

DBL Equity Fund - BAEF II

November 2010

DBL Investors: Building on our Success

We have developed a differentiated and successful “Double Bottom Line” approach to venture capital investing

Our unique strategy:

- Venture capital investing with a goal of achieving top-tier financial returns
- Proprietary assistance to portfolio companies - delivering social, environmental and economic benefits to our regions

Results:

- Fund I has consistently achieved top quartile financial returns
- Our companies get significant \$ from incentives/grants and critical assistance with regulators/legislators - helping them grow to exit

Approach was developed successfully in Fund I, refined for Fund II

DBL Equity Fund - BAEF II Overview

- A \$125 million Double Bottom Line venture capital fund
 - Primarily mid-to-late stage investing, with a small allocation for early-stage
- Draws on the success of the Bay Area Equity Fund I
 - Fund managed by DBL Investors
- Regional focus: Western US
 - Northern California: 10 County Bay Area plus Sacramento and Central Valley
 - Up to 25% of Fund set aside for adjacent regions (SoCal, OR, WA, NV, UT, AZ, CO)
 - Investments largely made in companies in or near LMI areas, enabling community impact
- Investment focus on regional strengths
 - Clean Technology
 - Health Care including Biotechnology and Health and Wellness
 - Information Technology including Digital Media
 - Sustainability- Oriented Products and Services
- \$104.6 million in total capital commitments

DBL Investors Investment Team

40 Years of Venture Capital Experience

Nancy Pfund

Managing Partner

- BAEF I, Managing Partner
- Hambrecht & Quist/JPMorgan: Managing Director
 - Venture Capital/Government Affairs
 - Securities Analyst
- Outside Boards: California Clean Energy Fund; UC Davis Energy Efficiency Center; Yale School of Management; Brain Cancer foundation
- Stanford BA, MA; Yale MBA

Mark Perutz

Partner

- BAEF I: Investment Professional/Partner
- Interwoven: Sr. Mgr. Business Development
- Robertson Stephens: Equity Research Analyst
- Tower Group, Accenture: IT/Mgmt. Consultant
- MIT BS, MS; MIT Sloan MBA

Cynthia Ringo

Managing Partner

- VantagePoint Venture Partners: Managing Director and Group Leader of Communications, Systems, Internet and Media practice
- CopperCom: CEO/Chairman
- Madge Networks: SVP Corp. Dev. & Business Units
- Redbrick Systems: VP Marketing/Sales
- Fulton County, GA: Police Officer
- Georgia State BS; Emory JD

Seth Miller

Partner

- BAEF I, Investment Professional/Partner
- Hambrecht & Quist/JPMorgan: VP Investment banking
- White House/U.S. Senate: environmental policy analyst
- U. of Pennsylvania BA; Northwestern JD-MBA

DBL Equity Fund - BAEF II: Close Details

Pension Funds and Fund of Funds:

Bank of America (CalSTRS, NYSCCommons)
CalPERS/Hamilton Lane
CCCERA
Credit Suisse
Muller & Monroe (*in process*)

Banks:

Goldman Sachs
Schwab Bank
Silicon Valley Bank
US Bancorp

Corporations:

Catholic Healthcare West
Large Investor-owned California Utility

Foundations:

Annie E. Casey

Individuals/ Family Offices:

Alan Bloch and Nancy Berman
Crown Family
Lenny Mendonca
Tom and Alec Perkins
Rick and Beth Schneiders

Total Capital Commitments as of November 2010: \$104.6MM



- PowerLight is a global provider of large-scale solar power systems having deployed hundreds of photovoltaic systems with a total capacity of over 100 megawatts over the past 10 years
- PowerLight is the leading installer of large solar power systems in North America and has installed some of the world's largest solar power systems in Germany, Spain, Portugal, Italy and Korea
- BAEF invested \$5M in August and October of 2005. Acquired by SunPower in January 2007 for \$332.5 million in cash and stock. Including escrow holdings, final return estimated to be 130%+ IRR and 4x+ cash on cash.
- Relocated operations to an enterprise zone in Richmond CA
- As BAEF suggested, SunPower has expanded its activities with Habitat for Humanity by leveraging PowerLight's relationship with GRID Alternatives, a solar-focused not-for-profit, to add solar power to Habitat for Humanity homes





TESLA MOTORS



- Manufacturer of high-performance, highly energy efficient, battery-powered electric cars
- Tesla (TSLA:Nasdaq) conducted its IPO on 6/29/2010 at a post-money valuation of \$1.5B. BAEF invested a total of \$9.0MM starting with the Series C round in May 2006 at a \$100MM post-money valuation. Co-investors include VantagePoint, Technology Partners, DFJ and Daimler.
- Tesla delivered the first Roadster in March 2008 and as of April 2010 has delivered 1,100 Roadsters. Tesla operates 11 stores in the US and Europe, is delivering about 100 Roadsters per month.
- In March of 2009 Tesla introduced the Sedan model at a \$49,900 price, and booked over 2200 reservations as of April 2009. Deliveries to begin in late 2012.
- BAEF has been instrumental in helping Tesla find sites and maximize incentives for its power train and Sedan model assembly plants: both of which are now located in California and are expected to create over 2,000 jobs.
- BAEF helped Tesla apply for the \$465 million loan from the Department of Energy, which was approved in June of 2009 and is being used to build the plants.

