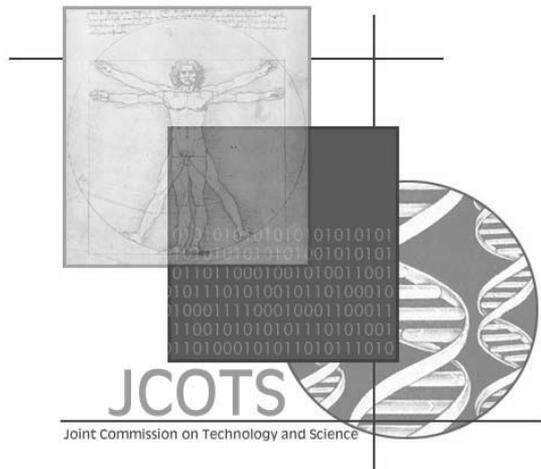




CIT President's Report

Joint Commission on Technology and Science

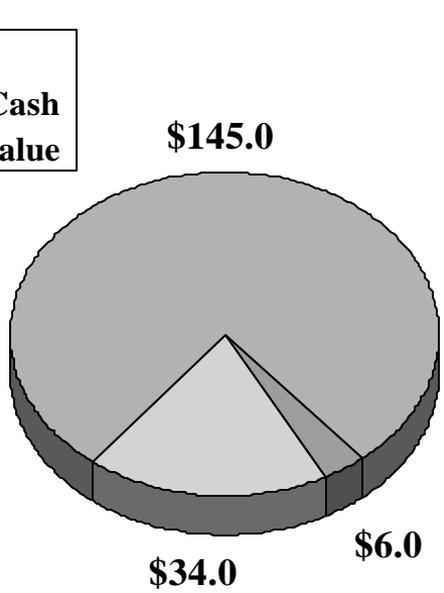
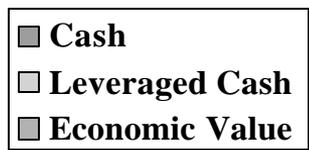


