Technology / Medtech / Internet / Digital Media / Telecoms / Cleantech

Monthly European TMT Private Investments and M&A Transactions Bulletin – May 2012

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About this Bulletin

The Go4Venture Monthly European TMT Private Investments and M&A Transactions Bulletin provides a summary of corporate finance activity among emerging European TMT companies:

- **Private Investments**, i.e. Venture Capital (VC) and Private Equity (PE) financings, including growth equity, financing rounds with single secondaries components (recapitalisations); and
- **M&A Transactions** where the sellers are VC and PE-backed European companies, including all majority transactions with no new investment going into the business (e.g. acquisitions, MBOs and other buyouts).

Investment activity is measured using **Go4Venture's European Tech Headline Transactions Index (HTI)**, which is based on the number and value of transactions reported in professional publications.

M&A activity is measured using data from a combination of external sources, primarily Capital IQ, with complementary reporting from 451 Group and VentureSource.

Europe is defined as Western, Central and Eastern Europe, excluding Israel.

For more details, please refer to the Methodology Note available at www.go4venture.com/research/hti.htm.

This Month in Brief

Dear Clients and Friends,

Welcome to the latest edition of the Go4Venture Monthly European TMT Bulletin, featuring our proprietary Headline Transaction Index (HTI) of investment activity, as well as a quick summary of VC & PE-backed TMT M&A exits of $50 million or more.

The Beginnings of A Darwinian Renaissance

After the wobbles of venture investing in Fall 2011 and the hesitations of early 2012, **the market seems to be firming up -** just as the macro environment worsens.

This seems to be a case of cash-rich investors and corporates with too few opportunities to use their cash productively, except by investing in the future. Such forced money supply is feeding both the venture financing and M&A markets. This also marks the **expansion of venture financing well beyond the traditional world of the VC industry as we know it**, as well as changing the pecking order among VCs, with the strong getting stronger and of course the weaker players disappearing, opening up the road for new managers entering the market.

Investment

Overall, **we are now looking at a situation which is improving**: May 2012 is slightly ahead compared to last year, making year-to-date numbers broadly equivalent to the year before. This is confirmed by early June data which looks extremely positive – more of that in our July edition which will cover June (typically one of the busiest months of the year) in detail.

We argued last month that there were three **reasons to be optimistic for European venture**: borderless disruptive internet opportunities, European traditional capital efficiency and late-stage opportunities which will soon drive European venture returns to positive territory for the first time since the late 1990s. Interestingly, US VC Allegis Capital is making similar points for venture in general referring to “a Cambrian explosion”, i.e. **a fundamental restructuring of the venture market**.

This is certainly the way it feels in **Europe with a transformed market in terms of sector, stage, geography and investors**. For May 2012, for instance:

- Sector - Internet Services represent two thirds of the Large HTI transactions.
- Stage – Heavy focus on Series C and later stage transactions (half of the deals).
- Geography - Much of the action is centered on the UK (half of the transactions), which is fast becoming a key hub straddling the US and continental Europe, allowing UK/US companies to launch across Europe and European teams to better access the US. **In the internet sector, world domination is becoming the new standard target** – because the business models are often reasonably capital light and investors welcome deploying more money on established models with credible multi-billion valuation potential.
- Investors - **US investors are involved in two thirds of the larger European transactions featured in our Bulletin**, including native funds (e.g. Jafco Ventures supporting Huddle in its US expansion), funds which have European offices (and often separate funds, e.g. Accel, Fidelity Growth Partners Europe) or

offshoots from US funds (Balderton). **Increasingly top European funds are seeking syndicate partners in the US rather than relying on smaller European peers** who may not have the same level of ambition (partly due to smaller pockets or uncertain fund-raising prospects). For the rest new venture market entrants such as corporates (Illumina) or public bodies (ADEME, Fouriertransform) are helping compensate for the shrinking VC money supply and VCs' obsession for the internet.

Exits

The subdued M&A environment continues with global and European TMT M&A activity below last year's levels. This carries through for PE and VC-backed companies where substantial exits (defined arbitrarily at $50 million) are still rare (even if one of the reasons is poor disclosure levels).

At the same time, there is definitely an impression that **we are facing a wave of clearance disposals**, partly reflecting the generation of companies created in the last 10+ years where investors have to exit to support their own fund-raising strategy. In May, we feature three such examples including LaCie, a pioneer in hard-drive storage (founded 1989), eCircle, a well-established marketing software provided (started 1999) and Esterel Technologies, a long-running player in embedded systems (established 1999). These three companies are classic VC-backed companies with either undisclosed or modest exits (when comparing the amount of money raised with the consideration received), acquired by larger corporates. The fourth transaction is Bighand, a specialist dictation software player (born 1996), where a PE firm, Lloyds Development Capital, is selling to another PE firm, Bridgepoint Development Capital, with a price 10x as high as the initial funding provided.

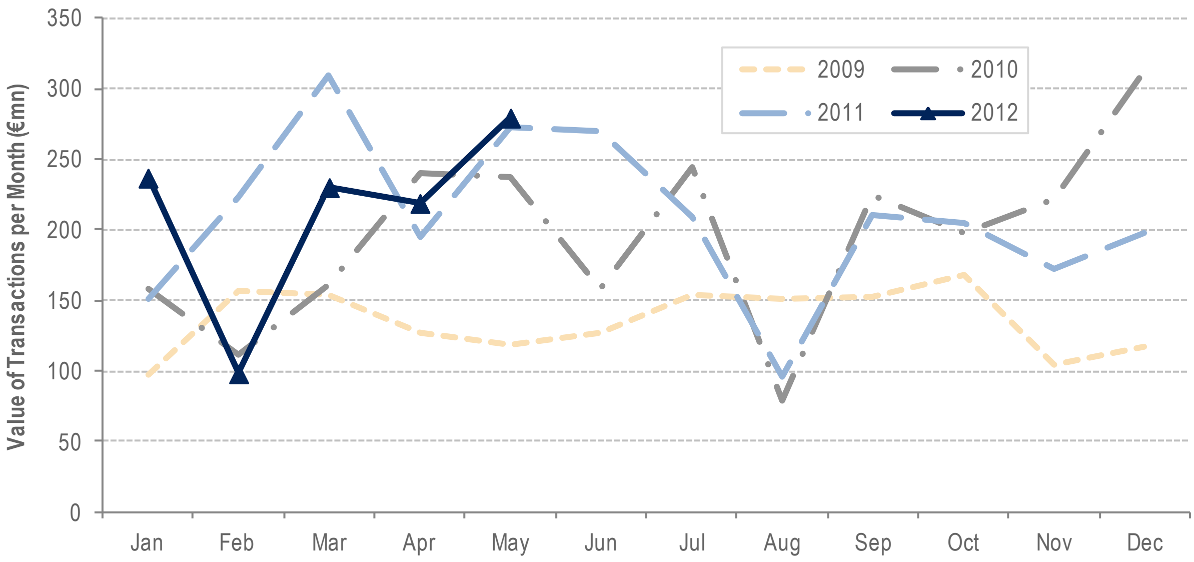
Interestingly we don't see so many of these direct single secondary transactions in venture - where one investor buys out another investor. As timing to exit lengthens in venture (on average 6 years from initial funding to exit, instead of 3 years from the late 1990s to 2002 according to Dow Jones VentureSource), this is now something venture investors need to learn to master. We actually think that **direct single secondaries are going to become a lasting feature of the venture market**, since larger funds have a vested interest in taking over the positions of earlier stage investors (and vice versa). For more detail on the rationale behind this profound new trend in the market, see Go4Venture's Single Secondaries June 2012 presentation.

Enjoy the reading. Please direct any questions or comments to g4vbulletin@go4venture.com. If you do not wish to receive future HTI updates from us, please send an email with the title "unsubscribe" to g4vbulletin@go4venture.com.