BrightSource ENERGY

Luz II, Limited - A Wholly-Owned Subsidiary



- Fund II investment of \$4.3 million in Series D in Jan 2010. New investors were Alstom and CalSTRS, other existing investors: VantagePoint, Morgan Stanley and DFJ.
- Fund I has invested a total of \$8.5 million across the Series A, B and C rounds.
- Builder and operator of large scale solar thermal power plants for industrial and utility customers
- In Dec 2008 3rd party engineering validation of pilot plant performance to PPA targets
- May 2009: new 1.31GW PPA with PG&E (up from 900MW March 2008); Feb 2009: signed 1.3GW PPA with SCE (largest solar deal in history)
- Partnerships with Bechtel, Siemens and Alstom
- Feb 2010: received US DoE loan guarantee of \$1.37B
- Permitting progress: 8/2010 CPUC approved the first of BSE's SCE contracts; 9/2010 CEC approval of Ivanpah project; BLM approval 10/2010
- Ground broken on first plant 10/2010; project finance to be completed in fall 2010, potential IPO in 1H 2011.
- Added John Bryson as Chairman of the Board
- Will create over 1,000 entry-level, project-related jobs beginning in late 2010





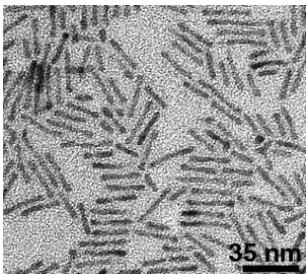
- Fund II invested \$3.0 million in June of 2010 coincident with the Series E-1 round, led by new investor Mayfield with existing investors: DFJ and Generation. Other investors include First Solar and Elon Musk (Chairman).
- Fund I was SolarCity's first institutional investor and has invested a total of \$5.0 million across the Series B, C and D rounds. Fund I has a board seat.
- Largest US installer of residential and small commercial solar power systems; Trusted brand in an industry dominated by small contractors as a high-quality, reasonable-cost solution
- Strong value proposition to customers who have significant electricity bills: 10-15% IRR and 8-12 year payback
- \$23MM in revenue for 2007: SolarCity's first full year of operations. Revenue of \$63MM in 2008, \$109M in 2009. Over 700 employees as of July 2010, most of which are entry-level jobs.
- SolarLease customer financing program launched in April 2008: customers get solar system with little to no upfront cost, and a monthly payment that is typically less than monthly utility bill.
- Tax equity leadership: US Bank, PG&E: first utility tax equity fund
- Commercial installation wins with WalMart, Home Depot
- Worked with DBL to develop one of the first "green collar" job training programs; Partnering with City of SF on a training facility planned for low-income area of SF



SOLARIA™



- Fund II invested \$6MM in a \$55.6MM Series D in May 2010 co-led by Fund II and CMEA Capital with participation from new investors Adams Street, Birchmere and Mitsui and existing investors NGEN and Sigma. Fund II has a board seat.
- Designs, manufactures and markets silicon PV modules to solar system integrators, project developers and electric utilities in North America, Europe and Asia
- Patented design enables Solaria modules to provide reliable crystalline silicon performance at substantially lower costs while matching the form and fit profile of standard PV modules
- Solaria modules are designed and optimized for solar trackers, for use in large scale solar power plants for industrial and utility customers
- Seasoned management team combined with solar and semiconductor industry expertise
- Solaria's proprietary module manufacturing approach offers substantially reduced capital expenditure per watt of manufacturing capacity for integrated cell and module manufacturers
- Above revenue plan for 2010, revised plan up. Over 200 MW in LOIs signed with customers in North America, Europe and Asia
- Manufacturing in Fremont CA and via ModCo in India
- CEO familiar to DBL: Dan Shugar, was President of PowerLight



Printable Nanocrystals



Roll to Roll Manufacturing



2009 R&D 100 Award Winner
(with Lawrence Berkeley Labs)



Target Market: Solar Farms

- Fund II invested \$5MM in a \$44.5MM Series C in May 2010. Co-investors include Olympus Capital, Trident Capital, Medley Partners, Firelake, and Birchmere. Fund II has a board seat.
- Solexant has developed a new generation of ultra-thin film PV cells that offer “best of breed” cost per watt, capital efficiency and LCOE (levelized cost of energy)
- Printable nanocrystals and a roll-to-roll manufacturing process reduce manufacturing cost to \$0.50/W; and reduce capex to \$0.40/W; monolithic integration with back contact decreases BOS costs to \$1/W
- 2MW pilot manufacturing line installed in San Jose, CA. Modules from this pilot line expected to be UL certified and sold to limited number of solar farm customers in 2011 to establish bankability
- Solexant has been approved to receive an \$18.75 million tax credit and a \$25 million loan from the Oregon Department of Energy, which will be used to build a 100MW production facility in an economic development area near Portland, OR which is expected to create up to 200 entry level jobs



