

A close-up photograph of a microchip on a circuit board, with various components and traces visible.

# Monthly European Technology Venture Capital Bulletin

## November 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/research/hti.htm](http://www.go4venture.com/research/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.

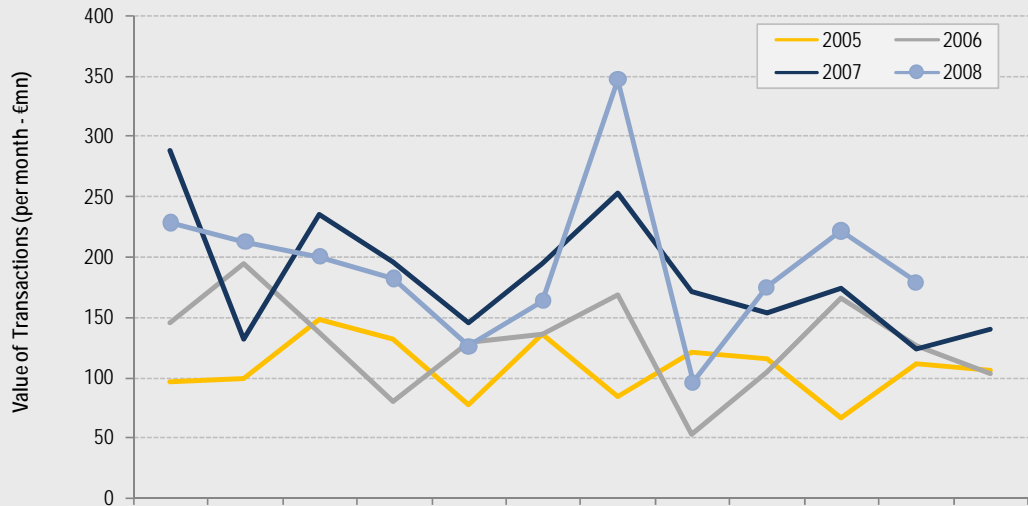
Our services encompass:

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

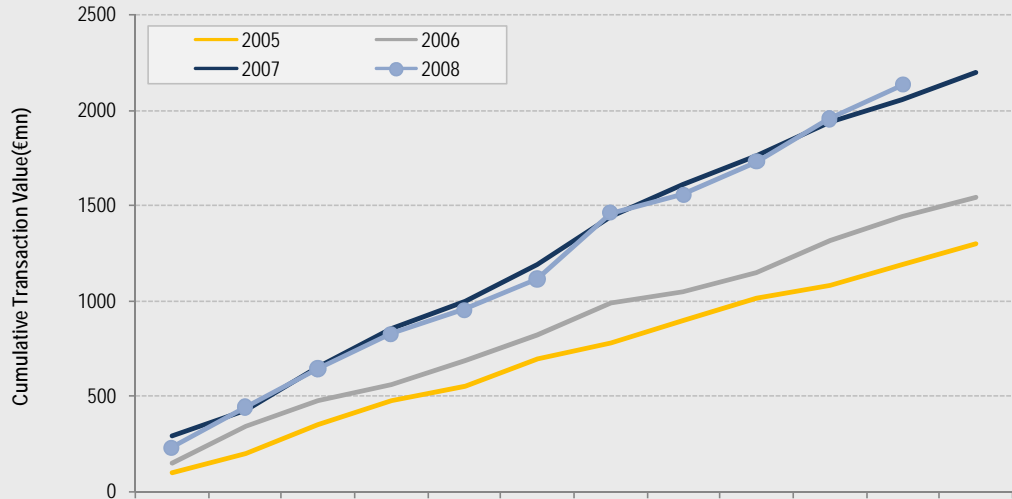
We are particularly well-known for our international equity private placement services, where we have developed a reputation second to none in Europe among international VCs.

Further Go4Venture research is available on our web site at [www.go4venture.com/research/hti.htm](http://www.go4venture.com/research/hti.htm).

