



VENTURE CAPITAL IN MOBILE

2011 Review

Rajeev Chand
Managing Director
Head of Research

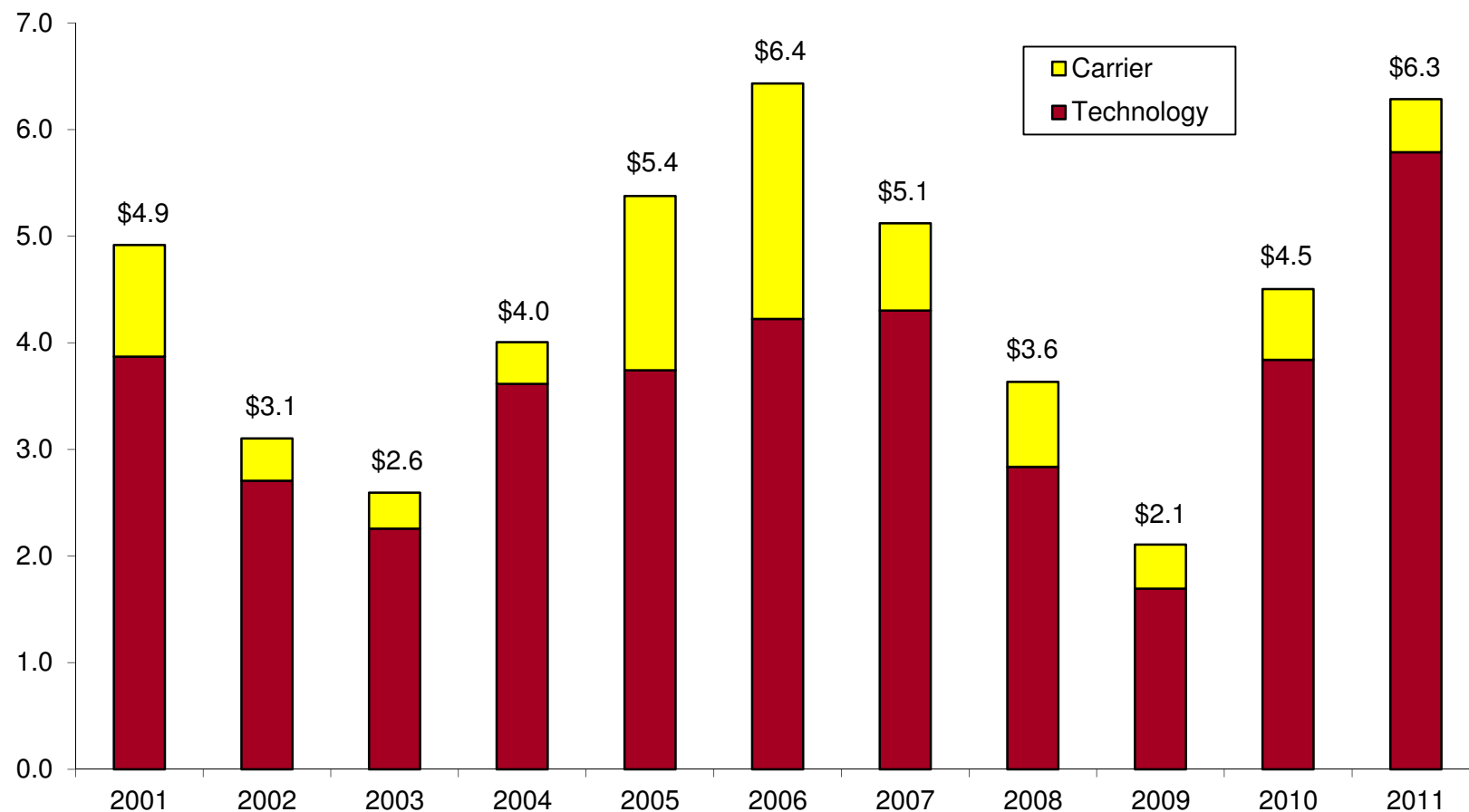
January 20, 2012

VC in Mobile—\$6.3 Billion in 2011

VC Investments in Mobile

Global, 2001-2011

Amount (\$B)



Source: Rutberg & Company

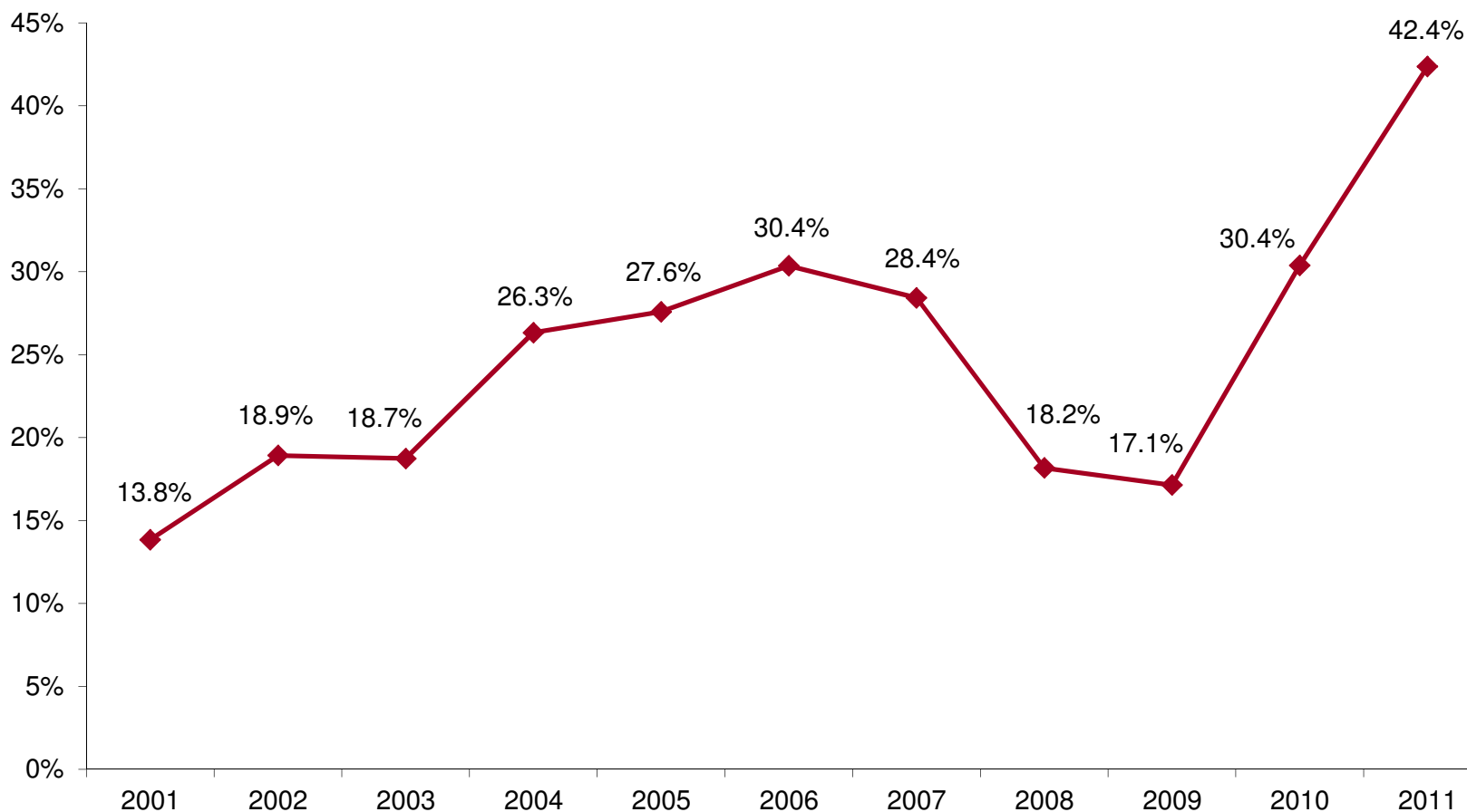
Note: Excludes debt financings for venture-backed companies

