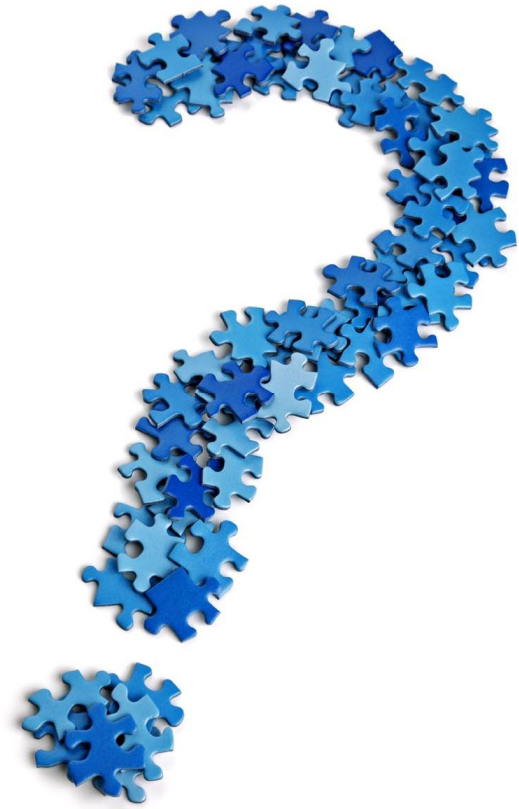


2013 Global venture capital confidence survey results

How confident are investors?

August 14, 2013



Contents

Survey methodology, demographics and key findings

Economic trends

Regional and country investing

Capital market, policy and fundraising trends

Industry investing

Survey methodology,
demographics and key findings

Methodology

The 2013 Global Venture Capital Confidence Survey was conducted jointly by Deloitte & Touche LLP and the National Venture Capital Association (NVCA). It was administered to venture capitalists in the following regions: the Americas, Europe, Middle East, and Asia Pacific.

Deloitte received 403 responses from general partners with assets under management ranging from less than \$50 million to greater than \$10 billion. Multiple responses from the same firm were encouraged as the survey was a general measurement of the state of global investing from general partners and not attitudes of specific firms.

Confidence levels were measured on a scale of 1-to-5, with a score of 5 representing the most confidence.

The survey was conducted during May and June of 2013.

As used in this document, "Deloitte" means Deloitte LLP and its subsidiaries. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Participating venture capital associations

- African Venture Capital Association (AVCA)
- Australian Private Equity & Venture Capital Association Limited (AVCAL)
- Brazilian Association of Private Equity & Venture Capital (ABVCAP)
- British Venture Capital Association (BVCA)
- Canada's Venture Capital & Private Equity Association (CVCA)
- China Venture Capital and Private Equity Association (CVCA)
- Emerging Markets Private Equity Association (EMPEA)
- European Private Equity and Venture Capital Association (EVCA)
- Indian Venture Capital Association (IVCA)
- Israel High Tech Industry Association (HTIA)
- Japan Venture Capital Association (JVCA)
- Latin America Venture Capital Association (LAVCA)
- National Venture Capital Association (NVCA)
- Private Equity Growth Capital Council
- Singapore Venture Capital & Private Equity Association (SVCA)
- South African Venture Capital & Private Equity (SAVCA)
- Swedish Private Equity & Venture Capital Association (SVCA)
- Taiwan Venture Capital Association (TVCA)

Responses and demographics

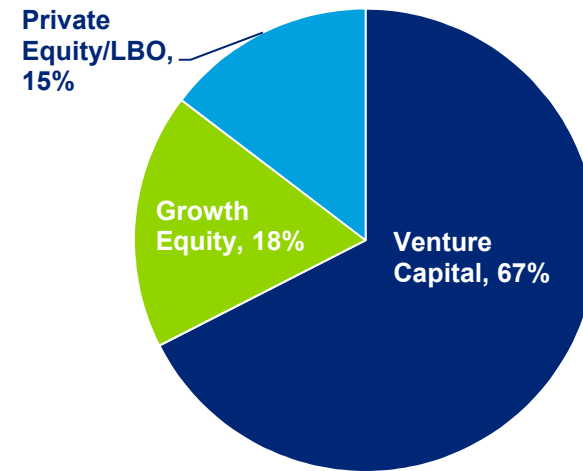
403 total responses

- 35% from U.S.
- 65% non-U.S. countries

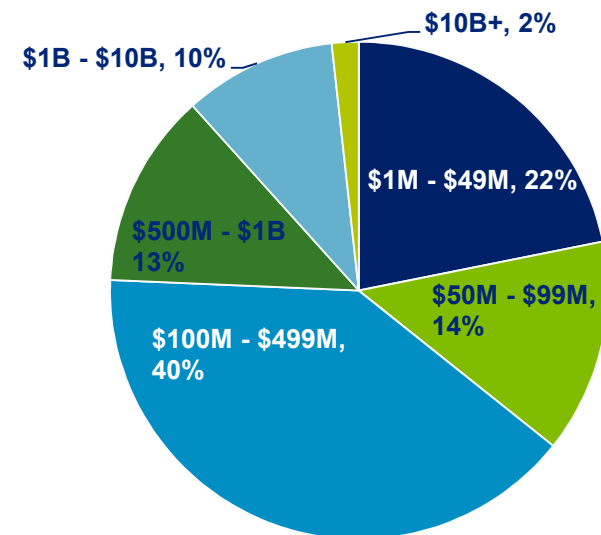
Survey conducted in the Americas, Europe, Middle East, and Asia Pacific

Responses from large, midsize and small firms, with the largest concentration, 40%, with \$100–\$499 million in assets under management

Primary Investment Focus

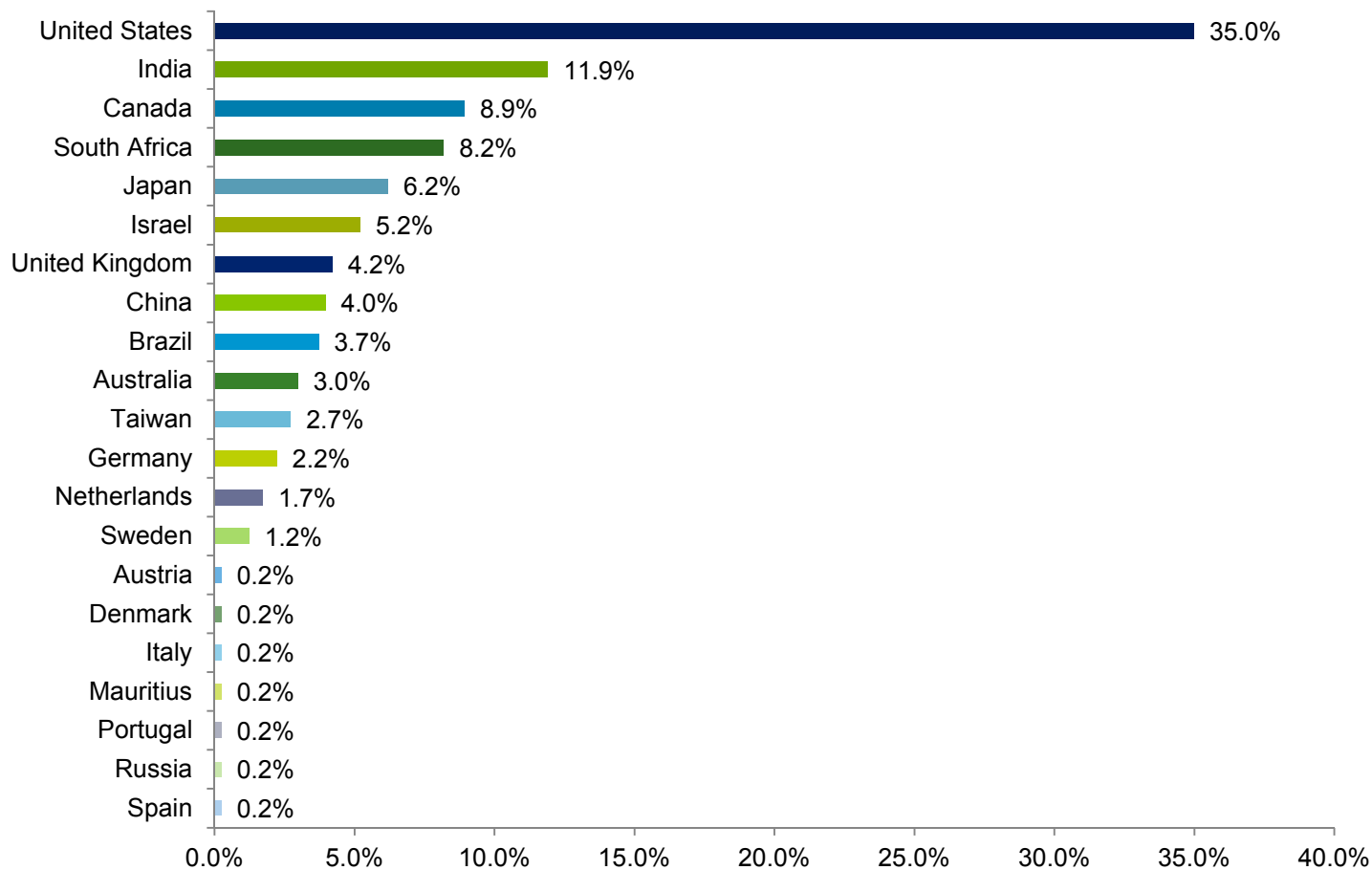


Capital Under Management in \$ USD



Demographics

Respondents by home country



Key findings

Venture capitalists are more confident investing domestically than globally

Optimism in select IT sectors

Lack of confidence in energy/clean tech sector

Enthusiasm for Brazil, China and other emerging markets is fading

U.S. confidence in domestic government amongst world's lowest

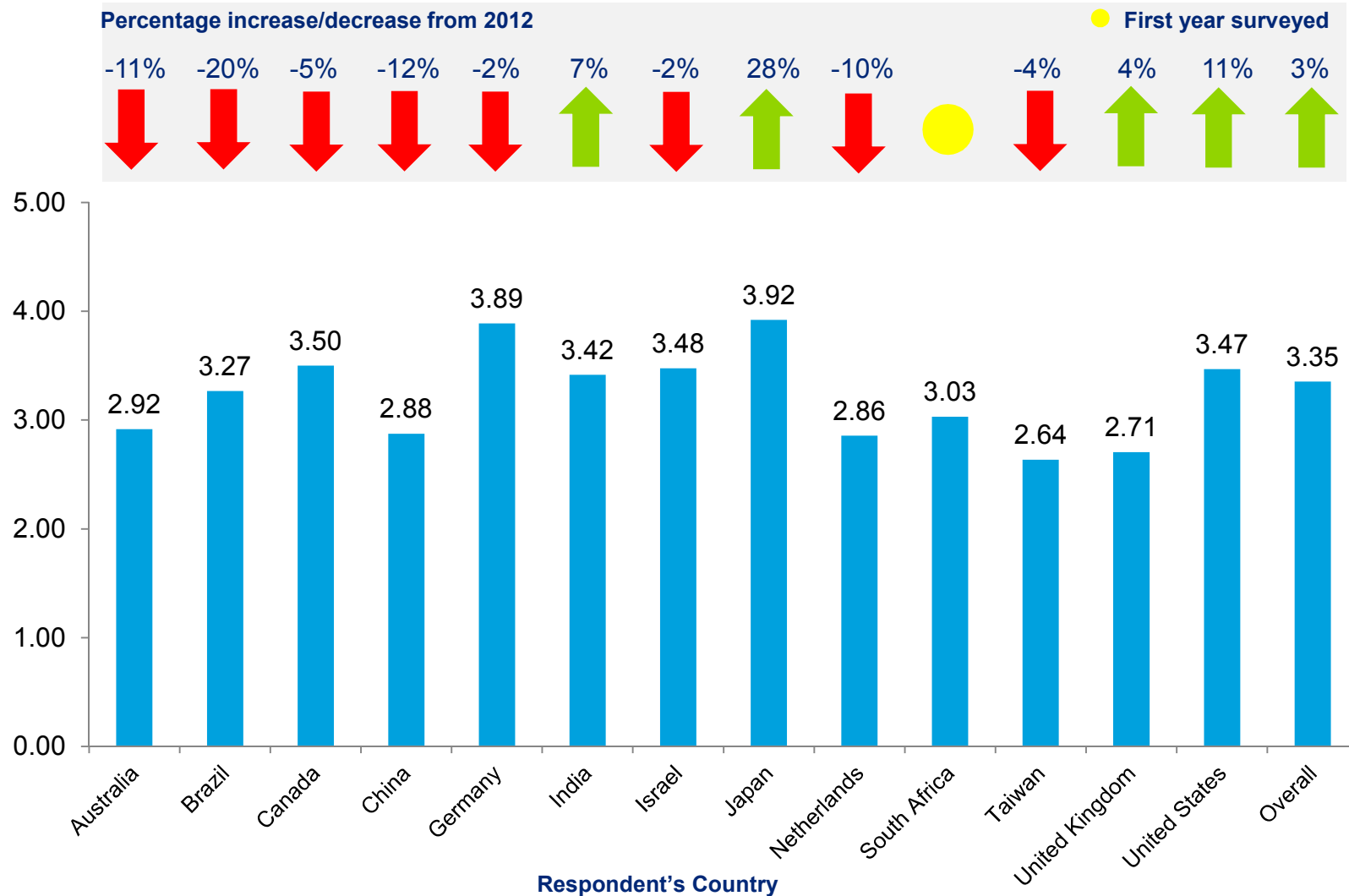
Venture capitalists confidence in investing in Europe is still low

Economic trends

Economic trends

Key finding: Japan and Germany most confident in their economy.

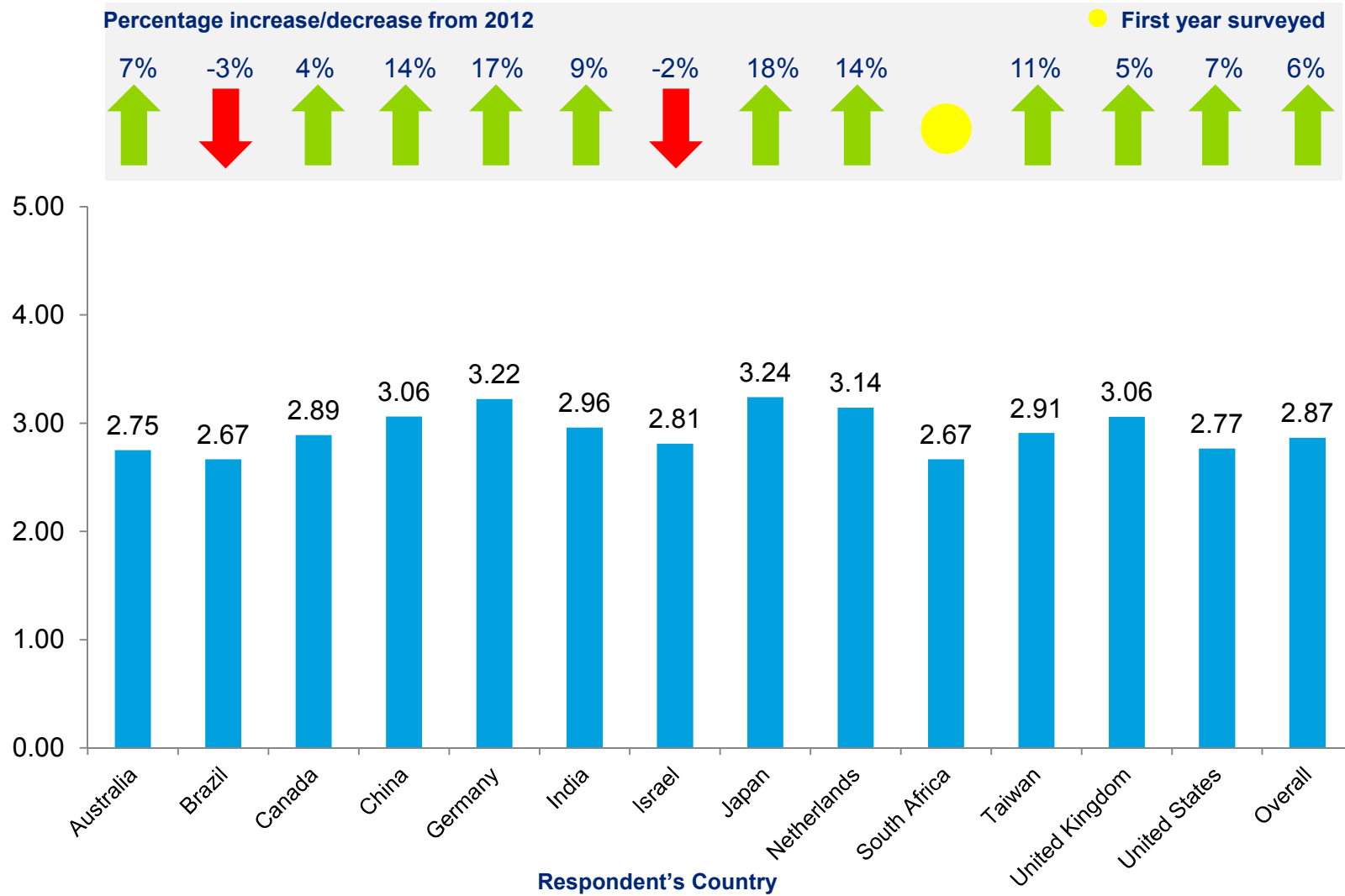
Overall confidence in my home country's macro economy in the next year



Economic trends

Key finding: Confidence in home country remains higher than global economy (3.35 [slide 9] v. 2.87).

Overall confidence in the global economy in the next year is

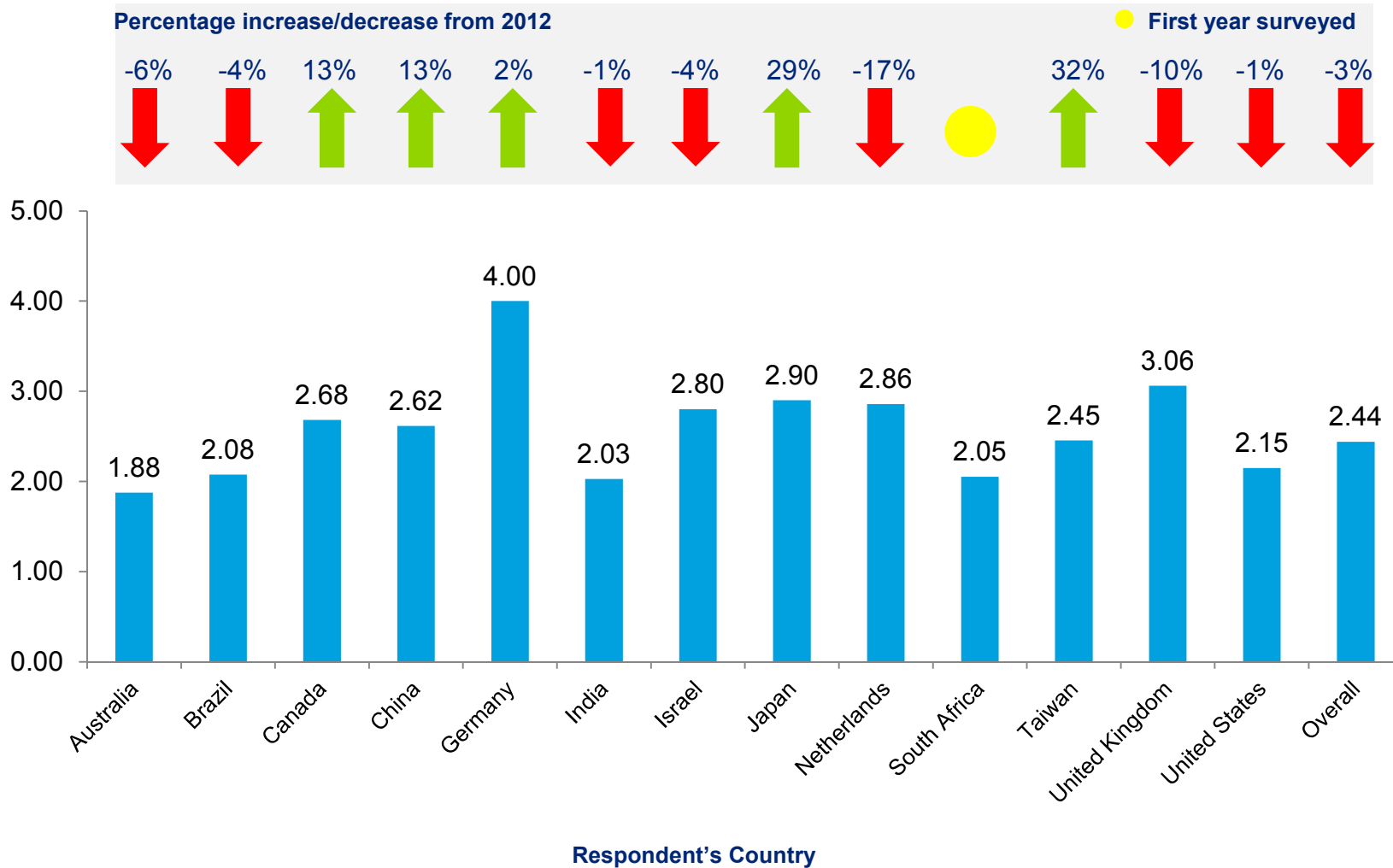


Regional and country investing

Regional investing

Key finding: Confidence in Europe remains low year over year.

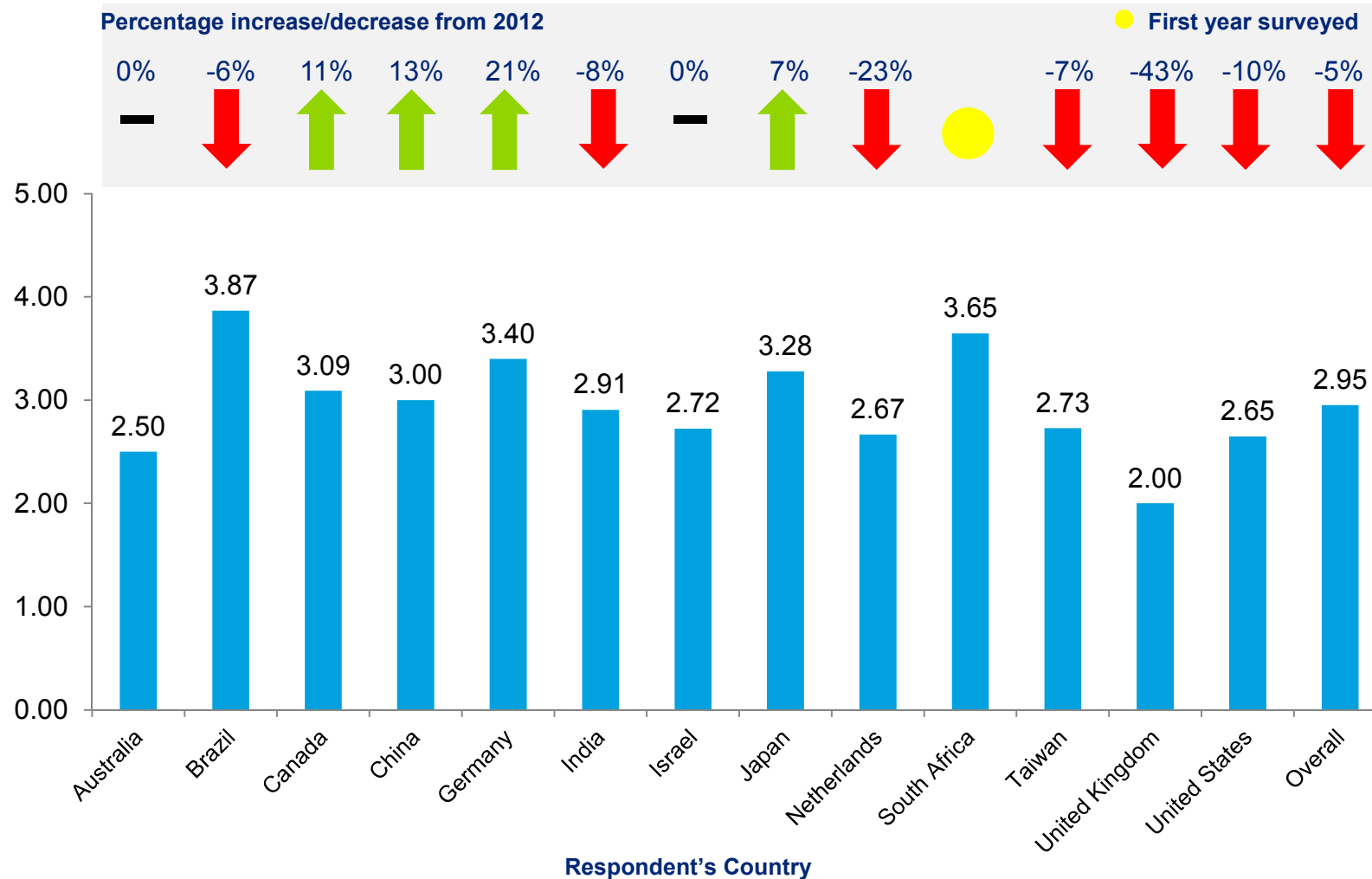
Overall confidence in investing in Europe



Regional investing

Key finding: Confidence starting to shift downward in Latin America.

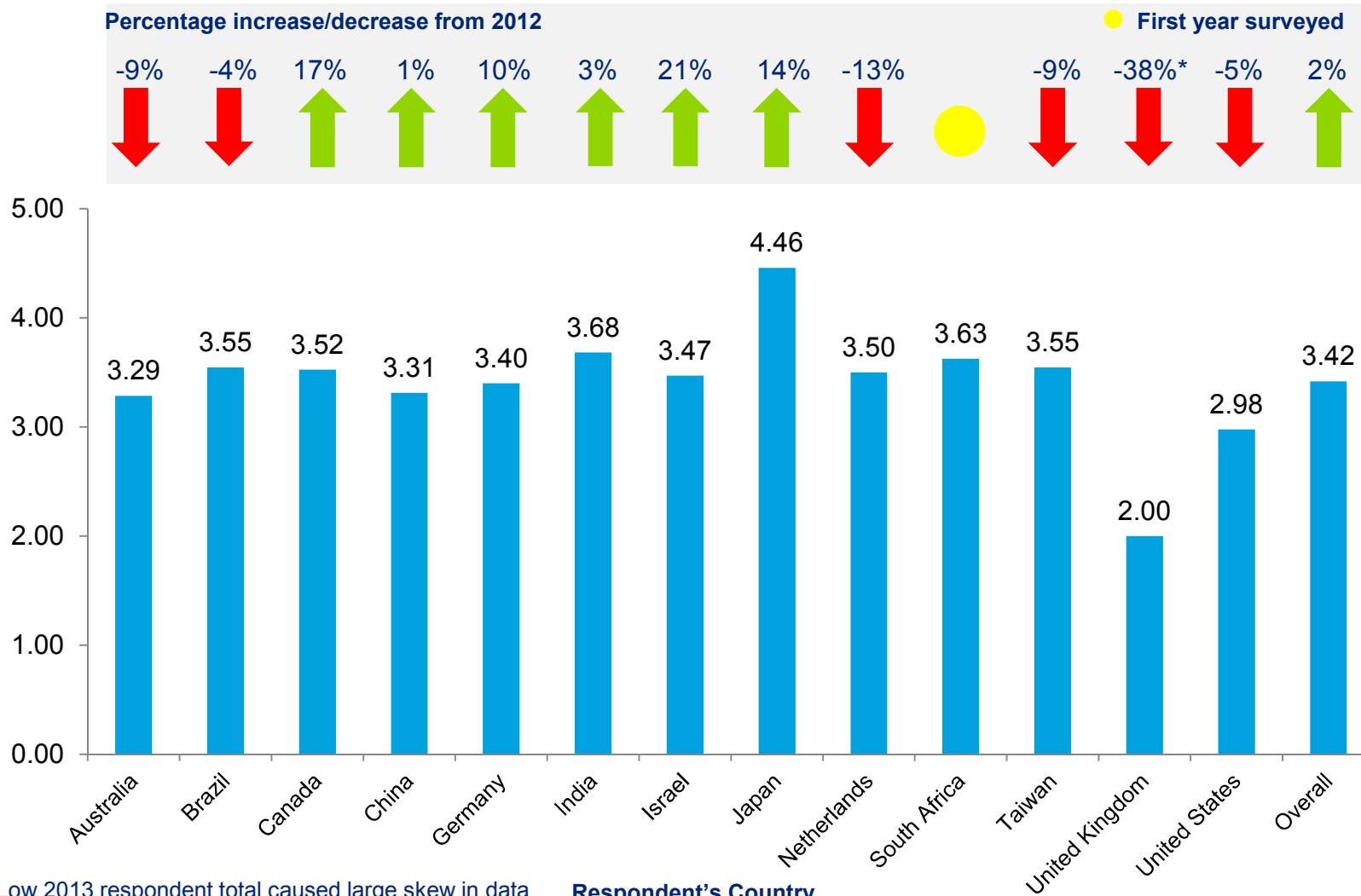
Overall confidence in investing in Latin America



Regional investing

Key finding: Southeast Asia is the only region to show an increase in confidence.

