

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
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www.opers.org

**MEMORANDUM**

DATE: July 6, 2005

TO: OPERS Retirement Board Members  
Laurie Hacking - Executive Director

CC: Jenny Hom, Interim Director - Investments

FROM: Greg Uebele, Senior Investment Officer - Private Equity/Real Estate (Interim)  
Steve Price, Analyst - Private Equity

RE: Ohio/Midwest Private Equity - CSFB Customized Fund Investment Group  
Presentation

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**Purpose**

Under separate cover, please see the presentation from CSFB Customized Fund Investment Group (CSFB CFGI) that details their proposed implementation plan for the \$50 million Ohio/Midwest private equity discretionary mandate.

**Background**

Staff and Pacific Corporate Group (PCG) discussed the activities associated with achieving the Ohio/Midwest goals in the Private Equity Policy during the May and July 2004 Investment Committee meetings. Through these discussions, a decision was made to formulate a discretionary Ohio/Midwest private equity implementation plan.

In March, staff presented an overview of the progress made to implement the Ohio/Midwest Discretionary Mandate including the selection process, investment guidelines, and timeline. As noted in the memo, CSFB CFGI was selected as the finalist for this mandate. Staff is actively negotiating the investment guidelines and partnership agreement with CSFB CFGI.

The accompanying presentation will be presented at the July Investment Committee meeting by members of the CSFB CFGI investment team. The presentation will provide further details on CSFB CFGI, their history with similar mandates, and their proposed timetable and implementation plan for the Ohio/Midwest discretionary mandate. Additionally, CSFB CFGI and staff are seeking guidance from the Investment Committee on the option of a dedicated or satellite Ohio presence to execute the Ohio/Midwest mandate.

**Next Steps**

With guidance on the CSFB CFGI Ohio presence, staff is prepared to finalize the agreement in July and begin implementing the plan as outlined by CSFB CFGI.



# OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM



**CSFB MANAGED OHIO/MIDWEST INVESTMENT PROGRAM**

**July 19, 2005**





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# Company Structure and Management





# CSFB – Market Leader in Private Equity

**CSFB's firm-wide, integrated approach to private equity brings unique insight, expertise and management capabilities to fund and direct investing.**

## **CSFB Private Equity**

- ▶ Currently more than \$31 billion under management in Firm-sponsored and affiliated large buyout, venture capital, mezzanine and secondary funds
  - \$10 billion under fund of funds management in private equity and venture capital funds, both in the U.S. and overseas
- ▶ Long history of principal private equity investing beginning in 1969

## **CSFB Investment Banking**

- ▶ Over 1,300 investment banking professionals and research analysts worldwide – coverage of 30 industry groups
- ▶ Top buy-side M&A advisors by number of completed deals

## **CSFB Leveraged Finance Group**

- ▶ Number one underwriter of high yield debt and provider of bridge loans to private equity firms

## **CSFB Private Fund Group**

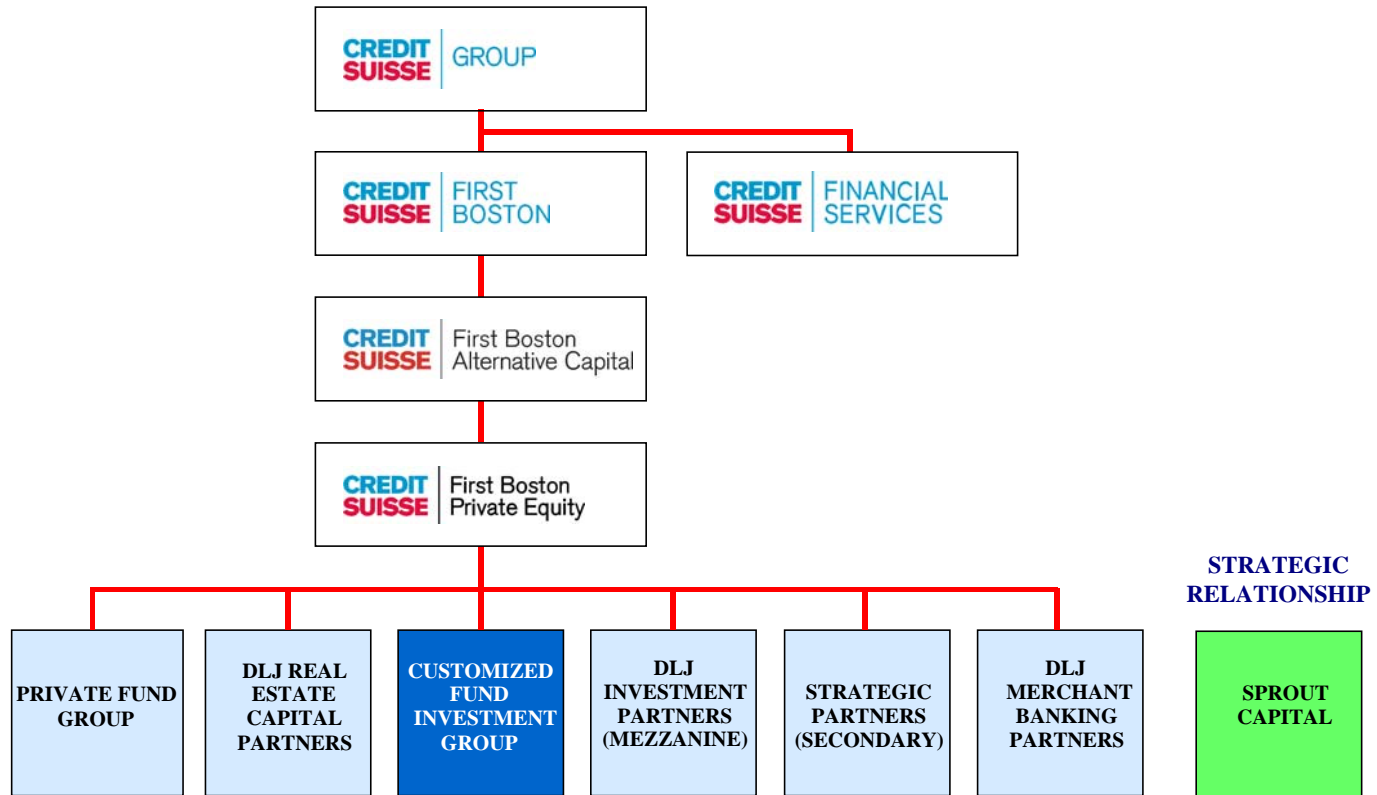
- ▶ Leading placement agent for private equity partnerships

## **CSFB Equity Research**

- ▶ Industry leading equity research with 325 analysts worldwide, providing in-depth coverage of nearly 3,000 companies



# Organizational Chart



**CSFB Private Equity Division currently has over \$30 billion of capital under management through activities such as principal investing, fund of funds, secondaries and fund placements.**



# Customized Fund Investment Group Overview





# The Customized Fund Investment Group

## One of the largest and deepest investing teams dedicated to private equity fund investing

- ▶ CFG manages over \$11 billion in commitments to private equity fund of funds, both in the U.S. and internationally
- ▶ CFG's team of 18 experienced investment professionals have collectively managed more than \$20 billion of private equity fund investments
  - Investment professionals are supported by 35 dedicated legal, information management, reporting and administrative professionals
- ▶ CFG follows a "solution-based" versus "product-based" business model
  - Products tailored to address specific client needs or characteristics
  - Service-oriented, long-term partnership approach to clients
- ▶ Current clients include:
  - Active private equity investors with a specific portfolio "need"
  - Emerging private equity investors with a need for information and advisory services
- ▶ Ability to leverage the vast CSFB Global platform
  - Few comparable providers in the private equity community

**Mission Statement: To provide a range of customized products and services to address specific needs of private equity investors.**





# Representative List of CFG's Clients

Utilizing its solution-based approach, CFG has developed innovative customized private equity investment programs for institutional investors, financial institutions and family offices. Set forth below is a representative list of CFG's clients:

