



secondmarket™

PRIVATE COMPANY REPORT

February 2010

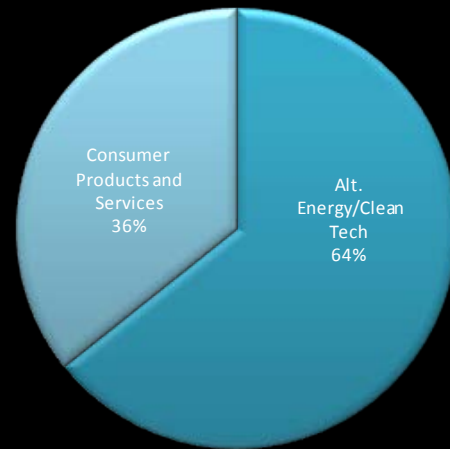
MARKET COLOR

SecondMarket trading activity in private company stock continued to be strong in the new year. Private stock trades were concentrated exclusively in two industries, with consumer products & services and alternative energy making up 36% and 64% of the volume, respectively.

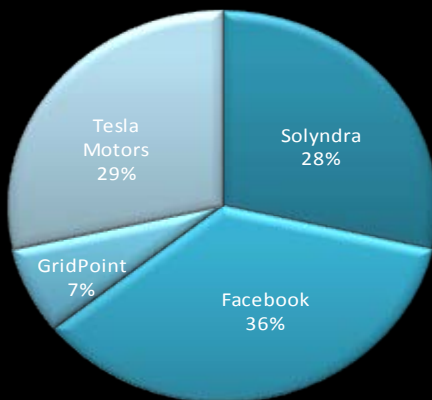
The prospect of near-term liquidity events for certain companies in the alternative energy industry was likely a contributing factor to the increased activity. Moreover, as speculation grew about a more active 2010 IPO market, the more mature private companies witnessed an increase in the trading of their stock.

The total dollar amount of completed transactions in January 2010 was \$13,041,786.

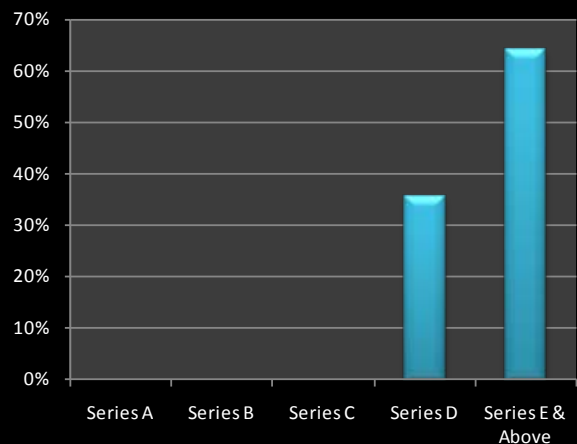
COMPLETED TRANSACTIONS (by industry) ¹



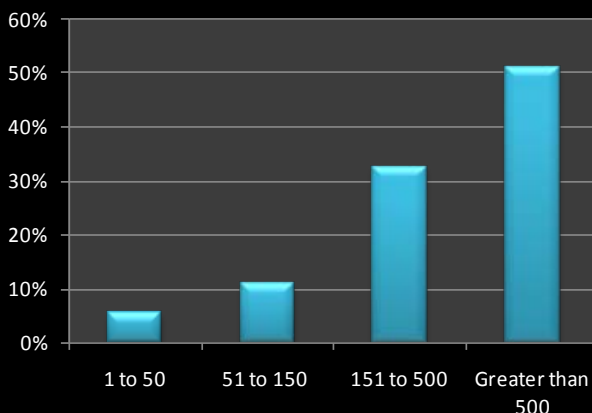
COMPLETED TRANSACTIONS (by company) ¹



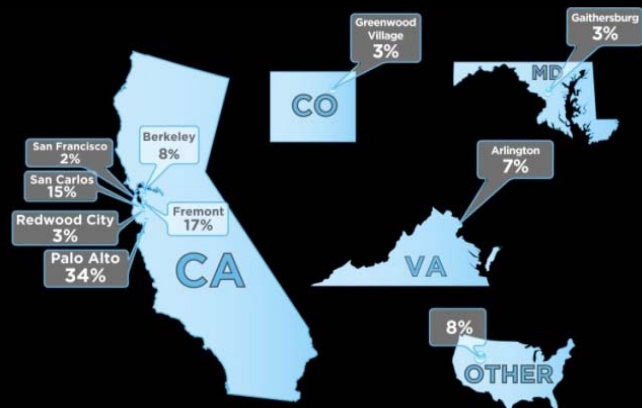
FUNDING STAGE OF COMPANIES TRADED ¹



SHARES SOLD (by employee base) ²



SHARES SOLD (by company location) ²





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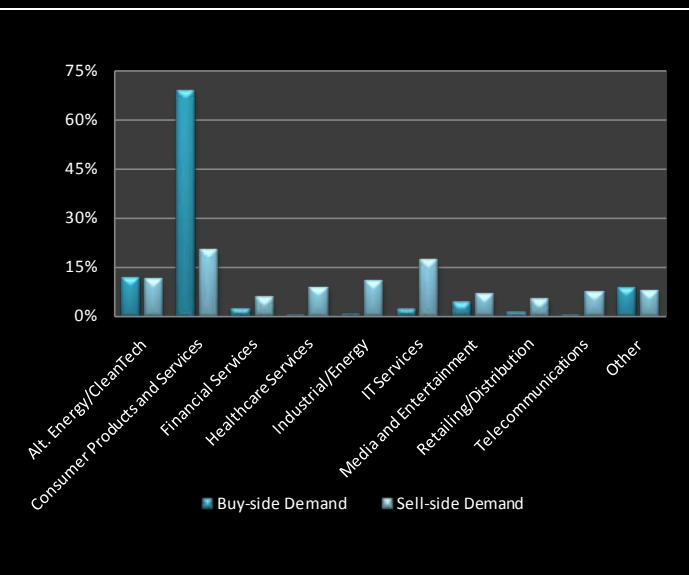
BUYER / SELLER OVERVIEW

The trend of buyer demand for the hottest and most visible private companies carried into 2010 as Facebook (32%), Twitter (7%), LinkedIn (5%) and Craigslist (5%) made up half of all buy-side demand. However, investors are still demonstrating a broad array of interest.

