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VENTURE CAPITAL INVESTMENT VOLUME IN Q2 2007 AT HIGHEST LEVEL SINCE 2001

Quarterly Strength Driven by Seed/Early Stage Deals Across Multiple Industries; More Deals, Fewer Dollars Indicate Measured Strategies

WASHINGTON, D.C., August 7, 2007 – Venture capitalists invested \$7.1 billion in 977 deals in the second quarter of 2007 -- the highest level of deals reported in a quarter since Q3 2001 -- according to the MoneyTree Report by PricewaterhouseCoopers and the National Venture Capital Association based on data by Thomson Financial. The quarterly strength in the number of deals was driven by companies in the Seed and Early stages of development, which increased by 31 percent from the prior quarter.

“The data implies good news all around for the venture capital industry which has been extremely active in doing what we do best -- building companies from the ground up,” said Mark Heesen, president of the National Venture Capital Association. “Not only does the increase in Seed and Early stage deals demonstrate the number of young, promising opportunities available, but the diversity of investment strongly suggests that the prospects for innovation are all around us. The industry is not relying on one particular sector for deals. Even better, dollars invested are holding steady or even declining, suggesting that venture capitalists are being very measured about how much money they invest per company.”

Of the 17 industry sectors tracked by MoneyTree, 14 experienced an increase in the number of deals from Q1 2007. However, the dollar amount invested declined in 10 industry sectors, indicating lower average dollar rounds this quarter.

“Based upon what we’ve seen in the first half of 2007, we may be looking at a new 6-year high in VC investments,” said Tracy Lefteroff, global managing partner of the venture capital practice at PricewaterhouseCoopers. “Venture capitalists have found no shortage of promising companies in which to invest, as indicated by the sharp uptick in the number of deals during the second quarter. Innovation is alive and well, and VCs are making sure these companies are provided with the opportunity to become the Fortune 500 powerhouses of tomorrow.”

Stage of Development

Seed and Early stage investing had the strongest quarter since 2001 in both number of deals and dollars invested. Venture capitalists invested \$1.6 billion into 378 deals in the second quarter compared to \$1.3 billion into 289 deals in the first quarter of 2007. Seed/Early stage deals accounted for 39 percent of total deal volume in the second quarter compared to 34 percent in the first quarter.

Expansion stage deals also showed a notable increase in the number of deals but a decrease in dollars invested. Investment for the second quarter in Expansion stage deals was \$2.4 billion in 303 deals, representing 31 percent of deal volume. This compares to the first quarter when \$2.9 billion was invested in 287 Expansion stage deals, representing 34 percent of total deal volume.

Later stage deals held fairly steady in volume but decreased in terms of dollars in the second quarter with \$3.1 billion going into 296 Later stage deals. This represented 30 percent of total investments. In the first quarter, \$3.2 billion went into 269 Later stage deals, representing 32 percent of the volume.

Industry Analysis

The Software sector had its strongest quarter since 2001 with \$1.5 billion going into 248 deals, regaining its position as the single largest industry sector for the quarter. In the previous three quarters, the Biotechnology sector represented the most dollars invested. Other industry sectors which saw increases in both dollars and deals include Consumer Products and Services, Networking & Equipment, Semiconductors, Industrial/Energy and Computers & Peripherals.

The Life Sciences sector (Biotechnology and Medical Devices combined) had another strong quarter with \$2.2 billion going into 223 deals. Though down slightly in dollars from the first quarter, which was the highest quarterly dollar amount ever recorded for Life Sciences deals at \$2.6 billion, the Life Sciences sector had the most active quarter in history in the second quarter, with the deal volume reaching an all-time high. Both Biotechnology and Medical Devices saw a decrease in dollars but an increase in deals for the quarter.

The Clean Tech sector, which crosses traditional MoneyTree sectors and comprises alternative energy, pollution and recycling, power supplies and conservation, saw \$451 million going into 44 deals in the second quarter. This represented 38 percent increase in the number of deals and 46 percent increase in dollars, partially attributed to a \$73 million investment in a solar energy company, also the largest deal of the quarter.

