PitchBook
Better Data. Better Decisions.

4Q 2013

VENTURE CAPITAL VALUATIONS & TRENDS REPORT

VC VALUATIONS SKY-HIGH

Median valuations for VC-backed companies are at decade highs.

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DEAL FLOW

VC investment holds steady from 2Q to 3Q.

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EXITS

60 VC-backed companies have gone public through the first three quarters of 2013.

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LEAGUE TABLES

500 Startups, Andreessen Horowitz, and Kleiner Perkins Caufield & Byers lead the way.

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Credits & Contact

PitchBook Data, Inc.
John Gabbert - Founder, CEO
Adley Bowden - Research Director

Content
James Gelfer - Editor
Allen Wagner - Editorial Associate

Design
Allen Wagner - Editorial Associate
James Gelfer - Editor
Jennifer Sam - Graphic Designer

Editing & Data Analysis
Ynna Carino - Editor
Peter Fogel - Data Analyst

Contact PitchBook
www.pitchbook.com
Editorial - press@pitchbook.com
206-257-7854
Sales - sales@pitchbook.com
1-877-267-5593
Research - research@pitchbook.com
1-877-636-3496

Introduction

When it comes to venture capital (VC) data, tracking the size and number of new financings is well and good, but true insight can only be gleaned when you also know the valuation of the company. Over the last year, PitchBook has made a concerted effort to create the most comprehensive dataset of pre- and post-money valuations available. In total, PitchBook now has valuations for more than 11,000 VC rounds, including more than 2,900 valuations for transactions that closed since 2012. Aside from valuations, our research team has been collecting other invaluable information on cap tables and deal terms associated with VC financings, including details on liquidation preferences, anti-dilution provisions, dividends and much more.

The median pre-money valuation fell for financings at all stages in 3Q 2013, with the exceptions of Series Seed and Series C, which continued to climb to new record levels. Valuations across all stages have been trending higher for several years now, but the increase has been most pronounced in Series D or later rounds, where the median pre-money valuation has spiked from $52.9 million in 2009 to $114.0 million through the first three quarters of 2013.

The VC Valuations & Trends Report will be replacing the VC Rundown as PitchBook's quarterly flagship report for the VC industry. In addition to detailed data on VC valuations, this report will also examine deal flow, exits and fundraising.

The limited space in this report does not allow us to showcase all of the ways our valuation data can be sliced and aggregated. For additional data related to VC investment and deal terms, please see this report's complementary Excel spreadsheet in the PitchBook Library. If you would like to learn more about the data behind this report, or if you have any comments or suggestions, please contact us at research@pitchbook.com.

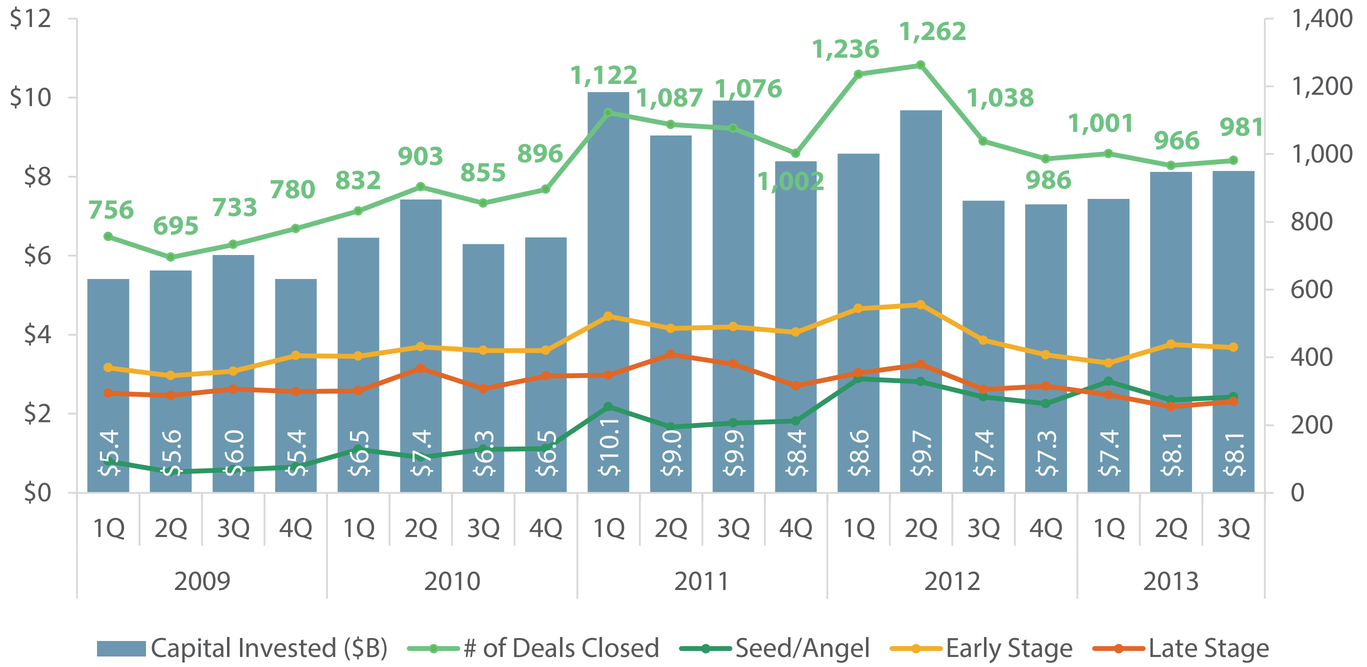
Count of VC Valuations in the PitchBook Platform by Investment Year

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*
# of Valuations	332	474	622	953	1,193	1,048	1,403	1,785	1,895	1,065
# of VC Deals	1,970	2,266	2,467	3,168	3,401	2,964	3,486	4,287	4,522	2,948
% of Deals with Valuations	17%	21%	25%	30%	35%	35%	40%	42%	42%	36%

** as of 9/30/2013*

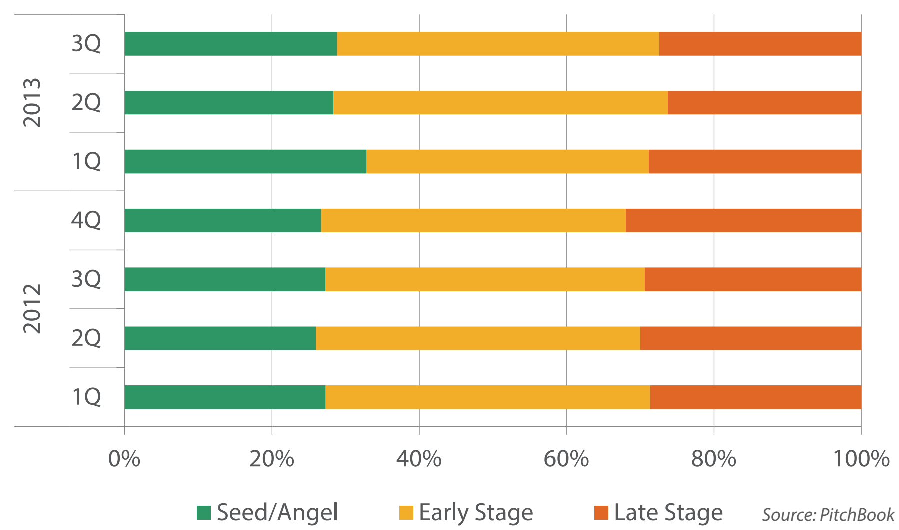
Overview

VC Deal Flow



Source: PitchBook

VC Deals by Stage



Source: PitchBook

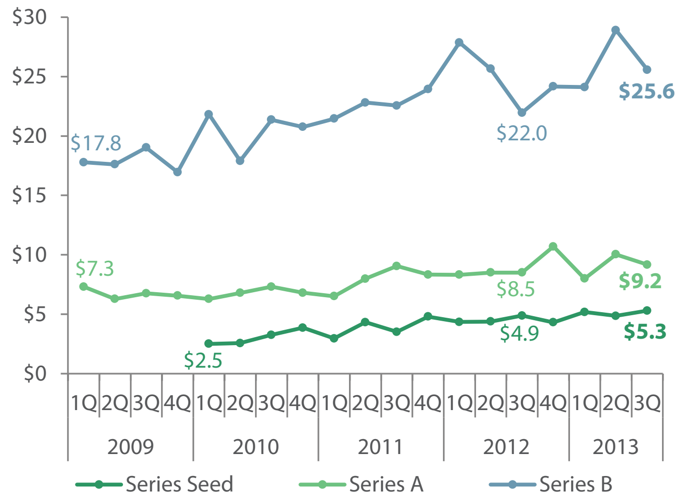
VC investment has held steady throughout 2013 and that trend continued in 3Q, with 981 financings totaling $8.1 billion. Based on activity over the last several years, it appears that about 1,000 deals and $8 billion of capital invested per quarter can be the expectation for VC investing, at least in the near term. However, there are significant shifts in how the VC industry is allocating capital.

Seed/angel deals have more than tripled as a proportion of overall VC rounds from 7.7% in 2008 to 30.0% through the first three quarters of 2013. And as we will discuss later, the heightened pace of investment has corresponded with a steep rise in valuations in Series Seed rounds. If recent fundraising numbers are any indication, this rash of seed deals should continue in the coming quarters; 49% of the funds closed since 2012 have less than $50 million in capital commitments, and these vehicles are often placing their initial investments at the seed stage.

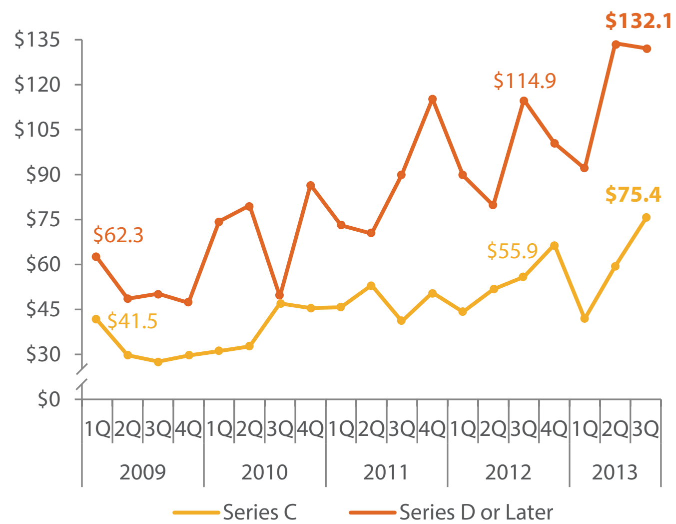
At the sector level, investment increased in the bedrock VC sectors of software, media and commercial services. It was also a strong quarter for computer hardware with 29 financings—the most since 4Q 2011. In the healthcare space, deals in devices & supplies and pharmaceuticals & biotechnology were down by 18% and 17%, respectively, while financings for technology systems were up 50% from 2Q.