Go4Venture HTI Index by Deal Value



Go4Venture HTI Index Cumulative Deal Value



- In November 2008, we tracked 19 investments for a total of €178.8mn in our proprietary Headline Transaction Index (HTI). This compares to 28 deals (10 for undisclosed amounts) for the same month last year, for a value of €122.6mn.
- Of our November deals, nine were headline deals (what we define as >= €7.5mn, £5mn, or \$10mn), and three have landmark status with investment value greater than €20mn: Blyk (€40mn), SuperSonic Imagine (€20.0mn), Solairedirect (€20.0mn). In November 2007 there were five headline deals, of which only one had landmark status, confirming the trend we have seen this past year for larger fundraising rounds and for established companies to

raise venture rounds rather than public equity or debt financing in the current economic climate.

- Total amount of venture funding as tracked by our HTI to end October 2008 was €2131.0mn, slightly up from €2057.1mn at this point last year, with 325 total deals compared to 329 at the same time last year. We note that at this point last year there were 65 deals for undisclosed amounts, compared to 36 deals for undisclosed amounts this year, which could mitigate any differences seen in total funding value.

### Top Headline Transactions

Company Name	Sector	Round	EUR (mn)	Description	Investors
Blyk (Finland) www.blyk.co.uk	Telecom Services	C	40.0	Free mobile network operator funded by advertising for 16 - 24 year olds	Undisclosed
Solairedirect (France) www.solairedirect.fr	Cleantech	B	20.0	Provider of photovoltaic cells and related services	AGPM, Demeter Partners, MACIF, Ofivalmo Partenaires, Schneider Electric Ventures, TechFund Europe Management, UMR
SuperSonic Imagine (France) www.supersonicimagine.fr	Hardware	B	20.0	Developer of ultrasound systems	Edmond de Rothschild Investment Partners, Auriga Partners, Bioam Gestion, Crédit Agricole Private Equity, NBGI Private Equity
Ocado (UK) corporate.ocado.com	Internet Services	Later	19.2	Online grocery retailer	Proctor & Gamble, Apple Trust
be2 (Switzerland/Luxembourg) www.be2.com	Internet Services	B	15.0	Global matchmaking site	Index Ventures
Power Plus Communications (Germany) www.ppc-ag.com	Telecom Services	A	10.0	Provider of Automatic Meter Reading (AMR) services for the electricity utility sector	Climate Change Capital
brands4friends (Germany) www.brands4friends.com	Internet Services	C	10.0	Online shopping club for fashion and lifestyle	Partech International, Holtzbrinck Ventures, Mangrove Capital Partners
VirtuOz (France) www.virtuoz.com	Software	B	7.9	Provider of customer support and virtual agent software	Mohr Davidow Ventures, Galileo Partners, individuals
CMED (UK) www1.cmedresearch.com	Software	Unspecified	5.3	Clinical research organisation and technology developer	Scottish Equity Partners

**Top Headline Transactions (cont.)**

Company Name	Sector	Round	EUR (mn)	Description	Investors
Blyk (Finland) www.blyk.co.uk	Telecom Services	C	40.0	Free mobile network operator funded by advertising for 16 - 24 year olds	Undisclosed

- **Blyk (Finland)**, the free mobile network operator funded by advertising, **has raised €40mn in Series C from undisclosed investors for international expansion.** Blyk was co-founded in January 2006 by Pekka Ala-Pietilä, former president of Nokia Corporation, and Antti Öhrling, Chairman and CEO of Contra Group. The Company previously raised an undisclosed amount of funding in 2006 from Sofinnova Partners, followed by another undisclosed amount from Goldman Sachs, Industrial and Financial Investments Company (IFIC) and existing investors in January 2008 (disclosure: Go4Venture was the advisor).

Blyk targets 16-24 year olds and offers free mobile voice and SMS service (43 minutes and 217 Texts) in exchange for SMS and MMS advertising. Launched in the UK in September 2007, Blyk announced 100,000 members in June 2008, accelerating to 200,000 members by September, and has reported running over 2,000 ad campaigns for 180+ brands.

