

# Venture Capital Funding Quarterly

## **Telecom • Wireless Mobile • Communications**

2<sup>nd</sup> Quarter, 2010 – United States

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## Summary

Telecommunications, Wireless, Mobile and Communications technology startups raised \$328 million during Q2 2010, a decrease of 47% from the previous quarter. 56 companies received funding, an increase of 19% quarter over quarter. Previously, these four sectors showed an increasing trend of funding in the aggregate. The current quarter indicated a significant decrease in total funding amounts.

Two of the four sectors posted increased quarterly funding results - Telecom and Mobile, with the Wireless and Communications sectors tallying decreased funding amounts, dropping by 75% and 69% respectively.

## Funding Activity

### Telecom

The Telecom sector continued its previous increase in funding, with a 137% gain in funding amounts for a total of \$45 million in funding during the quarter. The number of companies funded doubled from 4 in the previous quarter to 8 in the current quarter. As in previous quarters, relatively few companies received the lion's share of the funding.

The largest funding event during the quarter was for [Mavenir Systems](#), which received \$13.6 million in its fourth round of financing. Investors included a large syndicate of venture capital firms and noted corporate investor [Cisco Systems](#). The company said it would use the funding to further scale its operations in order to reach more Tier 1 service providers globally.

Dallas, Texas-based [Airband Communications](#) secured \$3.7 million in an unpublished financing from a variety of venture capital and private equity firms. Airband provides Voice over IP, VPN and data solutions to enterprises via its hybrid fixed wireless telecommunications network.

## Wireless

12 Wireless technology companies raised \$109 million during the quarter, a whopping decrease of 75% in dollar volume and a decrease of 14% in the number of companies receiving funding versus the previous quarter. This represents a sharp reversal from the previous quarter's funding increases.

Two companies raised financing rounds in excess of \$20 million: [Row 44](#) and [Jasper Wireless](#). Row 44 secured \$27.75 million from undisclosed investors. The company provides in-flight broadband services for airlines and business jets. Past company investors include [Par Capital Management](#).

Sunnyvale, California-based Jasper Wireless garnered \$21 million in its series D round of financing. Jasper says that it is "a one-stop shop for enterprises, OEMs, solution providers and operators who want to capitalize on a world of connected devices." Its investors include a long list of top tier venture capital firms.

Two other wireless companies received fourth-round investments: [Ozmo Devices](#), which raised \$10.8 million for its wireless personal area network technologies and [Sonim Technologies](#), which landed \$9 million in its series D round for its voice service technologies for GSM and CDMA wireless data networks.

## Mobile

The Mobile sector continued its previous quarterly improvement, with 32 companies securing \$157 million in new funding, representing a 57% increase in funding amounts versus the previous quarter. The number of companies funded increased by 33% versus the previous quarter.

Location-based mobile company [Foursquare](#) raised \$20 million in a second round of financing from a syndicate of venture capital investors including new investor [Andreessen Horowitz](#). The company has generated a lot of media buzz as result of its "check-in" service that is used by many early adopter smart phone owners.

There were five additional series B funding rounds during the quarter:

<a href="#">Geodelic</a>	\$7 million
<a href="#">GetJar Networks</a>	\$11 million
<a href="#">Moblyng</a>	\$2.65 million
<a href="#">Mojiva</a>	\$7 million
<a href="#">Ground Truth</a>	\$7 million
<a href="#">Zong</a>	\$15 million

Austin, Texas-based Macheen (no website) raised \$2.75 million for its series A financing round from venture capital firms and corporate investor [Microsoft](#). Macheen is developing cloud services for connected devices.

## Communications

The Communications sector saw a large percentage decrease in funding volume, with companies in this sector raising \$17 million during the quarter, a decrease of 69% versus the previous quarter. The number of companies funded totaled 4, a 20% decrease from the previous quarter.

The largest funding event of the quarter was for [InTouch Health](#) which received \$10 million from a syndicate of private equity and venture capital firms. The company has developed a telemedicine communications platform for the hospital industry that allows doctors to access a range of FDA approved remote presence devices to provide patient care in a variety of settings. The company said it would use the financing proceeds for its growth initiatives.

For Table of Venture Funding Activity, see Next Page

Table 1

**Venture Funding Activity – 2<sup>nd</sup> Quarter 2010**

<b>Industry</b>	<b>Total Disclosed Funding</b>	<b>% Change Vs. Prior Quarter</b>	<b>Number of Companies Funded</b>	<b>% Change vs. Prior Quarter</b>
Telecom	\$45 Million	+ 137%	8	+ 100%
Wireless	\$109 million	- 75%	12	- 14%
Mobile	\$157 million	+ 57%	32	+ 33%
Communications	\$17 million	- 69%	4	- 20%
<b>Total</b>	<b>\$328 million</b>	<b>- 47%</b>	<b>56</b>	<b>+ 19%</b>

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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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