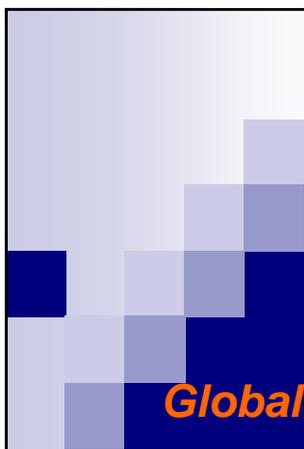




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Randy Mitchell, US Dept. of Commerce
Bob Ackerman, Allegis Capital
Susan Boedy, Knightsbridge Advisers
Victor Hwang, T2 Venture Capital
**Matt McCall, New World Ventures &
DFJ Portage Venture Partners**
John Taylor, NVCA



NVCA
National Venture Capital Association

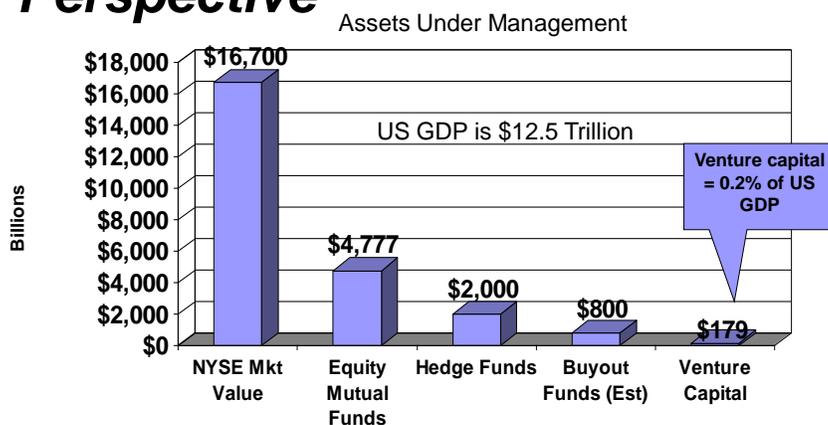
FRB Chicago
Global Venture Capital Environment

July 22, 2010

Many Options to Choose From

- Entrepreneur Personal Funds
- “Friends and Family”
- Personal credit card and other borrowings
- Angel investors
- Venture capital
- Corporate direct investment
- Venture leasing
- Mezzanine Financing
- Merger and Acquisition
- Initial Public Offering
- Secondary/Follow-on Public Offering
- Private Placements – Debt & Equity
- Buyout/Acquisition Financing
- Corporate Debt

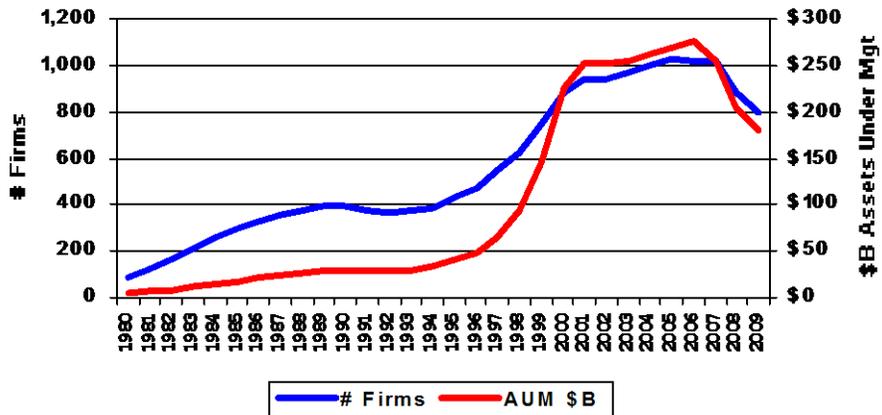
US Venture Capital Investment in Perspective



