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VENTURE CAPITAL EXIT MARKET STABILIZES, IMPROVES IN Q1 2011; BEST ANNUAL START FOR VENTURE-BACKED IPOS SINCE 2007

New York, New York, April 1, 2011 – Venture-backed company exit activity showed marked improvements over the first quarter of last year, driven by continued strength in M&A and strong aftermarket IPO performance. Fourteen venture-backed IPOs valued at $1.4 billion came to market in the first quarter of 2011, according to the Exit Poll report by Thomson Reuters and the National Venture Capital Association (NVCA). This quarter marked the strongest opening three-month period for venture-backed IPOs since 2007. For the first quarter, 109 venture-backed M&A deals were reported, 45 which had an aggregate deal value of $5.9 billion.

"The venture capital exit market today is exhibiting a welcome stability in terms of both IPOs and acquisitions," said Mark Heesen, president of the NVCA. "For more than a year, we have seen a high volume of strategic sales that are bringing in solid returns for the venture industry, coupled with an IPO market that is growing and improving steadily in terms of volume and predictability. This stability is an absolute pre-requisite for the growth we need, particularly in the capital markets where the volatility of the recession years contributed to the many challenges of companies going public. A successful 2011 will be contingent upon maintaining the momentum in the acquisitions market while moving the current IPO pipeline through at a faster clip. Ideally we would like to see a 20 to 30 percent increase of US venture-backed companies going public this year. Market signs currently suggest that this is a reasonable goal."

Venture-Backed Liquidity Events by Year/Quarter, 2005-2011

Quarter/Year	Total M&A Deals	M&A Deals with Disclosed Values	*Total Disclosed M&A Value ($M)	*Average M&A Deal Size ($M)	**Number of IPO's	Total Offer Amount ($M)	Average IPO Offer Amount ($M)
2005	**350**	**163**	**17,324.7**	**106.3**	**57**	**4,482.4**	**78.6**
2006	**378**	**167**	**19,141.8**	**114.6**	**57**	**5,117.1**	**89.8**
2007	**380**	**169**	**29,554.5**	**174.9**	**86**	**10,326.3**	**120.1**
2008-1	109	42	4,983.2	118.7	5	282.7	56.6
2008-2	85	26	3,267.9	125.7	0	0.0	0.0
2008-3	89	33	3,235.2	98.0	1	187.5	187.5
2008-4	65	18	2,390.9	132.8	0	0.0	0.0
2008	**348**	**119**	**13,877.2**	**116.6**	**6**	**470.2**	**78.4**
2009-1	65	15	666.0	44.4	0	0.0	0.0
2009-2	65	13	2,550.1	196.2	5	720.7	144.1
2009-3	69	23	1,362.4	59.2	3	572.1	190.7
2009-4	74	41	8,614.7	210.1	4	349.3	87.3
2009	**273**	**92**	**13,193.3**	**143.4**	**12**	**1,642.1**	**136.8**
2010-1	122	31	5,586.6	180.2	9	936.3	104.0
2010-2	99	23	3,022.2	131.4	17	1,274.9	75.0
2010-3	113	30	4,022.7	134.1	14	1,249.1	89.2
2010-4	97	41	5,997.5	146.3	32	3,557.3	111.2
2010	**431**	**125**	**18,629.1**	**149.0**	**72**	**7,017.5**	**97.5**
2011-1	109	45	5,891.2	130.9	14	1,375.8	98.3

Source: Thomson Reuters & National Venture Capital Association

*Only accounts for deals with disclosed values

**Includes all companies with at least one U.S. VC investor that trade on U.S. exchanges, regardless of domicile.

IPO Activity Overview

There were 14 venture-backed IPOs valued at $1.4 billion in the first quarter of 2011, a 47% increase in terms of dollars raised and a 56% increase by number of deals, compared to the first quarter of 2010. This quarter marks the strongest opening three-month period for venture-backed IPOs since 2007. Ten of this quarter's offerings were from companies based in the United States, with one based in the Netherlands and three based in China.

Seven of the 14 IPO exits for the quarter came from the Information Technology sector accounting for a total of $959.6 million. Netherlands-based InterXion NV (INXN), a provider of carrier-neutral data centers and managed services, was the largest offering this quarter, raising $264.9 million on the NYSE.

Beijing-based Qihoo 360 Technology Co (QIHU), a provider of internet and mobile security products raised $175.6 million on the NYSE on March 30th, and was the second largest IPO in the Information Technology sector.