Median Valuations

Quarterly Median Pre-Money Valuation ($M) by Stock Series



Source: PitchBook



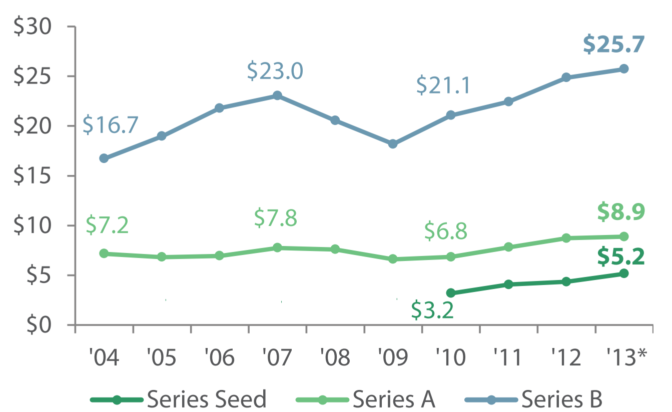
Source: PitchBook

Median pre-money valuations have slowly been increasing since the depths of the financial crisis in 2009. This trend has been observed across all stages of financing but is most pronounced for Series D or later, where median pre-money valuations from 2009 through the first three quarters of 2013 have increased 116%. As can be seen in the chart below, the rise in valuations for Series Seed deals has outpaced the increase in valuations for Series A rounds, which is likely contributing to the "Series A crunch." Since 2010, the median valuation for Series Seed rounds has shot up 63% while valuations in Series A financings have only increased 31%. For more on this phenomenon, see the sidebar on page 7.

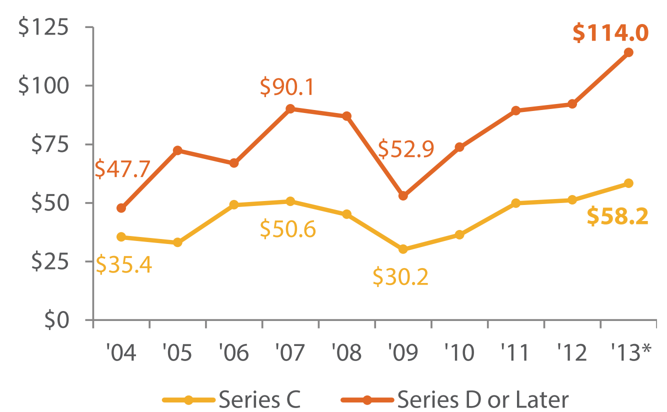
Series C rounds have also seen a pronounced uptick since 2009, rising 93% through the first three quarters of 2013, and have seen a surge this year as well, with the median pre-money valuation jumping from $41.9 million in 1Q to $75.4 million in 3Q.

At first blush, it appears that valuations for early stage financings have little variance from quarter to quarter, while valuations for companies raising late stage rounds are constantly in flux. However, it is important to keep in mind that changes in valuation are relative. So, even though it may appear that valuations for Series A rounds have held fairly steady, there have actually been fluctuations as large as 26% in the last year. A closer examination of valuations and deal terms for specific series can be found in the next section.

Yearly Median Pre-Money Valuation ($M) by Stock Series



* as of 9/30/2013 Source: PitchBook

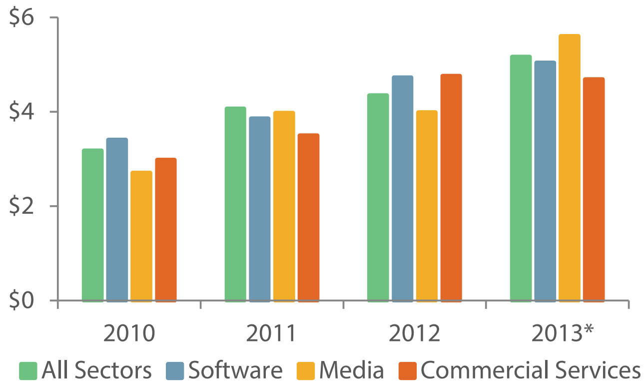


* as of 9/30/2013 Source: PitchBook

demo@pitchbook.com
www.pitchbook.com

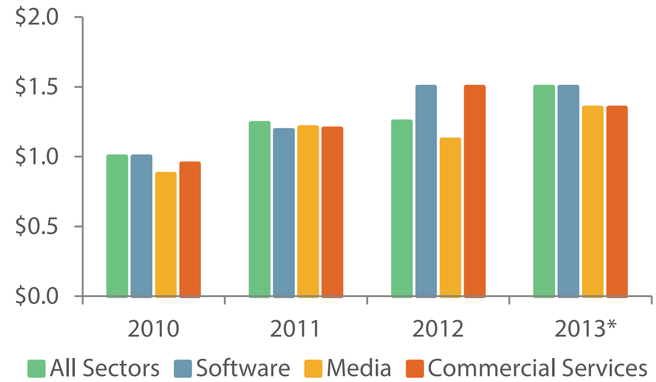
Series Seed

Median Valuation ($M)



* as of 9/30/2013 Source: PitchBook

Median Round Amount ($M)



* as of 9/30/2013 Source: PitchBook

Increasing Seed Valuations Exacerbate 'Series A Crunch'

The median pre-money valuation for all companies at the seed stage has ballooned from $3.2 million in 2010 to $5.2 million through the first three quarters of 2013. PitchBook data show that Series A valuations are also increasing, but at a slower rate—from $6.8 million in 2010 to $8.9 million through the first three quarters of 2013. High seed-stage valuations are likely having a major effect on startups' ability to raise a subsequent Series A round, as investors at the seed stage want to see appreciation in their investment but Series A investors often believe that the valuation at the seed round was unduly inflated.

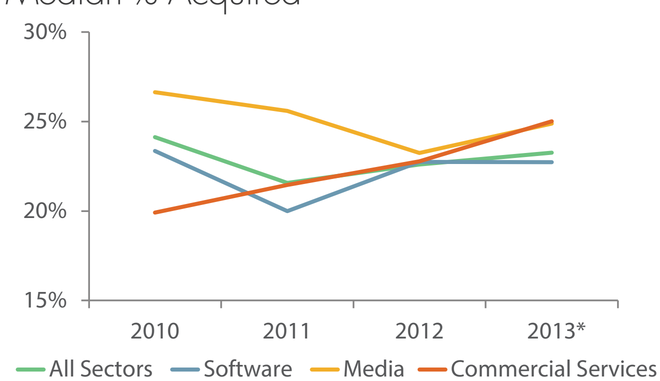
And, as mentioned in this and previous PitchBook reports, the number of seed rounds has grown over the last three years, which has resulted in early stage and later stage financings shrinking as a percentage of the overall VC pie. All of this points to a more difficult financing environment for companies raising a Series A round and for VC investors hoping to pick out seed-stage companies with solid growth prospects but at a reasonable valuation.

This narrative fits right in with most explanations for the "Series A crunch," which many say exists as a result of the explosive growth of seed and angel rounds. Capital requirements for starting a business are much lower now than five years ago, and the percentage outside investors are acquiring has remained relatively steady at the seed stage from 2010 to today, providing a greater incentive to start and fund young startups. To read more about the "Series A crunch," click here.

Valuations in Series Seed rounds have steadily increased in the years since the financial crisis, rising 63% from $3.2 million in 2008 to $5.2 million through the first three quarters of 2013. With the median percentage of the company acquired in Series Seed rounds staying in a tight range between 22% and 24% during this time period, the median amount of capital invested has shot up from $1.0 million to $1.5 million.

The Series Seed class of stock, which is raised with a simpler term sheet without many of the provisions seen in later rounds, has rapidly increased in popularity since 2010. When examining data from these rounds, there are a few key caveats to keep in mind. First, many of these rounds include bridge loans, warrants and large blocks of common stock that are set aside for the employee pool, which can influence the valuation. Also, Series Seed rounds tend to be concentrated in software, online and consumer-related businesses, as opposed to energy, healthcare and other capital intensive sectors.

Median % Acquired

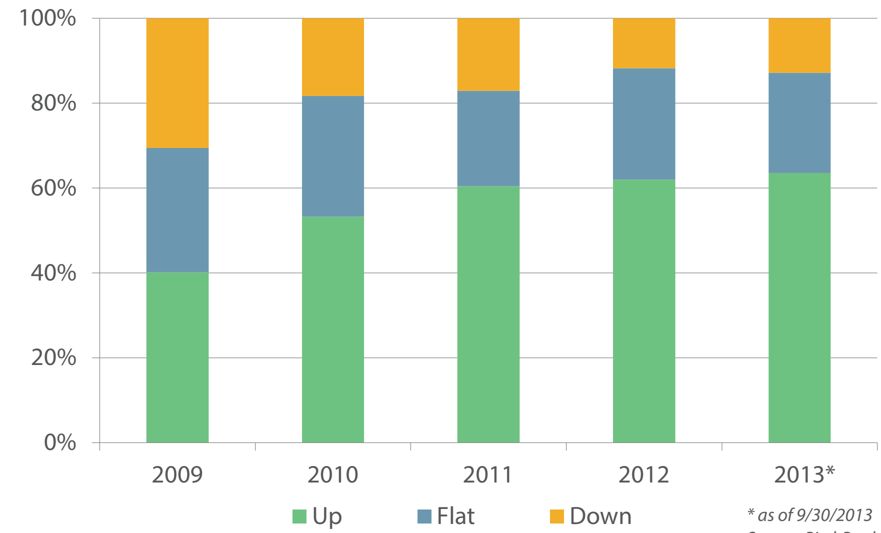


* as of 9/30/2013 Source: PitchBook

Series A

Both valuations and the amount of capital invested in Series A rounds have been on the rise since 2009, increasing by 34% and 23%, respectively. But despite this development, investors have been content with acquiring smaller stakes. As with Series Seed rounds, there are some peculiarities that need to be considered when examining Series A financings, including the allocation of a large number of shares for the employee pool. Additionally, many Series A rounds for healthcare companies are raised in multiple tranches and have various clauses that are contingent on certain milestones being reached.

