

Emerging Southeast Markets



Compelling Geographic Opportunity in the Southeast

- 4th largest economy in the world, growing faster than other regions of the U.S.
 - The Southeastern economy is expected to continue to grow over the next ten years at a more rapid pace than the rest of the U.S.
 - Five of the ten fastest growing, large (\$100 billion+ gross state product) states are located in the Southeast
- Attractive entrepreneurial environment
 - Substantial research support focused on IT and Life Sciences
 - Significant corporate presence in the Southeast
 - A global leader in patent issuance
 - Highly educated workforce
 - Lower operating cost for start-ups

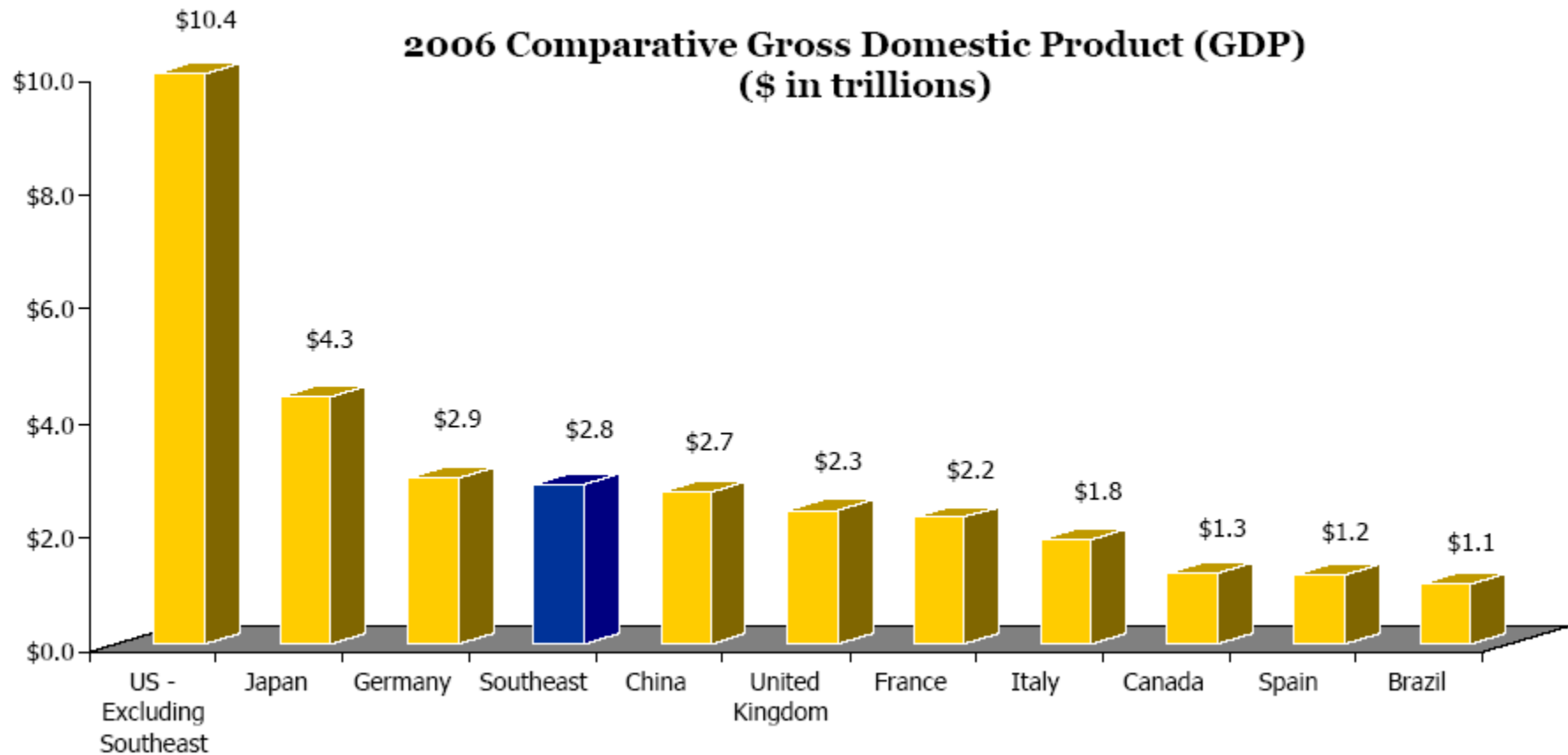
Note: Southeast includes Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee and Virginia/Washington, D.C.
Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Metropolitan New Economy Index and local Chamber of Commerce websites.

