

Illinois Private Equity Report 4Q 2006

Illinois Venture Capital Association

www.illinoisVC.org

Source: Thomson Venture Economics

Data compiled as of January 28, 2007

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I. DEFINITIONS

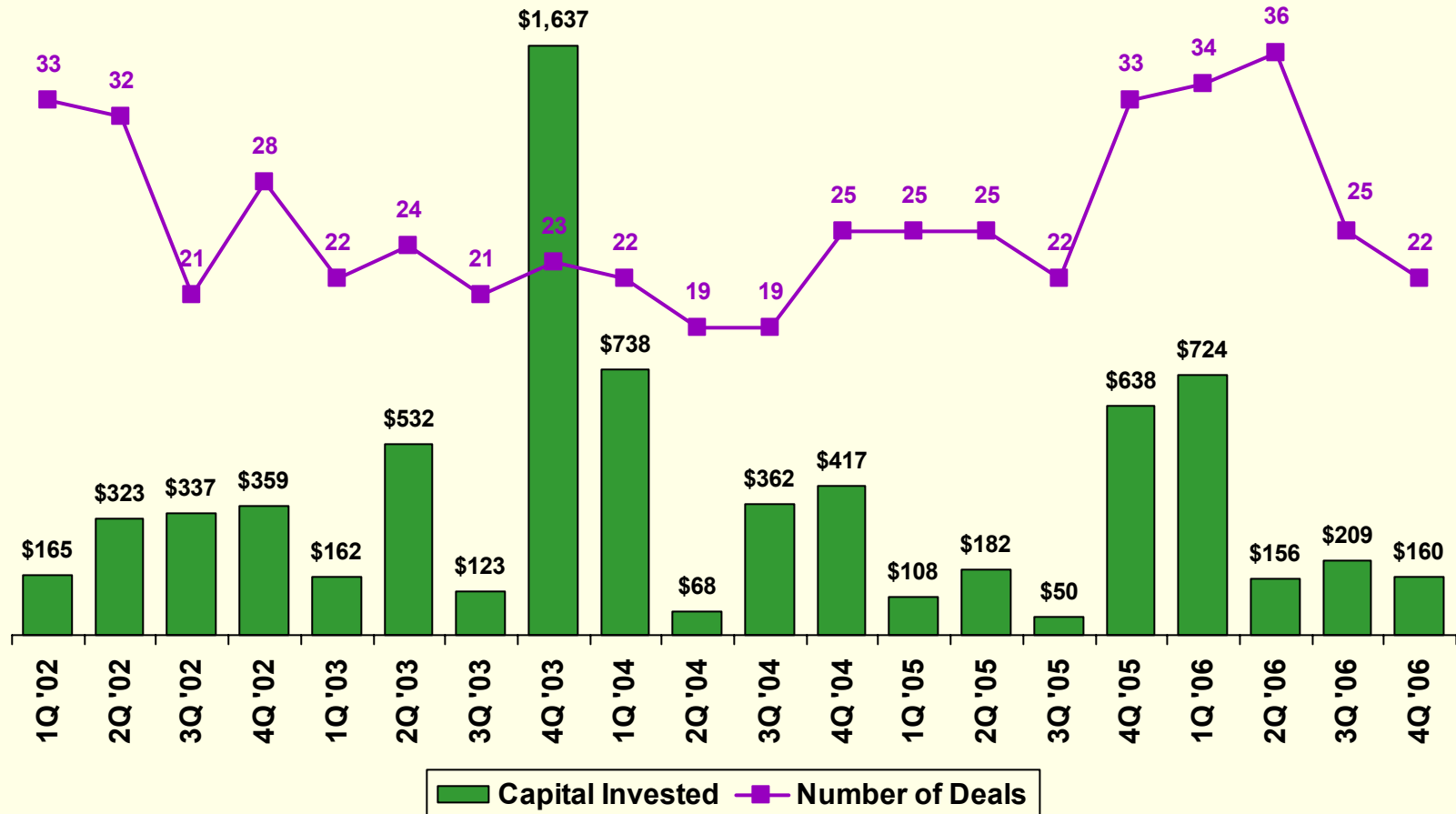
Definitions and Points of Note

- Venture Capital investment stages include:
 - Startup/Seed
 - Early Stage (Early Stage, First Stage, Other Early)
 - Expansion (Expansion, Second Stage, Other Expansion)
 - Later Stage (Third Stage, Other Later Stage, Bridge)
- Buyout Related investment stages include:
 - Buyout/Acquisition (Acquisition, Acquisition for Expansion, LBO, Recap/Turnaround, MBO, MBI, Secondary Buyout, Pending Acquisition, Other Acquisition)
 - Other (Special Situation, Secondary Purchase, Open Market Purchase, Private Investment in Public Company, Other Spec Situation, Bridge Loan)
- The term Private Equity is used to describe both Venture Capital and Buyout Related Deals
- Greater Midwest is defined as: IL, MN, MO, IN, OH, MI, WI, IA, KY, NE, ND, SD
- Thomson Venture Economics is the source for all data in this presentation
- Thomson Venture Economics data is continuously updated, and is therefore subject to change. There is at least one-quarter lag in the reporting of new data
- Totals may not add due to rounding

II. ALL PRIVATE EQUITY INVESTMENT IN ILLINOIS COMPANIES

All Private Equity Investment in Illinois Companies

\$ in millions



All Private Equity Investment in Illinois, Greater Midwest and Nation

\$ in millions

	Number of Deals						Capital Invested					
	Illinois	Growth	Greater Midwest	Growth	Nation	Growth	Illinois	Growth	Greater Midwest	Growth	Nation	Growth
Yearly												
2002	114		411		4,015		\$1,185		\$6,669		\$45,262	
2003	90	-21%	361	-12%	3,905	-3%	2,454	107%	14,295	114%	61,873	37%
2004	85	-6%	330	-9%	4,133	6%	1,585	-35%	3,440	-76%	53,050	-14%
2005	105	24%	401	22%	4,426	7%	977	-38%	4,460	30%	51,118	-4%
2006	117	11%	437	9%	5,193	17%	1,250	28%	4,306	-3%	54,095	6%
Last Four Quarters*												
1Q '06	34	36%	115	32%	1251	22%	\$724	573%	\$1,414	41%	\$14,229	41%
2Q '06	36	44%	106	12%	1361	22%	156	-14%	990	75%	16,373	50%
3Q '06	25	14%	122	12%	1345	21%	209	321%	1,089	10%	12,629	-3%
4Q '06	22	-33%	94	-15%	1236	5%	160	-75%	813	-57%	10,864	-36%
Quarterly Average												
2002-2006	26		97		1,084		\$373		\$1,658		\$13,270	

Notes:

*Quarterly growth shown is on the same quarter of prior year

Average Deal Size

\$ in millions

	Venture Capital			Buyout Related		
	Illinois	Greater Midwest	Nation	Illinois	Greater Midwest	Nation
Last Quarter 4Q '06	\$7.1	\$6.2	\$7.1	\$7.7	\$11.2	\$12.5
Last Four Quarters	7.6	5.7	7.4	13.3	13.3	16.7
Last Five Years 1Q '02 – 4Q '06	5.3	5.3	7.2	32.2	35.2	27.8

Illinois Ranking Among States

Top 10 States by Total Investment in 4Q 2006

VENTURE CAPITAL					
Rank	State	Investment (MM)		Number of Deals	
1	California	\$3,268	45%	458	42%
2	Massachusetts	781	11%	118	11%
3	New York	452	6%	52	5%
4	Pennsylvania	344	5%	38	3%
5	Washington	335	5%	49	4%
6	Texas	333	5%	49	4%
7	Iowa	319	4%	1	0%
8	New Jersey	214	3%	30	3%
9	Georgia	184	3%	30	3%
10	Maryland	130	2%	36	3%
	Other	<u>944</u>	<u>13%</u>	<u>238</u>	<u>22%</u>
	Total	\$7,304	100%	1099	100%

BUYOUT RELATED INVESTMENTS					
Rank	State	Investment (MM)		Number of Deals	
1	Texas	\$2,090	44%	30	9%
2	New York	514	11%	30	9%
3	California	389	8%	80	25%
4	Iowa	320	7%	2	1%
5	Connecticut	315	7%	7	2%
6	South Carolina	310	7%	1	0%
7	Pennsylvania	262	6%	13	4%
8	Massachusetts	89	2%	19	6%
9	Georgia	73	2%	12	4%
10	Florida	71	1%	10	3%
	Other	<u>291</u>	<u>6%</u>	<u>113</u>	<u>36%</u>
	Total	\$4,722	100%	317	100%

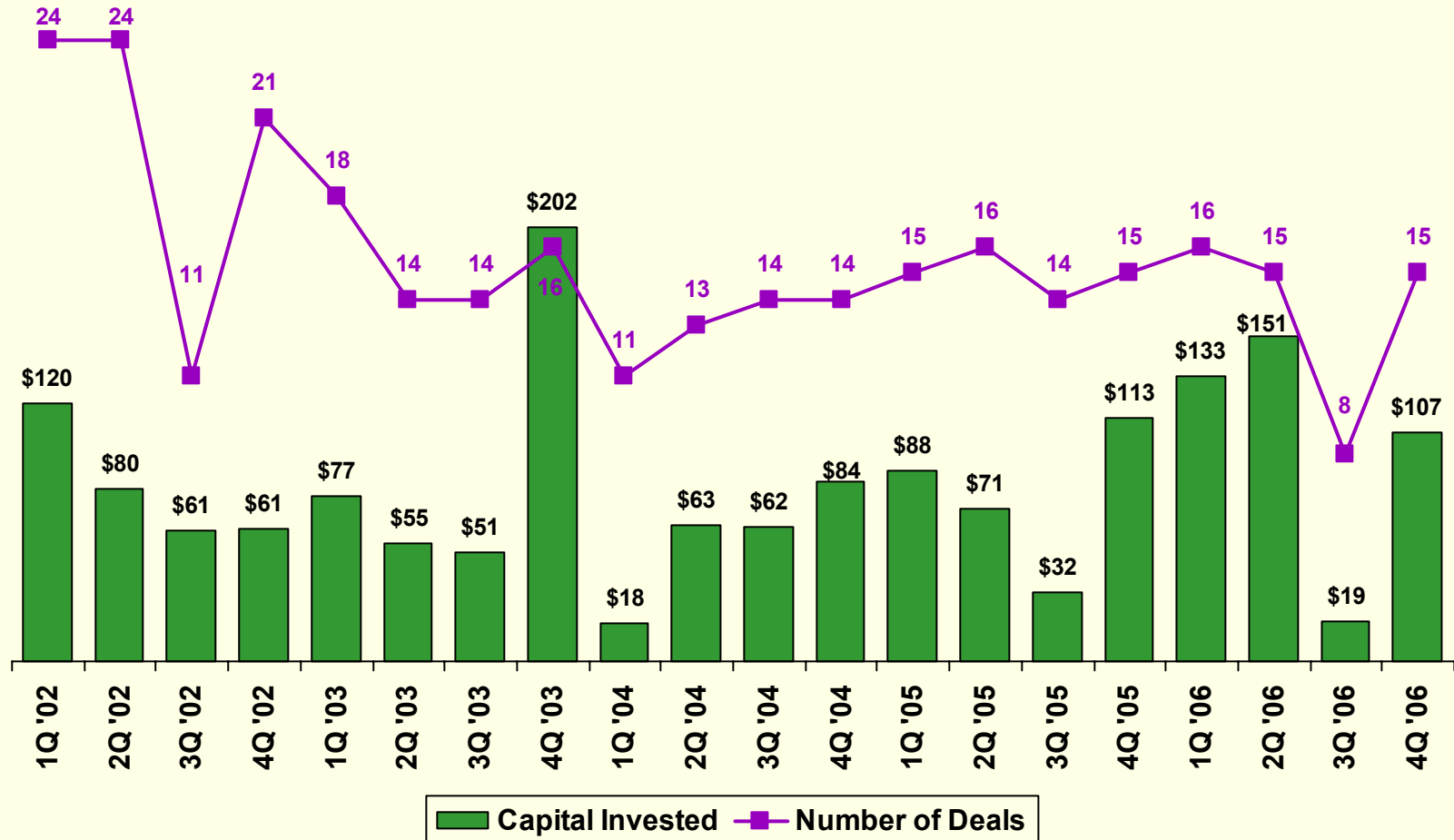
12	Illinois	\$110	2%	19	2%
Historical Illinois Ranking					
14	- Last Four Quarters (1Q – 4Q '06)				
13	- Last Three Years (1Q '04 – 4Q '06)				
11	- Last Five Years (1Q '02 – 4Q '06)				

