



OCTOBER 2009 NEWSLETTER

INVESTMENT NEWS

Online video sharing service **Dailymotion has raised €17m** this month. The private investors involved were Advent Venture Partners, AGF Private Equity, Atlas Venture, Partech International. The funding round was led by the **French Sovereign Fund (FSI)**, which **contributed €7.5m**. FSI is a joint entity owned by the Caisse des Dépôts et Consignations and the **French government**. The Paris-based Dailymotion has recently demonstrated a sustainable business model and investors are very pleased about its future prospects. The August 2009 comScore reveals that Dailymotion attracts 60 million unique visitors, and nearly a billion views per month. The new funding round will go toward expanding Dailymotion's global online presence, the growth of its current online platform and expand its mobile and IPTV services.

The **Paris-based Deezer**, a top European online music streaming service has **landed €6.5 million** in Series B funding led by **AGF Private Equity and CM-CIC Capital Privé**. Deezer's new parent company Odyssey Music Group (OMG) will serve to support all production and technology development related to the streaming service. OMG will facilitate Deezer's global expansion strategy.

UK-based Shazam, the world's leading mobile music discovery provider has attracted an undisclosed funding amount from **Kleiner Perkins Caufield and Byers** for a **possible IPO launch**. The money for Shazam's fourth funding round came out of **KPCB's \$100m iFund** for mobile companies. Shazam has raised approximately \$20m to date and is being backed by DN Capital and Acacia Capital Partners as well. Shazam is unique enhanced service that recognizes the names of tracks for possible downloading as the user simply holds a mobile device towards a song that is being played nearby. Shazam has also recently received the Mobile Entertainment Award for Best Music Services Provider 2009.

The **Berlin-based startup Plista** has **secured an undisclosed low seven figure amount** in funding from High-Tech Gründerfonds and DuMont Venture, who have joined existing investors Draper Investment Company and the Business Angel Peter Schüpbach in a new financing round. Plista offers website owners and marketers more efficient targeting solutions for content and advertising through its recommendation- and personalization service. The new funding is to help Plista develop **new B2B features** for its network of partners. A service currently in development is a marketplace for trading content and traffic. The major market will consist of site operators in the fields of content and e-commerce.

SmartDate, a European dating/matchmaking platform with ample Web 2.0 functionalities has attracted **\$800,000** in **seeding**. The site is set for launch in January 2010 and was founded by French founder Fabrice Le Parc.

London-based **Zattikka** has won another round of funding from **Atomico Investment** after the start-up acquired Gimme5games. The funding amounts remain undisclosed regarding the Atomico investment amount and the figures related to the Gimme5games purchase. Atomico is the venture capital investment firm run by the renowned internet entrepreneurs Niklas Zennstrom and Janus Friis, who have founded services such as Skype, Kazaa and Joost.

Brainient is one of the winners of Seedcamp 2009 and has received **\$50k in seed funding**. The start-up offers video management and enhancement tools enabling video providers to monetize their content. Brainient's offers an open-source video management platform called Veevid, which allows easy uploading and content management for publishers. LayeredBrain is Brainient's optimization application, through which publishers gain access to affiliate marketing, in-video advertising, user interactivity, and video analytics.

MARKET NEWS

The European Mediatech Investment Forum promotes European Innovation

The Media-Deals team is currently making preparations for the next two day European Mediatech Investment Forum, which will be taking place on December 9th and 10th, 2009 at Pinewood Film Studios in London. The last Investment Forum took place in Madrid in the Eurostars Madrid Tower on September 30th and October 1st in cooperation with the Madrid Audiovisual Cluster. Ten European mediatech entrepreneurs participated in this event to present their projects to private equity investors. The main criteria for project selection were mediatech sector relevance, European/International focus, a strong entrepreneurial and leadership spirit and previous interest won for the project (e.g. prize, investment, subsidies). The following companies were selected on the basis of sector, development stage and quality:

- Junior Heroes (UK) - Animated content for the tween market
- Mobile Dreams Factory (ES) - Mobile marketing agency
- Introactive (FI) - Online distribution platform for games
- Notro Films (ES) - Film production
- Open Circuit TV (ES) - Corporate communications production company
- Pure Screens (FR) - Content provider for flat screens
- Solaiemes (ES) - Infrastructures for mobile networks
- Tooio (ES) - Leading Spanish mobile social network
- Tripshake (IT) - Community website for travelers and travel agents
- Zentym (ES) - Targeted advertising for online video platforms

The event also offered one day of entrepreneurial training and pitching sessions. The experts gave the entrepreneurs feedback on how improve the impact of their presentation methods. On the following day, entrepreneurs had another seven minute test pitch in front of an expert for some final feedback before presenting their projects to the investors. At the same time the investors had an interactive session, sharing their views on international investment strategies, opportunities and personal experiences in the mediatech industry.

