

This report is an excerpt from: **Preqin Quarterly: Private Equity, Q3 2012**. To download the full report please visit: https://www.preqin.com/docs/quarterly/PE/Private_Equity_Quarterly_Q3_2012.pdf

Venture Capital Deals by Quarter

A total of 1,226 venture capital financings were announced during Q3 2012, with an aggregate value of \$9.3bn – an 8% drop in the number and 20% decline in the value of deals compared to Q2 2012.

North America-based venture capital deals represented 70% of the number and 76% of the global aggregate value of venture capital deals announced in Q3 2012. The region witnessed 860 financings valued at \$7.0bn in Q3 2012, a decrease of 4% in the number and 19% in the value of deals in the region compared to Q2 2012. European deals accounted for 16% of the number and 11% of the aggregate value of venture capital deals in Q3 2012, with 191 deals valued at \$1.0bn, a decline of almost a third in both the numbers and values of deals compared to Q2 2012.

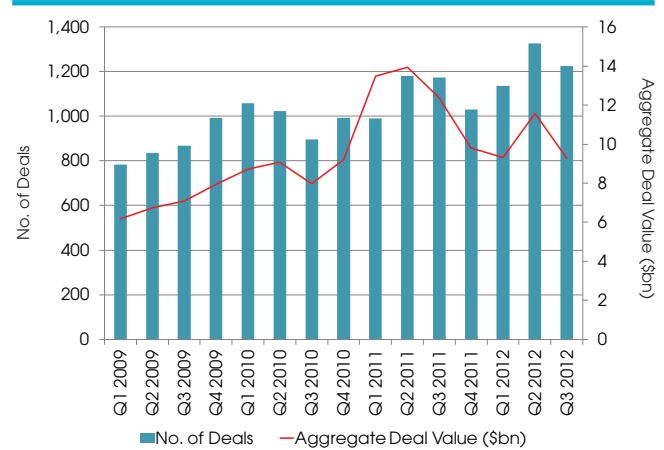
Thirty-nine venture capital deals valued at a combined \$370mn were announced in China during Q3 2012, representing 3% of all deals globally. While the number of venture capital deals taking place in China has increased slightly compared to Q2 2012, the value of deals fell 40% compared to Q1 2012. The levels of venture capital deal activity in China in Q3 2012 represent some of the lowest quarterly number and value of deals in the region since early 2009, as investor worries over the Chinese exit market continue to impact deal activity.

Seventy-eight venture capital deals valued at \$610mn were announced in India during Q3 2012, a 40% increase in deal value compared to Q2 2012; these figures represent the highest levels of venture capital activity in the 2009 to 2012 period. Israel saw virtually identical numbers of deals compared to Q2 2012, with 19 deals valued at an aggregate \$128mn announced in Q3 2012.

Early stage investments continued to grow in prominence, with angel/seed stage and Series A deals accounting for 22% and 16% of venture capital investments in Q3 2012 respectively. Series B, C, D and later investments accounted for less than 20% of the number of all deals in Q3 2012. Interestingly, the average value of venture capital deals in 2012 so far has been lower for each investment stage than in 2011, with average deal sizes currently matching investment sizes from 2010, particularly in relation to early stage investments.

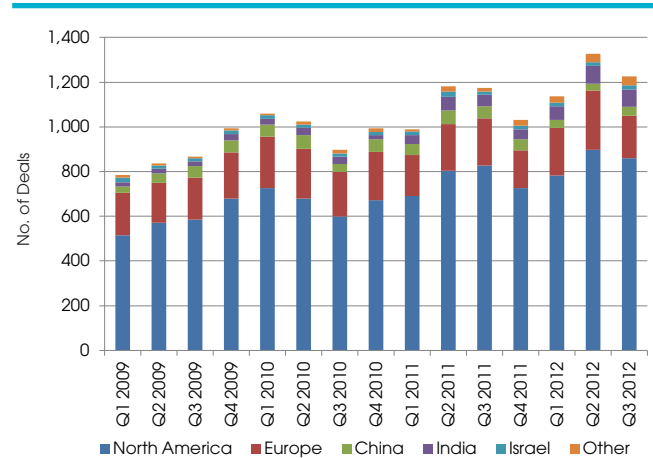
The internet sector once again received the highest number of venture capital financings. However, the aggregate value of these as a proportion of the total for all sectors fell four percentage points from 25% in Q2 2012 to 21% in Q3 2012. Software deals accounted for 17% of the value of venture capital deals in Q3 2012, an increase from 11% in Q2 2012.

Fig. 39: Number and Aggregate Value of Venture Capital Deals Globally, Q1 2009 - Q3 2012



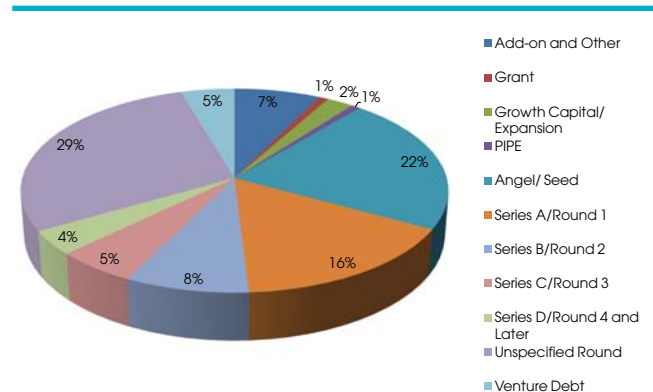
Source: Preqin Venture Deals Analyst

Fig. 40: Number of Venture Deals by Geographic Location, Q1 2009 - Q3 2012



Source: Preqin Venture Deals Analyst

Fig. 41: Proportion of Number of Venture Capital Deals by Stage, Q3 2012



Source: Preqin Venture Deals Analyst

Preqin's Venture Deals Analyst has in-depth data for over 32,000 buyout deals across the globe.

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