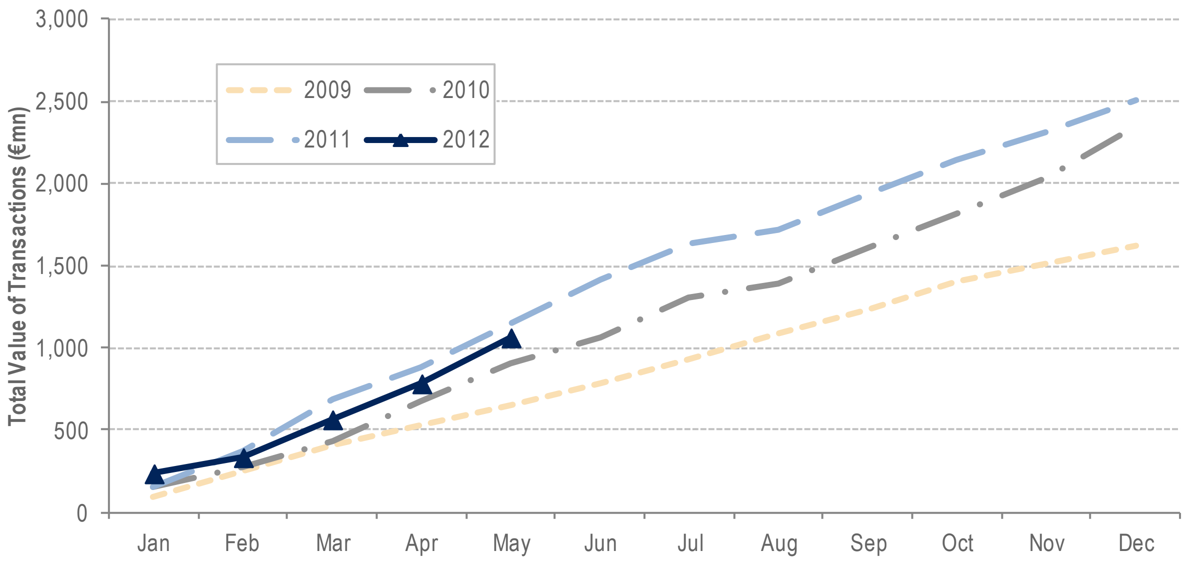
The Go4Venture Team

1.1 - Headline Investment Index (HTI)

Go4Venture HTI Index by Deal Value



Go4Venture HTI Index by Cumulative Deal Value



May		2011	2012
Landmark Deals	#	3	2
	€m	90.7	97.6
Headline Deals	#	8	8
	€m	93.6	113.0
Small Deals	#	32	29
	€m	88.6	88.3
All Deals	#	43	39
	€m	273.0	299.0

Year-to-Date		2011	2012
Landmark Deals	#	12	10
	€m	526.3	338.6
Headline Deals	#	23	34
	€m	279.7	388.6
Small Deals	#	123	124
	€m	343.5	358.0
All Deals	#	158	168
	€m	1,149.5	1,085.1

1.2 - Large Headline Investment Summary

(>£5mn / €7.5mn / $10mn)

Company	Sector	Round	€mn	Description	Investors
Avito.ru (Russia) www.avito.ru	Internet Services	C	58.6	Russian language classified ads portal.	Accel, Baring Vostok Capital Partners, Investment AB Kinnevik, Northzone Ventures.
Oxford Nanopore Technologies (UK) www.oxfordnanopore.com	Medtech	Late Stage*	39.0	Developer of molecular detection technology with applications in DNA sequencing.	Illumina, Invesco, IP Group, Lansdowne Capital, Redmile Group, Undisclosed Investor(s).
Livebookings (UK) www.livebookings.com	Internet Services	Late Stage*	18.7	Online restaurant bookings infrastructure and marketing service.	Balderton Capital, Ekstranda, Wellington Partners.
Ninian Solutions (UK) www.huddle.com	Internet Services	C	18.7	SaaS B2B collaboration and project management tools.	DAG Ventures, Eden Ventures, Individual Investors, **JAFCO Ventures**, Matrix Partners.
notonthehighstreet (UK) www.notonthehighstreet.com	Internet Services	Late Stage	12.4	E-tailing platform for SMEs selling niche consumer goods.	**Fidelity Growth Partners Europe**, Greylock, Index Ventures.
MedicAnimal.com (UK) www.medicanimal.com	Internet Services	C	12.4	Online pet health retailer.	**Balderton Capital**, Iris Capital, Individual Investors.
Exosun (France) www.exosun.fr	Cleantech	B	12.0	Developer of solar plants using proprietary sun trackers.	ADEME, Crédit Agricole Aquitaine Expansion, Grand Sud Ouest Capital, Omnes Capital.
ArcCore (Sweden) www.arccore.com	Software	A	11.1	Open source AUTOSAR-compliant software.	**Fouriertransform.**
LaFourchette (France) www.lafourchette.com	Internet Services	C	8.0	Online restaurant reservation portal.	Partech International, Serena Capital.

Source: Go4Venture

Key
Bold indicates lead investor(s)
* Internal round
** Led by existing investors

Company	Sector	Round	€mn	Description	Investors
Avito.ru (Russia) www.avito.ru	Internet Services	C	58.6	Russian language classified ads portal.	Accel, Baring Vostok Capital Partners, Investment AB Kinnevik, Northzone Ventures.

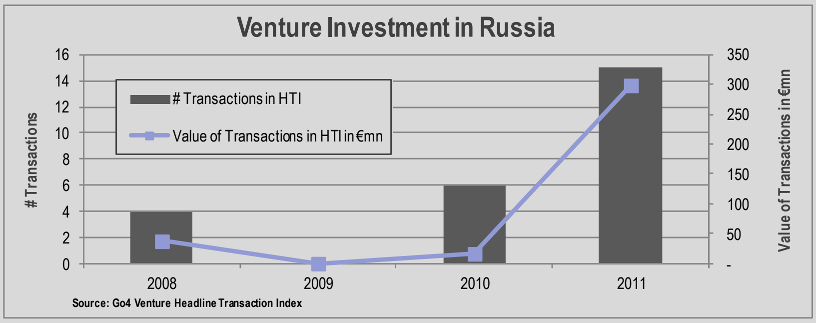
Avito.ru (**Russia**), a Russian language classified ads portal, raised **€58.6mn** in a **Series C** round from **Accel**, **Baring Vostok Capital Partners**, **Investment AB Kinnevik** and **Northzone Ventures**. The money will be used for marketing.

Founded in November 2007, Avito.ru is a Russian language classified ads service operating throughout Russia and (via its TORG.ua affiliate) in the Ukraine. Similar to well known classified ad site Craigslist, which was founded in San Francisco in the mid-1990s and now operates globally except in the former Soviet Union, individuals may place classified ads for free.

Avito makes money by charging professional sellers and SMEs for hosting an online store and charging ordinary consumers for extras such as prominence in search results or highlighted ads. In this sense, the model has aspects in common with eBay and Craigslist.

According to market research firm TNS Global more than a third of Russia's online population – more than 30mn users – visit the site every month and more than 10mn people have posted items for sale on the site. With the majority of transactions being completed in cash rather than on-line, Avito works best in an urban environment. Market penetration is about 90% in Moscow and St. Petersburg. Although not yet profitable, Avito is believed to have 2011 revenues of just under $10mn, up from only about $1mn in 2010.

Competitors include Slando (which has just over 10mn users, focuses on Eastern Europe and Russia, is market leader in the Ukraine and was bought by media group Naspers in autumn 2011) and Irr.ru.



Just as in Germany – another large market which is underserved by investors, transplanting business models proven elsewhere (like Craigslist) can be an effective investment strategy. For e-commerce, the Russian market has the additional advantage that it has the potential for more growth as more consumers come online. This is part of the reason for the growth in Russian VC, documented by The Runet Report and tracked by our proprietary Headline Transactions Index as shown above.

This transaction also illustrates the continuing internationalisation of investment syndicates and their increasing comfort with cross-border investment. Early and growth stage investor Accel (€80mn (2011); AUM €5bn) operates globally with offices in Europe, China, India and the US. The other investors were Russian private equity firm Baring Vostok Capital Partners (€820mn (2007); AUM €1.7bn), veteran Swedish growth investor Investment AB Kinnevik (AUM €7.2bn) and Nordic and UK-based technology investor Northzone Ventures (€130mn (2011); AUM €400mn).

