

Venture investments, number of deals up in 4Q

January 17 2014, by Barbara Ortutay

Funding for U.S. startups increased 20 percent in the final three months of 2013 as venture capitalists poured more money into more deals, according to a report released Friday.

Startup investments totaled \$8.37 billion in the October-December period, up from \$6.95 billion in the fourth quarter of 2012. There were 1,077 deals completed in the quarter, up from 1,050 a year earlier. Software companies received the most money, with biotech a distant second.

Popular online pinboard Pinterest Inc. snagged the most money in the quarter—\$225 million from venture-capitalist firms Andreessen Horowitz, Bessemer Venture Partners and others.

The MoneyTree study was conducted by PricewaterhouseCoopers and the National Venture Capital Association, based on data from Thomson Reuters.

For the full year, total VC funding grew 7 percent to \$29.4 billion from \$27.3 billion in 2012—but it was lower than the \$29.7 billion in 2011.

Although it didn't grab as many headlines as consumer-facing startups such as Pinterest, a Texas networking technology company called Genband received the top deal in 2013, with \$343 million. Cab-hailing app Uber Technologies came in second with \$258 million. Pinterest, which like Uber is based in San Francisco, took both the No. 3 and the

No. 4 spots with two deals totaling \$425 million.

Call it a bubble or a boom, it was a big year for Internet-specific companies, which captured \$7.1 billion in funding in 2013—the highest level of investment since 2001. Software companies, some of which also counted as Internet startups, received the most [funding](#) since 2000 with \$11 billion poured into 1,523 [deals](#). Money going to software startups accounted for 37 percent of the year's VC investment, the highest since the MoneyTree report started in 1995.

© 2014 The Associated Press. All rights reserved.

Citation: Venture investments, number of deals up in 4Q (2014, January 17) retrieved 25 April 2024 from <https://phys.org/news/2014-01-venture-investments-4q.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.