Blyk's network is on Orange in the UK and Mobistar in Belgium, and the Company anticipates launching the Netherlands on Vodafone in early 2009. Eric Kip has been recruited to lead the Netherlands from his position as Planning Director EMEA for MediaCom.

*To some degree, Blyk is a natural progression of business models we've seen previously where paid-for services are provided free of charge in exchange for advertising (Hotmail comes to mind). Blyk's approach differs from previous models, and bodes well for the Company's future success:*

- *Blyk's audience is comprised primarily of 16-24 year olds who are particularly difficult for operators to monetize, but are also highly valued by advertisers. The Company effectively capitalises on this disparity to drive revenue.*
- *Blyk's unique advertising approach leverages current user habits to improve engagement. Advertising takes the form of 'conversations' in which SMS/MMS messages incorporate questions, driving Blyk's high 25%+ ad response rate.*
- *Blyk does not rely purely on advertising, but takes 'top-up' fees from the member base as do other mobile virtual network operators (MVNOs). In addition, and more unusual, Blyk has negotiated MVNO agreements where it benefits from termination fees as well.*

*Blyk has demonstrated they can acquire members quickly through low cost viral methods. Ultimately, Blyk regards itself as a Media company with a mobile distribution network, an assertion supported by the media-orientated backgrounds of the UK, Netherlands and Belgium country CEOs (who each came from the Telegraph, MediaCom and Carat Belgium respectively). These CEOs are going to have to pull out all their experience to educate their peers and get real budgets allocated to Blyk to make the company succeed. So far, it looks like they are on their way.*

**Top Headline Transactions (cont.)**

Company Name	Sector	Round	EUR (mn)	Description	Investors
Solairedirect (France) www.solairedirect.fr	Cleantech	B	20.0	Provider of photovoltaic cells and related services	AGPM, Demeter Partners, MACIF, Ofivalmo Partenaires, Schneider Electric Ventures, TechFund Europe Management, UMR

- **Solairedirect (France)**, a provider of photovoltaic (PV) cells and related services, **raised a €20.0mn Series B round from existing investors Demeter Partners, Schneider Electric Ventures, and TechFund Europe Management, as well as new investors (all mutual insurance companies) AGPM, MACIF, Ofivalmo Partenaires and Union Mutualiste Retraite (UMR)**. This round of funding will be used to expand their service offerings, launch PV module production, and to construct one of the initial French solar parks (named Solaire Durance) in a joint venture with Caisse des Dépôts, a French government-owned financial institution.

Founded in 2006, Paris-based Solairedirect is the first pure play solar power operator in France and currently has 1500 residential and commercial customers. The Company obtains 30% of its panels through its subsidiary located in South Africa, Solairedirect Technologies. In 2009, Solairedirect plans to construct a new production unit in southern France for integrated systems in buildings. The Company is led by CEO Thierry Lepercq, who previously founded NetsCapital, a French advisory boutique, and managing director Amaury Korniloff, who was the director of business development at Poweo (an alternative power generation company).

*Throughout 2008, we have tracked notable large European fundraisings through our HTI newsletter in this sector including Odersun (€40mn in February), G24 Innovations (€13mn in June and €19mn in July), and Sulfurcell Solartechnik (€85mn in July). According to GreenTech Media, there were 70 venture capital investments in solar energy businesses totalling over \$1.05bn in 2007, up 50% over the prior year.*

*Total funding for Solairedirect to date is €26.1mn, and the Company's investor list is quite fragmented, with seven investors. This is unusual for a company at this stage, but perhaps not entirely in the capital-intensive world of cleantech (and particularly for a company that has an ex-fundraising advisor as its CEO). Notably, it appears that Solairedirect has brought in mutual insurance companies (AGPM, MACIF, Ofivalmo Partenaires and UMR) as new investors to be able to gain traction for solar technology in the French market and increase its acceptability and use.*

