

2007 CED NORTH CAROLINA Venture Report



2007 Summary Statistics

TOTAL INVESTMENTS

NC	\$909.93 M
Research Triangle	\$795.74 M
US	\$29.6 B

AVERAGE INVESTMENT

NC	\$10.46 M
Research Triangle	\$10.47 M
US	\$7.71 M

INVESTMENT RANGE

NC	\$25K - \$185 M
Research Triangle	\$25K - \$185 M

MEDIAN INVESTMENT

NC	\$4.83 M
Research Triangle	\$4.65 M

TOTAL # OF INVESTMENTS

NC	87
Research Triangle	76
US	3813

NC'S NATIONAL RANKING BASED ON TOTAL DOLLARS RAISED

2007	8th
2006	10th
2005	8th

NC and Research Triangle Data Source: CED
US Data Source: PricewaterhouseCoopers / Thomson
Venture Economics / National Venture Capital
Association MoneyTree Survey (PwC / TVE / NVCA)

OVERVIEW

North Carolina companies raised more than \$900 million in venture capital investments. This represents a 72% increase over 2006 which compares favorably to a nationwide average increase of 16%. In 2007, North Carolina achieved its highest ever national ranking coming in as 7th based on the 2007 PricewaterhouseCoopers/National Venture Capital Association MoneyTree Survey.

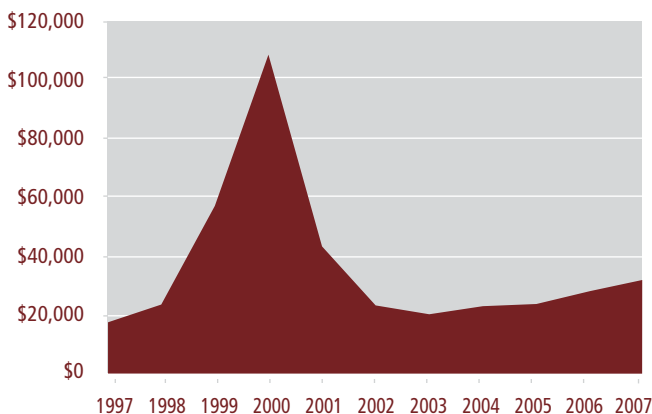
National Rank	States	2007 Venture Investments (\$ in millions)	% Change from 2006	2007 Deals	% Change from 2006	2006 (\$ in millions)	2006 Deals
1	California	\$13,802.96	9.94%	1,564	2.62%	\$12,555	1,524
2	Massachusetts	\$3,489.13	20.86%	430	12.27%	\$2,887	383
3	Texas	\$1,416.47	-2.31%	166	-10.75%	\$1,450	186
4	Washington	\$1,314.59	27.26%	170	20.57%	\$1,033	141
5	New York	\$1,195.33	-8.54%	191	-9.05%	\$1,307	210
	North Carolina (CED)	\$909.93	71.61%	87	24.29%	\$530	70
6	Pennsylvania	\$835.17	-2.32%	150	19.05%	\$855	126
7	North Carolina (PwC/TVE/NVCA)	\$812.00	60.01%	69	-1.43%	\$507	70
8	Maryland	\$635.28	-3.31%	99	-8.33%	\$657	108
9	New Jersey	\$624.91	-17.34%	91	1.11%	\$756	90
10	Florida	\$608.34	90.70%	63	10.53%	\$319	57
11	Colorado	\$564.20	-12.26%	127	24.41%	\$643	96
12	Illinois	\$510.44	20.07%	70	22.86%	\$408	54
13	Virginia	\$463.10	15.57%	87	3.45%	\$391	84
14	Georgia	\$462.94	22.88%	73	-2.74%	\$357	75
15	Minnesota	\$427.16	24.38%	54	29.63%	\$323	38
	Total US	\$29,640.71	16.21%	3813	10.41%	\$25,505	3416

US Data Source: PwC/TVE/NVCA NC Data Source: CED

Perennial venture capital power-houses, California and Massachusetts, repeat as the top states in both dollars and deals. According to information from PricewaterhouseCoopers, Thomson Venture Economics and the National Venture Capital Association, US companies raised over \$29 billion dollars in private equity capital. This represents an increase of more than 16% from 2006. (PwC/TVE/NVCA)

