftermarket Performance

Insiders Purchasing at IPO vs. Aftermarket Performance



Note: Includes market data available since IPO pricing as of 3.31.14

Lock-Ups & Management/Termination Fees

Lock-Ups

- For health care IPOs, on average, 99.3% of the shares were locked-up.*
- 11 of 31 (36%) of the health care IPOs required all bookrunners to release the lock-up, 15 of 31 (48%) required a subset of bookrunners and 5 of 31 (16%) required only the lead left bookrunner.
- 24 of 31 (77%) of the health care IPOs included a carve-out in the company's lock-up agreement in the underwriting agreement for stock issuances in connection with acquisitions/joint ventures (JVs), compared to 64% in our overall study.
  - These 24 health care IPOs included a cap on the number of shares that could be issued:
    - 14 IPOs: cap = 5% of outstanding common stock.
    - 7 IPOs: cap = 10% of outstanding common stock.
    - 2 IPOs mentioned a cap in the underwriting agreement, but the amount for the cap was not disclosed.
    - 1 IPOs: cap = 7% of outstanding common stock.

Management/ Termination Fees

- 16 of 31 (52%) of the health care IPOs were sponsor-backed.
  - 2 of 16 (13%) of these IPOs paid management or termination fees to the sponsor group from IPO proceeds.
    - The management/termination fees paid in the 2 deals were $8.0 million and $20.0 million.
  - On average, the time from sponsor buy-in to the payment of the management/termination fee post-IPO was 4.2 years, with a minimum time of 2.2 years and a maximum time of 6.2 years.

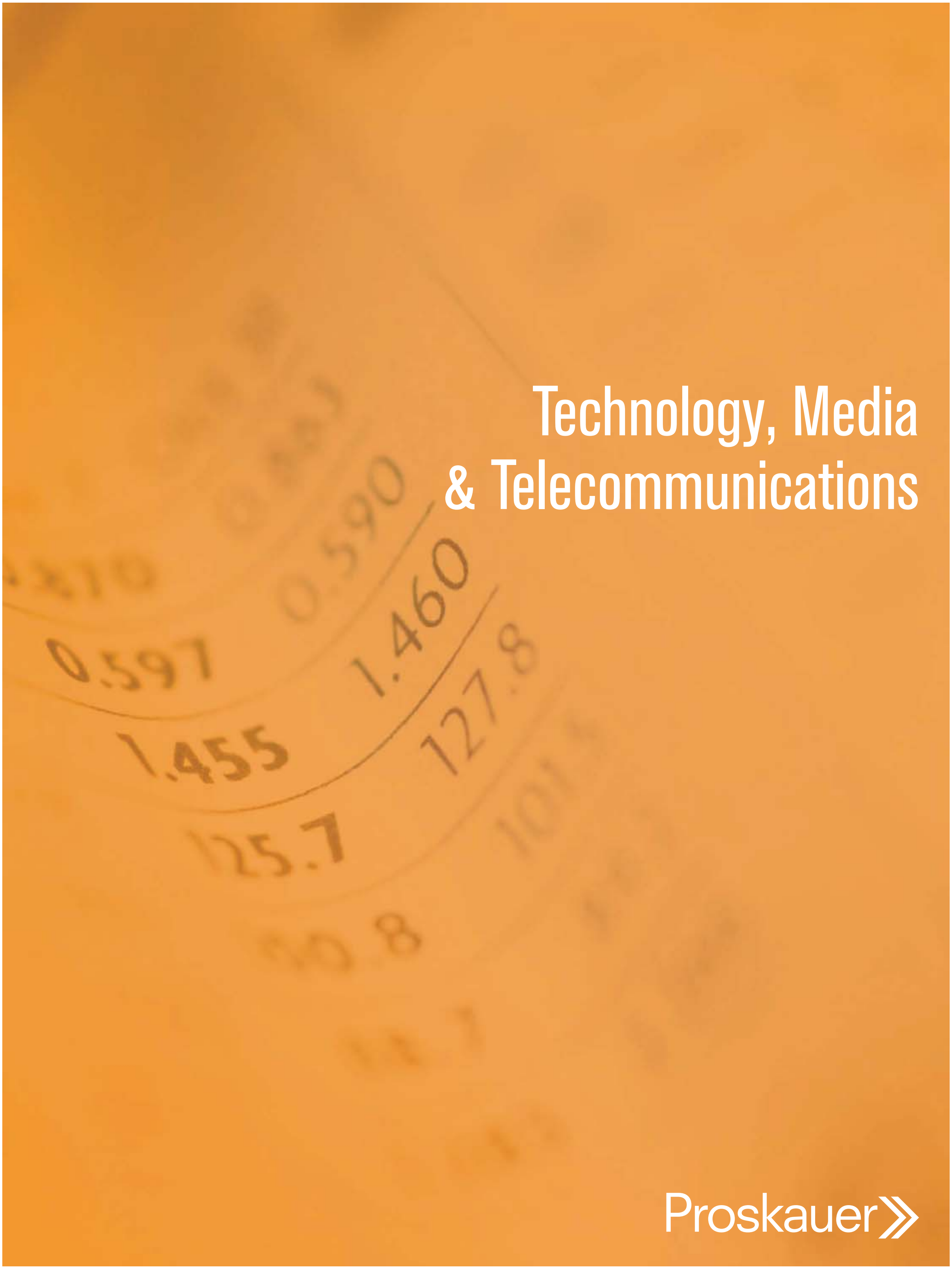
* 3 of 31 health care IPOs indicated that substantially all shares were locked up, but did not disclose the number

Sponsor-Backed Health Care Companies: Key Comparisons

Key Comparisons

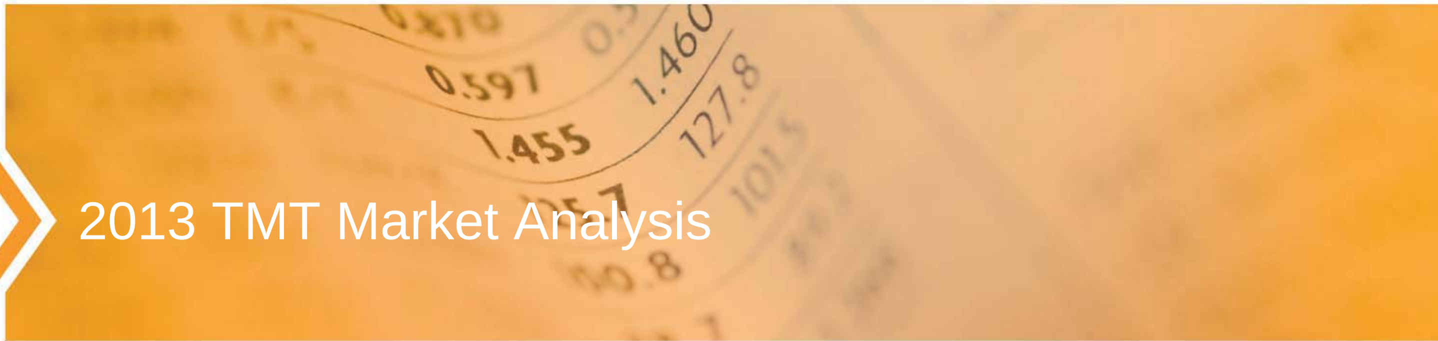
	Sponsor-Backed	Not Sponsor-Backed
Percentage of health care deals studied	52%	48%
Average market capitalization at pricing ($bn)	0.4	1.2
Average number of directors	9	8
Average number of independent directors	7	6
Average number of total first round SEC comments	37	34
Average total deal expenses ($mm)	3.3	3.4
Average percentage of shares locked up	98.9%	99.7%
Average number of days from initial submission/filing to pricing date *	125	104
Percentage of deals with secondary component	32%	23%

* Excludes deals with time from filing to pricing of greater than 18 months



Technology, Media & Telecommunications

Proskauer

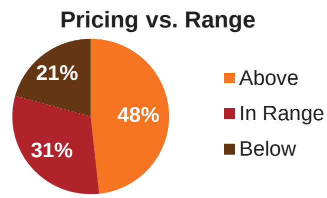


2013 TMT Market Analysis

Overview

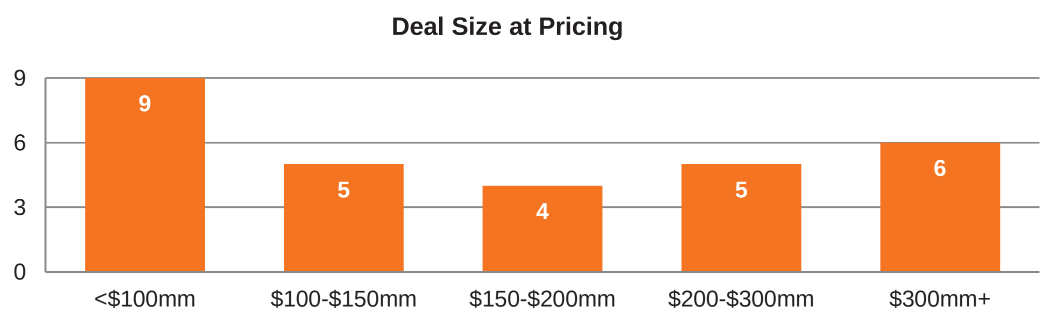
> We analyzed 29 TMT IPOs.

> These companies were based in 11 different states, with the highest number in California (13 of 29 (45%)).



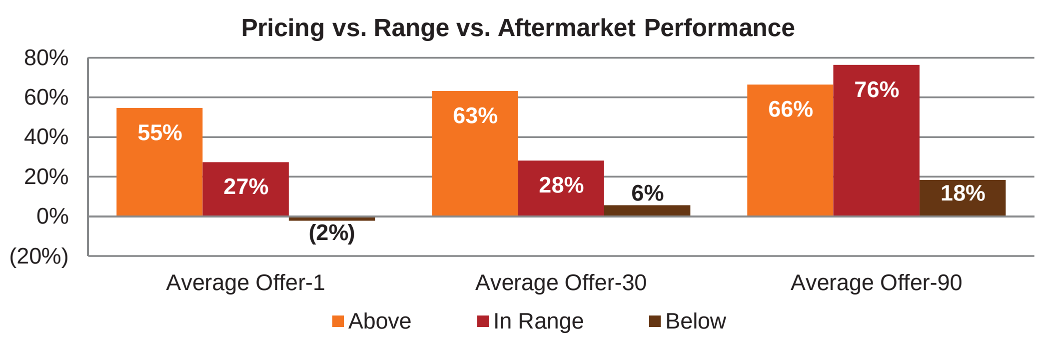
Deal Size & Over-Allotment

> The TMT IPOs varied in size. While the majority of TMT IPOs were less than $200 million in deal size, Twitter was over $2 billion.



> The over-allotment option was exercised in 23 of 29 (79%) of the TMT IPOs.

Aftermarket Performance



Note: Includes market data available since IPO pricing as of 3.31.14

JOBS Act: Confidential Submission, Testing-the-Waters & Financials

Confidential Submission

> 26 of 29 (90%) of the TMT IPOs were EGCs.
- 23 of 26 (88%) of the TMT EGCs elected to confidentially submit their first filing.

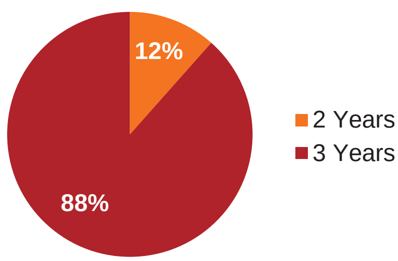
Testing-the-Waters

> We have data on 12 of 26 (46%) of the TMT EGCs as to whether these companies conducted testing-the-waters.*
- Only 2 of 12 (17%) of these TMT EGCs conducted testing-the-waters.

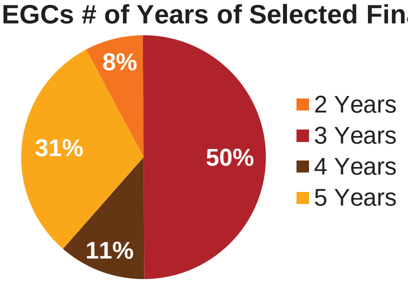
Years of Financials

> Most TMT EGCs (88%) provided 3 years of audited financials.

EGCs # of Years of Audited Financials



EGCs # of Years of Selected Financials



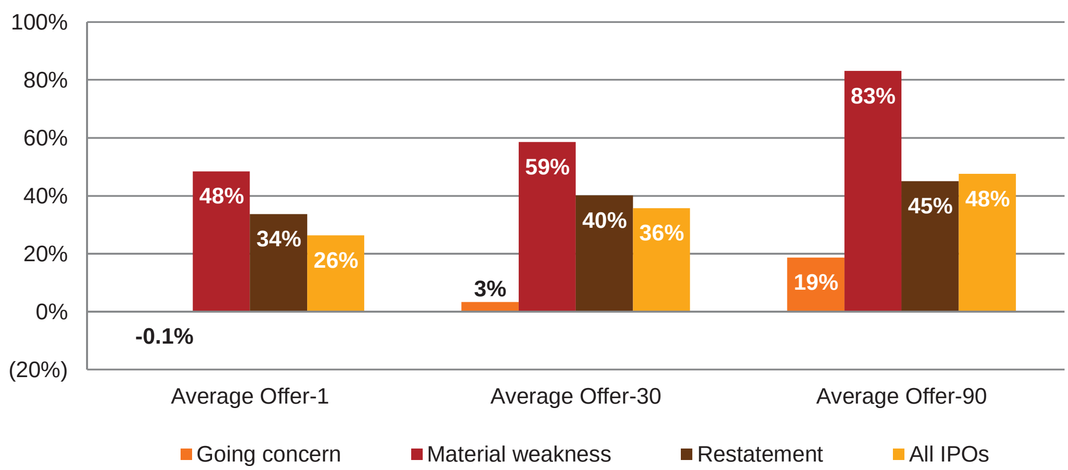
* Based on publicly available SEC comment and response letters. Company response letters addressing testing-the-waters comment not available for 31 EGCs

Auditor’s Opinion/Internal Controls & Flash Results

Auditor’s Opinion

> Of the 29 TMT IPOs:
- 1 of 29 (3%) received a going concern opinion.
- 9 of 29 (31%) disclosed a material weakness in internal controls over financial reporting.
- 4 of 29 (14%) had restated financials.

Auditor's Opinion vs. Aftermarket Performance



Flash Results

> 8 of 29 (28%) of the TMT IPOs priced 15 to 45 days after the end of Q1, Q2 or Q3.
- 5 of 8 (63%) of these IPOs included full quarterly financials for the quarter not yet required to be included.
- 3 of 8 (37%) of these IPOs included flash results.

