

Venture Capital Funding Quarterly

Telecom • Wireless Mobile • Communications

4th Quarter, 2010 – United States

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Summary

Telecommunications, Wireless, Mobile and Communications technology startups raised \$227 million during Q4 2010, a decrease of 40% from the previous quarter. 55 companies received funding, an increase of 4% quarter over quarter.

Two of the four sectors posted increased quarterly funding results - Telecom and Communications, with the Wireless and Mobile sectors tallying decreased funding amounts, dropping by 51% and 47% respectively.

Funding Activity

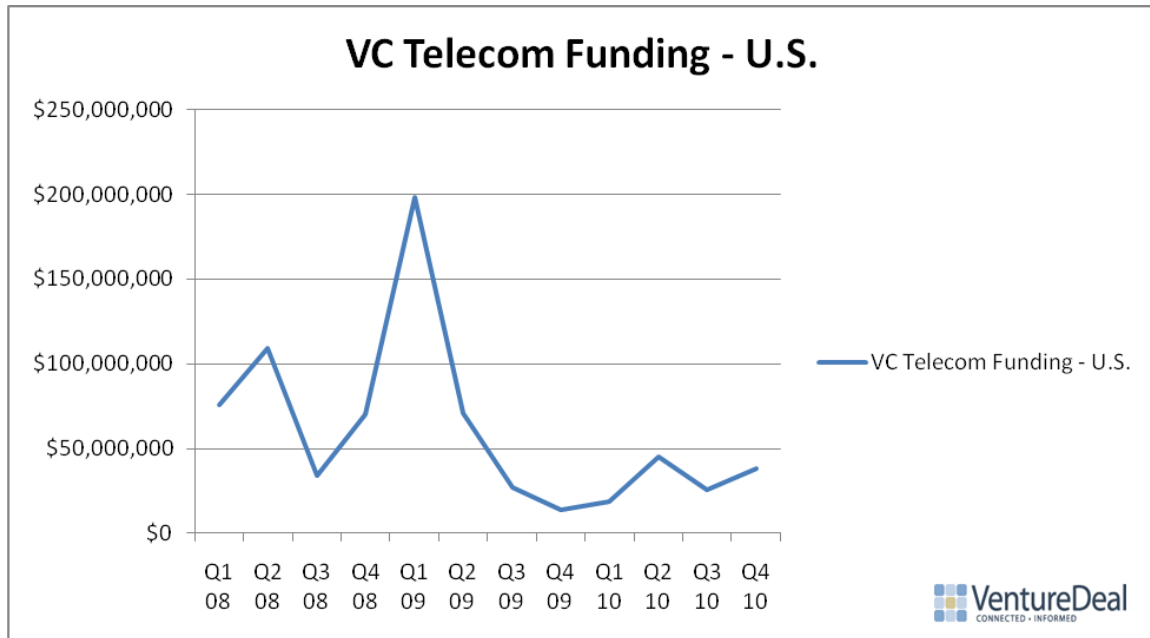
Telecom

The Telecom sector reversed its previous quarterly decrease in funding, with a 46% increase in funding amounts for a total of \$38 million in funding during the quarter. The number of companies funded decreased from 7 in the previous quarter to 5 in the current quarter. Most of the funding was allocated among only two companies.

The largest funding event during the quarter was for [Verismo Networks](#), which received \$17 million from [Intel Capital](#) and undisclosed venture capital firm investors. Verismo said it would use the financing to accelerate its growth and expand operations worldwide.

New York-based [M5 Networks](#) raised \$4 million in an unpublished round from venture capital firms. M5 provides hosted business VoIP phone systems and is backed by [Edison Ventures](#), [Greycroft Partners](#) and [Milestone Venture Partners](#).

Chart 1 - Telecom Funding - See Next Page

Chart 1 - Telecom Funding


Wireless

13 Wireless technology companies raised \$65 million during the quarter, a decrease of 51% in dollar volume and a decrease of 13% in the number of companies receiving funding versus the previous quarter. This represents a drop to the sector's three-year financing amount low.

Three companies raised financing rounds in excess of \$10 million: [Intelliflex](#), [Stoke](#) and [SpiderCloud Wireless](#).

