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FOR IMMEDIATE RELEASE

**Private Equity and Venture Capital Investment Climate Survey:
Managers Optimistic, Canada Seen in Positive Light**

TORONTO: There is a sense of optimism among those in Canada's private equity and venture capital industry, according to a survey of CVCA members released today by CVCA – Canada's Venture Capital & Private Equity Association and McCarthy Tétrault LLP.

Between November 9-18, 95 CVCA members across Canada completed an online survey that gauged their outlook on investment and exit plans and the general investment climate. The results of the survey were presented by McCarthy Tétrault's Ian Palm at CVCA's Professional Development Seminar titled 'Fasten Your Seatbelts: Investing and Exiting in Turbulent Times' on November 23rd at MaRS Centre in Toronto and video broadcast into Vancouver, Calgary, Winnipeg, Ottawa, Montreal and Halifax.

According to the report, 80% of the respondents say the investment pace over the next six months will be consistent with, or more active than, the previous six months. The investment focus will be on new investments over the next six months, according to 61% of the respondents, rather than investing in existing portfolio companies or follow-on transactions.

"These survey results demonstrate that venture capital and private equity funds see great opportunity in these turbulent times," said Gregory Smith, CVCA President and Managing Director of Brookfield Financial. "It is particularly encouraging to see the optimistic view of investing in Canada that emerges. Canada's attractiveness as an investment destination for venture capital and private equity is a competitive advantage for our member funds and for the country as a whole, given the central role the industry plays in fostering innovation and company growth."

"While the ability to exit investments remains challenging, that doesn't appear to be dampening our community's interest in making new investments," said Ian Palm, partner in McCarthy Tétrault's Business Law group. "And almost three-fifths believe that access to debt capital will not be an impediment," he added.

When asked how they would characterize the exit strategy for themselves (or clients they work closely with) for the next six months, 53% of the respondents expect to sell at least one investment through M&A, while only 9% anticipate an IPO.

Respondents were generally optimistic about the overall investment climate in Canada, with 84% characterizing the current climate as better or the same as six months ago for making private equity investments. For new venture capital investments, 81% say the climate is better or the same.

On a global comparison, respondents felt that Canada's investment climate was better than Europe (73%), Africa (53%) and Middle East (51%). Looking south of the border, 87% respondents felt that Canada's climate was similar or better than the U.S.

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 1900 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.

McCarthy Tétrault

McCarthy Tétrault provides a broad range of legal services, advising on large and complex assignments for Canadian and international interests. The firm has substantial presence in Canada's major commercial centres and in London, U.K. Built on a unique model of collaboration, the firm brings its legal talent, industry knowledge and practice experience, wherever needed, to help clients achieve the results that are important to them.

For further information, or to request an interview with Ian Palm, Partner at McCarthy Tétrault, please contact: Tiffany Schier 416-601-8980 tschier@mccarthy.ca.

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