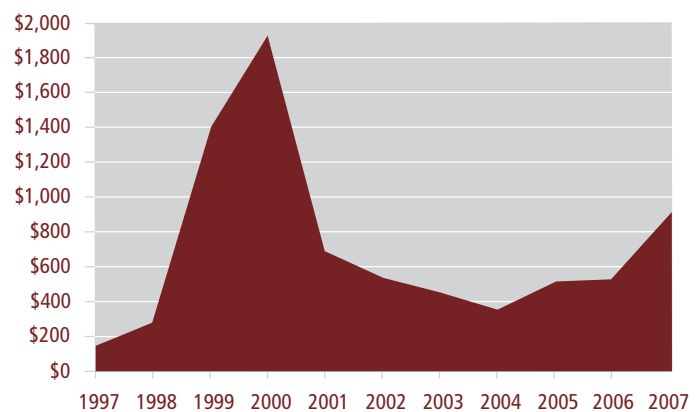
US Venture Disbursements (\$ in millions)

Source: PwC / TVE / NVCA



NC Venture Disbursements (\$ in millions)

Source: CED



U.S. Dollars in Life Science and Technology by State

	Total Life Science \$ Raised (\$ in millions)	Life Science % of Total \$ Raised
CA	\$4,246.89	30.77%
MA	\$1,218.63	34.93%
PA	\$500.73	35.35%
WA	\$419.32	31.90%
NC(CED)	\$372.00	40.88%
NC(PwC/TVE/NCVA)	\$336.18	41.40%
NJ	\$317.73	50.84%
MN	\$236.80	55.43%
TX	\$233.91	16.51%
CT	\$185.58	66.99%
MD	\$149.46	23.53%
CO	\$135.42	24.00%
FL	\$133.22	21.90%
IL	\$119.65	23.44%
GA	\$119.26	25.76%
OH	\$88.63	52.13%
Total US	\$9,109.20	30.98%

US Data Source: PwC / VE / NVCA NC Data Source: CED

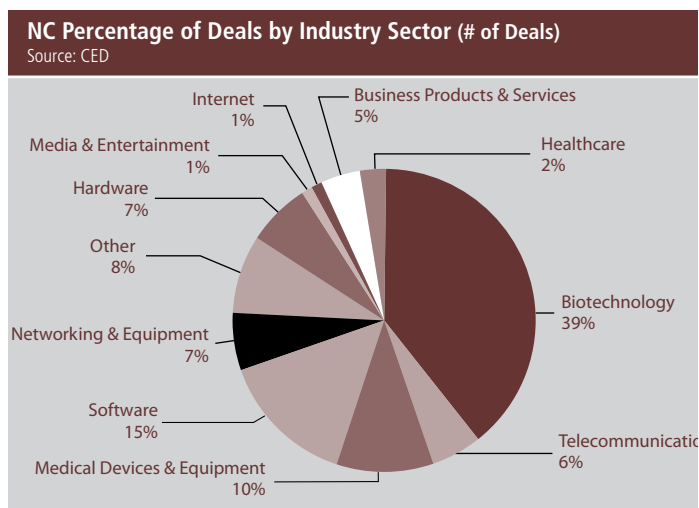
	Total Technology \$ Raised (\$ in millions)	Technology % of Total Raised
CA	\$6,014.24	43.57%
MA	\$1,637.85	46.94%
TX	\$693.97	48.99%
WA	\$528.50	40.20%
NC(CED)	\$492.32	54.11%
NY	\$440.51	36.85%
NC(PwC/TVE/NCVA)	\$359.74	44.30%
VA	\$301.58	47.47%
MD	\$297.58	47.62%
CO	\$255.72	42.03%
IL	\$244.02	43.25%
GA	\$183.72	35.99%
FL	\$169.03	36.50%
MN	\$127.43	27.53%
AZ	\$124.45	41.28%
OR	\$113.37	56.48%
Total US	\$12,443.55	43.25%

US Data Source: PwC / VE / NVCA NC Data Source: CED

North Carolina's technology sector out raised the life sciences sector for only the second time since 2001. In 2007, investments in technology companies comprised 54% of all investments made in North Carolina. Within the technology industry, software and telecommunications were leading market sectors. Forty-one percent of total investments in North Carolina were made in life science companies. The \$372 million raised by life science companies, ranks 5th nationally. This growth was driven by investments in biotechnology, and medical devices and equipment.

