

Earlybird portfolio hatches three IPOs

EARLYBIRD HAS LISTED three of its portfolio companies in the space of a fortnight. Swiss-based Esmertec, a provider of Java-based solutions and technologies for the mobile phone and electronics market, is backed by a number of financial investors including Partners Group, Invision and Sofinnova.

The company listed on the SWX Swiss Stock Exchange on 29 September at an opening price of SFr 18.20. Approximately

one third of Esmertec's registered stock was placed, with a transaction volume of SFr 98m. All the financial investors will continue to retain a stake in the company post-IPO.

Interhyp, which provides online mortgage advice at budget prices, floated approximately 50% of its shareholding on the same day with backing from co-investors Earlybird and 3i. The financial backers sold 30% and 40% of their respective shareholdings to facilitate the flotation.

The placement of 46% of Tipp24's stock, in which Earlybird held a significant minority stake pre-IPO, listed on 12 October. Earlybird provided seed financing to the company when it was established in 1999, and was involved in subsequent follow-on rounds. Both Interhyp and Tipp24 listed on the Frankfurt Prime Standard market. The two companies represent investments from Earlybird's first fund generation and will reportedly enable the VC to repay its investors several times over.

Apax buys Versatel and floats Q-Cells

APAX HAS DOUBLED up with Tele2 AB to delist Versatel Telecom International NV from the Euronext Amsterdam Stock Exchange. The Swedish telephone network operator made an offer to acquire the Dutch operations of Versatel NV, while Apax agreed to pay in the region of €565m for Versatel Deutschland, a subsidiary of its Dutch parent since 1999.

The transaction value was based on the enterprise value of the company plus any cash retained on its balance sheet. Q-Cells also floated on the Frankfurt Prime Standard Exchange on 5 October. Pre-IPO Apax held a 16% stake in the manufacturer of multi- and mono-crystalline silicon solar cells. Apax reported a 16x return on its total investment in the company at the IPO valuation.



Source: Incisive Media
Number and total value of €10m+ of Deutsche region buyouts deals 12 months rolling to November 2005

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Palamon plays the loyalty card

PALAMON CAPITAL PARTNERS has acquired a 60% stake in German loyalty programme operator Loyalty Partner GmbH. Palamon bought its controlling stake in the company from vendors Lufthansa Commercial Holdings, a wholly owned subsidiary of Deutsche Lufthansa AG, and retail group Metro AG. Alexander Rittweger, CEO and founder of Loyalty Partner, will increase his shareholding from 14.8% to around 20% and Roland Berger, chairman of Roland Berger Strategy Consultants will maintain his 7.5% stake. Palamon sourced

the deal via a process arranged by JP Morgan on behalf of Lufthansa.

This is the first investment from Palamon European Equity II, which held a first close in the summer with a target of €650m. Loyalty Partner operates Germany's largest multi-partner loyalty programme through its PAYBACK Card. Since the launch of the card in 2000, the company has developed more than 28 million cards and the PAYBACK Card is now the third-most used plastic card in German wallets, after the health card and the debit card.

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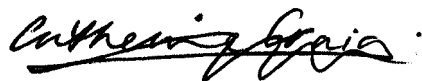
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Taking stock of the climate

As the German-speaking private equity community heads into Q4, the mood continues to be pro-active and concentrated. The LBO market pursues a steady flow of buyouts, spanning the mid-market range by value. Corporate divestments play some part in current dealflow, with Apax having acquired the German operations of Dutch-based Versatel, and Nordwind having completed its acquisition of SHW's automotive division. There are some signals that confidence in German retail could be regaining momentum, with a number of acquisitions in this area, including Palamon's majority purchase of Loyalty Partner GmbH. The loyalty card operator partners retail groups such as OBI, Galeria Kaufhof, dm-drogerie, Real and Görtz, and has developed over 28 million loyalty cards in Germany to date. The exit climate has been dominated for the first time in almost five years by a number of stock market flotations, both in the buyout and venture arenas. Private equity-backed Q-Cells and ErSol AG have both listed on the Frankfurt Prime Standard, whilst Esmertec, Interhyp and Tipp24 have prompted a re-assessment of IPO prospects amongst venture capitalists. What's more, venture-backed expansion deals suggest a growing confidence amongst investors for the future.

