



# Monthly European Technology Venture Capital Bulletin

## February 2008

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The Go4Venture Monthly Venture Capital Bulletin is a publication commenting on the latest results from our European Technology VC Headline Transactions Index®.

Go4Venture's European Tech VC Headline Transactions Index is based on the number and value of transactions reported in professional publications. The Index is compiled on a monthly basis as an early indicator of the evolution of the market for venture capital funding for European information technology companies.

For more details please refer to the Methodology Note available at [www.go4venture.com/resources/hti.htm](http://www.go4venture.com/resources/hti.htm).

### About Go4Venture

Go4Venture is a London-based corporate finance Consultancy firm focused on providing European technology entrepreneurs and their investors with impartial advice to help them develop and execute growth strategies.

Our services encompass:

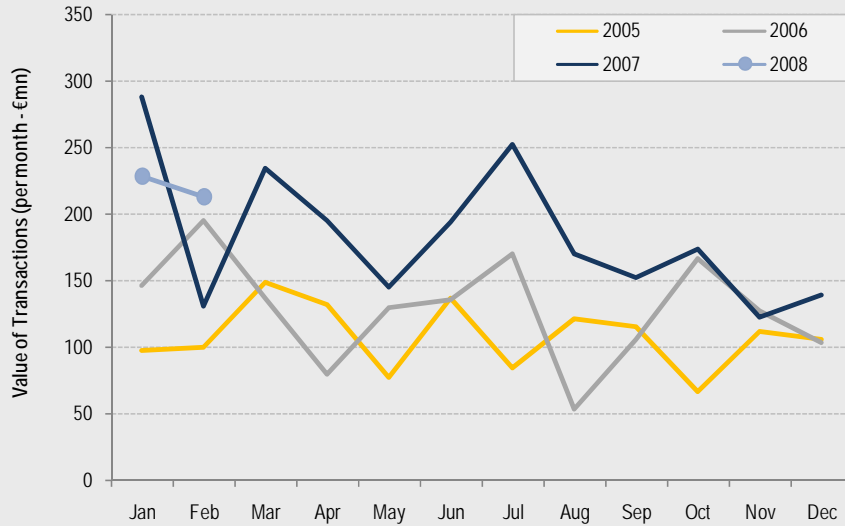
- Financing strategies
- Buy and build strategies
- Exit strategies (trade sale and IPO Consultancy)
- Strategic information and valuation

We are particularly well-known for our international equity private placement services, where we have developed a reputation second to none in Europe among international VCs.

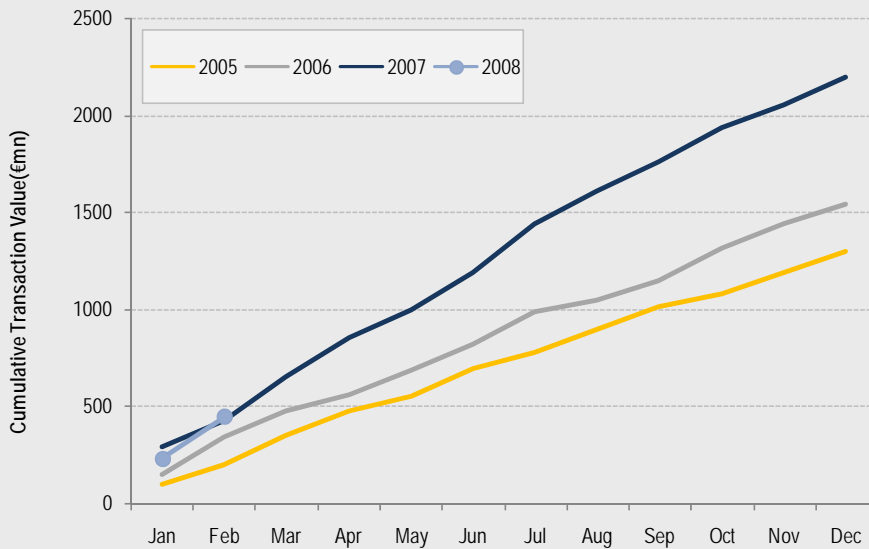
Further Go4Venture research is available on our web site at <http://www.go4venture.com/research/hti.htm>.

