

Q4 2012 Private Equity-Backed Venture Capital Deals

January 2013

Fig. 1: Number and Aggregate Value of Venture Capital Deals Globally: Q1 2008 - Q4 2012

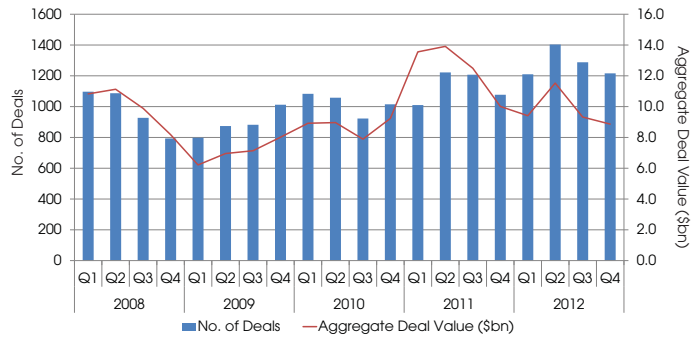


Fig. 3: Proportion of Number of Venture Capital Deals by Stage: Q4 2012

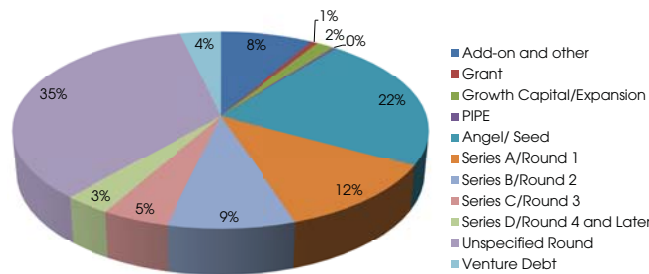


Fig. 5: Proportion of Number and Aggregate Value of VC Deals by Industry: Q3 2012

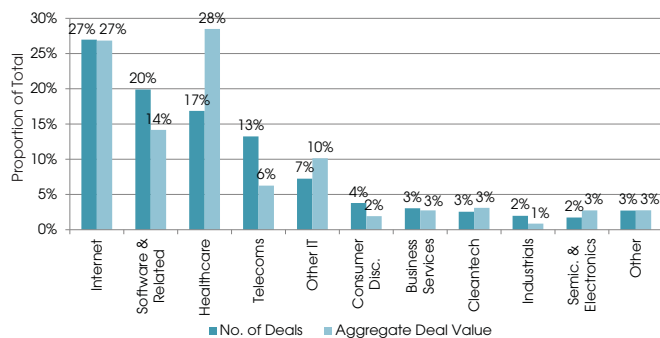


Fig. 2: Number of Venture Capital Deals by Region: Q1 2008 - Q4 2012

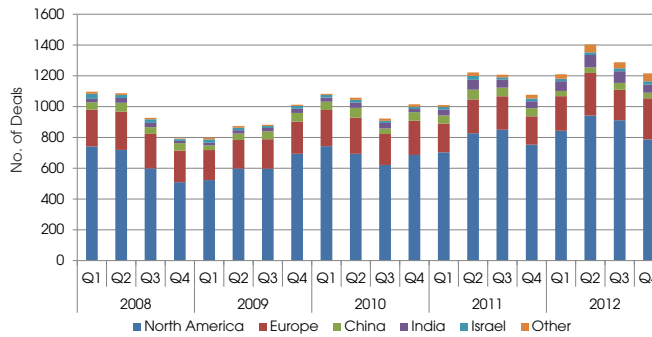
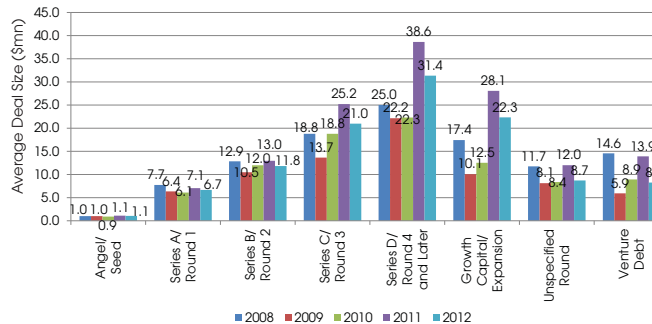


Fig. 4: Average Value of Venture Capital Deals (\$mn): 2008 - 2012



Prequin data shows that 1,216 venture capital financings were announced in Q4 2012, with an aggregate value of \$8.9bn – a 6% drop in the number and 5% decline in the value of deals in comparison to Q3 2012.

The number of deals in the quarter was around 16% higher than the average quarterly figure for Q1 2008 to Q3 2012, yet the aggregate value was around 9% lower than the quarterly average over the same period, clearly indicating the increasing prominence of low-value early stage venture capital deals.

North America once again saw the greatest amount of venture capital investment in Q4 2012, with 787 deals valued at \$6.1bn, accounting for 65% and 69% of the global number and aggregate value of deals respectively. However, the number of deals announced and their aggregate value saw drops of 14% and 15% respectively compared to Q3 2012.

