

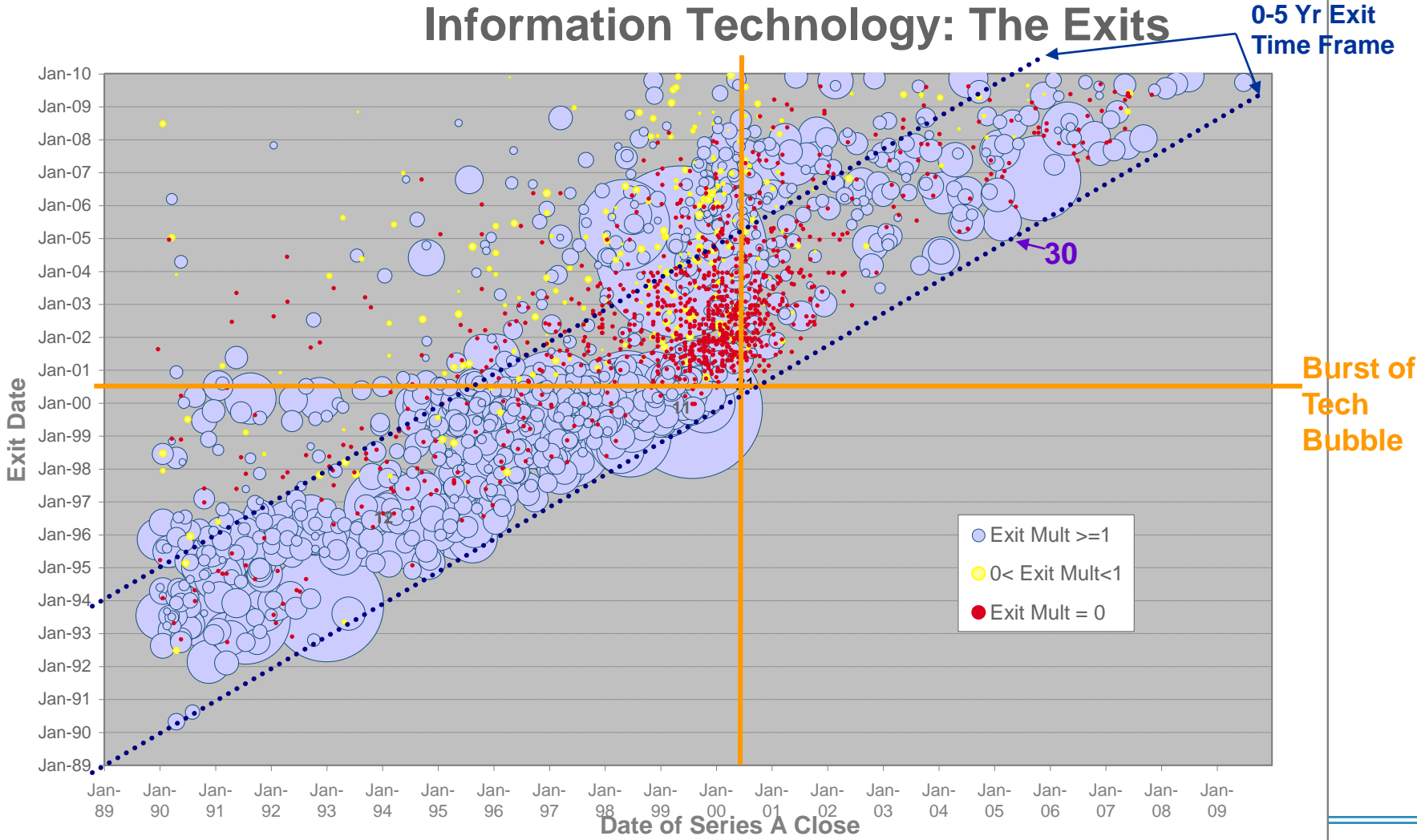
Exit Analysis: Technology

SVB Analytics Research

June, 2010

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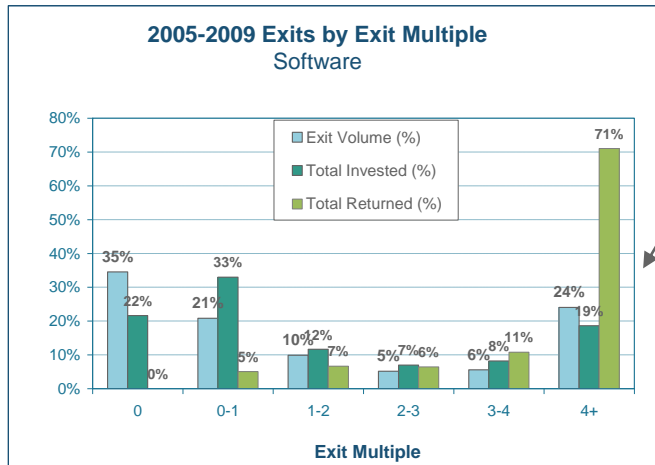
Information Technology: The Exits



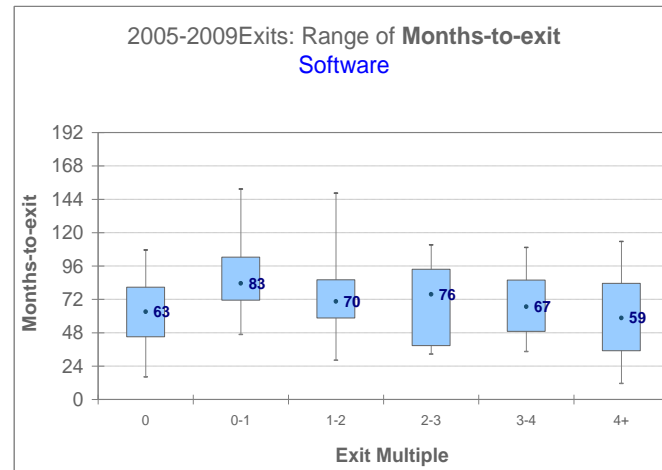
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How the **exits**, the **capital-in**, and the **capital-out** are distributed across exit multiples:

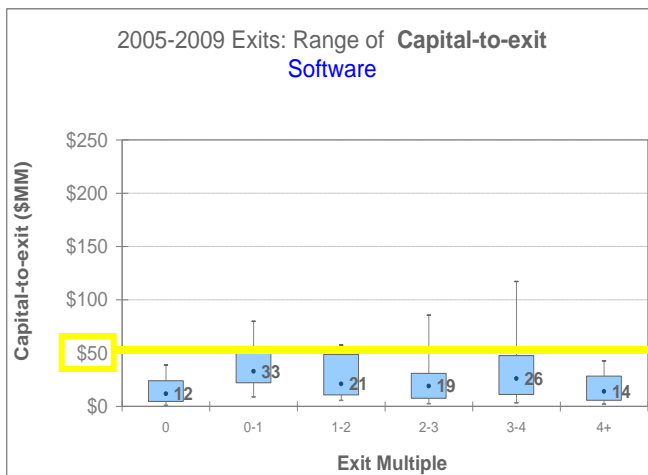
Of the Software companies that exited between 2005 and 2009....



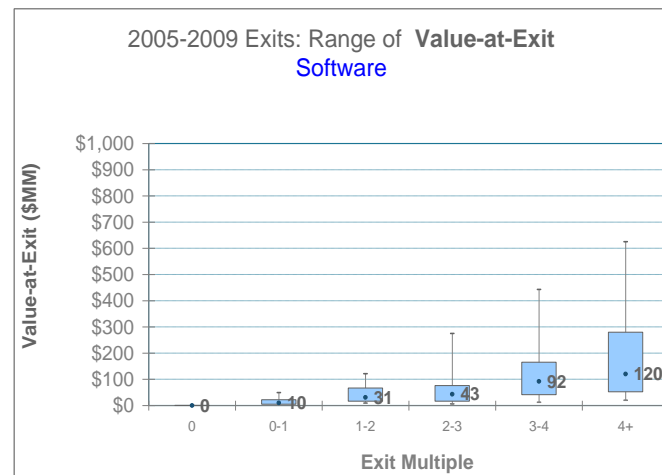
- 24% of them had an exit multiple of 4+
- 18% of the capital invested in them was invested in co.'s with an exit multiple of 4+
- 71% of the capital returned by them came from co.'s with an exit multiple of 4+



