



National Venture Capital Association



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**VENTURE CAPITAL PERFORMANCE TRENDS POSITIVE OVERALL IN PERIOD ENDING Q2 2007**

**New York, NY, October 29, 2007** – Venture capital performance shows positive returns across all investment horizons ending June 30, 2007, according to Thomson Financial and the National Venture Capital Association. Compared with the period ending Q1 2007, performance measures generally increased or held steady across all horizons.

The five-year private equity performance index (PEPI) showed the greatest increase from the period ending Q1 2007, with a 1.9 point increase to 4.6% in Q1 2007. The increase in this time horizon continues to provide evidence of an improved exit market for venture capital-backed companies since the Internet bubble burst. Short-term horizons showed marginal fluctuations quarter over quarter. The one year PEPI increased by .7 points from 16.8% to 17.5% quarter over quarter while 3 year performance increased to 10.2% in the period ending Q2 2007 from 9.7% in the period ending Q1 2007. Ten year performance, the only time horizon with a period over period decline, showed a decrease from 21.0% to 19.0% in Q2 2007. Twenty year PEPIs remained constant at 16.4%.

"We have seen constant improvement in the five year performance horizon for the last several quarters, reflecting continued healthy exits particularly in the last year," said Mark Heesen, president of the NVCA. "However, to maintain this positive momentum and continue with the long term out performance of the public markets, we will need to see more exits in terms of IPO's and acquisitions in the coming year."

**Thomson Financials' US Private Equity Performance Index (PEPI)**

Investment Horizon Performance through 6/30/2007

<b>Fund Type</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>20 Yr</b>
Early/Seed VC	12.8	7.7	0.7	37.1	20.6
Balanced VC	21.6	13.2	8.0	15.9	14.2
Later Stage VC	22.9	9.6	6.5	8.9	13.8
<b>All Venture (through 6/30/2007)</b>	<b>17.5</b>	<b>10.2</b>	<b>4.6</b>	<b>19.0</b>	<b>16.4</b>
NASDAQ	18.2	8.1	14.4	6.0	9.5
S&P 500	16.8	9.4	10.5	5.4	8.3
<b>All Venture (through 3/31/2007)</b>	<b>16.8</b>	<b>9.7</b>	<b>2.7</b>	<b>21.0</b>	<b>16.4</b>
<b>All Venture (through 6/30/2006)</b>	<b>13.9</b>	<b>8.8</b>	<b>-3.5</b>	<b>20.8</b>	<b>16.5</b>

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.*

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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](http://www.nvca.org).