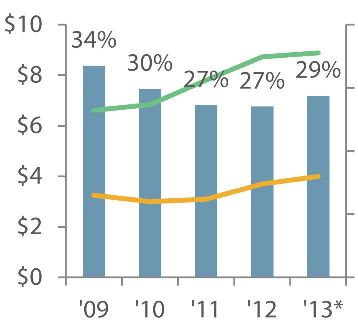
Up, Flat & Down Rounds



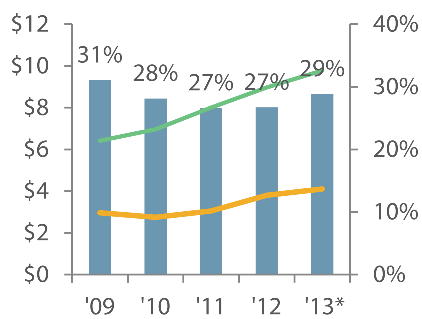
** as of 9/30/2013*
Source: PitchBook

Median Series A Round Details

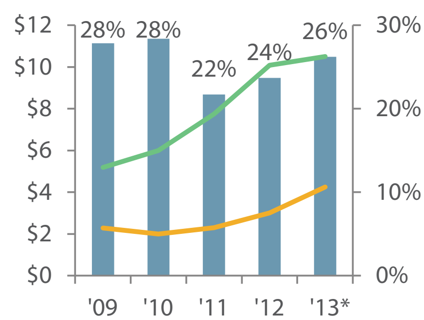
All Sectors



Software



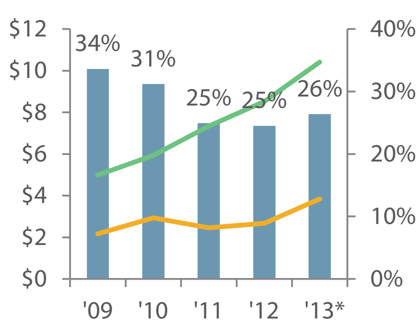
Media



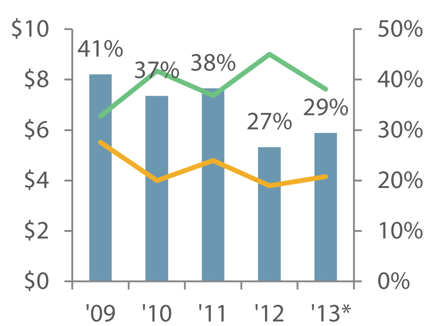
% Acquired — Pre-Money Valuation ($M) — Round Amount ($M)

** as of 9/30/2013*
Source: PitchBook

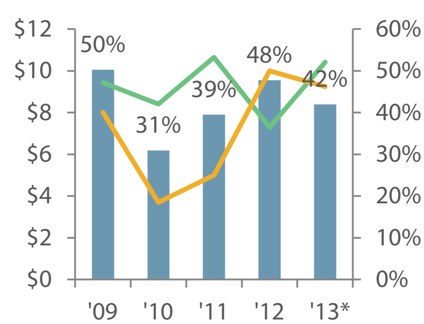
Commercial Services



HC Devices & Supplies

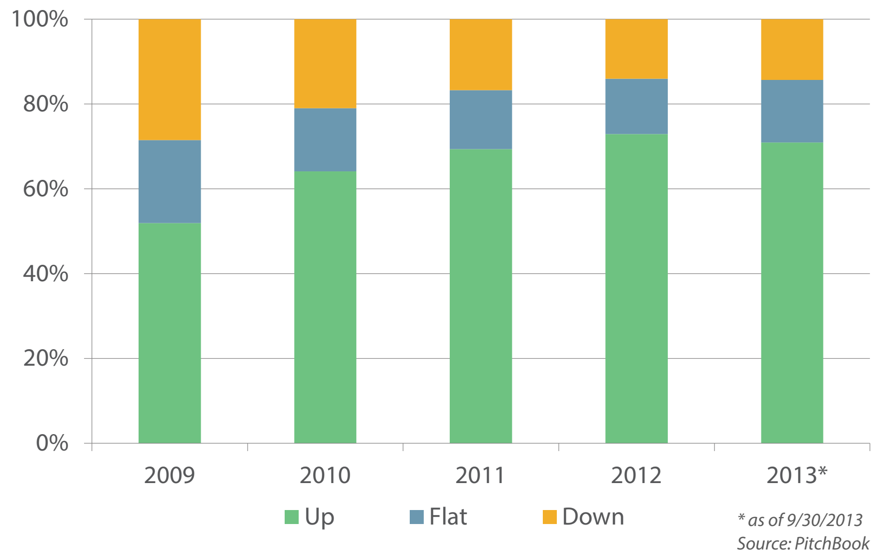


Pharma & Biotech



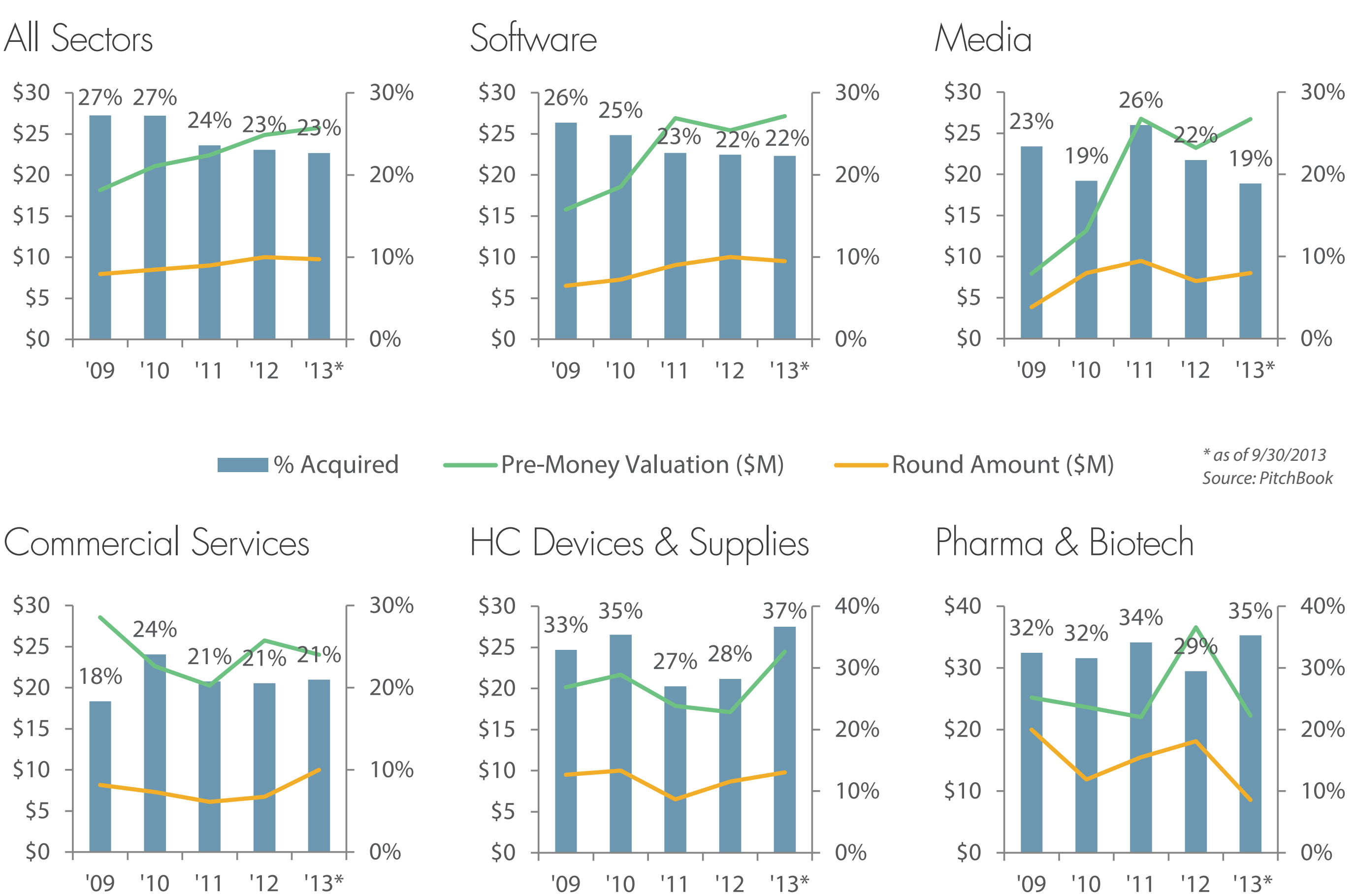
Series B

Up, Flat & Down Rounds



Series B rounds are the one area of VC where the proportion of up rounds has contracted from 2012 through the first three quarters of 2013. However, up rounds continue to comprise a healthy 71% of Series B financings. As with other stock series, valuations in Series B rounds have gone up each year since the financial crisis, but the uptick has been more moderate. In the healthcare space, valuations have barely budged and are actually down in the pharmaceuticals & biotechnology sector. One sector that has seen a steep increase is media, where the median valuation has more than tripled since 2009.

