Outline

• Key Internet Trends – Growth Continues
• Re-Imagination – Being Re-Imagined & Uploaded
• Mobile – Aggressive Momentum
• Computing – Yet Another Platform Change…
• Lots to Learn from China – Volume + Innovation
• Most Enabled Entrepreneurs Ever?
• So, You Want to Be a Public Company?
• High-Skilled Immigration – Perspective
• Appendix
  – Re-Imagination is Alive & Well
  – Traditional Industries Being Re-Imagined
  – USA, Inc.
KEY INTERNET TRENDS – GROWTH CONTINUES
### 2.4B Global Internet Users in 2012* – 8% Y/Y Growth*, Driven by Emerging Markets

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>2008-2012 Internet User Adds (MMs)</th>
<th>2012 Internet Users (MMs)</th>
<th>Y/Y Growth</th>
<th>Population Penetration</th>
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</table>

**Top 15**: 654 (2008-2012 Adds), 1,473 (2012 Users), 15% Y/Y Growth, 34% Population Penetration

**World**: 902 (2008-2012 Adds), 2,406 (2012 Users), 8% Y/Y Growth, 34% Population Penetration

Note: *All data (except China) as of 6/12, 2.4B global Internet users and 8% Y/Y growth rate based on the latest available data. China Internet user data as of 12/12, per CNNIC. Source: United Nations / International Telecommunications Union, internetworldstats.com.
Material Upside for Mobile Ad Spend vs. Mobile Usage

% of Time Spent in Media vs. % of Advertising Spending, USA 2012

- Print: 6% vs. 10%
- Radio: 14% vs. 20%
- TV: 42% vs. 43%
- Internet: 26% vs. 22%
- Mobile: 12% vs. 3%

Note: *Internet advertising reached $37B in USA in 2012 per IAB, Mobile advertising reached $4B per eMarketer. Print includes newspaper and magazine. $20B opportunity calculated assuming Internet and Mobile ad spend share equal their respective time spent share. Source: Time spent and ad spend share data based on eMarketer (adjusted to exclude outdoors / classified media spend), 12/12.
80% of Top Ten Global Internet Properties ‘Made in USA’…
81% of Users Outside America

Top 10 Internet Properties by Global Monthly Unique Visitors, 2/13

- Google
- Microsoft
- Facebook
- Yahoo!
- Wikipedia
- Amazon.com
- Apple
- Glam Media
- Tencent
- Baidu.com

USA Users
International Users

Monthly Unique Visitors (MMs)

Source: comScore Global, 2/13.
Global Smartphone Operating Systems ‘Made in USA’…
88% Share from 5% Six Years Ago

Global Smartphone Operating System Market Share
(by Units Shipped), 2005 vs. 2012

Source: 2005 data per Gartner, 2012 data per IDC.
RE-IMAGINATION - BEING RE-IMAGINED & UPLOADED @ AN ACCELERATING PACE
Long Ago, People Danced @ Concerts, Now They Video / Click / Share / Tweet…
Today = You Can Run, But You Can’t Hide

1993
*On the Internet, nobody knows you’re a dog.*

2013
*On the Internet, everybody knows you’re a dog.*

World’s Content is Increasingly Findable + Shared + Tagged -
Digital Info Created + Shared up 9x in Five Years

Amount of global digital information created & shared
– from documents to pictures to tweets –
grew 9x in five years to nearly 2 zettabytes* in 2011, per IDC.

Global Digital Information Created & Shared, 2005 – 2015E

Note: * 1 zettabyte = 1 trillion gigabytes. Source: IDC report “Extracting Value from Chaos” 6/11.
Media + Data Uploading + Sharing from Mobiles = Ramping Fast & Still Early Stage

First | Now | Next | Next
--- | --- | --- | ---
PHOTOS | VIDEO | SOUND | DATA
Explosive Growth, But Still Early Stage | Ramping Very Fast | Emerging | Emerging

Source: Far right Illustration – Eric Prommelt.
Photos…
Photos = 500MM+ Uploaded & Shared Per Day, Growth Accelerating, on Trend to Rise 2x Y/Y…

Daily Number of Photos Uploaded & Shared on Select Platforms, 2005-2013YTD

- Flickr
- Snapchat
- Instagram
- Facebook

Source: KPCB estimates based on publicly disclosed company data.
Short-Term Sharing Exploding – Snapchat Growth From Content That Disappears, Up >2x in 2 Months

Snapchat Daily Number of ‘Snaps’  
5/12 – 4/13

Choose How Long Your ‘Snap’ Lives

# of Photos Shared per Day (MM)

Source: Snapchat.
Video...
Video = 100 Hours Per Minute Uploaded to YouTube, Up from ~Nada Six Years Ago

YouTube Hours of Video Uploaded per Minute, 6/07 – 5/13

Source: YouTube.
Video (Short-Form + Persistent) = Ramping Fast

Twitter Vine

6 Second Videos
2x M/M Growth

Vine iOS App Monthly Active Users (MAUs) as % of Total USA iPhone MAUs, 1/13-4/13

Source: Onavo, Dropcam.

Dropcam ($149 ASP)

More Video Uploaded per Minute Than YouTube

Source: Onavo, Dropcam.
30% of Dropcam viewers used Talk Back to interact over past 2 weeks.

When I am on the road, I still join my husband in singing bedtime lullabies using Dropcam, a Wi-Fi video monitoring camera that streams to my phone and computer.

– Randi Zuckerberg

Parents Can See & Talk With Children While Away From Home

Source: Dropcam, 5/13. Mashable, 4/13
Sound...
Sound = Emerging as Voice Comes Back to Phones…

**SoundCloud**

11 Hours of Sound Uploaded per Minute

**Tencent WeChat**

400MM+ Users, 4x Y/Y

Source: SoundCloud, Tencent.
Data…
Win-Win-Win Sharing = Growing Quickly – You Help Me, I Help You, We Help Others

Waze
- 48MM Users, +2x Y/Y
- 1B+ Miles Driven per Month w/ Waze Open

Jawbone UP
Per Day…
- Billions of Steps
- 700K+ Hours of Sleep
- 5x App Interactions per User

Yelp
- 102MM Users, +43% Y/Y
- 39MM User-Generated Reviews, +42% Y/Y

Source: Company data.
Fitness Data on Mobile + Wearable Devices = ~2x Month-on-Month Growth

MyFitnessPal - # of API Calls*, 10/12 – 4/13

Note: *API calls are data request from fitness devices (such as Jawbone UP) and GPS-enabled activity tracking apps (such as Endomondo / Runtastic) that partner with MyFitnessPal. Source: MyFitnessPal.
Health Outcomes – Behavior (at 40%) is Biggest Driver of Premature Death

USA Proportional Contribution to Premature Death, 2007

- **Behavioral Patterns***: 40%
- **Genetic Composition**: 30%
- **Social Circumstances**: 15%
- **Environmental Exposure**: 10%
- **Health Care**: 5%

*Smoking: 44%, Obesity & Inactivity 37%, Alcohol 9%, Other 10%.

