

Illinois Venture Capital Association Quarterly Private Equity Monitor

Q2 2009



Section I: Taxonomy

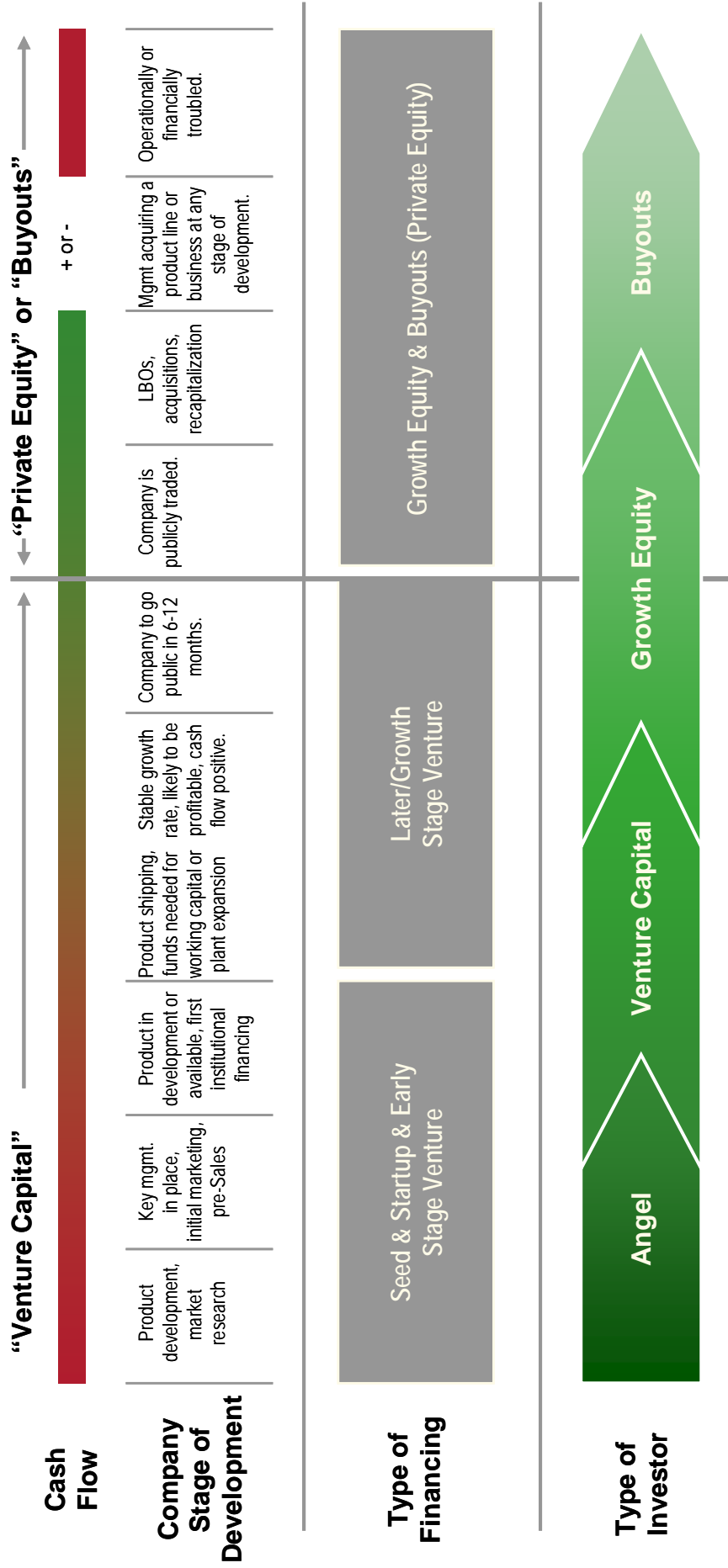
Section II: Venture Capital Investment Statistics

Section III: Buyout Related Capital Investment Statistics

Section IV: Venture and Buyout Related Capital Investment Statistics

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 - Q2 '09	24,825	\$236,764.4	436	\$2,895.2
Qtr Avg	1,128	\$10,762.0	20	\$131.6
Quarterly				
2Q '08	1,446	\$27,010.7	20	\$138.1
3Q '08	1,371	\$12,718.6	30	\$208.8
4Q '08	1,216	\$12,031.2	23	\$134.6
1Q '09	876	\$5,853.8	12	\$40.9
2Q '09	915	\$9,790.0	13	\$62.5
Yearly				
2004	3,807	\$32,023.4	63	\$481.3
2005	3,948	\$33,881.8	73	\$495.5
2006	4,618	\$38,786.5	77	\$442.9
2007	5,266	\$53,328.5	107	\$803.5
2008	5,395	\$63,100.4	91	\$568.7
2009 YTD	1,791	\$15,643.9	25	\$103.4

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 – Q2 '09			
Venture Capital Investments			
Rank	Fund Location	Number of Companies	Investments (USD Mil)
1	California	333	\$2,135.7
2	Florida	15	\$1,575.1
3	Massachusetts	107	\$1,211.6
4	Ohio	15	\$581.2
5	Texas	39	\$355.1
6	New York	61	\$345.9
7	Colorado	23	\$220.4
8	New Jersey	29	\$188.0
9	Virginia	23	\$167.8
10	Pennsylvania	47	\$136.2
18	Illinois	13	\$62.5

