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### **Venture Capital Investment in Green Technologies Approaches \$5B in 2009**

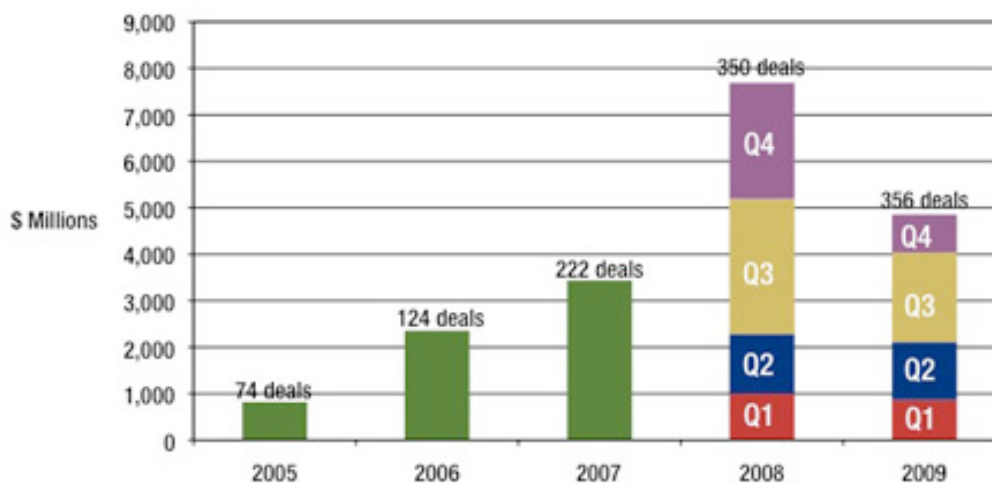
*Greentech Media Reports 356 Deals Made This Year and a Boost in IPO and M&A Activity, Signaling a Continued Confidence in the Greentech Investment Sector*

CAMBRIDGE, Mass. – Dec. 30, 2009 – Greentech Media Inc., the industry-leading online media company covering green technology news and analysis, released year-end venture capital figures showing that VC investment in green technologies totaled \$4.85 billion in 356 deals in 2009. Although the dollar total is down from 2008's \$7.6 billion, the number of deals exceeded last year's total as entrepreneurs and venture firms look to the greentech sector to help lead the economy back to health.

Ira Ehrenpreis, a General Partner at Cleantech VC Technology Partners, comments on this year, "Although the fundraising numbers are slightly down from last year, 2009 was still one of the strongest years ever in the history of the cleantech sector with almost \$5 billion raised. More importantly, the quality of the deals and entrepreneurship is likely the strongest we've ever seen."

Consistent with the last four years, solar power was once again the leading investment segment at more than \$1.4 billion in 84 deals followed by biofuels at \$976 million in 44 rounds. As forecast by GTM Research – investment in Smart Grid, Energy Storage and Automotive is gaining momentum along with overlooked sectors such as Wind, Water and Lighting. Water has finally made it onto venture capital radar screens with more than \$130 million invested in 33 deals.

## **VC in Greentech 2005-2009**



## 2009 Greentech VC Investments by Sector

GREENTECH SECTOR	TOTAL 2009 VC FUNDING	NUMBER OF DEALS
Solar	\$1,415M	84
Biofuels	\$975M	44
Smart Grid, EE, and DR	\$401M	34
Automotive & Transport	\$553M	29
Batteries, FCs, Storage	\$455M	36
Green Buildings	\$143M	10
Green Materials	\$131M	9
Lighting	\$115M	16
Green IT	\$106M	10
Geothermal	\$35M	2
Water	\$130M	33
Tidal	\$22M	3
Wind	\$142M	17
Nuclear	\$9M	1
Green Consumer Products	\$3M	2
Carbon Markets	\$26M	8
Environmental Tech	\$77M	7
Green Finance, Proj Dev.	\$59M	2
Miscellaneous	\$57M	9
<b>Totals</b>	<b>\$4,854M</b>	<b>356</b>

Driven by the optimism of a recovering economy, plentiful government funding for renewable energy and a recent successful Greentech IPO in battery maker A123 Systems – venture firms have returned to investing in all stages across all greentech sectors.

Notable and sizeable deals in 2009 included:

- Silver Spring Networks' \$100 million investment from Google Ventures, Foundation Capital, Kleiner Perkins and Northgate Capital.

- Solyndra's \$198 million VC investment from Argonaut Private Equity, et al. for the Fremont, Calif.-based thin-film solar firm and a \$75 million C round for crystalline silicon solar vendor, Suniva.
- Synthetic Genomics' \$300 million multi-year commitment from Exxon for the development of algae-based biofuels.
- eMeter's \$32 million investment from Sequoia Capital and Foundation Capital and Tendril's \$30 million round from VantagePoint and Good Energies for smart grid management software and hardware.
- Tesla Motors' \$82.5 million round from Fjord Capital and Daimler Motors and Fisker Automotive's \$85 million round from Kleiner Perkins et al. for their groundbreaking electric vehicles.
- Serious Materials' \$60 million round from Mesirow Capital et al. for green building materials.

Some of the most active VC investors in greentech this year included NEA, CMEA, Khosla Ventures, Kleiner Perkins, NGEN Partners, DFJ, Foundation Capital and the Quercus Trust.

Although entrepreneurs have expressed some frustration with the difficulty in closing middle-stage rounds at less-than-profitable companies – there is a marked trend of a return to early stage deals with more than 110 Series A and seed rounds this year.

Also remarkable was the increasingly global nature of greentech investment this year. Approximately 20 per cent of greentech deals came from outside the United States with many deals from the U.K. and France.

### **M&A Picks Up as Does IPO Activity**

In the fourth quarter of 2009, Solel, a solar thermal power components vendor, was acquired by Siemens for \$418 million and MEMC acquired Sun Edison, a solar PPA pioneer for \$200 million in a sign of the consolidation sure to come in solar and greentech in 2010.

Also in 2009, battery maker A123 Systems' IPO was successful with the promise of the electric vehicle market buoying its valuation. STR Holdings, a maker of solar power module encapsulants, raised \$123 million in its IPO, and although initial reaction was not overwhelming – as of press time – the stock is holding strong.

At the end of the year two VC-backed firms, Solyndra, a thin-film solar vendor and Codexis, a biofuels firm, filed their IPO registrations with the SEC in a hint of the wave of Greentech IPOs due to come in 2010.

Erik Straser, a partner at Mohr Davidow Ventures adds, "In 2009, private investors reaffirmed their interest in cleantech which is now garnering nearly 20 percent of all dollars invested by VCs. In 2010, we'll see public investors get into the action with several IPOs, but be careful to discern a good IPO from a good business."

According to Straser's colleague, Marianne Wu, also a partner at Mohr Davidow Ventures, "We saw tremendous innovation in 2009 as entrepreneurs addressed pressing opportunities across the cleantech spectrum. We continue to see talent turn to the massive opportunities in this new industrial revolution combating climate change. Some of the early market leaders are poised to

go public in 2010 and companies are getting increasingly sophisticated in their approach to both the capital and industrial markets. We look forward to another great year!”

**About Greentech Media**

Greentech Media is an integrated online media company designed to deliver the highest-quality content in the 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>.

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