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NATIONAL VENTURE CAPITAL ASSOCIATION
Funding innovation. Empowering entrepreneurs.

Global Trends in Venture Capital: State of the IPO Market

June 22, 2011

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Responses and Demographics

347 responses from nine countries

- 48% from U.S.
- 52% non-U.S. countries

Survey conducted in the U.S., Canada, U.K., China, France, Germany, India, Brazil, Israel

Responses from large, mid-sized and small firms, with the largest concentration, 36%, with $100 - $499 million in assets under management

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Key Findings

- Over 80 percent of global venture capitalists believe that current IPO activity levels in their home countries are too low
- Venture capitalists believe higher returns generated by IPOs are critical in providing superior returns to limited partners and growth capital to developing portfolio companies
- Of those who are investing outside their home countries, more than half (57 percent) plan to increase this activity during the next five years and an additional 35 percent plan to maintain their level of investment.
- Excitement around IT, healthcare services and clean tech innovation globally

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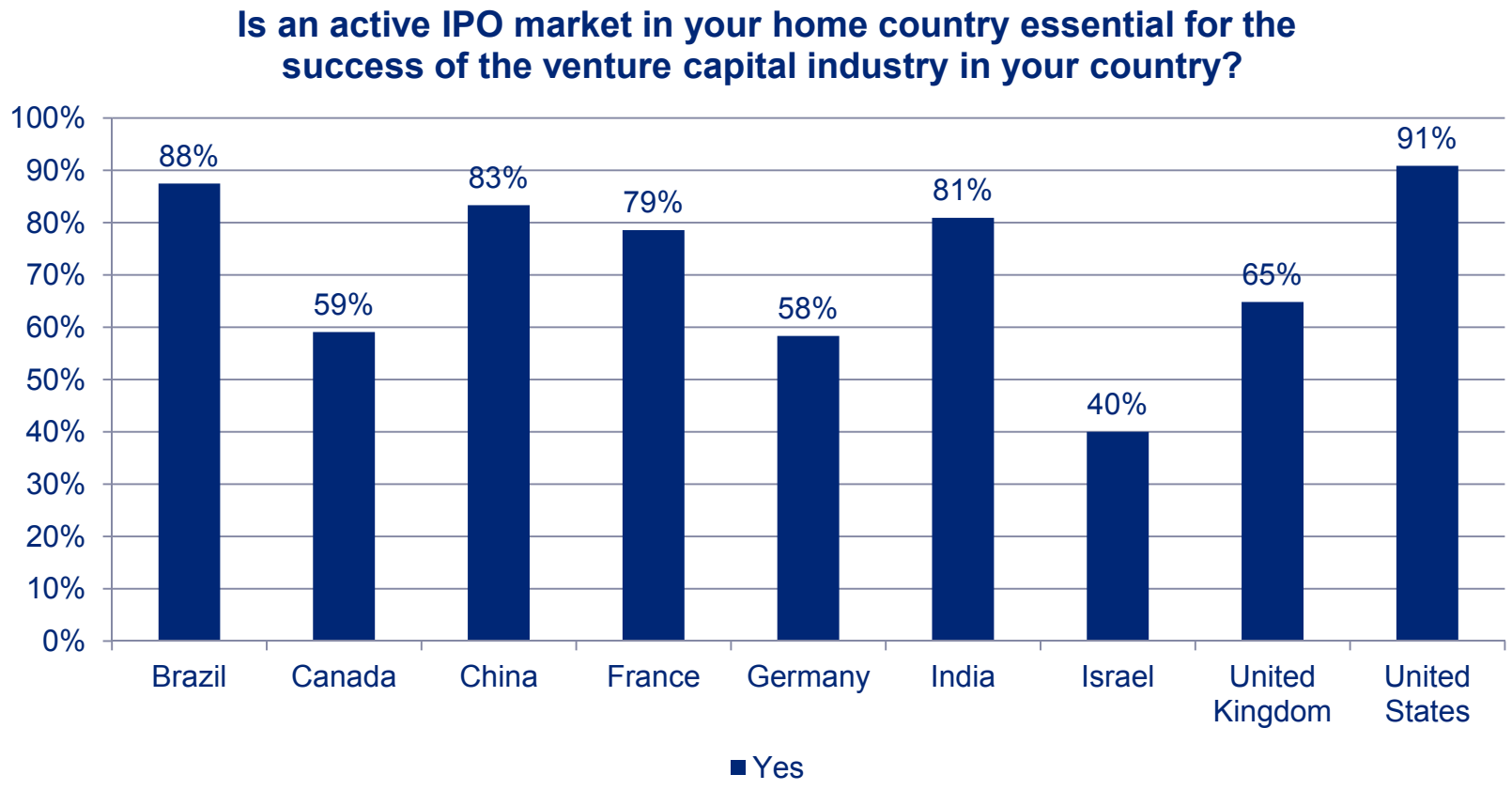
IPO Market

Is an active IPO market in your home country essential for the success of the venture capital industry in your country?



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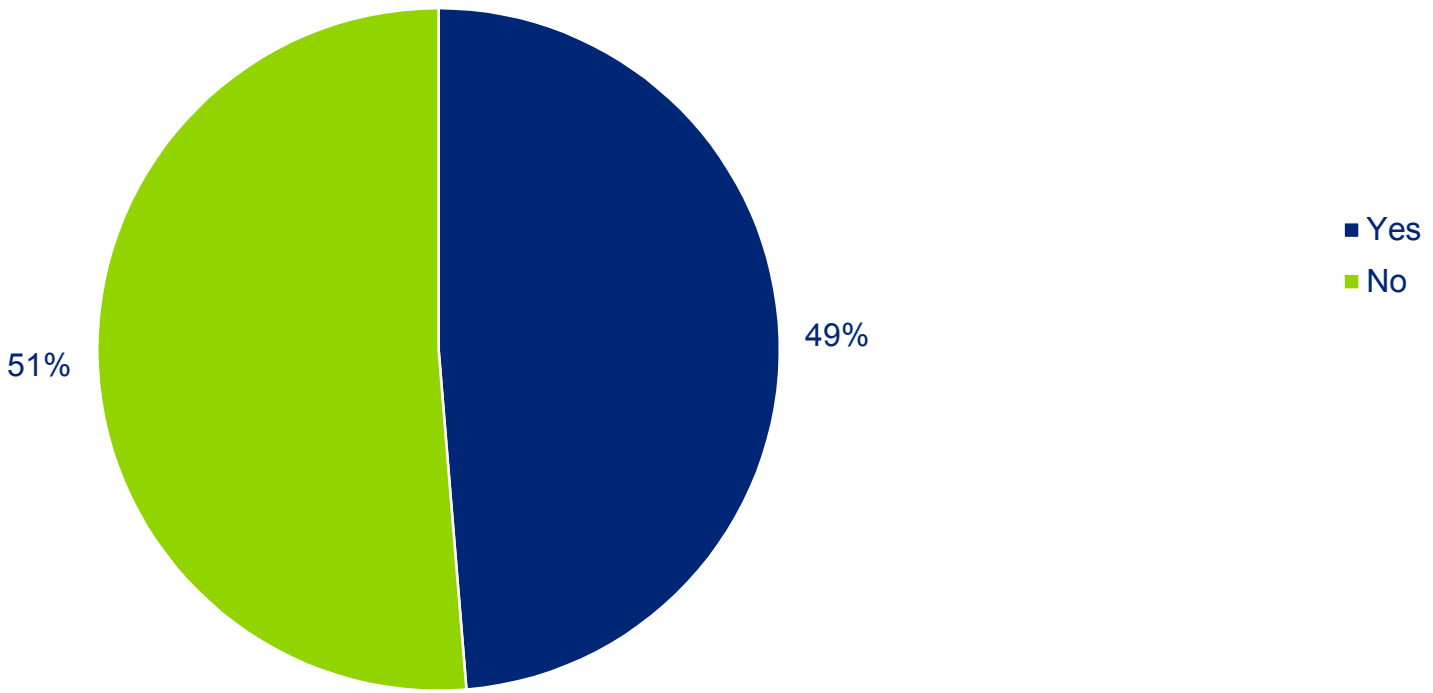
Is an active IPO market in other geographies essential for the success of the venture capital industry in your country?



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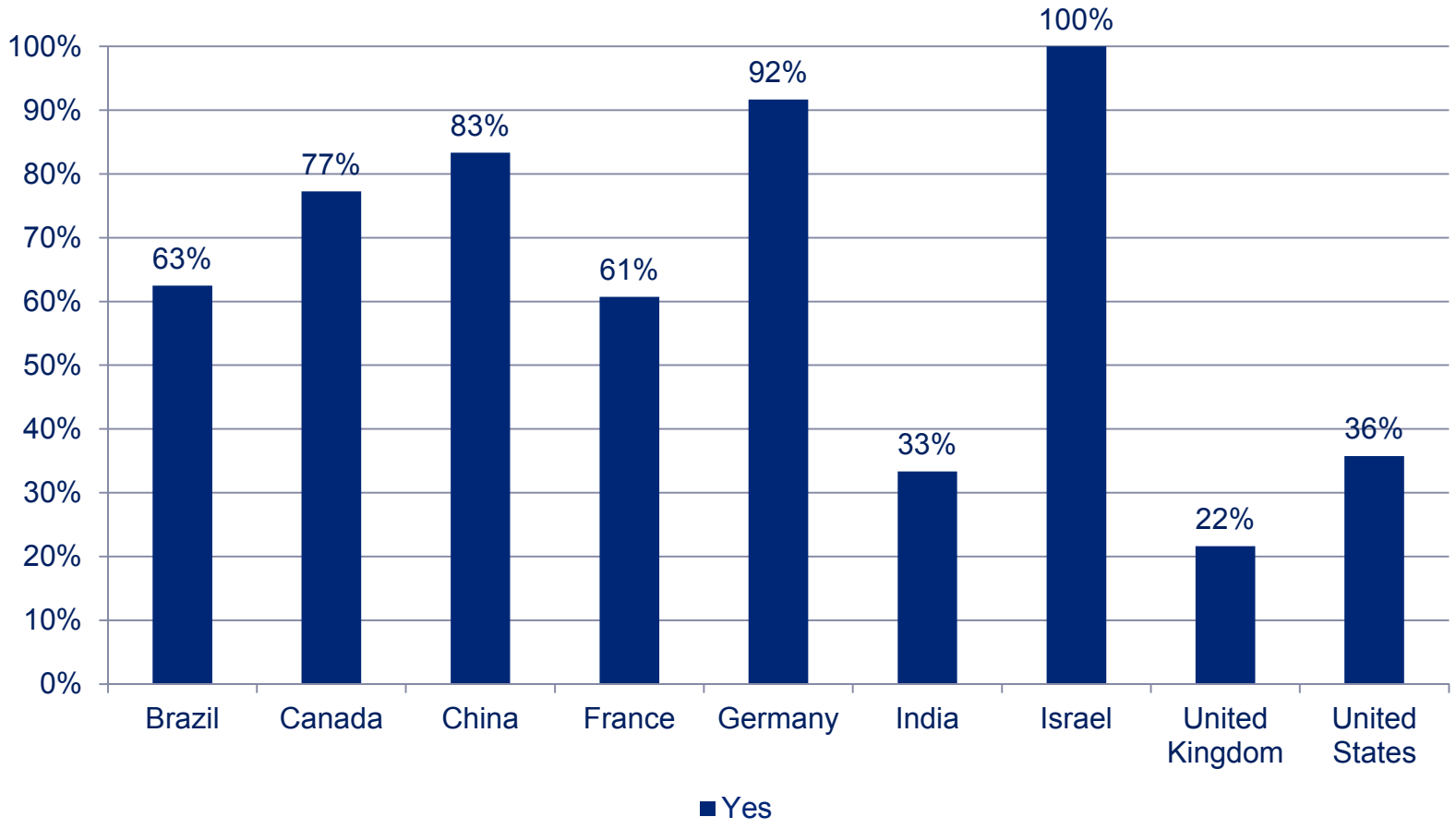
Is an active IPO market in other geographies essential for the success of the venture capital industry in your country?



