

EDITORIAL

Amazing times...

Much has been written about the financial crisis. How and why we got there, often the most important subjects of contention. From our perspective though, the ball was dropped by institutions, which forgot that debt ultimately required repayment. The same institutions, which enticed consumers to live beyond their means by offering credit without any of its disadvantages, or so it seemed. The aftermath of these carefree times has been a sobering affair indeed.

There is however a silver lining. For the first time in recent memory, our policy makers have demonstrated that global concerted efforts for matters of importance are possible. We can only hope that this new "entente" will be used to tackle matters of global importance in a forever resource constrained world.

[COMPANY IN THE SPOTLIGHT]

Wix

Every month approximately 3.5 million new websites are created along with millions of new blogs and widgets. But most of them are created either using rigid templates with almost no customization, or using expensive professional services.

WebTop publishing

We believe the next major publishing change is WebTop publishing, whereby everybody can use simple editing and publishing systems to create the content they want. Wix's vision is to lead this transformation and provide quality solutions for everybody to create their own web content from their own desktop, without being a programmer or designer.

Wix - The Online Publishing Platform

Wix allows users to create any kind of Flash web site and content they want in a totally flexible manner without the need to know how to code. This means small businesses and consumers can create full-blown websites in a matter of hours, and make their own changes easily over time. Wix has created a Drag & Drop editor that allows you to decide how you want your website to look - and see the results in real time online. There

is no code to download and Wix provides full hosting management for the new site. In addition, Wix is the first Flash website platform that allows search engines to easily crawl through, facilitating the same Search Engine Optimization that can be achieved with HTML sites.

SMB, SOHO and Wix.com

Small businesses need every competitive advantage to succeed in today's marketplace. By designing web sites using Wix, small business owners can have a web presence that matches that of their larger competitors. Furthermore, the SEO capability Wix provides means small businesses can now promote their sites on search engines.

Business model

During the last few days Wix has released the first element of our business model: allowing users to upgrade their service with premium functionality. The new

premium version costs \$9.90 per month and offers several professional features including hosting, connecting to your own domain, as well as keeping the site free from advertising and promotional links.

Wix's pricing is advantageous for small businesses in this tough economic environment, as the alternative to building a unique web site on Wix costs thousands of dollars.

In addition, we plan to introduce a content marketplace allowing users to buy and sell graphic elements and website templates.



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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[PORTFOLIO
NEWS]**enormo**[WWW.ENORMO.COM](http://www.enormo.com)

Properazzi surged passed 6 million listings and changes its name to Enormo. This milestone coincides with the company's first revenue generating quarter.

Nimbuzz!
JOIN MOBILE FREEDOM[WWW.NIMBUZZ.COM](http://www.nimbuzz.com)

Nimbuzz launches its first major partnership with StudiVZ in Germany, Germany's leading social network with more than 10 million users.

brands4friends[WWW.BRANDS4FRIENDS.COM](http://www.brands4friends.com)

Brands4friends closes a series B financing of € 10 million to further expand its leadership in the German market.

[WWW.WIX.COM](http://www.wix.com)

Wix announces that it has recently raised \$3.5 million in funding from Bessemer Venture Partners and Mangrove Capital Partners, and has also launched a "premium" version of the service geared toward businesses.

[INTERVIEW]

**Chris Autry, CEO Tailgate***Could you describe Tailgate in a nutshell?*

Tailgate is the first technology released by Tailgate Technologies that transforms any form of online display advertising (video, banner, widget, micro-site) into a full eCommerce solution. Tailgate allows an advertiser's existing eCommerce functionality to be tied directly to any form of online advertising. For the first time, marketing becomes direct sales and sales becomes marketing.

What is your vision for the online ads market?

Online ads should exploit current technologies and define new ones in order to take full advantage of transforming ad space into useful, meaningful and relevant application. The current model

of online advertising is an extension of offline advertising and while it may or may not be useful generating sales, we know that direct response rates are low (0.25%) despite clever behavioural and contextual targeting algorithms. If consumers use application instead of seeing ads (or not seeing them as they case may be) the entire concept of advertising may be turned on it's head.

What is the outlook for Tailgate in this market?

Tailgate has already been introducing eCommerce function-

Tailgate

How would you describe your relationship with Mangrove?

Mangrove clearly understands the importance of changing a market ripe for change. If YouTube (Google) can generate important press coverage by putting transactional links next to video, imagine the change the market would endure if all video units were transactional in and of themselves- forget links. Mangrove shares our vision of pushing the limits of technology in order to redefine a market that should have been redefined five years ago. These guys love disruptive technology and disruption is our specialty.



ality into this market which will be the first step at transforming passive display advertising into useful application. Tailgate Technologies will release a series of related technologies that will help transform relatively unintelligent billboard based advertising into intelligent functional application based advertising.