- ▶ State of Michigan Retirement Systems
- ▶ Virginia Retirement System
- ▶ Municipal Employees' Retirement System of Michigan
- ▶ Canada Pension Plan
- ▶ **New York State Common Retirement Fund**
- ▶ **Oregon Investment Council**
- ▶ Teacher Retirement System of Texas
- ▶ Arkansas Teacher Retirement System
- ▶ Jewish Federation of Chicago
- ▶ Rhode Island School of Design
- ▶ Union College
- ▶ **Eli Lilly**
- ▶ **Indiana University**
- ▶ **Indiana Public Employees' Retirement Fund**
- ▶ **Indiana Teachers' Retirement Fund**
- ▶ Winterthur
- ▶ The Ayco Company
- ▶ Battelle Memorial Institute
- ▶ The John T. Lupton Family Trust
- ▶ Absolute Private Equity AG
- ▶ **Montana Board of Investments**
- ▶ **Venture Michigan Fund**

\* In-state/regional investment programs are indicated in bold



# CFIG In-State Initiatives

## ▶ Indiana Future Fund

- A \$73 million program created to achieve top-quartile returns
- Venture capital fund investments targeting life sciences companies in Indiana
- Objective of achieve 500 basis points over the S&P 500 Healthcare Index over the long term
- CSFB was instrumental in raising program funds from a number of institutional investors
- Program is fully committed and developing
- CSFB shares office space and uses facility when in the state

## ▶ Oregon Investment Fund

- A \$105 million program created to achieve top-quartile returns
  - Capital committed from the Oregon State Treasury
- Private equity fund and co-investments targeting a wide variety of companies in Oregon and Pacific Northwest
- Funds in the program are obligated to source companies on a best efforts basis; however, return remains the driving force
- Allocation is split between fund investment and co-investments
  - Approximately 80% for fund investments and 20% for co-investments
- Program recently started its investment process and has committed to four funds
- CSFB has a full-time representative living and working in the state



# The Customized Fund Investment Group

**CFIG's experienced investment professionals have collectively managed more than \$20 billion of private equity fund and co-investments during their investment careers.**

| <b>NAME</b>           | <b>TITLE</b>         | <b>RELEVANT EXPERIENCE</b> | <b>PRIOR EXPERIENCE / BACKGROUND</b>   |
|-----------------------|----------------------|----------------------------|--|
| Michael W. Arpey      | Managing Director    | 14                         | DLJ, Prudential Private Equity Group, New York State Common Retirement Fund, Pennsylvania Public School Employee Retirement System and Pennsylvania State Employee Retirement System |
| Kelly M. Williams     | Managing Director    | 15                         | DLJ, Prudential Private Equity Group and Milbank, Tweed, Hadley and McCloy   |
| Nadim Barakat         | Director             | 11                         | DLJ, National Bank of Kuwait and Chase Securities  |
| Matthew C. Kelly, CPA | Director / COO / CFO | 12                         | DLJ, Morgan Stanley Private Equity and KPMG  |
| Alex Morey            | Director             | 14                         | DLJ Merchant Banking Partners, Phoenix Equity Partners, Arthur Andersen and Price Waterhouse   |
| David M. Russell      | Director             | 11                         | DLJ, Prudential Private Equity Group, New York State Common Retirement Fund and Seward & Kissel  |
| David Almodovar       | Vice President       | 11                         | Russell Investment Group, SS Thomas & Associates and Washington State Investment Board   |
| Vikram Bhaskar        | Vice President       | 7                          | DLJ, KPMG, and Deutsche Bank   |
| Scott Hamner          | Vice President / IR  | 5                          | Akin Gump Strauss Hauer & Feld   |
| Mark T. Regal, CFA    | Vice President       | 10                         | DLJ, Prudential Private Equity Group, BankAmerica Capital Corporation and Minnesota State Board of Investment  |
| Bernard Yancovich     | Vice President       | 6                          | DLJ and KPMG   |
| Joni Grossman         | Associate            | 6                          | Morgan Stanley and Arthur Andersen   |
| Michael Rose          | Associate            | 6                          | JPMorgan and Chase Securities  |
| Harris Zaki, CFA      | Associate            | 4                          | Citibank   |

- ▶ These professionals are supported by 34 dedicated legal, information management, reporting, accounting and administrative personnel



## Program Overview & Implementation Plan





# Program Overview

- ▶ The Customized Fund Investment Group (“CFIG”) of CSFB is pleased to partner with Ohio Public Employees Retirement System (“OPERS”) in implementing the Ohio/Midwestern private equity fund of funds program (the “Program”)
- ▶ The Ohio/Midwestern program will have the following characteristics, as jointly determined by OPERS staff and CSFB:
  - \$50 million in total commitments from OPERS
  - Diversified portfolio of investments in premier venture capital, buyout and growth capital funds
  - Approximately five to ten investments, with no single commitment constituting more than 20% of the Program
  - The Program will be focused on investing in Ohio-focused\* as well as Ohio-based and regional firms
  - The Program will be entirely return-focused
    - Actively reviewing opportunities that will foster the creation and growth of companies
    - Encouraging the growth of private equity in the state and the region
    - Providing a compelling reason for companies to stay in-state and the region

\* Funds that have strategies targeting investments in the Midwest, including Ohio



# Program Implementation

**CFIG will act quickly to ensure the Program's implementation. Specific steps CFIG will take are outlined here:**

- ▶ **Finalize investment guidelines**
  - Work with OPERS staff to jointly determine the formal investment objectives for the Program
- ▶ **Build relationships with key in-state parties**
  - Hold networking reception to introduce program, inviting key Program constituents
  - Continue discussions with the government, educational, industrial and economic development representatives and work to foster cooperation among these constituencies
  - On an ongoing basis, meet with Ohio and Midwestern universities and companies to facilitate and generate technology transfer opportunities and corporate partnerships
- ▶ **Initial due diligence and deal sourcing initiatives**
  - CFIG has conducted a top-down, bottom-up analysis of the Ohio/Midwestern opportunity
  - Issue a questionnaire targeted at identifying best of class Ohio-based and Ohio-focused private equity firms interested in the Program
  - Meet with short-listed managers, including i) private equity fund managers, ii) universities and research centers and iii) other investors



# Program Implementation (Cont'd)

- ▶ **Build a network to link entrepreneurs, corporate partners and private equity firms**
  - Use our customized proprietary system to build a deal flow sourcing and due diligence database
  - Establish an online “In-State Hotline”
    - Will serve to link research centers, entrepreneurs and scientists to participating private equity firms and potential corporate partners
- ▶ **Educate regional private equity firms by organizing ongoing events**
  - Entrepreneurial teach-ins
  - Private equity and venture capital seminars
  - Industry conferences
  - Host Midwestern region forums that highlight the role that value-added private equity managers play in growing companies
    - Ensure participation through a regular calling effort
- ▶ **Facilitation of capital investment**
  - Actively seek to increase investment opportunities in Ohio/Midwest by facilitating introductions of Ohio-based funds with Ohio-focused
    - With goal of increasing deal flow to regional funds and to foster syndication and/or joint venturing on deals



# Program Implementation (Cont'd)

## ▶ Ongoing transparent reporting

- Conduct periodic update meetings with OPERS staff regarding deal flow, potential investment opportunities and the status of existing investments
- Comprehensive monitoring, reporting and back-office support would be fully included. To this end, CFGI would:
  - Provide detailed quarterly reports
  - Conduct in-person, comprehensive semi-annual portfolio reviews for OPERS
  - Provide OPERS with Web-based access to reports and portfolio information
  - Maintain a database of meetings held and make this information available on the interactive website created for OPERS





# Issues to Consider for On-the-Ground Presence

- ▶ CSFB has employed two different models of on-the-ground presence to run and develop in-state programs
  - Indiana Future Fund: CSFB shares office space and uses the facility when in the state
  - Oregon Investment Fund: CSFB has a full-time representative living and working the state
- ▶ Considerations for the full-time representative model:
  - CSFB and the program have a constant presence and representative in the state
  - Provides an avenue for regular interaction with business and governmental constituencies
  - Places a higher visibility on the Program and sets a positive example for potential Ohio-focused firms to participate in the Program and establish a local presence
  - Helps to facilitate and coordinate constant interaction with OPERS staff
  - Setting up this model would take approximately two to three months
  - OPERS would bear full costs associated with office and personnel
- ▶ Considerations for the part-time office model:
  - CSFB employees' and representatives' presence would be more periodic than full-time model
  - Provides flexibility in developing presence throughout the state
  - Setting this model would take approximately one to two months
  - CSFB would bear the office costs associated with this model



# Recommendation for On-the-Ground Presence

**CSFB believes having an on the ground presence in Ohio is particularly important to the development and success of the Ohio/Midwest program**

- ▶ CSFB recommends the Program adopt the full-time model
  - CFGI will act quickly to initiate the adoption of this model and should have it in place in approximately two to three months
  - CSFB, on behalf of the Program, would hire a person with considerable experience to help facilitate in-state/regional activities
  - CSFB would secure suitable office space for CSFB employees' and the Program's representative
  - Senior representatives from CFGI will manage the Program and continue to have a frequent presence in the state



# Key Events

A calendar highlighting an example of key events for the Program is set forth below.

