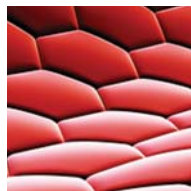
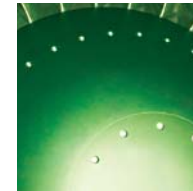
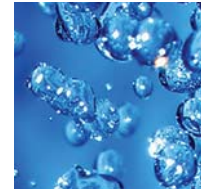



The logo for SC Launch features a stylized 'S' composed of three overlapping arrows in red, blue, and green. To the right of this icon, the letters 'SC' are in a large, bold, black sans-serif font, and the word 'Launch' is in a green, italicized sans-serif font. A registered trademark symbol (®) is positioned to the upper right of 'Launch'. Below the main logo, the text 'An SCRA Collaboration' is written in a white, sans-serif font with a subtle drop shadow.

SC Launch[®]
An SCRA Collaboration



Helping Grow
South Carolina's
Knowledge Economy



SC *Launch* is helping grow
South Carolina's Knowledge Economy by...

- Facilitating applied research, product development and commercialization
- Providing start-up companies with access to business and economic development acumen and support through a comprehensive Resource Network
- Positioning early-stage companies to secure institutional-grade, follow-on funding
- Providing entrepreneurs with key tools for success to help build start-up companies and high wage-earning jobs

SC Launch is a private, not-for-profit SCRA affiliate. It is an unprecedented collaboration among SCRA and South Carolina's university research foundations.



Since the start of operations in 2006,
SC Launch has produced an
impressive slate of outcomes.
Cumulative results appear
on the facing page.

71,000,000

Dollars in follow-on capital secured by SC Launch Portfolio companies

25,000,000

Dollars in follow-on capital pending for SC Launch Portfolio companies

77,000

Average salary (in dollars) of the jobs created

363

Applicants to the program

224

Contributors to the Industry Partnership Fund

149

Entities have received SC Launch support and funding

40

New Ideas innovation prizes awarded

35

Investments in Portfolio Companies

26

Demonstration projects funded

7

Landing parties brought to SC from other states and countries

3

Innovation Centers to commercialize research discoveries

2

US-based operational awards won by SC Launch program

1

International recognition award



Supporting Every Stage of the Innovation Pipeline
from Discovery to Development to Commercialization

SC Launch provides services and support
to help turn innovative ideas into
companies, products and jobs
that improve people's lives.

*IDEA/
DISCOVERY*

*RESEARCH and
DEVELOPMENT*

*COMPANY
FUNDING*

*COMPANY
GROWTH*

*COMMERCIALIZATION
SERVICES*

*MARKET
IMPLEMENTATION*

NEW IDEAS CONTEST

SC Launch fosters entrepreneurial thinking through sponsorship of the New Ideas for a New Carolina contest that awards creative thinkers with tools to transition their ideas into businesses.

SBIR/STTR MATCHING GRANTS

SC Launch awards matching funds to companies that have been granted Federal Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) Phase I awards.

EDUCATION and MENTORING

SC Launch Zone Managers and Resource Partners provide mentoring and education for early-stage companies. In addition, SC Launch supports entrepreneurial training programs such as the award-winning FastTrac TechVenture Program.

DUE DILIGENCE PROCESS

Companies must pass a rigorous qualification process to receive SC Launch funding. This helps them focus their business models and positions them to seek more substantial growth funding.

FUNDING

SC Launch provides grants or investments to qualified SC-based start-up companies and helps companies qualify for follow-on funding from other sources.

GUIDANCE and SUPPORT

SC Launch Companies gain access to business and risk reduction expertise through a comprehensive Resource Network. Resource Partners provide business services such as banking, accounting, legal counsel, advertising and marketing.

LANDING PARTIES

SC Launch offers assistance, support and networking opportunities to landing parties wishing to relocate to South Carolina.

PUBLIC/PRIVATE PARTNERING

SC Launch encourages public and private sector partnerships, and plugs new companies into a business ecosystem supportive of knowledge-based innovations.

CREDIBILITY BUILDING

The discipline necessary to progress within the SC Launch program better positions start-ups to seek funding from angel and venture capital sources. That's one of the reasons the Portfolio Companies have been able to secure over \$71M in follow-on funding.

COMMERCIALIZATION NETWORK

In partnership with SCRA, an SC-based global leader in applied research and commercialization, SC Launch Companies may gain access to ready markets through SCRA's national and international-level programs.

INNOVATION CENTERS

SC Launch Companies benefit from the deployment of three Innovation Centers that are being provided by SCRA. As accelerators for business development and commercialization of research discoveries, these Centers house emerging South Carolina-based companies.

SC Launch Eligibility Information

SC Launch support is open to seed and early-stage knowledge-based companies located in South Carolina. The funding process is competitive and requires effort and commitment on the part of applicants. Here is an example of one possible progression of a candidate company moving through the SC Launch program:



Technology Start-Up Assistance

Funding - SC Launch offers funding in the form of small grants, loans, and equity investments. SC Launch Zone Managers work with companies to develop a business case for possible funding. The process prepares companies for the rigors of securing follow-on funding from angel investors and venture capital firms.

Services - Business counseling, on-going mentoring, assistance with business plans and market analysis is available through the SC Launch staff, selected agencies, and universities.

Resource Partners - The SC Launch Resource Partners provides services such as banking, accounting, legal counsel, insurance, advertising, marketing, human resources, training and mentoring.

Networking and Connections - SC Launch is well-connected among the business and economic development sector of the State and can provide important networking opportunities through the Resource Network.

SBIR/STTR Phase I Matching Grant Program

This program awards matching funds to South Carolina-based companies that have been granted a Federal Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) Phase I award.

