

Investing in Connecticut's Future

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Message From the President



It's been just over six months since I took the helm at Connecticut Innovations, and every day I become even more enthusiastic about this organization and its ability to benefit the people of Connecticut.

Since coming on board, I have had the opportunity to work closely with our dedicated board of directors to set Connecticut Innovations on a course toward greater success. As a result, we entered 2006 with a sound new strategic plan, a streamlined organization, and a staff reinvigorated for the job ahead.

Connecticut Innovations' vision is "to drive a vibrant, entrepreneurial, technology-based economy in Connecticut." That's important, because the future belongs to states and nations that are leaders in technology innovation.

Today we stand ready to take our efforts to a new level. We will continue to invest in emerging technology companies, fund new bioscience facilities, foster the development of a leading-edge clean energy sector in the state, enable university/industry research collaborations and technology transfer, and provide earned college scholarships to Connecticut's innovators and scientists of tomorrow.

But we will also reach into new areas. Already, we are playing an active role in administering the state's exciting new \$100 million **stem cell initiative**. We are spearheading the creation of a new, state-backed fund aimed at providing

Portfolio News

Achillion Pharmaceuticals Closes on \$16.7 Million Financing Round and Receives Fourth Investment from Connecticut Innovations (New Haven)

In late December, Achillion Pharmaceuticals, Inc., closed on a **\$16.7 million Series C-2 financing round**. Connecticut Innovations participated in the round with an investment of \$125,000, making this CI's fourth investment in this company. Other investors in the round included Advent Partners, Atlas Venture Fund, Bear Stearns Health Innovators, Gilead Sciences, KBL Healthcare, Schroder Venture Partners, SG Capital Partners, and individual investors.



The new funding will allow Achillion to continue advancing the development and commercialization of its proprietary compounds for the treatment of infectious diseases such as hepatitis C and HIV. www.achillion.com

CYA Technologies Releases Two Product Upgrades, Opens Office in England and Moves U.S. Operations to Shelton (Shelton)



CYA Technologies, Inc., provides business continuity solutions for the enterprise content management (ECM) market and adds value to existing business continuity products, specifically for structured content. The company's products automatically recover content and its properties without having to perform a full-system restore and provide a lower-cost alternative to repository replication.

In December, CYA Technologies announced the opening of its new European headquarters located in **West Sussex, England**. CYA's recent success with global companies such as Nokia, Lufthansa and Johnson & Johnson led the company to establish a European office in order to provide the necessary infrastructure for efficient global deployment.

In December, CYA also moved its U.S. operations from Trumbull to **Shelton, Connecticut**, in order to accommodate its rapid growth.

This quarter, CYA released **CYA SmartRecovery 4.0** and **CYA Connector** for SmartRecovery, both approved by the EMC "Designed for Documentum" logo program. www.cya.com

Merlot Communications Inc. Partners with StayOnline (Bethel)

In December, Merlot Communications, the leading manufacturer of products and solutions that enable the transmission of voice, data and video over ordinary telephone wiring, announced a strategic partnership with **StayOnline**, the early innovator and current market leader in wi-fi hospitality solutions. This agreement unleashes an aggressive pursuit for the companies to combine their products and expertise to offer the hospitality market a state-of-the-art wired and wireless solution to replace current obsolete broadband systems. StayOnline is based in Atlanta, Georgia.



www.merlotcom.com

seed-stage funding to very early stage technology enterprises. We are working closely with other technology organizations, state government and higher education to form an **Innovation Network** that will propel Connecticut into the top tier of innovation states. And we are playing a leadership role in the **Alliance for Connecticut Technology**, which spotlights Connecticut's technology leadership through high-profile activities such as the annual Innovation Day and Awards Dinner.

Connecticut has the leadership, the will and the work force necessary to become a global technology leader. At Connecticut Innovations, we're working in countless ways to help the state realize that potential and create a brighter future for its citizens.

Chandler Howard
President and Executive Director,
Connecticut Innovations

Harris L. Marcus, Ph.D., Named to CI's Board

Connecticut Innovations in January announced the appointment of Harris L. Marcus, Ph.D., to its **board of directors**. Dr. Marcus is professor of materials science and engineering and director of the Institute of Materials Science at the University of Connecticut.