Please note that timing is subject to change.

| August 2005 |     |     |     |     |     |     | September 2005 |     |     |     |     |     |     | October 2005 |     |     |     |     |     |     |
|-------------|-----|-----|-----|-----|-----|-----|----------------|-----|-----|-----|-----|-----|-----|--------------|-----|-----|-----|-----|-----|-----|
| Sun         | Mon | Tue | Wed | Thu | Fri | Sat | Sun            | Mon | Tue | Wed | Thu | Fri | Sat | Sun          | Mon | Tue | Wed | Thu | Fri | Sat |
|             | 1   | 2   | 3   | 4   | 5   | 6   |                |     |     |     | 1   | 2   | 3   |              |     |     |     |     |     | 1   |
| 7           | 8   | 9   | 10  | 11  | 12  | 13  | 4              | 5   | 6   | 7   | 8   | 9   | 10  | 2            | 3   | 4   | 5   | 6   | 7   | 8   |
| 14          | 15  | 16  | 17  | 18  | 19  | 20  | 11             | 12  | 13  | 14  | 15  | 16  | 17  | 9            | 10  | 11  | 12  | 13  | 14  | 15  |
| 21          | 22  | 23  | 24  | 25  | 26  | 27  | 18             | 19  | 20  | 21  | 22  | 23  | 24  | 16           | 17  | 18  | 19  | 20  | 21  | 22  |
| 28          | 29  | 30  | 31  |     |     |     | 25             | 26  | 27  | 28  | 29  | 30  |     | 23           | 24  | 25  | 26  | 27  | 28  | 29  |
|             |     |     |     |     |     |     |                |     |     |     |     |     |     | 30           | 31  |     |     |     |     |     |

| November 2005 |     |     |     |     |     |     | December 2005 |     |     |     |     |     |     | January 2006 |     |     |     |     |     |     |
|---------------|-----|-----|-----|-----|-----|-----|---------------|-----|-----|-----|-----|-----|-----|--------------|-----|-----|-----|-----|-----|-----|
| Sun           | Mon | Tue | Wed | Thu | Fri | Sat | Sun           | Mon | Tue | Wed | Thu | Fri | Sat | Sun          | Mon | Tue | Wed | Thu | Fri | Sat |
|               |     | 1   | 2   | 3   | 4   | 5   |               |     |     |     | 1   | 2   | 3   | 1            | 2   | 3   | 4   | 5   | 6   | 7   |
| 6             | 7   | 8   | 9   | 10  | 11  | 12  | 4             | 5   | 6   | 7   | 8   | 9   | 10  | 8            | 9   | 10  | 11  | 12  | 13  | 14  |
| 13            | 14  | 15  | 16  | 17  | 18  | 19  | 11            | 12  | 13  | 14  | 15  | 16  | 17  | 15           | 16  | 17  | 18  | 19  | 20  | 21  |
| 20            | 21  | 22  | 23  | 24  | 25  | 26  | 18            | 19  | 20  | 21  | 22  | 23  | 24  | 22           | 23  | 24  | 25  | 26  | 27  | 28  |
| 27            | 28  | 29  | 30  |     |     |     | 25            | 26  | 27  | 28  | 29  | 30  | 31  | 29           | 30  | 31  |     |     |     |     |
|               |     |     |     |     |     |     |               |     |     |     |     |     |     |              |     |     |     |     |     |     |

| TARGET DATES | EVENT   |
|--------------|---|
| August 1     | Finalize legal documents                          |
| August 8     | Meet Ohio-based, regional and national managers   |
| August 9     | Begin interviewing potential CSFB representatives |
| September 6  | Obtain Ohio office space                          |
| September 27 | Ohio/Midwest Program kickoff event                |
| September 27 | Launch Preliminary Ohio/Midwest Program website   |
| September 27 | Distribute Manager Questionnaire                  |
| October 18   | Launch interactive Ohio Website                   |
| November 15  | Deadline for questionnaire submission             |
| November 18  | Ohio/Midwest Program website ad to be published   |
| January 10   | Present first Preliminary Investment Memorandum   |



# Summary





# Summary

**CSFB's Customized Fund Investment Group is uniquely positioned to manage a highly successful in-state investment Program for Ohio Public Employees Retirement System.**

- ▶ CFGI believes that Ohio/Midwest represents a unique investment opportunity
- ▶ The Ohio/Midwest program will be entirely return-oriented
- ▶ Success of the Program will depend upon an extensive networking effort, in which CFGI intends to cast a broad net
  - CFGI will continue discussions with government, educational, industrial and economic development representatives and work to foster cooperation among these constituencies
- ▶ CFGI has implemented similar in-state initiatives in other states, and looks forward to managing the Program in a thorough and expeditious way



## Appendix A – Group Biographies





# The Customized Fund Investment Group

## **Michael W. Arpey**, Managing Director

Mike is a Managing Director and Global Co-Head of the Customized Fund Investment Group. Previously, Mike was responsible for oversight of Prudential's global private equity activities. Mike also had primary responsibility for managing the Prudential's fund investment group. Previously, Mike was Director of Alternative Investments for the New York State Common Retirement Fund, where he managed a \$7BN private equity portfolio. Prior to that, Mike was a trustee for the Pennsylvania Public School Employee Retirement System and the State Employee Retirement System

## **Kelly M. Williams**, Managing Director

Kelly is a Managing Director and Global Co-Head of the Customized Fund Investment Group. Previously, Kelly was an Executive Director with Prudential's private equity group. At Prudential, Kelly was responsible for investing in private equity funds on behalf of Prudential and its clients. Kelly was primarily responsible for product and business development, as well as legal support, for the Private Equity Group from 1996 to 1999, during which time she was responsible for the development of eight private equity funds globally. Kelly joined Prudential in 1993 as counsel for a Prudential unit that specialized in providing private debt and equity for global infrastructure projects. Prior to joining Prudential, Kelly was an associate with Milbank, Tweed, Hadley and McCloy, where she specialized in global project finance

## **Nadim Barakat**, Director

Nadim joined DLJ Asset Management in January 1999 and is currently a Director in the Customized Fund Investment Group responsible for sourcing and conducting due diligence on private equity investments. Previously, Nadim was a Vice President of DLJ Asset Management. Prior to that, Mr. Barakat was in the mergers and acquisitions group of Chase Securities from 1994 to 1997 and in the venture capital group of a private fund in 1998



# The Customized Fund Investment Group (Cont'd)

## **Matthew C. Kelly, CPA, Director**

Matt is Chief Financial Officer and Chief Operating Officer of the Customized Fund Investment Group and is responsible for the oversight of all financial activities of the Funds, including accounting, tax functions and investor relations. Currently, he accounts for \$10 billion in Fund commitments spread over 600 Funds and 150 Direct investments. Previously, Matt spent four years at Morgan Stanley Dean Witter within its Private Equity Group, as the controller running the Private Equity Funds. In addition, he spent four years working for KPMG Peat Marwick as a financial auditor. He is a certified public accountant and has received a BBA degree from Pace University and an MBA from Fordham University