*Existing investors for the Company include Demeter Partners (€198mn under management), a VC sponsored by Caisse des Dépôts which typically makes early stage investments in 'eco-industries' (water, air/waste treatment, site clean-up.) and 'eco-energies' (energy efficiency, renewable energies), and is one of the oldest pure clean technology funds. Schneider Electric Ventures (€43mn under management) is based in France and sponsored by the Schneider Electric Group, a global energy management company. TechFund Europe Ventures (€72mn under management) is an early stage IT and cleantech investor based in France.*

**Top Headline Transactions (cont.)**

Company Name	Sector	Round	EUR (mn)	Description	Investors
SuperSonic Imagine (France) www.supersonicimagine.fr	Hardware	B	20.0	Developer of ultrasound systems	Edmond de Rothschild Investment Partners, Auriga Partners, Bioam Gestion, Crédit Agricole Private Equity, NBGI Private Equity

- **SuperSonic Imagine (France)**, a developer of imaging systems using ultrasound, **raised €20.0mn in a Series B round led by Edmond de Rothschild Investment Partners (€7mn)**, with existing investors Auriga Partners, Bioam Gestion, Crédit Agricole Private Equity, and NBGI Private Equity participating. Funding will be used to support the industrialisation and marketing of the Company's flagship product for breast cancer diagnosis, Aixplorer, which has been in clinical trials since April 2008.

SuperSonic Imagine's digitalises ultrasound pictures and automatically analyses the changes in tissue elasticity, minimising human intervention and diagnostic mistakes. The Company, based in Aix en Provence, was founded in 2005 by CEO Jacques Souquet and a group of ultrasound and medical imaging scientists. Souquet was previously CTO and Senior Vice President of Philips Medical Systems from 2000-2005. SuperSonic Imagine has submitted or filed 21 international patents, and the Company has a close collaboration with the Laboratoire Ondes et Acoustique (LOA) de l'Ecole Supérieure de Physique et Chimie Industrielle de la Ville de Paris (ESPCI).

*Medical technologies that aid in the early detection of disease without exploratory surgery include Magnetic Resonance Imaging (MRI) which was invented in 1980 at the Universities of Aberdeen and Nottingham (UK), Computerised Tomography (CT scans), endoscopy, and molecular imaging. Ultrasound as a medical imaging technology has been around for over 50 years. Imaging continues to be an attractive area of investment as medical departments look for ways to thoroughly diagnose disease in a cost effective manner.*

*In mid-2005, SuperSonic Imagine initially received €1mn in grants from the French government and €0.6mn in seed funding from individual investors and Auriga Partners (€279mn under management). Auriga, a Paris-based venture firm focused on IT and life science investments, has supported the Company since then, leading the €10mn Series A in 2006 and participating in this Series B. Supporting investor Bioam Gestion (€44mn under management) is also based in Paris and focuses on early-stage biotechnology and life sciences investments. Crédit Agricole Private Equity (€2.2bn under management), a subsidiary of Crédit Agricole bank, encompasses venture capital as well as LBO, mezzanine, co-investment and special situations. NBGI Private Equity (€379mn under management) is focused on growth capital investments, with part of its funds dedicated to venture capital, where it has been an early and consistent investor in medical technologies (other investments include 20/10 Perfect Vision and UpFront Chromotography).*

*Lead investor Edmond de Rothschild Investment Partners is an affiliate of La Compagnie Financière Edmond de Rothschild Banque and manages more than €650mn. Its life science team has €300mn under management, having recently raised €150mn for its BioDiscovery III fund.*

**Top Headline Transactions (cont.)**

Company Name	Sector	Round	EUR (mn)	Description	Investors
Ocado (UK) corporate.ocado.com	Internet Services	Later	19.2	Online grocery retailer	Proctor & Gamble, Apple Trust

- **Ocado (UK)**, an online grocery retailer, raised €19.2mn (£18.0mn) in a later round of funding from Proctor & Gamble and Apple Trust (£5mn and £13mn respectively). Ocado was founded in 2000 by three ex-Goldman Sachs bankers and had revenues of £288mn for the year ended September 2008, with a loss of £40mn. The Company has raised £295.5mn in equity since its start and has £110mn in net debt. The new funds will be used to reduce Ocado's debt balance.

