



News Release

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Investment in Ohio Early-stage Companies up Significantly; Bucking National Trend

(COLUMBUS, Ohio) July 2, 2009 – Brighter days may be ahead for Ohio's economy, especially if the results of a recent study conducted by Center for Entrepreneurship at The Ohio State University's Fisher College of Business are any indication. The full study will be released by Ohio State later this year.

The study examines 2008 venture capital investment in Ohio and compared results to the state's historical data and national figures. The results indicate a nearly 50-percent increase in Ohio's seed and early-stage venture capital investment dollars year over year while the national levels of seed and early-stage investment decreased by 20 percent.

Dr. S. Michael Camp, academic director of the Fisher College of Business' Center of Entrepreneurship and the study's lead researcher, said: "The data indicates that in Ohio 66 percent of all investment dollars went to seed and early stage companies compared to national averages that are closer to 20 percent. Ohio's angel and venture capital community continues to build a resilient infrastructure for developing and financing young technology startups."

"It's encouraging to see that while early-stage investment has contracted nationally, Ohio was able to buck the trend with a significant expansion," said Paul Cohn, Regional Director of The Ohio Capital Fund, which works to attract early-stage investment to Ohio. He continued, "This is important, because early-stage investment is vital to building this next generation of Ohio employers."

The Center for Entrepreneurship at the Fisher College of Business manages the Venture Capital Research Program in collaboration with The Ohio Capital Fund and contributing state and regional partners.

Other key findings of the study include:

- The number of new Ohio companies receiving angel and venture capital investment for the first time increased by nearly 15 percent over 2007. Nationally, this number was down 10 percent over the same period.
- Ohio early-stage technology companies attracted \$445 million in new venture capital investment last year.

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- Due to increased early-stage investments, Ohio imported only 53 percent of the total venture capital invested in 2008. This is down significantly from 75 percent in 2007 and is an important indicator that the Ohio-based venture capital community is getting stronger.
- Venture capital investment in Ohio companies favored companies working in specialty materials, information technology and energy with significant increases seen in each of these areas, areas in which Ohio has historically been strong in attracting significant venture capital investment.
- Health care and biomedical sciences received the greatest amount of funding with 61 young companies receiving more than \$200 million.

About Fisher College of Business:

Ranked by *U.S. News and World Report* among the top business schools in the country, The Ohio State University's Fisher College of Business offers full-time, part-time and executive MBA, Master of Accounting Master of Labor and Human Resources and Master of Business Logistics Engineering programs. The college of business was started in 1916, and was named the Fisher College of Business in 1993, in honor of Max M. Fisher, a noted philanthropist, industrialist and alumnus of the college.

About Ohio Capital Fund

Established by the State of Ohio through legislative mandate to help increase private investment in Ohio companies in the seed or early stage of business development, The Ohio Capital Fund receives oversight from the Ohio Venture Capital Authority (OVCA). The OVCA is comprised of nine members, including the Ohio Tax Commissioner and the Director of the Ohio Department of Development as well as seven members appointed by the Governor from the general public. For more information visit: www.theohiocapitalfund.com.

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