Overall confidence in investing in Southeast Asia



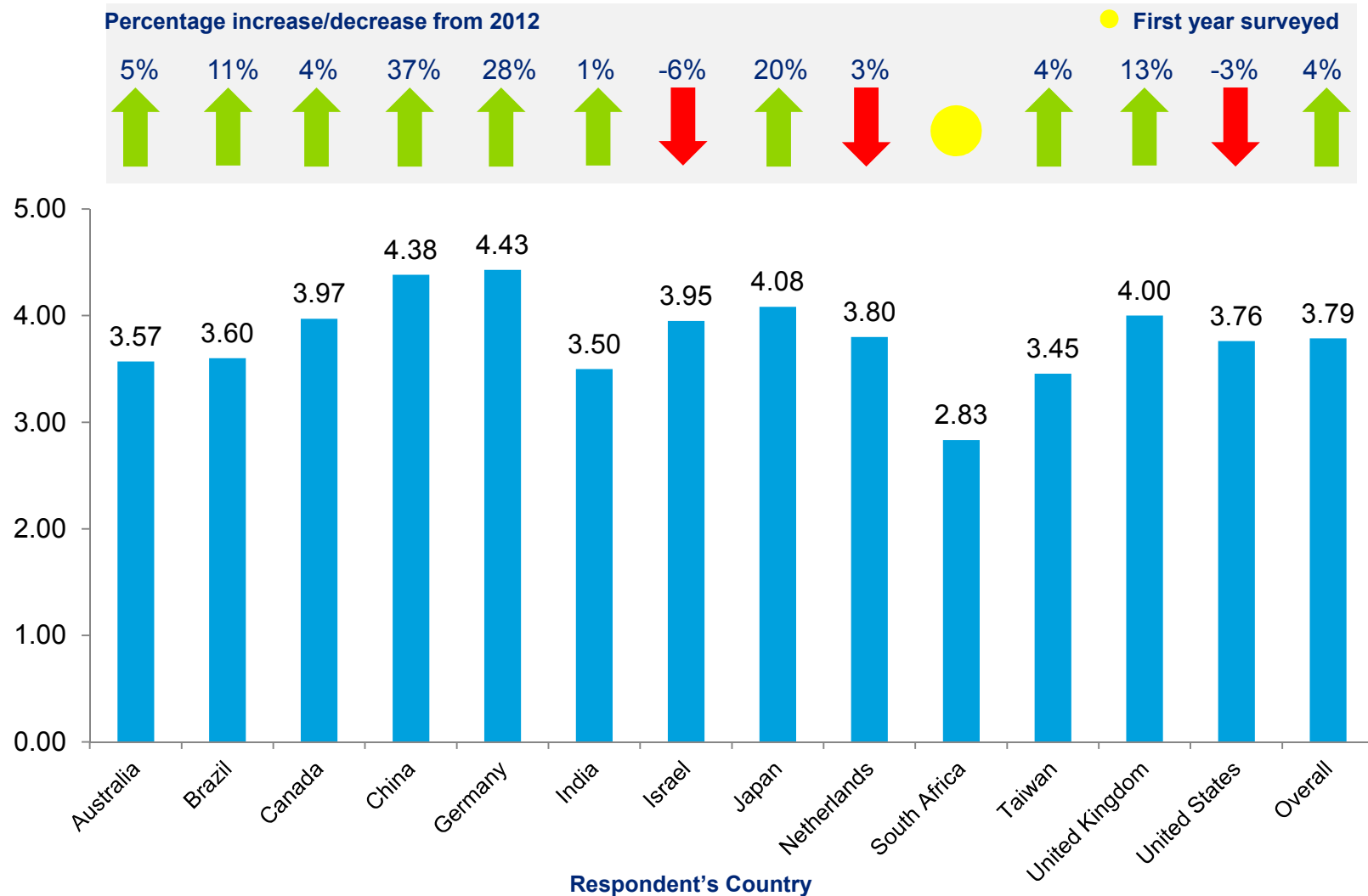
* Low 2013 respondent total caused large skew in data

Respondent's Country

Country investing

Key finding: U.S. rates highest on confidence scale among all other countries.

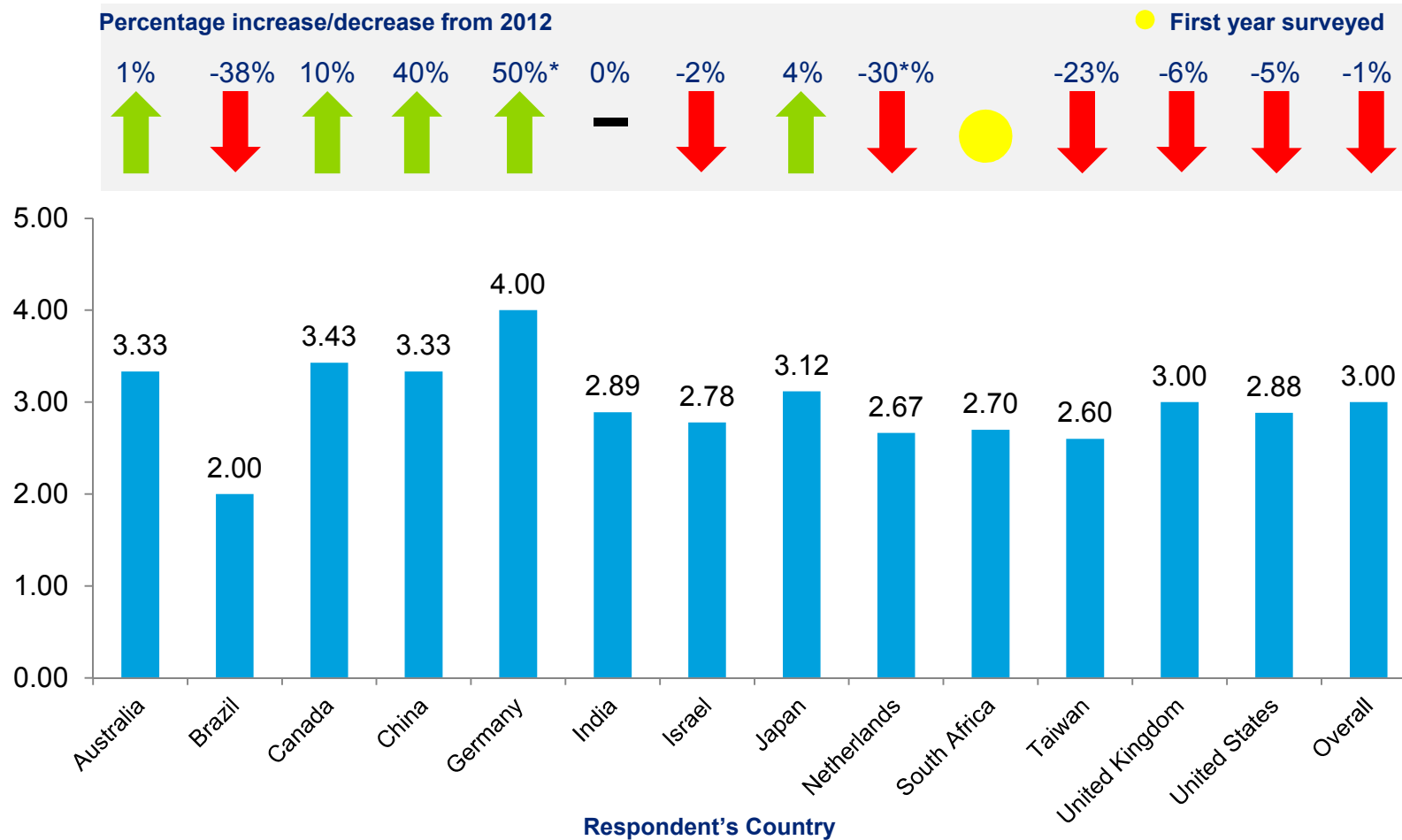
Overall confidence in investing in the United States



Country investing

Overall confidence in investing in Australia

Key finding: Confidence levels were middle of the road for Australia.

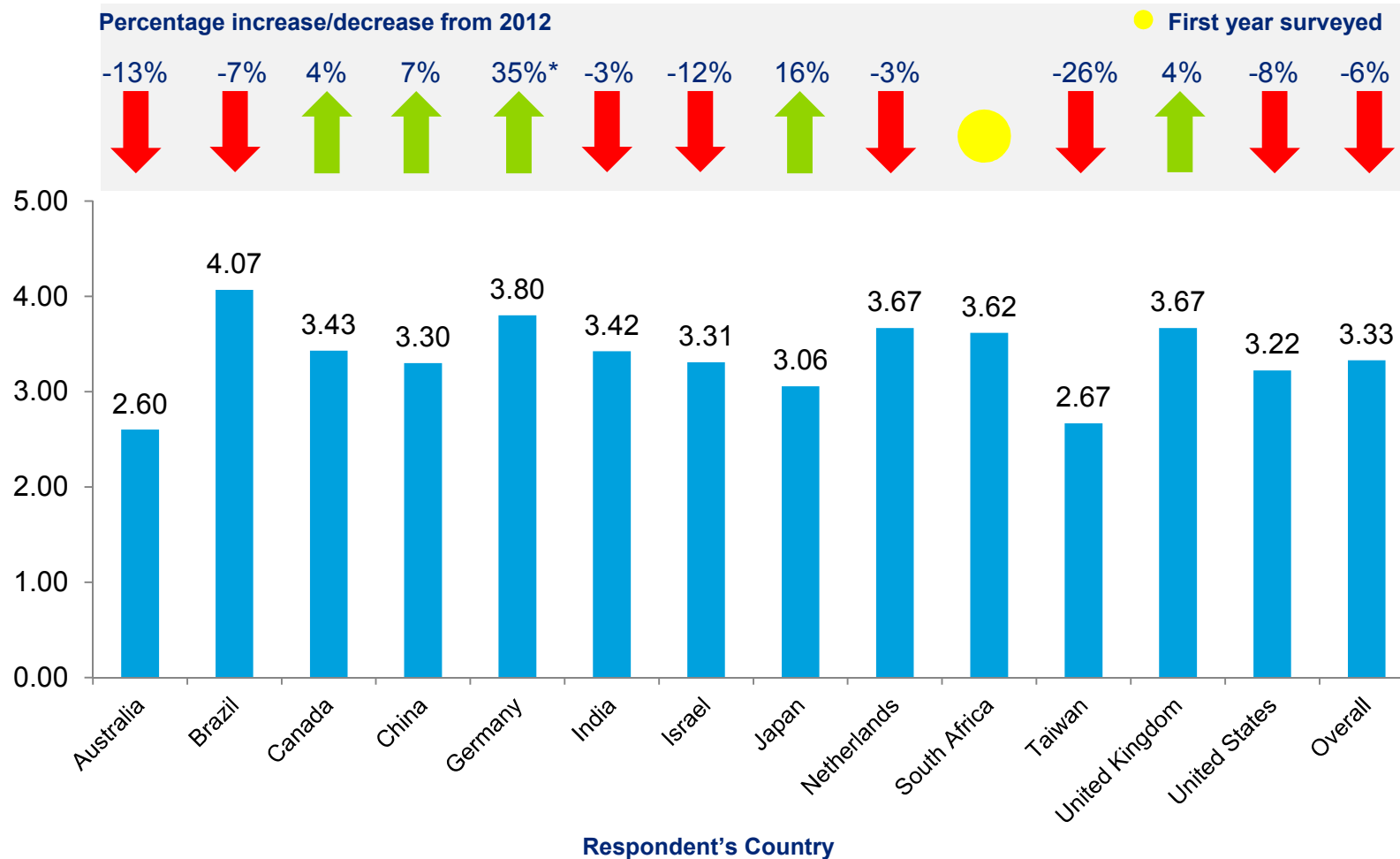


* Low 2013 respondent total caused large skew in data

Country investing

Overall confidence in investing in Brazil

Key finding: While Brazil showed high confidence levels, they did decrease from 2012.

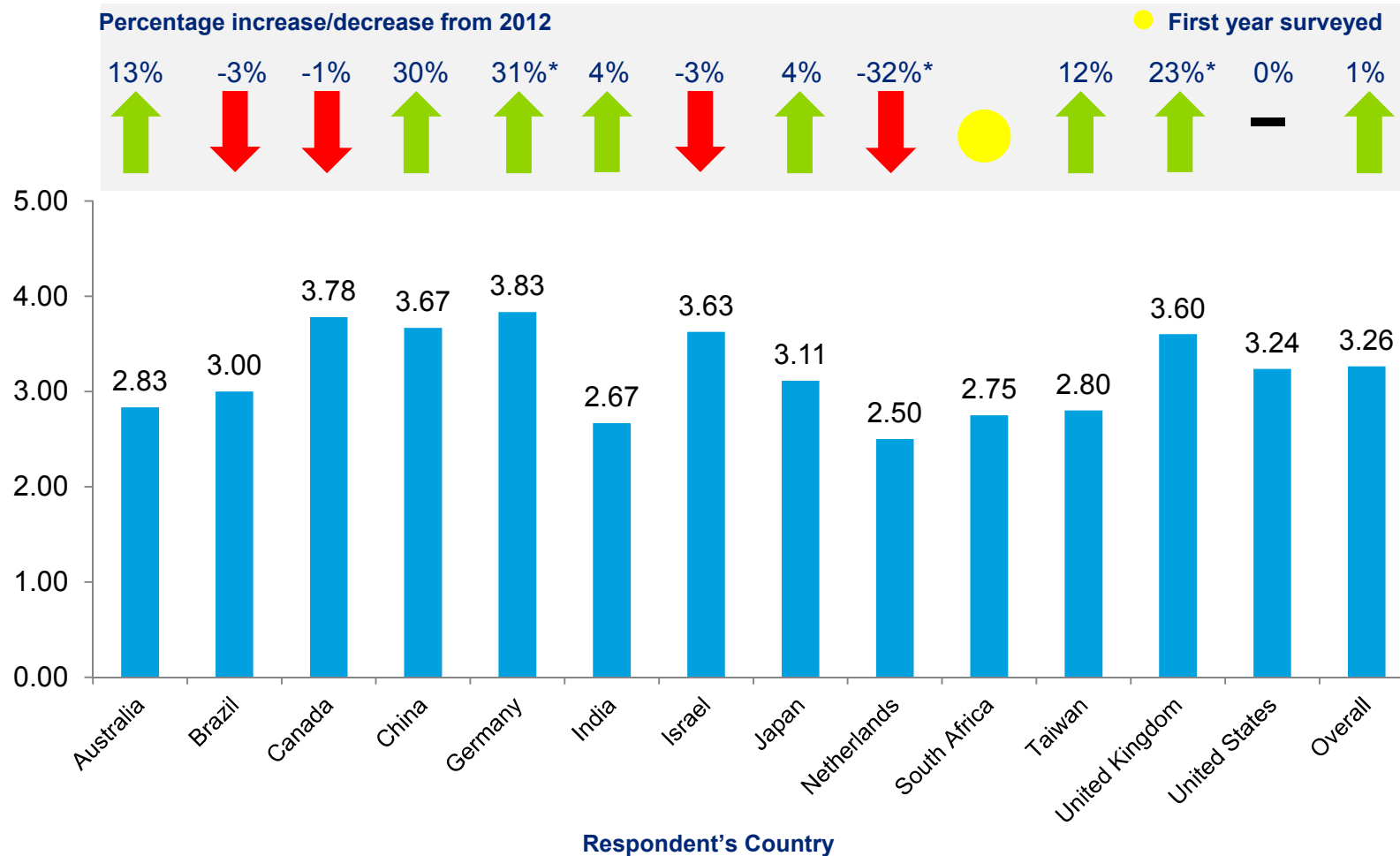


* Low 2013 respondent total caused large skew in data

Country investing

Overall confidence in investing in Canada

Key finding: Canada remained flat year over year.

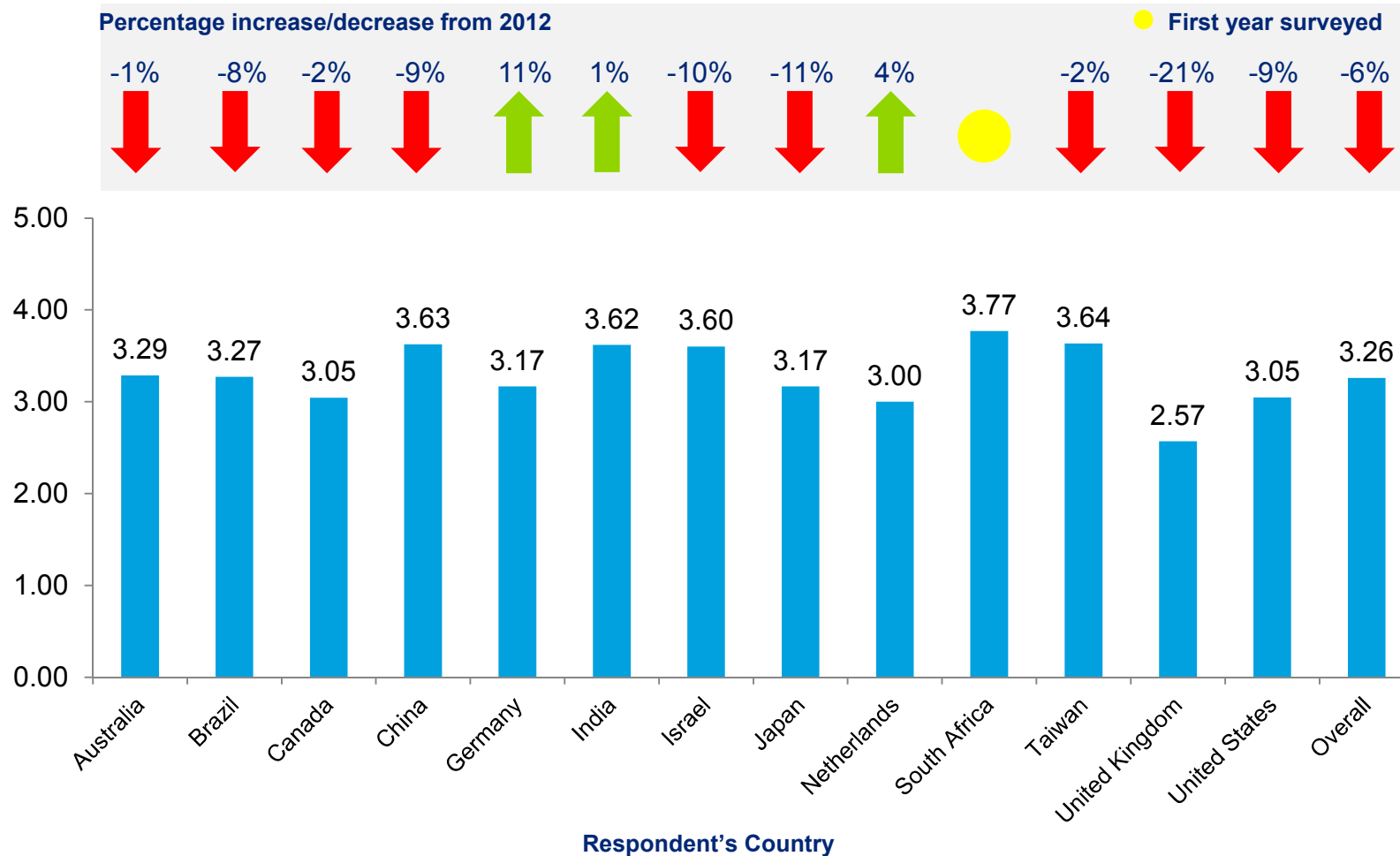


* Low 2013 respondent total caused large skew in data

Country investing

Key finding: China confidence levels had the second largest % decrease year over year.

Overall confidence in investing in China

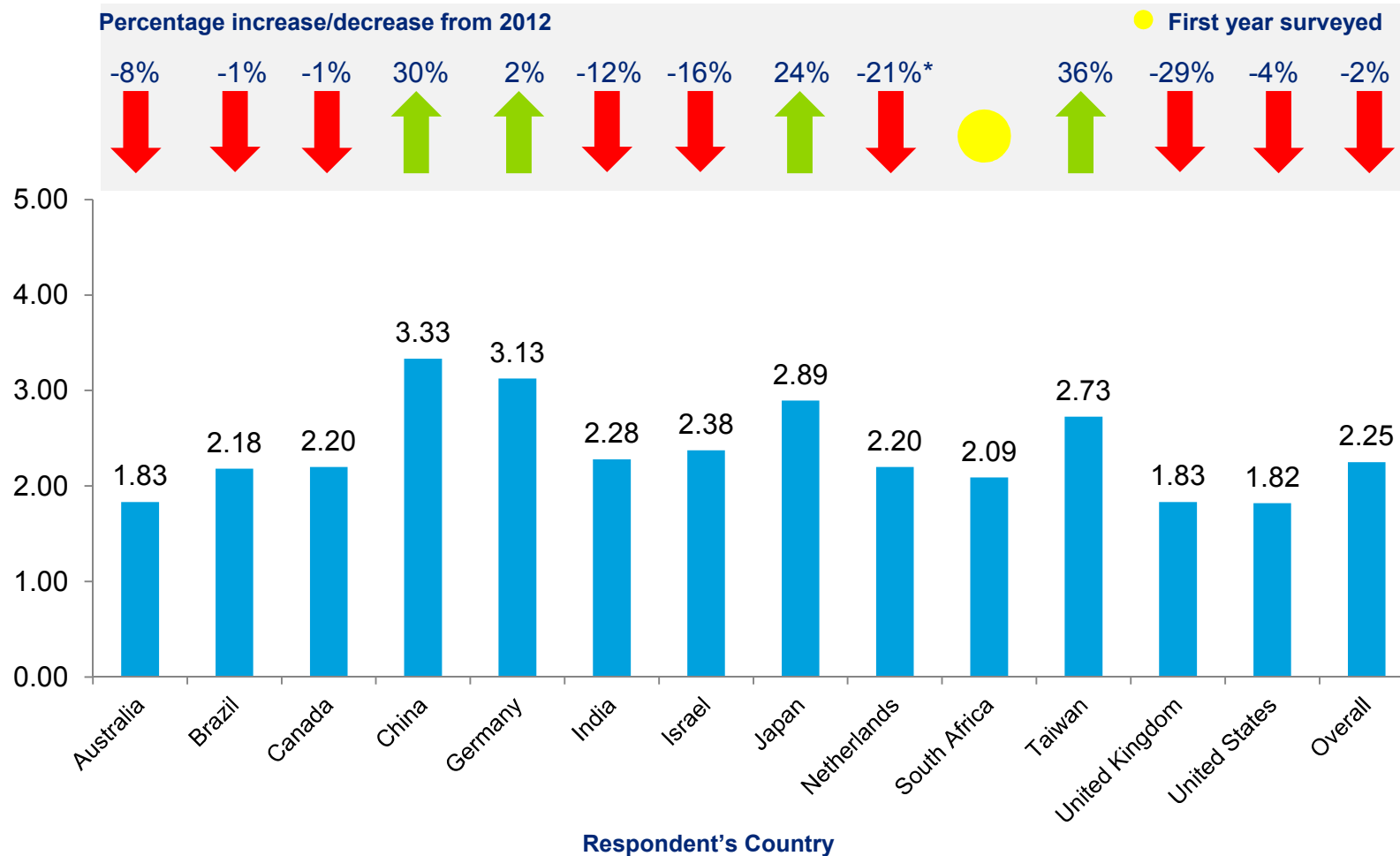


* Low 2013 respondent total caused large skew in data

Country investing

Overall confidence in investing in France

Key finding: Overall confidence level (2.25) in France is lowest among all countries.

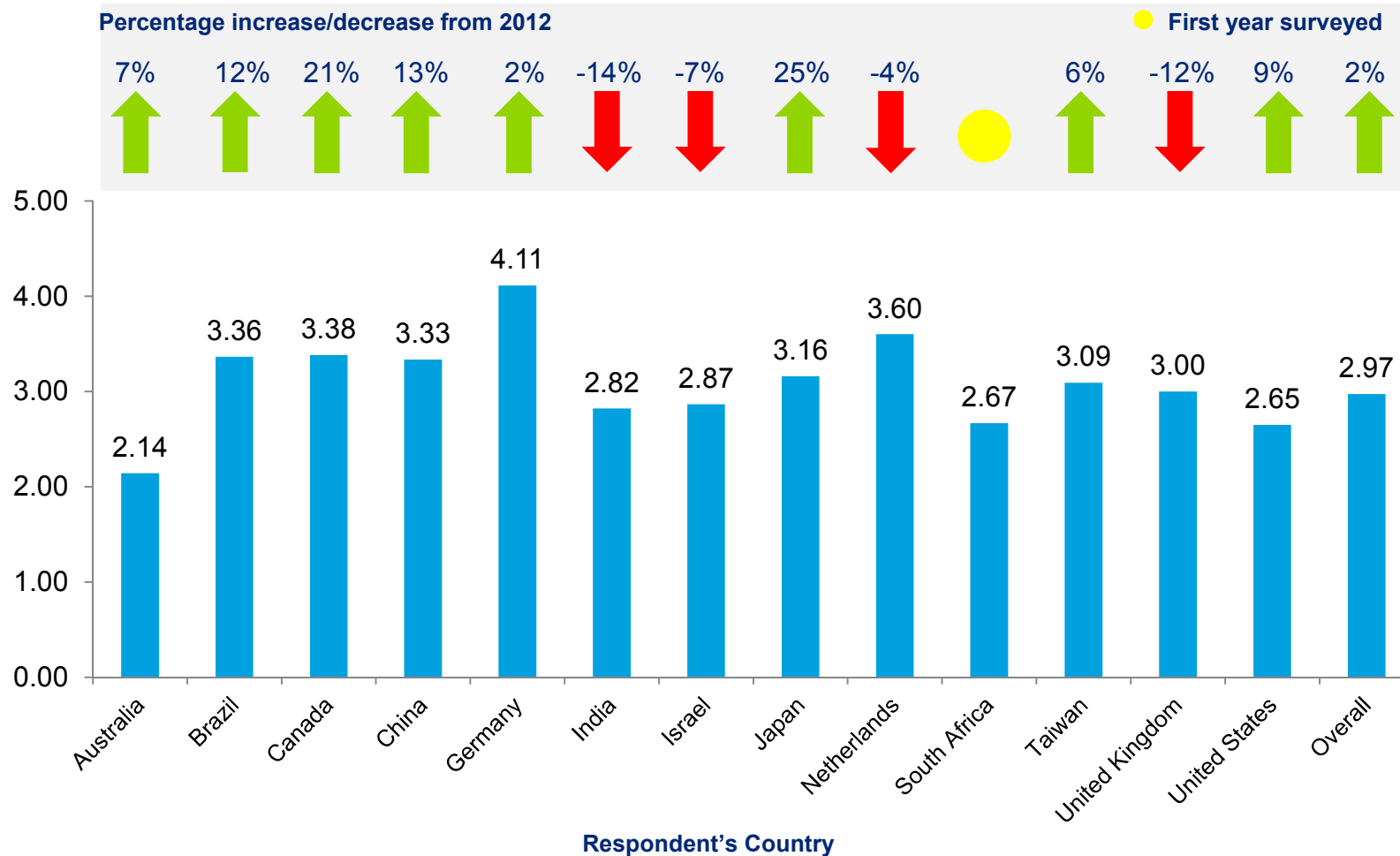


* Low 2013 respondent total caused large skew in data

Country investing

Key finding: Germans are very confident in their home country (4.11).

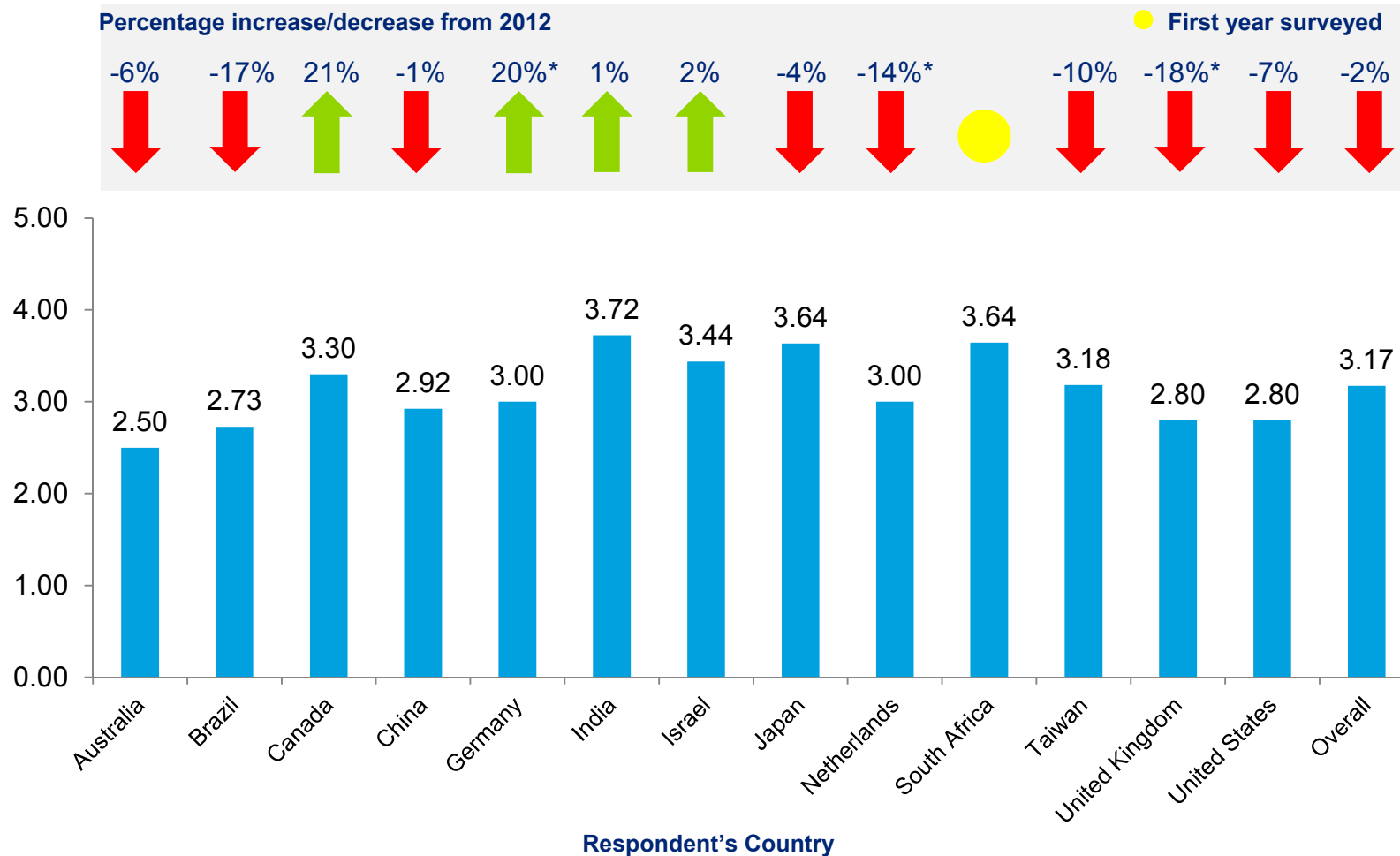
Overall confidence in investing in Germany



Country investing

Overall confidence in investing in India

Key finding: India shows a mixed bag of confidence levels, differing by country.