Table 2b

State Rankings – YTD 2009			
Venture Capital Investments			
Rank	Fund Location	Number of Companies	Investments (USD Mil)
1	California	655	\$4,933.0
2	Massachusetts	190	\$1,757.9
3	Florida	28	\$1,644.7
4	New York	118	\$626.7
5	Texas	77	\$616.6
6	Ohio	25	\$606.9
7	Colorado	46	\$329.7
8	New Jersey	60	\$321.5
9	Washington	75	\$256.3
10	Pennsylvania	77	\$212.4
18	Illinois	23	\$103.4

Table 3a

Geographic Sources of Funding For Illinois Companies Q2 '09					
Venture Capital					
Rank	Fund Location	Number of Companies	Amount Invested (USD Mil)	% of Total Investment	% of All Companies
1	Undisclosed	1	\$35.1	56%	8%
2	California	5	\$12.0	19%	42%
3	Massachusetts	2	\$10.9	17%	17%
4	Illinois	3	\$3.1	5%	25%
5	Minnesota	1	\$1.4	2%	8%
	TOTAL	12	\$62.5	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	3	\$45.3	43.8%	9.7%
2	California	7	\$14.1	13.6%	22.6%
3	Massachusetts	3	\$11.9	11.5%	9.7%
4	Virginia	1	\$9.0	8.7%	3.2%
5	Illinois	5	\$4.9	4.7%	16.1%
6	Kentucky	1	\$4.8	4.6%	3.2%
7	Washington	1	\$3.0	2.9%	3.2%
8	Connecticut	2	\$2.3	2.2%	6.5%
9	Minnesota	1	\$1.9	1.8%	3.2%
10	Non-US	3	\$1.8	1.7%	9.7%
11	Florida	1	\$1.5	1.5%	3.2%
12	New York	1	\$1.4	1.4%	3.2%
13	New Jersey	1	\$1.4	1.4%	3.2%
14	New South Wales,(AU)	1	\$0.1	0.1%	3.2%
	TOTAL	31	\$103.4	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