## Headline Transactions Index

Go4Venture HTI Index by Deal Value



Go4Venture HTI Index Cumulative Deal Value



- February 2008 HTI deals totalled 32 compared to 22 February last year. This is the sixth time since the HTI was started in 2002 that we have tracked more than 30 VC deals in a month.
- Total monthly amount invested placed this February as the strongest on record since the HTI was started in 2002. Investment volume of €212.6mn was up 63% from €130.7mn a year ago. If we adjust for the mega funding of Adconion this month, total amount invested was €158.4mn, an increase of 21% on a year-over-year basis.

**Strong activity in large transactions continues: 9 large deals (>= €7.5mn, £5mn, or \$10mn)**

- Strong activity continues in large transactions. In February we recorded nine large HTI deal ( $\geq$  €7.5mn, £5mn, or \$10mn) compared to 11 for the prior month and seven for last year. We expected to see a drop off from January, a month in which we usually have a high number of large transactions, however the sequential decrease this year was smaller than usual. The large deal activity remains indicative of overall trends we have been seeing for European VCs to take on greater risk and place more money behind companies that they believe are winning stories.
- Two landmark deals ( $\geq$  €20mn) were reported in the month of February: Adconion (€54.2m) and Odersun (€40m), with Sequans (€19.0m) not too far off the mark. This compares with three such deals in January. Notably, there have only been seven months since the HTI was started in 2002 in which we had three or more landmark deals.
- Healthy deal value and numbers counters talks of a market slowdown, however we continue to believe that we are nearing the top of a cycle and will likely see deal activity plateau over the second part of the year.

## Top Headline Transactions

Company	Sector	Stage	Size €mn	Description	Participants
Adconion (Germany) www.adconion.com	Internet Services	C	54.2	Global online advertising network	Index Ventures, Wellington Partners
Odersun (Germany) www.odersun.de	Cleantech	B	40.0	Developer and manufacturer of flexible thin-film solar cells	Virgin Green Fund, Advanced Technology & Materials, AGF Private Equity, DHTV, PCG Clean Energy & Technology Fund
Sequans (France) www.sequans.com	Hardware	Later	19.0	WiMAX chip supplier	CDC Enterprises, NATIXIS, Reliance Technology Ventures Limited, Swisscom
Seatwave (UK) www.seatwave.com	Internet Services	C	16.9	Online secondary ticket marketplace	Fidelity Ventures, Adinvest, Atlas Venture, Mangrove Capital Partners
Tascom (Russia) www.tascom.ru	Telecom Services	B	10.2	Provider of wireless broadband services including internet access and telephony in the Moscow region	Quadriga Capital, EBRD's North West and West Russia Regional Venture Fund
PacketExchange (UK) www.packetexchange.net	Internet Services	B	8.1	Provider of high-speed connectivity and IP transport services	DFJ Esprit, Bank of Scotland Growth Equity
IPtronics (Denmark) www.iptronics.com	Hardware	B	7.0	Developer of chip technology for parallel optical interconnects	Creandum, Sunstone Capital, 10IPT10, management
Arieso (UK) www.arieso.com	Software	B	6.8	Developer of software to plan and optimise mobile networks	Oxford Capital Partners, Qualcomm Ventures, Add Partners, Top Technology
Mydeco (UK) www.mydeco.com	Internet Services	Seed	6.8	Online home decoration and furniture marketplace	SPARK Ventures, Arts Alliance, Rothschild family, individual investors

**Top Headline Transactions**

Company	Sector	Stage	Size €mn	Description	Participants
Adconion (Germany) www.adconion.com	Internet Services	C	54.2	Global online advertising network	Index Ventures, Wellington Partners

- Adconion (Germany)**, a global online advertising network with operations across Europe, North America, and the Pacific region, has **raised €54.2mn (\$80mn) in Series C funding led by Index Ventures, joined by existing investor Wellington Partners.** The Company works with ad agencies and advertisers to sell and distribute ads that appear on approximately 350 web publishers' sites, reaching nearly 200mn unique Internet users worldwide (ComScore January 2008) via a single independent network. Currently Adconion estimates that it delivers over six billion online advertising impressions each month over the Internet, online video and mobile devices using its advanced behavioural targeting, ad serving and optimisation technology.

