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## **Demand Media's \$1.4B IPO Post-Value Ranks Highly**

Demand Media Inc. roared out of the gate Wednesday looking like a billion dollars. More than that, in fact.



*Reuters - Traders await the IPO of online media company, Demand Media, on the floor of the New York Stock Exchange.*

The Santa Monica-based producer of mass content for the Internet – or content farm, if you like – rose almost 40% immediately after its initial public offering, opening at \$23.50 a share on the New York Stock Exchange, up 38% from its IPO price. By end of trading Wednesday the stock was at \$22.65 a share, which gave the company a market capitalization of \$1.78 billion.

At its opening price of \$17, the IPO valued the company at \$1.4 billion.

That made Demand Media the biggest venture-backed technology IPO by post-value since 2007 and the fourth-biggest of the last five years, according to industry tracker VentureSource, which is owned by Wall Street Journal publisher Dow Jones & Co.

MetroPCS is at the top of the list, with an \$8.49 billion valuation at its 2007 offering, followed by Clearwire at \$4.92 billion in 2007 and Vonage at \$3.29 billion in 2006.

The granddaddy of them all, of course, is Google, with its \$24.64 billion post-valuation in 2004.

Not that Demand Media's investors are likely to complain that their company didn't quite reach those lofty heights.

Oak Investment Partners' stake of nearly 30% is now worth more than \$516 million. Spectrum Equity is selling some shares in the offering, but its roughly 17% remaining stake is still worth more than \$323 million. W Capital Partners, which owns about 9% after selling some shares, sees its stake stand at more than \$166 million. Co-underwriter Goldman Sachs' 7% stake is worth about \$134 million, and Generation Partners' roughly 5% stake is worth \$92 million.