11	Illinois	\$61	1%	10	3%
Historical Illinois Ranking					
8	- Last Four Quarters (1Q – 4Q '06)				
9	- Last Three Years (1Q '04 – 4Q '06)				
11	- Last Five Years (1Q '02 – 4Q '06)				

III. VENTURE CAPITAL INVESTMENT IN ILLINOIS COMPANIES

Venture Capital Investment in Illinois Companies

\$ in millions



Venture Capital Investment in Illinois, Greater Midwest and Nation

\$ in millions

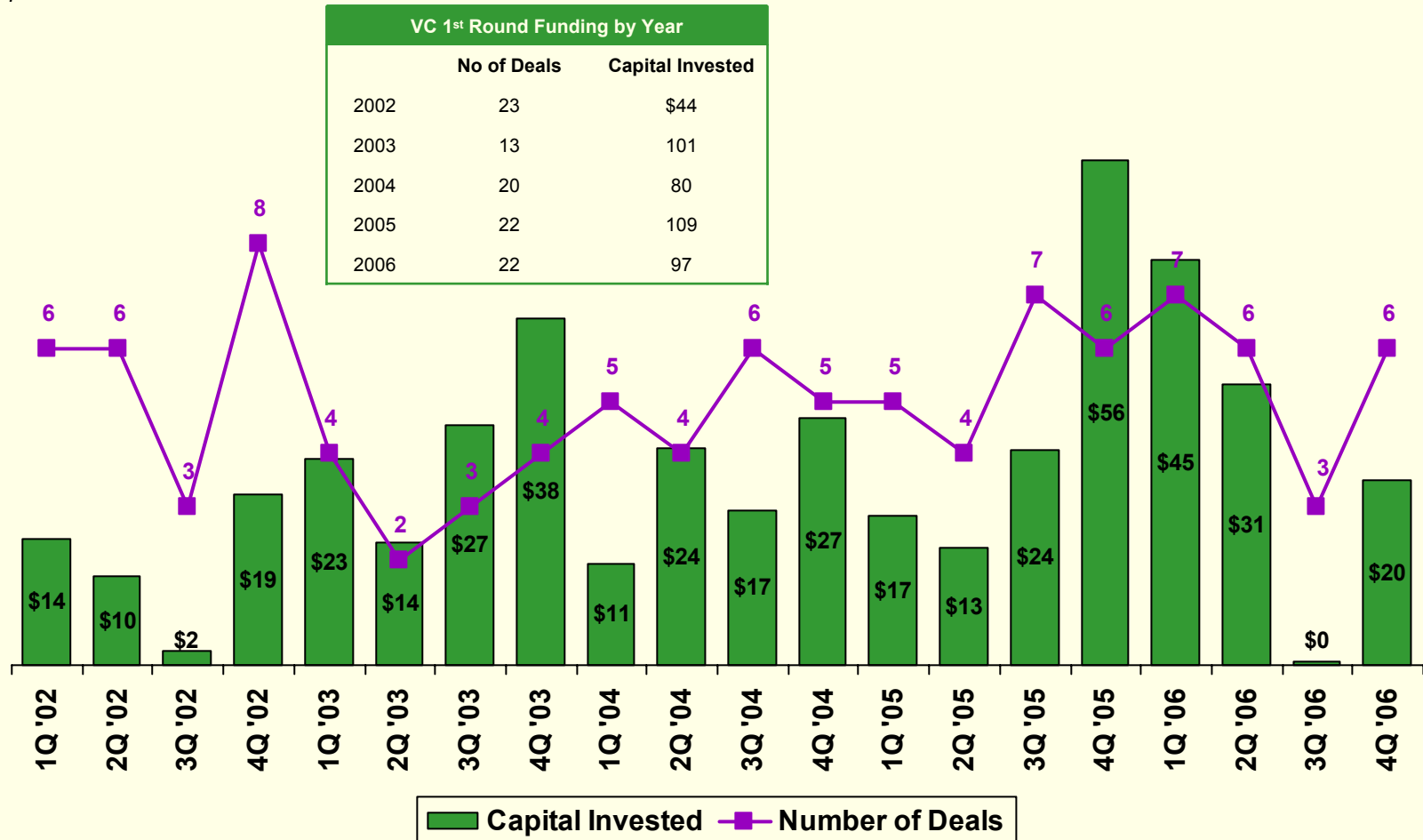
	Number of Deals						Capital Invested					
	Illinois	Growth	Greater Midwest	Growth	Nation	Growth	Illinois	Growth	Greater Midwest	Growth	Nation	Growth
Yearly												
2002	80		277		3,156		\$322		\$1,319		\$22,292	
2003	62	-23%	212	-23%	2,954	-6%	384	19%	1,164	-12%	19,981	-10%
2004	52	-16%	191	-10%	3,093	5%	227	-41%	984	-15%	22,614	13%
2005	60	15%	199	4%	3,174	3%	304	34%	1,072	9%	23,445	4%
2006	54	-10%	198	-1%	3,525	11%	409	34%	1,128	5%	26,172	12%
Last Four Quarters*												
1Q '06	16	7%	54	10%	852	15%	\$133	50%	\$324	8%	\$6,297	20%
2Q '06	15	-6%	46	-16%	932	13%	151	112%	266	-5%	7,027	9%
3Q '06	8	-43%	50	16%	888	13%	19	-41%	241	47%	6,789	16%
4Q '06	15	0%	48	-8%	853	4%	107	-6%	297	-9%	6,059	3%
Quarterly Average												
2002-2006	15		54		795		\$82		\$283		\$5,725	

Notes:

*Quarterly growth shown is on the same quarter of prior year

Venture Capital Investment in Illinois Companies – 1st Institutional Round

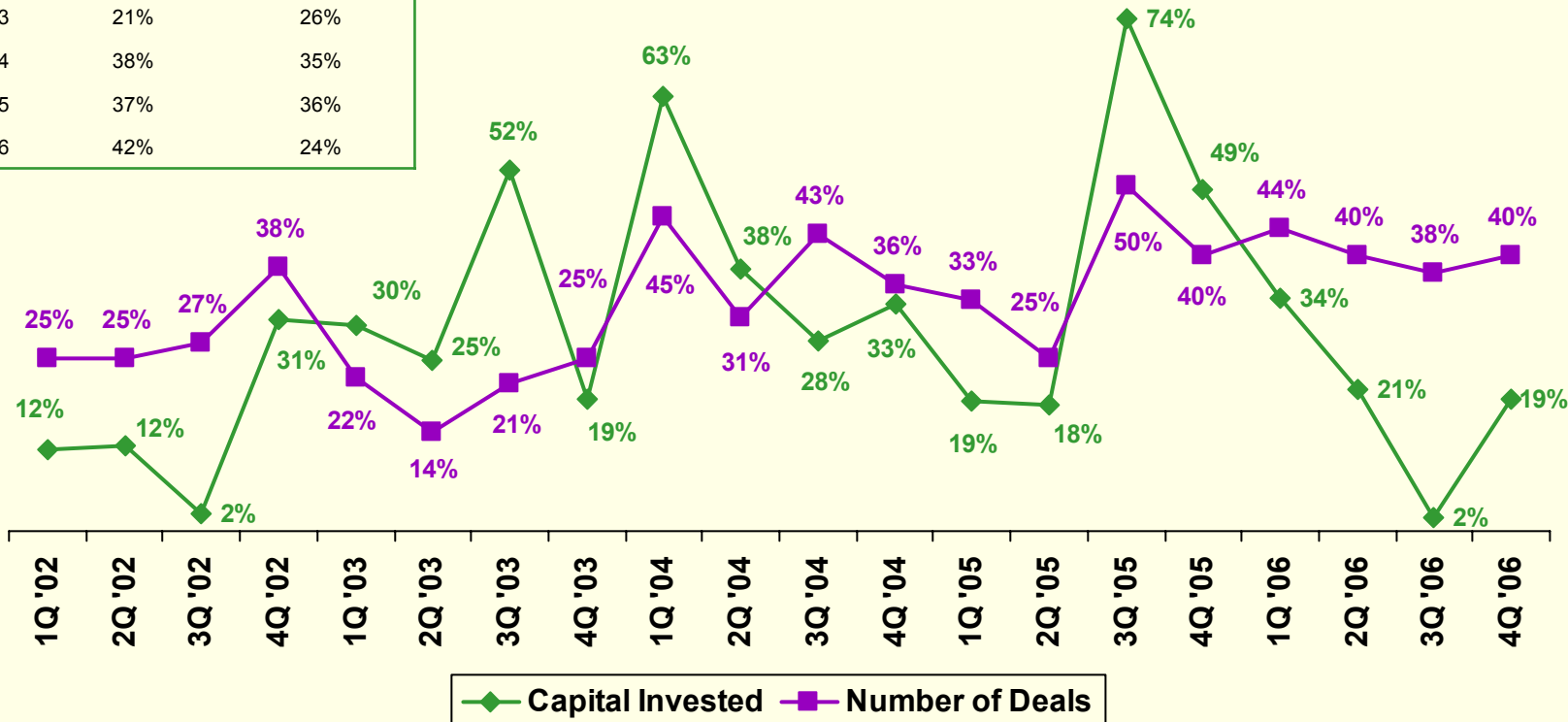
\$ in millions



Venture Capital Investment in Illinois Companies – 1st Institutional Round as Percent of Total Venture Funding in Illinois

\$ in millions

VC 1 st Round Funding by Year		
	No of Deals	Capital Invested
2002	29%	14%
2003	21%	26%
2004	38%	35%
2005	37%	36%
2006	42%	24%