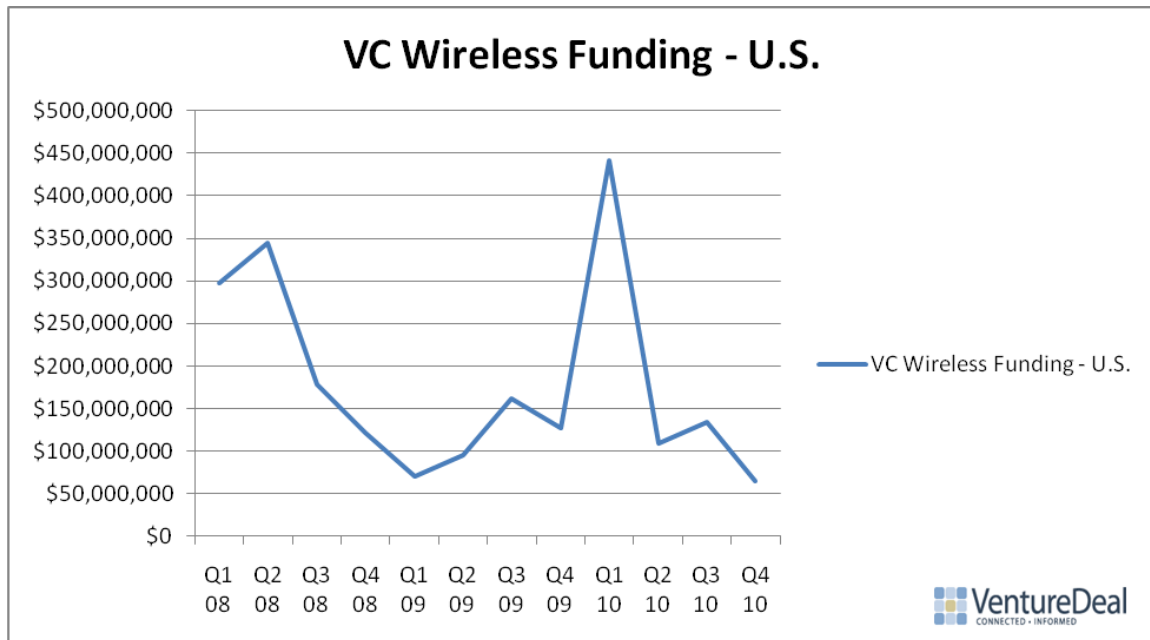
Intelliflex raised \$11.5 million to expand its sales and marketing efforts for its next generation of RFID products and applications.

Stoke garnered nearly \$16 million, according to an SEC regulatory filing. The company is backed by a large syndicate of venture capital, private equity and corporate investors.

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SpiderCloud Wireless landed \$14.1 million during the quarter. The company says it has created the industry's first enterprise radio access network (E-RAN) that enables direct integration between IT networks and mobile devices.

Chart 2 - Wireless Funding



Mobile

The Mobile sector reversed its previous quarterly improvement, with 35 companies securing \$116 million in new funding, representing a 47% decrease in funding amounts versus the previous quarter. The number of companies funded increased by 17% versus the previous quarter.

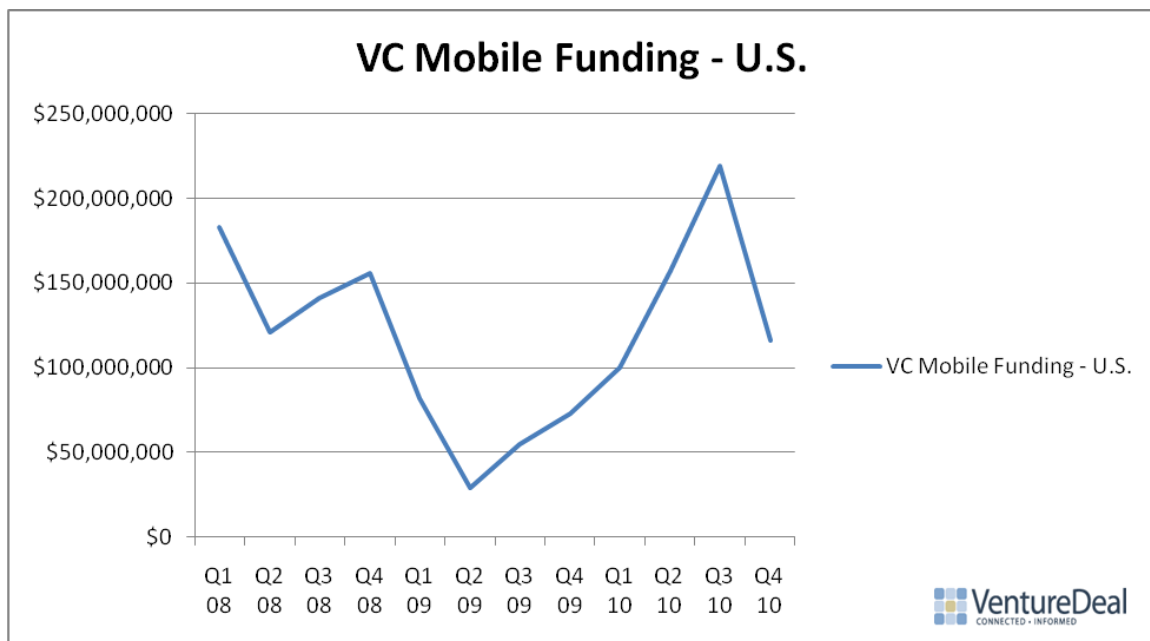
Seattle, Washington-based [Kiha Software](#) raised the largest round of the quarter, \$20 million from individual investor Paul Allen. Kiha has created what it considers to be an "innovative mobile experience that marries an intuitive user interface with a system that understands your communications."

