

VOCUS COMPLETES IPO!

Edison is proud to announce that Vocus of Lanham, Maryland has completed an Initial Public Offering. Vocus raised \$45 million equity and listed on NASDAQ (VOCUS). Thomas Weisel Partners and RBC Capital Markets were co-lead underwriters.

Vocus specializes in on-demand internet software and databases supporting public relations departments of businesses, non-profits and government organizations. The software as a service model represents an attractive subscription business. Vocus achieved 25 consecutive quarters of revenue growth.

In 2000 Edison was the sole institutional investor. Jim Petersen, Founder of Best Software, another Edison success, also invested. Edison participated in two subsequent financings with Lazard Technology Partners and Sterling Ventures.

The market capitalization is \$180 million. Edison's 1.8 million shares are worth approximately \$23 million, which is 8X investment cost.

Edison's value added contributions include recruitment of executives such as Bill Donnelly, VP Sales and Ron Kaiser, Audit Committee Chair. Gary Golding, General Partner, serves on the Board of Directors.

Congratulations to Vocus!



NEW INVESTMENTS

Edison Venture Fund completed a \$4.5 million investment in Operative, based in New York City.

Operative's software and services enable interactive publishers and agencies to manage high volume operational tasks efficiently at an affordable cost. Their workflow software provides transparency and optimization tools for inventory management decisions.

Edison is the sole institutional investor in this rapidly growing, later-stage company. The proceeds will fund the expansion of development, marketing, sales and services.

Chris Sugden along with an executive of a prior Edison success will serve on Operative's Board of Directors. Tom Vander Schaaff, VP of Analysis and Ryan Ziegler, Investment Manager led Edison's due diligence. www.operative.com



FOLLOW-ON INVESTMENTS

Edison Venture Fund invested an additional \$1.4 million in VirtualEdge of Yardley, PA. Edison's cumulative investment exceeds \$4 million. Proceeds will be used to accelerate growth through expanding product development, sales and services.

VirtualEdge provides next-generation "talent acquisition" software for large enterprises. Their robust, recruiter-friendly technology

is highly configurable, enabling rapid deployments and lower cost of ownership.

Joe Allegra, General Partner and Cheryl Haze, Principal, serve on the Board of Directors with Jim Petersen, Edison Director Network member who founded Best Software.

www.virtualedge.com.



Edison Venture Fund completed a follow-on investment of \$1 million in Tangoe based in New Haven, CT. Tangoe will utilize the proceeds to expand sales and marketing. Edison's total investment in Tangoe exceeds \$7 million.

Tangoe provides enterprise-wide telecommunications expense management software and professional services. Clients span diverse industries including manufacturing, distribution, retail, travel, insurance, chemicals, financial and healthcare. Tangoe's solutions enable these Global 2000 organizations to manage and control their voice, data, and wireless telecommunication spending — often the third largest non-payroll expense.

Gary Golding, General Partner along with Jerry Kokos, Edison Director Network member and CEO of VFA, serve on Tangoe's Board of Directors. www.tangoe.com



PORTFOLIO COMPANY NEWS

Archive Systems was selected by NJBIZ as one of the 50 Fastest Growing companies in New Jersey. Archive Systems is the premier provider of Document Process Outsourcing services that streamline Back Office operations. www.archivesystems.com



Cadient was honored as a Silver Award winner at both the RX Club Awards and the eHealthcare Leadership Awards. Cadient's entry in the Marketing and Interactive Excellence Awards was the only pharmaceutical marketing program honored. www.cadient.com



Gain Capital ranked 86th in the Inc. 500 for 2005. Gain also was recognized in the "top ten" of the North America DeLoitte & Touche Fast 500. Gain is the premier independent provider of foreign exchange services, including direct-access trading and asset management. www.gaincapital.com



Health Market Science was named a "Company to Watch" at the Eastern Technology Council's 13th Annual Enterprise Awards ceremony. Nearly half of the other award recipients honored at this event are HMS customers. Health Market Science is the leading provider of scientifically-engineered medical information solutions, including reference data and dynamic simulation models. www.healthmarketscience.com



Liberty Tax Service ranks #10 on Entrepreneur magazine's Franchise 500. Liberty is the 3rd largest retail / online income tax preparation firm serving the United States and Canada. www.libertytax.com



MDY was among the top 100 small business in New Jersey and a top 500 woman-owned business in the United States by DiversityBusiness.com. MDY provides records management software and services giving organizations a single point of accountability in gaining complete control over their information management needs. www.mdy.com



LP SPOTLIGHT: GREG OLSEN



GREG OLSEN

PRESIDENT
GHO VENTURES

COSMONAUT

FOUNDER SENSORS
UNLIMITED AND
EPITAXX

Greg Olsen, scientist and entrepreneur has been achieving great heights throughout his entire career. On September 30, 2005 Greg launched into orbit aboard a Soyuz Russian spacecraft on a 10-day trip to the International Space Station.

Dr. Olsen co-founded Sensors Unlimited in 1991. Under his direction, the company has been profitable since inception and grown into a world-class fiber optic component design, fabrication and supply operation. In 2000, Finisar acquired Sensors Unlimited for \$700 million. Then in 2002, Olsen orchestrated a management buyback of the company and re-sold the company in 2005. In 1984 Olsen founded EPITAXX and raised several rounds of venture capital. This high technology company manufactured optical detectors and receivers. EPITAXX was acquired twice, once in 1990 by Nippon Sheet Glass for \$12 million and again in 1999 by JDS Uniphase for \$400 million.

