

# Q2 2012 Private Equity-Backed Venture Capital Deals

July 2012

Fig. 1: Number and Aggregate Value of Venture Capital Deals Globally: Q1 2010 - Q2 2012

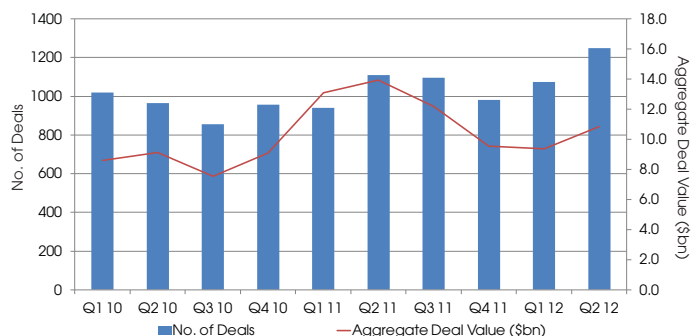


Fig. 3: Proportion of Number of Venture Capital Deals by Stage: Q2 2012

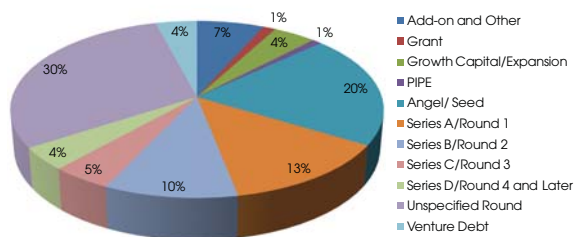


Fig. 5: Proportion of Number and Aggregate Value of VC Deals by Industry: Q2 2012

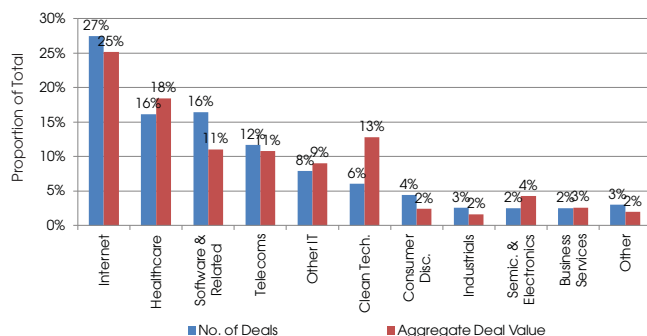


Fig. 2: Number of Venture Capital Deals: Q1 2010 - Q2 2012

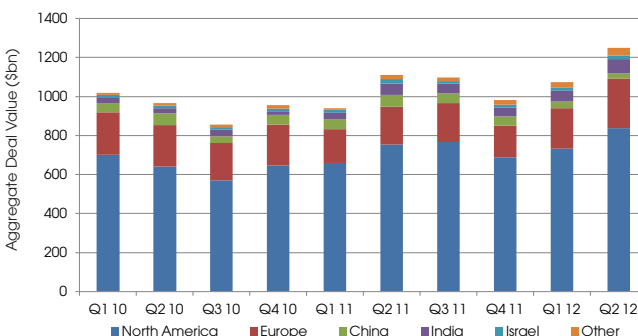
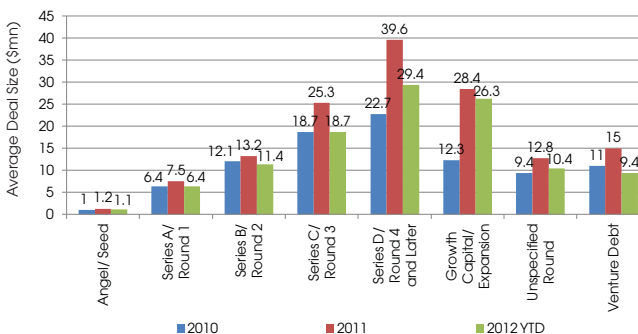


Fig. 4: Average Value of VC Deals: 2010 - 2012 YTD



The number and value of VC deals completed in Q2 2012 have increased by 16% against Q1 2012 figures.

Sixty-seven percent of the number and 75% of the aggregate value of VC deals announced in Q2 2012 occurred in North America, with 839 VC financings in the region valued at \$8.2bn during the quarter. This represents a 14% increase in comparison to the previous quarter, when 734 VC financings valued at \$7.2bn were announced.

European VC activity experienced a 23% rise in the number and 25% increase in the value of VC deals in comparison to the previous quarter, with 252 deals valued at \$1.4bn during Q2 2012.

The number of Chinese VC deals continued to slide in Q2 2012, with 27 VC deals announced in the region during Q2 2012. This represents a 20% drop in deal volume from Q1 2011 and a 42% decrease from Q4 2011. This slide has largely been caused by investor concerns regarding the Chinese exit market. However, deal value almost doubled in comparison to the previous quarter, in large due to the \$216mn Series C financing of Xiaomi. Q2 saw \$545mn invested in the region, up from \$280mn in Q1 2011, but still lower than the \$798mn worth of VC deals completed in Q4 2011.