Founded in 2004 and led by CEO Tyler Moebius, formerly of TrafficMarketplace (online advertising campaign management) and Avenue A (which eventually merged with Razorfish to form the largest interactive marketing agency in the US), Adconion changed its name from EuroClick in 2007 to reflect its global presence. According to the Company, the investment will be used to fund expansion in Asia and North America, where it has hired a management team who are alumni of internet advertising giants such as DoubleClick, MSN, and Yahoo. After publicizing this round of funding, Adconion announced the £10mn acquisition of Frontline Direct, a leading U.S. data management and direct marketing solutions provider, which will also provide the Company with an office in California.

*The online advertising sector is hot and boasting large recent investment rounds not only by Adconion, but also women's online content and advertising site Glam Media (US), which raised \$85mn (€57.8mn) in February, OpenX (UK), which announced in January that it raised €10.5mn as covered in our January Monthly European Technology Venture Capital Bulletin, and Sequoia Capital-backed AdBrite (US) which raised \$23mn (€15.6mn) in a Series C round announced in November 2007.*

*Although the space is seen as very competitive owing to the presence of Microsoft, Google, Yahoo, Time Warner AOL and other large internet and media players, investors still see plenty of opportunity and growth for companies with differentiating technology or market focus. Companies such as Adconion give advertisers choice beyond Google and Yahoo to reach new markets. Although there are fears that a consumer slowdown may affect the sector, others believe that online advertising is more resilient to economic slowdown as companies move ad spending from traditional media to digital, which is more targeted and measurable.*

**Top Headline Transactions (cont.)**

*This is the fifth largest transaction recorded by our HTI since its inception in 2002. The top five (in order) are Plastic Logic, Cordys Holding, Poliris Group, and Actix. The size of the investment in Adconion is impressive owing to the fact that the Company is an Internet-based business model, which does not require large amounts of capital investment in factories or equipment. Poliris, a French real estate listings directory, is the only Internet company that has received an investment larger than Adconion (€60mn as tracked by our HTI).*

*The amount of investment in Adconion mirrors that in companies such as LoveFilm and Videoland, where investors believe a large infusion of capital in a potentially very lucrative but competitive market with low barriers to entry can establish a market leader and stifle the competition. While it may not produce returns of 10x for its investors, the investment in Adconion deploys lots of capital at once with a significant possible upside.*

*Adconion is the first investment for Index Ventures' new Index Ventures Growth I, which was closed in January 2008 with €400mn in funds. The fund focuses on later-stage technology investments, complimenting Index Ventures IV, which targets seed and early-stage investments. Index Ventures Growth I is led by Giuseppe Zocco and Dominique 'Dom' Vidal, former CEO of Yahoo! Europe and co-founder of Kelkoo, who both join Adconion's board of directors. Vidal's background from Yahoo! and Kelkoo should prove valuable in guiding Adconion to its next stages of growth.*

Company	Sector	Stage	Size €mn	Description	Participants
Odersun (Germany) www.odersun.de	Cleantech	B	40.0	Developer and manufacturer of flexible thin-film CIS solar cells	Virgin Green Fund, Advanced Technology & Materials, AGF Private Equity, DHTV, PCG Clean Energy & Technology Fund

- **Odersun (Germany)**, a manufacturer of flexible thin film solar cells, has **raised €40mn in Series B funding led by Virgin Green Fund**. Existing investors Doughty Hanson Technology Ventures (DHTV) and Advanced Technology & Materials, as well as AGF Private Equity and PCG Clean Energy & Technology Fund, joined in the round. With grants, total funds raised equated to approximately €61mn.

**Top Headline Transactions (cont.)**

The Company's copper-indium selenide (CIS) solar cells can be assembled to fit many surfaces, including next-generation Building Integrated Photovoltaics (BiPV) (i.e. building facades, awnings, windows) and consumer products such as bags which can charge your mobile phone or MP3 player. Odersun uses a proprietary roll-to-roll process for manufacturing. The Company already has one factory manufacturing in volume, SunOne, which was opened in March 2007, and will use the Series B funds as well as recently raised government grants (€21mn) to build its second factory.

