



# EGL Ventures IV

*Private and Confidential*

# EGL Ventures IV



## Introduction

Opportunity

People

Performance

Portfolio

Process

Summary

- *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.

# EGL-IV History



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- 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.

# Private Equity Sector

## Introduction

Opportunity

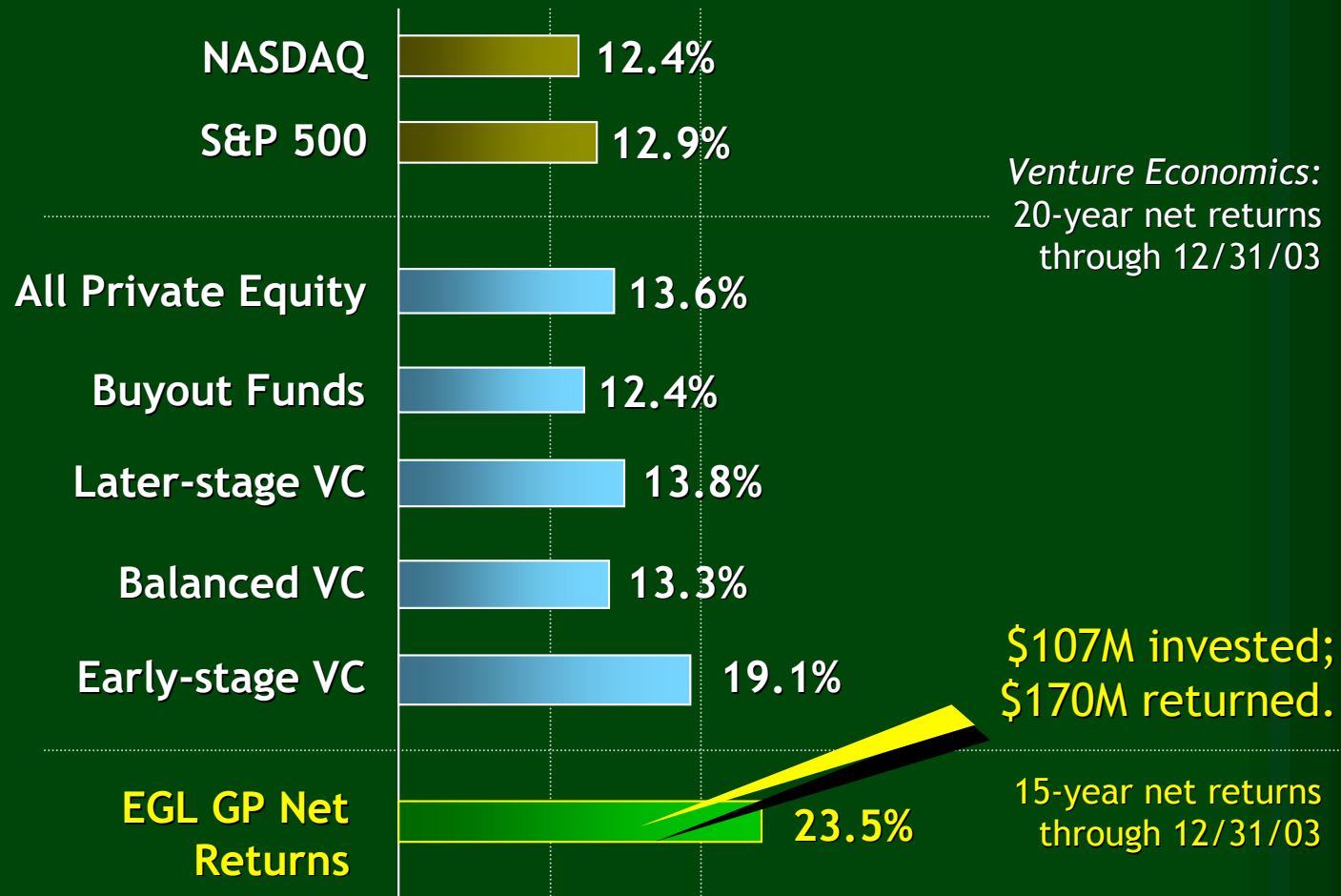
People

Performance

Portfolio

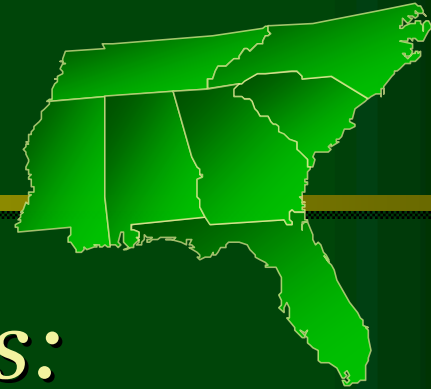
Process

Summary



*All returns shown net of management fees and carried interest.*

# Regional Opportunity



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- *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