The SBIR/STTR Program is designed to foster job creation and the Knowledge Economy in South Carolina. The Program increases the competitive position of South Carolina small businesses in attracting SBIR/STTR grant funding. The Program also provides an incentive for Federal Phase I award-winning companies to participate in the more substantial Federal Phase II program.

For more information, please visit www.sclaunch.org.

Representative SC Launch Portfolio Companies



Anaxtal Silicon - green replacement technology for silicon crystal growth

Avancen - wireless device for bedside delivery of oral pain medication

Bridge to Life - organ cold storage and transplant solutions

Charleston Laboratories Inc. - opioid drugs with minimal or no nausea

CIVISonline, Inc. - audience interactivity and citizen journalism technology

Climax Global Energy - plastic waste-to-fuel conversion technology

CreatiVasc Medical - intuitive medical devices for the rapidly growing population suffering from end stage renal disease

DigitalDerm - early melanoma detection technology

EV Power Systems Inc. - hybrid and all-electric vehicle power systems

FirstString Research, Inc. - novel peptide developed for scar prevention and tissue regeneration

GET Interactive - consumer technology for research and purchase of products featured in online entertainment or mobile devices

Immunologix - monoclonal human antibody-based therapeutics

Innegrity - high performance fiber manufacturer focusing on the composites industry

Invenca, LLC - fiber-based high performance liquid chromatography

Ion Surgical - arthroscopic device for true transosseous ACL and rotator cuff repair

KIYATEC, LLC - company delivers enabling 3-D cell culture tools for the

pharmaceutical, biomedical and life science industries

Lab21, Inc. - Research and development company that operates molecular diagnostic clinics conforming to CLIA standards within the US

MedProcure - materials procurement applications for medical offices

Ometric - real-time, in-line spectroscopic analysis technology

PinPoint GeoTech - automated data collection and reporting processes for city, state, and county governments

PromoPipeline - search engine for promotions from vendors and distributors

Sabal Medical - automated medication carts and bar code verification software for the delivery of narcotics

Selah Technologies - nanotechnology enabled products for the biomedical and consumer electronics industries

SensorTech - contact sensing technology that measures force, pressure, torque, or impact with the ability to be formed into many shapes and sizes

VidiStar - physicians' web-based diagnostic cardiovascular system imaging product

Vigilix ITM - real-time systems for event management and monitoring

WNC - in-store HDTV closed circuit ads and effectiveness analysis system for the grocery industry

Zipit Wireless - technology that makes managing and connecting devices seamless and scalable

SC Launch offers funding ranging from small grants to loans to equity investments in promising early-stage South Carolina-based Knowledge Economy companies.

SC Launch Invests in New Portfolio Companies

- Companies that have received return-based funding from SC Launch are known as Portfolio Companies
- 35 investments have been made in Portfolio Companies by SC Launch
- These investments are critical because they fill the funding gap where many promising early stage companies fail
- To achieve Portfolio Status, companies must pass a rigorous due diligence process
- Investments are made with consideration of balancing planned ROI to the SC Launch program and economic development benefit to South Carolina
- Several initial SC Launch Portfolio Companies have already paid back the investment

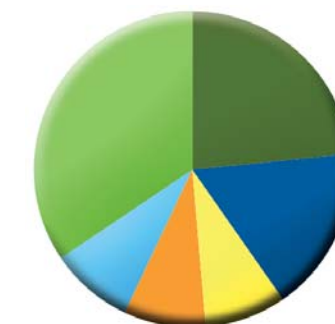
SC Launch supports South Carolina's growing leadership positions in targeted technology clusters, such as life sciences, advanced materials, alternative energy, and automotive and aerospace engineering.

SC Launch promotes and supports the growth of companies that complement South Carolina's emerging technology clusters - concentrations of interconnected companies and institutions. Cluster-based economic development creates critical mass of talent and knowledge in targeted industries.

By supporting landing parties, assisting commercialization of research coming from universities and sharing the knowledge and guidance entrepreneurs need to succeed, SC Launch is helping SC establish a national and international leadership position in critical targeted industries.

SC Launch Investment Breakdown:

- Life Sciences
- Information Technology
- Advanced Materials and Fibers
- Alternative Energy
- Automotive/Aerospace
- Engineering/Chemical





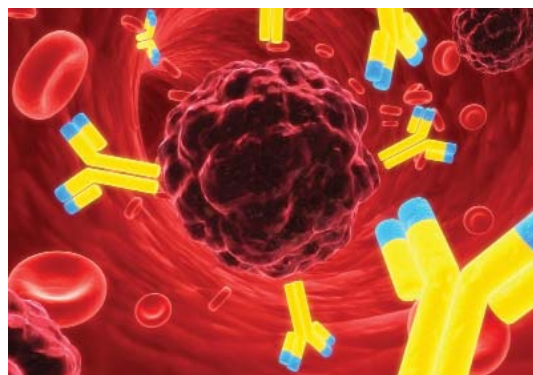
SC Launch is dedicated to mentoring, training, and building networking opportunities to the entrepreneurial companies that will build a brighter economic future for South Carolina.



Antibody-based Therapeutics

Immunologix is a human antibody development company built on a proprietary method of transforming naïve B-cells, to produce fully-human antibodies targeting any and all antigens.

SC Launch resources have been instrumental in the current successes of Immunologix. In November of 2008, the company was awarded SC Launch University Startup Assistance Funds which allowed it to complete proof of concept and commercialization validation studies. The successful completion of these studies helped prepare Immunologix for a number of investor forums.



Immunologix is commercializing the world's only technology platform that produces fully-human antibodies using a 100% in vitro system.

SC Launch assisted Immunologix in early start-up advancement with networking and expert counseling.

