

The background of the slide is a detailed, light-colored illustration of a city skyline, featuring various skyscrapers and buildings. A large, solid blue shape, resembling a stylized arrow or a modern architectural element, points from the left towards the right, partially obscuring the cityscape. The text is written in white on this blue shape.

# VC EXITS Russian Reality and US Experience

# What VCs think exits are...



M&As...

IPOs...



Source: AllthingsD

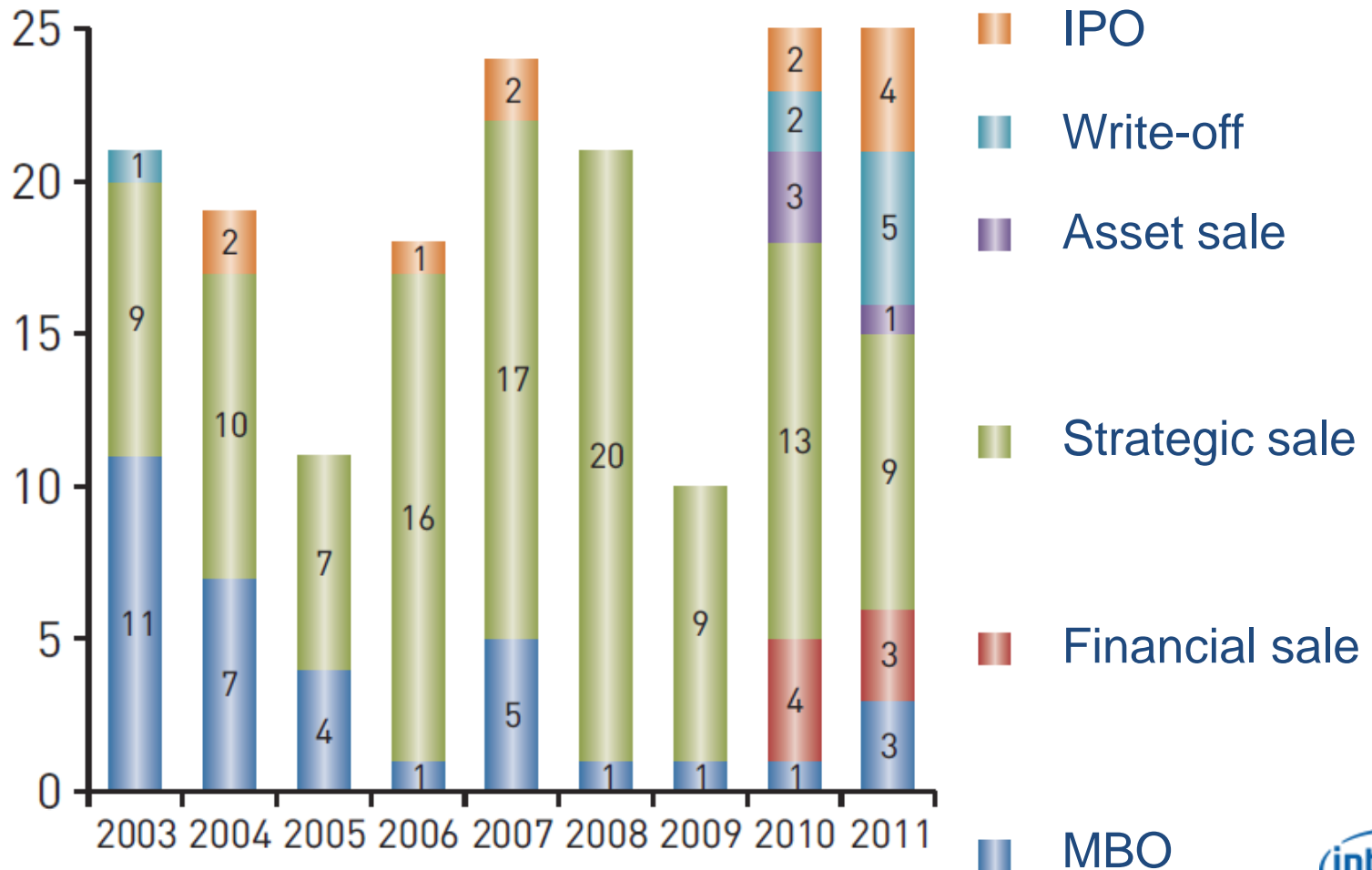
# What Most Exits Really Are...



