

Illinois Venture Capital Association Quarterly Private Equity Monitor

Q3 2009



Section I: Taxonomy

Section II: Venture Capital Investment Statistics

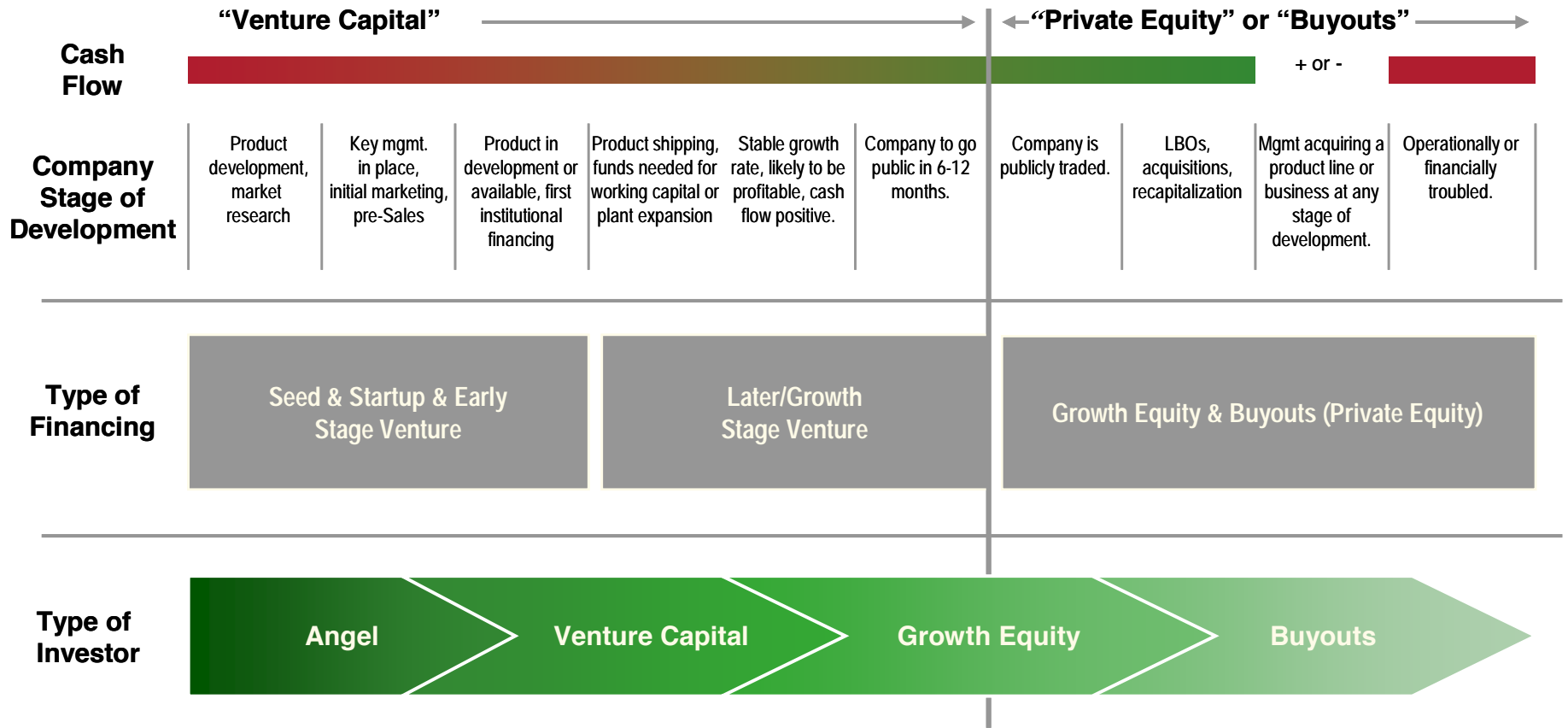
Section III: Buyout Related Capital Investment Statistics

Section IV: Venture and Buyout Related Capital Investment Statistics

Data pulled: 11/2/2009. Source is Thomson ONE unless otherwise noted.

Section I: Taxonomy

Diagram 1: Taxonomy of Private Equity



Section II: Venture Capital Investment Statistics

Table 1

	Venture Capital – Nation		Venture Capital – Illinois	
	Number of Companies	Total Capital (USD Mil)	Number of Companies	Total Capital (USD Mil)
Total '04 - Q3 '09	25,988	\$256,576.4	449	\$2,932.8
Qtr Avg	1,130	\$11,155.5	20	\$127.5
Quarterly				
3Q '08	1,380	\$12,648.3	29	\$200.8
4Q '08	1,231	\$12,615.2	24	\$135.1
1Q '09	875	\$6,064.0	13	\$42.4
2Q '09	953	\$9,776.9	12	\$62.7
3Q '09	926	\$8,079.6	9	\$14.9
Yearly				
2004	3,824	\$33,315.8	64	\$489.1
2005	3,988	\$35,760.5	72	\$484.3
2006	4,685	\$45,110.8	81	\$495.9
2007	5,303	\$55,309.0	106	\$782.7
2008	5,434	\$63,159.8	92	\$560.8
2009 YTD	2,754	\$23,920.5	34	\$120.0

Note: Company totals may not match other tables in this report because quarterly data may include deals with multiple rounds of financing. Yearly totals in the table above are calculated from quarterly data.