*Germany is the home not only for Odersun, but also for another CIS thin film company in production, Wurth Solar, as well as many other state-of-the-art solar businesses. Both Odersun and Wurth Solar are young companies, having started production in the spring/summer of 2007. BiPV is a quickly growing market, and the fact that Odersun's CIS solar technology can be adapted in a variety of aesthetically pleasing ways lends itself to a variety of new uses.*

*Cleantech is a much more capital intensive area than most other technology segments, and therefore it is no surprise that Odersun explored outside the VC space to raise funding, in essence acquiring 1/3 of the total €61mn raised through government grants.*

*Lead investor Virgin Green Fund has offices both in London and San Francisco, and has the backing of Sir Richard Bransons's Virgin Group. The fund is multi-stage, focuses on the renewable energy and resource efficiency sectors, and has an early-stage allocation. Other new investors for Odersun include PCG Clean Energy, a California-based fund within PCG Asset Management (\$15 billion of private equity commitments), and AGF Private Equity (€2bn under management), which is part of the Munich-based Allianz Group and has a venture capital arm with €350mn under management.*

Company	Sector	Stage	Size €mn	Description	Participants
Sequans (France) www.sequans.com	Hardware	Later	19.0	WiMAX chip supplier	CDC Enterprises, NATIXIS, Reliance Technology Ventures Limited, Swisscom

- **Sequans (France)**, a manufacturer of WiMAX chips, has successfully raised €19mn in later-stage funding from **CDC Enterprises, Reliance Technology Ventures Limited, Swisscom and NATIXIS**. The round is a combination of equity-based financing and convertible debt, and funds expansion of the Company's customer support and launch of its next generation of chips.

## Top Headline Transactions (cont.)

Sequans' technology includes base station and subscriber systems on chips for both fixed and mobile WiMAX, therefore covering the complete chip landscape for the WiMAX market, including mobile phones. Partners include Aeroflex, Agilent, LitePoint, PMC-Sierra, WiChorus, and Wind River. Alcatel-Lucent (who is also a prior investor), LG Electronics, Nortel, Siemens are amongst the list of customers.

*As we saw with the €27mn investment in Russia-focused Enforta last month, WiMAX continues to grow in interest as a telecommunications and broadband technology for covering large distances, particularly in emerging geographies where infrastructure is underdeveloped.*

*Mumbai-based Reliance Technology Ventures Limited (RTVL) is the corporate venture capital arm of Reliance ADA Group of India with an 'unlimited' pool of funds. RTVL is a member of Anil Ambani's group of companies. Anil Ambani, who runs Reliance Communications, one of the world's fastest growing telecommunications companies, is reportedly the third-richest man in India with a net worth of \$45bn. His estranged brother, Mukesh, holds the #2 spot and controls Reliance Industries, India's largest petrochemical company.*

*In addition to RTVL, Swisscom, Switzerland's incumbent operator, and CDC Enterprises, a French-sponsored private equity firm with €404mn invested in seed and venture capital funds, join as minority investors. NATIXIS, a France-based subsidiary of Caisse d'Epargne and Banque Populaire with €591bn under management, is the primary participant in Sequans' convertible debt financing.*

Company	Sector	Stage	Size €mn	Description	Participants
Seatwave (UK) www.seatwave.com	Internet Services	C	16.9	Online secondary ticket marketplace	Fidelity Ventures, Adinvest, Atlas Venture, Mangrove Capital Partners

- **Seatwave (UK)**, an online secondary ticket marketplace, has raised €16.9m (\$25mn) in Series C funding, led by Fidelity Ventures, with participation from existing investors Atlas Venture, Mangrove Capital Partners and Adinvest. The Company also simultaneously announced that it was expanding to the German market through an investment from Holtzbrinck Networks (part of publishing group Georg von Holtzbrinck), and a three year exclusive partnership with 'German Facebook' StudiVZ. The funds raised will be used to further expand its European presence. Seatwave has already launched ticket exchanges in Holland, Spain and Italy during the last quarter of 2007.

**Top Headline Transactions (cont.)**

Founded in May 2006 and launched in February 2007, Seatwave has quickly grown, listing approximately 1.7mn tickets in 2007. The Company aims to provide the widest range of tickets to sports, theatre, concerts, and other live events, including smaller ones. Seatwave offers reassurance to its customers through TicketIntegrity, which guarantees that tickets come from legitimate sources, and TicketCover, which covers the purchaser for event cancellation by reimbursing full cost of the tickets. Seatwave partners include MSN, Time Out, and Associated Newspapers.