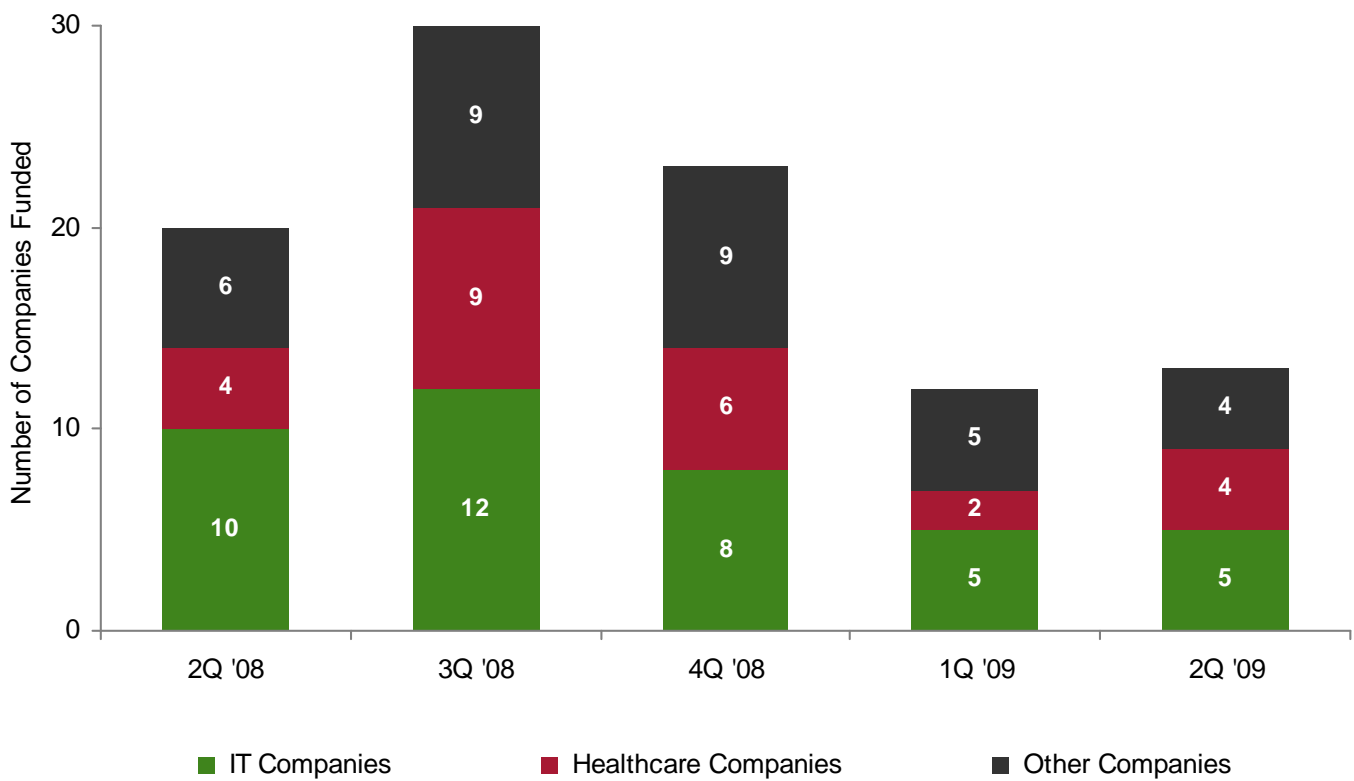
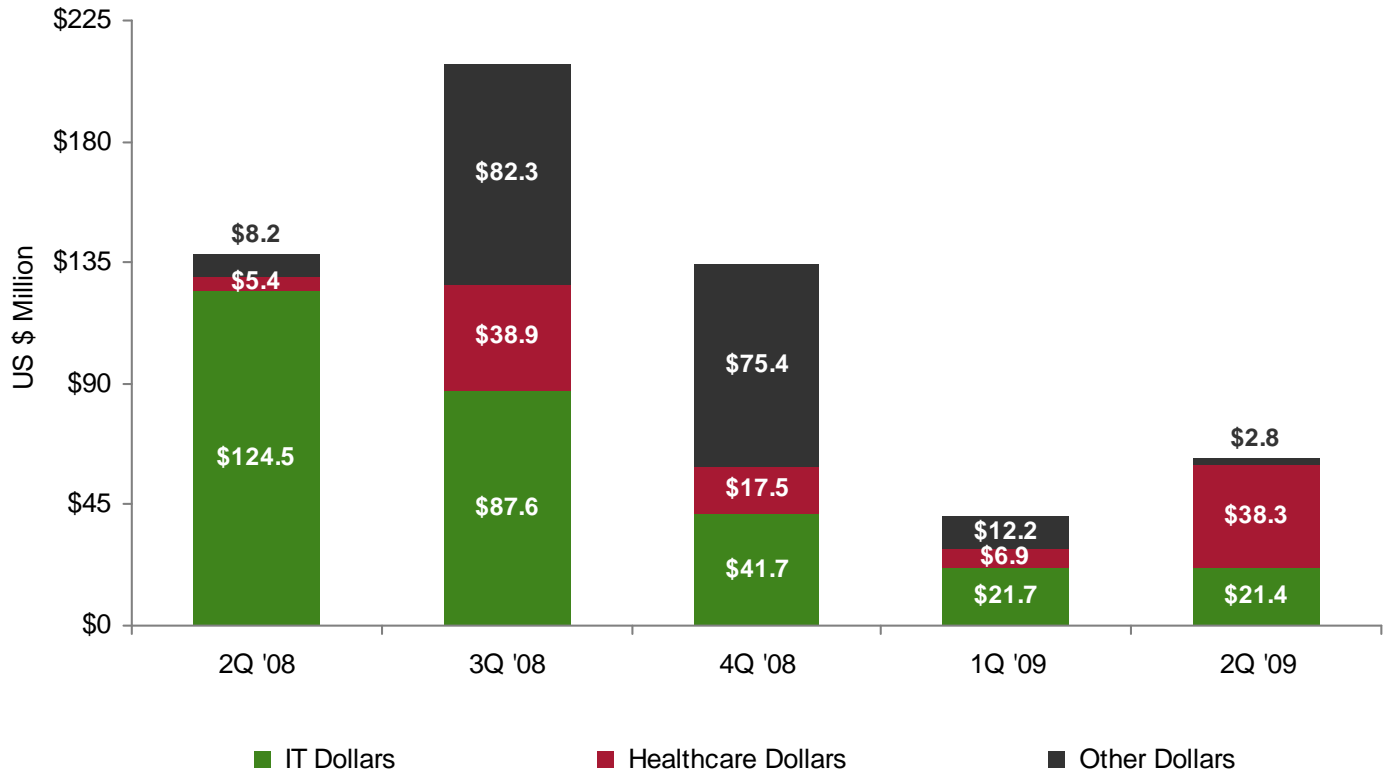
Table 4a

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 - Q2 '09	204	\$1,250.1	99	\$617.7	133	\$1,027.4
Qtr Avg	9	\$56.8	5	\$29.4	6	\$46.7
Quarterly						
2Q '08	10	\$124.5	4	\$5.4	6	\$8.2
3Q '08	12	\$87.6	9	\$38.9	9	\$82.3
4Q '08	8	\$41.7	6	\$17.5	9	\$75.4
1Q '09	5	\$21.7	2	\$6.9	5	\$12.2
2Q '09	5	\$21.4	4	\$38.3	4	\$2.8
Yearly						
2004	36	\$244.8	16	\$45.9	11	\$190.5
2005	46	\$266.3	12	\$66.9	15	\$162.3
2006	36	\$141.6	19	\$142.9	22	\$158.4
2007	39	\$266.4	25	\$254.1	43	\$282.9
2008	37	\$287.8	21	\$62.6	33	\$218.3
2009 YTD	10	\$43.1	6	\$45.2	9	\$15.1

*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



Section II: Venture Capital Investment Statistics

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 - Q2 '09	16	139	\$115.5	\$614.4
Quarterly				
2Q '08	1	16	\$14.8	\$97.9
3Q '08	–	6	–	\$46.2
4Q '08	2	6	\$46.3	\$41.3
1Q '09	1	4	–	\$66.8
2Q '09	–	–	–	–
Yearly				
2004	1	15	\$4.0	\$36.0
2005	3	8	\$2.0	\$10.1
2006	4	41	\$21.0	\$179.7
2007	3	30	7.85	\$66.3
2008	4	41	\$80.6	\$255.4
2009 YTD	1	4	–	\$66.8

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-Reuter Venture Expert 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.