Venture Capital Investments in Illinois Companies - Q4 2006

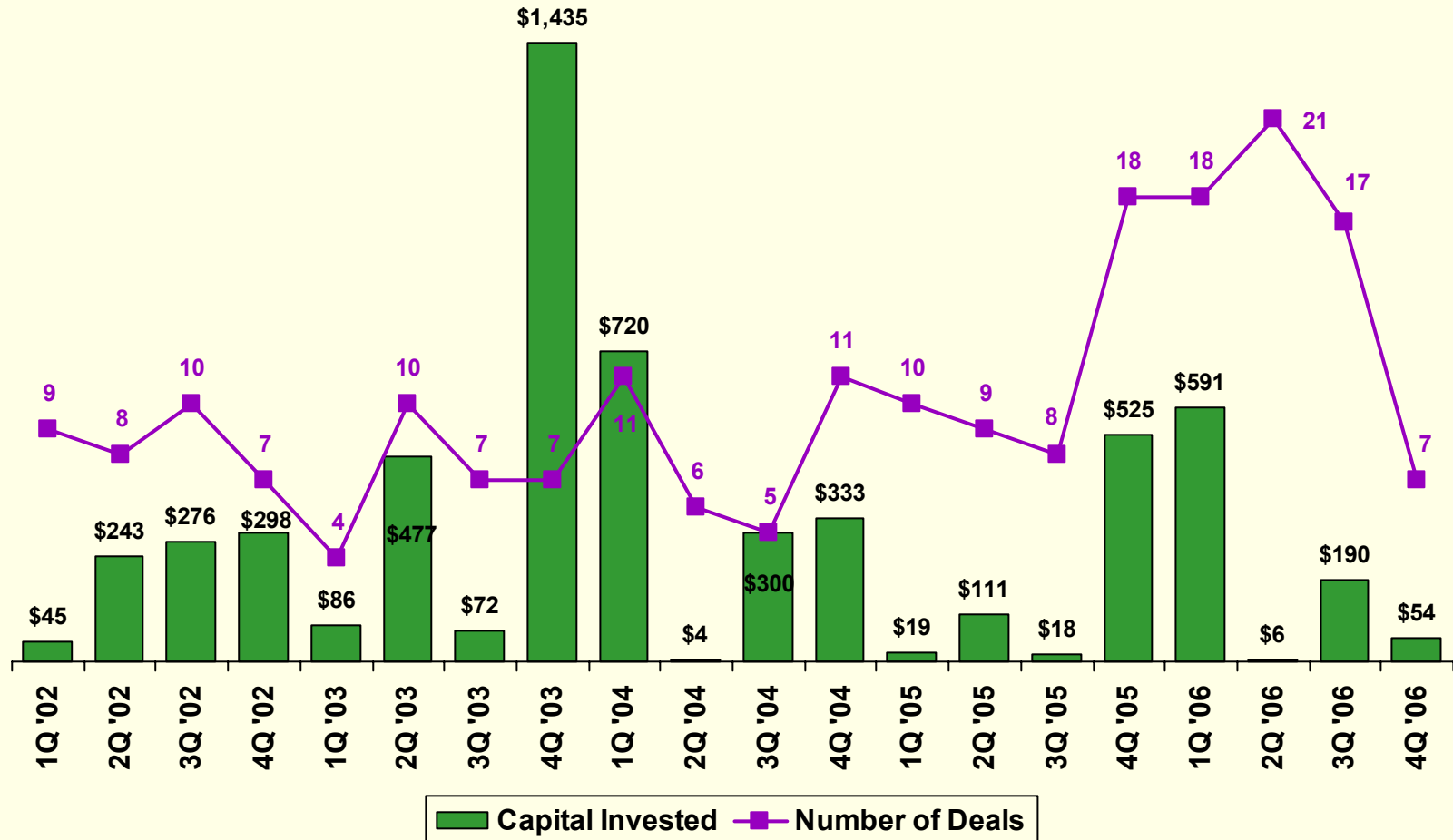
\$ in millions

Company Name	Industry	Stage	Investors	Current Round	Total Funding
1 BridgePort Networks, Inc.	Comm/Networking	Later Stage	BCE Capital, General Catalyst Partners (FKA: General Catalyst Group LLC), Polaris Venture Partners, TD Capital Ventures	\$13.0	\$48.0
2 DBS Communications, Inc.	Wireless Comm. Svcs	Later Stage	MK Capital, Montagu Newhall Associates , SVB Capital (FKA: Silicon Valley BancVentures), Sierra Ventures	16.0	36.5
3 Experiencia, Inc.	Education	Expansion	Individuals, Origin Ventures, LLC	2.4	2.4
4 Firefly Energy, Inc.	Batteries Power Suppl.	Expansion	Caterpillar Venture Capital, Inc., Heartland Capital Network, KB Partners LLC, Undisclosed Investor	3.6	16.0
5 G2 Switchworks Corporation	Consumer Svcs	Early Stage	Norwest Venture Partners , TPG Ventures , Undisclosed Corporate Investor	16.0	24.4
6 GroSolar (FKA: Global Resource Options)	Solar Energy	Early Stage	Calvert Social Venture Partners, L.P., SJF Ventures, Undisclosed Investor	2.3	2.3
7 MedMark Services, Inc	Hospitals/Clinics	Later Stage	CHL Medical Partners II, L.P.	12.1	17.9
8 Rec Room Furniture and Games	Furnishings & Furniture	Later Stage	Highland Capital Partners LLC	6.0	6.0
9 RiverGlass, Inc.	Data Processing; Software	Early Stage	Illinois Development Finance Authority, Illinois Ventures LLC, Individuals, RPM Ventures (FKA: Waypoint Ventures), Undisclosed Investor	1.9	3.8
10 Safety Systems Corporation	Manufacturing	Early Stage	Sterling Partners	1.0	1.0
11 SpringCM, Inc.	Bus and Office Svcs	Expansion	Foundation Capital, Undisclosed Investor	8.0	8.0
12 Stir Crazy, Inc.	Restaurants	Expansion	Undisclosed Investor, Walnut Group, The	20.0	21.6
13 Sword Diagnostics, Inc.	Diagnostic Test Products	Expansion	Calvert Funds, Undisclosed Non Venture Firm	2.0	4.2
14 Univa Corporation	Comm/Networking	Expansion	ARCH Venture Partners	1.7	9.8
15 Zorch International, Inc	Advtg/PR	Expansion	Ceres Venture Fund, L.P., Individuals	0.8	0.8
Total				\$106.8	\$202.7

IV. BUYOUT RELATED INVESTMENT IN ILLINOIS COMPANIES

Buyout Related Investment in Illinois Companies

\$ in millions



Buyout Related Investment in Illinois, Greater Midwest and Nation

\$ in millions

	Number of Deals						Capital Invested					
	Illinois	Growth	Greater Midwest	Growth	Nation	Growth	Illinois	Growth	Greater Midwest	Growth	Nation	Growth
Yearly												
2002	34		134		859		\$863		\$5,351		\$22,970	
2003	28	-18%	149	11%	951	11%	2,070	140%	13,131	145%	41,892	82%
2004	33	18%	139	-7%	1,040	9%	1,358	-34%	2,456	-81%	30,437	-27%
2005	45	36%	202	45%	1,252	20%	673	-50%	3,388	38%	27,673	-9%
2006	63	40%	239	18%	1,668	33%	841	25%	3,178	-6%	27,923	1%
Last Four Quarters*												
1Q '06	18	80%	61	61%	399	40%	\$591	2987%	\$1,090	56%	\$7,932	64%
2Q '06	21	133%	60	50%	429	48%	6	-95%	724	153%	9,346	109%
3Q '06	17	113%	72	9%	457	43%	190	971%	848	3%	5,841	-18%
4Q '06	7	-61%	46	-21%	383	7%	54	-90%	516	-67%	4,805	-57%
Quarterly Average												
2002-2006	10		43		289		\$290		\$1,375		\$7,545	

Notes:

*Quarterly growth shown is on the same quarter of prior year

Buyout Related Investments in Illinois Companies - Q4 2006

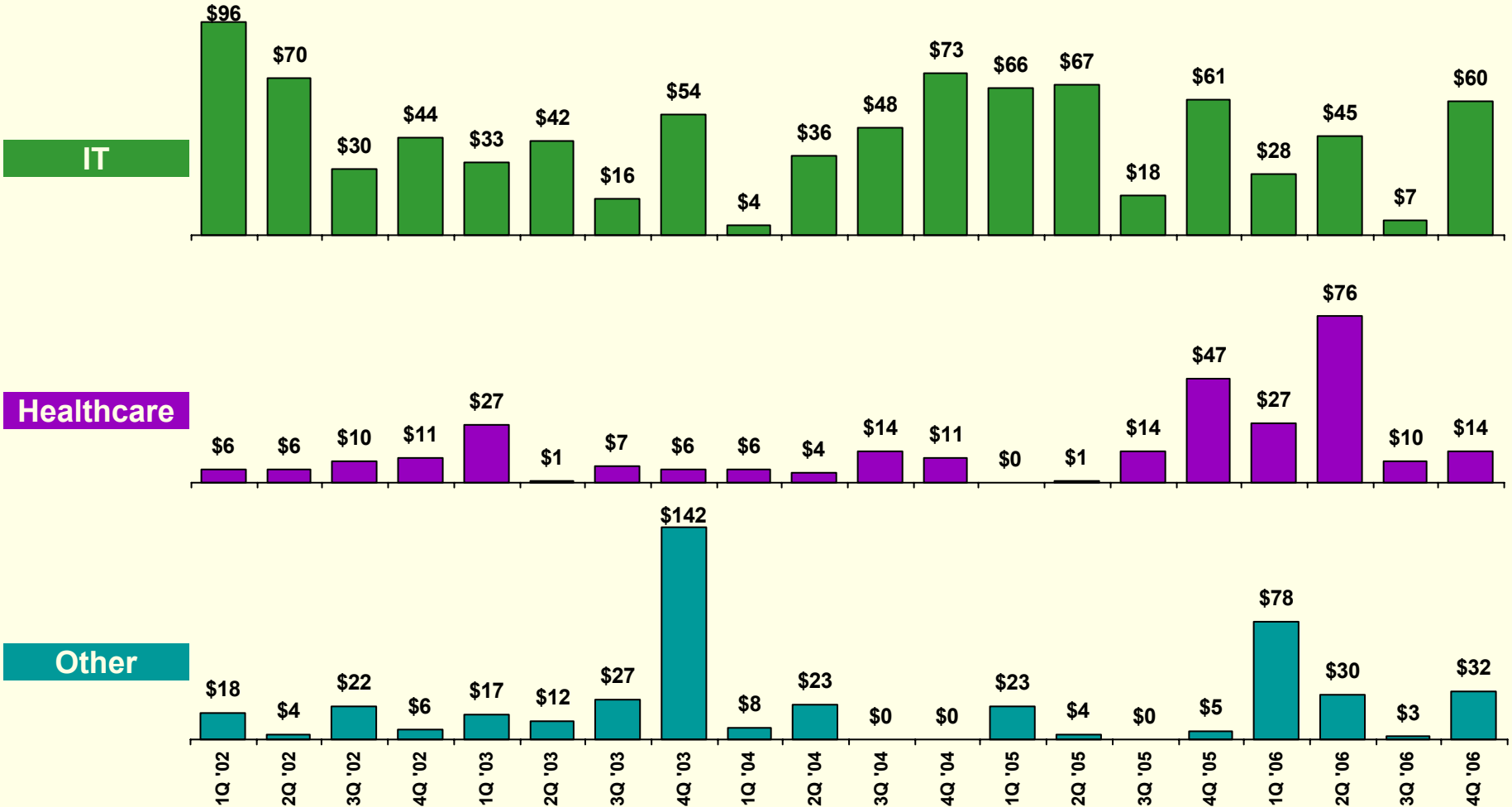
\$ in millions

Company Name	Industry	Stage	Investors	Current Round	Total Funding
1 Acura Pharmaceuticals, Inc. (FKA: Halsey Drug Company, Inc.)	Pharmac.	Other	Essex Woodlands Health Ventures (FKA: Woodlands Venture)	\$0.6	\$64.3
2 Concuity, Inc. (FKA: EHealthcontracts.com, Inc.)	Medical/Health Svcs	Other	Hercules Technology Growth Capital, Inc., Individuals, Mobius Venture Capital (FKA: SOFTBANK Venture Capital), Three Arch Partners	N/A	38.5
3 Firefly Mobile, Inc.	Mobile Comm.	Buyout/ Acquisition	Leo Capital Holdings LLC, Undisclosed Venture Firm	3.0	37.6
4 MYR Group, Inc.	Construction/Holdings Cos	Buyout/ Acquisition	ArcLight Capital	N/A	N/A
5 Production Services Associates, Inc.	Packaging Products; Publishing	Buyout/ Acquisition	Norwest Equity Partners	N/A	N/A
6 Undisclosed Company	N/A	N/A	Sterling Partners	50.0	N/A
Total				\$53.6	\$189.3