"We are proud to have this exceptional professional join the Connecticut Innovations board," said Elaine A. Pullen, chair of CI. "With his extensive experience in science, technology and education, Dr. Marcus brings a unique and valuable perspective to the board."

Pullen added, "Like Connecticut Innovations, Dr. Marcus is committed to keeping Connecticut at the forefront of technology innovation. For example, he serves on an important committee that is working with the Office of Workforce Competitiveness and the Department of Higher Education to develop recommendations for advancing Connecticut's position in nanotechnology development."

Prior to joining the University of Connecticut faculty in 1995, Dr. Marcus taught at the University of Texas at Austin. His private-sector experience includes positions with the Rockwell Science Center and Texas Instruments. He holds more than two dozen patents and has published more than 300 papers on a wide range of research topics.

Dr. Marcus earned his bachelor of science degree in metallurgy from Purdue University and a doctorate in materials science and engineering from Northwestern University.

Netkey Inc. Named "New and Notable" (Branford)



Retail Information Systems News (RIS News) is one of the top publications in the retail industry, with a circulation of over 22,000 readers. Each year, the magazine surveys retail executives, asking them to rate the top software vendors focused on the retail marketplace - the "best of the best." This survey - the RIS News Leaderboard - is one of the most anticipated and prestigious rankings in the retail world, as these real-world ratings are decided by the retail IT users directly.

For the second year in a row, **Netkey** has been recognized by the survey as being one of a handful of up-and-coming vendors to watch who are "closest to making the Leaderboard list" in the retail world. It is significant to note that Netkey is the only vendor in both the Top 45 and "**New and Notable**" rankings focused solely on self-service and the retail kiosk marketplace. www.netkey.com

Neurogen Corporation Launches Phase II Clinical Trial (Branford)

In December, Neurogen Corporation (Nasdaq: NRGN) announced that it had commenced Phase II human testing of the company's leading **drug candidate for insomnia**, NG2-



Neurogen Corporation

73, which selectively modulates receptors of the gamma-aminobutyric acid (GABA) neurotransmitter system. The primary endpoint of the study will measure the efficacy of NG2-73 in reducing time to onset of persistent sleep in a model of transient insomnia in healthy adults. NG2-73 and related compounds are a part of Neurogen's wholly owned insomnia program. www.neurogen.com

Nufern Introduces Several New Fibers (East Granby)

In January, Nufern, the largest independent manufacturer of fiber intensive sub-assemblies and specialty optical fibers, announced the expansion of its **ytterbium-doped triple clad fiber product line** and its "**eye-safe**" **double clad fiber family**. Additionally, the company announced the introduction of an entirely new line of fibers, known as the **NuWIRE family of fibers**. www.nufern.com



Open Solutions Inc. Announces New Customers and Strategic Partnership (Glastonbury)

Open Solutions Inc. (NASDAQ: OPEN), a provider of integrated, enterprise-wide data processing technologies for banks and credit unions throughout the United States and Canada, recently announced that it has won **several new clients**, including: Beacon Credit Union, 1st Security Bank, Idaho Central Credit Union, NRL FCU, Omni National Bank, Smart Financial Credit Union, Heartland Community Bank, Texas Bay Area Credit Union, Canadian-based Celero Solutions and Coastal Community Credit Union.



Additionally, in November, Open Solutions announced a **strategic partnership** with GlobalVision Systems, Inc., of Los Angeles, California. The two companies have developed a partnership to provide anti-money laundering and anti-terrorist financing processing solutions to clients. GlobalVision is a leading supplier of knowledge-based management software. Under the partnership agreement, Open Solutions will offer Global Visions' PATRIOT Officer system to its clients. PATRIOT Officer is an advanced and comprehensive suite of Bank Secrecy Act (BSA), Anti-Money Laundering (AML) and Anti-Terrorist Financing (ATF) solutions. www.opensolutions.com

Crossroads Venture Fair - May 2nd & 3rd, 2006

Connecticut Innovations is the lead sponsor again this year for the Crossroads Venture Fair, brought to you by the Connecticut Venture Group. Crossroads, the Northeast's premier venue for capital, now in its 13th year, has become the largest venture fair in the eastern United States. Taking place over two days in Stamford, Connecticut, this year's event will feature 25 late-stage and 75 early-stage companies. This premier event begins with an Investor Networking Reception on Tuesday, May 2, followed by the Gala Reception for all investors and entrepreneurs. Wednesday, May 3, will feature presentations and exhibits by the companies.

