



# **The Library House Quarterly Briefing** Q4 2007

# European venture capital investment drops in 2007

- Overall investment level down 6.6% from 2006 total
- Quarterly Cleantech investment climbs past the €200m figure
- European venture capital investment attributable to the UK drops to just 22% in Q4 2007

Data released today by Library House, the essential source on fast-growth, innovation-led private companies across Europe, shows that the amount of disclosed venture capital invested in Europe contracted during the fourth quarter of 2007 to €1.21bn, compared to €1.36bn last quarter and €1.52bn in Q4 2006. Even taking into account any future late reporting of Q4 deals, 2007 investment levels are more than 5% down on those seen in 2006, dropping from €5.64bn in 2006 to €5.27bn in 2007.

However, the European Cleantech sector continued its remarkable growth, breaking the €200m barrier for the first time, attracting a total of €206m of disclosed venture capital in Q4 2007 compared to €196m the previous quarter. The number of deals also increased from 33 in Q3 to 37 in Q4. The European Cleantech sector as a whole attracted €712m in venture capital in 2007, almost doubling the €317m invested in 2006. Notable European Cleantech deals in Q4 2007 included the €18m investment into CamSemi, the Cambridge-based fabless semiconductor company developing power-saving integrated circuits, and the €16m investment into UK materials company, Atraverda.

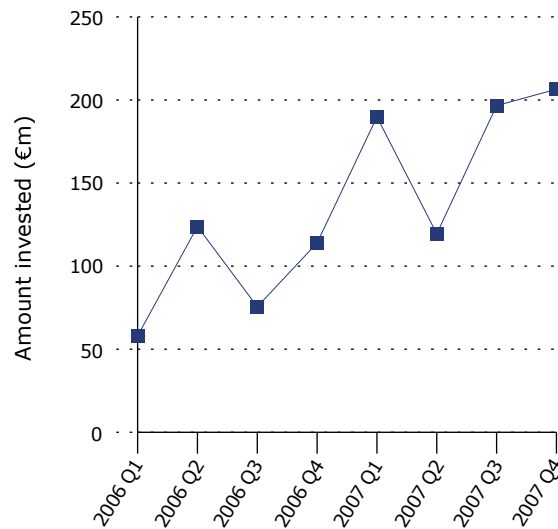
The UK saw its share of the total amount of European venture capital invested drop to 22% in Q4 2007, the lowest share in two years, demonstrating that venture capitalists are increasingly focussing on the whole of Europe and not just the UK. Some of the countries that have increased their total share of venture capital investment over the period, at the expense of the UK, include the Netherlands, from 0.2% in Q1 2006 to 6.9% in Q4 2007, Switzerland, from 2.7% in Q1 2006 to 6.4% in Q4 2007, Germany, 9.3% in Q1 2006 to 11.4% in Q4 2007 and France, 13.6% in Q1 2006 to 15.2% in Q4 2007. However, when looked at over an annual basis, the UK accounted for 27% of all venture capital invested in 2007 compared to 29% in 2006, a drop of only 2%.

Sofinnova Partners were the largest investor in terms of amount invested in Q4 2007, taking part in 4 deals for a total of €91m. The German-based High-Tech Gründerfonds were the most prolific investor, participating in 9 funding rounds during the quarter.

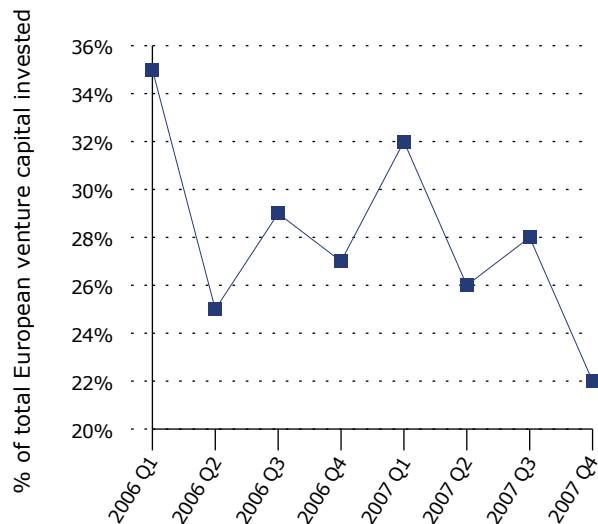
With regards to exits, Q4 2007 saw the acquisition of 32 European venture backed companies. Additionally, 14 companies completed public offerings in Q4 2007 for a combined market capitalisation of over €800m. Notable exits included Ablynx, a Belgium-based biotechnology company discovering and developing therapeutic proteins based on single-domain antibody fragments, listing on Euronext with a market capitalisation of around €240m, U-blox, a Swiss-based developer of global positioning solutions, listing on the Swiss Stock Exchange with a market capitalisation of €190m, and the €94m acquisition by Orexo Pharmaceuticals of Biolipox, a pharmaceutical company developing new therapies for inflammatory diseases based in Sweden.