Peter Jobse

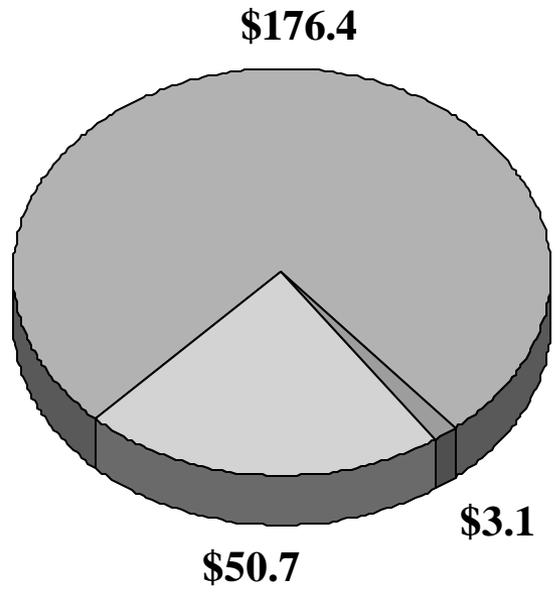
December 1, 2004



2004 Performance

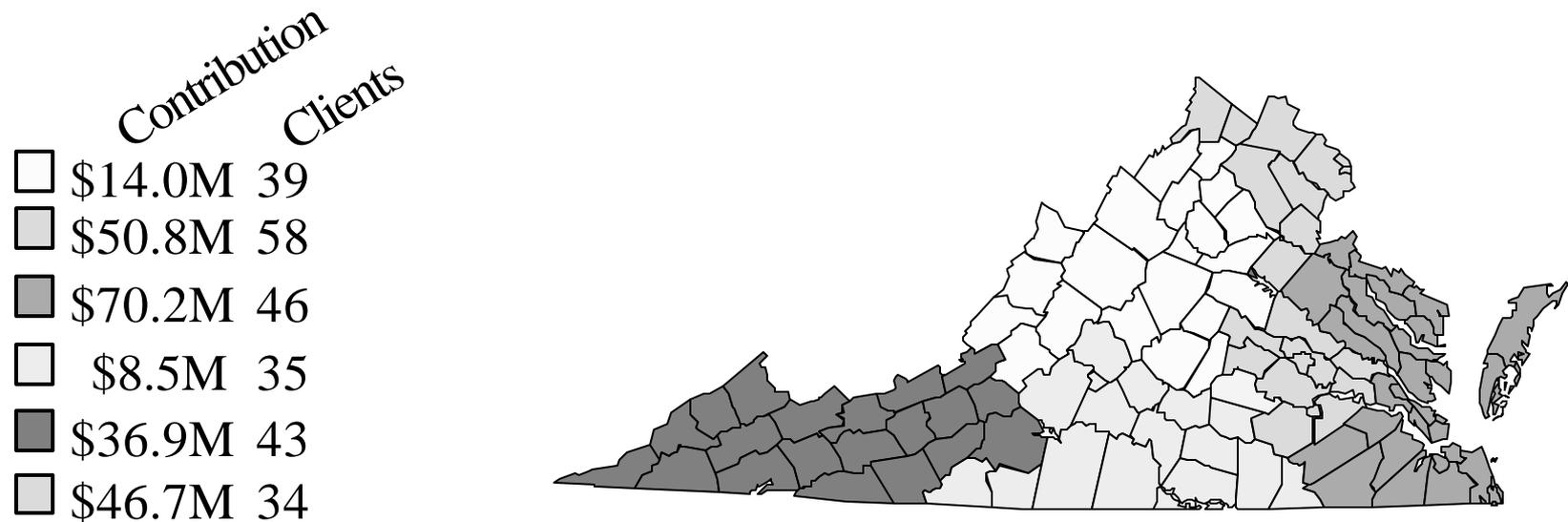


Target: \$185M



Achievement: \$230.2M

CIT FY04 Statewide Economic Impact



- \$ 49.9M in SBIR, STTR and ATP awards and resulting sales and employment gains
- \$ 20.9M in private capital raised and resulting sales and employment gains
- \$153.5M in other revenue and employment growth
- \$ 2.8M in community broadband assistance

Total Statewide Impact: \$227.1 million



2005 Operating Plan

Observations

1. Need to secure a nanotech specialization
2. Opportunity to define a biotech specialization

3. Opportunity to increase defense related research

4. Significant void in angel/seed stage investment
5. Reduction in the pipeline of technology start-ups
6. Requirement to accelerate broadband deployment

7. Legislative support requirements

Operating Plan

Goal 1

Create new nano and bio industry clusters

Goal 2

Solve technological challenges via research and development (IDHS)

Goal 3

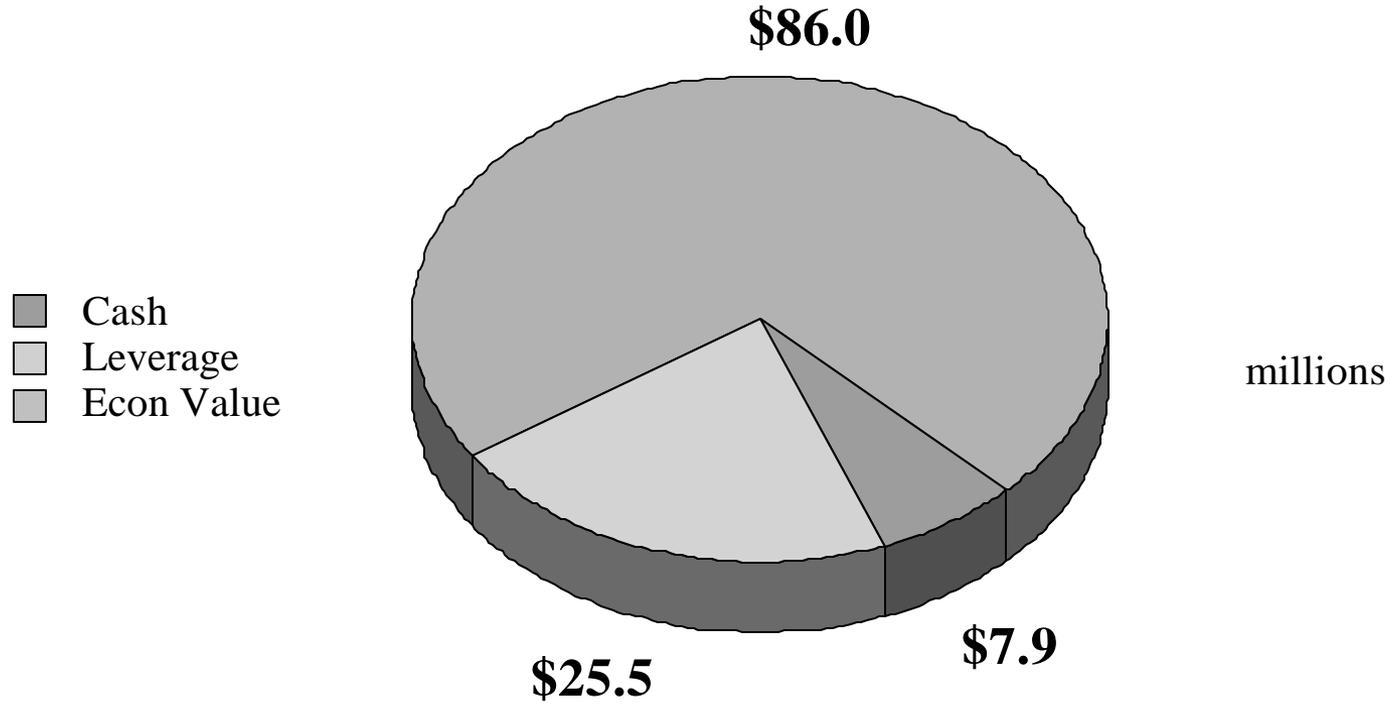
Make Virginia a leader in entrepreneurial ventures