## **Alex Morey, Director**

Alex is a Director in the Customized Fund Investment Group. Alex is based in CFG's London office. Alex joined CFG after spending five years as a Director at DLJ Merchant Banking Partners, a \$5.4 billion global private equity fund. Previously, Alex spent three years as a Principal with Phoenix Equity Partners, a middle-market European private equity fund. Prior to this, he worked as an Assistant Director with Arthur Andersen, focusing on structuring and advising on leveraged buy-outs and mergers and acquisitions, and as an executive in the Corporate Finance Group of Price Waterhouse. Alex received a B.Sc. with honors from Cardiff University in 1988 and is a Chartered Accountant. Alex has served on the Boards of numerous portfolio companies in Europe and the US ranging in size from business start-ups to revenues of over \$2.5 billion

## **David M. Russell, Director**

Dave is a Director in the Customized Fund Investment Group and has primary responsibility for Product Management for the Fund Investment Group. Previously, Mr. Russell was Managing Attorney for the New York State Common Retirement Fund, where his responsibilities included negotiating private equity partnership investments by the \$8BN Division of Private Equity, and structuring customized venture, buyout and co-investment funds. Prior to that, Dave was a Corporate Securities Associate with the New York law firm, Seward & Kissel, where he specialized in the formation of mutual funds and hedge funds





# The Customized Fund Investment Group (Cont'd)

## **David Almodovar**, Vice President

David is a Vice President in the Customized Fund Investment Group. David is located in CFGI's Portland office. Previously, David was a Director in private equity group at the Russell Investment Group and had responsibility for investing and monitoring Russell's private equity partnership investments. Prior to joining Russell, David was a Principal with SS Thomas & Associates and was responsible for advising the firm's clients on investment strategies, fund structures and fund raising strategies. Prior to SS Thomas & Associates, David was an Investment Officer in the alternative investment division of the Washington State Investment Board where he managed a \$5.2 billion portfolio of private equity investments. Prior to his work in the investment industry, David served in many capacities in the U.S. Army, including assignments in the United States, South Korea and Saudi Arabia during Operation Desert Storm

## **Vikram Bhaskar**, Vice President

Vikram is a Vice President in the Customized Fund Investment Group, where he is involved in conducting due diligence on private equity investments. Previously, he was an Investment Banking Associate at DLJ and CSFB. Prior to joining DLJ, Vikram was a Relationship Manager with Deutsche Bank from 1993 to 1997. Vikram was also an Audit professional for a KPMG affiliate in India from 1989 to 1992

## **Elaine J. Filliter**, Vice President / Investor Relations

Elaine Filliter is a Vice President in the Customized Fund Investment Group. Her responsibilities include funds management and client service for the firm's various private equity fund of funds. Previously, Elaine worked as an Associate with the private equity funds group at DLJ Asset Management, which she joined in February 2000, and she joined Credit Suisse when it acquired Donaldson, Lufkin & Jenrette in November 2000. Prior to joining DLJ Asset Management, Elaine worked for Hambro America Private Equity, Inc., a division of Hambro America, Inc.



# The Customized Fund Investment Group (Cont'd)

## **C. Scott Hamner**, Vice President / Investor Relations

Scott is a Vice President in the Customized Fund Investment Group, primarily responsible for investor reporting and communications. Previously Scott served as Vice President and in-house legal counsel to CFGI and other divisions within CSFB Private Equity. Prior to joining CSFB, Scott was an associate in the investment funds group of the global law firm Akin Gump Strauss Hauer & Feld LLP from 1999 to 2003. Scott holds a BA with honors in Political Science from Southwestern University and a Juris Doctor degree with honors from the Boston University School of Law

## **Mark T. Regal**, CFA, Vice President

Mark is a Vice President in the Customized Fund Investment Group. Previously, Mark was a Senior Associate in Prudential's private equity group and had responsibility for reviewing Prudential's private equity partnership investments. Prior to joining Prudential, Mark was employed by BankAmerica Capital Corporation, where he was charged with the day-to-day responsibilities of its venture capital fund portfolio. Prior to that, Mark was an Analyst for Alternative Investments at the Minnesota State Board of Investment. Prior to that, Mark was employed at the Minneapolis law firm of Popham Haik Schnobrich & Kaufman. He is a Chartered Financial Analyst, a member of the CFA Institute and a member of the New York Society of Security Analysts, where he serves on the Alternative Investments Committee.

## **Bernard Yancovich**, Vice President

Bernard is a Vice President in the Customized Fund Investment Group, where he is involved in conducting due diligence on private equity investments. Previously, he was an Investment Banking Associate at DLJ and CSFB. Prior to joining DLJ, Bernard performed transaction advisory services for KPMG in France



# The Customized Fund Investment Group (Cont'd)

## **Joni Grossman**, Associate

Joni is an Associate in the Customized Fund Investment Group. Prior to completing her MBA at Columbia Business School, she was a senior investment banking analyst at Morgan Stanley. Prior to joining Morgan Stanley, Joni worked in Arthur Andersen's financial valuation group. She received a BA from University of Texas at Austin and is a member of Phi Beta Kappa

## **Cara Priestley**, Associate

Cara is an Associate in the Customized Fund Investment Group. Cara joined the Customized Fund Investment Group in August 2002, after completing the Investment Banking Analyst training program. Previously, she was a Summer Analyst with Salomon Smith Barney's Real Estate Investment Banking Group. She received a BA degree from Seattle University

## **Michael Rose**, Associate

Michael is an Associate in the Customized Fund Investment Group. Prior to completing his MBA from the Stern School of Business at New York University as a Stern Scholar and a Zicklin Scholar, Michael was a global syndicated finance associate at JP Morgan. Previously, he was an associate in the associate resource management program at Chase Securities. Michael was also an analyst in global syndicated finance at Chase. Michael received his BA in Economics and History and graduated with High Distinction from the University of Michigan

## **Harris Zaki**, CFA, Associate

Harris is an Associate in the Customized Fund Investment Group. Prior to completing his MBA in Finance & Marketing from the Stern School of Business, New York University, Harris worked in the Investment Banking and Complex Credit Units of Citibank in Karachi, Pakistan, and the Operations and Technology Unit of Citibank in London, UK. Previously, Harris also completed an MBA in Finance from the Institute of Business Administration and a Bachelors Degree in Medicine and Surgery from the Aga Khan University in Karachi, Pakistan. Harris is a Chartered Financial Analyst and a member of AIMR



# The Customized Fund Investment Group (Cont'd)

## **Christina Chao**, Associate / Investor Relations

Christina is an Associate in the Customized Fund Investment Group. Previously, Christina was with JP Morgan where she was an Analyst. She received a BA degree from Smith College

## **Daniel Rhoads**, Associate / Investor Relations

Dan is an associate in the Customized Fund Investment Group. Previously, Dan worked at Soros Private Equity Partners, where he covered a number of Soros private equity products. Prior to joining Soros in 2001, Dan was a senior associate in the investment management services group at PWC from 1999 to 2001

## **Ryan Smith**, Associate / Business Development and Marketing Support

Ryan is an Associate in the Customized Fund Investment Group where he has been working since 2001. He received his BA degree from the University of Notre Dame in 1998. He also studied at Trinity College in Dublin, Ireland

## **Iris Zhao**, Associate

Iris is an Associate in the Customized Fund Investment Group. Previously, Iris worked as an analyst at Banc of America Securities in the Leveraged Acquisitions Finance Group. Iris received a BS degree in Finance and Marketing from the Leonard N. Stern School of Business at New York University



# The Customized Fund Investment Group (Cont'd)

## **Wen Li, Analyst**

Wen joined the Customized Fund Investment Group in August 2003, after completing the Investment Banking Analyst training program. Previously, he was a Summer Analyst in AIG's Alternative Investment Group. He received a BS degree from New York University

## **Jason Tabalujan, Analyst**

Jason joined the Customized Fund Investment Group in November 2004. Previously, he was an Associate with KPMG's Economic and Valuation Services Group. He received a BS degree in Finance and Economics from the University of Virginia