Source: TheSun

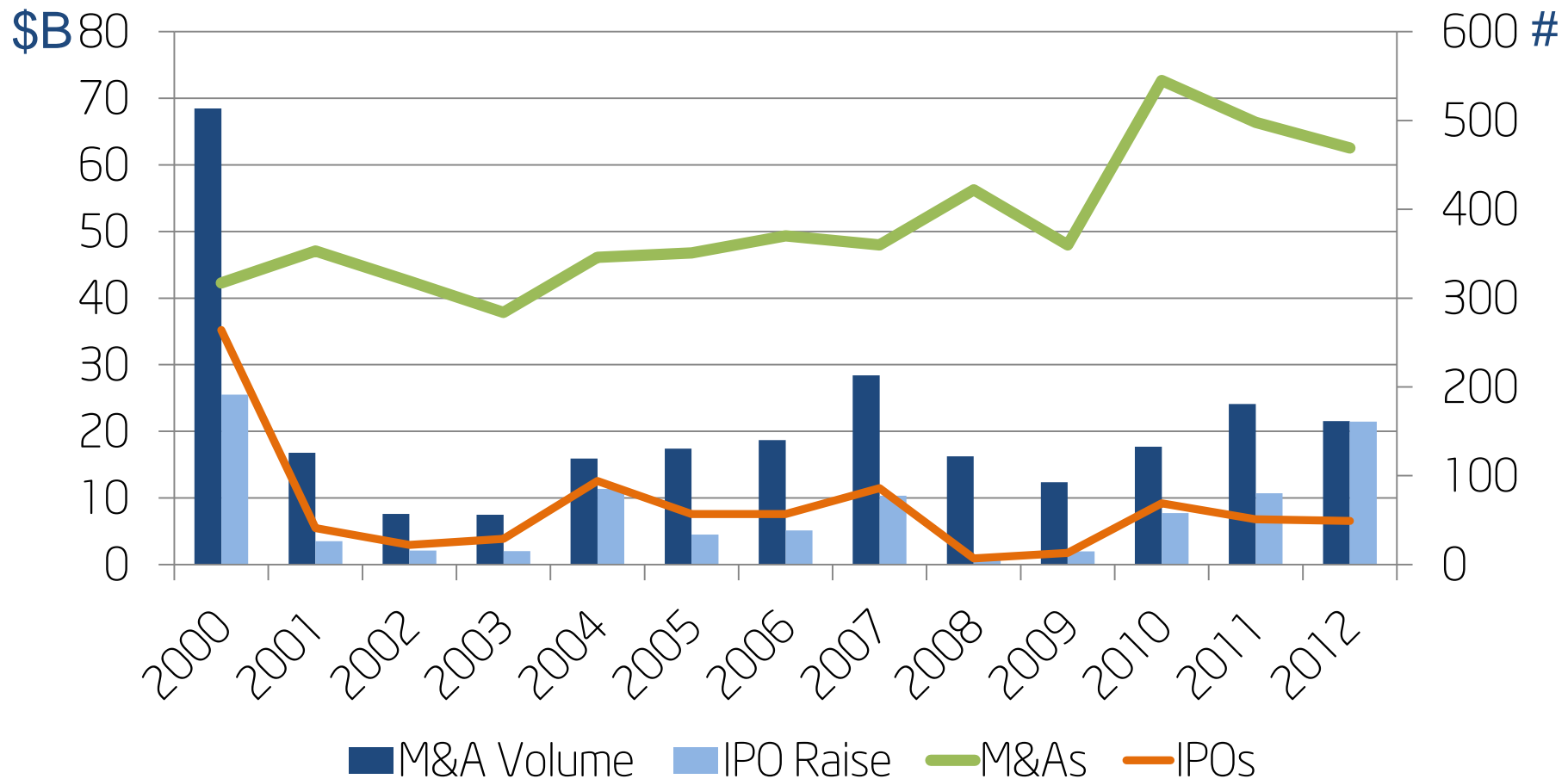
## Write-offs...