Having recently attended the ninth Munich Venture Capital Conference presented by the likes of Extorel, Earlybird, 3i, TVM, GLSV and Dr Neuhaus Techno Nord, I noted that German venture capital is indeed critically examining its strengths and weaknesses. Whilst cautious when questioned about the future, the speakers demonstrated that innovation, expertise and funding are all in abundance in Germany. However, in order to facilitate progress, the framework in which these factors combine must evolve. Guest speaker Dr Otto Wiesheu of the Bavarian Ministry of Economic Affairs, Infrastructure, Transport and Technology spoke unequivocally of the need for renewed tax structures. These would reward and not penalise those who offer financial support for venture capital, taking into account the risks commensurate with the industry. Of course, the latest venture-backed IPOs in Germany and Switzerland do not signpost a return to the heady boom of the late 1990s. Nevertheless, they highlight two important facts for venture capital: venture investment takes time to mature; investors are still working out investments from a vintage in which the climate was critically destabilised by the dotcom bubble. Secondly, the wave of interest in venture capital inspired by such successes should be used to positive effect. There is a deficit in understanding of the key role that venture capital plays in economic development. To progress, venture capital must seek to position itself with investors and politicians alike as an instrument to fuel progress.

Yours sincerely,



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Avadis exceeds target for Private Equity Welt IV

Fund

Avadis Anlagestiftung has announced the closing of its fourth fund-of-funds, Private Equity Welt IV, on \$71m (SFr 90m), exceeding the original target of approximately \$60m set for the vehicle. The fund has a lifespan of 10+4 years and is based in Switzerland. Terms and conditions for the fund are described as following the industry standard. Legal advice came from Lenz & Staehelin.

Investors

Details of individual investors have not been disclosed, however, according to the fund manager investments have come from Swiss pension funds.

Investments

The fund-of-funds will invest worldwide, with the main investment focus falling on Europe and the US. The vehicle will target buyouts, accounting for between 60-70% of all investments, with the balance dedicated to venture capital and special situations investments. Minimum commitments start at €4m (\$5m) per fund, with a total of between 10-15 investments expected over the lifespan of the vehicle.

People

Daniel Dubach manages the fund for Avadis Anlagestiftung. Michael Russell of Pacific Corporate Group is due diligence advisor to Private Equity Welt IV.

Name
Private Equity Welt IV
Target
\$60
Focus
Buyouts, venture
Contact
Daniel Dubach
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Advisers
Pacific Corporate Group (Due diligence)

bmp AG announces first close for König & Cie. International Private Equity GmbH & Co. KG

Fund

bmp AG has announced the first close of its new fund-of-funds, König % Cie. International Private Equity GmbH & Co., which is backed by a placement guarantee from the initiator König & Cie, ahead of approval from BaFin. The vehicle is expected to be put into circulation by 10 October, having received regulatory approval from BaFin. The fund-of-funds has announced its first close on €11.8m and has a target of €30-50m. Indeed, the fund-of-funds had already effected four commitments in internationally-renowned target funds before selling commenced. Terms and conditions for the fund-of-funds have been described as following the industry standard.

Investors

The initiators of the fund-of-funds expect a target return of considerably more than 10% per annum.

Investments

Minimum subscriptions to the vehicle begin at €10,000 plus a 5% premium. Investments will focus on buyouts and venture in the US and Europe. Commitments have been made to Carlyle Europe II (buyouts, Europe), Oak Hill Capital Partners, Francisco Partners II (buyout, US) and Wellington Partners III (venture capital, Europe).