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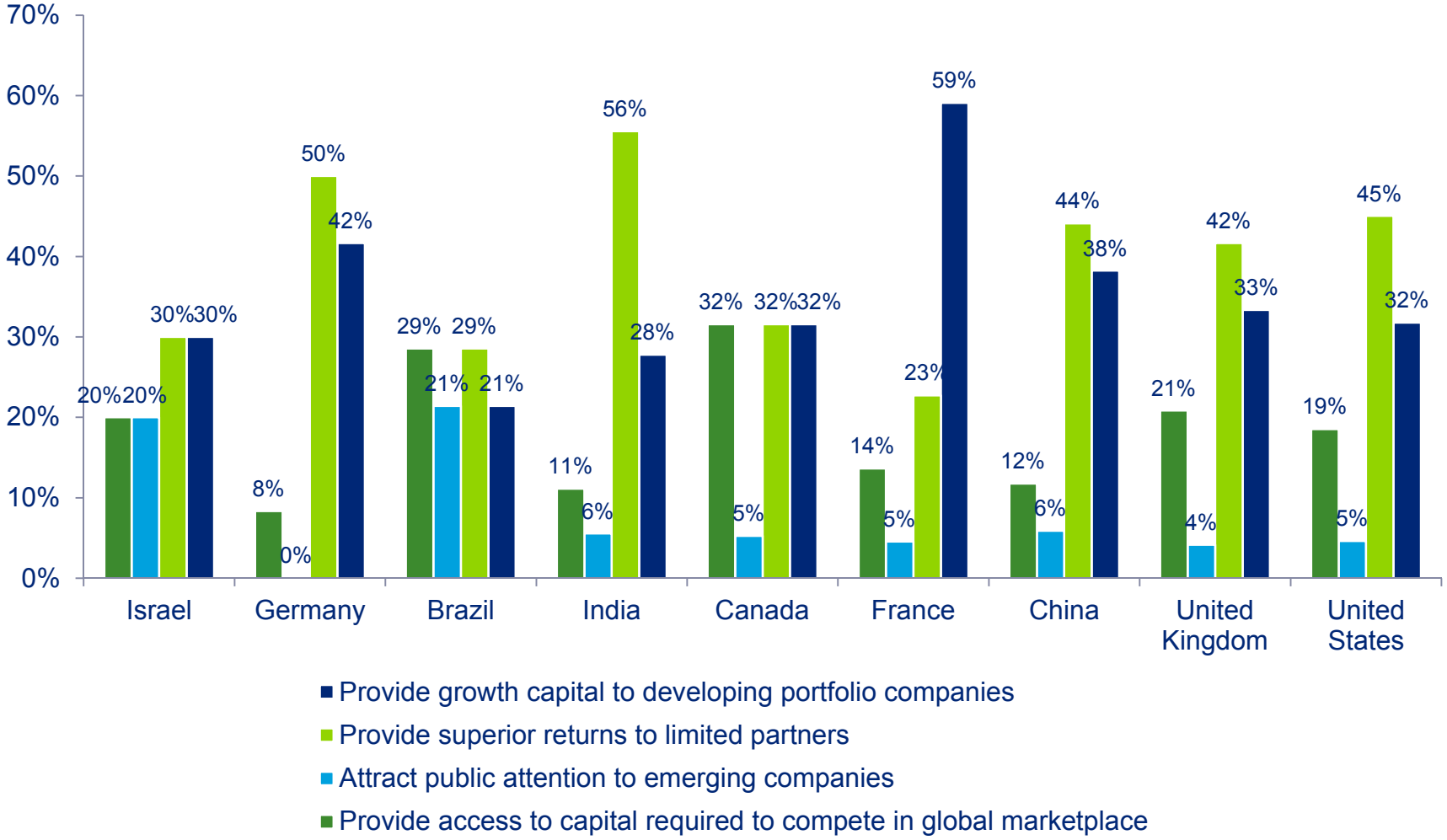
Respondents who indicated that an active IPO market was important either at home or abroad state why an IPO market is essential for the success of the venture capital industry



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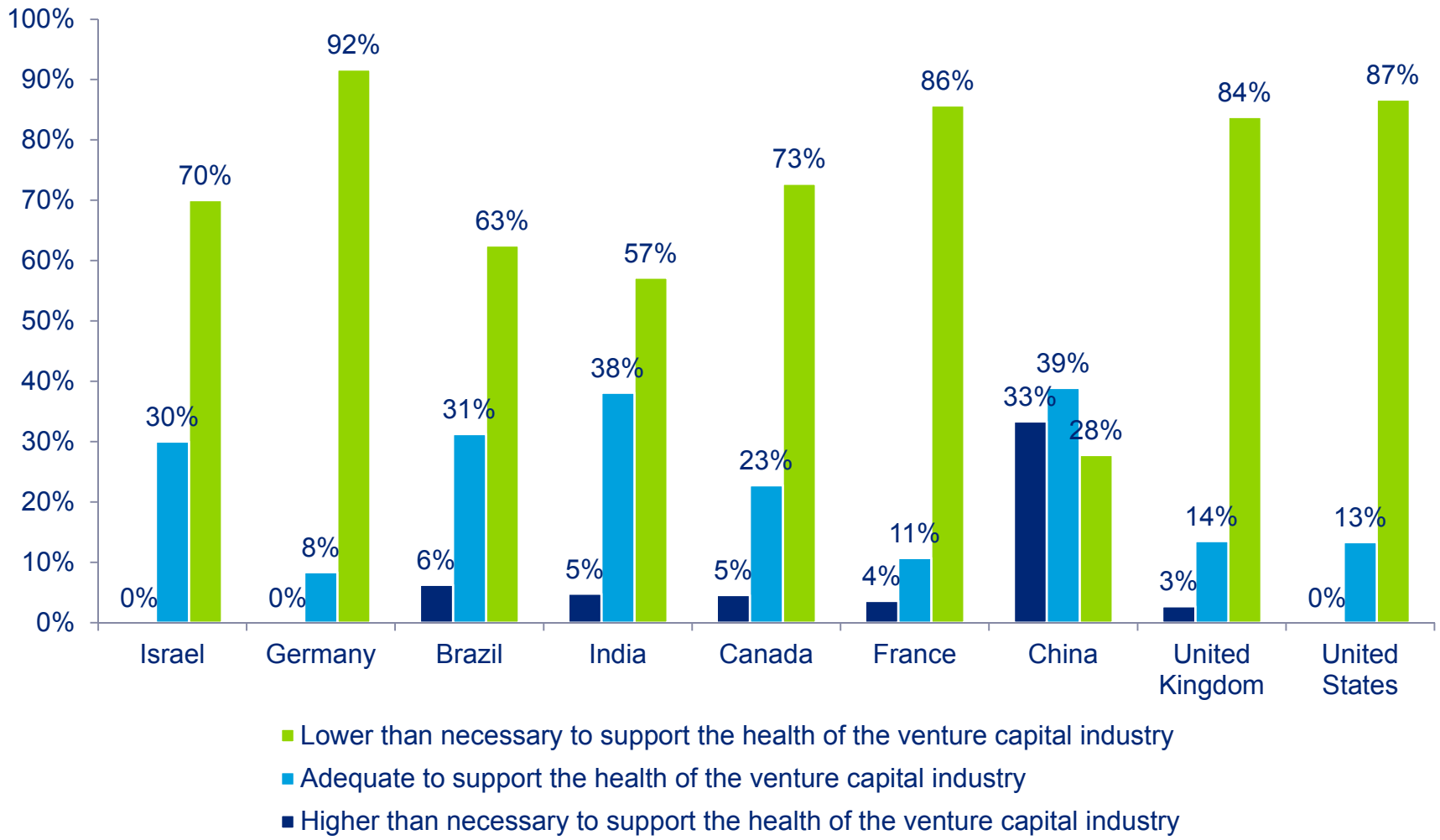
The current level of IPO activity in your home country is



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Top 3 factors that create a healthy and vibrant IPO market

	Brazil	Canada	China	France	Germany	India	Israel	United Kingdom	United States
A competitive investment banking community for IPOs	44%	14%	22%	14%	50%	29%	40%	24%	30%
Healthy investor appetite for equity in public companies	94%	77%	75%	93%	92%	90%	70%	84%	81%
Freely available capital	19%	32%	44%	18%	17%	19%	20%	43%	25%
Ability to move capital out of country	6%	0%	17%	0%	0%	14%	10%	0%	3%
Economic stability	69%	45%	58%	43%	25%	52%	40%	68%	52%
Adequate stock analyst coverage	19%	36%	14%	46%	17%	52%	10%	32%	33%
Companies with leading edge technology	19%	50%	28%	36%	67%	0%	40%	24%	27%
Companies that appeal to general public and mainstream media	6%	23%	14%	29%	33%	38%	50%	16%	19%
Easier reporting for newly public companies	25%	23%	28%	21%	0%	5%	20%	8%	30%

- **Squares highlighted in yellow = over 50% of respondents selected that factor**