Section II: Venture Capital Investment Statistics

Table 2a

State Rankings – Q3 '09			
Venture Capital Investments			
Rank	Fund Location	Number of Companies	Investments (USD Mil)
1	California	382	\$3,470.4
2	Florida	16	\$701.2
3	Massachusetts	93	\$613.1
4	Georgia	25	\$515.6
5	Texas	44	\$281.3
6	New York	52	\$248.0
7	Washington	34	\$182.3
8	Pennsylvania	40	\$142.7
9	New Jersey	21	\$130.7
10	Maryland	17	\$119.5
27	Illinois	9	\$14.9

Table 2b

State Rankings – YTD 2009			
Venture Capital Investments			
Rank	Fund Location	Number of Companies	Investments (USD Mil)
1	California	917	\$8,402.5
2	Massachusetts	251	\$2,373.1
3	Florida	40	\$2,349.9
4	New York	161	\$911.6
5	Texas	114	\$903.1
6	Georgia	53	\$690.9
7	New Jersey	78	\$447.6
8	Colorado	57	\$430.3
9	Washington	99	\$427.5
10	Pennsylvania	104	\$343.5
19	Illinois	30	\$120.0

Table 3a

Geographic Sources of Funding For Illinois Companies Q3 '09					
Venture Capital					
Rank	Fund Location	Number of Companies	Amount Invested (USD Mil)	% of Total Investment	% of All Companies
1	Undisclosed	3	\$6.7	45%	21%
2	Pennsylvania	1	\$5.0	34%	7%
3	Ohio	1	\$2.0	13%	7%
4	Illinois	3	\$1.2	8%	21%
5	New York	2	–	–	14%
6	Colorado	1	–	–	7%
7	California	2	–	–	14%
8	Minnesota	1	–	–	7%
	TOTAL	14	\$14.9	100%	100%

Note: Company total may be higher than in other tables because each state reports transactions separately, so double-counting of companies is possible (e.g. the same company may have received funding from Texas and Illinois).

Section II: Venture Capital Investment Statistics

Table 3b

Geographic Sources of Funding For Illinois Companies YTD 2009					
Venture Capital					
Rank	Fund Location	Number of Companies	Amount Invested (USD Mil)	% of Total Investment	% of All Companies
1	Undisclosed	4	\$54.2	45.2%	10.0%
2	California	9	\$14.1	11.8%	22.5%
3	Massachusetts	3	\$11.9	9.9%	7.5%
4	Virginia	1	\$9.0	7.5%	2.5%
5	Illinois	6	\$5.6	4.7%	15.0%
6	Pennsylvania	1	\$5.0	4.2%	2.5%
7	Kentucky	1	\$4.8	4.0%	2.5%
8	Washington	1	\$3.0	2.5%	2.5%
9	Connecticut	2	\$2.3	1.9%	5.0%
10	Ohio	1	\$2.0	1.7%	2.5%
11	Minnesota	1	\$1.9	1.6%	2.5%
12	Non-US	3	\$1.8	1.5%	7.5%
13	Florida	1	\$1.5	1.3%	2.5%
14	New York	3	\$1.4	1.2%	7.5%
15	New Jersey	1	\$1.4	1.2%	2.5%
16	New South Wales,(AU)	1	\$0.1	0.1%	2.5%
17	Colorado	1	–	–	2.5%
	TOTAL	40	\$120.0	100%	100%

Note: Company total may be higher than in other tables because each state reports transactions separately, so double-counting of companies is possible (e.g. the same company may have received funding from Texas and Illinois).

Section II: Venture Capital Investment Statistics

Table 4a

Venture Capital Invested in Illinois by Industry						
	IT		Healthcare		Other	
	Number of Companies	Capital Invested (USD Mil)	Number of Companies	Capital Invested (USD Mil)	Number of Companies	Capital Invested (USD Mil)
Total '04 – Q3 '09	210	\$1,233.8	102	\$619.3	137	\$1,079.6
Qtr Avg	9	\$53.6	5	\$29.5	6	\$46.9
Quarterly						
3Q '08	11	\$79.6	9	\$38.9	9	\$82.3
4Q '08	10	\$42.4	6	\$17.5	8	\$75.2
1Q '09	5	\$23.2	2	\$6.9	6	\$12.2
2Q '09	5	\$22.1	4	\$38.3	3	\$2.4
3Q '09	6	\$14.5	2	–	1	\$0.4
Yearly						
2004	37	\$252.6	16	\$45.9	11	\$190.5
2005	45	\$255.3	12	\$66.9	15	\$162.1
2006	36	\$141.6	20	\$145.0	25	\$209.4
2007	38	\$243.9	24	\$254.1	44	\$284.6
2008	38	\$280.6	22	\$62.2	32	\$218.0
2009 YTD	16	\$59.9	8	\$45.2	10	\$14.9

*Note: **IT (Information Technology)** industries include the following: communications equipment, computer hardware and software, internet, computers and semiconductor companies. **Healthcare** industries include the following: biotechnology, medical diagnostics, therapeutics, medical products, medical and health services and pharmaceuticals. **“Other”** industries include the following: consumer related, industrial/energy, transportation, financial services, manufacturing, agricultures, forestry, fishing, construction, utilities and others..*