Ocado partners exclusively with UK supermarket Waitrose to provide groceries, fulfilled from a dedicated Ocado warehouse. Customers can choose the goods they want online, which references live inventory amounts, and have them delivered to their door. Waitrose is owned by the John Lewis Partnership, a seed investor and 29% shareholder in Ocado, who also owns the John Lewis chain of department stores (started in the UK in 1864), and Greenbee, an online provider of insurance, travel, telephone and ticketing services.

*Owing to the fact that the public markets had turned against Ocado (whose management was making public statements in early 2008 about the desire to do an IPO), and the Company likely had limited potential investor options owing to its long history of losses, it makes sense that P&G was brought on as an investor for this round. P&G has stated clearly that it is primarily interested in the returns from an online customer research, rather than an ROI, point of view.*

*Owing to the perishable nature of fresh food, the highly personalised manner in which people choose groceries and the industry's small profit margins, the online grocery sector has been littered with business failures, most spectacularly the high-profile closing of Webvan in 2001. Grocery shopping is the one area where online retailers have not managed to fundamentally alter consumer buying behaviour like Amazon, Dell and iTunes have changed the book, computer and music industries. Interestingly, Amazon, whose battle scars from the sector include \$42.5mn invested in HomeGrocer (eventually sold to Webvan) and \$60mn in Kozmo.com (closed in 2001 after burning \$280mn) has dipped its toe again into the online grocery business with the beta, Seattle-only launch of Amazon Fresh in August 2007.*

*P&G investment of £5mn for 1% of Ocado plus the Company's debt implies an enterprise value of £600mn, or more than 2x trailing sales, a relatively high valuation for a loss-making online retailer. With this latest investment, the Apple Trust, whose main beneficiary is Jon Rausing of TetraPak fame, now own 12.5% of Ocado. Shortly before this round was announced, the John Lewis Partnership moved its stake to its pension fund, and signed a five year agreement between Waitrose and Ocado, ending the one-year rolling agreement that had been in place. This not only adds stability to the Ocado story, but frees Ocado to partner with other grocery retailers, although Waitrose will be free to continue to build out its own in house delivery services as well.*

**Top Headline Transactions (cont.)**

Company Name	Sector	Round	EUR (mn)	Description	Investors
be2 (Switzerland/Luxembourg) www.be2.com	Internet Services	B	15.0	Global matchmaking site	Index Ventures

- **be2 (Switzerland/Luxembourg)**, a global matchmaking site, raised €15mn in a **Series B round of funding led by Index Ventures Growth Fund**. The Company plans to use the investment to expand internationally and increase its user base in existing markets.

Having launched its first website in Germany in 2004, be2 now has 12 million members, employs 228 people and is cash flow positive. The service is available in six continents and is currently attracting 20,000 new members per day. be2 uses information provided via personality tests to calculate potentially compatible matches between members, rather than strictly photos and profiles. The system uses algorithms to identify personality traits in a more targeted and scientific approach that appears to have a high success rate. Founder and CEO Robert Wuttke was previously at Bertelsmann and Lycos in Germany and spent a brief period at Benchmark Capital in London.

