

Subject: Venture Capitalists Tout Green Lighting

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Investors trying to park their money in "green" companies have a new industry to target -- lighting.

Many venture capitalists are touting the energy efficiencies of next-generation lighting, including start-ups using light-emitting diode, or LED, technology. LEDs, though more expensive than incandescent bulbs or fluorescent tubes, draw much less power, last for many years and contain few materials that are harmful to the environment.

One LED maker that has attracted investor interest is Luminus Devices Inc., which today is announcing a \$72 million funding round to help pay for its expansion. The Billerica, Mass., company has mainly focused on making LED chips for use in projection televisions, selling to big customers such as Samsung Electronics Co.

But it now is moving into a potentially larger market, supplying chips to illuminate liquid crystal displays, said Udi Meirav, its chief executive.

Luminus, which had previously raised about \$70 million from venture capitalists, also could use its technology for applications such as theatrical lights or even lighting for medical devices, said Dennis R. Costello, a managing director with Braemar Energy Ventures, which took part in Luminus's latest financing. Other new investors include CMEA Ventures and Paladin Capital Group.

Mr. Costello called green-lighting companies and other firms promoting energy efficiency "a very fertile area" for venture investment. His firm previously funded **EnerNOC** Inc., a Boston firm that helps businesses reduce their energy usage during periods of peak power demand.

While much of the clean-energy buzz has centered on solar power or alternative fuels such as ethanol, "it's energy efficiency and conservation that make the biggest impact" on reducing reliance on fossil fuels, Mr. Costello said.

Last year, U.S. venture capitalists sank \$93 million into companies promoting energy efficiency, compared with nearly \$694 million into solar and \$265 million into biofuels, according to VentureOne, a research firm owned by Dow Jones & Co., the publisher of this newspaper. Dow Jones is owned by News Corp.

Khosla Ventures, one of Silicon Valley's most prominent clean-tech investors, has backed five green lighting companies, said partner Ford Tamer. They include an LED company and two companies promoting lasers for the lighting market, Kaai Inc. and Soraa Inc. Khosla also has funded a start-

up called Topanga Technologies Inc. that makes "high-intensity discharge" lighting for big venues such as stadiums, conference centers and parking garages, Mr. Tamer said.

Luminus was founded in 2002 and is based on technology originally developed at the Massachusetts Institute of Technology, Mr. Meirav said. Though still unprofitable, the company has been generating revenue since 2006, he said. Unlike many start-ups working in semiconductor-related technologies, such as LEDs, Luminus built its own factory rather than relying on manufacturing partners. The company has more than 100 employees.

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