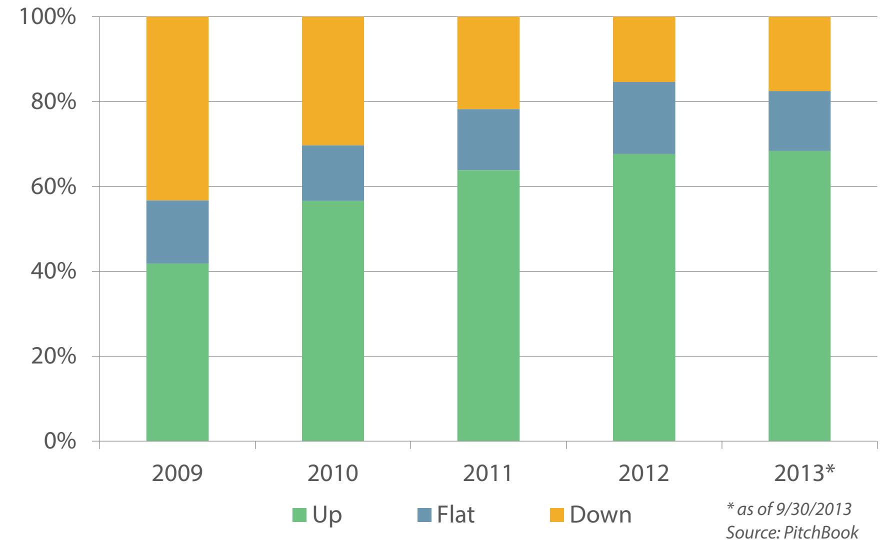
Median Series B Round Details



Series C

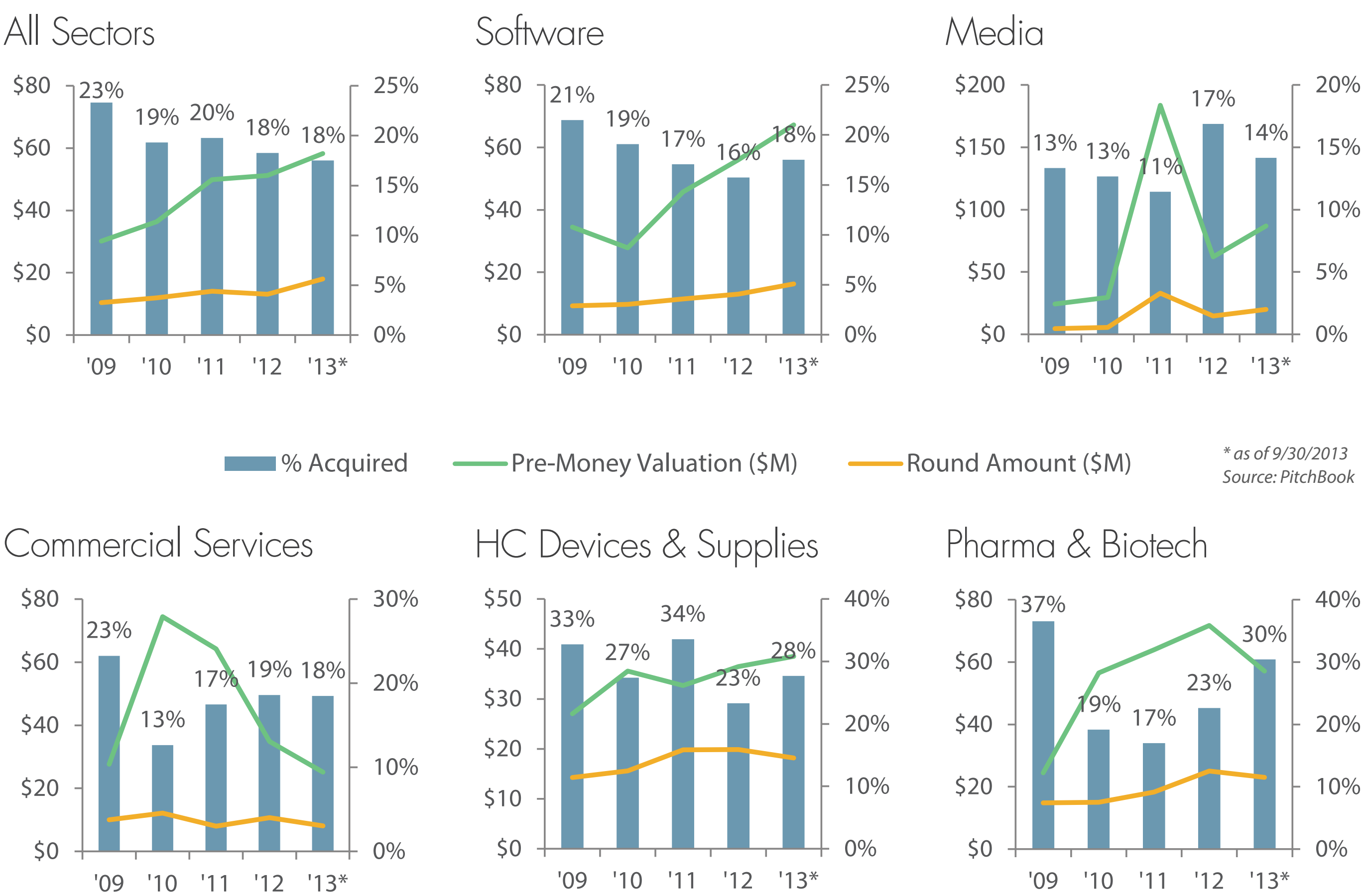
While valuations in Series C financings have been trending up since the financial crisis, there has been a large degree of variance between sectors. For example, valuations in the media sector hit record levels in 2011, with a spat of deals for high-flying companies like Foursquare, Zynga and Lockerz. Investors have also been placing larger bets in the space, with the median round size nearly quadrupling since 2009. On the other hand, valuations in commercial services have been in decline since 2010, with a high proportion of flat and down rounds, and the median round size has actually fallen since 2009.

Up, Flat & Down Rounds



** as of 9/30/2013*
Source: PitchBook

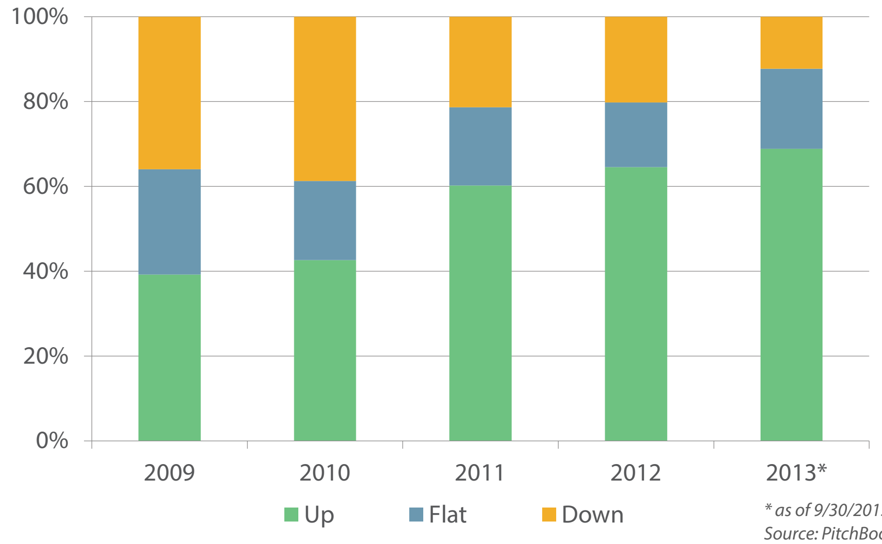
Median Series C Round Details



** as of 9/30/2013*
Source: PitchBook

Series D or Later

Up, Flat & Down Rounds

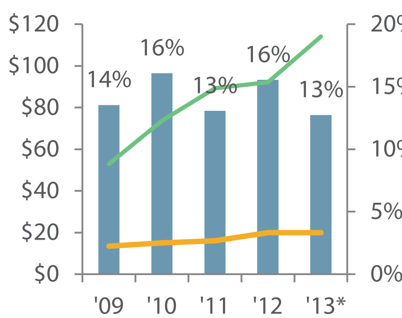


** as of 9/30/2013*
Source: PitchBook

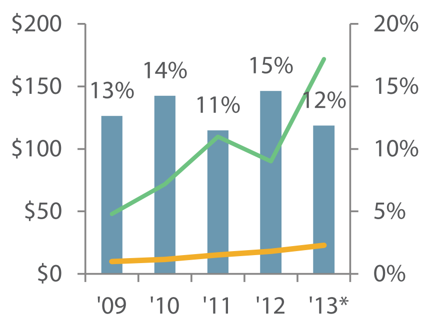
The median valuation in Series D or later rounds has spiked 116% over the last five years, eclipsing the $100-million threshold through the first three quarters of 2013. The run-up has been most evident in the software sector, where the median valuation has risen more than 350% over this period. Many investors are willing to pay higher prices in later rounds for the time being, as the prospects for an exit—whether through an IPO or acquisition—remain attractive. For example, Workday raised a $98.6 million Series F round at a $2.6 billion pre-money valuation just seven months before its IPO.

Median Series D or Later Round Details

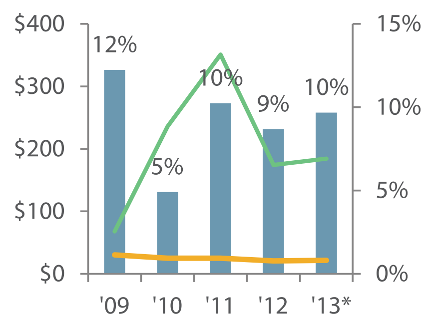
All Sectors



Software



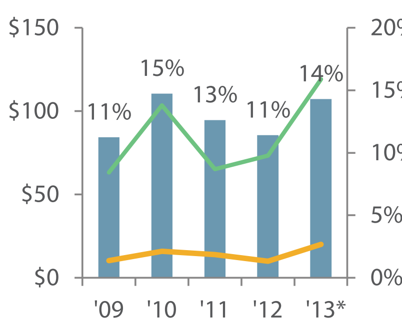
Media



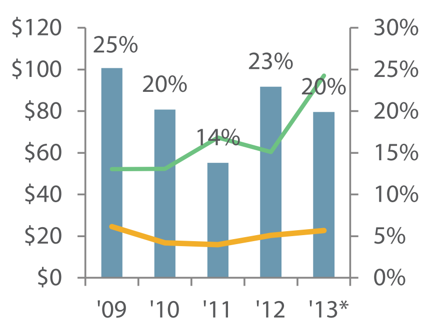
% Acquired — Pre-Money Valuation ($M) — Round Amount ($M)