Source: AIMA, Investment Company Institute, NYSE.com, Thomson Reuters, NVCA

Fundraising & Resources

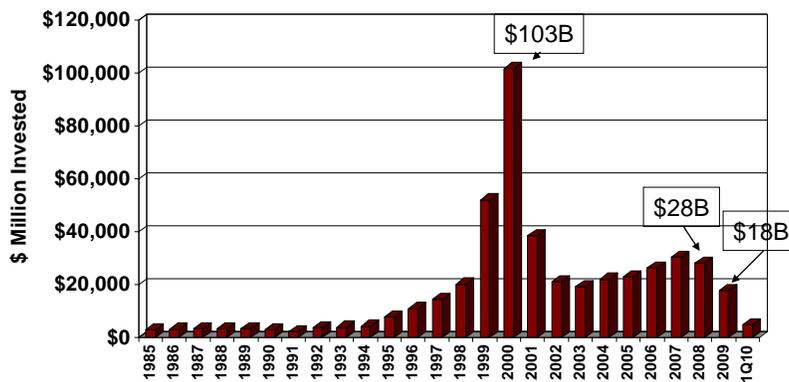
**US AUM peaked at \$276B, now \$179B;
Firms down from 1023 peak to 794**



Source: NVCA 2010 Yearbook prepared by Thomson Reuters

***Investment Marches On -
Rumors that the Venture Industry
has stopped investing are greatly
exaggerated***

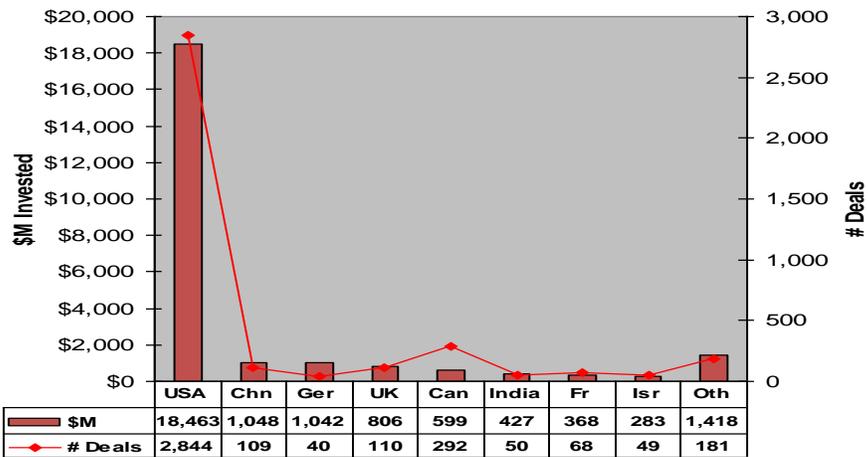
***VC Investment Peaked in 2000;
2008 Was Down 8%; 2009 was \$18B***



Source: PricewaterhouseCoopers/National Venture Capital Association MoneyTree™ Report,
Data: Thomson Reuters

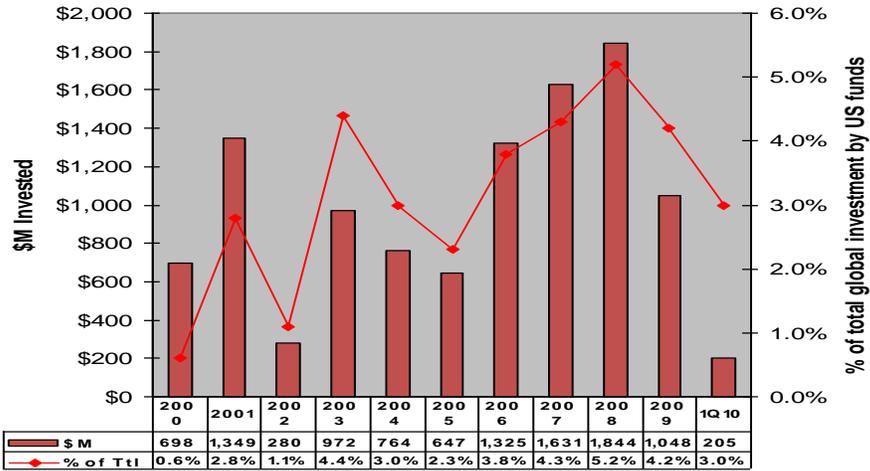
International Investment by US-Based Funds

