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By Dan Primack and Joanna Glasner

More companies scrub IPO plans

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One of the worst years for IPOs is closing out with more dour news as at least four VC-backed companies withdrew their IPOs last week.

Zonare Medical Systems Inc., Aegerion Pharmaceuticals, Epocrates and TransMedics Inc. are the most recent companies to have pulled their respective public offerings.

Overall, at least 40 VC-backed companies have withdrawn IPO registrations in 2008, including 12 this quarter. About 20 companies remain in active registration for an IPO, with none expected to price before the end of the year.

This past year was one of the worst on record for public market exits, with only six IPOs backed by venture capital firms. The last company to go public was Grand Canyon Education, an online education provider backed by private equity fund Endeavor Capital. It went public in late November.

In comparison, 86 venture-backed companies launched an IPO in 2007, and 57 went public in 2006.

Menlo Park, Calif.-based InsideVenture, which describes itself as an “industry-sponsored enterprise,” is planning a March conference in which executives of a select group of late stage companies will present their businesses to asset managers.

Mona DeFrawi, CEO of the group, says she’s hoping the effort will stimulate demand for IPO shares among investors who favor a buy-and-hold strategy, thus helping to reduce volatility for newly public companies in aftermarket trading.

“Everybody wants the IPO market back,” says DeFrawi, a former investor relations executive. She founded InsideVenture last year to resolve what she sees as a market disruption caused by too few long-term investors securing large allocations for IPO companies.