Emerging Southeast Markets



Strong Regional Economy

- 4th largest economy in the world



Source: Southeast GDP based on Advance Estimates of GDP by State for 2006 as per the Bureau of Economic Analysis, July 2007. US and other countries GDP based on World Development Indicators database, World Bank, July 1, 2007.

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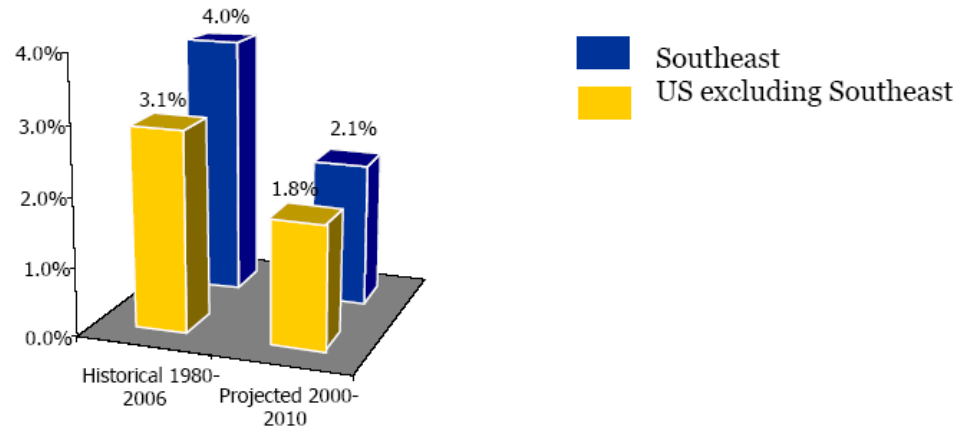
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Strong Regional Economy

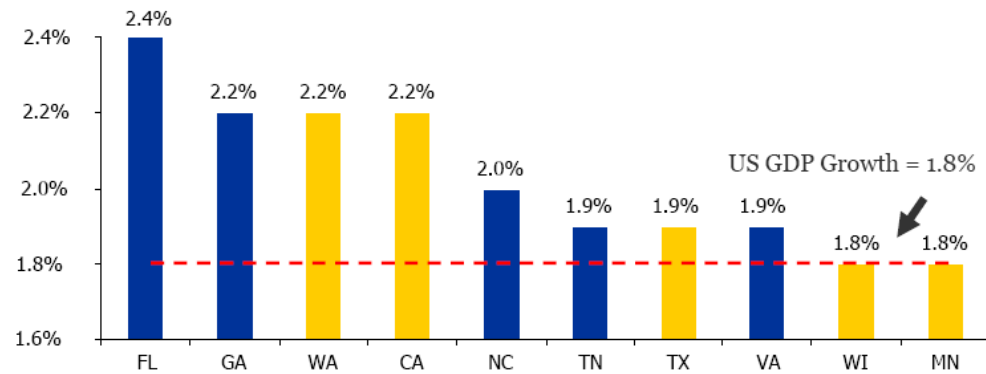
- The Southeastern U.S. economy is expected to continue its historical growth at a pace higher than the rest of the U.S.

