



Press Release
-FOR IMMEDIATE RELEASE-

Most Active Venture Capital Funds in Israel - 2010

**Evergreen was 2010's most active venture capital fund
Seed companies accounted for 32% of all first investments**

Tel Aviv, Israel, March 28, 2011. IVC Research Center has released results of its survey to determine 2010'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 2010. The data are based on information received directly from the VC funds and from the IVC-Online Database (www.ivc-online.com). The ranking reflects the *number of deals only, not capital invested.*

Evergreen was the most active fund in 2010 with six *first* investments. Second place was shared by two funds – Battery and Pontifax – with five first investments each. Four funds – Gemini, Genesis, Carmel and Cedar – were ranked third, each with four investments (see Table).

Evergreen is one of Israel's long-established venture capital firms, having one of the largest portfolios in Israel and investing in a wide range of technological sectors. Battery, a US fund that has been investing in Israel since the mid-1990s, opened a local office in 2008 to manage its expanding Israeli portfolio. Pontifax is a life sciences-specialized fund which holds 15 percent of Biomedix, which in turn has a majority stake in incubators ATI and Meytav. Pontifax also has, since 2009, a strategic agreement with pharmaceutical giant Roche for joint investments in Israeli life science start-ups.

In 2010, 75 first investments were made in Israeli and Israel-related companies. Deals performed by Israeli VC funds accounted for 69 percent, while those performed by foreign VC funds accounted for the remaining 31 percent.

Seed stage companies accounted for 24 deals or 32 percent of first investments or 24 deals.

The Internet sector attracted the largest number of first investments in 2010 – 19 deals or 25 percent of the total number of first investments. The software sector followed with 17 deals or 23 percent, while the life science sector was third with 12 deals or 16 percent.

In 2010, Israeli VC funds alone made 52 first investments in companies, compared to 66 first investments in 2009. According to the IVC-KPMG 2010 Venture Capital Survey, first investments accounted for 29 percent of the total amount invested by Israeli VC funds, as in 2009.

Marianna Shapira, IVC's Research Manager, pointed out that "In 2010, 50 percent of Israeli VC funds did not make any first investments, while in 2009, 42 percent of active funds failed to make first investments. This is a clear indication of the continued decline in Israeli VC fund activity, as well as the absence of new funds and new capital in 2010."

In 2010, seed stage companies attracted 20 deals or 38 percent of the number of Israeli VC fund investments, compared to 23 deals or 35 percent in 2009. Cedar and Magma made all their investments in seed companies, with four and three deals, respectively. Of the 20 Israeli venture capital funds that made first investments in 2010, eight did not invest in seed companies at all.

The life sciences attracted 11 deals or 21 percent of Israeli VC fund investments, followed by software and the Internet with 10 deals or 19 percent each. The same sectors were the most attractive in 2009 as well, with 16 deals or 24 percent made in the life sciences and 15 deals or 23 percent in the software and in the Internet sectors.

In 2010, foreign VC funds made 23 first investments in Israeli and Israel-related companies. Battery was the most active foreign VC fund, with 5 investments, followed by Bessemer with three deals.

Only four deals with seed companies were made by foreign VC funds in this period, while 11 of 15 foreign VC funds did not make investments in seed companies at all. Moreover, no revenue growth stage deals were made by foreign VC funds. Internet companies attracted the largest number of investments by foreign VCs with nine deals (39 percent), followed by software with seven deals (30 percent).

Most Active Venture Capital Funds for 2010 will be published in its entirety in the IVC 2011 Yearbook in April. Complete rankings for 2010 and previous year rankings are also available at www.ivc-online.com

**Most Active Venture Capital Funds in Israel - 2010
Ranked by Number of *First* Investments**

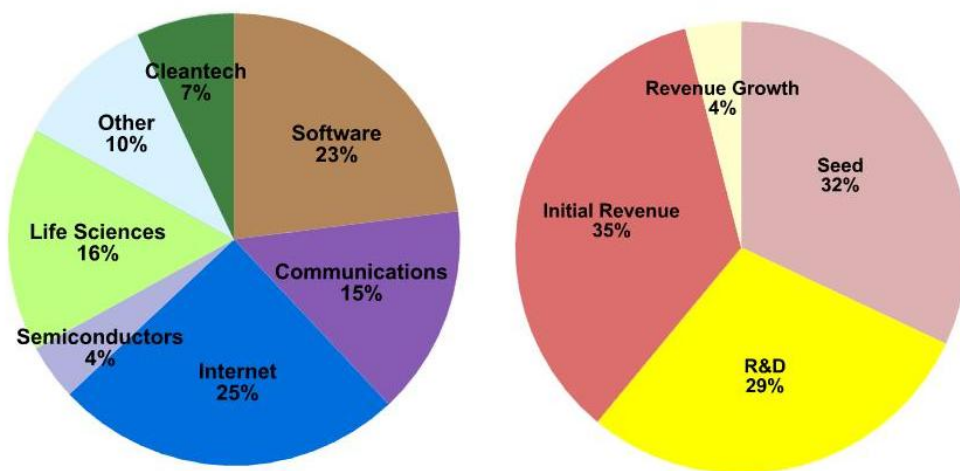
Rank	Management Company	Capital Managed (\$m)	Total First Investments	Company
1	Evergreen	648	6	AeroScout, innerActive, Nephra, Notal Vision, Peer Medical, Pentalum
2	Battery ¹	N/R ²	5	Gogobot, Istra Research, Panaya, Pursway, ZeRTO
	Pontifax	118	5	AIT, Avraham Pharmaceuticals, Fusimab, ProtAb, Se-cure
3	Gemini	696	4	Constant Finance, SaaSPulse, Sense of Fashion, The Gifts Project
	Genesis	618	4	Any.Do, Intucell, SiSense, VisIC
	Carmel	608	4	Multiply, Personetics, RealMatch, Snaptu
	Cedar	325	4	Intigua, Plankton Digital, Scalebase, Zizio
4	Bessemer ¹	N/R ²	3	BillGuard, DensBits, Intucell
	Pitango	1,340	3	EarlySense, LiveU, Top7
	Sequoia Israel	580	3	Mintigo, Scodix, Taykey
	Magma	190	3	Onavo, SightEra, Triapodi
	Aviv	77	3	Jetable, Minicom Digital Signage, ScaleMP

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 with a local management team and a local office, or (b) invest in an Israeli management company and co-manage an Israeli fund through a local office, or (c) have an allocation to Israel from its general pool.
 - Investments include Israeli and Israel-related high-tech companies only.
 - Investments do not include incubated or non-technology companies.
1. Foreign VC funds with an Israeli office and managers
 2. Not relevant

Investments by Most Active Venture Capital Funds in Israel by Sector and Stage 2010



Source: IVC Research Center

For more information: www.ivc-online.com

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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 and PE 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-KPMG 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 2011 Yearbook**, to be published in April 2011.