People

Mr Günther will lead the fund management team of four investment professionals for bmp.

Name
König & Cie. International Private Equity GmbH & Co.
Target
€30-50m
Focus
Buyouts, venture
Contact
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bmp AG
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10555 Berlin

Finatem holds second close on €99m for German mid-market fund

Fund

German mid-market private equity house Finatem has held a successful second closing of its second mid-market buyout fund, Finatem II, on €99m. The fund was launched with a first closing on €74m in June 2004. Since then, Finatem has been an active investor in the German market. Finatem II has

Name
Finatem II
Target
€125
Focus
Mid-market buyout

Contact

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Name

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Target
 €250m
Focus
 Venture
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 Tel: +49 89 998 992 0
 www.tvmvc.com

already made three investments with a fourth transaction imminent. Approximately 40% of total commitments raised to date have already been invested. The second fund is on course to meet the final target of €125m. Finatem II is structured as a local German partnership with a lifespan of 10 years from its first closing. The fund operates a unique mechanism for management fees by returning to investors any excess above costs.

Investors

The second closing attracted major European institutional investors as well as a number of German family offices. Natexis Private Equity International, the private equity arm of the French mid-market bank, and DZ Equity Partner, the private equity division of the German mid-market bank, have both made substantial commitments to the fund. Other significant commitments have come from investors in Germany, Austria and France.

Investments

The fund will focus on mid-market buyout opportunities, primarily in Germany, but also opportunistically in other German-speaking countries. Companies targeted would typically have a minimum turnover of €25m and good growth and business improvement potential. Finatem II has already completed three investments to date, two of which were completed in 2005.

TVM closes latest life science fund

Fund

TVM announced the final close of its latest life science fund, TVM Life Science Ventures VI, on 5 October. The fund fell just short of its €250m target, attaining €240.3m. No placing agent was used.

Investors

Commitments came from a broad range of investors, including previous investors and current cornerstones European Investment Fund (ERP-EIF Fund of Funds) and AlpInvest. About 20 other investors from Europe and the US and Asia subscribed, including KfW Bankengruppe, Germany; Skandia Liv Asset Management, Sweden; Temasek Holdings Pte. Ltd, Singapore; Taiwan government's economic investment catalyst; and Quintiles Transnational Corp, the world's largest pharmaceutical services organization. Furthermore, Genzyme Corporation and Biogen Idec, two of the most prominent global biotech companies headquartered in the US also invested in TVM LSV VI.

Investments

As with its previous investment vehicles, TVM will focus its investments on drug discovery and development, funding both early- and later-stage companies in the US and Europe. The percentage of early- and later-stage companies in which TVM LSV VI invests will be market-driven, with TVM seeking to make the best commitments on both sides of the continent. The first two investments for the new vehicle are Newron Pharmaceuticals and elbion AG. Newron Pharmaceuticals is a Milan-based spin out of Pharmacia Upjohn, a later-stage company engaged in the discovery and development of innovative CNS compounds in the area of neuroprotection, neurodegeneration and pain. Newron is currently in phase III clinical development in Parkinson's Disease and in phase II in neuropathic pain. elbion, located in Radebeul, Germany, is a developer of small molecule therapeutics, and TVM is investing in the company as part of the company's recently closed €35m financing. The fund will typically invest over 4-7 years.

People

Dr Helmut Schuehler, managing partner of TVM's life sciences division, will manage the fund.

Argos Soditic's Euroknights V expects first close by early November

Argos Soditic has launched Euroknights V with a target of €250m and a hard cap of €275m. The fund will be subscribed by existing investors as well as four new investors expected to join in the first close. Guy Semmens will manage the vehicle, which is expected to reach a final close between December 2005 and March 2006. Current preliminary commitments amount to around €180-200m.