V. INVESTMENT IN ILLINOIS COMPANIES BY INDUSTRY

Venture Capital Invested in Illinois Companies by Industry

\$ in millions



Venture Capital Invested in Illinois Companies by Industry

\$ in millions

	Number of Deals			Capital Invested		
	IT	Healthcare	Other	IT	Healthcare	Other
Yearly						
2002	52	12	16	\$239	\$33	\$50
2003	35	13	14	146	41	197
2004	31	14	7	160	35	32
2005	42	9	9	211	62	31
2006	25	13	16	139	126	143
Last Four Quarters						
1Q '06	9	5	2	\$28	\$27	\$78
2Q '06	7	4	4	45	76	30
3Q '06	2	2	4	7	10	3
4Q '06	7	2	6	60	14	32
Quarterly Average						
2002-2006	9	3	3	\$45	\$15	\$23

Venture Investment in Illinois IT Companies – Percent of Total IL Venture Investment

	Communications	Computer Hardware	Computer Software	Internet Specific	Semiconductors
Four Quarter Moving Average					
4Q '02	9%	4%	14%	42%	6%
1Q '03	12%	4%	16%	25%	7%
2Q '03	14%	4%	17%	20%	4%
3Q '03	16%	4%	16%	17%	3%
4Q '03	8%	7%	14%	7%	2%
1Q '04	6%	8%	14%	6%	2%
2Q '04	7%	8%	11%	5%	3%
3Q '04	7%	7%	19%	4%	4%
4Q '04	22%	4%	23%	14%	8%
1Q '05	19%	3%	25%	21%	6%
2Q '05	26%	3%	28%	20%	5%
3Q '05	27%	4%	23%	23%	5%
4Q '05	31%	0%	21%	16%	2%
1Q '06	28%	0%	14%	5%	2%
2Q '06	19%	0%	7%	9%	0%
3Q '06	19%	0%	5%	8%	2%
4Q '06	12%	0%	7%	12%	3%
Yearly					
2002	9%	4%	14%	42%	6%
2003	8%	7%	14%	7%	2%
2004	22%	4%	23%	14%	8%
2005	31%	0%	21%	16%	2%
2006	12%	0%	7%	12%	3%

Venture Investment in Illinois Healthcare Companies – Percent of Total Illinois Venture Investments (Four Quarter Moving Average)

	Biotech	Medical/Health
Four Quarter Moving Average		
4Q '02	5%	5%
1Q '03	10%	9%
2Q '03	9%	10%
3Q '03	12%	7%
4Q '03	6%	5%
1Q '04	3%	3%
2Q '04	4%	3%
3Q '04	4%	4%
4Q '04	5%	11%
1Q '05	4%	6%
2Q '05	2%	6%
3Q '05	1%	9%
4Q '05	1%	19%
1Q '06	7%	19%
2Q '06	19%	20%
3Q '06	19%	19%
4Q '06	19%	12%
Yearly		
2002	5%	5%
2003	6%	5%
2004	5%	11%
2005	1%	19%
2006	19%	12%

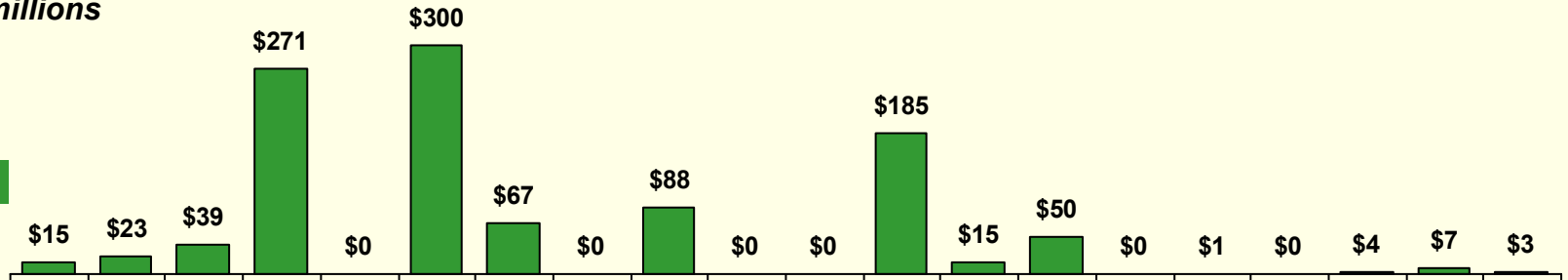
Venture Investment in Other Illinois Companies – Percent of Total Illinois Venture Investment (Four Quarter Moving Average)

	Consumer Related	Industrial/ Energy	Transportation	Financial Services	Business Services	Manufacturing
Four Quarter Moving Average						
4Q '02	6%	2%	4%	1%	3%	0%
1Q '03	8%	4%	0%	2%	3%	1%
2Q '03	8%	8%	0%	3%	2%	1%
3Q '03	2%	8%	0%	2%	13%	1%
4Q '03	5%	4%	0%	34%	8%	0%
1Q '04	6%	4%	0%	40%	8%	0%
2Q '04	6%	2%	0%	45%	7%	0%
3Q '04	5%	2%	0%	43%	0%	0%
4Q '04	1%	2%	0%	10%	0%	0%
1Q '05	5%	0%	0%	9%	1%	0%
2Q '05	5%	0%	0%	1%	2%	0%
3Q '05	5%	0%	0%	1%	3%	0%
4Q '05	5%	0%	0%	1%	4%	0%
1Q '06	17%	0%	0%	0%	8%	0%
2Q '06	14%	0%	0%	0%	12%	0%
3Q '06	15%	0%	0%	0%	13%	0%
4Q '06	22%	1%	0%	0%	12%	0%
Yearly						
2002	6%	2%	4%	1%	3%	0%
2003	5%	4%	0%	34%	8%	0%
2004	1%	2%	0%	10%	0%	0%
2005	5%	0%	0%	1%	4%	0%
2006	22%	1%	0%	0%	12%	0%

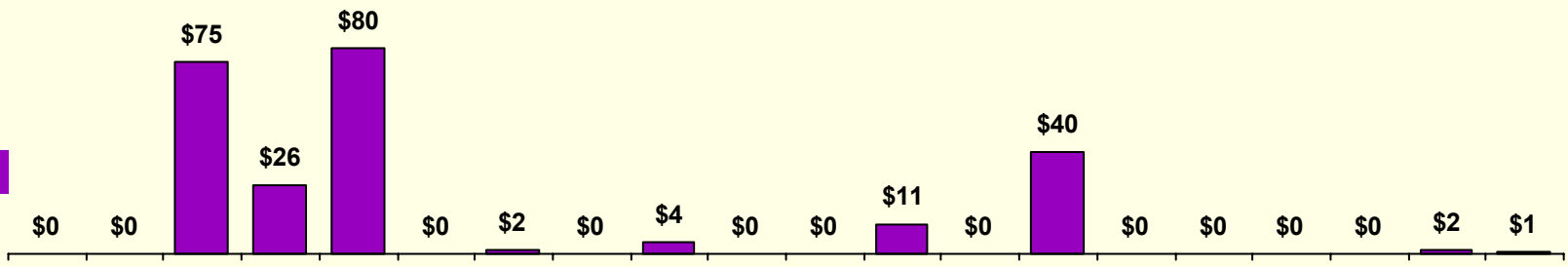
Buyout Related Capital Invested in Illinois Companies by Industry

\$ in millions

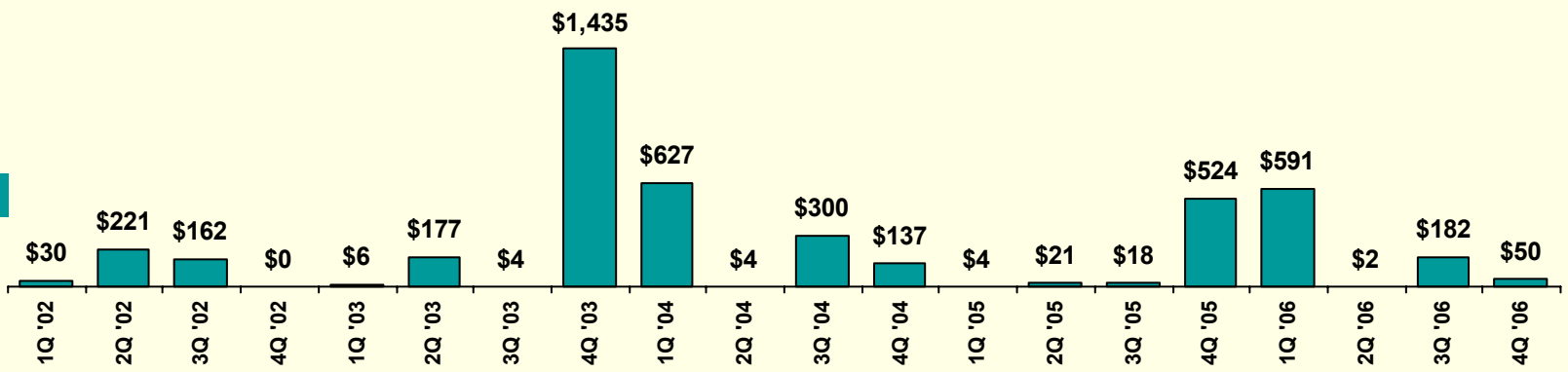
IT



Healthcare



Other



Buyout Related Investment in Illinois Companies by Industry

\$ in millions

	Number of Deals			Capital Invested		
	IT	Healthcare	Other	IT	Healthcare	Other
Yearly						
2002	9	3	22	\$348	\$101	\$413
2003	10	3	15	367	82	1,622
2004	8	3	22	273	16	1,069
2005	12	4	29	66	40	567
2006	15	10	38	13	2	826
Last Four Quarters						
1Q '06	3	2	13	\$0	\$0	\$591
2Q '06	5	4	12	4	0	2
3Q '06	5	3	9	7	2	182
4Q '06	2	1	4	3	1	50
Quarterly Average						
2002-2006	3	1	6	\$53	\$12	\$225

Buyout Related Investment in Illinois IT Companies – Percent of Total Illinois Buyout Investment (Four Quarter Moving Average)