The median time-to-exit for Software co.'s that exited from 2005-9 with an exit multiple of 4+ was 59 months



The median capital-to-exit for Software co.'s that exited from 2005-9 with an exit multiple of 4+ was \$14MM

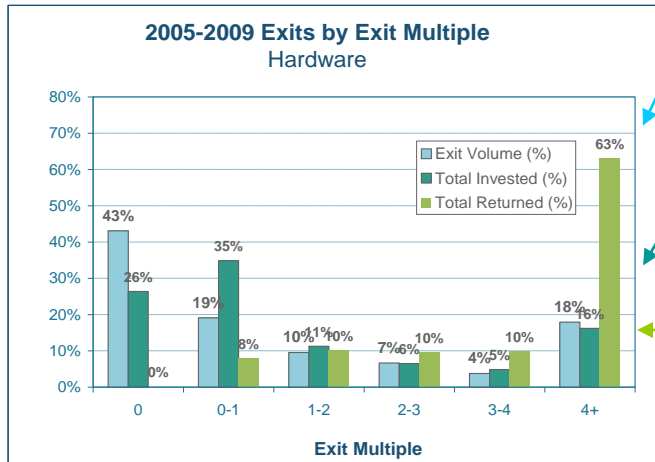


The median value at exit of Software co.'s that exited from 2005-9 with an exit multiple of 4+ was \$120 MM

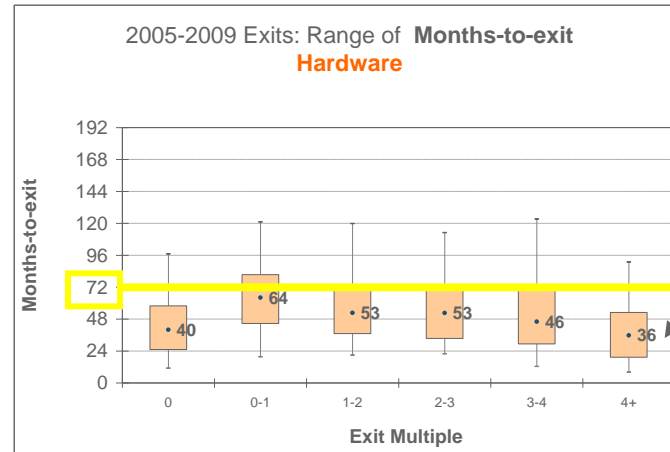
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How the exits, the capital-in, and the capital-out are distributed across exit multiples:

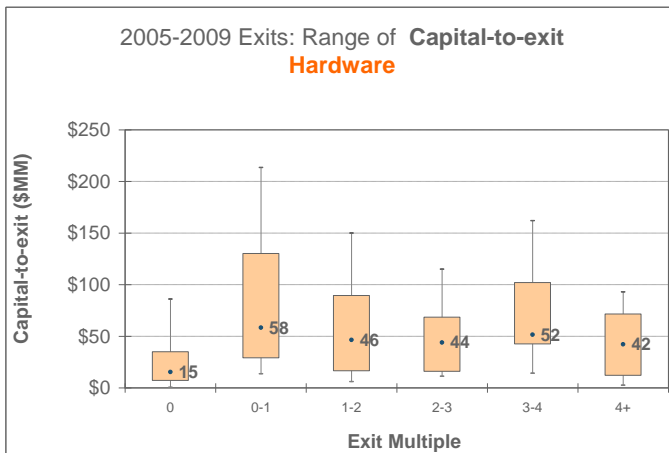
Of the Hardware companies that exited between 2005 and 2009....:



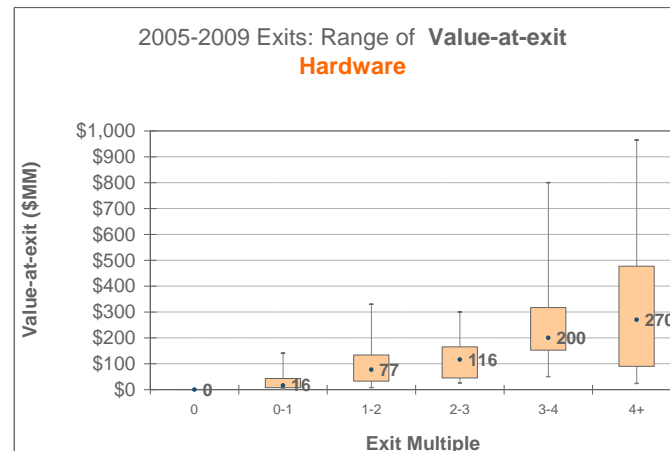
- 18% of them had an exit multiple of 4+
- 16% of the capital invested in them was invested in co.'s with an exit multiple of 4+
- 63% of the capital returned by them came from co.'s with an exit multiple of 4+



The median time-to-exit for Hardware co.'s that exited from 2005-9 with an exit multiple of 4+ was 36 months



The median capital-to-exit for Hardware co.'s that exited from 2005-9 with an exit multiple of 4+ was \$42MM

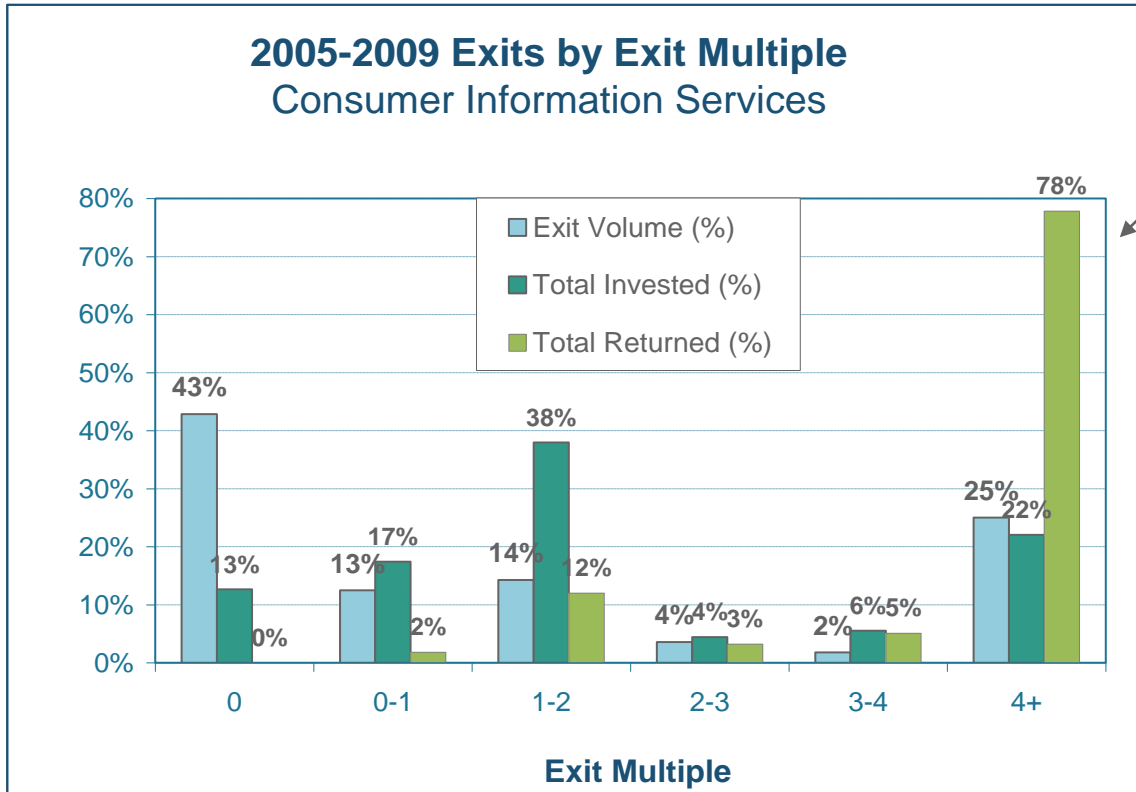


The median value at exit of Hardware co.'s that exited from 2005-9 with an exit multiple of 4+ was \$270 MM