*There must be a lot of money in ticket reselling – we gather touts, scalpers and ticket brokers have known this for years! Seatwave’s Series C lead investor Fidelity Ventures, which manages \$800mn from offices in Boston and London, was a previous investor in StubHub (US). StubHub was sold for \$310mn to eBay a year ago and is reportedly doing \$700mn in annual sales now.*

*Consolidation in the market continued in January 2008 with Ticketmaster acquiring not one, but two, online ticket resellers: US-based TicketsNow (for \$295mn) and UK-based GetMeIn! (for an undisclosed amount). Interestingly, in the past Ticketmaster would sue brokers who used sites like TicketsNow to resell tickets for large profits which had been bought using automated programs that could act faster than a human being. Ticketmaster had also recommended to the Culture, Media and Sport Select Committee that unauthorised ticket reselling should be a criminal offence.*

*One of the remaining independent players in this space, Seatwave is a fairly new ticket online marketplace company and is focusing on the relatively underserved European market. The Company has a person-to-person business model where individuals post and sell their tickets. The CEO, Joe Cohen, is actually a prior executive with Ticketmaster as well as Match.com. Some of the founders of StubHub are tackling the market again by founding Viagogo, which primarily focuses on sports tickets and partners directly with sports teams for unwanted tickets. Viagogo has primarily sold UK sports tickets, but is now moving to the US with its recent deal with the Cleveland Browns. Another player is Razorgator (US), backed by Kleiner Perkins, which claims it is the third largest ticket resale site behind StubHub and TicketsNow.*

*Atlas Venture, which has \$2.5bn under management and specialises in early-stage venture investing, has stood by Seatwave since its Series A, participating in all three rounds. Luxembourg-based Mangrove Capital Partners has invested in the Company since its Series B. New Seatwave investor Adinvest AG is based in Zurich and focuses on early-stage investment in addition to providing asset management and corporate finance services. Adinvest is led by Dr. Neil V. Sunderland, who coincidentally is the Chairman and Non-Executive Director for Adconion (see page 4), which is the largest deal in our February HTI.*

## Top Headline Transactions (cont.)

Company	Sector	Stage	Size €mn	Description	Participants
Tascom (Russia) www.tascom.ru	Telecom Services	B	10.2	Provider of wireless broadband services including internet access and telephony in the Moscow region	Quadriga Capital, EBRD's North West and West Russia Regional Venture Fund

- Tascom (Russia)**, also known as ZAO Tascom, a provider of wireless broadband services in the Moscow region **raised €10.2mn (\$15mn) in Series B funding in a round led by Quadriga Capital Russia**, supported by Series A investor EBRD's North West and West Russia Regional Venture Fund, managed by Norum. EBRD and Norum originally invested in Bester Investments Ltd, which held 100% of the shares of Tascom. Tascom intends to accelerate network deployment and to broaden their range of corporate and small business services with the new funds.

The Company operates a wireless access broadband network providing Wi-Fi Internet access, telephony and other services. Owing to the continued high growth of broadband in Russia, Tascom has tripled its client base in three years.

*Like WiMAX company Enforta, which we profiled in our January 2008 Monthly European Technology Venture Capital Bulletin owing to its €27.2mn investment led by Bessemer Venture Partners, Tascom is an independent wireless Internet service provider in Russia that has enjoyed early success and rapid expansion of its customer base. We will likely see consolidation in this market in the future, but for now these independent players are taking advantage of the greenfield opportunity and the fact that as the economy in Russia continues to improve, individuals want high-speed Web access and have the money to pay for it.*

*The European Bank for Reconstruction and Development (EBRD) established three funds managed by Norum, a Moscow and St. Petersburg-based private investment management company. Additional investors in Norum's funds include Nordic, Finnish and Dutch investors, all from relatively small countries from a VC standpoint, but obviously hungry for riskier investments. Quadriga Capital Russia has offices in St. Petersburg, Moscow and Nizhni Novgorod and was established in 1995. Investors in its \$136mn fund to provide direct investment in medium-sized Russian private companies include 3i, EBRD, and the International Finance Corporation.*

## Top Headline Transactions (cont.)

Company	Sector	Stage	Size €mn	Description	Participants
PacketExchange (UK) www.packetexchange.net	Internet Services	B	8.1	Provider of high-speed connectivity and IP transport services	DFJ Esprit , Bank of Scotland Growth Equity,

- PacketExchange (UK)** a provider of high-speed connectivity and IP transport services raised €8.1mn (\$12mn) in Series B funding in a round co-led by Bank of Scotland Growth Equity and DFJ Esprit. PacketExchange, which includes Bebo, Metronet, Microsoft, and Telewest among its customers, offers high performance international wide-area peering, private line connectivity, and IP transit connection which bypass the public Internet and provide a more reliable and lower congestion alternative. The Company provides affordable, low latency and guaranteed minimum data rates, flexible capacity options and connectivity through a single Ethernet port. PacketExchange also announced the appointment of a new CEO with 30 years of experience, Rick Mace, who had been COO of Tekelec, a NASDAQ-listed telecom network applications company.