*** This is a multiple select question. Percentages will not add to 100%.**

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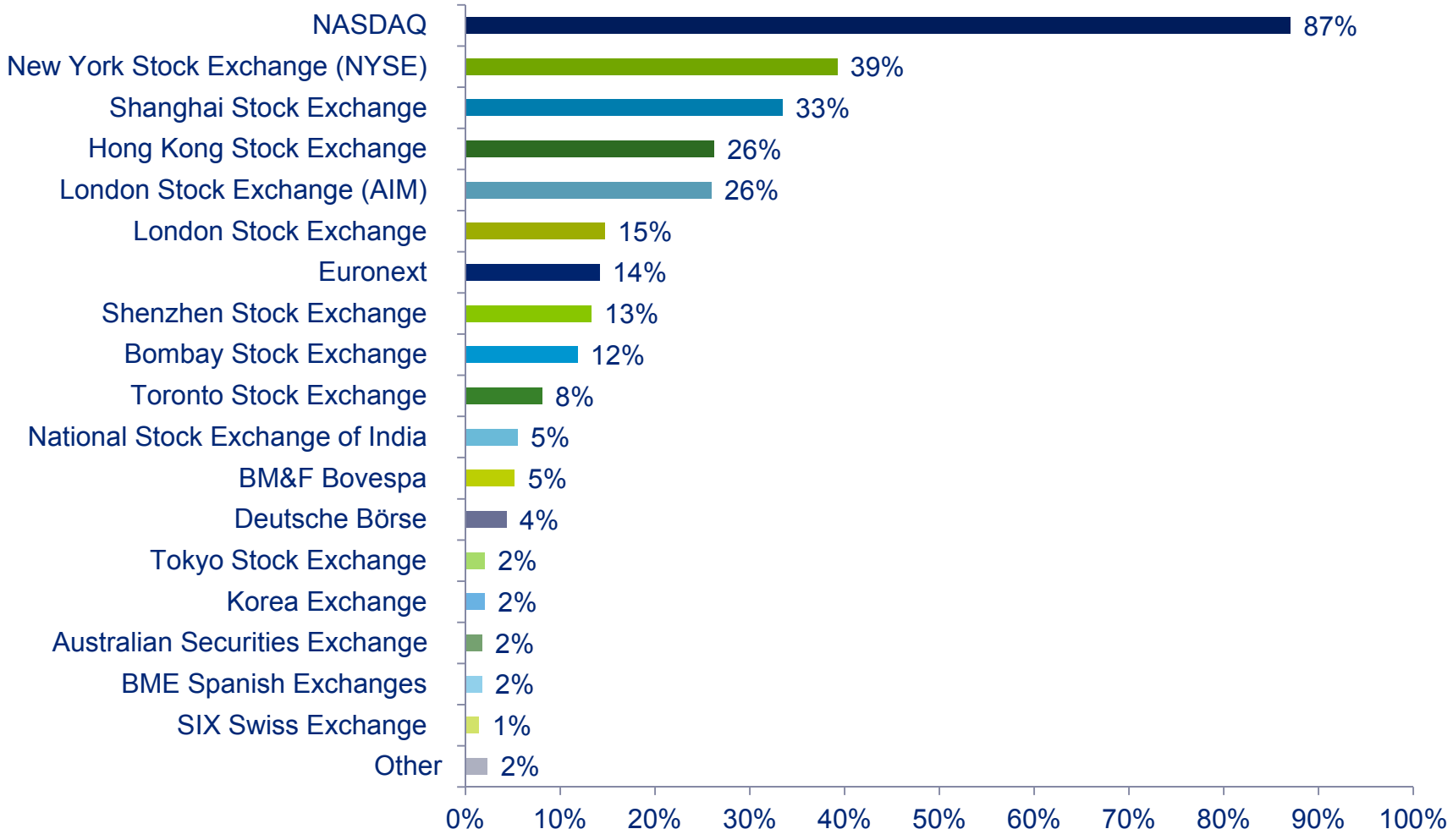
Over the next 5 years, which 3 stock exchanges do you see as most promising for venture backed IPOs for venture-backed companies globally?



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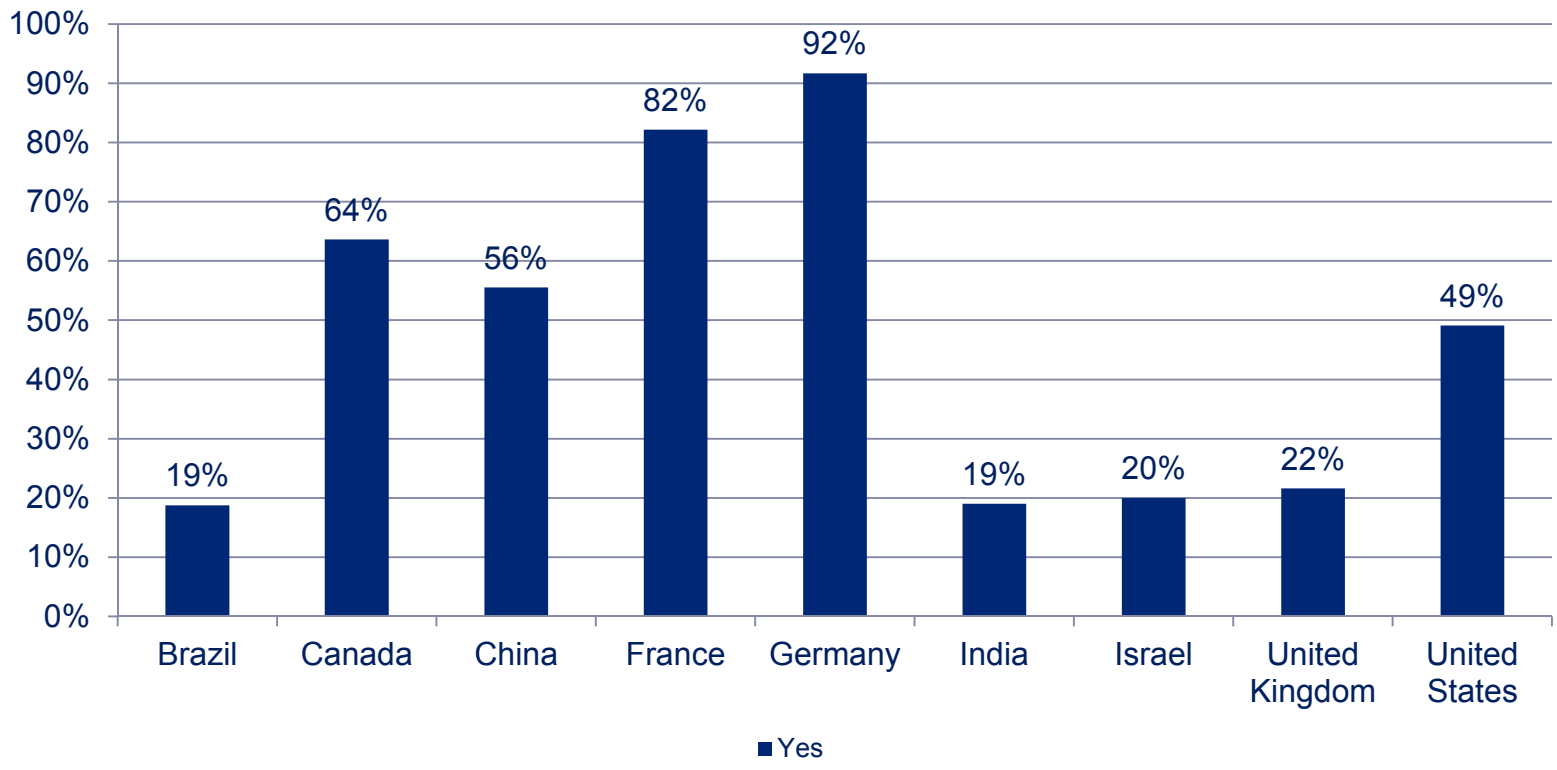
Are you currently investing outside your home country?



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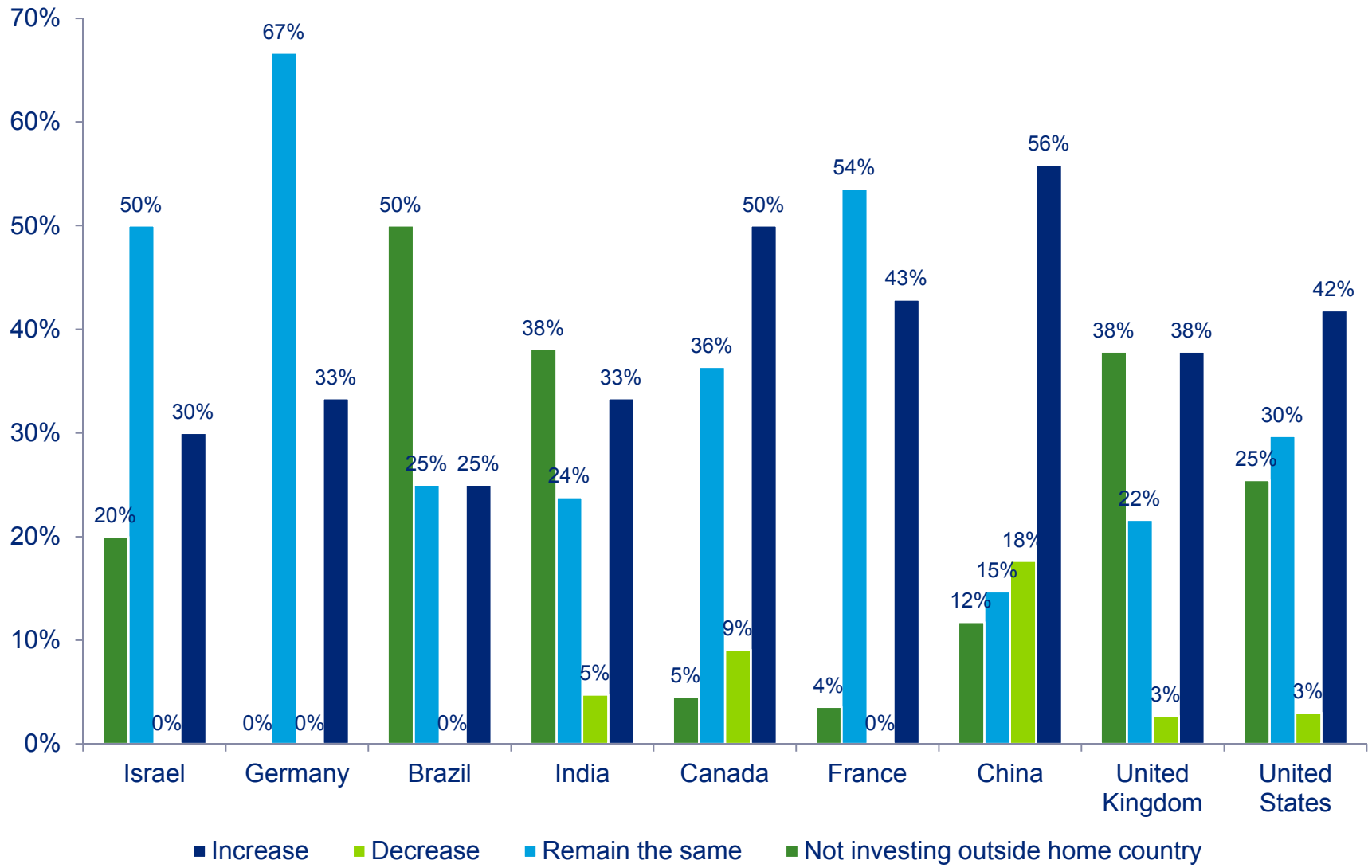
Over the next five years, do you anticipate your investment activity outside of your home country will