Note: Includes market data available since IPO pricing as of 3.31.14

Revenue, Net Income & EBITDA/Adjusted EBITDA

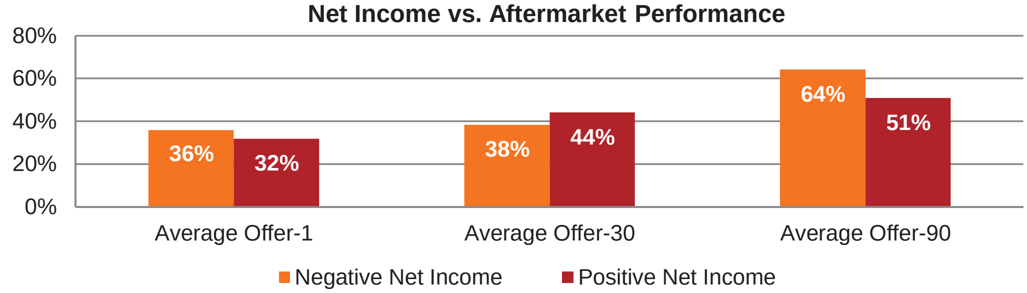
Revenue

> 9 of 100 (9%) of the IPOs in our study were pre-revenue.
- 2 of 9 (22%) of these pre-revenue companies were TMT companies.

Net Income

> 19 of 29 (66%) of the TMT IPOs had negative net income, while the other 10 of 19 (34%) had positive net income.

Net Income vs. Aftermarket Performance



EBITDA/ Adjusted EBITDA

> 22 of 29 (76%) of the TMT IPOs disclosed adjusted EBITDA.
> 7 of 29 (24%) of the TMT IPOs did not disclose EBITDA or adjusted EBITDA.

Note: Includes market data available since IPO pricing as of 3.31.14

Net Income & Adjusted EBITDA – Positive vs. Negative

Overview

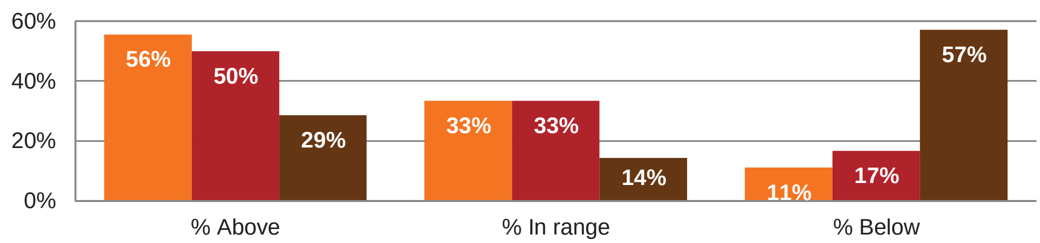
> Positive operating measures were not necessarily indicative of aftermarket performance for TMT IPOs.

- 9 of 29 (31%) of the TMT IPOs had both negative net income and adjusted EBITDA.
- 6 of 29 (21%) of the TMT IPOs had negative net income and positive adjusted EBITDA.
- 7 of 29 (24%) of the TMT IPOs had both positive net income and adjusted EBITDA.

Pricing vs. Range

> The TMT IPOs with negative net income and adjusted EBITDA priced above the range and in the range more frequently than those with positive net income and adjusted EBITDA.

Financials vs. Pricing vs. Range



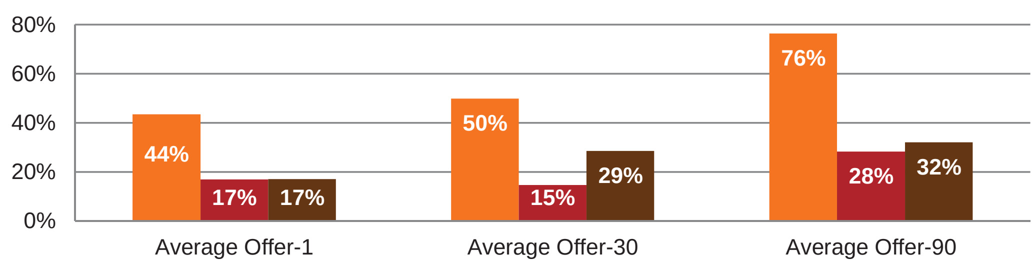
# of deals per group:	5	3	2	3	2	1	1	1	4

- Negative Net Income & Adjusted EBITDA
- Negative Net Income & Positive Adjusted EBITDA
- Positive Net Income & Adjusted EBITDA

Aftermarket Performance

> In addition, the TMT IPOs with negative net income and adjusted EBITDA outperformed those with positive net income and adjusted EBITDA.

Financials vs. Aftermarket Performance



- Negative Net Income & Adjusted EBITDA
- Negative Net Income & Positive Adjusted EBITDA
- Positive Net Income & Adjusted EBITDA

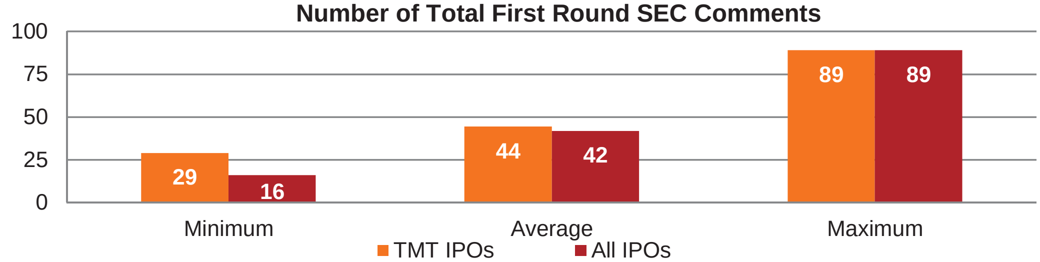
Note: Includes market data available since IPO pricing as of 3.31.14

SEC Comments and Timing

SEC Comments

> On average, the number of total first round SEC comments for the TMT IPOs was in line with IPOs in our overall study.

Number of Total First Round SEC Comments



> Taking a closer look at specific SEC comments:

- 21 of 29 (72%) of the TMT IPOs received a cheap stock comment, compared to 51% in our overall study.
- 23 of 29 (79%) of the TMT IPOs received a revenue recognition comment, compared to 53% in our overall study.
- 9 of 29 (31%) of the TMT IPOs received a segment reporting comment, compared to 23% in our overall study.

SEC Timing*

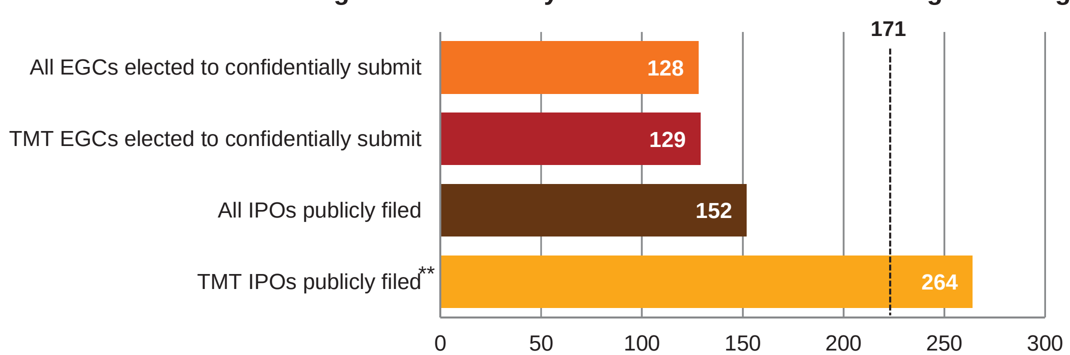
> 26 of 29 (90%) of the TMT IPOs were EGCs.

- 23 of 26 (88%) of the TMT EGCs elected to confidentially submit their first filing.
- On average, these 23 TMT IPOs received 45 total first round SEC comments.

> 6 of 29 (21%) of the TMT IPOs initially publicly filed.

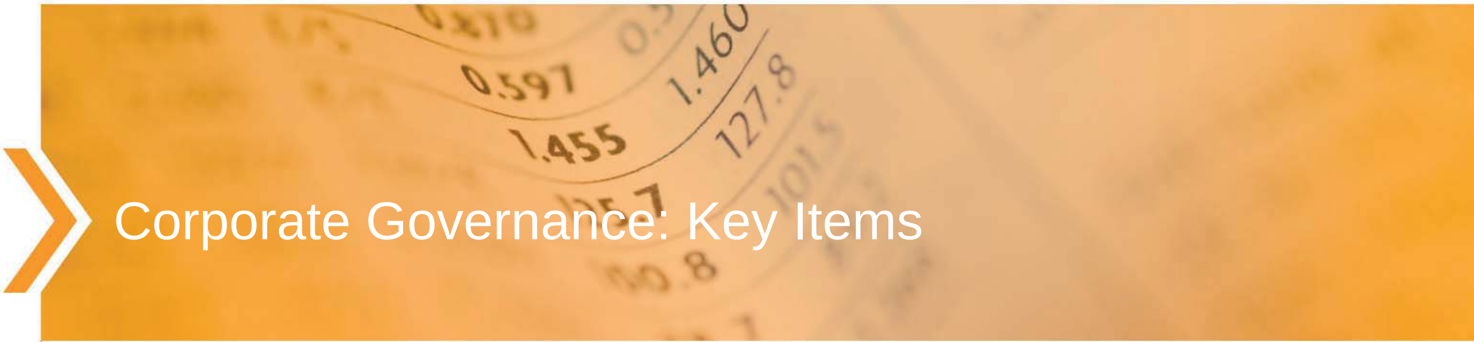
- On average, these 6 TMT IPOs received 42 total first round SEC comments.

Average Number of Days From First Submission/Filing to Pricing



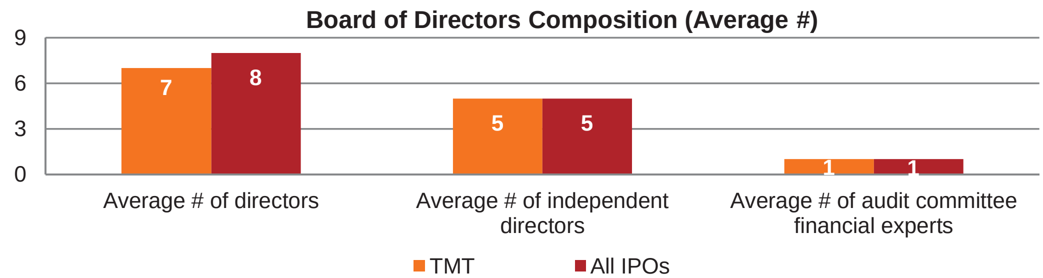
*Excludes deals with time from filing to pricing of greater than 18 months

** If we excluded an IPO that was on file for just under 18 months, the average time for TMT initially publicly filed IPOs from first filing to pricing is 171 days



Board of Directors

> 23 of 29 (79%) of the TMT IPOs had a majority of independent directors on their Boards, compared to 68% in our overall study.



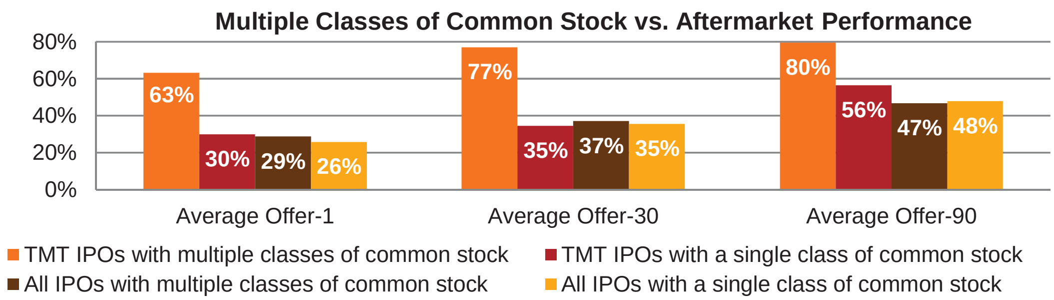
Separation of Chairman & CEO

> 10 of 19 (34%) of the TMT IPOs separated their Chairman and CEO, compared to 60% in our overall study.

Classes of Common Stock

> 4 of 29 (14%) of the TMT IPOs had multiple classes of common stock, compared to 19% in our overall study.

> TMT IPOs with multiple classes of common stock outperformed those with a single class of common stock.



Controlled Company Exemption

> 6 of 29 (21%) of the TMT IPOs were eligible for the controlled company exemption, compared to 39% in our overall study.
- 4 of 6 (67%) of these TMT companies eligible for the controlled company exemption elected to take advantage of the exemption.
  - None of these 4 IPOs had a majority of independent directors on the Board.

Note: Includes market data available since IPO pricing as of 3.31.14

IPO Expenses

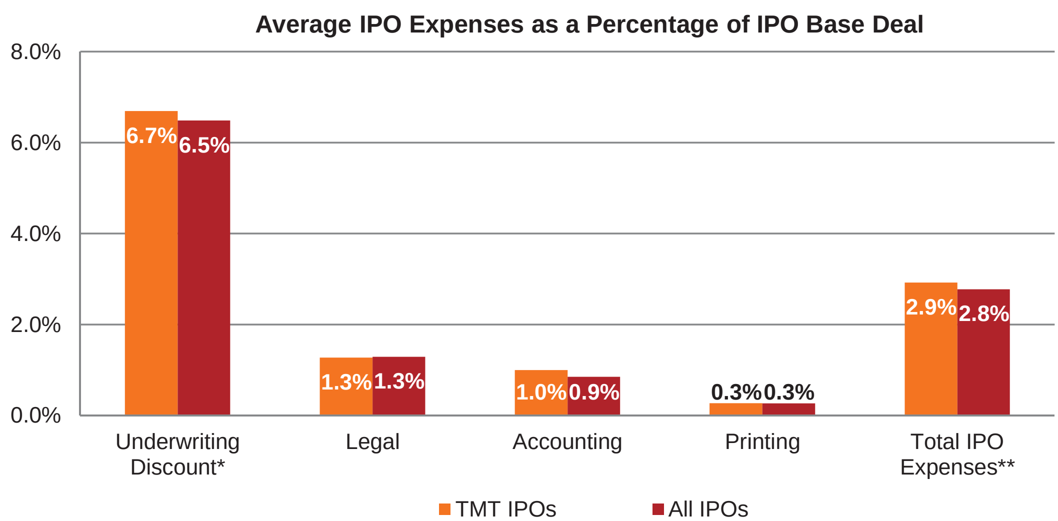
IPO Expenses

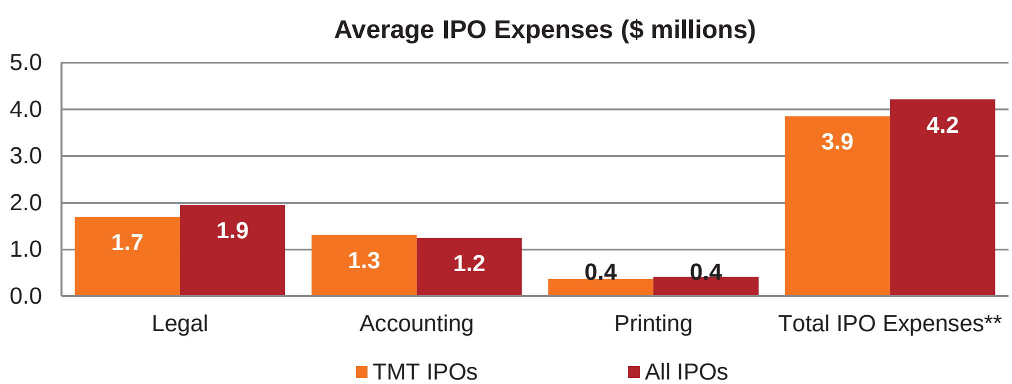
- The underwriting discount and total IPO expenses for the TMT IPOs are summarized below:

Fee Category:	Minimum:	Average:	Maximum:
Underwriting Discount*	$2,520,000	$13,384,994	$59,150,000
Total IPO Expenses**	$2,300,000	$3,854,075	$7,827,090

- The legal, accounting and printing fees for the TMT IPOs are set forth below:

Fee Category:	Minimum:	Average:	Maximum:
Legal	$800,000	$1,699,109	$5,480,000
Accounting	$415,000	$1,314,309	$3,890,000
Printing	$200,000	$365,704	$975,000



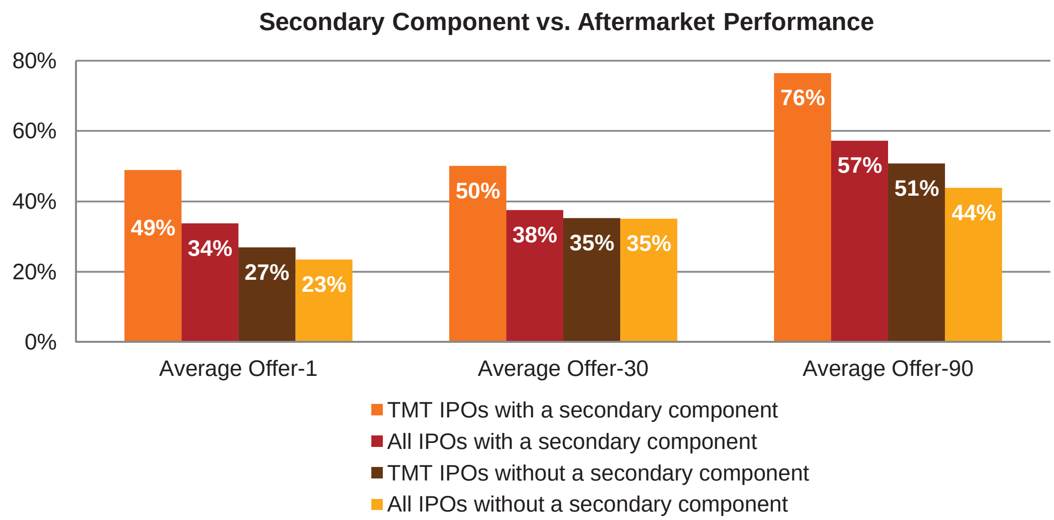


* Underwriting discount is the percentage of the gross proceeds of the IPO that is paid as compensation to the underwriters
** Total IPO expenses excludes the underwriting discount

Deal Structure: Secondary Component, DSPs & Insiders Purchasing

Secondary Component

> 10 of 29 (34%) of the TMT IPOs had a secondary component, compared to 28% in our overall study.



Directed Share Programs

> 8 of 29 (28%) of the TMT IPOs in our study included DSPs, compared to 43% in our overall study.

Insiders Purchasing

> Only 2 of 29 (7%) of the TMT IPOs had insiders purchasing in the IPO.

- Insiders purchased 8% and 10% of the base deal in each IPO.

Note: Includes market data available since IPO pricing as of 3.31.14

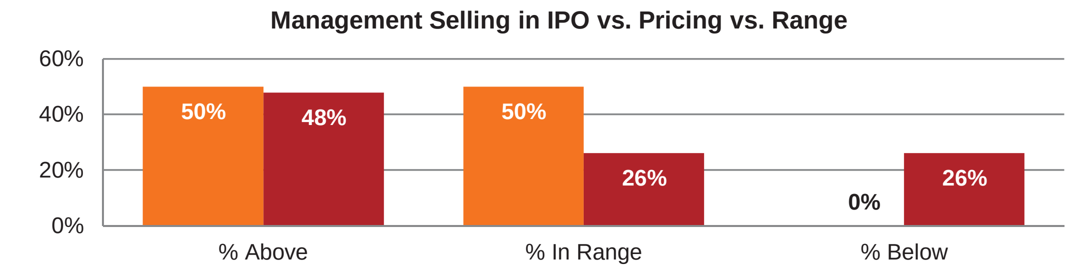
Deal Structure: Management Sales

Overview

- In 6 of 29 (21%) of the TMT IPOs, management sold shares in the IPO, compared to 15% in our overall study.
- A larger number of TMT IPOs had management selling in the IPO than the other industries in our study.

Pricing vs. Range

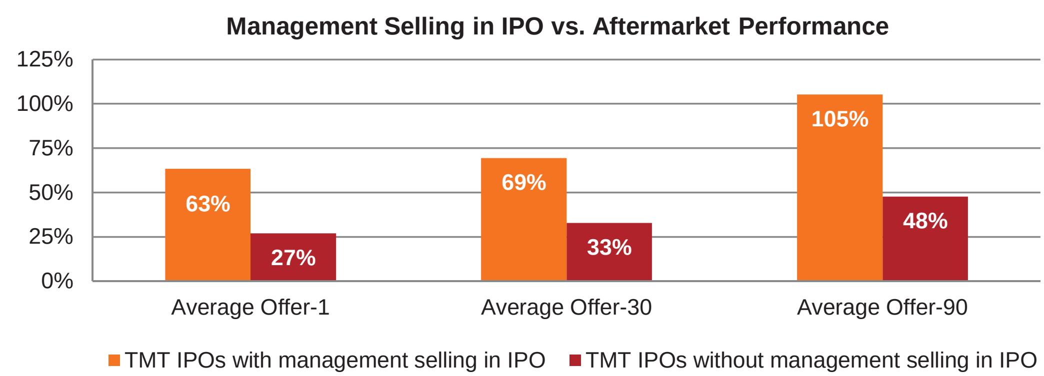
- 3 of 6 (50%) of the TMT IPOs with management selling in the IPO priced above the range and the other half priced in the range.



# of deals per group:	% Above		% In Range		% Below	
	3	11	3	6	0	6

Aftermarket Performance

- The TMT IPOs with management selling in the IPO outperformed the TMT IPOs without management selling in the IPO in the aftermarket.



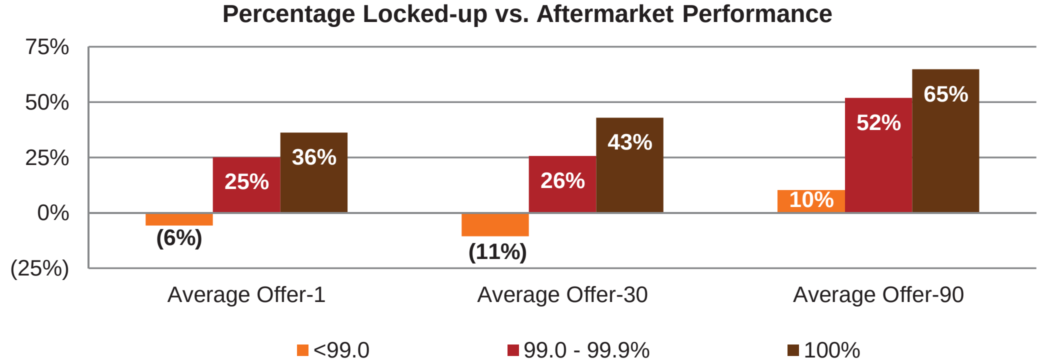
Note: Includes market data available since IPO pricing as of 3.31.14

Lock-Ups

Lock-Ups

- For the TMT IPOs:
  - A minimum of 97.4% of shares were locked up.
  - An average of 99.7% of shares were locked up.
  - A maximum of 100.0% of shares were locked up.
- 11 of 29 (38%) of the TMT IPOs required all the bookrunners to release the lock-up, 12 of 29 (41%) required a subset of bookrunners and 6 of 29 (21%) only required the lead left bookrunner.
- The TMT IPOs with 100% locked up outperformed the TMT IPOs with less than 100% locked up in the aftermarket:
  - 2 of 29 (8%) of the TMT IPOs had fewer than 99.0% of shares locked up.
  - 10 of 29 (34%) of the TMT IPOs had between 99.0 and 99.9% of shares locked up.
  - 12 of 29 (41%) of the TMT IPOs had 100% of shares locked up.
  - 5 of 29 (17%) of the TMT IPOs indicated that substantially all shares were locked up, but did not disclose the percentage and are excluded from the table below.

Percentage Locked-up vs. Aftermarket Performance



Carve-outs

- 23 of 29 (79%) of the TMT IPOs included a carve-out in the company's lock-up agreement in the underwriting agreement for stock issuances in connection with acquisitions/joint ventures (JVs).
- All of the TMT IPOs with this carve-out included a cap on the number of shares that could be issued:
  - 10 IPOs: cap = 5% of outstanding common stock.
  - 11 IPOs: cap = 10% of outstanding common stock.
  - 2 IPOs mentioned a cap in the underwriting agreement, but the amount for the cap was not disclosed.

Note: Includes market data available since IPO pricing as of 3.31.14

Sponsor-Backed Companies: Management/Termination Fees

Management/ Termination Fees

> 12 of 29 (41%) of the TMT IPOs were sponsor-backed.

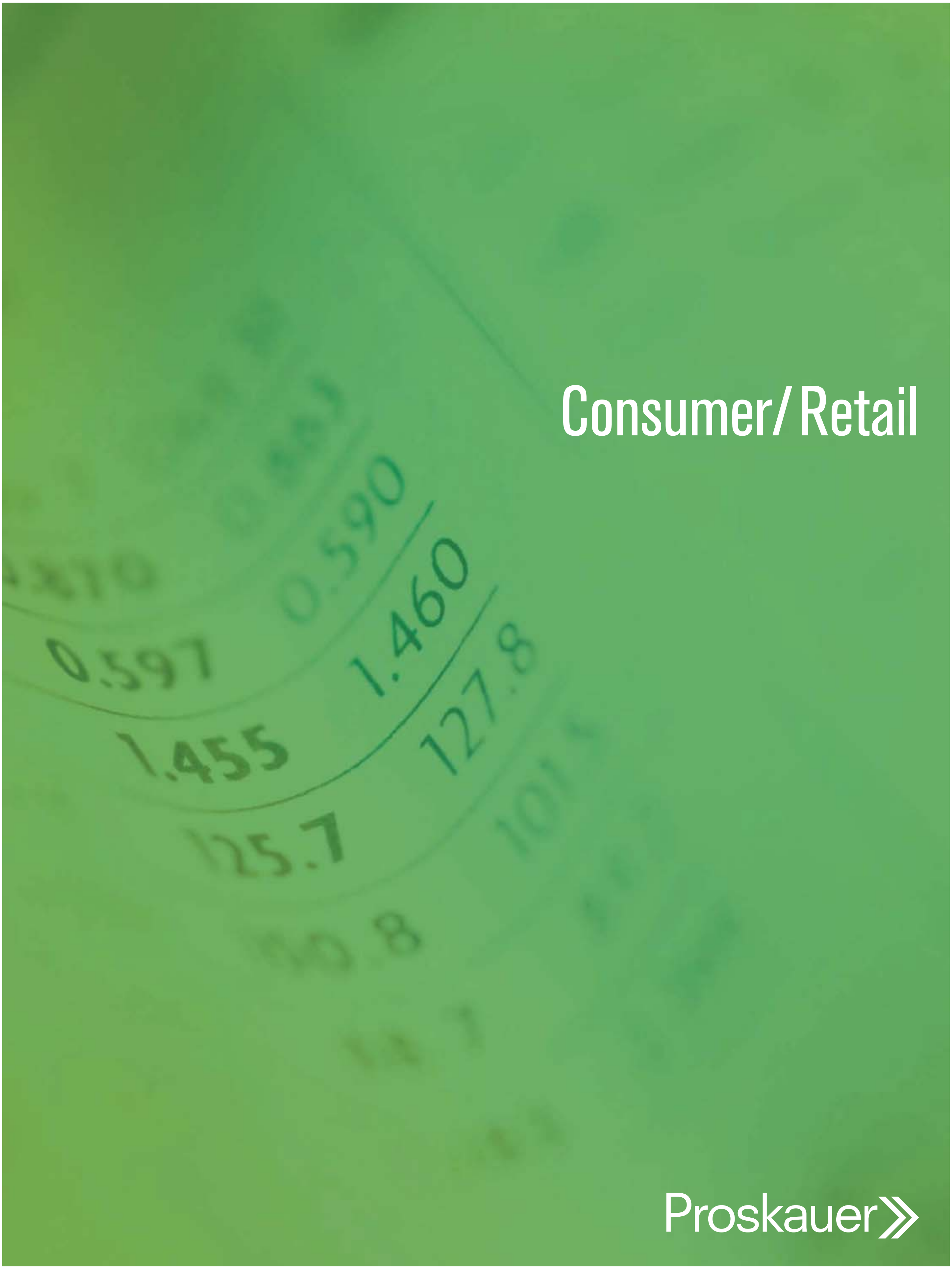
- 4 of 12 (33%) of these IPOs paid management or termination fees to the sponsor group from IPO proceeds.
- The smallest management/termination fee was $7.5 million, while the largest was $24.4 million and the average was $19.0 million.
- On average, the time from sponsor buy-in to the payment of the management/termination fee post-IPO was 4.9 years, with a minimum time of 2.8 years and a maximum time of 6.4 years.