Immunologix is bringing advanced technology jobs into South Carolina. Immunologix is one of the first tenants of the new SCRA MUSC Charleston Innovation Center, a state-of-the-art facility with wet labs and business offices. Immunologix will maintain about 10-14 full time employees by the end of 2010 and 22 full time employees by the end of 2011. The company expects to fill many of these positions with Medical University of South Carolina graduates.

This Charleston-based biotechnology company plans to have 22 full time employees by the end of 2011, with many positions filled by MUSC graduates.



Providing Medication on Demand

Avancen offers the "world's first" medical device that dispenses oral pain medication via a bedside wireless device called the MOD® (Medication On Demand). The MOD is a patented FDA-approved medication dispenser that ensures on-time delivery and helps the efficiency of nursing staffs.

SC Launch support has allowed Avancen to begin training for implementation of the MOD and to help complete in-hospital trials. SC Launch

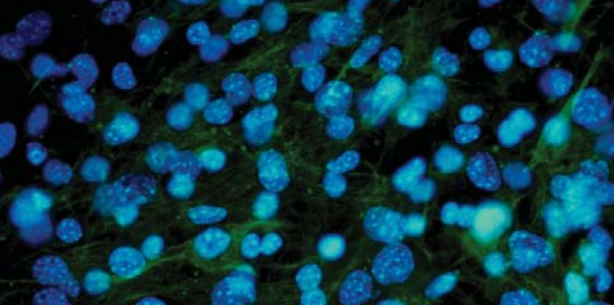


Avancen's MOD unit safely dispenses pain medications at the patient's bedside.

has also introduced the company to valuable resources within South Carolina such as medical, university, and business entities which helped attract the company to move here from Florida.

Avancen is not only creating new jobs through advancement of a new technology, but supporting established companies in South Carolina. For example, Zeus, Inc., an Orangeburg, SC based company will assemble the MOD units and contract with other South Carolina based companies to manufacture necessary parts.

SC Launch introduced Avancen to a state-wide network of medical, university and business entities, which helped in the company's decision to relocate to South Carolina.



SC Launch supports companies within technology sectors identified as having the greatest statewide benefit. The program offers significant assistance in the commercialization of basic research that improves healthcare in South Carolina.

Bridge to Life, Ltd.

Developing organ transplant solutions

Located at the University of South Carolina's Technology Incubator, Bridge to Life develops and commercializes organ transplant and cardioplegic solutions as well as other technologies to advance the science of organ preservation and transplantation. Developing products and services in the organ transplant arena, the company offers new technology to the organ procurement and transplant communities, hospitals and physicians.

As an SC Launch Portfolio Company, Bridge to Life received an investment from SC Launch that allowed the company to relocate its global

headquarters from Wisconsin to South Carolina. SC Launch support helped Bridge to Life commercialize its first two products, and complete the submission of a major SBIR grant.

SC Launch assisted in Bridge to Life's submission of a major SBIR grant request. If the SBIR grant is approved, SC Launch will match the Federal Funds up to \$100,000.

SC Launch also partnered with other organizations in the state to offer business guidance and support services to this development-stage biotechnology company.

Bridge to Life is working with South Carolina universities like the Medical University of South Carolina and the University of South Carolina to continue the commercialization of their organ preservation solutions and to develop new technologies. With support from the USC incubator and the SC Department of Commerce, Bridge to Life began shipping their organ procure solutions internationally with the first shipment to Dubai in November 2009.

SC Launch funding allowed Bridge to Life's relocation to South Carolina. The early stage company expects continued growth with the creation of several additional jobs in the next five years.



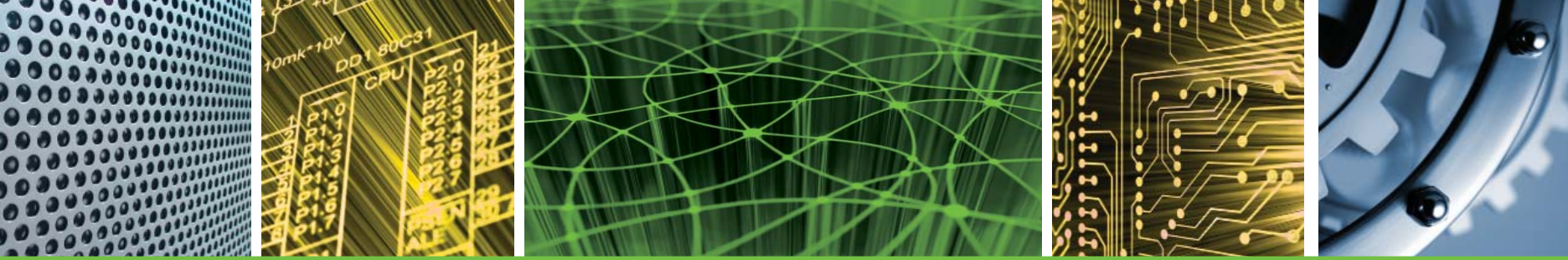
Scar prevention, inflammation reduction, and tissue regeneration

FirstString is an early stage biotechnology spin-off company from the Medical University of South Carolina. FirstString is focused on the research, development and commercialization of therapeutics for scar prevention, inflammation reduction, and complex tissue regeneration. The company's technology produced a lead compound that significantly reduces the formation of scar tissue and also improves the body's ability to produce healthy, new cells. The lead compound has shown promise in the potential treatment of diseases relating to skin, spinal cord, and internal organs.

SC Launch's equity investment and SBIR grant match allowed FirstString Research to advance preclinical development of a topical scar reduction product that performed well in efficacy tests.

