

Venture Capital Investment in China and India Grows in Opening Quarter of 2016

Number of global deals and aggregate deal value higher than in Q4 2015

The latest update from Preqin shows that 2,403 venture capital deals worth a combined \$34bn were concluded globally in the first quarter of 2016*. This represents an increase in the number of deals and aggregate deal value compared to Q4 2015, which recorded 2,366 deals globally, worth a total of \$27bn. Q1 2016's level of activity has also surpassed the first quarter of last year, which saw venture capital deals worth \$30bn, but is yet to approach the record \$42bn of deals seen in Q3 2015.

The number of venture capital deals fell slightly across all regions except India and Europe while aggregate deal values fell in Europe by 4% from Q4 2015, but rose across all other regions. The value of deals in India rose from \$1.1bn in Q4 2015 to \$1.6bn in Q1 2016, an increase of 47%, while deal value in China rose by 51% to stand at \$12.2bn for the quarter. Despite the slight quarterly decrease, the number of deals in Greater China in Q1 2016 is 33% up compared to the first quarter of last year, while in India it is 71% higher.

Other Key Venture Capital Deal and Exit Facts:

- **Deals by Stage:** Angel/seed stage deals remained the most prevalent in Q1 2016, accounting for 29% of the total number of deals. **Series D and later round financings represented 5% of the number of deals**, while venture debt accounted for 8%.
- **Average Deal Size:** The average size of angel/seed stage in Q1 was \$1.8mn, the highest average value since 2007. Conversely, the **average value of Series D and later stage deals fell from \$97mn in 2015 to \$86mn** in the first quarter of 2016.
- **Biggest Deals:** The **biggest venture capital deal in Q1 was the \$3.3bn financing of Meituan-Dianping** in an unspecified round. The four largest deals in the quarter were in China, with the region also seeing 6 of the top ten deals; the other four were concluded in the US.
- **Exit Environment:** Q1 2016 saw **265 venture capital-backed exits worth a combined \$17bn**. This represents a significant decrease from the \$28bn recorded by 304 exits in Q4 2015.
- **Biggest Exits:** The **largest venture capital-backed exit in the quarter was the \$3.5bn sale of Legend Pictures LLC** to the Dalian Wanda Group in January. Seven of the ten largest exits in Q1 2016 were from US-based companies.

To access further information and analysis, please see the factsheet that follows

Comment:

“Although 2015 was a record year for venture capital deal activity overall, the last quarter of the year saw a sharp drop in the total value of investments globally. The first quarter of 2016 seems to have rebounded from those fears, and aggregate venture capital deal value is close to that seen in the first quarter of 2015. With the number of deals also increasing, 2016 will be another landmark year for the industry if this level of activity continues.

In particular, it is very encouraging to see the total value of deals in India and China continues to grow. Despite concerns about volatility and uncertainty in emerging markets, these regions have continued to attract significant capital, and the rate of quarterly increases in aggregate deal value is a mark of investors' confidence. If this level of financing continues, then the regions could be on course to see another record-breaking year of venture capital activity.”

Felice Egidio – Head of Venture Capital Products, Preqin

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****All data correct as at time of going to press 1st April; figures subject to upwards revision as further information becomes available.***

Note to Editors:

- Preqin is spelled without the letter 'U' after the 'Q', the company name being an amalgamation of the former name, Private Equity Intelligence.

About Preqin:

Preqin is the leading source of information for the alternative assets industry, providing data and analysis via online databases, publications and bespoke data requests.

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Q1 2016 Venture Capital Deals

4 April 2016

Fig. 1: Global Number and Aggregate Value of Venture Capital Deals*, Q1 2013 - Q1 2016