Gevo Inc (GEVO), an Englewood, Colorado-based biotechnology company, raised $107.3 million on NASDAQ in February, ranking as the biggest venture-backed IPO in the Life Sciences sector during the first quarter.

Venture-Backed IPO Industry Breakdown

		Q1 2011	
	Industry	***Number of Venture-Backed IPO's in the U.S.**	**Total Venture-Backed Offering Size ($M)**
Information Technology	Computer Software and Services	2	312.1
	Communications and Media	1	264.9
	Internet Specific	1	151.3
	Semiconductors	2	145.5
	Computer Hardware	1	85.8
		7	**959.6**
Life Sciences	Biotechnology	4	292.3
	Medical/Health	2	82.0
		6	**374.3**
	Consumer Related	1	42.0
		1	**42.0**
	TOTAL	**14**	**1,375.8**

*Includes all companies with at least one U.S. VC investor that trade on U.S. exchanges, regardless of domicile

For the first quarter of 2011, five companies listed on the New York Stock Exchange (NYSE) and nine listed on the NASDAQ stock exchange.

Of the 14 IPOs in the first quarter, 11 are trading at or above their offering prices as of March 31, 2011. Forty-nine U.S. venture-backed companies are currently filed for an initial public offering with the SEC.

Mergers and Acquisitions Overview

As of March 31, 2011, 109 venture-backed M&A deals were reported for the first quarter, 45 which had an aggregate deal value of $5.9 billion. The average disclosed deal value was $130.9 million, down 11 percent from Q4 2010. By total disclosed deal value, first quarter volume marks a five percent increase from the first quarter of 2010.

The information technology sector led the venture-backed M&A landscape, with 74 deals and a disclosed total dollar value of $3.3 billion. Within this sector, computer software and services and Internet specific companies accounted for the bulk of the targets with 35 and 28 transactions, respectively, across these sector subsets.

Venture-Backed M&A Industry Breakdown

		Q1 2011		
Industry		Number of Venture-Backed M&A deals	Number of Venture-Backed M&A deals with a disclosed value	Total Disclosed Venture-Backed Deal Value ($M)
Information Technology	Internet Specific	28	12	2265.3
	Computer Software and Services	35	7	820.3
	Communications and Media	4	1	95.0
	Semiconductors/Other Elect.	3	1	75.0
	Computer Hardware	4	2	52.2
		74	**23**	**3,307.8**
Life Sciences	Medical/Health	17	12	1,524.9
	Biotechnology	6	5	650.5
		23	**17**	**2,175.3**
Non-High Technology	Consumer Related	3	2	248.0
	Other Products	5	1	115.0
	Industrial/Energy	4	2	45.0
		12	**5**	**408.0**
	TOTAL	**109**	**45**	**5,891.2**

Source: Thomson Reuters & National Venture Capital Association

In the biggest venture-backed M&A deal of the quarter, Medtronic Inc acquired Ardian, Inc, a Mountain View, California—based developer of surgical devices for $800 million.

Deals bringing in the top returns, those with disclosed values greater than four times the venture investment, accounted for 47 percent of the total during first quarter 2011. Venture-backed M&A deals returning less than the amount invested accounted for 14 percent of the quarterly total

Relationship between transaction value and investment	Q4 10 M&A **	Q1 11 M&A **
Deals where transaction value is less than total venture investment	6	6
Deals where transaction value is 1-4x total venture investment	15	17
Deals where transaction value is 4x-10x total venture investment	11	13
Deals where transaction value is greater than 10x venture investment	6	7
Total Disclosed Deals	**38**	**43**

Source: Thomson Reuters & National Venture Capital Association

** Disclosed deals that do not have a disclosed total investment amount are not included.

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About National Venture Capital Association

The National Venture Capital Association (NVCA) represents more than 400 venture capital firms in the United States. NVCA's mission is to foster greater understanding of the importance of venture capital to the U.S. economy and support entrepreneurial activity and innovation. According to a 2008 Global Insight study, venture-backed companies accounted for 12.1 million jobs and $2.9 trillion in revenue in the United States in 2008. The NVCA represents the public policy interests of the venture capital community, strives to maintain high professional standards, provides reliable industry data, sponsors professional development, and facilitates interaction among its members. For more information about the NVCA, please visit www.nvca.org.