

For more Information:  
Efrat Zakai, Director of Research:  
IVC Research Center  
972 -3-640-2337  
[Efrat@ivc-online.com](mailto:Efrat@ivc-online.com)  
[www.ivc-online.com](http://www.ivc-online.com)



**-FOR IMMEDIATE RELEASE-**

## **Israeli High-Tech Company Capital Raising - Q1 2008**

### **IVC: ISRAELI HIGH-TECH CAPITAL RAISING IN Q1 2008 REACHED \$617 MILLION – HIGHEST IN SEVEN YEARS**

**Tel Aviv, Israel, April 29, 2008.** The following are the findings of the Quarterly Survey conducted by the **IVC Research Center**, which for more than nine years has been at the forefront of venture capital and private equity research in Israel. This Survey, reviews capital raised by private Israeli high-tech companies from Israeli venture capital funds and from other investors. The Survey is based on reports from 86 venture investors of which 47 are Israeli management companies and 39 are other – mostly foreign – investment entities.

In the first quarter of 2008, 135 Israeli high-tech companies raised \$617 million from venture investors – both local and foreign. The amount raised was the highest in seven years, 52 percent above the amount raised by 121 companies in the first quarter of 2007, and 23 percent above the previous quarter's amount raised by 115 companies.

“2008 started exceptionally well, demonstrating the strength of the local high-tech industry,” said Zeev Holtzman, Chairman of IVC Research Center and Giza Venture Capital. “A relatively high number of high-tech companies took advantage of the momentum built up in 2007 and raised significant capital based to the premise that ‘one should raise money when one can and not when it’s needed.’ Capital raising activity will probably moderate in upcoming quarters. Yet, we expect that the \$1.6 billion average investment level of the last few years will be maintained in 2008.”

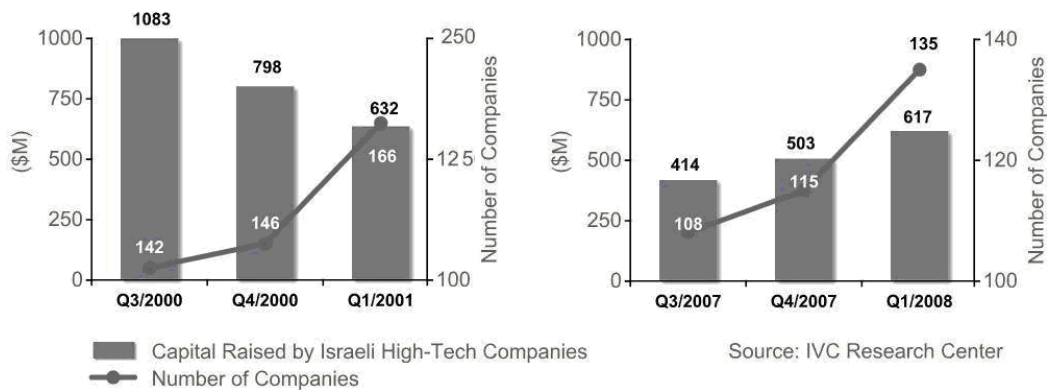
Ninety-six companies attracted more than \$1 million each. Of these, 29 companies raised between \$5 million and \$10 million each, 14 companies raised between \$10 million and \$20 million each, two companies raised between \$20 million and \$30 million each, and two companies raised more than \$30 million.

#### **Israeli VC Investment Activity**

In the first quarter of 2008, Israeli VCs invested \$262 million in Israeli companies, 53 percent more than in the first quarter of 2007 and 84 percent above investments made in the previous quarter (Q4 2007). “We haven’t seen such high figures since the first quarter of 2001.” said Efrat Zakai, Director of Research at IVC. “The quarter was characterized by a high level of investment by Israeli VCs, as six funds each invested more than \$15 million.”

The Israeli VC investment share of the total capital invested was 43 percent, very close to previous year’s average of 42 percent. First investments accounted for 42 percent of total dollar investments by Israeli VCs in Q1, compared with 51 percent in the first quarter of 2007 and 33 percent in Q4 2007. The average First investment by Israeli VCs was \$2.6 million, while the average Follow-on investment was \$1.2 million.

**Chart 1: Capital Raised by Israeli High Tech Companies (\$m)**



**For more information: [www.ivc-online.com](http://www.ivc-online.com)**

***IVC Research Center*** is Israel's leading research center providing business leaders with an unmatched wealth of data on Israeli venture capital, private equity and high-tech industries. IVC products and services are used regularly by venture capital funds, private investors, high-tech companies, 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 publishes the most comprehensive guide to Israeli venture capital and high technology companies – the **IVC Yearbook**. Among IVC products and publications are the **Quarterly Survey**, which examines capital raising trends by Israeli high-tech companies; the quarterly **Israel Venture Capital Journal (IVCJ)**, which reviews developments in the venture capital, private equity and high-tech industries; and a comprehensive online **database (www.ivc-online.com)** containing over 6,000 Israeli high-tech companies, venture capital funds, investment companies and technology incubators, as well as news updates and lots more.

**For additional information, please visit: [www.ivc-online.com](http://www.ivc-online.com) or contact Efrat Zakai, +972-3-640-2337, [efrat@ivc-online.com](mailto:efrat@ivc-online.com)**