Sponsor-Backed TMT Companies: Key Comparisons

Key Comparisons

	Sponsor-Backed	Not Sponsor-Backed
Percentage of TMT deals studied	41%	59%
Average market capitalization at pricing ($bn)	1.1	1.6
Average number of directors	7	7
Average number of independent directors	4	5
Average number of total first round SEC comments	39	48
Average total deal expenses ($mm)	4.1	3.7
Average percentage of shares locked up	99.4%	99.9%
Average number of days from initial submission/filing to pricing date *	151	148
Percentage of deals with a secondary component	50%	24%

* Excludes deals with time from filing to pricing of greater than 18 months



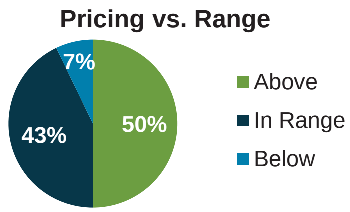
Consumer/Retail

2013 Consumer/Retail Market Analysis

Overview

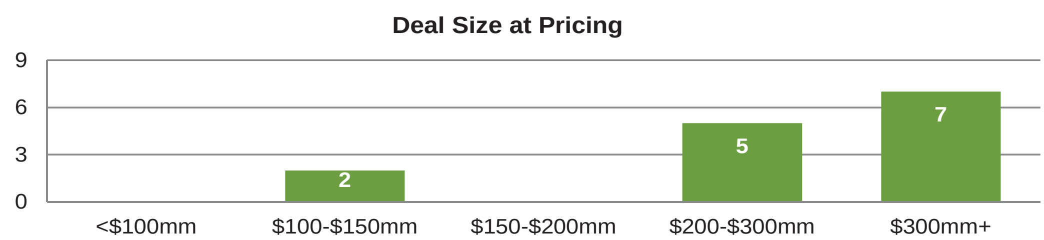
> We analyzed 14 consumer/retail companies:

- 8 dining & lodging, grocery or food & beverage.
- 4 retail or consumer products.
- 2 leisure & recreation.



Deal Size & Over-Allotment

> 7 of 14 (50%) of the consumer/retail IPOs were over $300mm in deal size.

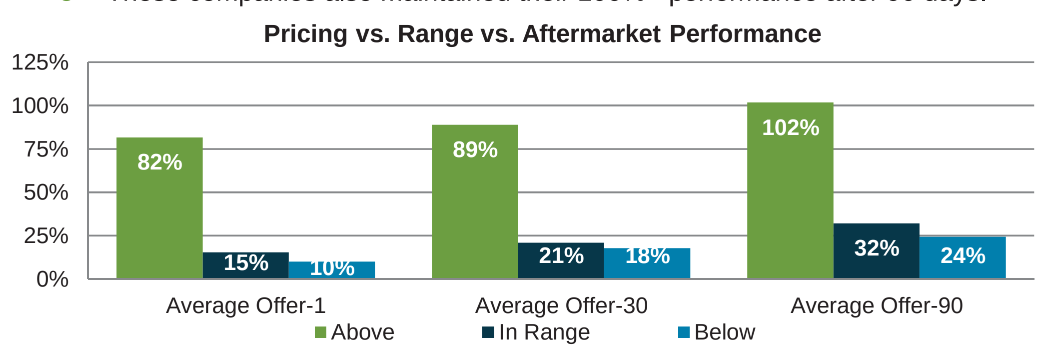


> The over-allotment option was exercised in 14 of 14 (100%) of the consumer/retail IPOs, compared to 83% in our overall study.

Aftermarket Performance

> The consumer/retail companies that priced above their filing range outperformed the other consumer/retail IPOs on the first day post-pricing.

- These companies also increased their returns over time.
  - This outperformance was driven by 3 grocery/food & beverage companies and 1 consumer products company, each having 1 day returns of over 100%.
  - These companies also maintained their 100%+ performance after 90 days.



Note: Includes market data available since IPO pricing as of 3.31.14

JOBS Act: Confidential Submission, Testing-the-Waters & Financials

Confidential Submission

> 6 of 14 (43%) of the consumer/retail IPOs in our study were EGCs, compared to 77% in our overall study.
- All 6 consumer/retail EGCs elected to confidentially submit their first filing.

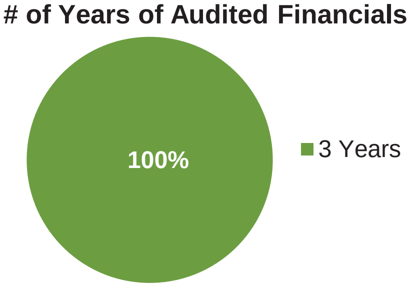
Testing-the-Waters

> We have data on 4 of 6 (67%) of the consumer/retail EGCs as to whether these companies conducted testing-the-waters.*
- None of these consumer/retail EGCs conducted testing-the-waters.

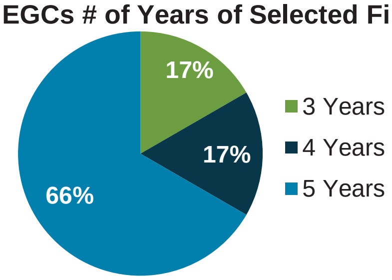
Years of Financials

> Consumer/retail companies tended to provide more financial information, on average, than the EGC IPOs in our overall study.
> All 6 consumer/retail EGCs provided 3 years of audited financials and the majority of consumer/retail EGCs provided 5 years of selected financials.

EGCs # of Years of Audited Financials



EGCs # of Years of Selected Financials



* Based on publicly available SEC comment and response letters. Company response letters addressing testing-the-waters comment not available for 31 EGCs

Auditor’s Opinion/Internal Controls & Flash Results

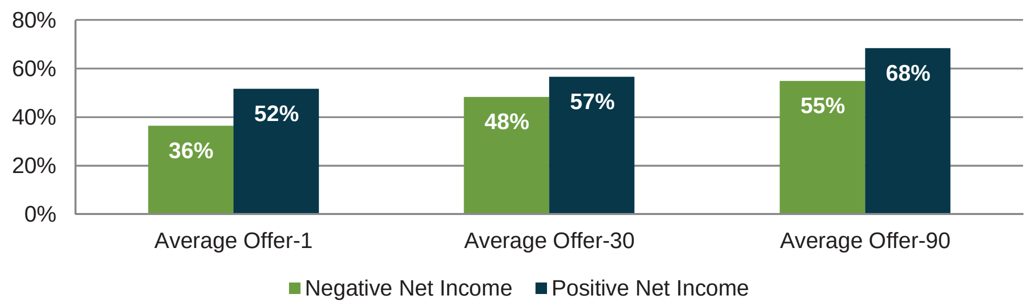
Auditor’s Opinion	> 2 of 14 (14%) of the consumer/retail IPOs disclosed a material weakness in internal controls over financial reporting. ▪ 1 of 2 (50%) of these IPOs also had a restatement. > None of the consumer/retail IPOs received a going concern opinion.
Flash Results	> 4 of 14 (29%) of the consumer/retail IPOs priced 15 to 45 days after the end of Q1, Q2 or Q3. ▪ 3 of 4 (75%) of these IPOs showed flash results. ▪ 1 of 4 (25%) of these IPOs did not show flash results or full financials for the quarter not yet required to be included. o However, this IPO commenced its roadshow within the first two weeks of the new quarter.

Revenue, Net Income & EBITDA/Adjusted EBITDA

Revenue & Net Income

- None of the consumer/retail IPOs were pre-revenue.
- 5 of 14 (36%) of the consumer/retail IPOs had negative net income, while the other 9 of 14 (64%) had positive net income.

Net Income vs. Aftermarket Performance



EBITDA/ Adjusted EBITDA

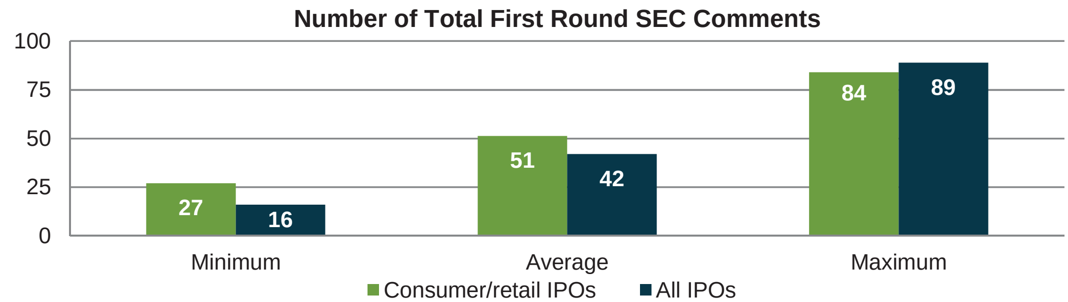
- 13 of 14 (93%) of the consumer/retail IPOs disclosed adjusted EBITDA.
- 1 of 14 (7%) of the consumer/retail IPOs did not disclose adjusted EBITDA or EBITDA.

Note: Includes market data available since IPO pricing as of 3.31.14

SEC Comments and Timing

SEC Comments

> On average, the consumer/retail IPOs received 9 more total first round SEC comments than the IPOs in our overall study.



> Taking a closer look at specific SEC comments:

- 6 of 14 (43%) of the consumer/retail IPOs received a cheap stock comment, compared to 51% in our overall study.
- 5 of 14 (36%) of the consumer/retail IPOs received a revenue recognition comment, compared to 53% in our overall study.
- 4 of 14 (29%) of the consumer/retail IPOs received a segment reporting comment, compared to 23% in our overall study.

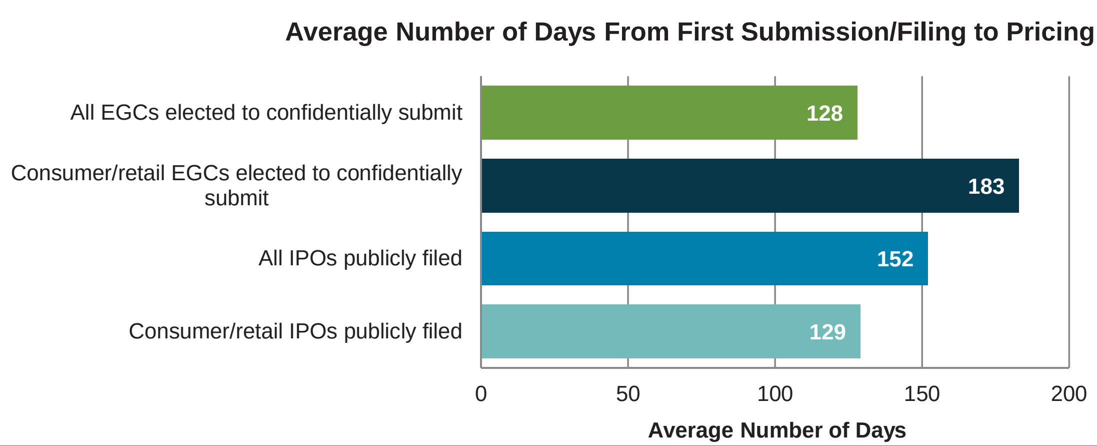
SEC Timing

> 6 of 14 (43%) of the consumer/retail IPOs were EGCs.

- 6 of 6 (100%) of the consumer/retail EGCs elected to confidentially submit their first filing.
- On average, these 6 consumer/retail IPOs received 58 total first round SEC comments.

> 8 of 14 (57%) of the consumer/retail IPOs initially publicly filed.

- On average, these 8 consumer/retail IPOs received 47 total first round SEC comments.

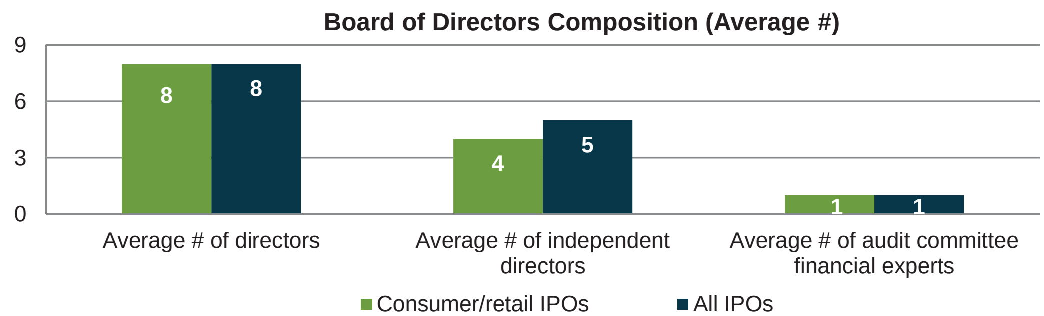


Corporate Governance: Key Items

Board of Directors

> 5 of 14 (36%) of the consumer/retail IPOs had a majority of independent directors on their Boards, compared to 68% in our overall study.

> Only 3 of 14 (21%) of the consumer/retail IPOs were non-controlled companies and all 3 companies had a majority of independent directors on their Boards.

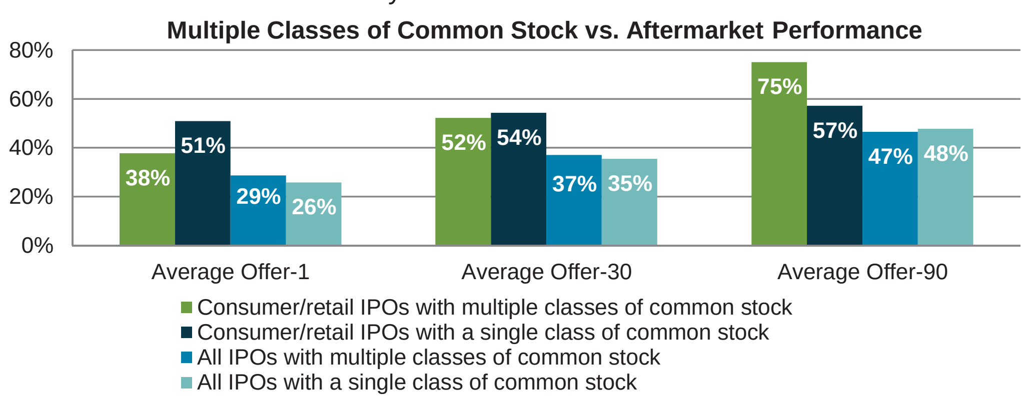


Separation of Chairman & CEO

> 11 of 14 (79%) of the consumer/retail IPOs separated their Chairman and CEO, compared to 60% of IPOs in our overall study.

Classes of Common Stock

> 5 of 14 (36%) of the consumer/retail IPOs had multiple classes of common stock, compared to 19% of IPOs in our overall study.



Note: Includes market data available since IPO pricing as of 3.31.14

Corporate Governance: Controlled Company Exemption

Overview

> 11 of 14 (79%) of the consumer/retail IPOs were eligible for the controlled company exemption, compared to 39% in our overall study.

