



National Venture Capital Association



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Venture-Backed IPOs Record Strongest Month Since 2004

Month of May Saw Highest Volume and Dollars Raised; Further Momentum Could Be Sign of Recovery

New York, NY- June 12, 2007 – Eleven venture-backed companies raised \$1.6 billion through initial public offerings (IPOs) on US exchanges in May 2007, according to data from Thomson Financial and the National Venture Capital Association (NVCA). This activity represents the first time monthly offerings from venture-backed companies have reached the double digits since October 2004. May 2007 was also the highest month for dollars raised since August 2004 when the IPO offer amount, bolstered by the debut of Google, reached nearly \$1.9 billion.

Month	No of IPOs*	Offer	Post Offer	Avg Offer Amt (\$mil)	Month	No of IPOs*	Offer	Post Offer	Avg Offer Amt (\$mil)
		Amt (\$mil)	Value (\$mil)				Amt (\$mil)	Amt (\$mil)	
2004-01	1	136.5	808.2	136.5	2005-10	3	94.2	485.4	31.4
2004-02	6	519.3	2,149.8	86.6	2005-11	6	860.0	3,031.0	143.3
2004-03	4	176.3	620.1	44.1	2005-12	3	270.0	906.7	90.0
2004-04	8	581.2	2,170.1	72.6	2006-01	2	183.6	531.8	91.8
2004-05	6	318.9	1,286.3	53.2	2006-02	6	237.6	817.8	39.6
2004-06	13	956.4	5,114.4	73.6	2006-03	2	119.6	417.6	59.8
2004-07	12	787.9	3,185.3	65.7	2006-04	4	232.9	1,029.3	58.2
2004-08	4	1,881.0	23,982.7	470.3	2006-05	7	946.1	4,016.1	135.2
2004-09	5	323.2	1,076.6	64.6	2006-06	6	347.0	1,604.4	57.8
2004-10	13	1,587.1	5,895.9	122.1	2006-07	1	10.2	70.9	10.2
2004-11	5	409.7	1,697.8	81.9	2006-08	1	95.3	396.1	95.3
2004-12	6	745.3	2,609.5	124.2	2006-09	5	558.7	2,335.4	111.7
2005-01	2	250.5	1,267.2	125.3	2006-10	6	427.8	1,903.8	71.3
2005-02	5	212.5	836.1	42.5	2006-11	5	393.7	1,368.0	78.8
2005-03	0	0.0	0.0	0.0	2006-12	8	731.6	3,233.7	91.5
2005-04	2	134.4	534.8	67.2	2007-01	1	24.2	95.2	24.2
2005-05	1	140.8	711.3	140.8	2007-02	9	992.4	3,662.0	110.3
2005-06	5	226.7	786.2	45.3	2007-03	7	1,075.3	5,847.3	153.6
2005-07	5	315.0	1,292.1	63.0	2007-04	5	1,446.4	9,094.9	289.3
2005-08	6	440.5	1,813.3	73.4	2007-05	11	1,633.0	5,863.0	148.5
2005-09	6	421.9	1,596.2	70.3					

Source: Thomson Financial and National Venture Capital Association

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

Mark Heesen, president of the NVCA was cautiously optimistic about the recent activity.

“The venture-backed IPO volume in May and the market performance of those companies that went public thus far this year is very favorable compared to the last several years. These companies have successfully run the gauntlet, having weathered the technology bubble burst and Sarbanes Oxley compliance costs. They are likely the strongest batch of newly public companies in some time. However, we will need to see consecutive double digit monthly IPO volume for the rest of 2007 to declare any sort of recovery. Meaningful Sarbanes Oxley reform will go a long way towards helping other promising venture-backed companies reach their IPO goals.”

May’s strong performance, coupled with a stable first quarter, boosted the number of venture-backed IPOs for the first five months of 2007 to 33, the highest level since 2000. Furthermore, the average offer amount from January through May broke all-time records to reach \$156.7 million per issue. Adding to this trend, the three month period from March-May 2007 marked the first consecutive stretch for \$1 billion plus monthly volume - the first time this has occurred since 2000’s nine month stretch.

Year	YTD January-May			
	No of IPOs	Offer Amt (\$mil)	Post Offer Value (\$mil)	Avg Offer Amt (\$mil)
2000	116	12,044	63,843	103.83
2001	12	878	4,801	73.18
2002	12	1,076	5,609	89.63
2003	2	157	375	78.60
2004	25	1,732	7,035	69.29
2005	10	738	3,349	73.82
2006	21	1,720	6,813	81.89
2007	33	5,171	24,562	156.70

The industry composition for the first five months of 2007 shows the majority of offerings occurring in the Medical, Health, and Life Sciences industries followed closely by Information Technology issues. Some notable IPOs included MetroPCS Communication’s \$1.15 billion issue and AECOM Technology Corporation’s \$703 million issue, both of which occurred in the second quarter.

Average performance is strongest for offerings in the information technology sector which have realized a 13.9% increase from their offer price to closing price yesterday, which compares favorably to the 8.6% change from offer to close price yesterday for all issues on US exchanges in the same time period. Medical/Health/Life Science and Non-High Technology sectors lag behind the benchmark at 2.2% and 6.6%, respectively.

Industry Breakdown of IPOs January – May 2007

Industry	No of IPOs	Offer Amt (\$mil)	Avg Offer Amt (\$mil)	Average % Chg Offer
				Price to Close Price Yesterday
Information Technology	14	2,900.1	207.2	13.9
Medical/Health/Life Science	16	1,370.6	85.7	2.2
Non-High Technology	3	900.5	300.2	6.6
Total	33	5,171.3	156.7	7.6

Presently there are 45 venture-backed companies filed for an initial public offering with the SEC. This compares to 44 companies in registration at the end of the first quarter of 2007, and 36 at the end of 2006.

Alex Tan, Global Private Equity Research Manager for Thomson Financial remarked, “The level of venture capital-backed companies “in registration” represents a backlog that has been building for some time. These companies are still weighing alternatives and could still choose other options besides an IPO.

However, the flurry of new issues during the first five months of 2007 and the notable performance of venture-backed IPOs could send the right signals that the market is receptive to these companies and that an IPO path is the right one.”

The regular second quarter Exit Poll data, which reports on venture backed IPOs and M&A’s will be released the week of July 2, 2007.

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The National Venture Capital Association (NVCA) represents approximately 480 venture capital and private equity firms. 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 2006 Global Insight study, venture-backed companies accounted for 10.4 million jobs and \$2.3 trillion in revenue in the United States in 2006. 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.