North Carolina Deals and Dollars by Industry

NC Dollars Raised by Industry Sectors (\$ in millions)	
Source: CED, PwC/TVE/NVCA	
BIOTECHNOLOGY	\$283.61
TELECOMMUNICATIONS	\$251.00
MEDICAL DEVICES & EQUIPMENT	\$88.40
SOFTWARE	\$44.43
NETWORKING & EQUIPMENT	\$64.55
OTHER	\$45.60
HARDWARE	\$46.31
MEDIA AND ENTERTAINMENT	\$30.00
INTERNET	\$30.00
BUSINESS PRODUCTS & SERVICES	\$11.48
HEALTHCARE	\$14.55
TOTAL NC	\$909.93



U.S. and North Carolina Deals and Dollars by Company Stage

Seed stage investments were up dramatically with more than \$43 million invested in 16 companies compared to \$4.5 million in 5 deals in 2006. Compared to other stages of funding, North Carolina's seed companies achieved the largest year-over-year increase in overall dollars raised and number of deals in 2007.

US and NC Venture Dollars Raised (\$ in millions)

US Data Source: PwC / TVE / NVCA NC Data Source: CED

	NC \$ Raised	% of NC Total	% Change From NC 2006	US \$ Raised	% of US Total	% Change From US 2006
Seed	\$ 43.40	4.8%	868.7%	\$ 1,153.32	3.9%	-0.5%
Early	\$ 84.07	9.2%	-9.8%	\$ 5,192.21	17.7%	35.1%
Expansion	\$ 191.28	21.0%	21.5%	\$ 10,845.21	36.9%	16.4%
Late	\$ 591.17	65.0%	112.1%	\$ 12,214.97	41.5%	9.0%
Total	\$ 909.93			\$ 29,405.61		

North Carolina's average deal size of \$10.46 million was 34% more than the national average deal size of \$7.7 million dollars.

US and NC Venture Deals

US Data Source: PwC / TVE / NVCA NC Data Source: CED

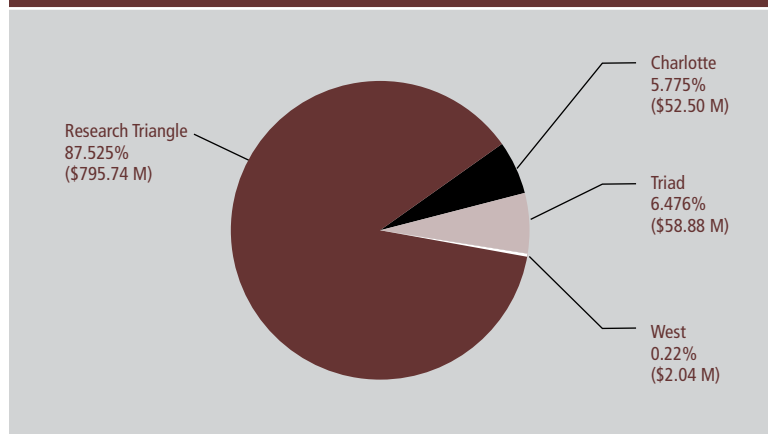
	NC Deals	% of NC Total	% Change From NC 2006	US Deals	% of US Total	% Change From US 2006
Seed	16	18.4%	220.0%	415	10.9%	33.0%
Early	25	28.7%	25.0%	995	26.1%	15.2%
Expansion	25	28.7%	13.6%	1235	32.4%	29.0%
Late	21	24.1%	0.0%	1168	30.6%	-9.0%
Total	87			3813		

North Carolina Highlights

- The value of North Carolina's largest deal in 2007 was \$185 million versus \$53.9 million in 2006.
- In 2007 investments greater than \$10 million accounted for 77% of the total dollars invested statewide, compared to 75% in 2006.
- The Research Triangle accounted for all but two of the top ten and all but three of the top fifteen deals statewide.
- Triangle companies accounted for 87.5% of total dollars raised statewide, compared to 66% in 2006. The Triad raised 6.47% of the state's dollars in 2007, compared to 0.9% in 2006. Charlotte decreased from raising 27.1% of the state's dollars in 2006 to raising 5.7% in 2007.
- Wilmington-based company Trans1, Inc. successfully completed their initial public offering, raising \$82.5 million.
- Two-thirds of the top 15 North Carolina deals were recent presenters at CED's Venture conference.

NC Dollars Raised by Region (\$ in millions)

Source: CED



In 2007, the Research Triangle's impact in NC's overall venture investment was clearly manifested. With an increase of \$443 million over 2006, the Triangle drove the state's overall net gain of \$375 million.