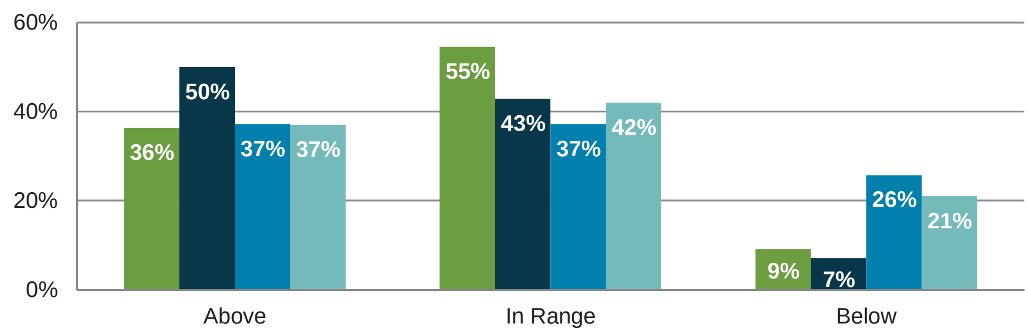
- 11 of 11 (100%) of these consumer/retail companies eligible for the controlled company exemption elected to take advantage of the exemption.
  - 2 of 11 (18%) of these IPOs had a majority of independent directors on their Boards.

Pricing vs. Range

> For the consumer/retail IPOs that were eligible for and elected to take advantage of the controlled company exemption:

- 4 of 11 (36%) priced above their filing range.
- 6 of 11 (55%) priced in their filing range.
- 1 of 11 (9%) priced below its filing range.

Controlled Company Exemption Pricing vs. Range



# of IPOs per group:												
	4	7	13	37	6	6	13	42	1	1	9	21

- Consumer/retail IPOs elected to take advantage of controlled company exemption
- All consumer/retail IPOs
- All IPOs elected to take advantage of controlled company exemption
- All IPOs

Note: Includes market data available since IPO pricing as of 3.31.14

IPO Expenses

IPO Expenses

> The underwriting discount and total IPO expenses for the consumer/retail IPOs are summarized below:

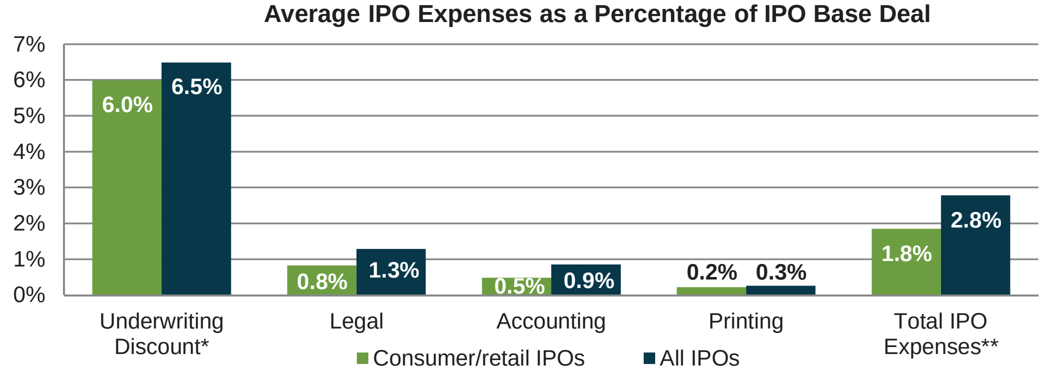
Fee Category:	Minimum:	Average:	Maximum:
Underwriting Discount*	$6,750,000	$25,645,037	$85,289,452
Total IPO Expenses**	$2,743,830	$5,937,249	$12,000,000

> The legal, accounting and printing fees for the consumer/retail IPOs are set forth below:

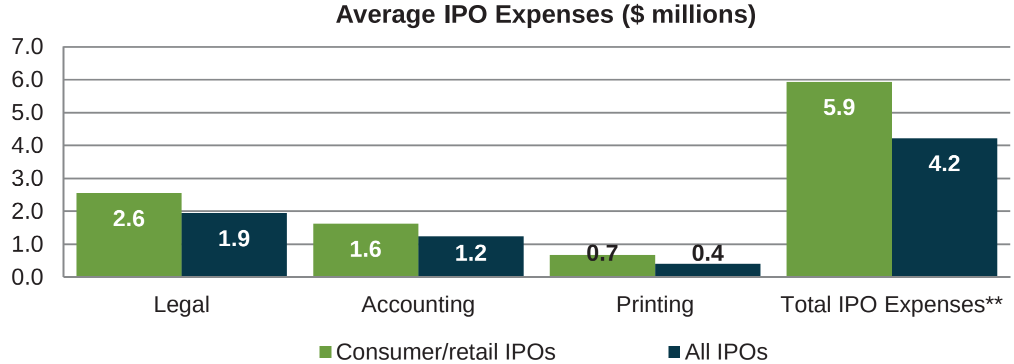
Fee Category:	Minimum:	Average:	Maximum:
Legal	$1,030,000	$2,552,143	$4,625,000
Accounting	$325,000	$1,632,857	$4,000,000
Printing	$250,000	$674,643	$1,250,000

> The average expenses for consumer/retail IPOs were lower than the average expenses for the IPOs in our overall study as a percentage of the IPO base deal, but materially higher for average IPO expenses on an absolute basis.

Average IPO Expenses as a Percentage of IPO Base Deal



Average IPO Expenses ($ millions)



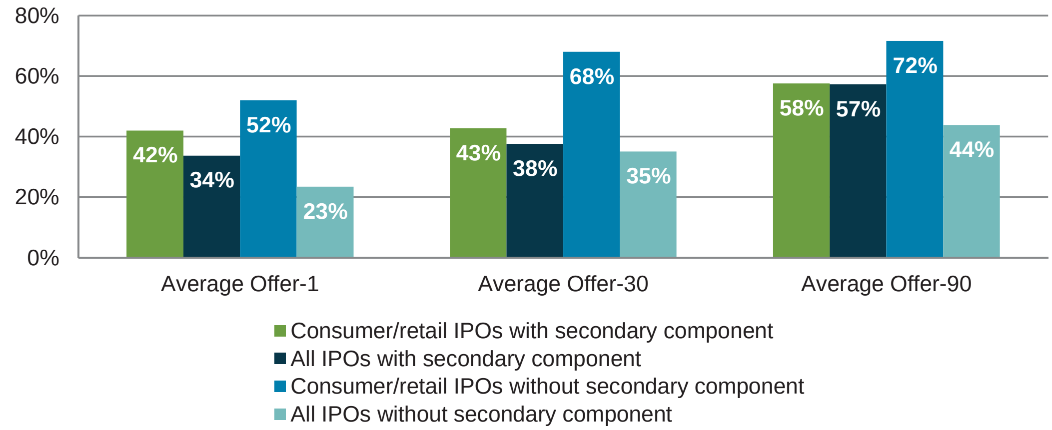
* Underwriting discount is the percentage of the gross proceeds of the IPO that is paid as compensation to the underwriters
** Total IPO expenses excludes the underwriting discount

Deal Structure: Secondary Component, Management Sales, DSPs & Insiders Purchasing

Secondary Component

> 8 of 14 (57%) of the consumer/retail IPOs had a secondary component, compared to 28% of our overall study.

Secondary Component vs. Aftermarket Performance



Management Sales

> In 3 of 14 (21%) of the consumer/retail IPOs, management sold shares in the IPO, compared to 15% in our overall study.

Directed Share Programs

> 8 of 14 (57%) of the consumer/retail IPOs included DSPs, compared to 43% in our overall study.

Insiders Purchasing

> None of the consumer/retail IPOs had insiders purchasing in the IPO.

Note: Includes market data available since IPO pricing as of 3.31.14

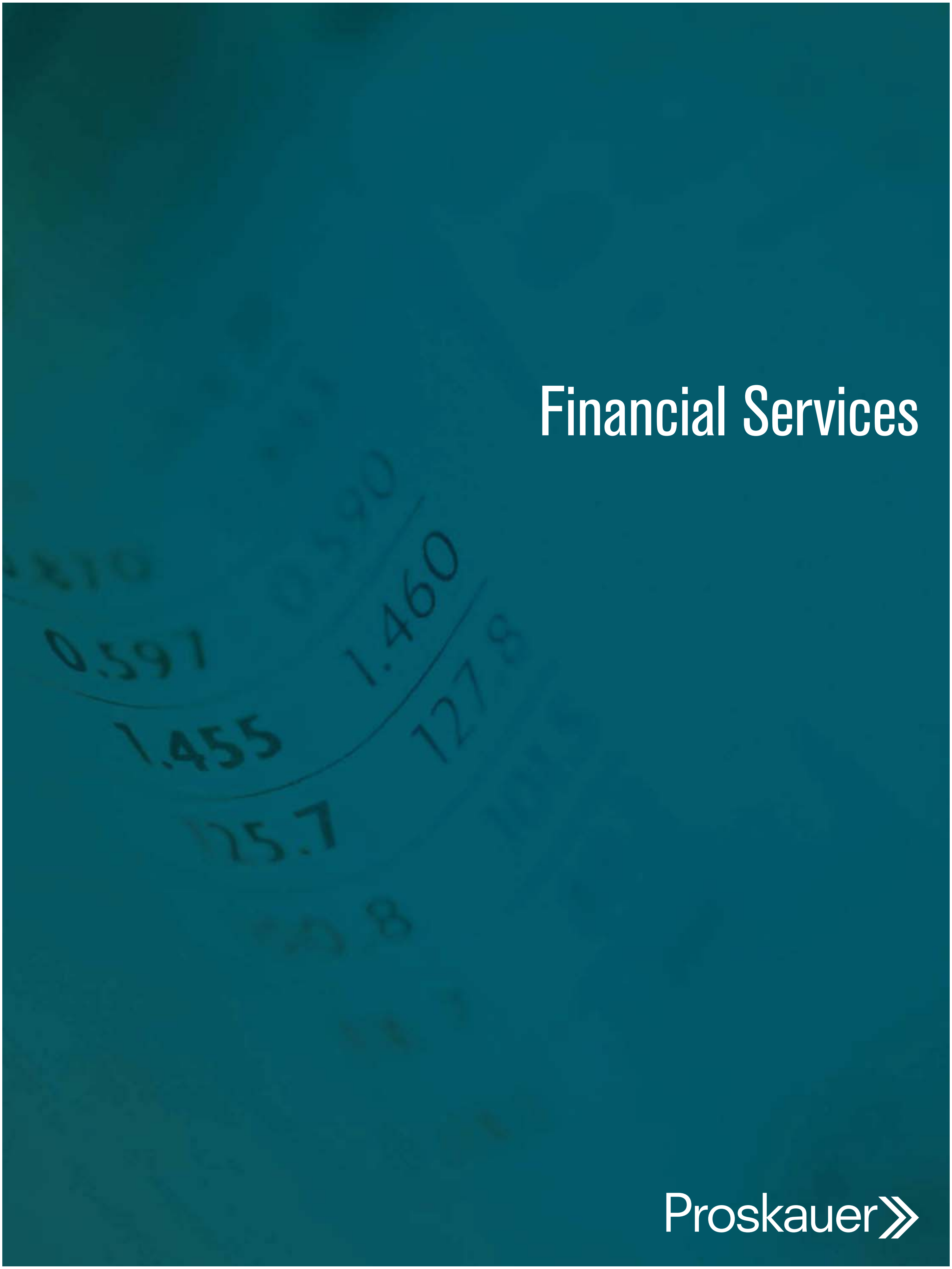
Lock-Ups & Management/Termination Fees

Lock-Ups	> Consumer/retail IPOs had 98.7% of the shares locked up on average. ▪ 7 of 14 (50%) of the consumer/retail IPOs had 100% of their shares locked up. > 4 of 14 (29%) of the consumer/retail IPOs required all bookrunners to release the lock-up, while 8 of 14 (57%) required a subset of bookrunners and 2 of 14 (14%) required only the lead left bookrunner. > 6 of 14 (43%) of the consumer/retail IPOs included a carve-out in the company's lock-up agreement in the underwriting agreement for stock issuances in connection with acquisitions/joint ventures (JVs), compared to 64% in our overall study. ▪ These 6 consumer/retail IPOs included a cap on the number of shares that could be issued: o 5 IPOs: cap = 5% of outstanding common stock. o 1 IPOs: cap = 10% of outstanding common stock.
Management/ Termination Fees	> 12 of 14 (86%) of the consumer/retail IPOs were sponsor-backed. ▪ 5 of 12 (42%) of these IPOs paid management or termination fees to the sponsor group from IPO proceeds. ▪ The smallest management/termination fee was $3.3 million, while the largest was $47.0 million and the average was $17.1 million. o Excluding the $47.0 million fee, which was an outlier, the average for the other management/termination fees was $9.7 million. ▪ On average, the time from sponsor buy-in to the payment of the management/termination fee post-IPO was 5 years, with a minimum time of 2.5 years and a maximum time of 7.5 years.

Sponsor-Backed Consumer/Retail Companies: Key Comparisons

Key Comparisons

	Sponsor-Backed	Not Sponsor-Backed
Percentage of consumer/retail deals studied	86%	14%
Average market capitalization at pricing ($bn)	3.2	1.1
Average number of directors	8	9
Average number of independent directors	4	3
Average number of total first round SEC comments	51	53
Average total deal expenses ($mm)	5.9	6.3
Average percentage of shares locked up	97.8%	100.0%
Average number of days from initial submission/filing to pricing date	153	142
Percentage of deals with a secondary component	58%	50%



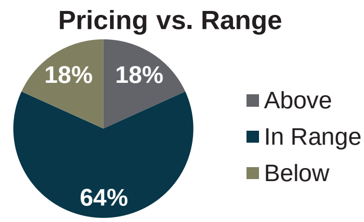
Financial Services

Proskauer

2013 Financial Services Market Analysis

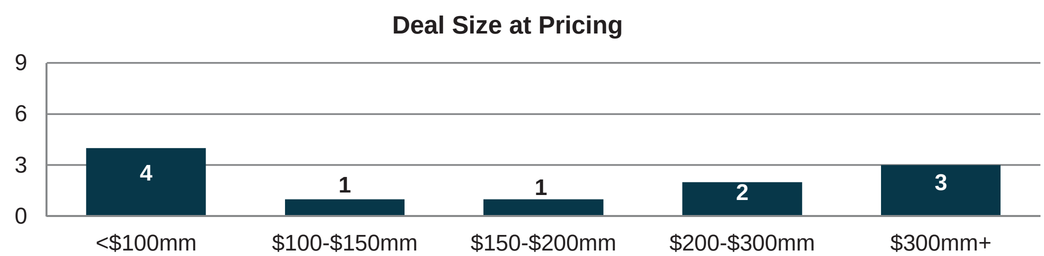
Overview

> We analyzed 11 financial services IPOs.