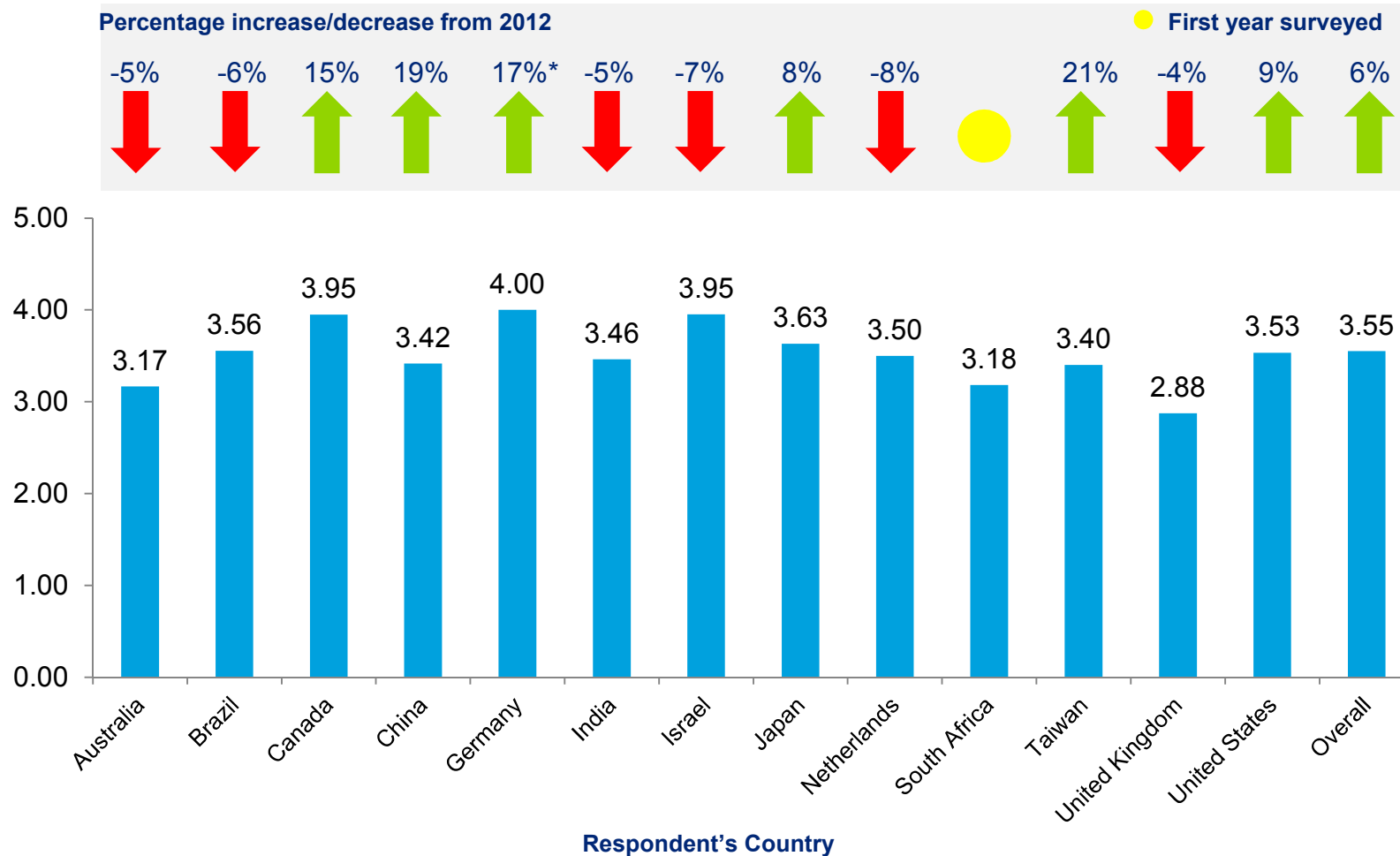


* Low 2013 respondent total caused large skew in data

Country investing

Overall confidence in investing in Israel

Key finding: Israel ranked third most confident overall even with Israelis being 7% less confident year over year.

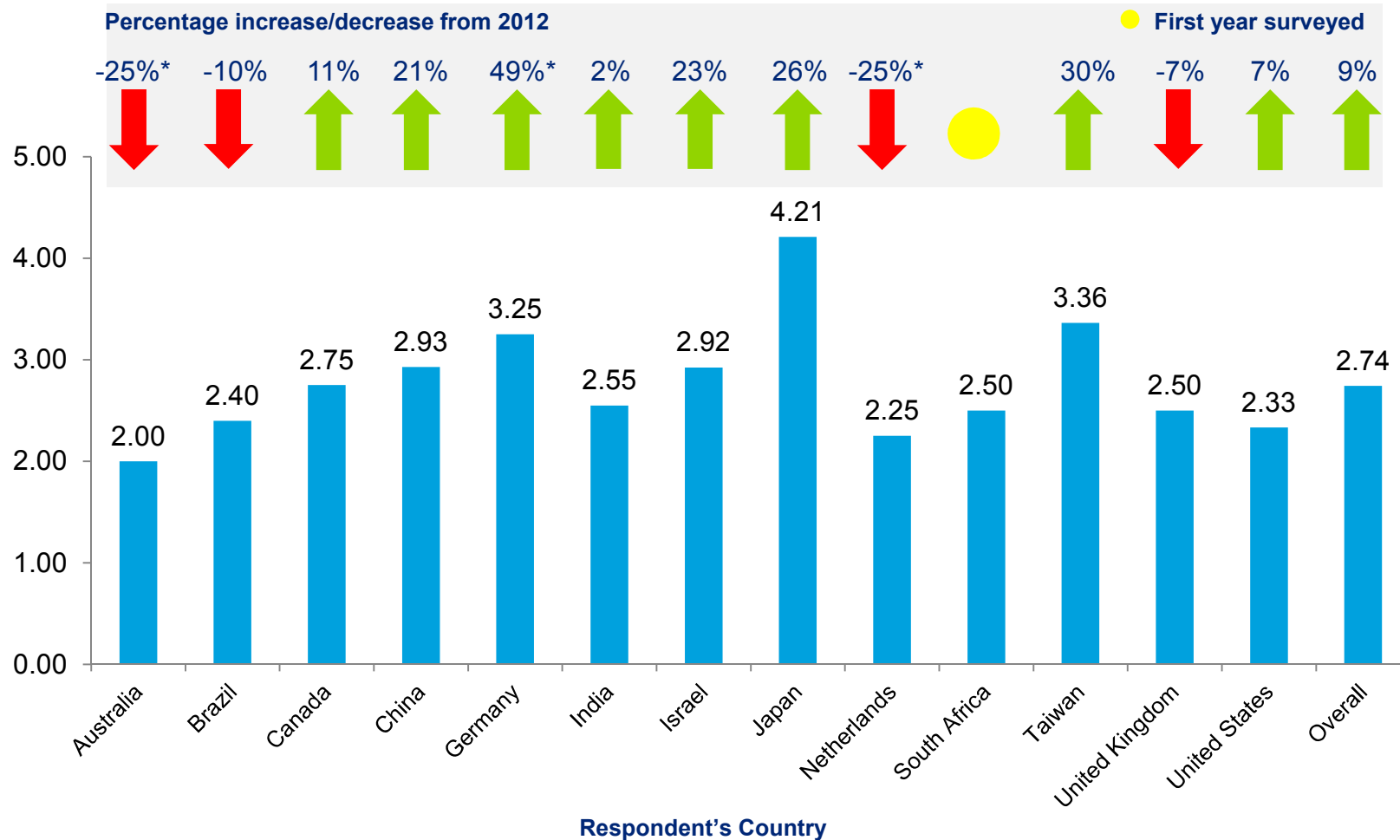


* Low 2013 respondent total caused large skew in data

Country investing

Key finding: Japan is extremely confident investing at home.

Overall confidence in investing in Japan

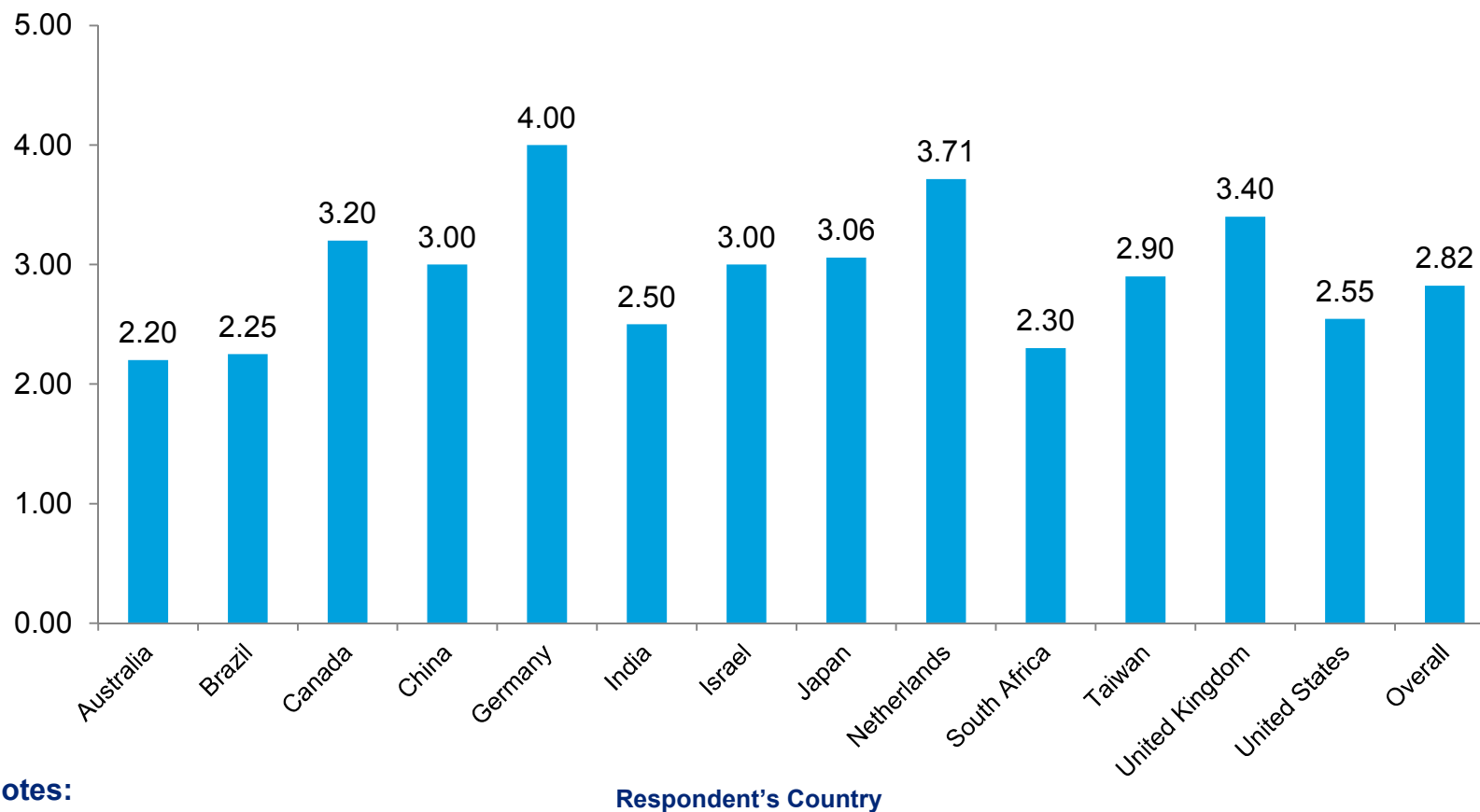


* Low 2013 respondent total caused large skew in data

Country investing

Key finding: European countries most confident in the Netherlands.

Overall confidence in investing in the Netherlands



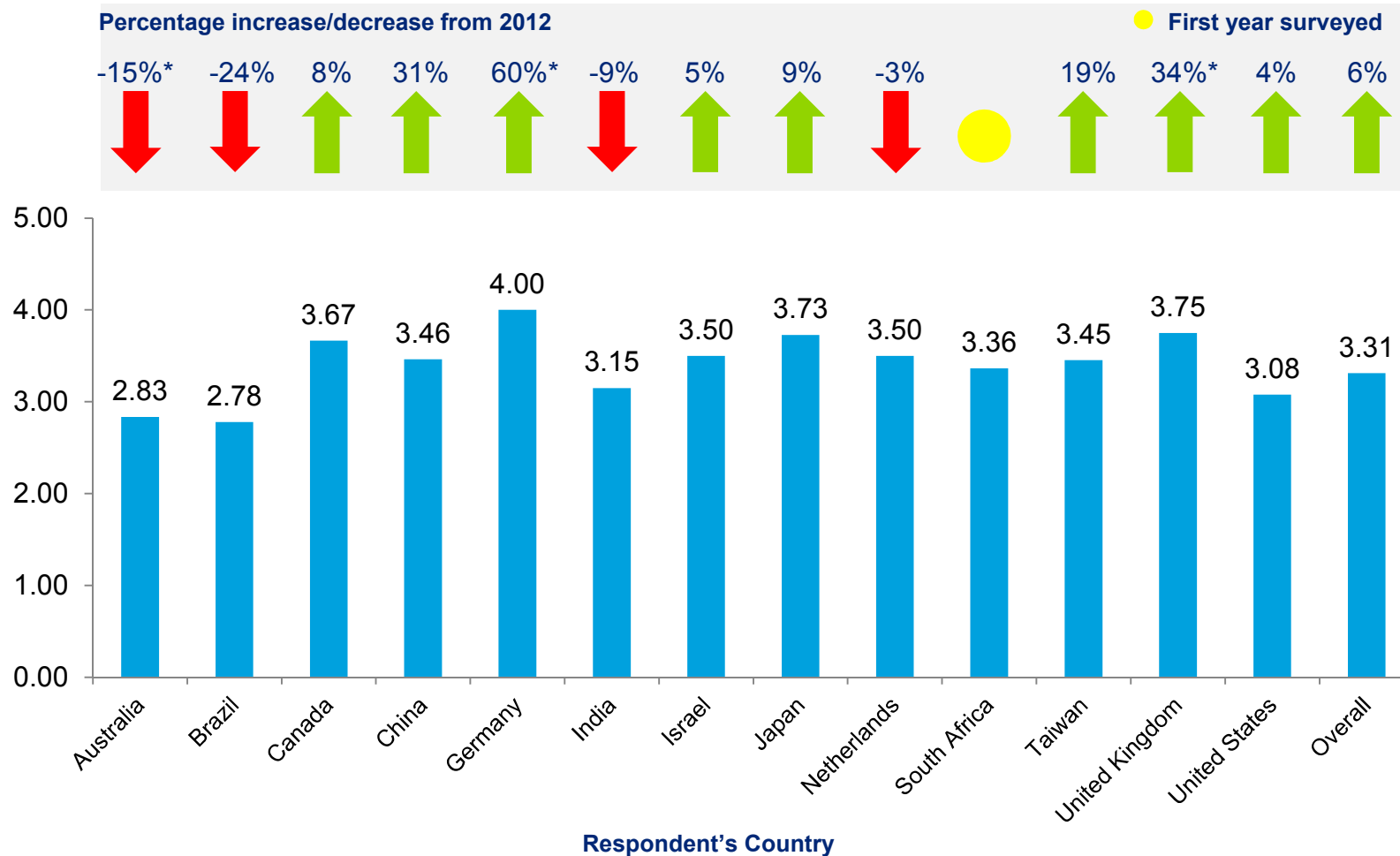
Notes:

- Confidence factors were not surveyed in 2012

Country investing

Key finding: Singapore had third highest percentage increase year over year.

Overall confidence in investing in Singapore

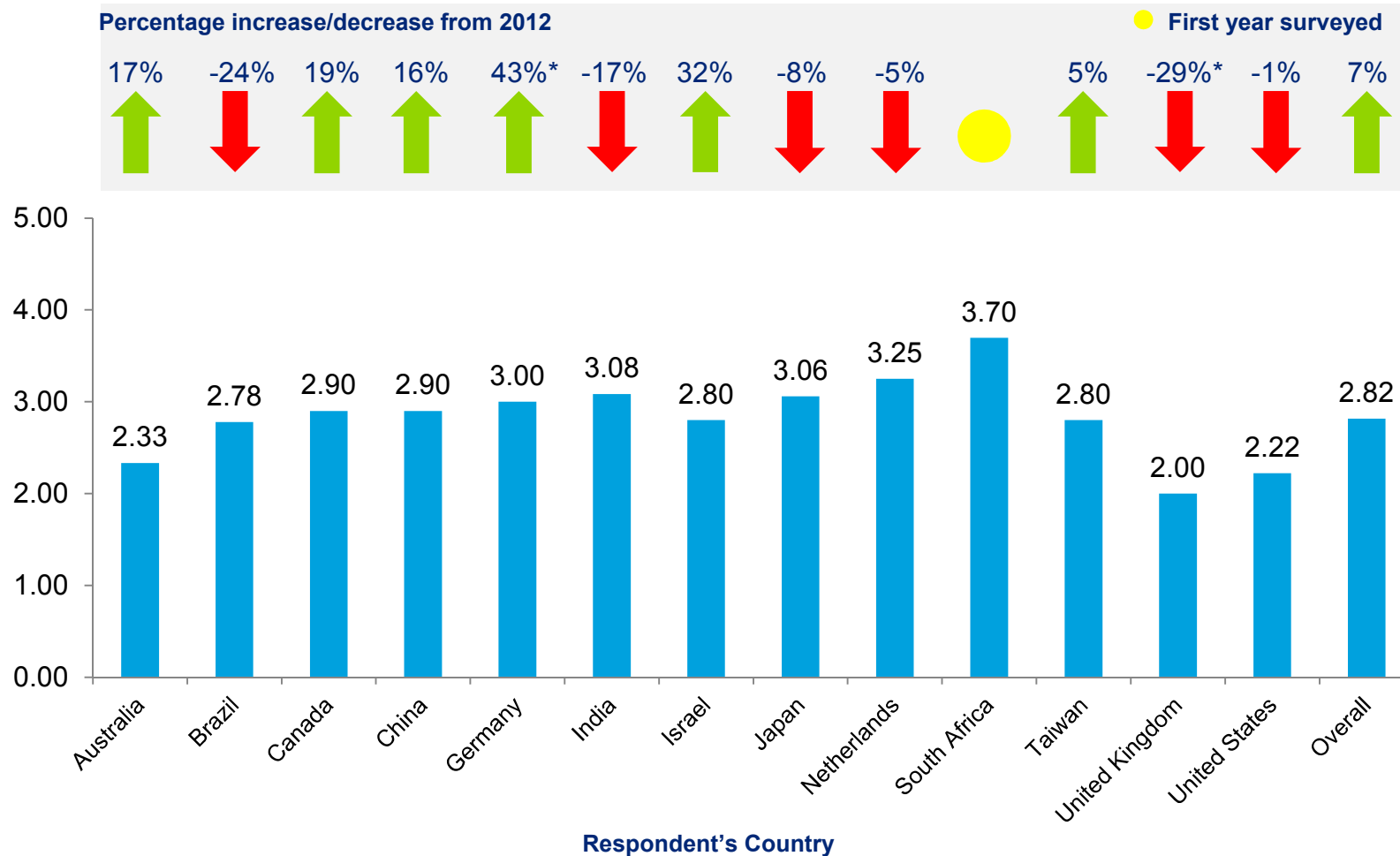


* Low 2013 respondent total caused large skew in data

Country investing

Key finding: South Africa had second highest percentage increase year over year.

Overall confidence in investing in South Africa

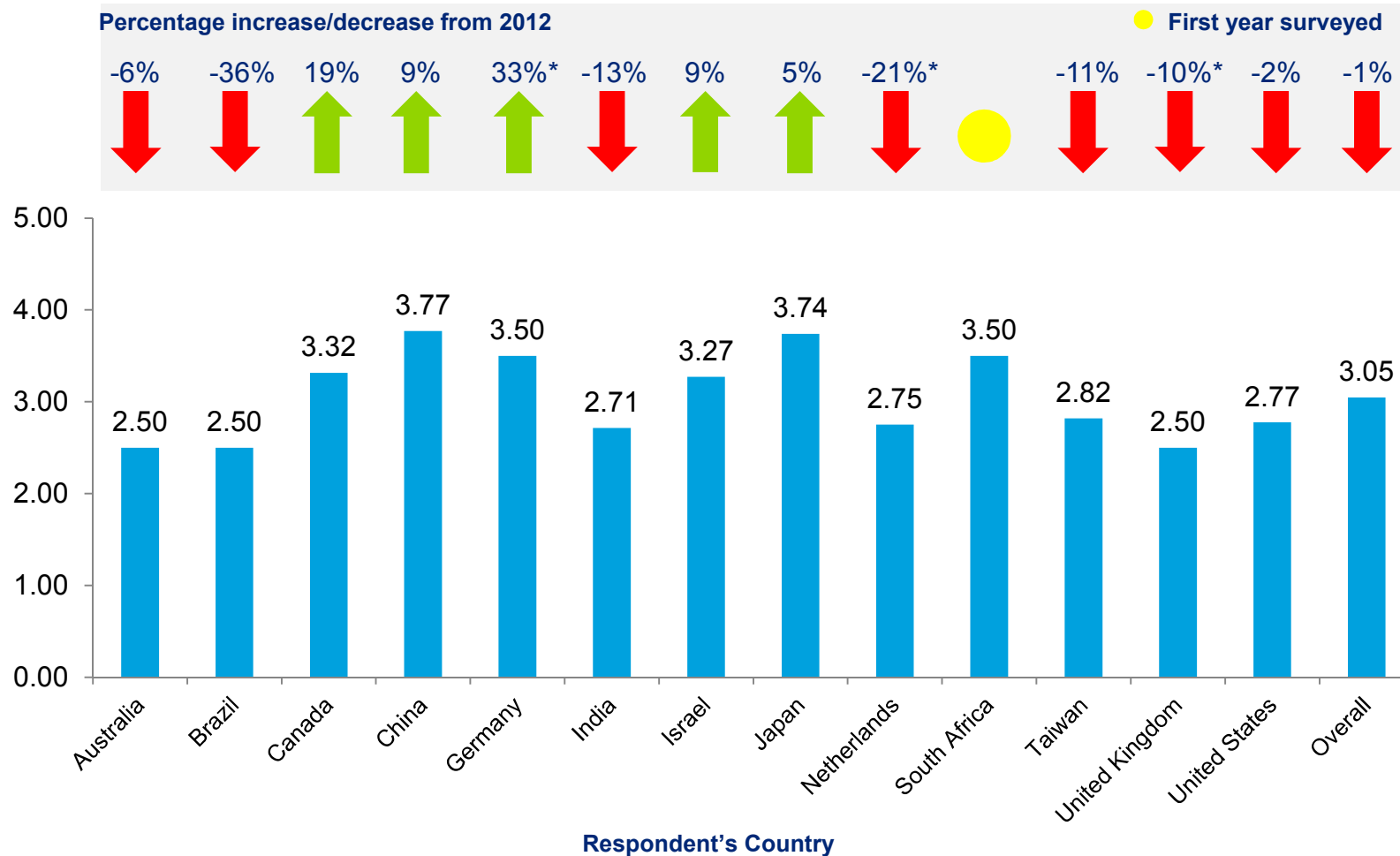


* Low 2013 respondent total caused large skew in data

Country investing

Overall confidence in investing in Taiwan

Key finding: Taiwan confidence levels remain flat year over year.

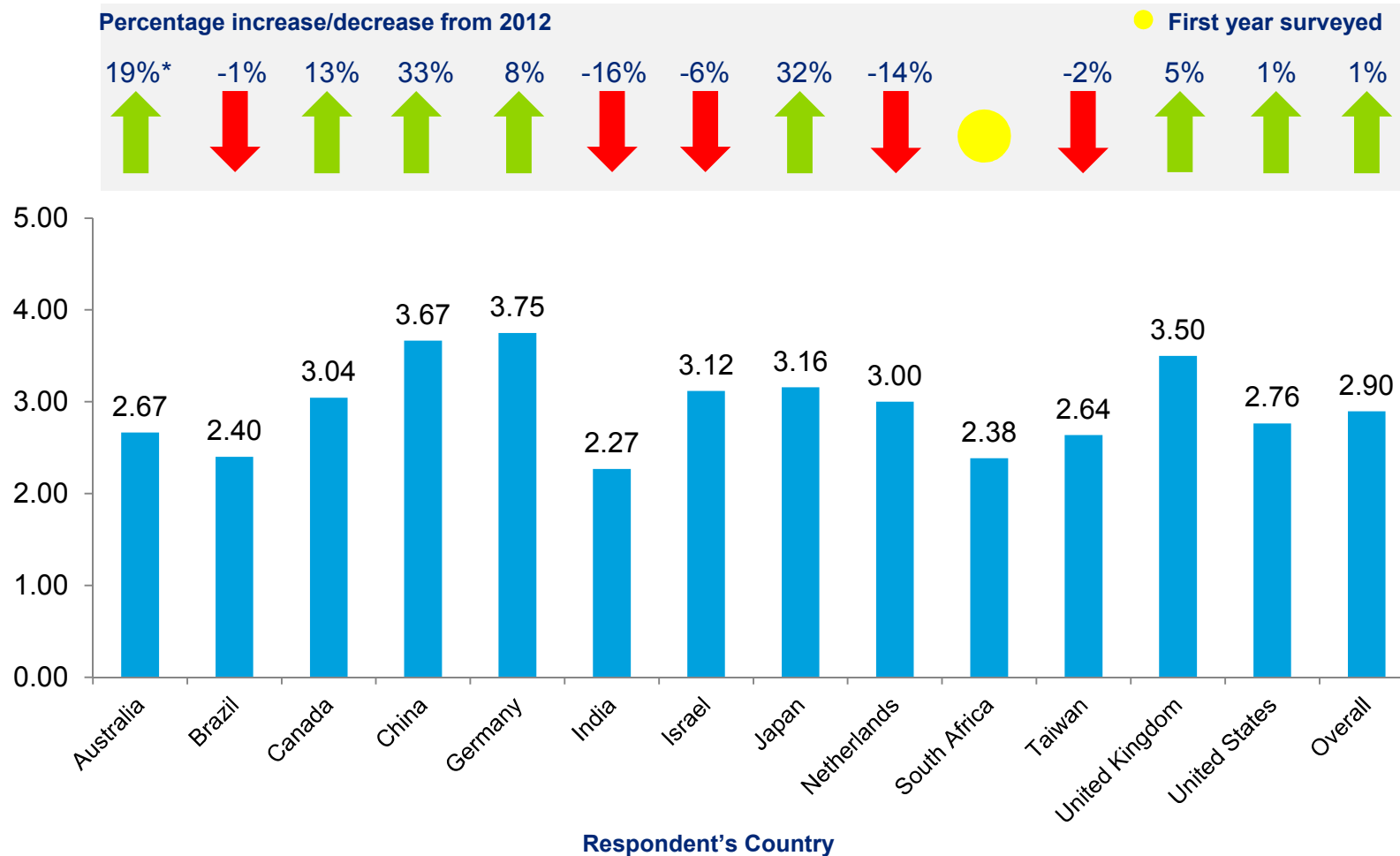


* Low 2013 respondent total caused large skew in data

Country investing

Key finding: UK confidence levels remain flat year over year.

