



EDITORIAL

"As long as Co2 keeps rising, temperatures will rise too. We don't need 21st-century computer models to tell us that. Just old-fashioned undisputed 19th century physics." Robert Kunzig, National Geographic Magazine

At Mangrove, we are seriously worried about our children's future. The culprits: climate change and population growth. The unmistakable signs of climate change are everywhere, from melting glaciers, to unprecedented tropical storms while most recent forecasts expect global population to reach 9.5 billion by 2050.

Undoubtedly, our natural resources are beginning to see the signs of strain.

Together, these issues represent the most important challenges of the next few decades and ignoring them would be foolhardy. Our firm intends to get serious about helping tackle these issues.

As of today, we are looking to finance companies which bring innovative solutions to these issues. It is our modest contribution, for never, do we want our children to look back and tell us "how could you let this happen?"

[COMPANY IN THE SPOTLIGHT]

Jooce: power to the people

The United Nations estimates more than 500 million people access the internet every day from a cybercafe. That's 500 million people who have relatively sophisticated online lives, but not the means to own their own computer. Jooce is their new home on the internet.

The Paris-based start-up joined the Mangrove fold at the beginning of last year. Back then, it was little more than a bold idea. Now, only four months after launching, it has more than 120,000 users and is generating significant buzz in both tech circles and the international media.

The concept behind jooce is simple. Give a free online desktop to world's 500 million cyber-nomads so that no matter how many different computers they use to access the internet, their very own virtual desktop is only ever a mouse click away.

It's a step away from the current idea of putting hardware into the hands of the world's least-connected, such as the highly publicized One Laptop Per Child project. Jooce figures it can much more readily bridge the digital divide - or, as the company puts it, "plug-in the next generation of net users" - by making one

computer the PC of many.

In a recent article titled: "Jooicing the next billion internet users" Business Week called the jooce venture "remarkable", noting that: *"Whether in an Internet café or village kiosk, a PC equipped with Jooce software gives each person who logs in a customized environment-complete with programs, preferences, bookmarks, buddy lists, and so forth. That way, even though many people may use the machine each day, it feels "personal" to each one."*

All of which has been enough to attract the attention of Silicon Valley. Jooce was nominated as a web product of the year in this year's CNET Webware 100 Awards, punching above its weight in a category that included Apple, Microsoft, Google and Yahoo.

Crucial to the company's future development will be the forging of partnerships in target countries. Which is why management is

already in talks with the International Telecommunication Union (the IT arm of the United Nations), individual governments and internet café operators in some of the most significant emerging economies in the world.

Meanwhile, out in the field, jooce's virtual desktop is being roadtested in cybercafés and telecenters all over the globe. The software is being trialled in Africa, Asia, and Latin America through Telecenter.org, a Canadian organization that supports more than 30,000 telecenters worldwide.

For as the company's motto asserts, the next revolution on the internet will be all about delivering "power to the people".



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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[PORTFOLIO
NEWS]

WWW.BRANDS4FRIENDS.COM

Launched in October 2007, the company reaches 500.000 registered users and establishes early leadership in the private sales market in Germany.



WWW.WOOME.COM

Woome traffic reaches 1 million visitors per month.



WWW.JAMENDO.COM

Jamendo reaches 2 million visitors per month while more than 300.000 songs are downloaded for free every day.



WWW.LUMENSION.COM

Lumension is awarded the 2007 Computerworld Malaysia Readers' Choice Award for "Best Patch Management" product.

[INTERVIEW]



Cedric Maloux, serial Internet entrepreneur,
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What has happened to AllPeers since last time we spoke?

I think US magazine Wired described what happened to us very well when they wrote: *"AllPeers, the much loved, but apparently under-used, file sharing extension for Firefox has announced it will be shutting down today. AllPeers was a Wired favorite and we considered it a must have for Firefox aficionados, but it would seem that the service wasn't able to draw in a wider audience."*

So yes, our growth was not strong enough and we did not manage to raise another round. We had various options and it is very tempting to try dragging on as long as possible. However, I thought the best option was to draw a line and close and deal with all the emotions involved in such a decision.

Has this been a major disappointment for you ?

Being an entrepreneur is the

R.I.P. AllPeers

most rewarding and exhilarating job I can imagine. Being able to build on a vision you have one morning and watch as it grows into reality is quite an experience. Seeing people getting excited by what you are building is incredibly gratifying. The praise, devotion and even harsh criticism of the user community is what keeps you going despite long working hours, frequent stress and periods of uncertainty. When we started AllPeers, I knew that it was an ambitious project with no guarantee of success. Such is the nature of any software startup. Sometimes it works, sometimes it doesn't.

What are the lessons you learned from this experience ?

Failure is not in my vocabulary and I do not consider AllPeers as a failure. AllPeers was my 3rd startup and the 1st one I did not manage to exit successfully. I guess I have now experienced the full circle of the various facets of an entrepreneur's life. One of the lessons I've learnt is that now the blogosphere is so powerful, you should not make any public announcement until you are ready to come out of the closet with a product. Very early we wrote on our company's blog what we were working on. This small post generated so much hype, we were under an amazing pressure to release something quickly even though we knew the product was not yet ready for primetime. We decided to follow the rule "release early, release often" but in our case it was way too early. This was a life lesson in expectations

management. Also if I had to do it again, I would try to raise as much as possible, as soon as possible, and not a penny less. We believed our own hype a bit too much, unfortunately, and didn't take advantage of the opportunity to raise more at a high valuation in order to give us a treasure chest and a buffer in case things would not go according to the plan (they never do).

What is your current relationship to the Mangrove team ?

Of course, intelligent people can disagree and I still believe Mangrove should have given us more time based on our achievements and the team we built. They decided not to but this does not mean I do not have great respect for them. They have been supportive and fair all the way. I would still recommend Mangrove to any fellow entrepreneur but I would encourage them to make sure they manage their VC's expectations better than we did. I am personally still in contact with Mangrove and have bounced back and forth a few ideas with some members of the team and I guess they would have not asked me to testify in their newsletter if there was no mutual respect!