Chart 1

Venture Capital Invested in Illinois
by Industry

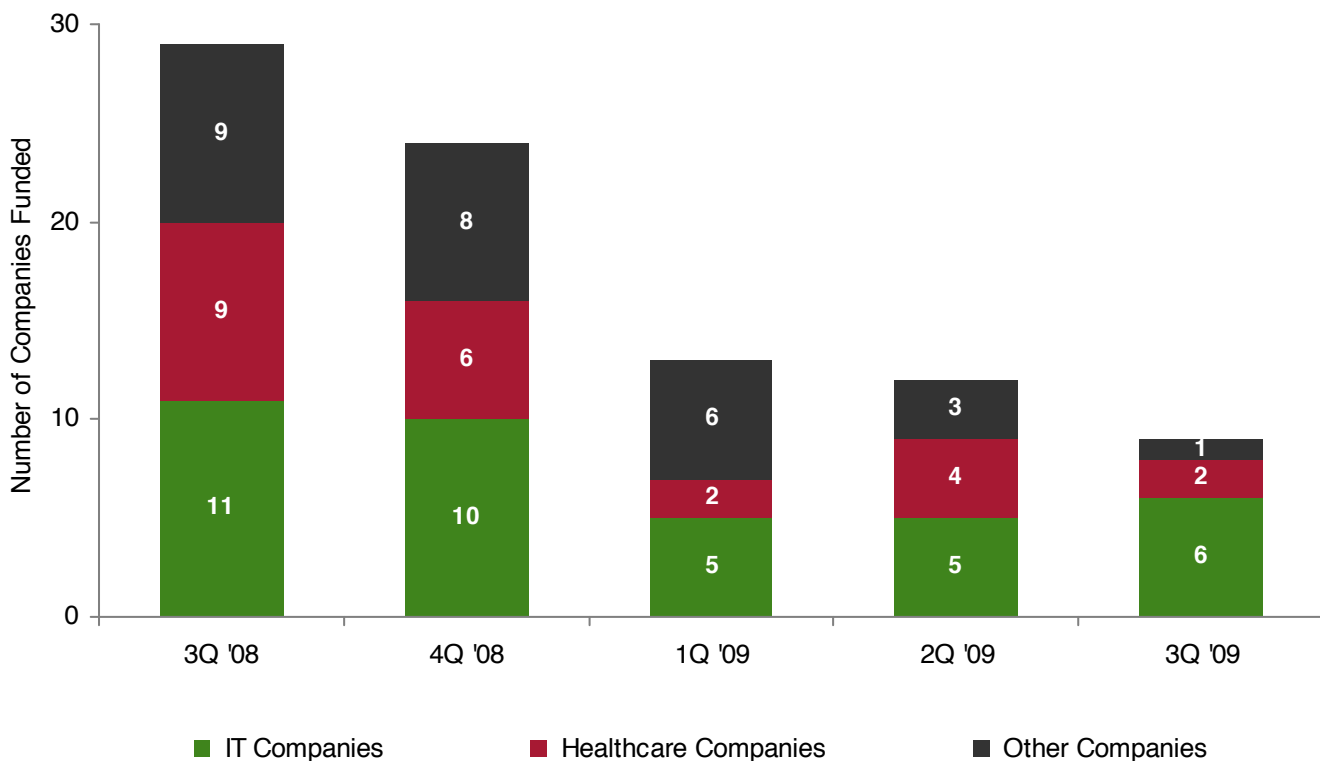
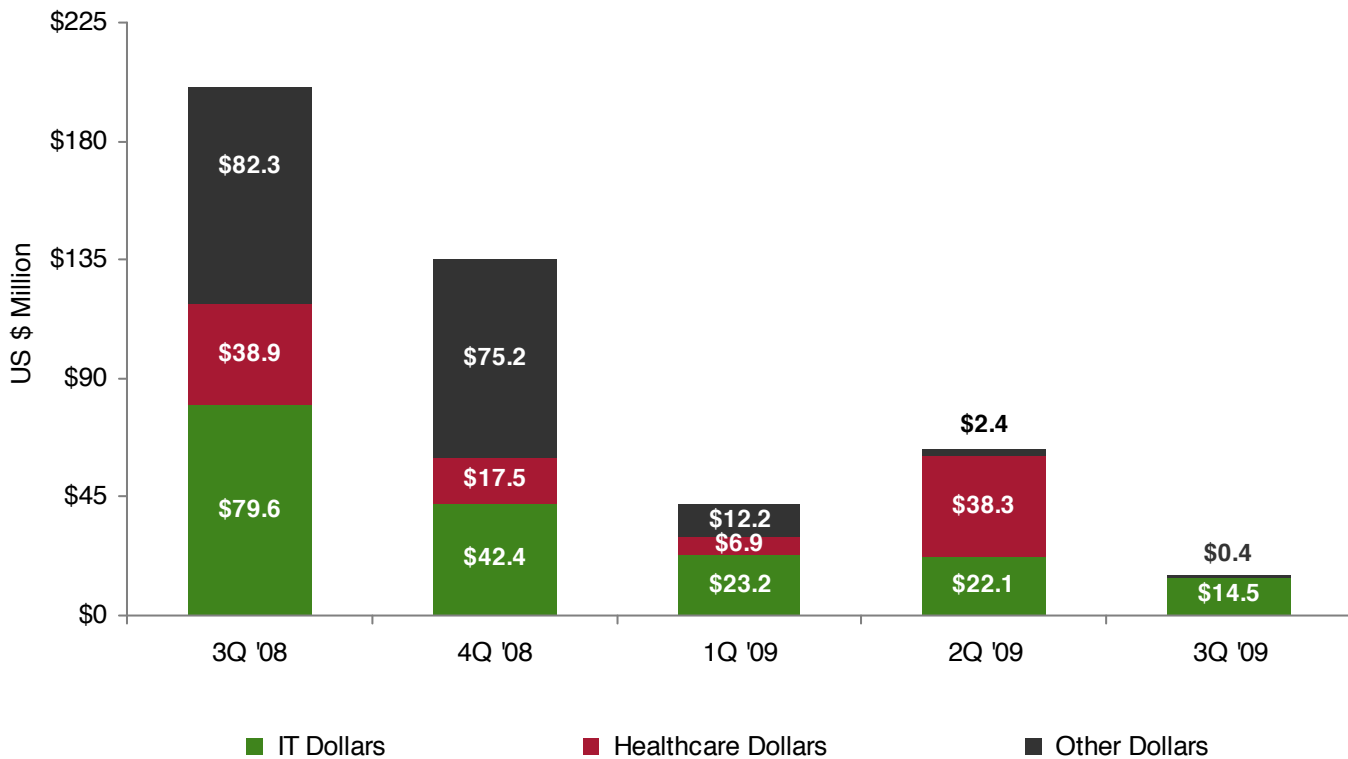


