

Answers to Questions Venture Capital Outlook Survey 4th Quarter 2009

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Question: Overall Confidence

Question: 1) For the coming quarter, what is your confidence in the *quality* of the NEW deal flow compared to the prior quarter?

Substantially Better	0%
Moderately Better	22%
Same	78%
Moderately Worse	0%
Substantially Worse	0%

Question: 2) For the coming quarter, what is your confidence in the *quality* of the deal flow expected to close, compared to the prior quarter?

Substantially Better	0%
Moderately Better	22%
Same	78%
Moderately Worse	0%
Substantially Worse	0%

Question: 3) For the coming quarter, what is your confidence in the *quantity* of the NEW deal flow compared to the prior quarter?

Substantially Higher	0%
Moderately Higher	33%
Same	67%
Moderately Lower	0%
Substantially Lower	0%

Question: 4) For the coming quarter, what is your confidence in the *quantity* of the deal flow expected to close, compared to the prior quarter?

Substantially Higher	0%
Moderately Higher	33%
Same	56%
Moderately Lower	11%
Substantially Lower	0%

Question: 5) For the coming quarter, what is your expectation for the deal valuations for new investments in early-stage (pre-revenue) companies, compared to the prior quarter?

Substantially Higher	0%
Moderately Higher	11%
Same	67%
Moderately Lower	22%
Substantially Lower	0%

Question: 6) For the coming quarter, what is your expectation for the deal valuations for new investments in mid-stage (revenue to \$10m) companies, compared to the prior quarter?

Substantially Higher	0%
Moderately Higher	33%
Same	44%
Moderately Lower	22%
Substantially Lower	0%

Question: 7) For the coming quarter, what is your expectation for the deal valuations for new investments in late-stage (\$10m+ revenue) companies, compared to the prior quarter?

Substantially Higher	0%
Moderately Higher	67%
Same	11%
Moderately Lower	22%
Substantially Lower	0%

Question: 8) As you look at the quarter ahead, describe the biggest challenge you see regarding the investment environment.

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Question: GENERAL TRENDS OF EXISTING PORTFOLIO COMPANIES BASED IN WASHINGTON STATE

Question: 9) For the next twelve months, do you expect the Washington State workforce for your portfolio companies to:

Decrease by More Than 10%	11%
Increase by More Than 10%	0%
Stay Approximately the Same	89%
Don't Know	0%

Question: 10) In the next twelve months, what percentage of your portfolio companies do you expect to offshore any significant business functions?

Zero	56%
1-15%	22%
16-30%	22%
31-45%	0%
46-60%	0%
61-75%	0%
76-100%	0%

Question: 11) How do you see the revenue growth for your portfolio companies in the upcoming quarter?

Substantially Better	0%
Moderately Better	33%
Same	67%
Moderately Worse	0%
Substantially Worse	0%

Question: 12) Rate the main challenges for your portfolio companies? (Most challenging to Least challenging)

1	2	3	4	5	6	7
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Question: Attracting & Retaining Talent: Senior Leadership (Most challenging to Least challenging)

1	2	3	4	5	6	7
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Question: Attracting & Retaining Talent: Staff (Most challenging to Least challenging)							
1	2	3	4	5	6	7	
Question: Overall Market Growth (Most challenging to Least challenging)							
1	2	3	4	5	6	7	
Question: Competition (Most challenging to Least challenging)							
1	2	3	4	5	6	7	
Question: Local Business Conditions (e.g. Taxation, Transportation) (Most challenging to Least challenging)							
1	2	3	4	5	6	7	
Question: National Business Conditions (Most challenging to Least challenging)							
1	2	3	4	5	6	7	
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Question: VENTURE CAPITAL INVESTMENT OUTLOOK							
Question: 13) How many NEW investments in Washington State companies do you plan to make this quarter?							
0							22%
1-2							78%
3-5							0%
more than 5							0%
Question: 14) How many FOLLOW-ON investments in Washington State companies do you plan to make this quarter?							
0							0%
1-2							78%
3-5							22%
more than 5							0%
Question: 15) What do you expect the average size of the NEW investment rounds to be this quarter?							
\$1-3M							22%
\$3-6M							44%
\$6-10M							11%
\$10-20M							0%
\$20M+							0%
N/A							22%
Question: 16) What do you expect the general stage of NEW investment to be for this coming quarter?							
Seed							13%
A Round							75%
B Round							13%
C Round							0%
quarter?							
Yes				No			
89 %				11 %			
Question: 18) Do you plan to co-invest with in-state VC firms this coming quarter?							
Yes				No			
78 %				22 %			

Question: 19) Do you expect any of your portfolio companies to go public this coming quarter?	
Yes	No
11 %	89 %
Question: 20) Do you expect any of your portfolio companies to be acquired this coming quarter?	
Yes	No
11 %	89 %
Question: 21) How would you characterize the current competition from other VC's in or outside the region?	
Greater than last quarter	0%
The same as last quarter	89%
Less than last quarter	11%