Overall confidence in investing in United Kingdom



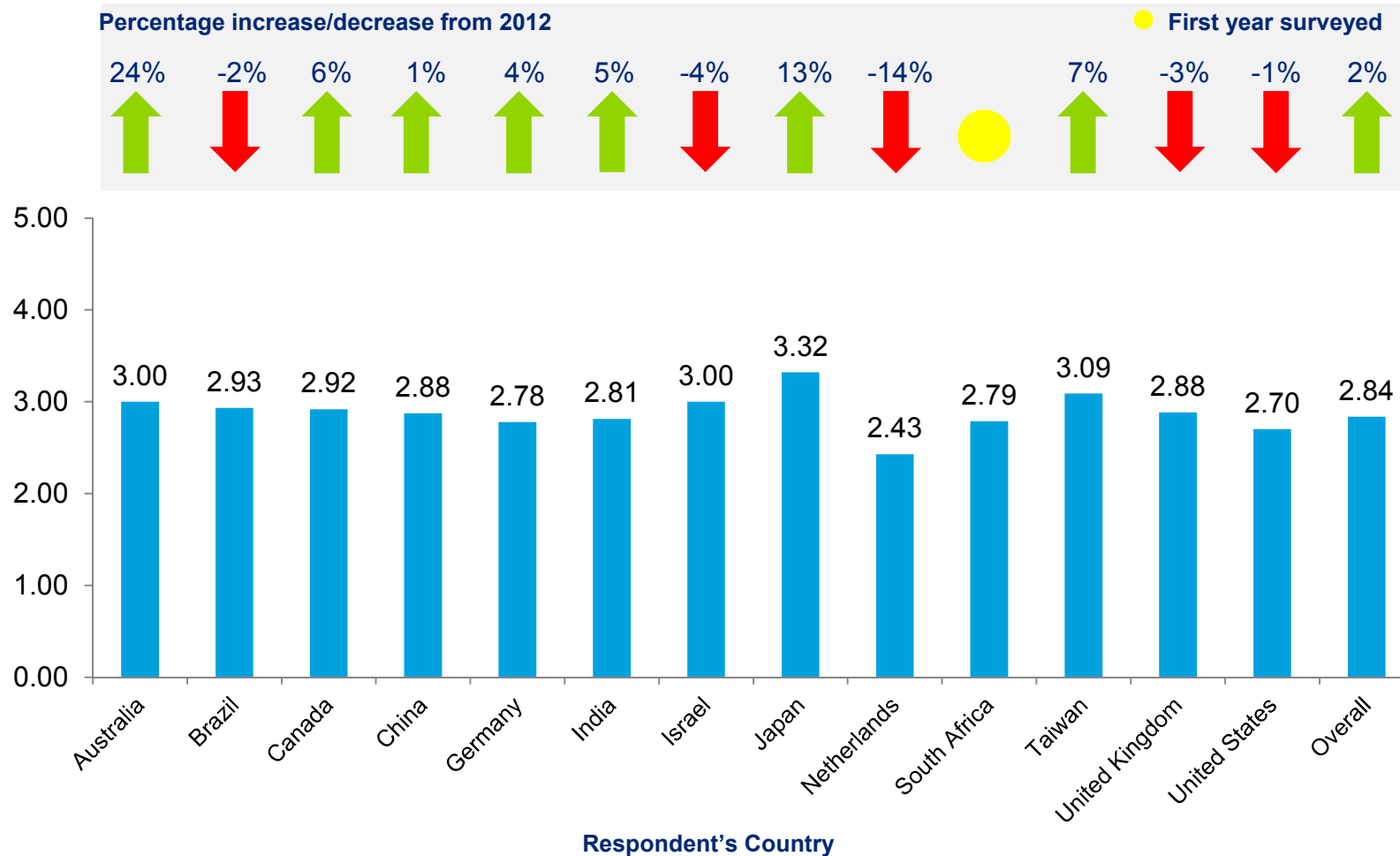
* Low 2013 respondent total caused large skew in data

Capital markets, policy and fundraising trends

Capital markets

Key finding: Overall respondents are not confident in global capital markets

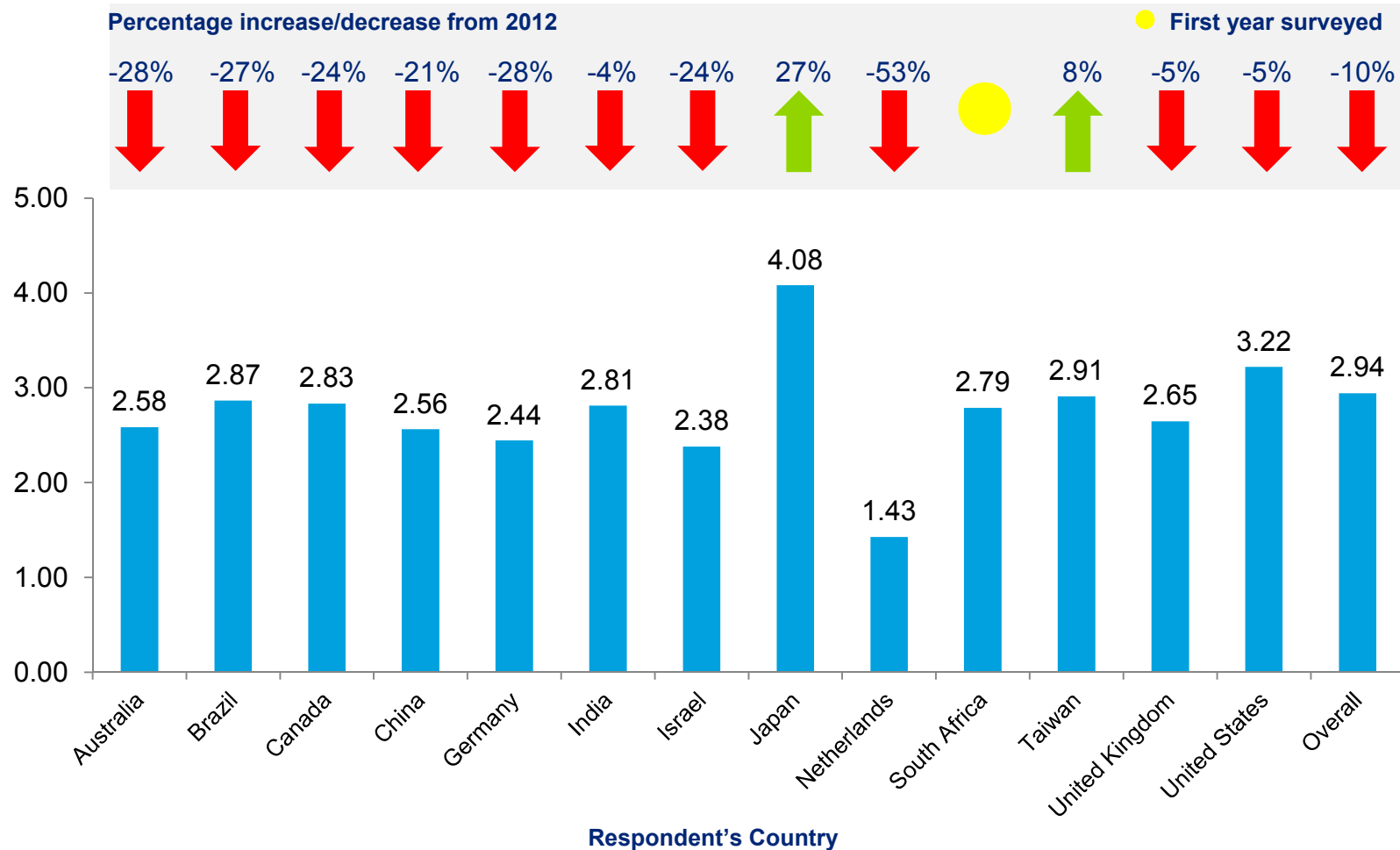
Overall confidence in the global capital markets system over the next year



Capital markets

Key finding: Overall confidence is decreasing, with Japan and Taiwan as the exception.

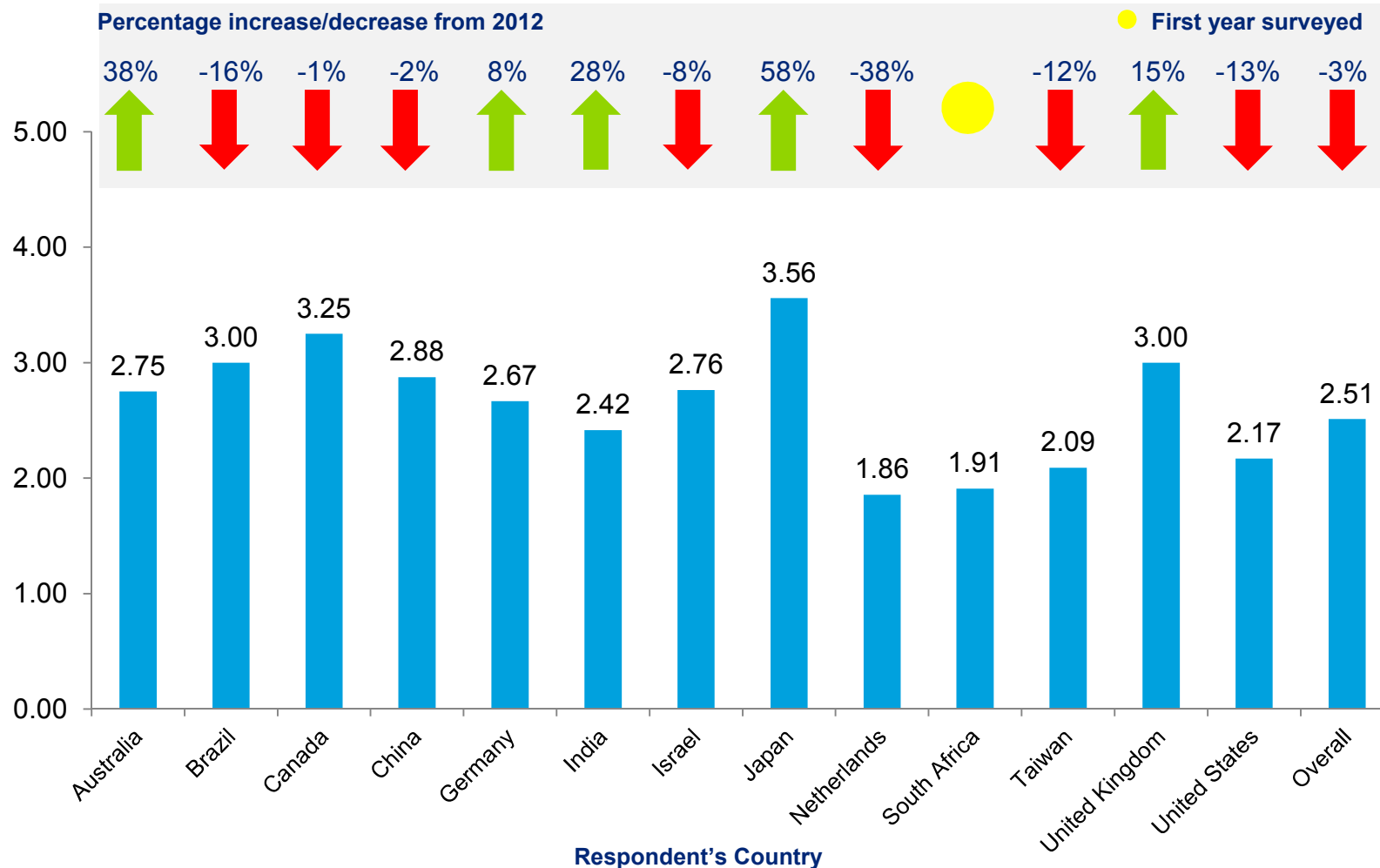
Overall confidence in my home country's capital markets system over the next year



Government policy

Key finding: U.S. confidence in domestic government amongst world's lowest. Japan's confidence soars.

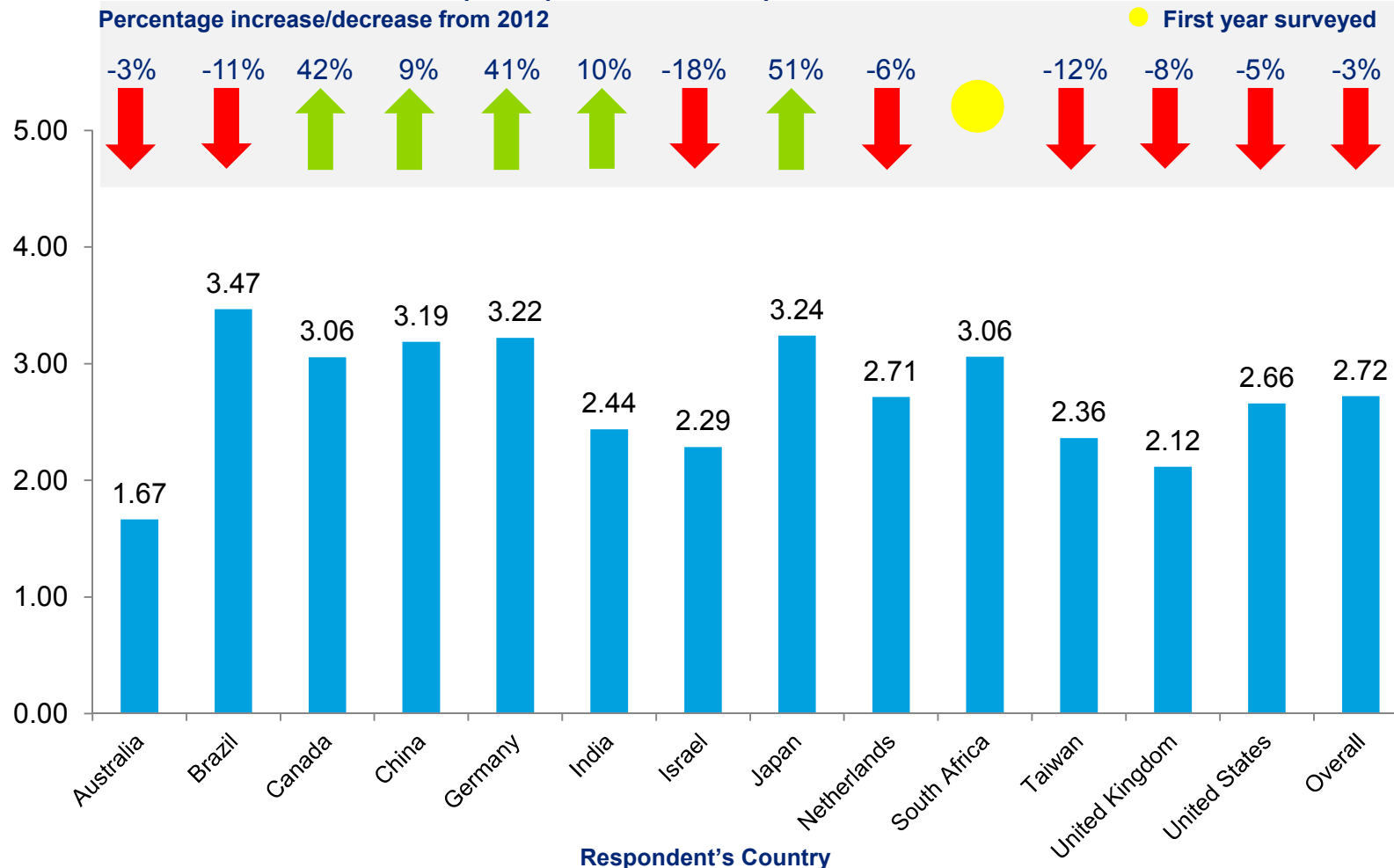
Overall confidence in my home country's ability to enact government policies that support the domestic investment in the next year



Fundraising trends

Key finding: Japan & Germany confidence scores dramatically increase. U.S. ranks among the lower half.

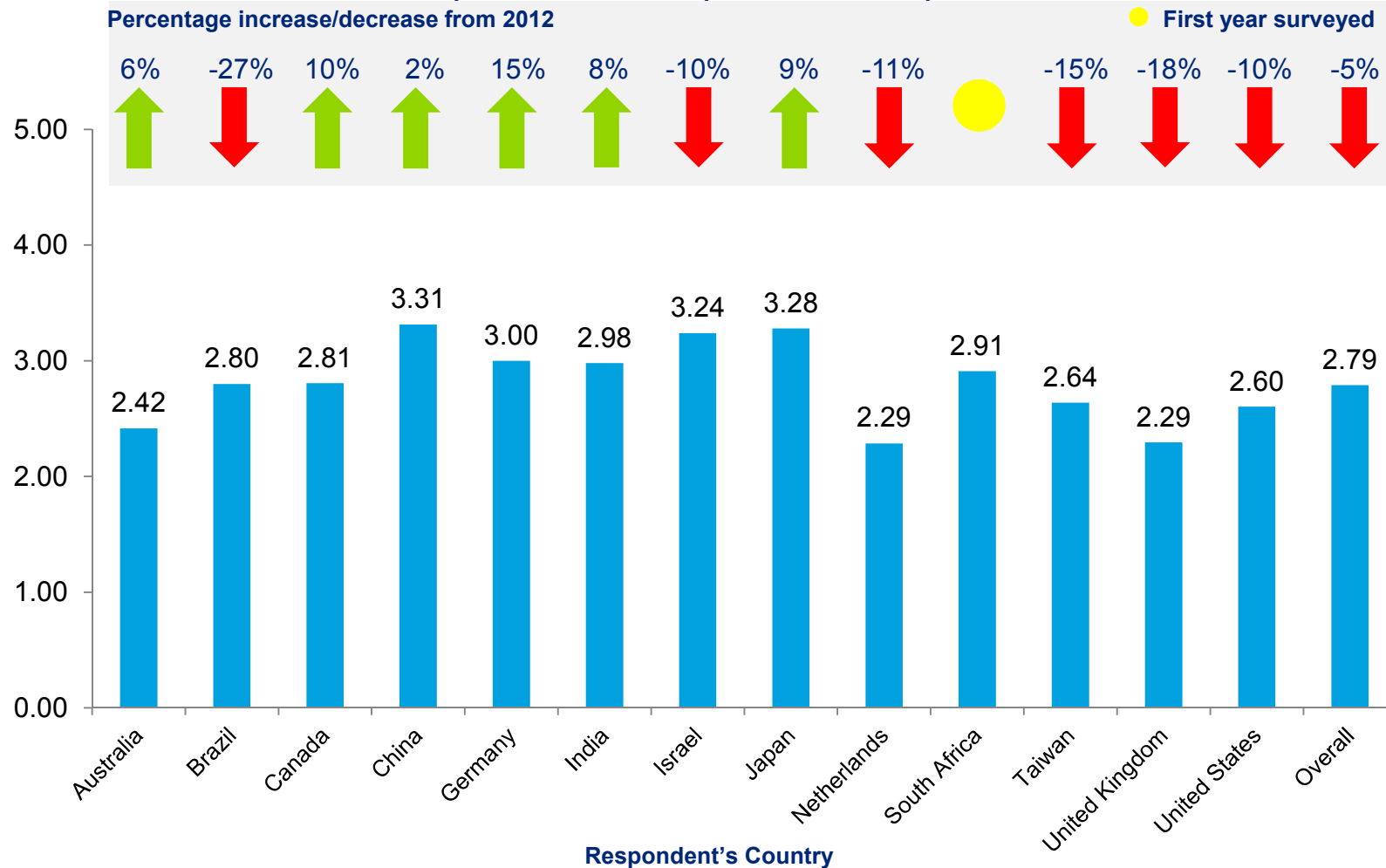
Overall confidence in the ability of the industry in my home country to raise funds from domestic Limited Partners (LPs) in the next year



Fundraising trends

Key finding: Brazil has biggest percentage decrease. China most confident in attracting outside investors.

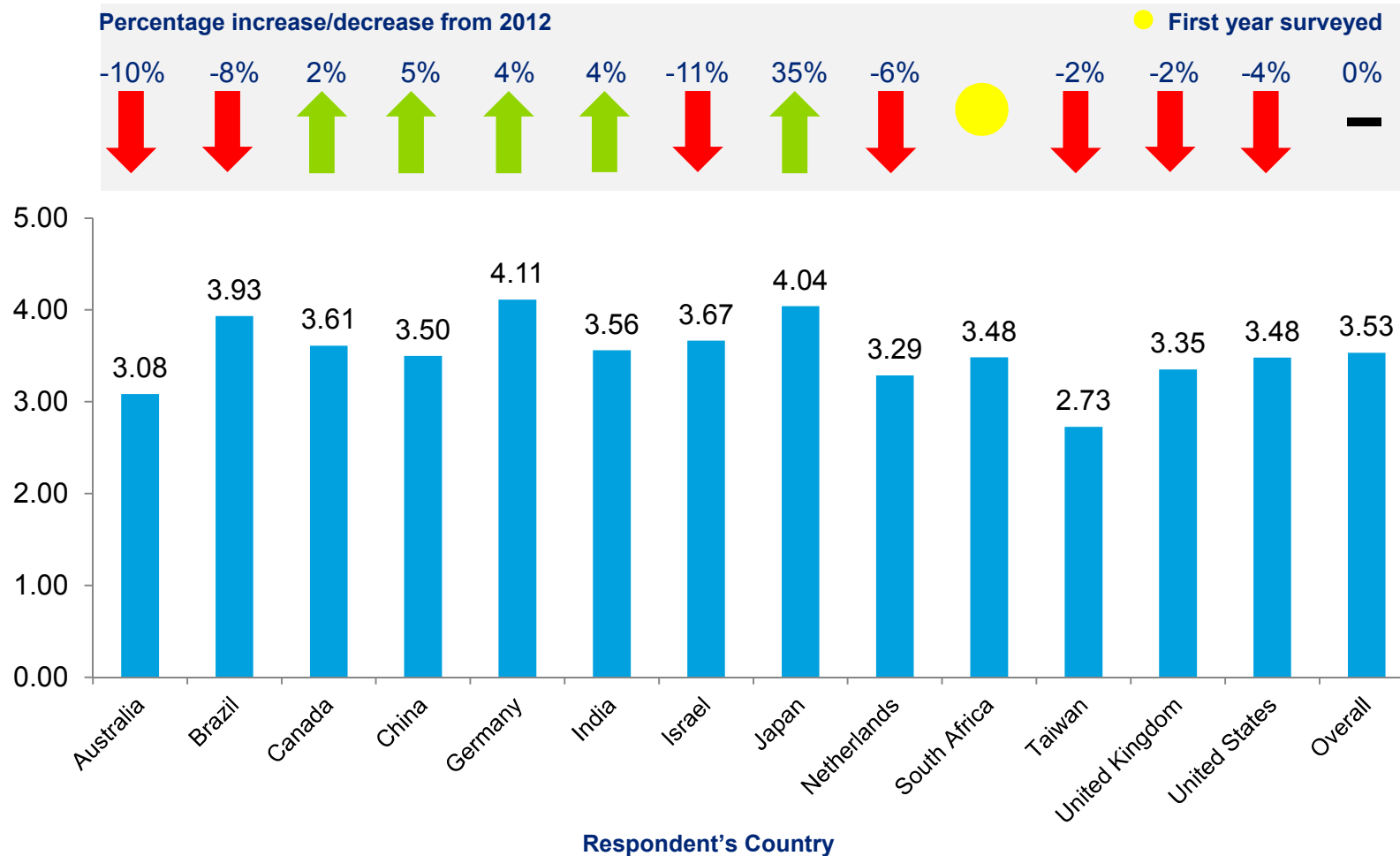
Overall confidence in the ability of the industry in my home country to raise necessary funds from LPs outside my home country in the next year



Fundraising trends

Key finding: Confidence remains high but shows no year over year increase.

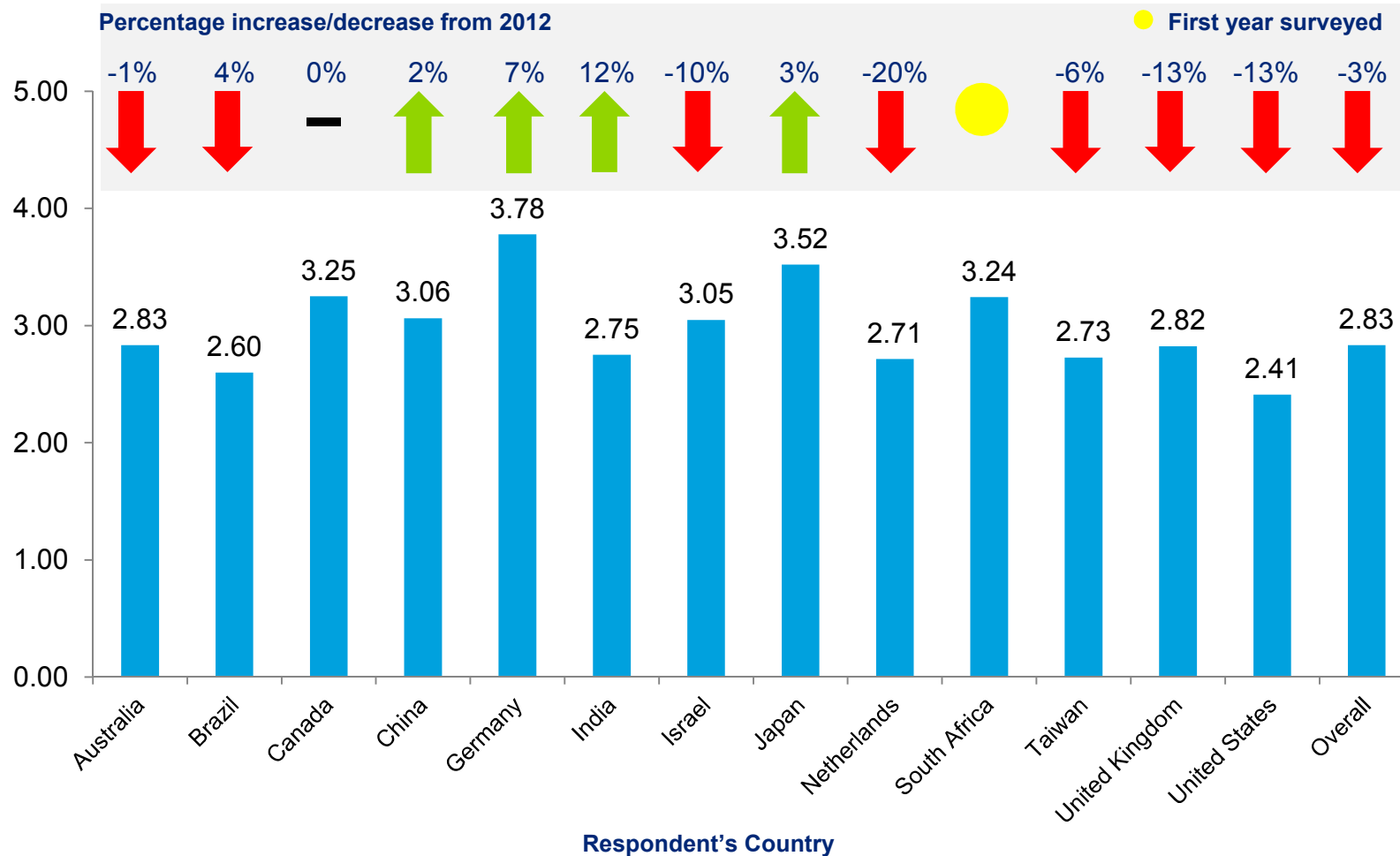
Overall confidence in investing in my home country in the next year



Fundraising trends

Key finding: Big drop off in confidence ratings when investing at home v. abroad (3.53 [slide 36] v. 2.83).

Overall confidence in investing outside of my home country in the next year

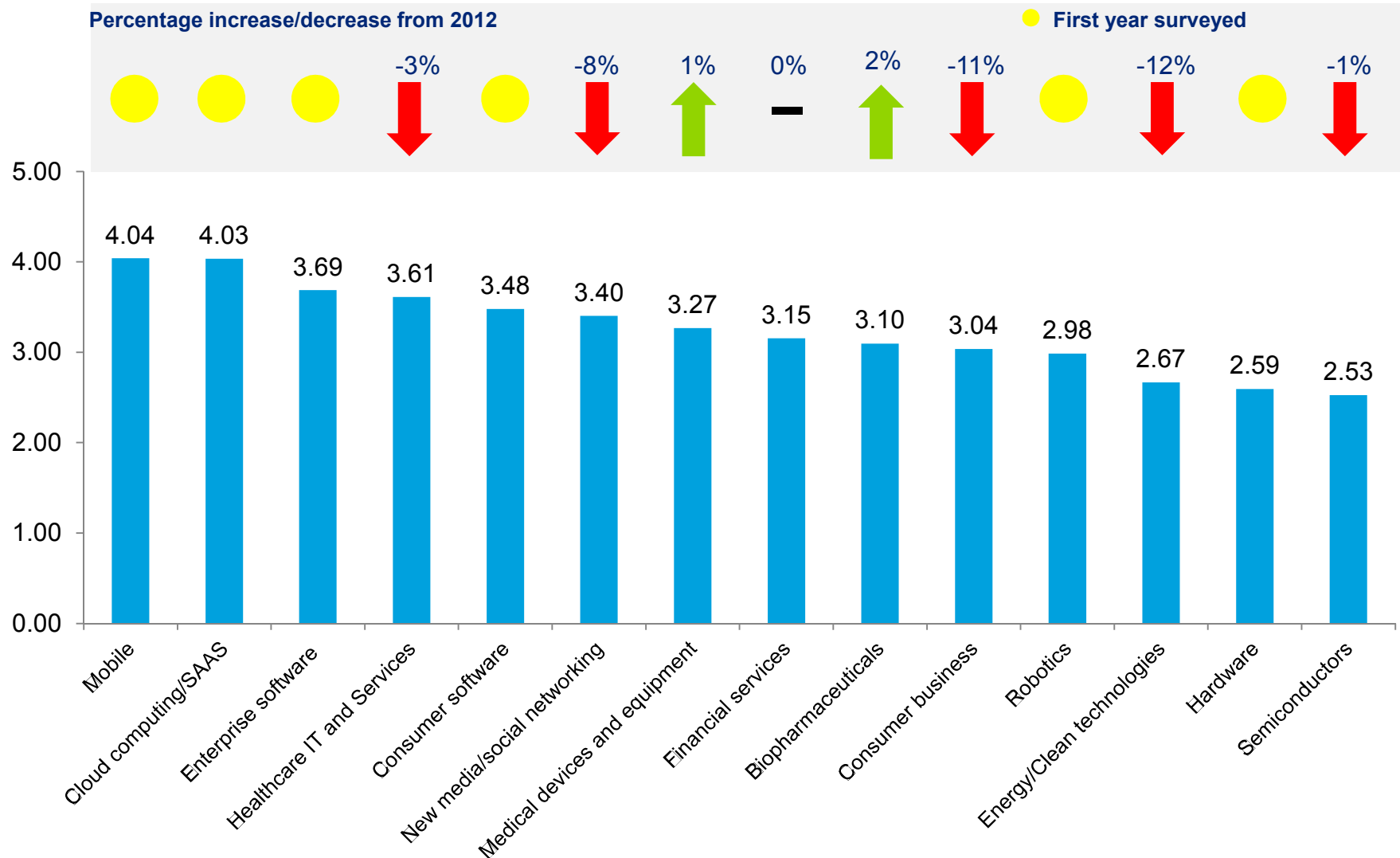


Industry investing

Industry investing

Key finding: The top 6 sectors were all technology focused.