	Communications	Computer Hardware	Computer Software	Internet Specific	Semiconductors
Four Quarter Moving Average					
4Q '02	33%	0%	7%	0%	0%
1Q '03	30%	0%	7%	0%	0%
2Q '03	24%	0%	30%	0%	0%
3Q '03	29%	0%	32%	0%	7%
4Q '03	0%	0%	14%	0%	3%
1Q '04	0%	0%	11%	3%	2%
2Q '04	0%	0%	0%	4%	3%
3Q '04	0%	0%	0%	4%	0%
4Q '04	14%	0%	0%	7%	0%
1Q '05	28%	0%	2%	0%	0%
2Q '05	24%	0%	8%	0%	0%
3Q '05	38%	0%	13%	0%	0%
4Q '05	0%	0%	9%	0%	0%
1Q '06	0%	0%	4%	0%	0%
2Q '06	0%	0%	0%	0%	0%
3Q '06	0%	0%	0%	0%	0%
4Q '06	1%	0%	0%	0%	0%
Yearly					
2002	33%	0%	7%	0%	0%
2003	0%	0%	14%	0%	3%
2004	14%	0%	0%	7%	0%
2005	0%	0%	9%	0%	0%
2006	1%	0%	0%	0%	0%

Notes:

There were no Computer Hardware deals during this period

Buyout Related Investment in Illinois Healthcare Companies – Percent of Total Illinois Buyout Investment (Four Quarter Moving Average)

	Biotech	Medical/Health
Four Quarter Moving Average		
4Q '02	0%	12%
1Q '03	0%	20%
2Q '03	0%	16%
3Q '03	0%	12%
4Q '03	0%	4%
1Q '04	0%	0%
2Q '04	0%	0%
3Q '04	0%	0%
4Q '04	0%	1%
1Q '05	0%	2%
2Q '05	0%	7%
3Q '05	0%	11%
4Q '05	0%	6%
1Q '06	0%	3%
2Q '06	0%	0%
3Q '06	0%	0%
4Q '06	0%	0%
Yearly		
2002	0%	12%
2003	0%	4%
2004	0%	1%
2005	0%	6%
2006	0%	0%

Notes:
There were no Biotech deals during this period

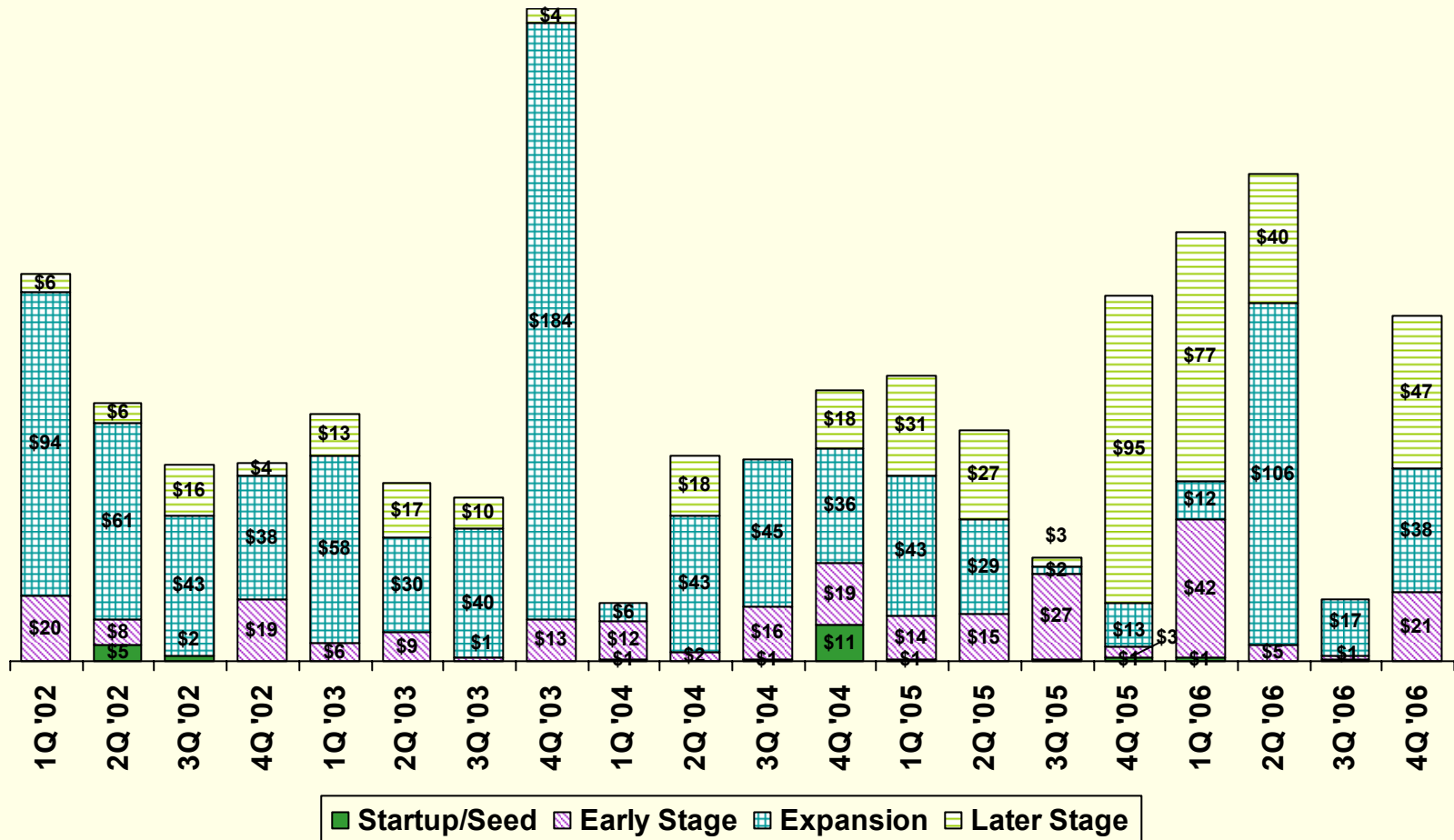
Buyout Related Investment in Other Illinois Companies– Percent of Total Illinois Buyout Investment (Four Quarter Moving Average)

	Consumer Related	Industrial/ Energy	Transportation	Financial Services	Business Services	Manufacturing	Construction	Utilities	Other
Four Quarter Moving Average									
4Q '02	26%	3%	7%	8%	2%	0%	2%	0%	0%
1Q '03	25%	2%	5%	7%	3%	0%	2%	0%	0%
2Q '03	7%	6%	2%	4%	1%	9%	1%	0%	0%
3Q '03	1%	7%	0%	0%	1%	11%	0%	0%	0%
4Q '03	1%	56%	0%	0%	0%	5%	0%	16%	0%
1Q '04	16%	46%	0%	0%	1%	4%	0%	12%	3%
2Q '04	19%	53%	0%	0%	1%	1%	0%	15%	4%
3Q '04	18%	56%	0%	0%	5%	1%	0%	14%	3%
4Q '04	40%	20%	0%	0%	9%	1%	0%	0%	9%
1Q '05	18%	31%	0%	0%	14%	0%	0%	0%	5%
2Q '05	15%	26%	0%	2%	12%	0%	0%	0%	6%
3Q '05	22%	0%	0%	3%	0%	0%	0%	0%	12%
4Q '05	19%	38%	5%	2%	10%	0%	0%	0%	10%
1Q '06	12%	62%	3%	1%	5%	4%	0%	0%	6%
2Q '06	14%	67%	3%	0%	6%	4%	0%	0%	5%
3Q '06	13%	59%	9%	0%	5%	4%	0%	0%	10%
4Q '06	6%	61%	10%	0%	0%	6%	0%	0%	16%
Yearly									
2002	26%	3%	7%	8%	2%	0%	2%	0%	0%
2003	1%	56%	0%	0%	0%	5%	0%	16%	0%
2004	40%	20%	0%	0%	9%	1%	0%	0%	9%
2005	19%	38%	5%	2%	10%	0%	0%	0%	10%
2006	6%	61%	10%	0%	0%	6%	0%	0%	16%

VI. INVESTMENT IN ILLINOIS COMPANIES BY STAGE

Illinois Companies - Venture Capital Invested by Stage

\$ in millions



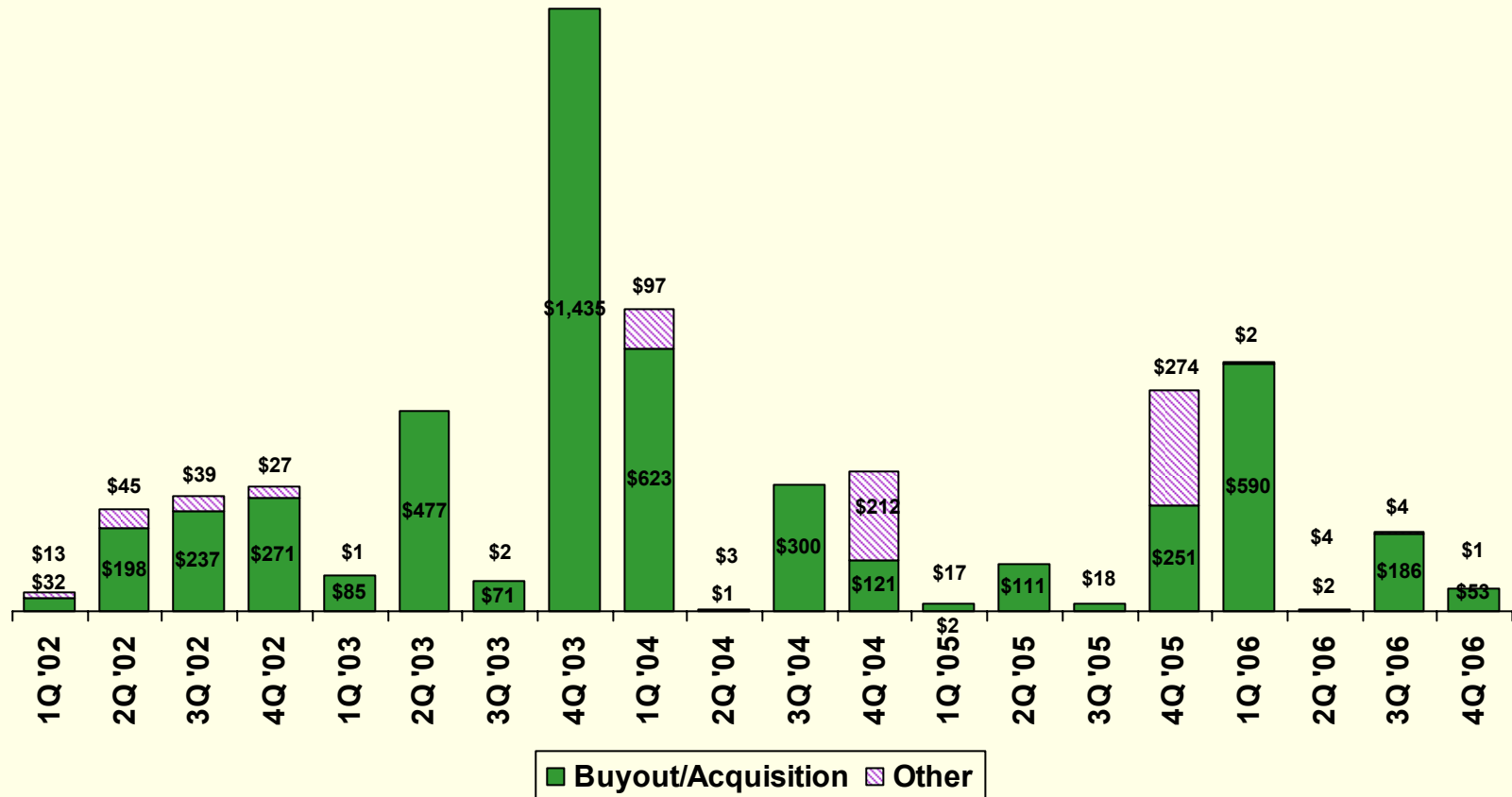
Venture Capital in Illinois, Greater Midwest and Nation by Stage