Table 4b

"Green" Venture Capital Investments				
	Illinois "Green" Companies receiving Venture Capital Investments	Illinois Firms Making "Green" Venture Capital Investments	Investment in Illinois "Green" Companies (USD Mil)	Illinois Firms' Investment in U.S. "Green" Companies (USD Mil)
Total '04 – Q3 '09	16	148	\$114.9	\$614.7
Quarterly				
3Q '08	–	6	–	\$46.2
4Q '08	2	4	\$46.3	\$6.3
1Q '09	1	4	–	\$66.8
2Q '09	–	–	–	–
3Q '09	–	9	–	\$35.8
Yearly				
2004	1	15	\$4.0	\$36.0
2005	3	7	\$1.4	\$9.5
2006	4	45	\$21.0	\$179.7
2007	3	30	\$7.85	\$66.3
2008	4	38	\$80.6	\$220.4
2009 YTD	1	13	–	\$102.6

Note: Results in the table may be either higher or lower than totals in prior IVCA Monitors because of reclassification of results in the Thomson ONE database. Green company investments include, but are not limited to, investments in companies involved in the following industries: batteries, power supplies, alternative energy sources, coal, energy conservation, pollution and recycling, biotech processes for pollution, toxic waste control and oil recovery.

Table 4b1

VC Investments in Illinois "Green" Companies – YTD '09		
Company Name	Investment (USD Mil)	Investor Firms
Northbrook Energy LLC	–	EIF Group (FKA: Energy Investors Management Co.)

Table 4b2

Illinois Firms Making VC Investments in "Green" Companies – YTD '09		
Company Name	Investment (USD Mil)	Investor Firms
SolFocus, Inc.	\$77.6	Advanced Equities Capital Partners LLC, Apex Venture Partners, Demeter Partners S.A., NGEN Partners LLC (FKA: NextGen Partners LLC), New Enterprise Associates, Undisclosed Firm, Yellowstone Capital, Inc.
Suniva, Inc. (FKA: Solarity, Inc.)	\$25.0	Advanced Equities Capital Partners LLC, Apex Venture Partners, H.I.G. Capital LLC, New Enterprise Associates, Warburg Pincus LLC

Note: Investor firms listed are only those located in Illinois. Deals may have included other investor firms outside of Illinois and therefore may not match other tables.

Section II: Venture Capital Investment Statistics

Table 5 (part 1 of 2)

Venture Capital Investments by Illinois Firms in Illinois Companies – Q3 '09			
	Company Name	Firm Name	Sum Inv. (USD Mil)
1	Advanced Diamond Technologies, Inc.	–	\$3.5
2	Autonomic Materials, Inc.	–	\$0.5
3	Bancorp Financial, Inc.	United States Department of The Treasury	\$13.7
4	Belmont Financial Group, Inc.	–	\$0.3
5	Biojam, Inc.	–	\$1.2
6	Chicago Shore Corporation	United States Department of The Treasury	\$7.0
7	Consumer Health Advisers, Inc.	Individuals, Undisclosed Firm, Undisclosed Venture Firm	\$1.1
8	First American Bank Corporation	United States Department of The Treasury	\$50.0
9	First Eagle Bancshares, Inc.	United States Department of The Treasury	\$7.5
10	Hollister Incorporated	–	\$0.4
11	Horizon Therapeutics, Inc.	Essex Woodlands Health Ventures (FKA: Woodlands Venture), FirstMark Capital, LLC (FKA: Pequot Ventures), Scale Venture Partners (FKA: BA Venture Partners), Sutter Hill Ventures	–
12	lfbyphone, LLC	–	\$1.5
13	Inadco, Inc.	–	\$5.1
14	In-Pipe Technology Company, LLC	–	\$5.0
15	InXpo, Inc.	Highland Capital Partners	\$9.0
16	Kirana Capital LLC	–	\$0.8
17	Mesirow Financial Inc.	–	\$17.7
18	Mortgage Mitigators LLC	–	\$0.5
19	NeuroTherapeutics Pharma, Inc.	Thomas, McNerney & Partners LLC	–
20	Oxford Financial Corporation	–	\$9.0
21	Power2Switch, LLC	Berkeley Ventures	–
22	Prime Estates & Developments, Inc.	–	–
23	Signature Bancorporation, Inc.	–	\$9.1
24	Sittercity, Inc.	Illinois Innovation Accelerator Fund (i2A), Individuals	–
25	Sittercity, Inc.	Chicagoland Entrepreneurial Center, Investment Arm	–
26	SongAlive, Inc.	–	–
27	Southern Illinois Real Estate Title Center, LLC	–	\$0.1
28	Spring Bancorp, Inc.	–	\$3.3
29	Sword Diagnostics, Inc.	–	\$1.0
30	The Perfect Dinner, LLC	–	\$0.1

Table 5 (part 2 of 2)

Venture Capital Investments by Illinois Firms in Illinois Companies – Q3 '09			
	Company Name	Firm Name	Sum Inv. (USD Mil)
31	Tradehelm, Inc.	Susquehanna Growth Equity, LLC	\$5.0
32	TrustWave Holdings, Inc.	Sequel Venture Partners	–
33	Undisclosed Company	Undisclosed Firm, Undisclosed Venture Firm	\$0.4
34	Undisclosed Company	Hopewell Ventures	\$0.4
35	Univa UD Corporation	ARCH Venture Partners, River Cities Capital Funds, Undisclosed Firm	\$8.0
36	VHT, Inc.	–	\$0.4
37	ZelleRx Corporation	–	\$0.5

Note: Unlike the rest of the data in the Monitor, this table and table 9 are derived from two sources, Thomson ONE and Capital IQ. The IVCA Monitor accepts the categories (venture or buyout) provided by Thomson ONE & Capital IQ. Table totals may differ from other tables in this report because private equity reporting is continuous and therefore changes from day to day for all data sources. Also, some companies may appear in both Venture Capital and Buyout lists because both the type of financing round and the investing firm are considered when compiling the list. For example, if a buyout fund made an investment in a venture capital round of financing it would be considered under both Venture Capital and Buyout lists.