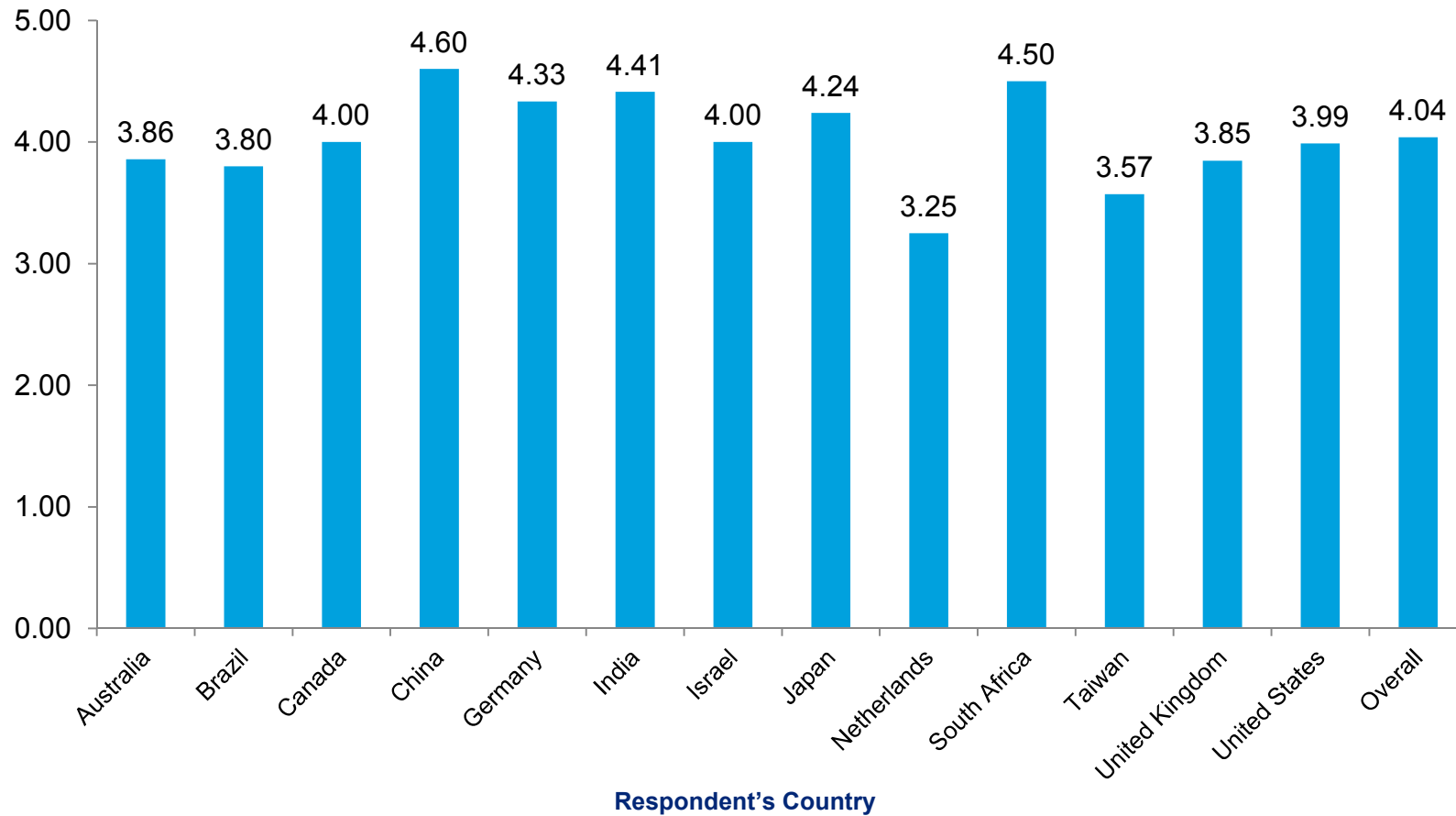
Overall confidence in Venture Capital (VC) investing by sector (all respondents)



Industry investing

Key finding: Mobility most confident sector overall.

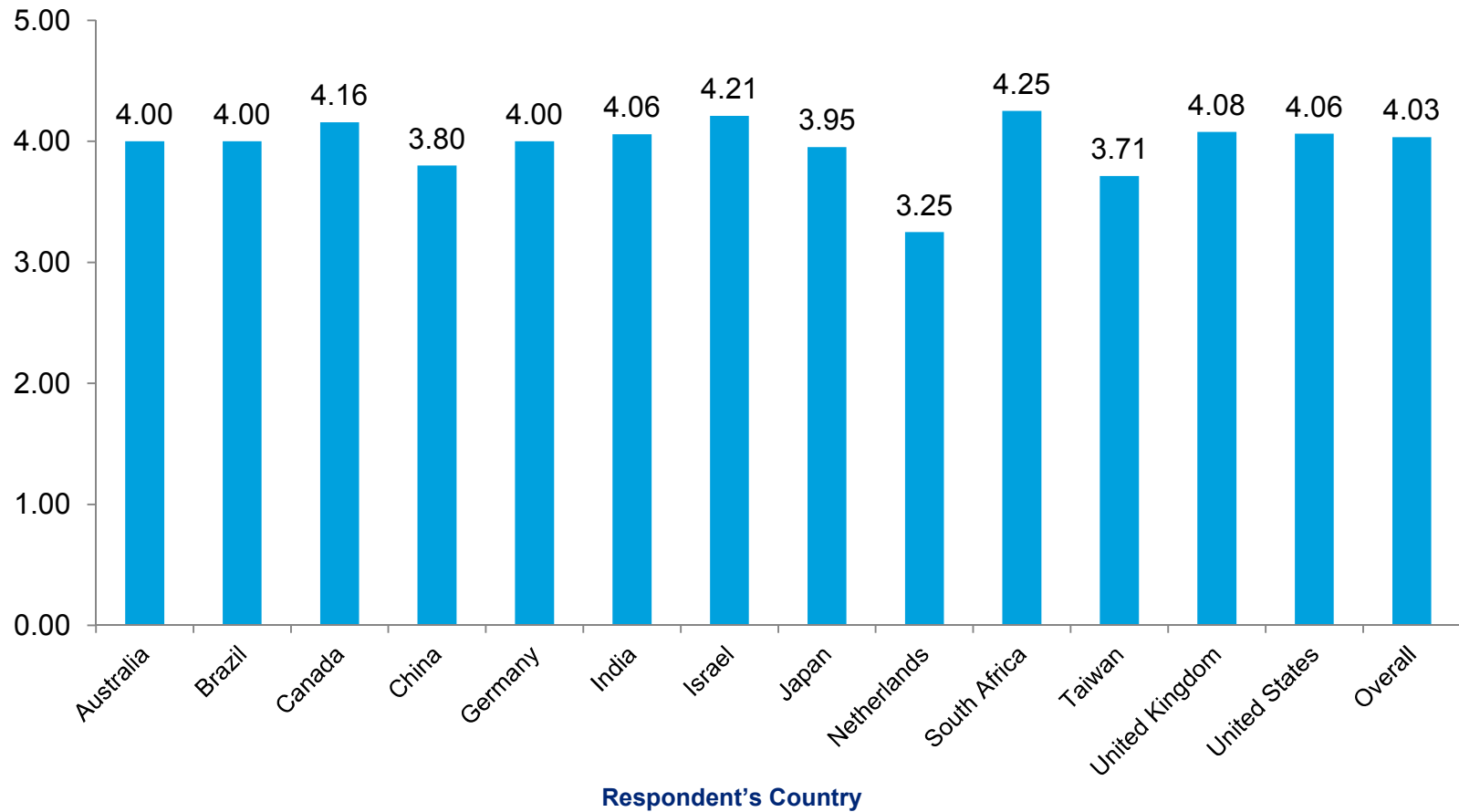
Overall confidence in VC investing in the Mobile sector



Industry investing

Key finding: Cloud computing/SAAS most confident sector in U.S.

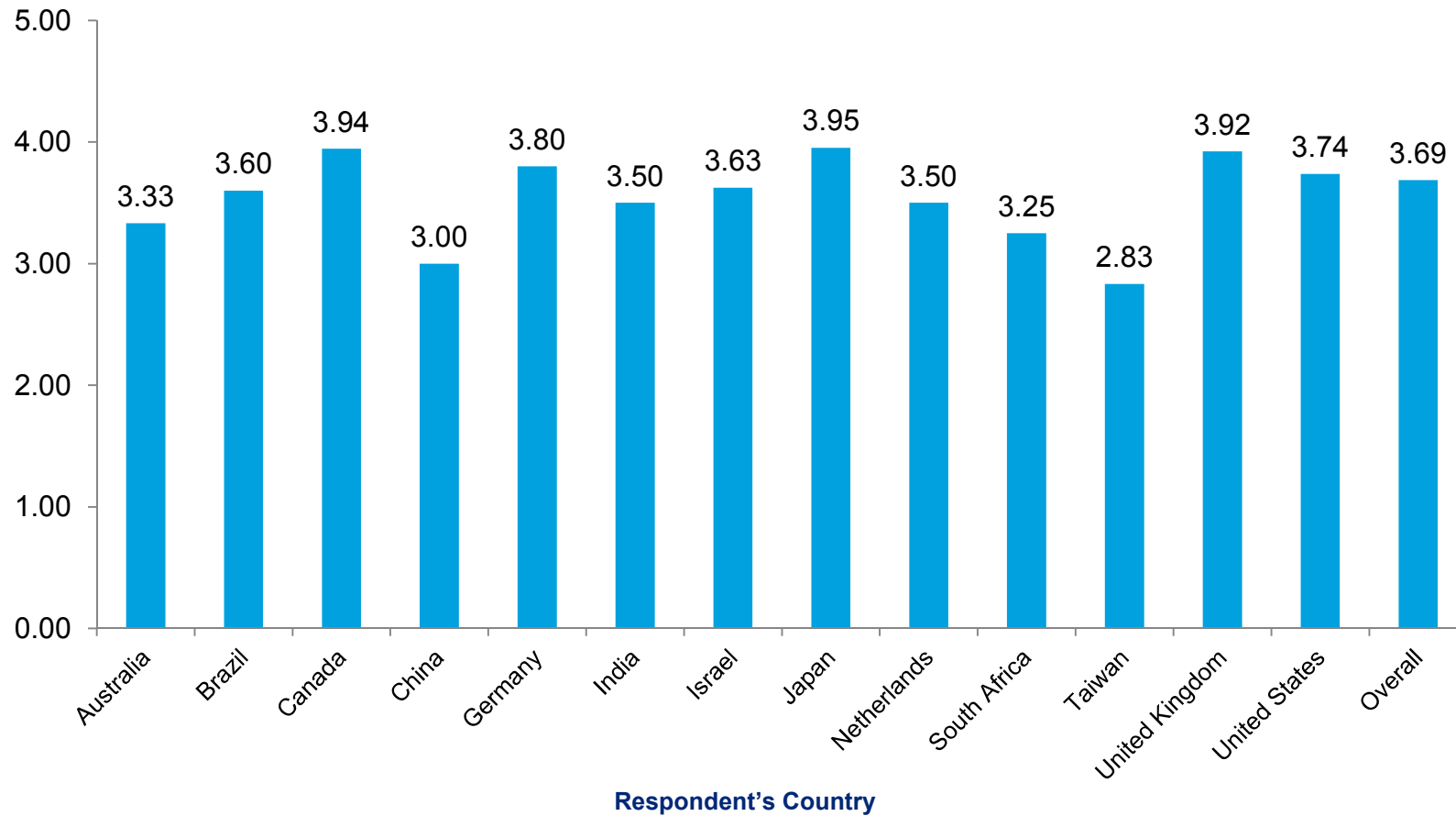
Overall confidence in VC investing in the Cloud Computing/SAAS sector



Industry investing

Key finding: Enterprise Software scored a 3.5 or higher in ten countries.

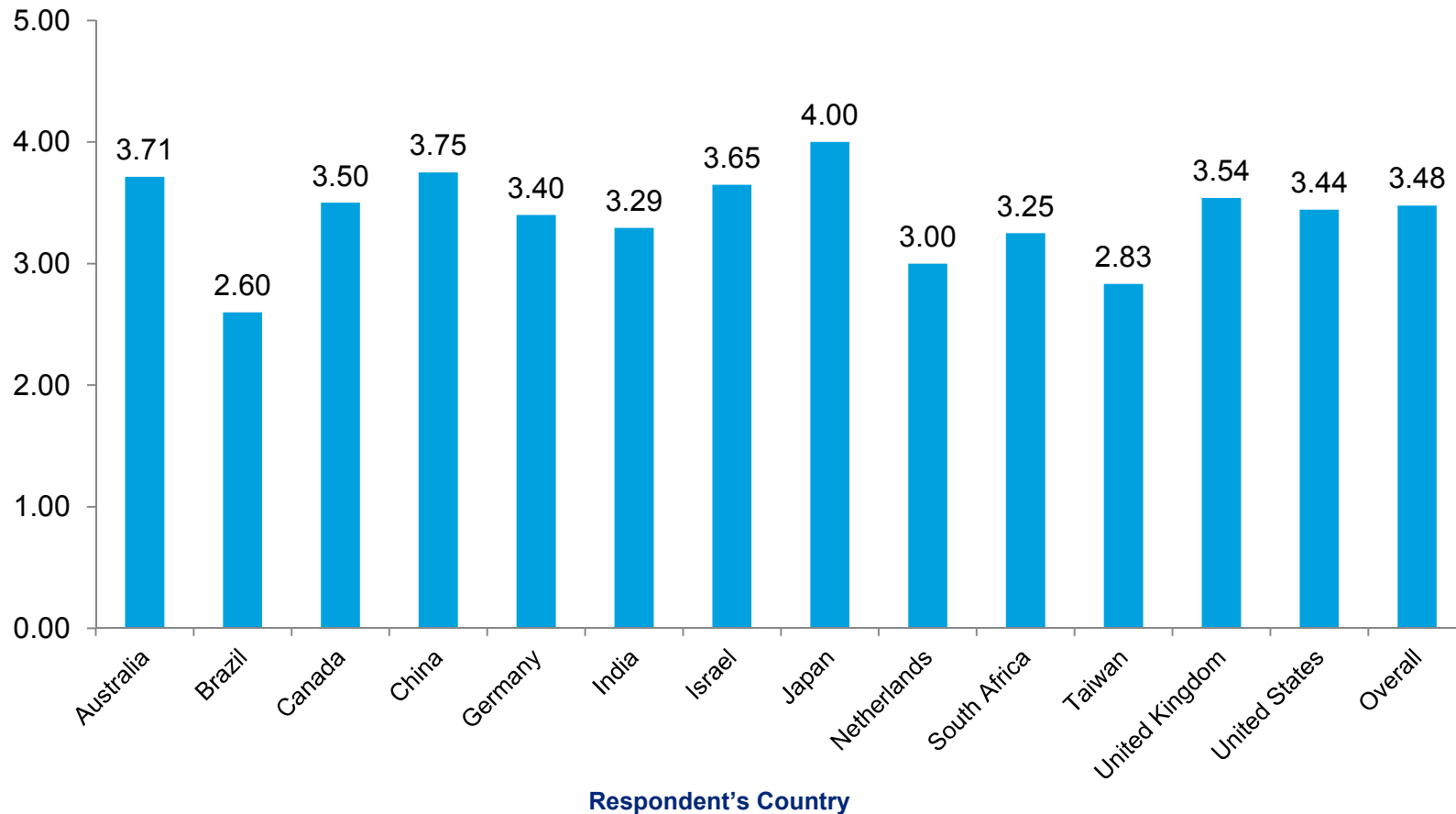
Overall confidence in VC investing in the Enterprise Software sector



Industry investing

Key finding: Consumer Software scored a 3 or higher in almost every country.

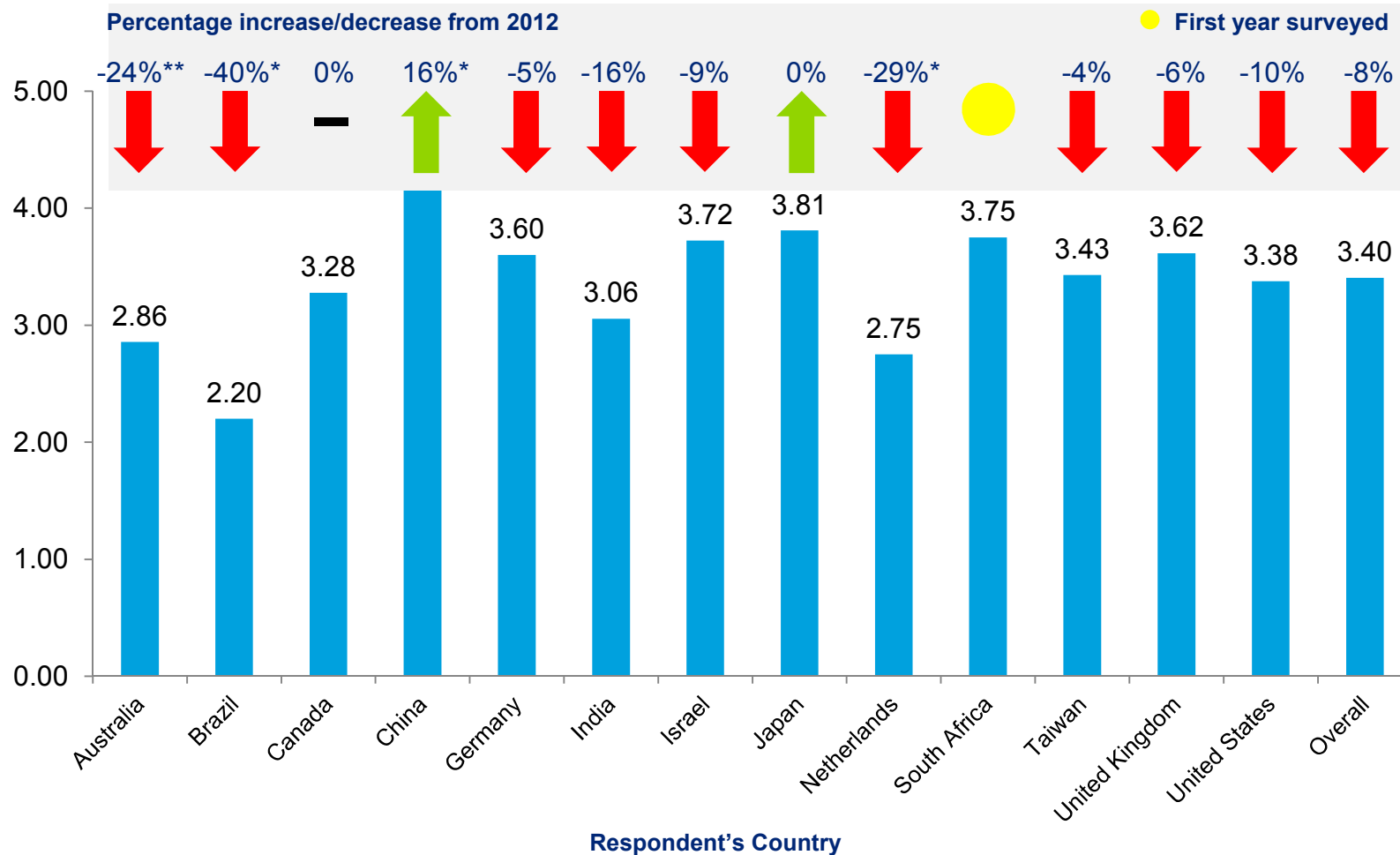
Overall confidence in VC investing in the Consumer Software sector



Industry investing

Key finding: New Media scored high, but saw an 8% decline year over year.

Overall confidence in VC investing in the New Media/Social Networking sector



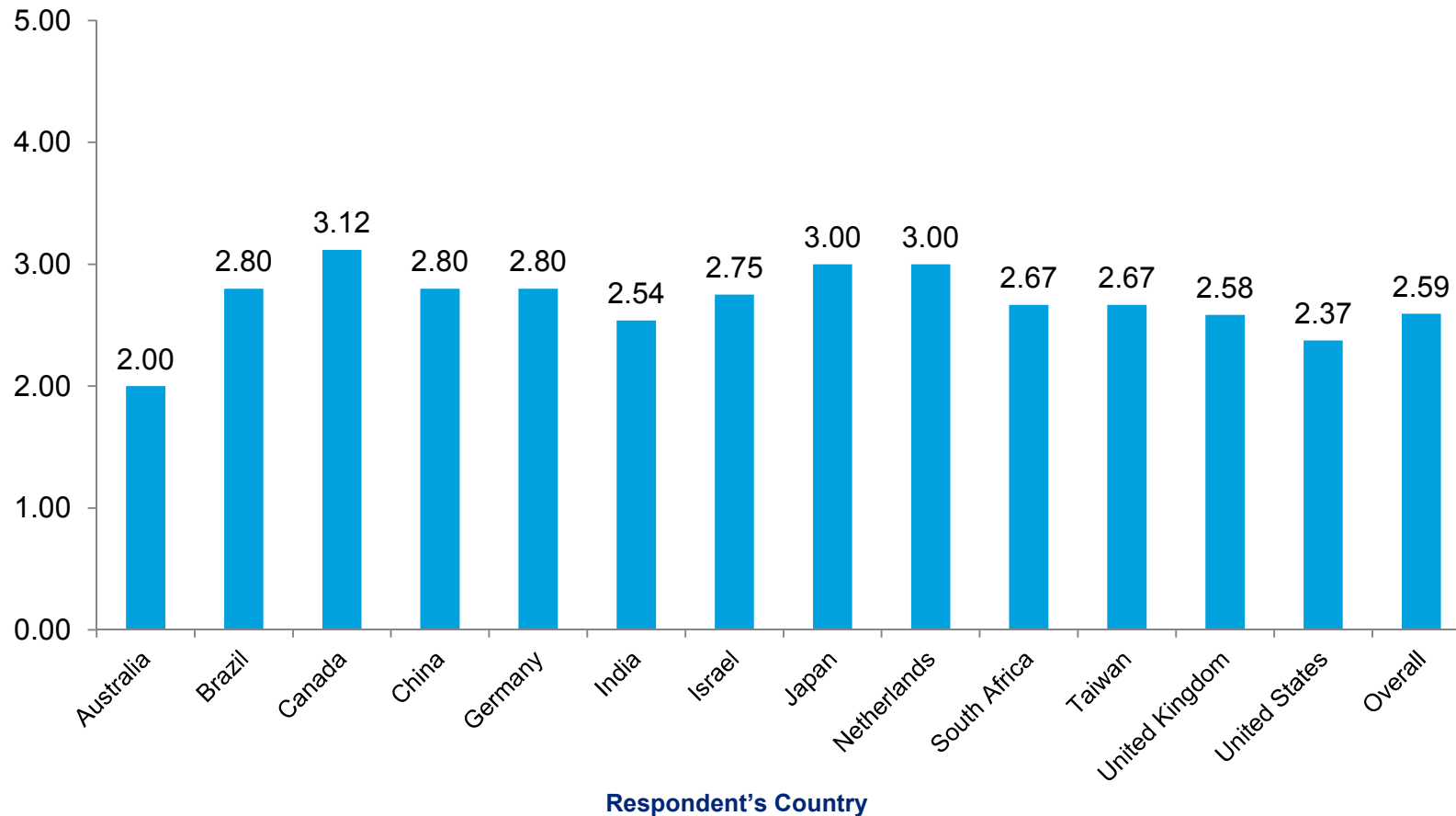
• Low 2013 respondent total caused large skew in data

** Low 2012 respondent total caused large skew in data

Industry Investing

Key finding: Low scores across the board, but expected for a mature industry.

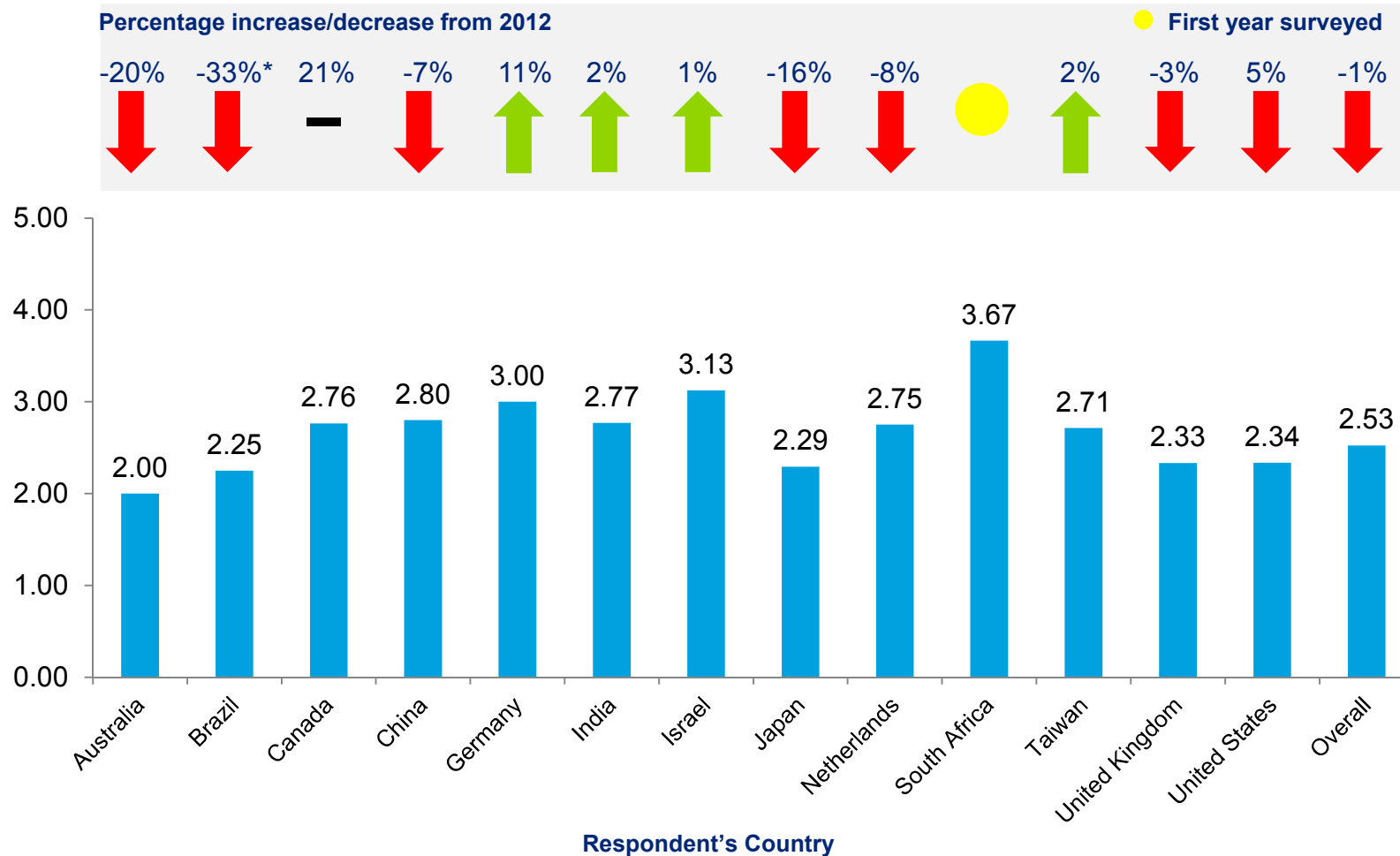
Overall confidence in VC investing in the Hardware sector



Industry investing

Key finding: Low scores across the board, but expected for a mature industry.