# Trade Sale – Primary Exit Route in Russia



Source: RVCA

# M&As Account for 86% of Exits



Source: Reuters, NVCA

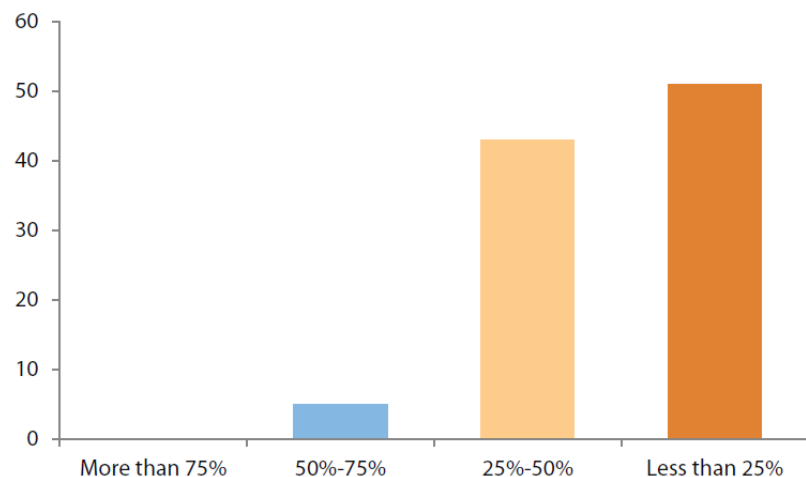


# Slow Exits in 1Q 2013... Again

- Eight VC-backed IPOs raised \$672M in the US – a 52% decrease compared to a year ago
- 77 venture-backed M&A deals, 10 of which had an aggregate deal value of \$1B, a 73% drop from 2012.
- **The slowest quarter since 1Q 1995...**  
*“This marks the slowest quarter for number of disclosed deals since the first quarter of 1995, when eight disclosed deals were completed”*
  - Thomson Reuters

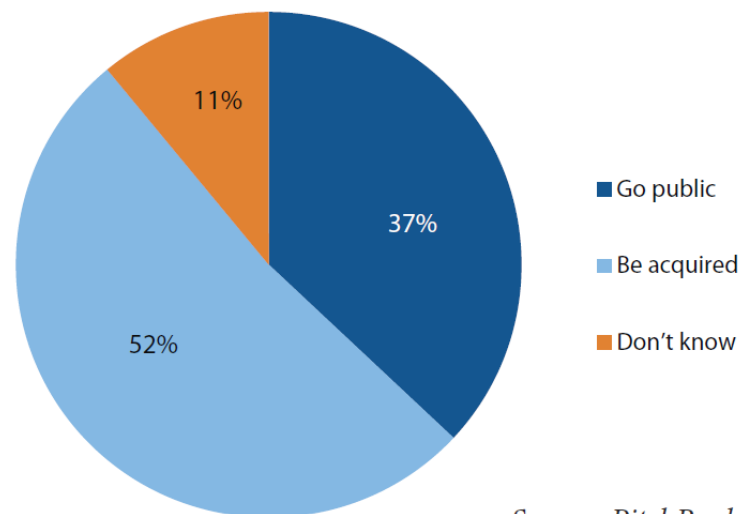
# Execs Prefer Acquisitions

What % of your current portfolio companies do you predict will do the necessary prep work for an IPO?