*Online dating services such as Match.com and Kiss.com took off in the mid-1990s and were mostly focused on the US market where initial demand was greatest. Over the past few years, however, the number of paying online dating users in the US has faced stagnation and the less mature European market has quickly grown. According to Jupiter Research, the European market is expected to double from €243mn in 2006 to €549mn in 2011. be2 is well positioned to take advantage of this growth owing to its focus on a slightly older, and less well served, demographic (the majority of its user base is aged 30-49 years old), its analysis-based approach (which attracts a more serious user base and appears to afford be2 with a high success rate), and its subscription-based revenue model, (providing stable cash flow).*

*be2 is highly representative of the type of investment that attracts VCs in a downturn in that the Company (i) has a proven market - the growth of online dating in the US provides a strong template in which to plot the potential growth in Europe, (ii) has an entertainment-based business model, which statistically does well in economic downturns, and (iii) is revenue-generating (and in this case, also cash flow positive).*

*Geneva-based Index Ventures is one of the largest and most active European VCs with a total of €1.3bn under management. Founded in 1996, the firm has a history of strong-performing technology investments including Lovefilm, MySQL, Oanda, and Skype. The investment in Be2 comes out of Index's Venture Growth I fund, which closed at €400mn in January 2008, and is specifically focused on later-stage opportunities. Index is placing Dom Vidal (past CEO of Yahoo! Europe from 2004-2007 and managing director of Kelkoo from 2000-2004) on be2's board, which should provide the Company with strong guidance as it continues to build out its online presence.*

**Top Headline Transactions (cont.)**

Company Name	Sector	Round	EUR (mn)	Description	Investors
Power Plus Communications (Germany) www.ppc-ag.com	Telecom Services	A	10.0	Provider of Automatic Meter Reading (AMR) services for the electricity utility sector	Climate Change Capital

**Power Plus Communications (Germany)**, a provider of Automatic Meter Reading (AMR) services for the electricity utility sector, has **raised a Series A round of €10.0mn from Climate Change Capital**. The funds will be used for marketing and R&D as the Company expands internationally in Europe, the Middle East and North America.

Power Plus Communications (PPC) was spun out of German utility MVV Energie AG in 2001 to focus on the Broadband Power Line (BPL) market, using electric power lines to deliver internet access based on TCP/IP-Protocol at low and medium voltages. Now focused on utility metering, the Company uses its BPL system to transfer consumption data from the electronic meters to the energy provider, allowing utility companies to provide customers with real-time information.

PPC's customer base numbers 300,000+ households in the German cities of Mannheim, Dresden and Linz, and has smart grid and metering projects throughout Europe with utilities, energy grid operators and metering companies.

*In the early 2000s, Internet access via power lines was touted as a viable alternative to services provided by cable and telephone companies. Fast-forward to 2008, and although some companies such as Current Communications (US) are still working on deployments (Current recently partnered with DirecTV to offer services to a small Dallas, Texas neighbourhood), BPL and similar offerings have failed to make inroads owing primarily to their late start compared to other broadband technologies, but also because of speed, interference, and equipment cost issues. Now WiMAX appears to be the most viable alternative broadband contender, especially in rural and remote environments.*

*PPC originally focused on the domestic BPL Internet-access market, but has reinvented itself as an enabling technology provider for intelligent power grids with a distinctly cleantech flavour. AMR via fixed line networks such as BPL offers cost, accuracy and security advantages over traditional meter reading approaches, as well as the ability to more accurately manage loads and alert customers about usage, aiming to improve the efficiency of energy consumption.*

*Although PPC has been around since 2001, this is its first outside investment, fittingly raised from a cleantech-focused fund as it attempts to leverage itself into the energy-monitoring market. London-based Climate Change Capital is an investor but also an advisory firm providing guidance on energy-oriented acquisitions/divestitures, strategies and policies for financial institutions, energy companies, industry and government institutions. The firm has a total of €1.2bn under management, within which it operates a €200mn private equity fund. The investment in PPC is the third from this fund, following a €12mn investment in Sulfurcell (profiled in our July 2008 HTI newsletter), a Berlin-based thin film manufacturer for the solar energy industry, and €7mn in renewable energy provider Renewable Zukunft.*

**Top Headline Transactions (cont.)**

Company Name	Sector	Round	EUR (mn)	Description	Investors
brands4friends (Germany) www.brands4friends.com	Internet Services	C	10.0	Online shopping club for fashion and lifestyle	Partech International, Holtzbrinck Ventures, Mangrove Capital Partners