CGS Management looking to raise new fund

Swiss buyout fund manager CGS Management is looking to recommence fundraising by the end of this year. The new buy-and-build fund will target core investments in Switzerland, while so-called add-on targets might be located all over Europe. This will include Eastern Europe for the acquisition of pure production facilities. Pursuing a proven strategy, which began in 1999, CGS typically merges between 3-5 companies to become one entity, benefiting from economies of sale, market visibility, purchasing power and further synergies. All partners have extensive experience as industry executives on CEO and board levels. CGS Partnership I formed two strong industry clusters out of 10 fully acquired companies, and will reportedly provide an attractive IRR to investors.

CGS has recently announced its successful exit from Electronicparc Holding AG. Electronicparc was acquired by Cicorel Holding SA to complete and further strengthen the positioning and industrial activities of Cicorel, a group of manufacturers of high density printed circuit boards. The name of the resulting new entity is CICOR Technologies, which is listed on the Swiss Stock Exchange. Further details of this transaction will be disclosed in the next issue of "Deutsche Unquote".

Palamon launches new fundraising

Palamon Capital Partners has commenced fundraising for Palamon European Equity, with a target of €650m and a €750m hard cap. Palamon's funds typically have a 12-year lifespan. Whilst further details cannot be disclosed due to US regulations, an anonymous source reports that the fundraising is progressing very well.

Ventizz Capital Fund III is launched

Ventizz Capital Partners has commenced fundraising in the light of a highly successful yield on Ventizz II. Details of Ventizz Capital Fund III remain as yet undisclosed. To date, Ventizz Funds have invested in 17 companies with a special focus on renewable energy, solar energy and medical devices.

Cipio Partners acquires West STEAG Partners

CIPIO PARTNERS, THE global investment management firm operating in the secondary direct market, has acquired the venture capital portfolio of West STEAG Partners, a fund sponsored by WestLB AG and STEAG Electronic Systems AG, which recently merged with SES Beteiligungs-GmbH. The portfolio, which has been developed by West STEAG Partners since 2001, currently comprises seven direct investments including a number of leading semiconductor capital equipment and communications technology companies in North America and Israel. Cipio Partners led the transaction in cooperation with major international fund-of-funds managers. STEAG AG and WestLB jointly launched West STEAG partners in 2001 with a target of €100m (*September 2001, page 4*). West STEAG is a venture fund investing in electronics, optics, MEMs, IT and analytics/diagnostics in biotechnology. Based in Munich, the company focuses its investments on high-tech growth markets in the US, Europe and Israel.

Leica spin-off is acquired by Golden Gate Capital

LEADING US-BASED MANUFACTURER Danaher Corporation has announced the completion of the sale of the semiconductor equipment division of Leica Microsystems AG to Golden Gate Capital. The divestiture was assumed as a part of the overall acquisition by Danaher Corporation of Leica Microsystems AG and as a result, the company does not expect to recognize any gain or loss as a result of the transaction. Reporting revenues of approximately \$120m in 2004, the semiconductor equipment division manufactures and sells microelectronic inspection equipment and lithography systems. Based in San Francisco, the acquirer, Golden Gate Capital, currently has \$2.5bn of funds under management. Danaher agreed to acquire Leica Microsystems AG in July from LM Investments S.a.r.l for €450m, including assumed debt, pension liabilities, transaction costs and net cash acquired.

GLSV survey reports increased confidence in biotechnology sector

GLOBAL LIFE SCIENCE VENTURES has released the results of a survey revealing increased optimism about the biotechnology sector and favourable long-term investment prospects. According to the results, 87% of investors and analysts questioned recommend investment in the biotechnology sector. The GLSV Biotech Investment Barometer was based on a questionnaire sent on 19 September to several hundred biotechnology company executives and members of the financial community located mainly in Switzerland and continental Europe. The survey, intended to gauge the climate for investment in biotechnology, was presented at the Sachs Bloomberg Biotech in Europe Investor Forum, held in Zurich on 4-5 October 2005. Of the 98 responses received, 46% of respondents were more optimistic about the biotech sector than twelve months ago, with only 11% proving to be less so. The biotechnology market was considered to be valued by the majority of investors and analysts, while 57% of biotechnology company executives considered the market somewhat or very much undervalued. 77% of respondents agreed that the greatest value driver for biotechnology is developing therapeutics for untreatable medical conditions and filling the pharma industry's R&D pipeline. The long-term prospects for the biotechnology sector were judged to be high or generally favourable by 87% of all respondents.