** as of 9/30/2013*
Source: PitchBook

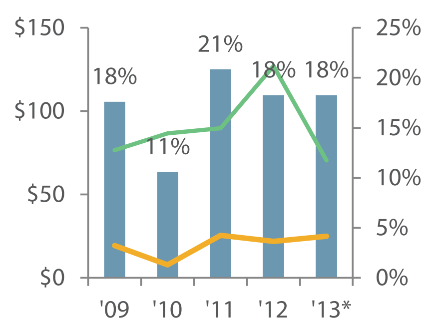
Commercial Services



HC Devices & Supplies

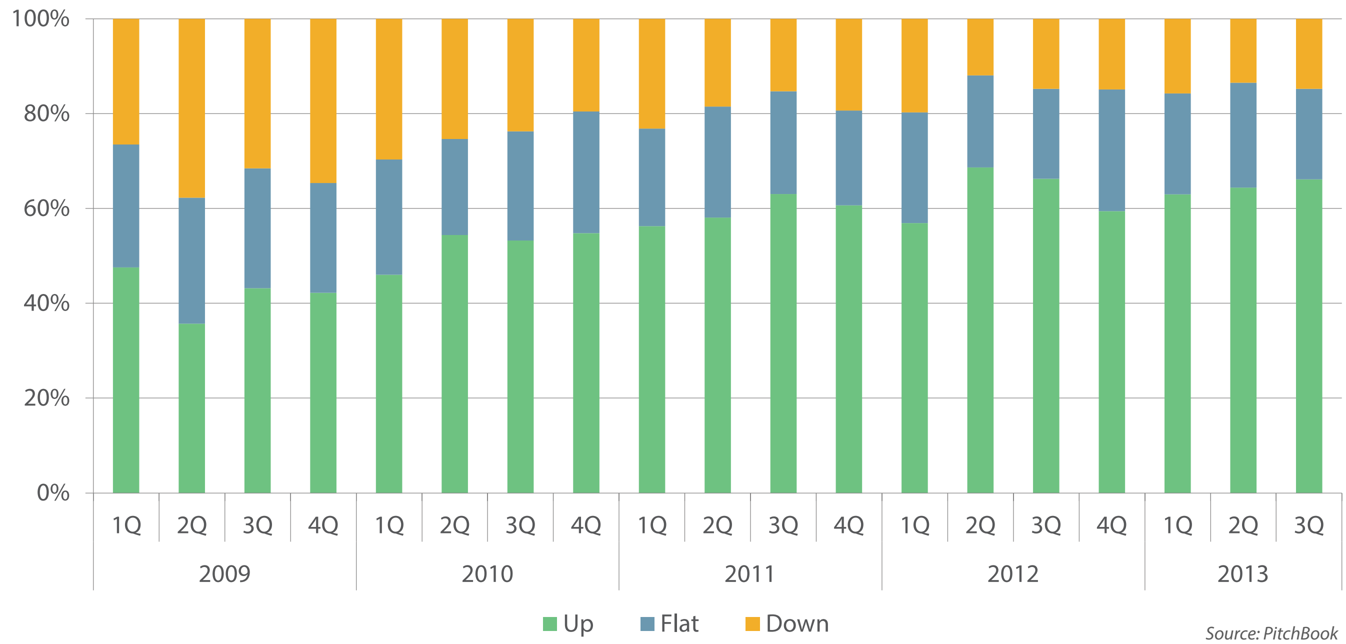


Pharma & Biotech



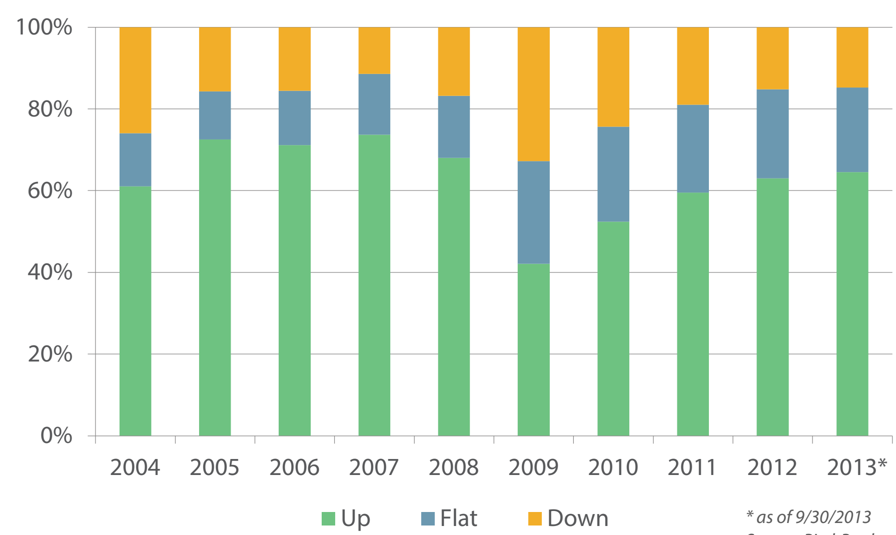
Valuation Change Between Rounds

Up, Flat & Down Rounds by Quarter



Source: PitchBook

Up, Flat & Down Rounds by Year



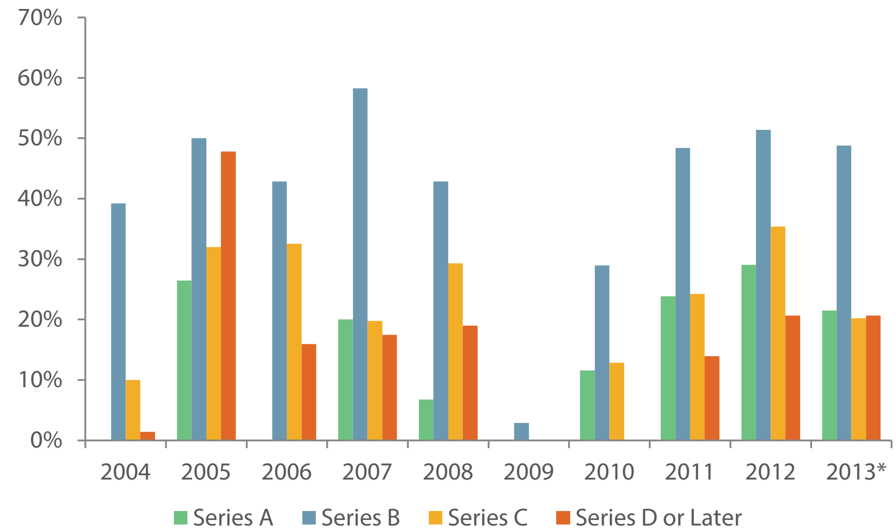
* as of 9/30/2013
Source: PitchBook

Despite the fact that VC investment remains at some of its highest levels in the last decade, for the last several quarters much of the discussion amongst entrepreneurs and industry professionals has been about the dearth of capital available to finance companies, which is largely due to the flood of Series Seed financings we discussed earlier. With more companies competing for financing—and fundraising being weak for the last several years—VCs have been more discerning in their investments, as can be seen by the steady rise in the proportion of up rounds. After dipping to just 42% in 2009, the proportion of up rounds has grown to 65% through the first three quarters of 2013. At the same time, down rounds have fallen from 33% to 15% of VC financings.

Investors were more inclined to take part in a down round in 2009 and 2010, when quality opportunities were few and far between. But now that the economy is improving and companies are performing better on the whole, there is less incentive to participate in a down round.

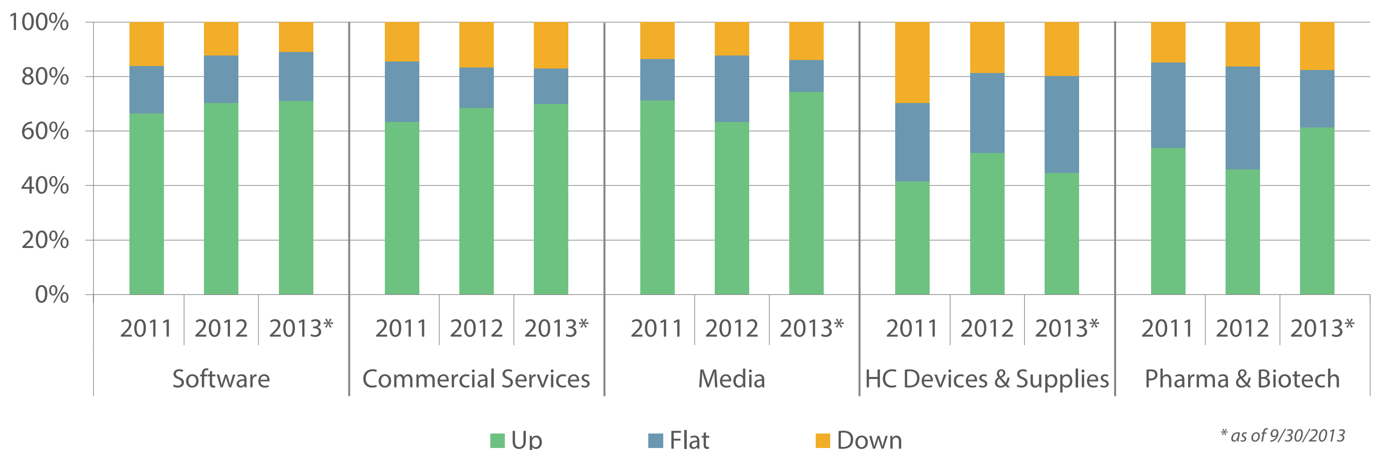
Another important component to the rise in up rounds is that valuations have been on a tear in recent years—and a rising tide lifts all boats (or yachts, if you're on the optimistic side). Looking back at the last time valuations peaked, in 2007, the proportion of up rounds was at a whopping 74%. While up rounds only comprise 65% of VC deals through the first three quarters of 2013, the rise in valuations has been more pronounced now than it was in the early- to mid-2000s. This is good for the time being, but the steady rise in valuations, particularly at the early stages, will eventually create some difficult comps and will almost certainly make it difficult for some companies to raise their next round. Considering that valuations cannot go up forever—no matter how much we may want them to—it would seem likely that there will be another uptick in flat and down rounds in the coming years.