Section III: Buyout Related Capital Investment Statistics

Table 6

	Buyout Investments – Nation		Buyout Investments – Illinois	
	Number of Companies	Investment (USD Mil)	Number of Companies	Investment (USD Mil)
Total '04 – Q3 '09	10,422	\$263,472.7	354	\$5,322.4
Qtr Avg	453	\$11,455.3	15	\$241.9
Quarterly				
3Q '08	602	\$17,474.5	15	\$479.4
4Q '08	450	\$6,649.5	13	\$72.9
1Q '09	326	\$4,531.8	13	\$14.1
2Q '09	343	\$7,987.9	7	\$32.9
3Q '09	347	\$7,480.1	4	–
Yearly				
2004	1,196	\$37,704.0	34	\$1,185.6
2005	1,438	\$36,156.5	45	\$679.4
2006	1,833	\$51,724.4	77	\$1,802.4
2007	2,627	\$69,773.5	100	\$857.2
2008	2,312	\$48,114.4	74	\$750.9
2009 YTD	1,016	\$19,999.8	24	\$46.9

Note: Company totals may not match other tables in this report because quarterly data may include deals with multiple rounds of financing. Yearly totals in the table above are calculated from quarterly data.

Section III: Buyout Related Capital Investment Statistics

Table 7a

State Rankings – Q3 '09			
Buyout Related Investments			
Rank	Fund Location	Number of Companies	Investments (USD Mil)
1	California	87	\$1,602.0
2	Georgia	13	\$874.0
3	Florida	17	\$719.8
4	Texas	34	\$611.1
5	New Jersey	15	\$548.3
6	Maryland	8	\$396.9
7	Washington	7	\$293.1
8	Massachusetts	15	\$233.8
9	New York	23	\$178.7
10	Pennsylvania	16	\$118.3
37	Illinois	4	–

Table 7b

State Rankings – YTD 2009			
Buyout Related Investments			
Rank	Fund Location	Number of Companies	Investments (USD Mil)
1	California	242	\$4,843.5
2	Florida	39	\$2,721.4
3	Massachusetts	48	\$1,171.1
4	Georgia	33	\$1,151.9
5	Texas	69	\$1,039.7
6	New Jersey	41	\$758.2
7	New York	63	\$750.7
8	Ohio	25	\$639.8
9	Washington	17	\$474.6
10	Maryland	22	\$453.0
26	Illinois	23	\$43.4

Table 8a

Geographic Sources of Funding For Illinois Companies Q3 '09					
Buyout Related Capital					
Rank	Fund Location	Number of Companies	Amount Invested (USD Mil)	% of Total Investment	% of All Companies
1	California	1	–	–	25%
2	Ohio	1	–	–	25%
3	Illinois	1	–	–	25%
4	D. of Columbia	1	–	–	25%
	TOTAL	4	–	–	100%

Note: Company totals may be higher than in other tables because each state reports transactions separately, so double-counting of companies is possible (e.g. the same company may have received funding from Texas and Illinois).

Table 8b

Geographic Sources of Funding For Illinois Companies YTD 2009					
Buyout Related Capital					
Rank	Fund Location	Number of Companies	Amount Invested (USD Mil)	% of Total Investment	% of All Companies
1	Illinois	6	\$32.8	75.8%	28.6%
2	Virginia	1	\$9.0	20.8%	4.8%
3	Florida	1	\$1.5	3.5%	4.8%
4	D. of Columbia	1	–	–	4.8%
5	Massachusetts	1	–	–	4.8%
6	Maryland	1	–	–	4.8%
7	Missouri	1	–	–	4.8%
8	New York	2	–	–	9.5%
9	Ohio	1	–	–	4.8%
10	Ontario, (CA)	1	–	–	4.8%
11	Texas	1	–	–	4.8%
12	Undisclosed	2	–	–	9.5%
13	Connecticut	1	–	–	4.8%
14	Non-US	1	–	–	4.8%
	TOTAL	21	\$43.3	100%	100%

Note: Company totals may be higher than in other tables because each state reports transactions separately, so double-counting of companies is possible (e.g. the same company may have received funding from Texas and Illinois).

Table 9

Buyout Capital Investments by Illinois Firms in Illinois Companies – Q3 '09			
	Company Name	Firm Name	Sum Inv. (USD Mil)
1	American Westbrook Insurance Services, LLC	Hendricks Holding Company, Inc.	\$40.0
2	Building on 433 W. Van Buren St., Chicago	--	--
3	Claymore Group	Guggenheim Venture Partners LLC	--
4	Northwest Mailing Service, Inc. and Linden Taylor Corp.	Kirtland Capital Partners	
5	Paramount Plastics LLC	--	--
6	Several Properties East of First and Stoughton Streets	--	\$26.5
7	Sun-Times Media Group Inc., Substantially All Assets	--	--
8	Toll Packaging Group, LLC	Cloud Packaging Solutions LLC	--

Note: Unlike the rest of the data in the Monitor, this table and table 5 are derived from two sources, Thomson ONE and Capital IQ. The IVCA Monitor accepts the categories (venture or buyout) provided by Thomson ONE & Capital IQ. Table totals may differ from other tables in this report because private equity reporting is continuous and therefore changes from day to day for all data sources. Also, some companies may appear in both Venture Capital and Buyout lists because both the type of financing round and the investing firm are considered when compiling the list. For example, if a buyout fund made an investment in a venture capital round of financing it would be considered under both Venture Capital and Buyout lists.