FirstString has received an equity investment as well as SBIR matching funds from SC Launch. These funds enabled FirstString to prepare and advance its preclinical program for the development and commercialization of a topical treatment for scar reduction in human clinical testing. FirstString has completed a human clinical study in Europe that demonstrated safety with statistically significant indications of efficacy. In addition, SC Launch's matching fund enabled FirstString to conduct animal studies demonstrating the potential of its technology. The results were compelling enough to prompt a significant product development funding award from the National Institute of Health. This award has allowed to company to further advance its lead compound towards Phase II human trials.

SC Launch has helped FirstString connect to the best business resources in the state, helping the company double in size over a 6-month period. The funding is helping advance the company's goals, and will lead to the creation of high-paying jobs with all the benefits of the resulting multiplier effect. The time frame for FirstString Research to generate tax revenue and to increase substantial additional employment will be at least 2-3 more years. In light of the successes of other biotech organizations, the assistance of SC Launch to jump-start FirstString's efforts represents an enormous opportunity in the potential return to be generated for South Carolina.



Ion Surgical Technologies, Inc.

Improving the Post-Surgery Healing Process

Ion Surgical Technologies, Inc. is a medical device corporation located in Mt. Pleasant, SC that has developed novel products for the orthopedic surgical market. The company's unique surgical devices improve methods for rotator cuff repair and ACL reconstruction that maximize the soft tissue healing surfaces in these procedures.

Ion Surgical was the winner out of more than 50 companies in an Early-Stage Shootout at the 2009 Southeastern BIO Investor Forum.

Ion Surgical Technologies won the Early Stage competition at the SEBIO Investor Forum, the Southeast's premier life sciences venture capital conference.

The competition profiled the best new initial investment opportunities in the region and

was judged by a panel of celebrity venture capitalists.

SC Launch has provided gap funding for the company, as well as business expertise and a level of due diligence that is helping the company attract additional investors.

Ion Surgical Technologies plans to release its surgical devices in the US market in 2010. For South Carolinians, this means broader surgical options for patients and new jobs to the Charleston area in a high technology sector.

The rigorous process leading to Ion Surgical's acceptance as an SC Launch Portfolio Company helped position the start-up to seek additional investors.

Science, engineering and entrepreneurship are the engines of the Knowledge Economy. SC Launch and the companies it supports embody and promote those critical disciplines.



Transforming Surfaces by Micromolding

Hoowaki makes industrial tools that increase the value of manufactured products by improving performance of surfaces. Hoowaki's engineered surfaces can improve functionality including appearance, tactile feel, friction, and ability to attract or repel water.



Hoowaki's super hydrophobic surface treatment has many benefits, including self-cleaning, water drag reduction and mitigation of ice buildup. The technology has various applications.

As an advanced materials company, Hoowaki is a component of SC's Knowledge Economy. Through links with its customers and South Carolina educational organizations, it is helping others expand knowledge-based business in the state.



An Innovative Social Networking Tool

Quintesocial uses an innovative social networking technology that matches its members to events and activities in their city based on analysis of their personality and interests. Quintesocial won the 2009 Palmetto Pillar Award which recognizes a small business for the innovative application or development of a technology-based product, process or service.

SC Launch funding assisted Quintesocial with licensing agreements with USC for patent pending algorithms, acquisition of its international license, Federal trademark protection applications and market research. Additionally, SC Launch investment is helping launch up to five U.S. pilot cities and hire Knowledge Economy workers in South Carolina to support the network infrastructure.



The SBIR and STTR programs award competitive grants to the nation's best small, high-tech, innovative businesses. SC Launch matches SBIR and STTR grants in South Carolina.



Neurodiagnostic Accessories and Customized Manufacturing Solutions

RhythmLink International, LLC designs, manufactures and distributes neurodiagnostic accessories that attach patients to sophisticated electronic diagnostic equipment.

RhythmLink creates electrodes for operating rooms, clinical labs, long-term monitoring settings and home health care environments. Neurodiagnostic electrodes placed on patients are critical to accurate diagnosis, health outcome and ultimately, improving quality of life.

In addition to expert business guidance, SC Launch provided RhythmLink with funds to outsource an automation specialist to assist with designs for an automated manufacturing line.



The extensive product line available from RhythmLink's catalog (above) is representative of South Carolina's growing leadership position in the medical device industry.

The possible development of this automated manufacturing capability in South Carolina will help relocate production currently conducted in China.

RhythmLink continues to grow at an exciting rate. By expanding its engineering group and OEM capabilities in 2010, RhythmLink will continue to create knowledge-based jobs and bolster South Carolina's Life Science Community.

RhythmLink International was among the 25 winners of the SC Fastest-Growing Companies 2009 Competition. SC companies competing for the award must have been in operation at least two years and have reported revenues of at least \$3 million for the most recent reported year. Winners were determined based on revenue and employment growth.

SC Launch funding helped RhythmLink hire an automated manufacturing specialist to support the possible relocation of its manufacturing production from China to South Carolina.



Semiconductor Deep Ultraviolet Light Sources

Sensor Electronic Technology, Inc. (SET, Inc.) is a global leader in developing technology for semiconductor deep ultraviolet light sources. SET, Inc. has a fully vertically integrated business model, proprietary and patented technology, and a team of dedicated scientists and engineers.

SET, Inc. designs, develops, manufactures and markets III-Nitride-based ultraviolet radiation components and solutions for diverse military, homeland security, industrial and commercial applications. SET, Inc.'s non-visible light source technology can be applied in bio-agent sensors and covert short-range communications systems.

During last 15 months, SET, Inc. hired five students from Midlands Technical College. The company plans to add more than 70 high-tech jobs in South Carolina in the next three years.

In 2004, SET, Inc. became the first commercial supplier of deep UV LEDs and established itself as the sole supplier of DUV LED-based solutions for numerous applications, taking advantage of the inherent unique physical attributes of these UV light sources.

