

EDITORIAL

Pick up any newspaper today and you will have little to cheer about. Unemployment and inflation figures are reaching worrisome proportions and yet in all of this malaise, technology entrepreneurs are building more businesses in Europe than ever before. From our vantage point, this is extremely encouraging as it lends credence to our assertion that the European technology entrepreneur ecosystem is reaching critical mass. Not only is it culturally acceptable in Europe to become an Entrepreneur, it is becoming profitable and respected.

Spain and Russia are worth highlighting as interesting investment markets. Both are undergoing extraordinary transformations and entrepreneurship is burgeoning to levels beyond our expectations of only a few years ago. Both markets are yielding great early stage investment opportunities and in our mind there is no doubt that they will be important contributors to the success of the European venture industry. These are but two examples of markets, which will steadily make Europe a profitable place for venture capital.

Our only chagrin at this point lies with the European LP community. It is generally a community, which looks for a sure thing where it is impossible to find one. Only a few forward thinkers dare – we salute them.

[COMPANY IN THE SPOTLIGHT]

Zink

We are ready to change the face of printing in the digital age, with a revolutionary technology platform – ZINK™ Zero Ink™ printing – that has taken years to develop and is protected by over 100 patents and patents pending.



THE OPPORTUNITY

We're living in the digital age. People are creating, storing, and using more and more digital information and images. However, there are times when a screen isn't enough. Research has shown that when people collaborate, develop and actively work with content, they have a deep-rooted need to see their information and images in a physical form. These are the moments when you need paper. But not just any paper. Requiring no ink at all, ZINK Paper™ is the perfect bridge between your digital content and the real world. That's where ZINK comes in. With ZINK, printing is a reflex, not a process.

HOW DOES IT WORK?

The remarkable ZINK Paper is actually an advanced composite material with patented dye crystals inside and a protective polymer overcoat outside. The crystals start colorless. A ZINK-enabled printer precisely applies heat to activate and colorize these crystals. At the touch of a button, the ZINK Paper comes to life with full color, high quality digital images. With ZINK, all you need to do is Just Add Paper!™

THE ZINK DISRUPTION

ZINK Technology is the first ink-free printing technology of its kind. ZINK-enabled devices can be mobile and embeddable, so you can print literally anywhere; they are simple to use and easy to maintain; can be scaled to produce any size print, and there's a whole lot less waste when using ZINK.

OUR TECHNOLOGY IN ACTION

ZINK Imaging is the technology inventor and manufacturer of ZINK Paper. We are building a network of the world's most innovative global companies who are bringing ZINK-enabled products to market under their brand names. ZINK Imaging's partner network

will leverage the ZINK brand as a component brand to communicate that their products and customer experience are enabled by the magic of ZINK Technology.

Our first product using Zink technology has recently hit shelves in Europe and the US - a pocket sized mobile printer from Polaroid, called PoGo.

THE FUTURE

The ZINK platform is in the early years of a long life span. There is an extensive roadmap of ZINK-enabled products currently being developed by the ZINK Imaging team and its partner network. These products create new possibilities for next generation devices. They can also create new business models and new revenue streams for companies who are not in the printing or device businesses, but whose customers or consumers could benefit from in-the-moment printing.



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), Zink (www.zink.com), Woome (www.woome.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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[INTERVIEW]



Christian Heitmeyer, CEO,
Brands4Friends

Could you describe Brands4Friends in a nutshell?

B4F is democratizing branded Quality-Products by marketing EOL (end-of-life) and overstocks of well known Brands inside an exclusive and closed Community, within time and volume-limited Flash-Sales-Campaigns. We are based in Berlin, with over 35 staff and focusing all of our energy on the German market, with the objective of bringing the

most enjoyable user experience to our customers as well as the broadest range of products. Recent sales campaigns include such brands as: Nike, Oakley, Armani, Ed Hardy, Boss and Dolce & Gabbana.

What is your vision of the eCommerce market?

Companies like Amazon and eBay have proven that consumers do not necessarily need the environment of a well furnished shop to purchase goods. From our vantage point, we believe that there are massive opportunities to innovate in the eCommerce space and build profitable and lasting businesses. Consumer expectations are quite simple:

1) great service or 2) a substantial discount for the product they want to buy. B4F provides both and early customer traction is encouraging us to continue to innovate and stay ahead of the competition.

Brands4Friends

What is the outlook for Brands4Friends in this market?

About 15% of all production ends up as EOL and overstock. This figure will increase in Europe, as production is moving further away from the Market and creating longer lead times for brands. We are able to market large quantities within short periods of time by selling goods without damaging our suppliers brand and without creating channel conflicts inside a shopping-addicted community. We are in a fast growing segment of the market where overstock is a growing issue for the brand industry. It is a major challenge for brands to market their growing volume while avoiding potential conflicts. B4F is helping brands turn their problem into an opportunity to monetize what has until recently only been a cost.

How would you describe your relationship with Mangrove?

A Friend of mine smiled when he learned that we had decided to invite Mangrove to invest in our company. He told me: "Good, these are not BS guys!" We like working with people who are straight in their opinions and in their way of acting, because it reflects our own characters. Mangrove is an excellent, strong and well connected business partner providing much more than just a financial investment.



[PORTFOLIO NEWS]

Nimbuzz

WWW.NIMBUZZ.COM

Nimbuzz raises € 12 million in a series B financing round. Financing will be used to continue product development as well as further product distribution. Nimbuzz boasts over 1 million registered users and connects more than 7 million users around the world.

woome
enjoy the minute!

WWW.WOOME.COM

Woome raises \$ 12 million in a series B financing round. Financing will be used to continued product development and increase user engagement.

properazzi

WWW.PROPERAZZI.COM

Properazzi passes 6 million unique listings in over 65 countries, becoming the world's largest real estate portal. In its first quarter of customer acquisition, the company is proud to count customers from 15 different countries.

seatwave

WWW.SEATWAVE.COM

Seatwave rocks the Euro 2008. With more than 99% of order fulfillment Seatwave is the most successful secondary ticketing player for the Euro 2008. The Seatwave bus could be seen throughout the venues of the Euro 2008, delivering tickets to satisfied customers.

jamendo
open your ears

WWW.JAMENDO.COM

Jamendo reaches the milestone of 10.000 uploaded albums and signs a global distribution deal with Archos, the leading player of portable digital entertainment.

nonoba
play together

WWW.NONOBA.COM

Nonoba launches the world's first open multiplayer casual games platform. With the Nonoba Multiplayer API, any Flash game developer can easily create a multiplayer flash game.

Quintura
see & find™

WWW.QUINTURA.COM

Quintura launches its affiliate program for publishers. The company announced recently that Maxim Digital, the fast growing family of websites and mobile properties for young men, has selected Quintura's interactive site search platform to users of its online properties, including Maxim.com and Blender.com.

In doing so, Quintura has displaced Yahoo.