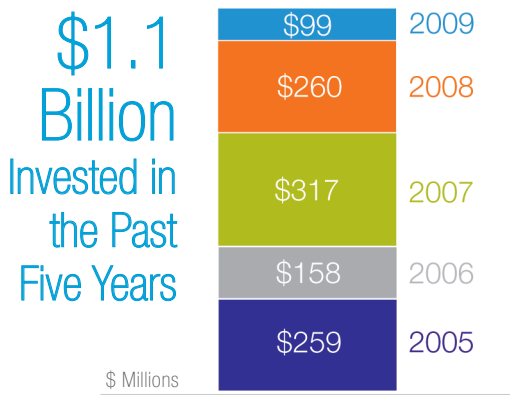


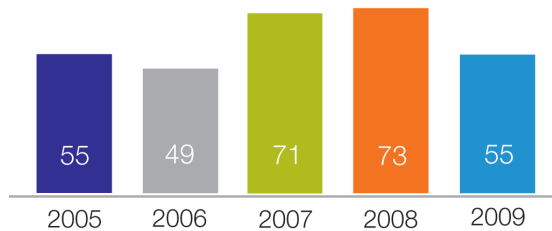
The 2009 Venture Capital Report for the Cleveland Plus™ Region

For Investors

Over \$1 Billion of Venture Capital Has Been Invested in 183 Companies in the Cleveland Plus™ Region in the Past Five Years.



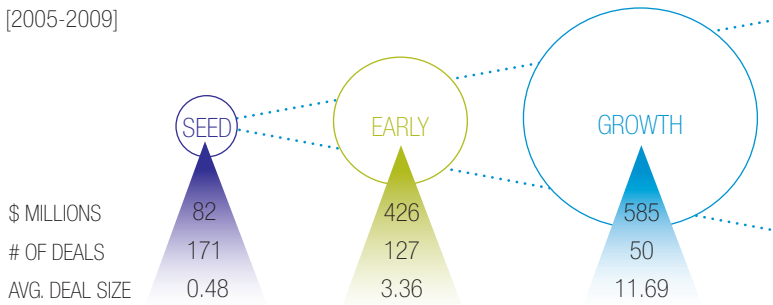
183 Unique Companies Received Investment in the Past Five Years



Ohio became a top quartile state for venture investment activity in 2008, and moved into the Top 10 in 2009.

The Capital Continuum in the Cleveland Plus Region is Thriving

INVESTMENTS BY STAGE
[2005-2009]

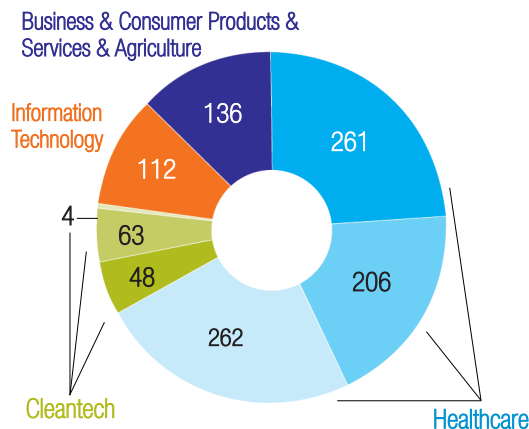


Nationwide, investors are talking about the strong investment ecosystem in the Cleveland Plus region.

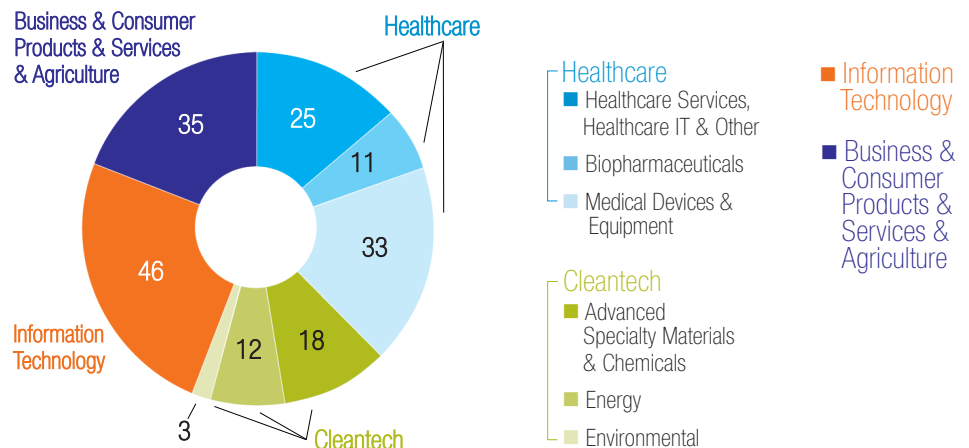
Venture Investment Over the Past Five Years Has Been Anchored by the Region's Key Sectors

- 67% of capital invested in the region has been invested in healthcare companies. \$729 million has been invested in 69 healthcare companies.
- Cleantech is the fastest growing sector, with dollars invested increasing nearly 3x. \$115 million has been invested in 33 cleantech companies.

