



-FOR IMMEDIATE RELEASE-

Summary of Israeli High-Tech Company Capital Raising - Q1 2010

IVC Reports:

\$234 million raised in Q1, a 15% decrease from Q4 2009
Life Sciences sector leads capital raising with \$86 million

Tel Aviv, Israel, April 21, 2010. The following are the findings of the IVC Quarterly Survey conducted by the **IVC Research Center**, which for more than 14 years has been at the forefront of high-tech, venture capital and private equity research in Israel. This Survey reviews capital raised by private Israeli high-tech companies from Israeli venture capital funds, foreign and other investors. The Survey is based on reports from 96 investors of which 48 are Israeli management companies and 48 are other – including foreign – investment entities.

In the first quarter of 2010, 91 Israeli high-tech companies raised \$234 million from venture investors – both local and foreign. This was the lowest quarterly amount raised in the last five years, 15 percent below the amount raised by 124 companies in the previous quarter and 12 percent below that raised by 93 companies in Q1 2009 (which had been the lowest quarter in the past three years). (See chart)

Koby Simana, CEO of IVC Research Center says that “figures for the first quarter of 2010 emphasize that Israel's high-tech industry is still experiencing substantial difficulty. The decrease in the number of active Israeli VC funds and a reduced amount of capital available for investments, were the main reasons for the decline in capital raising. Unfortunately, we don't expect any dramatic improvement in the next few quarters.”

Fifty-four companies attracted more than \$1 million each. Of these, nine companies raised \$5 million to \$10 million each and five companies raised more than \$10 million.

The average financing round was \$2.57 million, compared to \$2.22 million in the previous quarter and \$2.85 million in the first quarter of 2009.

Israeli VC Fund Investment Activity

In the first quarter of 2010, Israeli VC funds invested \$78 million in Israeli companies - the lowest quarterly amount in the last decade. It was 24 percent below the amount invested in the previous quarter, and 26 percent below investments made in the first quarter of 2009.

The Israeli VC fund share of the total amount invested in Israeli high-tech companies was 33 percent, compared to 37 percent (\$102 million) in Q4 2009 and 40 percent (\$106 million) in Q1 2009. The remainder of capital came from foreign investors as well as non-VC Israeli investors.



First investments by Israeli VC funds accounted for 24 percent of their total dollar investments in the first quarter, compared to 27 percent and 29 percent in Q4 2009 and Q1 2009, respectively. The average First investment by Israeli VCs was \$1.36 million, while the average Follow-on investment was \$0.82 million.

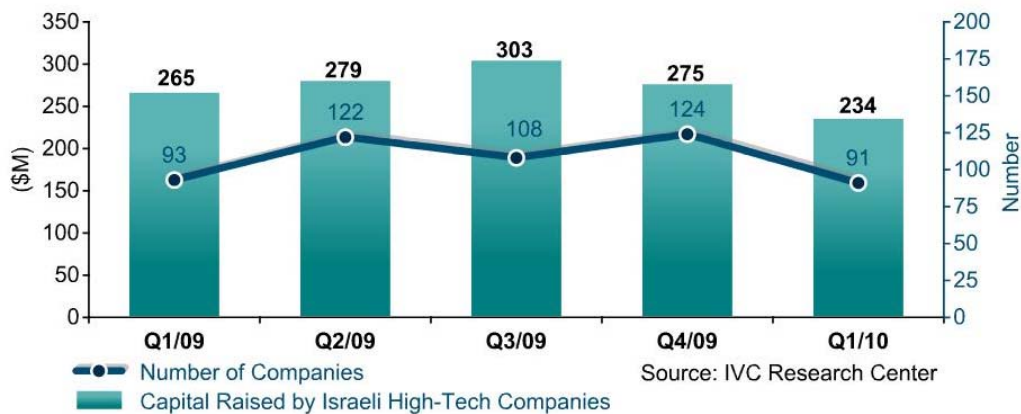
Israeli VC funds invested \$3 million in foreign companies during Q1 2009 (in addition to their investments in Israeli high-tech companies), compared to \$14 million in Q4 2009 and \$27 million in Q1 2009. All foreign investments (seven) were Follow-ons.

Capital Raised by Sector and Stage

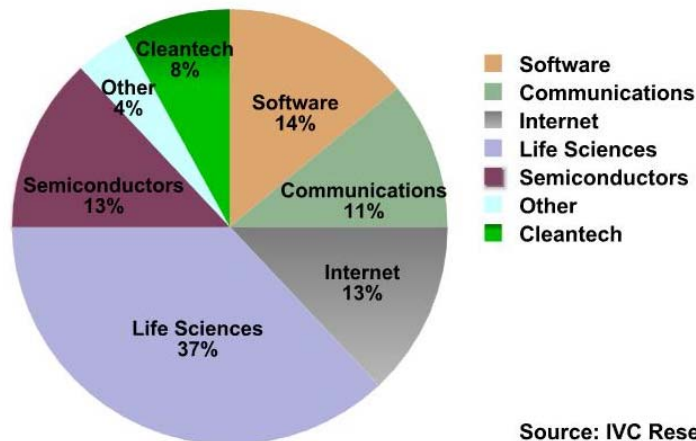
The **Life Sciences** sector led capital raising in the first quarter with \$86 million or 37 percent of capital raised, followed by the **Software** sector with \$32 million or 14 percent, and **Semiconductors** with \$31 million or 13 percent. (See pie chart)

Eleven **Seed** companies attracted \$11 million, 5 percent of the total amount raised in Q1, compared to \$11 million raised (4 percent) in the previous quarter, and \$13 million (5 percent) in Q1 2009.

Chart: Capital Raised by Israeli High-Tech Companies (\$M)



Pie chart: Capital Raised by Israeli High-Tech Companies by Sector (%)



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 Office of the Prime Minister, 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**.

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