Overall confidence in VC investing in the Semiconductor sector

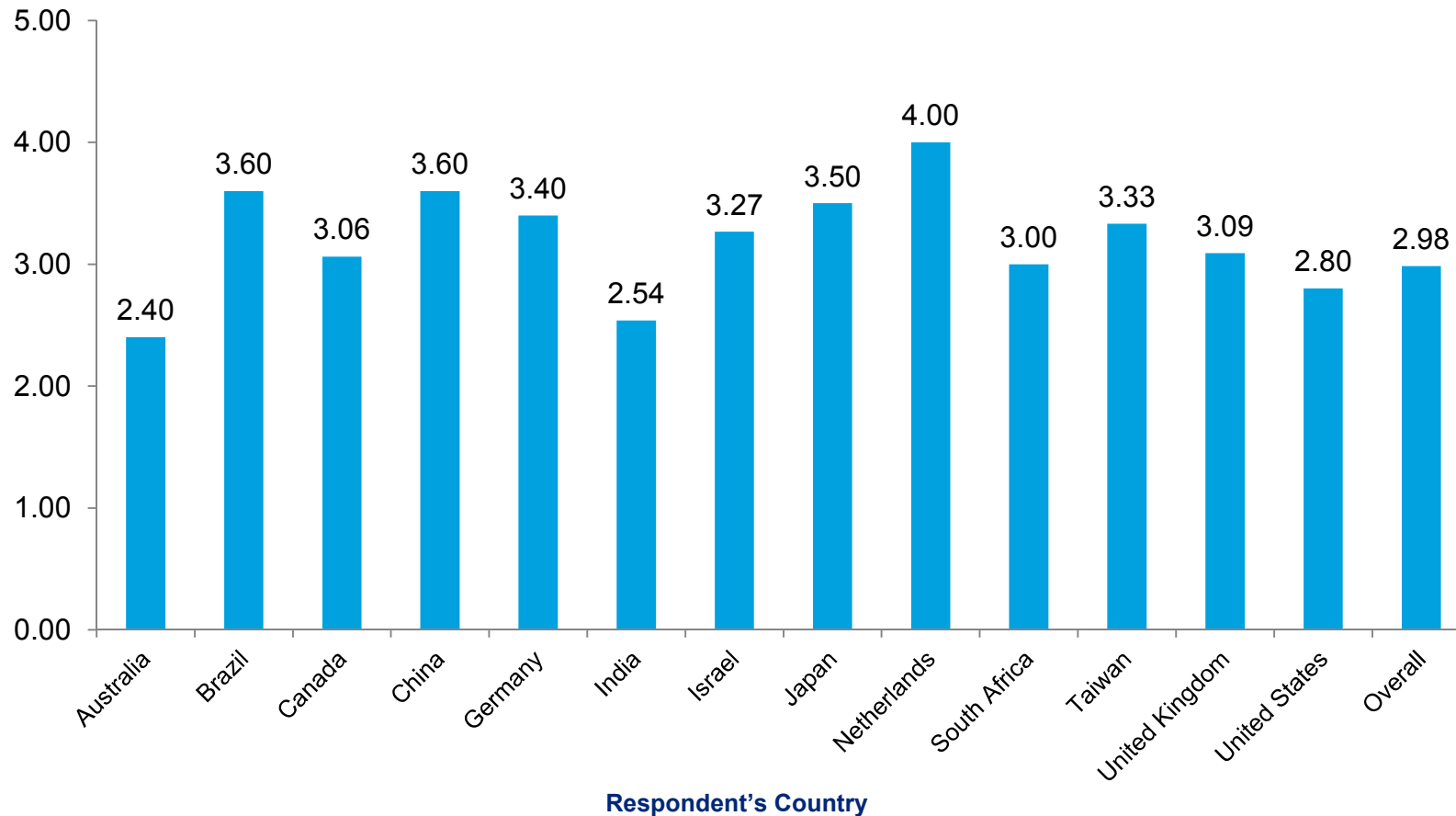


* Low 2013 respondent total caused large skew in data

Industry investing

Key finding: Varying scores, some countries see it as an investment play, others do not.

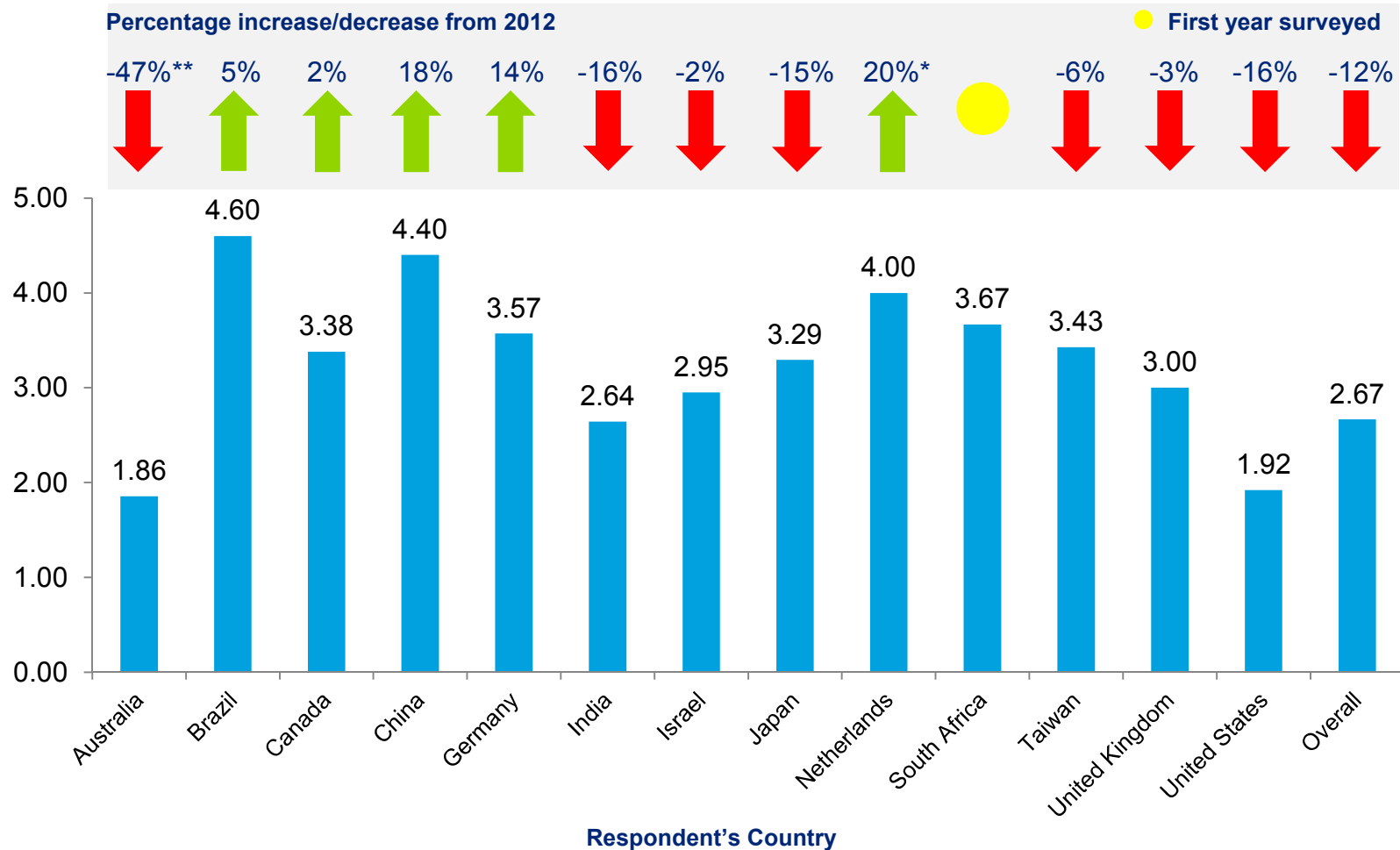
Overall confidence in VC investing in the Robotics sector



Industry investing

Key finding: Once a popular investment choice, energy/clean tech saw a decrease of 12%. U.S. ranks amongst lowest.

Overall confidence in VC investing in the Energy/clean technologies sector

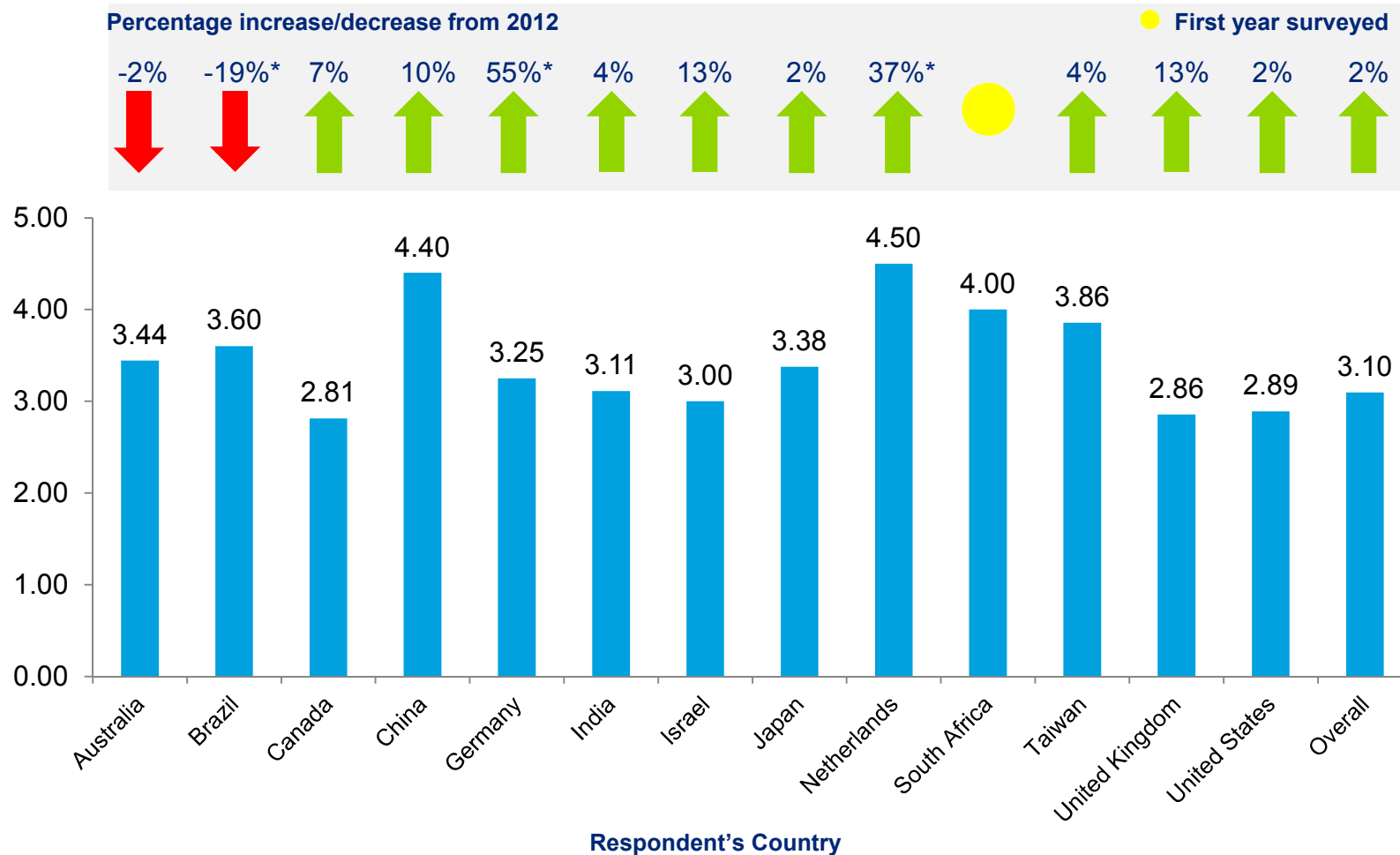


* Low 2013 respondent total caused large skew in data

Industry investing

Key finding: Biopharma remains flat.

Overall confidence in VC investing in the Biopharmaceuticals sector

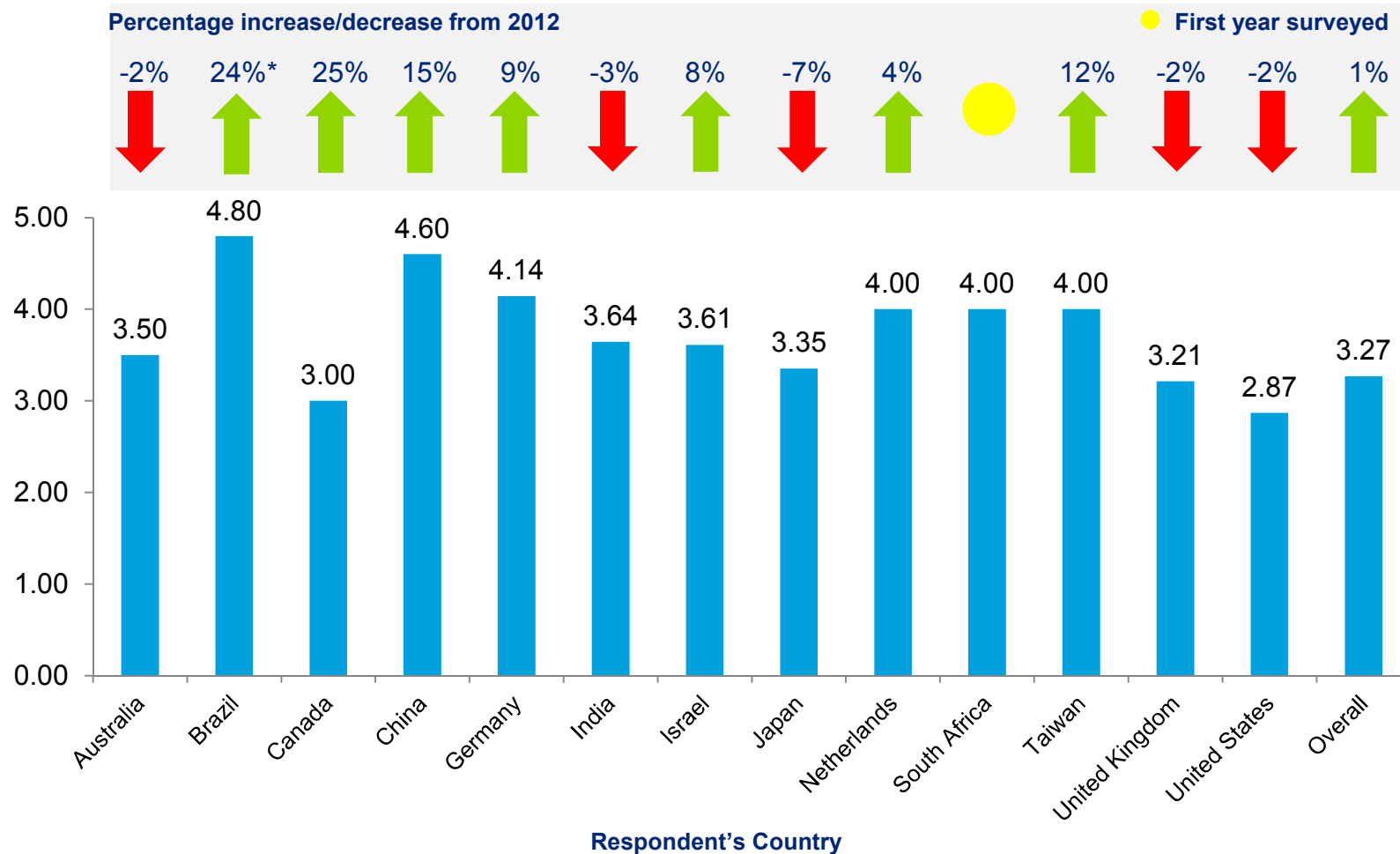


* Low 2013 respondent total caused large skew in data

Industry investing

Key finding: Med. Device remains flat.

Overall confidence in VC investing in the Medical Device & Equipment sector

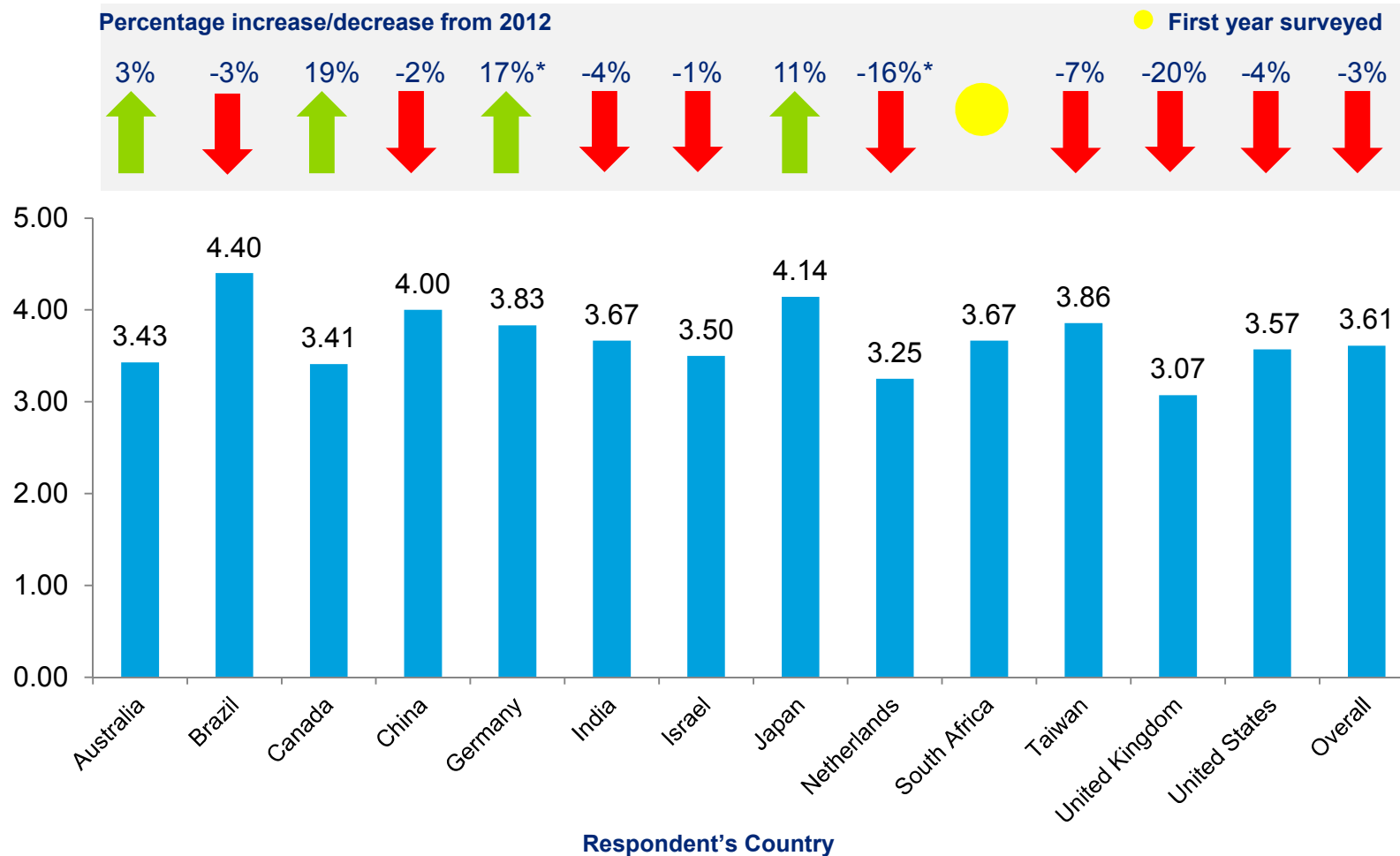


* Low 2013 respondent total caused large skew in data

Industry investing

Key finding: Healthcare IT saw a slight downward tick, but remains one of the most confident sectors.

Overall confidence in VC investing in the Healthcare IT & Services sector

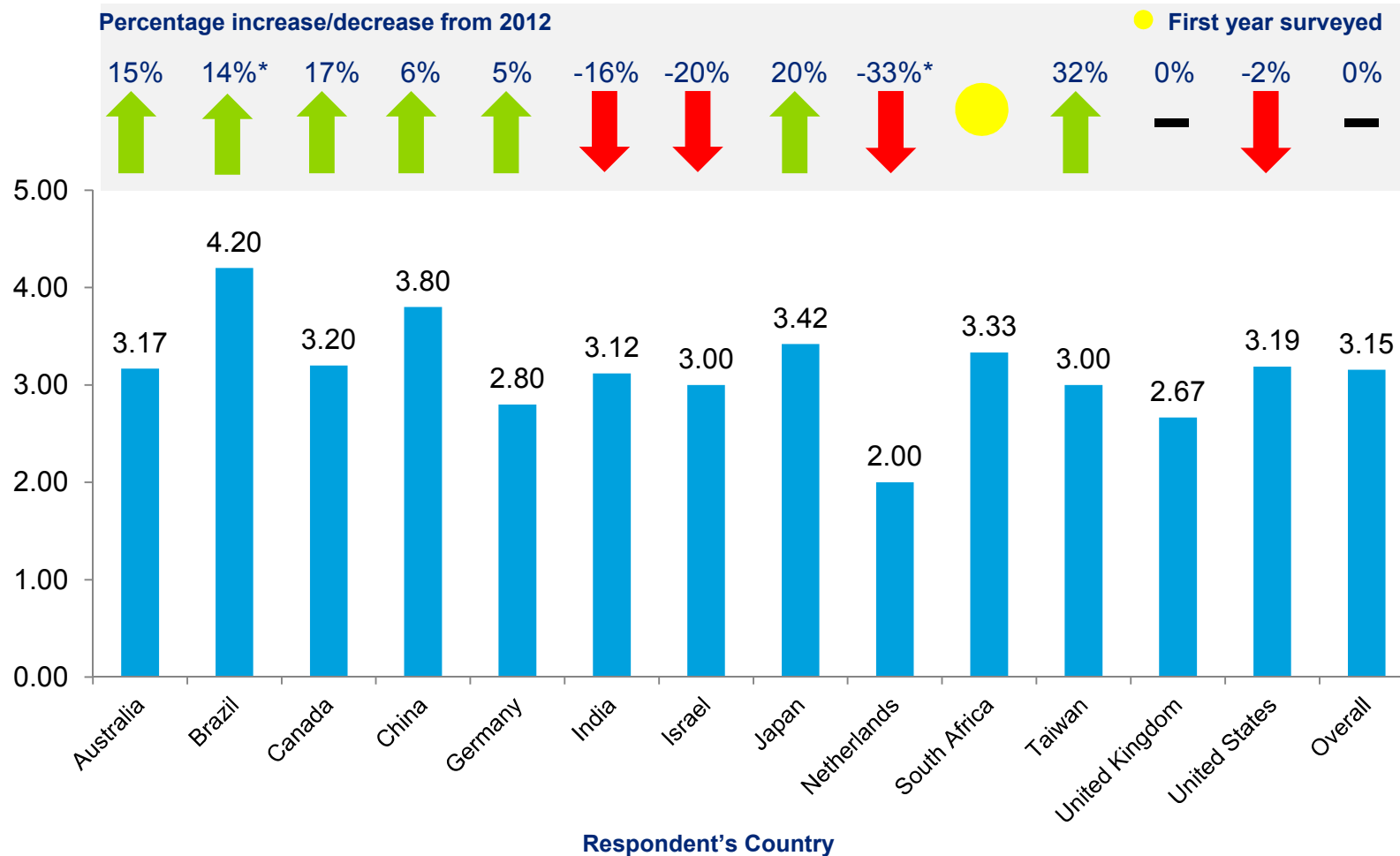


* Low 2013 respondent total caused large skew in data

Industry investing

Key finding: Sector remained flat year over year.

Overall confidence in VC investing in the Financial Services sector

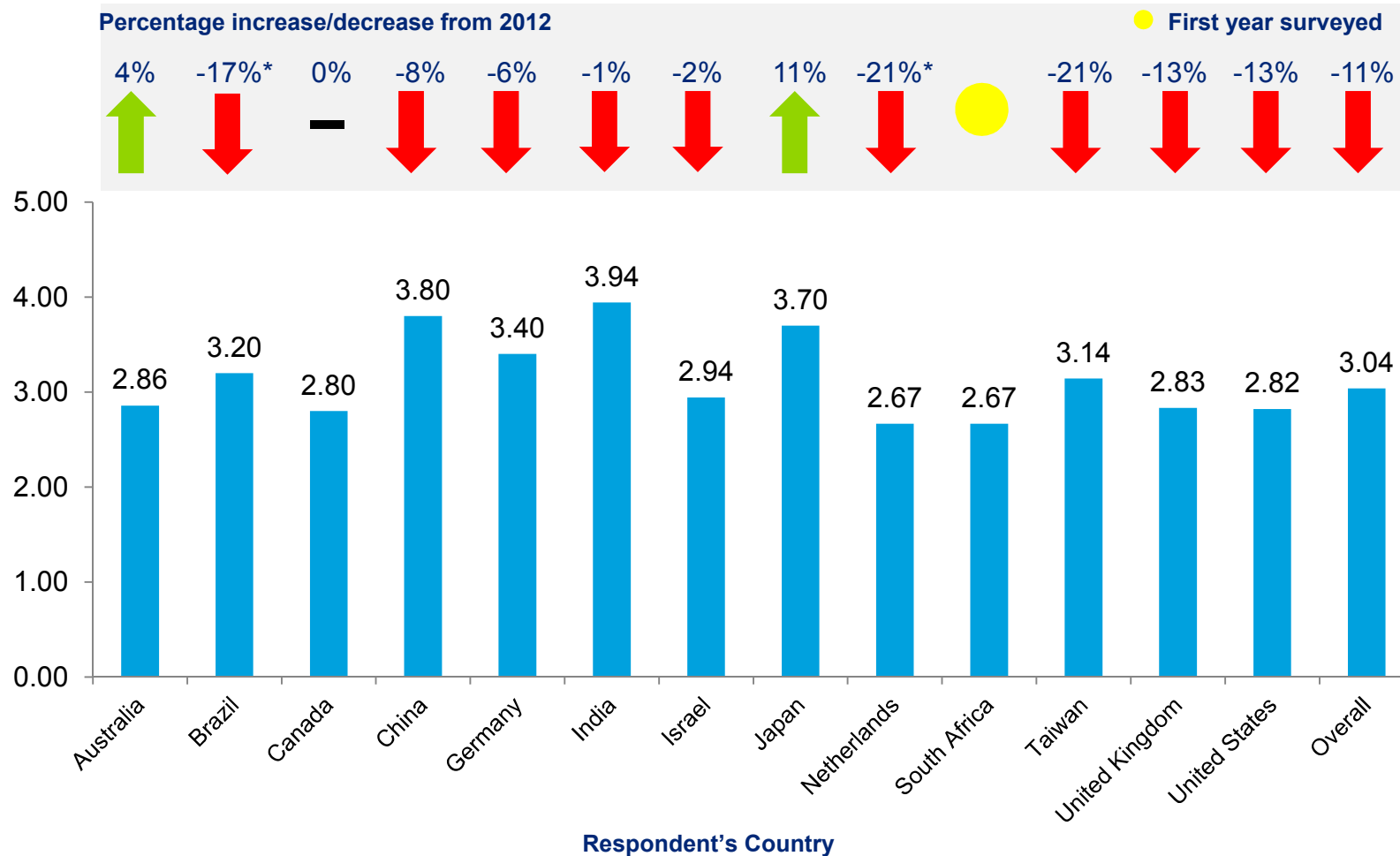


* Low 2013 respondent total caused large skew in data

Industry investing

Overall confidence in VC investing in the Consumer Business sector

Key finding: Second largest percentage decrease among all sectors.



