

**LES High Tech Sector
Royalty Rate & Deal Terms
Survey**
Executive Summary

October 2011

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Survey Co-Chairs**

Survey Highlights: Goal & Methodology

(U.S.A. and Canada), Inc.



Goal

“To provide valuable specifics on negotiation trends and benchmarks for deal-making across the industry.”

- Allen Vaughn, LES (USA & Canada) High Technology Sector Chair

Methodology

- Focus on deals completed for the period 2008 through 2011
- Core LES Survey Team assembled from the HTS membership to provide industry context
- Survey questions developed by the Core LES Survey Team
- Conducted by independent research firm, Veris Consulting to ensure confidentiality
 - ONLY Veris was privy to the respondents’ submittals received May thru August 2011

Survey Highlights: Participant Profile

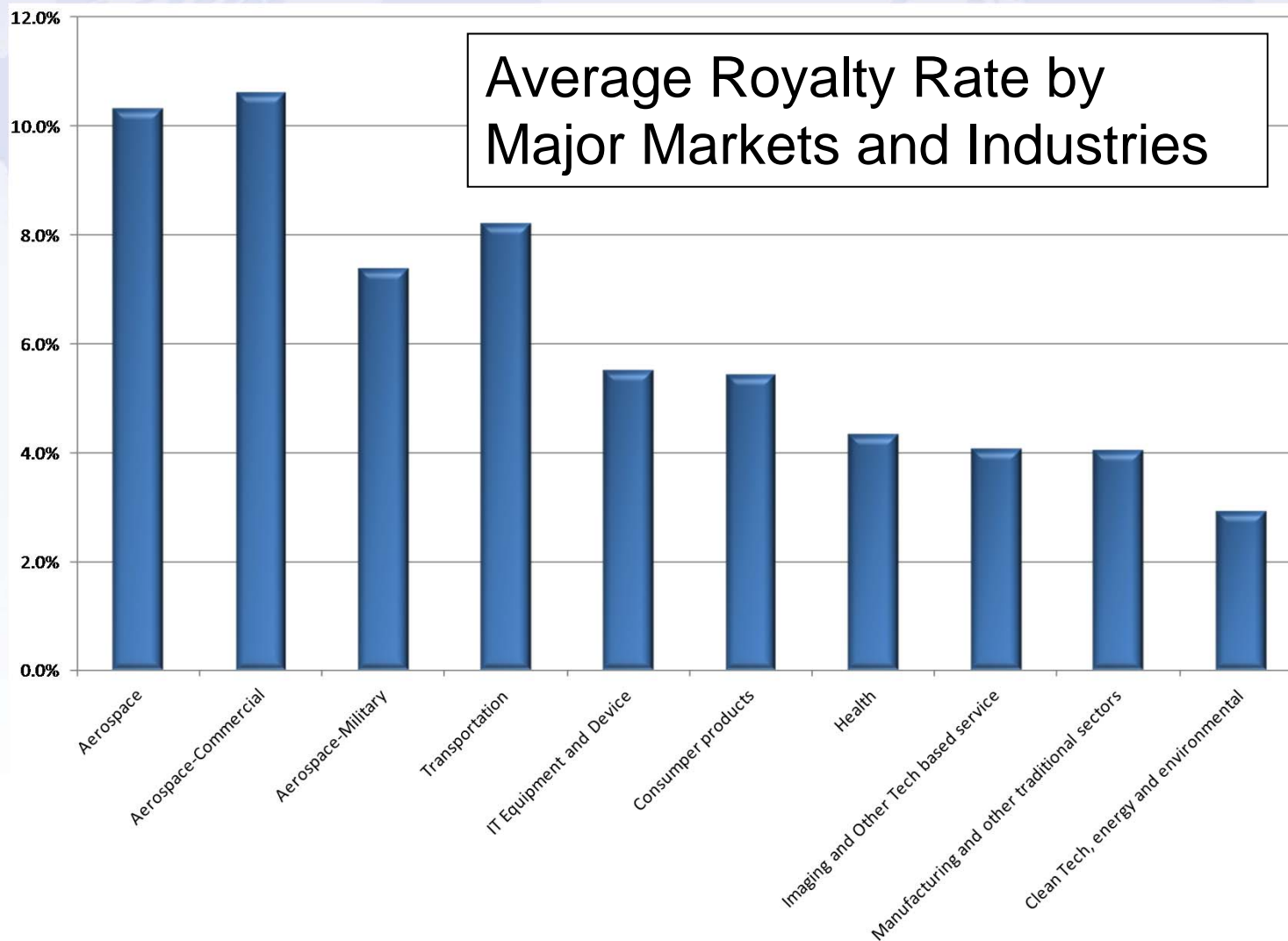
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- **The Survey received responses from 52 companies for the period from 2008 through 2011, with a total of 228 complete deals being submitted.**
- **The following major high technology fields were reported:**
 - Aerospace
 - Software
 - clean technology
 - Communication
 - Semiconductor
 - consumer products and electronics
- **86% of respondents were licensors, with more than half of them entering the deal for monetary gain in addition to a strategic relationship.**

Survey Highlights: Key Deal Statistics

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- **Deals with flat percentage rate royalties were weighted more towards licensees with annual sales revenue <\$25M.**
- **Deals containing lump sum payments were heavily weighted towards licensees with annual sales revenue >\$500M.**
- **Almost an equal split between exclusive and non-exclusive deals.**
- **Average sales-based flat percentage rate was 6%, but, the average rate within specific industries varied widely.**