

MoneyTree™ Q4 2011 US Cleantech venture funding

The MoneyTree™ Report from PricewaterhouseCoopers
and the National Venture Capital Association based
on data from Thomson Reuters

*Fourth quarter 2011
cleantech investments
increased 50 percent
compared to fourth
quarter 2010*

January 2012



Clean technology

Cleantech funding

The Clean Technology sector, which crosses traditional MoneyTree industries and is comprised of alternative energy, pollution and recycling, smart grid, and transportation, saw funding of \$1.2 billion in the fourth quarter of 2011, a 50 percent increase compared to the fourth quarter of 2010.

“Cleantech funding in the fourth quarter showed significant growth, bringing the year’s total investments to \$4.3 billion, a new record for the cleantech industry,” said Tim Carey, US Cleantech practice leader at PwC. “The average deal size in the transportation industry, at \$106 million this quarter, continues to eclipse other industry subsegments.”

Figure 1: Cleantech funding trends by quarter, 2009–2011

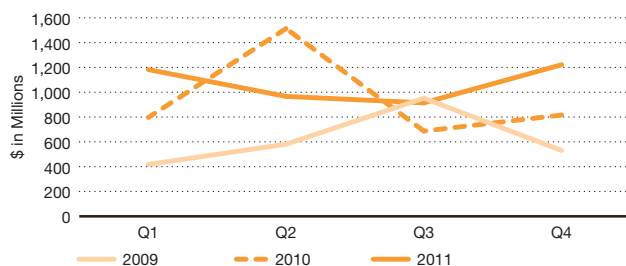
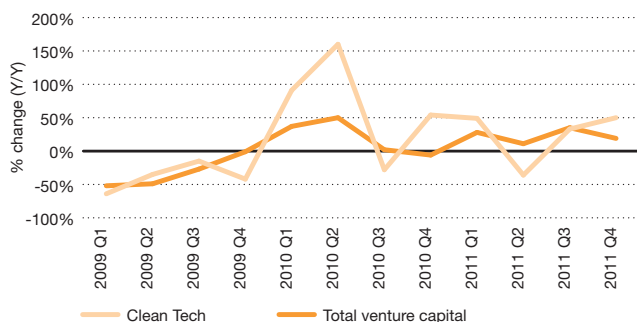


Figure 2: Growth in Cleantech funding compared with total venture funding

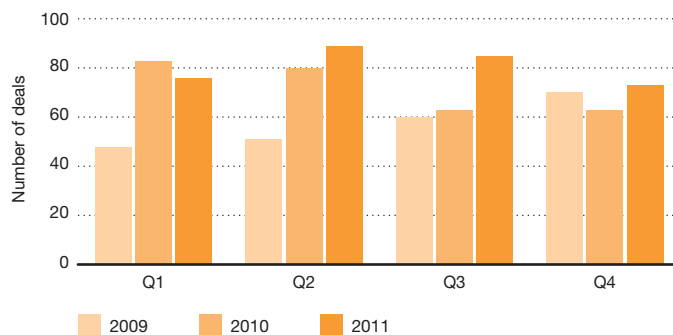


Cleantech deal volume

Compared to the fourth quarter of 2010, deal volume increased 16 percent in the fourth quarter of 2011 to 73 deals.

Average deal size in the fourth quarter of 2011 was \$16.7 million, which was an increase of 29 percent year-over-year.

Figure 3: Cleantech deal volume by quarter, 2009–2011



First-time funding compared with follow-on funding

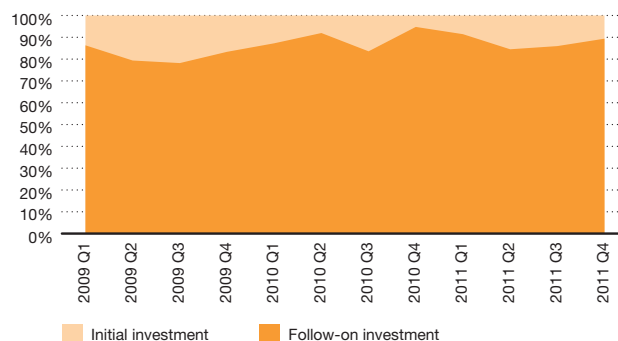
Compared to the fourth quarter of 2010, first-time funding increased 203 percent to \$130 million in the fourth quarter of 2011.

On a year-over-year basis, follow-on funding increased 41 percent to \$1,092 million in the fourth quarter of 2011.

First-time deals in the Cleantech sector averaged \$7.6 million during the fourth quarter of 2011, an increase of 150 percent year-over-year.

Follow-on funding average deal size was \$19.5 million, a 23 percent increase from the same period in the previous year.

Figure 4: Cleantech follow-on compared with initial investments, 2009–2011



Cleantech funding by stage

Early-stage investment was \$423 million during the quarter, an increase of 135 percent compared to the fourth quarter of 2010.

Investment for late-stage opportunities increased year-over-year by 25 percent to \$798 million in the fourth quarter of 2011.

Early-stage average deal size, at \$11.8 million, increased 83 percent year-over-year, while late-stage average deal size, at \$21.6 million, increased 19 percent over the same period.