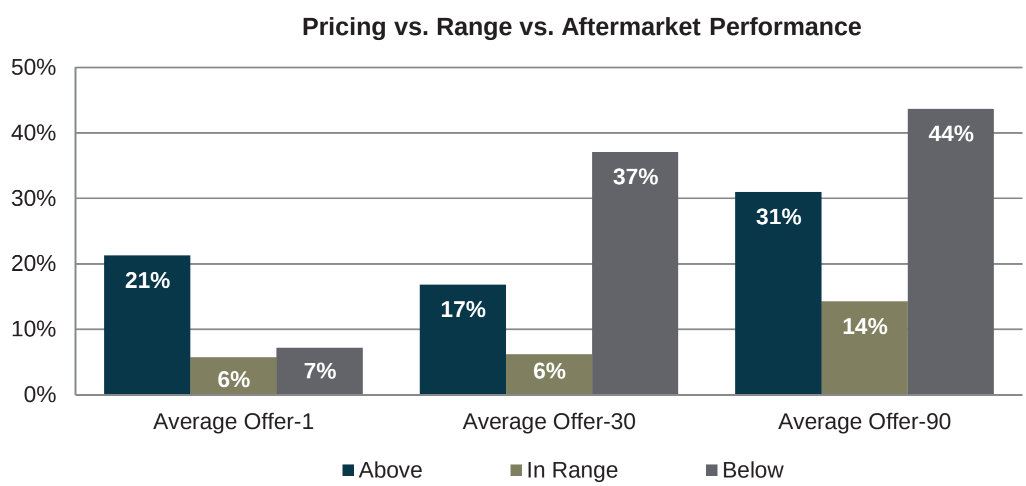
Deal Size & Over-Allotment

> The financial services IPOs varied in deal size.



> The over-allotment was exercised in 10 of 11 (91%) of the financial services IPOs.

Aftermarket Performance



Note: Includes market data available since IPO pricing as of 3.31.14

JOBS Act: Confidential Submission, Testing-the-Waters & Financials

Confidential Submission

> 8 of 11 (73%) of the financial services IPOs were EGCs.
- 5 of 8 (63%) of the financial services EGCs elected to confidentially submit their first filing.

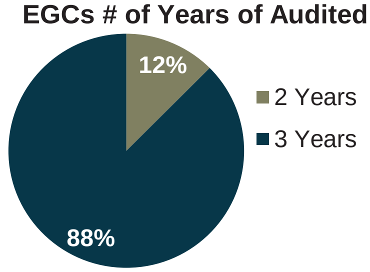
Testing-the-Waters

> We have data on 4 of 8 (50%) of the financial services EGCs as to whether these companies conducted testing-the-waters.*
- Only 1 of 4 (25%) of these financial services EGCs conducted testing-the-waters.

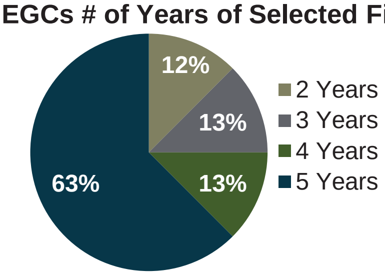
Years of Financials

> Financial services companies tended to provide more financial information, on average, than the EGC IPOs in our overall study.
- 7 of 8 (88%) of the financial services EGCs provided 3 years of audited financials.
- The majority of financial services EGCs provided 5 years of selected financials.

EGCs # of Years of Audited Financials



EGCs # of Years of Selected Financials



* Based on publicly available SEC comment and response letters. Company response letters addressing testing-the-waters comment not available for 31 EGCs

Auditor's Opinion/Internal Controls & Flash Results

Auditor's Opinion

> Only 1 of 11 (9%) of the financial services IPOs disclosed a material weakness in internal controls over financial reporting and this same company had the only restatement.
> None of the financial services IPOs received a going concern opinion.

Flash Results

> 5 financial services IPOs priced 15 to 45 days after the end of Q1, Q2 or Q3.
- 4 of 5 (80%) of these IPOs showed flash results.
- 1 of 5 (20%) did not show flash results or full financials for the quarter not yet required to be included.
  - However, this IPO commenced its roadshow within the first two weeks of the new quarter.

Revenue, Net Income & EBITDA/Adjusted EBITDA

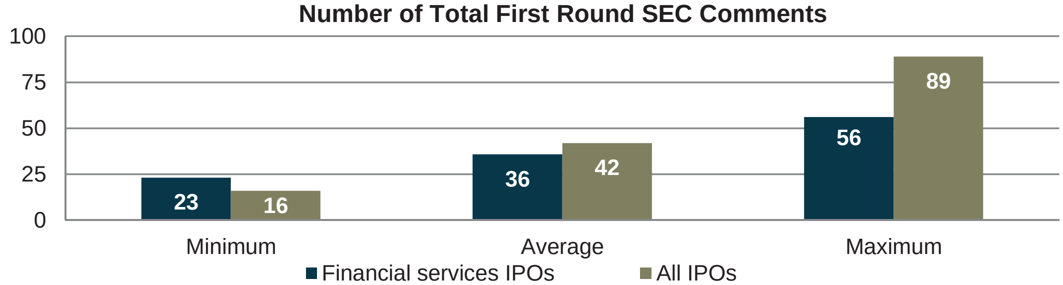
Revenue & Net Income	> 2 of 9 (22%) of the pre-revenue companies in our study were financial services companies. > 9 of 11 (82%) of the financial services IPOs had positive net income, while 2 of 11 (18%) had negative net income.
EBITDA/ Adjusted EBITDA	> Most financial services IPOs did not disclose EBITDA/adjusted EBITDA in their financials. ▪ 4 of 11 (36%) of the financial services IPOs in our study disclosed adjusted EBITDA or EBITDA. ▪ 7 of 11 (64%) of the financial services IPOs did not disclose adjusted EBITDA or EBITDA.

SEC Comments and Timing

SEC Comments

> On average, the financial services IPOs received 36 total first round SEC comments, 6 fewer than the IPOs in our overall study.

Number of Total First Round SEC Comments



> Taking a closer look at specific SEC comments:

- 2 of 11 (18%) of the financial services IPOs received a cheap stock comment, compared to 51% in our overall study.
- 5 of 11 (45%) of the financial services IPOs received a revenue recognition comment, compared to 53% in our overall study.
- 1 of 11 (9%) of the financial services IPOs received a segment reporting comment, compared to 23% in our overall study.

SEC Timing

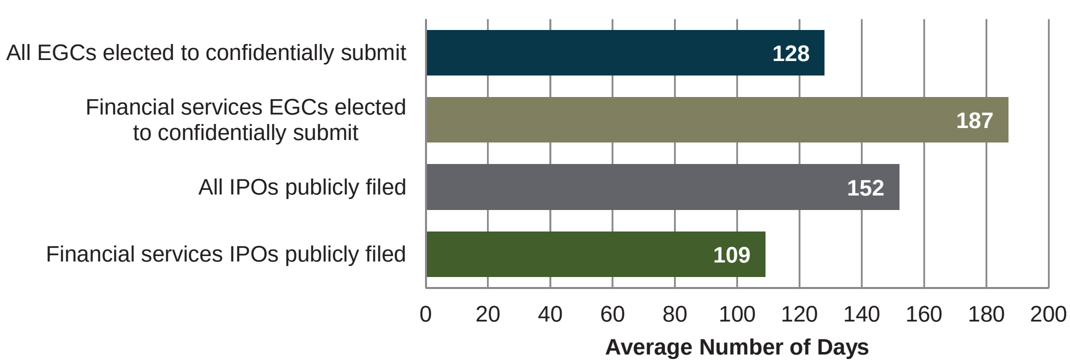
> 8 of 11 (73%) of the financial services IPOs were EGCs.

- 5 of 8 (63%) of the financial services EGCs elected to confidentially submit their first filing.
- On average, these 5 financial services IPOs received 33 total first round SEC comments.

> 6 of 11 (55%) of the financial services IPOs initially publicly filed.

- On average, these 6 financial services IPOs received 38 total first round SEC comments.

Average Number of Days From First Submission/Filing to Pricing

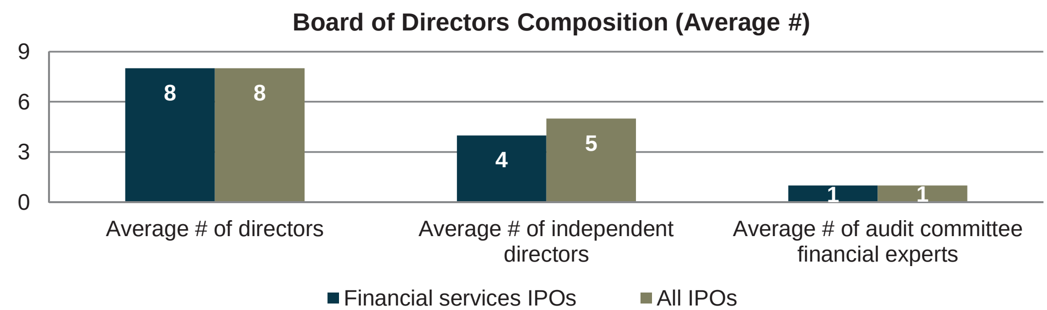


Corporate Governance: Key Items

Board of Directors

> 6 of 11 (55%) of the financial services IPOs had a majority of independent directors on their Boards, compared to 68% in our overall study.

> 5 of 11 (45%) of the financial services IPOs were non-controlled companies and 5 of 5 (100%) of these companies had a majority of independent directors on their Boards.

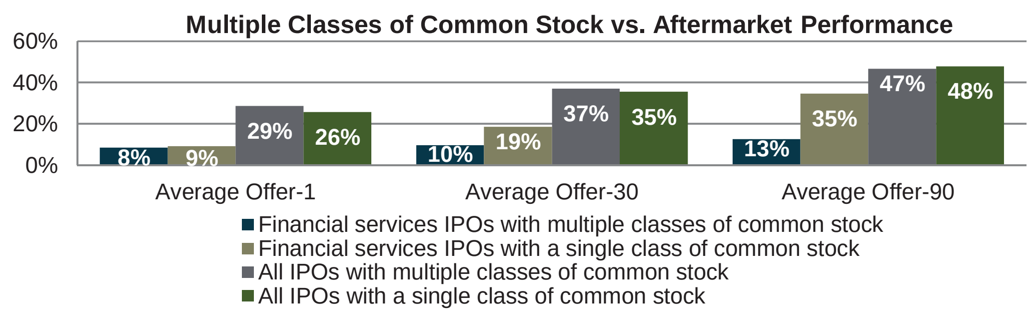


Separation of Chairman & CEO

> 55% of the financial services IPOs separated their Chairman and CEO, compared to 60% in our overall study.

Classes of Common Stock

> 6 of 11 (55%) of financial services IPOs had multiple classes of common stock, compared to 19% of IPOs in our overall study.



Controlled Company Exemption

> 6 of 11 (55%) of the financial services IPOs were eligible for the controlled company exemption, compared to 39% in our overall study.

- 6 of 6 (100%) of these financial services companies eligible for the controlled company exemption elected to take advantage of the exemption.
  - o 1 of 6 (17%) of these IPOs had a majority of independent directors on the Board.

Note: Includes market data available since IPO pricing as of 3.31.14

IPO Expenses

IPO Expenses

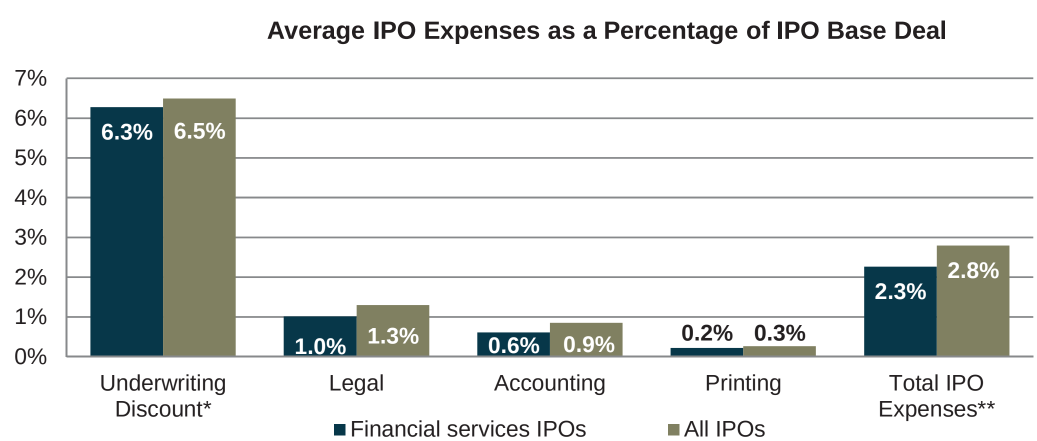
> The underwriting discount and total IPO expenses for the financial services IPOs are summarized below:

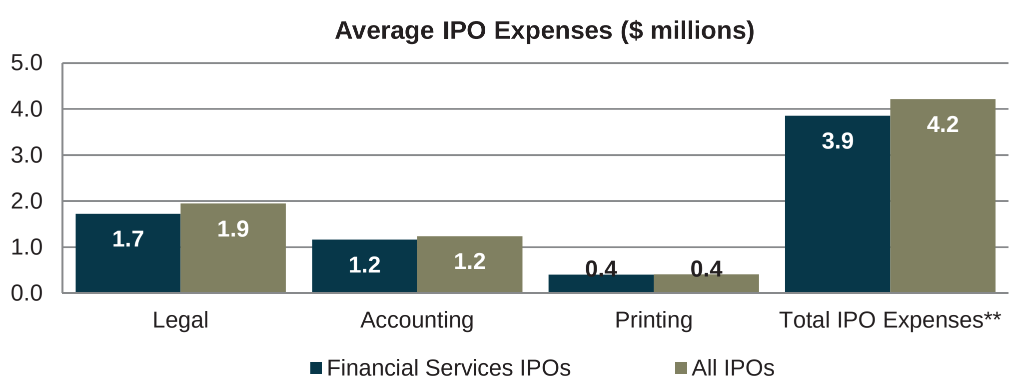
Fee Category:	Minimum:	Average:	Maximum:
Underwriting Discount*	$3,379,758	$14,878,970	$46,082,812
Total IPO Expenses**	$1,762,849	$3,857,940	$8,333,564

> The legal, accounting and printing fees for the financial services IPOs are set forth below:

Fee Category:	Minimum:	Average:	Maximum:
Legal	$650,000	$1,725,956	$4,000,000
Accounting	$252,500	$1,162,750	$2,505,000
Printing	$100,000	$403,502	$1,300,000

> The average expenses for financial services IPOs were lower than those for the IPOs in our overall study as a percentage of the IPO base deal.