Sharing…
Social Media – Facebook Leads, YouTube + Twitter + Google+ + Pinterest + Instagram + Tumblr Rising Fast

Which of the Following Social Media Do You Use?

Facebook

YouTube

Twitter

Google+

LinkedIn

Pinterest

MySpace

Instagram

Tumblr

Foursquare

Based on a study of 2K social media users aged 12-64 who were asked “Which of the Following Social Media Do You Use?”
2011 Pinterest and Instagram data from 9/12 / 4/12.
% of Respondents Indicating They Share ‘Everything’ or ‘Most Things’ Online, 5/13*

*Survey was published on May 14, 2013, the underlying data derived from an online survey (weighted sample size of 12,000 across 24 countries) conducted between January 1-18, 2013. Survey question is “describe how much you share online (including status updates, feelings, photos, videos, links, etc.)”
Unprecedented Transparency in Time of Tremendous Global Uncertainty…

Ramp in Always-On Connected Global Citizens

- 1.1B+ global active Facebook users…68% on mobiles…60% log in daily…with average 200+ friends… 350MM photos uploaded daily…*

- It’s hard to hide - ‘truth’ can be a photo or video / click–send away.

- ‘Clean, well-lighted place to do business?’ ‘People are basically good?’

- Perhaps the world is on cusp of being safer than ever?

- There are lots of sacrifices. This is new terrain.

- Only time will tell how all this plays out…

* Source: Facebook, 5/13.
MOBILE – AGGRESSIVE MOMENTUM
Smartphones = Extraordinary Attributes - Connected + Excited + Curious / Interested + Productive

USA Smartphone User Relative Sentiment Index (10 = Strongest, 0 = Weakest), 3/13 When Asked How Social and Communication Activities on Smartphones Made You Feel

Source: IDC, 3/13. Facebook-sponsored research asked smartphone owners how an array of social and communication activities on their phones made them feel. Most owners use ~7.4 social and communications apps on their phones. Responses are indexed above.
Mobile Traffic as % of Global Internet Traffic =
Growing 1.5x per Year & Likely to Maintain Trajectory or Accelerate

Global Mobile Traffic as % of Total Internet Traffic, 12/08 – 5/13
(with Trendline Projection to 5/15E)

Source: StatCounter Global Stats, 5/13. Note that PC-based Internet data bolstered by streaming.
China –
Mobile Internet Access Surpassed PC, Q2:12

% of Chinese Internet Users Accessing the Web
via Desktop PCs vs. via Mobile Phones, 6/07 – 12/12

- 6/07: 96% via Desktop PC, 28% via Mobile Phone
- 12/07: 91% via Desktop PC, 27% via Mobile Phone
- 6/08: 89% via Desktop PC, 31% via Mobile Phone
- 12/08: 86% via Desktop PC, 32% via Mobile Phone
- 6/09: 84% via Desktop PC, 36% via Mobile Phone
- 12/09: 80% via Desktop PC, 40% via Mobile Phone
- 6/10: 77% via Desktop PC, 43% via Mobile Phone
- 12/10: 74% via Desktop PC, 46% via Mobile Phone
- 6/11: 71% via Desktop PC, 49% via Mobile Phone
- 12/11: 68% via Desktop PC, 51% via Mobile Phone
- 6/12: 65% via Desktop PC, 53% via Mobile Phone
- 12/12: 62% via Desktop PC, 56% via Mobile Phone

Source: CNNIC, 1/13.
S. Korea –
Mobile Search Queries Surpassed PC, Q4:12

NHN Korea Search Query Trend (Indexed), PC vs. Mobile, 1/11 – 3/13

Source: NHN Corporate Presentation, as of 5/13.
Groupon N. America –
45% of Transactions on Mobile, Up from <15% Two Years Ago

Source: Groupon, as of 3/13.
Facebook – Mobile Has Helped Drive Users & Revenue, Q1 Growth = Revenue +43% Y/Y, Mobile Users +54% (to 68%), ARPU + 15%

<table>
<thead>
<tr>
<th></th>
<th>Q2:11</th>
<th>Q3:11</th>
<th>Q4:11</th>
<th>Q1:12</th>
<th>Q2:12</th>
<th>Q3:12</th>
<th>Q4:12</th>
<th>Q1:13</th>
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<tbody>
<tr>
<td><strong>Ad Revenue ($MM)</strong></td>
<td>$776</td>
<td>$798</td>
<td>$943</td>
<td>$872</td>
<td>$992</td>
<td>$1,086</td>
<td>$1,329</td>
<td>$1,245</td>
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<tr>
<td>Y/Y Growth</td>
<td>83%</td>
<td>77%</td>
<td>44%</td>
<td>37%</td>
<td>28%</td>
<td>36%</td>
<td>41%</td>
<td>43%</td>
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<tr>
<td>% from Mobile</td>
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<td>--</td>
<td>--</td>
<td>14%</td>
<td>23%</td>
<td>30%</td>
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<tr>
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<th>Q2:11</th>
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<th>Q4:11</th>
<th>Q1:12</th>
<th>Q2:12</th>
<th>Q3:12</th>
<th>Q4:12</th>
<th>Q1:13</th>
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</thead>
<tbody>
<tr>
<td><strong>Mobile Active Users (MAUs) (MM)</strong></td>
<td>325</td>
<td>376</td>
<td>432</td>
<td>488</td>
<td>543</td>
<td>604</td>
<td>680</td>
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<td>Y/Y Growth</td>
<td>110%</td>
<td>92%</td>
<td>76%</td>
<td>69%</td>
<td>67%</td>
<td>61%</td>
<td>57%</td>
<td>54%</td>
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<tr>
<td>% of Total MAUs</td>
<td>44%</td>
<td>47%</td>
<td>51%</td>
<td>54%</td>
<td>57%</td>
<td>60%</td>
<td>64%</td>
<td>68%</td>
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<td><strong>Annualized Ad ARPU ($)</strong></td>
<td>$4.37</td>
<td>$4.15</td>
<td>$4.59</td>
<td>$4.00</td>
<td>$4.28</td>
<td>$4.43</td>
<td>$5.15</td>
<td>$4.60</td>
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<td>Y/Y Growth</td>
<td>18%</td>
<td>19%</td>
<td>1%</td>
<td>1%</td>
<td>(2%)</td>
<td>7%</td>
<td>12%</td>
<td>15%</td>
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<tr>
<td>Q/Q Growth</td>
<td>11%</td>
<td>(5%)</td>
<td>11%</td>
<td>(13%)</td>
<td>7%</td>
<td>4%</td>
<td>16%</td>
<td>(11%)</td>
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Facebook = Rising Mobile ARPU Has Offset Declining Desktop ARPU, So Far