% Change in Valuation from Previous Round



** as of 9/30/2013*
Source: PitchBook

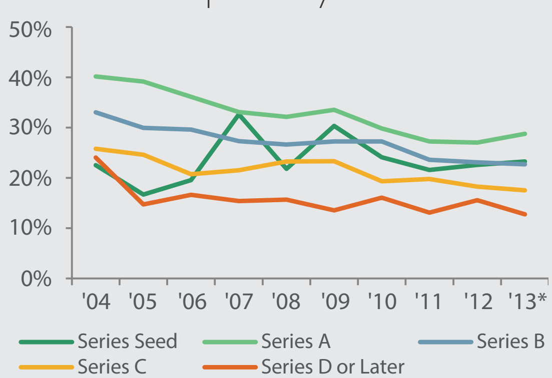
Up, Flat & Down Rounds by Sector



** as of 9/30/2013*
Source: PitchBook

Investors are acquiring smaller stakes in their VC rounds

Median % Acquired by Stock Series

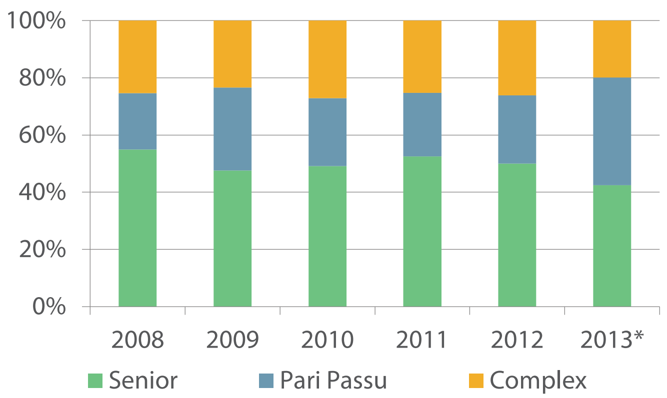


** as of 9/30/2013* *Source: PitchBook*

As should be expected, investors engaged in early stage VC rounds typically acquire a larger proportion of a company than those involved at the later stages. One long-term trend that has manifested itself across virtually all stages, however, has been a structural decline in the percent of the company being acquired. From 2004 through the first three quarters of 2013, the median percentage of a company acquired fell from 40% to 29% for Series A financings and from 24% to 13% for Series D or later. In general, there appears to be a shift towards more entrepreneur-friendly term sheets, as we will cover in the next section.

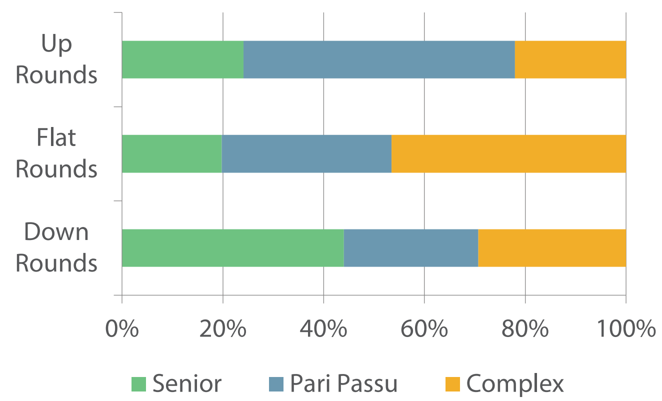
Liquidation Preferences

Liquidation Payout Order



** as of 9/30/2013* *Source: PitchBook*

Liquidation Payout Order (YTD 2013)

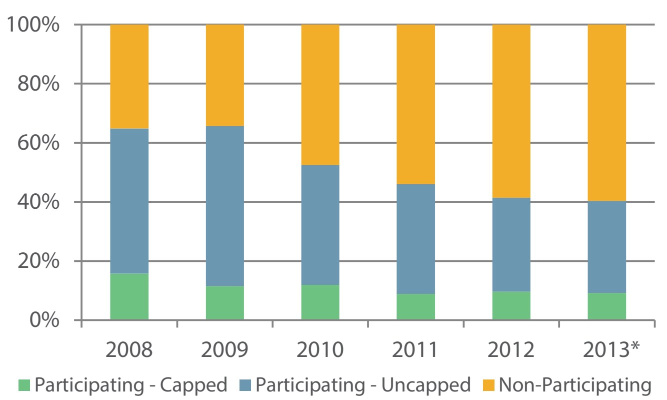


Source: PitchBook

Liquidation preferences are one of the most crucial aspects of the term sheet, as they determine which investors will get to take part in the proceeds first during a liquidation event. When the investment is a homerun, liquidation preferences shouldn't come into play. But the reality is that most VC investments end up being small- to medium-sized exits, and in these cases, who gets paid first can be meaningful. Many investors have been espousing the merits of the pari passu payout order in recent years—where all series of preferred stock share in the payout at the same time; pari passu was utilized in 38% of VC financings in the first three quarters of 2013, compared to just 20% in 2008.

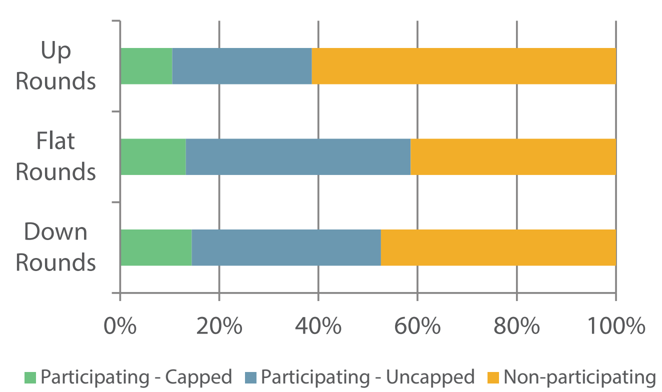
Part of this trend is due to the fact that we are seeing more up rounds, as companies raising a down round assumedly have some issues and, therefore, new investors have a case for wanting the extra security of getting paid first when investing in a down round. An in-depth explanation of liquidation preferences can be found on page 19.

Liquidation Participation



** as of 9/30/2013* *Source: PitchBook*

Liquidation Participation (YTD 2013)



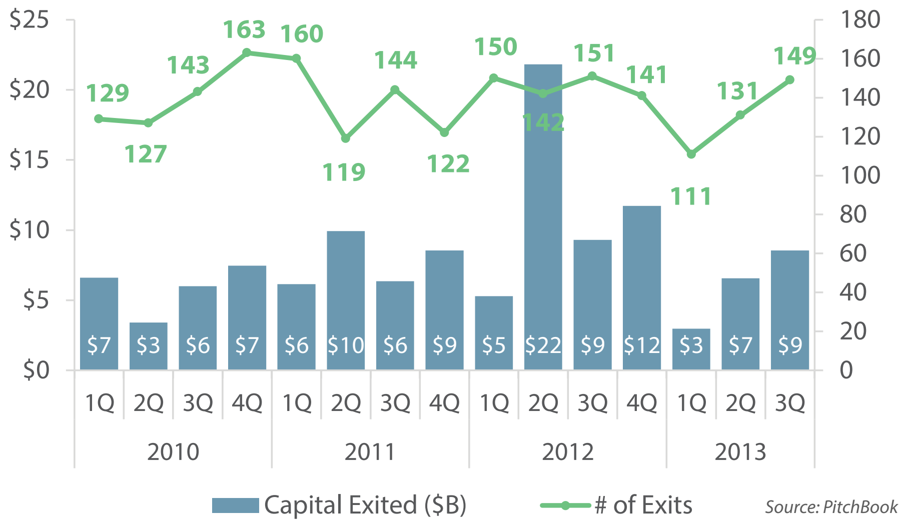
Source: PitchBook

Historically, liquidation participation terms have been used by VC investors as way to help ensure positive returns even in the case of a mediocre investment and were particularly popular following the internet bubble. But since 2008, the proportion of VC rounds that include participating stock (either capped or uncapped), has fallen from 71% to 35% through the first three quarters of 2013.

Of course, liquidation participation is more important in flat and down rounds, as the company has obviously been experiencing some issues. But as the chart above shows, the use of liquidation participation is now less than 60% even for flat and down rounds, which indicates that the decline in liquidation participation is not simply a function of there being more up rounds in recent years.

Reaching the Exit

VC Exit Flow

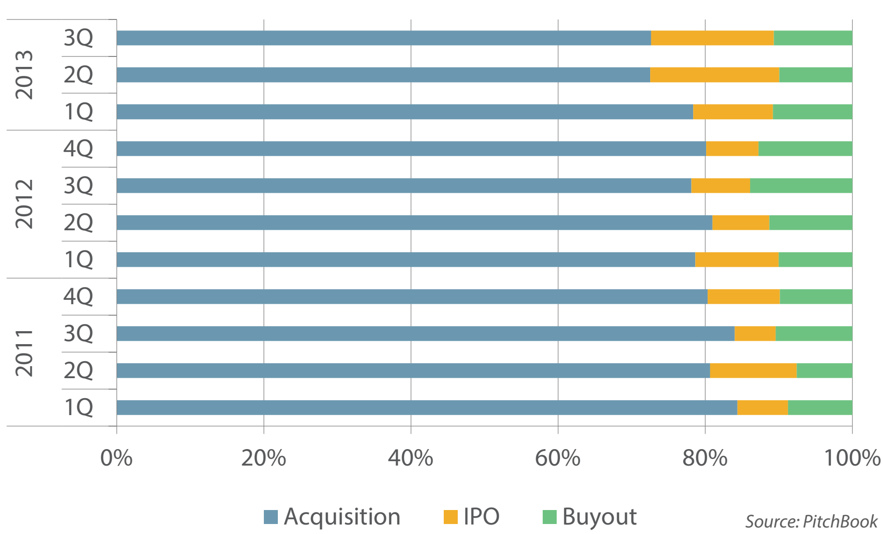


Source: PitchBook

After quarterly exit activity hit its lowest point in more than three years in 1Q 2013, it was hard to imagine that it would not improve throughout the year—and that has certainly been the case. The number of exits has ticked up 34% since 1Q and capital exited nearly tripled to $8.6 billion in 3Q 2013. Despite the relatively strong amount of capital exited in 3Q, there was not a single exit of $1 billion or more and just three exits of $500 million or more. As such, capital exited was fueled by the 24 exits between $100 million and $500 million, including notable liquidation events for ecoATM, MoPub and Adap.tv.