The fast-paced event is geared to the high-tech, high-growth entrepreneur and investor. For more information visit www.crossroads-cvg.org or call (203) 256-5955.

Staff Spotlight – Sydney Alleyne

Sydney Alleyne's voice greets callers on a daily basis at Connecticut Innovations. She is **CI's receptionist**, running the switchboard for both CI and the Connecticut Clean Energy Fund and greeting visitors upon their arrival.



"I enjoy representing Connecticut Innovations. The diversity of expertise here is awesome" stated Sydney. "Additionally, it's great to work for an organization that embraces innovation. I like the fact that we play such an important role in our state's economy."

Sydney, who joined Connecticut Innovations in 2001, was previously employed by the State of Connecticut as a corrections officer and also has pursued interests in the fields of finance, home mortgaging, and credit resolution.

She attended Fisk University in Nashville, Tennessee, and completed her college education at Howard University, where she earned a bachelor's degree in criminal justice.

Perimeter Internetworking Acquires Company and Announces Strategic Partnerships (Milford)

On February 1st, Perimeter Internetworking, the leading provider of managed security services for financial institutions and other businesses with high data availability and security requirements, announced its acquisition of **Red Cliff Solutions**, the leading provider of managed security services to credit unions. This acquisition will allow Perimeter to add Red Cliff's CounterPhish anti-phishing service to its industry-leading on-demand security platform, resulting in a comprehensive suite of on-demand security services for its customers. Red Cliff Solutions, located in West Jordan, Utah, is Perimeter's sixth acquired company in the past two years.



In December, Perimeter announced a strategic alliance with **Synergent**, a leader in providing innovative technology, business and service solutions to credit unions. Synergent is headquartered in Westbrook, Maine.

In November, Perimeter announced that **NuVox Communications** will deploy its new suite of security solutions using the Perimeter Defense Platform. NuVox is based in Greenville, South Carolina, and is a leading Integrated Communications Provider (ICP) serving business customers in southeastern and midwestern states. www.perimeterusa.com.

Rib-X Pharmaceuticals, Inc., Launches Phase I Clinical Trial and Company CEO Wins Award (New Haven)



Rib-X Pharmaceuticals, Inc., a privately held biopharmaceutical company that is designing and developing next-generation antibiotics, in December announced that it had initiated **Phase I trials** of its first candidate for treating multi-drug resistant serious hospital infections.

Additionally, **Susan Froshauer**, president and CEO of Rib-X, was the winner of the 2006 **Entrepreneurial Innovation and Leadership Award** presented at the second annual Women of Innovation Awards Dinner, held in January at the Crowne Plaza in Cromwell. A total of seven women were honored with awards at the event, which attracted nearly 450 attendees. www.rib-x.com

SmartEquip Wins Two New Customers (Norwalk)

In January, **Sakai America, Inc.**, the North American arm of the largest producer of ride-on compaction equipment in the world, announced that it had launched SmartEquip's Parts & Service Manager, providing Sakai's dealers with SmartEquip's Web-based parts ordering and product support system. Sakai America is located in Adairsville, Georgia.



Acme Lift Company, a leading equipment rental firm base in Phoenix, Arizona, also announced its launch of SmartEquip's e-FleetPro™ Parts & Service Manager, a software system designed to increase fleet efficiency and reduce costs in the maintenance and support of equipment fleets as well as manage and order parts. www.smartequip.com

Event Calendar

Date	Event	Location
March 2	Clean Energy Seminar	CT Audubon--Fairfield Center
March 8	CVG "Sourcing Capital"	Westin Hotel--Stamford
March 23	Clean Energy Seminar	CT Audubon--Glastonbury

April 20	Clean Energy Seminar	CT Audubon--Milford
May 2-3	Crossroads Venture Fair	The Westin--Stamford, CT
May 17	Clean Energy Seminar	CT Audubon--Pomfret Center
June 8	Clean Energy Seminar	CT Audubon Birdcraft Museum--Fairfield

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