



Press Release

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IVC's Most Active Israeli Venture Capital Funds in 2009

**38% of all *First* Investments Made in *Seed* Stage Firms
Terra Venture Partners is 2009's most active venture capital fund**

Tel Aviv, Israel, February 15, 2010. IVC Research Center has released results of its Survey to determine 2009's most active Israeli venture capital funds. IVC ranked Israeli venture capital funds according to the number of *First* investments made in 2009. The data are based on information received directly from the VC funds and from the IVC Online Database (www.ivc-online.com). The Survey relates to investments in Israeli and Israel-related companies and in foreign high-tech companies made by Israeli management firms. The ranking reflects the *number* of deals only, not capital invested.

Terra Venture Partners topped the 2009 most active funds ranking with six *First* investments. Second place was shared by seven funds with five *first* investments each: Carmel, Giza, JVP, Magma, Pitango, Sequoia and TriVentures. Genesis and Gemini followed with four investments each. (see Table)

Both Terra Venture Partners and TriVentures are small VC funds, managing \$25 million each. Terra Venture Partners is dedicated to investments in clean technologies. TriVentures is a new venture fund, with Medtronic Inc. as its main investor. It has therefore made a relatively large number of investments, even though it manages less capital than other Israeli VC funds. It is focused on early stage medical device companies.

In 2009, Israeli VC funds made 77 *first* investments in technology companies, compared to 119 investments in 2008. Of particular note is the dollar amount of the *first* investments, which tumbled 50 percent from that of the previous year. Additional details can be found in the IVC Survey for Q4 2009.

According to Doron Rosenbaum, IVC's Vice President - Information, "The availability of Israeli venture capital for investment is shrinking, and local venture funds are not expected to raise significant new capital in the coming year. As a result, we expect allocations to *first* investments in 2010 to continue to be reduced."

In 2009, 38 percent of *first* investments (29 firms) were made in Seed stage companies, compared to 28 percent in 2008. JVP made the largest number of investments in seed companies with four deals. JVP owns JVP Media Studio, an incubator for seed stage companies that focuses on media-related technology. Of the 26 Israeli venture capital funds which made *first* investments during 2009, 10 did not invest in Seed companies at all.

The decline in Israeli VC fund investment activity in 2009 is demonstrated, in part, by the fact that in 2009 top-placed Terra Venture Partners reached only six *first* investments, while in 2008 there were four funds with more than seven *first* investments each.

The software, Internet and life science sectors attracted the largest number of *first* investments in 2009 – each sector with 17 deals or 22 percent of the total number of investments. In 2008, software ranked first, with 22 percent, while the life sciences ranked second with 21 percent and Internet was third with 20 percent.

Six *first* investments were made in foreign high-tech companies in 2009, compared with 10 *first* investments made in 2008. Greylock Israel made two *first* investments in foreign companies.

Most Active Venture Capital Funds for 2009 will be published in its entirety in the IVC 2010 Yearbook to be published April. Complete rankings for 2009 and previous year rankings are available at www.ivc-online.com

Most Active Israeli Venture Capital Funds in 2009
Ranked by number of *First* investments

Rank	Management Company	Capital Managed (\$m)	Number of First Investments	Company
1	Terra ¹	25	6	Linum, Lithium Force ² , PV Nanocell, Silentium, SmarTap, Wi-Charge
2	Carmel	608	5	Axxana, C2 Microsystems ² , ExactFactor, Kampyle, Outbrain
	Giza	562	5	Danen ² , Navotek, TaKaDu, WinBuyer, XtremIO
	JVP	597 ³	5	Navajo ⁴ , XtremIO, LeadSpace, IgnitAd ⁴ , Mobilika
	Magma	190	5	AutoTalks, GreenCloud, GreenSQL, Nipendo, Taykey
	Pitango	1285 ⁵	5	BPT, Neebula, Pageonce, SuperDerivatives, WinBuyer
	Sequoia Israel ⁶	580	5	GameGround, AcousticEye, Dmatek VisualTao ⁷ , Moblica
	TriVentures ⁸	25	5	Assis Medical, MST, Sensible, VasoStar, X-Seal
3	Gemini	696	4	AutoTalks, ColorChip, TaKaDu, Virtual Tweens
	Genesis	618	4	Aragon, Neebula, Profitect, Sensible
4	Greylock Israel ⁶	200 ⁹	3	The Box, Wonga ² , ActiFio ²
	SCP Vitalife ^{8,10}	180	3	DIR, EndoSpan, Sensible
	Vertex	420 ¹¹	3	SolarEdge, VibeSec, OffiSync