SC Launch provided SET, Inc. business guidance and matching funds for their Small Business Innovation Research (SBIR) grants from the Federal Government. The matching funds were used to expand manufacturing capabilities

in Columbia, SC and fill-in manufacturing positions through recruitment from Midlands Technical College.

SET, Inc. is expanding R&D, product development and manufacturing operations and attracting high compensation engineering and related high-tech jobs to South Carolina. The company plans to expand from its current 30 employees to more than 100 employees in three years.

SET, Inc. established a strong collaborative effort with the University of South Carolina and provided federal contracting opportunities and cutting-edge R&D for University faculty and students. The company started a training program at Midlands Tech and is funding training of students in the state-of-the-art of semiconductor industry. During last 15 months, SET, Inc. hired five students from Midlands Tech.

SC Launch has matched three Federal SBIR awards won by SET, Inc.

Several existing SC Launch portfolio companies have achieved second round funding.

Second round SC Launch investments are made in Portfolio Companies that have exhibited business progress, are moving to the next level in executing their business strategy, and have other private investors matching or accompanying the SC Launch investment.



Bill Mahoney (left), SCRA CEO, presents a “big check” in Greenville to SC Launch companies who have received a second round of follow-on funding. Pictured from left are Tommy Campbell, Director of Manufacturing, Innegrity, on behalf of Innegrity CEO Brian Morin, Michael Bolick, CEO of Selah Technologies, Dr. Matthew Gevaert, CEO of Kiyatec, Inc., Frank Greer, CEO of Zipit Wireless, and David Myers, CEO of SensorTech.



Bill Mahoney acknowledges a second round of follow-on funding to Bill Park, President and CEO of Sabal Medical, Charleston.



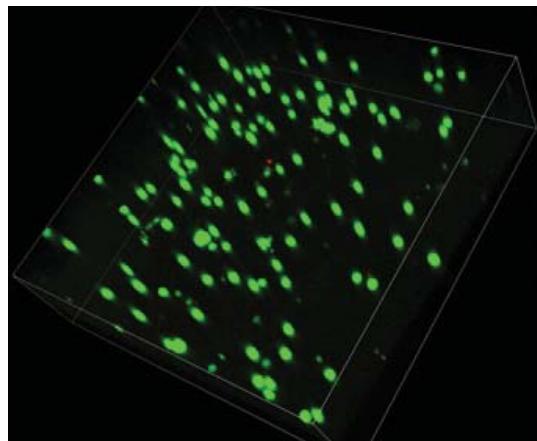
SC Launch supports the relocation of knowledge-based companies into the state.



Cell Culture Goes 3-D

KIYATEC has created a unique technology that enables three dimensional cell culture for use in laboratory research, drug discovery and personalized medicine. The company's core intellectual property, licensed from Clemson University, combines the best aspects of traditional 2-D cell culture with the enormous scientific benefits of culturing cells in 3-D. It provides more accurate simulation of phenomenon inherent within the living systems of the human body, and has potential as a technology platform for multiple markets. KIYATEC founders Matt Gevaert, Ph.D. and David Orr, Ph.D. both earned their doctorate degrees at Clemson University.

KIYATEC was an early recipient of SC Launch support. SC Launch continues to support this



promising South Carolina start-up company with seed-capital investment, mentoring and business services.

Initial SC Launch support allowed KIYATEC to obtain wet laboratory and office space and press ahead with key product development activities. The company plans to eventually

develop a bench-top diagnostic system for the drug discovery market which could translate into potential product applications in regenerative medicine.

KIYATEC recently received a second round of SC Launch funding after meeting several important business milestones, including winning the Five Ventures business plan contest. The second round of funding will facilitate the hiring of full-time engineering and management expertise, and will expedite the commercial launch of the company's first 3-D cell culture products in early 2010.

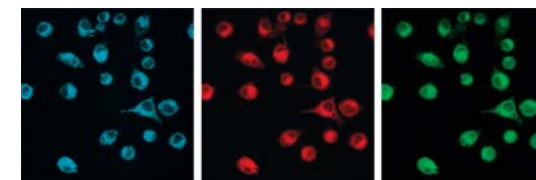
The KIYATEC story illustrates one of the key missions of SC Launch - supporting the transfer of new technologies from South Carolina universities. In this way, the best and brightest ideas and people are retained by the State.

A second round of SC Launch funding is expediting the commercial launch of KIYATEC's first 3-D cell culture products in early 2010.



Nanotechnology Products for the Biomedical Industry

Selah's cell imaging technology was derived from a discovery made at Clemson University. The company received early-stage support and funding from SC Launch. Selah's CEO,



Imaging of cells with Selah Dots™.

Michael Bolick, recognized that a partner in the diagnostic industry would help drive the development and commercialization of the technology. That partnership was recently realized, and again SC Launch played a role.

Lab21 Ltd., a rapidly-growing United Kingdom-based medical diagnostics firm, has merged with Selah and its new U.S. headquarters, a diagnostics service laboratory and product distribution operation, is located in Greenville County. The merger represents the successful fulfillment of SC Launch's ongoing efforts to support the relocation of knowledge-based companies into the state.

Lab21's new diagnostic service laboratory, primarily focused on oncology, is expected to open early next year.

Lab21 Ltd., a UK-based medical diagnostics firm, has merged with SC Launch Portfolio Company, Selah Technologies. Lab21 is locating its new U.S. headquarters, a diagnostics service laboratory, and product distribution operation in South Carolina.



Lab21's decision to merge with Selah Technologies and locate its U.S. headquarters in South Carolina will further biomedical innovation in South Carolina and establish new and exciting employment opportunities in the state.



