

Press Release

-FOR IMMEDIATE RELEASE-

Most Active Venture Capital Funds in Israel - 2011

Foreign VC fund Innovation Endeavors most active in 2011

2011 foreign VC fund share at 52 percent

Tel Aviv, Israel, March 19, 2012. **IVC Research Center** has released results of its survey to determine 2011's most active venture capital funds in Israel. IVC ranked Israeli and foreign venture capital funds according to the number of *first* investments made in Israeli and Israel-related companies in 2011. The data are based on information received directly from the VC funds and from IVC Online Database (www.ivc-online.com). The ranking reflects the *number* of deals only, not capital invested. Additional details are available in the *IVC 2012 Yearbook* to be published in April.

In 2011, venture capital funds made 140 *first* investments in Israeli and Israel-related companies. Seventy-three first investments by 23 foreign VC funds accounted for 52 percent of the total number of investments, while Israeli VC funds accounted for the remaining 48 percent. This compares to 31 percent and 69 percent by foreign and Israeli VC funds in 2010, respectively.

The most active VC fund in 2011 was Innovation Endeavors, a foreign VC fund owned by Google Chairman Eric Schmidt, with eight first investments. Pitango, JVP and Sequoia Israel were next with seven first investments each and Giza and Bessemer followed with six investments. Horizons Ventures, controlled by Li Ka Shing from Hong Kong, and foreign VC funds, Access Medical and CP Lantern made five investments each (see Table).

Six foreign VC funds were included within the top four rankings, compared to just two foreign funds in 2010.

In 2011, foreign VC funds made 21 investments in **seed** companies (40 percent of seed deals), compared to just four investments in 2010. Access Medical's five investments were all in seed companies. **Internet** companies attracted 27 investments (37 percent) – the most of any sector investments by foreign VCs, as in 2010. **Software** followed with 23 investments (32 percent).

Marianna Shapira, IVC's Research Manager, pointed out that "foreign VC fund activity in Israel accelerated significantly in 2011. Foreign VC first investments have doubled since last year. This reflects the general situation in Israeli high-tech capital raising of 2011, where Israeli VC investments reached only 25 percent out of total, the lowest share in the last decade."

Among venture capital funds' first investments in 2011, seed stage companies accounted for the largest number – 53 deals (38 percent of all first investments). Companies at the **initial revenue** stage followed with 41 deals (29 percent).

The Internet sector attracted the largest number of first investments in 2011 – 46 deals (33 percent). The software sector followed with 32 deals (23 percent), while the **life sciences** and **communication** sectors shared third place with 23 deals each (16 percent).

In 2011, Israeli VC funds made 67 first investments (48 percent), compared to 52 first investments (69 percent) in 2010. According to the IVC-KPMG 2011 Venture Capital Survey, first investments accounted for 31 percent of the total amount invested by Israeli VC funds, a slight increase from 29 percent in 2010 and 2009.

In 2011, seed stage companies attracted 32 (48 percent) first Israeli VC fund investments, compared to 20 (38 percent) in 2010. JVP made all of its investments (seven) in seed companies, as did Genesis and Magma with two deals each. Of the 23 Israeli venture capital funds with first investments in 2011, 10 did not invest in seed companies at all. The initial revenue stage was second most attractive for Israeli VC funds with 20 deals (27 percent).

Internet companies attracted 19 (28 percent) Israeli VC fund investments, followed by the life sciences with 17 (25 percent) and communications with 10 (15 percent). Pontifax and AccelMed, as life science-dedicated funds, made all their investments in this sector. In 2010, Internet attracted 25 percent of Israeli VC fund first investments, followed by software with 23 percent and the life sciences with 16 percent.

Lool and Glilot are Israeli micro VC funds that made their first investments in 2011, with four and two deals, respectively. Micro-funds manage up to \$30 million, invest relatively small sums and generally focus on early stage Internet and digital media start-ups. Israeli micro VC funds raised a total of \$87 million in 2011, nearly 11 percent of total capital raised by all Israeli VC funds.

Most Active Venture Capital Funds for 2011 will be published in its entirety in the *IVC 2012 Yearbook* in April. Complete rankings for 2011 and previous year rankings are also available at www.ivc-online.com