\$ in millions

	Startup/Seed			Early Stage			Expansion			Later Stage		
	Illinois	Midwest	Nation	Illinois	Midwest	Nation	Illinois	Midwest	Nation	Illinois	Midwest	Nation
Capital Invested												
2002	\$6	\$18	\$297	\$47	\$244	\$3,911	\$236	\$791	\$12,717	\$32	\$266	\$5,368
2003	0	19	338	29	145	3,555	312	632	10,230	43	368	5,859
2004	13	15	408	49	143	4,047	129	523	9,504	36	303	8,654
2005	2	12	796	58	112	3,694	88	459	9,041	156	488	9,914
2006	2	53	1,145	70	239	3,915	174	468	11,567	164	368	9,545
Growth												
2002												
2003	-100%	3%	14%	-39%	-41%	-9%	32%	-20%	-20%	34%	38%	9%
2004	N/A	-23%	21%	72%	-1%	14%	-59%	-17%	-7%	-16%	-18%	48%
2005	-83%	-15%	95%	18%	-21%	-9%	-32%	-12%	-5%	332%	61%	15%
2006	-32%	329%	44%	19%	113%	6%	99%	2%	28%	5%	-25%	-4%
Percent of Total VC												
2002	2%	1%	1%	15%	18%	18%	73%	60%	57%	10%	20%	24%
2003	0%	2%	2%	7%	12%	18%	81%	54%	51%	11%	32%	29%
2004	6%	1%	2%	22%	15%	18%	57%	53%	42%	16%	31%	38%
2005	1%	1%	3%	19%	10%	16%	29%	43%	39%	51%	46%	42%
2006	0%	5%	4%	17%	21%	15%	43%	41%	44%	40%	33%	36%

Illinois Companies - Buyout Related Capital Invested by Stage

\$ in millions



Buyout Related Capital in Illinois, Midwest and Nation by Stage

\$ in millions

	Buyout/Acquisition			Other		
	Illinois	Midwest	Nation	Illinois	Midwest	Nation
Capital Invested						
2002	\$739	\$4,886	\$20,374	\$124	\$465	\$2,597
2003	2,068	13,094	39,620	2	37	2,271
2004	1,046	2,046	28,132	312	411	2,305
2005	397	3,056	23,766	276	332	3,907
2006	831	3,059	23,901	10	119	4,023
Growth						
2002						
2003	180%	168%	94%	-98%	-92%	-13%
2004	N/A	-84%	-29%	13871%	1009%	1%
2005	-62%	49%	-16%	-11%	-19%	69%
2006	109%	0%	1%	-96%	-64%	3%
Percent of Total Buyout Related Capital						
2002	86%	91%	89%	14%	9%	11%
2003	100%	100%	95%	0%	0%	5%
2004	77%	83%	92%	23%	17%	8%
2005	59%	90%	86%	41%	10%	14%
2006	99%	96%	86%	1%	4%	14%

VII. ILLINOIS PRIVATE EQUITY FUNDS INVESTMENT ACTIVITY

Geographic Sources of Funding for Illinois Companies in 4Q 2006

\$ in millions

By State of Funding Source

VENTURE CAPITAL					
Rank	State	Investment		Number of Deals	
1	Undisclosed*	\$37.1	34%	5	14%
2	California	20.9	19%	7	20%
3	Massachusetts	15.9	14%	5	14%
4	Connecticut	12.1	11%	9	26%
5	Illinois	10.2	9%	1	3%
	<u>Other</u>	<u>14.1</u>	<u>13%</u>	<u>9</u>	<u>23%</u>
	Total	\$110.3	100%	37	100%

BUYOUT RELATED INVESTMENTS					
Rank	State	Investment		Number of Deals	
1	Illinois**	\$50.4	82%	2	20%
2	Maryland	4.5	7%	3	30%
3	Ohio	4.5	7%	1	10%
4	Undisclosed	1.8	3%	1	10%
5	California	0	0%	1	10%
	<u>Other</u>	<u>0.0</u>	<u>0%</u>	<u>2</u>	<u>20%</u>
	Total	\$61.1	100%	10	100%

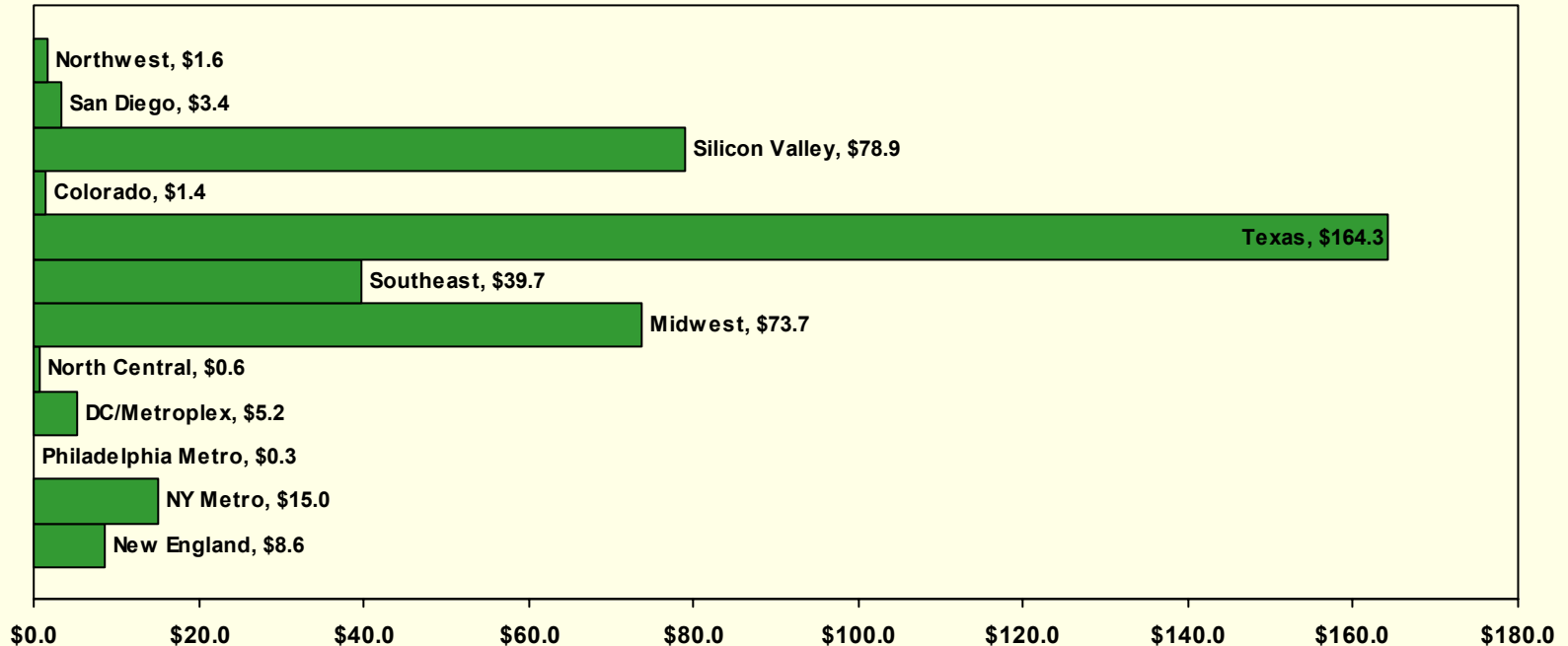
Notes:

*Funding contributed by undisclosed sources with unknown location

**\$50 mm undisclosed deal by Sterling Partners is credited to Illinois instead of Maryland

Geographic Breakdown of Capital Invested by Illinois Funds in 4Q 2006 (United States only)

\$ in millions



Colorado: The State of Colorado

DC/Metroplex: Washington, D.C., Virginia, West Virginia, and Maryland

Midwest: Illinois, Missouri, Indiana, Kentucky, Ohio, Michigan, and western Pennsylvania

New England: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and part of Connecticut (excluding Fairfield county)

New York Metro: Metropolitan NY area, northern New Jersey, and Fairfield County, Connecticut

North Central: Minnesota, Iowa, Wisconsin, North Dakota, South Dakota, and Nebraska

Northwest: Washington, Oregon, Idaho, Montana, and Wyoming

Philadelphia Metro: Eastern Pennsylvania, southern New Jersey, and Delaware

San Diego: San Diego area

Silicon Valley: Northern California, bay area and coastline

South Central: Kansas, Oklahoma, Arkansas, and Louisiana

Southeast: Alabama, Florida, Georgia, Mississippi, Tennessee, South Carolina, and North Carolina

Texas: the state of Texas



ILLINOIS VENTURE CAPITAL ASSOCIATION

Serving The Private Equity Community

Historical Geographic Breakdown of Capital Invested by Illinois Funds (United States only)

\$ in millions

	Capital Invested											
	2002		2003		2004		2005		2006		2002-2006	
New England	\$75.2	3%	\$189.6	11%	\$214.2	11%	\$104.4	6%	\$255.9	10%	\$839.4	8%
Upstate NY	4.0	0%	10.9	1%	17.9	1%	27.3	2%	3.8	0%	64.0	1%
NY Metro	338.7	13%	170.9	10%	354.7	18%	97.3	6%	182.1	7%	1,143.6	11%
Philadelphia Metro	13.3	1%	53.1	3%	44.6	2%	98.4	6%	39.7	2%	249.1	2%
DC/Metroplex	125.2	5%	43.0	2%	128.8	6%	49.2	3%	180.7	7%	526.9	5%
North Central	302.4	12%	102.9	6%	79.4	4%	68.4	4%	25.6	1%	578.7	5%
Midwest	328.5	13%	198.4	11%	112.0	6%	309.4	18%	402.7	17%	1,350.9	13%
Southeast	878.5	34%	88.7	5%	61.8	3%	178.7	10%	350.9	14%	1,558.7	15%
South Central	2.0	0%	345.5	19%	0.4	0%	0.0	0%	14.4	1%	362.3	3%
Texas	27.8	1%	60.1	3%	184.9	9%	395.3	23%	218.4	9%	886.5	8%
SouthWest	10.5	0%	0.0	0%	71.5	4%	0.2	0%	50.0	2%	132.2	1%
Colorado	55.5	2%	17.0	1%	15.4	1%	40.1	2%	59.3	2%	187.2	2%
Silicon Valley	308.2	12%	97.4	5%	221.0	11%	220.5	13%	403.5	17%	1,250.6	12%
Sacramento/N California	0.7	0%	0.0	0%	0.0	0%	0.0	0%	0.0	0%	0.7	0%
San Diego	31.6	1%	14.8	1%	26.0	1%	18.1	1%	18.1	1%	108.5	1%
LA/Orange County	71.2	3%	58.6	3%	135.0	7%	41.8	2%	41.2	2%	347.7	3%
Northwest	23.9	1%	330.3	19%	333.4	17%	69.5	4%	194.1	8%	951.2	9%
AK/HI/PR	0.0	0%	0.0	0%	0.0	0%	0.0	0%	0.0	0%	0.0	0%
Other US	0.0	0%	0.0	0%	0.0	0%	0.0	0%	0.0	0%	0.0	0%
Total	\$2,597.2	100%	\$1,781.1	100%	\$2,001.0	100%	\$1,718.6	100%	\$2,440.4	100%	\$10,538.1	100%

