



Feargal Ó Móráin, Director of Corporate and Investment Services at Enterprise Ireland, has today launched the Enterprise Ireland Seed & Venture Capital Programme 2010 Report. Despite a continuing challenging economic climate for business, Irish venture capital firms supported by Enterprise made 105 investments in 74 companies with a value of €42 million in 2010. This represents a significant result, mirroring the strong performance by Irish exporters in 2010 and the increase in the number of innovative start up enterprises supported by Enterprise Ireland during the year.

Launching the report, Feargal Ó Móráin said: 'The Irish seed and venture capital sector is an absolutely critical element of the funding environment supporting the creation of jobs and start ups in Ireland. This is particularly important for encouraging entrepreneurs set up new innovative businesses and attracting high potential start ups from overseas. In the last 10 years alone, Enterprise Ireland has supported over 800 high potential start-up companies which are responsible for employing over 25,000 people directly and indirectly in the wider economy, and have combined sales of over €1.5 billion, 75% of which is exported. It is crucial that we continue to build a first class investment eco-system that meets the needs of both entrepreneurs and expanding companies, supporting them to innovate, grow their businesses, increase exports and create jobs'.

A highlight of the year was the continuing increase in seed funding being made available to meet the urgent need for capital for entrepreneurs and early stage start ups. During the year, there was an increase of €18 million in seed capital funding available to Irish companies with the launch of the new €17 million Bank of Ireland Start-up and Emerging Sectors Equity Fund 2010 and a €1 million investment by Galway University Foundation in the original Bank of Ireland Seed & Early Stage Equity. A further welcome boost to the venture capital sector was the launch of the new €75 million Atlantic Bridge II Limited Partnership Fund, which will build upon the strong performance of the previous Atlantic Bridge Fund.

Over the past 17 years the Government, through Enterprise Ireland, has committed approximately €320 million, as a limited partner, to 41 seed and venture capital funds (with a total size of €1.2 billion) that have been set-up in Ireland. This includes investing in nine new VC funds under the current 2007-2012 Seed & Venture Capital Programme. The total amount of investment available to companies under this current Programme reached €551 million in 2010. 'This is all about creating the right environment where entrepreneurs are encouraged and supported to set up new businesses, and ambitious established companies can confidently invest in new opportunities to grow their operations, win new export business and create jobs',

Mr Ó Móráin said.

The focus on increasing the availability of seed capital, in the context of bank recapitalisation, has continued in 2011 with the total amount of seed capital available to early stage businesses now amounting to €124 million. ‘This represents an unprecedented level of funding for the key start-up / early stage segment of Irish business and it is encouraging that the investment pipeline for these funds remains strong’, Mr Ó Móráin added.

Welcoming the report, the Minister for Jobs, Enterprise and Innovation Richard Bruton TD, said:

“I have repeatedly said that if we are to get out of this crisis, we have to vigorously promote indigenous innovation. One crucial part of my plan is promoting the development of a thriving venture capital industry here. We have seen in other countries the enormous benefits of venture capital – for example Israel, which now has one of the highest numbers of start-up companies per capita in the world – and we must ensure that we take on the lessons of success stories like this. The Enterprise Ireland Seed and Venture Capital Programme is a crucial part of this, and it is encouraging to see good performance both in seed and early stage and in the wider venture capital industry in 2010. However if we are to get jobs and growth back into the economy again we must be far-reaching in our ambitions for our domestic venture capital industry. I am determined to ensure that indigenous innovation can be the engine of a sustainable recovery in Ireland”.

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