Introduction

**Opportunity**

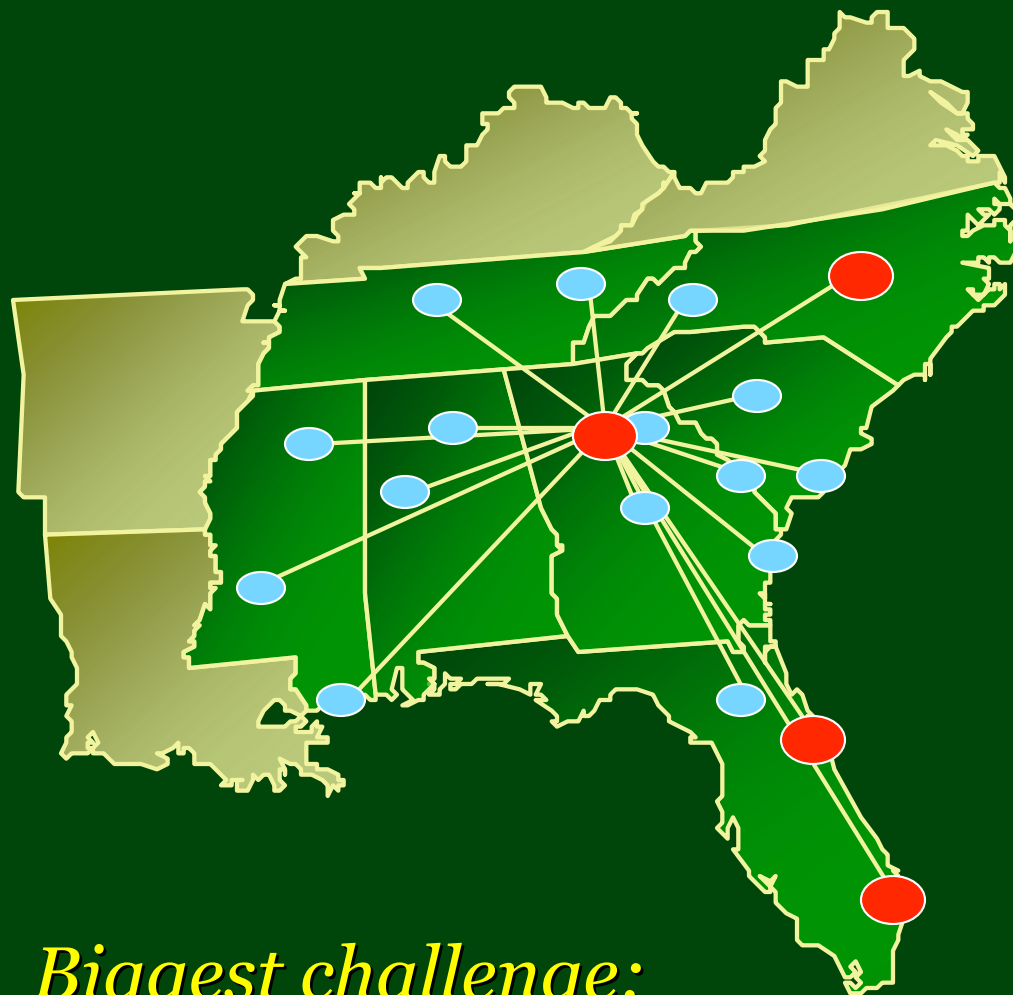
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Multiple technology centers.

*Anchored by:*

- Atlanta,
- Research Triangle,
- Florida.

*Pockets of innovation:*

- Universities,
- Federal R&D centers.

