



PRESS RELEASE

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For Immediate Release:

New Entity Formed to Accelerate Delaware's Entrepreneurial Economy

Wilmington, Delaware, October 30, 2006 – Ernest Dianastasis, Chairman of The Delaware Business Roundtable, and Chair of the Delaware Entrepreneurial Action Group (EAG), announced today the formation of a new entity, **First State Innovation** to help accelerate the growth, wealth and workforce of Delaware's entrepreneurial economy. First State Innovation will be closely aligned with the U.S. Council on Competitiveness, based in Washington, DC, which has been involved with this effort over the last two years.

First State Innovation (FSI) is a private / public partnership that will focus on increasing Delaware's entrepreneurial capacity. Organized as a not for profit corporation, it was created to help grow wealth and the workforce of Delaware's Innovation Economy by growing, attracting, retaining, and connecting high growth technology-based businesses and supporting infrastructure in the state. Its primary goal is to help create an environment that makes it easy for emerging companies to locate the resources that will enable them to incubate, grow or relocate to the state.

FSI will accomplish this by helping technology-based and early stage businesses find traditional seed capital, alternative funding, skilled human capital, commercialization assistance, intellectual capital, and other entrepreneurial resources. "While First State Innovation is a private sector led initiative, it will work closely with Delaware's public, private, and academic organizations to ensure focus, effectiveness and efficiency are maximized," said Mr. Dianastasis, who is also Managing Director of CAI, a leading Information Technology consulting firm located in Wilmington. "We believe that a dramatic increase in entrepreneurial activity will be a key factor in the continued economic vitality of the state and the region. This entity will directly contribute to the Governor's New Economy Initiative for the State of Delaware, as well as make us competitive in a global economy. It will also help provide more opportunities for our young people as we see the results of the state's new education initiative, Vision 2015, take hold."

"The state of Delaware has a number of programs in place to support and encourage growing businesses, especially in the field of technology," Governor Ruth Ann Minner said. "First State Innovation will support these programs in an effort to make Delaware even more attractive to businesses, which will help to expand our workforce and ensure a vital economy long into the future."

Former Governor Pete duPont said that FSI will foster "An expanding economy – more jobs, more companies, and greater economic growth. These are the most fundamental of Delaware's needs. If our state is to be prosperous and offer its citizens greater opportunities, we must encourage entrepreneurial businesses to come to our state, and we must help them grow and prosper when they are here. That is FSI's objective; "To build a stronger and better economy to increase opportunities for the people of Delaware."

Mr. Dianastasis will serve as Chairman of the Board of Directors of FSI and former Governor Pete duPont and Governor Ruth Ann Minner have agreed to become the Board's Honorary Chairpersons. Other members of the Board include: J. Michael Bowman (CEO, Delaware Technology Park), Elizabeth A. Browning (Founder & CEO, LLuminari), Benjamin F. duPont (Founder & CEO, yet2.com), Jeffrey E. Fetterman (Founder & CEO, Paragon Rx), Robert V.A. Harra, Jr. (President, Wilmington Trust), Charles O. Holliday, Jr. (CEO, DuPont), Dr. Robert J.

Laskowski, M.D.,M.B.A. (CEO, Christiana Care Health System), Paul M. McConnell (CEO, McConnell Development, Inc.), Craig A. Rogerson (CEO, Hercules), Jeffrey W. Rollins (CEO, Market Grove LLC), Dr. David P. Roselle (President, University of Delaware), Dr. Allen L. Sessoms (President, Delaware State University), Connie Bond Stuart (Chairman and CEO, PNC Bank Delaware), John W. Spencer (Innovator, W.L. Gore), Matthew B. Swanson (Founder & CEO, Finestationery.com), William J. Wallach (President, ILC Dover LP), and Anthony P. Zook (CEO, AstraZeneca).

New Castle County Executive Chris Coons, a member of the EAG, added: "The strength of Delaware's economy rests on our ability to grow and support new high tech companies. First State Innovation's efforts to promote high tech entrepreneurship will add a vital component to New Castle County's efforts to promote the county as a place for new and expanding businesses, focus efforts on redeveloping underused properties and brown fields, and support the efforts of the Delaware Economic Development Office and the Delaware and New Castle County Chambers of Commerce."

"First State Innovation is the right idea at the right time. Quite simply, Delawareans can't pin our hopes on big job increases from our largest employers or on attracting a new big company to our state. In the face of a quickly changing global economy, this effort will help us become more enticing to entrepreneurs. That is our future. First State Innovation is now in the process of securing the necessary funding to ensure that this effort will be sustained over the next four years," said Jack Markell, Delaware's State Treasurer and EAG Member.

The formation of this entity was the result of a year long analysis by the Entrepreneurial Action Group to determine how to best foster a better entrepreneurial environment in the state. The group, consisting of 24 members representing the business, government and academic communities was formed in January of 2005, to create a strategy to address key regional economic development issues critical to building a strong-innovation driven economy. It was formed to find ways to help make the State less reliant on big corporations for job growth by making Delaware more attractive to new businesses. This is particularly important given the cutbacks at many of Delaware's largest employers in recent years.

Mike Bowman, Chairman and President of The Delaware Technology Park and a member of the EAG said, "For entrepreneurialism to thrive in Delaware, a connective and supportive culture must evolve. First State Innovation will play an important role in developing this supportive culture that will leverage Delaware's technology strengths and location advantages."

Deborah Wince-Smith, CEO of the Council on Competitiveness, a national organization comprised of 130 CEO's focused on making the U.S. competitive in a global economy said, "The Council on Competitiveness is very pleased to have helped catalyze the creation of First State Innovation. Organizations like this are critical to developing the environment necessary to support regional innovation and entrepreneurship. We look forward to continuing our work with the leaders of FSI as they chart a course for strengthening regional entrepreneurship." The Council on Competitiveness Board is currently chaired by Charles "Chad" O. Holliday, CEO of DuPont.

First State Innovation recently received a seed grant from New Castle County and is in the process of securing additional funding from other sources.

Formation of FSI could not have been possible without the hard work and support of the EAG Members. They include John C. Andrade, Esq. (Partner, Parkowski, Swayze, and Guerke), David Atadan (CEO, Integrated Media Concepts, Inc.), J. Michael Bowman (President & CEO, Delaware Technology Park), Christopher A. Coons (County Executive, New Castle County), Claire DeMatteis (Stradley Ronon Stevens & Young), Ben DuPont (President, yet2.com), Ernest Dianastasis (Managing Director, CAI), Richard P. Eckman (Partner, Pepper Hamilton LLP), John Ferretti (CEO, Foxfire Printing), Jeffrey Fetterman (President/CEO, ParagonRx), David Freschman (President, Delaware Innovation Fund), David C. Gates (President and Managing Director, Gates and Company), Andy Jefferson (President and COO, Fort Hill Company), Scott K. Jones (Professor, University of Delaware), Jack Markell (Treasurer, State of Delaware), Judy McKinney-Cherry (Director, Delaware Economic Development Office), Mark Parsells (President and CEO, Montpelier Ventures, LLC), Richard V. Pryor (former Director of Economic Development, City of Wilmington), Jeff Rollins (Managing Director, Market Grove Partners, LLC), James Roszkowski (Principal, Owls Nest Group, LLC), Dr. Allen Sessoms (President, Delaware State University), Matt Swanson (CEO, FineStationery Solutions, Inc.), Connie Winner (Vice-President of Academic Affairs, Delaware Technical Community College), and James A. Wolfe (President and CEO, Delaware State Chamber of Commerce).