Index Ventures invests in Swiss spin-off

INDEX VENTURES HAS announced a solo \$17m investment in OANDA, an innovator for global currency trading. The company is headquartered in New York with offices in Toronto and Zurich. OANDA has been profitable since it launched FXTrade, the world's first end-to-end, fully automated currency trading platform in 2001. OANDA offers the lowest spreads in the online Forex market and will use its venture capital funding to further extend its market position and reach. Index recently profited from the sale of SKYPE Technologies SA by online auction house eBay. Both Danny Rimer and Bernard Dalle, general partners at Index Ventures will be members of the board, following this deal. OANDA was spun out of Zurich-based econometric research and development firm Olsen and Associates by founders Richard Olsen and Michael Stumm in 1995. OANDA, which incorporated in 1996 in the state of Delaware, specialises in internet-based currency trading, currency localization and information services. With one of the world's largest historical high frequency, filtered currency databases, OANDA was the first to offer a broad range of currency exchange rate information free of charge to the general public over the Web in 1995. OANDA became an internet-based business-to-business application provider (ASP) in 1997 and currently services over 75,000 ASP clients globally. To date, OANDA has closed over 72 million transactions.



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fund list

<i>D</i> <i>NA</i>	Germany North America	<i>US</i> <i>AU</i>	United States Austria	<i>NL</i> <i>CH</i>	Netherlands Switzerland	<i>F</i> <i>EI</i>	France Ireland
Fund name	Group	Base	Target €m	Close	Closed on €m		
APEP Dachfonds GmbH & Co KG	Allianz Private Equity Partners	D	750	1st	400		
Argantis Private Equity GmbH & Co KG	Argantis GmbH	D	200	1st	101		
Baytech Venture Capital II	Baytech Venture Capital	D	n/d	F/C	86		
BPE2 Private Equity GmbH & Co KG	BPE Private Equity GmbH	D	100	F/C	100		
Candover 2005 Fund	Candover	UK	3,000	1st	2,300		
CVC European Equity Partners IV	CVC	UK, D	6,000	F/C	6,000		
Electra European fund II	Electra Partners Europe	UK	1,000	F/C	1,260		
Euroknights V	Argos Soditic	CH	250	FA	0		
EX.TRA Industries Private Equity GmbH & Co KG	EX.TRA Management GmbH	D	100	F/A	5		
Finatem Fund II	Finatem	D	125-150	2nd	99		
German Capital Beteiligungs GmbH	GI Ventures AG	D	100	FA	0		
Greater Europe Fund	Invest Equity	AU	n/d	1st	n/d		
HBM BioCapital (Cayman) LP	HBM Partners AG	UK, D	200	1st	80		
Koenig & Cie International Private Equity GmbH & Co	bmp AG	D	30-50	1st	11.8		
M Cap Finance Deutsche Mezzanine	M Cap Finance Deutsche Mezzanine	D	150	4th	n/d		
Montagu III	Montagu Private Equity	SCT	2,000	F/C	2,300		
MPC Global Equity VI	Global Vision AG Private Equity Partners	D	25	F/A	0		
Nordcapital Private Equity Fonds IV	Nordcapital	D	10	F/C	10		
Nordcapital Private Equity Fonds V	Nordcapital Private Equity	D	26.6	F/A	0		
Oppenberg Catalyst Fund	Oppenberg Capital Markets GmbH	D	2500	FA	126		
Oppenheim Private Equity Holding GmbH & Co KG	Sal. Oppenheim Private Equity Manager	D	150-200	1st	60		
PA Invest AG	PA Invest Beteiligungs-Invest AG	A	70	1st	13		
Palamon European Equity	Palamon Capital Partners	UK	650	F/A	0		
Private Equity Welt IV	Avadis Anlagestiftung	D	54	F/C	59.3		
Säntis Invest I	Säntis Investment AG	CH	66	FA	0		
Triangle Fund IV	Triangle Venture Capital Group	D	50-70	2nd	30		
TVM Life Science Ventures VI	TVM Techno Venture Management	D	250	F/C	240.3		
Ventizz Capital Fund II	Ventizz Capital Partners	D	n/d	1st	60		
VRP Venture Capital Rheinland-Pfalz GmbH & Co KG	equinet Venture Partners AG	D	30	1st	15		
Wellington Partners III Technology Fund	Wellington Partners	D	120	F/C	150		

