

## Venture Capital Fundraising Activity Slows Considerably in the First Quarter of 2009

April 13, 2009

NEW YORK, April 13 /PRNewswire/ -- Just 40 venture capital funds raised \$4.3 billion in the first quarter of 2009, according to Thomson Reuters and the National Venture Capital Association (NVCA). This level represented the smallest number of venture funds raising money in a single quarter since the third quarter of 2003. Dollars commitments, however, reflected a slight increase over the previous quarter when \$3.5 billion was raised.

"The first quarter fundraising data suggests two distinct dynamics currently taking place during the economic downturn. First, the majority of venture firms are not actively fundraising at this time because they have either recently raised a fund and are investing those dollars or are waiting until market conditions improve. Second, despite the recession, venture firms with solid track records continue to be able to secure sizable commitments from limited partners as there remains a great deal of promise for future returns from the venture capital asset class."

| Fundraising by Venture Funds |                 |                       |
|------------------------------|-----------------|-----------------------|
| Year/Quarter                 | Number of Funds | Venture Capital (\$M) |
| 2004                         | 211             | 19,156.0              |
| 2005                         | 236             | 28,747.5              |
| 2006                         | 239             | 31,866.0              |
| 2007                         | 249             | 35,649.4              |
| 2008                         | 214             | 28,278.5              |
| 2009                         | 40              | 4,316.0               |
| 1Q'07                        | 81              | 6,485.5               |
| 2Q'07                        | 85              | 8,660.6               |
| 3Q'07                        | 77              | 8,595.8               |
| 4Q'07                        | 85              | 11,907.5              |
| 1Q'08                        | 71              | 7,120.1               |
| 2Q'08                        | 78              | 9,246.7               |
| 3Q'08                        | 62              | 8,393.3               |
| 4Q'08                        | 47              | 3,518.4               |
| 1Q'09                        | 40              | 4,316.0               |

Source: Thomson Reuters & National Venture Capital Association

Market circumstances nearly halted the formation of new venture capital funds in the first quarter of 2009. Just three new funds and 37 follow-on funds were raised in the first quarter, or a ratio of over 12-to-1 of follow-on to new funds, compared to 6-to-1 in the first quarter of 2008. A "new" fund is defined as the first fund at a newly established firm, although the general partner of that firm may have previous experience investing in venture capital.

| VC Funds: New vs. Follow-On |               |                     |       |
|-----------------------------|---------------|---------------------|-------|
|                             | No. of<br>New | No. of<br>Follow-on | Total |
| 2004                        | 55            | 156                 | 211   |
| 2005                        | 63            | 173                 | 236   |
| 2006                        | 55            | 184                 | 239   |
| 2007                        | 61            | 188                 | 249   |
| 2008                        | 47            | 167                 | 214   |
| 2009                        | 3             | 37                  | 40    |
| 1Q'07                       | 21            | 60                  | 81    |
| 2Q'07                       | 17            | 68                  | 85    |
| 3Q'07                       | 15            | 62                  | 77    |
| 4Q'07                       | 26            | 59                  | 85    |
| 1Q'08                       | 10            | 61                  | 71    |
| 2Q'08                       | 23            | 55                  | 78    |
| 3Q'08                       | 13            | 49                  | 62    |
| 4Q'08                       | 11            | 36                  | 47    |
| 1Q'09                       | 3             | 37                  | 40    |

Source: Thomson Reuters & National Venture Capital Association

The largest fund raised in the first quarter was August Capital V, L.P. (balanced stage, \$650 million) by firm August Capital Management followed by

Bain Capital Venture Fund 2009, L.P. (balanced stage, \$475 million) by Bain Capital Ventures.

#### About Thomson Reuters

Thomson Reuters is the world's leading source of intelligent information for businesses and professionals. We combine industry expertise with innovative technology to deliver critical information to leading decision makers in the financial, legal, tax and accounting, scientific, healthcare and media markets, powered by the world's most trusted news organization. With headquarters in New York and major operations in London and Eagan, Minnesota, Thomson Reuters employs more than 50,000 people in 93 countries. Thomson Reuters shares are listed on the New York Stock Exchange (NYSE: TRI); Toronto Stock Exchange (TSX: TRI); London Stock Exchange (LSE: TRIL); and Nasdaq (Nasdaq: TRIN). For more information, go to [www.thomsonreuters.com](http://www.thomsonreuters.com).

#### About National Venture Capital Association

The National Venture Capital Association (NVCA) represents approximately 450 venture capital firms in the United States. 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 2007 Global Insight study, venture-backed companies accounted for 10.4 million jobs and \$2.3 trillion in revenue in the United States in 2006. 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).

#### SOURCE Thomson Reuters

CONTACT: Emily Mendell, NVCA,  
+1-610-565-3904, [emendell@nvca.org](mailto:emendell@nvca.org);  
Sandra Lee, Thomson Reuters, Public Relations,  
+1-646-223-5292, [sandra.lee@thomsonreuters.com](mailto:sandra.lee@thomsonreuters.com),  
Sandy Anglin, Thomson Reuters, Research Analyst,  
+1-646-223-6997, [sandy.anglin@thomsonreuters.com](mailto:sandy.anglin@thomsonreuters.com)/  
/Web Site: <http://www.thomsonreuters.com/>  
(TRI TRIN TRI TRI. TRIN)