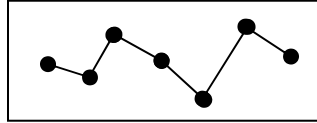


2008 Data Summary Innovation Goals and Performance Levels

Wealth Creation



Goal: Increase high tech employment to 7.9% of total employment

2008 Performance: 4.30% (2006 data, Bureau of Labor Statistics)

2007 Performance: 4.44%

2006 Performance: 3.27%

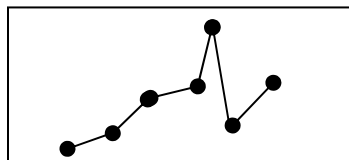
2005 Performance: 4.07%

2004 Performance: 4.40%

2003 Performance: 3.7%

Baseline: 3.9%

- High Tech Employment in Mississippi was 52,431 in 2006, and decreased in 2007 to 52,377 employees
- High Tech Employment increased by 2,349 employees from 2005 to 2006; total employment went down to 1,127,269 in 2005 after Katrina, but was up in 2006 to 1,227,407, an overall increase of 100,138 employees in MS workforce
- Because the overall workforce number increased along with the increase in High Tech workers, the ratio of High Tech to Total Workforce was slightly reduced.
- In comparison, MS still lags far behind AL and LA in the number of High Tech Employees in the workforce, with AL having more than twice the number of High Tech Employees at 142,457 in 2006
- The U.S. Bureau of Labor Statistics reports that states averaged 168,147 High Tech Employees in 2006, down from 190,810 in 2005



Statewide Research Capacity

Goal: Increase total R&D expenditures to \$17.00 for every \$1000 of Gross State Product (GSP)

2008 Performance: \$9.10 (2005 data, National Science Foundation)

2007 Performance: \$7.95

2006 Performance: \$20.98

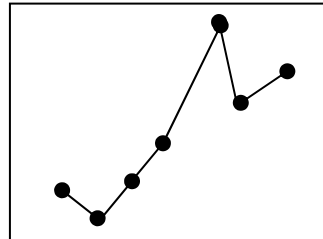
2005 Performance: \$9.89

2004 Performance: \$9.57

2003 Performance: \$7.50

Baseline: \$6.01

- Statewide R&D expenditures per \$1, 000 GSP at \$9.10 are very close to 2005's reported performance of \$9.89, after spiking upward in 2006.
- Federal R&D expenditures increased to \$223M in 2005, up from \$138M in 2004. University R&D expenditures rose slightly to \$353M in 2005, from \$348M in 2004. And, Industry R&D expenditures rose slightly to \$194M in 2005 after dipping to \$160M in 2005.
- Federal, University and Industry combined R&D Expenditures reported were \$770,000,000.
- The Statewide R&D ratio has therefore increased from last years of \$7.95 to this years \$9.10.
- For comparison, the statewide R&D expenditures per capita are \$0.27, whereas the southeastern average is \$0.51 and the national average is \$1.09 in 2005



University Research and Development

Goal: Increase royalties from university patents and licenses to \$2.50 for every \$1000 of university R&D expenditures.

2008 Performance: \$5.70 (FY2006-07 data, Association for University Technology Managers, MSU and UM reporting)

2007 Performance: \$4.58 (MSU and UM reporting)

2006 Performance: \$10.78 (MSU and UM reporting)

2005 Performance: \$1.80 (MSU and UM reporting)

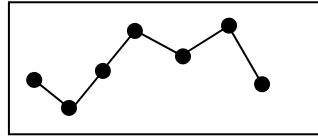
2004 Performance: \$1.12 (MSU reporting)

2003 Performance: \$0.82 (MSU reporting)

Baseline: \$1.02 (MSU reporting)

- Total royalties were \$2,011,497 and royalties per patent were \$213,073 in 2006; with MSU and UM reporting.
- These data do not include the UM Medical Center.
- University royalties from patents and licenses have increased from \$176K in 2000 to more than \$2M in 2006

Business Research and Development



Goal: Increase Small Business Innovation and Research (SBIR) awards to \$.10 for every \$1000 GSP

2008 Performance: \$0.03 (2006 data, MS Fast Program)

2007 Performance: \$0.08 (2005 data, MS Fast Program)

2006 Performance: \$0.06 (2004 data, MS FAST Program)

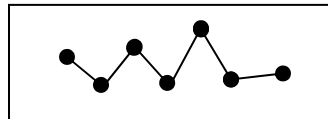
2005 Performance: \$0.09 (2003 data, MS FAST Program)