With the exception of Northzone, all of these have featured in our bulletin with Russian investments before. Accel invested in KupiVIP in April 2011 and Ostrovok.ru in July 2011. Baring Vostok participated in a €27mn funding round for Enforta in January 2008 and its landmark investment in 1C.ru appeared in the editorial of our October 2011 issue. Kinnevik's investment in shoe e-tailer Sapato featured in our June 2011 issue.

While the valuation from this latest round was not disclosed, Avito's PR firm has said that it is "considerably higher" than the $160mn follow-on 2011 investment by earlier investor Vostok Nafta, a listed investment company (STO:VNIL-SDB) focusing on PE and VC transactions in Russia and the other CIS states.

Company	Sector	Round	€mn	Description	Investors
Oxford Nanopore Technologies (UK) www.oxfordnanopore.com	Medtech	Late Stage*	39.0	Developer of molecular detection technology with applications in DNA sequencing.	Illumina, Invesco, IP Group, Lansdowne Capital, Redmile Group, Undisclosed Investor(s).

Oxford Nanopore (**UK**), a developer of molecular detection technology with applications in DNA sequencing, raised **€39mn** in a **Late Stage** round from **Illumina**, **Invesco**, **IP Group**, **Lansdowne Capital**, **Redmile Group** and Undisclosed Investor(s). Part of this round will be ear-marked for expansion of the company's manufacturing facilities.

Readers may remember University spin-out Oxford Nanopore from our February 2010 and April 2011 issues. As previously described, the company's technology is based on nanopores in organic (lipid-based), solid-state (usually silicon nitride or graphene) or hybrid membranes. Molecules are identified by passing them through the nanopores and measuring the disruption of the ionic current across the membrane.

Oxford Nanopore has been using this basic idea to develop two DNA sequencing technologies:

- Strand sequencing where an enzyme ratchets a single strand of DNA through a nanopore, identifying each base pair in sequence as it passes through; and
- Exonuclease sequencing which uses specially designed enzymes to detach single bases from the end of a DNA strand and identifies them as they pass through a protein nanopore.

Both of these technologies run on Nanopore's proprietary GridION platform.

At the annual Advances in Genome Biology and Technology conference in February this year, the company showcased its strand sequencing technology and said it plans to start selling its GridION system in the second half of the year. The company also announced a miniaturised, disposable sequencer called MinION for less than $1,000.

This would compare with existing sequencing technology as shown in the table (Wellcome / Nanopore). While GridION's error rate is currently around 4%, the company expects to be able to reduce this to around 1% or less by the time the product is sold commercially, making it better than the market norm. While this is not yet the $1,000 genome, it is not far off.

Sequencing Technology	Launched	Company	Read Length # Bases	Runtime Days per Gigabase	Cost ¢ per 1,000 bases
Capillary	1990s		1,000	500	10.0
454	2005	454 Life Sciences	450	2	2.0
Illumina	2006	Solexa / Illumina	75	0.5	0.1
SOLiD	2006	Applied Biosystems	50	0.5	0.1
GridION	2012	Oxford Nanopore	100,000		4.0E-03

This latest internal round – the second consecutive internal round for the company – brings total investment in Oxford Nanopore to over £100mn.

We have described this round's investors – Illumina, Invesco (€20mn (2011); AUM €47.2bn), IP Group (€70mn (2011); AUM €280mn), Lansdowne Capital and the Redmile Group (AUM €330mn) as part of our previous coverage. According to regulatory announcements from the listed IP Group, its 21.5% stake is now valued at £66.5mn – twice as much as a year ago – and suggests a total equity value of about £300mn.

Illumina, one of the current market leaders in sequencing technology, now owns 15% of the firm. It is not only an investor but also has a side agreement for the development of Nanopore's exonuclease technology and a history of buying product through its acquisition of venture-backed sequencing firm Solexa in 2007. The situation is further complicated by the fact that Illumina has recently been the target of a $5.7bn bid from Roche and that Oxford Nanopore's co-founder and CEO has been quoted in the press as saying that an IPO in the next 12-18 months would not be unreasonable.

Company	Sector	Round	€mn	Description	Investors
Livebookings (UK) www.livebookings.com	Internet Services	Late Stage*	18.7	Online restaurant bookings infrastructure and marketing service.	Balderton Capital, Ekstranda, Wellington Partners.

Livebookings (**UK**), the provider of an online restaurant bookings infrastructure and marketing network, raised **$24.0mn** (**€18.7mn**) in an internal **Series D** round from investors **Balderton Capital**, **Ekstranda** and **Wellington Partners**.

Livebookings is the second of four deals in this issue that we have seen before, its previous appearances being in March 2008, September 2009 and April 2011. Readers may remember that Livebookings provides restaurants with a cloud-based booking platform, online advertising and customer analysis services.

Unlike online takeaway food ordering portal Just-Eat which we featured in last month's bulletin, one would not necessarily expect a business which is dependent on restaurant bookings to fare well in the midst of a recession. Despite this, Livebookings has maintained extremely healthy growth over the last twelve months with revenues growing by 34% and the number of diners growing by 65%. It has also added approximately 1,000 restaurants to its customer base over the last twelve months and operates its consumer restaurant bookings portal bookatable.com in nine languages across 19 countries.

Where Livebookings' business model does have similarities with that of Just-Eat's is in the advantages of market dominance. Being the market leader in terms of the extent of its ad network means that Livebookings can deliver more diners to its restaurant customers. This attracts more restaurants to sign up with Livebookings which in turn increases revenues for Livebookings' ad network.

The firm's last round of investment in April 2011, which was also an internal round, was used to finance a number of growth initiatives. These included the launch of a mobile platform in April 2011, a UK TV advertising campaign in June 2011, partnerships with SquareMeal and MasterCard, significant investment in the DACH region and, most recently, the introduction of a Livebookings by telephone service.

That this has led to the market dominating position described above was demonstrated in September 2011, when the firm announced that it had sourced 2.6mn covers per quarter for its restaurant clients, 60% more than its closest rival which seated only about 1.6mn diners.

Livebookings' strategy of investing in order to achieve market dominance in each region in which it operates and then leveraging this dominance to consolidate its position is making progress. Similarly to Just-Eat, however, the margins in this business are relatively thin which makes self-financing difficult.

While the company continues to expand into new regions where it is not the market leader, there will be an ongoing need for additional investment, which explains why this is the second internal funding round Livebookings' investors have put up in the last 12 months and total investment in Livebookings has now reached €50mn.

Balderton Capital (€390mn (2008); AUM €1.5bn), which led the first significant investment round in March 2008, SME investor Ekstranda and Wellington Partners (€265mn (2008); AUM €800mn) were all described in some detail as part of our previous coverage. Ekstranda in particular is becoming something of an expert in this sector. Not only does the firm's portfolio include restaurant operator the Sturehof group, but in April of this year the firm was sold to restaurant entrepreneur PG Nilsson.

Finally, last time we covered Livebookings we commented that its listed US competitor OpenTable seemed somewhat expensive, trading on a PE ratio of over 120. Readers will not be surprised to learn that OpenTable's stock price has decreased threefold and its PE ratio is now less than 50.

Company	Sector	Round	€mn	Description	Investors
Ninian Solutions (UK) www.huddle.com	Internet Services	C	18.7	SaaS B2B collaboration and project management tools.	DAG Ventures, Eden Ventures, Individual Investors, **JAFCO Ventures**, Matrix Partners.

Ninian Solutions (**UK**), a provider of SaaS B2B collaboration and project management tools, raised **$24mn (€18.7mn)** in a **Series C** round led by **JAFCO Ventures** with participation by new investor **DAG Ventures** and existing **Eden Ventures** and **Matrix Partners** as well as a number of individual investors.

