

EDITORIAL

It is interesting to note that Europe's mobile telephone operators are actively looking to deploy GPRS services. With all the noise and repeated announcements surrounding UMTS why the sudden interest in GPRS?

Well, first of all it is simply a question of timing. According to most predictions, adequate UMTS coverage will not see the day in Europe before the end of 2006. Secondly, its about restoring customer confidence. Most would agree that the first generation of mobile services known as WAP have greatly disappointed customers, by over promising and under delivering quality services. After all how many people can actually say they had a good WAP experience?

The transition to UMTS was supposed to be quick, relegating GPRS to the status of gap filler. The reality of today is quite the contrary. Successful GPRS deployment will almost naturally guarantee that UMTS services will be widely accepted. A second WAP like experience may further alienate customers just at a time when they should be getting alternative offers from alternative wireless network operators – think of Wifi/Wimax network operators. GPRS services have become important.

As the mobile telephony market matures, its challenges are evolving. The most significant in the near future should be customer experience. Operators will be forced to put it at the heart of their strategy, no longer relegating it to a second tier consideration.

[COMPANY IN THE SPOTLIGHT]

ConvergeX

ConvergeX is a global innovator in smart home technology. ConvergeX is the first company of its kind to offer complete smart home solutions integrating digital home entertainment systems, intelligent applications and information services. Equally it has set a new global standard in user interface and ease of use that results in a simpler and more pleasant way of life. Another unique feature of the ConvergeX solution, is the ability of the system to configure itself once installed - systems that would previously have taken days or weeks to install, can now be installed by the user in minutes.



Perhaps the most compelling value proposition is the ability of the system to deliver industry leading advanced smart home functionality to a mass market. Whilst other companies focus on bringing new innovations to market that are exclusively available to selected wealthy individuals, ConvergeX solutions offer advanced easy-to-use and install affordable solutions for all types of home owners and buyers.

Residents with the ConvergeX system can operate a range of facilities including entertainment, heating, broadband Internet, lighting and security from one or many types of commonly used digital computer control devices and panels.

ConvergeX plans for the next-generation of ConvergeX applications to include real-time digital TV recording and intelligent lighting systems that react to natural outside conditions, and smart phone applications that allow users to control a ConvergeX home from anywhere in the world.

As well as developing its own technology, ConvergeX enhances the technology already available from some of the world's leading IT companies including Microsoft, Cisco Systems, iMate, Viewsonic, Intel and HP.

Currently ConvergeX is enabling partner demonstration centres

across Europe and the Middle East with Cisco, Intel and Microsoft, as well as in major global trade shows and exhibitions. ConvergeX has also just launched the first of its new suite of products called LivingRooms for Professional developers and later in the year will launch the retail version for consumers in partnership with a number of leading OEMs.



WWW.CONVERGEX.CO.UK

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 is an investor in among other the following companies: Skype (www.skype.com), Securewave (www.securewave.com), Kyriba (www.kyriba.com), Dialcom Networks (www.dialcom.com), ConvergeX (www.convergeX.co.uk), Paseosoft (www.paseosoft.com).

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[PORTFOLIO NEWS]



WWW.CONVERGEX.CO.UK

ConvergeX signs a deal with Intermatic (www.intermatic.com) to distribute its product in North America. This deal further places ConvergeX at the heart of the Digital home battle.



WWW.SKYPE.COM

Skype reaches 100 million downloads and successfully launches additional paying services which include voicemail and Skypeln. Skypeln provides users the ability to receive calls from the PSTN networks to their Skype account.



WWW.DASAR.COM

Dasar continues to expand its event portfolio by bringing the Red Herring event to Europe. The company has also successfully re-launched the Red Herring magazine.



From the Market

LUXEMBOURG VENTURE CAPITAL ASSOCIATION

After the successful launch of the Luxembourg EVCA Committee in 2004, Luxembourg should see the



creation of the Luxembourg Venture Capital Association in the upcoming months. 10 Full Members have already gathered around the initiative, which expects to have 20 members by the end of 2005.

[INTERVIEW]

Netia



Christophe Carniel
President NETIA

Could you describe Netia in a nutshell?

NETIA is a software development company to the media industry, both traditional and new media, delivering solutions for the management and control of audio and video broadcast. Our customer base is international and prestigious and includes Radio France, BBC Monitoring, RAI (Italy), Australian Broadcasting Corporation, ABC Radio Networks (USA), RTBF (Belgium) and BSKyB (UK). Over 10 000 journalists and technicians use NETIA products each day around the world. In 2004, the company realised € 7 million of turnover (+ 30% year on year) and employs 65 people. The company, headquartered in the south of France, has commercial representations in the key European markets as well as the US and Asia.

What is your vision of the broadcasting market?

The broadcast market underwent a revolution from 1995 – 2005 with the changeover from analogue to digital. Tape recorders and video tape recorders have given way to workstations and specialised software.

The development of new channels of broadcast (terrestrial, Internet, mobile phones etc) allows a new

revolution to be envisaged involving IP. This explosion in broadcast channels will change consumer behaviour over the next 10 years.

What is the outlook for Netia in this market?

NETIA has a strategic position in this market. Over the years NETIA products have become the synonym for quality and reliability in environments running 24 x 7. This represents a true barrier to entry for any new market player. To stay at the forefront of new market and technology trends, NETIA started an ambitious R&D programme in 2004 oriented towards IP technology. The programme, in partnership with RTL, is backed by the European Union and has been granted Eureka certification.

How would you describe your relationship to Mangrove?

In 2004 Mangrove allowed us to carry out a Management Buy Out and to start a period of strong growth.

We then extended our product and market presence through the acquisition of MANREO, present in the audiovisual sector with IP-enabled products. We constantly study development opportunities for NETIA with Mangrove.

Mangrove's knowledge of the media sector and IP technology trends, the experience of its managers and international cultures are beneficial in accompanying NETIA's development, particularly on an international level.

