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VENTURE CAPITAL FUNDS RAISED $4.1 BILLION DURING FIRST QUARTER 2013

Massachusetts-Based Firms Lead the Quarter with Three Largest Funds Raised

New York, April 8, 2013 – U.S. venture capital firms raised $4.1 billion from 35 funds during the first quarter of 2013, an increase of 22 percent compared to the level of dollar commitments raised during the fourth quarter of 2012, but a 14 percent decrease by number of funds, according to Thomson Reuters and the National Venture Capital Association (NVCA). The number of funds raised during the first quarter of 2013 is a 34 percent decline from the number of funds raised during the comparable period in 2012 and marks the slowest quarter for venture capital fundraising, by number of funds, since the third quarter of 2003. The top five venture capital funds – three from Massachusetts -- accounted for 57 percent of total fundraising during the first quarter of 2013.

Year/Quarter	Number of Funds	Venture Capital ($M)
2009	161	16,175.9
2010	174	13,436.8
2011	187	19,045.7
2012	189	19,439.1
2013	35	4,053.1
1Q'11	49	8,111.5
2Q'11	48	2,713.3
3Q'11	66	2,116.0
4Q'11	53	6,105.0
1Q'12	53	4,704.0
2Q'12	50	6,316.4
3Q'12	59	5,098.4
4Q'12	44	3,320.2
1Q'13	35	4,053.1

Source: Thomson Reuters and National Venture Capital Association

"The first quarter venture fundraising activity represents more than just a 'slow start' to the year and really demonstrates the contracting and consolidating nature of our asset class," said John Taylor, head of research for NVCA. "The lack of a strong exit market is keeping many funds that would like to be raising money away from investors until they can demonstrate a track record. This dynamic is keeping the number of funds raised low. Many of the larger funds closed last year and won't be back in the market until 2014 and beyond, keeping total dollar levels lower this year. We should be prepared for fewer funds in 2013, which will ultimately decrease investment levels from traditional firms."

There were 30 follow-on funds and 5 new funds raised during the first quarter of 2013, a ratio of 6-to-1 ratio of follow-on to new funds. The number of new funds raised during the first quarter marks the lowest level of first-time funds raised during a quarter since the fourth quarter of 2006. By dollars raised, follow-on funds account for 98 percent of total dollar commitments during the first quarter of 2013. Over the past five years, follow-on fund dollars have accounted for 92 percent of total venture capital fundraising.

The largest new fund reporting commitments during the first quarter of 2013 was from Washington, D.C.-based NaviMed Partners, L.P. which raised $44.8 million for the firm's inaugural fund. A "new" fund is defined as the first fund at a newly established firm, although the general partners of that firm may have previous experience investing in venture capital.

	No. of New	No. of Follow-on	Total
2009	41	120	161
2010	59	115	174
2011	58	129	187
2012	57	132	189
2013	5	30	35
1Q'11	14	35	49
2Q'11	17	31	48
3Q'11	21	45	66
4Q'11	15	38	53
1Q'12	14	39	53
2Q'12	15	35	50
3Q'12	18	41	59
4Q'12	18	26	44
1Q'13	5	30	35

Source: Thomson Reuters and National Venture Capital Association

First quarter 2013 venture capital fundraising was lead by three Massachusetts-based funds: Battery Ventures X, L.P. which raised $650.0 million, Third Rock Ventures III, L.P., which raised $516.0 million and Spark Capital IV, L.P., which raised $450.0 million.

Methodology
The Thomson Reuters/National Venture Capital Association sample includes U.S.-based venture capital funds. Classifications are based on the headquarter location of the fund, not the location of venture capital firm. The sample excludes fund of funds.

Effective November 1, 2010, Thomson Reuters venture capital fund data has been updated in order to provide more consistent and relevant categories for searching and reporting. As a result of these changes, there may be shifts in historical fundraising statistics as a result of movements of funds between primary market & nation samples and/or between fund stage categories.

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Venture capitalists are committed to funding America's most innovative entrepreneurs, working closely with them to transform breakthrough ideas into emerging growth companies that drive U.S. job creation and economic growth. According to a 2011 Global Insight study, venture-backed companies accounted for 12 million jobs and $3.1 trillion in revenue in the United States in 2010. As the voice of the U.S. venture capital community, the National Venture Capital Association (NVCA) empowers its members and the entrepreneurs they fund by advocating for policies that encourage innovation and reward long-term investment. As the venture community's preeminent trade association, NVCA serves as the definitive resource for venture capital data and unites its nearly 400 members through a full range of professional services. For more information about the NVCA, please visit www.nvca.org.