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National Venture Capital Association

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NEWS RELEASE

FOR IMMEDIATE RELEASE

DESPITE ECONOMIC SLOWDOWN VENTURE CAPITAL RETURNS REMAIN POSITIVE IN FIRST QUARTER 2008

Venture Funds Collectively Outperform Public Markets in Nearly All Time Horizons

New York, NY, July 28, 2008 – Venture capital performance showed positive returns across all investment horizons ending March 31, 2008, according to Thomson Reuters and the National Venture Capital Association (NVCA).

The one-year private equity performance index (PEPI) showed the greatest change from the fourth quarter 2007, with a 7.6 point decrease to 13.3% in first quarter 2008. Historically, short-term horizons show significant fluctuations quarter over quarter based on large exits impacting the return. The next largest consecutive quarterly change occurred in the ten-year time horizon where PEPI decreased by 1.1 points quarter-over-quarter. Three year performance also posted a modest decline from the previous quarter, decreasing .2 percentage points from 9.7% in fourth quarter 2007 to 9.5% in first quarter 2008. Five-year and twenty-year performance figures showed modest quarter-over quarter increases to 9.1% and 16.8%, respectively.

Venture returns across all horizons, except the five-year horizon, outperformed public market indices, NASDAQ and the S&P 500, through 3/31/2008.

"The IPO market has now been essentially shut down for venture-backed companies for over seven months. Combined with a skittish M&A market, shorter term performance returns are and will continue to be impacted," said Mark Heesen, president of the NVCA. "That said, our asset class continues to out perform many other investment alternatives including the public markets over the long term. But we will need to see the exit markets improve dramatically to maintain that position in the coming year."



Thomson Reuters' US Private Equity Performance Index (PEPI)

Investment Horizon Performance through 3/31/2008

Fund Type	1 Yr	3 Yr	5 Yr	10 Yr	20 Yr
Early/Seed VC	10.6	4.9	4.8	34.0	21.2
Balanced VC	8.8	13.1	12.7	14.8	14.6
Later Stage VC	30.4	13.1	11.1	8.6	14.4
All Venture	13.3	9.5	9.1	17.2	16.8
NASDAQ	-5.5	4.3	11.0	2.2	9.4
S&P 500	-6.4	3.8	9.1	1.8	8.5
All Venture (through 12/31/2007)	20.9	9.7	8.7	18.3	16.7
All Venture (through 3/31/2007)	15.8	9.8	2.7	20.9	16.4

Source: Thomson Reuters/National Venture Capital Association

**The Private Equity Performance Index is based on the latest quarterly statistics from Thomson Reuters' Private Equity Performance Database analyzing the cashflows and returns for over 1860 US venture capital and private equity partnerships with a capitalization of \$678 billion. Sources are financial documents and schedules from Limited Partner investors and General Partners. All returns are calculated by Thomson Reuters from the underlying financial cashflows. Returns are net to investor after management fees and carried interest.*

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About National Venture Capital Association

The National Venture Capital Association (NVCA) represents approximately 480 venture capital and private equity firms. NVCA's mission is to foster greater understanding of the importance of venture capital to the U.S. economy, and support entrepreneurial activity and innovation. According to a 2007 Global Insight study, venture-backed companies accounted for 10.4 million jobs and \$2.3 trillion in revenue in the United States in 2006. The NVCA represents the public policy interests of the venture capital community, strives to maintain high professional standards, provides reliable industry data, sponsors professional development, and facilitates interaction among its members. For more information about the NVCA, please visit www.nvca.org.