Over the whole of 2007, a total of 202 European venture backed companies were acquired. The second half of the year was weaker than the first, with 70 trade sales compared to 132 in the first half. The number of venture backed IPOs was also down between the first half and the second half of 2007 with only 31% of the year's total recorded during the last two quarters.

John Owen, CEO of Library House, commented "The lack of European exits in the second half this year is concerning, especially considering recent data showing that 2007 was a record year for venture backed liquidity in the US".



European venture capital investment into the Cleantech sector by quarter



The UK share of European venture capital by quarter

# EUROPEAN VENTURE INTELLIGENCE



## Top deals in Europe Q4 2007

Company	Country	Amount Raised (€000s)
Mobileye	The Netherlands	70,425
SiC Processing	Germany	53,400
OpenHydro (Ireland)	Ireland	40,000
Fovea Pharmaceuticals	France	30,000
Antisense Pharma	Germany	27,000

## Most active investors in Europe Q4 2007 by number of deals

Investment Manager	Number of Deals	Syndicated Amount Invested (€000s)
High-Tech Gründerfonds	9	2,700
Scottish Equity Partners	6	65,889
Industrifonden	6	14,155
OTC Asset Management	5	20,576
Catapult Venture Managers	5	5,589
Allegro Investment Fund	5	4,200
Sofinnova Partners	4	91,772
BankInvest Group	4	48,764
Quest for Growth	4	39,696
3i Group	4	39,055

Note: an additional ten investment managers completed 4 European deals in Q4 2007

## Top investors in Europe Q4 2007 by syndicated amount

Investment Manager	Syndicated Amount Invested (€000s)	Number of Deals
Sofinnova Partners	91,772	4
Goldman Sachs Capital Partners	70,425	1
Scottish Equity Partners	65,889	6
GIMV	55,000	2
Merrill Lynch Investment Managers	54,103	2
CC Private Equity Partners	53,400	1
Foursome Investments	53,400	1
Masdar Clean Tech Fund	53,400	1
Zouk Ventures	53,400	1
Abingworth Management	52,915	2

# CLEANTECH INTELLIGENCE



## Top deals in European Cleantech Q4 2007

Company	Country	Amount Raised (€000s)
SiC Processing	Germany	53,400
OpenHydro (Ireland)	Ireland	40,000
CamSemi	United Kingdom	18,236
Ambene	Spain	16,000
Atraverda	United Kingdom	14,895

## Most active investors in European Cleantech Q4 2007 by number of deals

Investment Manager	Number of Deals	Syndicated Amount Invested (€000s)
The Carbon Trust	3	21,474
Scottish Equity Partners	2	33,131
DEMETER Partners	2	23,500
BankInvest Group	2	16,464
Industrifonden	2	4,245
Sigma Capital Group	2	973
IBG Beteiligungsgesellschaft Sachsen-Anhalt mbH	2	Undisclosed

Note: must have done more than one European Cleantech deal in Q4 2007 to qualify

## Top investors in European Cleantech Q4 2007 by syndicated amount

Investment Manager	Syndicated Amount Invested (€000s)	Number of Deals
Merrill Lynch Investment Managers	53,400	1
CC Private Equity Partners	53,400	1
Foursome Investments	53,400	1
Masdar Clean Tech Fund	53,400	1
Zouk Ventures	53,400	1
One51	40,000	1
Scottish Equity Partners	33,131	2
DEMETER Partners	23,500	2
The Carbon Trust	21,474	3
3i Group	18,236	1
TTP Venture Managers	18,236	1

# MEDIA TECH INTELLIGENCE



## Top deals in European Mediatech Q4 2007

Investment Manager	Country	Amount Raised (€000s)
MyStrands	Spain	16,362
Streamezzo	France	15,000
Gigle Semiconductor	United Kingdom	13,447
Skinkers	United Kingdom	11,106
Imagine Communications	Israel (R&D)	10,422

## Most active investors in European Mediatech Q4 2007 by number of deals

Investment Manager	Number of Deals	Syndicated Amount Invested (€000s)
Accel Partners	3	19,142
Carmel Ventures	2	13,202
Balderton Capital	2	2,102
Media Ventures	2	Undisclosed

Note: must have done more than one European Mediatech deal in Q4 2007 to qualify

## Top investors in European Mediatech Q4 2007 by syndicated amount

Investment Manager	Syndicated Amount Invested (€000s)	Number of Deals
Accel Partners	19,142	3
Banco Bilbao Vizcaya Argentaria SA	16,362	1
Debaeque Venture Capital	16,362	1
Sofinnova Partners	15,000	1
AXA Private Equity	15,000	1
I-Source Gestion SA	15,000	1
National Technology Enterprises Company	15,000	1
Qualcomm Ventures	15,000	1
Scottish Equity Partners	13,447	1
Pond Venture Partners	13,447	1