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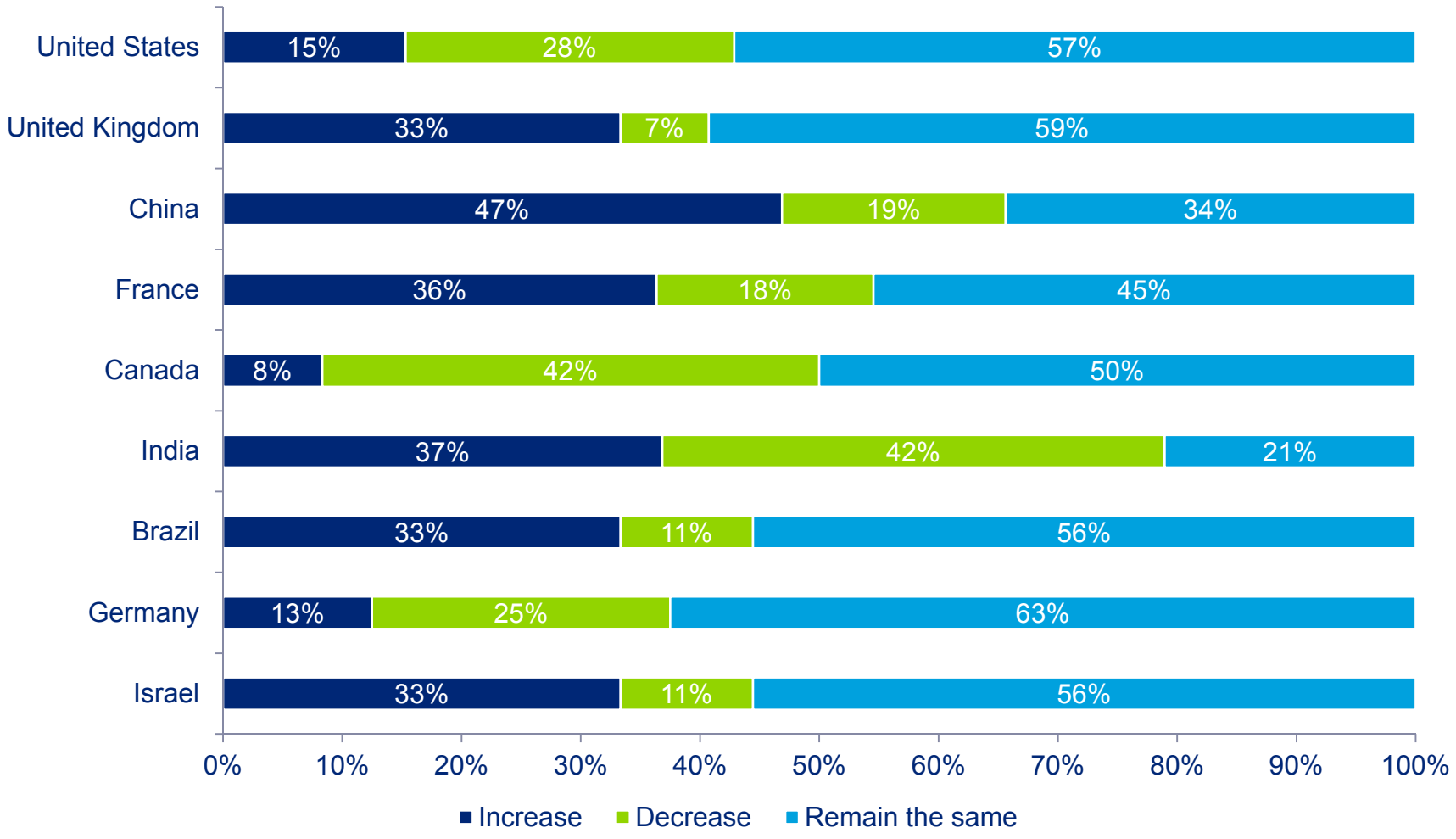
Industry Stats

Anticipated investment levels in terms of total capital over the next five years - Telecommunications



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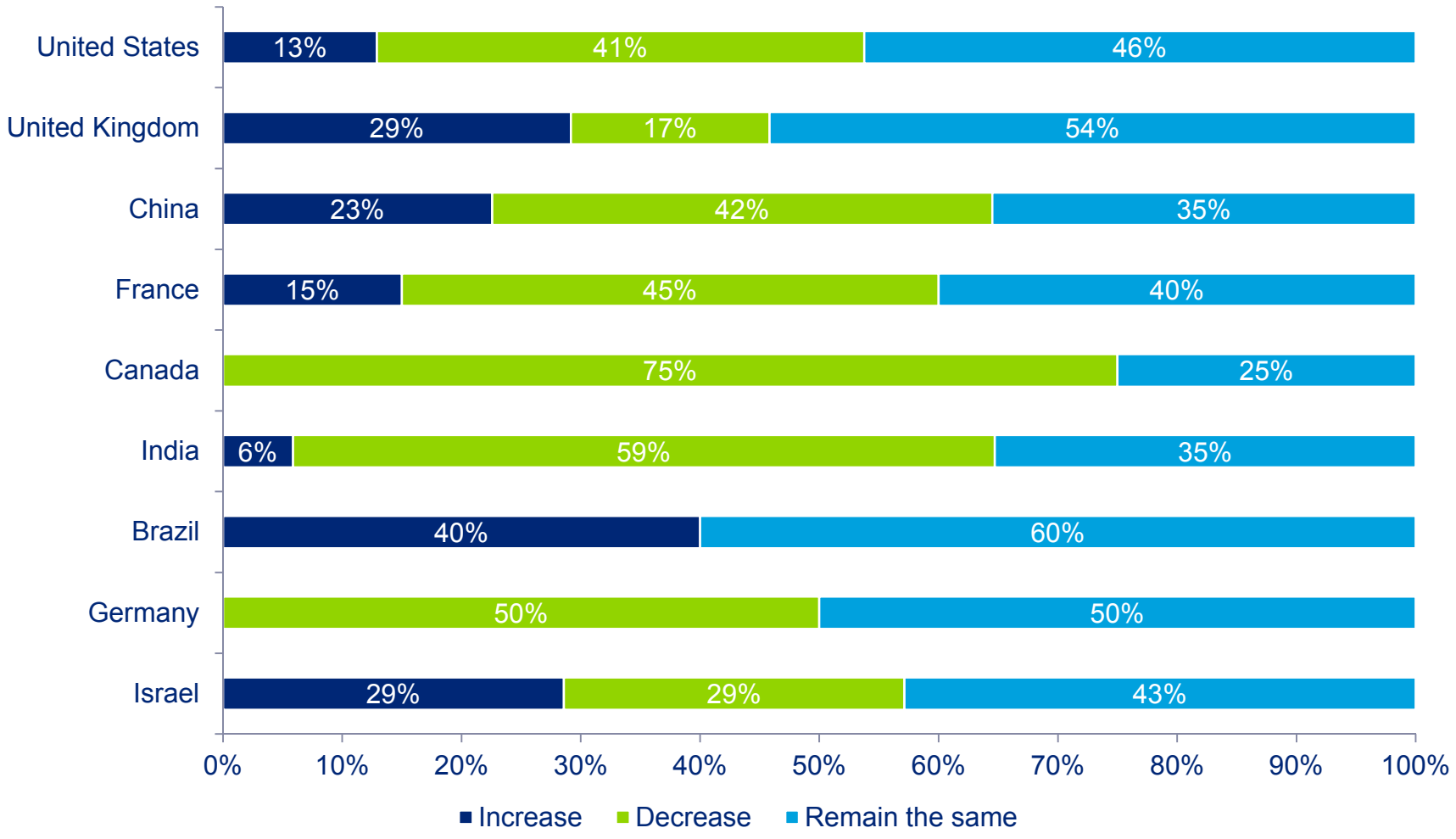
Anticipated investment levels in terms of total capital over the next five years - Semiconductors including electronics