SC Launch provides early funding to start-ups companies, and positions them to seek larger funding from angel and venture capital sources. SC Launch Portfolio Companies have secured over \$71M in follow-on funding.



Wireless Messaging Platform Technology

Zipit Wireless is a Software and Internet Infrastructure provider that develops technology and products that connect to IP networks and take advantage of Internet based services. The company's first product, the Zipit Wireless Messenger, provides teens and tweens a portable, wireless alternative to the PC for communicating via SMS and Instant Messaging protocols such as AIM, Yahoo Messenger, and MSN Messenger. The company's newest product is a wireless Digital Picture Frame for HP that seamlessly connects to social network sites (Facebook and MySpace), the top online photos services, and to cell phones and email.



While Zipit's Z2 device is impressive, the real value is in the technology that enables it. Zipit has expanded the technology's use in a variety of new products, such as a wireless Digital Picture Frame for HP.

Considering Zipit's commercial success, it is difficult to imagine that the company's very existence was in doubt only a few years ago. When venture and angel capital funding was unavailable, SC Launch stepped in, providing the funding that helped Zipit obtain its patents, complete product development and seek manufacturing sources for its award-winning messaging device.

"SC Launch got us over the hump and to market," according to Frank Greer, the company's President and CEO. "Without the \$200,000 from SC Launch, we would not exist."

The Zipit story illustrates the value of a critical role of the SC Launch program - to fund and support early-stage companies that show promise, but have not yet found venture capital sources.

SC Launch funding helped Zipit obtain patents and develop its messaging device. The technology that powers the commercially successful device has evolved into a valuable platform supporting various wireless hand-held and tablet devices.



Automated Medication Carts and Bar Code Verification Software

Sabal Medical is a health care technology startup that produces automated medication carts with bar-code verification software to help nurses and pharmacists deliver the right dosages of medications at the right times.

Sabal relocated to South Carolina from Washington state in 2006 after receiving an initial \$200,000 investment from S.C. Launch. Sabal recently moved from research and development to full commercialization and sales. To support this transition, Sabal recently received a second cash infusion of \$100,000 from SC Launch.

Sabal has obtained \$2.6 Million in private capital funding from Massachusetts-based Nexus Medical Partners and its German affiliate, Medicis Nexus Partners GmbH.



Sabal's automated medication carts assure that nurses and pharmacists deliver the right dosages of medications at the right times, and help hospitals save on soaring medical expenses.

"We are in the process of raising \$8 million in growth equity to allow us to attack the market hard," Sabal President and Chief Executive Bill Park said, "SC Launch has given us a bridge loan from post-R&D to closing the \$8 million round of commercial financing."

Sabal captured accounts at hospitals in Maryland and Florida last year, with other opportunities pending throughout the U.S. and Canada.

Sabal expects to hire up to 35 employees by the end of next year in sales, service, production and software engineering.



The SC Launch program seeks alignment with the focus areas of South Carolina's research universities. Support of dynamic advanced materials companies such as Innegrity reflects this approach.



Conductive Polymer-based Advanced Material Sensors

SensorTech holds the license for a new polymer-based contact sensing technology that can accurately measure force, pressure, torque, or impact. It is considered a 'platform' technology with wide potential to impact many industries.

SC Launch helped the South Carolina-based company organize a management team and find partners to support final product development. SC Launch also provided start-up and commercialization assistance to SensorTech through its powerful Resource Network of seasoned business professionals.

SC Launch helped identify a new application for SensorTech's technology. SC Launch program manager, SCRA, was able to secure \$600,000 in Department of Naval Research funding for



SensorTech's polymer-based contact sensing technology accurately measures force, pressure, torque, and impact.

SensorTech to use their technology to create more comfortable sockets for amputees. This application has vast potential in commercial health care markets.

After a strict due diligence process and validation of the company's commercial viability and business plan, SC Launch provided early-stage funding to SensorTech. Continuing refinements to SensorTech's business plan and the credibility gained from its work with SCRA's Federal client earned SensorTech another round of SC Launch funding, and has positioned the company to seek larger venture capital investments.

The latest \$200,000 SC Launch investment will help pay for an equipment upgrade as well as a researcher and sales director. The company will manufacture its "smart plastic" load cell product in Greenville.

A second round of SC Launch funding is helping SensorTech invest in an equipment upgrade as well as several new key personnel. SensorTech's "smart plastic" load cell product is being manufactured in Greenville.



Tough, Lightweight Composite Materials

Innegrity makes a lightweight, tough, flexible fiber that performs much like Dupont's Kevlar® and other carbon composites, but is both lighter and cheaper than those products. The Innegra fiber is currently used in ropes, armored vehicle applications, surfboards and Formula 1 race car parts. The potential market in sporting goods and ballistics alone is enormous, and many diverse applications remain to be explored.

Brian Morin, a former Milliken research scientist, formed the company in 2004. He cites access to top-notch employees with knowledge of the textile industry and the strength of local universities as reasons to locate his company in the South Carolina upstate.

Innegrity's recent move to a large former textile facility in Simpsonville, SC is emblematic of South Carolina's shift to smart manufacturing associated with knowledge-based businesses.



Innegra™ S contains approximately 7-10% void volume, making it the lightest high performance fiber available. JKK Kayaks has replaced Dupont's Kevlar® in their kayak line with Innegra fiber. Innegra increases the durability of the carbon kayaks, allowing them to be used in more aggressive environments.

Innegrity recently relocated from a small plant in Greer, SC to a large former textile facility in Simpsonville, SC and has plenty of room to expand. Innegrity currently employs 30 people. Plans for the company include hiring business development people as well as staff to handle production.