Section II: Venture Capital Investment Statistics

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.	\$66.8	Apex Venture Partners, NGEN Partners LLC (FKA: NextGen Partners LLC), New Enterprise Associates, Undisclosed Firm
TOTAL	\$66.8	0

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 – Q2 '09			
	Company Name	Firm Name	Sum Inv. (USD Mil)
1	4CS, Inc.	–	–
2	Accertify, Inc.	–	\$2.4
3	Actient Pharmaceuticals, LLC	GTCR Golder Rauner, LLC	\$200.0
4	Advanced System Designs, Inc.	–	\$0.8
5	Arroweye Solutions, inc.	Adams Street Partners, LLC; Baird Venture Partners	\$27.5
6	AztecAmerica Bancorp, Inc.	–	\$1.5
7	Bridge to Life, Ltd.	SC Launch	\$0.2
8	Butler Point, Inc.	United States Department of The Treasury	\$0.6
9	CB Holding Corp.	United States Department of The Treasury	\$4.1
10	CoolEdge Lighting	ARCH Venture Partners	\$0.5
11	Fashion Latte, Inc.	–	\$0.0
12	First State Bancorporation, Inc.	–	\$0.8
13	Freeport Bancshares, Inc. (Freeport, IL)	United States Department of The Treasury	\$3.0
14	Goss International Corporation	Shanghai Electric (Group) Corp.	–
15	GrubHub, Inc.	Amicus Capital; Origin Ventures; Leo Capital Holdings, LLC	\$2.0
16	Gryphon Senior Living, LLC	–	\$0.9
17	Harris Preferred Capital Corp.	Harris Capital Holdings Inc.	\$80.0
18	Hitachi Metals Automotive Components USA, LLC	Ben Franklin Technology Partners of Northeastern Pennsylvania, Investment Arm	\$0.0
19	HPK Financial Corporation	United States Department of The Treasury	\$4.0
20	iCyt Mission Technology, Inc.	–	\$1.0
21	Illinois Sports Medicine and Orthopedic Surgery Center LLC	–	\$0.2
22	Illinois State Bancorp, Inc.	United States Department of The Treasury	\$6.3
23	InStadium, Inc.	–	\$7.5
24	Invenergy Wind LLC	Leaf Clean Energy Company (AIM:LEAF)	\$30.0
25	ISB Bancshares, Inc.	–	\$1.0
26	Manhattan Bancshares, Inc.	United States Department of The Treasury	\$2.6
27	Manifest Digital, Inc.	BIA Digital Partners LP	\$9.0

Section II: Venture Capital Investment Statistics

Table 5 (part 2 of 2)

Venture Capital Investments by Illinois Firms in Illinois Companies – Q2 '09			
	Company Name	Firm Name	Sum Inv. (USD Mil)
28	Market Street Bancshares, Inc.	United States Department of The Treasury	\$20.3
29	Merchants and Manufacturers Bank Corporation	United States Department of The Treasury	\$3.5
30	Metropolitan Bank Group, Inc.	United States Department of The Treasury	\$71.5
31	Metropolitan Capital Bancorp, Inc.	United States Department of The Treasury	\$2.0
32	Midland States Bancorp, Inc.	–	\$28.8
33	Myers Motors, LLC	JumpStart Inc.	\$0.3
34	NC Bancorp, Inc.	United States Department of The Treasury	\$6.9
35	Newser, LLC	–	\$2.5
36	Open Kernel Labs, Inc.	Chrysalis Ventures, Inc.; Citrix Systems, Inc. (NasdaqGS:CTXS); Neo Technology Ventures	\$6.6
37	OptionVue Systems International, Inc.	–	\$0.3
38	PGB Holdings, Inc.	United States Department of The Treasury	\$3.0
39	Phoebe's Cupcakes, L.L.C.	Ascent Equity Capital	\$1.5
40	Prime Banc Corporation	–	\$10.0
41	Simage LLC	Horizon Investment Partners	\$1.4
42	Sittercity, Inc.	Apex Venture Partners; Point Judith Capital	\$7.5
43	Sorbent Therapeutics, Inc.	ARCH Venture Partners, CMEA Capital (FKA: CMEA Ventures), Sofinnova Ventures	–
44	Southern Illinois Bancorp, Inc.	United States Department of The Treasury	\$5.0
45	Standard Bancshares, Inc.	United States Department of The Treasury	\$60.0
46	Suburban Illinois Bankcorp, Inc.	United States Department of The Treasury	\$15.0
47	SV Financial, Inc.	United States Department of The Treasury	\$4.0
48	tvCompass, Inc.	–	\$6.5
49	Tzee, Inc.	–	\$0.5
50	UICO, LLC	Hyde Park Angels	-
51	Undisclosed Company	Hopewell Ventures	\$0.5
52	Undisclosed Company	Hopewell Ventures	\$0.4
53	Undisclosed Company	Hopewell Ventures	\$0.3
54	Universal Building Products, Inc.	–	\$23.8

