



EXCERPTS OF RECENT MEDIA COVERAGE

TECHNOLOGY & LIFE SCIENCES PRACTICE

A SAMPLING OF BDO THOUGHT LEADERSHIP IN THE MEDIA FOR Q3 2014

► TECH NEWS

COMPETITION IN THE TECHNOLOGY INDUSTRY DRIVES M&A RISKS

By **Mark Giamo**



Faced with fierce competition and the unrelenting demand to innovate and meet consumer needs, technology companies are increasingly turning to strategies such

as mergers and acquisitions (M&A) and global expansion to defend their market positions...

According to a new report from BDO USA, LLP, while competition and regulation are the most frequently named risks (mentioned by 99 and 98 percent of technology companies, respectively), more and more technology companies are citing risks related to M&A, supplier and vendor concerns, and threats to international operations.

"Competition is the consistent theme in many of the top risks in the technology industry this year," said Aftab Jamil, partner and leader of the Technology & Life Sciences practice at BDO USA, LLP. "Companies are battling to manage, attract and retain the best talent, efficiently oversee supply chains and protect their valuable intellectual property, all while developing the most innovative products

at fiercely competitive prices. In this fast-paced market, any delay or unanticipated cost can be the difference between success and failure."

According to 10-K filings, 79 percent of companies (up from 71 percent in 2013 and 41 percent in 2009) cite the inability to maintain or implement operational infrastructure, including information systems, as a concern. To combat these pressures, technology companies are devoting significant resources to defend against security threats, including embracing new ways of sharing data and communicating internally, engineering more secure products and services, investing in technologies that help to protect customers from attacks, and improving the deployment of software updates to address security vulnerabilities, amongst other efforts.

► ACG CAPITAL BLOG

BDO USA'S 2014 IPO OUTLOOK

By **Mark Ellenbogen**



Investment bankers are divided when asked to predict activity for the second half of 2014, according to BDO USA's 2014 IPO Halftime Report. The study finds that more than one-third (38 percent) of capital markets



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executives at leading investment banks anticipate activity will increase further, while a similar proportion (35 percent) believe activity will be flat, and just over one quarter (27 percent) expect a decrease in deals...

Looking ahead to what potentially signals continued promising prospects for the DC region, a majority (62 percent) of investment bankers predict additional healthcare offerings during the second half of the year, and an even greater proportion (71 percent) forecast an increase in IPOs within the technology sector...

Looking to the remainder of 2014, one-third of investment bankers expect U.S. exchanges to increase their current share of global proceeds, nearly half (49 percent) predict the U.S. will maintain its current share, and 16 percent believe the national share will decline...

This robust activity, coupled with government incentives (proposed and/or already implemented) for businesses, bodes well for the potential growth of the local investor community as well as for the general economic growth of the region.

► LIFESCITRENDS

TOP RISK FACTORS FOR LIFE SCIENCES COMPANIES

By **Ryan Starkes**



The life sciences sector in New Jersey plays a significant role not only in boosting the state's economy, but also in positioning New Jersey as a national leader, both in industry

R&D as well as industry related export. As growth opportunities for the sector increase, however, companies in this space face unique industry risks that can impact operations. A recent BDO analysis explored such business challenges and revealed that top risks and concerns cited by life sciences companies across the country include supply chain management, navigating the complex regulatory environment, intellectual property protection, data security, product commercialization and intense competition.

This year, all 100 companies analyzed cite supply chain vulnerabilities and concerns over suppliers/vendors as the top risk. While life sciences companies often rely on third parties to produce critical materials and help bring their products to market, it is important that these suppliers comply with strict regulations around product quality...

According to our findings, 97 percent of companies cite the ability to effectively commercialize and market approved

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products as a top concern, and 89 percent note risks related to collaborations, often depended upon to provide critical resources for product commercialization...

The 2014 BDO Life Sciences RiskFactor Report examines the risk factors listed in the most recent annual shareholder filings of the 100 largest publicly-traded U.S. life sciences companies listed on the NASDAQ Biotechnology Index by revenue. The risk factors were analyzed and ranked in order of frequency cited.

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