SC Launch invested in the company initially to help further its business plan. Recent success and impressive growth have led to a second round of SC launch funding.

SC Launch works with research university foundations and a variety of economic development organizations to advance the Knowledge Economy in South Carolina.

Knowledge Economist Award

Key business and political leaders understand the need to build a competitive, dynamic economy that will generate and exploit knowledge to create wealth.

SCRA recognizes these individuals with the Knowledge Economist Award. Knowledge Economists help shape the future of SC with successes in creating high-salaried technology jobs, nurturing new ventures and capital investment, and building equity in a globalized future.



SCRA CEO Bill Mahoney (left) presents a Knowledge Economist Award to Harris Pastides, Ph.D., President of the University of South Carolina and Chairman of the Board of Health Sciences South Carolina.

SC's Knowledge Sector Council

SC Launch's operations are conducted in concert with many organizations and individuals who are committed to growing South Carolina's Knowledge Economy. The program is managed by SCRA and is informed by SCRA's participation in The Knowledge Sector Council of South Carolina. The Council is an informal alliance of business, academic, economic development and government organizations collaborating to increase alignment efficiency and resource effectiveness. Regular participants in the Council include: South Carolina Economic Developer's Association (SCEDA), Savannah River National Laboratory (SRNL), the University of South Carolina,



Irv Welling (right), Chair Emeritus of Elliott Davis, and longtime economic advocate through his Upstate SC Alliance Board membership, receives a Knowledge Economist award from Bill Mahoney.

the Medical University of South Carolina, Clemson University, the Palmetto Institute, New Carolina, the Centers of Economic Excellence (CoEE) Board, Invest SC, SC Manufacturing Extension Partnership (SCMEP), Health Sciences South Carolina (HSSC), the South Carolina State Chamber of Commerce, the South Carolina Department of Commerce, the State Technical College System, the Commission on Higher Education, the South Carolina Department of Agriculture, the South Carolina State Retirement System, the SC Technology Alliance, SCRA, and both established corporate and entrepreneurial business leaders across the State.



Bill Mahoney presents a Knowledge Economist Award to Emerson Gower, a prominent leader whose work at Progress Energy and with economic development organizations has greatly benefitted SC's business community.

SC Launch is a critical component of South Carolina's ecosystem of entrepreneurial support.

Working together to make a difference and help grow South Carolina's Knowledge Economy.



Industry Partnership Fund Fuels the Success of SC Launch

SCRA provided a \$12 million investment to fund the first three years of the program, and the Industry Partnership Fund (IPF) provides ongoing financial support. IPF contributions are used by SC Launch to support commercialization of intellectual property from university research foundations, assist entrepreneurs, finance startup and spin-out companies, and provide incubation and business services to early-stage companies. Contributions from individuals or corporations receive 100% credit against South Carolina state income taxes, insurance premium taxes and/or certain license fees. The individual limit is \$2M and the aggregate limit is \$6M. Any SC taxpayer is eligible to contribute. Contributions are accepted on a first come basis.

SC Launch Resource Partners - Providing Experienced Commercialization Services

SC Launch collaborates with experienced organizations that are committed to create an ecosystem of support to help SC Launch companies maximize their opportunity for success. Current SC Launch Resource Partners include:

- Bauknight Pietras & Stormer, P.A.
- BB&T
- Byrum Innovation Group
- Carolina First Bank
- Carter Todd & Associates, Inc.
- Chernoff Newman
- Clarke & Company Benefits, LLC
- Corporate Benefits, Inc.
- Cyberwoven, LLC
- Dority & Manning, P.A.
- Dynamic Exhibits
- ECI - Find New Markets
- Elliott Davis, LLC
- Immedion
- McNair Law Firm
- McPherson, Berry & Associates, Inc.
- Michael D. Layman, Attorney at Law, P.A.
- Nelson Mullins Riley Scarborough, LLP
- Nexsen Pruet, LLC
- Ogletree Deakins Nash Smoak and Stewart
- Post No Bills
- ProActive Technology, LLC
- PST Computer Training, Inc.
- Smart Work | Network, Inc.
- Software As A Service
- South Carolina Chamber of Commerce
- SC Manufacturing Extension Partnership (SCMEP)
- Square 1 Bank
- Stipkala, LLC
- Strategic Marketing Solutions (SMS)
- TECHFISH, LLC
- Trevelino/Keller Communications Group
- VantagePoint
- VC3, Inc.
- Wachovia
- Willcox Buyck & Williams, PA
- Womble Carlyle Sandridge & Rice, PLLC
- Wyche Burgess Freeman & Parham, P.A.