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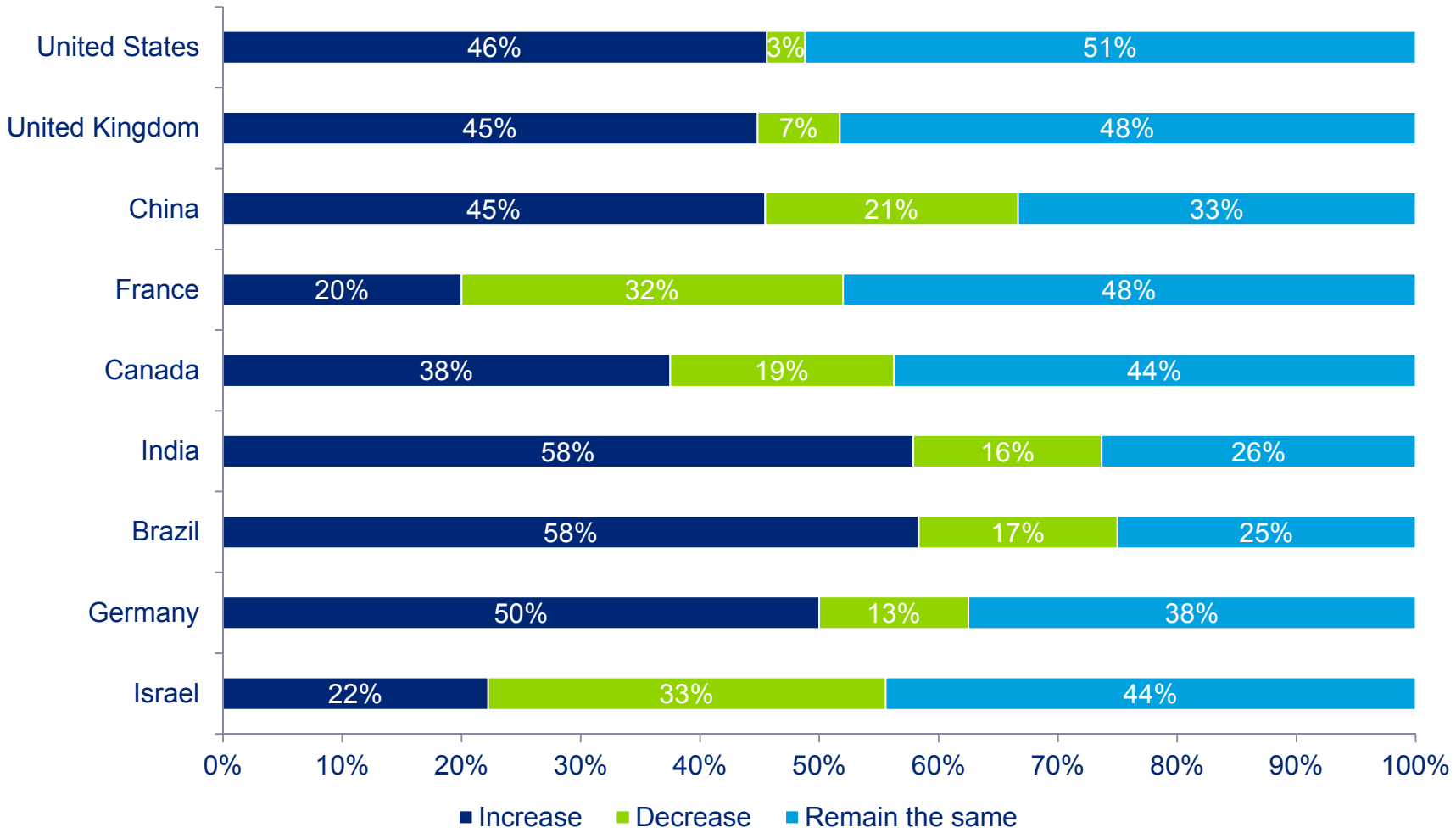
Anticipated investment levels in terms of total capital over the next five years - Software



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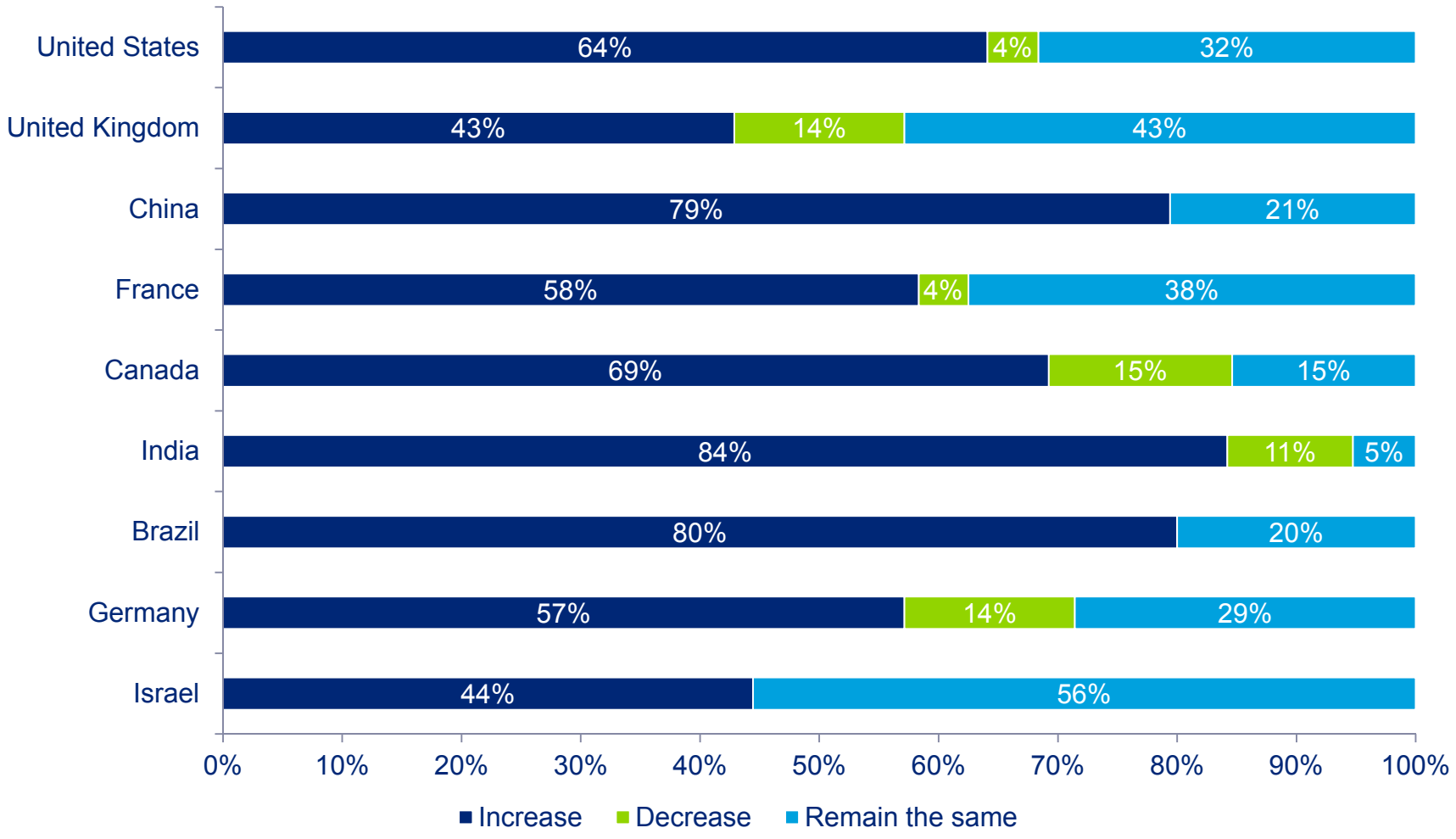
Anticipated investment levels in terms of total capital over the next five years - New media/social networking



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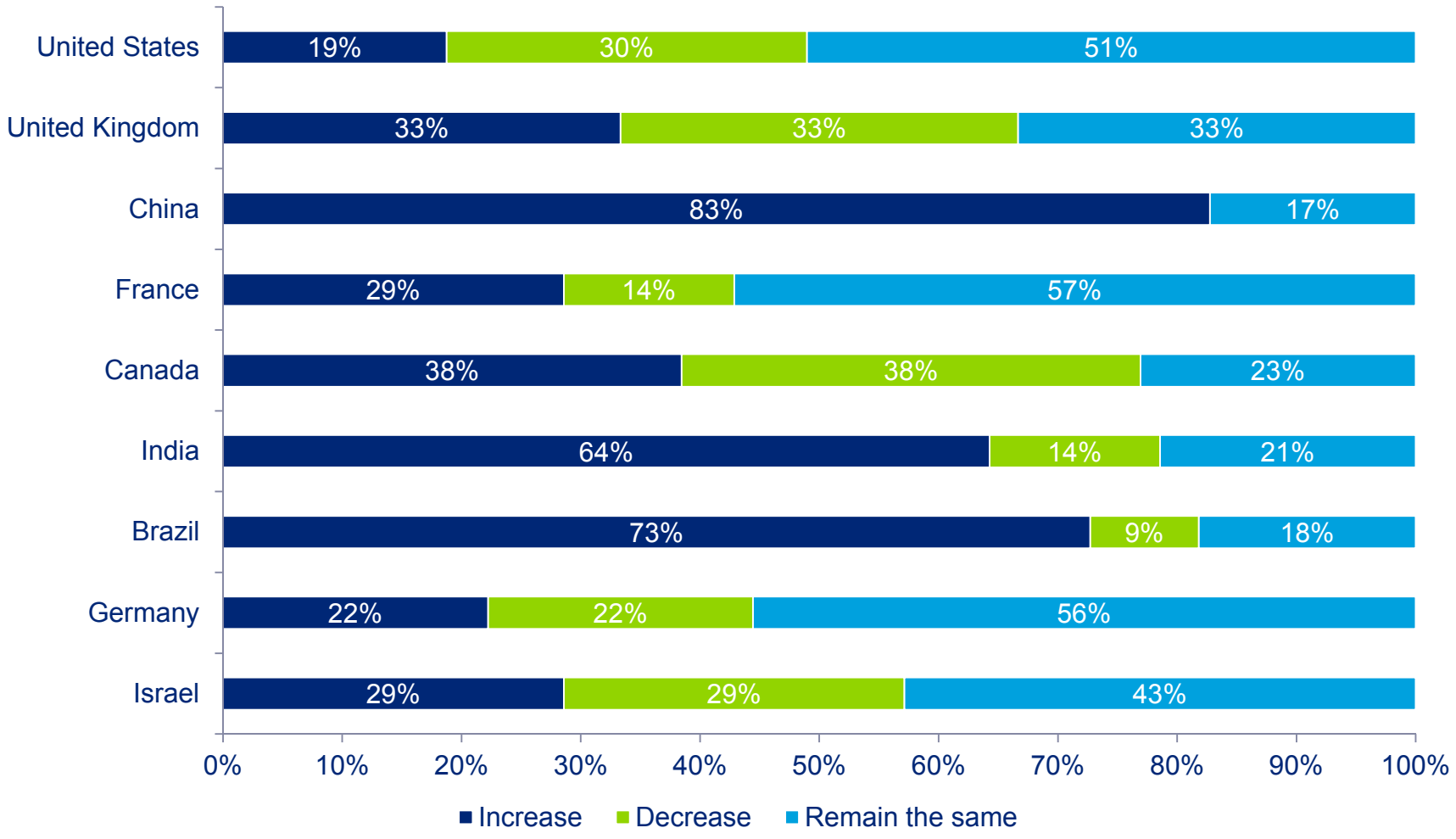
Anticipated investment levels in terms of total capital over the next five years - Biopharmaceuticals