Most Active Venture Capital Funds in Israel - 2011

Ranked by Number of *First* Investments

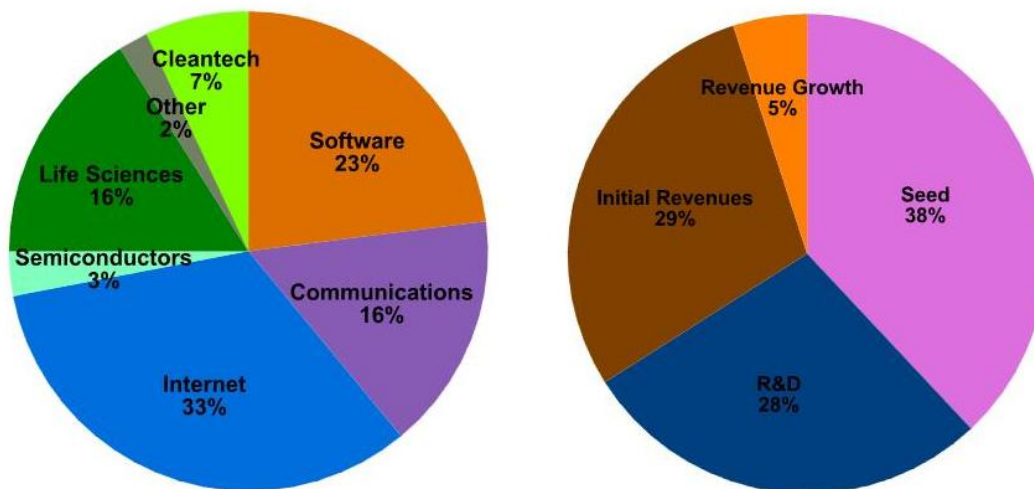
Rank	Management Company	Capital Managed (\$m)	Total First Investments	Company
1	Innovation Endeavors ¹	N/R ²	8	BillGuard, DoNanza, HealthTap, NewVem Insight, Quixey, SayHired, Shaker, Solutio
2	Pitango	1,340	7	APOS, Boxee, ContextIn, Shaker, Totango, VideoSurf, Carbofix
	JVP ³	905		InUGo, CrossReader, UiYou, AE Squared, Artístico, Tok Media, CityPath
	Sequoia Israel ⁴	580		Innovid, Interlude, Onavo, Personetics, Ravello, Gotigo, Zazma
3	Giza	562	6	CallApp, LifeBond, Mintigo, MotherKnows, Visual.ly, zeZebra
	Bessemer ¹	N/R ²		Adap.tv, Fiverr, Ridefrog, Tigo Energy, Traffix, Vasona
4	Gemini	696	5	Amadesa, LoyalBlocks, Ocean Technologies, Oliver Solutions, QualiSystems
	Cedar	325		Groovideo, InnoSave, Netotiate, Tonian, Zappix
	CP Lantern ¹	N/R ²		Compass EOS, Qwilt, Taboola, Taykey, XTR3D
	Access Medical Ventures ¹	N/R ²		Wavomed, MiniVasive, NitiLoop, E-Motion, TradeO
	Horizons Ventures ¹	N/R ²		Magisto, TripBoard, Waze, Cortica, Onavo
5	Greylock Israel ⁴	364	4	Panoramic Power, Simplee, SupersonicAds, Telit
	Lool	25		MyFamilio, Tonara, Wibbitz, Zooz
	Opus Capital ¹	N/R ²		Clarizen, Dome9, Telespree, YCD
	Battery ¹	N/R ²		ActivePath, Champions, Sportority , XtremIO
6	Carmel	608	3	CellEra, Ocean Technologies, YCD
	Pontifax ⁵	206		Argo Medical, Kite Pharma, Omer Therapeutics
	Aviv	77		APOS, ComQi, Valens
	AccelMed	22		Cardiapex, EndoSpan, Pi-R-Squared
	Index Ventures ¹	N/R ²		Outbrain, Solutio, Tonara
	YL Ventures ¹	N/R ²		BlazeMeter, Sixscan, Upstream Commerce

NOTES:

- Data are based on the IVC-Online database (www.ivc-online.com) and information provided by participating VC funds.
- Ranking includes Israeli VC funds, and foreign VC funds that either (a) have an Israel-dedicated fund, or (b) have an allocation to Israel from its general pool through a local office/offshore team.
- Investments include Israeli and Israel-related high-tech companies only.
- Investments do not include incubated or non-technology companies.

1. a foreign VC fund with an Israeli office or Israeli managers
2. not relevant
3. including A rounds of previously incubated companies in JVP Studio
4. Israel-dedicated fund of a foreign fund with a local management team
5. has additional investments in incubated companies

Most Active Venture Capital Funds in Israel by Sector and Stage 2011



Source: IVC Research Center

For additional information, please visit: www.ivc-online.com

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About the author of this survey:

IVC Research Center is Israel's leading research center providing business leaders with an unmatched wealth of data on Israeli high-tech, venture capital, startup 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 for over 14 years has been analyzing capital raising trends by Israeli high-tech companies, and the most comprehensive guide to Israeli high technology and venture capital – the **IVC 2012 Yearbook** – to be published in April 2012.