



National Venture Capital Association



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**CLEANTECH VENTURE INVESTMENTS BY US FIRMS BREAK RECORD IN 2007**

**NVCA President Advises Caution for Venture Investors**

New York, November 28, 2007 – CleanTech investments by US venture capital firms reached \$2.6 billion from 168 deals in the first three quarters of 2007, according to data from Thomson Financial and the National Venture Capital Association. This level of investment represents the highest dollar volume ever, exceeding full-year 2006 investment dollar volume which reached \$1.8 billion from 180 deals. Several large investments in companies outside of the US contributed significantly to these levels.

US firms’ investment in CleanTech companies has progressively increased year over year. The year to date 2007 dollar volume represents a 46% increase over full year 2006 dollar volume. Additionally, 2007 deal totals for the first 9 months lag last year’s total record breaking number by only 12 deals.

**Annual Clean Tech Investments Volume Analysis**

Year	Deals	Investment (\$mil)
2000	63	590.1
2001	85	392.8
2002	91	454.9
2003	81	235.4
2004	88	507.7
2005	100	532.7
2006	180	1,779.6
2007*	168	2,604.9

\*2007 data through 9/30/2007  
 Source: Thomson Financial/NVCA

NVCA president, Mark Heesen expressed a cautious optimism regarding the CleanTech space:

“There are major opportunities for venture capitalists to totally reshape the energy market throughout the world as governments, consumers, and companies are demanding innovation in this space,” said Heesen. “However, as has been demonstrated in the IT and life science arenas, investing in new technologies can be fraught with pitfalls and is not for the inexperienced or the faint of heart. Prudent, long-term, knowledge-based investment in cutting edge technologies has been the hallmark of venture capital in the past and should be the mantra in the CleanTech space as well. Short-term ‘tourists’ should steer clear.”

The majority of all dollars invested by US firms went into US companies in the first nine months of 2007. In total there were 149 investments worth \$1.7 billion in US companies, representing an average deal size of \$11.4 million. The three largest CleanTech investments by US firms in 2007 were in overseas companies including a \$500 million investment by two undisclosed firms in Delta Hydrocarbon BV, a Netherlands based company with a focus in oilfield-production enhancement, a \$200 million investment in

Brazil's Brazilian Renewable Energy Co., and a \$118 million investment in China's Yingli Green Energy Holding Company, producer of vertically integrated photovoltaic solar products.

#### US Firm CleanTech Investments by Company Location (1Q-3Q 2007)

Company Nation	Deals	Investment (\$mil)	Average Investment (\$mil)
United States	149	1,692.6	11.4
Netherlands	1	500.0	500.0
Brazil	1	200.0	200.0
China	1	118.0	118.0
India	2	34.5	17.3
United Kingdom	4	31.0	7.7
Canada	3	10.9	3.6
Germany	4	6.9	1.7
Austria	1	5.8	5.8
Israel	1	4.8	4.8
Mauritius	1	0.4	0.4
Total	168	2,604.9	15.5

Source: Thomson Financial/NVCA

Within the United States, the majority of US CleanTech investment dollars and deals flowed into California where 68 deals accounted for \$726.2 million investment dollars. Massachusetts companies had the next highest level of investment with \$292.6 million from 11 deals. Texas closed out the top three states with \$149.4 million investment dollars from 8 deals.

#### US Firm CleanTech Investments by State (1Q-3Q 2007)

Company State	Deals	Investment (\$mil)	Average Investment (\$mil)
California	68	726.2	10.7
Massachusetts	11	292.6	26.6
Texas	8	149.4	18.7
Washington	10	121.3	12.1
New Mexico	4	96.0	24.0
Georgia	4	49.1	12.3
Kentucky	1	37.6	37.6
Colorado	2	32.3	16.1
D. of Columbia	1	32.0	32.0
Iowa	3	28.0	9.3
US Total	149	1,692.6	11.4

Source: Thomson Financial/NVCA

Solar energy was the biggest sub-sector for CleanTech investments in the first nine months of 2007. There were 35 solar related deals accounting for \$664.6 million in investment dollars and an average deal size of \$19.0 million. Alternative energy (excluding wind, solar, geothermal, and co-generation) accounted for 33 deals and \$317.5 million, followed by power supplies industries with 25 deals accounting for \$183.9 million.

#### US Firm CleanTech Investments by Industry (1Q-3Q 2007)

Industry	Deals	Investment (\$mil)	Average Investment (\$mil)
Solar Related Energy	35	664.6	19.0

Alternative Energy, incl. Nuclear (excl. wind, solar, geothermal, co-generation)	33	317.5	9.6
Power Supplies	25	183.9	7.4
Pollution and Recycling Related	19	146.4	7.7
Wind Energy	4	62.9	15.7

Source: Thomson Financial/NVCA

The largest investment made in a domestic company by a domestic firm in the first nine months of 2007 was the \$115 million invested in GreatPoint Energy Inc, a Cambridge, MA based company, across two investment rounds. GreatPoint operates production plants that convert coal and biomass into a product called bluegas, which aids in the power generation, industrial, heating, and chemical sectors. Investors in this company in the first three quarters of 2007 include Kleiner Perkins Caufield & Byers, Draper Fisher Jurvetson, Dow Chemical Company, Advanced Technology Ventures, Khosla Ventures, and other undisclosed investors. The next largest investment in a CleanTech company was a \$77 million investment round in Austin, TX based Heliovolt Corp. Heliovolt develops and markets technology for depositing thin photovoltaic platform surfaces used to generate electricity from sunlight on conventional construction materials. Venture investors in the company included Morgan Stanley Private Equity, Yellowstone Capital, Paladin Capital Management, New Enterprise Associates, and additional undisclosed investors.

The top US firms in terms of number of deals from January through September of 2007 were Khosla Ventures, participating in 14 deals valued at \$68.4 million, Draper Fisher Jurvetson, investing in 14 deals valued at \$38.5 million, and Kleiner Perkins Caufield & Byers, with 11 deals valued at \$76.8 million. All three firms are headquartered in Menlo Park, CA.

The **National Venture Capital Association (NVCA)** represents approximately 480 venture capital and private equity firms. NVCA's mission is to foster greater understanding of the importance of venture capital to the U.S. economy, and support entrepreneurial activity and innovation. According to a 2007 Global Insight study, venture-backed companies accounted for 10.4 million jobs and \$2.3 trillion in revenue in the U.S. in 2006. The NVCA represents the public policy interests of the venture capital community, strives to maintain high professional standards, provides reliable industry data, sponsors professional development, and facilitates interaction among its members. For more information about the NVCA, please visit [www.nvca.org](http://www.nvca.org).

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