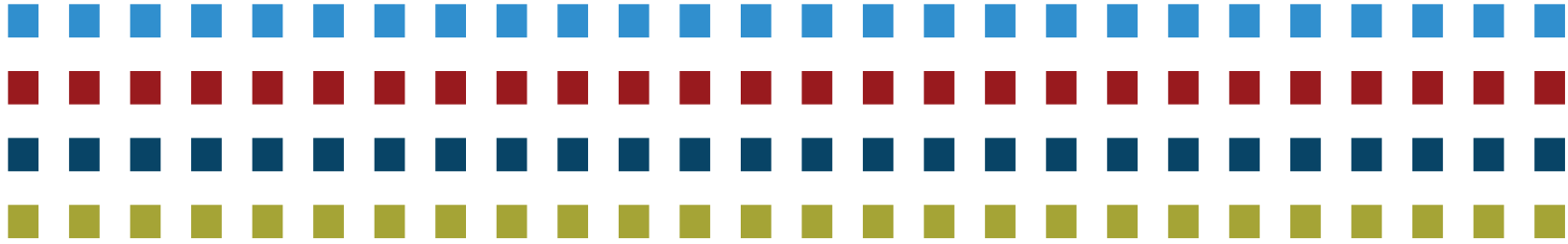




2011 HIGHLIGHTS REPORT

PITTSBURGH TECHNOLOGY COUNCIL

Business Development • Talent • Government Relations • Visibility



2011 Highlights Report



STATE OF THE INDUSTRY



Reflecting on 2011, the commitment to innovation displayed by our region's technology community reminds me why I love SWPA so much. The dynamic nature of the global economy continued to develop important competencies successful entrepreneurs and tech executives need - flexibility, collaboration, resourcefulness and steadfast perseverance.

Likewise, our members reminded us that great things can be accomplished amidst great adversity. As always, the Tech Council's membership served as our premier source of inspiration during 2011 and we continued to strengthen our core business model to meet the needs of our diverse business sectors. We remained resolute in providing top-notch services across four key service platforms - Business Development, Talent Acquisition, Government Relations and Visibility Services - and have received encouraging feedback from our membership regarding the effectiveness of these services as demonstrated through our growth.

The results speak for themselves. Tickets to the 2011 CIO of the Year Awards sold out in record time. Our successful breakfast briefing event series continued to attract high-profile speakers in 2011, including Dr. Kenneth Melani, President and CEO of Highmark, Inc; Jared Cohen, President of Carnegie Mellon University; and Mark Nordenberg, Chancellor and CEO of the University of Pittsburgh. TechVibe Radio, the only show in Pittsburgh to solely highlight the region's tech industry, made the move to FM 104.7 in June 2011, exponentially expanding our audience and visibility.

The Council also launched several successful initiatives in 2011 including our Venture Out Series, an international business development mission to China, and a Strategic Talent Management Series highlighted by renowned speaker/author, Dan Pink.

More than 1,350 companies made the Pittsburgh Technology Council part of their success strategy in 2011, making us the largest regional technology trade association in North America. While much was accomplished last year, our sights are set on higher goals moving forward in fulfilling our mission to help our region's technology companies succeed.

Audrey Russo

The Pittsburgh Technology Council monitors the growth of the region's technology industry. By annually compiling the latest growth numbers from county, state and federal sources, the PTC draws attention to the region's significant technological resources. The Council provides this report to help create a deeper, more current understanding of the technology sector.

Here are some highlights from the most recent report released in 2011.

For the full report, visit www.pghtech.org/news-and-publications/state-of-industry-report.aspx

- The 9,908 technology firms tallied in 2010 represent more than 16 percent of all companies in the region.
- These firms employ 282,994 individuals and account for 18.6 percent of the area's overall workforce.
- The \$18.2 billion total annual payroll of technology and related companies represents more than 37 percent of the region's wages.
- 87 hardware firms within the 13-county region employ more than 5,100 people with a total annual payroll of \$314 million.
- 924 software firms employ nearly 10,600 people with a total annual payroll of \$837 million.
- 641 telecommunications firms employ more than 11,200 people with a total annual payroll exceeding \$808 million in the 13-county region.
- Over the course of a five-year period ending in 2010 within the Pittsburgh metropolitan area, 101 companies received nearly \$788 million in venture capital.