Huddle's collaborative environment features whiteboards, phone conferencing, task and people management tools as well as integrating with existing corporate systems such as LDAPs (Lightweight Directory Access Protocols). Designed to be cloud-based from the start, it is accessible by iPhone, iPad and Blackberry. Customers also have the option to integrate with applications Outlook and Office and to synchronise files à la Dropbox.

We last wrote about Ninian in May 2010 when it had only 40 employees and was just establishing its San Francisco office. The business now employs over 100 people and has just opened an office in New York. With over 100,000 organisations using huddle – including Diageo, NASA, the NHS, Procter & Gamble, PwC and Saatchi & Saatchi – the company claims to have over 80% of the Fortune 500.

Perhaps the most significant developments since huddle's last round of investment relate to security. Huddle has upgraded to 256-bit encryption over SSL, achieved ISO 27001 for the physical security of its data centre and gained the SSAE 16/ISAE 3402 certification which is the industry standard for the security sector. Moreover, thanks to a collaboration with the British Government's Foreign and Commonwealth Office Services which provides hosting in a Government Secure Application Environment, huddle is now used by the British Government for documents up to IL3 (Restricted).

Commercially, this is important as large corporations have traditionally had to balance the security risks of external hosting of their data with the costs of managing their own servers. Such government endorsement, gives huddle a significant commercial advantage over competitors such as Podio, Dropbox and Sharepoint.

This is only the second time that transaction leader JAFCO Ventures (€125mn (2010); AUM €470mn) has featured in our bulletin, the first being a €13mn investment in social games developer Kixeye in our August 2011 issue. This deal fits JAFCO's preferences exactly in that it is a mid-stage IT investment in the $10-20mn range and JAFCO has been able to lead the transaction. Despite its Japanese heritage almost all of JAFCO's investments have been in Silicon Valley or California in general.

Fellow new investor DAG Ventures (€390mn (2011); AUM €940mn) has its roots in the cable TV and telecoms industries of the 1980s. Stage agnostic, the company now invests in any form of technology or life sciences and has built a portfolio of well over 100 investments. European investments which we have covered include Displaylink in October 2011 and OpenX in May 2009.

Existing investor Eden Ventures (€135mn (2007); AUM €250mn) specialises in early stage technology deals in telecoms and enterprise software, e-commerce, mobile, gaming and social media. Eden invests at the junction of seed and Series A funding with anywhere between £0.2-1.25mn but can also follow its money and is able to invest up to about £6mn over the life-time of a deal. A typical Eden transaction would be the $6mn Series A round it provided for digital music platform WE7 in 2008. Having invested alongside Spark Ventures, WE7 has just been bought by Tesco for $17mn.

Well known global VC Matrix Partners (€510mn (2011); AUM €3.4bn), which led huddle's €8mn Series B round, has offices in the US, India and China. Founded in the 1970s, Matrix is a true industry veteran and prides itself on the high returns it provides to its investors – when data has been made public it has consistently featured high in league tables – and the level of repeat business it gets from its entrepreneurs. Preferring initial investments of $2-10mn in early to mid-stage companies Matrix prefers to be the first institutional investor and the largest non-management shareholder.

At the time of going to press, Microsoft announced that it is to acquire enterprise social network Yammer, which has five million corporate users, including employees at 85% of the Fortune 500, for $1.2bn in cash.

Company	Sector	Round	€mn	Description	Investors
notonthehighstreet (UK) www.notonthehighstreet.com	Internet Services	Late Stage	12.4	E-tailing platform for SMEs selling niche consumer goods.	**Fidelity Growth Partners Europe**, Greylock, Index Ventures.

Notonthehighstreet (**UK**), an e-tailing platform for SMEs selling niche consumer goods, raised **£10mn (€12.4mn)** in a **Late Stage** round led by **Fidelity Growth Partners Europe** with participation by **Greylock** and **Index Ventures**.

We last covered notonthehighstreet, whose business model is neatly encapsulated in its slogan 'one basket, hundreds of shops', in August 2010. Since that time the number of small retailers using its platform has increased from 1,600 to over 3,000 and its range of products from 35,000 to over 50,000. Even though SMEs are applying to join notonthehighstreet at the rate of 40 a day the company is still keen to retain its niche cachet and quality ethos. The vast majority of applicants are refused.

Unsurprisingly for a firm whose co-founders Holly Tucker and Sophie Cornish came from a media and marketing background, notonthehighstreet has recently launched a national TV advertising campaign. Other components of the firm's marketing mix this year include a series of themed catalogues (eight this year) and a mobile version of the site which was launched in 2011.

The site also recently launched a multi-currency payment facility, allowing merchants to accept payment in US and Australian Dollars, Euros and Pounds Sterling. In the wake of this, roughly 10% of the firm's sales are now outside the UK.

Despite the company's success, it has not attracted the same brand recognition as other British e-tailers such as ASOS and Net-à-Porter. Therefore, one of the main objectives of this round of investment therefore will be to market the brand in the UK. In addition, the funding will also allow the firm to open offices in its major overseas markets.

This latest round brings total investment in the firm to almost £20mn and gives the company an equity value of just over £60mn. In other words the value of the firm has more than doubled in the past twelve months.

The valuation comes from a regulatory announcement by listed early stage technology investor SPARK Ventures. For SPARK, which was notonthehighstreet's first outside investor in 2007 and contributed to the firm's £7.5mn previous round in August 2010, this round provided the opportunity for a partial exit with the firm receiving £0.8mn for 7.3% of its equity. This brings the proceeds that SPARK has received on this deal so far to a total of £1.8mn and leaves the firm with 16% of notonthehighstreet's equity at a value of £10.2mn – an IRR of over 80%.

For transaction leader Fidelity Growth Partners Europe (FGPE) (€120mn (2010); AUM €710mn) this is the latest in a series of high profile investments made from the £100mn European technology fund it raised in January 2010. The fund targets companies in industries with an addressable market size above €100mn and will typically invest between €2-10mn. Investing, as it does, in mid-stage companies FGPE demands that investee companies meet significant growth hurdles – more than 100% year-on-year growth for companies with revenues of €1-5mn and more than 30% year-on-year growth for companies with revenues in excess of €5mn. Other recent investments out of this fund which have featured in our bulletin include £11mn in Stylistpick in February 2012 and £10.6mn for Neo-Technology in September 2011.

Existing investors Greylock (€780mn (2011); AUM €1.6bn) and Index Ventures (€350mn (2012); AUM €2bn) are well known. Greylock investments which we have featured so far this year include MySupermarket and Just-Eat in April and Wrapp in January. Recent investments by Index include Stylistpick in February (also a round led by FGPE), Songkick in March and Just-Eat (alongside Greylock) and Funding Circle in April.

Company	Sector	Round	€mn	Description	Investors
Medicanimal (UK) www.medicanimal.com	Internet Services	C	12.4	Online pet health retailer.	**Balderton Capital**, Iris Capital, Individual Investors.

MedicAnimal (**UK**), an online pet health retailer, raised **£10mn** (**€12.4mn**) in a **Series C** round led by **Balderton Capital** with participation by **Iris Capital** together with individual investors. The money will be used to further build the company's business in continental Europe.

When we described the company's £5mn Series A round in our October 2010 issue, we emphasised how very different MedicAnimal is to earlier, less successful pet-related businesses such as Pets.com. In particular, we highlighted the commercial logic behind selling high margin pharmaceutical products rather than just pet food, the possibilities for bulk buying drugs as practised by e-tailers such as Glasses Direct, and the fact that broadband has now come of age. According to the press release for this investment, MedicAnimal has indeed proved to be very different to Pets.com with revenues growing at 150% per annum.

Of course the key question now is whether MedicAnimal will be able to convert this revenue growth into a profitable business. The last publicly disclosed set of accounts – from October 2009 – shows a gross margin of 20% on a turnover of £3mn. While distribution costs – at 14.5% of turnover – seem reasonable, the company was still making a significant loss owing to comparatively high administrative expenses. It will be interesting to see how the company has fared when its next accounts are due in September.

