



## EDITORIAL

*Kudos to Tom Watson and Lance Armstrong for reminding us that age is not an inhibitor. Their performance was awe inspiring and proof that experience combined with the right amount of drive can be magical. It also yielded great results. Is there a lesson in this?*

*Like sports, start-ups are all about talent and execution capabilities. All too often young entrepreneurs forget or fight the need to adequately surround themselves with skilled veterans. Why? Probably, nothing more than the usual generational misunderstandings.*

*It is important to get past these misunderstandings. Experience is unique and will make all the difference to a company's success.*

## [ COMPANY IN THE SPOTLIGHT ]

## KupiVIP

**KupiVIP is Russia's shopping club for fashion and lifestyle. From the first sale event in October 2008 until today the company has executed 400 private sale events for more than 150 brands.**

The company has enrolled 600,000 people from all over Russia to become members of KupiVIP and with 2 million visitors in June 2009 KupiVIP was the third e-commerce website to enter the top 100 most visited Russian websites.

KupiVIP has won several Russian Internet awards and was recently ranked in BusinessWeek's top 50 startups list worldwide.

The first challenge for KupiVIP is to establish the Internet as a big and effective sales channel for its suppliers. Although there are about 40 million Internet users in Russia, only very few buy regularly online. But Russia is catching up and there has been an explosive growth for Russian ecommerce during the last two years, especially for the still underdeveloped segment of CFA. KupiVIP is

quickly becoming one of the leading companies fuelling the future growth of this segment.

The second challenge is fulfilment. With 95% of payments cash on delivery and an underdeveloped logistics network in the biggest country on earth, execution becomes a key success factor. KupiVIP has addressed this by building its own courier service for Moscow and Moscow region.

To further fuel growth KupiVIP will expand its range of products in the areas of beauty, travel, sportswear and luxury products. Furthermore, KupiVIP will follow opportunities in other CIS countries and is also planning to offer new marketing and production services.

With a total size of about \$50bn, the Russian CFA market shows



promising opportunities for the bold. In a highly fragmented market with an unresponsive supply chain to the end consumer there is a total lack of developed alternative and complementary sale channels. This creates a tremendous multibillion opportunity in a time when inventory levels are rising and the market becomes more sophisticated and competitive. At the same time, the fast growing middle class and outer regions, create an exponentially growing number of consumers who want to "move up the ladder" and strongly prefer brands.

KupiVIP is perfectly positioned in the current landscape meeting suppliers with "open eyes" and customers who want to buy big brands at affordable prices.

## 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](http://www.skype.com)), Lumension ([www.lumension.com](http://www.lumension.com)), Brands4friends ([www.brands4friends.de](http://www.brands4friends.de)), Quintura ([www.quintura.com](http://www.quintura.com)), Zink ([www.zink.com](http://www.zink.com)), Woome ([www.woome.com](http://www.woome.com)), Nimbuzz ([www.nimbuzz.com](http://www.nimbuzz.com)), SeatWave ([www.seatwave.com](http://www.seatwave.com)), Enormo ([www.enormo.com](http://www.enormo.com)), Jamendo ([www.jamendo.com](http://www.jamendo.com)), KupiVIP ([www.kupivip.ru](http://www.kupivip.ru)).

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[ PORTFOLIO  
NEWS ]

## Nimbuzz

[WWW.NIMBUZZ.COM](http://WWW.NIMBUZZ.COM)

Nimbuzz reaches the milestone of 1 million new registered users per month in the month of July.

[WWW.WIX.COM](http://WWW.WIX.COM)

Wix surpasses 1 million registered users and successfully launches its premium service. Today more than 5000 new paying customers join Wix every month.

## brands4friends

[WWW.BRANDS4FRIENDS.COM](http://WWW.BRANDS4FRIENDS.COM)

Brands4friends turned profitable in Q2 2009 and was named by Bild Zeitung (Germany's biggest daily newspaper) as best private shopping platform in Germany.

[WWW.OPENX.COM](http://WWW.OPENX.COM)

OpenX successfully raised \$ 10 million in further financing, led by DAG Ventures.

## [ INTERVIEW ]

## Seatwave



Joe Cohen, CEO, Seatwave

#### Could you describe Seatwave in a nutshell?

Seatwave is Europe's largest ticket exchange, where fans can buy and sell tickets for concerts, sports and arts events. Seatwave operates local-language sites in the UK, Netherlands, Germany, Spain, Italy and France and according to Comscore had over 1.9 million unique visitors in March 2009. Seatwave's marketplace offers consumers over 800,000 tickets for tens of thousands of performances across Europe and the world.

#### What is your vision for the online ticketing market?

As ticket sales continue to shift from offline to online, consumers have a higher expectation of choice and service, neither quality has been a strength of the ticketing industry historically. We see what is known as the primary markets (promoters and ticket agencies) and the secondary market (Seatwave) moving closing together as con-

sumers increasingly understand the relation between price and choice (venue, date, seating). Our vision is to do three things: one, provide complete safety and security around ticket purchases for consumers; two, use the power of our marketplace to find rational/market clearing (think lower) prices for tickets; and three, to create a unified merchandising experience that allows consumers to make informed choices about what they want to buy and how much they want to pay for it.

#### What is the outlook for Seatwave in this market?

Presently Seatwave is the third largest ticketing website in Europe and the largest of the secondary market players. We have roughly 13% of western European ticket purchasers coming to our sites today. Our plans would see Seatwave as being in the top 1 or 2 ticketing sites in Europe and offering the widest selection of tickets which will continue to drive

liquidity and mass to our marketplace. We have every belief that we can capture double-digit percent of the European ticketing market which is presently valued at €20BB.

#### How would you describe your relationship with Mangrove?

Simply put, Mangrove has fostered a very open and honest dialogue with myself and the management team at Seatwave. We really believe we can strip away all the pomp and circumstance and have direct discussions and find resolutions to whatever matter we're dealing with at the time. Time is the key point because none of us have a lot of it to mess around with formalities and presentations; being able to be real and in the moment is a great way of working for us.