Gross State Product (GSP)



Projected Annual Real Gross State Product (GSP) Growth 2000-2010
(Highest growth states with 2000 GSP > \$100 billion)

- Five of the ten fastest growing, large (\$100 billion+ GSP) states are located in the Southeast



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Source: Data from Advance 2006 and Revised 2003-2005 GDP by State Estimates per the Bureau of Economic Analysis, June 2007 and Comprehensive Revision of GSP 1977-2002, December 2004



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Substantial Research Support Focused on IT and Life Sciences



Tennessee
Vanderbilt University (\$364M)

Dept. of Energy –
 Oak Ridge Lab (\$18B)
 St. Jude's Children's Research Hospital
 Cumberland Emerging Technologies Life Sciences Center
 Cool Springs Life Science Center
 FedEx Institute of Technology

Virginia / Washington, D.C.
University of Virginia (\$239M)
Medical College of Virginia/Virginia Commonwealth University (\$146M)
Virginia Tech (\$155M)

Department of Defense (\$73.1B)
 Environmental Protection Agency (\$7.2B)
 National Science Foundation (\$4.7B)
 NASA Langley/Goddard Research Center
 Virginia Biotechnology Research Park

Alabama
University of Alabama (Birmingham) (\$433M)
University of South Alabama (\$19M)

Business Technology Development Center, Huntsville
 OADI Technology Center, Birmingham
 Redstone Arsenal
 Cummings Research Park
 NASA Marshall Space Center
 Missile Defense Agency
 Southern Research Institute
 Hudson-Alpha Institute for Biotechnology

North Carolina / Research Triangle Park
Duke University (\$510M)
University of North Carolina (\$344M)
North Carolina State University (\$189M)
Wake Forest University (\$153M)

North Carolina Biotechnology Center
 North Carolina Tech. Dev. Authority
 MCNC (Microelectronics Center of North Carolina)
 North Carolina Genomics and Bioinformatics Consortium
 North Carolina Supercomputing Center

Georgia
Emory University (\$345M)
Georgia Institute of Technology (\$420M)
University of Georgia (\$316M)

Centers for Disease Control (\$8.2B)
 Georgia Adv. Tech. Dev. Ctr.
 Southeastern Technology Center
 American Cardiovascular Research Institute

Florida
University of Florida (\$478M)
University of Miami (\$286M)

NASA Kennedy Space Center
 Bell Labs
 Sid Martin Biotechnology Development Incubator
 H. Lee Moffitt Cancer Center & Research Institute
 The Scripps Research Institute

NOTE: Dollar amounts represent annual R&D budgets/actual expenditures, based upon most recently available data. Sources: company annual reports, Web sites and individual sources



Emerging Southeast Markets



Region Dedicated to Entrepreneurial Growth

Tennessee

- 19 publicly traded healthcare companies based in Nashville in 2006.
- Nashville-based health care management companies own or operate more than 40 percent of the investor-owned hospitals in the United States.
- Currently building UT-Baptist Research park – a 1.5 million square ft biotech research center
- Home to Vanderbilt Medical Center and 16 other area universities

Virginia / Washington, D.C.

- High-tech employment – 5th in nation; 1st in nation per highest concentration of tech workers as a percentage of the private sector workforce
- D.C. area (combining the District of Columbia, Maryland, and Virginia) has 25,400 high-tech firms and > 458,200 high-tech employees

North Carolina / Research Triangle Park

- Academic R&D funding and industry funded R&D – 1st in nation
- > 100 R&D facilities
- Number of degrees granted in scientific and technical fields – 1st in nation
- Home of Duke University, University of North Carolina and North Carolina State University
- 3rd in the nation for high-tech focused jobs

Alabama

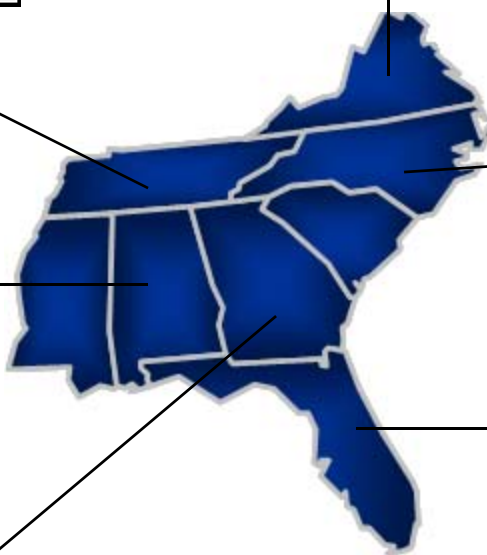
- One of the leading centers for AIDS, cancer and heart research
- Southern Research Institute has completed 25,000+ pre-clinical discovery and development projects for 10,000+ pharmaceutical, biotechnology, and government clients
- Cummings Research Park – 2nd largest research facility in U.S.; 4th largest in world – more than 220 companies active in over 40 separate technology fields