VC in Mobile—42% of Overall VC

Mobile VC as Percentage of Overall Tech VC⁽¹⁾

2001-2011

Percent of Overall VC

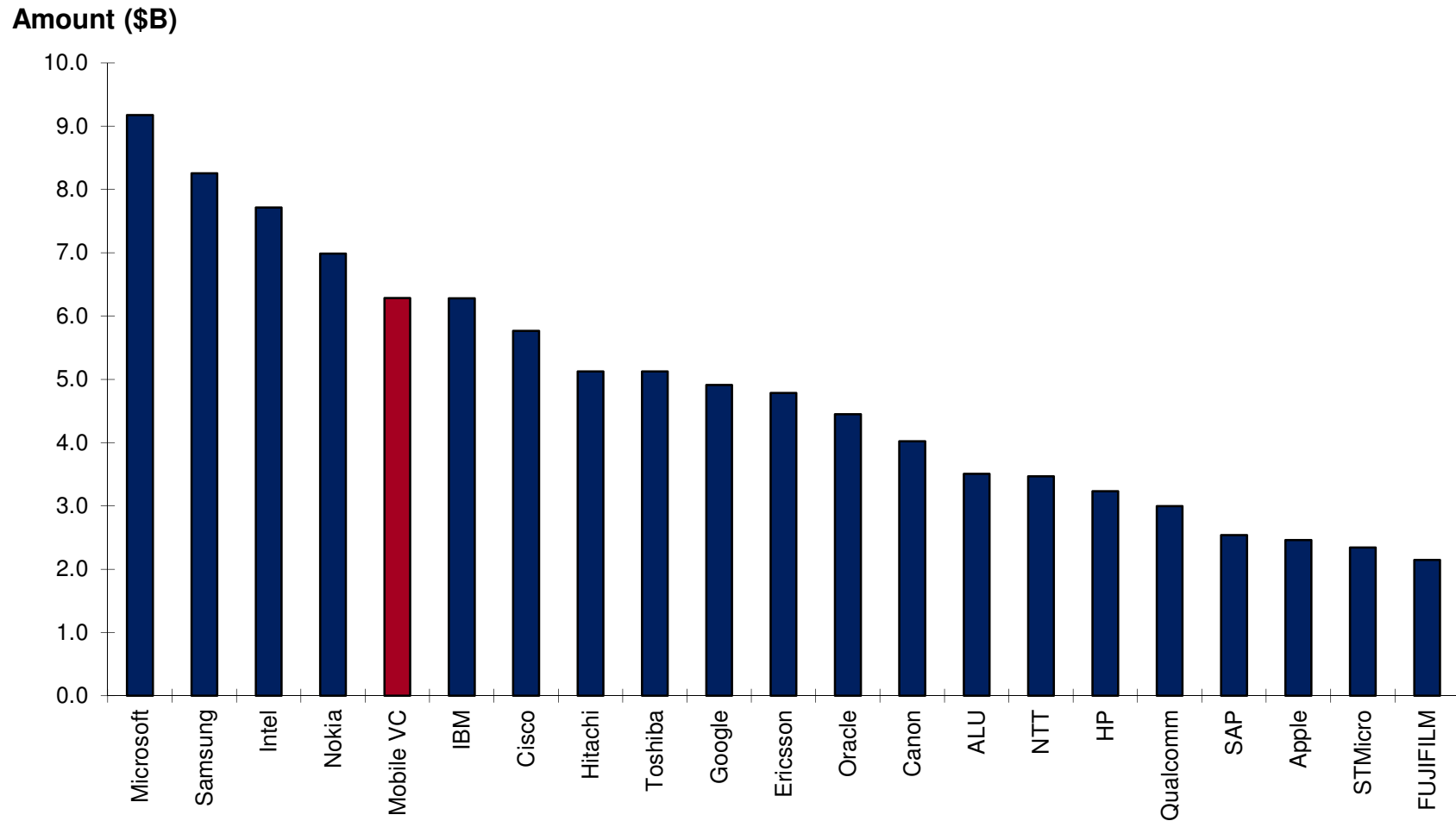


Source: Rutberg & Company

(1) Overall tech VC based NVCA data (includes computer and peripheral, IT service, networking and equipment, semiconductor, and software sectors; excludes carrier sector)