EQUITY INVESTMENTS BY SECTOR
[\$ Millions 2005-2009]



NUMBER OF COMPANIES BY SECTOR
[2005-2009]



Numerous Cleveland Plus Area Companies Achieved Exits, including:

- AXENTIS' acquisition by Wolters Kluwer in 2009
- Brulant, acquired by Rosetta in 2008
- Cleveland BioLabs completed a successful IPO in 2006
- Flashline, acquired by BEA Systems in 2006
- Flight Options, acquired by H.I.G. Capital in 2007
- Hyland Software, acquired by Thoma Cressey Bravo for \$265 million in 2007
- MemberHealth's \$630 million acquisition by Universal American in 2007
- Theken Spine's acquisition by Integra Life in a deal valued up to \$200 million in 2008
- TMW Systems, acquired by two private equity firms in 2005

Featured Companies

SEED



Echogen Power Systems is a cleantech company developing an engine that turns waste heat from industrial processes into usable electricity - a multi-billion dollar market opportunity. The company, led by experienced entrepreneur Phil Brennan, raised \$2.2 million in seed funding in 2007 and has gone on to raise an additional \$4 million to continue development and pilot testing of its innovative Thermo-efficient® engine.



EARLY



TOA Technologies, the leading provider of on-demand software for companies that need to manage mobile workforces, is led by two industry veterans Yuval Brisker and Irad Carmi. The company raised early stage capital from Early Stage Partners and Draper Triangle Ventures. It then raised additional early stage capital from Intel Capital in 2008 and is growing on a global scale.



GROWTH



PartsSource, led by serial entrepreneur Ray Dalton, is the nation's only alternative parts aggregator for hospital equipment parts. The previously angel-backed company raised a \$50 million growth capital round in 2008 led by Polaris Venture Partners of Boston and joined by Primus Capital Funds of Cleveland. The company grew its revenues by 338% in 2009.



EXIT



MemberHealth, a pharmacy benefits management company, grew rapidly and was acquired by Universal American in 2007 for \$630 million. Prior to the acquisition, MemberHealth had net sales of \$1.24 billion. The company now has more than 63,000 pharmacies in its nationwide network and serves over 1.7 million members. Universal American currently ranks 494 in the Fortune 500.



Over 80 Investors From Outside the Region Made Investments in the Past Five Years

Midwest (Outside NEO)

Arboretum Ventures
Apex Ventures
BioOhio
Blue Chip Venture Company
Chrysalis Ventures
CID Capital
Entrepreneur's Fund
Hawthorne Group
Hopen Therapeutics
Hopewell Ventures
Medtronic

West Coast

Angiotech Advance
Chevron Technology Ventures
DW Healthcare Partners
Hambrecht & Quist
Intel Capital
Kearny Venture Partners

Outside U.S.

Aberne Limited
Bally Energy Ltd.

NCT Ventures
Ohio TechAngel Fund
Queen City Angels
Reservoir Venture Partners
River Cities Capital Funds
Southwest Michigan First Life Science Fund
TechColumbus
Thomas Mc Nerney Partners
Triathlon Medical Ventures

Microsoft Corp.
Morgenthaler Ventures
Palo Alto Investors
Panorama Capital
Roberts Communications Network
SV Life Sciences
Vivo Ventures

Castlerigg Master Investments
DSM Venturing

South

Advantage Capital Partners
Cordova Ventures
ExOxEmis

HIG Ventures

Lazy River
Orix USA
Pappas Ventures
Symark

Boston

Ampersand Ventures
Boston Scientific Corp.
Capital Resource Partners
Fidelity BioSciences

New York/East Coast

4C Ventures
Aisling Capital
Amphion Innovations
Cowen Healthcare
Deutsche Bank
Greatbatch, Inc.
Greycroft Partners
Islandia LP
Life Sciences Capital
LSKW Investments
Midsummer Capital
MMV Financial
MPM BioEquities
National Institutes of Health

Fletcher Spaght Ventures
M/C Venture Partners
MPM Capital
Polaris Venture Partners
RA Capital Management

National Institute of Standards & Technology
National Institute on Aging
Oak Investment Partners
OrbiMed Advisors
Psilos Group
Radius Ventures
RLS Investments
StarVest Partners
Toucan Capital Corp.
U.S. Department of Agriculture
U.S. Department of Defense
U.S. Department of Energy

The Venture Capital Report for the Cleveland Plus Region is published annually by the Venture Capital Advisory Task Force, comprised of over 30 of the region's institutional investors:

Akron ARCHAngels • Arboretum Ventures • BioEnterprise Corporation • Bridge Investment Fund • Case Western Reserve University • Chrysalis Ventures • Cleveland Clinic Foundation • Consumer Innovation Partners • Draper Triangle Ventures • Early Stage Partners, LP • Emerging Market Venture Partners • Everett Partners, LTD. • Fairport Asset Management, LLC • Fort Washington Capital Partners • Frantz Medical Ventures • Glengary Ventures LLC • GLIDE/ Lorain County Community College Fund • iNetworks • JumpStart Ventures • JWH Group, Inc. • Morgenthaler Ventures • Mutual Capital Partners • MWV Pinnacle Capital Fund, LP • NorTech • North Coast Angel Fund • Ohio Innovation Fund • Ohio-Midwest Fund • OneEarth Capital • Peppertree Capital Management, Inc. • Primus Capital Funds • Portal Capital • Radius Ventures • RiverVest Ventures • Roulston Ventures



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