




EGL Ventures IV




- **Target:** \$100 million in capital.
- **Balanced:** Early- and later-stage.
- **Geography:** Southeast U.S. focus.
- **Sectors:** Balanced between information technology, telecomm, and health care.
- **Management:** 50+ years experience.

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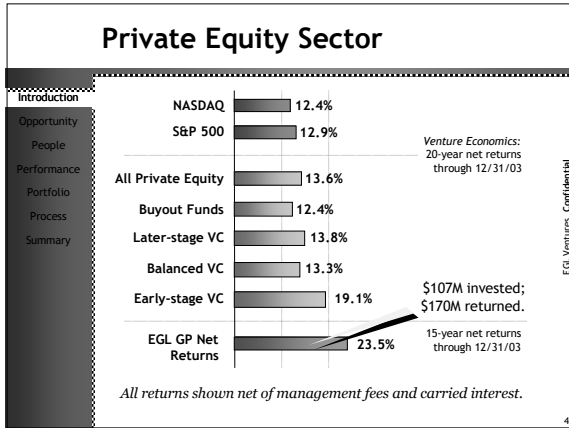
EGL-IV History



- **Aggregate 50+ years of successful private equity investing.**
 - Two General Partners have worked together for 15 years in three predecessor funds.
 - New GP has eight years experience in three funds totaling \$260 million.
 - Fourth fund in the Southeast for all General Partners.
- ❖ **The right team with the right strategy at the right time.**

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Regional Opportunity

- **Regional advantages:**
 - \$1.5 trillion economy
 - Low taxes, low cost of living
 - Deep pool of human capital
 - Intellectual capital anchored by universities and Federal R&D
 - Other pieces are in place (legal, banking, accounting, etc.)

Technology in the Southeast

Multiple technology centers.

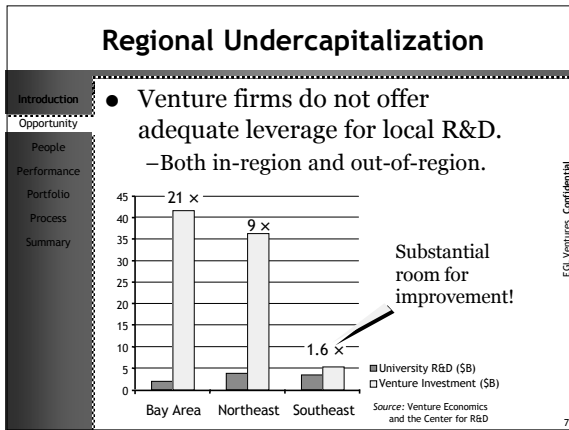
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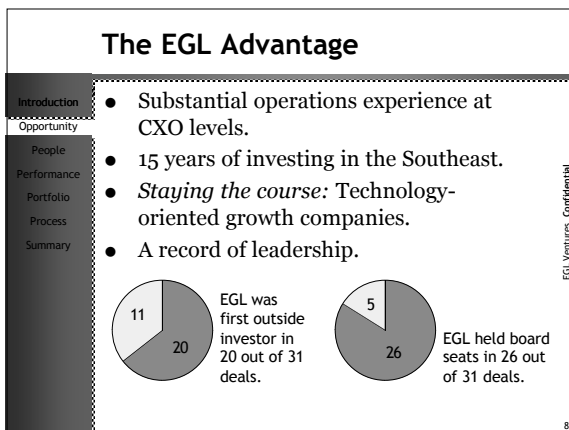
- Atlanta,
- Research Triangle,
- Florida.

Pockets of innovation:

- Universities,
- Federal R&D centers.

Biggest challenge:
Lack of local venture capital.