***Biggest challenge:***  
**Lack of local venture capital.**

# Regional Undercapitalization

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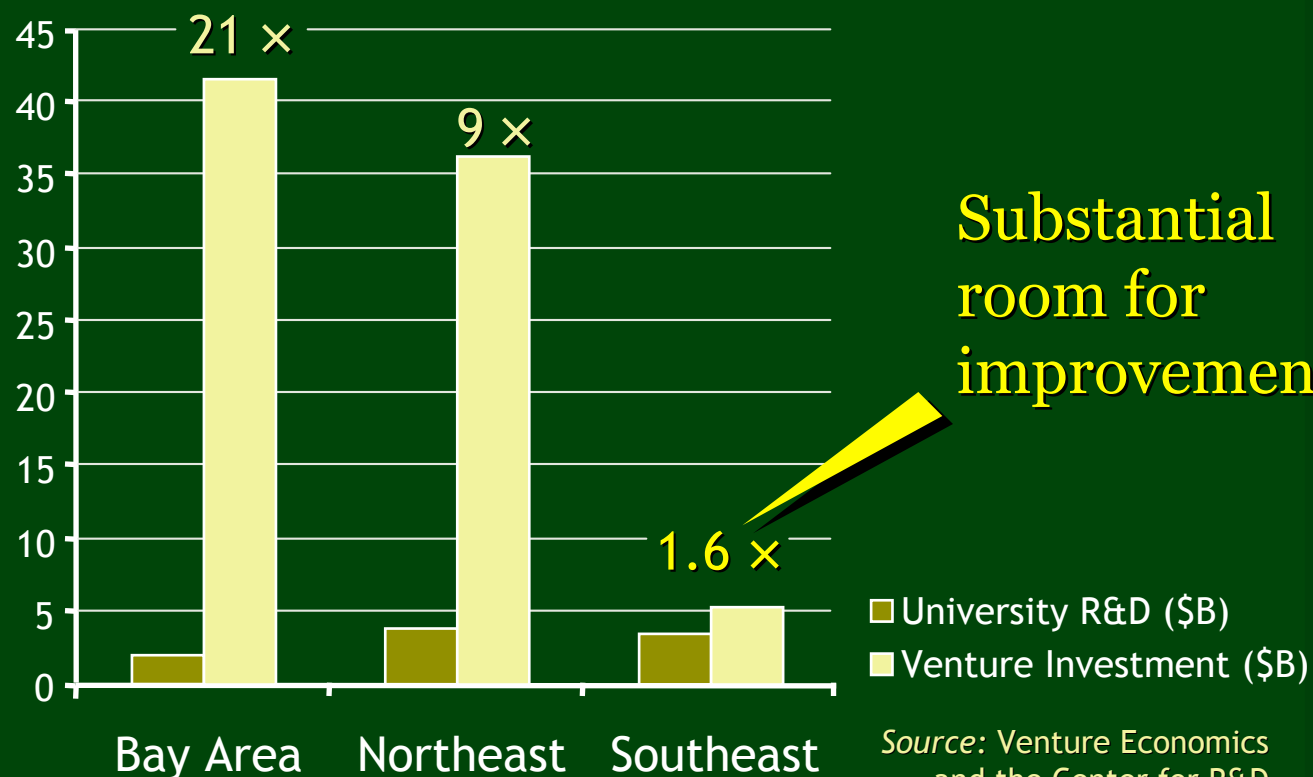
Performance

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Summary

- Venture firms do not offer adequate leverage for local R&D.
  - Both in-region and out-of-region.



# The EGL Advantage

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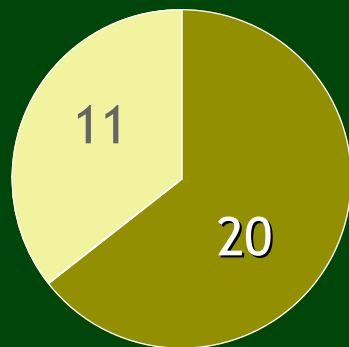
Performance

Portfolio

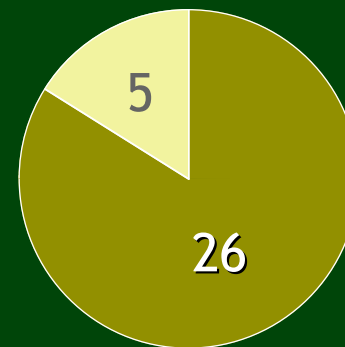
Process

Summary

- Substantial operations experience at CXO levels.
- 15 years of investing in the Southeast.
- *Staying the course*: Technology-oriented growth companies.
- A record of leadership.



EGL was first outside investor in 20 out of 31 deals.



EGL held board seats in 26 out of 31 deals.

# Management Team

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- Three General Partners:
  - David Ellis
  - Stephen Fleming
  - Salvatore Massaro
- Two Senior Associates already identified.
- Advisory Board.



