

Venture Capital Funding Quarterly

Telecom • Wireless Mobile • Communications

4th Quarter, 2008 – United States

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Contents

Summary	2
Funding Activity	2
Notes	6

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Summary

Telecommunications, Wireless, Mobile and Communications technology startups raised \$384 million during Q4 08, an increase of 2% from the previous quarter. 66 companies received funding, an increase of 47% quarter over quarter. Previously, these four sectors showed a downward trend of lower funding in the aggregate. The current quarter indicated a stabilization of funding amounts.

As one bright spot, Telecom companies indicated strong financing volume growth, while Mobile firms continue to receive a significant percentage of the overall funding among the four sectors.

Funding Activity

Telecom

The Telecom sector showed a dramatic increase in funding, with a 105% improvement in funding amounts and a 100% increase in the number of companies funded during the quarter. As in the previous quarter, relatively few companies received the lion's share of the funding. [IntelePeer](#) raised \$18 million in its third round of venture capital financing. The company provides outsourced infrastructure services to telecommunications companies throughout the world.

[Mavenir Systems](#) secured \$17.5 million from a syndicate of venture capital firms. The company said it would use the funding proceeds to expand its product offering, geographic coverage and customer support.

Telephony company [Ifbyphone](#) raised \$4.6 million in its second round of venture capital debt and equity financing. The company provides small businesses with converged telecom services that can be accessed and routed via the Internet, all at a monthly subscription price.

Wireless

22 Wireless technology startups raised \$121 million during the quarter, a decrease of 32% in dollar volume and an increase of 22% in the number of companies receiving funding versus the previous quarter. This continues a recent trend of funding amount decline.

The largest financing during the quarter was [Paratek Microwave](#), which received \$20 million. The company provides electronically tunable filters and other supplies as well as electronically steered antennas. This funding was the company's fifth round and included a number of venture capital firms.

[Rave Wireless](#) also raised a late stage round of financing, receiving \$7 million in its series D venture equity funding round. Rave sells mass notification software for enterprises and large organizations to notify their constituencies in the event of an emergency or other event.

[Adura Technologies](#) secured \$5 million during the quarter in its first round of institutional venture capital financing. The company offers a building facility energy cost reduction solution via its wireless technology and integrated software energy management and reduction system.

Mobile

The Mobile sector was a bright spot during the quarter, with 26 companies securing \$156 million in new funding, representing an 11% increase in funding amounts over the previous quarter. The funding activity was divided among mostly middle to later stage mobile companies.

[Dexterra](#) garnered \$21.5 million in its sixth funding round to continue to "support the advancement of Dexterra's mobile business platform and applications, strong partner and wireless carrier ecosystem and future opportunity..."

[iSkoot](#) received \$19 million in its series C financing round, supported by a number of venture capital and private equity firms. iSkoot provides technology that enables non-smartphone users to be notified of e-mail and other services such as social networking updates, even though their phone is not otherwise capable of these types of notifications.

[AdMob](#) raised a third round of funding in the amount of \$15.7 million. This round included top-tier venture capital funds [Sequoia Capital](#) and [Accel Partners](#).

Communications

The Communications sector saw the second largest percentage increase in funding volume, with companies in this sector raising \$36.5 million, an increase of 74% over the previous quarter. The number of companies funded doubled from 4 in the previous quarter to 8.

The largest funding event of the quarter was for [Staccato Communications](#), which received \$20 million from a large syndicate of venture capital and strategic investors. Staccato provides ultra-wideband silicon and software solutions for a wide variety of PC and mobile wireless devices.

[Swingvote](#) garnered \$10 million in a publicly undisclosed financing. Swingvote has created an electronic delivery platform for communications between public companies and their shareholders.

[LogicTree](#) raised \$2 million in venture debt from [MMV Financial](#). The company provides IVR solutions for 511 and public transit organizations that makes access to these services faster and easier for the general public.

For Table of Venture Funding Activity, see Next Page

Table 1

Venture Funding Activity – 4th Quarter 2008

Industry	Total Amount Funded	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Telecom	\$70 Million	+ 105 %	10	+ 100 %
Wireless	\$121 Million	- 32 %	22	+ 22 %
Mobile	\$156 Million	+ 11 %	26	+ 44 %
Communications	\$36.5 Million	+ 74 %	8	+ 100 %
Total	\$384 Million	+ 2 %	66	+ 47 %

Notes

This report was prepared by the staff of VentureDeal, LLC.

The information source used was the VentureDeal.com database. VentureDeal is a venture capital database that provides the latest information about venture-backed technology companies, venture capital firms and transactions in the United States.

The database obtains transaction and company information from a wide variety of reputable public and private sources. While this report is free of charge, users may view the individual transactions supporting the totals herein by subscribing to VentureDeal.

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