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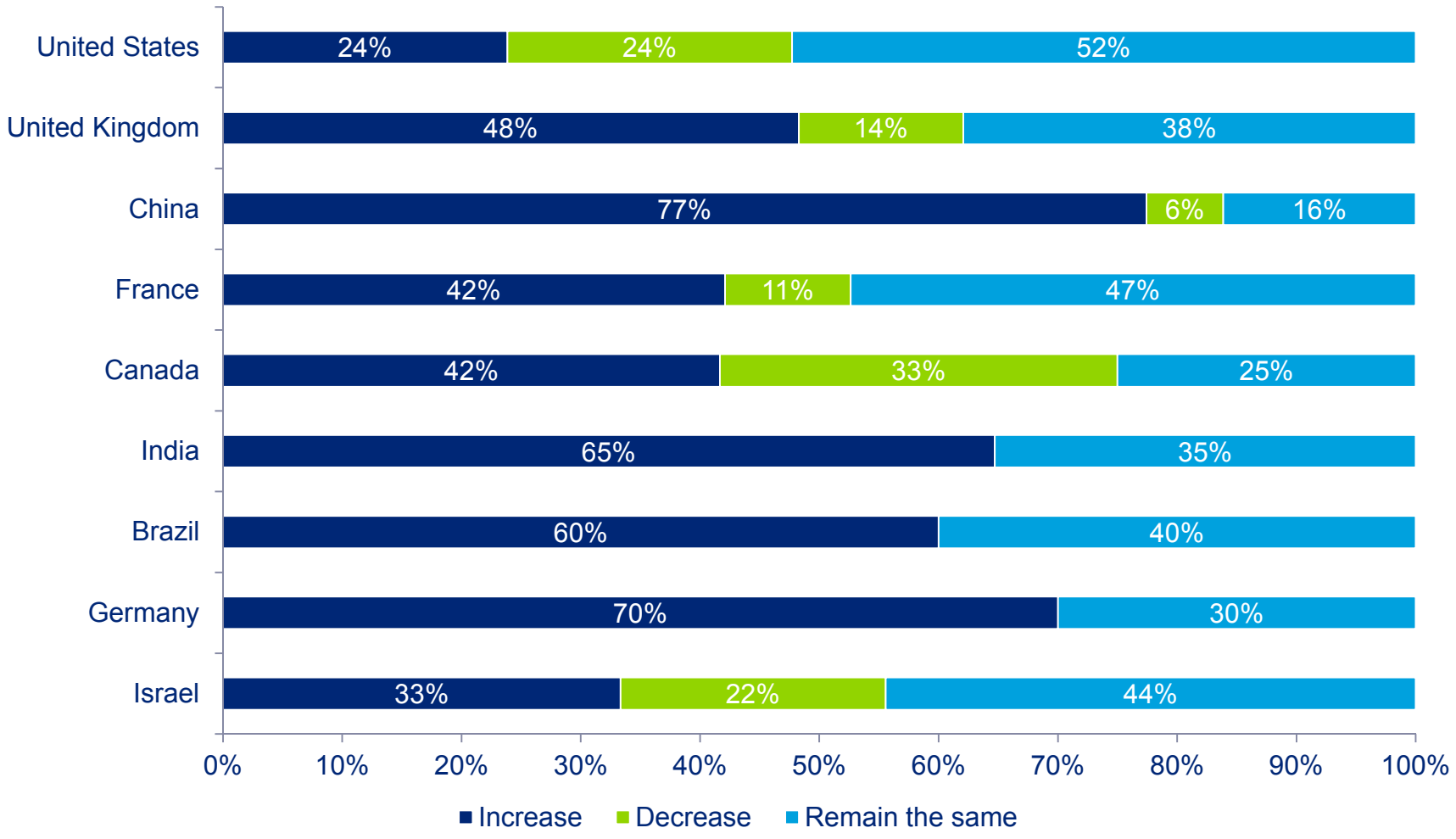
Anticipated investment levels in terms of total capital over the next five years - Medical device and equipment



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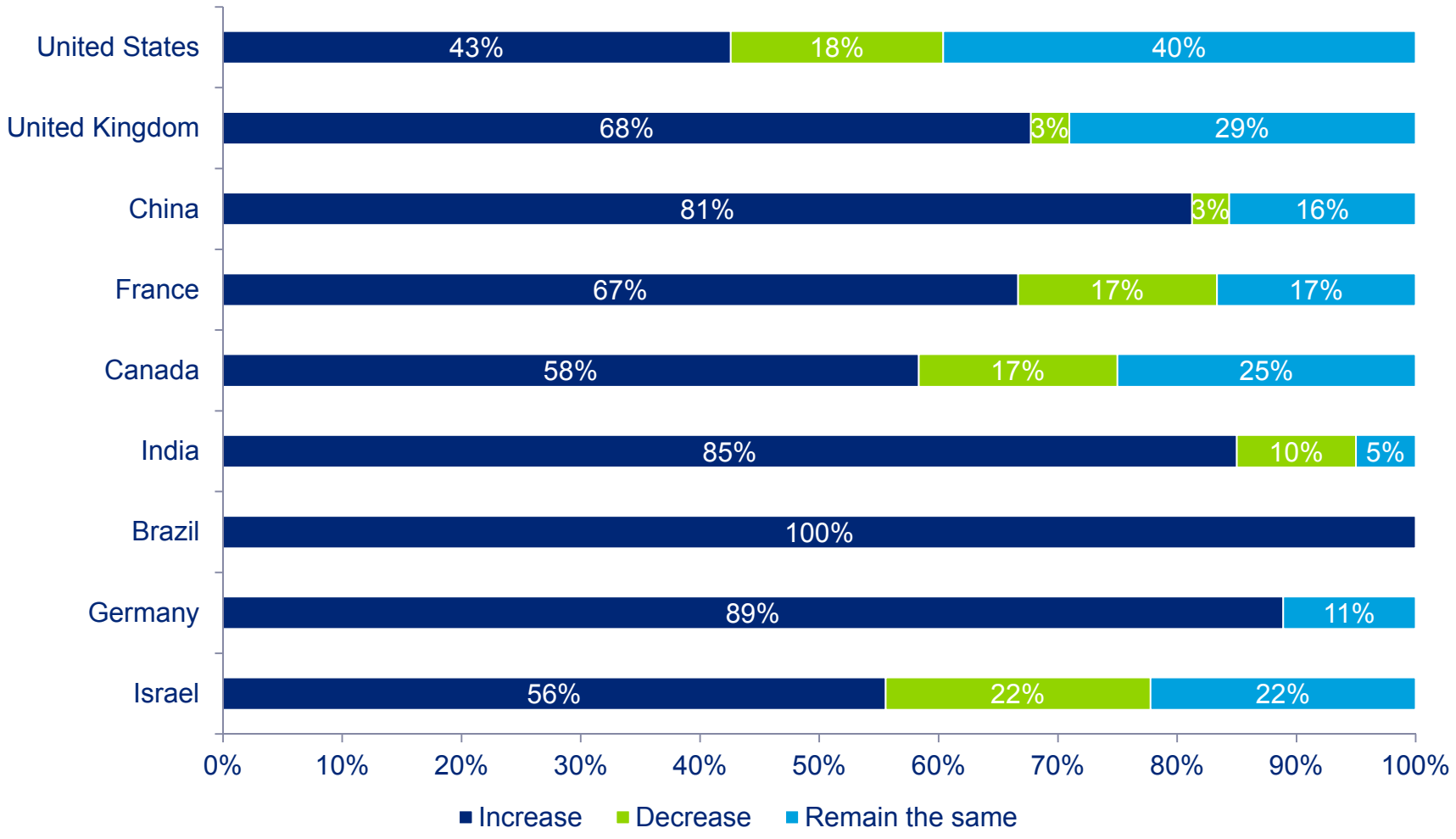
Anticipated investment levels in terms of total capital over the next five years - Clean technologies



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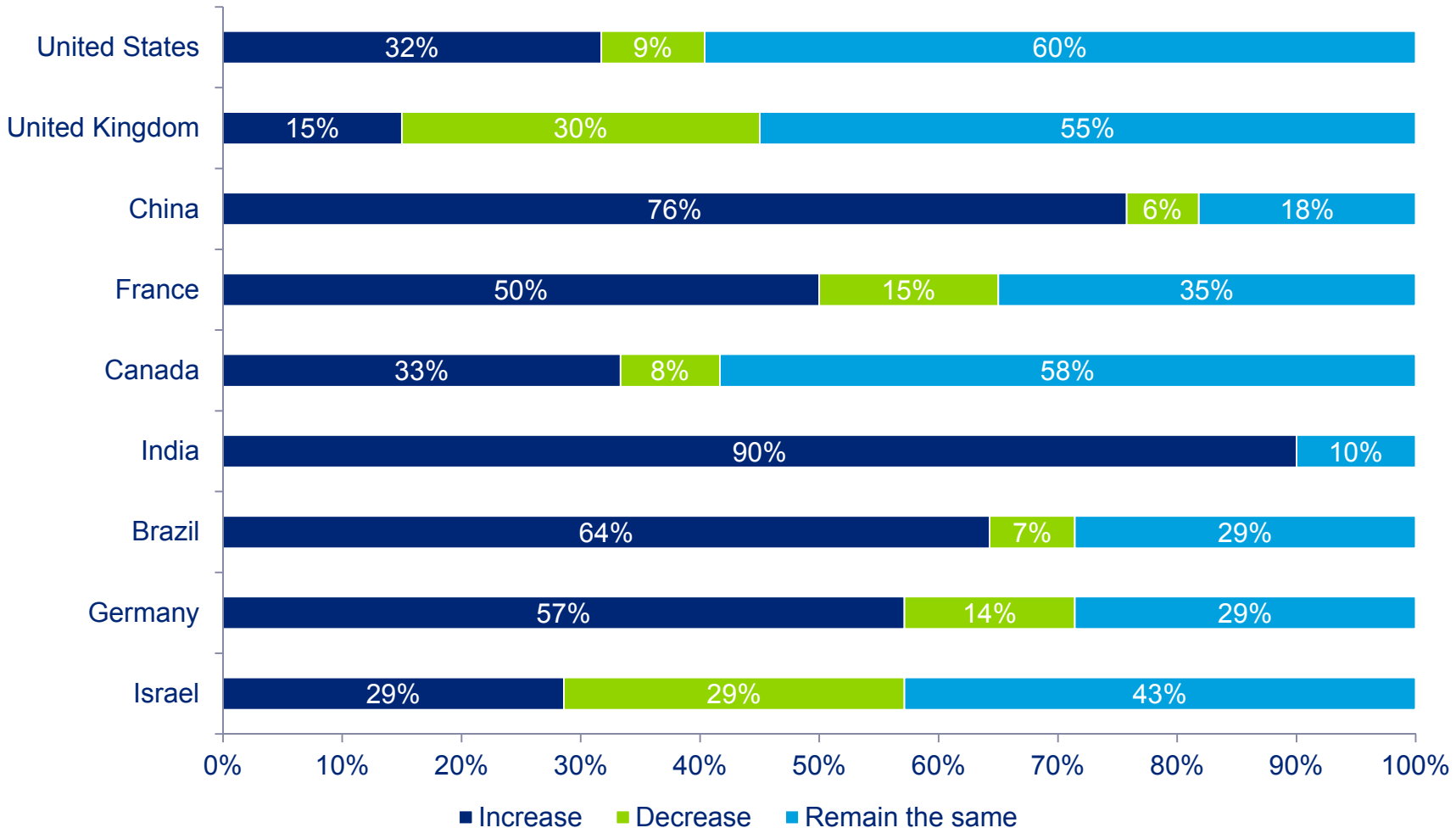
Anticipated investment levels in terms of total capital over the next five years - Consumer business