VC in Mobile—Context of Public Companies

Mobile VC Investments vs. Tech Companies' R&D Expenditures⁽¹⁾
2011



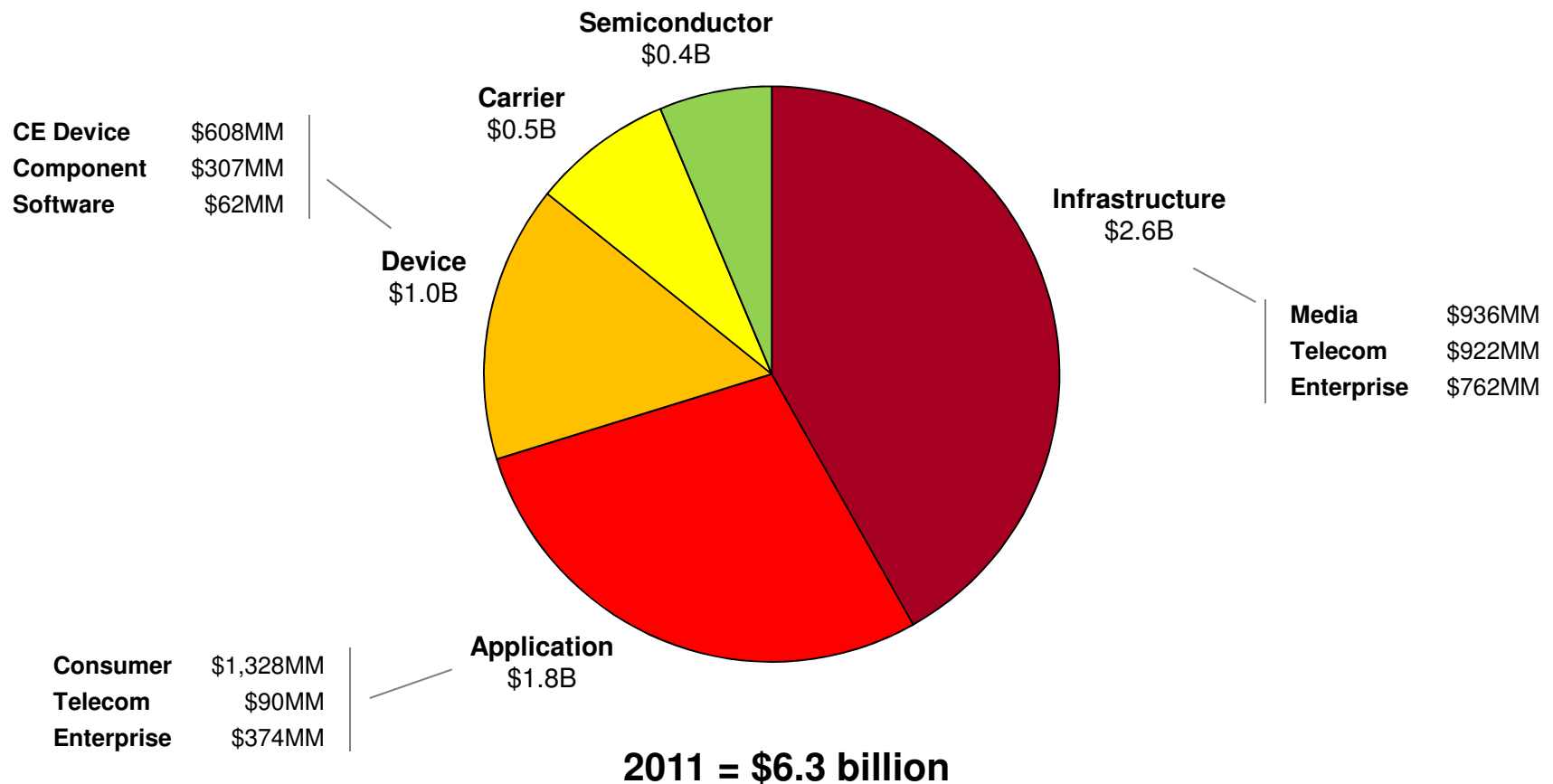
Source: Rutberg & Company

(1) Public companies' R&D expenditures as reported for last twelve month period

VC in Mobile—By Sector

Mobile VC Investments by Sector

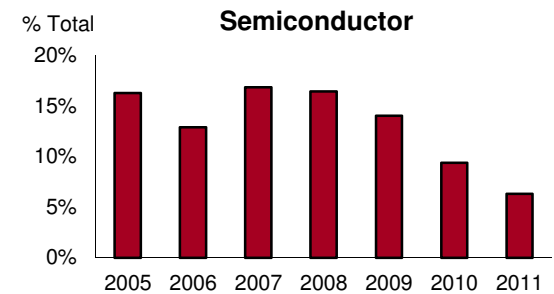
