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**IPO Exits Re-emerge For Venture-Backed Companies**  
***Q2 Represents Largest Dollar Volume since 2000***

**New York, NY and Washington DC, July 1, 2002** - Venture-backed IPO dollar volume jumped to \$1.3 billion during the second quarter of 2002, as 12 U.S. companies went public, according to Thomson Venture Economics and the National Venture Capital Association (NVCA). The quarter was the largest for IPOs since Q4 2000, when 23 venture-backed companies raised \$2.2 billion in the public markets.

While going public remains a challenge for many startups, the increased activity last quarter shows that the exit window is far from closed for venture-backed companies. Another encouraging sign is that the quarter's average venture-backed offer size of \$106 million was the highest in recent years.

“Obviously two points don’t always make a trend, but the comparison of IPO results from Q1 to Q2 is heartening in that venture-backed IPO exits more than tripled over the past quarter. This mirrors what is occurring in the larger overall U.S. IPO market. This market does show signs of life, especially in the medical/life sciences sectors - an area that ostensibly represents the future fortunes of the industry,” said Jesse Reyes, Vice President at Thomson Venture Economics.

“We are encouraged that the second quarter showed improvement in the IPO market as these exits will help drive other venture capital performance measures in the right direction,” said John Taylor, Vice President and Director of Research for the NVCA. “There is a tremendous number of promising companies waiting to enter the public markets once conditions show consistent improvement. That being said, we are continuing to keep our eyes on the valuations because ultimately, that is what delivers returns for investors.”

<b>Analysis of Recent Quarters' IPOs</b>						
<b>Quarter Ending</b>	<b>Number of IPO's</b>	<b>Number of Venture Backed IPO's in the U.S.</b>	<b>Total Venture Backed Offer Size (\$Mill)</b>	<b>Avg. Venture Backed Offer Size (\$Mill)</b>	<b>Total Venture Backed Post Offer Value (\$Mill)</b>	<b>Avg. Venture Backed Post Offer Value (\$Mill)</b>
03/31/2000	113	79	8,453.10	107	45,719.60	578.7
06/30/2000	80	50	3,959.80	79.2	23,957.20	479.1
09/30/2000	115	76	6,880.70	90.5	32,555.50	428.4
12/31/2000	46	23	2,183.30	94.9	8,093.50	351.9
<b>Total 2000</b>	<b>354</b>	<b>228</b>	<b>21,479.90</b>	<b>92.9</b>	<b>110,325.80</b>	<b>459.5</b>
03/31/2001	31	9	650.1	72.2	2,902.3	322.5
06/30/2001	30	9	710.5	78.9	4,220.6	469.0
09/30/2001	12	5	279.9	56.0	994.6	198.9
12/31/2001	37	14	1,447.7	103.4	5,912.4	422.3
<b>Total 2001</b>	<b>110</b>	<b>37</b>	<b>3,088.20</b>	<b>77.6</b>	<b>14,029.90</b>	<b>353.2</b>
03/31/2002	13	4	376.3	94.1	2,398.0	599.5
06/30/2002	37	12	1,272.20	106	5,118.3	426.5
<b>2002 YTD Total</b>	<b>50</b>	<b>16</b>	<b>1,648.50</b>	<b>100.1</b>	<b>7,516.60</b>	<b>513</b>

*Thomson Venture Economics & National Venture Capital Association*

Last quarter saw IPOs from companies in five industries, with the Healthcare Related and Computer Software industries representing the majority. The Healthcare Related industry led the way with five venture-backed IPOs for a total offer amount of \$595 million. Although there were no Healthcare Related venture-backed IPOs in Q1 2002, the industry accounted for 11 of the 37 venture-backed IPOs in 2001. With Information Technology spending by businesses still slow, it is difficult for IT companies to develop the requisite track record before going public. Thus, it is expected that the Medical/Health industry will continue to generate IPOs given the public investor demand for this sector.

The largest venture-backed IPO of the quarter came from Arlington, Virginia-based Veridian Corporation, provider of information technology and advanced engineering services. Veridian raised over \$215 million in a CSFB-led offering. The second largest IPO was Knoxville, Tenn.-based CTI Molecular Imaging Inc., provider of medical imaging products and services. The Company raised over \$180 million in a deal led by CSFB. The third-largest venture-backed IPO of the quarter came from JetBlue Airways Corporation. JetBlue raised over \$158 million in a deal co-led by Morgan Stanley and Merrill Lynch & Co.

<b>2002 Venture-Backed IPOs by Industry</b>					
	<b>Number of Venture Backed IPOs in the U.S.</b>	<b>Venture Backed Offer Size (\$Mill)</b>	<b>Venture Backed Post Offer Value (\$Mill)</b>	<b>Avg. Venture Backed Offer* Size (\$Mill)</b>	<b>Avg. Venture Backed Post Offer* Value (\$Mill)</b>
<b>Quarter 1</b>					
Business/Financial	2	201.3	1,600.2	100.7	800.1
Biotechnology	1	120	547.2	120.0	547.2
Computer Software	1	55	250.6	55.0	250.6
<b>Total</b>	<b>4</b>	<b>376.3</b>	<b>2,398.1</b>	<b>94.1</b>	<b>599.5</b>
<b>Quarter 2</b>					
Healthcare Related	5	595.3	2,496.30	119	499.3
Computer Software	4	346	1,047.80	86.5	262
Industrial/Energy	1	158.4	1,083.30	158.4	1,083.30
Computer Hardware	1	90	182.1	90	182.1
Retailing and Media	1	82.5	309.2	82.5	309.2
<b>Total</b>	<b>12</b>	<b>1,272.20</b>	<b>5,118.60</b>	<b>107.3</b>	<b>467.2</b>

<b>Venture Economics Post-Venture Capital Index (PVCi)</b>					
<b>Annualized Return as of 06/28/2002</b>					
	<b>Index Value</b>	<b>Year to Date</b>	<b>Three Year Return</b>	<b>Five Year Return</b>	<b>Ten Year Return</b>
<b>PVCi</b>	361.36	-33.4%	-26.0%	-4.9%	6.5%
<b>S&amp;P</b>	989.82	-13.8%	-10.3%	2.3%	9.3%
<b>NASDAQ</b>	1,464.98	-24.9%	-18.3%	0.3%	10.0%
<b>DOW</b>	9,243.26	-7.8%	-5.6%	3.8%	10.8%

*Thomson Venture Economics & National Venture Capital Association*

The Venture Economics Post-Venture Capital Index (PVCi) is a market cap weighted index of the performance of stock of all venture-backed companies taken public over the last 10 years. As the index indicates at the end of Q2 2002, aftermarket performance of venture-backed companies was subject to the effects of market volatility this past year.

**The National Venture Capital Association (NVCA)** represents more than 400 venture capital and private equity firms. The NVCA's mission is to foster the understanding of the importance of venture capital to the vitality of the U.S. and global economies, to stimulate the flow of equity capital to emerging growth companies by representing the public policy interests of the venture capital and private equity communities at all levels of government, to maintain high professional standards, to facilitate networking opportunities, and to provide research data and professional development for its members. For more information about the NVCA, please visit [www.nvca.org](http://www.nvca.org).

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\*The “Offer” amount refers to the number of shares offered to the public via the IPO times the share price of the stock when issued. The Post Valuation amount is calculated by multiplying the total number of shares by the share price of the stock when issued. Any price movement in the public markets after the shares are issued is not reflected. Example: If ABC issues 10M shares out of its 50M shares at \$10 per share, the offer price is \$100M and the valuation placed upon the company by the markets is \$500M.