

EDITORIAL

It is fascinating to note the current craze surrounding social networks. On the one side observers are convinced that this is a lasting phenomenon, one where masses of people congregate, socialize and consume. Detractors question if this is simply not a passing fad, putting forward the argument that the audience which most uses social networks is fickle and subject to constant change.

From our point of view the truth lies somewhere in the middle. The broader notion of a social network is here to stay. Congregating, sharing experiences or just hanging out has been part of the human genome from the beginning of time and we don't see that changing any time soon. We are however, skeptical of the long lasting brand value of any particular social network. There is an obvious fashion element in being part of any network and as most consumer products have demonstrated, what is in fashion today will probably not be in fashion tomorrow.

[COMPANY IN THE SPOTLIGHT]

Seatwave

Seatwave is Europe's largest fan-to-fan ticket exchange, an online marketplace for buying and selling tickets for theatre, sports and music.



The highly-fragmented secondary ticket market in Europe is estimated to be worth around \$7-10B according to Dow Jones News. Prior to the advent of Seatwave, fans who missed out on tickets were faced with some stark choices. In the absence of friends with spare tickets they were forced into the hands of shady touts or the vagaries of eBay which is rife with ticket fraud.



By offering market-leading consumer protection in its TicketIntegrity™ and TicketCover™ guarantees and acting as the escrow agent in transactions, Seatwave has eliminated the uncertainty and anxiety of buying tickets. And by creating a competitive and transparent market for tickets, Seatwave has provided a true marketplace platform that allows prices to normalise.

This combination of greater security, wider choice and subsequent lower prices has been a winning formula.

According to Hitwise's September 2007 data, Seatwave is now the largest secondary ticket exchange in the UK and ranks fifth amongst all sites selling events tickets.

The site now boasts over 500,000 tickets for sale, over twenty times more than eBay.

Having established itself so quickly as a leader in the UK market, Seatwave has now

begun rolling out its winning concept across Europe. In September, it successfully launched its German site which already lists in excess of 50,000 tickets for sale. Next month will see the launch of Seatwave in Holland and several more markets are planned for launch in the coming months.

The business was launched in February 2007 by Joe Cohen who previously was GM of Ticketmaster.com in Europe before heading up the global roll out of IAC's Match.com business.

ABOUT MANGROVE

Mangrove Capital Partners is committed to turn entrepreneurial visions into realities as a means to drive capital appreciation for investors. Our hands-on philosophy in all areas of business and technological development is the cornerstone of our investment strategy and positions us as a true partner for growth.

Mangrove Capital Partners has invested in among other the following companies: Skype (www.skype.com), Lumension (www.lumension.com), Dialcom Networks (www.dialcom.com), Quintura (www.quintura.com), Piczo (www.piczo.com), Nimbuzz (www.nimbuzz.com), SeatWave (www.seatwave.com), Properazzi (www.properazzi.com), Jamendo (www.jamendo.com), Zlio (www.zlio.com).

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Michael Jackson from Skype to Mangrove



Mangrove Capital Partners aren't new to me. I first met the guys from Mangrove whilst I was being interviewed for an Operations Manager role at Skype. Back in 2003, as Mr Bush was eating dinner with the Queen of England, we sat in a hotel dining room close to the Palace and talked. Both discussed projects that were to change the world and touch a lot of people.

Skype, of course, has been an amazing experience. Clearly timing plays a lot in both success and exit, but the most important part is that Skype is a fine product that really gives obvious benefits to its customers. The execution of the Skype project was also far from a coincidence. Niklas and Janus assembled around them the best engineers, operations and business people that they could get. It's here that the value of the VC became apparent to me. The money invested by VCs was put to great use, recruiting and investing in the product - allowing the founders to do what they are best at and giving them the resources to fill the holes. Skype remains a fantastic product, with a great untapped potential, but, as any organi-

sation grows and changes, different skills and different types of people are needed. I decided to move on.

Working in one of the most active and famous European startups has brought me in contact with entrepreneurs, investors, and the world's press - of course, in a tremendously dynamic and energetic way. My happiest hours have been the hours spent in big meeting rooms and late night bars,



From the Market

Seedcamp (www.seedcamp.com), the brainchild of Saul Klein, was a resounding success. Dubbed the place "where Europe's top young founders can come together in one place", the event provided an opportunity for young entrepreneurs to interact with industry experts and investors. We extend our congratulations to Saul and Index Ventures for spearheading a great initiative.

talking with idea makers, entrepreneurs, listening to their ideas and issues and hopefully contributing a little.

I have a traditional background - A lifetime interest in building and using new communication gadgets, a degree in Electronic and Communication engineering plus 20 years operating and creating competitive consumer telecoms companies - mobile, fixed and internet. I believe in the laws of physics, laws that some folk seem to ignore in these heady times. And, you can call me old fashioned, but for me, businesses need to be selling something. There simply must be money flowing in the system somewhere. Yet, on the internet and in this virtual world, this can in turn yields operational challenges. Strange as it sounds, I enjoy problems. There are many areas in which companies can benefit from each others experience in this area, and I hope that I can help

Mangrove be one of the conduits between the portfolio companies - making sure that we all benefit from each others successes and experiences.

Mangrove is a small company, where personal relationships mean everything, and where a phone call is better than an email. I see an environment where everyone is working to common goals, and striving for common success. In short, a team. I like small companies. You get what you see, you can't hide behind an InBox, and it's easier to get to a decision. Trust and gut feeling take precedent over endless spreadsheets and analysis.

I'm looking forward to joining the team, meeting the prospects and the portfolio companies, I'm looking forward to working in detail on issues and projects together. And I'm looking forward to drowning my BlackBerry.

[PORTFOLIO NEWS]



WWW.LUMENSION.COM

CNET has named Lumension Security's Sanctuary as the "Security Product of the Year" for 2007.



WWW.ZLIO.COM

Zlio reaches 150.000 stores and sets its sights on the German and UK markets.



WWW.WOOME.COM

Woome was selected to the TechCrunch40, one of only 5 European companies.



WWW.PROPERAZZI.COM

Properazzi launches India, a first step to being the global property company.