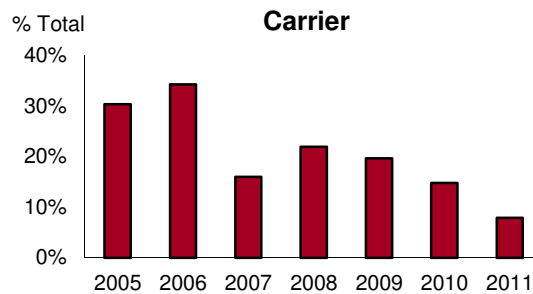
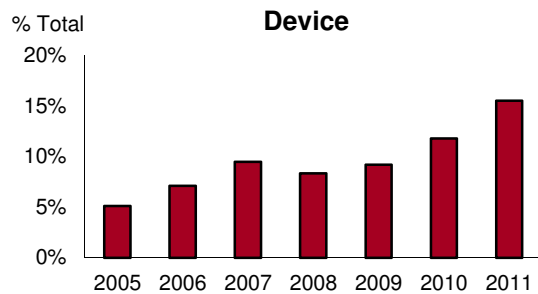
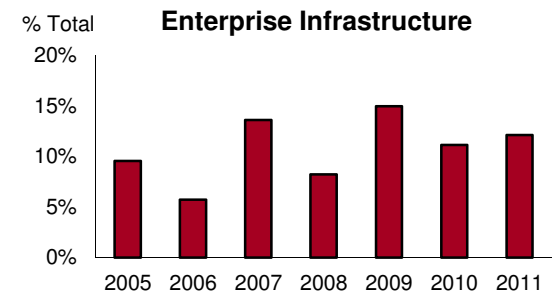
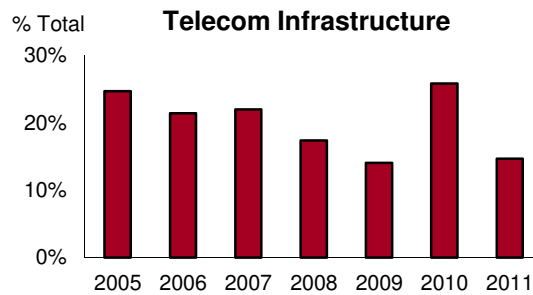
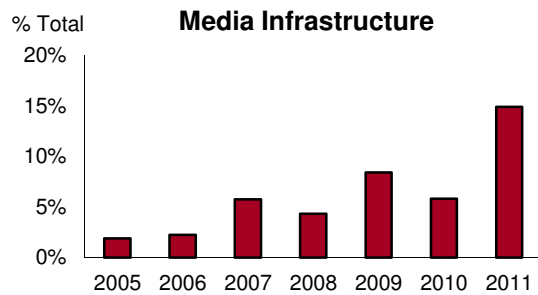
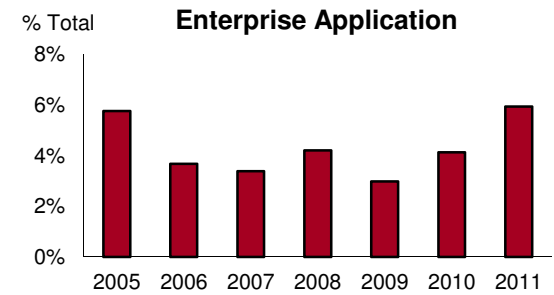
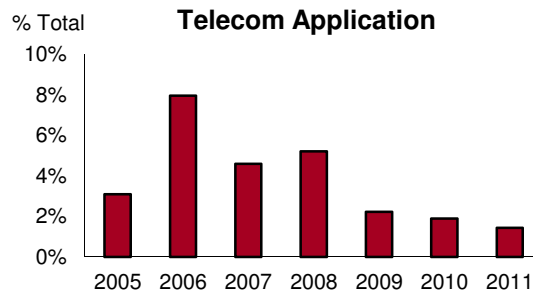
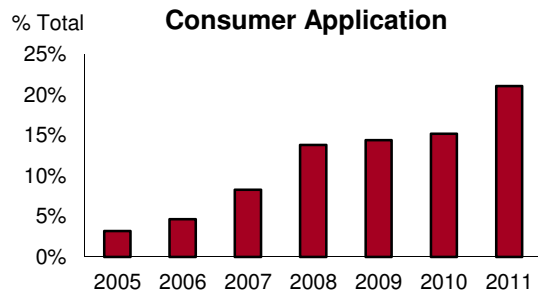
Global, 2011