Georgia

- High-tech employment – 11th in nation
- Software publishers and Internet services employment – 6th in nation
- Home of Center for Disease Control, Emory University and Georgia Tech
- More than 250 bioscience companies employing more than 10,000 workers in metro Atlanta

Florida

- 9.2 million labor force – 4th in nation
- 2,600 patents in 2006 – 1st in Southeast
- High-tech employment – 4th in nation
- Telecommunications services employment and internet services employment – 3rd in nation
- 3rd in nation (West Palm Beach area) per the number of companies' initial public stock offerings as a share of gross metropolitan product.
- Fastest growing tech industry in nation – 4.1%
- Home to Scripps Florida

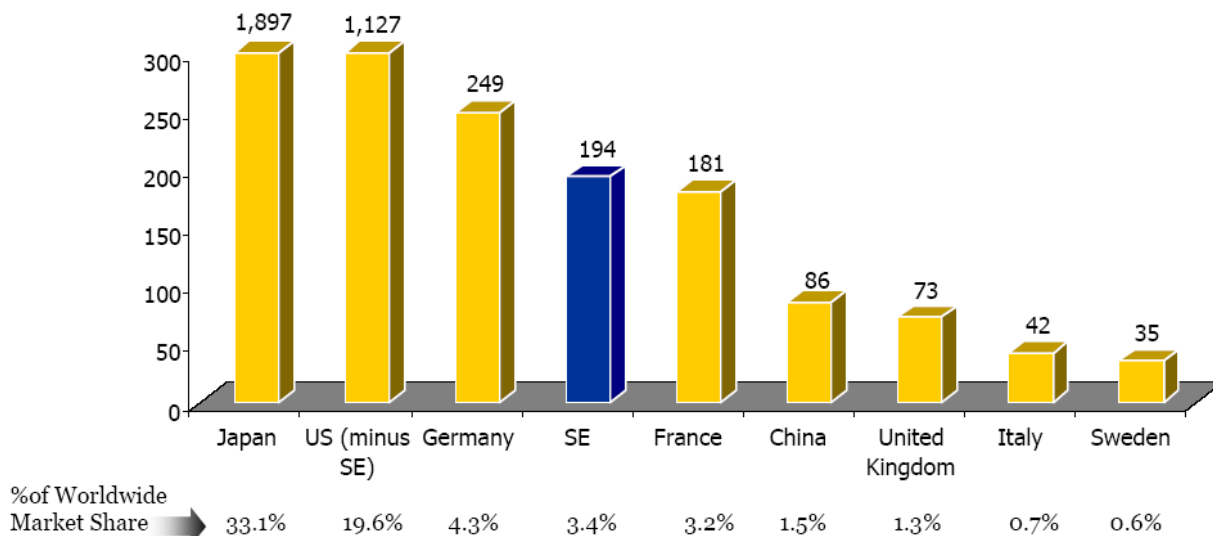


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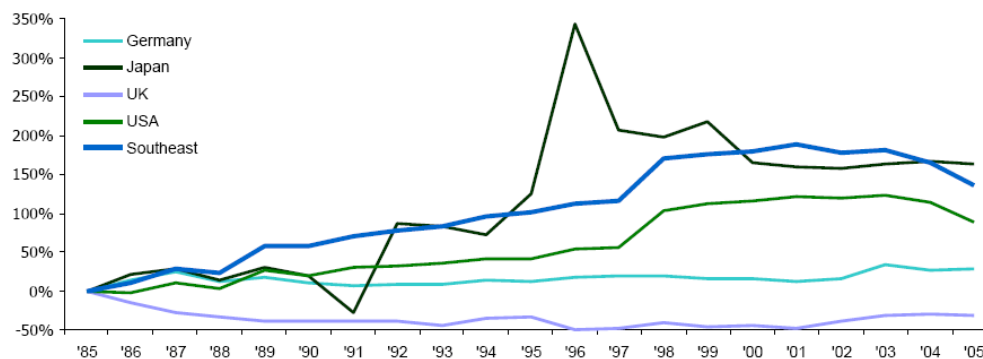


Leader in Innovation

Patents issued 1985-2005 (in thousands)⁽¹⁾



Relative Growth of Patents Issued Annually, Indexed to 1985



¹ By state or country of origin, patent is determined by the residence of the first-named inventor.
Sources: United States Patent and Trademark Office and World Intellectual Property Organization



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Blue Chip IT and Life Sciences Corporate Presence in the Southeast *



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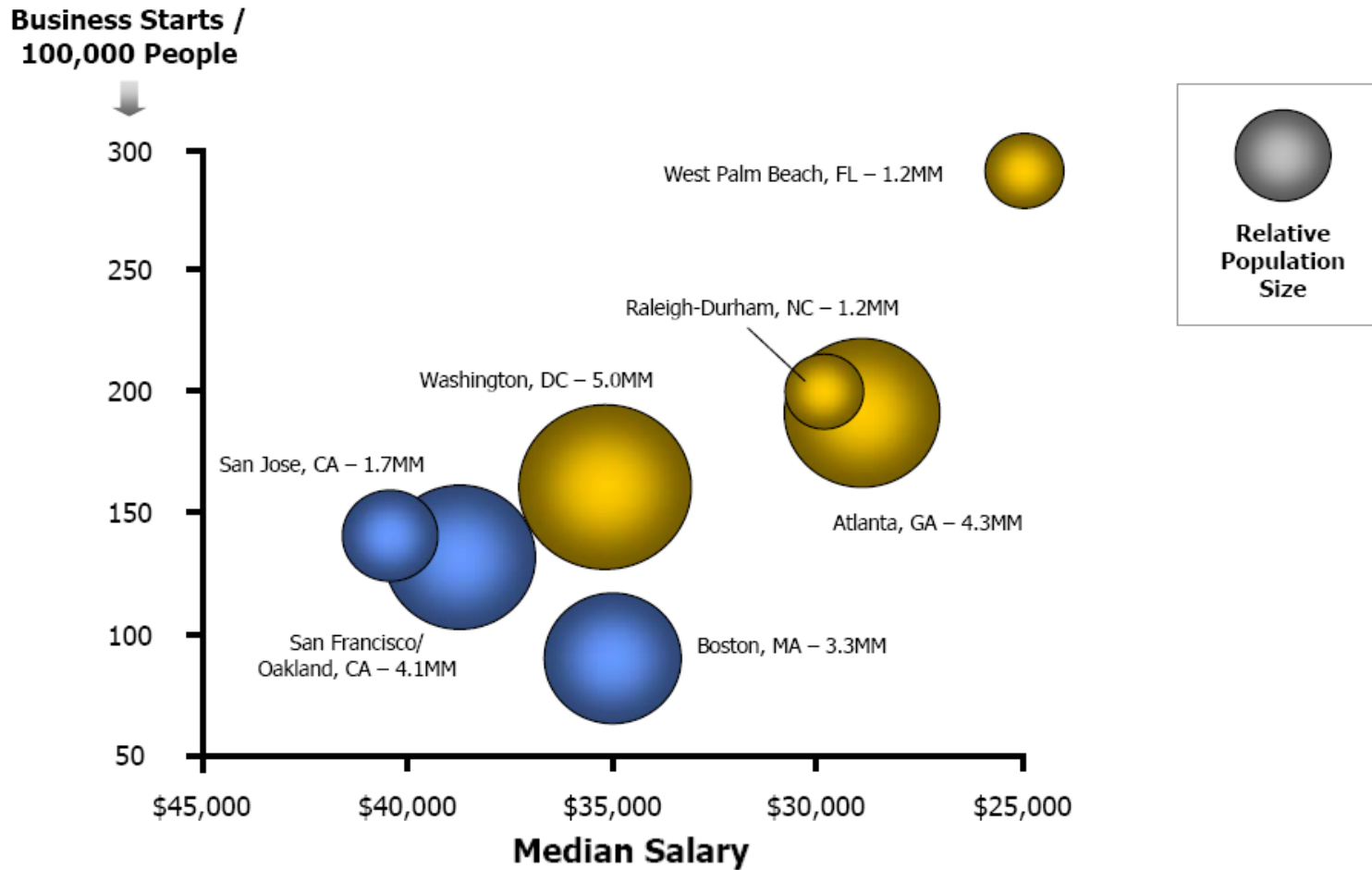


