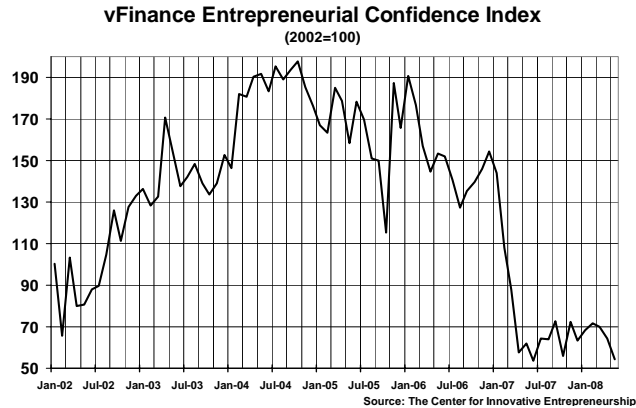


vFinance Entrepreneurial Confidence Index: VECI

May 2008



Recent Index Performance:

Month	Index Level	Monthly % Change	Year Ago % Change
Dec-07	63.4	-12.6%	-58.1%
Jan-08	68.4	7.9%	-52.1%
Feb-08	71.7	4.8%	-32.9%
Mar-08	70.0	-2.4%	-20.2%
Apr-08	64.2	-8.2%	11.7%
May-08	54.2	-15.6%	-12.0%

Focus of the Month:

Energy Climbs. The relentless increase in oil prices is having an impact on the entrepreneurial community, with the percentage of business seeking capital at vFinance.com rising to it's highest level in two years and second highest of all time.

Summary:

The vFinance Entrepreneurial Confidence Index (VECI) fell by 15.6% in May 2008, the third consecutive decline. This marks the first time since the first few months of 2007, when the Index was plunging, that it has fallen for three consecutive months.

The third consecutive decline virtually eliminates the uptrend that had emerged earlier this year. It suggests that the relentless bad news about the economy, including the continuing increase in oil prices is having an impact on the ability and willingness of small business owners and entrepreneurs to seek capital. Interest in seeking capital is now barely above the all time low reached about a year ago in June 2007. This new decline may indicate that the weakening of the economy will continue through the end of the year at least.

Highest level of interest (Share of total responses):

- Real Estate (9.9%)
- Financial Services (9.7%)
- Leisure (9.4%)

Lowest level of interest (Share of total responses):

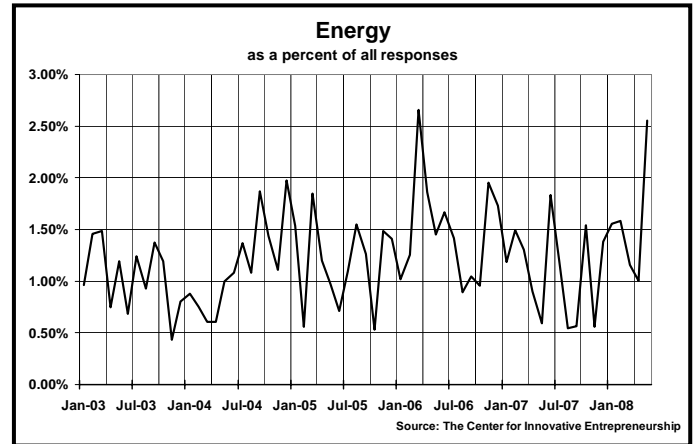
- Computer Hardware (0.5%)
- Aerospace and Defense (0.3%)
- Conglomerates (0.0%)

May 2008	Rising	Falling
Sectors	<ul style="list-style-type: none"> • Financial Services • Energy • Leisure 	<ul style="list-style-type: none"> • Food • Retail • Manufacturing
Sub-Sectors	<ul style="list-style-type: none"> • Restaurants • Lodging • Asset Management 	<ul style="list-style-type: none"> • Construction Equipment • Property Investment and Management • Miscellaneous Food Products

FOR FULL DISCLOSURE INFORMATION REFER TO THE LAST PAGE OF THIS REPORT

Focus of the Month: *Energy Climbs*

✓ Since the beginning of 2008, the price of oil has reached new records on an almost daily basis, currently topping out at \$135 per barrel. As might be expected, this price increase and the likelihood that it will be sustained for the foreseeable future has led to a jump in interest in the energy sector among those seeking capital at vFinance.com. In May, the percentage seeking capital for energy related businesses reached its second highest level ever recorded, more than doubling its share in one month.



- ✓ The industries showing the greatest interest were Oil and Gas Refining and Marketing and Oil and Gas Exploration and Production.
- ✓ Despite the large multinational corporations that dominate the oil industry, this business has a history of entrepreneurship. To this day, many oil discoveries are made by wildcat well developers. Although these entrepreneurs are becoming less important to the industry, when prices are high, the amount of exploration increases sharply and some of this will be done by small businesses.
- ✓ It's likely that some of the interest also relates to efforts to profit from high prices at the pump, leading to a jump in interest in the refining and marketing industry. It's likely that much of this activity is aimed at gasoline and heating oil sales.

The VECI is published on the second Tuesday of every month.



The VECI and The Center for Innovative Entrepreneurship

The VECI is a measure of the interest entrepreneurs are showing in 28 sectors and 289 sub-sectors. That level of interest represents the confidence of these entrepreneurs in the business opportunities they perceive. The survey is conducted through www.vfinance.com, the world's leading web site for entrepreneurial financial information.

The Center for Innovative Entrepreneurship: **The Center for Innovative Entrepreneurship (CIE)** (www.C4IE.org) was established in November 2004 to measure the impact innovative entrepreneurship has on the global economy. Innovative entrepreneurship combines the act of creating a new product or process (innovation) with the act of starting a business to exploit the innovation (entrepreneurship). It is an activity that tends to be transformational in its macro economic impact. CIE serves entrepreneurs, investors, economists, and researchers through the Center's education, research, and communications initiatives.

For more information on the vFinance Entrepreneurial Confidence Index, please see the CIE Research Reports section at www.C4IE.com:

**The Center for Innovative Entrepreneurship
Ken McCarthy, Economic Consultant**

DISCLOSURE INFORMATION

The economist who prepared this report and whose name appears in the front cover of this report certifies that the views expressed in this macroeconomic research report accurately reflect such economist's personal views about the overall economy and the subject industries and sectors mentioned in the report. The economist responsible for the preparation of the report receives payment from The Center for Innovative Entrepreneurship (CIE) to prepare the reports, however, the economist's compensation was not and will not be directly or indirectly related to the specific recommendations or views published in this report.

The Center for Innovative Entrepreneurship uses the web site www.vfinance.com, owned by vFinance, Inc. to conduct research about entrepreneurs and investors in start-up companies.

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