- **brands4friends (Germany)** an online shopping club for fashion and lifestyle, **raised €10.0mn in a Series C funding led by Partech International**, with Holtzbrinck Ventures and Mangrove Capital Partners participating. Operated by Private Sales GmbH out of Berlin, brands4friends was founded in 2007 by Christian Heitmeyer (CEO) and Constantin Bisanzby, who were both awarded the German Entrepreneur Prize in November of 2008 by HBS Association of Germany, and brands4friends itself was named Internet World Business Idea 2008. Other founders include Team Europe Ventures, a seed stage fund started by StudiVZ co-founder Lukasz Gadowski, as well as business angel investor Oliver Jung.

Berlin-based brands4friends is a members-only site that sells original goods (overstock, off season and current items) from high-end fashion and lifestyle brands at low prices through auctions. The Company offers 200+ brands, claims it is adding 10,000 new members daily and has over 1.2mn club members online in Germany.

*This is the second large fundraising we have profiled in the HTI newsletter in 2008 for a next-generation, members-only shopping site. The first was BuyVIP, who announced a €10.0mn Series B round in July 2008. Like BuyVIP, brands4friends only takes members through referral, which adds to the feeling of exclusivity but actually serves as a viral membership mechanism. The two companies overlap in markets somewhat because BuyVIP also focuses on the German market as well as Italy and Spain. However, owing to its connection through Lukasz Gadowski and Team Europe Ventures, brands4friends has an exclusive cooperation agreement with student social networking site StudiVZ, a younger, more price conscious community, but one that is ripe for building brand awareness for the future.*

*Like BuyVIP and brands4friends, members-driven shopping ‘clubs’ generally focus on specific geographies initially, such as Privalia (Spain, Italy), Koodos.com (UK), KupiVIP.ru (Russia) and private online sale pioneer Vente-Privee (France). While Europe has generally taken the lead with this business model, the US is catching up with sites such as Gilt Groupe, Hautelook, Ideeli and RueLaLa. All have eyes on each other’s markets, and it will be interesting to see who will prevail and consolidate the sector in the future.*

*Lead investor Partech International (€609mn under management), whose US and European have recently formally split while continuing working on joint transactions, is entering the online shopping club space with this investment. Supporting investor Holtzbrinck Ventures (€56mn under management) is the venture arm of Verlagsgruppe Georg von Holtzbrinck, a family-owned publishing group headquartered in Germany focusing on both print and electronic media. Interestingly, Bertelsmann Digital Media Investments (BDMI), Holtzbrinck’s rival, led BuyVIP’s last round. brands4friends’ other supporting investor, Mangrove Capital Partners (€306mn under management) is based in Luxembourg, and also invested in KupiVIP.ru, brands4friends’ Russian equivalent.*

**Top Headline Transactions (cont.)**

Company Name	Sector	Round	EUR (mn)	Description	Investors
VirtuOz (France) www.virtuoz.com	Software	B	7.9	Provider of customer support and virtual agent software	Mohr Davidow Ventures, Galileo Partners, individuals

- **VirtuOz (France)**, a provider of customer support and virtual agent software, **has raised €7.9mn (\$11.0mn) in Series B funding led by Mohr Davidow Ventures (MDV)**, supported by existing investor Galileo Partners and individuals. Funding will be used for international expansion.

Founded in 2002 by Alexandre Lebrun, previously head of Product Management at KDS, a leading venture-backed European SaaS provider of travel and expense management solutions, VirtuOz is headquartered in Paris, France. Other offices include Redwood, California and Seoul, South Korea. American Express, Credit Agricole, eBay, Fnac, Michelin, and PayPal are customers.