## **Robert Glass, Analyst / Investor Relations**

Robert is an Analyst in the Customized Fund Investment Group. Previously, Robert was a Controller for CFGI. Prior to joining CSFB, Robert worked in Global Finance at Lucent Technologies and Avaya, Inc. Robert successfully completed the CPA examination in May 2003 and received his BS in Accounting from Susquehanna University in May 2000

## **Jurrien Swarts, Analyst / Business Development and Marketing Support**

Jurrien joined the Customized Fund Investment Group in October 2003. Previously, he was a paralegal at Cleary Gottlieb Steen & Hamilton. He received a BA degree in Chinese literature from Dartmouth College



## Appendix B - The Ohio Opportunity





# The Ohio Opportunity



## Ohio is well positioned to benefit from an in-state program:

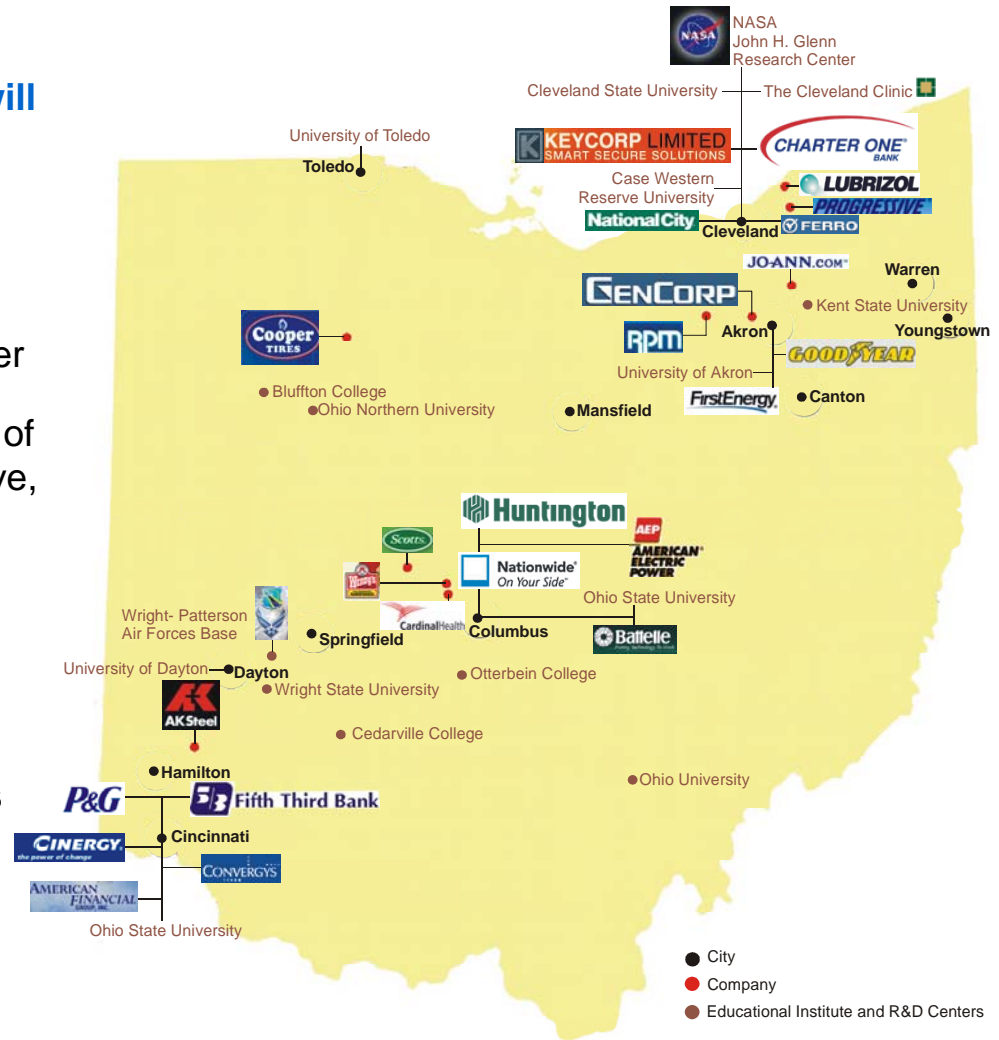
- ▶ Ohio has the infrastructure in place to support an in-state program, notably:
  - The Ohio Department of Development promotes economic opportunities in the state by providing financial, informational and technical assistance to investors in Ohio
  - The Ohio Venture Capital Fund aims to increase the amount of private investment for Ohio companies in the seed or early stages of business development
  - University and Technology Transfer Programs at three of Ohio's top universities, Ohio State University, Case Western Reserve University, and Ohio University
- ▶ Several clusters of innovation are present to capitalize on the Ohio opportunity
  - Ohio has historically been dependent on traditional industries such as iron and steel, aerospace and defense, motor vehicles, rubber and plastics, food processing and insurance
  - The State has also been transitioning into a highly dynamic economy by promoting knowledge and research-based industries such as advanced electronics, advanced materials, biosciences, information technology, power and propulsion, and fuel cells
- ▶ Since 1994, approximately \$11.7 billion has been invested in over 350 Ohio-based companies
  - 33 local private equity firms invested in the State during this time
  - Investments from 1994 - 2003 grew at a compound annual growth rate of 28.0%



# The Ohio Infrastructure

The presence of renowned academic institutions and key corporate partners will allow Ohio to leverage its existing infrastructure:

- ▶ The proximity of Ohio universities to technologically innovative corporations is key for collaborative efforts in tech transfer
- ▶ Ohio continues to be home to operations of large companies such as TRW Automotive, Goodyear, Proctor & Gamble, Honda, Delphi, Sherwin-Williams and RPM International
- ▶ Major corporations can create attractive investment opportunities
  - Spinouts of technologies and divisions
  - Large corporates may be potential buyers for exiting portfolio companies







# Ohio Technology Transfer

The State's major universities have tech transfer programs from which research may be transformed into commercial opportunity:

 The Ohio State University | Office of Research

- ▶ The Office for Technology Licensing (OTL) at The Ohio State University pursues, protects, packages and licenses to industry the intellectual property developed at Ohio State and serves faculty, staff, and students in all aspects of intellectual property
  - OTL assists faculty and staff by handling all patent and licensing activities and distribution of royalties and payments received related to industrial partnerships
  - More than 20 companies have been established, and over 90 patents have been awarded, based on Ohio State University technology and licenses since 2000
- ▶ The Technology Transfer Office (TTO) at Case Western Reserve University was established in 2001 to create a successful and sustainable operation for transferring Case's world class research into the marketplace
  - Faculty participation in the technology transfer process reached an all time high in 2004, with 135 invention disclosures. Total revenue at \$11 million surpassed the \$10 million received in 2003
  - Seven companies have been established based on Case technology and licenses over the past three years
  - Case Technology Ventures (CTV), launched in 2002, provides researchers with funding that enables the launch of infant companies based on new and often risky technology





# Ohio Technology Transfer (Cont'd)

- ▶ The Ohio University Innovation Center is a business incubator that provides business services, success strategies, networking and flexible facilities to emerging Southeast Ohio businesses
  - The Innovation Center was founded in 1983. Over the past twenty years more than 50 companies have been assisted through this business incubation program
  - The Ohio University Technology Transfer Office, established in 1991, is a part of the Innovation Center. The TTO was, and continues to be, responsible for managing the intellectual property of Ohio University
  - In the past 10 years, Ohio University has received 48 patents, \$3.2 million in royalty income and has generated 10 startup companies based on faculty research

**The Innovation Center**  
Ohio University's Business Incubator



# Ohio Clusters of Innovation

**Ohio is an emerging force in several knowledge and research-based sectors, including aerospace/defense, advanced electronics, and information technology.**