Source: Facebook.
COMPUTING –
YET ANOTHER PLATFORM CHANGE…
We Just Began to Figure Out Smartphones...
## Smartphone Subscriber Growth = Remains Rapid

1.5B Subscribers, 31% Growth, 21% Penetration in 2013E

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>2013E Smartphone Subs (MM)</th>
<th>Smartphone as % of Total Subs</th>
<th>Smartphone Sub Y/Y Growth</th>
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<td>Japan*</td>
<td>94</td>
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<th>Rank</th>
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<th>2013E Smartphone Subs (MM)</th>
<th>Smartphone as % of Total Subs</th>
<th>Smartphone Sub Y/Y Growth</th>
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<td>16</td>
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<td>Philippines</td>
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<td>30</td>
<td>Hong Kong</td>
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2013E Global Smartphone Stats: Subscribers = 1,492MM Penetration = 21% Growth = 31%

Note: *Japan data per Morgan Stanley Research estimate. Source: Informa.*
Smartphone Usage =
Still Early Stage With Tremendous (3-4x) Upside

Global Smartphone vs. Mobile Phone Users, 2013E

Source: Morgan Stanley Research estimates.

Note: One user may have multiple devices - actual number of actual smartphone + mobile phone devices in use (subscription numbers) may be higher than user numbers.
Apple Growing Rapidly (1.4x Share Gain)…
Samsung Up 7x Over ~2 Years

Global Smartphone Unit Market Share

Q1:10
- Apple: 16%
- Samsung: 4%
- Other: 80%

Q4:12
- Apple: 22%
- Samsung: 49%
- Other: 29%

55MM Units

219MM Units

...Then Along Came Tablets...
Tablet Growth = More Rapid than Smartphones, iPad = ~3x iPhone Growth

First 12 Quarters Cumulative Unit Shipments, iPhone vs. iPad

Source: Apple, as of CQ1:13 (12 quarters post iPad launch).
Launch Dates: iPhone (6/29/07), iPad (4/3/10).
Tablet Shipments = Surpassed Desktop PCs & Notebooks in Q4:12, < 3 Years from Intro

Global PC (Desktop / Notebook) and Tablet Shipments by Quarter
Q1:95 – Q1:13

Note: Notebook PCs include Netbooks.

Demand for Large-Screen Computing Devices is Robust, But Mix Favors Tablets, Not Notebooks & Desktops

Global PC (Desktop / Notebook) and Tablet Shipments by Quarter
Q1:1995 – Q1:2013

Note: Notebook PCs include Netbooks.

Note: Notebook PCs include Netbooks.
Top Vendors Largely Same in Desktop & Notebook Cycles – Very Different in Tablet (& Smartphone) Cycles

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<td>% Share</td>
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<td>% Share</td>
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<tr>
<td>Compaq 13%</td>
<td>HP 19%</td>
<td>Apple 51%</td>
<td>Samsung 30%</td>
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<tr>
<td>Dell 11%</td>
<td>Acer 17%</td>
<td>Samsung 13%</td>
<td>Apple 19%</td>
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<tr>
<td>HP 8%</td>
<td>Dell 12%</td>
<td>Amazon 8%</td>
<td>Sony 5%</td>
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<tr>
<td>IBM 7%</td>
<td>Lenovo 10%</td>
<td>ASUS 5%</td>
<td>ZTE 5%</td>
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<tr>
<td>NEC 4%</td>
<td>ASUS 8%</td>
<td>Lenovo 1%</td>
<td>BlackBerry 5%</td>
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<tr>
<td>Others 57%</td>
<td>Others 34%</td>
<td>Others 20%</td>
<td>Others 37%</td>
</tr>
</tbody>
</table>

Note: Notebook PCs include Netbooks. Source: Morgan Stanley Research, Gartner. Data as of 4/13.
An Unusual Pattern…

In Two Computing Cycles…

1) Smartphones
2) Tablets

…Entering a Third Cycle…

3) Wearables / Drivables / Flyables / Scannables
Technology Cycles – Still Early Cycle on Smartphones + Tablets, Now Wearables Coming on Strong, Faster than Typical 10-Year Cycle

Technology Cycles Have Tended to Last Ten Years

<table>
<thead>
<tr>
<th>Period</th>
<th>Description</th>
<th>Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960s</td>
<td>Mainframe Computing</td>
<td><img src="image1" alt="Mainframe" /></td>
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<tr>
<td>1970s</td>
<td>Mini Computing</td>
<td><img src="image2" alt="Mini" /></td>
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<tr>
<td>1980s</td>
<td>Personal Computing</td>
<td><img src="image3" alt="Personal" /></td>
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<tr>
<td>1990s</td>
<td>Desktop Internet Computing</td>
<td><img src="image4" alt="Desktop" /></td>
</tr>
<tr>
<td>2000s</td>
<td>Mobile Internet Computing</td>
<td><img src="image5" alt="Mobile" /></td>
</tr>
<tr>
<td>2014+</td>
<td>Wearable / Everywhere Computing</td>
<td><img src="image6" alt="Wearable" /></td>
</tr>
<tr>
<td></td>
<td>Others?</td>
<td><img src="image7" alt="Others" /></td>
</tr>
</tbody>
</table>

New Major Technology Cycles = Often Support 10x More Users & Devices, Driven by Lower Price + Improved Functionality

Computing Growth Drivers Over Time, 1960 – 2020E

Note: PC installed base reached 100MM in 1993, cellphone / Internet users reached 1B in 2002 / 2005 respectively;
Source: ITU, Morgan Stanley Research.
…Wearables (with Sensors)…
Mobile Users Reach to Phone ~150x a Day… Could be Hands-Free with Wearables