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How the **exits**, the **capital-in**, and the **capital-out** are distributed across exit multiples:

Of the Consumer Information Services companies that exited between 2005 and 2009...:



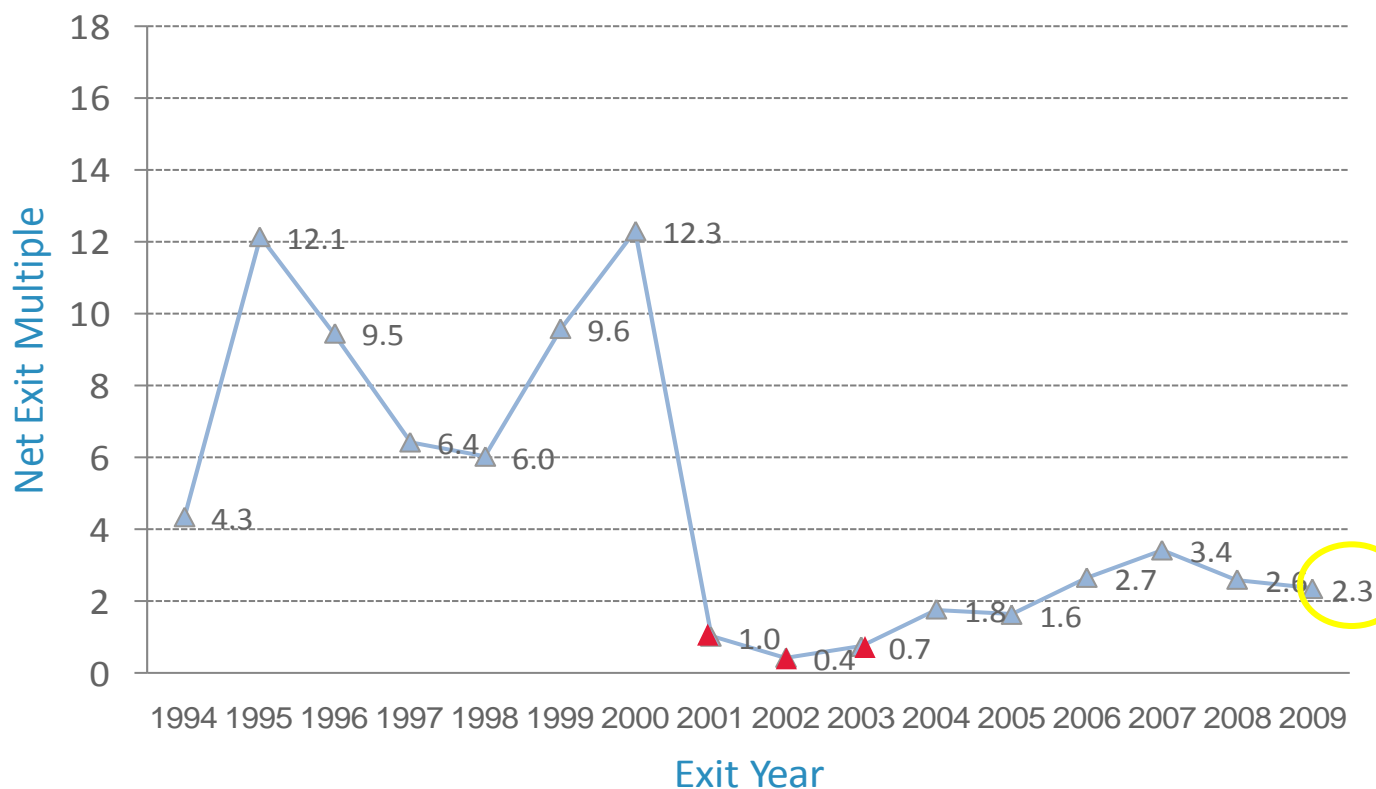
• 25% of them had an exit multiple of 4+

• 22% of the capital invested in them was invested in co.'s with an exit multiple of 4+

• 78% of the capital returned by them came from co.'s with an exit multiple of 4+