Notes:

See previous slide for geographic area definitions

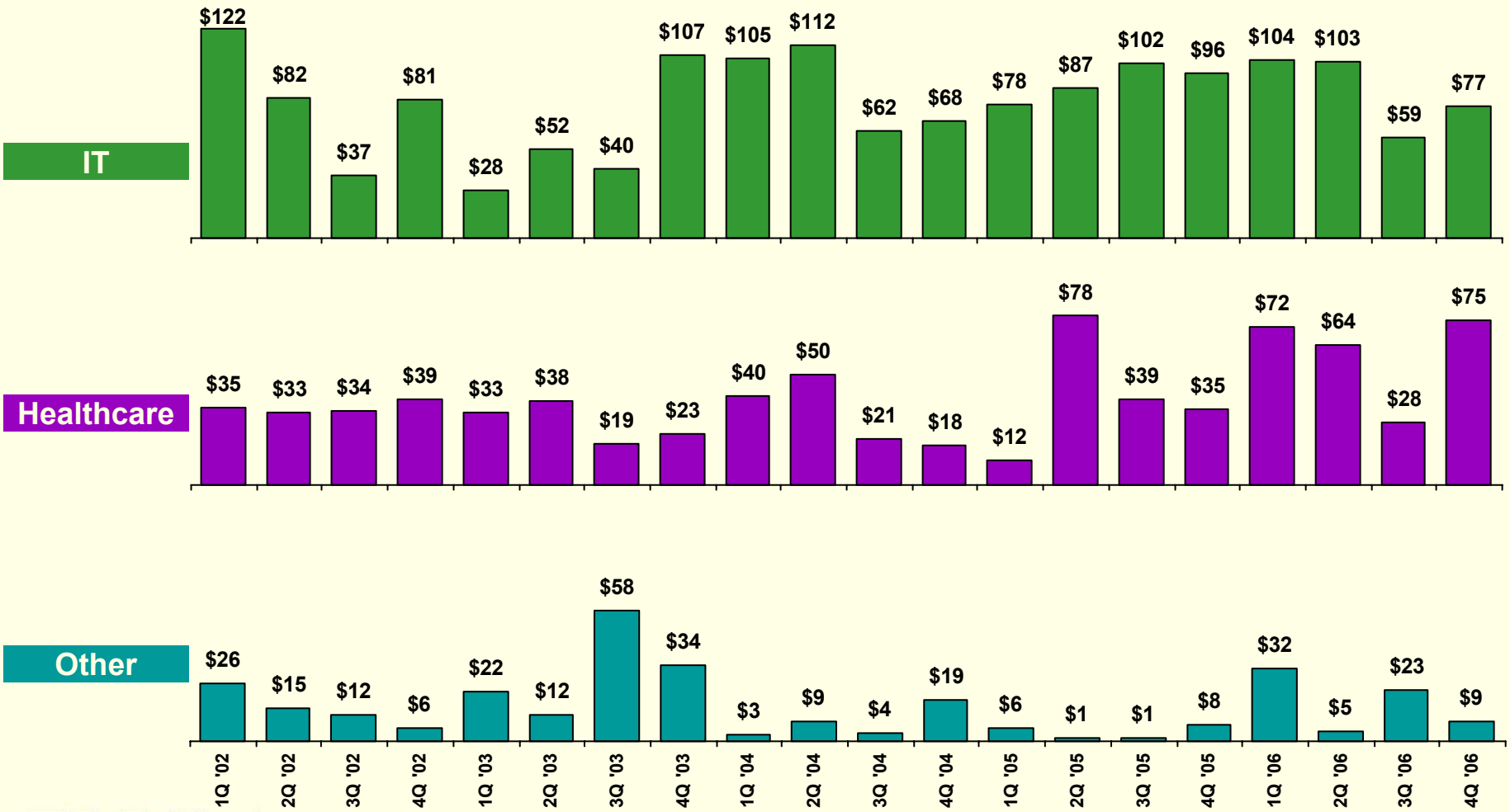
Percent of Illinois Deals Funded by Illinois Funds

\$ in millions

	No of Deals	Percent of Total IL Deals	Capital Invested	Percent of Total IL Capital Invested
Yearly				
2002	50	40%	\$289	21%
2003	37	39%	152	5%
2004	32	37%	35	2%
2005	46	41%	193	18%
2006	46	37%	322	23%
Last Four Quarters				
1Q '06	13	35%	\$90	11%
2Q '06	15	38%	124	50%
3Q '06	12	48%	98	47%
4Q '06	6	29%	10	7%
Quarterly Average				
2002-2006	11	39%	\$50	20%

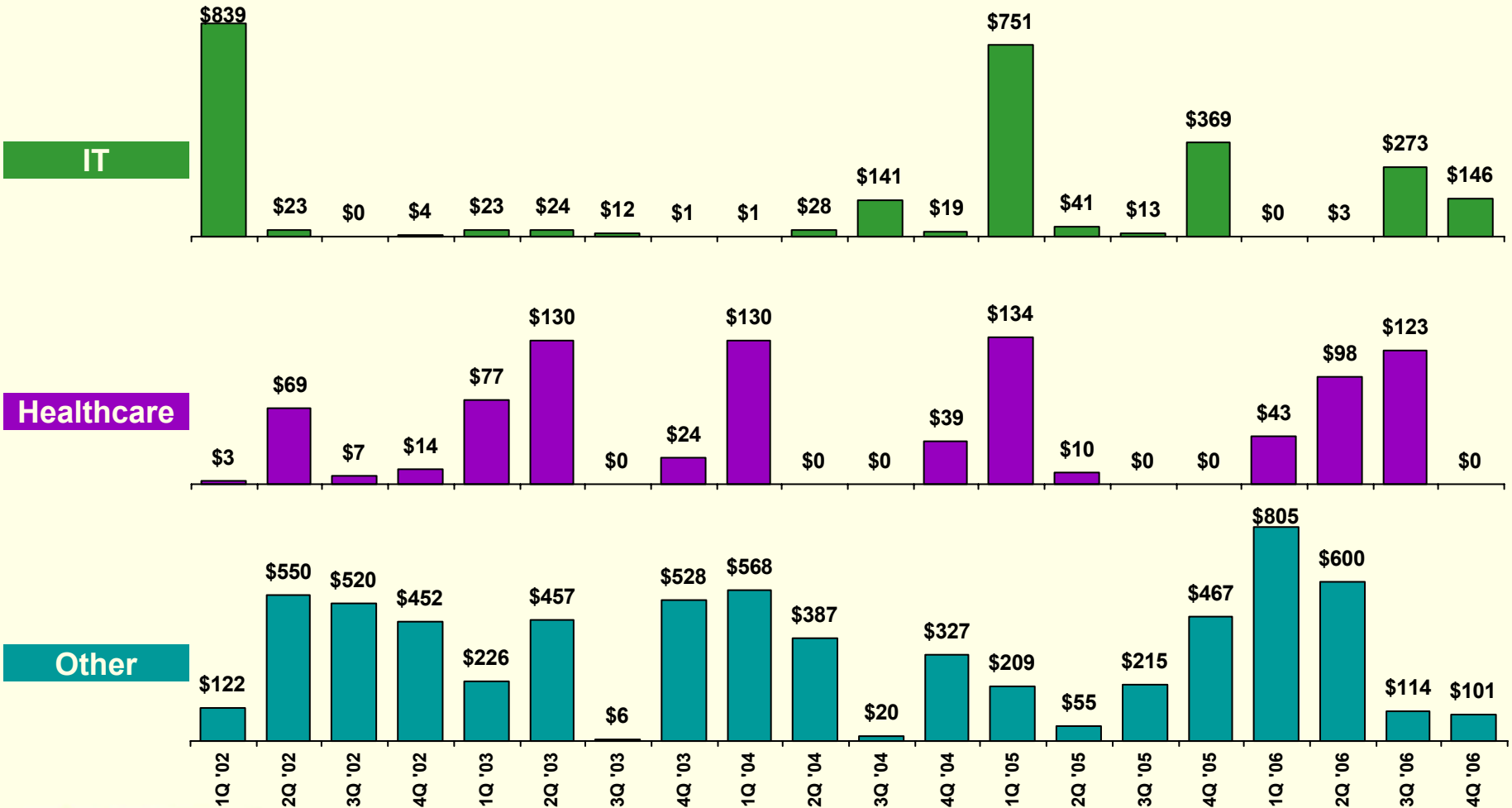
Illinois Funds – Venture Capital Investment by Industry (Includes Non-US Territories)

\$ in millions



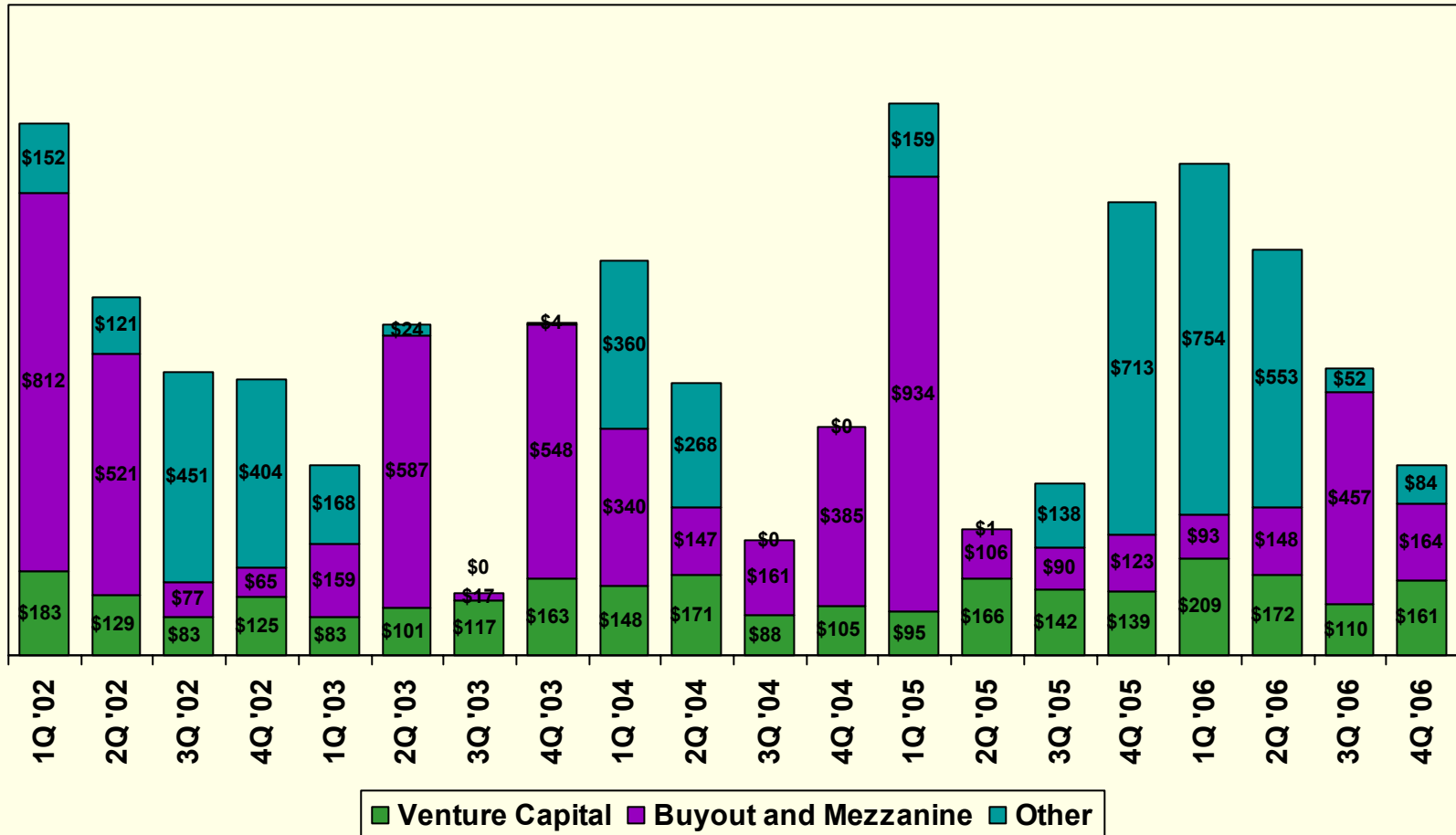
Illinois Funds – Buyout Related Investment by Industry (Includes Non-US Territories)