DEMOGRAPHICS

How We Stack Up: Membership Demographics

As a reflection of the diverse region in which we live, the Pittsburgh Technology Council membership includes sole proprietors, entrepreneurial firms, medium-sized firms and multi-national corporations. In 2010, the Council's member base of more than 1,350 companies represented the following demographic data.

Business Development: Helping Members Grow

Building new business takes connections. The Council is absolutely driven to help its members connect with the people and organizations they need for success. Whether you're trying to reach new customers, build partnerships or secure funding, the Council can facilitate one-on-one introductions through our extensive network of industry relationships and connections.

In 2011, the Pittsburgh Technology Council launched several initiatives to link growth-stage technology companies with risk capital. Highlights of these services are as follows:

Venture In Series

The Council this series with the goal of strengthening our region's ties to out-of-town venture capital firms. In addition to providing information about the strategic interests of specific firms, this series also provided direct access to the firms for a select group of entrepreneurs. Major firms that have participated to date include:

- Kleiner Perkins
- Blue Run Ventures
- OnSet Ventures
- Intel Capital
- Bosch Ventures
- Google Ventures

Co-Location with BlueTree

The Council provided complimentary use of our facilities to BlueTree Allied Angels, whose investors now utilize our conference facility to screen entrepreneurs.

Business Development Missions

In 2011, the Council hosted three business development missions to directly connect its member companies with specific businesses. These missions include:

- Nordex, a large wind turbine manufacturer located in Jonesboro, Arkansas
- Lincoln Electric in Cleveland, Ohio
- Multiple Major technology firms in Shanghai and Beijing, China

FedEx Ground Technology Exploration Project

The PTC and FedEx Ground teamed up to identify potential technology partners among the Council's membership. This program was modeled after past business development partnerships with the Pittsburgh Penguins and Phipps Conservatory.

In 2011, the Council provided more than **670 business development-oriented services** to its membership. Of that number, **327 unique member companies** received some type of business development assistance during 2011.

Looking Ahead

To continue this momentum, the Council has developed several new business development channels for 2012. These include:

Strategic National Outreach

To promote Pittsburgh as a destination for investment and entrepreneurship, the Council is planning the following outreach visits:

Investment Tours: The Council is planning to partner with local entrepreneurs, investors and economic development leaders to conduct outreach activities to leading technology regions across the nation including:

- Boston
- Silicon Valley
- Austin
- Research Triangle Park

Governor Tom Corbett: The Council is currently in discussions with key leaders in Governor Corbett's administration to engage the Governor's direct participation in outreach to the Silicon Valley to promote Pittsburgh's human capital to leading international technology leaders. This session would be co-hosted by the Council, Jared Cohon, and Ray Lane.

International Business Development

The Council has secured major funding from the Economic Development Administration to create a full-time position to promote international trade in 2012.

UPMC Initiative

In 2012, the Council will announce a new initiative with UPMC to help accelerate the introduction of regional technologies into the region's largest health system. As part of the initiative, the Council will host a DEMO for UPMC team members to learn more about local technologies.

Government Relations: Building a Better Business Environment

In 2011, the Council leveraged its membership base to promote a business climate that is competitive and encouraging of entrepreneurs and growing businesses.

Business Tax Reform

The Council conducted two hill days and orchestrated a strong, grass-roots lobbying effort in 2011 aimed at reducing business taxes. Governor Corbett, who had participated in multiple round-table discussions with our members, helped us to secure a **\$20 million increase in Pennsylvania's R&D tax credit** and enacted a **1 mil reduction in the capital stock and franchise tax**.

Governor Tom Corbett

In 2011, the Council worked closely with the incoming Corbett Administration to encourage a dialogue on economic development and a renewed focus on the state's innovation economy. The PTC is currently in discussions with Governor Corbett's staff to secure his participation in a business development mission the Silicon Valley.

Technology-Based Economic Development

The Council served as the state's leading champion for technology based economic development initiatives including support for the Ben Franklin Technology Development Authority and the Pittsburgh Life Sciences Greenhouse.

Angel Investment Tax Credit

In 2011, the Council drafted legislation that was introduced in both the Senate and House to create a **new 25 percent tax credit** for qualified investments in early stage technology businesses.