Sources and Uses of SC Launch Funds

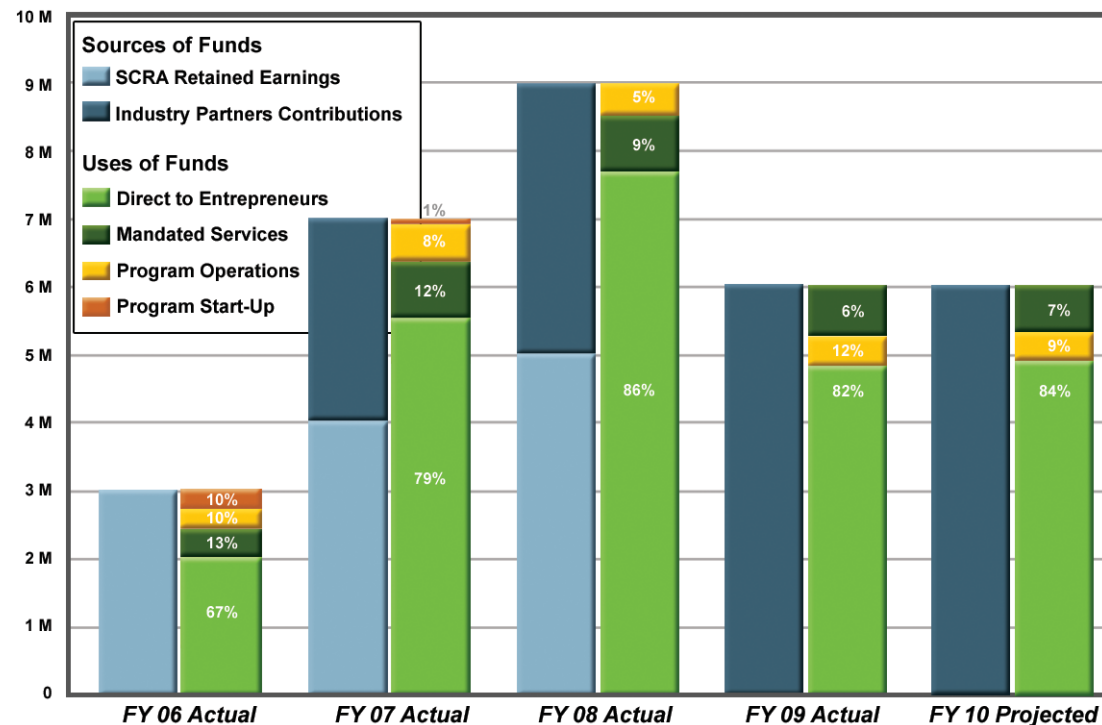
SC Launch was formed with \$12M of SCRA's retained earnings.
To sustain the program, organizations and individuals contribute to the Industry Partnership Fund.

On a consistent basis, the vast majority of SC Launch program funds directly supports the Knowledge Economy.

SC Launch operates with very little overhead. The program began producing results quickly and has grown significantly since its formation in 2006. More than 270 companies have received some form of support.

SC Launch is an efficiently run program. Of the \$12M of SCRA retained earnings commitment, \$9.5M has been deployed to SC Launch programs and \$2.5M to finance Innovation Centers. The balance of program funding comes from Industry Partnership Fund donations. The overall sources and uses of funds are depicted in the chart to the right.

Industry Partnership Fund contributors receive a dollar-for-dollar tax credit for their financial support of SC Launch. The money produces high ROI for the state.



Disciplined sourcing assures that the lion's share of SC Launch funds are invested in entrepreneurial start-up companies.

Innovation Centers - Facilities for Knowledge-Based Start-up Companies

SCRA is currently deploying three new Innovation Centers to accelerate business development and commercialization of research discoveries. While the creation of these facilities is funded exclusively by SCRA's retained earnings, SC Launch companies have priority access to them.



SCRA recently opened a new world-class facility in Charleston to support biopharma, biomed and biotech research and commercialization. The renovated building creates lab and office space for medical and biotech start-ups spawned from research at the Medical University of South Carolina as well as from the commercial marketplace. Four SC Launch companies are among the first tenants of the new facility.

At the grand opening in December, 2009, Charleston's Mayor Joe Riley said that the opening "is the culmination of a dream" representing "a pivotal moment in the history of the community" and the growth of the Knowledge Economy.



The SCRA MUSC Innovation Center features state-of-the-art lab space and equipment.



Dr. Ray Greenberg, President of MUSC, Bill Mahoney, CEO of SCRA, and Charleston Mayor Joe Riley open the SCRA MUSC Innovation Center.



SCRA is providing a facility in Columbia designed to house high-tech companies emerging from USC research and entering commercialization and light manufacturing stages. Clean energy technology companies will enjoy priority access to the 72,000 square-foot facility.



SCRA is partnering with Clemson University to build a new facility focused on advanced materials research. It will house SCRA staff as well as other Knowledge Economy companies, and will continue to leverage mutually beneficial connections between early stage technology businesses and SCRA's Federal research programs.

Wet labs and world-class facilities are essential to establishing new knowledge-based companies and attracting landing parties. SCRA's Innovation Centers answer this need in South Carolina.

SC Launch is working. In only 4 years of operation, SC Launch and the companies it supports have achieved significant progress and acclaim.

- The pipeline of indigenous SC entrepreneurial start-ups is growing
- More SC start-ups are seeking and securing Federal Small Business research and technology grants
- Knowledge-based companies are relocating to South Carolina
- Venture Capital and private equity firms are growing investments in SC Knowledge Economy companies
- SC Launch client companies are winning recognition as best-in-class against formidable competition

Six SC Launch companies competed against over 100 contestants in the Early Stage and Bio-Plan competitions at the SEBIO Investor Forum, the South-east's premier life sciences venture capital conference. SC Launch company Ion Surgical Technologies won the Early Stage competition. SC Launch Portfolio Company Restorative Physiology won the Bio-Plan competition. SC Launch companies EpiEP, Immunologix, Inc. KIYATEC, Inc., and Microvide were finalists in the competitions.

SC Launch Receives National, Regional, and International Recognition for Economic Development



Dave McNamara (left), SC Launch Director, receives the National Award for Building Entrepreneurial Capability from the State Science and Technology Institute (SSTI).



SCRA CEO Bill Mahoney accepts The Southern Growth Policies Board 2009 Innovator Award from Mississippi Governor Haley Barbour for an SC Launch-supported Fuel Cell Collaborative.



SCRA Marketing Services Manager, Bryan Bryant (center) accepts an award from the International Economic Development Council for the SC Launch program based upon a review of the 2008 SC Launch Annual Report.

“SC Launch demonstrates a balanced and broad-based approach to entrepreneurial support that effectively links together key resources within the state.”

Dan Berglund, State Science and Technology Institute President and CEO