Source: Rutberg & Company

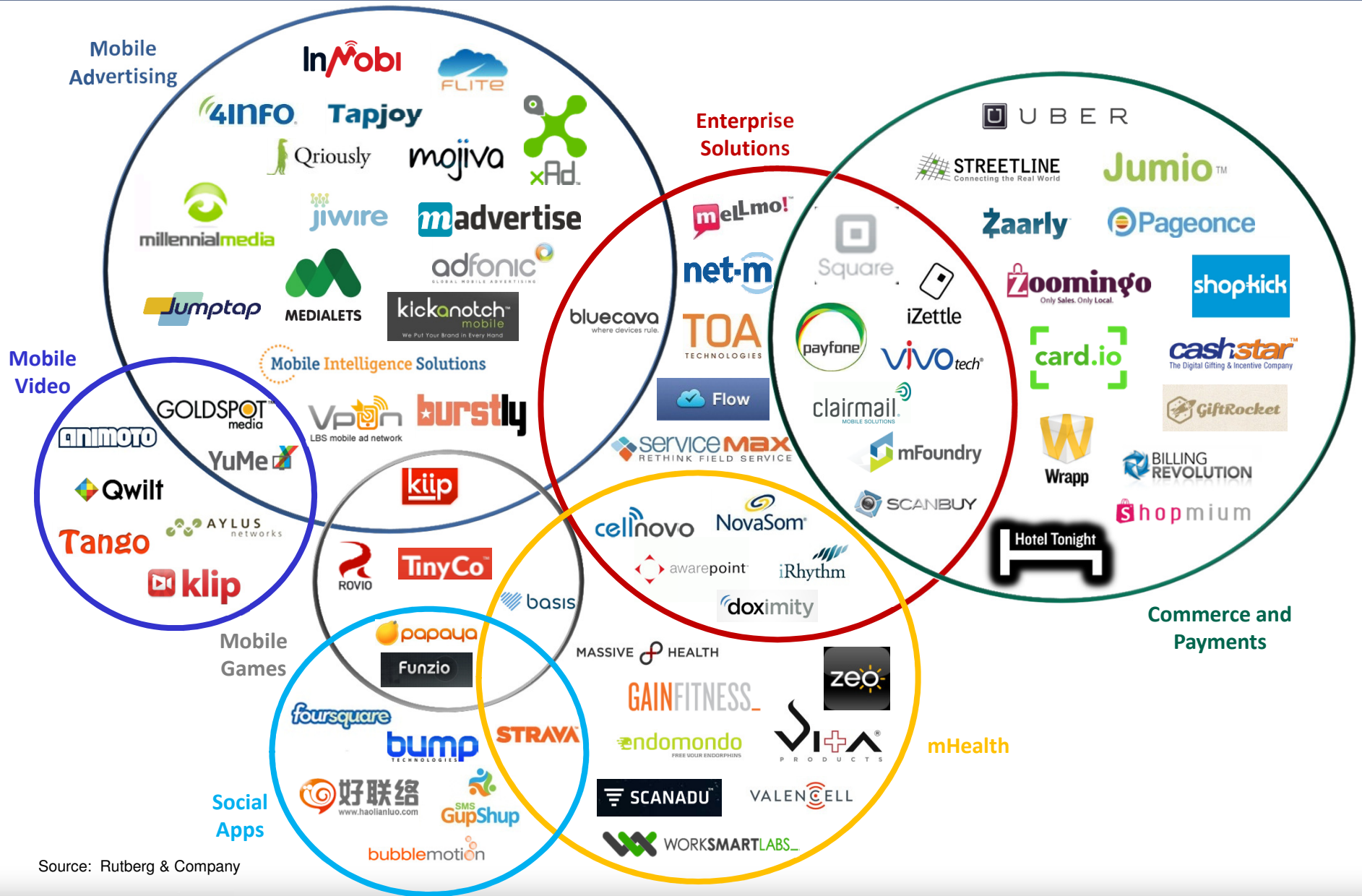
VC in Mobile—By Sector over Time

Percent of Mobile VC Dollars by Sector over Time Global, 2005-2011



Source: Rutberg & Company

VC in Mobile—2011 Cluster Map



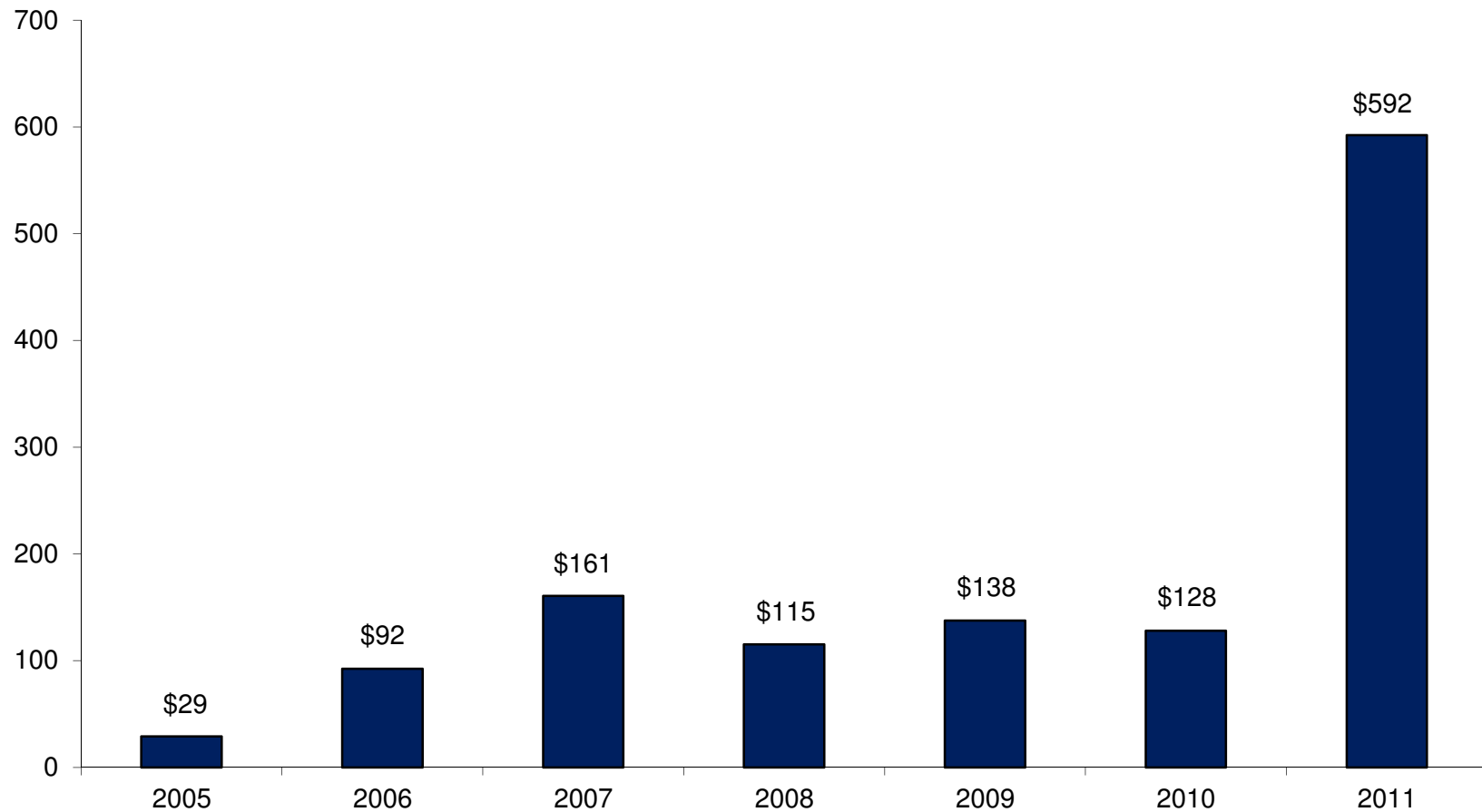
Source: Rutberg & Company

VC in Mobile—Marketing & Advertising

VC Investments in Mobile Marketing & Advertising

Global, 2005-2011

Amount (\$MM)



