

NEWS RELEASE

For Immediate Release

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Industry Leaders Gather in Boston for First Ever Forum on Corporate Venture Capital; Corporate Commitment to Venture Capital Remains Strong



ENTREPRENEURSHIP
INNOVATION AND GROWTH



The Role of Corporate Venture Capital

(BUSINESS WIRE)—Sept. 23, 2004—More than 70 professionals from private and public organizations, academia and capital markets will gather today in Boston for a first-ever forum focused on the state of corporate venturing – an investment area emerging as a key component of innovation. The conference, "The Role of Corporate Venture Capital," includes leaders from Fortune 200 companies such as IBM, Boeing, Siemens, Applied Materials, Eastman Chemical Company, Microsoft, Pfizer, Johnson & Johnson and Guidant. Event organizers include the MIT Industrial Liaison Program, Product Genesis and the National Venture Capital Association.

Topics for the two-day forum at the Boston Marriott Copley Place will include opportunities for corporate venture capital, the shift away from corporate R&D groups, and the rationale for private and corporate venture capital partnerships.

"The motivation for a corporate venture capitalist is very different from a private venture capitalist," explained Mark Heesen, president of the National Venture Capital Association. "These corporate investors are not focused solely on return, but rather on ways to make their businesses more efficient."

According to the PricewaterhouseCoopers, Thomson Venture Economics, National Venture Capital Association MoneyTree Survey, corporate venture capitalists invested \$1.2 billion in 424 U.S. companies in 2003 representing approximately 6% of all dollars and 18% of all companies that received venture financing that year. The percentage has fallen in recent years from its high of 16% and 30% respectively in 2000, but still remains at a healthy level.

"The last 15 or so years have witnessed a dramatic repositioning of corporate R&D activities. A majority of large organizations have decentralized the corporate labs and have focused their attention on short- and medium-term efforts," said Dr. Val Livada, vice president at Product Genesis and conference chairman. "This, combined with aggressive growth strategies, have increased the need for identifying and accessing emerging technologies being developed outside of the corporate walls. Armed with a better understanding of how to succeed, corporate venture capitalists are well positioned to deliver great value to their companies."

Mark Klopp who is a managing director of Eastman Ventures, Eastman Chemical Company and chairman of the NVCA Corporate Venture Group Advisory Board recognized the value of bringing this group of investors together.

"This week we are meeting to learn from each other and to work toward the Corporate Venture Group mission which is to improve the performance and sustainability of corporate venturing while enhancing collaboration with the venture community," said Klopp. "At Eastman Chemical Company, we are continuing to use venture capital and other tools to access external innovation and to find new growth options for our company."

The keynote speakers will be Ed Roberts, MIT professor of management of technology, and Ken Morse, managing director of the MIT Entrepreneurship Center and co-founder of the MIT Corporate Venturing Consortium. Both gentlemen will speak on Thursday.

The organizing sponsors for the event are Product Genesis, MIT Industrial Liaison Program and the National Venture Capital Association. Corporate sponsors are CPP Advisors, Boston Millennia Partners, Fletcher Spaght Ventures, Wilmer Cutler Pickering Hale and Dorr, and Zero Stage Capital.

About Product Genesis

Product Genesis, headquartered in Cambridge, Massachusetts, specializes in Strategic Innovation consulting services that help our clients create new opportunities, a sustainable competitive advantage, and increased shareholder value. Spun out of the MIT Innovation Center in 1986, Product Genesis has worked with diverse organizations from Global 1000 corporations, to venture capital and private equity-backed firms, accelerating their success in the industrial, commercial, consumer, medical and technology markets. For more information about Product Genesis, visit www.productgenesis.com.

About the MIT Industrial Liaison Program

The Industrial Liaison Program (ILP) is industry's chief gateway to MIT, enabling companies worldwide to harness MIT resources to address current challenges and to anticipate future needs. The ILP helps company managers monitor MIT research developments, identify and arrange expert consultations with MIT faculty, license MIT-owned intellectual

property, and facilitate corporate objectives through sponsored research at MIT. For more information please see the ILP Web site at <http://ilp-www.mit.edu/>, or call 617-253-8982.

About the National Venture Capital Association

The National Venture Capital Association (NVCA) represents approximately 450 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. The NVCA represents the public policy interests of the venture capital community, strives to maintain high professional standards, provide reliable industry data, sponsor professional development, and facilitate interaction among its members. For more information about the NVCA, please visit www.nvca.org.

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