Emerging Southeast Markets

Attractive business and entrepreneurial climate



Strong, Vibrant Communities ¹



¹ Includes seven of the top ten "boom towns" as defined by Business 2.0 magazine – chosen cities located in Southeastern footprint, California or Massachusetts.

Emerging Southeast Markets

Attractive business and entrepreneurial climate



Forbes 2007 Best States for Business

- 1. Virginia**
- 3. North Carolina**
- 7. Florida**
- 13. Tennessee**
- 15. Georgia**
- 23. South Carolina**
34. *California*
- 35. Alabama**
36. *Massachusetts*

Evaluation Criteria

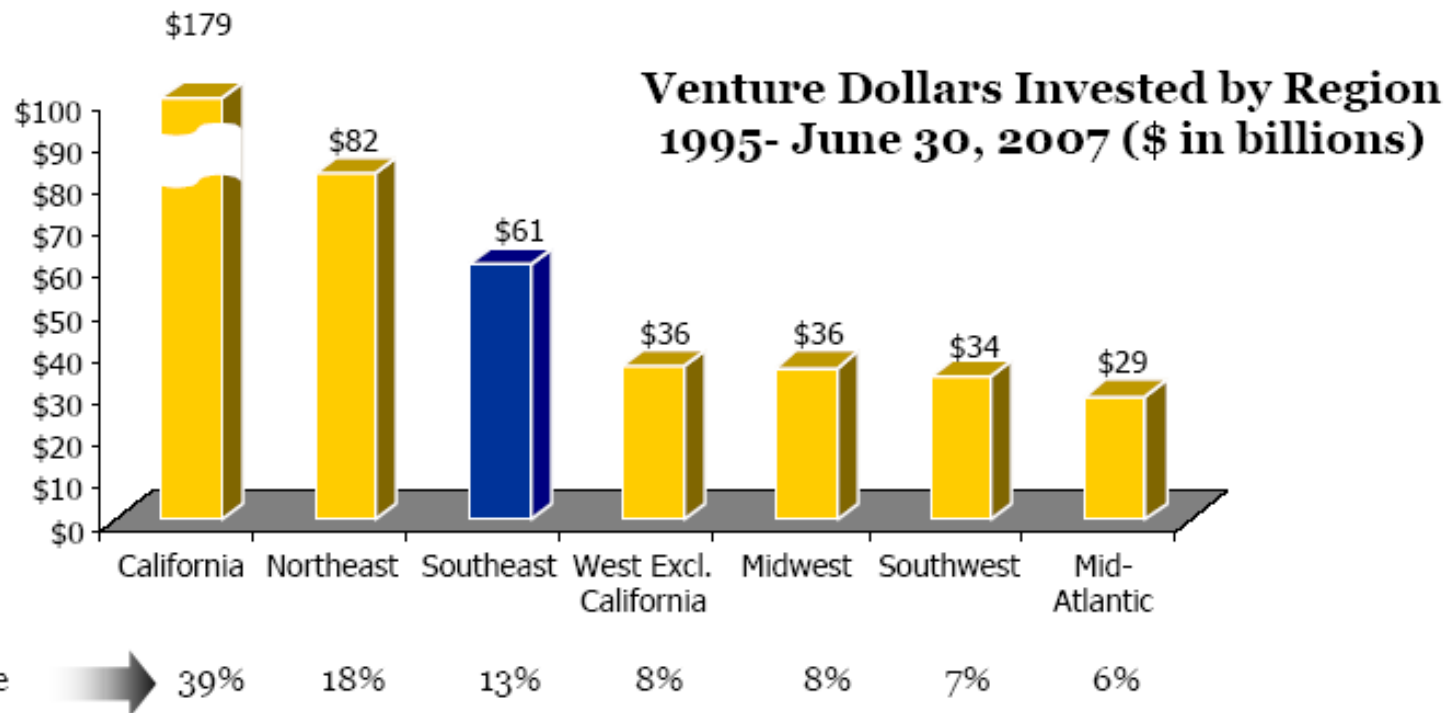
1. Business Costs
2. Economic Climate
3. Growth Prospects
4. Labor
5. Quality of Life
6. Regulatory Environment