Advisors

Introduction	
Opportunity	
People	
Performance	
Portfolio	
Process	
Summary	

Ian Armitage	<i>Founder & Managing Partner, HgCapital</i>
Mark Braunstein	<i>Founder & CEO, Patient Care Technologies</i>
Jean-Lou Chameau	<i>Provost, Georgia Institute of Technology</i>
Michael Cronin	<i>Founder & Managing Partner, Weston Presidio</i>
Joseph Forgione	<i>VP, Net Solutions, Novell; former CEO, Eprise</i>
James Krugman	<i>Former CEO, Meadox Medicals (Boston Sci.)</i>
John Lappington	<i>VP, Broadcom; founder, Digital Furnace</i>
Doug McMahon	<i>VP, Global Accounts, Hewlett-Packard</i>
Howard Morrison	<i>Retired VP, Bank of America</i>
Barrett O'Donnell	<i>Former Chairman & CEO, CareCentric</i>
Bill Woulfin	<i>Former CEO, LecStar</i>

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EGL Performance

Benchmark	Return (%)
NASDAQ	12.4%
S&P 500	12.9%
Venture Economics: 20 year net returns through 12/31/03	
All Private Equity	13.6%
Buyout Funds	12.4%
Later-stage VC	13.8%
Balanced VC	13.3%
Early-stage VC	19.1%
EGL GP Net Returns	23.5%

All returns shown net of management fees and carried interest.

31 investments over 14 years (1989–2003)

\$107M invested; \$170M returned.

Net IRR (annualized): 23.5%

Net Multiple: 1.5x

All returns shown net of management fees and carried interest.

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EGL Performance




\$107M invested, \$170M realized.
\$14M still unrealized at current valuations.

	Multiple	IRR
Gross Returns		
Realized Return	1.6x	29.4%
Realized, plus Unrealized Valuations	1.7x	30.1%
Net Returns (net of management fees and carried interest)		
Realized Return	1.4x	22.5%
Realized, plus Unrealized Valuations	1.5x	23.5%

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Previous Portfolio Companies

Introduction			ADS NetTools (EGL)		
Opportunity			Artcraft (EGL)		
People			Astracom (SRF)		
Performance			At Work (EGL)		
Portfolio	Boca Photonics (SRF) BroadRiver (SRF) Care Centre (SRF) Checkmate (EGL) Digital Furnace (SRF) Eprise (SRF) Fluid Data (EGL) Home Wireless (SRF) iFleet (EGL) iPower (SRF) The Learning Co. (EGL) Pathrite (SRF) Physician Health Corp. (EGL) PI Holdings (EGL) Quokka Sports (EGL) Renaissance Int. (EGL) RF Macro Devices (SRF) RF Solutions (SRF) SecureWorks (SRF) Simone Central (EGL) Sportslive (SRF) Synchrologic (SRF) Telaxis (SRF) ValuBond (SRF) Ventilber (SRF) ZapMedia (SRF) Zarina (EGL)				
Process					
Summary					
❖ Successful IPOs and M&As.					

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Previous Syndicate Partners

Introduction			Followed Our Origination AT&T Ventures Bank of America Charles Schwab Cordova Ventures Crystal Ventures FT Ventures GE Capital Grotech Capital Halpern Denny Imlay Investments Intelligent Systems ITC Holdings IVP / Redpoint JK&B Capital Kinetic Ventures Kitty Hawk Capital Mellon Ventures NBC Nono-Moseley Partners PanAmSat
Opportunity			
People			
Performance			
Portfolio	Invited Us to Lead Subsequent Round Advanced Tech Ventures Allen Telecom CBS Coral Ventures Domain Associates EMC Ventures Kleiner Perkins Lucent Ventures Prism Ventures Reuters US West		
Process			
Summary			

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Classic Fund Structure

Introduction	<ul style="list-style-type: none"> ● Limited Partnership. ● 2.5% management fee. ● 80/20 carried interest after payback of committed capital. ● Intent to comply with ERISA regulations.
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Why Us? Why Now?

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A team that:

- Transcends adversity
- Seizes opportunities
- Delivers on expectations

... with the experience to make it happen.



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EGL Ventures
3495 Piedmont Road
Ten Piedmont Center
Suite 412
Atlanta, Georgia 30305
(404) 949-8303
www.eglventures.com

Placement Agent:
Ariane Capital Partners
501 Candace Lane
Suite 100
Villanova, Pa. 19085
(610) 525-0749
www.arianepartners.com