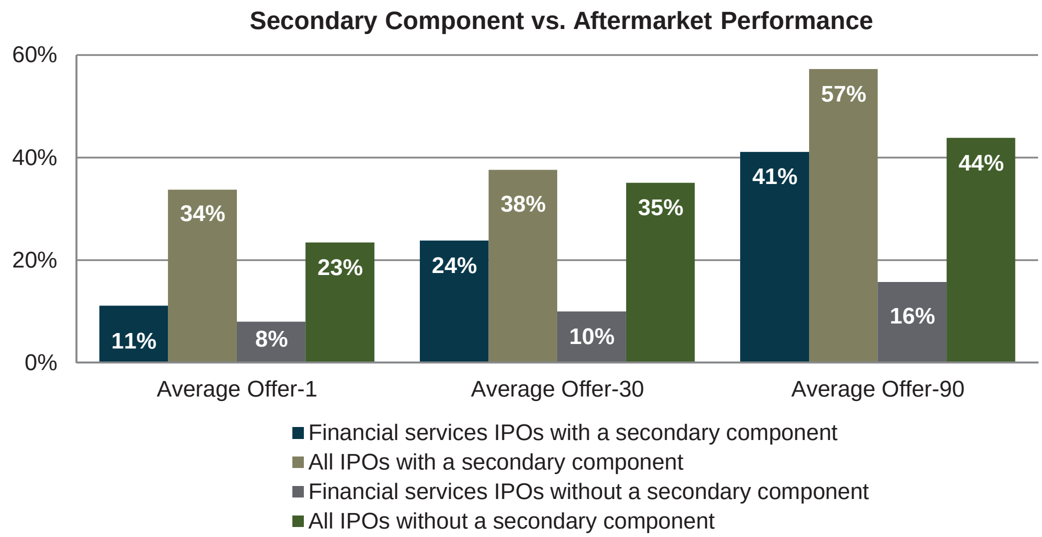


Note: Excludes 1 IPO with incomplete expense information
* Underwriting discount is the percentage of the gross proceeds of the IPO that is paid as compensation to the underwriters
** Total IPO expenses excludes the underwriting discount

Deal Structure: Secondary Component, Management Sales, DSPs & Insiders Purchasing

Secondary Component

> 3 of 11 (27%) of the financial services IPOs had a secondary component, compared to 28% in our overall study.



Management Sales

> In 2 of 11 (18%) of the financial services IPOs, management sold shares in the IPO, compared to 15% in our overall study.

Directed Share Programs

> 8 of 11 (73%) of the financial services IPOs included DSPs, compared to 43% in our overall study.

Insiders Purchasing

> None of the financial services IPOs had insiders purchasing in the IPO.

Note: Includes market data available since IPO pricing as of 3.31.14

Lock-Ups & Management/Termination Fees

Lock-Ups

- 9 of 11 (82%) of the financial services IPOs had 100% of their shares locked up.
  - The other 2 IPOs (18%) had substantially all of their shares locked up, but did not disclose the number.
- 6 of 11 (55%) of the financial services IPOs required all bookrunners to release the lock-up, while 1 of 11 (9%) required a subset of bookrunners and 4 of 11 (36%) required only the lead left bookrunner.
- 2 of 11 (18%) of the financial services IPOs included a carve-out in the company's lock-up agreement in the underwriting agreement for stock issuances in connection with acquisitions/joint ventures (JVs), compared to 64% in our overall study.
  - These 2 financial services IPOs included a cap on the number of shares that could be issued:
    - 1 IPO: cap = 10% of outstanding common stock.
    - 1 IPO: cap = 5% of outstanding common stock.

Management/ Termination Fees

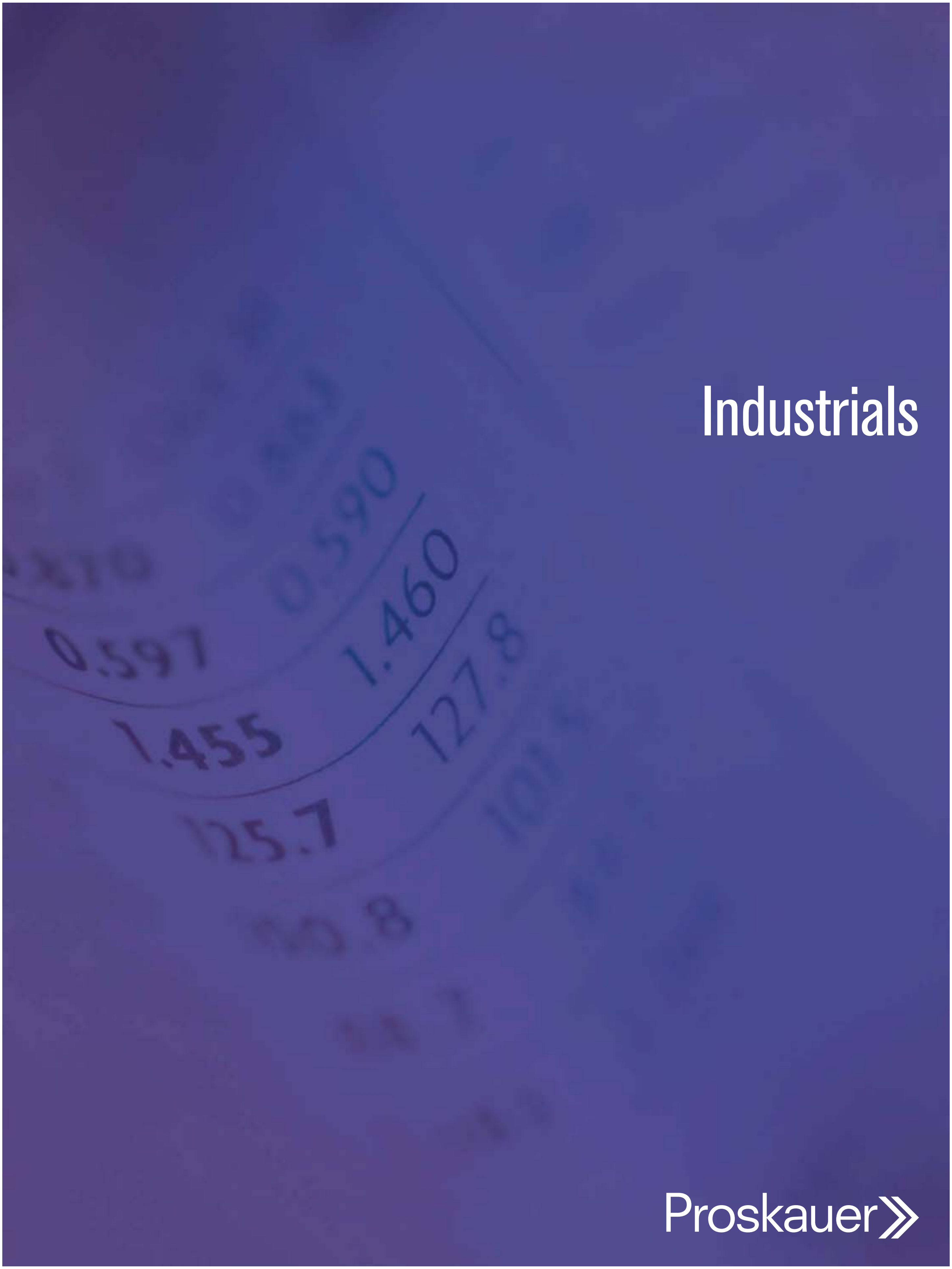
- 5 of 11 (45%) of the financial services IPOs were sponsor-backed.
  - None of these IPOs paid management or termination fees to the sponsor group from IPO proceeds.

Sponsor-Backed Financial Services Companies: Key Comparisons

Key Comparisons

	Sponsor-Backed	Not Sponsor-Backed
Percentage of financial services deals studied	45%	55%
Average market capitalization at pricing ($bn)	1.1	1.2
Average number of directors	8	7
Average number of independent directors	5	3
Average number of total first round SEC comments	32	39
Average total deal expenses ($mm)	3.8	3.9
Average percentage of shares locked up*	100.0%	100.0%
Average number of days from initial submission/filing to pricing date	112	172
Percentage of deals with a secondary component	20%	33%

* 2 financial services IPOs had substantially all of their shares locked up, but did not disclose the amount and are excluded from this calculation; the other 9 financial services IPOs had 100% of their shares locked up



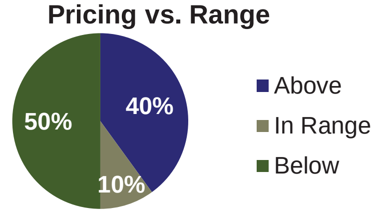
Industrials

2013 Industrials Market Analysis

Overview

> We analyzed 10 industrials IPOs.

Pricing vs. Range



> There were several key distinctions for industrials companies:

- 8 of 10 (80%) of the industrials IPOs were sponsor-backed.
- Only 3 of 10 (30%) of the industrials IPOs were EGCs, compared to 77% in our overall study.
- 9 of 10 (90%) of the industrials IPOs had positive EBITDA and/or adjusted EBITDA.
- 9 of 10 (90%) of the industrials IPOs were eligible for the controlled company exemption.

Deal Size & Over-Allotment

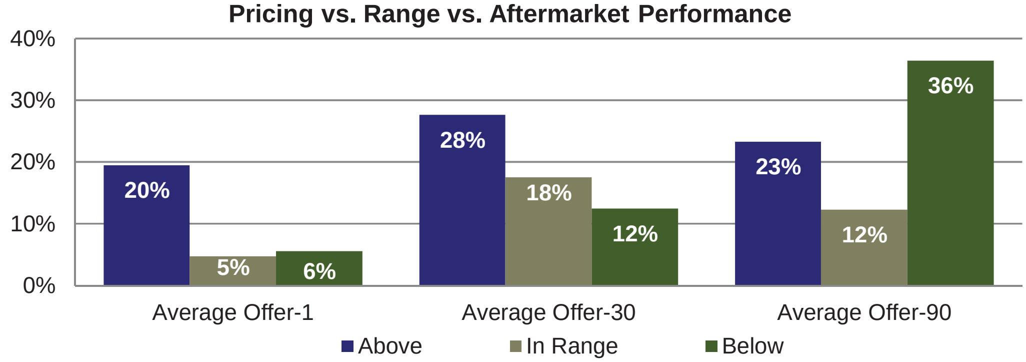
> The majority of industrials IPOs were greater than $200mm in deal size.

Deal Size at Pricing

> The over-allotment was exercised in 9 of 10 (90%) of the industrials IPOs.

Aftermarket Performance

Pricing vs. Range vs. Aftermarket Performance



Note: Includes market data available since IPO pricing as of 3.31.14

JOBS Act: Confidential Submission, Testing-the-Waters & Financials

Confidential Submission

> 3 of 10 (30%) of the industrials IPOs were EGCs, compared to 77% in our overall study.
- All 3 industrials EGCs elected to confidentially submit their first filing.

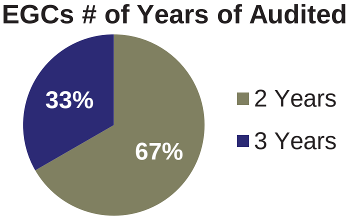
Testing-the-Waters

> We have data on 1 of 3 (33%) of the industrials EGCs as to whether the company conducted testing-the-waters.*
- This industrials EGC did not conduct testing-the-waters.

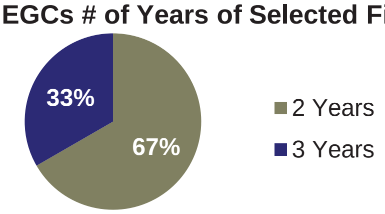
Years of Financials

> The 3 industrials EGCs provided varying amounts of financial information:

EGCs # of Years of Audited Financials



EGCs # of Years of Selected Financials



* Based on publicly available SEC comment and response letters. Company response letters addressing testing-the-waters comment not available for 31 EGCs

Auditor’s Opinion/Internal Controls & Flash Results

Auditor’s Opinion

> 2 of 10 (20%) of the industrials IPOs disclosed a material weakness in internal controls over financial reporting.
  - 1 of 2 (50%) of these IPOs also had a restatement.

> None of the industrials IPOs received a going concern opinion.

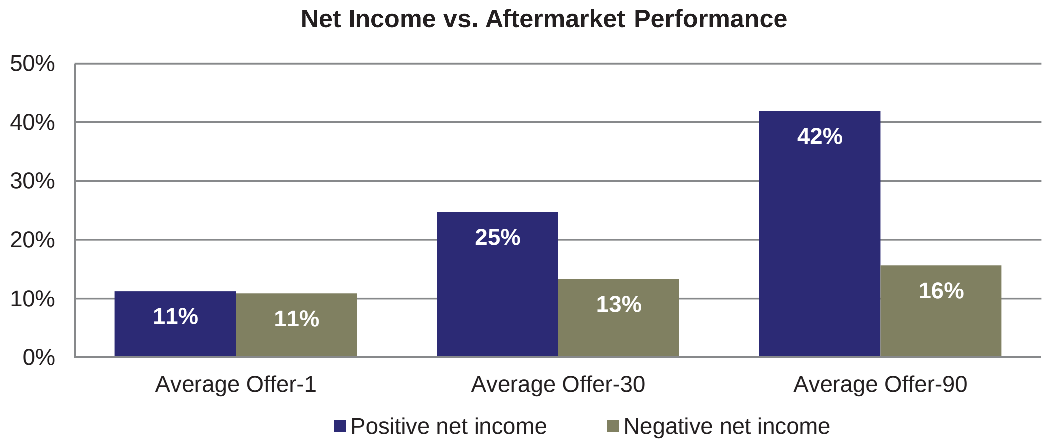
Flash Results

> 3 of 10 (30%) of the consumer/retail IPOs priced 15 to 45 days after the end of Q1, Q2 or Q3.
  - 2 of 3 (67%) of these IPOs showed flash results.
  - 1 of 3 (33%) of these IPOs did not show flash results or full financials for the quarter not yet required to be included.
    - However, this IPO commenced its roadshow within the first two weeks of the new quarter

Revenue, Net Income & EBITDA/Adjusted EBITDA

Revenue & Net Income

- 10 of 10 (100%) of the industrials IPOs were revenue generating.
- 5 of 10 (50%) of the industrials IPOs had positive net income.



EBITDA/ Adjusted EBITDA

- Virtually all of the industrials IPOs disclosed EBITDA/adjusted EBITDA in their financials:
  - 9 of 10 (90%) of the industrials IPOs disclosed adjusted EBITDA.
  - 1 of 10 (10%) of the industrials IPOs did not disclose EBITDA or adjusted EBITDA.
- 9 of 10 (90%) of the industrials IPOs had positive EBITDA and/or adjusted EBITDA.