# of Times Typical User Checks Phone per Day

- Messaging: 23
- Voice Call: 22
- Checking Time: 18
- Music: 13
- Gaming: 12
- Social Media: 9
- Camera: 8
- Alarm: 8
- News & Alerts: 6
- Calendar: 5
- Web: 3
- Search: 3
- Other: 14

Source: TomiAhonen Almanac 2013, [LINK](#). 'Other' includes voicemail, charging and miscellaneous activities. We cross-checked Tomi’s analysis to gain context. Our references include: 1) Motorola Mobility / Google (consumers interact with their phones more than 100x per day, mid-2012); 2) Leading 3G Carrier with Operations in Europe & Asia (smartphone users interact with mobiles ~150x per day); 3) IDC (51 blended average of social sessions per smartphone user per day in USA, 3/13…excluded services like checking time, alarm and calendar events, web browsing, gaming, using camera, listening to music, searching, using maps, charging and other activities that require checking the phone) and 4) other third parties, including app providers.
Sensor-Enabled Wearable Attributes

- Hands-Free
  - Voice / gesture control

- Development Platform
  - 3rd party apps
  - API partners
  - Accessories

- Always-On
  - Low power consumption
  - Instant wake
  - Background working / sensing

- Attention-Getting
  - Less distracting when receiving alerts / reminders / messages

- Environment-Aware
  - GPS
  - Accelerometer
  - Compass
  - Camera
  - Microphone
  - Other Sensors

- Connected
  - Wi-Fi
  - 3G / 4G
  - Bluetooth
  - NFC

Source: MIT, KPCB.
Some People Laugh at Wearables…

And ‘SNL’ Does Rule… ;)

Source: Saturday Night Live, 5/13.
…Some People Laughed at PC & Internet

There is no reason anyone would want a computer in their home.

- Ken Olsen  
  (Founder)  
  Digital Equipment  
  1977

May 1999
...Drivables...
A Car or a Computer on Four Wheels?
Pandora Usage – Car / TV / Appliance Usage (~13% Now) to Likely Surpass PC (21%) Usage in 2 Years

Share of Pandora Quarterly Listening Hours, PC vs. Mobile + Tablet vs. Other*, 4/09 – 4/13**

Source: Pandora. Note that *listening share data for other non-mobile / non-PC devices (car / TV, etc) are KPCB estimates. **Pandora fiscal year ends Jan 31, so FQ4:13 ended Jan 31, 2013.
…Flyables…
It’s a Bird, It’s a Plane, It’s a Mini-Drone…

**Use Cases of Low-Cost Drones**

**Agriculture**

GPS-Enabled Photos Help Pinpoint Potential Crop Damage Early On

**Sports / Entertainment**

Unique Angle of View Provides Insights for Training + Broadcast Audience

**Public Safety / Disaster Relief***

Providing Aerial Video Coverage / First-Aid / Other Supplies in Challenging Conditions

Source: Left image – Shutterstock; Middle image – Dronereport.net; *Right image – Drone carrying cameras + other sensors being deployed during search & rescue mission of 7.0-magnitude earthquake in Lushan, China (4/13).
Scannables – Codes / Tags + Cameras / Sensors
QR Codes = Scan & Be Scanned to Get Stuff…

**SCAN**
Quick Scan w/ Smartphone
For Info on Nutrition / Product / Price…

**BE SCANNED**
Smartphone-Generated Codes
For Boarding Pass / Ticket / Payment / Rewards…
China - Follow UK Embassy Weibo Account by Scanning QR Code Outside Embassy in Beijing
QR Code Scanning = Up 4x Y/Y in China, Offline Businesses Driving Online Connections

China Monthly QR Codes Scanned by Use Case, 3/12 vs. 3/13

- **3/12**
  - 2MM*
  - 42%

- **3/13**
  - 9MM
  - Payment: 3%
  - Information: 22%
  - Promotions: 33%
  - Passcode: 42%

4x Y/Y

Note: * March 2012 use case breakdown not available. Source: Imageco, China QR Code Market Study, 2013. We believe data are understated.
Tencent WeChat (400MM+ Users, +4X Y/Y, China) — Mobile Communication + Local Commerce via QR Codes

Consumers...
In addition to connecting w/ friends via voice / text / pictures, WeChat users can scan QR codes of merchants to stay connected and enroll in rewards programs + receive coupons.

Businesses...
Use QR code + communication functions to manage customer acquisition and relationships. SMBs can send offers / take online orders, provide customer support via WeChat.

Tencent WeChat Registered Users, 3/11-3/13

Source: User growth per Tencent and Morgan Stanley estimates.
LOTS TO LEARN FROM CHINA – VOLUME + INNOVATION
China – iOS + Android Users Surpassed USA, Q1:13

Active iOS and Android Devices, USA vs. China (MM), 1/11 – 2/13

- China
- USA

Source: Flurry Analytics.
China Leads USA in Mobile + Internet Time Spent vs. TV = China @ 55% vs. 38% in USA

% of Time Spent in Media, USA vs. China, 2012

Source: USA media time spent share data based on eMarketer (adjusted to exclude classified and outdoors) as of 12/12, China media time spent data per Miaozhen Systems' (a leading 3rd party ad tech platform) survey of 35,750 samples as of 12/12.
Alibaba – Gross Merchandise Volume Surpassed Amazon.com + eBay, Q4:12

Gross Merchandise Value, 1995 – 2012
Amazon.com + eBay vs. Alibaba / Taobao

Source: Company data.
Free* Same-Day Delivery in 25+ Cities in China / Customer Can Track Package Location on Map / Mobile Devices and Contact Delivery Person in Real Time

Note: *For orders > $8.
Taxi Apps* – China – Push to Talk to Driver / Bid Extra to Increase Chance of Getting Car on Your Terms

Push to Talk
Say current location and where you’re going. Your voice message will be delivered instantly to all nearby available taxis

Bid to Win
Increase your chance of hailing a cab during peak hours by offering extras tips up front (in addition to regular fare)

Real Time Tracking
View your taxi’s location in real-time, push to talk to the driver directly to coordinate pick-up

*Source: Left image - Yao Yao Zhao Che; Center image – Di Di Da Che; Right image – Kuai Di Da Che.
Sina Weibo – 530MM+ Users (+2x Y/Y) Help Push For Social Change…$100MM Revenue Run Rate, Up From $0 Y/Y

Notable Events / Movements Helped by Sina Weibo

Beijing Air Quality Campaign – Sina Weibo users’ UGC photos / polls / reposts / suggestions helped drive government adoption of daily monitoring of air quality

Real-Time Self-Organized Emergency Relief – Through Weibo, volunteers coordinated to pick up stranded travelers at Beijing airport during torrential downpour in 7/12

Sina Weibo Registered Users & Annualized Revenue Run Rate, 4/11-3/13

User / revenue source: Sina, Morgan Stanley Research.
GDP =
China Share Gains vs. Europe & USA are Epic

Source: Angus Maddison, University of Groningen, OECD, data post 1980 based on IMF data (GDP adjusted for purchasing power parity).
MOST ENABLED ENTREPRENEURS EVER?