Internet-specific companies captured \$897 million going into 160 deals in the second quarter, a marked decrease from the first quarter when \$1.4 billion went into 177 deals. The decrease in Internet investing activity negates theories that a new 'bubble' is forming. 'Internet-Specific' is a discrete classification assigned to a company whose

business model is fundamentally dependent on the Internet, regardless of the company's primary industry category.

Media and Entertainment continued to see a decline in deal and dollar volume with \$482 million going into 73 companies. This is the third consecutive quarter with volume declines in this sector. The Financial Services and Healthcare Services sectors also experienced quarterly declines in both deal and dollar volume in the second quarter.

First-Time Financings

The number of companies receiving venture capital funding for the first time was at the highest deal and dollar level since 2001. Venture capitalists put \$1.8 billion into 340 first-time deals in the second quarter compared to \$1.7 billion into 252 deals in the first quarter. Seed/Early stage companies received the bulk of first-time investments garnering 57 percent of the dollars and 72 percent of the deals.

Companies in Software, Medical Devices and Industrial/Energy received the highest level of first-time dollars. Other industries in which venture capitalists placed more bets this quarter were Biotechnology and Telecommunications.

The average first-time financing for the second quarter was \$5.2 million compared to \$6.7 million in the first quarter. This decrease in average rounds is consistent with venture capitalists investing fewer dollars into more deals.

International Investing

In the second quarter of 2007, U.S.-based venture capitalists invested \$408 million into 34 deals in China representing the highest dollar amount invested since 2003. Also in the quarter, U.S. venture capitalists invested \$119 million in 18 deals in India. These figures are reported separately and are not included in the aggregate totals above.

Note to the Editor

Information included in this release or related venture capital investment data should be cited in the following way: "The MoneyTree™ Report by PricewaterhouseCoopers and the National Venture Capital Association based on data from Thomson Financial", or "PwC/NVCA MoneyTree™ Report based on data from Thomson Financial." After the first reference, subsequent references may refer to PwC/NVCA MoneyTree Report, PwC/NVCA or MoneyTree Report. Charts and tables displaying the data are sourced to "PricewaterhouseCoopers/National Venture Capital Association MoneyTree™ Report, Data: Thomson Financial". After the first reference, subsequent references may refer to PwC/NVCA MoneyTree Report, PwC/NVCA, MoneyTree Report or MoneyTree.

About the PricewaterhouseCoopers/National Venture Capital Association MoneyTree™ Report

The MoneyTree™ Report measures cash-for-equity investments by the professional venture capital community in private emerging companies in the U.S. It is based on data provided by Thomson Financial. The survey includes the investment activity of professional venture capital firms with or without a US office, SBICs, venture arms of corporations, institutions, investment banks and similar entities whose primary activity is financial investing. Where there are other participants such as angels, corporations, and governments in a qualified and verified financing round the entire amount of the round is included. Qualifying transactions include cash investments by these entities either directly or by participation in various forms of private placement. All recipient companies are private, and may have been newly-created or spun-out of existing companies.

The survey excludes debt, buyouts, recapitalizations, secondary purchases, IPOs, investments in public companies such as PIPES (private investments in public entities), investments for which the proceeds are primarily intended for acquisition such as roll-ups, change of ownership, and other forms of private equity that do not involve cash such as services-in-kind and venture leasing.

Investee companies must be domiciled in one of the 50 US states or DC even if substantial portions of their activities are outside the United States.

Data is primarily obtained from a quarterly survey of venture capital practitioners conducted by Thomson Financial. Information is augmented by other research techniques including other public and private sources. All data is subject to verification with the venture capital firms and/or the investee companies. Only professional independent venture capital firms, institutional venture capital groups, and recognized corporate venture capital groups are included in venture capital industry rankings.

MoneyTree Report results are available online at www.pwcmoneytree.com and www.nvca.org.

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needs of fast-growth technology start-ups and agile, global giants in key industry segments: Networking & Computers, Software & Internet, Semiconductors, Life Sciences and Private Equity & Venture Capital. PricewaterhouseCoopers is a recognized leader in each industry segment with services for technology clients in all stages of growth.

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