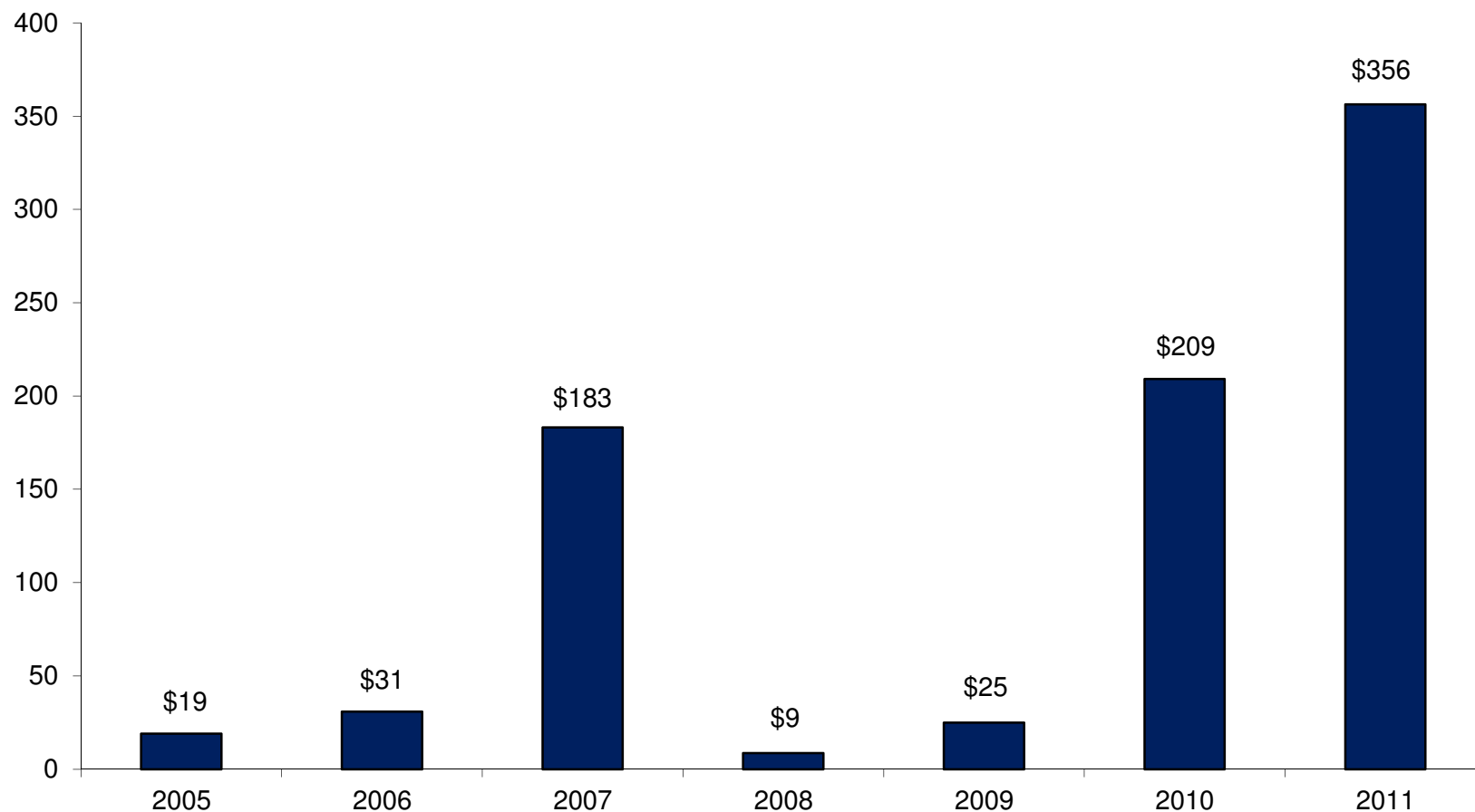
Source: Rutberg & Company

VC in Mobile—Health

VC Investments in Mobile Health

Global, 2005-2011

Amount (\$MM)



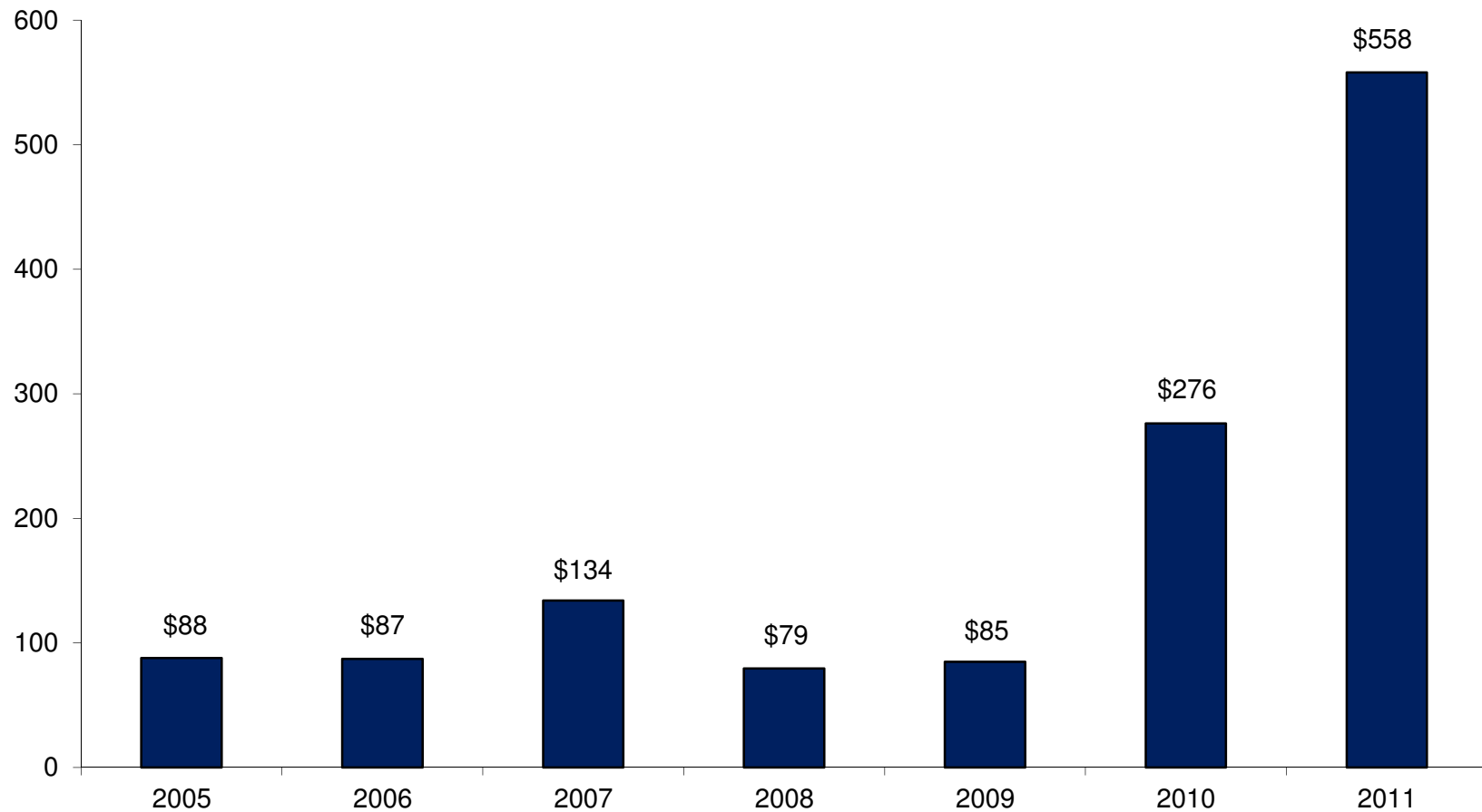
Source: Rutberg & Company

VC in Mobile—Commerce & Payments

VC Investments in Mobile Commerce & Payments

Global, 2005-2011

Amount (\$MM)



Source: Rutberg & Company

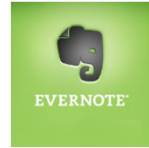
VC in Mobile—Selected Private Company Announcements in 2011



\$11MM in payments processed daily



15MM users, 1B messages per day



16MM users, 1B recordings



10MM monthly active users, 50MM downloads



83MM monthly users, \$200MM raised from SoftBank



2.5MM active users, 700MM product views



\$160MM raised in 2011, valued at over \$1.5B



3.5MM downloads, 550MM flips per month



600% YoY growth in customers, 435 new enterprise customers in Q42011



30MM active users in just over 1 year



130MM monthly active users, 30MM daily active users, 500MM downloads



15MM users, 200MM photos



15MM users, half of which are outside U.S.



