

# Venture Capital Fundraising Review

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**Venture Capital Fundraising Continues At Lower Levels - \$4.9 billion raised | Early Stage Focused Funds Comprise 53% of Q1 Venture Fundraising**

New York, NY, April 16, 2007 –Venture capital fundraising activity slowed in the first quarter of 2007 with fifty-six venture funds raising \$4.9 billion according to Thomson Financial and the National Venture Capital Association (NVCA). While the first quarter saw a marked increase from the fourth quarter of 2006, venture fundraising during the first three months of 2007 was at the lowest level for an opening quarter since the first quarter of 2004.

"These lower fundraising levels relative to recent quarters are expected to remain steady in 2007 as many firms recently closed funds in the 2004-2006 cycle, said Mark Heesen, president of the NVCA. "Yet there will be a group of firms that choose to raise money in the 'off-cycle' which will keep overall quarterly levels in the \$4-5 billion dollar range. Most firms that have raised money are keeping their fund sizes at reasonable levels which bodes well for the promise of future returns to limited partners."

Venture funds in the first quarter collectively raised 19.5% more than those in the fourth quarter of 2006, when fifty-six funds took in \$4.1 billion in commitments. However, when compared to the first quarter of 2006, this quarter posted a 25.7% decline.

Venture fundraising by investment stage focus followed a familiar pattern in the quarter. Thirty-five early stage vehicles raised \$2.6 billion, or 53% of the quarter's entire venture commitment. Among these funds were Venrock Associates V at \$528 million, which was the second largest venture fund raised in the quarter and Draper Fisher Jurvetson Fund with \$435 million.

"Illustrating the important role venture capital plays in promoting innovative companies, early stage vehicles continue to comprise the largest percentage of funds raised this quarter" said Alex Tan, Global Private Equity Research Manager at Thomson Financial.

Ten balanced funds raised \$1.2 billion, led by MPM BioVentures IV with \$550 million, the largest fund raised this quarter, and RRE Venture IV with \$162 million. Seven later stage funds totaling \$556.7 million and three expansion-focused funds with \$431.5 million rounded out the quarter's numbers.

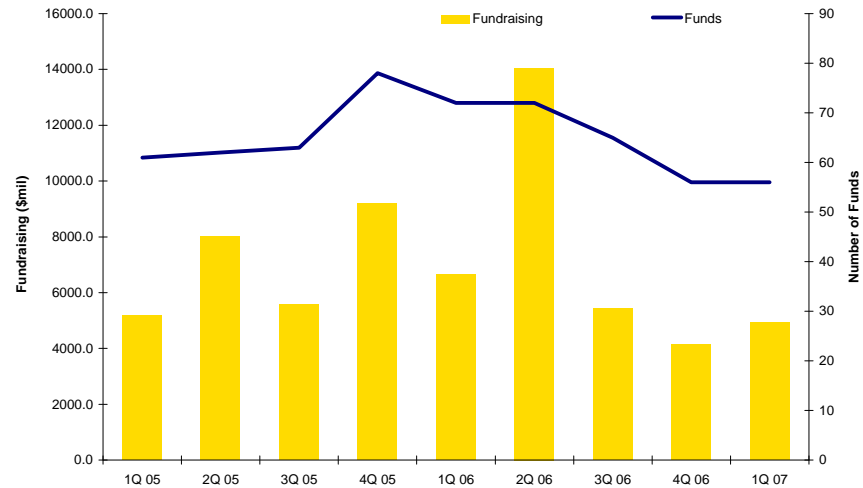
Follow-on funds continued to be raised to first time funds at an approximate 3-to-1 ratio. Only thirteen new funds were raised in the quarter, compared to forty-three follow-on entities.