Note: Unlike the rest of the data in the Monitor, this table and table 9 are derived from two sources, Thomson Reuters Financial and Capital IQ. The IVCA Monitor accepts the categories (venture or buyout) provided by Thomson & 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 - Q2' 09	9,981	\$239,556.3	348	\$4,546.1
Qtr Avg	454	\$10,888.9	16	\$206.6
Quarterly				
2Q '08	595	\$12,607.9	21	\$161.4
3Q '08	593	\$17,528.8	15	\$479.4
4Q '08	452	\$6,474.8	13	\$72.9
1Q '09	321	\$4,266.5	13	\$14.1
2Q '09	336	\$8,214.3	8	\$42.9
Yearly				
2004	1,177	\$33,720.0	35	\$1,193.3
2005	1,416	\$32,775.3	43	\$710.3
2006	1,823	\$47,726.5	75	\$904.2
2007	2,604	\$65,217.9	99	\$855.5
2008	2,304	\$47,635.7	75	\$825.9
2009 YTD	657	\$12,480.7	21	\$56.9

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 – Q2 '09			
Buyout Related Investments			
Rank	Fund Location	Number of Companies	Investments (USD Mil)
1	Florida	14	\$1,906.8
2	California	92	\$1,169.6
3	Massachusetts	14	\$703.0
4	Texas	26	\$631.3
5	Ohio	9	\$564.9
6	New York	21	\$395.5
7	Oregon	1	\$150.0
8	New Jersey	13	\$82.4
9	Georgia	9	\$77.0
10	Pennsylvania	19	\$69.3
13	Illinois	8	\$42.8

Table 7b

State Rankings – YTD 2009			
Buyout Related Investments			
Rank	Fund Location	Number of Companies	Investments (USD Mil)
1	California	181	\$3,483.6
2	Florida	27	\$1,965.8
3	Massachusetts	35	\$1,000.8
4	Texas	47	\$814.4
5	Ohio	17	\$571.8
6	New York	41	\$548.9
7	Georgia	25	\$277.9
8	New Jersey	28	\$209.6
9	Washington	11	\$181.5
10	Oregon	3	\$154.4
19	Illinois	21	\$53.4

Table 8a

Geographic Sources of Funding For Illinois Companies Q2 '09					
Buyout Related Capital					
Rank	Fund Location	Number of Companies	Amount Invested (USD Mil)	% of Total Investment	% of All Companies
1	Illinois	4	\$42.8	100%	50%
2	Colorado	1	–	–	13%
3	New York	1	–	–	13%
4	Missouri	1	–	–	13%
5	California	1	–	–	13%
	TOTAL	8	\$42.8	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 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	\$42.8	80.3%	27.3%
2	Virginia	1	\$9.0	16.9%	4.5%
3	Florida	2	\$1.5	2.8%	9.1%
4	Massachusetts	1	–	–	4.5%
5	Non-US	1	–	–	4.5%
6	Missouri	1	–	–	4.5%
7	New York	2	–	–	9.1%
8	Ontario, (CA)	1	–	–	4.5%
9	Texas	1	–	–	4.5%
10	Undisclosed	1	–	–	4.5%
11	D. of Columbia	1	–	–	4.5%
12	Colorado	1	–	–	4.5%
13	California	2	–	–	9.1%
14	Maryland	1	–	–	4.5%
	TOTAL	22	\$53.3	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).

Section III: Buyout Related Capital Investment Statistics

Table 9

Buyout Capital Investments by Illinois Firms in Illinois Companies – YTD '09			Sum Inv. (USD Mil)
	Company Name	Firm Name	
1	Acesso Software, Inc.	Thoma Bravo LLC, Undisclosed Venture Firm	–
2	Alco Energy Corp. (OTCBB:ACOE)	–	–
3	Avalign Technologies, Inc.	RoundTable Health Care Partners	\$31.4
4	Block Shield Corp., EMC Products Division	–	–
5	Central Illinois Arena Management, LLC	–	–
6	Click Commerce, Inc.	Marlin Equity Partners, LLC	–
7	CoAMS, Inc.	NSI Marketing Services	–
8	DRX Pharmaceutical Consultants, Inc.	Dispensing Solutions, Inc.	–
9	EN Engineering L.L.C.	Clearview Capital, LLC	\$35.0
10	FCA Manufacturing Co.	Ancor Capital Partners, Prairie Capital	–
11	Federal Warehouse Company	–	–
12	Heartland Dental Care, Inc.	Code, Hennessy & Simmons LLC	–
13	Johnson Products Co., Inc.	St. Cloud Capital, LLC; Rustic Canyon/Fontis Partners	–
14	Phoebe's Cupcakes LLC	Ascent Equity Capital (FKA: Pinnacle Equity Capital)	\$1.5
15	Sarnova, Inc.	Water Street Healthcare Partners (FKA: Water Street Capital)	\$10.0
16	Successories, LLC	TWS Partnership	–
17	Vita Food Products Inc.	–	\$3.3
18	Windy City Publishing, Inc.	Competitor Group, Inc.	–

Note: Unlike the rest of the data in the Monitor, this table and table 5 are derived from two sources, Thomson Reuters Financial and Capital IQ. The IVCA Monitor accepts the categories (venture or buyout) provided by Thomson & 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 IV: Venture and Buyout Related Capital Investment Statistics

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						
2Q '08	17	36	\$189.0	\$280.3	47%	67%
3Q '08	18	39	\$312.6	\$611.1	46%	51%
4Q '08	13	31	\$68.2	\$134.6	42%	51%
1Q '09	4	20	\$2.4	\$41.5	20%	6%
2Q '09	9	20	\$44.5	\$103.8	45%	43%
Yearly						
2004	31	82	\$81.4	\$1,388.1	38%	6%
2005	40	104	\$315.0	\$1,126.8	38%	28%
2006	50	135	\$371.4	\$1,266.2	37%	29%
2007	61	170	\$525.7	\$1,270.3	36%	41%
2008	62	143	\$583.5	\$1,190.9	43%	49%
2009 YTD	13	40	\$46.9	\$145.3	33%	32%