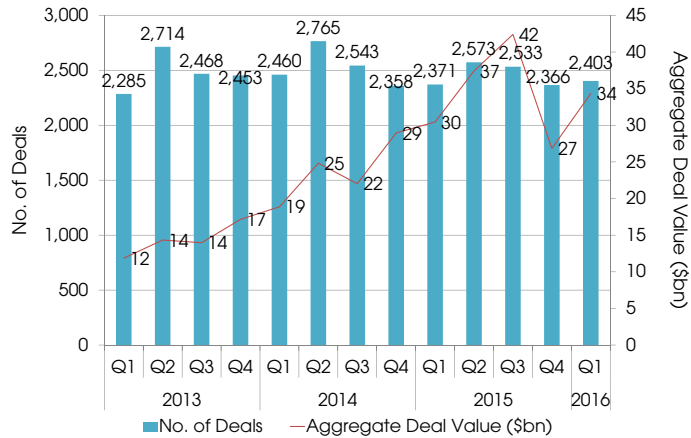


Fig. 2: Number of Venture Capital Deals* by Region, Q1 2013 - Q1 2016

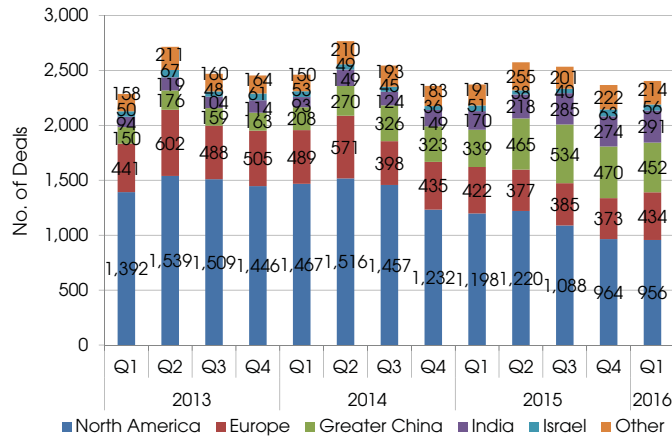


Fig. 3: Number of Venture Capital Deals by Stage, Q1 2016

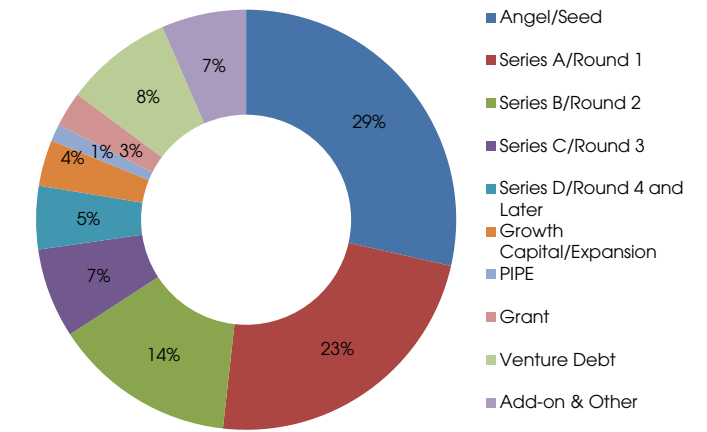


Fig. 4: Average Value of Venture Capital Deals, 2014 - Q1 2016

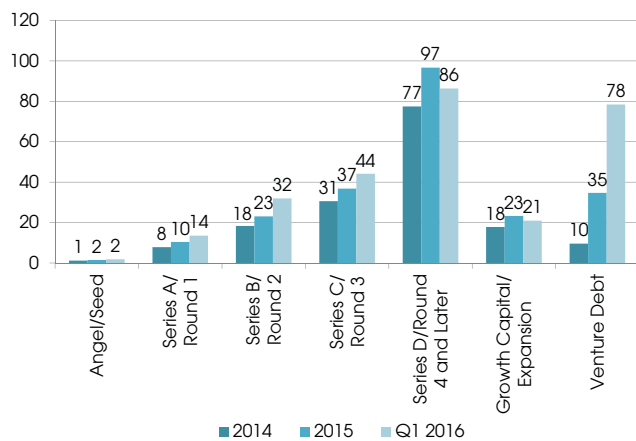


Fig. 5: Number and Aggregate Deal Value of Venture Capital Deals* by Industry, Q1 2016

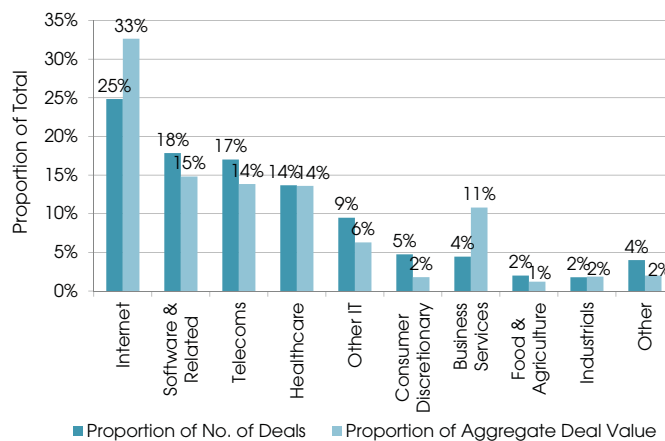
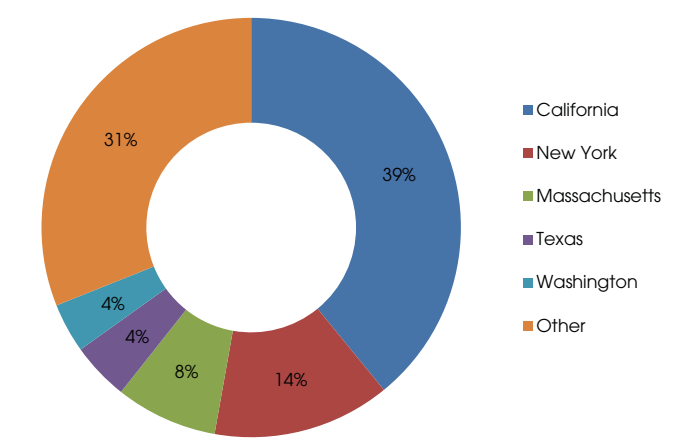