Where US-domiciled venture funds invested in 2009



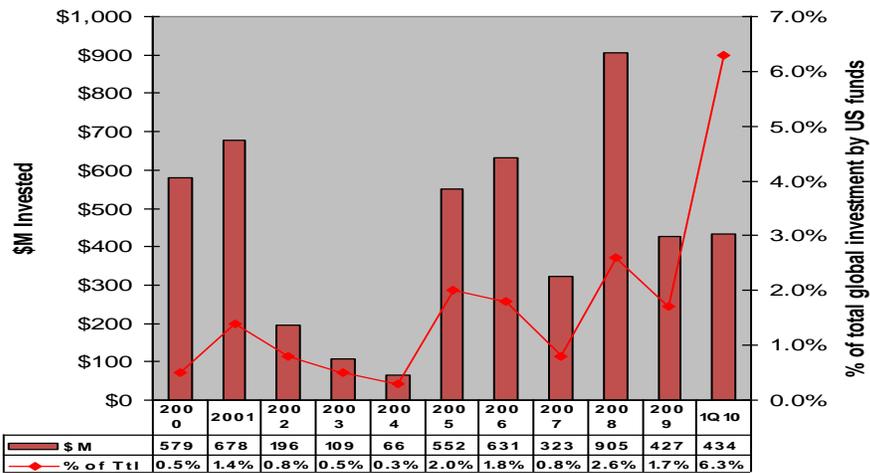
Source: ThomsonONE™ Database by Thomson Financial

US-domiciled venture funds invested in China – Recent years



Source: ThomsonONE™ Database by Thomson Financial

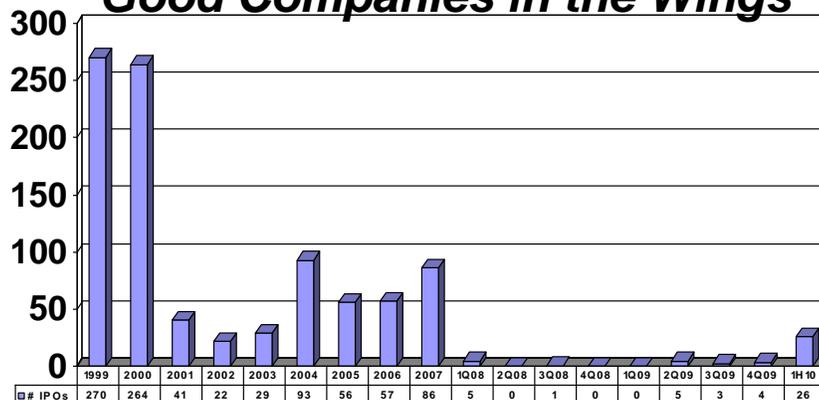
US-domiciled venture funds invested in India – Recent years



Source: ThomsonONE™ Database by Thomson Financial

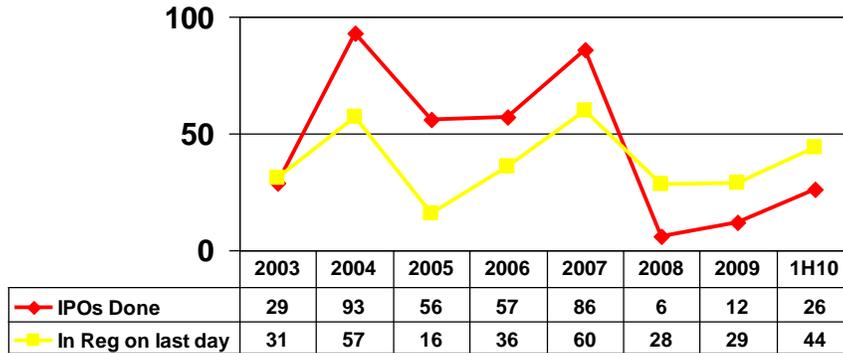
***The Exit Scene -
the importance of acquisitions
has become clear over the past
several years***

***A Capital Crisis?
Few IPOs Post-Bubble; Many
Good Companies in the Wings***



Source: Thomson Reuters/National Venture Capital Association

What's in the Venture-Backed IPO Pipeline? IPOs During Period and Registration Counts at Period End; Did the 60 in Registration 12/31/2007 Evaporate?



Source: Thomson Reuters/National Venture Capital Association; Updated 5/6/2010

“Buy low... sell high” is easier if you really buy low!

Company	Total Venture Investment \$M	Recent Market Cap/ Acq Price \$M [5/2010]
Cisco	3	133,590
eBay	7	27,200
Amazon.com	8	53,350
Apple	9	216,350
YouTube	15	1,650
Google	40	151,280
JetBlue	173	1,600
WebVan	441	0

Source: PricewaterhouseCoopers/National Venture Capital Association MoneyTree™ Report, Data: Thomson Reuters