Chart 2

Source of Venture and Buyout Investments for Illinois Companies
Q2 '09 (USD Mil)

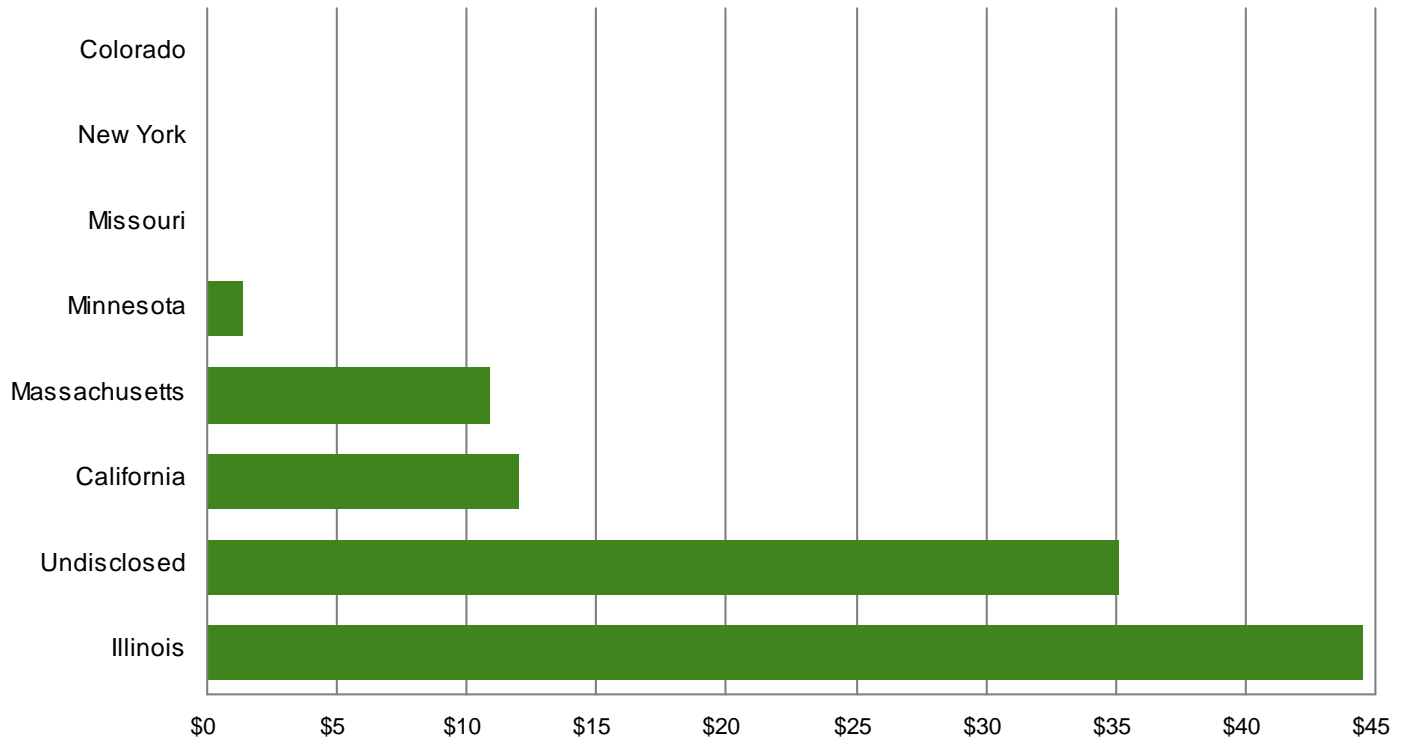


Chart 3

States Receiving Funds from Illinois Venture and Buyout Firms
Q2 '09 (USD Mil)