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Annual Net Exit Multiple: Software

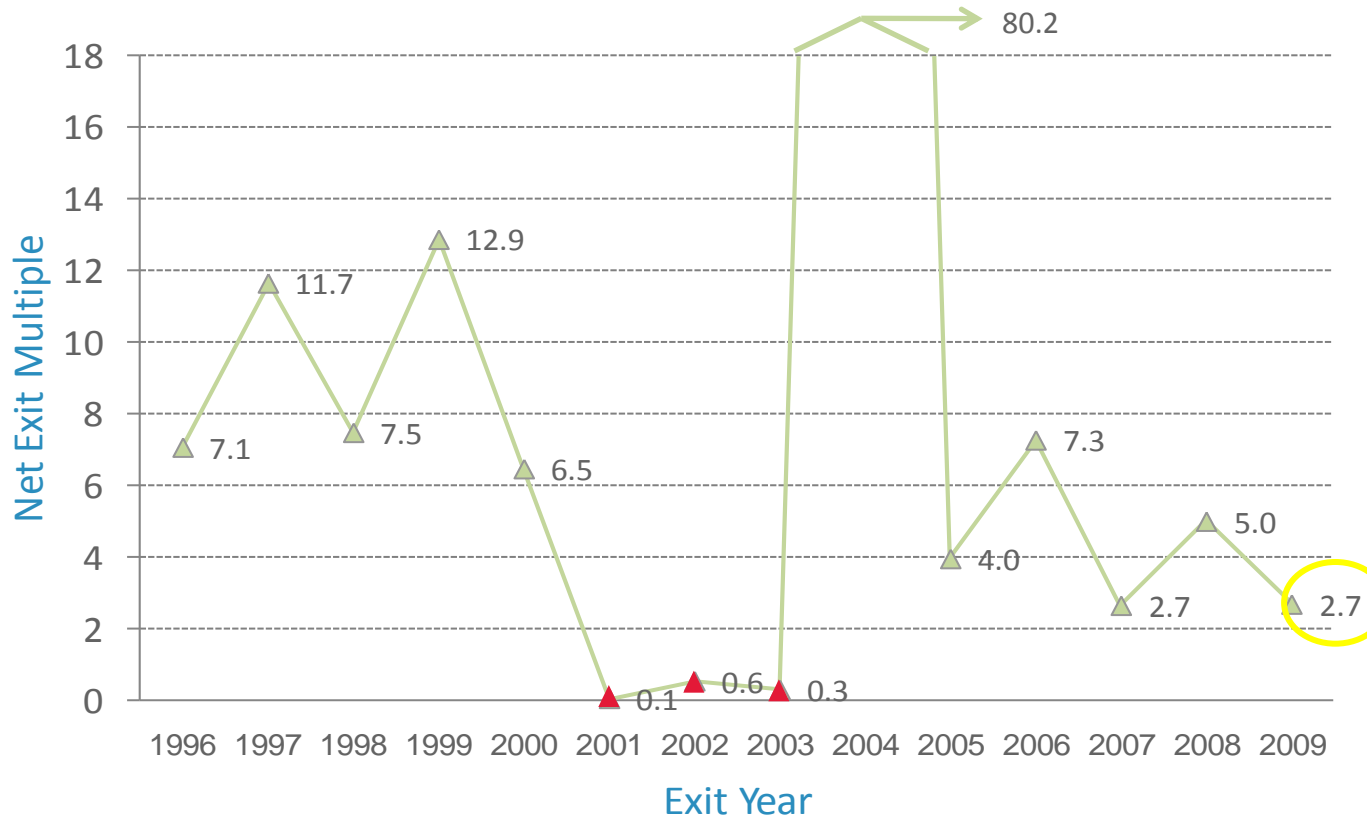


The Software sector had some rough post-bubble years, where the annual sum of exit values was *less than* the total equity invested in those exits.

However, the sector has been steadily recovering, with 2009 exits having a combined exit value equaling 2.3 times the total equity invested in those exits.