Emerging Southeast Markets



Established venture capital market

The Southeast trails only California and the Northeast in the demand for venture dollars.



Note: Northeast includes CT, ME, MA, NH, NY, RI, VT; Southeast – AL, DC, FL, GA, MD, MS, NC, SC, TN, VA; West Excluding California – AK, CO, HI, ID, MT, NV, OR, UT, WA, WY; Mid-Atlantic – DE, NJ, PA; Southwest – AR, AZ, LA, NM, OK, TX; Midwest – IL, IN, IA, KS, KY, MI, MN, MO, NE, ND, OH, SD, WV, WI
Source: VentureXpert/SDC, as of June 30, 2007

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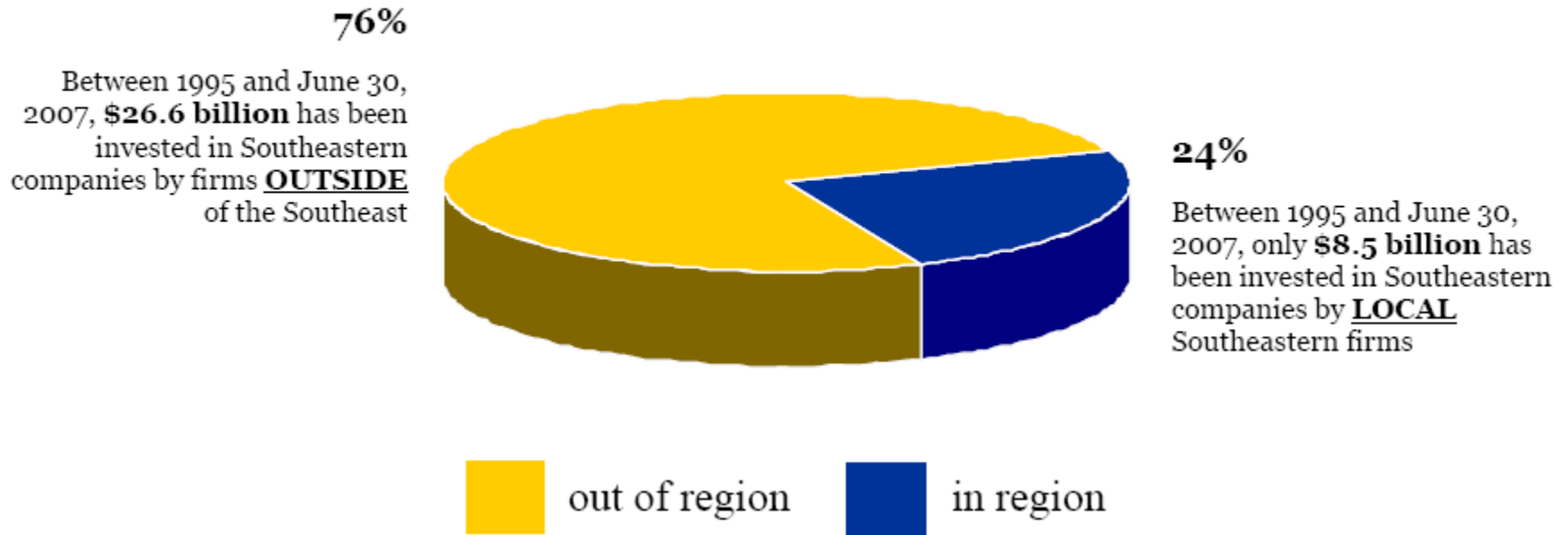
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Underserved by resident venture capital