Goal 4

Support Virginia's technology commissions

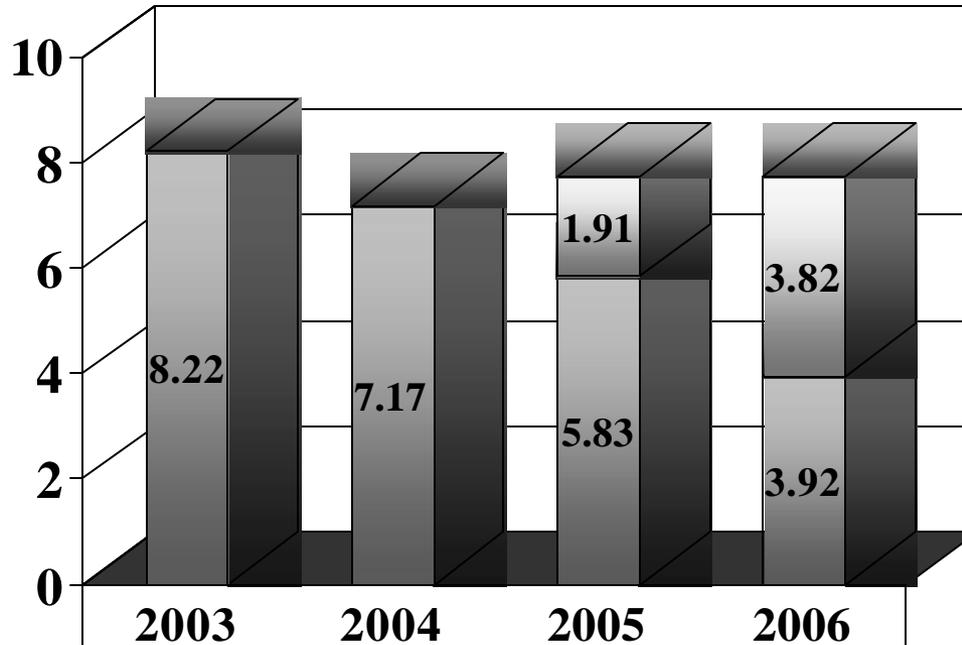


2005 Performance Measurement



Total economic contribution \$119.4M

2006 Budget Status



Request				3.82
Addition			1.91	
Base	8.22	7.17	5.83	3.92

Total **\$8.22** **\$7.17** **\$7.74** **\$7.74**

Create New Industry Clusters - Nanotech

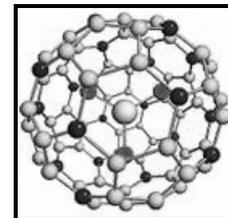
Goal 1

2005 Program

- Asset mapping
- Niche development
- Roadmap development
- Federal advocacy

Financial Projections

	<i>thousands</i>			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
CIT Investment	\$336	\$336	\$336	\$336
<i>total investment</i>	\$336	\$336	\$336	\$336



*Trimetasphere
Harry Dorn, Va Tech*

Create New Industry Clusters - Nanotech

Goal 1

2005 Program

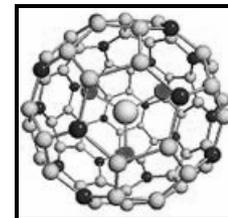
- Asset mapping
- Niche development
- Roadmap development
- Federal advocacy