15MM users

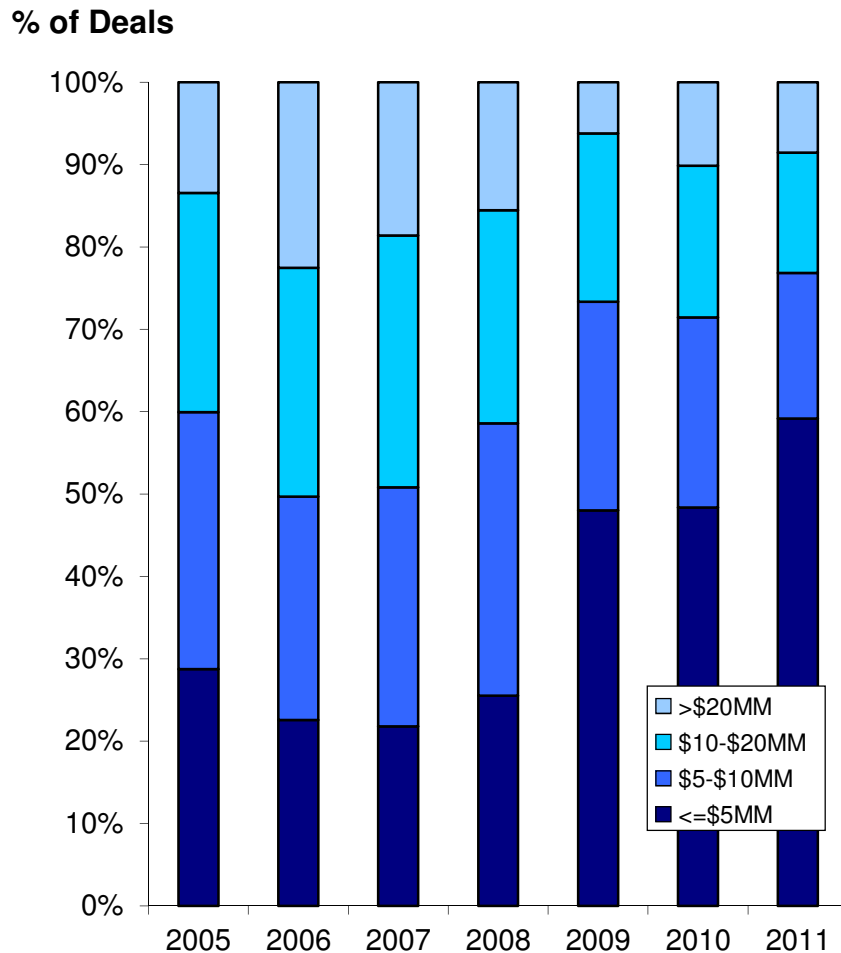


70MM monthly active users, 250MM downloads, 20MM monthly downloads

Source: Rutberg & Company, company press releases and publicly disclosed statements

VC in Mobile—By Round Size

VC in Mobile by Round Size⁽¹⁾
2005-2011



Selected Early Stage Investments
2011



Source: Rutberg & Company
(1) Excludes deals where amount was not disclosed

VC in Mobile—Largest Financings

Top 25 VC Financings in Mobile

2011

Rank	Company	Location	Sector	Subsector	Date	Amount (\$MM)
1	LightSquared	Reston, VA	Carrier	Wholesale operator	7/5/2011	265.0
2	InMobi	San Mateo, CA	Infrastructure	Mobile advertising	9/15/2011	200.0
3	Plastic Logic	Cambridge, UK	Device	Display	1/18/2011	200.0
4	Jawbone ⁽¹⁾	San Francisco, CA	Device	Consumer electronics	12/21/2011	159.0
5	Eaton Towers	London, UK	Infrastructure	Tower	9/19/2011	150.0
6	O3b Networks	St. John, UK	Carrier	Satellite	11/17/2011	137.0
7	Square ⁽¹⁾	San Francisco, CA	Infrastructure	Mobile payment platform	11/8/2011	130.5
8	Tabula	Santa Clara, CA	Semiconductor	Programmable logic	3/28/2011	108.0
9	Xiaomi	Beijing, China	Device	Handset	12/20/2011	90.0
10	DriveCam	San Diego, CA	Infrastructure	Fleet management	11/23/2011	85.0
11	Telecon Group	Montréal, Canada	Infrastructure	Network engineering	12/21/2011	60.0
12	Tango ⁽¹⁾	Palo Alto, CA	Application	Video calling	7/20/2011	50.7
13	Evernote	Mountain View, CA	Application	Notes application	7/13/2011	50.0
14	Flipboard	Palo Alto, CA	Application	Social content aggregation	4/14/2011	50.0
15	Foursquare Labs	New York, NY	Application	Geosocial network	6/27/2011	50.0
16	Tower Cloud	St. Petersburg, FL	Infrastructure	Backhaul	10/6/2011	49.0
17	Cellnovo	London, UK	Device	Consumer healthcare device	2/4/2011	48.4
18	Rovio Mobile	Espoo, Finland	Application	Mobile game	3/10/2011	42.0
19	Color	Palo Alto, CA	Application	Photo sharing	3/23/2011	41.0
20	Lookout	San Francisco, CA	Infrastructure	Mobile device security	9/21/2011	40.0
21	Mavenir Systems	Richardson, TX	Infrastructure	Convergence application server	5/31/2011	40.0
22	INRIX	Kirkland, WA	Infrastructure	Traffic	7/25/2011	37.0
23	Gogo	Itasca, IL	Carrier	In-flight	2/6/2011	35.0
24	eRecyclingCorps	Irving, TX	Device	Mobile phone recycler	11/11/2011	35.0
25	Novasom	Glen Burnie, MD	Device	Consumer healthcare device	7/11/2011	35.0

