



National Venture Capital Association



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VENTURE CAPITAL OUT PERFORMANCE HOLDS STEADY IN PERIOD ENDING Q1 2007

New York, NY, August 2, 2007 – Venture capital performance continued to show positive returns across most investment horizons ending March 31, 2007, according to Thomson Financial and the National Venture Capital Association. Compared with the period ending Q4 2006, performance measures remain fairly steady across all horizons.

The five-year private equity performance index (PEPI) showed the most volatility from the period ending Q4 2006, with a 1.5 point increase to 2.7% in Q1 2007. This increase is evidence of an improved exit market for venture capital-backed companies since the Internet bubble burst. Short-term horizons showed minimal fluctuations quarter over quarter. The one year PEPI decreased by a half of a point from 18.6% to 18.1% quarter over quarter while 3 year performance increased to 9.6% in the period ending Q1 2007 from 9.4% in the period ending Q4 2006. Ten year performance showed an increase from 20.4% to 21% in Q1 2007. Twenty year PEPIs remained steady at 16.4%.

"The venture capital industry continues to out perform the public markets long term, offering strong returns to its limited partners, which include pension funds, endowments and foundations," said Mark Heesen, president of the NVCA. "Our most challenging investment horizon - the five year horizon - continues to move further into positive territory reflecting improving exit markets over the last several quarters. Long term, the venture industry performance remains extremely solid for the ten and twenty year horizons. As an asset class, we are focused entirely on this long term statistic as it most accurately reflects our overall philosophy of patient and tenacious investing."

Thomson Financials' US Private Equity Performance Index (PEPI)

Investment Horizon Performance through 3/31/2007

Fund Type	1 Yr	3 Yr	5 Yr	10 Yr	20 Yr
Early/Seed VC	8.0	6.9	-1.4	37.7	20.6
Seed Stage VC	6.8	-0.2	-4.0	0.8	10.7
Early Stage VC	8.0	7.2	-1.3	40.0	21.5
Balanced VC	25.4	12.3	5.8	18.0	14.3
Later Stage VC	23.5	9.6	5.2	10.0	13.8
All Venture	18.1	9.6	2.7	21.0	16.4
NASDAQ	3.5	6.7	5.6	7.1	9.0
S&P 500	9.7	8.1	4.4	6.5	8.2
All Venture (through 12/31/2006)	18.6	9.4	1.2	20.4	16.6

Source: Thomson Financial/National Venture Capital Association

*The Private Equity Performance Index is based on the latest quarterly statistics from Thomson Financials' 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 Financial from the underlying financial cashflows. Returns are net to investor after management fees and carried interest.

Note: Performance Data for the buyout industry will be released by Thomson Financial separately.

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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.