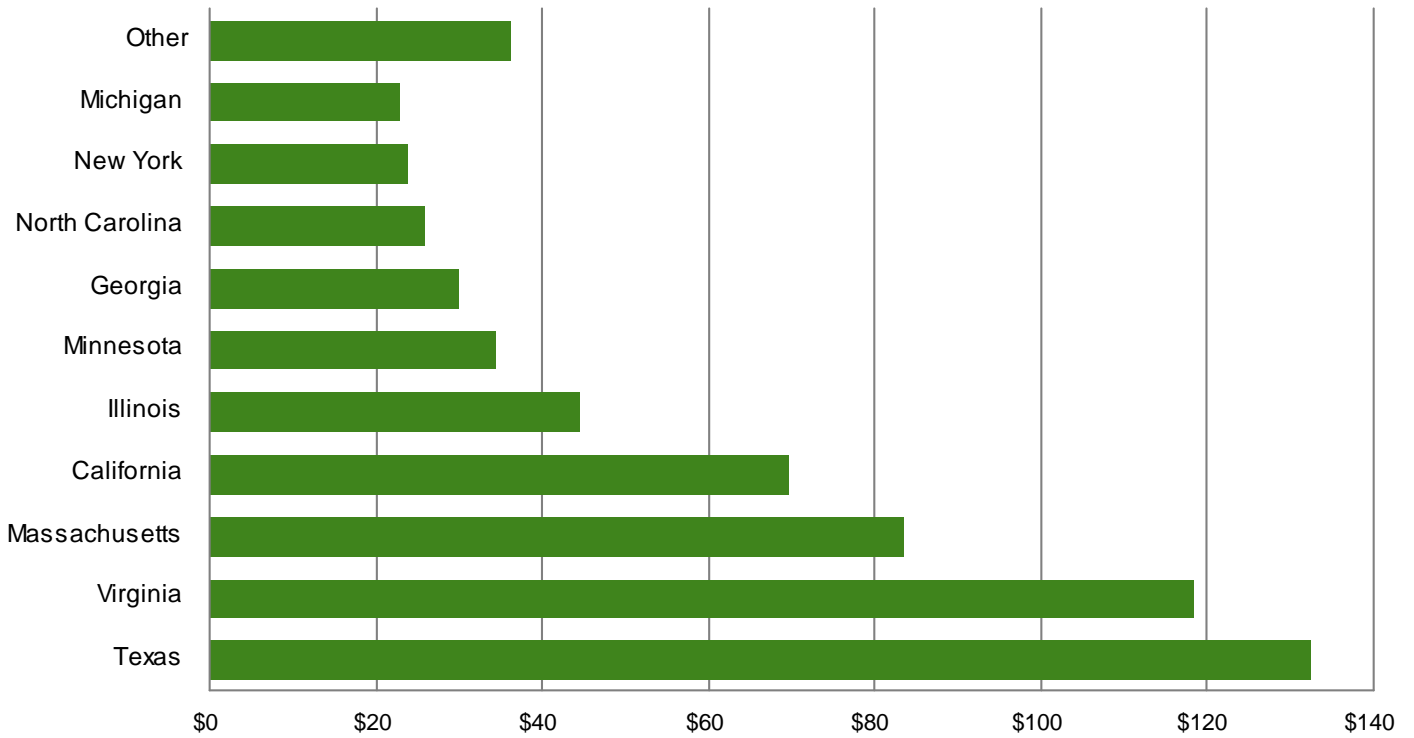


Chart 4

Money Raised by Venture and Buyout Funds
Top States Q2 '09 (\$16.7 billion)

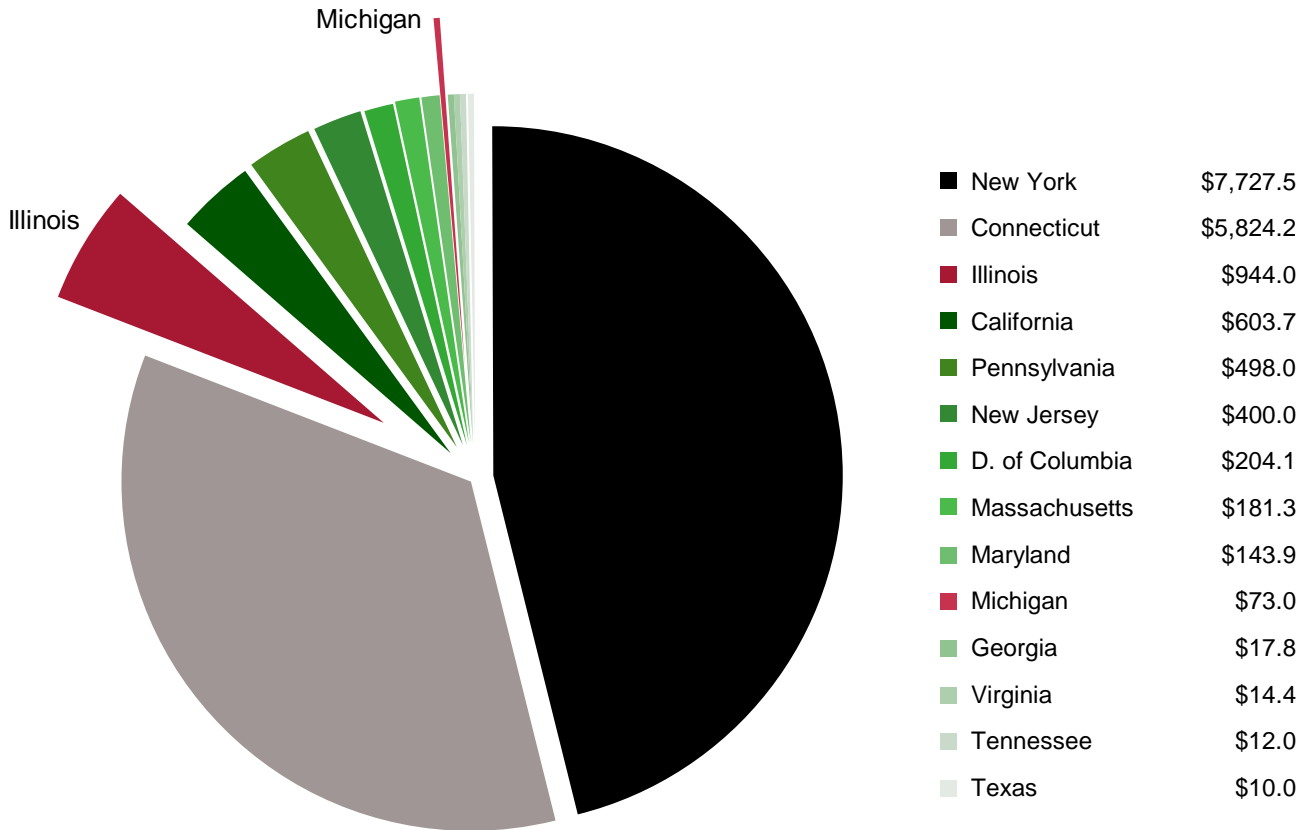


Chart 5

Venture and Buyout Assets Under Management
Top States Q2 '09 (\$13.5 billion)