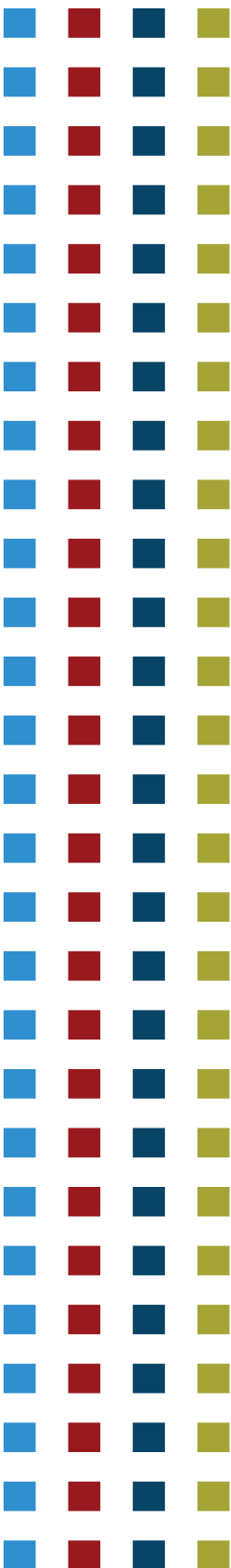


Looking Ahead

To improve Pennsylvania's business climate in 2012 the Council plans to:

General Assembly

The Council will encourage the various policy committees and the economic development committee to conduct hearings on the current state of Pennsylvania's technology based economic development strategy.



Securing Key Talent

In 2011, the Pittsburgh Technology Council developed services that increased the organization's effectiveness as a primary resource to support the STEM-related hiring needs of regional technology employers.

Pittsburgh Career Connector

The Council provided direct talent recruiting services to **nearly 500 member companies** through www.pghcareerconnector.com. This website is the Council's primary recruiting tool, averaging more than **1,200 posts/month and 25,000 unique visitors/month**. Additionally, the Council enhanced the functionality of the Career Connector in 2011 to enable employers to quickly identify skill sets out of the **13,000 strong resume pool**.

PTC Corporate Coverage Group

Launched in 2011, the PTC Corporate Coverage Group provides comprehensive insurance offerings to Pittsburgh Technology Council members. Including medical, dental, vision, life, disability and worksite voluntary, the PTC Corporate Coverage Group is committed to providing the most competitive insurance offerings available to Pittsburgh's technology community.

To enhance awareness of STEM-related career opportunities in southwestern Pennsylvania, the Council rolled a national recruiting strategy in 2011 to attract top tech talent from around the country to Pittsburgh.

Out-of-Region Recruiting

The Council participated in several national job fairs at leading STEM-related universities including:

- Georgia Tech University
- Duke University
- Massachusetts Institute of Technology
- Grove City College
- Penn State University
- The Western Association of Colleges and Universities

Expanded National Marketing of the Career Connector

In 2011, the Council conducted a national and regional advertising blitz to increase awareness about regional employment opportunities. Utilizing social media, printed advertising and radio promotions, the Council increased Career Connector traffic by more than 18,000 visits during the target period.

Three Rivers Investment Board

The Council partnered with the local Three Rivers Workforce Investment Board to gather critical data regarding the hiring needs of the region's technology sector. Subsequently, the PTC offered a major training program in partnership with the WIB and iCarnegie.

Alumni Associations

The Council hosted two sessions in conjunction with Carnegie Mellon's Alumni session in Beijing and Shanghai, attracting approximately 50 people for each program. Several Pittsburgh Technology Council members were featured during these programs, including Westinghouse and Sycor.

Student Outreach

In 2011, the Council actively engaged the student populations of local universities to participate in programs including Venture IN, Venture Out and Tech 50. We have also established a special membership rate for student-launched businesses.

Visibility

The Council has built a robust multimedia platform to clearly communicate the successes, challenges and opportunities found throughout the region's technology industry.

Our award-winning publications, Web site, social media channels and microsites spotlight both established companies and startups, profile tech personalities, break local tech news as it happens, provide business-building knowledge and engage our thousands of readers and listeners into our diverse tech community.