ZERO -> 1 MILLION USERS
IN RECORD TIME(S)
Is This Generation Different?

Selective Formative Events of Past 20 Years

September, 2001 USA Terrorist Attacks – Destabilized sense of security
Rise of China as Global Super Power – Altered global competition
Global Financial Crisis, 2008+ – Destabilized financial security
High Unemployment Levels – Destabilized career optimism
Potential Fiscal Debt Challenges – Rise in need to depend on selves
Rise of Cheap / Available Computing – 24x7 global access to loads of stuff including shared goods
Rise of New ‘Geek’ Entrepreneur Heroes – Jobs + Sergey / Larry + Zuck…
Rise in Social Connectivity – Ability to find / create / share / provide + get feedback
Rise in Value of Social / Virtual vs. Financial + Physical Currency
Turning Passion Into Businesses…On an Epic Internet Palette

**Sports**
David Finocchio / BleacherReport

**Books**
Otis Chandler / Goodreads

**Music**
Daniel Ek / Spotify

**Art / Creativity**
Georg Petschnigg / Fiftythree

**Design / Inspiration**
Ben Silbermann / Pinterest

**Sound**
Alex Ljung + Eric Wahlforss / SoundCloud

**News & Politics**
Chris Altchek + Jake Horowitz / PolicyMic

**Product Design**
Ben Kaufman / Quirky

**Home Decoration**
Adi Tatarko + Alon Cohen / Houzz
SO, YOU WANT TO BE A PUBLIC COMPANY?
Internet IPO Standout – LinkedIn…
Registered Users = 218MM in Q1, +35% Y/Y; High Gross Margins (87%)

LinkedIn Registered Members and Gross Margins, Q1:08 – Q1:13

Registered Members
Gross Margin

Source: LinkedIn. Data as of 5/27/2013.
Internet IPO Standout – LinkedIn
Averaged 7% Revenue / 83% EBITDA Upside Since IPO, Shares +305%

LinkedIn Share Daily Closing Price, 5/11-5/13

# Financial Dynamics of Internet Leaders

<table>
<thead>
<tr>
<th></th>
<th>eCommerce</th>
<th>Communication</th>
<th>Search</th>
<th>Hardware</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Amazon</td>
<td>eBay</td>
<td>Tencent</td>
<td>Google</td>
</tr>
<tr>
<td>Years Since Founding</td>
<td>19</td>
<td>18</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>People</td>
<td>91K</td>
<td>32K</td>
<td>5K</td>
<td>24K</td>
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<tr>
<td>Users</td>
<td>209MM</td>
<td>116MM</td>
<td>1.1B</td>
<td>798MM</td>
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<tr>
<td>Cumulative</td>
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<td></td>
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<tr>
<td>Operating Expense</td>
<td>$50B</td>
<td>$42B</td>
<td>$5B</td>
<td>$5B</td>
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<tr>
<td>Capital Expenditures</td>
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<td>$6B</td>
<td>$3B</td>
<td>$2B</td>
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<tr>
<td>Revenue</td>
<td>$246B</td>
<td>$79B</td>
<td>$12B</td>
<td>$20B</td>
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<tr>
<td>Gross Margin (%)</td>
<td>27%</td>
<td>69%</td>
<td>72%</td>
<td>56%</td>
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<tr>
<td>Free Cash Flow</td>
<td>$12B</td>
<td>$19B</td>
<td>$1B</td>
<td>$7B</td>
</tr>
<tr>
<td>Market Capitalization</td>
<td>$122B</td>
<td>$71B</td>
<td>$62B</td>
<td>$73B</td>
</tr>
</tbody>
</table>

Full lifetime data for all companies not available. Company (Years of Data) as follows: Amazon (19), eBay (17), Facebook (6), Tencent (12), Google (14), Apple (37 for revenue, 26 for others). Operating expenses exclude one-time, non-recurring charges and include depreciation, amortization, stock-based compensation. Data for eBay includes Paypal. eBay users are active members of eBay marketplace. Data for Google includes DoubleClick (back to 1996). Google gross margin based on revenue net of TAC. Google user data per ComScore. Market cap. figures as of 5/21/2013. Capital expenditures for Facebook include capital leases. Apple user figures based on estimated installed base of Mac, iPad, iPhone, iPod units assuming a 4-year replacement cycle for Macs, 3-year for iPads, 2-year for iPhones and iPods. Figures are not de-duplicated.

Source: Public filings, FactSet, Morgan Stanley Research, Yahoo! Finance, ComScore.
Market Value = Google + Amazon + eBay + Tencent + Priceline + Yahoo! + Yahoo! Japan + Salesforce.com + LinkedIn Gain Y/Y… Apple + Baidu Fall

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Region</th>
<th>2013 Market Value ($B)</th>
<th>2012 Revenue ($MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apple</td>
<td>USA</td>
<td>$416</td>
<td>$155,971</td>
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<tr>
<td>2</td>
<td>Google</td>
<td>USA</td>
<td>311</td>
<td>49,958</td>
</tr>
<tr>
<td>3</td>
<td>Amazon</td>
<td>USA</td>
<td>127</td>
<td>61,093</td>
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<tr>
<td>4</td>
<td>eBay</td>
<td>USA</td>
<td>76</td>
<td>14,028</td>
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<td>5</td>
<td>Tencent</td>
<td>China</td>
<td>74</td>
<td>6,957</td>
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<tr>
<td>6</td>
<td>Facebook</td>
<td>USA</td>
<td>73</td>
<td>5,089</td>
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<tr>
<td>7</td>
<td>Priceline</td>
<td>USA</td>
<td>42</td>
<td>5,261</td>
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<td>8</td>
<td>Baidu</td>
<td>China</td>
<td>33</td>
<td>3,540</td>
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<td>9</td>
<td>Yahoo!</td>
<td>USA</td>
<td>30</td>
<td>4,987</td>
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<td>10</td>
<td>Yahoo! Japan</td>
<td>Japan</td>
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<td>3,304</td>
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<td>Salesforce.com</td>
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<td>3,050</td>
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<td>LinkedIn</td>
<td>USA</td>
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<td>Netflix</td>
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<td>NHN</td>
<td>Korea</td>
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<td>2,121</td>
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<td>17</td>
<td>Yandex</td>
<td>Russia</td>
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<td>18</td>
<td>Tripadvisor</td>
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<td>763</td>
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<td>Netease</td>
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<td>21</td>
<td>Mail.ru</td>
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<td>Groupon</td>
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<td>25</td>
<td>Asos</td>
<td>UK</td>
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</tbody>
</table>

