



Press Release

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IVC: Only \$229 million raised by Israeli VC funds in 2009

Capital available for investment now at \$1.2 billion

\$500 million projected to be raised by Israeli VC funds in 2010

Tel Aviv, March 8, 2010. The following data are based on information by IVC Research Center, which for more than 13 years has been at the forefront of Israeli high-tech, venture capital and private equity research. Additional details about venture capital fund raising will be available in the soon-to-be-published IVC 2010 Yearbook (due April).

In 2009, following the global capital market downturn, Israeli venture capital funds found capital raising to be exceedingly difficult. Only \$229 million was raised, a sharp 72 percent drop from the \$803 million raised in 2008, and the third lowest annual amount raised in the past decade.

Only three Israeli venture capital funds completed their fund raising efforts in 2009. Sequoia Capital Israel, an Israel-dedicated US fund, announced final closing of Sequoia IV, a \$200 million vintage 2009 fund. Other 2009 vintage funds were TriVentures II, a \$25 million medical device fund (with American medical technology company Medtronic Inc. as its main investor), and Startvest 09, the Targetech Innovation Center's new fund, which raised \$3.7 million.

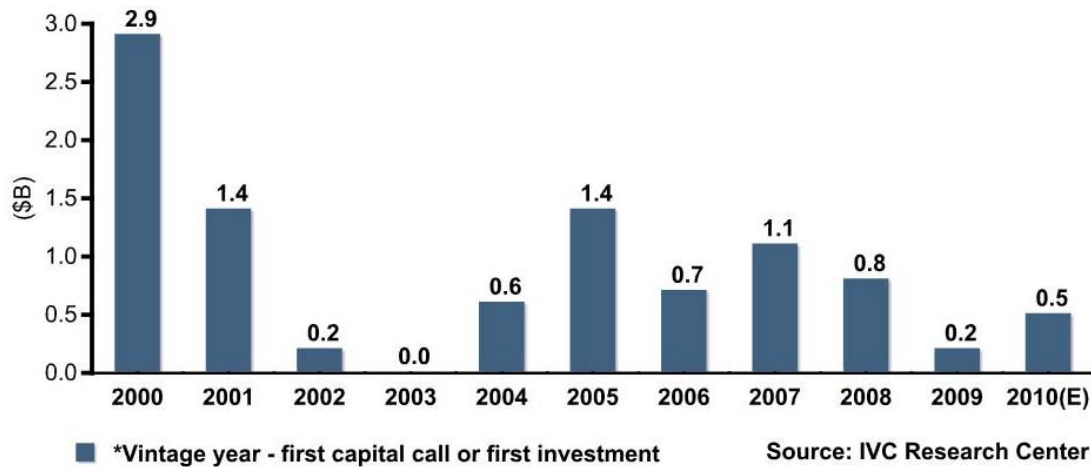
Koby Simana, IVC CEO, said that "foreign institutional investors - who before the crisis had been the lead source of capital invested in Israeli funds - have suffered serious losses due to the credit crunch. These losses have reduced capital available for investments. The decrease in capital raised by Israeli venture capital funds reflects a global trend. In 2009 for example, US venture capital funds suffered a 48 percent decrease in their fund raising efforts, compared with capital raised in 2008."

Within eighteen years between 1992 and 2009 Israeli venture capital funds raised approximately \$13.3 billion that was exclusively allocated to investments in Israeli start-up and high-tech companies. Of this amount, \$9.4 billion (70 percent) was raised between 2000 and 2009.

According to IVC estimates, at the beginning of 2010 capital available for first and follow-on investments by Israeli venture capital funds is approximately \$1.2 billion (net of management fees and operational expenses). Of this amount, IVC estimates that \$400 million is earmarked for first investments, with the remainder reserved for follow-on investments. It is projected that \$500 million will be raised in 2010 by Israeli VC funds for investment in Israeli start-up and high-tech companies.

More information about capital raised will be available in the IVC 2010 Yearbook - the Israel High-Tech & Venture Capital Directory - due to be published in April.

Capital Raised by Israeli VC funds by Vintage Year* (\$B)
2000-2010(E)



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 to be published in April.

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