The Council's multimedia platform not only showcases your success and news, but is also a valuable tool to build your overall knowledge base and business. Read the Council's headlines and make some headlines of your own. We're here to help you gain credible, positive visibility. Check out the impressions we made this past year:

In 2011, the Council provided **nearly 1,100 instances of visibility support** to its membership. Of that number, **728 unique member companies** received visibility support during 2011.

New Publication Revenue:

To enhance our ability to maintain an award-winning publications business, in 2011, the Council **launched *Marcellus Quarterly*** in partnership with the Marcellus Shale Coalition.

The Council has been awarded **major funding** from the **Federal Economic Development Administration to expand its services to support international export activity**. As part of this new initiative, the Council will publish a magazine focused on related activity in the southwestern Pennsylvania region.

Looking Ahead

The Council has several new projects planned for 2012 designed to raise the visibility of its member companies and the region's technology community.

Redesigned, more robust TechBurgher Blog
Pittsburgh's best tech blog was made exponentially more juicy by adding additional content around some of the hottest topics around including Creative Technology, STEM Talent Recruiting and Entrepreneurial advice from leading minds.

➤ Take a bite at TechBurgher.com

National-level guests on TechVibe Radio

To continue bringing listeners the best guests possible, TechVibe will host several nationally-known tech personalities in 2012 including:

➤ Larry Singer of HP

➤ Ray Lane of Kleiner Perkins

More Start-up Coverage in *TEQ*: The future success and sustainability of Pittsburgh's tech industry lies with its startups. *TEQ* will continue to provide unique coverage of these companies and the ground-breaking technologies they are developing.

Technology Export Publication: For the first time, the Council will publish a magazine focused on the industry's international presence.

Made in PA EXPO: A special edition of *Made in PA* magazine will be released at the 2012 MADE in PA EXPO, a regional supplier-forum and trade show for advanced manufacturers.

Looking Ahead

To continue to help its members secure key talent in 2012, the Council plans to introduce the following initiatives:

Direct Talent Attraction Services

The Council is planning to launch an innovative new service to support the ability of STEM-related staffing firms to source talent from a national pool of job seekers.

Customized Talent Acquisition Marketing Packages

In 2012, the Council will create a turnkey service for fast growing technology companies that will enhance the visibility of their open positions through a combination of social media, local events and national outreach to job seekers.



Events & Programming

Throughout 2011, the Council created numerous selling channels for regional technology companies to access new marketplaces and major customers.

Industry Networks

In 2011, the Council refocused its industry networks (Life Sciences, Information Technology, Advanced Manufacturing and the Creative Technology) to focus primarily on connecting respective member companies with key marketplaces.

The Advanced Manufacturing Network executed a successful Explore-the-Floor Series in 2011, creating opportunities for AMN members to interact with key leaders from the following host businesses:

- » U.S. Steel (Edgar Thompson facility)
- » Mine Safety Appliances
- » Philips Respironics
- » Eaton Corporation
- » Industrial Scientific

The Information Technology Network presented a successful IT Speakers Series in 2011, which linked regional IT businesses with the nation's leading consumers and producers of information technology. Technology business leaders featured include:

- » Mark Hurd, President of Oracle
- » Pradeep Sindhu: President and CEO of Juniper Networks
- » Ray Lane: Executive Chairman of Hewlett Packard
- » Dan Drawbaugh: CIO of UPMC
- » Anuj Dhandu: CIO of PNC Bank
- » Matthew Ray: CIO of Highmark

In 2011, the Council's Life Sciences Network hosted regulatory and reimbursement forums to help business access markets and revenue more efficiently.

Breakfast Briefing Series

During 2011, this long-standing Pittsburgh event series attracted more attendees than any series during the past decade. Among other speakers included leaders from the region's health care, IT and advanced manufacturing/energy industries.

Creative Technology Network

The Council launched the Creative Technology Network in 2011 to support the growth needs of businesses in the fields of entertainment technology, digital media, and new product design.

The Council executed multiple HireUp job fairs to **connect 250 experienced workers to more than 45 companies** with STEM related talent needs. Additionally the Council hosted the first "Diversity Dinnerview" recruiting event to connect experienced information technology and engineering talent from diverse backgrounds **with 35 member companies**.

In 2011, the Council sought to expand partnering opportunities with Pittsburgh's academic and workforce development communities to support a strong pipeline of talent.