	<i>UK</i> <i>EU</i>	United Kingdom Europe	<i>FA</i> <i>FC</i>	Fund announced Fund closed	<i>1st</i> <i>2nd</i>	1st Close 2nd Close
Date		Stage	Geographic	Contact		Telephone No.
Aug-05		Buyouts, venture	Global	Christian Mayert		+49 89 38 00 19 900
Feb-04		Mid-cap buyouts	D, A, CH	Michael Hildisch		+49 22 1 28 06 40
Jul-05		Early-stage	Western Europe	Andreas Demleitner		+49 89 2171 26130
Jun-05		Buyout	A, CH, D	Aman Miran Khan		+49 40 36 15 700
Aug-05		Buyouts	EU	Candover		+44 20 74 89 98 48
Jul-05		Buyouts	EU	Gregor Hilverkus		+49 69 975 835 0
Jul-05		Buyouts	Western Europe	Nigel McConnell		+44 207 214 4800
Oct-05		Buyout	EU	Guy Semmens		+41 22 849 66 33
Jul-03		Buyout, small caps	D, A, CH	Frank Stolpmann		+49 211 137 2312
Oct-05		Mid-market buyouts	D, CH,A	Christophe Hemmerle		+49 69 50 95 64 0
Jul-02		Buyout	D	Dr Peter Schiefer		+49 89 3838 9220
Sep-04		Mid-market buyouts	A	Martin Prohazka		+43 1532 05 51
May-04		Expansion	EU, US	Dr Ulrich Geilinger		+41 1 266 10 700
Oct-05		Buyout, venture	EU, US	Corinna Riewe		+49 30-20 30 5 567
Mar-05		Mezzanine	D	Lars Gehlhaar		+ 49 69 921 016 30
Jul-05		Buyouts	Northern & Western Europe	Chris Masterson		+44 20 73 36 99 55
Jul-04		Fund-of-funds	EU, US	Reinhard Hartl		+49 69 978 400 05
Mar-05		Fund-of-funds	EU	Philip Frerichs		+49 40 374 8340
Aug-05		Fund-of-funds	EU	Philip Frerichs		+49 40 3748340
May-05		Crossover	EU	Dean McClelland		+49 69 29 723 800
Jul-02		Generalist	EU, US	Christian Diekmann		+49 221 1451 654
May-02		Turnaround	A, CH, D	Wilhelm Tschol		+43 1 581 8390
Oct-05		Buyout, venture	EU, US	Michael Hoffmann		+44 20 7851 9900
Oct-05		Buyout, venture	Global	Daniel Dubach		n/d
May-03		Growth, buyout	CH, D, LI	Dr Torsten Petersen		+41 71 352 72 40
Aug-05		Early-stage	D	Uli W Fricke		+49 700 874 26453
Oct-05		Pharma, venture	EU, US	Monika Schlesinger		+49 89 998 992 0
Jan-05		Later-stage	D	Dr Helmut Vornedran		+49 211 862 86916
Mar-03		Early-stage	D	Dr Thomas Hoch		+49 69 58997 0
Jul-05		Early-stage	EU	Frank Böhmke		+49 89 219941 35

**YEAR TO
NOVEMBER 2005**

Figures are based on all early-stage/expansion transactions in Germany, Switzerland and Austria that were confirmed as having an institutional private equity or mezzanine investor as a lead or syndicate partner.