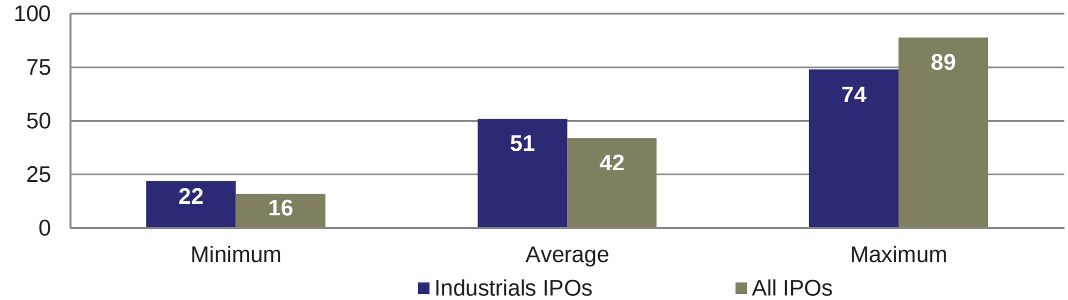
Note: Includes market data available since IPO pricing as of 3.31.14

SEC Comments and Timing

SEC Comments

> On average, the industrials IPOs received 51 total first round SEC comments, 9 more than the IPOs in our overall study.

Number of Total First Round SEC Comments



> Taking a closer look at specific SEC comments:

- 2 of 10 (20%) of the industrials IPOs received a cheap stock comment, compared to 51% in our overall study.
- 4 of 10 (40%) of the industrials IPOs received a revenue recognition comment, compared to 53% in our overall study.
- 7 of 10 (70%) of the industrials IPOs received a segment reporting comment, compared to 23% in our overall study.

SEC Timing

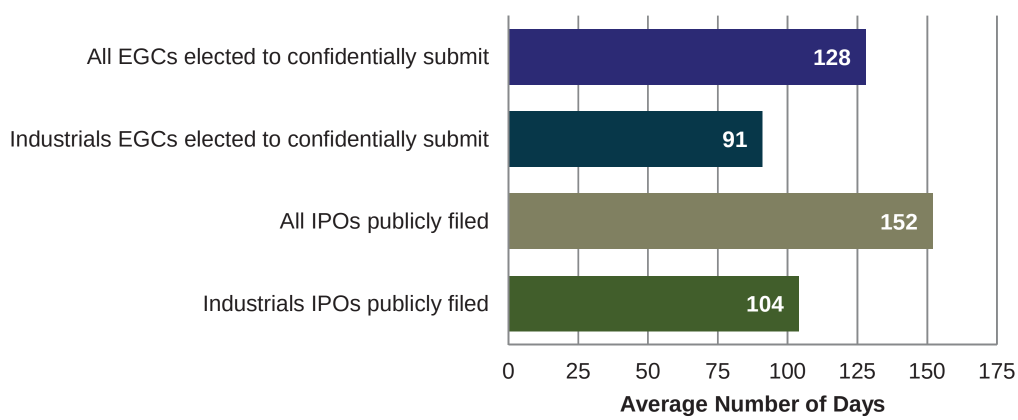
> 3 of 10 (30%) of the industrials IPOs were EGCs.

- 3 of 3 (100%) of the industrials EGCs elected to confidentially submit their first filing.
- On average, these 3 industrials IPOs received 38 total first round SEC comments.

> 7 of 10 (70%) of the industrials IPOs initially publicly filed.

- On average, these 7 industrials IPOs received 58 total first round SEC comments.

Average Number of Days From First Submission/Filing to Pricing*

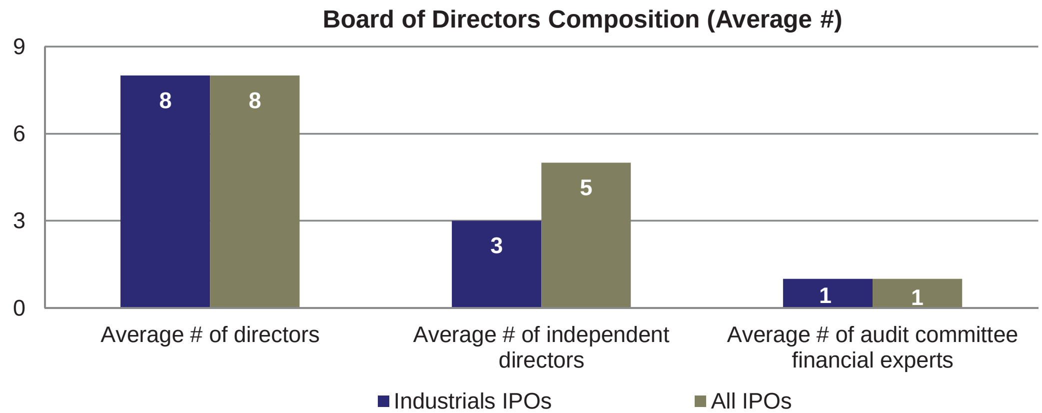


* Excludes deals with time from filing to pricing of greater than 18 months

Corporate Governance: Key Items

Board of Directors

- > 2 of 10 (20%) of the industrials IPOs had a majority of independent directors on their Boards, compared to 68% in our overall study.
- > Only 1 of 10 (10%) of the industrials IPOs was a non-controlled company and this company had a majority of independent directors on the Board.



Separation of Chairman and CEO

- > 9 of 10 (90%) of the industrials IPOs separated their Chairman and CEO, compared to 60% in our overall study.

Classes of Common Stock

- > 1 of 10 (10%) of the industrials IPOs had multiple classes of common stock, compared to 19% in our overall study.

Controlled Company Exemption

- > 9 of 10 (90%) of the industrials IPOs were eligible for the controlled company exemption, compared to 39% in our overall study.
  - ▪ 8 of 9 (89%) of these industrials companies eligible for the controlled company exemption elected to take advantage of the exemption.
    - o None of these 8 industrials IPOs had a majority of independent directors on the Board.

IPO Expenses

IPO Expenses

- The underwriting discount and total IPO expenses for the industrials IPOs are summarized below:

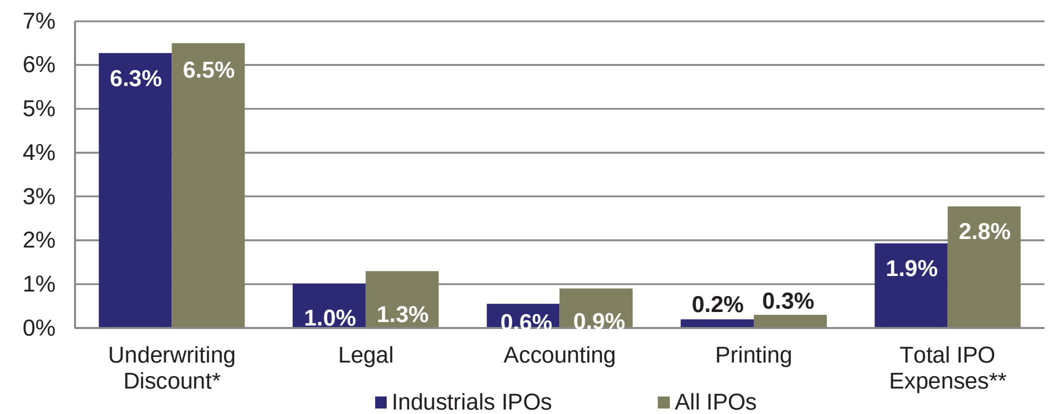
Fee Category:	Minimum:	Average:	Maximum:
Underwriting Discount*	$5,390,000	$19,134,260	$40,691,489
Total IPO Expenses**	$2,000,000	$4,138,657	$10,000,000

- The legal, accounting and printing fees for the industrials IPOs are set forth below:

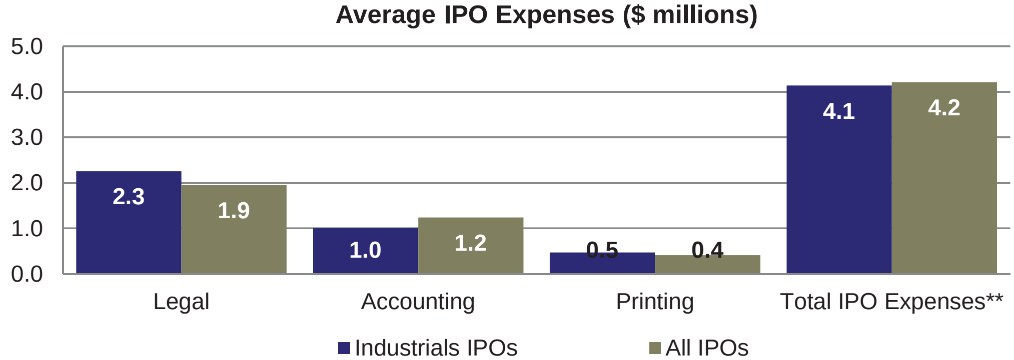
Fee Category:	Minimum:	Average:	Maximum:
Legal	$875,000	$2,255,684	$6,901,854
Accounting	$450,000	$1,012,222	$2,550,000
Printing	$100,000	$471,000	$1,200,000

- The average expenses for industrials IPOs were lower than those for the IPOs in our overall study as a percentage of the IPO base deal.

Average IPO Expenses as a Percentage of IPO Base Deal



Average IPO Expenses ($ millions)



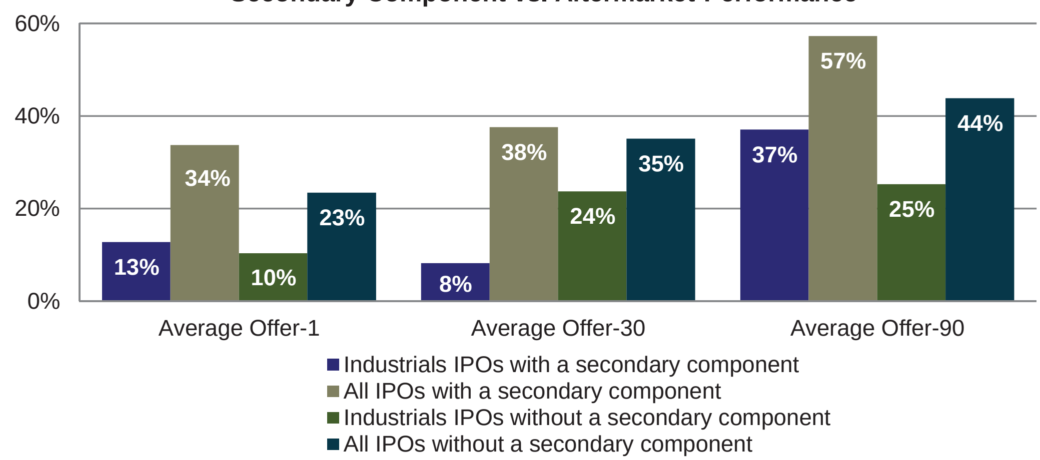
* Underwriting discount is the percentage of the gross proceeds of the IPO that is paid as compensation to the underwriters
** Total IPO expenses excludes the underwriting discount

Deal Structure: Secondary Component, Management Sales, DSPs & Insiders Purchasing

Secondary Component

> 3 of 10 (30%) of the industrials IPOs had a secondary component, compared to 28% in our overall study.

Secondary Component vs. Aftermarket Performance



Management Sales

> In 1 of 10 (10%) of the industrials IPOs, management sold shares in the IPO, compared to 15% in our overall study.

Directed Share Programs

> 5 of 10 (50%) of the industrials IPOs included DSPs, compared to 43% in our overall study.

Insiders Purchasing

> None of the industrials IPOs had insiders purchasing in the IPO.

Note: Includes market data available since IPO pricing as of 3.31.14

Lock-Ups & Management/Termination Fees

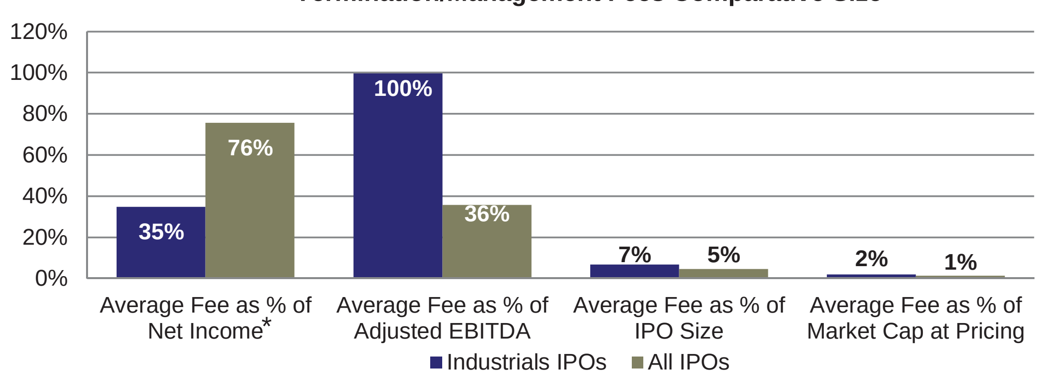
Lock-Ups

- Industrials IPOs had 98.6% of the shares locked up on average.
  - 4 of 10 (40%) of the industrials IPOs had 100% of their shares locked up.
- 6 of 10 (60%) of the industrials IPOs required all bookrunners to release the lock-up, while 2 of 10 (20%) required a subset of bookrunners and 2 of 10 (20%) required only the lead left bookrunner.
- 7 of 10 (70%) of the industrials IPOs included a carve-out in the company's lock-up agreement in the underwriting agreement for stock issuances in connection with acquisitions/joint ventures (JVs), compared to 64% in our overall study.
  - These 7 industrial IPOs included a cap on the number of shares that could be issued:
    - 5 IPOs: cap = 10% of outstanding common stock.
    - 1 IPO: cap = 7.5% of outstanding stock.
    - 1 IPO: cap = 5% of outstanding stock.

Management/ Termination Fees

- 8 of 10 (80%) of the industrials IPOs were sponsor-backed.
  - 6 of 8 (75%) of these IPOs paid management or termination fees to the sponsor group from IPO proceeds.
  - The smallest management/termination fee was $9.0 million, while the largest was $79.7 million and the average was $31.8 million.
- On average, the time from sponsor buy-in to the payment of the management/termination fee post-IPO was 4.6 years, with a minimum time of 1.3 years and a maximum time of 9.1 years.
- On average, the termination/management fees for the industrials IPOs were a higher percentage of adjusted EBITDA, IPO size and market cap than all the IPOs that paid a termination/management fee to their sponsor group.

Termination/Management Fees Comparative Size**



* Termination/management fee as a percentage of net income excludes companies with negative net income
** One deal was excluded because the termination/management fee as a percentage of net income was over 1,000%

Sponsor-Backed Industrials Companies: Key Comparisons

Key Comparisons

	Sponsor-Backed	Not Sponsor-Backed
Percentage of industrials deals studied	80%	20%
Average market capitalization at pricing ($bn)	1.3	0.3
Average number of directors	8	7
Average number of independent directors	2	5
Average number of total first round SEC comments	57	32
Average total deal expenses ($mm)	4.4	3.1
Average percentage of shares locked up	99.4%	95.4%
Average number of days from initial submission/filing to pricing date *	102	91
Percentage of deals with a secondary component	25%	50%

* Excludes deals with time from filing to pricing of greater than 18 months

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