Total $1,375 $345,064

HIGH-SKILLED IMMIGRATION – PERSPECTIVE
Immigration in America & The Growing Shortage of High-Skilled Workers

Report / Presentation Can Be Found at www.kpcb.com/insights
Why Did We Publish a Report on High-Skilled Immigration?

• America is the global leader in the technology industry.
• Immigrants (often with STEM* degrees) have been (and are) especially important to the vibrancy of tech companies.
• America has a shortage of high-skilled STEM workers and our tech leaders believe it's constraining their ability to compete and grow jobs in America.
• Government policy helps send many qualified foreign high-skilled workers home and constrains those that can come to America.
• Global environment for recruiting high-skilled STEM workers is likely to get much more competitive.
• Potential for immigration reform in America is very real and the future direction will likely be determined this year.
• This is a big issue for the technology industry – we encourage you to read / share / opine on the report – it can be found at kpcb.com/insights

*Note: STEM = Science / Technology / Engineering / Mathematics.
99% Of Americans Are Immigrants Or Descendants Of Immigrants

USA Population by Ancestry, 2010 Census

- Immigrants or Descendants of Immigrants: 306 Million
- Native Americans: 3 Million

Note: *African-American total includes those who came as slaves and not as voluntary immigrants. Other includes North America (Canada), Australia, New Zealand, and those who have more than one ethnicity reported.

Source: Census Bureau, 2010 data.
High-Skilled Immigrants Are Only 1% Of Total U.S. Population

U.S. Population at a Glance, U.S. Born vs. Immigrants by Type of Admission, 2010

Total USA Population = 310MM

270MM U.S. Born 87% of Total Population
40MM Immigrants 13%

4MM, 1%
- Legal Immigrants (High-Skilled)

19MM, 6%
- Legal Immigrants (Family-Based)

6MM, 2%
- Legal Immigrants (Refugees & Other)

11MM, 4%
- Undocumented Immigrants

Note: Number of undocumented immigrants currently residing in USA is an estimate by PEW Hispanic Center based on Census data. Precise breakdown of legal immigrants currently residing in USA by type of admission is not available and is an estimate based on Census data as well as Department of Homeland Security immigrant admission data from 1986 to 2010. Source: Census Bureau, PEW, DHS.
### Founders / Co-Founders of Top 25 U.S. Public Tech Companies, Ranked by Market Capitalization

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Mkt Cap ($MM)</th>
<th>LTM Rev ($MM)</th>
<th>Employees</th>
<th>1st or 2nd Gen Immigrant Founder / Co-Founder</th>
<th>Generation</th>
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<tbody>
<tr>
<td>1</td>
<td>Apple</td>
<td>$416,622</td>
<td>$164,346</td>
<td>76,100</td>
<td>Steve Jobs</td>
<td>2nd-Gen, Syria</td>
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<td>2</td>
<td>Google</td>
<td>268,445</td>
<td>49,958</td>
<td>53,861</td>
<td>Sergey Brin</td>
<td>1st-Gen, Russia</td>
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<tr>
<td>3</td>
<td>IBM</td>
<td>239,530</td>
<td>104,507</td>
<td>434,246</td>
<td>Herman Hollerith</td>
<td>2nd-Gen, Germany</td>
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<td>4</td>
<td>Microsoft</td>
<td>234,828</td>
<td>72,764</td>
<td>94,000</td>
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<tr>
<td>5</td>
<td>Oracle</td>
<td>172,044</td>
<td>37,230</td>
<td>115,000</td>
<td>Larry Ellison / Bob Miner</td>
<td>2nd-Gen, Russia / 2nd-Gen, Iran</td>
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<td>6</td>
<td>Amazon.com</td>
<td>119,011</td>
<td>61,093</td>
<td>88,400</td>
<td>Jeff Bezos</td>
<td>2nd-Gen, Cuba</td>
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<tr>
<td>7</td>
<td>Cisco</td>
<td>116,904</td>
<td>47,252</td>
<td>66,639</td>
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<td>Facebook</td>
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<td>EMC</td>
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<td>21,714</td>
<td>60,000</td>
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<td>2nd-Gen, Italy</td>
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<td>12</td>
<td>Hewlett-Packard</td>
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<td>118,397</td>
<td>331,800</td>
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<td>13</td>
<td>Texas Instruments</td>
<td>38,756</td>
<td>12,690</td>
<td>34,151</td>
<td>Cecil Green / J. Erik Jonsson</td>
<td>1st-Gen, UK / 2nd-Gen, Sweden</td>
</tr>
<tr>
<td>14</td>
<td>VMware</td>
<td>35,917</td>
<td>4,605</td>
<td>13,800</td>
<td>Edouard Bugnion</td>
<td>1st-Gen, Switzerland</td>
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<tr>
<td>15</td>
<td>Priceline</td>
<td>35,583</td>
<td>5,261</td>
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<tr>
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<td>Automatic Data Processing</td>
<td>31,274</td>
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<td>2nd-Gen, Poland</td>
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<td>19</td>
<td>Yahoo!</td>
<td>24,306</td>
<td>4,987</td>
<td>11,700</td>
<td>Jerry Yang</td>
<td>1st-Gen, Taiwan</td>
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<tr>
<td>20</td>
<td>Cognizant Technology</td>
<td>23,648</td>
<td>7,346</td>
<td>156,700</td>
<td>Francisco D’souza / Kumar Mahadeva</td>
<td>1st-Gen, India** / 1st-Gen, Sri Lanka</td>
</tr>
<tr>
<td>21</td>
<td>Adobe Systems</td>
<td>20,640</td>
<td>4,373</td>
<td>11,144</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>22</td>
<td>Broadcom</td>
<td>19,713</td>
<td>8,006</td>
<td>11,300</td>
<td>Henry Samueli</td>
<td>2nd-Gen, Poland</td>
</tr>
<tr>
<td>23</td>
<td>Intuit</td>
<td>19,393</td>
<td>4,153</td>
<td>8,500</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>24</td>
<td>LinkedIn</td>
<td>19,357</td>
<td>972</td>
<td>3,458</td>
<td>Konstantin Guericke / Jean-Luc Vaillant</td>
<td>1st-Gen, Germany / 1st-Gen, France</td>
</tr>
<tr>
<td>25</td>
<td>Symantec</td>
<td>16,916</td>
<td>6,839</td>
<td>20,500</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

Total Founded by 1st or 2nd Gen Immigrants $1,590,800 $507,516 $1,151,835

*Note that while Andy Grove (from Hungary) is not a co-founder of Intel, he joined as COO on the day it was incorporated.