For further information on Incisive Media's data and research please call +44 1737 784200



Source: Incisive Media
Number and total value of €m of Deutsche region early-stage deals 12 months rolling to 1 November 2005



Source: Incisive Media
Number and total value of €m of Deutsche region expansion deals 12 months rolling to 1 November 2005

Figures are based on all buyouts in Germany, Switzerland and Austria with a recorded or estimated value of €10m+ that were confirmed as having an institutional private equity or mezzanine investor as a lead or syndicate partner.



Source: Incisive Media
Number and total value of €10m+ of Deutsche region buyouts deals 12 months rolling to 1 November 2005



Source: Incisive Media
Number and total value of €10m+ of European buyouts deals 12 months rolling to 1 November 2005



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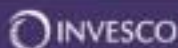
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deal sector index

	SIZE (€M)	TYPE	NAME
AUTO PARTS	210	Buyout	SHW (automotive)
	n/d	Buyout	Schenk Bohemia Group
	n/d	Buyout	J&S Group
BUSINESS SERVICES	n/d	Buyout	Loyal Partner GmbH
CONSUMER GOODS	n/d	Buyout	Derby Cycle Group
ENGINEERING GENERAL	n/d	Buyout	Lewa
MEDICAL EQUIPMENT & SUPPLIES	SFr 34	Expansion	Precimed Group
PHARMACEUTICALS	n/d	Expansion	IDEA AG
	26.5	Expansion	Trigen Holdings AG
	12.8	Early-stage	Neuraxo Biotec GmbH
RETAILERS	12	Expansion	1-2-3.tv
	n/d	Buyout	Schneider Gruppe
	n/d	Buyout	Runners Point
SOFTWARE	4.5	Expansion	Panoratio Database Images GmbH
SUPPORT SERVICES	2.5	Expansion	Clean Car AG
TELECOMMUNICATIONS	565+	Buyout	Versatel Deutschland

EQUITY LEAD	DEBT LEAD	REGION	PAGE
Nordwind Capital	CBCM	Aalen Wasseralfingen, Liberec	25
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Siemens Venture Capital	n/a	Stuttgart	16
CBG Commerzbankgruppe	n/a	Meerbusch	22
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Early-stage transactions include start-up/seed and early-stage equity investments. Start-up/seed financing is provided to companies for use in product development and initial marketing. Companies may be in the process of being set up or may have been in business for a short time, but have not sold their product commercially. Early-stage financing allows companies which have completed the product development stage and require further funds to initiate commercial manufacturing and sales. They may not yet be generating any revenues.

Neuraxo Biotech GmbH

Location	Düsseldorf
Sector	Pharmaceuticals & biotechnology
Founded	2001
Staff	10

DAT datapoints

- Jan Dirk Heerma, of SJ Berwin, also advised on the €25m expansion financing of Evotec Eurosciences, led by TVM Techno Venture Management and co-led by 3i Plc and MVM, in early 2005. Dr Frank Vogel also worked on the deal for SJ Berwin. The company develops products for the treatment of major CNS disorders.

Data generated by Incisive Media's

Deal Analysis Tool

For more information contact:
victor.robinson@incisivemedia.com

Panoratio Database Images GmbH

Location	Stuttgart
Sector	Software
Founded	2003
Staff	24

Global Life Science Ventures *et al.* €12.8m

Investors

Global Life Science Ventures and BioMedinvest AG have co-led a €12.8m series-A financing of Neuraxo Biotec GmbH. FNI Venture Capital and Mulligan BioCapital AG also participated in the funding round, which was agreed on 19 September. The funding from this series-A round will be used to take Neuraxo's lead product candidate, Cornadeurin, through proof-of-concept studies in man and move additional product candidates into the clinic. Dr Holger Reithinger of GLSV commented, 'We have been impressed by the quality of the data generated by Neuraxo, building on the pioneering research of its founder, Prof Hans Werner Müller. The important role of the fibrous scar in spinal cord injury and other nervous system injuries has been underrated in past years.'