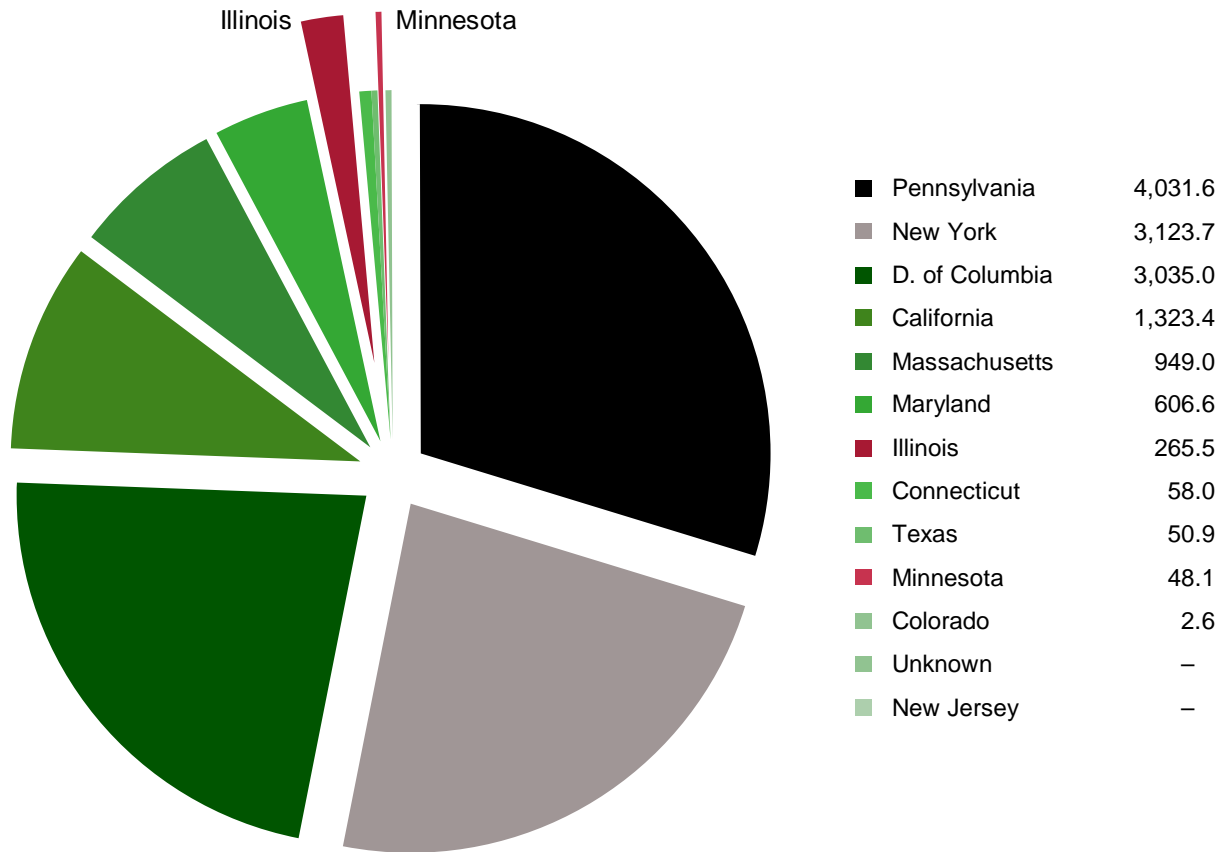


Table 11

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	2	33	\$201.8	\$856.5
Colorado	2	1	17	\$279.3	\$8,262.6
New York	2	1	17	\$88.2	\$313.0
Texas	3	1	17	\$151.5	\$762.8
Virginia	3	1	17	\$112.5	\$309.4
Total		6	100	\$833.2	\$10,504.2

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)
No recorded venture capital backed IPOs in first two quarters of 2009			

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 - Q2' 09	122	\$463.2	208	\$1,556.2	342	\$4,144.9
Qtr Avg	6	\$22.1	9	\$70.7	16	\$197.4
Quarterly						
2Q '08	4	\$5.7	13	\$132.3	19	\$142.3
3Q '08	8	\$9.0	15	\$121.7	16	\$480.5
4Q '08	5	\$11.0	10	\$83.7	16	\$39.9
1Q '09	–	–	9	\$40.9	11	–
2Q '09	2	\$2.0	10	\$60.5	8	\$41.4
Yearly						
2004	21	\$49.7	30	\$160.2	34	\$1,178.2
2005	20	\$79.3	37	\$208.7	42	\$704.2
2006	20	\$106.8	38	\$251.5	73	\$813.4
2007	35	\$169.5	40	\$444.7	98	\$658.2
2008	24	\$55.8	44	\$389.8	76	\$749.6
2009 YTD	2	\$2.0	19	\$101.4	19	\$41.4