

# Venture Capital Funding Quarterly

## Telecom • Wireless Mobile • Communications

1<sup>st</sup> Quarter, 2010 – United States

Published by: [VentureDeal](#)

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## Summary

Telecommunications, Wireless, Mobile and Communications technology startups raised \$614 million during Q1 2010, an increase of 166% from the previous quarter. 47 companies received funding, a decrease of 4% quarter over quarter. Previously, these four sectors showed a decreasing trend of funding in the aggregate. The current quarter indicated a sharp increase in total funding amounts.

All four sectors posted increased quarterly results, with the Wireless sector increasing the most, by 247% to \$441 million in funding.

## Funding Activity

### Telecom

The Telecom sector reversed its previous dramatic decrease in funding, with a 36% gain in funding amounts for a total of \$19 million in funding during the quarter. The number of companies funded dropped from 5 in the previous quarter to 4 in the current 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 [Hibernia Atlantic](#), which received \$13.4 million in a new round of financing. The company said it would use the funding to expand its points of presence (POPs) in North America and Europe.

New York-based [Genesis Networks](#) raised \$2 million in venture capital equity funding from a small syndicate of northeastern US venture capital firms. The company provides quality control guaranteed Video over Internet Protocol services to Tier 1 broadcast networks. It did not say how it would use the funding proceeds, since the financing was not publicly announced.

## Wireless

14 Wireless technology companies raised \$441 million during the quarter, a whopping increase of 247% in dollar volume and a decrease of 26% in the number of companies receiving funding versus the previous quarter. This represents a sharp reversal from the previous quarter's funding decreases.

Two companies raised the majority of sector funding amounts during the quarter. [AirCell](#) secured \$176 million from undisclosed investors. The company said it would use the funding proceeds "for network expansion, among other uses."

[ExteNet Systems](#) garnered \$128.4 million from a large syndicate of private equity and venture capital investors. The company designs, builds and manages distributed antenna systems for wireless providers that help to improve their coverage and network capacity. The increased use of mobile data and video is placing significant demands on wireless networks for additional capacity.

Kleiner Perkins Caulfield & Byers-backed [Aerohive Networks](#) secured \$23.5 million in its third round of venture capital funding. The company said it would use the funding proceeds to expand its sales and marketing efforts and to continue development of its controller-less WLAN technology.

## Mobile

The Mobile sector continued its previous quarterly improvement, with 24 companies securing \$100 million in new funding, representing a 37% increase in funding amounts versus the previous quarter. The number of companies funded remained the same as the previous quarter.

[Adenyo](#) raised \$26.9 million in a new round of financing from a private equity investor. The company has developed a mobile advertising platform for agencies and brand advertisers large and small. Proceeds purposes from the financing were for international expansion efforts.

There were four series A funding rounds during the quarter:

<a href="#">CardStar</a>	\$1 million
<a href="#">ActiveTrak</a>	\$Undisclosed
<a href="#">Cardagin Networks</a>	\$1 million
<a href="#">CrowdFlower</a>	\$5 million

Corporate investor [Intel Capital](#) invested alongside prominent venture capital firm [Sequoia Capital](#) in [July Systems](#), in an unpublished financing. The company has developed a mobile advertising network that goes beyond the typical network by allowing advertisers to personalize their push-based customer relationship initiatives. Proceeds purposes from the financing round were not disclosed.

## Communications

The Communications sector saw a large percentage increase in funding volume, with companies in this sector raising \$54 million during the quarter, an increase of 218% versus the previous quarter. The number of companies funded totaled 5, a fivefold increase from the previous quarter.

The largest funding event of the quarter was for [INTTRA](#), which received \$30 million from a private equity firm. The company has developed an e-commerce communications platform for the ocean shipping industry. The company did not disclose how it would use the funding proceeds.

For Table of Venture Funding Activity, see Next Page

Table 1

**Venture Funding Activity – 1<sup>st</sup> Quarter 2010**

<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	\$19 Million	+ 36 %	4	- 20 %
Wireless	\$441 million	+ 247 %	14	- 26 %
Mobile	\$100 million	+ 37 %	24	--
Communications	\$54 million	+ 218 %	5	+ 500 %
<b>Total</b>	<b>\$614 Million</b>	<b>+ 166 %</b>	<b>47</b>	<b>- 4 %</b>

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## Transaction Amounts by State - All Sectors Aggregated



### Legend (Discrete Log Values):

Dark Green: \$100 Million +

Medium Green: \$10 Million - \$100 Million

White: \$1 Million - \$10 Million

State	Transaction Amounts by State
Colorado	\$176,000,000
Illinois	\$128,400,000
California	\$111,800,000
New Jersey	\$43,400,000
Texas	\$41,900,000
Virginia	\$18,800,000
North Carolina	\$16,500,000
Florida	\$15,000,000
New York	\$12,000,100
Pennsylvania	\$12,000,000
Oregon	\$11,100,000
Massachusetts	\$5,420,000
Georgia	\$3,925,000
Washington	\$1,500,000
Connecticut	\$1,000,000

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## 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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