One factor which may significantly affect these accounts is the acquisition of Viverdi – the parent company of PetSupermarket.co.uk in October 2011 for an undisclosed sum. Two of PetSupermarket's thirty employees transferred to MedicAnimal. Assuming administrative costs can be shared between MedicAnimal and PetSupermarket, this may help the firm achieve profitability.

Transaction leader Balderton Capital (€390mn (2008); AUM €1.5bn), which also appears above with an investment in Livebookings, last featured in our bulletin at the end of last year with a €7.5mn investment in social shopping company vestiairedecopines in October 2011 and a €12mn investment in holiday lettings marketplace HouseTrip in November 2011.

Balderton originated in 2000 as a spin-out from well known Valley Venture firm Benchmark Capital and was originally known as Benchmark Europe. The firm is now one of the largest in Europe and has raised four funds to date.

It focusses on markets which are ripe for disruption or explosive growth which, in practice, usually means technology companies. Somewhat unusually these days Balderton does not invest in Cleantech. Neither does the firm invest in life sciences companies. Although able to invest anywhere between $100k and $20mn, a typical initial investment would be of the order of $5mn at a reasonably early stage with a preference for being the first institutional investor. Balderton has plenty of financial firepower to follow its money and would normally invest around $15mn over the life of a deal.

Returning investor Iris Capital (€300mn (2012); AUM €650mn) is a TMT specialist which was spun-off from parent French financial organisation the Caisse des Dépôts et Consignations (CDC) in 2003. Stage agnostic, Iris aims to make 4-7 investments per year of between €2-8mn per round and up to €20mn overall. Iris recently announced a €150mn investment by France Telecom and Publicis which together with Iris Capital's pre-existing capital will be organised as three funds under the name of OP Ventures Growth, Global and Early-Stage.

Company	Sector	Round	€mn	Description	Investors
Exosun (France) www.exosun.com	Cleantech	B	12	Developer of solar plants using proprietary sun trackers	ADEME, Grand Sud-Ouest Capital and Expansion Aquitaine, Omnes Capital.

Exosun (**France**), a designer, supplier and system integrator specialising in the construction of utility-scale photovoltaic (PV) plants, raised **€12mn** in a **Series B** round from **ADEME**, **Crédit agricole aquitaine expansion**, **Grand Sud Ouest Capital** and existing investor **Omnes Capital** (formerly known as Crédit Agricole Private Equity).

Founded in 2007, exosun has developed and patented a solar-tracking system that can use the standard PV panels used in commercial plants. It provides a complete turn-key solution for utility-scale PV plants, up to and including post-commissioning maintenance.

The company was responsible for the first solar plant in France to be equipped with solar tracking panels – the Montesquieu plant in the South West of France. During its first year of operation in 2009, the Montesquieu plant produced an average of 27% more energy than a non-tracking system in the same region. It also withstood storm Klaus in January 2009.

Exosun has also recently completed work on France's biggest PV plant in Corsica for GDF Suez which will generate more than 6,000MWh per year. It is estimated that exosun's trackers will increase the Corsican plants output by 15% in comparison with fixed-tilt PV panels.

It has been a difficult few years for French solar power companies, with much uncertainty over feed in tariffs and government regulation.This has however driven out smaller competitors from the market.Tthis should put exosun in a good position to grow its revenue beyond the €4-5mn it has been generating per year since 2009.

ADEME (Agence de l'Environnement et de la Maîtrise de l'Energie) is a French public sector organisation acting under the authority of three different ministries with responsibility for Environment and Energy Management. As well as providing advisory services, the organisation is also able to provide finance in the areas of waste management, soil conservation, air quality, noise abatement, energy efficiency and renewable energy. Its 820 staff, almost half of whom are engineers, are responsible for an annual budget in excess of €500mn.

Grand Sud-Ouest Capital and Expansion Aquitaine are part of the Crédit Agricole Group with a mandate to support SMEs in the South West of France in their development or transmission projects. Always a minority investor, the firm can invest up to €3mn per transaction.

Existing investor Omnes Capital (€200mn (2012); AUM €1.9bn), formerly known as Crédit Agricole Private Equity, was solely responsible for Exosun's €4.5mn Series A round in March 2009. Readers may recall that the firm changed its name in March 2012 when it was acquired by secondary private equity investor Coller Capital. Investing in both technology and the life sciences, Omnes' three areas of focus going forward will be on buyouts, VC and renewable energy.

At the time of going to press, the firm's VC business, whose twelve investment professionals manage assets of €470mn, had just won the prize for VC fund of the year 2011 from Private Equity Magazine.

Company	Sector	Round	€mn	Description	Investors
ArcCore (Sweden) www.arccore.com	Software	A	11.1	Open source AUTOSAR-compliant software.	**Fouriertransform.**

ArcCore (**Sweden**), a provider of software platforms and development tools for the automotive industry's AUTOSAR standard, raised **SEK100mn** (**€11.1mn**) in a **Series A** round from **Fouriertransform**. The money will be used to increase the rate of product development and support expansion.

The AUTOSAR (AUTomotive Open System Architecture) development partnership is a global organisation of automotive manufacturers, OEMs and associated companies. It was set up in 2002 by BMW, Bosch, Continental, DaimlerChrysler and Volkswagen who were soon joined by Siemens, which signed a formal partnership agreement in 2003. Ford, Peugeot Citroën and Toyota joined in 2003 with General Motors following in November 2004.

AUTOSAR's objective is to standardise some of the ways in which electronic components communicate in the automotive industry. In particular, as the functional scope of electronic equipment in a typical car has increased, a plethora of different Electronic Control Units (ECUs) have emerged. Technical problems on the software side include poor standardisation of APIs for the various software layers running on a car's wiring loom or network and limited modularity, meaning that it is difficult to properly implement encapsulation in automotive software. In short, if you're writing the software that gets the various components of a car to talk to each other, then transparent standards like AUTOSAR are a real help.

Founded in 2006 as a subsidiary of the Swedish 3Core Group, a specialist provider of embedded software and services for the automotive, telecom and medical industries, ArcCore is a developer and supplier of embedded platforms and development tools for the AUTOSAR standard. ArcCore's open source approach has facilitated rapid growth such that ArcCore now has a presence in Germany and China as well as in its Swedish homeland. The firm's 15 employees generated a 2011 turnover of €1.1mn.

State-owned Swedish VC Fouriertransform (AUM €340mn) was founded on the basis of a decision by the Swedish Parliament in December 2008. It commenced its activities in 2009 with a mandate to support the Swedish automotive industry on a for-profit basis. Fouriertransform's first investment was a €26mn round which it led for fuel cell developer Powercell in October 2009. Since then it has made a variety of smaller investments including an €8mn round for Swedish automotive battery company Effpower, which featured in our February 2010 issue.

Completely stage agnostic, Fouriertransform is able to invest in any part of the automotive value chain from materials and components, right through to products and after-market services. Individual investments may not exceed 5% of the firm's capital – i.e. about €17mn, nor may the firm take a majority equity position in any investee company. It does, however, have significantly more flexibility in how it invests than many commercial VC firms. As well as investing in company's share capital the firm will also consider profit-sharing loans and other forms of capital participation.

This round is Fouriertransform's 17th investment so far and brings the total amount invested by the firm to a little over €55mn. It makes Fouriertransform the largest minority shareholder in ArcCore with a 31% equity stake. The majority shareholder remains ArcCore's parent company, 3Core.

Company	Sector	Round	€mn	Description	Investors
LaFourchette (France) www.lafourchette.com	Internet Services	C	8.0	Online restaurant reservation portal.	Partech International, Serena Capital.

LaFourchette (**France**), an online restaurant reservation service, raised **€8.0mn** in a **Series C** round from **Partech International** and **Serena Capital**. The money will be used to support expansion outside France.

Unlike Livebookings which we described earlier, rather than advertise restaurants and provide bookings through a network of affiliates, LaFourchette operates its own restaurant bookings portal. Founded in 2007, LaFourchette's portal lists more than 10,000 restaurants in France, Spain and now Switzerland. It is responsible for over 400,000 restaurant reservations every month.