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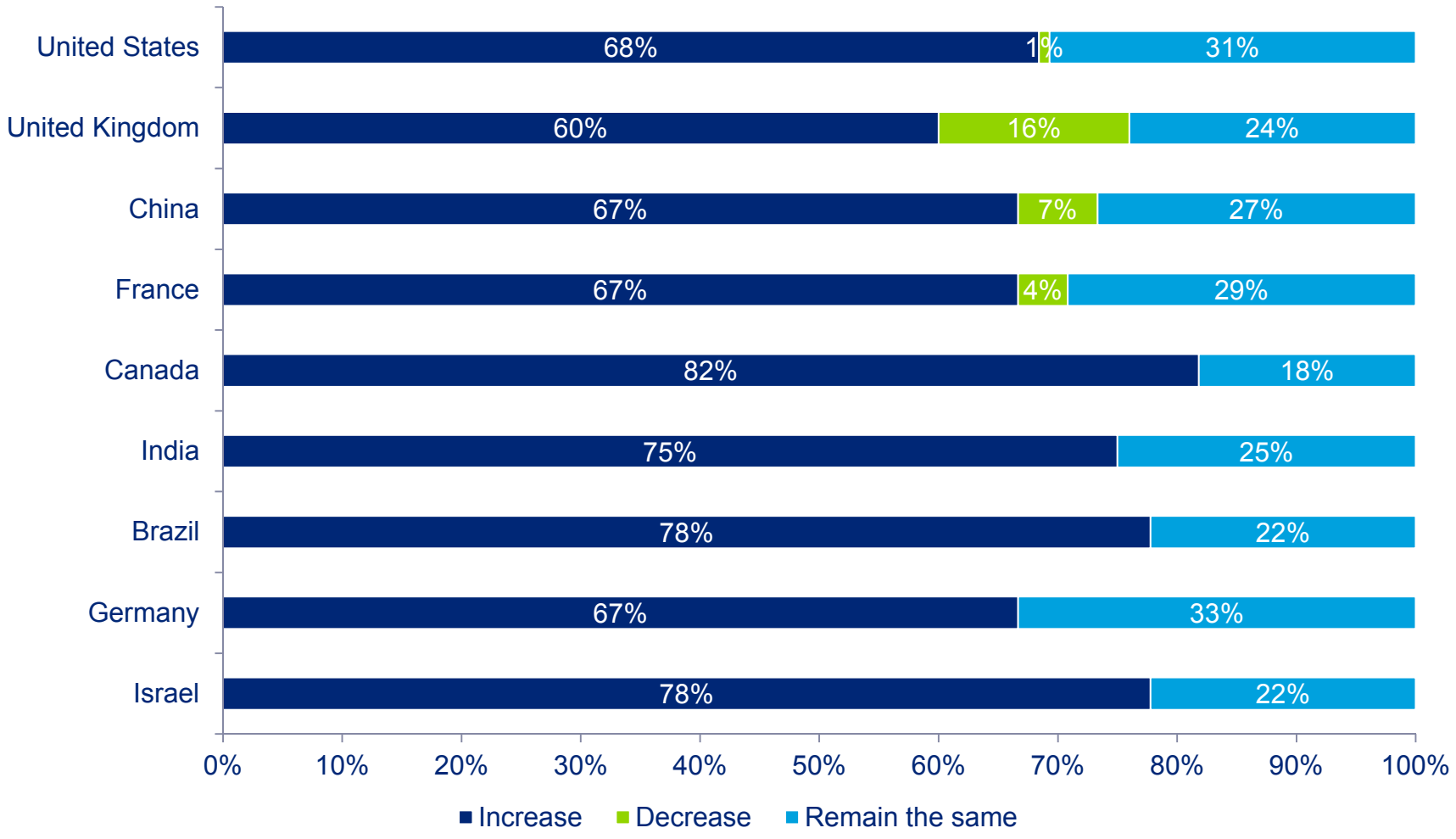
Anticipated investment levels in terms of total capital over the next five years - Cloud computing



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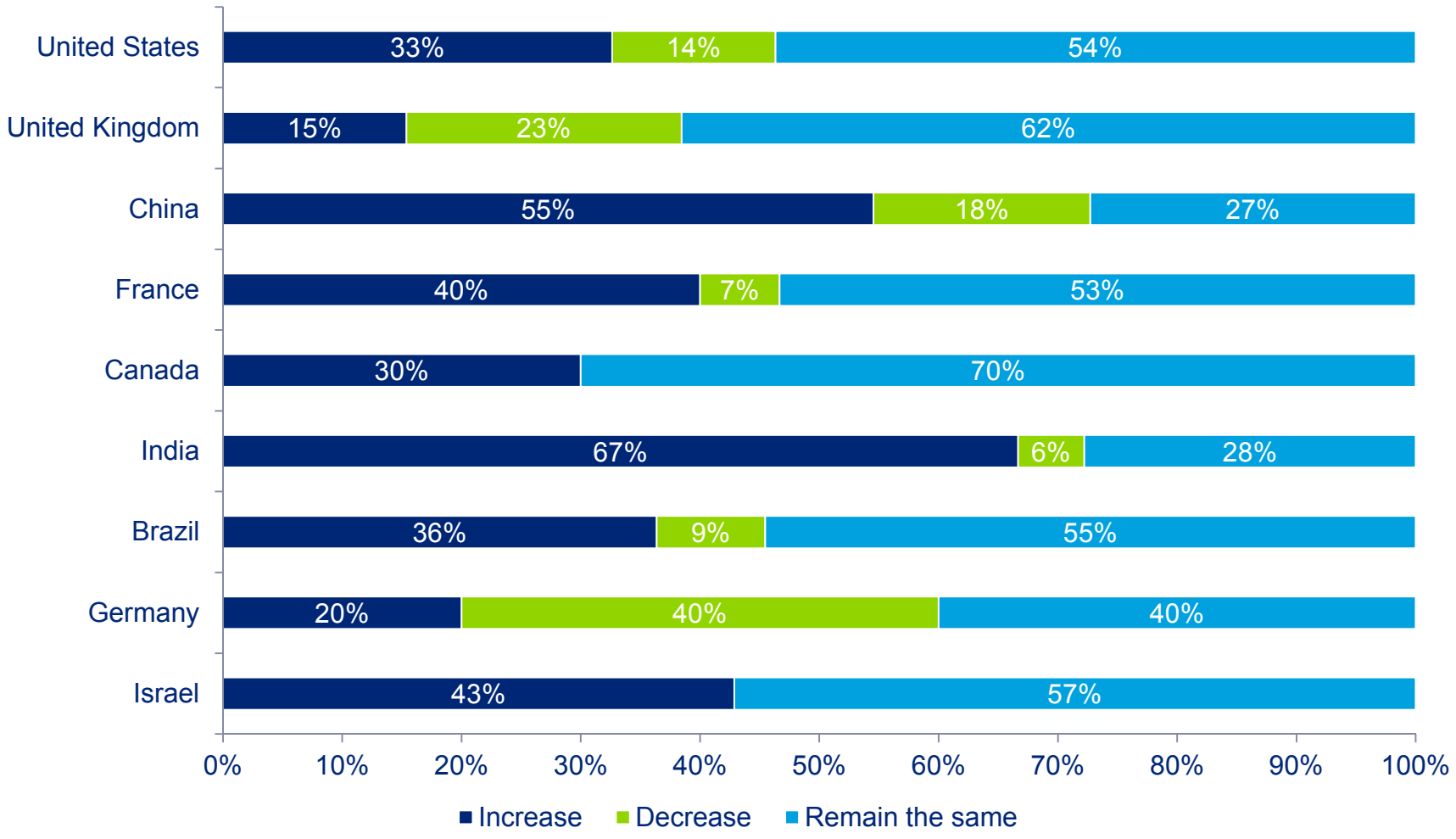
Anticipated investment levels in terms of total capital over the next five years - Financial services