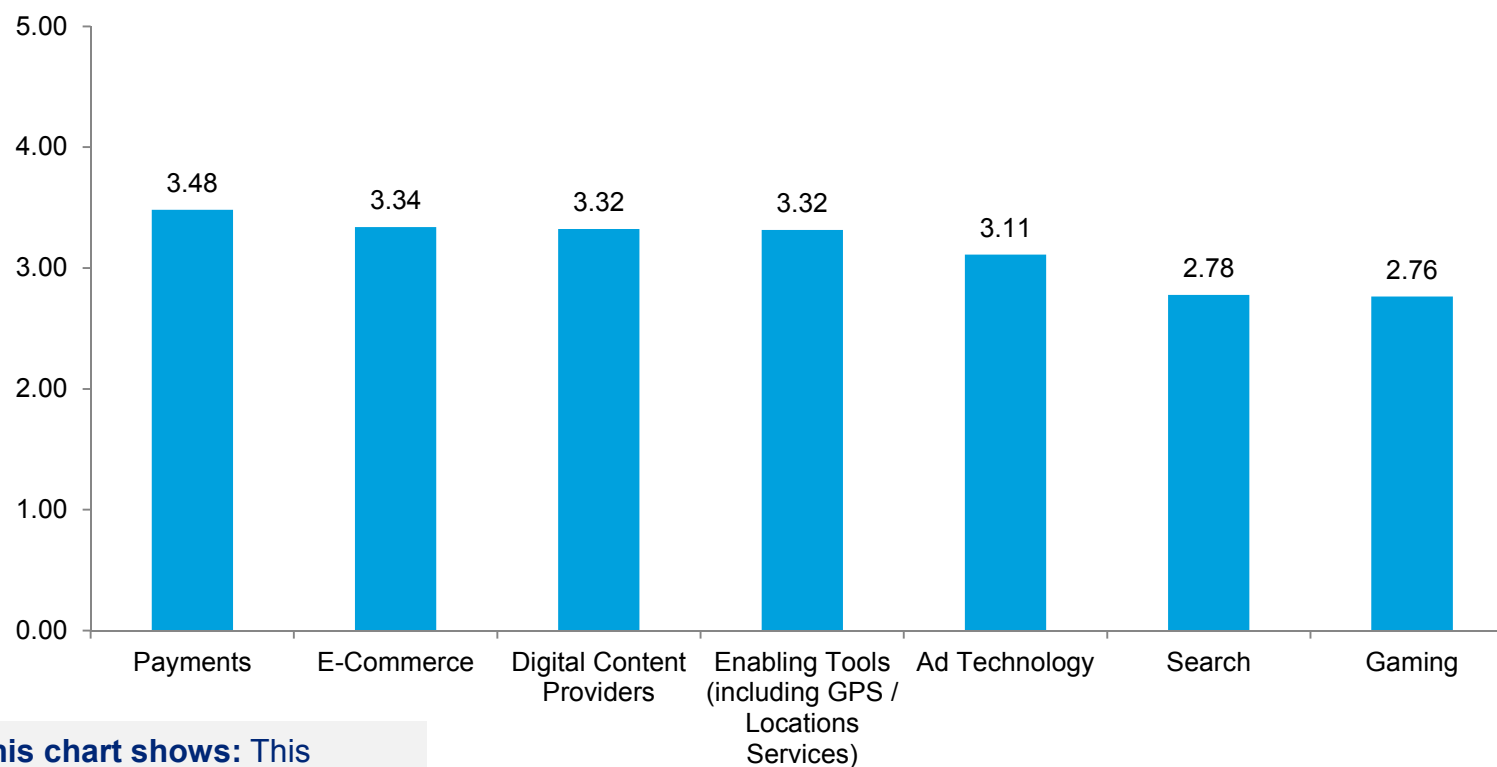
* Low 2013 respondent total caused large skew in data

Sub-sector investing –
New media/Social networking

Social Media Sub-sectors

Key finding: No standout sub-sector.

Overall confidence in VC investing in social new media/social networking sub-sectors (all respondents)

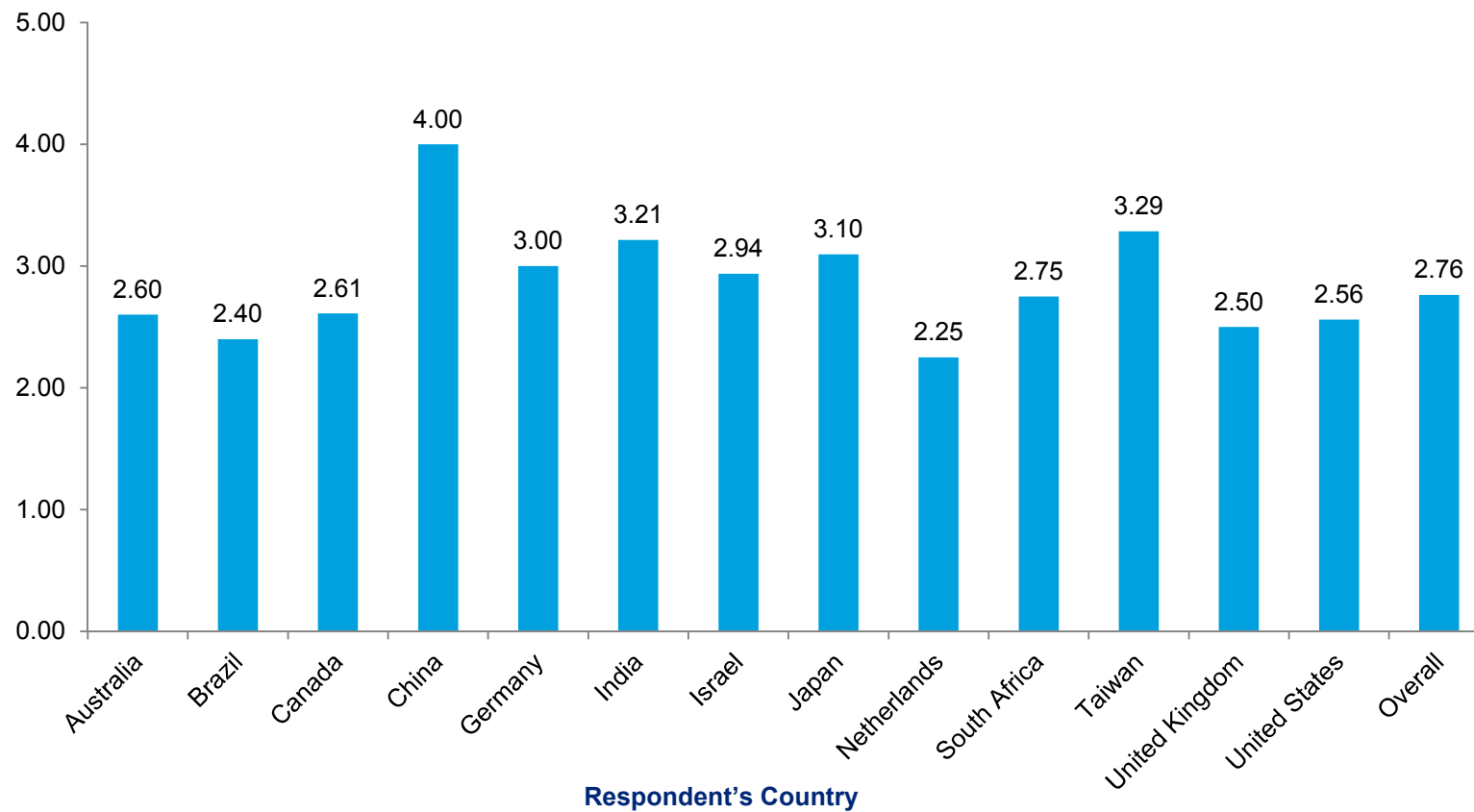


What this chart shows: This shows the average confidence rating of each sub-sector when asking all respondents to the survey.

New Media/Social Networking Sub-sectors

Key finding: Scored the lowest of New media sub-sectors.

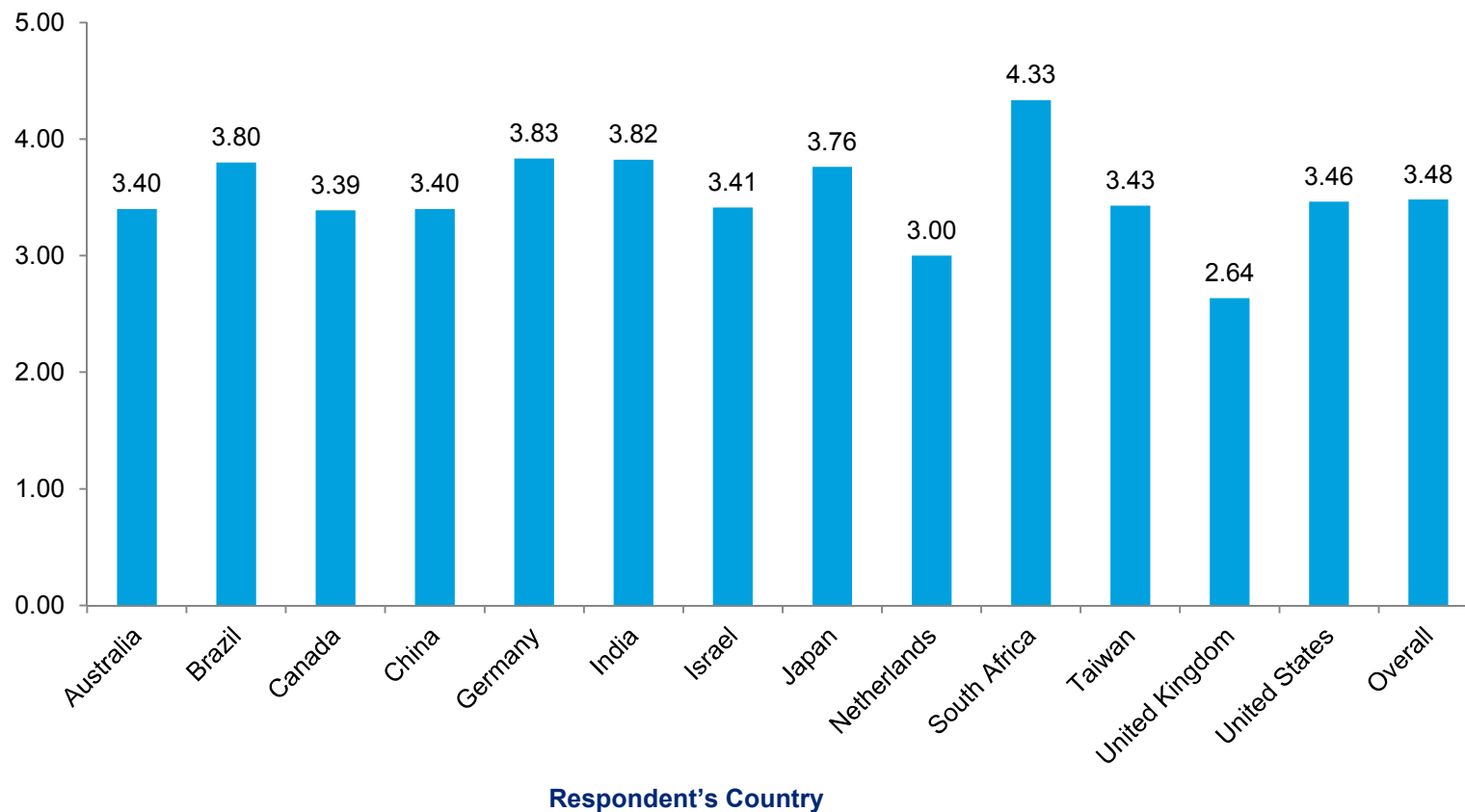
Overall confidence in VC investing in Gaming



New Media/Social Networking Sub-sectors

Key finding: Scored the highest of New media sub-sectors.

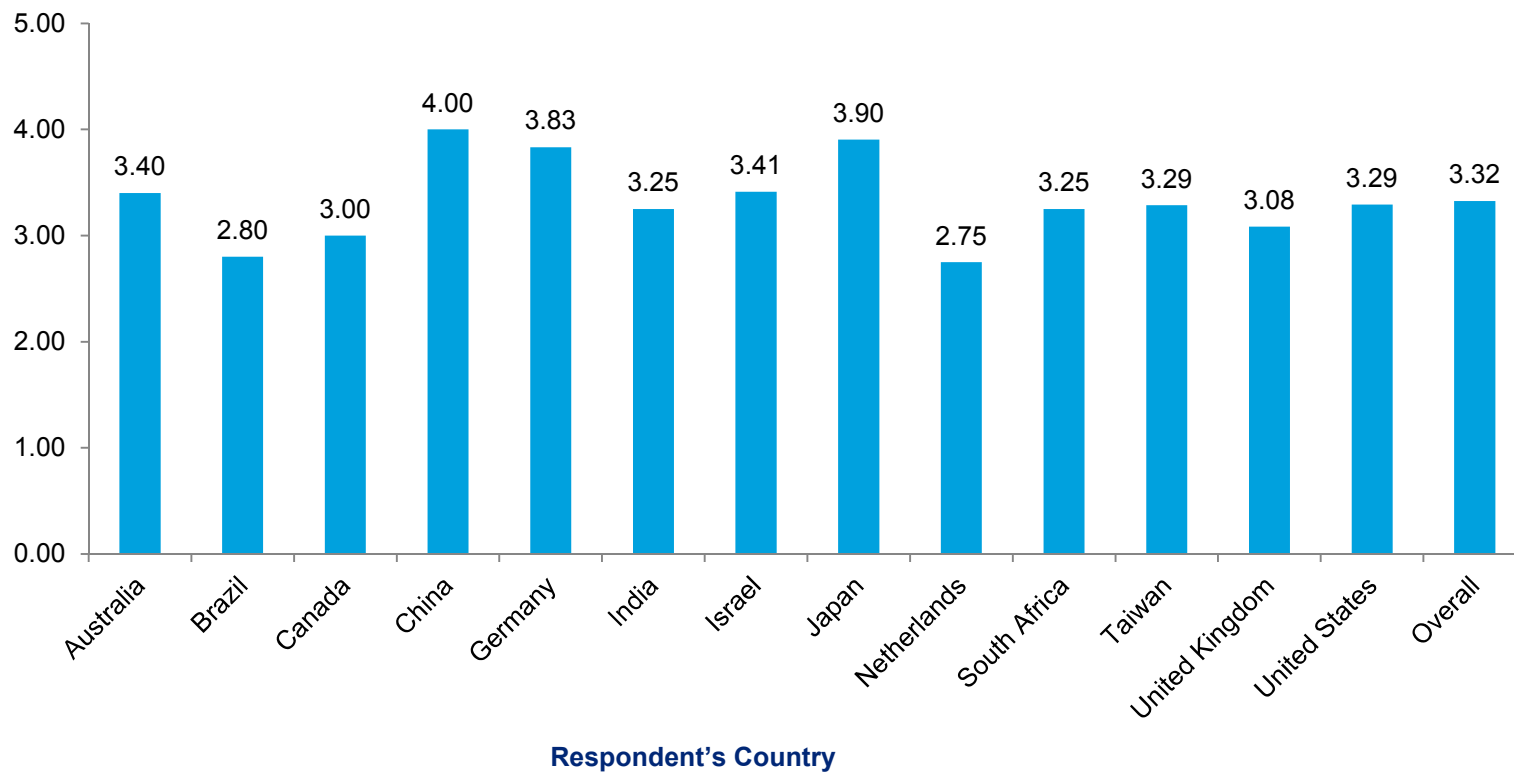
Overall confidence in VC investing in Payments



New Media/Social Networking Sub-sectors

Key finding: Japan and China show most confidence in digital content providers.

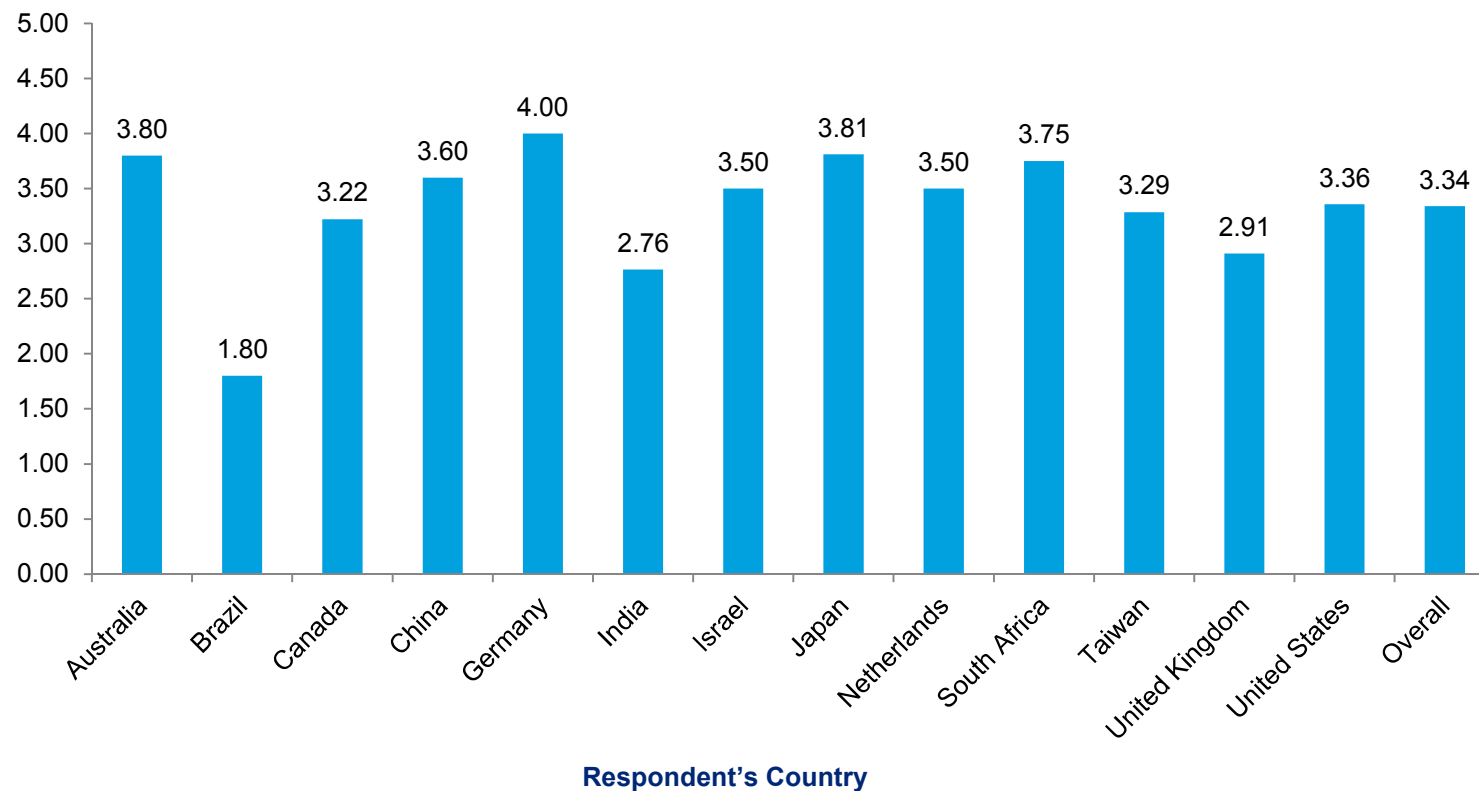
Overall confidence in VC investing in Digital Content Providers



New Media/Social Networking Sub-sectors

Key finding: Scored the second highest of New media sub-sectors.

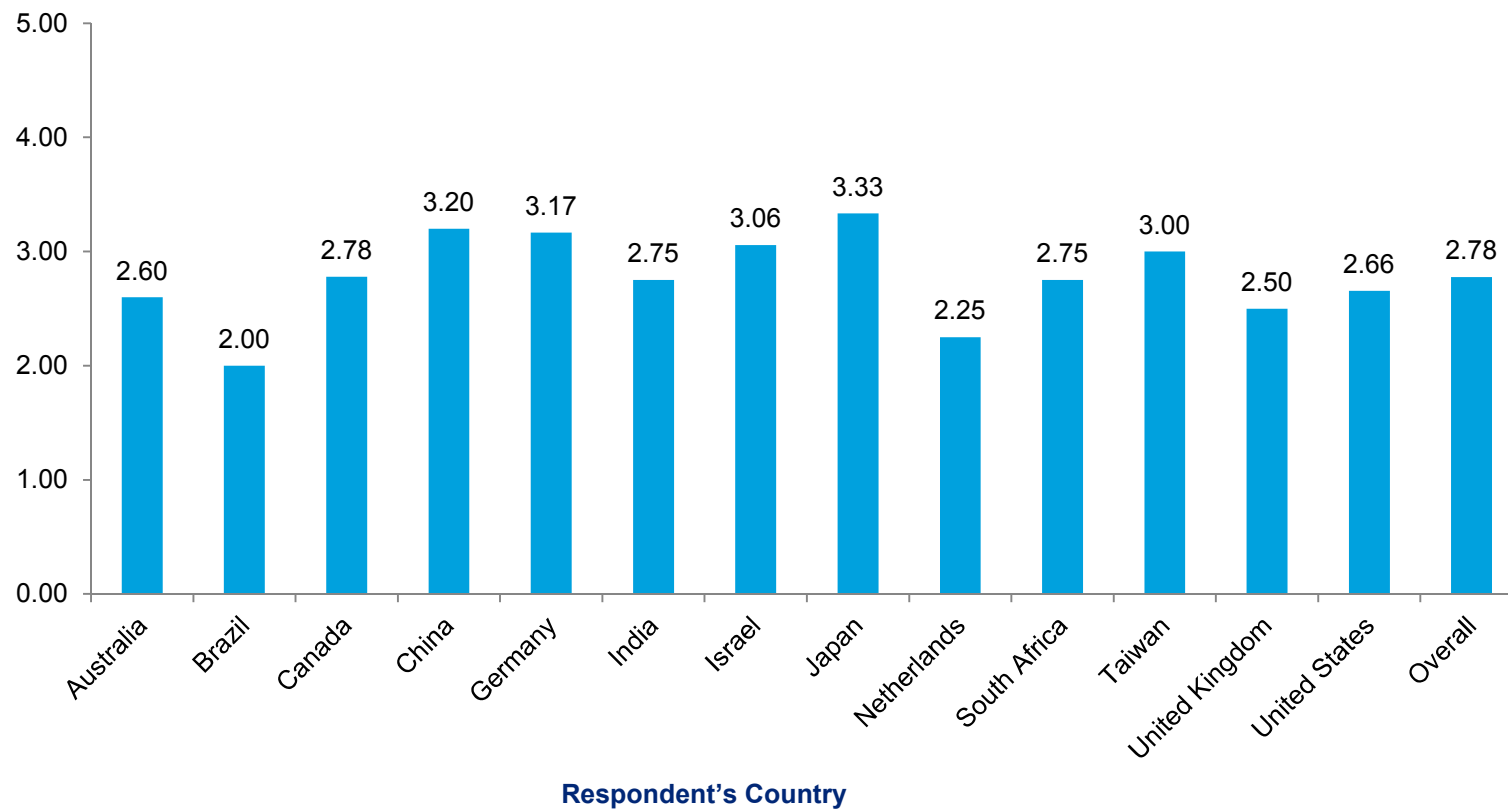
Overall confidence in VC investing in E-Commerce



New Media/Social Networking Sub-sectors

Key finding: Scored the second lowest of New media sub-sectors.

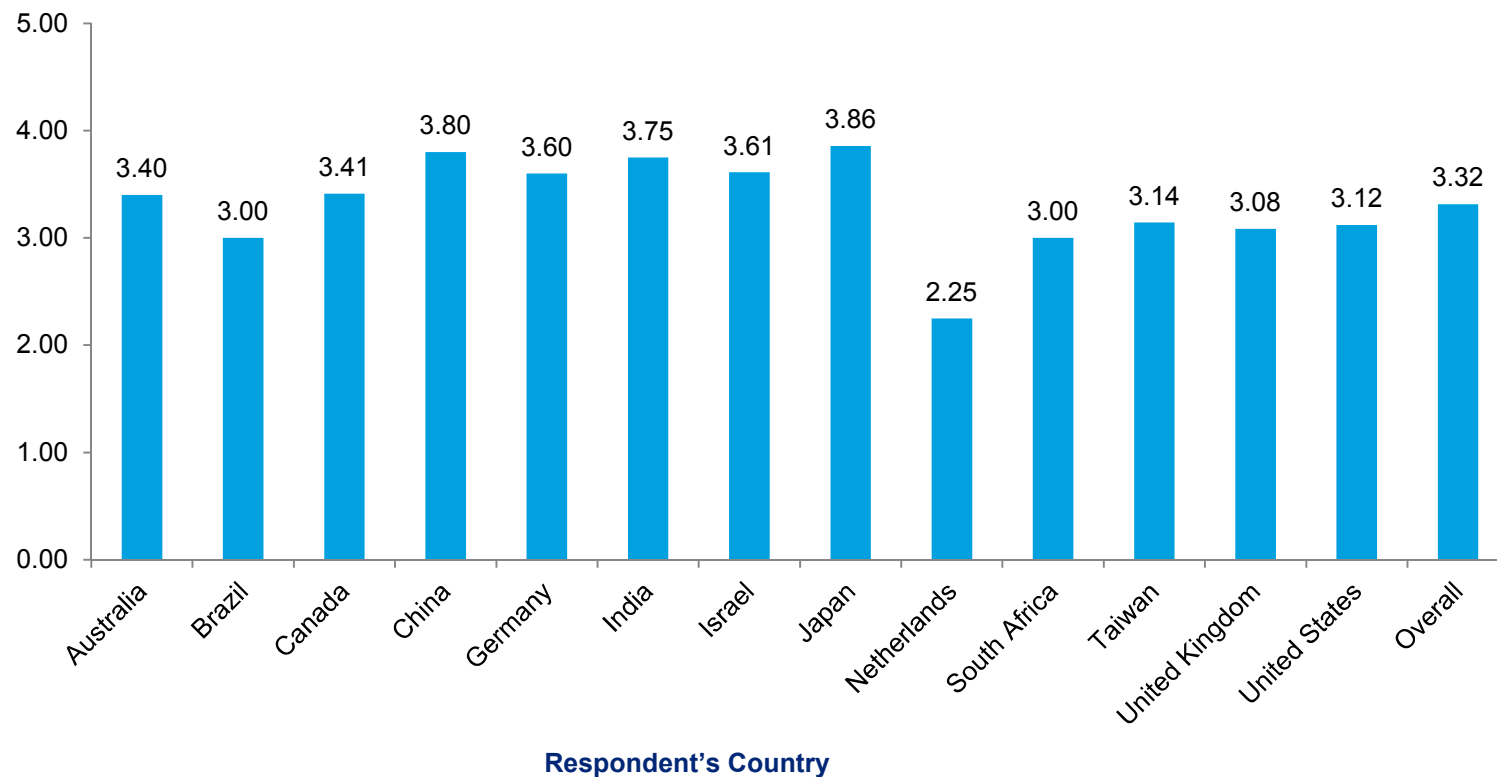
Overall confidence in VC investing in Search



New Media/Social Networking Sub-sectors

Key finding: Scored a 3 or more in almost every country.

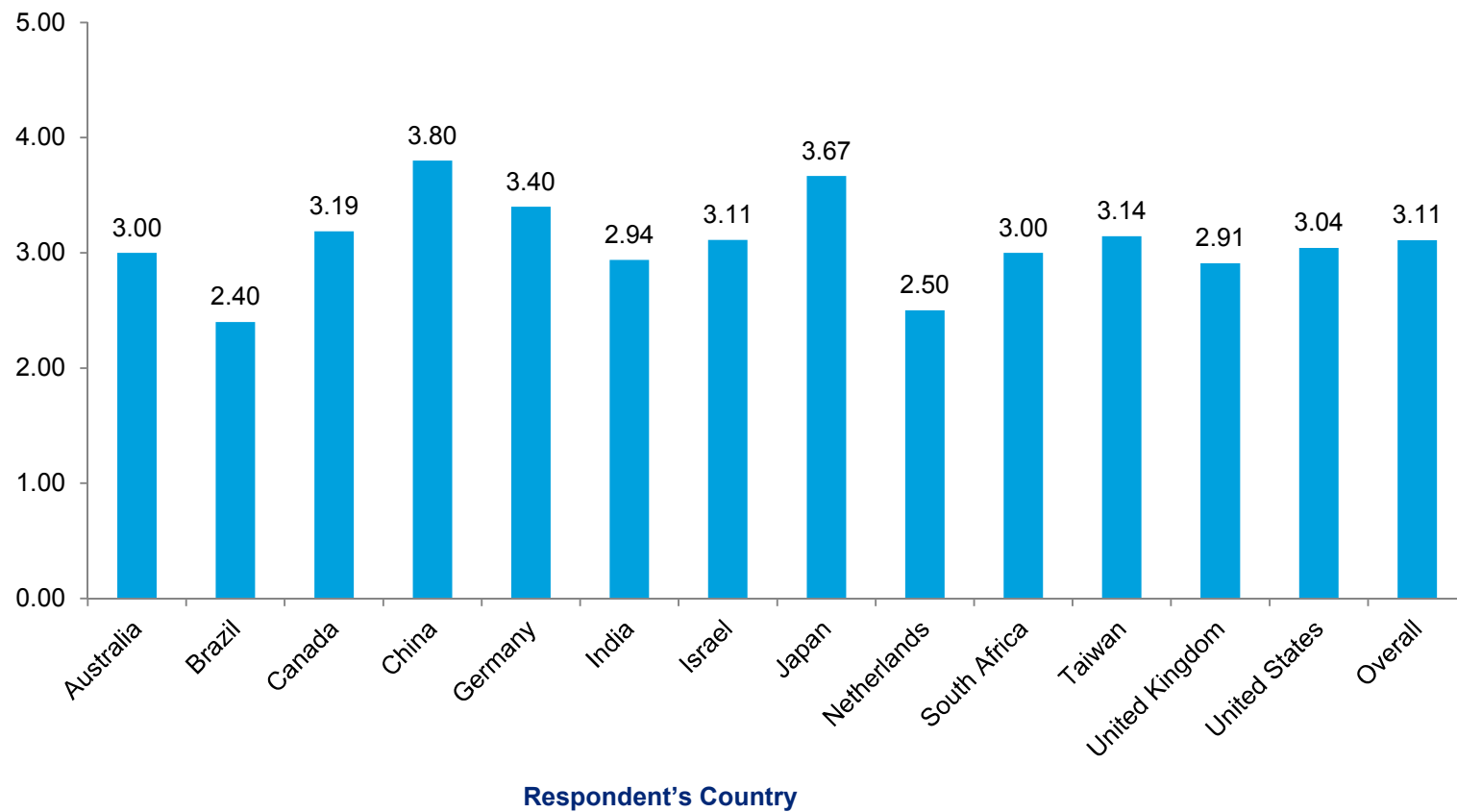
Overall confidence in VC investing in Enabling Tools (including GPS / Locations Services)



New Media/Social Networking Sub-sectors

Key finding: Varying results by country.