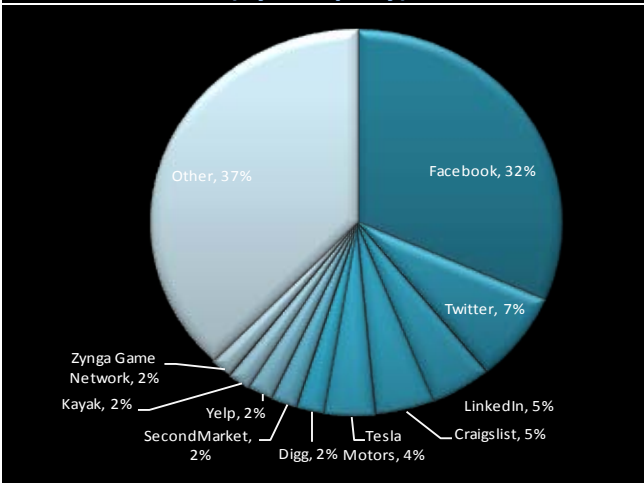
As buyers in nearly 65% of the transactions, asset managers aggressively jumped into the market in January. Secondary direct investors maintained their strong position with just under 30% of the market compared to almost 35% last month.

Increased trading activity and a greater need to return capital to investors led more institutional sellers to seek liquidity on SecondMarket. Given the underlying market forces, we expect this trend to continue and become a permanent fixture in the private company stock market.

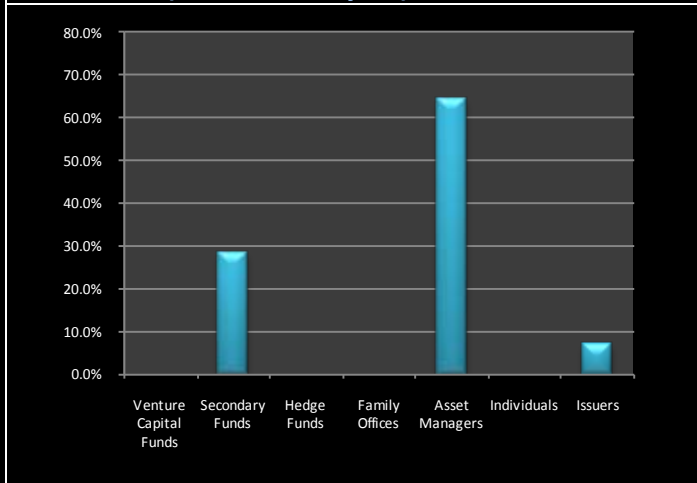
BUY / SELL DEMAND (by industry) ³



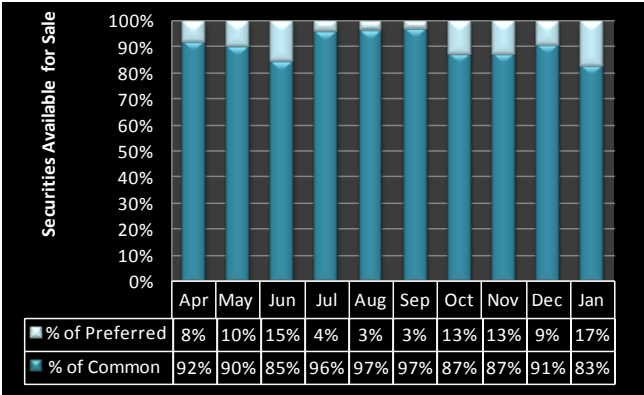
BUYSIDE DEMAND (by company) ³



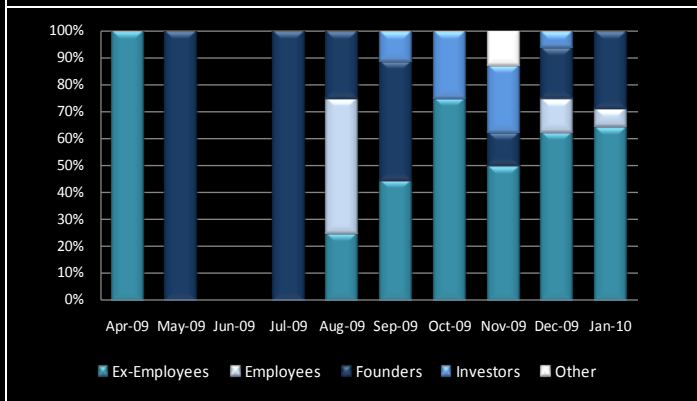
BUYER TYPES (% of total buyers) ¹



SELLSIDE DEMAND (by security type) ³



SELLER COMPOSITION ¹





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Notes for Graphs

- 1) Based on total number of completed transactions for the month.
- 2) Based on total number of completed transactions since the private company market launch in April 2009.
- 3) “Buyer” refers to a party who has indicated interest in purchasing a company’s stock. “Seller” refers to a party who has shares for sale. If buyer demand is met, or a seller does not wish to sell any more stock, the party is removed from the data.

**A “completed transaction” refers to a transaction where the buyer and seller have executed and exchanged purchase and sale agreements.

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