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Venture Capital Investment in Renewable Energy Exceeds \$2.8B in Q3 2008

Greentech Media Reports Solar as Dominant Sector and Forecasts Record-Setting Investment Pace to Stay Strong Through 2009

CAMBRIDGE, Mass. – October 1, 2008 – 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 energy technologies exceeded \$2.8 billion in the third quarter of 2008, far exceeding any previous quarter on record (the first quarter of 2008 was \$998 million and the second quarter of 2008 was \$1.3 billion). Investment in solar technology led the VC charge this quarter with more than \$1.5 billion invested in 26 venture capital financing rounds.

VC investment in solar in the third quarter of 2008 – an immense \$1.5 billion dollars – has already topped 2007's \$1 billion total. Greentech Media's Venture Power Report has been tracking venture capital investment in renewable energy since 2004 and although solar has usually been the dominant sector – it has never been this dominant. Several innovative thin-film solar firms such as SoloPower and AVA Solar received financing rounds greater than \$100 million.

Renewable energy sectors, such as transportation and the smart grid, also received record amounts of funding. Venture firms continue to invest in biofuels such as cellulosic ethanol and algae with more than \$150 million directed towards these new feedstocks and technologies.

"VC investment in green energy technologies in 2008 has already far exceeded last year's totals and we anticipate strong activity to come in the fourth quarter and through 2009," said Eric Wesoff, Senior Analyst at Greentech Media. "Despite less than optimal market conditions, there are a number of renewable energy IPOs filed and on-deck. Investors are looking for 2009 and 2010 to be the years of renewable energy exits," he said.

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

RE Sector	Total Q3 VC Funding	Number of Deals
Solar	\$1,585.8M	26
EE, DR and Smart Grid	\$272.14M	14
Geothermal	\$216.5M	4
Automotive, Transport	\$193M	8
Water Technology	\$182.46M	10
Ethanol and Biofuels	\$150.2M	8
Wind Energy	\$140.93M	8
Batteries and Fuel Cells	\$49.4M	4
Carbon and Energy Storage	\$29.9M	3
Green Building	\$28.76M	3
Green IT and Lighting	\$27M	4
Others	\$10.8M	3
Total	\$2,886.89M	95

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.”
- “Every niche in solar is being explored. We see investment in solar installers, Cadmium Telluride, CIGS and a-Si thin film, Concentrated Photovoltaic Systems, III-V materials for CPV, DSSCs, Balance of Plant and more. Investors remain bullish on every aspect of the solar sector.”
- It’s been a remarkable year for VC in renewable energy so far, and the fourth quarter will be a harbinger, giving an indication of the strength of this investor sector in the face of difficult market forces.

"We see these investment numbers staying steady through 2009 as investors continue to nurture their current portfolio and look for new opportunities," Wesoff added.

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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 Clean Power with a focus on Venture Capital investment, technology commercialization, and start-up

exits. The Report has been published since 2004 and reaches thousands of VCs, CEOs and Senior Technologists. For more information, visit:
<http://www.greentechmedia.com/GreentechMedia/Newsletter/TheVenturePowerReport.html>.

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Contact:

Eric Wesoff
Greentech Media Inc.
Tel: 650-346-5600
wesoff@greentechmedia.com
www.greentechmedia.com