An informal roundtable discussion between entrepreneurs and investors was held after these sessions. Answers were given to questions on how investors source projects, and what it is they look for in their approach. The main event of the day was dedicated to the actual "entrepreneur to investor" pitches followed by a Q&A. Both entrepreneurs and investors found the event's personalized approach to the industry extremely valuable, as they developed meaningful relationships and benefited from a wide range of investment and partnership opportunities. Investors at the event also took the opportunity to meet other investors at the European Mediatech Investment Forum for exploring possible mutual interests and comparing investment methods.

For more information on the European Mediatech Investment Forum go to:

<http://www.media-deals.org/html/events.html>

CASE STUDY

Unique customized mixed reality LBS Gbanga goes Beta and confirms its second seeding round

Matthias Sala, cofounder and CEO of Gbanga, confirmed his second amount of seeding in August and is currently in the process of raising funds for the next round. The new investor is also a partner with a strong background in sales for a Swiss nightlife web portal. The newly won seed money will be used to accelerate the expansion of its community and introduce viral elements such as a unique new "friends invite."

Switzerland-based game maker Gbanga is not the first hybrid gaming platform experimenting with the mix between reality and virtual reality. However, the game fuses a funny fantasy world with a real geographical map of Zurich in quite a unique way. In the future, the Gbanga cofounder and CEO Matthias Sala and his team plan to expand the game to other large cities around the globe, making it a perfect game for commuters using public transportation. The game map adapts to the mobile player's real location and moves with the player as he or she travels through the real world.

In the game, the user walks around collecting virtual wild animals that have escaped from the local zoo. Once an animal is caught, it is returned to the local zoo for points and prizes. In the game, besides discovering their local city in a unique way, users may also chat with other online players and trade their items in inventory.

Gbanga creates mobile LBS games and has recently rolled out its Beta Zurich version, where users are already happily hunting wild animals. The game may be played on many feature phones and smartphones alike. Gbanga utilizes the conventional GSM network and the system does not need GPS to roughly determine a user's location.

Why is there a market for Gbanga?

- Gbanga enables advertisers to build a relationship with gamers by introducing them to real-world Gbanga clients and their in-game brands with entertaining content and stories instead of through flat advertising.
- The virtual Gbanga world produces real peers for Gbanga clients and increases their number of walk-in customers, who make purchases in brick and mortar shops and showrooms and not online.
- Gbanga's content platform may be compared to a public space such as Time Square/NY with a mutually non-exclusive diversity of stories that will ultimately attract its users to the community.
- Gbanga is not white-label and takes a "public" open platform approach similar to platforms like SecondLife, in the sense that everyone, clients as well as gamers, may contribute to the growth of the Gbanga game world.

What is attractive to investors about Gbanga?

- Gbanga follows the "blue ocean" strategy, the new approach to advertising in respect to value innovation by focusing on untapped markets.
- Matthias Sala is a highly passionate entrepreneur who works with a highly competent team of engineers in developing the complex hybrid technology behind Gbanga.
- Major milestones have already been passed in managing to produce a tangible product in less than two years with great efficiency and relatively low overhead in the 6 figure range. In 20 months, Gbanga has assembled a team and launched a prototype showing proof-of-market with its Gbanga Zooh.
- Gbanga is remunerated for the brick and mortar business that it generates for its advertising clients with its online gaming community through a system comparable with Google's clickthrough-rate (CTR) model. The ultimate plan is the scaling of the Gbanga showcase to a global level following the formula of "low risk and fast returns."
- In this way, all profits are generated through a well managed integrated modular community network following the "blue ocean" strategy. The success of Gbanga's modular network will largely depend on Gbanga's continuous customer support and competent community/network management. The entire network is finally accessed by its users through a single application installed on their devices.