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Venture Capital Investment in Greentech and Renewable Energy Exceeds \$2.5B in Q4 2008 and Reaches \$7.7B for the Year.

Greentech Media Reports Another Strong Quarter and a Record Fundraising Year, With Green Technology and Investment as a Brightspot in the Economy

Pace to Slow but Still Remain Strong Through 2009

CAMBRIDGE, Mass. – January 5, 2009 – Greentech Media Inc., the industry-leading online media company covering green technology news and analysis, released the most recent quarterly data showing that venture capital investment in green technologies exceeded \$2.5 billion in the fourth quarter of 2008, a modest decrease from the previous quarter's total of \$2.9 billion.

"Greentech VC investors remain optimistic on this sector and still have faith in the VC model. Investors continue to fund early stage deals as well as later stage deals," said Eric Wesoff, Senior Analyst at Greentech Media. "At least 30 of the 115 deals this quarter were seed stage or A rounds."

"VCs are now digging deep in the greentech sector and looking outside traditional technologies at previously underinvested areas like energy storage, energy efficiency, recycling, water, cleaner coal and green IT," he added.

Solar technology once again led the VC charge this quarter with more than \$1.3 billion invested in 29 venture capital rounds – more solar deals closed in the fourth quarter than in the third quarter's total of 26. The solar total was heavily influenced by Solyndra's massive fund raise, but even without that figure – the solar investing landscape was still very active. One could also call it over-invested.

"2008 marks the 'end of the beginning,' an end to the first few years of investment enthusiasm," said Eric Straser, a partner at Mohr Davidow Ventures and leader of its cleantech investment team. "In the next period, we'll see investors focus on strong investor syndicates, management teams that have proven they can execute, and value propositions that can truly deliver differentiated economics to the world's largest markets."

"We will continue to see investors allocate capital, albeit more cautiously, to cleantech as the underlying macro forces driving cleantech remain unchanged and cleantech looks well positioned to be a significant part of the new administration," he added.

Other renewable energy sectors, such as wind, smart grid and energy storage continue to receive record amounts of funding. Venture firms invested heavily in biofuels such as cellulosic ethanol and algae with more than \$350 million directed towards these new feedstocks and technologies.

"VC investment in green energy technologies in 2008 exceeded \$7.7 billion in more than 350 deals – more than double last year's dollar totals. We anticipate a slowing in the dollar amount

but look for an increase in number of deals as investors back off from building solar and biofuel factories and look for more capital-efficient technologies and firms," Wesoff added.

The table below provides the breakdown of VC investment by sector:

Greentech Sector	Total Q4 VC Funding	Number of Deals
Solar	\$1,335.9M+	29
Ethanol, Biofuels, Gasification	\$358.55M	18
Wind	\$218M+	5
EE, DR and Smart Grid	\$208.5M	11
Batteries, FCs, Energy Storage	\$101.55M	14
Energy Project Development	\$96M	2
E-Waste and Recycling	\$74.8M	7
Green IT	\$37.3M+	7
Automotive and transportation	\$29.03M	4
Green Agriculture	\$25M	2
Lighting	\$23.9M+	7
New Coal Tech	\$9M+	2
Misc. Greentech	\$8.6M	2
Green Buildings	\$4.0M	1
Geothermal	\$3.5M	1
Environmental Technology	\$3.9M	2
Water	\$1.5M	1
Q4 VC Totals	\$2540M	115

Source: Greentech Media

Wesoff of Greentech Media made the following observations:

- "Early stage financing is still alive. VCs and angel investors are still investing in new innovative technologies. Not as much as in 2005 to 2007, but angel and Round A financings are still represented."
- It's been a remarkable year for VC investment in greentech so far, and the fourth quarter has served as a harbinger, giving an indication of the strength of this investment sector in the face of difficult market forces.
- Look for 2009 to be the year of smart grid, energy storage, and energy efficiency.
- "We see investment numbers staying strong through 2009 as investors continue to nurture their current portfolio firms and look for new opportunities," Wesoff added.

About Greentech Media

Greentech Media is an integrated online media company designed to deliver the highest-quality content in the greentech industry, whether it is research, news or critical networking events. Greentech Media is headquartered in Cambridge, Mass., with operations in New York City, San Francisco and Munich. For more information visit: <http://www.greentechmedia.com>.

About The Venture Power Report

Published by Greentech Media, the Venture Power Report covers Renewable Energy and Green Power with a focus on Venture Capital investment, technology commercialization, and startup exits. The Report has been published since 2004 and reaches thousands of VCs, CEOs and Senior Technologists. For more information, visit:

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