*Demands on the Web for speed and efficiency continue as the number of users and the bandwidth requirements for activities (hosted software, internet-based applications, internet telephony, video, photos, click-thru advertising, etc.) increase every day. Suppliers like PacketExchange are cashing in on the trend for companies to ensure Web site user satisfaction by providing consistent and faster connectivity and response time. For example, Bebo uses PacketExchange's private network to allow its web servers to connect directly with the user's ISP, improving download and upload speeds and decreasing the amount of network hops, which encourages Bebo users to spend more time with its service.*

*With this round of funding, PacketExchange also increased the profile of its management team with the appointment of an industry veteran as CEO, a trend we have recently seen more frequently. In our January 2008 Monthly European Technology Venture Capital Bulletin, 3 out of the 11 companies profiled had changed senior management within a few months of announcing their latest round of financing, usually Series B or later. Experienced management teams are increasingly seen as de rigueur to take European technology companies into the home stretch and eventual exit.*

## Top Headline Transactions (cont.)

*Although this is being billed as a Series B financing, the history of the company indicates venture rounds as early as 2004, with a recapitalisation happening sometime around summer of last year. This is the second round following the recap. Co-lead DFJ Esprit, with €560mn under management, is headquartered in London and is the European arm of Draper Fisher Jurvetson. Esprit was initially formed by the merger between Prelude and Cazenove Private Equity. Bank of Scotland Growth Equity, part of the HBOS Group, is the venturing arm of HBOS commercial bank (assets under management in excess of €4.4bn), and invests in companies with at least two years of revenue history and a possible exit within five years.*

Company	Sector	Stage	Size €mn	Description	Participants
IPtronics (Denmark) www.iptronics.com	Hardware	B	7.0	Developer of chip technology for parallel optical interconnects	Creandum, Sunstone Capital, 10IPT10, management

- **IPtronics (Denmark)**, a fabless semiconductor company offering integrated circuits for parallel optical interconnects, **raised €7.0mn (\$10.25mn) in Series B funding in a round co-led by Creandum and Sunstone Capital.** Members of the management team and previous investor 10IPT10 also participated in the round, which will be used to accelerate sales and product development.

An alternative to traditional copper interfaces over high-speed interfaces and backplanes, IPtronics' 4- and 12-channel chip technology focuses on the computer communications market and addresses the challenges of power consumption for mass deployment of short reach optical interconnects. Power consumption for the Company's latest chipset is 4-5 times lower than current optical interconnection technology. IPtronics was established in 2003 by former Intel and GIGA A/S managers, and has offices in Europe, the U.S., Japan and Korea. The Company outsources all production to STMicroelectronics.

*Use of optical technology (light rather than electricity) in IT equipment is reaching its tipping point owing to cost, power consumption, and performance reasons. Optical connections between chips and circuit boards are believed to eventually facilitate the migration to terabit-level data transmission speeds.*

**Top Headline Transactions (cont.)**

*Co-leads Creandum and Sunstone Capital both have the vast majority of their investments in Scandinavian companies. Creandum (€120mn under management) is a Swedish VC firm created in 2003 to focus on early stage investments. Copenhagen-based Sunstone is a new VC fund, having been established in mid-2007 with a capital base of \$522mn. Part of Sunstone's assets is comprised of Vaekstfonden, a state-supported Danish investment fund which contributed an investment portfolio of 33 IT and biotech companies worth \$162mn.*

Company	Sector	Stage	Size €mn	Description	Participants
Arieso (UK) www.ariesco.com	Software	B	6.8	Developer of software to plan and optimise mobile networks	Oxford Capital Partners, Qualcomm Ventures, Add Partners, Top Technology

- **Arieso (UK)** a developer of software to plan and optimise mobile networks, has **raised €6.8mn (\$10mn) in Series B funding in a round led by Oxford Capital Partners and Qualcomm Ventures**, supported by Add Partners and Top Technology, the Company's existing shareholders. This round follows prior funding raised in 2004 (Series A) and 2002 (self-funded alongside company formation).