Fig. 6: Number of US Venture Capital Deals* by State, Q1 2016



*Figures exclude add-ons, mergers, grants, venture debt & secondary stock purchases

Fig. 7: 10 Notable Venture Capital Deals* in Q1 2016

Portfolio Company	Deal Date	Stage	Deal Size (mn)	Investor(s)	Industry	Location
Meituan-Dianping	Jan-16	Unspecified Round	3,300 USD	Baillie Gifford, Capital Today, China Development Bank Capital, CPP Investment Board, DST Global, Hillhouse Capital Management, Sequoia Capital, Temasek Holdings, Tencent, Trustbridge Partners	Internet	China
Letv Sports Culture Develop (Beijing) Co.	Mar-16	Series B/Round 2	8,000 CNY	HNA Group	Media	China
Shanghai Lujiazui International Financial Asset Exchange	Jan-16	Series B/Round 2	1,216 USD	Bank of China Group Investment, China Minsheng Banking Corp, COFCO Limited, Guotai Junan Securities	Financial Services	China
JD Finance	Jan-16	Series A/Round 1	6,650 CNY	Harvest Fund Management, Sequoia Capital, Taiping Life Insurance	Internet	China
Magic Leap, Inc	Feb-16	Series C/Round 3	793 USD	Alibaba Group, Andreessen Horowitz, Fidelity Management & Research Company, Google, JPMorgan Asset Management - Private Equity Group, KKR, Kleiner Perkins Caufield & Byers, Legend Pictures, LLC, Morgan Stanley Alternative Investment Partners, Obvious Ventures, Qualcomm Ventures, T Rowe Price, Vulcan Capital, Warner Bros., Wellington Management	Software	US
Lyft, Inc.	Jan-16	Series F/Round 6	752 USD	Alibaba Group, Didi Kuaidi, General Motors, Janus Capital Group, Rakuten, Inc.	Telecoms	US
Webank	Jan-16	Series A/Round 1	450 USD	Temasek Holdings, Tencent, Warburg Pincus	Internet	China
WeWork Labs	Mar-16	Series F/Round 6	430 USD	Hony Capital, Legend Holdings	Business Services	US
Oscar Health Insurance Co.	Feb-16	Unspecified Round	400 USD	Fidelity Investments, Founders Fund, General Catalyst Partners, Google Capital, Khosla Ventures, Lakestar, Ping An Ventures, Thrive Capital	Insurance	US
Dada	Jan-16	Series D/Round 4	300 USD	DST Global, Sequoia Capital	Telecoms	China

Fig. 8: Global Number and Aggregate Value of Venture Capital Exits, Q1 2013 - Q1 2016

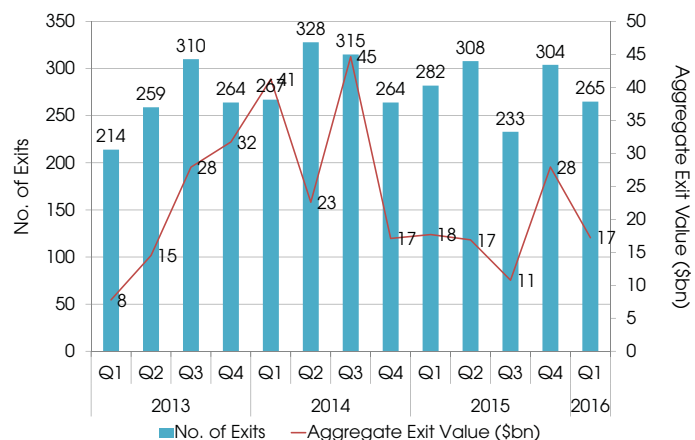
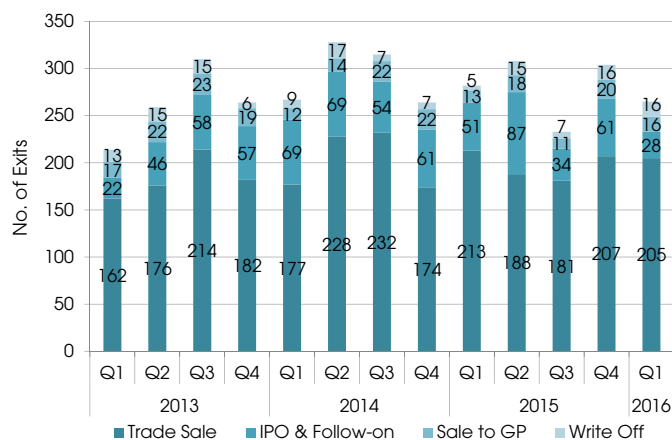