Source: PitchBook

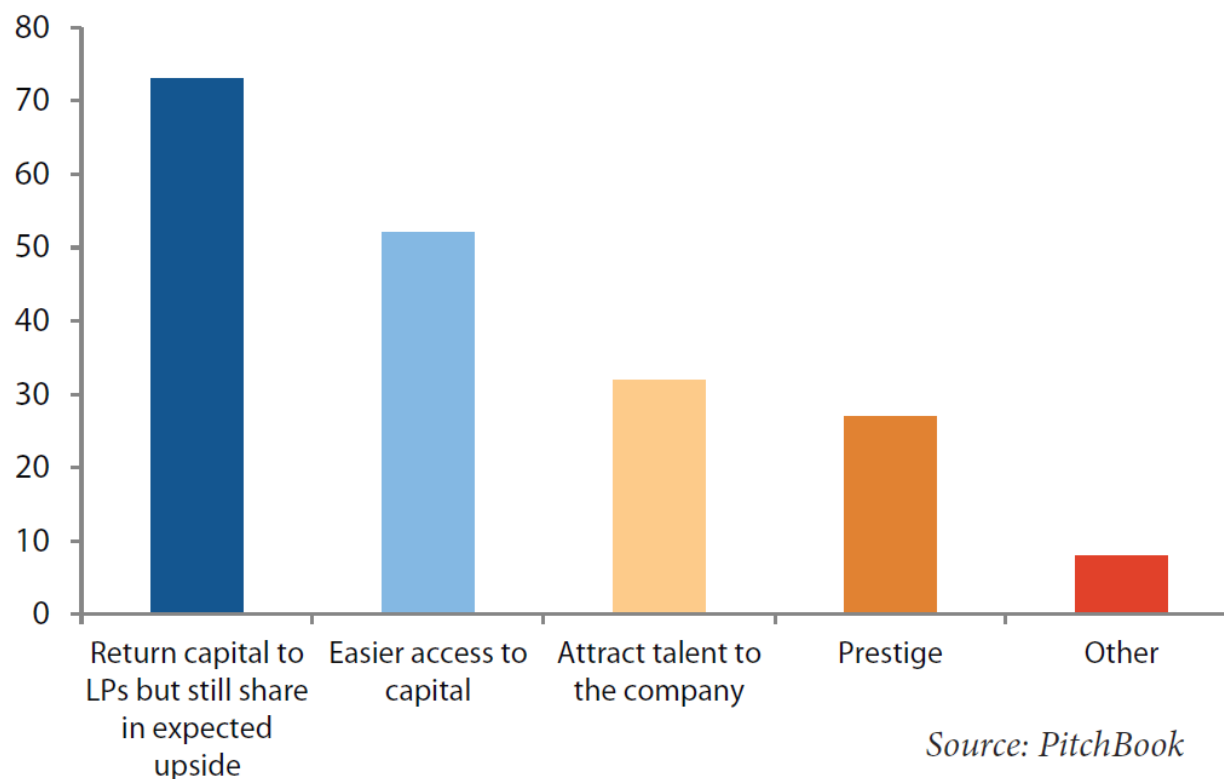
For your companies that could go public, do you think the executives would rather go public or be acquired?



Source: PitchBook

# VCs Love IPOs: Return Capital to LPs but Still Share Upside

What are the advantages of having a portfolio company go public? (multiple responses accepted)