Arieso's technology provides real-time and self-optimising wireless network design, which includes location and number of antenna sites, base station power, antenna configuration, and other considerations. The Company claims that it can lower the cost of building a 3G network by 30% with its design solutions, and increase the network coverage and capacity of existing live networks by over 30%. Arieso's customers include AT&T Mobility, Eurotel, Nortel, O2, Telefonica, and Vodafone. The Company's co-founders and senior management are prior Vodafone employees.

*Arieso's strategy is interesting as it is focusing on real-time and automated network change, as well as accommodating new services such as mobile TV in a cost-effective manner. Network planning tools were very popular in the mid-2000's when optimising GPRS and building 3G networks (which requires more base stations) were driving demand. Competitors for Arieso include Schema Ltd, with its Ultima Forte product, and CTS International, a company financed by AGF Private Equity, GIMV and Sofinnova Partners. CTS changed its name to Mentum after it acquired Ericsson's Planet EV network planning software offering in June 2007.*

## Top Headline Transactions (cont.)

*Co-lead investor Qualcomm Ventures is well placed to understand the value of Arieso's wireless offerings since Qualcomm is also a customer. Qualcomm Ventures (QCV), started in 2000 with a \$500mn fund, executes strategic investments only in wireless businesses. Oxford Capital Partners, with €94mn under management, is the manager of four Oxford Gateway Funds and oversees a portfolio of over 25 companies in the technology, cleantech, life and physical sciences sectors. Existing investor Add Partners is currently raising a new fund (a daunting task in this environment) as a follow up to its ambitious €175mn initial fund of 2001. IP Group acquired Top Technology Ventures, an early-stage UK VC with original commitments totalling approximately £43mn, in June 2004.*

Company	Sector	Stage	Size €mn	Description	Participants
Mydeco (UK) www.mydeco.com	Internet Services	Seed	6.8	Online home decoration and furniture marketplace	SPARK Ventures, Arts Alliance, Rothschild family, individual investors

- **Mydeco (UK)**, an online home decoration and furniture marketplace from the team that founded lastminute.com, has launched its Web site and announced that it **raised €6.8mn in seed capital led by SPARK Ventures** in April 2007 (owing to the fact that our HTI tracks deals as they are announced in the press, this is just appearing in our index now). Other investors in the Company include Arts Alliance, Lord Rothschild's family interests, internet company Yoo (of Philippe Starck fame) and other individual investors.

Under the guidance of chief executive David Kelly, formerly COO of eBay Europe and lastminute.com, the Company plans to use the funds to expand its services and global reach. Mydeco aims to become the online leading provider in the £14bn home decoration market in the UK, and eventually expand to the US. Its site currently offers 1,000,000 products from 500 retailers including Argos, the Conran Shop, Graham and Green, Heal's, John Lewis, and M&S. Web 2.0-type interaction features encourage user interaction, and online tools can provide 3D room planning as well as use room photos as backgrounds for different furniture and colour combinations.

**Top Headline Transactions (cont.)**

*Mydeco boasts an experienced team primarily from lastminute.com, which was a great IPO and acquisition success story (sold to Travelocity in 2005 for £557mn) but was not without its challenges (tech trouble, lengthy time to exit, troubleshooter Chairman brought in). Brent Hoberman, previously founder and CEO of lastminute.com, started Mydeco and is serving as executive chairman, while Martha Lane-Fox, also co-founder of lastminute.com, is a non-executive director. Hoberman is also an investor in MoveMe, a new site which aims to simplify all aspects of moving house, an adjacent play to Mydeco. He is also non-executive chairman for WAYN (Where Are You Now?), a traveller's social networking website.*

*It is nearly lastminute.com all over again with the investor roster as well. SPARK Ventures, with £225mn under management focusing on TMT, healthcare and life sciences, was an investor in lastminute.com. Previously known as NewMedia Investors and NewMedia SPARK, SPARK Ventures changed its name owing to its broader investment focus and its purchase of Querist, the parent firm for early-stage venture fund Quester. Arts Alliance, with €152mn under management, also backed lastminute.com and focuses on user-centric investments across the IT, retailing and media sectors.*

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