Computer Science Job Opening Forecast = 2.4x # of Computer Science Graduates

Projected Average Annual # of Graduates w/ Bachelors Degree in Computer Science vs. # of Job Openings Requiring a Bachelors Degree in Computer Science, 2010-2020E

USA Sending More Qualified Foreign Students Home Post Graduation - 3.5x Rise in Student & Employment Visa Issuance Gap Over Decade

Number of Student (F1) vs. Employment (H-1B) Visas Issued per Year, 1992 - 2012

- ~100K Difference
- ~350K Difference
- 85K H-1B Visas Subject to Cap

Source: U.S. Department of State.
Startups & Big Tech Companies Can’t Hire Enough Engineers

Street View From Silicon Valley

Five High-Tech Companies Alone – IBM, Intel, Microsoft, Oracle And Qualcomm – Have Combined 10,000 Current Openings In The United States.

IMMIGRATION IN AMERICA & THE GROWING SHORTAGE OF HIGH-SKILLED WORKERS

Mary Meeker / Liang Wu
5.29.13
APPENDIX
Traditional Industries Being Re-Imagined
U.S. Postal Service Mail Volume Peaked in 2006 Owing to Email Rise… Profitability Plummeted

Relative Impact of Technology on Large Organizations = #2 Concern & Rising Rapidly

% of CEOs Who Thought The Following External Factors Would Have The Biggest Impact on Their Organizations...

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Factors</th>
<th>Technological Factors</th>
<th>Macroeconomic Factors</th>
<th>People Skills</th>
<th>Regulatory Concerns</th>
<th>Globalization</th>
<th>Environmental Issues</th>
<th>Socioeconomic Factors</th>
<th>Geopolitical Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>84%</td>
<td>42%</td>
<td>39%</td>
<td>33%</td>
<td>25%</td>
<td>21%</td>
<td>38%</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>67%</td>
<td>44%</td>
<td>41%</td>
<td>25%</td>
<td>35%</td>
<td>21%</td>
<td>48%</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>48%</td>
<td>48%</td>
<td>35%</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
<td>37%</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>56%</td>
<td>39%</td>
<td>38%</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
<td>37%</td>
<td>37%</td>
<td></td>
</tr>
</tbody>
</table>

Source: IBM, “Capitalizing on Complexity: Insights from Global CEO Study”, May 2010. Study consisted of face-to-face conversations with over 1,500 CEOs worldwide. Executives were asked to discuss top three external forces that will have the biggest impact on their organizations.
Financial Services - Context

- **600MM+ credit cards** in use in USA, average American carries 3-4 credit cards in addition to check cards / loyalty cards / coupons / cash in wallet.

- **17% average credit card borrowing rate** vs. 1.8% 10-Year US Treasury bond yield*.

- **16B paper bills sent** per year in USA.
- **4.3B bills paid** by paper check per year in USA.

Source: *Credit Card #s per Federal Reserve Bank of Boston, Credit Card interest rate per Indexcreditcards, 10-year Treasury yield are 5/13 averages, per Dept. of Treasury. Bill data per Fiserv.*
## Emerging Financial Services Metrics

<table>
<thead>
<tr>
<th>Company</th>
<th>Gross Volume</th>
<th>Y/Y Growth</th>
<th># Users</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Square</strong></td>
<td>$15B+ Gross Payment Volume Processed to Date</td>
<td>~3x Y/Y</td>
<td>4MM+ Merchants</td>
</tr>
<tr>
<td><strong>LendingClub</strong></td>
<td>$1.8B+ Loans Issued to Date</td>
<td>~3x Y/Y</td>
<td>137K+ Loans Funded to Date</td>
</tr>
<tr>
<td><strong>Check</strong></td>
<td>$500MM+ Gross Payment Volume of bills Per Year</td>
<td>~17x Y/Y</td>
<td>8MM+ Registered Users</td>
</tr>
<tr>
<td><strong>bitcoin</strong></td>
<td>18MM+ Cumulative Transactions</td>
<td>~5x Y/Y</td>
<td>11MM+ Bitcoins in Circulation</td>
</tr>
<tr>
<td><strong>Chase Mobile</strong></td>
<td>$29B+ Gross Mobile Payment Volume Per Year</td>
<td>~2.5x Y/Y</td>
<td>20MM+ Registered Users</td>
</tr>
</tbody>
</table>

Education - Context…

• $1.1T+ annual spending on education in USA, $460B+ = post-secondary, cost of going to college up +2x (inflation adjusted) over 30 years.

• $914B** student loans outstanding ($25K per graduating student), bigger than credit card ($672B) & auto loans ($750B).

• Student loans up 8x over ten years.

Source: **Federal Reserve Bank of New York. Programme for International Student Assessment (PISA).
Online Education Growing Rapidly = 32% of Students Taking at Least One Online Course, 2011

US Online Enrollment in Degree-Granting Postsecondary Institutions & % of Total Enrollment, 2002 - 2011

Source: Changing Course: 10 Years of Tracking Online Education in the United States. Babson Survey Research Group 1/13.
Online Education = Quickly Becoming More Accepted

77% of academic leaders at over 2,800 US colleges perceive online education as the same or superior as compared to face-to-face education.