University Dinnerviews

The Council conducted two major "Dinnerview" programs with the University of Pittsburgh and Carnegie Mellon, **positioning 150 student job seekers before 30 potential employers**.



Looking Ahead

MADE IN PA EXPO

In April 2012, the Council will launch the MADE IN PA EXPO (formerly known as ARMTECH), a two-day supplier forum and trade show highlighting the capabilities of manufacturing firms in Pennsylvania. Nearly 100 exhibitors are expected and will include local manufacturers to industry leaders in the fields of transportation, energy and national defense.

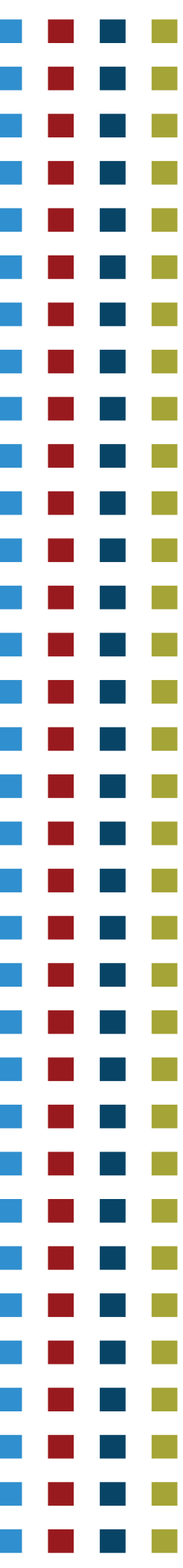
New Angel Investment Fair

The Council sponsored the Three Rivers Venture Fair in 2011 and is planning on launching an Angel Fair in 2012.

Member Success

Despite a challenging economy, Council member companies continued to find success. One look at some of the top headlines on our Techburgher blog (www.techburgher.com) reveals some robust activity ranging from new product launches to raising capital to buying up competitors. See who was making news last year:

- Cohera Medical Raises more than \$25 million in Series C Round Financing
- Google Pittsburgh Earns LEED Gold Building Certification
- Ansaldo STS Wins \$1.3 Billion contract to build driverless metro line for the City of Honolulu
- Chorus Call and InComm Solutions announce acquisition
- Thermal Therapeutics names Gardiner Smith President and CEO
- LANXESS acquires Pittsburgh biocide specialist, Verichem
- All Covered acquires managed IT services practice of ColdCypress
- ANSYS listed on Software 500 Index for fifth year running
- SDLC Partners expands operations by adding Downtown Pittsburgh location
- CardiacAssist receives FDA approval for TandemHeart circulatory support system
- Birchmere Ventures sells minority stake in Plextronics to Solvay
- Cohera Medical receives CE Mark Approval for TissuGlu surgical adhesives
- ChemImage wins \$1 Million to commercialize filter technology
- RE2 named 10th fastest-growing private engineering firm in U.S. by Inc. magazine
- Carnegie Learning acquired by Apollo Group, Inc.
- Solvay commits \$15 Million to support Plextronics' OLED & OPV development
- Dynamics receives \$35 Million from Bain Capital
- President Obama announces \$500 Million manufacturing plan at CMU's robotics lab
- Confluence opens San Francisco office
- Accelergy awarded \$1.3 Million Grant to build pilot facility in PA
- Mark Cuban and Schell Games announce release of Facebook game BattleBall
- Biogen Idec and Knopp Biosciences announce enrollment of first patient in global Phase II Study of Dexamipexole for Lou Gehrig's Disease
- PNC Equity Partners and PNC acquire controlling interest in Environmental Express
- CivicScience raises \$1.2 Million
- SnapRetail raises \$6 Million in venture capital
- Cognition Therapeutics completes \$2.5 Million in Series A Financing Round
- Voccollect acquired by Intermec, Inc.
- Ascent Data appoints Steve Shanghold as President and CEO
- Pittsburgh Life Sciences Greenhouse announces first close of PLSG Accelerator Fund LLC at \$5 Million
- Philips strengthens Home Healthcare portfolio with acquisition of main business of Medsage Technologies



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2000 TECHNOLOGY DRIVE PITTSBURGH, PA 15219-3110 PHONE: 412.687.2700 FAX: 412.687.5232 E-MAIL: INFO@PGHTECH.ORG WEB: WWW.PGHTECH.ORG

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