

KANSAS RANKS 13th IN VENTURE CAPITAL INVESTMENTS NATIONALLY

KTEC noted as primary investor of venture funds, in addition to nearly \$1 million of direct equity investments in 2008

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Topeka, Kan. (January 30, 2009) – \$6.9 million was invested in Kansas companies in the fourth quarter of 2008 according to the MoneyTree™ Report from PricewaterhouseCoopers and the National Venture Capital Association based on data provided by Thomson Financial. Nationally, Kansas ranks 34th in population, however Kansas ranked 13th in venture capital investments for the number of investments made.

In addition, the Kansas Technology Enterprise Corporation (KTEC) was listed as the most active venture capital source in Kansas according to the report.

"This national ranking proves KTEC is vital in providing and securing funds for early stage technology-based companies," said Tracy Taylor, President and CEO of KTEC. "Kansas is ahead of the curve when it comes to innovation and entrepreneurship and this type of investment in these type of companies are the very that thing that will revive our Kansas economy."

The \$6.9 million of capital raised in the fourth quarter was funded largely due to the Kansas Angel Tax Credit program administered through KTEC.

In addition, KTEC announced its equity investments for fiscal year 2008. KTEC invests in early-stage Kansas companies that are commercializing technologies, have potential to create high paying jobs and engaging opportunities to create wealth within the company. During this fiscal year, KTEC invested nearly \$1 million in the following companies:

- **Matrix Electronic Measuring Inc., Salina - \$100,000**
Offering innovative laser matrix measuring systems for the automotive collision repair service.
- **Athletixnation Inc., Olathe - \$250,000**
A multimedia sports content platform delivering Division I college video highlights and sports applications to websites and mobile devices.
- **Rhythm Engineering (formerly Professional Engineering Corporation), Lenexa - \$100,000**
Provides focused consulting services for design and deployment of Intelligent Transportation Systems.
- **Zave Networks, Inc., Kansas City - \$185,538.43**
A digital incentive management network that enables product marketers and retailers to learn the effectiveness of their marketing actions.
- **KC Biomedix Inc., Lawrence - \$200,000**
A medical device company that was established to commercialize technologies developed at the University of Kansas for the care and treatment of infants born prematurely.
- **Adaptive Ozone Solutions, LLC, Olathe - \$300,000**
Manufactures and sells differentiated, high quality ozone and oxygen systems.

To qualify for funding from KTEC, a company must match the investment with 150% of the amount of KTEC funding. The company must demonstrate through market research, that a considerable market exists and that the project has potential to produce substantial results for the Kansas economy. Companies must also complete the application and submit a business plan.

(MORE)

"KTEC's direct equity investment was crucial in Matrix's start-up, however that was just the beginning," said Jan Srack, Co-Founder and President, Matrix Electronic Measuring Inc. "KTEC's initial investment gave us the credibility to attract more than \$500,000 in private-sector funds, connections we wouldn't have had on our own. But it's not just about the money. If it weren't for the incredible business resources and assistance provide by the KTEC PIPELINE program and the Wichita Technology Corporation, a KTEC business assistance incubator, Matrix would not be as far in the marketplace as it is today. We are excited about expanding our business from Salina and eventually reaching markets all over the world."

To learn more about the MoneyTree Report, visit: <https://www.pwcmoneytree.com/MTPublic/ns/index.jsp>

About MoneyTree: The MoneyTree Report is a quarterly study of venture capital investment activity in the United States. As collaboration between PricewaterhouseCoopers and the National Venture Capital Association based upon data from Thomson Financial, it is the only industry-endorsed research of its kind. The MoneyTree Report is the definitive source of information on emerging companies that receive financing and the venture capital firms that provide it. The study is a staple of the financial community, entrepreneurs, government policymakers and the business press worldwide. <https://www.pwcmoneytree.com/>

About KTEC: Kansas Technology Enterprise Corporation (KTEC) is a private/public partnership, created by the State to support technology-based economic development in Kansas. Central to this mission, KTEC serves as steward of the state's commercialization "value chain," which works to transform scientific discoveries into market-driven businesses. <http://www.ktec.com>