

# Venture Capital Funding Quarterly

## Telecom • Wireless Mobile • Communications

2<sup>nd</sup> Quarter, 2009 – United States

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## Summary

Telecommunications, Wireless, Mobile and Communications technology startups raised \$204 million during Q2 09, a decrease of 52% from the previous quarter. 37 companies received funding, an increase of 3% quarter over quarter. Previously, these four sectors showed an increasing trend of funding in the aggregate. The current quarter indicated a major decrease in funding amounts.

As one bright spot, Wireless companies indicated financing volume growth, while Telecom firms showed the sharpest decline in dollar volume terms of funding (- \$127 million) among the four sectors.

## Funding Activity

### Telecom

The Telecom sector showed a dramatic decrease in funding, with a 64% reduction in funding amounts between a 100% increase in the number of companies funded during the quarter. As in previous quarters, relatively few companies received the lion's share of the funding.

The primary funding event during the quarter was for [Telx](#), which received \$43.5 million in a new round of financing. The company operates a variety of co-location centers focused on facilitating interconnections between networks.

[Peerless Network](#) secured a little over \$10 million in an unpublished financing round. Peerless is also in the telecommunication interconnections space. It says that it simplifies the interconnections between networks.

## Wireless

13 Wireless technology startups raised \$96 million during the quarter, an increase of 35% in dollar volume and an increase of 44% in the number of companies receiving funding versus the previous quarter. This significantly reverses a recent trend of funding amount decline.

The largest financings during the quarter were for [Tendril Networks](#) and [Meru Networks](#), which both raised \$30 million each. Tendril is deploying technology that it says "bridges the gap between wireless sensor and control networks and programmers."

Meru Networks is developing wireless technology to enable the "all wireless enterprise." The company did not say how it would use the funding proceeds.

[Stoke](#) secured \$15 million in its fourth round of financing, which included corporate investors. Stoke said that it would use the funding proceeds to "support its rapidly growing installed base and commercial carrier trials with top carriers."

## Mobile

The Mobile sector continued to encounter difficulties during the quarter, with nine companies securing \$29 million in new funding, representing a 65% decrease in funding amounts versus the previous quarter. The number of companies funded dropped to nine, a 29% decrease versus the previous quarter.

[Dilithium Networks](#) raised \$8 million in a new round of financing. Investors in the round were not disclosed, nor was how the company intended to use the funding proceeds. Dilithium sells technology to mobile service providers that enables them to deliver high-quality multimedia over their networks to virtually any connected device. Dilithium says that it sells its products in over 60 countries worldwide.

There were a number of Series A funding rounds during the quarter:

Motally	Undisclosed Amount
Celtra	\$1.2 million
Aha Mobile	\$3 million
Azuki Systems	\$6 million

## Communications

The Communications sector saw the largest percentage decrease in funding volume, with companies in this sector raising only \$8 million during the quarter, a decrease of 86% versus the previous quarter. The number of companies funded totaled five, a 29% drop from the previous quarter.

The largest funding event of the quarter was for [Quantia Communications](#), which received \$4.6 million in an unpublished round. The company has developed hardware and software solutions that enable businesses to integrate new communications methodologies with their high value customers.

Mass communication technology company [Everbridge](#) raised another \$2 million in venture capital investment during the quarter. Everbridge provides enterprises and organizations with the ability to notify their customers, employees and stakeholders in the case of an emergency or major incident.

[Spanlink Communications](#) secured \$1.5 million from venture capital firms. The company provides integrated IP communications solutions to call centers and other enterprise customers based on Cisco Systems AVVID architecture.

For Table of Venture Funding Activity, see Next Page

Table 1

**Venture Funding Activity – 2<sup>nd</sup> Quarter 2009**

<b>Industry</b>	<b>Total Amount Funded</b>	<b>% Change Vs. Prior Quarter</b>	<b>Number of Companies Funded</b>	<b>% Change vs. Prior Quarter</b>
Telecom	\$71 Million	- 64%	10	+ 100%
Wireless	\$96 Million	+ 35%	13	+ 44%
Mobile	\$29 Million	- 65%	9	- 40%
Communications	\$8 Million	- 86%	5	- 29%
<b>Total</b>	<b>\$204 Million</b>	<b>- 52%</b>	<b>37</b>	<b>+ 3%</b>

**Notes**

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

The information source used was the [VentureDeal.com](http://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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