



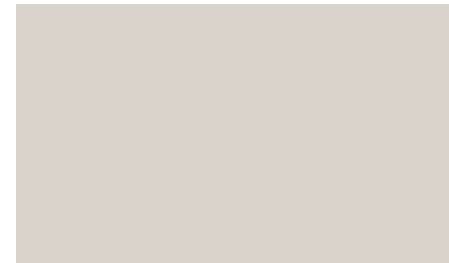
VANTAGE POINT
VENTURE PARTNERS

Building a Distinctive Portfolio

A US VC View

Bernie Bulkin

Vantage Point Venture
Partners



The Tesla – the car as tribute to innovative thinking



Our venture process

- Start with smart advisors and do a 'red-yellow-green' exercise, and keep doing it
- We work hard on developing sector theses; we are searching for areas where a real transformation can take place
- Work just as hard on those areas we say no to as those we want to work in
- In the spaces we want to be in, do our own evaluation of which company(ies) are leaders and why
- Look very hard at management teams – do they have the skills to get to the next level?
- We are very active investors



We have built our practice upon four key pillars:

Broad and deep expertise and experience

Not only technology and investment experience, but also operations, project finance, scale-up, government experience

Strong partnerships

Critical to team with major corporate incumbents, with utilities, and with governments – for market access, financing, branding, capital, and more

Substantial financial resources

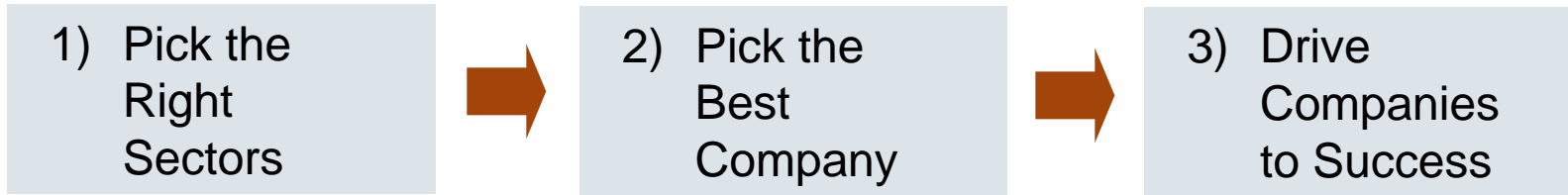
Necessary to support substantial capital needs and commercialization paths

Global access and scale

CleanTech is a “global game” as to markets, jobs, capital, and partners



Sector-focused investing: 3-Box approach



Strategic Partners add Important Resources



Meaningful Contributions

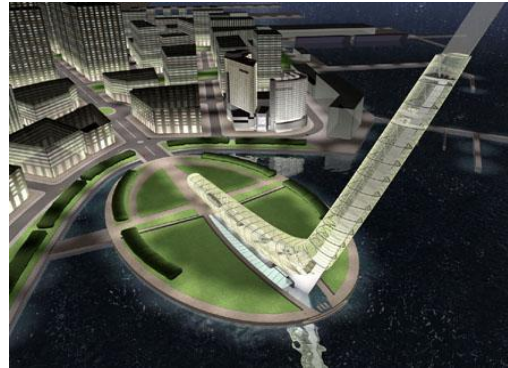
- Technical and market diligence
- Industry sector insights
- Deal sourcing
- Engagement with portfolio companies
 - Commercialization and scale-up
 - International expansion
 - M&A
- Current engagements with Adura, Better Place, Bridgelux, BrightSource, Tendril, Premium Power, SuperBulbs



CleanTech has Multiple, Independent Drivers

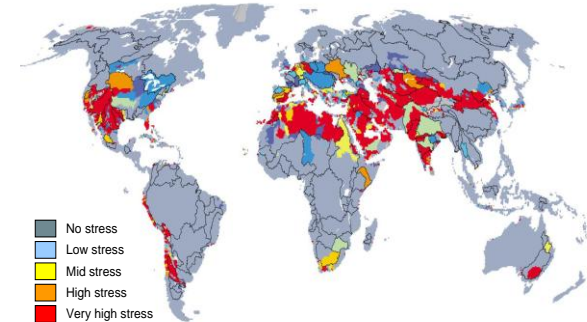


Modernization of Antiquated Industries



Owning 21st Century Industries

WATER STRESS INDICATOR – WITHDRAWAL TO AVAILABILITY RATIO



Resource Limitations In a Developing World



Trade Imbalances From Importing Fossil Fuels



Climate Change



National Security / Energy Independence



CleanTech Industries are Large, Diverse and Global

2008 Spend



Electricity
\$1.9 trillion on traditional generation



Lighting
\$115 billion on electricity and fixtures



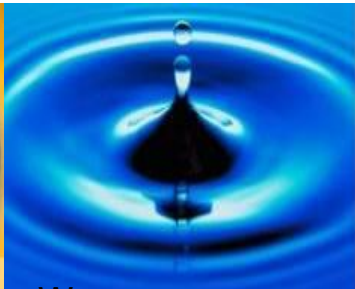
EVs
\$1.1 trillion on car sales



Storage
\$374 billion on peak load energy



Smart Grid
\$6.0 trillion on commercial and residential energy spend



Water
\$480 billion on water infrastructure sales



Buildings & Materials
\$665 billion on concrete and packaging



Biofuels
\$442 billion on fuel energy spend

Source: McKinsey



Portfolio of Transformative Sector Leaders



Our concern about European investment

- Lack of ambition and big vision (billion euro revenue)
- Lots of A and B rounds, not enough follow through to C and D
- Do the best people feel that innovation happens in big companies rather than in small?
- US entrepreneurs and all the employees want equity in the companies, while in Europe there is more desire for sure, short term reward
-but, we are open to companies that prove these prejudices are wrong!