- ▶ Ohio's aerospace industry includes companies manufacturing aircraft, missiles, space vehicles, and aerospace engine propulsion units, as well as companies rebuilding aircraft and propulsion systems
  - The state ranks second in the U.S. in aircraft engine and engine parts manufacturing, employing over 11,000 employees at 27 establishments
- ▶ The manufacture of advanced electronic products is a multi-billion industry in Ohio
  - Approximately 182,000 workers are employed in advanced electronics and related industries; more than 80% work in computer services, telecommunications and technology service clusters
  - Among the leading advanced electronic companies with significant operations in state are ABB, Emerson Electric, Eastman Kodak, Lucent, and Philips Medical Systems
- ▶ Information Technology stretches across nearly every industry segment in Ohio's economy
  - The seven fastest-growing job classifications in Ohio are all from the IT sector
  - Large IT-focused companies such as Cincom, Convergys, Diebold, LexisNexis, NCR, The Online Computer Library Center and Reynolds & Reynolds are all located in Ohio.
  - Statewide Edison incubation networks and tech center facilities are proven accelerators for business growth and over the last five years have helped create more than 350 new businesses, 75 new products and over 3,300 new jobs
- ▶ *Please refer to Appendix B for detailed information on Ohio's clusters of innovation*



## Appendix C – Ohio Clusters of Innovation





# Ohio Aerospace & Defense Cluster

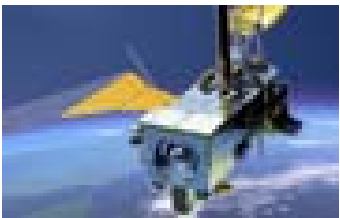
## Resources:



- ▶ **NASA Glenn (Glenn)** is the premier NASA facility for microgravity science, in-space transportation, aerospace communications and aeropropulsion. Glenn conducts research on propulsion technology for general aviation and high-performance aircraft. The center also conducts propulsion-related research on materials and instrument controls. It is based in Cleveland.



- ▶ **Wright-Patterson Air Force Base** is Ohio's largest single site employer, with a military and civilian workforce of 22,000. It has been the Air Force research, development and acquisition center for the last 50 years and collaborates with NASA Glenn on turbine engines, space power propulsion, computational programming, materials and hypersonics. Wright-Patterson Air Force Base is located in Greene, Ohio.



- ▶ **Ohio Aerospace Institute (OAI)** was established in 1989 as a private, nonprofit consortium of university, industry and government laboratories. It aims to make advances in aerospace components, develop solutions for market-driven needs, create improved design/manufacturing and measurement systems, and provide educational support for faculty and students. OAI is headquartered in Cleveland.



# Ohio Aerospace & Defense Cluster (Cont'd)

## *Resources:*



- ▶ **Battelle Memorial Institute** focuses on technology development and commercialization, education and community service. It conducts projects for more than 2,000 companies and government agencies worldwide. It also manages the Great Lakes Industrial Technology Center (GLITeC) and helps bring NASA technology to companies outside the "traditional" aerospace industry. GLITeC assists over 1,000 companies a year to help identify, acquire, adapt and use federal technologies and capabilities. It is headquartered in Columbus.



# Ohio Aerospace & Defense Cluster (Cont'd)

## *Companies:*



- ▶ **Boeing** is an aerospace company that operates in six principal segments: Commercial Airplanes, Aircraft and Weapon Systems, Network Systems, Support Systems, Launch and Orbital Systems and Boeing Capital Corporation. In Ohio, Boeing has selected Grimes Aerospace Company, a wholly owned subsidiary of Honeywell International, as a member of the national team for its 767 Tanker Transport program to provide support to the U.S. Air Force and Boeing's customers worldwide.



- ▶ **Northrop Grumman Corporation** provides products, services and solutions in defense and commercial electronics, nuclear and non-nuclear shipbuilding, information technology, mission systems, systems integration and space technology. One of its facilities is based in Beavercreek, Ohio.

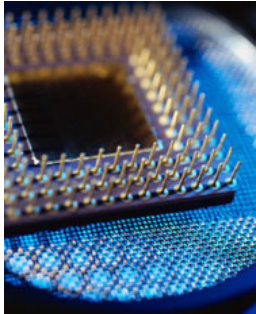


- ▶ **TRW Automotive Holdings**, incorporated in 2000, is an advanced technology based products and services provider for the automotive industry internationally. The Company designs, manufactures and sells a range of steering, suspension and braking products, safety electronics, engineered fastening body control systems and other components and systems. It has a significant presence in Ohio with two braking and suspension centers, one manufacturing and one technical center.

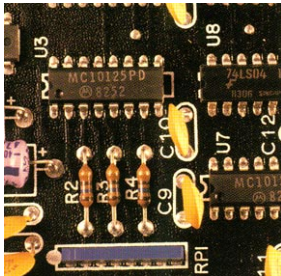


# Ohio Advanced Electronics Cluster

## *Resources:*



- ▶ **Wright Centers of Innovation** award grants to support large-scale world-class research and technology development platforms designed to accelerate the pace of Ohio commercialization. Wright Centers are collaborations among Ohio educational institutions, non-profit research organizations and Ohio companies in the areas of advanced electronics, materials, power and propulsion, information technology and instruments, and controls and electronics, among others. They are part of the Third Frontier Project.



- ▶ **Product Development Pilot Program** awards grants to projects focusing on product development in areas of advanced materials and instruments, controls and electronics. It aims to improve delivery of product development assistance, including design, engineering, financing, marketing and management to small and medium-sized Ohio manufacturers.



- ▶ **Edison Federal Technology Commercialization Centers** primarily support technology transfer from federal laboratories such as NASA Glenn Research Center. They aim to provide companies easier access to resources of the federal laboratory system, including intellectual property, scientific and engineering expertise, facilities and equipment.





# Ohio Advanced Electronics Cluster (Cont'd)

## *Companies:*



- ▶ **Cincinnati Bell**, formerly known as Broadwing, is a full service regional provider of local, long distance, wireless and data communications services. The company has four business segments - Broadband, Local, Wireless and Other, but it operates as a single entity.



- ▶ **Diebold** is primarily engaged in the manufacture, sale, installation and service of automated self-service transaction systems, electronic and physical security products, and election systems and software. It is headquartered in Canton, Ohio.



- ▶ **SBC Communications** provides communications services and products such as local exchange services, wireless communications, long-distance services, Internet services, telecommunications equipment and directory advertising and publishing. The company caters to businesses, consumers, as well as other telecommunications services providers. SBC Communications is one of the largest industry employers in Ohio with 6,800 workers.



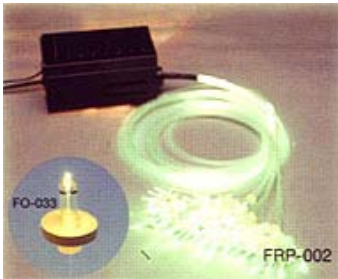
# Ohio Information Technology Cluster

## *Resources:*



- ▶ **Edison Incubation Networks** facilitate the startup and growth of investable, scalable technology-based businesses in Ohio. They provide educational, funding and management assistance to these companies. This program was introduced by the Ohio Department of Development.

- ▶ **Technology Action Fund** provides monetary support for projects that contribute to the technological sectors of Ohio's economy. It aims to make early stage capital readily available for technology-based Ohio business start-ups. The Fund was introduced by the Technology Division, Ohio Department of Development.



- ▶ **Ohio's IT Alliance** is a statewide network of six regional organizations who provide regional economic development programs to support Ohio's IT industry. It is supported and funded by the Ohio Department of Development's Thomas Edison Program and chartered by the Governor of Ohio.

- ▶ **Validation Fund & Seed Fund Initiative** awards grants to validation and seed funds to increase the availability of professionally managed capital and associated services to accelerate the growth of early stage Ohio technology companies.