North Carolina Highlights (continued)

Investors Participating in North Carolina's 2007 Deals

Source: CED

Adena Ventures	CM Capital Investments	Inverness Capital Partners, L.P.	Quaker BioVentures
Advanced Equities, Inc.	CNF Investments	Jerusalem Venture Partners	Quintiles Transnational Corp
Advanced Technology Ventures	Core Capital Partners	Johnson and Johnson Development Corporation	Redshift Ventures
Aisling Capital	Cornell Capital Partners	JP Morgan	Ritchie Capital
Alliance for Lupus Research	Cummins Group	KI Investment Holdings	Sanderling Ventures
Alliance Technology Ventures	Delphi Ventures	Kodiak Venture Partners	Sciele Pharma
Alloy Ventures	Desjardins Venture Capital	Lehman Brothers Venture Partners	Seaflower Ventures
Alta Capital Management	Diamondhead Ventures	Lilly Ventures	Solidarity Fund QFL
Applied Ventures	Domain Associates	MC Life Science Ventures	Southern Capitol Ventures
ARCH Venture Partners	Dow Venture Capital	Mediphase Venture Partners	Synergy Life Science Partners
Armada Investment Group	DukeNet Communications	Medtronic, Inc.	Takeda Research Investment
Ascent Biomedical Ventures	Easton Capital	MHI Energy Partners	Tall Oaks Capital Partners
Asset Management Company	EBay	Mid-Atlantic Venture Fund	Technology Venture Partners
Aurora Funds	Fletcher Spaght Ventures	Morgenthaler Ventures	Telecommunications Development Fund
Battery Ventures	Frazier Healthcare Ventures	Motorola Ventures	Thomas Mc Nerney & Partners
BD Ventures	Frontier Capital	Mitsui and Company Venture Partners	True Ventures
BDC Venture Capital	GE Pension Plan	NC IDEA	Tudor Ventures
BIA Digital Partners	General Catalyst Partners	Needham Capital	Tullis-Dickerson
BioStratum Inc.	Golden Pine Ventures	New Enterprise Associates	Udata Partners
Blackboard Ventures	Grotech Capital Group	New Leaf Venture Partners	Vanderbilt University
Boston Scientific	Growth Capital of New York	Noro-Mosley Partners	Vantage Point Venture Partners
Canaan Partners	Guidant Corporation	Northbridge Venture Partners	Venrock Associates
Capitol Broadcasting Company	Harbert Management Corporation	Novak Biddle Venture Partners	Village Ventures
Care Capital	Hatteras Venture Partners	Oconee Ventures	Virginia Active Angel Network
Catalysta Ventures	HIG Capital	Optimer Pharmaceuticals	Wakefield Group
Cato BioVentures	I. Wistar Morris III	Pac-Link Bio Venture Capital	Walker Ventures
Caxton Advantage Life Sciences Fund	IDEA Fund Partners	Pappas Ventures	Wilmington Investor Network
Charleston Angel Partners	IllinoisVENTURES	Pearl Street Ventures	Worldview Technology Partners
Charlotte Angel Partners	Imlay Investments	Piedmont Angel Network	WWC Capital Group
Chrysalis Ventures	Innovation Ventures	Polaris Venture Partners	
Cisco Systems	Intersouth Partners		
	Invemed Catalyst Fund		

North Carolina's Top 15 Deals

Source: CED

Motricity	RTP	\$185,000,000
InnerPulse, Inc.	RTP	\$50,000,500
Motricity	RTP	\$50,000,000
Conterra Ultra Broadband	Charlotte	\$41,000,000
Tranzyme Pharma, Inc.	RTP	\$31,999,900
Batanga.com	Triad	\$30,000,000
ChannelAdvisor Corporation	RTP	\$29,999,900
Biolex, Inc.	RTP	\$29,999,600
Serenex, Inc.	RTP	\$25,402,900
Chimerix, Inc.	RTP	\$23,099,900
Regado Biosciences, Inc.	RTP	\$23,000,200
TransEnterix	RTP	\$21,000,000
Primo Water Corporation	Triad	\$20,000,000
LED Lighting Fixtures, Inc.	RTP	\$16,500,000
Liquidia Technologies, Inc.	RTP	\$15,999,900

The Council for Entrepreneurial Development (CED) is a private, non-profit organization founded in 1984 to identify, enable and promote high-growth, high-impact companies and accelerate the region's entrepreneurial culture. Headquartered in the Research Triangle Park, CED is the oldest and largest entrepreneurial support organization in the nation with more than 5,000 active members representing over 1,100 companies. CED provides know-how, networking, mentoring and capital formation resources to new and existing high-growth entrepreneurs through more than 150 annual conferences, forums, workshops, programs and through publications and web-based resources. www.cednc.org

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