

The
ReadWriteWeb
Q2 2009 VC Funding Report

Edited By Bernard Lunn

About this Report

This Quarterly Report on Venture Capital Funding has been created by ReadWriteWeb with data provided by ChubbyBrain. This Report is focused on Internet, Mobile and SaaS. We do NOT cover CleanTech or Biotech. This Report will be useful for investors, bankers, advisors and other people involved in the early stage capital raising process. Our objective is to provide decision-makers with reliable base data together with our analysis of the major trends in the quarter.

ABOUT READWRITEWEB



ReadWriteWeb is a blog that provides Web Technology news, reviews and analysis. It began publishing on April 20, 2003 and is now one of the most widely read and respected blogs in the world. It has around 275,000 RSS and email subscribers. ReadWriteWeb was founded by Richard MacManus and is written by a team of Web enthusiasts.

ABOUT CHUBBYBRAIN



ChubbyBrain is part of CB Information Services, an NYC-based information services platform dedicated to developing data-driven tools, analytics and research for investors, startups and aspiring entrepreneurs. Since its launch in early 2009, ChubbyBrain has been actively tracking all venture capital, angel, incubator and university entrepreneurship activity, and has already built the largest database of its kind on the web, with profiles on over 25,000 startups and 3300 investors.



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Framing the issues and describing the key trends in the quarter.

WHICH MARKET SPACES ARE HOT OR NOT? **6**

We looked at 47 Seed and 76 Series A deals to see what types of early stage ventures are getting funded. We identify 13 hot sectors that had 4 or more deals.

WHERE ARE ENTREPRENEURS GETTING FUNDED? **8**

We do the usual State-wise analysis but we dig a bit deeper to look at the two big regions - Silicon Valley and New York and look at the \$ flowing into Series A in those regions. The result was a surprise.

FUNDING ROUND TRENDS **10**

We looked at 240 deals by deal stage to identify number of deals, total \$ and average \$ by deal stage. We dig a bit deeper into Series A over \$10m to see what factors were common in these large early stage deals. We also analyzed Series B deals. This highlights an unusually high number of small Series B deals. We also highlight the 9 Series B deals above \$10m.

WHICH VCS ARE THE MOST ACTIVE? **13**

We have a chart of VCs by number of deals closed in the quarter. We identify over 60 investors that did more than 2 deals in the quarter.

THE "DEAL TOMBSTONES" **15**

We show all 240 deals, with the name of the venture, the market sector and the amount invested and the investors (in a few cases these are Undisclosed).

The "Deal Tombstones"

1000 MARKETS

www.1000Markets.com

Eastsound, Washington

Sector Internet

Industry eCommerce

Sub-Industry Retail (Internet)

Series Seed

\$500,000

Recent Investors

True Ventures

Founders Fund

23ANDME

www.23andme.com

Mountain View, California

Sector Healthcare

Industry Medical Information

Sub-Industry N/A

Series B

\$11,000,000

Recent Investors

New Enterprise Associates