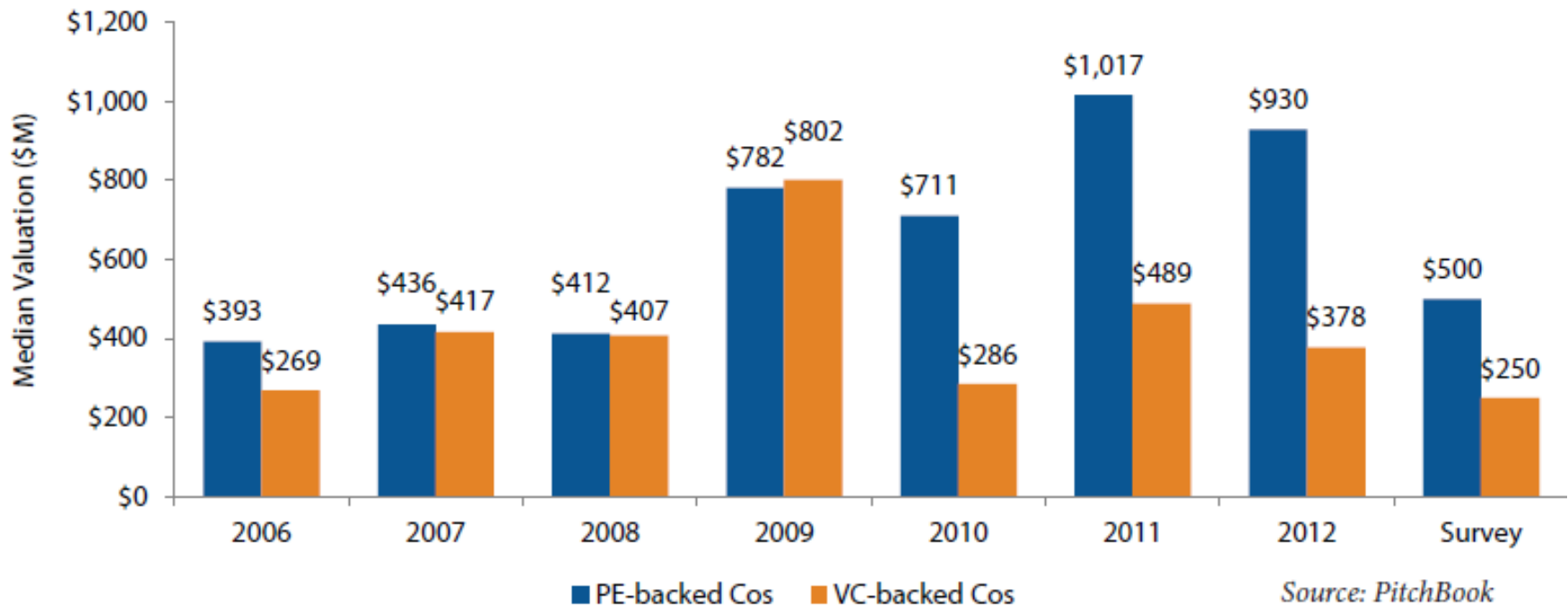


Source: PitchBook



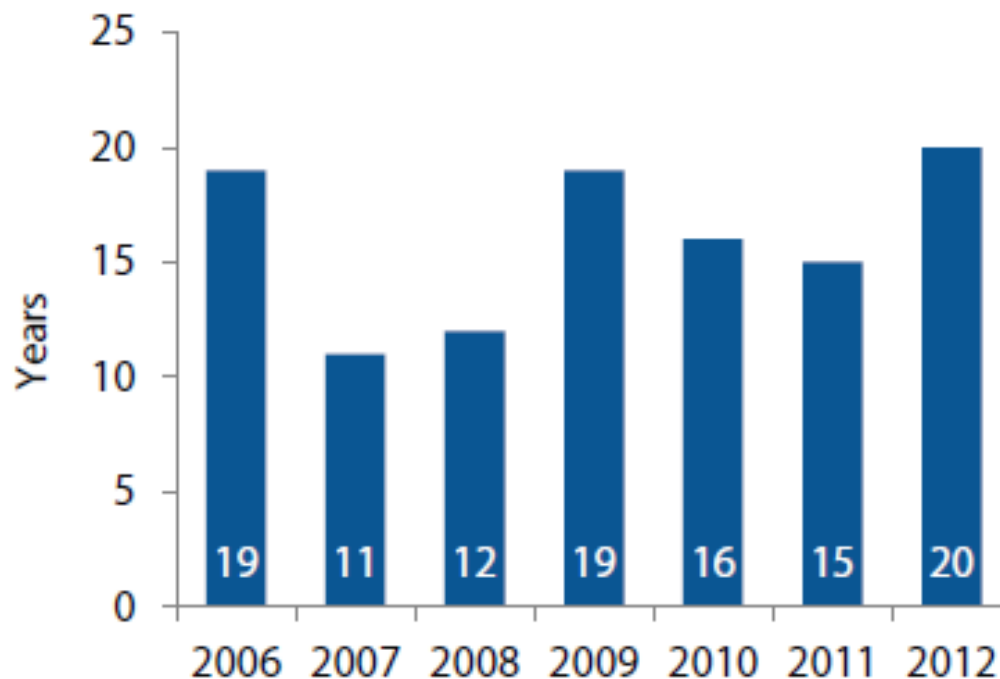
# Valuation > \$250M to Go Public

How large (valuation) does a PE-/VC-backed company need to be for an IPO?