# Ohio Information Technology Cluster (Cont'd)

## *Companies:*

- ▶ **NCR Corporation**, incorporated in 1884, is a global technology company that provides custom made solutions by facilitating transactions and transforming data from transactions into useful business information. NCR serves the retail and financial industries, and through its data warehousing and customer services businesses, caters to the telecommunications, transportation, insurance, utilities and electronic commerce industries, among others. NCR Corporation is headquartered in Dayton.
- ▶ **Convergys Corporation** provides outsourced customer management, employee care and integrated billing software services. The company focuses on employee and customer intensive industries including communications, technology, financial services and governmental agencies. It also provides outsourced marketing services and information services and software. Convergys Corporation is headquartered in Cincinnati.
- ▶ **Cincom Systems** develops tools for manufacturing, financial and sales automation applications. Its products are used in managing application development, customer support, database, call center and manufacturing functions. Its client list includes Coca-Cola, IBM and Sharp, among others. Cincom Systems is headquartered in Cincinnati.





# Ohio Information Technology Cluster (Cont'd)

## *Companies:*

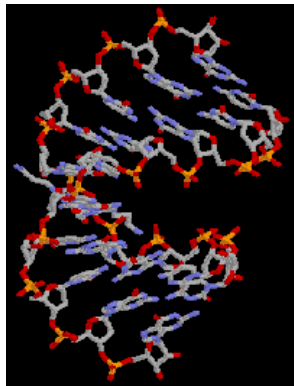
- ▶ **LexisNexis**, a subsidiary of publishing giant Reed Elsevier Group, offers subscribers access to thousands of information sources like newspapers, magazines and public records through Internet, CD-ROMs and books. The bulk of its content focuses on legal, business, government and tax information. The company's services include Nexis news, business information research services and an online legal research system. LexisNexis is headquartered in Miamisburg.
- ▶ **Reynolds & Reynolds**, incorporated in 1889, provides integrated software solutions and services to automotive retailers. Its offerings include a range of retail and enterprise management systems, networking and support systems, e-business applications, web services, learning and consulting services, customer relationship management (CRM) solutions, document management and financing services. Reynolds & Reynolds is headquartered in Kettering, Ohio.





# Ohio Biosciences Cluster

## *Resources:*



- ▶ **Omeris**, founded in 1986 as Edison BioTechnology Center, is a non-profit organization designed to build and accelerate bioscience industry, research and education in Ohio. It has centers in Cleveland, Columbus and Cincinnati.
- ▶ **Research Institute of University Hospitals** is the research arm of University Hospitals of Cleveland. It focuses on translational research and applying fundamental advances in biomedical research to improve health care. It is involved in federal-funded research, sponsored research agreements with the pharmaceutical, biotechnology and medical device industries and also partners with Case Western Reserve University. It is based in Cleveland.
- ▶ **Ohio State University Research Foundation's** mission is to promote development, implementation and coordination of sponsored research at Ohio State University. It offers specialized integrated project development, administrative and financial services for research and other activities and is supported by a wide range of external sponsors.



# Ohio Biosciences Cluster (Cont'd)

## *Resources:*



- ▶ **Biomedical Research and Technology Transfer Fund** awards grants, after a competitive review process, for biomedical research and technology transfer projects.
- ▶ **Biomedical Research and Technology Transfer Partnership Program** awards grants to support biomedical and biotechnology research projects that lead to Ohio's commercialization and long-term improvements to the health of Ohioans. Projects supported by the Program are typically in areas of human genetics and genomics, structural biology, biomedical engineering, computational biology, plant biology and environmental biology. It is part of the Ohio Third Frontier Project.
- ▶ **EPA's National Risk Management Research Laboratory** conducts research to prevent, control, and remedy problems that threaten human health and the environment. It is located in Cincinnati.



# Ohio Biosciences Cluster (Cont'd)

## *Companies:*



STERIS®

- ▶ **Steris**, incorporated in 1987, develops, manufactures and markets infection prevention, contamination control, microbial reduction and surgical and critical care support products and services. It caters to healthcare, scientific, research, industrial and government customers throughout the world. Steris has realigned its single operating segment into three market-focused business segments - Healthcare, Life Sciences and Steris Isomedix services. It is headquartered in Mentor, Ohio.



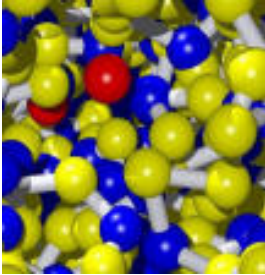
CardinalHealth

- ▶ **Cardinal Health** is a holding company encompassing a number of operating subsidiaries. Their products and services support the healthcare industry and help healthcare providers and manufacturers improve efficiency and quality of healthcare. The company has four reporting segments - pharmaceutical distribution and provider services, medical products and services, pharmaceutical technologies and services, and clinical technologies and services. Cardinal Health is headquartered in Dublin, Ohio.

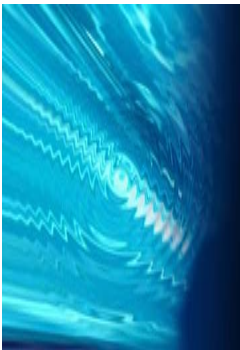


# Ohio Advanced Materials Cluster

## *Resources:*



- ▶ **Centre for Advanced Liquid Crystalline Optical Materials (ALCOM)** consolidates the internationally recognized and complementary expertise of scientists from Kent State University, Case Western Reserve University and University of Akron and integrates their activities with liquid crystal research worldwide. It provides participating companies with prototypes needed for funding or market study and advanced materials for development of new or improved projects. It also organizes training workshops for industrial and government researchers.
- ▶ **College of Polymer Science & Polymer Engineering** at the University of Akron and its polymer program ranks among the top ten in the U.S. It also offers several outreach and tech transfer programs and has facilities which provide training, technical support and services to the local businesses.
- ▶ **Department of Macromolecular Science & Engineering** at Case Western Reserve University is one of the best academic facilities dedicated to polymer science in the U.S. It receives research funding from and collaborates with industry on various research studies and contracts.
- ▶ **Center for Advanced Materials Processing** at Ohio University is a center of expertise in advanced materials processing. It provides R&D and material testing services to government groups and private industry through funded research projects. Their research sponsors include organizations such as National Science Foundation, U.S. Air Force, Office of Naval Research, NASA and Edison Material Technology Center. Industry sponsors include General Electric, ASI, UES, McDonnell Douglas (Boeing) and automotive research laboratories, among others.



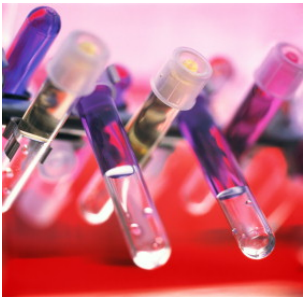
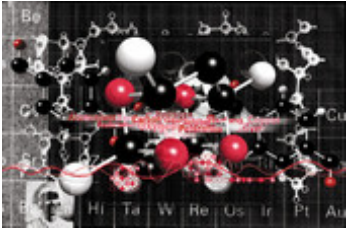




# Ohio Advanced Materials Cluster (Cont'd)

## Resources:

- ▶ **Liquid Crystal Institute (LCI)** at Kent State University is the headquarters for ALCOM. It has many outreach programs such as Industrial Partnership Program which allows companies to participate in LCI's research and technology development. This program provides training, advisory services, technical support and conducts sponsored research. It also has an active technology transfer program allowing industry to access commercially applicable technology developed by the University.
- ▶ **Materials Science and Engineering Centre** at Ohio State University is home to six world class research centers dedicated to different branches of advanced materials research. These centers conduct research projects sponsored by or in collaboration with leading auto parts producers and steel companies.
- ▶ **Edison Materials Technology Center (EMTEC)** partners with educational institutions, government laboratories and companies to help Ohio industry become more competitive through application of materials and materials processing technology. It provides problem-solving and applied research in materials and processing technologies including metals, ceramics, composites and polymers. EMTEC is based in Dayton.
- ▶ **Edison Welding Institute (EWI)** is the largest nonprofit, industrially driven engineering organization in North America dedicated to advancing and applying materials-joining technology. EWI provides materials joining assistance, contract research, consulting services and training to member companies. It is headquartered in Columbus, Ohio.





# Ohio Advanced Materials Cluster (Cont'd)

## Select Companies:



INNOVATIONS FOR LIVING™

- ▶ **Owens Corning**, incorporated in 1938, produces building materials systems and composites systems for consumers and industrial customers. The company targets the transportation, building construction, telecommunications and electronics markets. Several of its products are marketed under registered trademarks like Propink, Advantex and Pink. Owens Corning is based in Toledo.