In 2011, the firm's 150 employees generated €100mn in revenues for LaFourchette's restaurants and €10mn of revenues for LaFourchette itself. Three quarters of LaFourchette's turnover comes from the €2 average commission that the site charges on each booking. The rest comes from subscriptions by retail customers.

There is a general belief that there is scope for huge growth in online restaurant bookings. Whereas almost half of hotel reservations are made over the internet, this is true of only about 2% of restaurant reservations. Hence the current interest in restaurant booking investments and the increasing number of competitors in this sector – including RestoBookings, TableOnline and OpenTable.

Currently about 60% of LaFourchette's business is in France and 40% in Spain. Not only has the firm recently added Switzerland but it plans to expand into three or four new markets in the next 12 months. Likely targets include the Benelux region, Germany, Italy and potentially countries outside Europe.

Apart from expansion into new countries, the company plans to increase the use of its mobile platform, launch a new 'freemium' pricing structure for its restaurants and increase turnover five-fold.

Although the company's valuation at the end of this round was not disclosed, it was said to be in excess of €50mn. Prior to this round, almost all the investment had been provided by Otium Capital which put in €3.3mn in June last year. Based just outside Paris, Otium was set up by Pierre-Edouard Sterin, the entrepreneur behind Smartbox, the world leader in the giftbox business. Following a series of personal business angel invesments in 2007-2010, Otium was created in 2011, and is a specialist leisure, entertainment and travel VC investor which has invested €50mn in 15 deals, for eight investee companies in the last three years. Otium did not participate in this round but remains the majority shareholder.

For new investor Partech International (€140mn (2012); AUM €660mn) this is the second investment that we have written up this year. The first was a €7.5mn investment in another online marketplace but this time for fashion – SecretSales in February 2012.

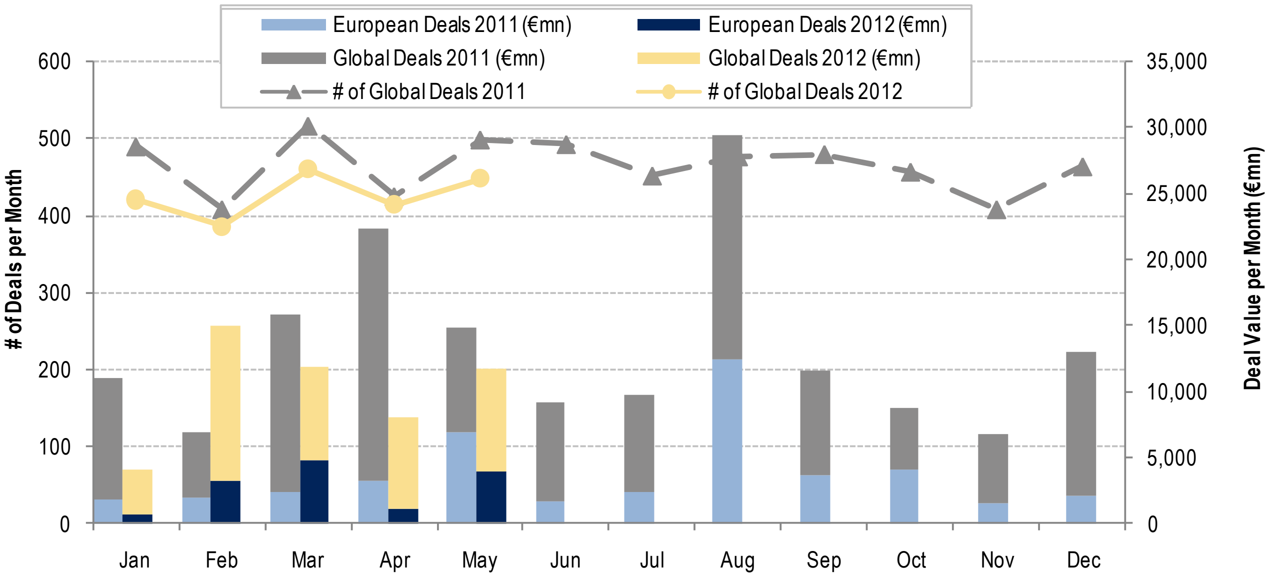
Partech invests in early and mid-stage technology companies in both Europe and the US. By technology, the company means software, IT, the internet and digital media. The company's investment preference is to either lead or co-lead institutional rounds putting in up to €10mn over the lifetime of an investment.

Established in the early 1980s, Partech has a track record which includes over 100 exits. Some of the best known are Brands4Friends which was sold to eBay for €150mn in 2010 and Business Objects which was the first European software IPO on the NASDAQ in 1994.

Fellow Parisian investor Serena Capital (€95mn (2009); AUM €100mn) last featured in our bulletin with a €11mn transaction it led for La Compagnie des Animaux in November 2011 and an €8mn investment it led for Bonitasoft in September 2011.

2.1 - M&A Activity Index

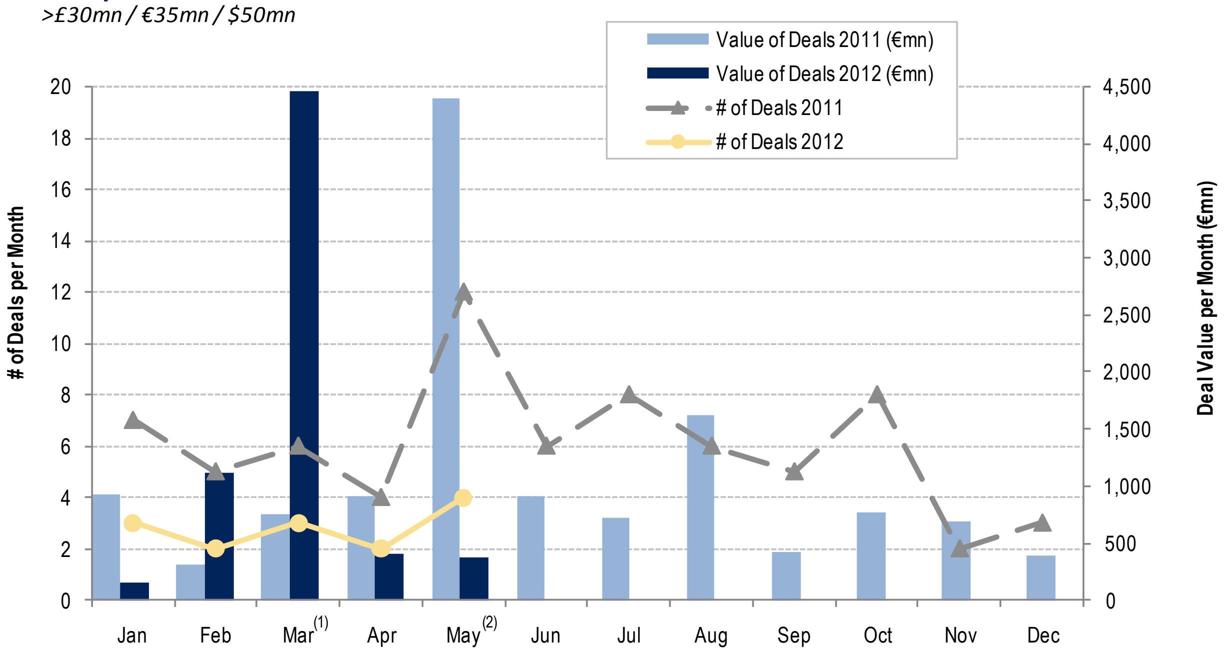
Global & European TMT M&A Transactions



Source: Capital IQ; Go4Venture Analysis

European VC & PE-Backed TMT M&A Transactions

>£30mn / €35mn / $50mn



Source: Capital IQ, The 451 Group, VentureSource (including transaction value estimates); Go4Venture Analysis
(1) Includes NDS acquisition by Cisco Systems for €3.8bn
(2) Excludes Skype acquisition by Microsoft, but includes Landis+Gyr acquisition by Toshiba for €1.8bn

