



Industry Ventures Announces Complete End of Term Solution Set for Venture Capital Industry

17 May 2010 – SAN FRANCISCO, CA – Industry Ventures LLC, a leading investment firm for venture capital, today announced it has broadened its investment options to address limited and general partners' liquidity needs across the lifecycle of a fund. The firm's comprehensive solutions for LPs and GPs reflect the growing number of partnerships and portfolios that are nearing the end of their term.

"The venture community is expressing unprecedented interest in a range of options and structures for partnerships that are reaching the end of their term but may have not yet reached their full potential," said Hans Swildens, Principal and Founder of Industry Ventures. "We are excited to offer solutions for liquidity to limited partners in venture capital investments. Likewise, there are a number of general partners who have built very interesting portfolios over the past decade that may require another 5-7 years in order to see optimal exits. We look forward to working with and supporting those partnerships and their companies over their next phase of growth."

According to the NVCA, the venture industry committed \$200 billion in more than 1440 funds from 1999-2001. Industry Ventures estimates that more than 600 of these funds are approaching the end of their 10-year term or extension periods with over \$30 billion of net asset value remaining.

With many high-quality investments remaining in these funds, both LPs and GPs are faced with the challenge to reconcile investor commitments and find supportive investment structures that will allow the additional time needed to drive toward liquidity in the fund or company. Industry Ventures' expanded End of Term Solution Set provides flexible and custom options for LPs and GPs, including:

- ◆ LP Interest Sale – buying out exiting LPs and approving extensions for continuing LPs
- ◆ Direct Asset Sale - acquiring all direct investments and manage portfolio
- ◆ New Investor Structure – adding a new preferred LP interest and capital to an existing fund to shore up reserves
- ◆ Special Purpose Vehicles - purchasing all LPs' interests and resetting GPs' terms and fees, as well as conducting strip sales for GPs to manage portfolio with reset economics.



Additionally, Industry Ventures provides capital support throughout a fund's lifecycle through: primary commitments, unfunded and fully-funded secondary transactions, and fund liquidations. The firm is also an active investor in portfolio companies through secondary direct investments.

"Industry Ventures was extremely helpful providing liquidity for our 1999 vintage venture fund. They worked with us to give our limited partners a good price and a choice of options, which resulted in a positive outcome for everyone," said Bill Reichert, managing director of Garage Technology Ventures. "Industry Ventures' creative approach and sophisticated investment structures have also enabled them to acquire limited partnership interests in our newest fund as well as secondary direct investments in our portfolio companies. We look forward to building on the relationship between Garage and Industry."

"Funds nearing end of term have very complex and difficult choices to make and often need to address varying investor objectives. Some limited partners may need immediate liquidity while others remain committed, long-term investors," said Jon Noble, attorney at Montgomery & Hansen, LLP. "The innovative approach of Industry Ventures has helped shore up cash positions for follow-on investments, while helping other general partners liquidate a fund if needed."

Commenting on the firm's broad capabilities, Larry Marcus, Managing Director of San Francisco-based Walden Venture Capital, said "Industry Ventures is a trusted partner with diverse capabilities and activities with us: secondary LP investor, direct co-investment through a secondary component and as a primary LP investor our most recent Fund VII, currently being deployed in new companies."

About Industry Ventures LLC

Industry Ventures is a leading investment firm that capitalizes on inefficiencies within venture capital and technology growth equity. The firm invests in both secondary and primary opportunities, including direct portfolios, secondary directs, limited partnership interests and other special situations. Founded in 2000, the firm manages five secondary funds and a fund of funds with over \$450 million of institutional capital. Headquartered in San Francisco, with offices in Washington, D.C., the firm has invested in over 100 venture limited partnerships and 90 companies, and has made 15 primary commitments. The Industry Ventures' secondary team works with investors seeking near term-liquidity from existing direct and partnership investments. The Industry "Partnership Holdings" team focuses on secondary purchases of unfunded limited partnership interests and primary commitments to smaller venture capital and technology growth equity funds. For more information, please visit www.industryventures.com.

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