2004 Performance: \$0.05 (2002 data, Small Business Administration)

2003 Performance: \$0.01

Baseline: \$0.02

- SBIR awards to Mississippi companies have decreased significantly, down from \$6,273,560.00 in 2005 data to \$2,085,568 in 2006 data.
- The SBIR ratio of \$.03 in 2006 data is only slightly higher than the baseline set in 2002. This is partly due to the ebb and flow of multi-year Phase 1 and Phase 11 awards, and some of the high-dollar SBIR companies moving from research into production or being bought by larger companies.
- Mississippi Polymer Technologies and Planning Systems Inc. (PSI) were each bought by larger companies. SemiSouth and Hybrid Plastics are examples of companies that have "taken a break" from SBIR to focus on commercialization. Semisouth has in the past year turned back to seeking SBIR funding but for the previous two years was not seeking SBIR funding as they were focused on VC funding and production growth. Hybrid continues to focus on its manufacturing growth (Joe Graben, MS-Fast)
- MS-Fast program (a consortium of universities, administered by USM and partially funded by MTA) focuses on helping companies identify opportunities, develop proposals and sustain SBIR funding from Phase 0 through Phase II.



Technology Business Development

Goal: Increase net growth in the number of technology intensive firms to 33%

2008 Performance: 14% (FY2006 state data, MDES)

2007 Performance: 15%

2006 Performance: 30%

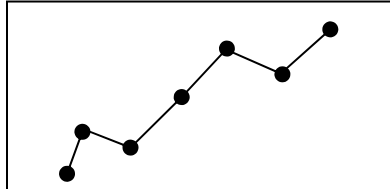
2005 Performance: 16.4%

2004 Performance: 23%

2003 Performance: 17.3%

Baseline: 23%

- Technology Intensive Companies Births in 2006 = 548, Deaths = 472.
- More technology companies were born in 2006 than in any previous year, 42% more than in 2005.
- There were more deaths than ever before also, thus resulting in the ratio dropping off slightly.



Industrial Productivity

Goal: Increase the value added in manufacturing to \$84,000 per manufacturing employee

2008 Performance: \$129,323 (2006 data, US Dept. of Commerce, Annual Survey of Manufactures)

2007 Performance: \$103,624 (preliminary) \$105,654 (final)

2006 Performance: \$107,100

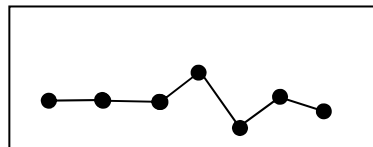
2005 Performance: \$102,437

2004 Performance: \$78,743

2003 Performance: \$83,280

Baseline: \$75,903

- Performance level for industrial productivity continues upward to \$129,323.
- This is a positive trend; however, it reflects MS net loss of manufacturing employees over the past several years. A better trend would be to have an influx of new higher skill manufacturing firms, or innovation and expansion of existing firms.
- As lower-skilled manufacturing jobs are lost, higher value adding industries remain. These firms tend to be more capital intensive, employ higher skilled workers and produce more valuable output per employee.
- The national state average for Value-Added per Manufacturing Employee is \$176,048.



Technology Workforce Development

Goal: Increase the percentage of scientists and engineers in the workforce to .30%

2008 Performance: .27% ((2006 data, National Science Foundation)

2007 Performance: .28%

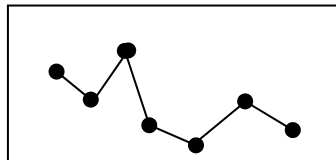
2006 Performance: .21%

2005 Performance: .29%

2004 Performance: .28%
2003 Performance: .28%
Baseline: .28%

- The National Science Foundation estimated there are 3,310 scientists and engineers in Mississippi's workforce on their 2006 survey of doctorate recipients.
- For comparison, AL had 5,900 scientists and engineers in their workforce, and LA had 5,470, according to the survey.
- The NSF survey is conducted every 2-3 years, using a national sample of 40,000 employed doctorate recipients.
- Although the overall number increased, the total MS workforce also increased, resulting in a slight decrease in the ratio of .27%. The southeastern average is .31%
- Mississippi universities award approximately 1,500 science and engineering doctorates each year.

Investment Capital



Goal: Increase venture capital invested in Mississippi companies to \$2.00 for every \$1000 GSP

2008 Performance: \$0.07 (2007 data, NVCA, Money Tree Survey)
2007 Performance: \$0.16
2006 Performance: \$0.03
2005 Performance: \$0.07
2004 Performance: \$.45
2003 Performance: \$0.26
Baseline: \$0.31

- Venture capital invested in Mississippi companies decreased, MoneyTree reports \$5.9M for 2007, down from \$13M in 2005 data.
- The southeastern average for Venture Capital Invested/\$1000 GSP is \$0.85. Southeastern states reported a combined total of \$218,465,617 dollars invested in 2007.
- The national ratio of venture capital invested in U.S. companies to \$1,000 GDP is \$2.24 compared to Mississippi's \$0.07 for the same period.
- Mississippi remains below the original baseline, however, formation of the Mississippi Angel Network, Mississippi Angel Fund and the Mississippi Seed Fund has resulted in an additional \$2M in investment commitments in CY2008 that are not reported in national venture capital numbers.