Source: Rutberg & Company

(1) Represents companies with multiple announcements in 2011; date is listed as of the most recent announcement, and amounts are aggregated for the year

VC in Mobile—Most Active Investors

Most Active VC Investors in Mobile

2011

Rank	Firm	Number	Investments (Announced)
1	Sequoia Capital	24	Bubble Motion, Bump, Clickatell, Color, Cotendo, DailyBooth, Evernote, Flite, Inkling (2), Just Dial, MeLLmo, Meraki, MobileIron, MoboTap, Onavo, Quantenna, Sencha, Sourcebits, Square, Stoke, Synapsense, Trippy, Unity
2	Intel Capital	23	4tiitoo, AltoBridge, Animoca, Arcsoft, Borqs, CloudMade, Digital Chocolate, GainSpan, InVisage, ip.access, July, Kno, mFoundry, Mocana, NeuString, SecureKey, SkyCross, skyrocket, Sotera, Swrve, TOA, Total Immersion, Urban Airship
3	SV Angel	21	AppRedeem, BankSimple, Bump, Drchrono, EggCartel, Everyme, Game Closure, Hyperink, just.me, Kno, Mindless Dribble, Onswipe, Orchestra, Parse, Poshmark, ShowMe, Sincerely, SnapGuide, Swrve, Tagstand, Trippy
4	Google Ventures	19	Airy Labs, Astrid, Crittercism, Echoecho, Enterproid, just.me, Milk, Miso, Nettle, Ordr.in, Parse, Pocket Change, Read It Later, Rumble, Scvngr, Stickery, Subtext, ThinkNear, TweetNGo
4	Kleiner Perkins	19	Aerohive, Apperian, Awarepoint, Cooliris, Crittercism, Fixmo, Flipboard, GOGII, iControl, INRIX, Jawbone, Kovio, Path, Session M, Shazam, Square, Stoke, Waze, WorkSmart
6	DFJ ⁽¹⁾	18	4INFO, Cloudbot, do@, GameSalad, JiWire, Medialets, MomentFeed, Neul, Opinionaided (2), Qosmos, Siklu, Synapsense, Tango, Taptu, TOA, ViVOTech, Z2Live
7	Accel Partners	17	Animoca, Azumio, BlueSprig, Breezy, CellScope, Dropcam, GetJar, Hotel Tonight, Lookout, MoPub, Pipette, Qriously, Qwilt, Rovio, Shopmium, Skimble, SoundTracking
8	NEA	16	Aerohive, CellScope, Euclid Elements, Leyden Energy, Millennial Media, Pipette, Pulse, SiliconBlue, Skimble, Stitcher, Subtext, TabbedOut, Tabula, Umami, ValueFirst Messaging, Vuclip
9	500 Startups	13	Apsalar, AwayFind, Drchrono, FastCustomer, Khush, Life360, MindSnacks, Nettle, Punchd, Stickery, TaskRabbit (2), Twilio
9	Andreessen Horowitz	13	BlueStacks (2), Bump, Capriza, Everyme, Foursquare, Hyperink, Jawbone, Kno, Lookout, Massive Health, TinyCo, Wikets
11	Charles River	12	DoubleDutch, Drchrono, EggCartel, Fiksu, Game Closure, InVisage, Massive Health, Millennial Media, MotherKnows, Orchestra, Sincerely, SMS GupShup
12	QUALCOMM	11	AliveCor, Apalya, ChaCha, Enterproid, ip.access, Livescribe, PowerCloud, Siklu, Sotera, ThinkNear, Xiaomi
12	True Ventures	11	Appconomy, Gyroscope (2), just.me, Kiip, SoundTracking, Spectrum Bridge, Trippy, Urban Airship, Valencell, Yobongo

Source: Rutberg & Company
 (1) Includes family of related venture firms

VC in Mobile—Strategic Investors

- One in five transactions in mobile involve strategic investors. During 2011, 22.2% of deals involved at least one strategic investor⁽¹⁾, as compared to 20.6% in 2010.
- Four most active strategic investors in 2011:



(23)



(19)



(11)



(7)

- Other active investors in 2011 (3-6 deals) span media, advertising, retail, financial, enterprise, device, and infrastructure sectors:



DOCOMO Capital



HEARST corporation

MOTOROLA MOBILITY



PEARSON

ROGERS ventures



SAMSUNG VENTURE INVESTMENT

SAP VENTURES

SingTel innov8

SK telecom Ventures

STEAMBOAT VENTURES



WPP Digital

Source: Rutberg & Company

(1) Includes limited partnership venture firms formed through strategic investors.

Thank You



**Rutberg & Company Research
Contact Information**

Rajeev Chand
Managing Director
Head of Research
rchand@rutbergco.com

Nick Mayberry
Equity Research Associate
nmayberry@rutbergco.com

Kyle Spraker
Equity Data Associate
kspraker@rutbergco.com

Rutberg & Company—Investment Banking



Barry A. Newman

Senior Advisor

Office: (415) 371-1186

bnewman@rutbergco.com

Robert C. Harris

Vice Chairman,

Investment Banking

Office: (415) 371-1186

rharris@rutbergco.com

Joseph S. Sanborn

Managing Director,

Head of M&A

Office: (617) 262-6694

jsanborn@rutbergco.com

Bryan B. Rutberg

Chief Executive Officer

Office: (415) 371-1186

brutberg@rutbergco.com

SAN FRANCISCO

351 California Street, Suite 1100

San Francisco, CA 94104

Telephone: (415) 371-1186

BOSTON

800 Boylston Street, 16th Floor

Boston, MA 02199

Telephone: (857) 453-6798

Rutberg & Company—2012 Events



LONDON

Rutberg Summit: London

April 23-25, 2012
Claridge's Hotel
London, England

SAN FRANCISCO

Future:Mobile

June 18-19, 2012
Westin Market Street
San Francisco, California

RANCHO PALOS VERDES

Wireless Influencers

October 21-23, 2012
Terranea Resort
Rancho Palos Verdes, California