A total of 75 VC deals were announced in India during Q2 2012, a 32% increase from the previous quarter. This represents the most active quarter for Indian deal flow during the 2010 – H1 2012 period in terms of number of deals.

Israel was host to 17 VC deals worth an aggregate \$200mn during Q2 2012, matching activity in the region witnessed in recent quarters.

One-third of all VC deals globally during Q2 2012 were Angel, Seed or Series A financings, displaying investors' attraction towards very early stage investments. Additionally, Series B, C, D and later investments accounted for less than 20% of the number of all deals.

VC-backed add-on deals comprised 7% of all deals in Q2, highlighting VC firms' attraction to bolting on smaller companies to their portfolio companies.

The average VC deal value in 2012 to date has been \$14.1mn per deal. This is down on the previous year, when the average VC investment totalled \$17.9mn per round, but very similar to deal values witnessed during 2010.

In Q2 2012, more than a quarter of the total number and aggregate value of financings globally was invested in the internet sector, inclusive of social networking and e-commerce deals. The healthcare and software sectors accounted for around 16% of the total number of VC deals, while clean technology companies accounted for 13% of the aggregate value of investments.

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Fig. 6: 10 Largest VC Deals: Q2 2012

Name	Date	Stage	Deal Size (mn)	Investors	Primary Industry	Location
Fisker Automotive, Inc.	Apr-12	Unspecified Round	392 USD	Kleiner Perkins Caufield & Byers, New Enterprise Associates	Clean Technology	US
Xiaomi	Jun-12	Series C/Round 3	216 USD	DST Global	Telecoms	China
Fanatics, Inc.	Jun-12	Unspecified Round	150 USD	Andreessen Horowitz, Insight Venture Partners	Internet	US
Sapphire Energy, Inc.	Apr-12	Series C/Round 3	144 USD	ARCH Venture Partners, Arrowpoint Ventures, Cascade Investment LLC, Monsanto Company, Venrock, Wellcome Trust	Clean Technology	US
Sonos, Inc.	Jun-12	Growth Capital/Expansion	135 USD	Elevation Partners, Kohlberg Kravis Roberts, Redpoint Ventures	Electronics	US
Xplornet Communications Inc.	Jun-12	Growth Capital/Expansion	125 CAD	-	Internet	Canada
Bioventus LLC	May-12	Growth Capital/Expansion	118 USD	Alta Capital, Ampersand Capital Partners, Essex Woodlands Health Ventures, Pantheon, Spindletop Capital, White Pine Medical, Inc.	Healthcare	US
Harvest Power, Inc.	Apr-12	Series C/Round 3	110 USD	American Refining and Biochemical, Inc., Duff Ackerman & Goodrich Ventures, Generation Investment Management, Kleiner Perkins Caufield & Byers, True North Venture Partners	Clean Technology	US
Castlight Health, Inc.	May-12	Series D/Round 4	100 USD	Redmile Group, T Rowe Price	Healthcare IT	US
Pinterest	May-12	Unspecified Round	100 USD	Andreessen Horowitz, Bessemer Venture Partners, FirstMark Capital, Rakuten, Inc.	Internet	US

Fig. 7: 5 Notable VC Exits: Q2 2012

Name	Date of First Investment	Investors (Entry)	Total Known Funding (mn)	Exit Type	Exit Date	Acquiror (Exit)	Exit Value (mn)	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	2391.2 USD	IPO	May-12	-	16000 USD	Internet	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 USD	Trade Sale	Jun-12	Microsoft Corp.	1200 USD	Internet	US
Instagram, Inc.	Mar-10	Andreessen Horowitz, Balderton Capital, Baseline Ventures, Benchmark Capital, Greylock Partners, Sequoia Capital, Thrive Capital Management	57.5 USD	Trade Sale	Apr-12	Facebook, Inc.	1000 USD	Mobile Applications	US
Buddy Media, Inc.	Sep-07	Bay Partners, Counsel RB Capital, European Founders, GGV Capital, Greycroft Partners, Insight Venture Partners, Institutional Venture Partners, Knight's Bridge Capital Partners, Softbank Capital, WPP	90 USD	Trade Sale	Jun-12	Salesforce.com	689 USD	Software	US
EUSA Pharma, Inc.	Jul-05	Acqua Wellington Asset Management, Banc of America Securities, Bay Capital, Clarion Capital Partners, Downsview Capital, First Eagle Investment Management, Fort Mason Capital, Heights Capital Management, Highbridge, Iroquois Capital Group, J.P. Morgan, Merlin Nexus, Nite Capital Management, Oppenheim Asset Management Services, OrbiMed Advisors, ProQuest Investments, Rodman & Renshaw, Versant Ventures, Waud Capital Partners	54.2 USD	Trade Sale	Apr-12	Jazz Pharmaceuticals	650 USD	Pharmaceuticals	UK

\* denotes partial exit



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