# Start-ups Don't Go Public

## Historical Average Age of Newly Listed Companies on U.S. Exchanges



*Source: Renaissance Capital*



# INTEL CAPITAL OVERVIEW

# Intel Capital Highlights



Capital  
2012

Intel Capital made **150** investments globally for a total **\$352M**

**\$202M**  
invested in  
**26** countries  
outside the U.S.

**6**  
new  
investments in  
**Brazil**

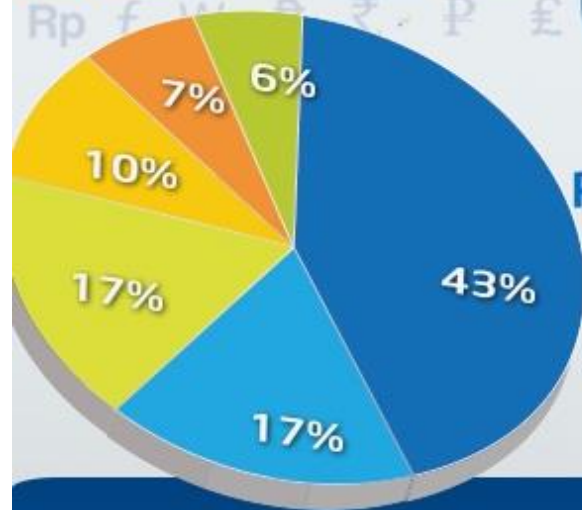
New countries  
invested in:

**Estonia**  
**Spain**  
**Ghana**

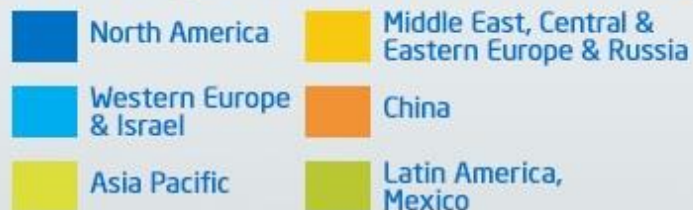
**57%** of total investments  
made outside North America

Most active investment sectors

- Software & Services
- Mobility



Percentage of dollars invested by region



The Intel  
Capital  
Mergers &  
Acquisitions  
team closed

13 transactions for

**~\$600M**

in support of key  
strategic initiatives

Countries with most dollars invested  
USA, Japan, Germany, China, India

Well known investments around the globe  
Broadcom, CNET, India Infoline.com, Marvell,  
MySQL, Red Hat, VA Linux, WebMD

Since 1991

- \$10.8B invested in ~1,300 companies
- 500+ company exits: ~200 companies public; ~300 acquired or merged

# Russia & CIS, CEE



## Areas of Focus

- E-commerce
- Consumer Internet
- Enterprise Software
- Consumer software
- Mobility
- Software and Services
- Digital Home and Media

## Representative Exits



## Recent Investments

Eruditor Group

Speak to it

RFD  
Rock Flow Dynamics

denovo  
Inspired by the Future

OZON.ru  
онлайн мегамаркет №1

KUPIVIP.RU

Parallels™

ALTERGEO  
Мастера. Люди. Отрасли.

InfiNet  
wireless

fortumo

fadata

windmobile

IntelWISE

SIVCO  
ROMANIA SA  
Software that matters

intel  
Capital



# RCIS/CEE Investing

## Russia

### Attractions

- Sizable domestic market
  - #1 Internet Nation in Europe: 60M/140M
  - Stable macro
  - \$12B e-com opportunity
  - \$1.5B online ad market
- Quality tech talent

### Challenges

- No standard deal terms
- Reporting/KPIs
- Few exits to date
- High valuation expectations

## CEE

- Higher quality infrastructure / consumer
- EU integration, programs
- Reputation for tech leadership (e.g. Estonia, Poland, CZ)

- No standard deal terms
- Scale harder to achieve - many smaller and few mid-size markets