# Advisors

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Ian Armitage

*Founder & Managing Partner, HgCapital*

Mark Braunstein

*Founder & CEO, Patient Care Technologies*

Jean-Lou Chameau

*Provost, Georgia Institute of Technology*

Michael Cronin

*Founder & Managing Partner, Weston Presidio*

Joseph Forgione

*VP, Net Solutions, Novell; former CEO, Eprise*

James Krugman

*Former CEO, Meadox Medicals (Boston Sci.)*

John Lappington

*VP, Broadcom; founder, Digital Furnace*

Doug McMahon

*VP, Global Accounts, Hewlett-Packard*

Howard Morrison

*Retired VP, Bank of America*

Barrett O'Donnell

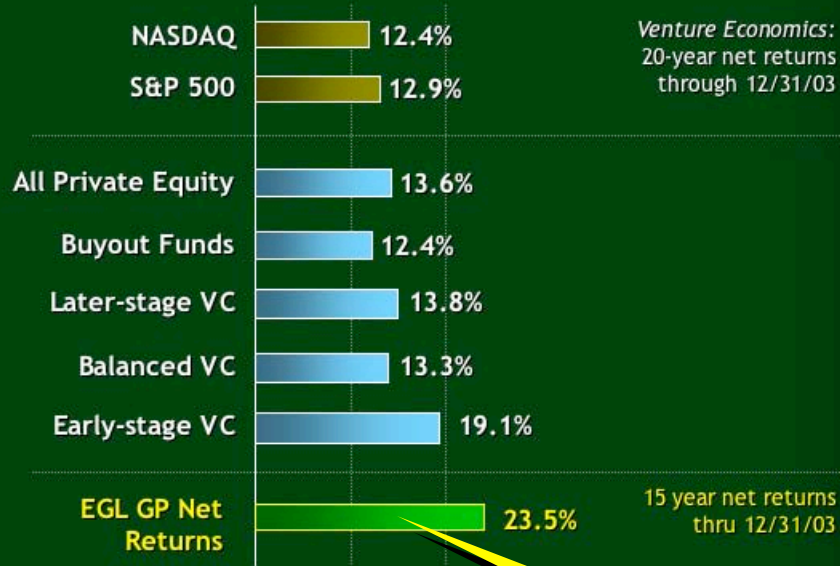
*Former Chairman & CEO, CareCentric*

Bill Woulfin

*Former CEO, LecStar*

# EGL Performance

## Private Equity Sector



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:

1.5 ×

All returns shown net of management fees and carried interest.

# EGL Performance

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\$107M invested, \$170M realized.

\$14M still unrealized at current valuations.

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

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# Previous Portfolio Companies

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ADS NetTools (EGL)  
 Artcraft (EGL)  
 Astracom (SRF)  
 At Work (EGL)  
 Boca Photonics (SRF)  
 BroadRiver (SRF)  
 Care Centric (SRF)  
 Checkmate (EGL)  
 Digital Furnace (SRF)  
 Eprise (SRF)  
 Fluid Data (EGL)  
 Home Wireless (SRF)  
 iFleet (EGL)  
 iPower (SRF)  
 The Learning Co. (EGL)  
 Pathfire (SRF)  
 Physician Health Corp. (EGL)  
 Pi Holdings (EGL)  
 Quokka Sports (EGL)  
 Renaissance Int. (EGL)  
 RF Micro Devices (SRF)  
 RF Solutions (SRF)  
 SecureWorks (SRF)  
 Simone Central (EGL)  
 Sportslines (SRF)  
 Synchrologic (SRF)  
 Telaxis (SRF)  
 ValuBond (SRF)  
 Verifiber (SRF)  
 ZapMedia (SRF)  
 Zarina (EGL)

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❖ Successful IPOs and M&As.

# Previous Syndicate Partners

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## 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  
 Noro-Moseley  
 Partners  
 PanAmSat

Quadrangle Capital  
 Riggs Capital  
 Robinson Humphrey  
 Sand Hill Capital  
 Sevin Rosen Funds  
 US Venture Partners  
 Vantage Point  
 Weston Presidio

## 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

# Classic Fund Structure

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- Limited Partnership.
- 2.5% management fee.
- 80/20 carried interest after payback of committed capital.
- Intent to comply with ERISA regulations.

# Why Us? Why Now?

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Summary

A team that:

- Transcends adversity
- Seizes opportunities
- Delivers on expectations



... with the experience to make it happen.



# EGL Ventures IV

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