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Mobile self checkout company [AisleBuyer](#) raised \$4 million in venture capital debt and equity. The debt came from [Silicon Valley Bank](#). The company said it would use the funding to expand the national footprint of its self checkout solution for retail.

San Francisco, California-based [flurry](#) garnered \$15 million in its third round of venture capital investment. The company said it would use the financing to "expand the reach of its Flurry Analytics and AppCircle services across the top mobile application platforms, including iOS and Android.

Chart 3 - Mobile Funding



Communications

The Communications sector saw a large percentage increase in funding volume, with this sector raising \$8 million during the quarter, an increase of 300% versus the previous quarter.

[NeoEdge Networks](#) garnered \$4 million in growth stage debt from venture capital lender [MMV Financial](#). The company said it would use the funding to expand its national sales team.

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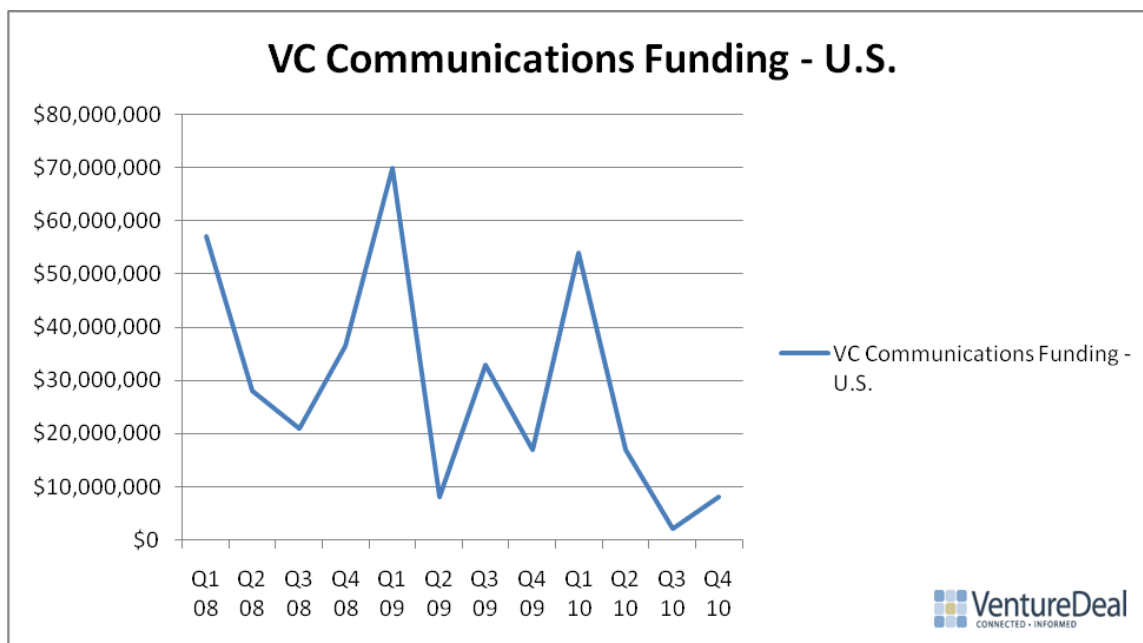
Chart 4 – Communications Funding


Table 1

Venture Funding Activity – 4th Quarter 2010

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Telecom	\$38 million	+ 46%	5	- 29%
Wireless	\$65 million	- 51%	13	- 13%
Mobile	\$116 million	- 47%	35	+ 17%
Communications	\$8 million	+ 300%	2	+ 100%
Total	\$227 million	- 40%	55	+ 4 %

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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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