Table 10

Venture and Buyout Investments in Illinois Companies Funded by U.S. and Illinois Funds						
	IL Companies Funded by IL Funds	IL Companies Funded by U.S. Funds	Capital Investment in IL Companies by IL Funds	Capital Investment in IL Companies by U.S. Funds	% of All IL Companies Receiving Capital Funded by IL Firms	% of All Capital Invested in IL Companies by IL Firms
Last Five Quarters						
3Q '08	17	38	\$310.6	\$603.1	45%	51%
4Q '08	13	31	\$68.2	\$134.6	42%	51%
1Q '09	4	19	\$2.4	\$43.0	21%	6%
2Q '09	7	18	\$34.0	\$94.1	39%	36%
3Q '09	4	13	\$8.4	\$14.9	31%	56%
Yearly						
2004	31	82	\$79.7	\$1,388.2	38%	6%
2005	40	102	\$304.8	\$1,070.4	39%	28%
2006	50	136	\$551.4	\$1,448.3	37%	38%
2007	61	170	\$525.7	\$1,249.5	36%	42%
2008	60	142	\$506.5	\$1,107.6	42%	46%
2009 YTD	15	50	\$44.8	\$151.9	30%	29%

Chart 2

Source of Venture and Buyout Investments for Illinois Companies
Q3 '09 (USD Mil)

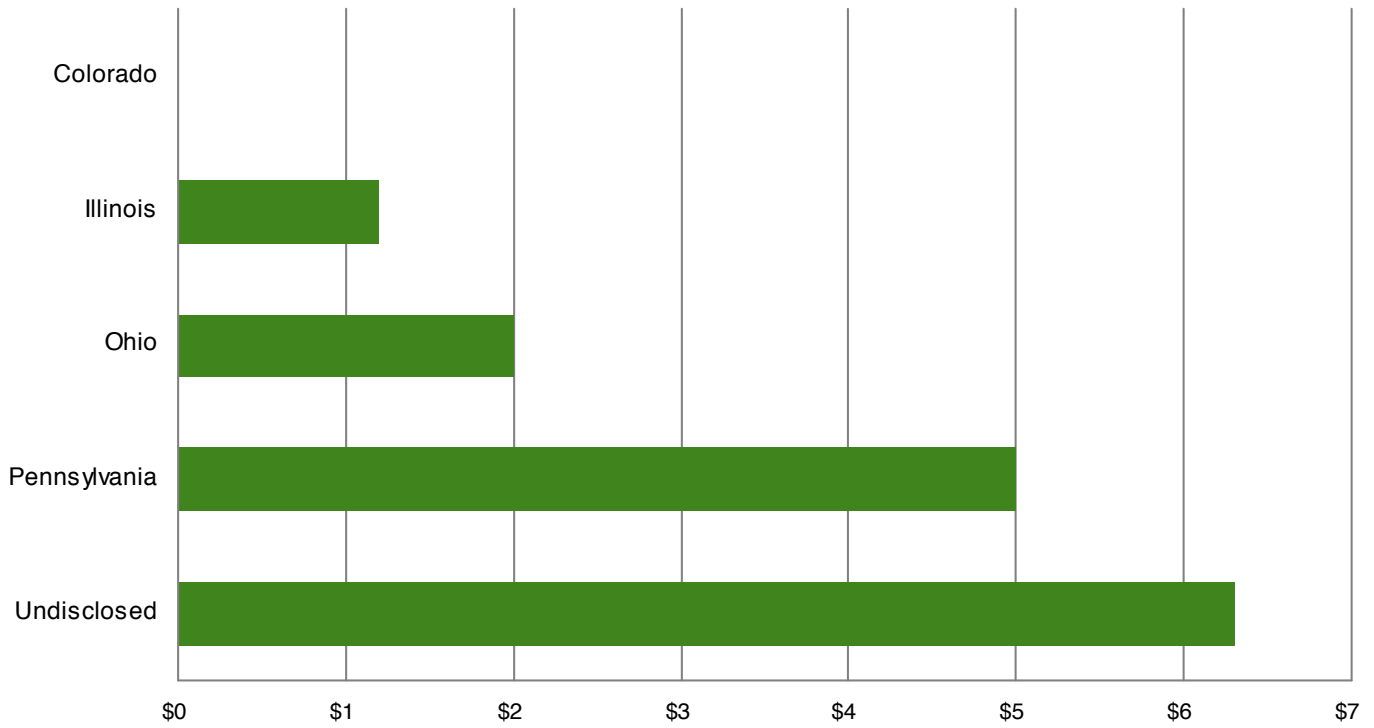


Chart 3

States Receiving Funds from Illinois Venture and Buyout Firms
Q3 '09 (USD Mil)