Overall confidence in VC investing in Ad Technology

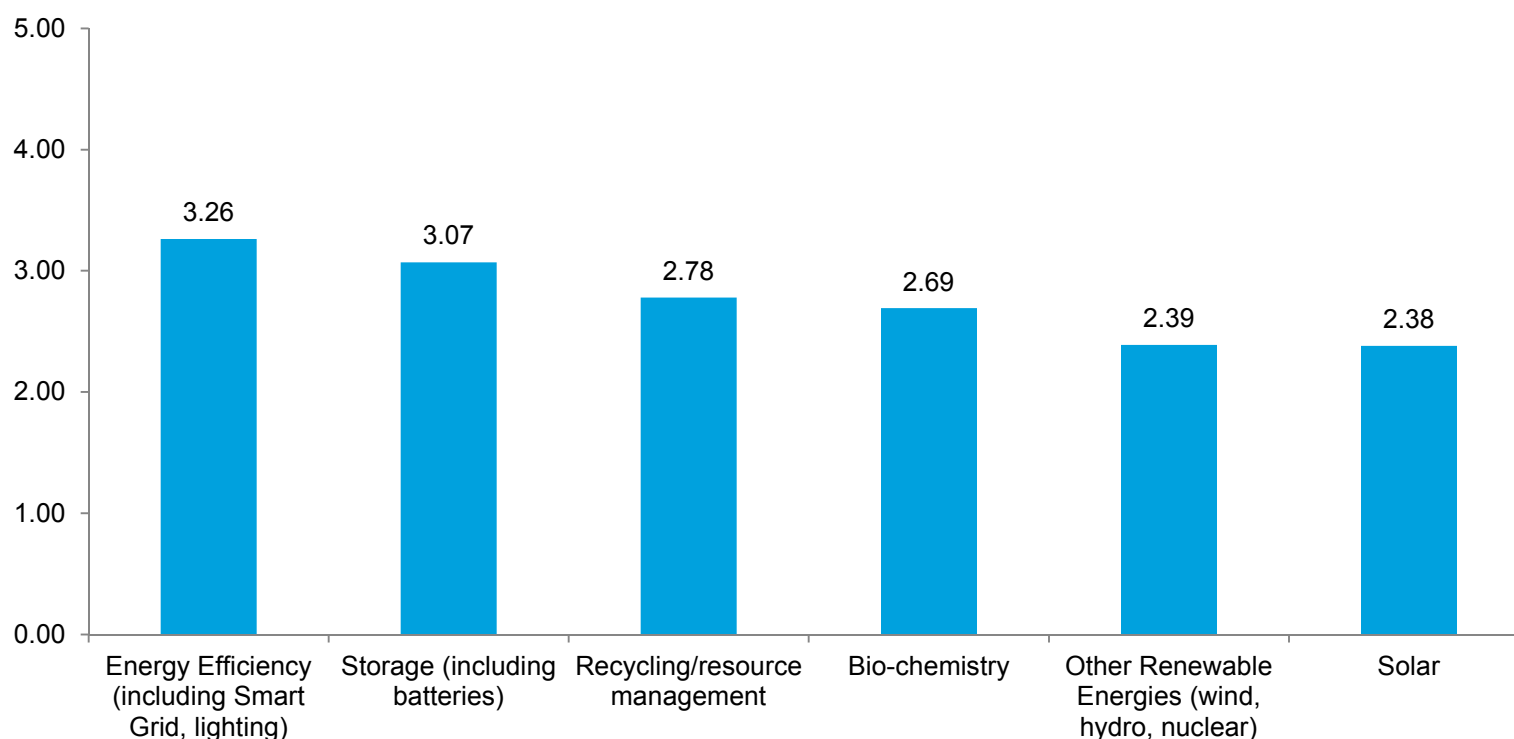


Sub-sector investing –
Energy/Clean technology

Energy/Clean technology Sub-sectors

Key finding: Sub-sectors with large capital investments score poorly.

Overall confidence in VC investing in the following clean tech sub-sectors

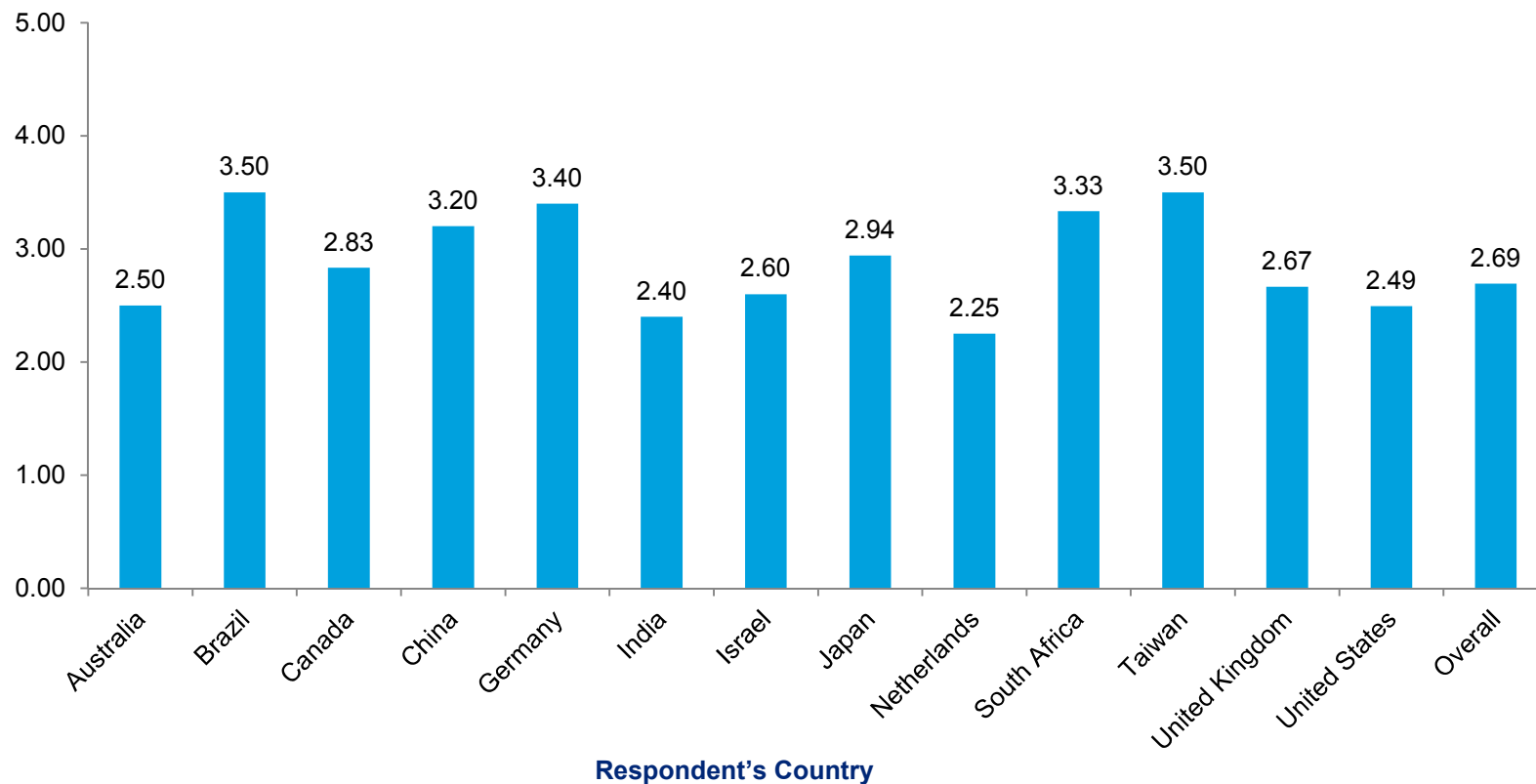


What this chart shows: This shows the average confidence rating of each sub-sector when asking all respondents to the survey.

Energy/Clean technology Sub-sectors

Key finding: Varying scores, but overall low.

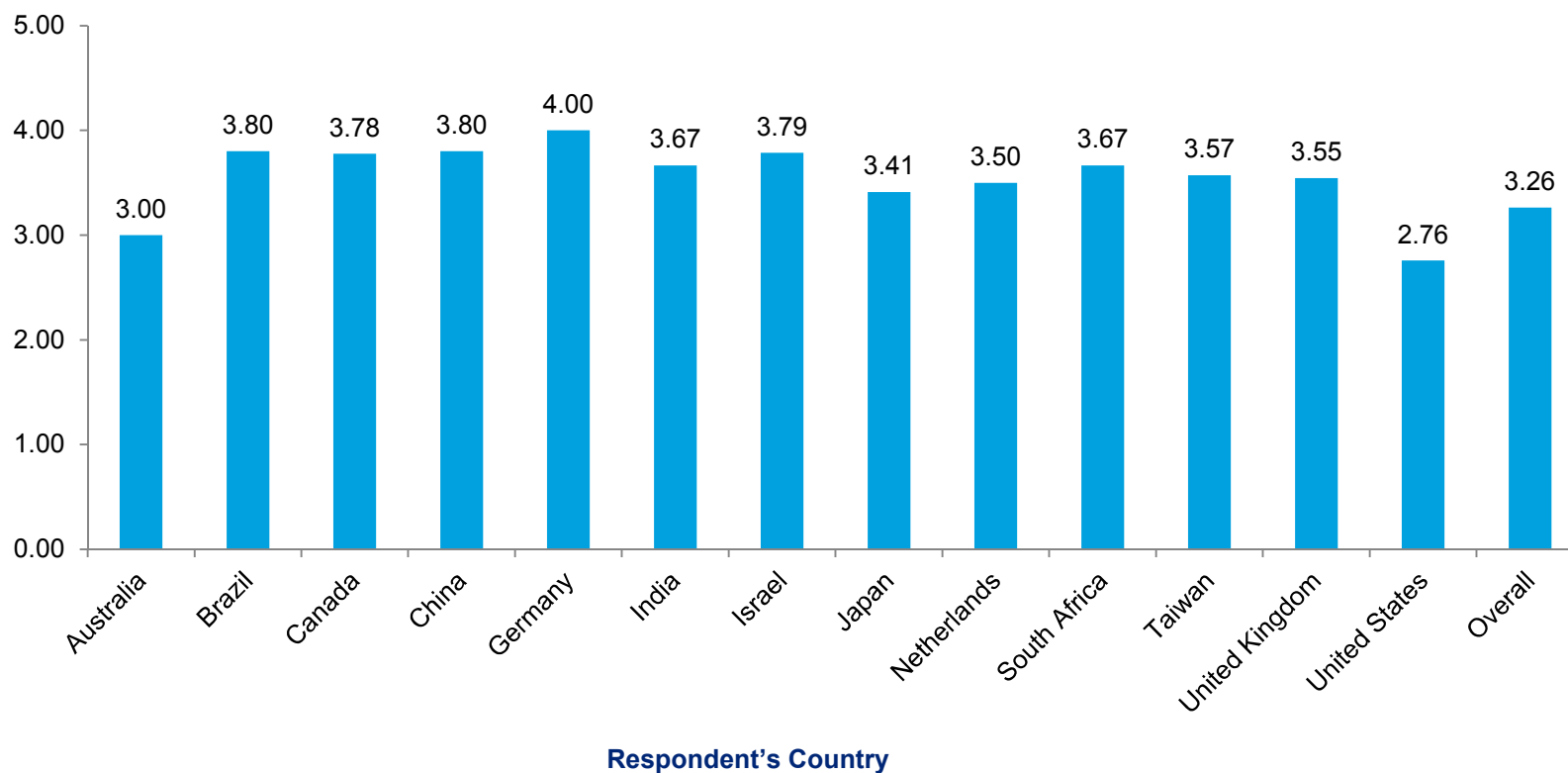
Overall confidence in VC investing in Bio-chemistry



Energy/Clean technology Sub-sectors

Key finding: Highest scoring sub sector, ranked lowest by U.S. among all countries.

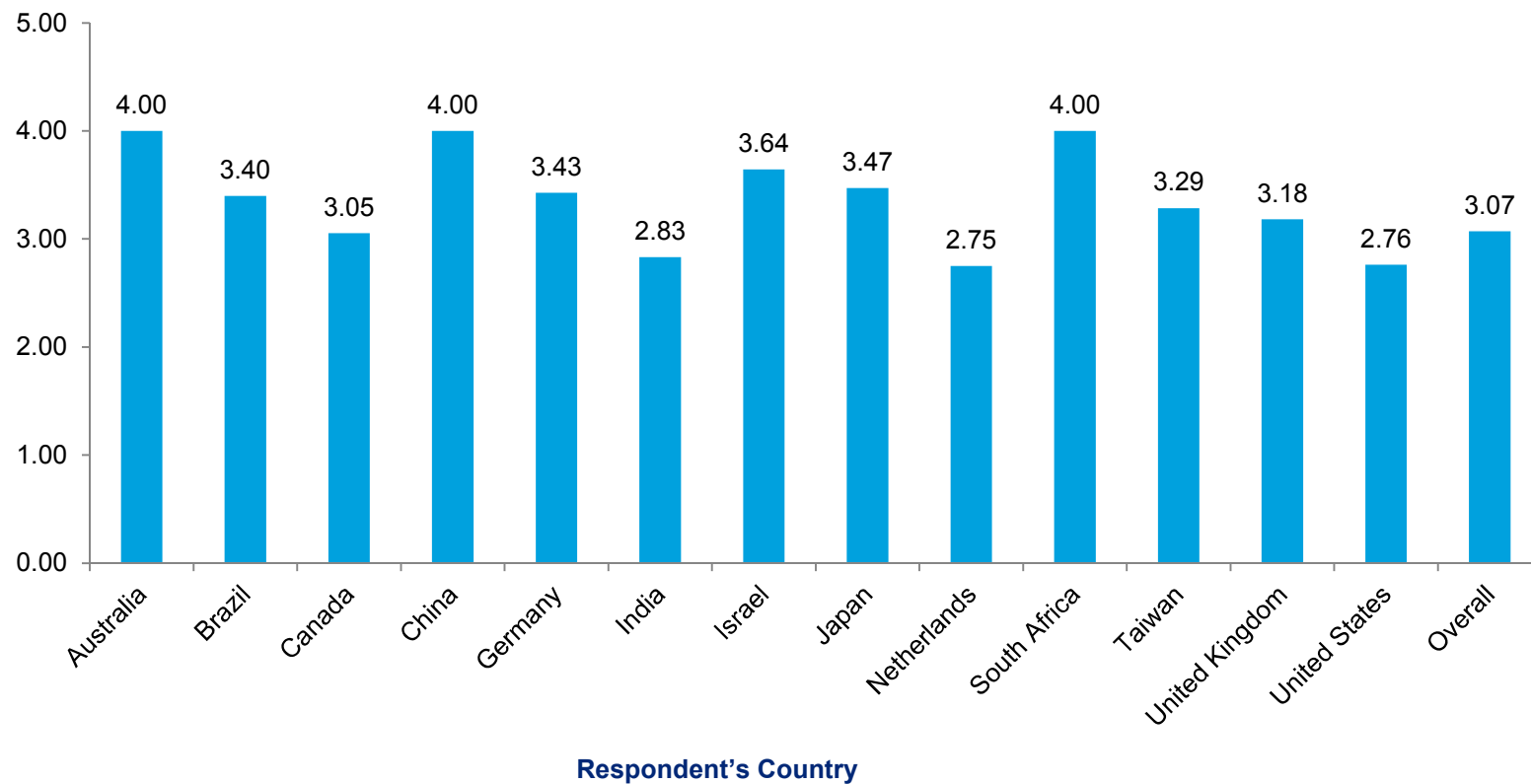
Overall confidence in VC investing in in Energy Efficiency (including Smart Grid, lighting)



Energy/Clean technology Sub-sectors

Key finding: Varying scores, ranked second lowest by U.S. among all countries.

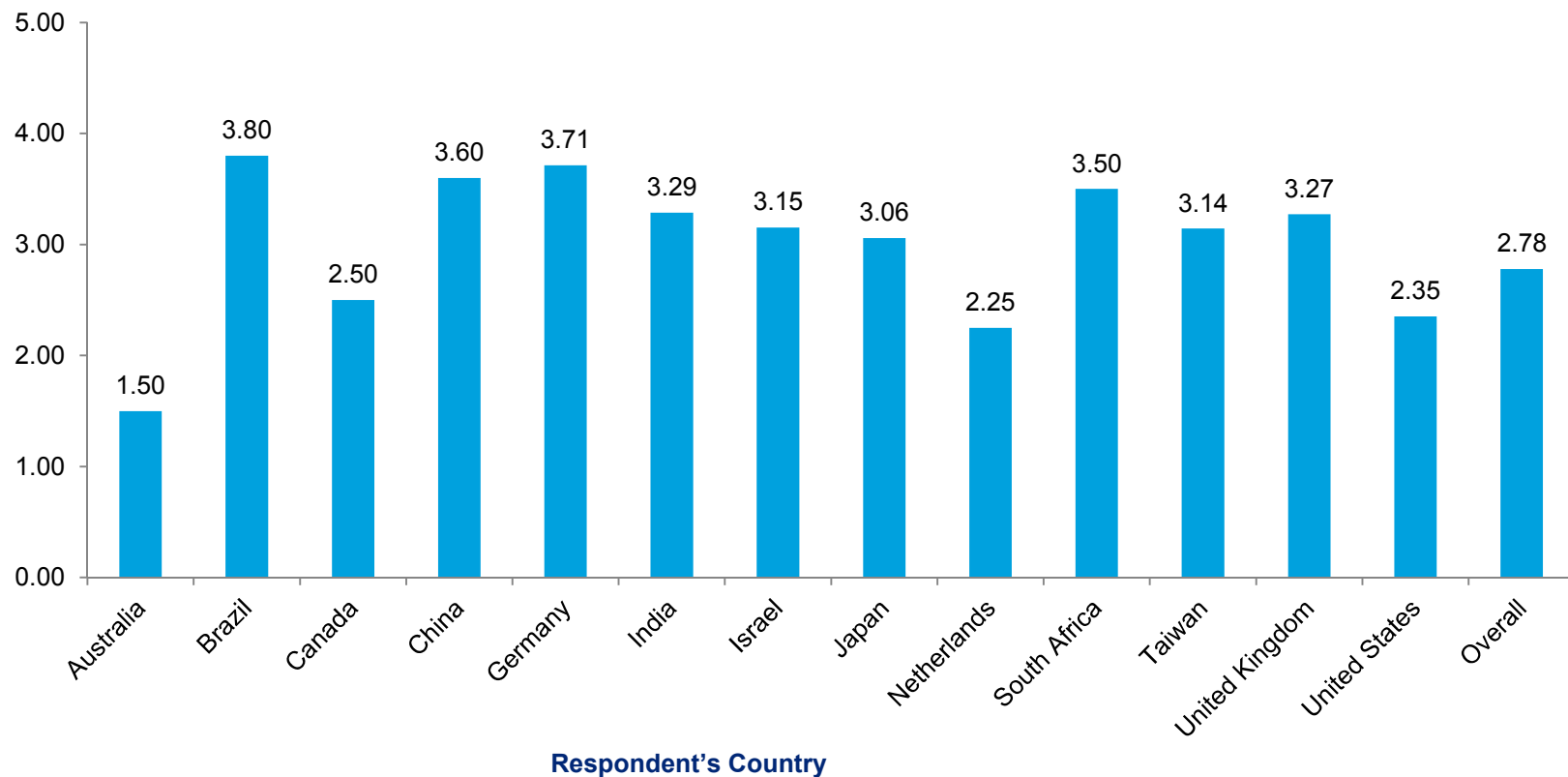
Overall confidence in VC investing in Storage (including batteries)



Energy/Clean technology Sub-sectors

Key finding: Varying scores, but overall not very confident.

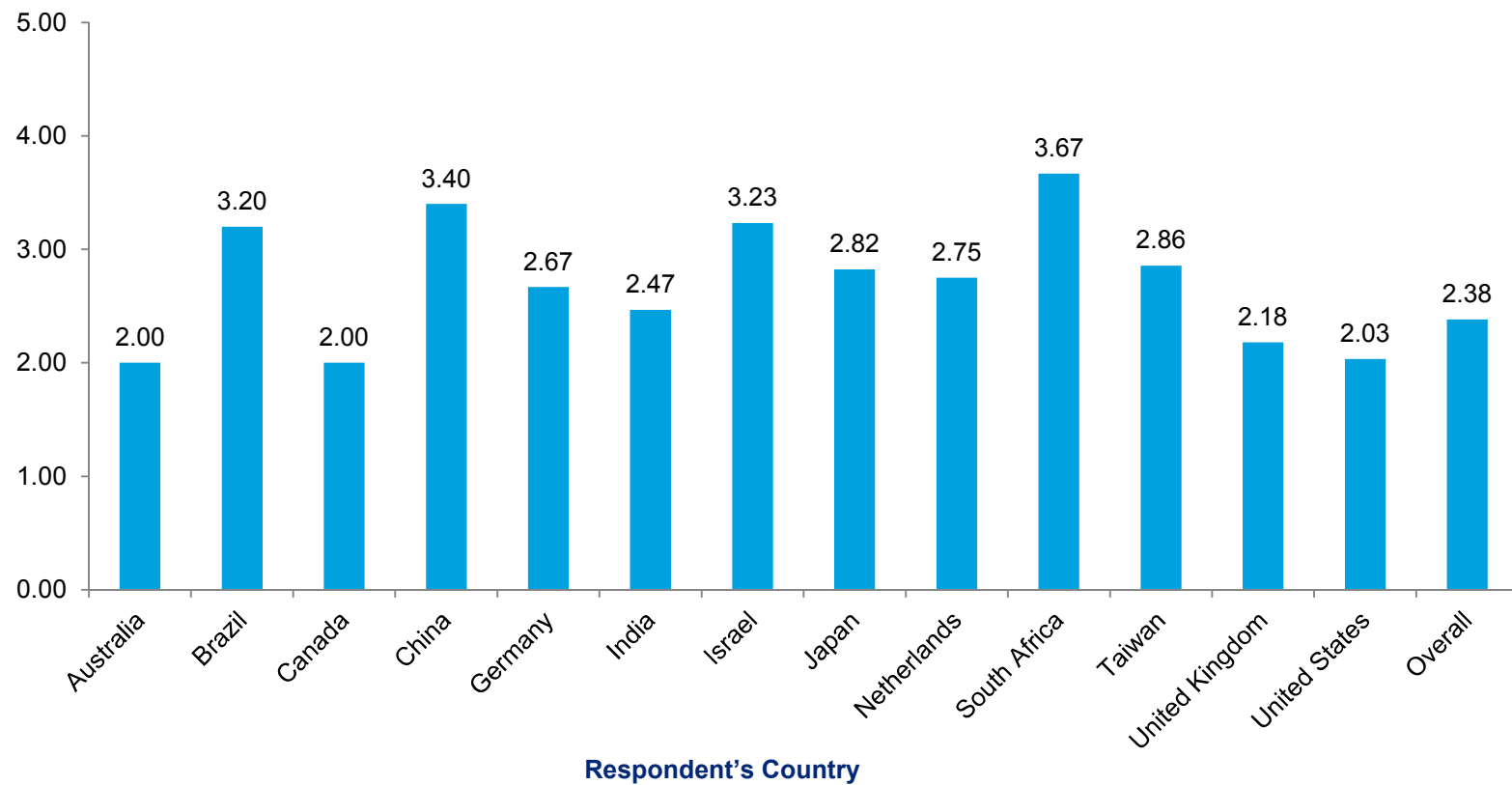
Overall confidence in VC investing in Recycling/resource management



Energy/Clean technology Sub-sectors

Key finding: Lowest scoring sub-sector.

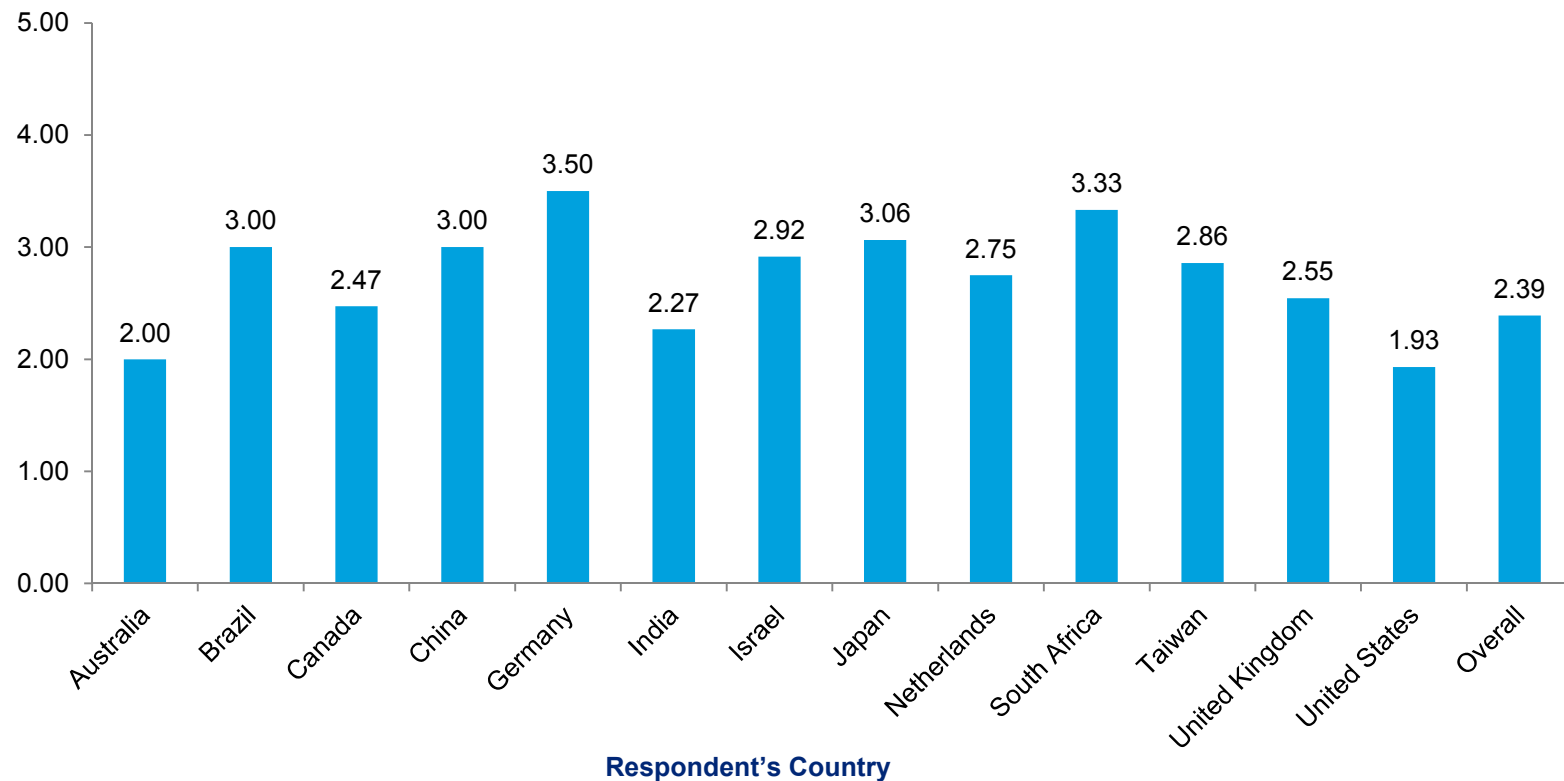
Overall confidence in VC investing in Solar



Energy/Clean technology Sub-sectors

Key finding: Second lowest scoring sub-sector.

Overall confidence in VC investing in Other Renewable Energies (wind, hydro, nuclear)



Media contact information

Anisha Sharma

Public Relations

Deloitte Services LP

anissharma@deloitte.com

+1 917 464 3713

Emily Mendell

VP of Communications

National Venture Capital Association

emendell@nvca.org

+1 610 565 3904

This presentation contains general information only and Deloitte is not, by means of this presentation, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This presentation is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional adviser. Deloitte shall not be responsible for any loss sustained by any person who relies on this presentation.

About NVCA

Venture capitalists are committed to funding America's most innovative entrepreneurs, working closely with them to transform breakthrough ideas into emerging growth companies that drive U.S. job creation and economic growth. As the voice of the U.S. venture capital community, the National Venture Capital Association (NVCA) empowers its members and the entrepreneurs they fund by advocating for policies that encourage innovation and reward long-term investment. As the venture community's preeminent trade association, NVCA serves as the definitive resource for venture capital data and unites nearly 400 members through a full range of professional services. For more information about the NVCA, please visit www.nvca.org.

About Deloitte's Emerging Growth Company (EGC) practice

Deloitte's emerging growth company practice works with innovative high-growth companies on their way to becoming the next generation of market leaders. Through our multidisciplinary approach focused on quality, our team of dedicated professionals understands the challenges that venture capital-backed companies face and offers a broad perspective on emerging issues, leading practices, and industry trends. Our extensive Initial Public Offering (IPO) experience, across all industries, along with our experienced professionals, enables us to deliver insights that others may have missed. The practice is also home to Deloitte's Digital Media Center in New York City and our Tech Venture Centers (TVC) in Waltham and McLean. The Centers are designed to create communities of leading service providers, addressing the needs of emerging, high-growth, IPO-bound companies and the venture capital community. For more information, please contact EGC@deloitte.com or visit www.deloitte.com/us/egc.

About Deloitte

As used in this document, "Deloitte" means Deloitte LLP and its subsidiaries. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Deloitte.