In contrast, 267 deals valued at \$1.3bn were announced in Europe, an increase of 36% in number and 22% in aggregate value compared to Q3 2012; the region comprised 22% of the global number of deals and 14% of the global aggregate value.

Thirty-six venture capital investments were announced in China, a decrease in the number of deals in the country of 20% compared to Q3 2012; however, the aggregate value of these deals was, at \$815mn, 88% higher than the previous quarter, although 2012 as a whole saw venture capital investment levels drop significantly.

The number of deals announced in India fell by 30% in Q4 2012 compared to Q3 2012, to 53 deals, along with a 57% decrease in aggregate value, to \$179mn over the same time period.

The aggregate value of deals in Israel rose by 25% between Q3 and Q4 2012 to \$161mn, with the number of deals increasing by 3% to 22, representing the third consecutive quarterly increase in the number of deals in the country.

Angel/Seed stage deals once again accounted for a larger proportion of the number of venture capital deals globally in Q4, with 22% of investments falling into this category.

Meanwhile Series A deals witnessed a slight drop in prominence, accounting for 12% of deals in Q4 2012 compared to 16% in Q3 2012. Series B, C, D and later investments again accounted for a relatively small proportion of the global number of deals, at 16%, due largely to the greater value of these deals and the smaller pool of companies reaching later stages of investment.

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Fig. 6: 10 Largest Venture Capital Deals: Q4 2012

Name	Date	Stage	Deal Size (mn)	Currency	Investors	Industry	Location
Fisker Automotive, Inc.	Apr-12	Unspecified Round	392	USD	Kleiner Perkins Caufield & Byers, New Enterprise Associates	Clean Technology	US
360Buy	Nov-12	Series F/Round 6	300	USD	Ontario Teachers' Pension Plan, Tiger Global Management	Internet	China
SquareTrade Inc.	Jan-12	Growth Capital/Expansion	238	USD	Bain Capital	Financial Services	US
Xiaomi	Jun-12	Series C/Round 3	216	USD	DST Global	Telecoms	China
Mogujie.com	Oct-12	Series C/Round 3	200	USD	IDG Ventures, Qiming Venture Partners, Bertelsmann AG	Internet	China
Square, Inc.	Sep-12	Series D/Round 4	200	USD	Citi Ventures, Rizvi Traverse Management, Starbucks	Financial Services	US
Drillinginfo, Inc.	Mar-12	Growth Capital/Expansion	165	USD	Battery Ventures, Eastern Advisors, Insight Venture Partners	Oil & Gas	US
Intarcia Therapeutics, Inc.	Nov-12	Unspecified Round	160	USD	Baupost Group, Farallon Capital Management, New Enterprise Associates, New Leaf Venture Partners, Venrock	Pharmaceuticals	US
Flipkart	Aug-12	Series D/Round 4	150	USD	Accel Partners, Iconiq Capital, Naspers, Tiger Global Management	Internet	India
Fanatics, Inc.	Jun-12	Unspecified Round	150	USD	Andreessen Horowitz, Insight Venture Partners	Internet	US

Fig. 7: 5 Notable VC Exits: Q3 2012

Name	Date of First Investment	Investors (Entry)	Total Known Funding (mn)	Exit Type	Exit Date	Acquiror (Exit)	Exit Value (mn)	Currency	Primary Industry	Location
Facebook, Inc.*	Sep-04	Accel Partners, DST Global, Elevation Partners, Firsthand Technology Value Fund, Goldman Sachs, Greylock Partners, GSV Capital, Hercules Technology Growth Capital, Meritech Capital Partners, Microsoft, T Rowe Price, The Founders Fund Management, TriplePoint Capital	2,391 USD	IPO	May-12	-	16,000	USD	Internet	US
Kayak Software Corporation	Jan-04	Accel Partners, AOL Inc., General Catalyst Partners, Gold Hill Capital, Lehman Brothers, Norwest Venture Partners, Oak Investment Partners, Sequoia Capital, Silicon Valley Bank, Trident Capital	229 USD	Trade Sale	Nov-12	Priceline.com	1,800	USD	Internet	US
Nicira Networks	Jun-09	Andreessen Horowitz, Lightspeed Venture Partners, New Enterprise Associates	40 USD	Trade Sale	Jul-12	VMware	1,260	USD	Network	US
Meraki Inc.	Dec-06	Duff Ackerman & Goodrich Ventures, Google, Northgate Capital, Sequoia Capital	80 USD	Trade Sale	Nov-12	Cisco	1,200	USD	IT Infrastructure	US
Yammer, Inc.	Jan-09	Capricorn Venture Partners, Charles River Ventures, CrunchFund, Draper Fisher Jurvetson, Emergence Capital Partners, Founders Fund, Goldcrest Investments, Khosla Ventures, Meritech Capital Partners, SV Angel, The Founders Fund Management, The Social+Capital Partnership, US Venture Partners	142	Trade Sale	Jun-12	Microsoft Corp.	1,200	USD	Internet	US

* Denotes partial exit



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