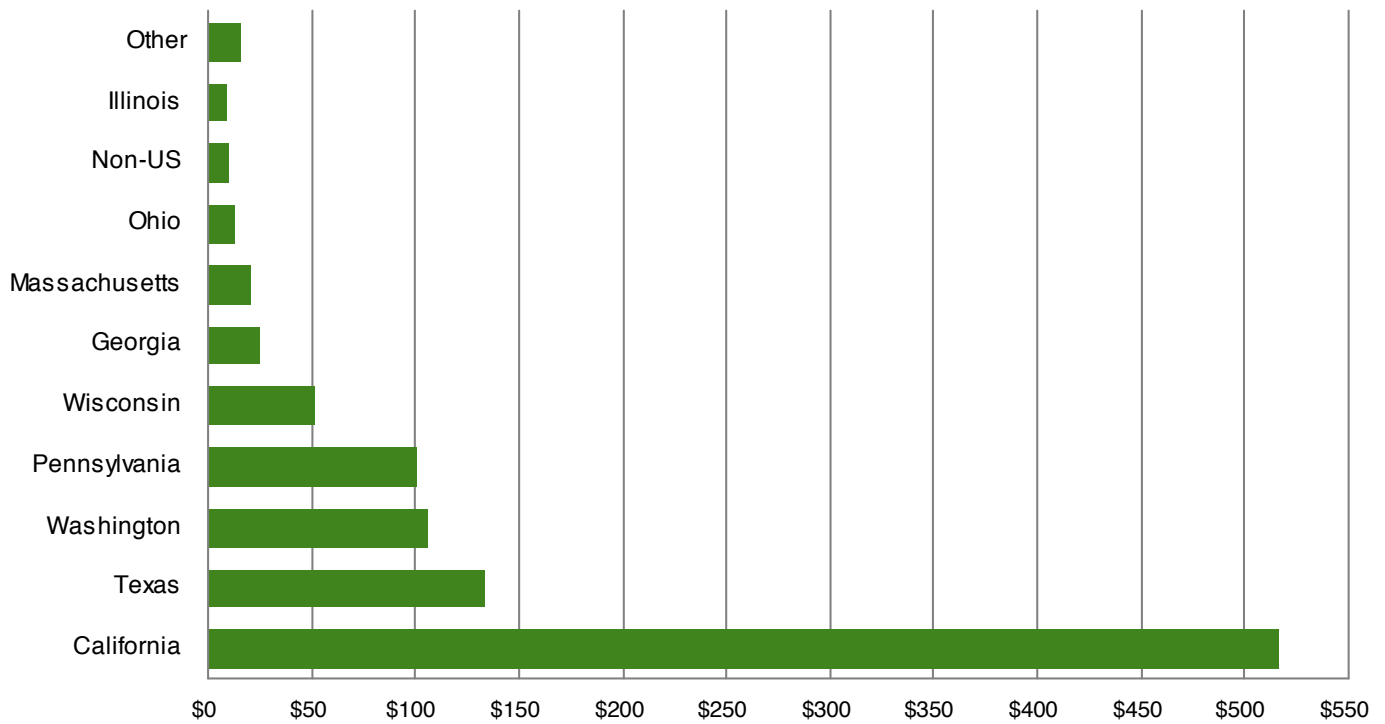


Chart 4

Money Raised by Venture and Buyout Funds
Top States Q3 '09 (\$16.0 billion)

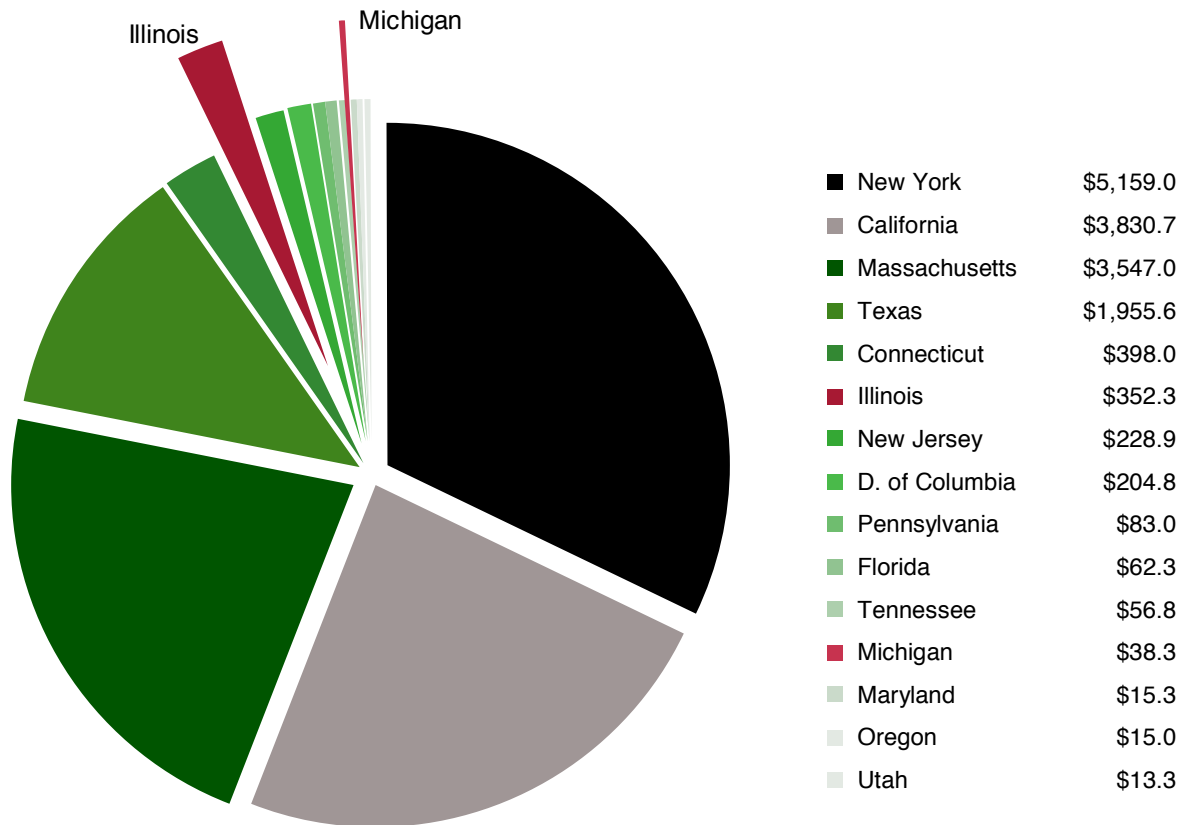


Chart 5

Venture and Buyout Assets Under Management
Top States Q3 '09 (\$34.3 billion)