Between 1995 and June 30, 2007, 76% of the \$35.1 billion¹ of identifiable venture capital invested in Southeastern companies has come from out of region venture funds

Share of Venture Dollars Invested in Southeast ¹ 1995- June 30, 2007



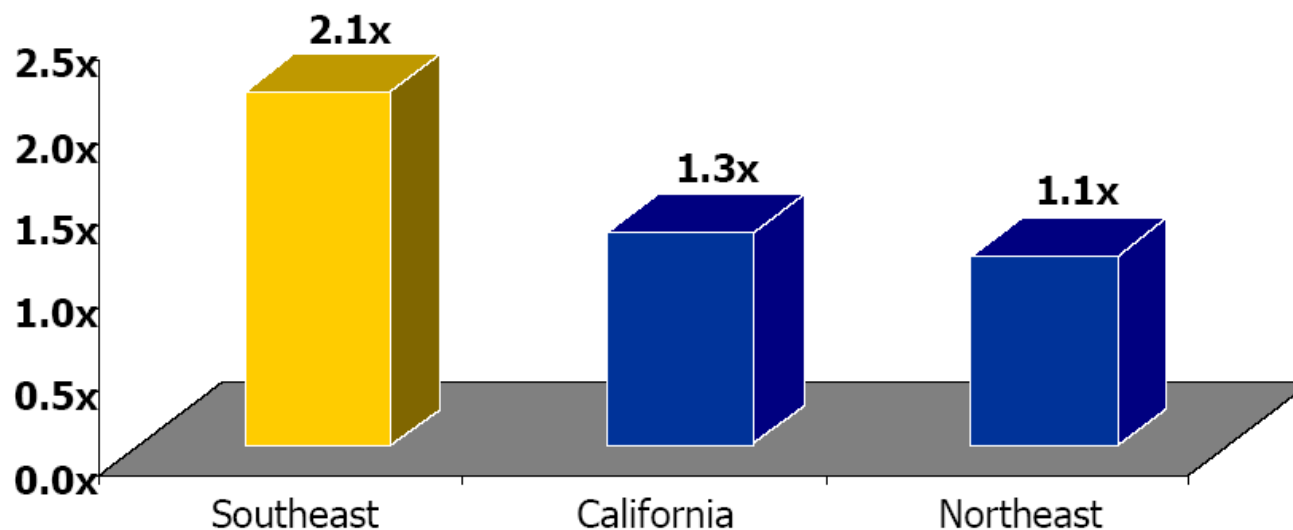
¹ Excludes \$25.5 billion of venture capital invested in Southeastern companies by unknown sources. Venture capital firms with offices located in the Southeast region are considered "local."
Source: VentureXpert/SDC, as of June 30, 2007

Emerging Southeast Markets



Better return multiples

**Total Venture-Backed Liquidity Events / Total VC Dollars Invested
1995- June 30, 2007 (\$ in billions)**



| | | | |
|---------------------------------------|-------------|-------------|-------------|
| Total venture-backed liquidity events | \$130.1 | \$232.5 | \$94.2 |
| Total VC dollars invested | \$60.6 | \$179.4 | \$81.9 |
| Multiple | 2.1x | 1.3x | 1.1x |

Source: VentureXpert/SDC, as of June 30, 2007.

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