Academic Leaders’ Perceptions of Learning Outcomes in Online Education Compared to face-to-face

Source: Changing Course: 10 Years of Tracking Online Education in the United States. Babson Survey Research Group and the College Board, 1/13.
Education Being Democratized = Fast Global MOOC (Massively Open Online Course) User Growth

iTunes U Open University Downloads, 6/08 – 3/13

Coursera Users & Course Enrollment, 9/12 – 3/13

iTunes U Open University Downloads, by Region

Coursera Users, by Region

Healthcare – Context…

- **$2.6T+** annual spend on healthcare in USA, 18% of GDP in 2010, up from 5% in 1960, and 2x OECD average.
- **~100MM** Americans (30%) of Americans considered obese in 2012, up from 15% in 1990.
- **$147B** estimated medical costs associated with obesity in 2008, up from **$79B** in 1998.

Source: American Heart Association, Center for Medicare & Medicaid Services, 2012, OECD.
When we debate health care policy, we seem to jump right to the issue of who should pay the bills, blowing past what should be the first question:

Why exactly are the bills so high?

- Steven Brill, *Time*, March 2013
Re-Imagination is Alive & Well
Re-Imagination of Basic Business Process…

Building / Funding
**KickStarter**
Online / Social Distribution / Real-Time Progress

Logistics
**JD.com (360buy)**
At Your Door Same-Day Delivery / Real-Time Tracking / Last Mile on Bikes

Manufacturing
**MakerBot**
3-D Prototyping / Printing

Education
**Codecademy**
Accessible by Anyone, Anywhere, Anytime

Housing
**Airbnb**
Turn Privately-Owned Properties into Hotel Experience

Transportation
**Uber**
On-Demand Transportation
Re-Imagination of Asset-Heavy Products / Services…

**Music**  
(Spotify)  
Pay for Access / Instant On-Demand  
Streaming on Internet-Enabled Devices

**Video**  
(Netflix)  
On-Demand / Instant Access Anywhere

**Textbooks**  
(Chegg)  
Pay For Usage Rights During Semester

**Wallet**  
(Square)  
Smartphone is the New Wallet

**Employment**  
(oDesk / eLance)  
Workforce as a Service (WaaS) / On-Demand / Global

**Store Fronts**  
(Zaarly)  
Anyone Can Open / Beautifully Designed
Re-Imagination of R&D…

Minted
- 85K designs submitted
- 4MM monthly visitors

Quirky
- 87K designs submitted
- 360K registered users

99Designs
- 228K designers
- 216K contests

Launch your contest
We list your design contest in our marketplace for our community of more than 200,000 designers to see. From Berlin to Bombay, professional creatives will read your brief and begin to brainstorm ideas just for you.

Source: Company data.

- 582 learning professionals worldwide were asked to provide their top 10 tools used for learning in 2012 / 2009
- ‘Learning tool’ is defined as any tool that you could use to create or deliver learning content/solutions for others, or a tool you use for your own personal learning
- The 2012 survey compiled data from 582 learning professionals worldwide (55% working in education & 45% in non-educational organizations

<table>
<thead>
<tr>
<th>Company</th>
<th>2012 Rank</th>
<th>2009 Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twitter</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>YouTube</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Google Docs*</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Google Search</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>WordPress</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Dropbox</td>
<td>6</td>
<td>71</td>
</tr>
<tr>
<td>Skype</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Powerpoint</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>Facebook</td>
<td>9</td>
<td>31</td>
</tr>
<tr>
<td>Wikipedia</td>
<td>10</td>
<td>17</td>
</tr>
<tr>
<td>Moodle</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>Evernote</td>
<td>12</td>
<td>27</td>
</tr>
<tr>
<td>Slideshare</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>Prezi</td>
<td>14</td>
<td>28</td>
</tr>
<tr>
<td>Blogger / BlogSpot</td>
<td>15</td>
<td>14</td>
</tr>
</tbody>
</table>

Source: Centre for Learning & Performance Technology (C4LPT) Top 100 Tools For Learning 2012.
Re-Imagination of Computing Operating Systems - iOS + Android = 60% Share vs. 35% for Windows


Market Share of Personal Computing Platforms by Operating Systems (%)

- 1983
  - Wintel - 25%

- 1998 – 2005
  - Wintel – 96%

- 2012
  - Wintel – 35%

Source: Asymco.com (as of 2011), Public Filings, Morgan Stanley Research, Gartner for 2012 data.
USA, Inc.

Report / Presentation Can Be Found at www.kpcb.com/insights
Consumer Confidence =
At Five-Year Highs, Though Still Well Below 30-Year Average

The Conference Board Consumer Confidence Index, 1978 – 2013 YTD

Note: Index started in 1967 / benchmarked to 1985=100. The Index is calculated each month on the basis of a household survey of consumers' opinions on current conditions and future expectations of the economy. Source: The Conference Board, 5/13.
Consumers Less Concerned About Employment, More Concerned About Rising Prices

Percent of USA Respondents Citing Their One Most Important Issue, 4/09 – 4/13

Q. Based on your current situation, which one of the following economic conditions most concerns you?

- Unemployment / Job Security
- Rising Prices
- Financial Markets
- Real Estate / Home Values

Source: comScore surveys, 4/13.
Stock Markets = Often Leading Indicators of Economic Activity

Stock / Commodity Markets Performance (% Change From 1/93), 1/93 – 5/13

Note: All values are indexed to 1 (100%) on Jan 1, 1993. Data as of 5/24/13.

Source: FactSet.
USA, Inc. – Biggest Gap Between Revenue & Expenses in USA History Outside of World War I & II

USA Inc. Revenue & Expenses as % of GDP, 1901 – 2012

Biggest Gap Between Revenue & Expenses in USA History Outside of World War I & II

Source: 1910 – 1930 per Census Bureau, 1940-2012 per White House OMB. Real GDP adjusted for inflation, in 2005 dollars.
Where Your Tax Dollars Go –
Entitlements = 59%

% of USA Federal Government Spending, 2012

Note: Federal entitlement expenses include Social Security, Medicare and Medicaid.
Source: White House OMB.
USA Social Security + Medicare + Medicaid + Interest Payments Should Exceed Federal Revenue Within 12 Years, 35 Years Sooner than 1999 Forecast, per CBO

Federal Social Security + Medicare + Medicaid + Interest Payments vs. Revenue as % of GDP, 1980 – 2042E

Source: Congressional Budget Office (CBO) Long-Term Budget Outlook (6/12). Data in our chart is based on CBO’s ‘alternative fiscal scenario’ forecast, which assumes a continuation of today’s underlying fiscal policy. Note that CBO also maintains an ‘extended-baseline’ scenario, which adheres closely to current law. The alternative fiscal scenario deviates from CBO’s baseline because it incorporates some policy changes that are widely expected to occur and that policymakers have regularly made in the past.
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