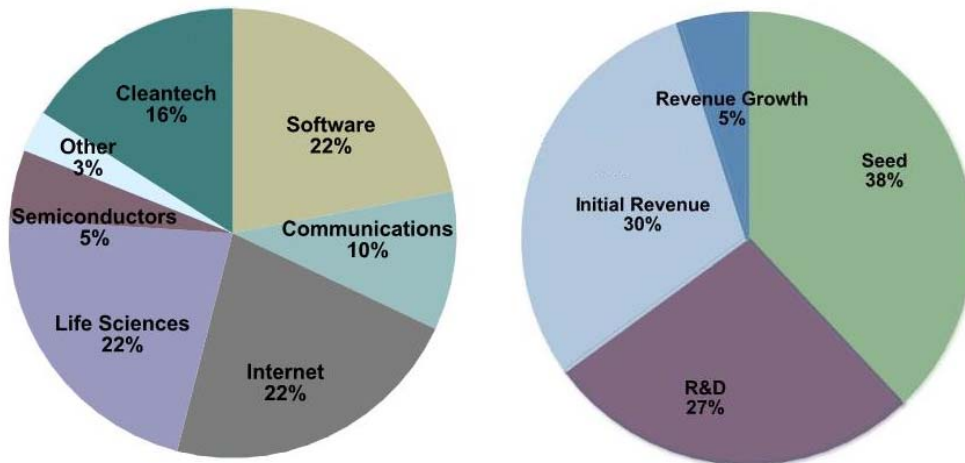
NOTES:

Data are based on the IVC-Online (www.ivc-online.com) database and venture capital funds directly. Investments include Israeli, Israel-related and foreign high-tech companies

1. A cleantech-specialized venture capital fund
2. Non-Israeli company
3. Including an annex fund to JVP III (\$22m), and 50 percent of JVP IV (\$417m), the estimated allocation to Israel
4. Incubated at JVP Media Studio
5. Does not include Eucalyptus Fund (\$55m); including an annex fund to Pitango Fund II (\$10m)
6. A US Israel-dedicated venture capital fund
7. Later acquired by Autodesk
8. A life science-specialized venture capital fund

9. Including a \$50m annex fund raised in Q4/08
10. A partnership between US-based SCP Partners and Israel-based Vitalife
11. Does not include \$50m of Vitalife, which was acquired in 2003 from Discount Capital Markets & Investments, nor \$180m managed for other entities: \$50m for Vertex Europe, \$65m for UBS Capital, and \$65m for an undisclosed European bank fund

Investments by Most Active Israeli Venture Capital Funds by Stage and Sector 2009



Source: IVC Research Center

For more information: www.ivc-online.com

IVC Research Center is Israel's leading research center providing business leaders with an unmatched wealth of data on Israeli high-tech, venture capital and private equity industries. IVC products and services are used regularly by high-tech companies, venture capital funds, private investors, financial investors and institutions, as well as public entities such as the Central Bureau of Statistics, the Bank of Israel and the Office of the Chief Scientist.

IVC owns and operates the **IVC Online Database** (www.ivc-online.com) containing over 8,000 Israeli high-tech companies, venture capital funds, investment companies, angels and technology incubators, as well as news updates and lots more. Among IVC products and publications are the **IVC Quarterly Survey**, which examines capital raising trends by Israeli high-tech companies, and the most comprehensive guide to Israeli high technology and venture capital – the **IVC 2010 Yearbook**, due April.

For additional information, please visit: www.ivc-online.com or contact Marianna Shapira, Research Manager +972-3-640-2339, marianna@ivc-online.com