VirtuOz's multi-lingual software is based on syntactic and semantic analysis, which extracts the meaning of users' input, compares it to a knowledge base, and provides an appropriate response. The Company aims to reduce call-centre costs by automating a certain level of customer support, but also allowing for improved cross-selling and advertising. VirtuOz has four major product lines: (1) VirtuOz Virtual Agent, which guides customers through sales processes and provides low cost, on-line customer support; (2) Smart Agent, which uses syntactic and semantic analysis to interpret and respond to questions, (3) SmartPush API, which uses customer context to predict and initiate assistance, and (4) VirtuOz Analytics, a dashboard to analyse customer behavioural data.

*VirtuOz, having successfully gained traction with large accounts in France and a number of accounts in the US since its founding 6 years ago, is only now raising a Series B, and is representative of the expansion stage investments that we are seeing more of in this economic climate. Started in 1989, Paris, France-based Galileo currently has €270mn under management and is now closed for new investments following a controversial foray in internet investments during the bubble and disagreements among the management team (which has now disbanded).*

*Mohr Davidow Ventures (MDV), a leading California based fund with €1.4bn under management, has placed David Feinleib on the board of VirtuOz. His experience includes running Likewise, VP Product Management at Consera Software, and CEO of onDevice. MDV focuses on early stage investments in digital, medical and clean technologies, with past successes including such notable names as Actuate, Agile, Broadbase (KANA), Freshwater Software (MERQ), Ipsilon Networks (NOK), ONI Systems (CIEN), Shutterfly, Rambus, Vantive and Zip2 (AltaVista).*

**Top Headline Transactions (cont.)**

Company Name	Sector	Round	EUR (mn)	Description	Investors
CMED (UK) www1.cmedresearch.com	Software	Unspecified	5.3	Clinical research organisation and technology developer	Scottish Equity Partners

- **CMED (UK)**, a clinical research organisation (CRO) which has developed a new platform for capturing clinical trial data, **has raised €5.3mn (£5.0mn) funding from Scottish Equity Partners**. The Company will invest the new funds in the global expansion of Timaeus (formerly known as ThirdPhase), its intelligent data acquisition and management solution for clinical trial data.

Founded in 1999 by pharmaceutical industry executives, CMED focuses on intelligent Data Acquisition and Management (iDAM) for complex clinical trials, including direct data capture (DC), electronic data capture (eDC) and paper and/or electronic case report forms (CRFs). Through Timaeus, CMED also offers a wireless eDC appliance that provides greater freedom for the clinical trial worker from wired Internet connections. The Company also provides services to pharmaceutical and biotechnology companies through its CRO division. These clinical research services include project management and monitoring, data capture and analysis, statistical design, analysis and reporting, as well as report design and server hosting/backup. The Company is based in Horsham, UK and has offices in New Jersey, USA and Timisoara, Romania.

*Up until recently, CMED focused more on the services side of the clinical trials business, and the company used profits from its CRO division to fund the development of its Timaeus eDC platform. Now it is positioning itself more as a software and data management company and Timaeus as a stand-alone product. As it does so, it will start to compete more with data base companies (IBM, Microsoft) as well as business intelligence suppliers such as SAS, all of whom have solutions catering to clinical trial management.*

*It is unspecified whether CMED has taken outside funds before this round, but is indicative of the activity we have seen recently for established companies (many more than five years old) raising investment from an outside source, sometimes for the first time. In September and October 2008, more than half the companies (12 out of 22) profiled in our HTI large deals fit this description: Augure, Asetek, ASK, Avantium, The Cloud Networks, CommProve, Enqii, MediaServ, Neomobile, Nimsoft, Nujira, and PCH International. As the public markets and debt sources dry up as funding alternatives, and VCs flee to the safety of later stage investing, we will likely see more of these technically 'later stage' fundraisings until the economic climate clears.*

*Scottish Equity Partners (SEP) is a well-known European venture capital firm with €370mn under management, investing in the IT, healthcare and energy technology sectors at all venture stages. Located in Glasgow and London, SEP usually makes investments of £1mn - 10mn and takes the position of lead investor in the round.*

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