European VC & PE-Backed TMT M&A Transactions (2012)
> £30mn / €35mn / $50mn

			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Monthly	Number	#	3	2	3	2	4							
	Value	€mn	159	1,117	4,459	398	372							
	Median	€mn	54	558	623	199	89							
Cum.	Number	#	3	5	8	10	14							
	Value	€mn	159	1,275	5,734	6,133	6,505							
	Median	€mn	54	60	205	199	135							

2.2 - Top 5 Global TMT M&A Transactions Summary

Ranked by Price (€mn) in descending order Where transaction value is available (>£30mn / €35mn / $50mn)

#	Target & Acquirer	Target Sector	Price (€mn)	Rev. (€mn)	P/R	Noteworthy Sellers
1	**Ariba** (US NasdaqGS:ARBA) www.teradata.com *SAP* (Germany DB:SAP) www.sap.com	SCM Software	3,589	391	9.2x	-
	Ariba, a provider of SaaS Supply Chain Management services, was acquired by SAP, a Customer Relationship Management and Enterprise Resource Planning software provider. The acquisition will enhance SAP's product offering by incorporating Ariba's successful buyer-seller collaboration network and will ensure continued strong growth by capitalising on SAP's broad customer base.					
2	**Logica** (UK LSE:LOG) www.logica.com *CGI Group Holdings Europe (UK)* www.cgi.com	IT & Business Services	2,531	4,871	0.5x	-
	Logica, a business consulting, systems integration and outsourcing firm, was acquired by CGI, an IT and business process outsourcing company. This acquisition will significantly expand CGI's reach through gaining access to Logica's large European client base (which only accounts for 6% of CGI's revenues) and will more than double CGI's revenue, creating the 6th largest IT services provider globally.					
3	**Standard Microsystems** (US Nasdaq:SMSC) www.smsc.com *Microchip Technology (US Nasdaq:MCHP)* www.microchip.com	Semiconductors	708	321	2.2x	-
	Standard Microsystems (SMCS), an analog and mixed-signal semiconductor designer, was acquired by Microchip Technology, a semiconductor and microcontroller design firm. The acquisition expands Microchip's product offering in the automotive, industrial, computing, consumer and wireless audio markets, where it currently has limited presence and SMCS is a market leader.					
4	**Buongiorno** (Italy BIT:BNG) www.buongiorno.com NTT *DOCOMO (Japan TSE:9437)* www.nttdocomo.co.jp	Mobile Content	290	248	1.2x	-
	Buongiorno, a global mobile app and content developer, was acquired by NTT DOCOMO, a Japanese mobile and internet service provider. The acquisition will strengthen the foundation of DOCOMO's mobile platform businesses overseas by combining its mobile business and services know-how with Buongiorno's advanced mobile technologies and extensive global customer base.					
5	**EasyLink Services International Corporation** (US Nasdaq:ESIC) www.easylink.com *OpenText Corp. (Canada Nasdaq:OTEX)* www.opentext.com	Electronic Data Interchange	259	184	1.4x	-
	Easylink, an Electronic Data Interchange and secure communications provider, was acquired by OpenText, a global leader in enterprise content management. The acquisition will allow OpenText to benefit from Easylink's cloud-based Information Exchange solutions, as well as leveraging its existing customer base.					

Source: Capital IQ, The 451 Group; Go4Venture Analysis

Key
Bold indicates name of Target
Italic indicates name of Acquirer
P/R – Price / Last 12 Months Revenues

2.3 - Headline European VC & PE-Backed M&A Transactions

Where transaction value is available (>£30mn / €35mn / $50mn)

#	Target & Acquirer	Target Sector	Price (€mn)	LTM Rev. (€mn)	P/R	Funding (€mn)	P/F	Noteworthy Sellers
1	**LaCie** (France ENXTPA:LAC) www.lacie.com *Seagate Technology (US Nasdaq:STX)* www.seagate.com	Storage Hardware	153	242	0.6x	N/A	N/A	Alto Invest, Remote Reward.
2	**eCircle** (Germany) www.ecircle-ag.com *Teradata (US)* www.teradata.com	Marketing Software	117	20	5.9x	65	1.8x	HarbourVest Partners, TA Associates.
3	**BigHand** (UK) www.bighand.com *Bridgepoint Development Capital (UK)* www.bridgepoint.eu	Dictation Software	61	13	4.6x	~10	~6x	Lloyds Development Capital.
4	**Esterel Technologies** (France) www.esterel-technologies.com *Ansys (US Nasdaq:ANSS)* www.ansys.com	System Design & Development Software	42	15	2.8x	26	1.6x	CDC Innovation, Galileo Partners, Intel Capital, Kreos Capital.

Source: Capital IQ, The 451 Group, VentureSource; Go4Venture Analysis

Key
Bold indicates name of Target
Italic indicates name of Acquirer

P/R – Price / Last 12 Months Revenues
P/F – Price / Total Funding

P/F>1x indicates an investment where all investors have made a positive return on their investment.
P/F<1x indicates poor returns for some, but early or late investor entrants may still show a positive return on their investment.
*Value of original transaction by PE Fund

#	Target & Acquirer	Target Sector	Price (€mn)	LTM Rev. (€mn)	P/R	Funding (€mn)	P/F	Noteworthy Sellers
1	**LaCie** (France ENXTPA:LAC) www.lacie.com *Seagate Technology (US Nasdaq:STX)* www.seagate.com	Storage Hardware	153	242	0.6x	N/A	N/A	Alto Invest, Remote Reward.

Source: Capital IQ, The 451 Group, VentureSource; Go4Venture Analysis

LaCie (ENXTPA:LAC), a provider of storage devices and peripherals, will be acquired by **Seagate Technology (NASDAQ:STX)** for €153mn in cash. The sellers include the Chairman/CEO, as well as **Alto Invest** and **Remote Reward**.

LaCie designs, manufactures, assembles and markets storage devices, peripherals and monitors, both to the consumer and business markets in the United States, Europe and Asia. The company offers desktop hard drives, network storage and safeguarding systems, optical drives, display devices, as well as computer peripherals, including USB drives and backup/storage software. LaCie was founded in 1989 and has been listed on the Euronext Paris stock exchange since 1996. Philippe Spruch (Chairman and CEO) owns 64.5% of the shares with other major shareholders including Alto Invest and Remote Reward.

Seagate is the world's leading provider of hard drives and storage solutions, with a broad portfolio of hard disc drives, solid state drives and solid state hybrid drives. In addition, it offers an extensive line of retail storage products for consumers and small businesses, along with data recovery services for any brand of hard drive and digital media type. Seagate has made a number of major acquisitions to consolidate its position in the space, including buying Maxtor in 2005 (€1.6bn) and Samsung's hard drive business in 2011 (€1.1bn). Seagate was founded in 1979 and operates in 22 countries across Europe, Asia-Pacific and North America, employing over 51,000 people.

Through the acquisition of LaCie and the appointment of Philippe Spruch as head of Seagate's consumer products division, Seagate aims to improve its product offering and accelerate its growth strategy in the expanding consumer storage market, particularly in Europe and Japan. It will also add a premium branded direct attached storage offering, strengthen its network-attached storage business and enhance its capabilities in software development.

Alto Invest (€300mn AUM) is a French private equity and venture capital firm specialising in small and medium sized enterprises, with EVs from €3-200mn. It invests primarily in telecommunications, IT, electronics, biotechnology / medical, energy, chemistry / new materials, industrial automation, industrial goods and services, other manufactured goods, financial services and consumer goods, taking minority stakes of €0.5-5mn in French / European companies.

Remote Reward (€90mn AUM) is a principal investment firm which seeks to invest in innovative technology companies on the crossroads of telecommunications, media and computing. Specifically it invests in the system on chip, security, software, storage, wireless operator and finished product sectors. Remote Reward was founded in 2000 and is based in Boulogne, France.

#	Target & Acquirer	Target Sector	Price (€mn)	LTM Rev. (€mn)	P/R	Funding (€mn)	P/F	Noteworthy Sellers
2	**eCircle** (Germany) www.ecircle-ag.com *Teradata (US)* www.teradata.com	Marketing Software	117	20	5.9x	65	1.8x	HarbourVest Partners, TA Associates.