New Investment

- Advanced nano-manufacturing research
- Commercialization of existing research
- Nanotech early stage venture leverage
- Marketing presence

Financial Projections

	<i>thousands</i>			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
CIT Investment	\$336	\$336	\$336	\$336
New Investment		\$5,000		
<i>total investment</i>	\$336	\$5,336	\$336	\$336
Cash				
Leverage cash		\$2,500	\$3,500	\$3,800
Economic value		\$4,600	\$5,300	\$8,000
<i>total return</i>		\$7,100	\$8,800	\$11,800



Trimetasphere
Harry Dorn, Va Tech

Create New Industry Clusters - Biotech

Goal 1

2005 Program

- Asset mapping
- Niche development
- Roadmap development
- Federal advocacy

New Investment

- Advanced Smart-Bio™ research
- Commercialization of existing research
- Smart-Bio™ early stage venture leverage
- Marketing presence

Financial Projections

	<i>thousands</i>			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
CIT Investment	\$336	\$336	\$336	\$336
New Investment		\$5,100		
<i>total investment</i>	\$336	\$5,436	\$336	\$336
Cash				
Leverage cash			\$2,000	\$5,500
Economic value			\$700	\$2,200
<i>total return</i>			\$2,700	\$7,700



*Host Pathogen
Environmental Interaction - VBI*

Accelerate Early Stage Company Funding

Goal 3

2005 Program

- GAP fund development
- Leverage private investment
- Leverage federal programs
- Commercialize federal R&D

New Investment

- Loan opportunities for small growing companies
- Angel investment leverage

Financial Projections

	<i>thousands</i>			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
CIT Investment	\$3,065	\$3,065	\$3,065	\$3,065
New Investment		\$1,000		
<i>total investment</i>	\$3,065	\$4,065	\$3,065	\$3,065
Cash	\$100	\$120	\$120	\$120
Leverage cash	\$15,000	\$15,000	\$15,000	\$15,000
New Leverage Cash			\$3,500	\$5,000
Economic value		\$2,216	\$2,884	\$4,550
<i>total return</i>	\$15,100	\$17,336	\$21,504	\$24,670



4-Wave

Facilitate Broadband Expansion

Goal 3

2005 Program

- Community Assistance
- Application Identification/Education
- Leverage Federal Funding
- Infrastructure identification

Financial Projections

thousands

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
CIT Investment	\$339	\$339	\$339	\$339
New VECTEC		\$350		
New broadband		\$150		
<i>total investment</i>	\$339	\$839	\$339	\$339
Cash	\$95	\$70	\$30	\$30
Leverage cash	\$500	\$500	\$500	\$500
New Leverage Cash		\$250		
New Economic value		\$2,000		
<i>total return</i>	\$595	\$2,820	\$530	\$530

New Investment

- Prevent VECTEC closure
- Expand services coverage



*Southside
EDA Grant*



Supporting Material

CIT President's Report
Joint Commission on Technology and
Science

December 1, 2004

2004 Operating Goals and Metrics

		Cash	Leveraged Cash	Economic Value
			\$100K	FY2005
		FY2005	FY2005	FY2006
		FY2005	FY2005	FY2006
		\$1.2M	\$24.5M	\$25.4M
			\$11.0M	\$9.9M
			\$12.3M	\$141.1M
		\$25K	\$2.8M	*
		\$2.0M		
		\$3.1M	\$50.7M	\$176.4M

Grand Total: \$230.2M

2005 Operating Goals and Metrics

(thousands)

		Cash	Leverage	Economic Value
1	Create new nanotech and life sciences industry clusters			
		FY2006	FY2006	FY2007
		FY2006	FY2006	FY2007
2	Conduct world-class R&D programs			
		\$3,000	\$10,000	\$10,000
		\$3,450	-	FY2007
3	Make Virginia a leader in entrepreneurship			
		\$121	\$9,000	-
		\$188	-	\$1,000
		-	\$6,000	-
		\$96	-	\$75,000
		\$30	\$500	-
4	Facilitate Virginia's Technology Initiatives			
		-	-	-
		\$1,000	-	-
		-	-	-
	<i>Grand Total = \$119.4M</i>	\$7,885	\$25,500	\$86,000