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**RECORD YEAR FOR INVESTMENT IN PITTSBURGH'S TECH COMPANIES
ACCORDING TO ERNST & YOUNG LLP AND INNOVATION WORKS:
Pittsburgh 11th in investment dollars per capita, 5th in deals**

MARCH 19, 2015 -- PITTSBURGH – More investment poured into Pittsburgh's technology companies in 2014 than any year since the tech heyday of 2001. Compared to the nation's 40 largest metropolitan statistical areas, Pittsburgh ranked 11th in venture capital investment dollars per capita and 5th in deals per million residents – trailing only the notable tech hubs of Silicon Valley (San Jose and San Francisco), Austin and Boston. The full report can be found at [Accelerating Growth: Investment Trends and Highlights 2010-2014](#).

Highlights of this year's report include:

- Growth in Pittsburgh's technology sector is accelerating among venture capitalists, angels and other investors with \$437.8 million invested across 177 deals in 2014, marking a 46% increase in dollars and a 19.6% increase in deals over 2013.
- VCs invested \$332.9 million into 39 Pittsburgh deals in 2014, a 168% increase in dollars invested and a 26% increase in the number of deals over 2013. This was the highest level of VC investment in the Pittsburgh region since 2001.
- Angels invested \$72.9 million in 2014, a 35% increase over 2013.
- Pittsburgh compares favorably against the 40 largest Metropolitan Statistical Areas in the United States, ranking 11th in investment dollars per capita and 5th in deals per million residents.

The uptick in investment activity is a noticeable component of Pittsburgh's overall economic health. "Pittsburgh's tech community has built great success, and continuing momentum, through an inter-related system of strong university partnerships, a steady stream of talent and investment and a nurturing community for startups. These numbers will grow even better in coming years," Pittsburgh Mayor William Peduto said.

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Noted entrepreneur and investor Steve Case saw similar reasons for Pittsburgh's momentum while in the city as part of a national tour of tech startup communities. "The Pittsburgh startup story is one of success – with an even brighter future ahead," said Steve Case, Chairman & CEO of Revolution Ventures and Co-founder of America Online. "During our Rise of the Rest tour through the city last summer, the Revolution team saw world-class universities, global companies, and talented entrepreneurs working together to make Pittsburgh a desirable ecosystem to start and scale new businesses churning out innovative products and services. Leveraging its strengths in engineering and robotics, Steel town is fast becoming startup town and we're enthusiastic about its future," Mr. Case continued.

Carnegie Mellon University has the nation's top ranked computer science program and the University of Pittsburgh is the fifth largest recipient of NIH funding. Combined, Pittsburgh's top research universities garner nearly \$1 billion in federal research dollars per year, spin out breakthrough technologies and produce the talent to fuel a diverse portfolio of companies in IT, life sciences, hardware, energy and other sectors. "Pittsburgh has been diversifying its economic base for more than 20 years and our universities have been a major driver of that activity," says Lynette Horrell, Managing Partner of the Pittsburgh Office, Ernst & Young, LLP. "The advantage now is a robust mix of technology sectors that are growing at a fast clip and creating a healthy economic landscape in terms of industries, markets, and stage of company development. Our investment report shows a level of diversity that would be the envy of most other regions of the country," continued Ms. Horrell.

Rich Lunak, President & CEO of Innovation Works, one of the nation's most active seed-stage investors, said, "Pittsburgh is punching above our weight. Though we have a way to go to compete at the level of some other large metro areas in terms of venture activity, we increasingly see that Pittsburgh is gaining ground faster than peer regions. You especially see that in the investment report's comparison of Pittsburgh to the rest of the country's top 40 metro areas where Pittsburgh ranks 11th in venture dollars per capita and 5th in the number of venture rounds. We expect more and more investors to discover what we already know: Pittsburgh is a great place to start and grow successful technology companies."

For the full "Accelerating Growth" report from Ernst & Young and Innovation Works, go to:
<https://www.innovationworks.org/Portals/1/documents/Accelerating%20Growth%202010-2014.pdf>

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About Innovation Works:

Innovation Works invests in and provides business assistance for high-potential seed- and early-stage technology companies in the Pittsburgh region. Innovation Works is the single largest investor in seed-stage companies in the Pittsburgh region and is one of the most active seed-stage investors in the country according to national sources. With nationally-ranked programs such as the AlphaLab and AlphaLab Gear accelerators, Innovation Works is an initiative of and is funded by the PA Department of Community and Economic Development's Ben Franklin Technology Development Authority. www.innovationworks.org