\$ in millions



Illinois Funds – Investments by Stage (Includes Non-US Territories)

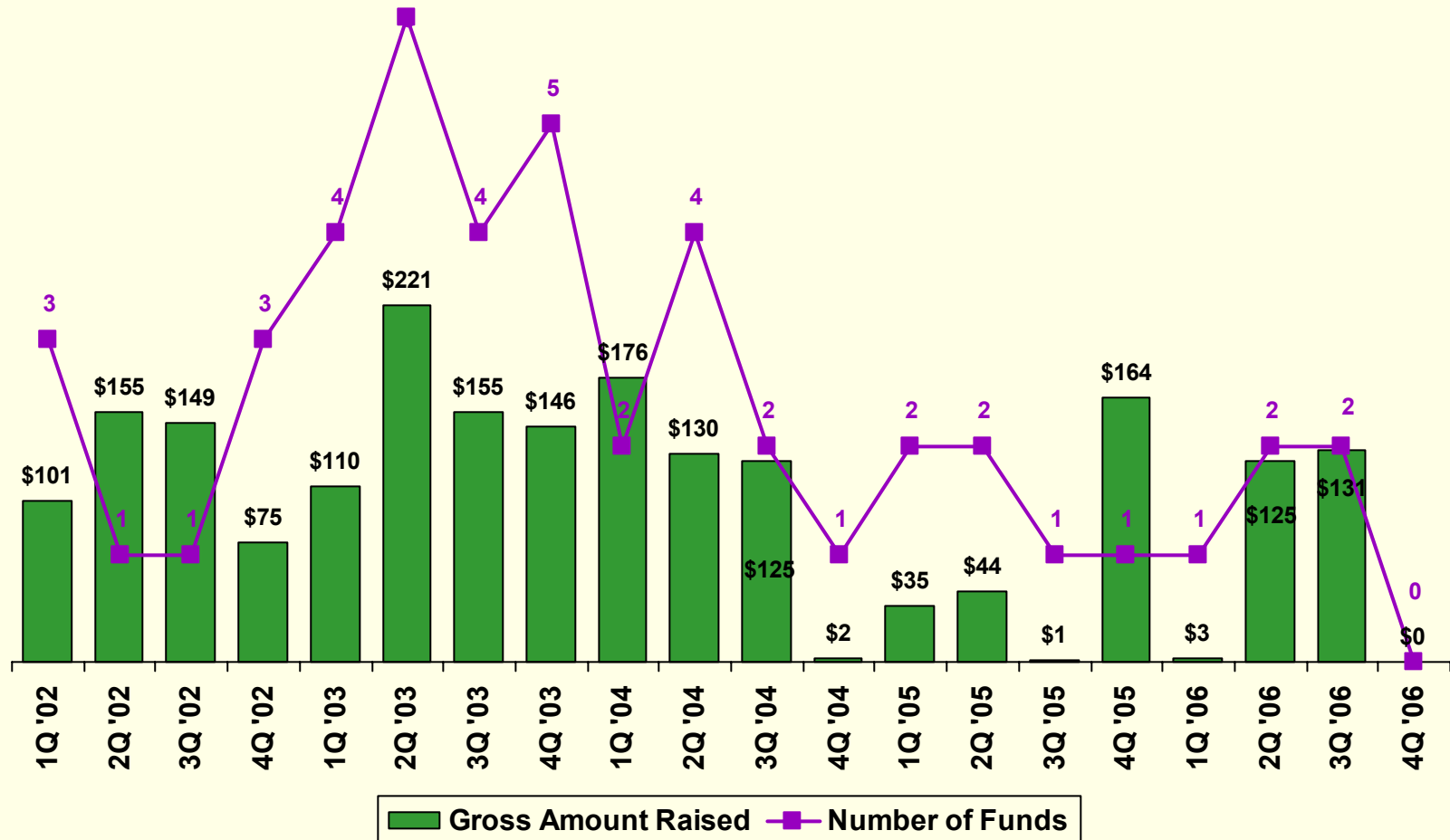
\$ in millions



VIII. ILLINOIS PRIVATE EQUITY FUNDS - FUNDRAISING

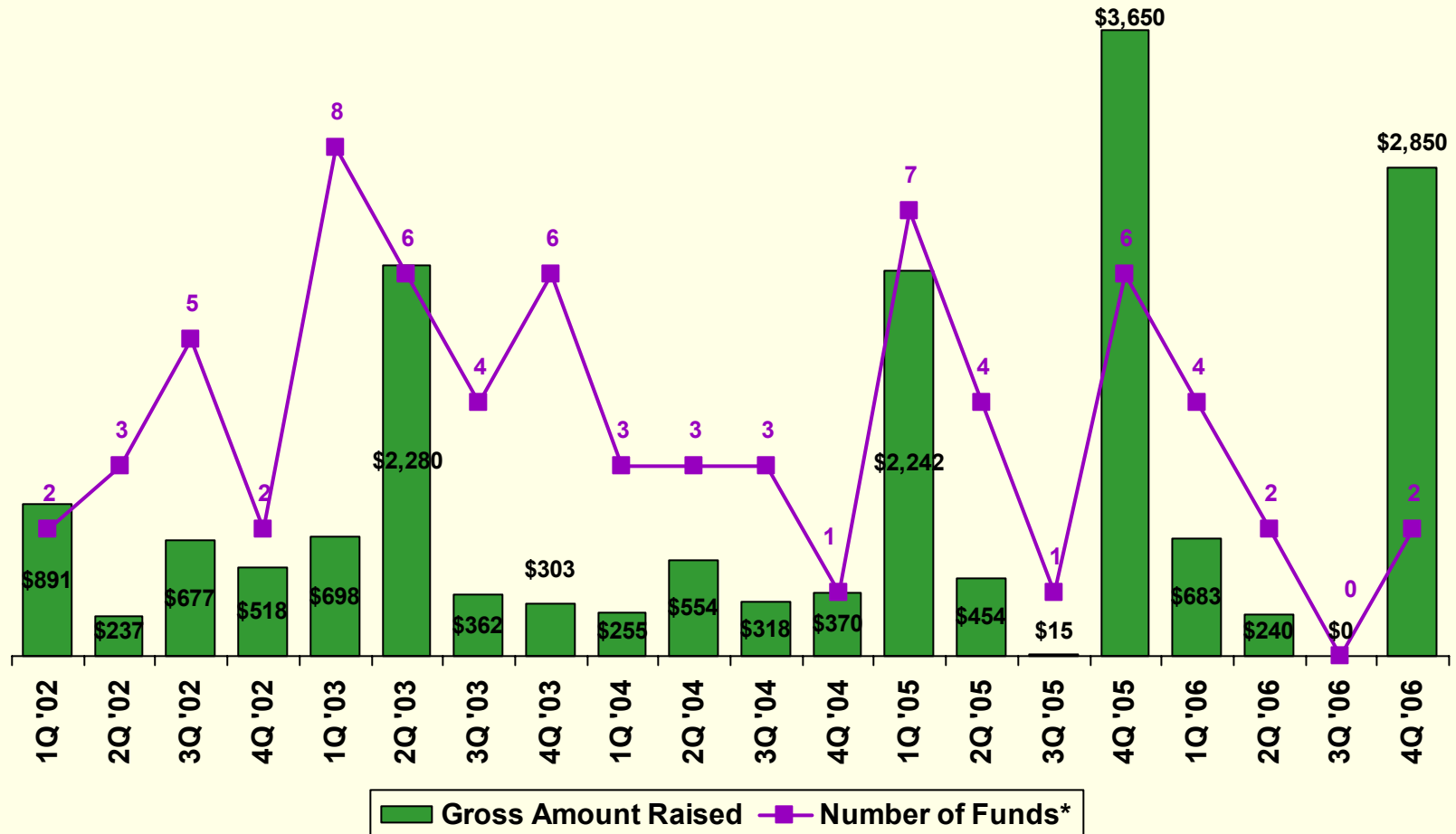
Commitments - Illinois Venture Capital Funds

\$ in millions



Commitments – Illinois Buyout and Mezzanine Funds

\$ in millions



Illinois Fundraising Compared to Greater Midwest and Nation (Gross Period Amount Raised)

\$ in millions

	Venture Capital Funds						Buyout Funds					
	Illinois	Growth	Greater Midwest	Growth	Nation	Growth	Illinois	Growth	Greater Midwest	Growth	Nation	Growth
Yearly												
2002	\$478		\$885		\$9,196		\$2,322		\$2,969		\$47,728	
2003	631	32%	813	-8%	11,607	26%	3,644	57%	4,514	52%	45,455	-5%
2004	432	-31%	889	9%	19,164	65%	1,496	-59%	3,535	-22%	69,873	54%
2005	245	-43%	1,116	26%	27,876	45%	6,361	325%	9,455	167%	138,244	98%
2006	259	6%	949	-15%	29,850	7%	3,773	-41%	5,019	-47%	156,495	13%
Last Four Quarters*												
1Q '06	\$3	-92%	\$71	-12%	\$6,517	25%	\$683	-70%	\$1,025	-59%	\$31,372	76%
2Q '06	125	183%	219	-70%	13,903	75%	240	-47%	770	-41%	46,576	41%
3Q '06	131	13030%	547	671%	5,474	-2%	0	-100%	0	-100%	25,750	-37%
4Q '06	0	-100%	112	-53%	3,957	-57%	2,850	-22%	3,224	-12%	52,798	14%

Notes:

*Quarterly growth shown is on the same quarter of prior year

For questions about this presentation, please contact:

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