

Capital Markets End 2003 on Up Note; Hale and Dorr Leads Counsel Rankings for IPO, Venture Capital, PIPEs and Rule 144A Financings

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The capital markets ended 2003 on an up note and enter 2004 with momentum not seen for several years:

- The 2003 IPO market surged in the second half as economic conditions and the capital markets improved. In 2003, there were 71 IPOs raising gross proceeds of \$15.18 billion, compared to 75 IPOs raising \$25.44 billion in 2002. The fourth quarter produced 45 IPOs with gross proceeds of \$9.21 billion—and December alone contributed 20 IPOs with gross proceeds of \$6.02 billion.
- Although the venture capital market declined from 2,227 deals raising \$21.0 billion in 2002 to 1,884 deals raising \$16.9 billion in 2003, there were several encouraging signs. Median pre-money valuations increased about 20% from the first half to the second half of the year; VC-backed companies as a percentage of all IPOs increased from 27% in 2002 to 30% in 2003; and the median purchase price paid to acquire VC-backed companies rose from \$19 million in 2002 to \$25 million in 2003.
- The 2003 PIPEs market grew 29% in deal volume, from 1,056 to 1,358 transactions, and 14% in dollar volume, from \$16.6 billion to \$18.9 billion, over the prior year. Perhaps the most significant change in PIPEs transactions in 2003 was the movement away from variable-priced or reset-priced PIPEs, with the norm now calling for fixed pricing (close to 90% of all PIPEs transactions in 2003).
- Rule 144A placement activity jumped from 2002 to 2003 as seasoned companies increasingly recognized the faster time-to-market and greater flexibility afforded by these deals. The number of Rule 144A placements more than tripled, from 77 to 246, and gross proceeds nearly tripled, from \$25.3 billion to \$72.8 billion.

Statistics from independent sources confirm Hale and Dorr's position as the top law firm in the country in the representation of eastern U.S. companies conducting IPO, venture capital, PIPEs and Rule 144A financings:

- Statistics from VentureOne, an independent provider of venture capital transaction data,

indicate that in 2003 Hale and Dorr served as company counsel in more venture capital financings for companies based in the eastern half of the U.S. than any other law firm in the country. In addition, as of December 31, 2003, Hale and Dorr was general counsel to more private VC-backed companies based in the eastern half of the U.S. than any other law firm in the country.

- Based on SEC filings, Hale and Dorr handled more IPOs (issuer and underwriter counsel) by companies based in the eastern U.S. than any other law firm in the country.
- Based on data from PrivateRaise, an independent provider of PIPEs and Rule 144A transaction data, Hale and Dorr was company counsel in more PIPEs financings by companies based in the eastern half of the U.S. than any other law firm in the country.
- Based on data from PrivateRaise, Hale and Dorr was company counsel in more Rule 144A placements by companies based in the eastern half of the U.S. than any other law firm in the country.

Our newly published *2003 IPO Report* includes:

- detailed analysis of the 2003 IPO market;
- the outlook for the 2004 IPO market;
- regional breakdowns (New England, Tri-State, Mid-Atlantic and non-U.S. Issuers);
- a review of the 2003 PIPEs and Rule 144A markets;
- an overview of the impact of the investment banking global settlement;
- discussion of the key attributes of outstanding corporate directors; and
- IPO counsel and underwriter rankings.

To request a copy of the *2003 IPO Report*, please click [here](#) or call 617-526-5600.

Our newly published *2003 Venture Capital Report* includes:

- detailed analysis of the 2003 venture capital market, including industry breakdowns;
- the outlook for the 2004 venture capital market;
- regional breakdowns (New England, Tri-State, Mid-Atlantic and Europe);
- trends in acquisitions of, and IPOs by, venture-backed companies;
- trends in venture capital deal terms;
- preparing for an IPO following sweeping changes in the regulatory landscape; and
- venture capital counsel rankings.

To request a copy of the *2003 Venture Capital Report*, please click [here](#) or call 617-526-5600.