Fig. 9: Global Number of Venture Capital Exits by Type, 2013 - Q1 2016



Key Facts

- \$34bn** Aggregate value of venture capital deals in Q1 2016, up from \$27bn in Q4 2015.
- 452** Number of venture capital deals in Greater China in Q1 2016, down from 470 the previous quarter.
- 11%** Decrease in average size of Series D and later financings, from \$97mn in 2015 to \$86mn in Q1 2016.

*Figures exclude add-ons, mergers, grants, venture debt & secondary stock purchases

Fig. 10: 10 Largest Venture Capital Exits in Q1 2016

Portfolio Company	Date of First Investment	Investor(s)	Total Known Funding (\$mn)	Exit Type	Exit Date	Acquiror (Exit)	Exit Value (mn)	Industry	Location
Legend Pictures, LLC	Jul-05	Accel Partners, Bank of America, Breyer Capital, Goldman Sachs, IDG Capital Partners, J.P. Morgan, Morgan Stanley Alternative Investment Partners, Royal Bank of Canada, Softbank Capital, TomorrowVentures, UBS, Valar Ventures, Waddell & Reed	1,130	Trade Sale	Jan-16	Dalian Wanda Group	3,500 USD	Media	US
YTO Express**	May-15	Alibaba Group, YF Capital	-	Merger	Mar-16	Dayang Group	17,500 CNY	Business Services	China
Jasper, Inc.	Jun-05	AB, AllianceBernstein, Bench, Benchmark, Benchmark Capital, Bridgescale Partners, Crescendo Ventures, DAG Ventures, Integral Capital Partners, Sequoia Capital, Temasek Holdings	257	Trade Sale	Feb-16	Cisco	1,400 USD	IT	US
Meituan-Dianping**	Jan-16	Alibaba Group, Baillie Gifford, Capital Today, China Development Bank Capital, CPP Investment Board, Dalian Wanda Group, DianPing, DST Global, Fosun International, FountainVest Partners, General Atlantic, Google, Harvest Capital, Hillhouse Capital Management, Lightspeed Venture Partners, Meituan.com, Northern Light Venture Capital, Qiming Venture Partners, Sequoia Capital, Temasek Holdings, Tencent, Trustbridge Partners, Walden International, Xiaomi	3,300	Trade Sale	Jan-16	-	900 USD	Internet	China
Brightree	Jul-08	Battery Ventures	-	Trade Sale	Feb-16	ResMed	800 USD	Software	US
Ravello Systems	Jun-11	Bessemer Venture Partners, Norwest Venture Partners, Qualcomm Ventures, SanDisk Ventures, Sequoia Capital, Vintage Investment Partners	54	Trade Sale	Feb-16	Oracle Corporation	500 USD	IT	US
Ellipse Technologies, Inc.	Oct-10	BioStar Ventures, HBM Partners, MedFocus Funds, Wexford Capital	29	Trade Sale	Jan-16	NuVasive, Inc.	380 USD	Medical Devices	US
Biotie Therapies Corp.	Jan-11	Aravis, Investor Growth Capital, Versant Ventures	-	Trade Sale	Jan-16	Acorda Therapeutics	363 USD	Pharmaceuticals	Finland
Tapad Inc.**	Dec-10	Avalon Ventures, Battery Ventures, Blue Cloud Ventures, Firsthand Capital Management, Firsthand Technology Value Fund - LISTED FUND, FirstMark Capital, Knight Enterprise Fund, Lerer Ventures, Metamorphic Ventures, Quotidian Ventures, Silicon Valley Bank, Spring Capital Partners	36	Trade Sale	Feb-16	Telenor ASA	360 USD	Software	US
The Tennis Channel	Apr-03	Apollo Partners, Bain Capital Ventures, Battery Ventures, Columbia Capital, DND Capital Partners, Edslink, JPMorgan Partners, WaterView Partners	-	Trade Sale	Jan-16	Sinclair Broadcast Group	350 USD	Media	US

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**Indicates a partial exit