Keep in mind though that it was a strong quarter for IPOs, with 25 VC-backed companies going

VC Exits by Type



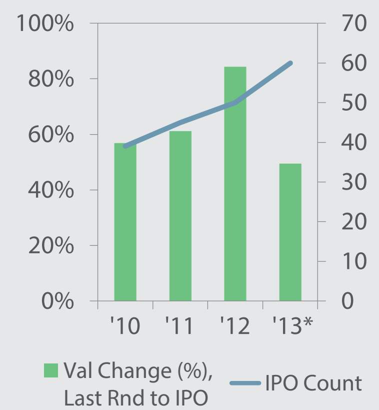
Source: PitchBook

The IPO is a Star Among Exit Types in 2013

As we approach the end of the year, it's worth noting the impressive showing IPOs have managed in 2013. There were 60 VC-backed IPOs through the first three quarters of 2013, up from 50 in all of 2012 and 45 in 2011; and in 2Q and 3Q 2013, public offerings comprised 17.6% and 16.7% of all exits, respectively.

However, even as IPOs grow as a share of all VC exits, the median percentage growth in valuation from previous round to IPO has fallen below the overall trend, which is more influenced by acquisitions.

Median Valuation Change from Last VC Round to IPO

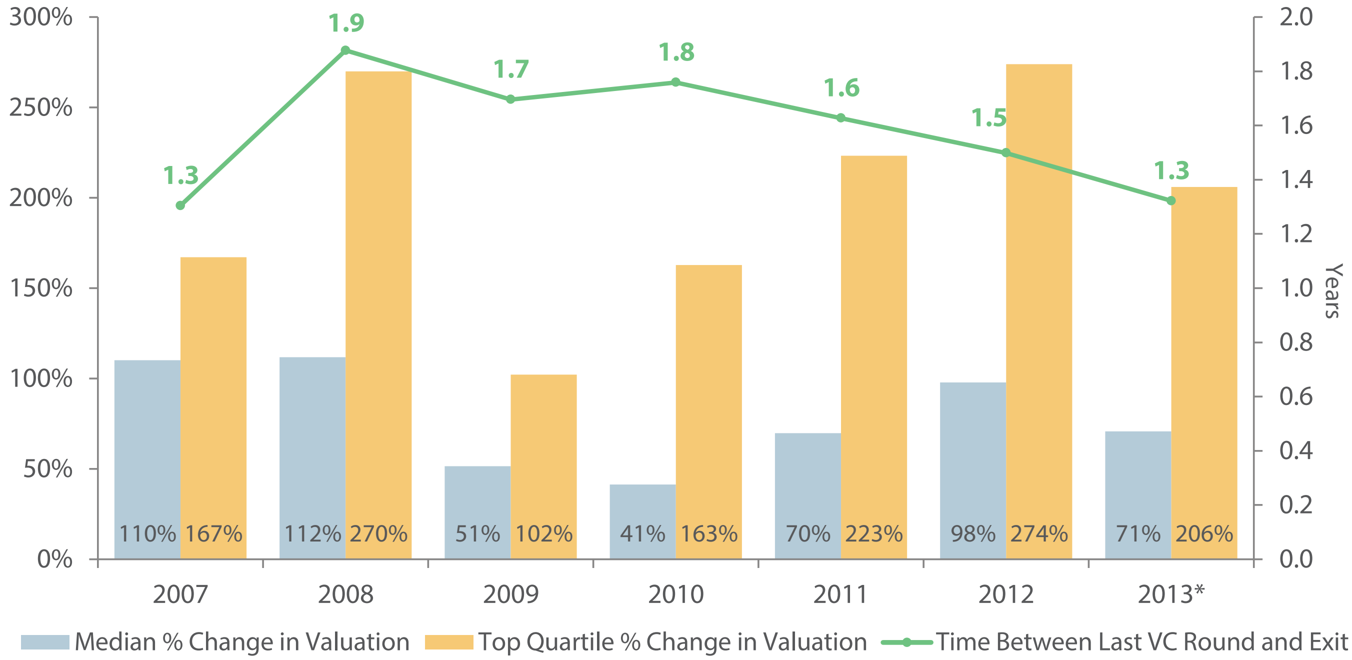


*as of 9/30/2013
Source: PitchBook

For companies that completed their IPO in 2012 and 2013, the median percentage change in valuation from the last VC round to exit was 84.3% and 49.5%, respectively. These are both less than the 98% and 71% that all VC exits (including IPOs) posted in 2012 and 2013.

Myriad factors may contribute to this phenomenon. To read more about these factors, click here for the rest on the PitchBook Blog.

Valuation Change from Last VC Round to Exit



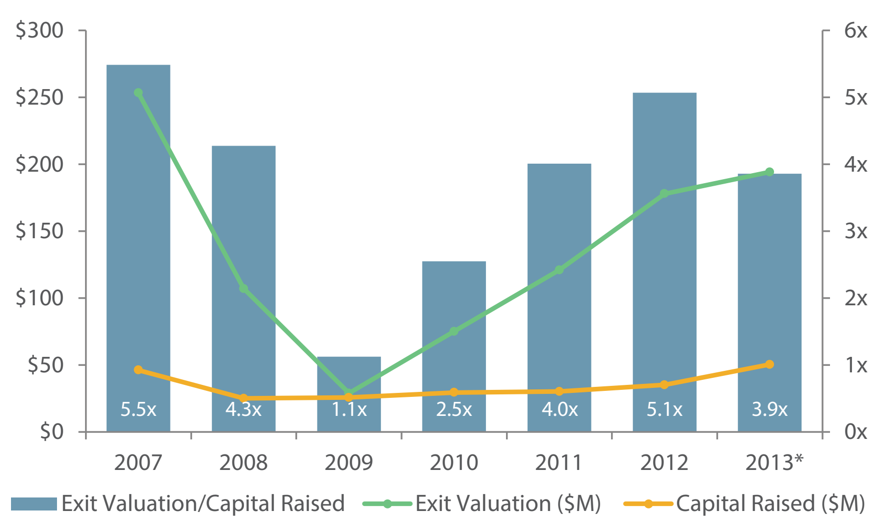
** as of 9/30/2013* *Source: PitchBook*

public—the most since 4Q 2007. So while there was not an exit with a deal size of $1 billion or more, there were three exits where the company carried a valuation of $1 billion or more and 11 liquidation events where the valuation was $500 million or more. FireEye boasted the highest valuation of the quarter at $4.8 billion, followed by Intrexon at $1.5 billion and RetailMeNot at $1.1 billion.

Valuations remain high in M&A transactions and public equity markets, but the bump in valuation from the last VC round to exit has declined so far in 2013. Several factors are playing a role, including the fact that VC valuations have skyrocketed in recent years, which obviously makes it more difficult to generate large multiples on exit. Another important consideration is that it is taking less time between the last VC round and exit, which means there is less time for that investment to appreciate.

The multiple of exit valuation-to-capital raised has also declined in 2013 after reaching a five-year high in 2012. The decline here is due to the fact that the median amount of VC capital raised by companies that have been exited so far in 2013 ($50.4 million) is 44% higher than the companies that were exited in 2012 ($35.1 million). One reason for this development, as we discussed previously, is that many investors have been looking to execute late-stage VC deals when a successful exit is all but a certainty, sacrificing some capital appreciation in return for a big, high-profile exit.

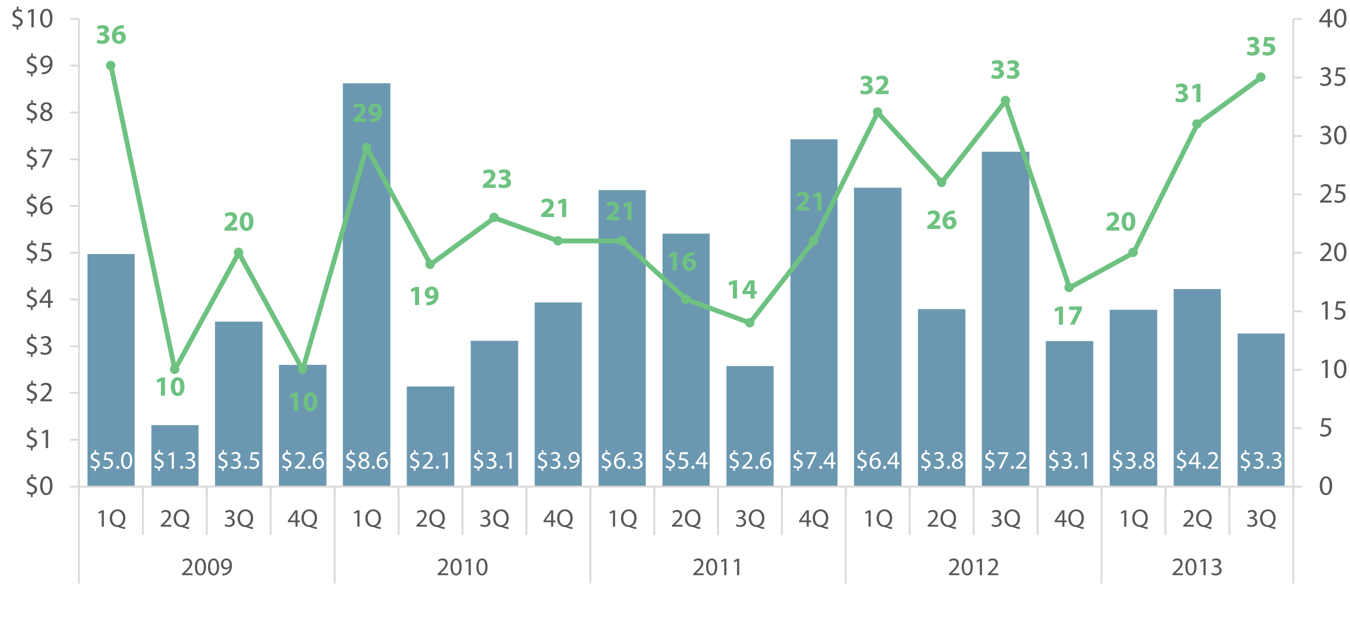
Median Exit Valuation Compared to Median Capital Raised