## Largest Funds Raised: 1Q 2007

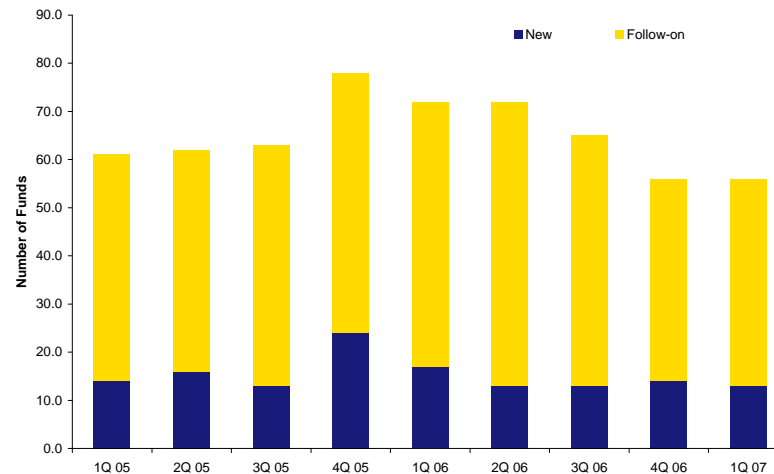
FUND	VALUE
MPM BioVentures IV, L.P.	550.0
Venrock Associates V, L.P.	528.0
Draper Fisher Jurvetson Fund IX, L.P.	434.6
MissionPoint Capital Partners I, L.P.	335.5
Charles River Partnership XIII, L.P.	285.0

Source: Thomson Financial and the National Venture Capital Association

**Quarterly Fundraising, 1Q 05-1Q 07**



**Number of Funds: First Time vs. Follow-On**



Source: Thomson Financial and the National Venture Capital Association  
\*These figures take into account the subtractive efforts of downsized funds

First Quarter 2007

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## Venture Capital Fundraising: New and Follow-On Breakdown

## Fundraising by Stage Focus

YEAR	ALL VENTURE CAPITAL FUNDRAISING		NEW VENTURE CAPITAL FUNDRAISING		FOLLOW-ON VENTURE CAPITAL FUNDRAISING		STAGE	2007	
	NUMBER OF FUNDS	FUNDRAISING (\$MIL)	NUMBER OF FUNDS	FUNDRAISING (\$MIL)	NUMBER OF FUNDS	FUNDRAISING (\$MIL)		NUMBER OF FUNDS	FUNDRAISING (\$MIL)
2002	172	3767.4	57	1711.4	115	2056.0			
2003	147	10622.3	50	1707.9	97	8914.4	Balanced Stage	10	1275.4
2004	205	18566.0	56	1845.1	149	16720.9			
1Q 05	61	5201.4	14	371.6	47	4829.8	Development	0	0.0
2Q 05	62	8011.5	16	330.3	46	7681.2			
3Q 05	63	5559.2	13	605.4	50	4953.8	Early Stage	35	2616.2
4Q 05	78	9185.2	24	1097.5	54	8087.7			
2005	218	27957.3	55	2404.8	163	25552.5	Expansion	3	431.5
1Q 06	72	6640.1	17	601.1	55	6039.0			
2Q 06	72	14050.9	13	609.7	59	13441.2	Later Stage	7	556.7
3Q 06	65	5426.0	13	328.5	52	5097.5			
4Q 06	56	4143.4	14	339.6	42	3803.8	Seed Stage	1	60.0
2006	212	30260.4	44	1878.9	168	28381.5			
1Q 07	56	4939.8	13	814.5	43	4125.3	<b>TOTAL</b>	<b>56</b>	<b>4939.8</b>
2007	56	4939.8	13	814.5	43	4125.3			

Source: Thomson Financial and the National Venture Capital Association  
 \*These figures take into account the subtractive efforts of downsized funds

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## About Thomson Financial and the NVCA

### Thomson Financial

Thomson Financial, with 2006 revenues of US\$2 billion, is a provider of information and technology solutions to the worldwide financial community. Through the widest range of products and services in the industry, Thomson Financial helps clients in more than 70 countries make better decisions, be more productive and achieve superior results. Thomson Financial is part of The Thomson Corporation ([www.thomson.com](http://www.thomson.com)), a global leader in providing essential electronic workflow solutions to business and professional customers. With operational headquarters in Stamford, Conn., Thomson provides value-added information, software tools and applications to professionals in the fields of law, tax, accounting, financial services, scientific research and healthcare. The Corporation's common shares are listed on the New York and Toronto stock exchanges (NYSE: TOC; TSX: TOC).

### The National Venture Capital Association (NVCA)

The National Venture Capital Association (NVCA) represents approximately 480 venture capital and private equity firms. NVCA's mission is to foster greater understanding of the importance of venture capital to the U.S. economy, and support entrepreneurial activity and innovation. According to a 2006 Global Insight study, venture-backed companies accounted for 10 million jobs and \$2.1 trillion in revenue in the United States in 2005. The NVCA represents the public policy interests of the venture capital community, strives to maintain high professional standards, provides reliable industry data, sponsors professional development, and facilitates interaction among its members. For more information about the NVCA, please visit [www.nvca.org](http://www.nvca.org).