- Software platform for utilities to manage data from automated utility meters.
- All utilities will inevitably adopt automated meters and need a software platform to effectively manage the data from the meters.
- Enables energy efficiency applications such as demand response, load monitoring, loss identification and enhanced customer information that conserve power usage and reduce utility capital expenditures.
- Large market at an early stage and adoption has recently accelerated: eMeter's revenues: 2006: \$7.4M; 2007: \$11.1M with bookings of \$30.4M.
- Hired new CEO - former Veritas CEO
- Customer wins at Vattenfall Sweden, Westar Energy, Orlando Utilities, Silicon Valley Power, Wabash, Bluebonnet Electric



REVOLUTION FOODS



GLOBALSOCIALVENTURE
C O M P E T I T I O N



- Revolution Foods provides healthy, tasty meals and nutrition education to schools to address childhood obesity and malnutrition.
- Focused on charter school market, 80% of students served are in the Federal Free and Reduced Lunch program: \$2.68/lunch federal reimbursement rate.
- Began service in August 2006 serving 700 meals/day at 4 schools with a staff of 6. Currently serving 60,000 meals/day at 240 schools in the Bay Area, LA, San Diego, Denver and Washington DC. 420 jobs created, about 75% of which are entry-level jobs: food preparation, delivery drivers.
- Revenues: 07-08 year: \$4MM; 08-09 year: \$10MM; 09-10 year: \$18MM. 10-11 year: \$30MM (projected)
- Mature facility “store contribution margin” of 15% compares favorably with store contribution margins of major food services vendors: Aramark, Sodexo, Compass Group: 7-14%.
- Closed \$6.5M Series D round of financing in May 2009 at a 11.5x markup to the July 2006 Series A, for which BAEF was the founding investor.

Companies Recognized as Leaders in Their Fields



THE WALL STREET JOURNAL.
MARCH 9, 2010
The Top 50 Venture-Backed Companies

Ranking	Company	Location	Industry
23	Pandora Media Inc.	Oakland, Calif.	Consumer Services



AlwaysOn Names 2009 GoingGreen Overall Winner BrightSource Energy
Recognized for Leadership in Green Technology and Global Business Potential

TIME
IN PARTNERSHIP WITH **CNN**

The 2010 TIME 100
In our annual TIME 100 issue we name the people who most affect our world
Elon Musk

MICHAL CZERWONKA / NEW YORK TIMES / REDUX

TIME 100
Tim Westergren

Business Times KAISER PERMANENTE **thrive**

TECH INNOVATION
A D ENTREPRENEUR AWARDS

The New York Times Magazine
The Song Decoders
Published: October 14, 2009
PANDORA™

On first listen, some things grab you for their off-kilter novelty. Like the story of a company that has hired a bunch of "musicologists," who sit at computers and listen to songs, one at a time, rating them element by element, separating out what sometimes comes to hundreds of data points for a three-minute tune. The company, an Internet radio service called Pandora, is convinced that by pouring this information through a computer into an algorithm, it can guide you, the listener, to music that you like. The premise is that your favorite songs can be stripped to parts and reverse-engineered.



The Guardian / Cleantech Group
GlobalCleantech 100

THE WALL STREET JOURNAL. SMALL BUSINESS

And the Top Clean-Tech Companies Are...
Top 10 Cleantech Companies

7	eMeter Inc.	
10	Tesla Motors Inc.	

Bloomberg Businessweek
The Next Energy Innovators
July 16, 2009

BrightSourceEnergy™



BAEF I Job Creation

Current Bay Area Job Creation:

	<u>Target # of Jobs</u>	<u>Actual as of 3/31/2010</u>	
Cumulative Jobs over Life of Fund:	1,500	2,125	142% of goal
Entry-Level Jobs yr 6:	570	1,103	194% of goal
Entry-Level Jobs yr 7+:	765	1,103	144% of goal

Total Projected Job Creation for Life of Fund by Portfolio Company

Projected as of Investment Exit

SolarCity:	1,500 (2011)
Tesla Motors:	3,000 (2011)
BrightSource Energy:	2,000 (2011): 1,500 Constr.; 500 Ops.
Revolution Foods:	450 (2012)
Other Companies:	750
TOTALS:	About 7,700

Note: Does not include growth of SunPower's PowerLight division

DBL Investors - The Premier Double Bottom Line Investing Firm

- Two funds - expanded capital based under management
- Top quartile or better financial track record
- Globally recognized companies
 - Tesla, BrightSource Energy, SolarCity, Pandora, Revolution Foods, etc....
- Powerful impact: jobs and proactive stories
- Broad and respected Limited Partner base
 - Strong Limited Partner support
 - Financial and impact driven
- Building a brand

Superior financial returns with positive social, environmental and economic impact