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Annual Net Exit Multiple: Consumer Information

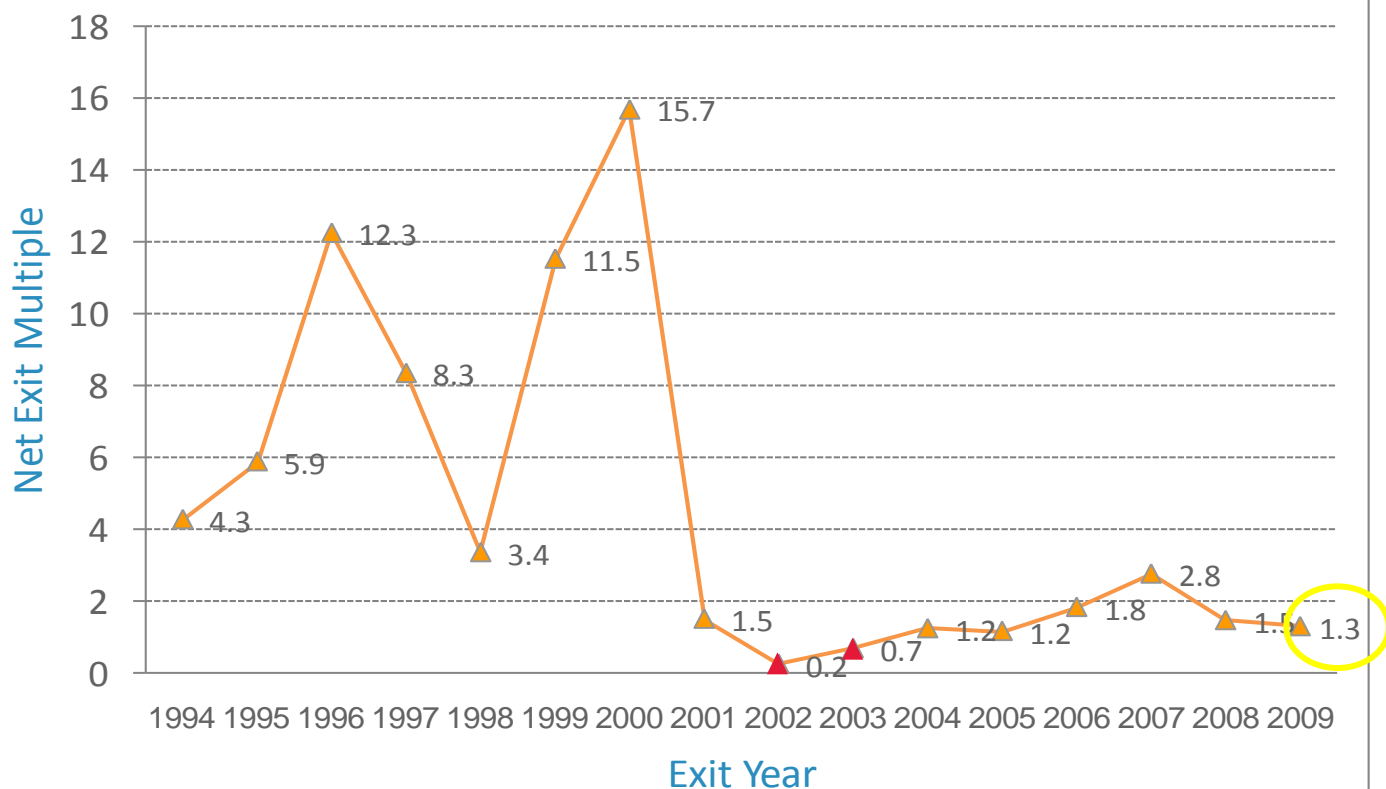


The Consumer Information sector saw an off-the-charts year in 2004, where (thanks to Google) the annual sum of exit values was more than 80X the total equity invested in those exits.

Since then, the sector has had annual combined exit values equaling somewhere from 2.7x to 7.3x the total equity invested in those exits.

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Annual Net Exit Multiple: Hardware



The Hardware sector also had some rough post-bubble years, where the annual sum of exit values was **less than** the total equity invested in those exits.

However, the sector has been steadily recovering, with 2009 exits having a combined exit value equaling **1.3 times** the total equity invested in those exits.

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