- ▶ **PolyOne Corporation** is an international polymer services company with operations in thermoplastic compounds, specialty polymer formulations, color and additive systems and thermoplastic resin distribution. PolyOne Corporation is headquartered in Avon Lake.



- ▶ **Excera Materials Group** is a ceramics/metal manufacturing company, developing high-performance ceramics/metal composite materials for commercial and manufacturing applications. It was awarded the Emerging Technology Award by Governor Bob Taft in November 2004 for fostering innovation and positively utilizing technology to impact its operations. Excera is based in Columbus.



# Ohio Advanced Materials Cluster (Cont'd)

## *Select Companies:*

- ▶ **Nanofilm** is a nanotechnology developer, creating ultra-thin films that produce properties such as liquid-repellency, fog-prevention and protection against chemicals, abrasion, heat and cold, or other hazards. It was one of eleven Ohio companies which received Governor Bob Taft's Emerging Technology Awards in November 2004 for their contribution to the development of technology and the State economy. Nanofilm is headquartered in Valley View, Ohio.





## Appendix D – Private Equity Activity in Ohio





# Buyout Activity in Ohio

Several sizeable later stage firms have invested in Ohio. The national and regional firms investing in the State since 1994 are as follows:

## Leading Local Buyout Investors Since 1994

(\$ in millions)

| No. | Firm Name                        | # of Companies | Inv. Per Company | Sum Invested |
|-----|----------------------------------|----------------|------------------|--------------|
| 1   | Brantley Partners                | 9              | \$4.9            | \$44.0       |
| 2   | Linsalata Capital Partners       | 4              | 10.1             | 40.2         |
| 3   | Key Principal Partners           | 3              | 3.8              | 11.4         |
| 4   | River Cities Capital Funds       | 2              | 2.0              | 4.0          |
| 5   | Primus Venture Partners          | 1              | 2.5              | 2.5          |
| 6   | Walnut Group, The                | 1              | 2.0              | 2.0          |
| 7   | Blue Chip Venture Company        | 2              | 0.5              | 0.9          |
| 8   | Fort Washington Capital Partners | 1              | 0.4              | 0.4          |

Source: Venture Economics

## Leading Non-Local Buyout Investors Since 1994

(\$ in millions)

| No. | Firm Name                      | # of Companies | Inv. Per Company | Sum Invested |
|-----|--------------------------------|----------------|------------------|--------------|
| 1   | DB Capital Partners            | 2              | \$598.0          | \$1,196.1    |
| 2   | W.L. Ross & Co.                | 2              | 230.0            | 460.0        |
| 3   | Oak Hill Capital Management    | 2              | 226.6            | 435.2        |
| 4   | Warburg Pincus                 | 3              | 118.2            | 354.6        |
| 5   | Monitor Clipper                | 4              | 66.9             | 267.7        |
| 6   | Fenway Partners                | 2              | 132.6            | 265.1        |
| 7   | EGI Capital Markets            | 2              | 130.2            | 260.4        |
| 8   | Welsh, Carson Anderson & Stowe | 4              | 56.4             | 225.4        |
| 9   | Keilin & Co.                   | 1              | 218.0            | 218.0        |
| 10  | Odyssey Investment Partners    | 2              | 99.4             | 198.7        |

Source: Venture Economics



# Buyout Activity in Ohio (Cont'd)

Growth capital and buyout firms have made a number of significant investments in Ohio - based companies.

## Top Ten Buyout Investments in Ohio Since 1994

(\$ in millions)

| No. | Company Name                      | # of Deals | # of Firms Invested | Sum       |
|-----|-----------------------------------|------------|---------------------|-----------|
| 1   | International Steel Group, Inc.   | 1          | 2                   | \$1,500.0 |
| 2   | Noveon International, Inc.        | 1          | 2                   | 1,200.0   |
| 3   | Travel Centers of America         | 4          | 4                   | 627.9     |
| 4   | TransDigm, Inc.                   | 2          | 6                   | 596.3     |
| 5   | PAV Republic, Inc.                | 1          | 2                   | 436.0     |
| 6   | Relizon Company, The              | 3          | 2                   | 324.8     |
| 7   | Federated Department Stores, Inc. | 1          | 1                   | 260.3     |
| 8   | DCI Holdings                      | 1          | 2                   | 217.8     |
| 9   | SubmitOrder.com                   | 3          | 1                   | 179.7     |
| 10  | Associated Materials, Inc.        | 1          | 3                   | 172.0     |

Source: Venture Economics



# Venture Capital Activity in Ohio

Both national and local firms continued to invest in Ohio during the past decade:

## Leading Local Venture Capital Investors Since 1994

(\$ in millions)

| No. | Firm Name                     | # of Companies | Inv. Per Company | Sum Invested |
|-----|-------------------------------|----------------|------------------|--------------|
| 1   | Primus Venure Partners        | 20             | \$4.1            | \$82.0       |
| 2   | Blue Chip Venture Company     | 26             | 2.9              | 74.5         |
| 3   | River Cities Capital Fund     | 22             | 2.4              | 52.8         |
| 4   | Linsalata Capital Partners    | 5              | 8.0              | 39.9         |
| 5   | Brantley Partners             | 12             | 3.2              | 37.8         |
| 6   | National City Equity Partners | 7              | 4.0              | 28.0         |
| 7   | Cinergy Ventures              | 2              | 12.7             | 25.4         |
| 8   | Crystal Internet Venture Fund | 3              | 5.2              | 15.7         |
| 9   | Key Principal Partners        | 3              | 3.8              | 11.4         |
| 10  | Northwest Ohio Venture Fund   | 6              | 1.3              | 7.9          |

Source: Venture Economics

## Leading Non-Local Venture Capital Investors Since 1994

(\$ in millions)

| No. | Firm Name                 | # of Companies | Inv. Per Company | Sum Invested |
|-----|---------------------------|----------------|------------------|--------------|
| 1   | Silver Lake Partners      | 1              | \$179.7          | \$179.7      |
| 2   | Spectrum Equity Investors | 2              | 67.7             | 135.4        |
| 3   | Apollo Management         | 1              | 107.7            | 107.7        |
| 4   | Warburg Pincus            | 3              | 34.2             | 102.7        |
| 5   | Harvest Partners          | 1              | 83.3             | 83.3         |
| 6   | Individuals               | 23             | 3.2              | 73.3         |
| 7   | J.P. Morgan Partners      | 8              | 8.8              | 70.5         |
| 8   | Summit Partners           | 5              | 12.6             | 63.0         |
| 9   | TA Associates             | 2              | 30.6             | 61.1         |
| 10  | Weston Presidio           | 1              | 57.3             | 57.3         |

Source: Venture Economics



# Venture Capital Activity in Ohio (Cont'd)

The following are examples of companies in Ohio that received venture backing:

## Top Ten Venture Capital Investments in Ohio Since 1994

(\$ in millions)

| No. | Company Name                   | # of Deals | # of Firms Invested | Sum     |
|-----|--------------------------------|------------|---------------------|---------|
| 1   | SubmitOrder.com                | 4          | 3                   | \$227.2 |
| 2   | Horizon PCS, Inc.              | 1          | 2                   | 140.6   |
| 3   | CBD Media, Inc.                | 1          | 1                   | 135.4   |
| 4   | Endforce, Inc.                 | 5          | 14                  | 96.4    |
| 5   | Eurand Pharmaceutical Holdings | 5          | 2                   | 95.3    |
| 6   | Athersys Inc.                  | 6          | 18                  | 93.3    |
| 7   | IRMC Holdings, Inc.            | 3          | 4                   | 88.4    |
| 8   | Compleint, Inc.                | 5          | 12                  | 85.3    |
| 9   | CAVU, Inc.                     | 2          | 8                   | 74.4    |
| 10  | think3, Inc.                   | 5          | 7                   | 67.4    |

Source: Venture Economics





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