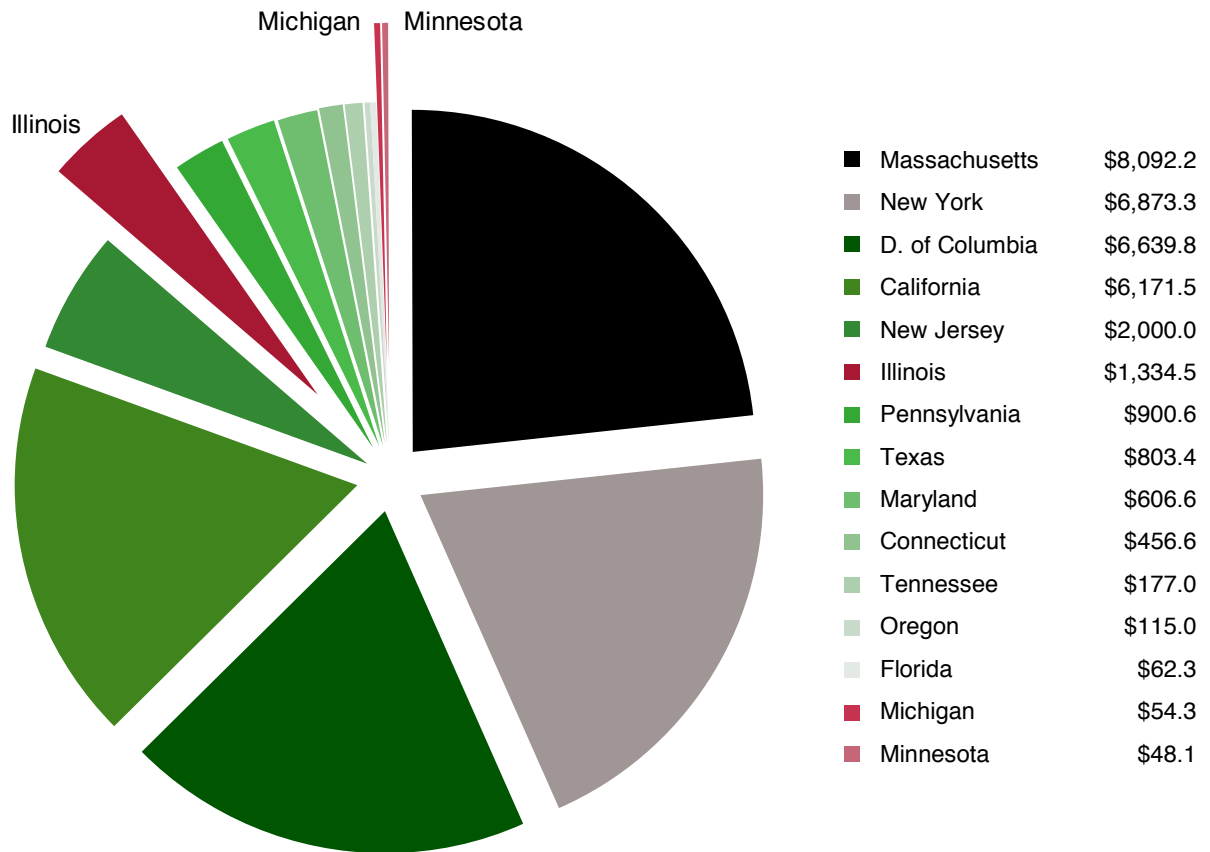


Table 11

State Rank – Number of IPOs – YTD 2009					
Fund Location	Rank	Num of IPOs	Pct of IPOs	Offer Amt (USD Mil)	Post Offer Value* (USD Mil)
California	1	3	15.79	\$849.8	\$4,394.8
Illinois	2	2	10.53	\$133.8	\$405.9
Massachusetts	2	2	10.53	\$487.1	\$1,667.6
New Jersey	2	2	10.53	\$263.4	\$451.7
Tennessee	2	2	10.53	\$452.4	\$1,662.1
Colorado	3	1	5.26	\$279.3	\$8,262.6
Florida	3	1	5.26	\$330.0	\$815.2
North Carolina	3	1	5.26	\$950.0	\$2,275.9
New York	3	1	5.26	\$88.2	\$313.0
Pennsylvania	3	1	5.26	\$360.0	\$2,515.9
Texas	3	1	5.26	\$151.5	\$762.8
Virginia	3	1	5.26	\$112.5	\$309.4
Washington	3	1	5.26	\$68.2	\$212.9

Note: The post offer value represents the value of all shares outstanding (primary share, management shares, etc.) at the offer date.

Table 12

Illinois IPOs – YTD 2009			
Company Name	Offer Amt (USD Mil)	Post Offer Value * (USD Mil)	Age at IPO (yrs)
Addus Healthcare, Inc.	\$54.0	\$105.0	30.84
Echo Global Logistics, Inc.	\$79.8	\$300.9	4.75
TOTAL	\$133.8	\$405.9	

Note: The post offer value represents the value of all shares outstanding (primary share, management shares, etc.) at the offer date.

Section IV: Venture and Buyout Related Capital Investment Statistics

Table 13

Stages of Venture Capital Investment – Illinois						
	Early Stage VC		Later Stage VC		Buyout	
	Number of Companies	Total Capital (USD Mil)	Number of Companies	Total Capital (USD Mil)	Number of Companies	Total Capital (USD Mil)
Total '04 – Q3 '09	124	\$472.7	212	\$1,531.9	351	\$4,920.9
Qtr Avg	6	\$21.5	9	\$66.6	15	\$223.7
Quarterly						
3Q '08	7	\$7.0	15	\$115.7	16	\$480.5
4Q '08	5	\$11.0	11	\$84.1	16	\$39.9
1Q '09	–	–	9	\$42.4	11	–
2Q '09	1	\$1.5	10	\$61.2	7	\$31.4
3Q '09	2	\$6.1	4	\$8.4	7	\$0.4
Yearly						
2004	22	\$58.7	30	\$159.5	33	\$1,170.0
2005	20	\$74.1	36	\$202.9	44	\$673.2
2006	21	\$108.9	38	\$251.5	75	\$1,711.6
2007	35	\$169.5	39	\$422.2	99	\$659.9
2008	23	\$53.8	46	\$383.9	75	\$674.6
2009 YTD	3	\$7.6	23	\$112.0	25	\$31.7