Dr. Olsen started his career as a visiting scientist in the Physics Department at the University of Port Elizabeth, South Africa. He received a B.S. in physics, a BSEE and M.S. in physics (magna cum laude) from Fairleigh Dickinson University and a Ph.D. in materials science from the University of Virginia.

Greg is president of GHO Ventures in Princeton, NJ where he manages his angel investments, South African winery and Montana ranch. He speaks to many children, especially minorities and females, to consider careers in science and engineering. He is active in the New Jersey Technology Council, NJTC Venture Fund, Institute of Electronic and Electrical Engineers and NJ Commission on Science and Technology.

EDISON NEWS

PROMOTION:

RYAN ZIEGLER, INVESTMENT MANAGER



Ryan Ziegler advanced to Investment Manager. Ryan discovers and evaluates investment opportunities in New Jersey and New York. He also identifies new investment opportunities in the financial services, wireless applications and interactive marketing sectors. His activities include market research, technology assessment and financial analysis. Ryan also participates in due diligence and structuring investments.

Ryan joined Edison in 2003 as Manager of Business Development. He expanded Edison's communication programs and extensive referral network of service providers generating proprietary investment opportunities. He sourced or evaluated investments in EdgeTrade, Operative, Pinnacle Tax and TetraData. Currently Ryan is a board observer for TetraData, an analytical software company focused on the K-12 education market.

WELCOME:

SOMAK CHATTOPADHYAY, BUSINESS DEVELOPMENT MANAGER

Somak Chattopadhyay generates investment referrals by building close working relationships with accountants, attorneys, bankers, investors and other firms serving the information technology industry in the Mid-Atlantic region.

Somak refers portfolio companies and other promising businesses to professional service providers and financial sources. He contacts corporate development specialists to share investment, partnering and acquisition opportunities. He visits throughout New York, New Jersey, Pennsylvania, Delaware, Maryland and Virginia.

Somak was Director of the Software & Information Industry Association.

He managed business development programs connecting software and service vendors, venture capitalists, CIOs, corporate M&A executives and service providers in the Boston-Washington, DC corridor. Somak received a BS in Mechanical Engineering from the Massachusetts Institute of Technology and is a MBA candidate (August 2006) from Columbia Business School.



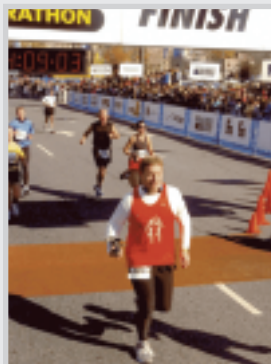
ALL IN THE FAMILY



Doug, Flora, "older sisters" Nina and Ava welcomed little brother Nicolas Brooks Petillo, who weighed in at 7lbs 13 ozs.

Mom and baby are doing great, sisters Nina and Ava, are beside themselves with excitement.

Congratulations to the Petillo family!



Tom Vander Schaaff, Vice President Analysis, ran in the Philadelphia Marathon to raise funding and awareness for the Multiple Sclerosis Society.

Edison colleagues not only supported financially, but ran with Tom during his many months of training.

Tom completed the 26.2 mile course in four hours and six minutes.

Congratulations Tom!

Octagon Research Solutions ranked 174th the Inc. 500 for 2005. Octagon is the leader in the electronic transformation of clinical R&D. The company offers a suite of regulatory, clinical, process and IT solutions to the life sciences industry. www.octagonresearch.com



VirtualEdge CEO and co-founder, Diane Smith, has been named to the 25th Anniversary Team for NCAA Field Hockey. Diane still uses her "hockey stick" to achieve rising sales. VirtualEdge is a leader in Enterprise Staffing Software. www.virtualedge.com



VALUE ADDED SERVICES:

MANAGEMENT & FINANCIAL COUNSEL • BUSINESS & FINANCE REFERRAL NETWORK • EDISON DIRECTOR NETWORK • HUMAN RESOURCE ASSISTANCE

MORE THAN EXPANSION CAPITAL...

Business & Financing Referrals

Respected as a lead investor, Edison is recognized for thorough analysis, best practices and dedication. Over 19 years, 5 funds and 135+ investments, Edison supports successful companies by working closely with entrepreneurs and leveraging a valuable business and finance referral network.

Edison's network includes customers, distributors and key decision makers. We facilitate relationships with corporate, financial and government institutions. Edison also introduces partners and prospective employees and refers key service providers.

Edison's sponsorship and backing enhances an emerging company's credibility and visibility with vendors, customers, employee candidates and financial institutions. We refer lenders and other investors, plus attract buyers and intermediaries for strategic acquisitions or an optimal exit. Our investment professionals are associated with many successful companies in the Mid-Atlantic region. Edison's Limited Partners also serve as product test site.

GROWTH CAPITAL • MANAGEMENT BUYOUTS • ACQUISITIONS
• CORPORATE SPINOUTS • SECONDARY STOCK PURCHASES

WWW.EDISONVENTURE.COM

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