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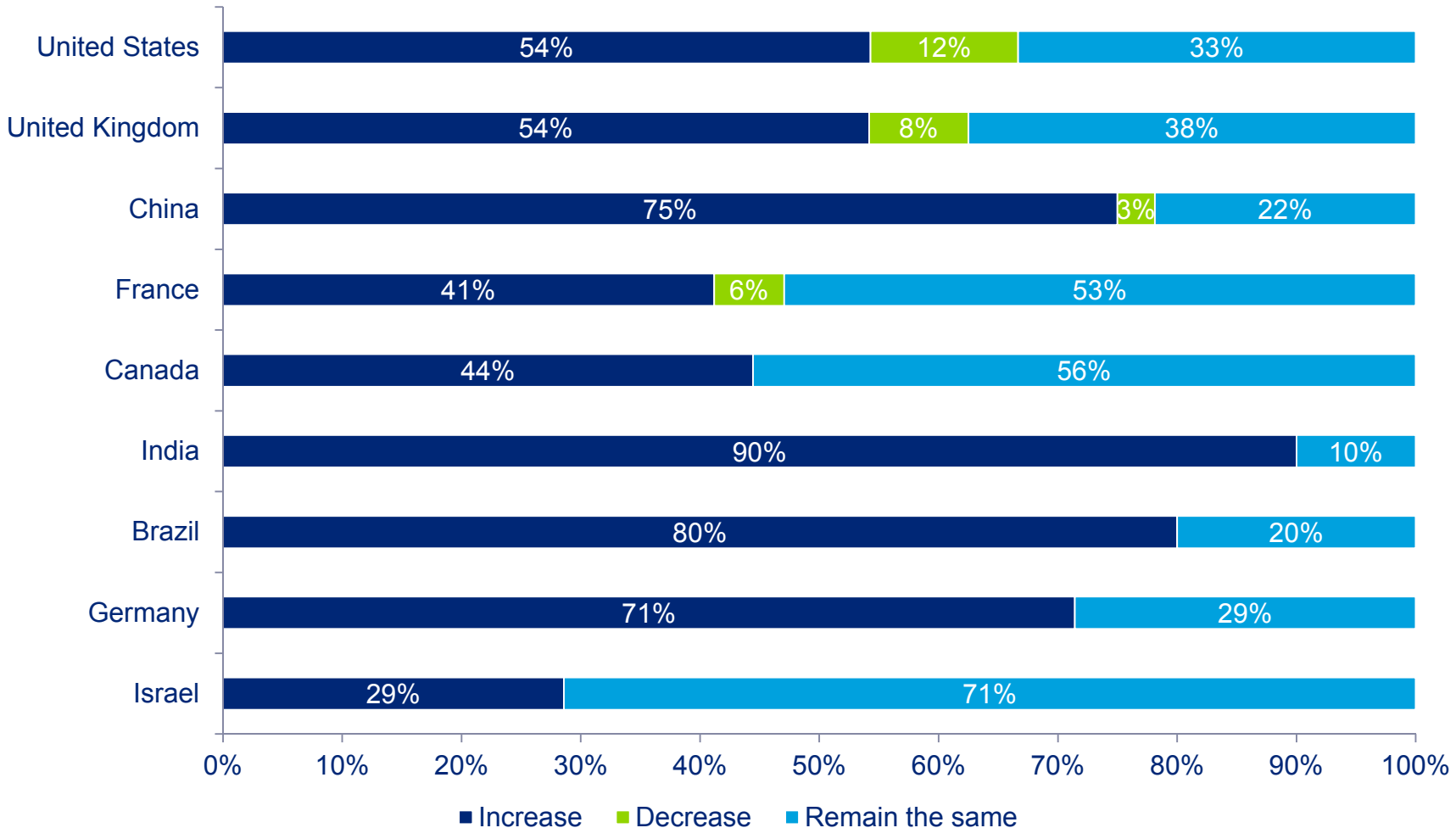
Anticipated investment levels in terms of total capital over the next five years - Healthcare services



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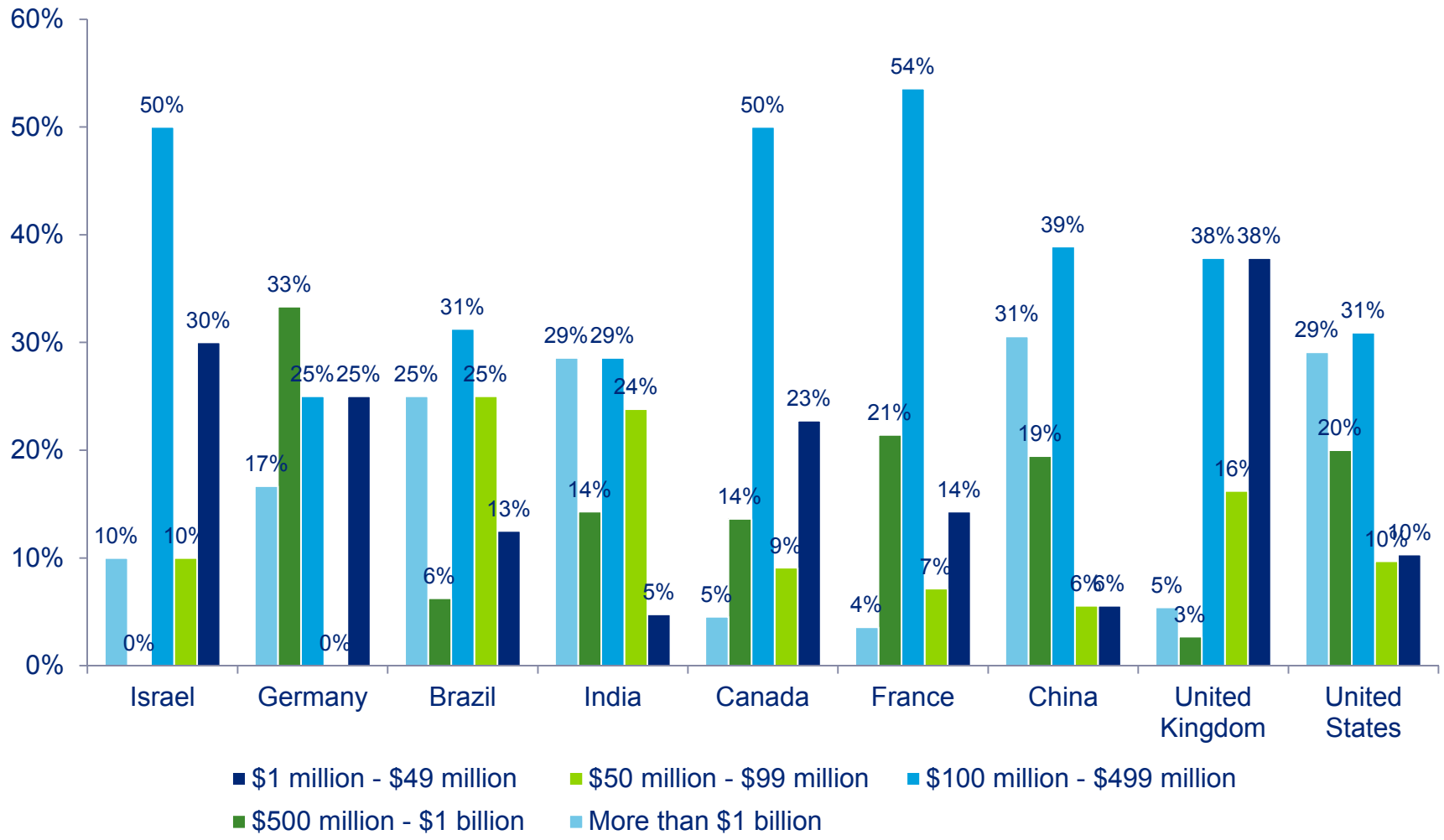
Survey Demographics

Capital under management in $USD



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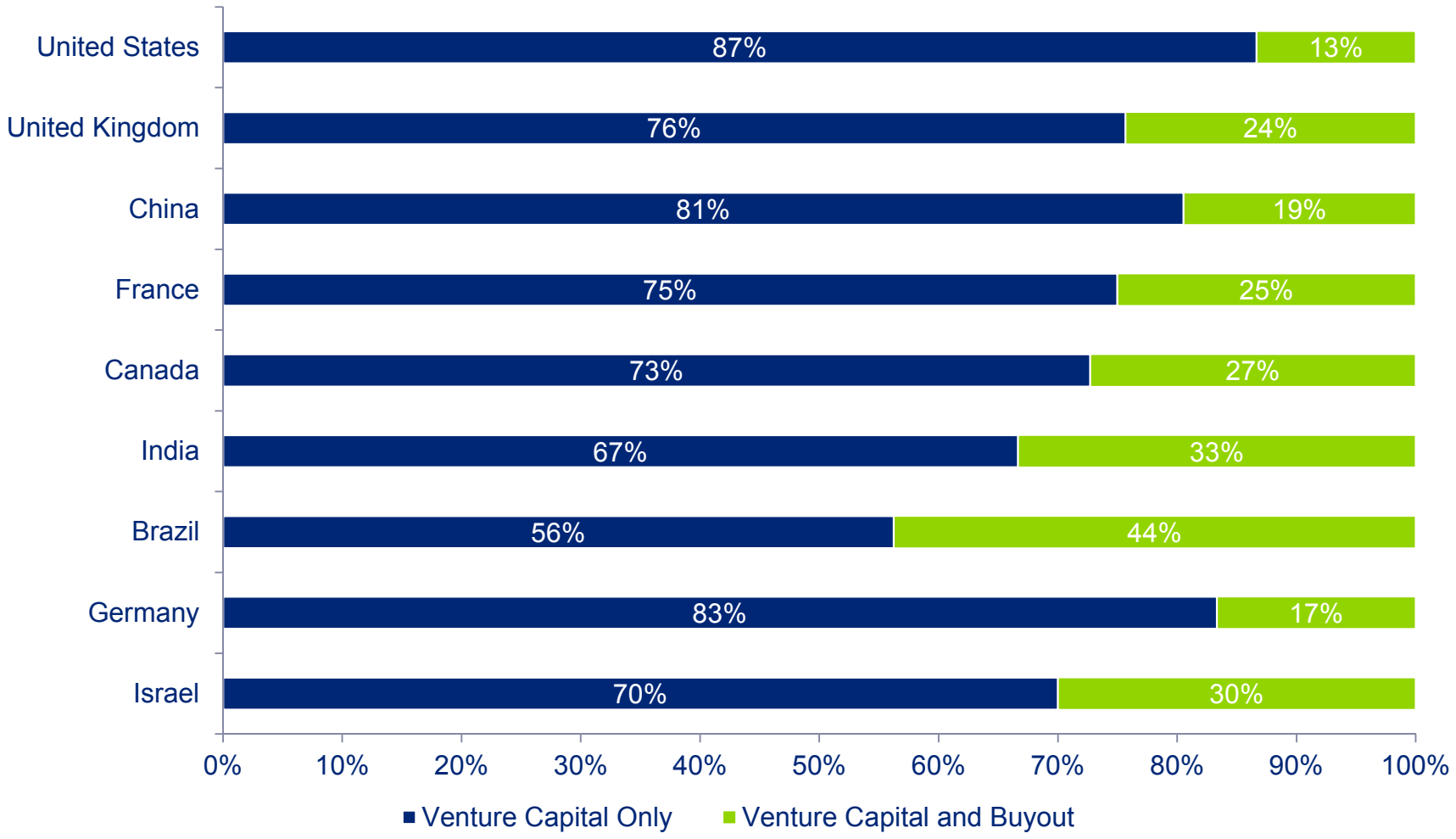
Primary investment focus



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Methodology

The 2011 Global Venture Capital Survey was conducted jointly by Deloitte & Touche LLP and the National Venture Capital Association. It was administered to venture capitalists in the following countries: Brazil, Canada, China, France, Germany, India, Israel, United Kingdom and the United States. Deloitte received 347 responses from general partners with assets under management ranging from less than $100 million to greater than $1 billion. Multiple responses from the same firm were encouraged as the survey was a general measurement of the state of global investing from general partners, not attitudes of specific firms.

The survey was conducted during February and March 2011.

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