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FOR IMMEDIATE RELEASE

CVCA LAUDS ATLANTIC VENTURE CAPITAL INITIATIVE

TORONTO: Canada's Venture Capital and Private Equity Association (CVCA) welcomed the progress being made towards the establishment of a regional Atlantic venture capital fund now that both Nova Scotia and New Brunswick have each committed \$15 mm towards the initiative.

"There is a critical shortage of venture capital across the country which is constraining Canada's ability to grow to its full potential", said Gregory Smith, President of the CVCA and Managing Director of Brookfield Financial. "The anticipated launch of a new Atlantic fund, with the backing of several governments, will better enable the region to benefit from the extensive investments in R & D that have been made." added Mr. Smith.

Fundraising by the venture capital industry continues to be exceptionally challenging in Canada as many of the traditional suppliers of capital are no longer as active supporters of the asset class as in the past. As a result, the venture capital industry raised only \$819 million in 2010, down 24% from 2009 and a 16-year low.

The CVCA continues to advocate a comprehensive approach to re-capitalizing the Canadian venture capital industry that includes:

- Establishing fund-of-funds vehicles
- Amending the offsets requirements of major contractors with governments
- Improving the tax treatment of corporations that allocate capital to venture capital funds
- Incenting individuals to invest in the asset class
- Attracting more foreign investment into venture capital funds.

"We congratulate both the Nova Scotia and New Brunswick governments for their capital commitment to this Atlantic venture capital fund and hope that others in the region will consider joining the initiative." said Mr. Smith.

CVCA

The CVCA - Canada's Venture Capital & Private Equity Association, was founded in 1974 and is the association that represents Canada's venture capital and private equity industry. Its over 1800 members are firms and organizations which manage the majority of Canada's pools of capital designated to be committed to venture capital and private equity investments. The CVCA fosters professional development, networking, communication, research and education within the venture capital and private equity sector and represents the industry in public policy matters.

To arrange an interview with Gregory Smith, President of the CVCA and Managing Partner, Brookfield Financial, contact Lauren Linton, Director of Marketing, 416 487-4299 llinton@cvca.ca .

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