Source: Capital IQ, The 451 Group, VentureSource; Go4Venture Analysis

eCircle (Germany), the cloud-based digital marketing provider, was acquired by **Teradata Systems (US)** for €117mn in cash. The primary seller was the private equity firm **TA Associates**.

eCircle is a provider of full-service digital marketing solutions in Europe. The company provides cloud-based solutions for social, mobile, web and email marketing and offers digital marketing professional services, including opt-in lead generation, content creation and email services. Founded in 1999, eCircle is headquartered in Munich with additional offices in the UK, France, Italy, Netherlands, Denmark and Poland. The seller, TA Associates, acquired eCircle from Wellington Partners in an all-equity €65mn buyout in 2010.

Teradata is a worldwide provider of analytic data solutions, focusing on integrated data warehousing, big data analytics and business applications. eCircle will be integrated into Aprimo, Teradata's subsidiary that specialises in Integrated Marketing Management (IMM) software. Aprimo provides B2C and B2B companies with on demand marketing software, assisting them in managing various marketing aspects including brand management, email marketing and social marketing. Teradata serves clients in a wide range of industries (e.g. banking / financial services, government, insurance and healthcare) whilst having strategic partnerships with various Consulting and IT Services companies, including Accenture, Capgemini, Deloitte, CSC and IBM. Teradata was incorporated in 1979 and until 2007 it was a division of NCR, the US computer hardware and electronics company. The spinoff was the result of their markedly different target markets and business models.

Teradata expects to expand its overall big data market offering through a significant increase in Aprimo's European presence, making it the largest marketing applications provider in Europe. The combination of eCircle's digital marketing solutions and Aprimo's Integrated Marketing Management (IMM) applications will enable the delivery of targeted, consistent and personalized digital marketing campaigns, and will create a new generation of integrated solutions that will empower the marketing of businesses worldwide.

TA Associates (€3bn (2009); €12bn AUM), founded in 1968, is one of the oldest and largest private equity firms in the world. It specialises in MBOs, PIPEs, growth capital and subordinated debt and prefers to invest in profitable growth companies in the Technology, Financial Services, Healthcare and Business Services industries. Typical investments are between $60-500mn in equity and between $10-75mn in subordinated debt transactions that value businesses from $150mn to $3bn.

HarbourVest Partners (€110mn (2008); €30bn AUM) is an investment firm specialising in direct, fund of funds, and secondary indirect investments. The size of its transactions varies widely; for example between $5-20mn for mezzanine investments and between $1mn to 1$bn for asset portfolios.

#	Target & Acquirer	Target Sector	Price (€mn)	LTM Rev. (€mn)	P/R	Funding (€mn)	P/F	Noteworthy Sellers
3	**BigHand** (UK) www.bighand.com *Bridgepoint Development Capital (UK)* www.bridgepoint.eu	Dictation Software	61	13	4.6x	~10	~6x	Lloyds Development Capital.

Source: Capital IQ, The 451 Group, VentureSource; Go4Venture Analysis

BighHand (UK), a digital dictation software developer, was acquired through a management buyout led by **Bridgepoint Development Capital** (UK) for €61mn, from **Lloyds Development Capital**.

BigHand is the leading provider of voice productivity software to the legal, healthcare, accounting and property service markets in the UK, with a growing international client base in Europe, North America, Australasia and South Africa. It develops software which allows users to dictate directly to their computer network using a handheld recorder, headset, remote device, PDA, mobile phone or via the Web. The compressed and encrypted sound file is transferred instantly to enable administrative assistants to transcribe and return the notes. BigHand has grown rapidly, capturing a significant share of the digital dictation market. It supports its software offering through consultancy, project management, integration, development, training and technical support services. Founded in 1996 and headquartered in London, the company was formerly known as VoiceWrite and changed its name to BigHand in March 2000.

Bridgepoint Development Capital (BDC) is a private equity firm specialising in lower middle-market buyouts and growth capital in small markets. The firm typically invests in all sectors, but has a particular emphasis on consumer and leisure, financial services, healthcare, industrials, media and technology. It seeks to invest in Europe with a focus on France, the Nordic region and the UK. The firm typically invests between €10-75mn per transaction into firms with enterprise value between €20-150mn. BDC is based in London, with additional offices in Paris and Stockholm and operates as a subsidiary of Bridgepoint Capital.

BDC believes that BigHand is well positioned to grow in its niche application, both in its core markets, as well as in new geographies such as the US and Germany. This will be supported by new mobile applications and a move towards a SaaS delivery model and is illustrated by 50% reported revenue growth in 2011.

Lloyds Development Capital (€2.4bn AUM) is the private equity and venture capital arm of Lloyds Banking Group, specialising in investments in unquoted middle-market growth capital, management buy-outs, institutional buy-outs, acquisition financings, pre-flotation funding and development capital transactions. LDC has completed over 440 investments between €2.5-125mn and supports a portfolio that stands at over 60 businesses across the UK. LDC was founded in 1981 and is based in London.

In July 2006 LDC backed the management buy-out of BigHand for an undisclosed amount, having witnessed its very strong growth track record (which included BigHand being ranked 51st in the Sunday Times Tech Track 100 with annual sales growth of 69% and it being named the UK's fastest growing private legal software developer).

#	Target & Acquirer	Target Sector	Price (€mn)	LTM Rev. (€mn)	P/R	Funding (€mn)	P/F	Noteworthy Sellers
4	**Esterel Technologies** (France) www.esterel-technologies.com *Ansys (US Nasdaq:ANSS)* www.ansys.com	System Design & Development Software	42	15	2.8x	26	1.6x	CDC Innovation, Galileo Partners, Intel Capital, Kreos Capital.

Source: Capital IQ, The 451 Group, VentureSource; Go4Venture Analysis

Esterel Technologies (France), a provider of embedded software simulation tools, was acquired by **Ansys (Nasdaq:ANSS)** for €42mn in cash. The sellers include investors **CDC Innovation, Galileo Partners, Intel Capital** and **Kreos Capital**.

Esterel's simulation solutions allow engineers to accurately model and simulate the behavior of embedded software code, and gain insight earlier in the design process, thus reducing the engineering time and cost. Esterel is commonly chosen when embedded software is crucial for safety and compliance reasons, since its certified code generators are compliant with more than 10 certification standards including aerospace, defense, rail transportation, automotive, industrial systems and nuclear plants. Founded in 1999, the company is based in Elancourt, France.

Ansys develops and markets engineering simulation software and technologies. It provides innovative engineering simulation, enabling organisations to predict whether their products will succeed in the real world. Ansys's solutions are primarily used in the aerospace, automotive, manufacturing, electronics, biomedical, energy and defence industries, as well as in academia. Founded in 1970, Ansys is headquartered in Pennsylvania, United States.

Esterel complements ANSYS's software solutions and supports its vision to encompass both hardware and software systems. A combined solution will enable clients to gain greater insight into the behaviour of embedded software as it interacts with hardware, and the combination of cutting-edge technologies will accelerate development and delivery of innovative products, lower design and engineering costs and enhance product safety.

CDC Innovation (€50mn (2007); €415mn AUM) is a venture capital firm specialising in early and later stage financing. It seeks to initially invest up to €6mn in European companies with revenues up to €50mn.*

Galileo Partners (€15mn (2002); €314mn AUM) is a private equity and venture capital firm specialising in investments in seed, early, mid and late venture, expansion, turnarounds, spin-offs, leverage buyouts and IPO stage. It initially invests between €1-5mn with total investments of €10mn funded over several rounds.

Intel Capital (€75mn (2012); €1.6bn AUM) is one of the world's most prolific venture capital. It focuses on both established and new technologies seeking to invest between $300-500mn per year.

Kreos Capital (€120mn (2011); €600mn AUM)) is a venture debt firm specialising in investments in start up, early stage, mid stage and late stage companies. It invests between €1-15mn in companies that are backed by an established venture capital firm.

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This report has been compiled by Jean-Michel Deligny, Managing Director – for and on behalf of Go4Venture.

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