Some things are already too mature for venture capital, but important

- Big wind, onshore and offshore
- Biomass co-firing (has a lot of process innovation)
- First generation biofuels
- Anaerobic digestion

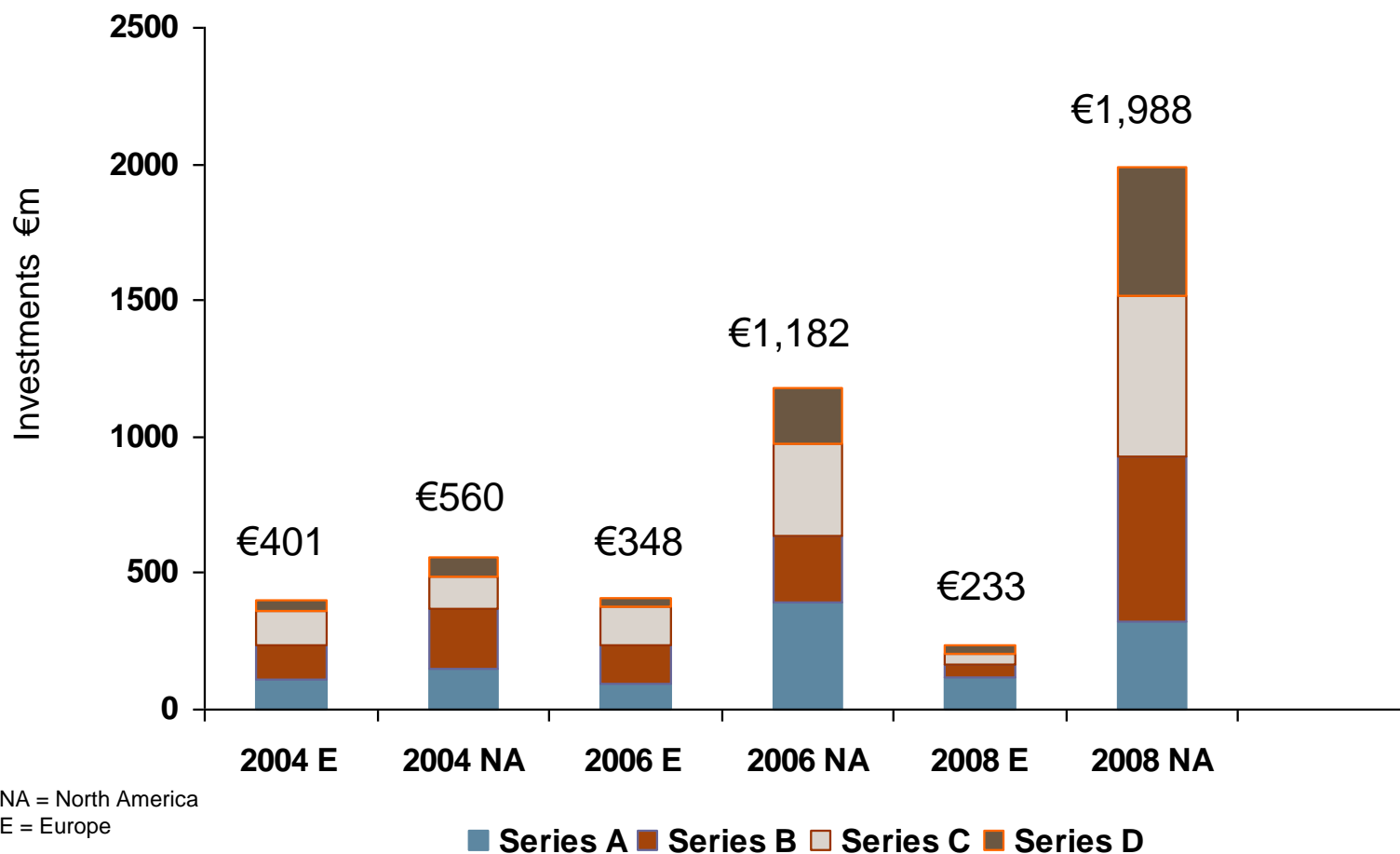


And some other promising candidates, some of which are not mature enough for our venture group

- Marine – tidal and wave
- Small wind
- Geothermal
- Heat pumps (?)



Clean energy venture capital investments in North America and Europe by investment stage



One VC's view of where the action is

- Waste to energy and other biomass transformations
- Electrification of transport
- Lighting
- Smart grid/smart efficient buildings
- Power Generation, especially Solar: PV and thermal
- Energy storage



Summary 2003 – 2008 CT Investments

- Total Investment
 - EU € 2.5 billion
 - USA € 6.8 billion
- Per Company
 - EU € 27million
 - USA € 65 million
- Comments:
 - US Institution: CalPERS/ CalSTERS
 - EU: Lack of Series C and D support



At the core of our investing strategy: We develop, test, and refine *perspectives*

Perspectives:

- Intelligently Formed
- Forcefully Advocated
- Gently Held

Intelligently Formed

Do your homework

(Actively use our Advisors, Strategic Partners, companies)

Put it in context

(Develop, refine and update sector theses)

Test it

(Peer review and ICOM review)

Forcefully Advocated

Write it down

(A belief doesn't count unless you commit to it in writing)

Put yourself at risk

(Be willing to stand for and defend what you believe)

Make others challenge you

(Use challenge to either strengthen or modify your beliefs)

Gently Held

Learn and revise

(Benefit from experience and chart a new course)

Let new facts form new beliefs

(Start the process anew, but track the learning in writing)

Reflect progressive learning

(Continuous improvement through course corrections)