** as of 9/30/2013* *Source: PitchBook*

Fundraising

VC Fundraising

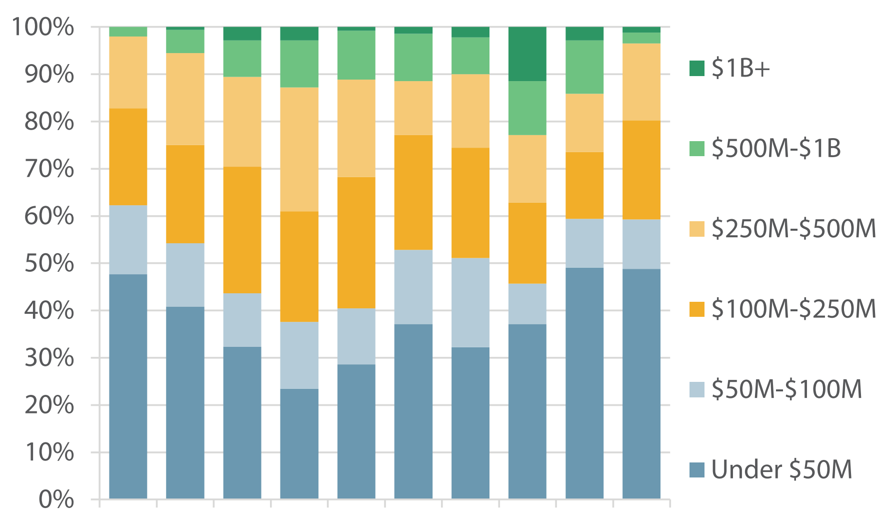


Source: PitchBook

VC professionals are well-aware that VC fundraising has floundered in the years since the financial crisis. From 2005 to 2008, there was an average of 150 VC funds and $29.2 billion of capital raised each year. But in the four years since, VC firms have fallen far short of those marks and will do so once again in 2013. It does appear that the fundraising environment is improving somewhat, however, particularly for smaller funds. The number of fund closes hit a post-crisis high of 108 in 2012 and is primed to increase once again in 2013. Furthermore, the 35 funds closed in 3Q 2013 is the most for a single quarter in more than four years.

In recent years, many industry professionals have expressed concern that capital is being concentrated in mega funds ($500 million or more), which is evidenced most clearly in 2011. This trend has reversed course, however, and we have seen a wave of closures for small funds in the last two years. Much of this development has been caused by the rise of incubators, accelerators and angel groups, such as 500 Startups, FundersClub and SV Angel, which have raised small funds that deploy seed and early stage capital to dozens of companies each quarter. It will be interesting to see how equity-based crowdfunding, syndicates on AngelList and similar changes brought about by the JOBS Act and lifting of the ban on general solicitation impact this phenomenon.

VC Fundraising (#) by Fund Size



** as of 9/30/2013*
Source: PitchBook

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League Tables (TTM)

Investors

Seed/Angel

Investor	Deals
500 Startups	82
Y Combinator	67
TechStars	41
SV Angel	32
Andreessen Horowitz	28
Google Ventures	28
Connecticut Innovations	19
CrunchFund	18
Great Oaks Venture Capital	18
Atlas Venture	17
First Round Capital	16
Lerer Ventures	16
Start Fund	14
Greylock Partners	13
Portland Seed Fund	13
Rock Health	12
Founders Fund	11
FundersClub	11
General Catalyst Partners	11
New Enterprise Associates	11
True Ventures	11

Source: PitchBook

Early Stage

Investor	Deals
Andreessen Horowitz	45
Google Ventures	36
SV Angel	36
First Round Capital	35
New Enterprise Associates	35
Connecticut Innovations	33
500 Startups	29
Lerer Ventures	29
KPCB	25
Accel Partners	23
Battery Ventures	23
Founders Fund	22
General Catalyst Partners	22
Greylock Partners	21
FLOODGATE Fund	20
Lightspeed Venture Partners	20
Draper Fisher Jurvetson	19
Khosla Ventures	19
Social + Capital Partnership	19
True Ventures	18
Intel Capital	17
RRE Ventures	17
Sequoia Capital	17

Source: PitchBook

Late Stage

Investor	Deals
KPCB	28
Sequoia Capital	25
Intel Capital	23
New Enterprise Associates	22
Draper Fisher Jurvetson	19
Bessemer Venture Partners	17
Andreessen Horowitz	14
Google Ventures	14
Index Ventures	14
Accel Partners	13
Battery Ventures	13
First Round Capital	13
Lightspeed Venture Partners	13
Mayfield Fund	13
Menlo Ventures	13
North Bridge Venture Partners	13
Domain Associates	12
Flybridge Capital Partners	12
Greylock Partners	12
InterWest Partners	12
SAP Ventures	12
US Venture Partners	12
Versant Ventures	12

Source: PitchBook

Law Firms

Early Stage

Firm	Deals
Wilson Sonsini Goodrich & Rosati	137
Gunderson Dettmer Stough Villeneuve Franklin & Hachigian	81
Cooley	37
Perkins Coie	29
Morgan Lewis & Bockius	25
Fenwick & West	20

Source: PitchBook

Late Stage

Firm	Deals
Wilson Sonsini Goodrich & Rosati	108
Cooley	76
Gunderson Dettmer Stough Villeneuve Franklin & Hachigian	65
Goodwin Procter	50
Fenwick & West	44
Morgan Lewis & Bockius	26

Source: PitchBook

League Table Methodology

All League Tables are compiled using the number of completed VC deals for U.S.-based companies from 4Q 2012 to 3Q 2013. Deals in which a firm advised multiple parties will only be counted once for that firm. To ensure that your firm is accurately represented in future PitchBook reports, please contact survey@pitchbook.com.

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Methodology

Venture Capital

Venture capital, for the purposes of this report, is defined as institutional investors that have raised a fund structured as a limited partnership from a group of accredited investors, or a corporate entity making venture capital investments.

Valuations

- **Pre-Money Valuation:** the valuation of a company prior to the round of investment
- **Post-Money Valuation:** the valuation of a company following an investment
- **Up, Flat & Down Rounds:** indicates whether the valuation of a company during a specified round was higher (up), lower (down) or the same (flat) as the previous round of financing. To determine the change in valuation, PitchBook compares the change in the price per share of preferred stock from one round to another.

Series Terms

- **Liquidation Preference:** a distinction given to a class of preferred stock in which that stock receives proceeds prior to other classes of stock during a liquidity event. Note that in the event of an IPO, all preferred stock will be converted to common stock and the liquidation preference will be irrelevant. The liquidation preference is typically capped as a multiple of the investor's original purchase price. Since 2004, the median participation cap has been 3.0x. PitchBook classifies liquidation preferences as follows:
  - **Senior:** when a particular class of preferred stock has liquidation priority over <u>all</u> other stock classes
  - **Pari Passu:** when <u>all</u> classes of preferred stock have equal liquidation rights
  - **Complex:** any circumstance that does not fall under senior or pari passu
- **Liquidation Participation:** a distinction given to a class of stock that outlines how the specified stock series will participate in the liquidation proceeds after the payment of the liquidation preference. Stocks may have one of three types of participation:
  - **Uncapped Participation:** following the payment of the liquidation preference, all of the remaining assets will be distributed ratably among the common and preferred stock
  - **Capped Participation:** following the payment of the liquidation preference, the remaining assets will be distributed ratably among the common and preferred stock until the specified stock class reaches a predetermined multiple of the original purchase price
  - **Non-Participation:** following the payment of the liquidation preference, the specified stock class will not participate in the distribution of the remaining assets

Exits

This report includes both full and partial exits via mergers and acquisitions, private equity buyouts and IPOs.

Fundraising

This report includes all U.S.-based venture capital funds that have held a final close. Fund-of-funds and secondary funds are not included.

PitchBook

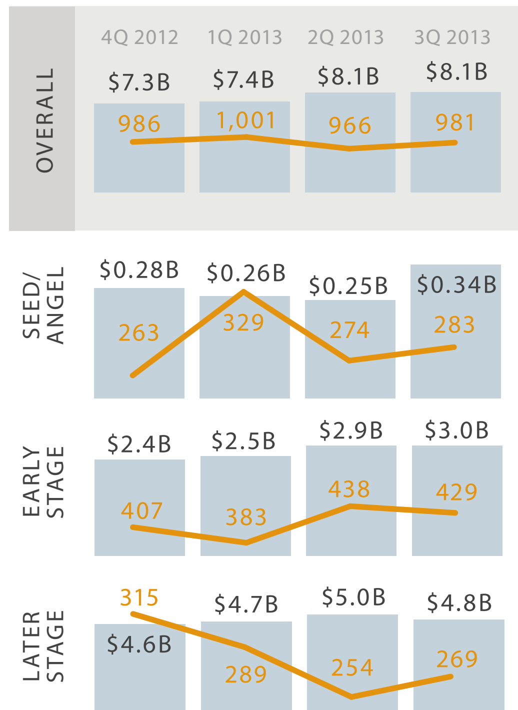
3Q 2013

VC DEALS & VALUATIONS SNAPSHOT

	DEAL COUNT	CAPITAL INVESTED	MEDIAN DEAL SIZE
OVERALL	981 ▼ / 1,038	$8.1B ▲ / $7.4B	$3.0M ▲ / $2.6M
SEED/ ANGEL	283 – / 283	$0.34B ▲ / $0.30B	$1.0M ▲ / $0.8M
EARLY STAGE	429 ▼ / 450	$3.0B ▲ / $2.5B	$4.1M ▲ / $3M
LATE STAGE	269 ▼ / 305	$4.8B – / $4.6B	$10M – / $10M

3Q 2013 STAT
3Q 2012 STAT

DEAL ACTIVITY: LAST FOUR QUARTERS



SERIES C MEDIAN VALUATION HIT $75M THE HIGHEST SINCE 2000

TOP 2013 VC INVESTORS BY DEAL COUNT

Investor	3Q	YTD
GOOGLE VENTURES	23	57
500 STARTUPS	19	83
NEW ENTERPRISE ASSOCIATES	18	49
ACCEL PARTNERS	16	30

MEDIAN PRE-MONEY VALUATION

	3Q 2013	3Q 2012
OVERALL	$18M	$14M
SEED/ANGEL	$5.3M	$4.9M
SERIES A	$9.2M	$8.5M
SERIES B	$25.6M	$22.0M
SERIES C	$75.4M	$55.9M
SERIES D+	$132M	$115M

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*All data for U.S. only