Figure 5: Cleantech funding by stage, 2009–2011

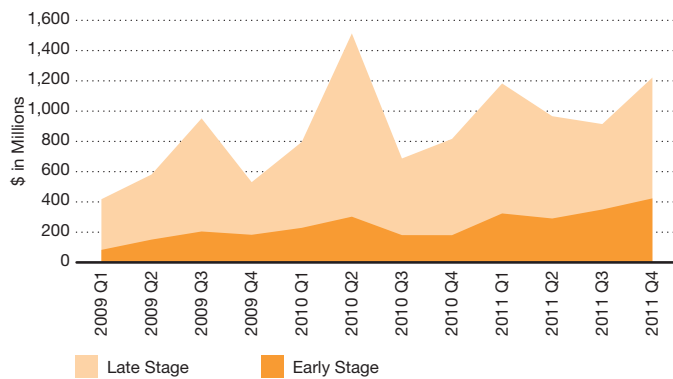


Table 1: 2011 Fourth-quarter sequential growth factors (Q/Q growth)

	% Change in deal volume	% Change in avg. deal size	% Change in investments
Early stage	3%	18%	21%
Late stage	-26%	91%	41%

Cleantech funding by subsector

All cleantech venture capital segments experienced increased funding in the fourth quarter of 2011 compared to the same period in 2010:

- Transportation, 283 percent to \$319 million
- Solar Energy, 34 percent to \$288 million
- Smart Grid and Energy Storage, 12 percent to \$70 million
- Wastewater Treatment and Recycling, 50 percent to \$57 million
- Wind and Geothermal, \$2 million (versus \$0 in fourth quarter 2010)
- Other Alternative Fuels/Energy, 111 percent to \$100 million
- Other Clean Tech, 4 percent to \$386 million

Figure 6: Cleantech funding by subsector, 2009–2011

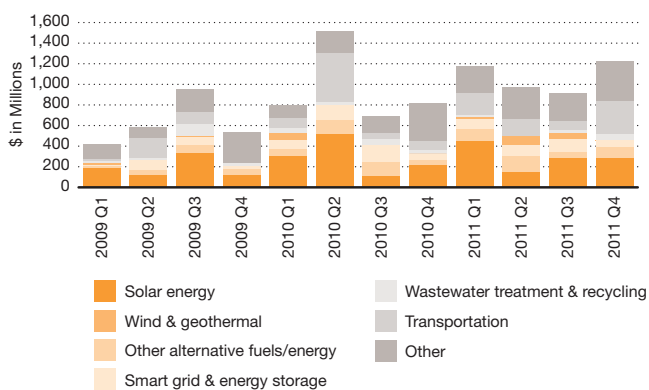
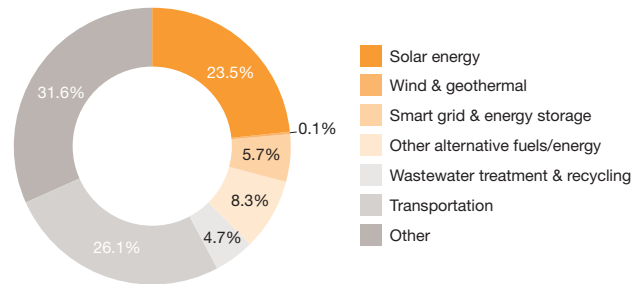


Figure 7: Cleantech funding by subsector, fourth quarter 2011



Regional funding trends

Silicon Valley, SoCal, Philadelphia Metro, New England, and Colorado received the most Cleantech venture capital dollars during the fourth quarter of 2011. Silicon Valley received the most funding, with \$645 million.

Figure 8: Top five regions, fourth-quarter 2011

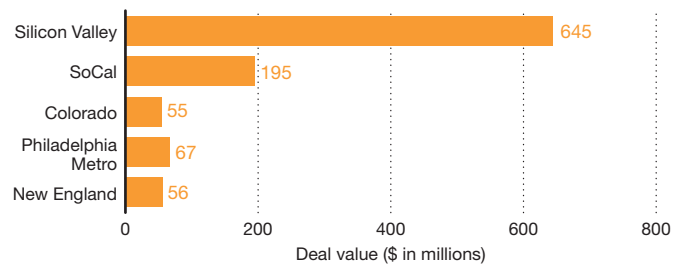
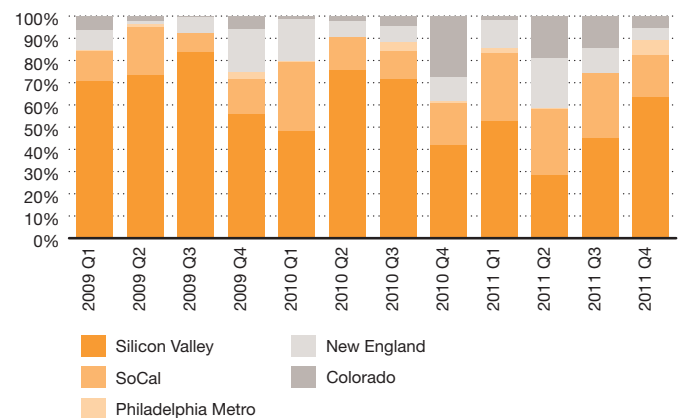


Figure 9: Funding trends in top five regions, 2009–2011



About PwC's Cleantech Practice

PwC's Cleantech Practice provides services and advice in assurance, tax, transactions, market entry, and business performance improvement to companies across the cleantech sector and the breadth of industries it impacts. Our broad network of industry sector specialists combines a detailed knowledge of government policy and regulation with strong private enterprise experience, providing us with an in-depth understanding of key industry issues around strategy, operations, regulations, risk, technology, and finance. As the service provider of choice for emerging and established cleantech companies as well as organizations and utilities, we can help you to develop, commercialize, deploy, and maintain go-to-market strategies for your products and services across the cleantech ecosystem.

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