Company

Founded in 2001 in Düsseldorf, Neuraxo Biotec focuses on the treatment of injuries to the nervous system. Neuraxo's key proprietary technology, the 'Regeneration Promoting Treatment', is the first and only existing drug in development that has been shown to allow regeneration of injured nerves following their natural nerve tract, thus enabling the recovery of sensory and motor functions. Neuraxo's lead product candidate, Cordaneurin, has been granted Orphan Drug Designation by the European Medicines Agency (EMA) for the indication 'treatment of traumatic spinal cord injuries'. Cordaneurin will enter clinical trials in December 2005 on patients with acute spinal cord injury. The company employs a staff of 10.

People

Dr Holger Reithinger, principal of GLSV, and Dr Markus Hosang of BioMedinvest will join the supervisory board of Neuraxo. Dr Rainer Lichtenberger is CEO of Neuraxo Biotec.

Advisers

Equity – SJ Berwin, Jan Dirk Heerma (*Legal*).

Siemens Venture Capital *et al.* €4.5m

Investors

A syndicate of investors including Siemens Venture Capital, L-EA (L-Bank) SEED Venture, DVC Deutsche Venture Capital and PolyTechnos Venture-Partners have participated in a €4.5m (\$5.58m) round of funding for Panoratio Database Images GmbH. The transaction, which was completed on 14 September, follows a first financing round of €3.2m held in early 2004 by DVC, L-EA/SEED and PolyTechnos (*March 2004, page 16*). The company plans to use this latest funding to fuel its expansion efforts in Germany and the US. The expansion efforts into the North American market have been kicked off with the announcement that Brett Kilpatrick has formed Panoratio Database Images Inc to lead North American operations as CEO (*see page 31*).

Company

Stuttgart-based Panoratio Database Images GmbH was established in March 2003 as a Siemens spin-off in Munich. The company, which has since moved its operations to Stuttgart, develops innovative software for the interpretation and analysis of large datasets. Key customers of the company in Germany include KarstadtQuelle Information Services, Sixt AG, INSIGHT Health

and Siemens Power Generation. 'Our Portable Database Images technology offers a completely new approach to the interpretation of data, thereby closing the gaps of processes and solutions used until now', comments Georg Rybing, general manager and CEO of Panoratio. Panoratio has developed a new technology with which organisations are able to quickly analyse complex data structures. In contrast to all methods used to date, the interpretation is not carried out on the data itself, but rather in a precise and complete image of the data without loss of detail or granularity, known as the Panoratio Database Image, or PDI. The PDI footprint is a reduction by a factor of 100:1 to 1000:1 with respect to original data, achieved through patented processes. Panoratio employs a staff of 20 in Germany and four in the US.

People

Dr Uwe Albrecht handled the transaction for Siemens Venture Capital. Cyril Betrand represented DVC. Georg Rybing is CEO of Panoratio.

Advisers

Company – SJ Berwin, Frankfurt, Dr Tobias Lenz (*Legal*).

private equity | intelligence reports 2005

December

France Report 2005

In December, Incisive Media will be publishing its annual Intelligence Report focusing on the French private equity market. As well as looking at the current state of play, the report will focus on key topics, such as:

- General overview of trends
- The rise in popularity for mezzanine
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Expansion capital is provided to support the growth and expansion of an established company and must include an element of equity financing. Funds may be used to enable increased production capacity, market or product development and/or to provide additional working capital. Acquisition finance provided to a new or existing investee company to support its acquisition of a target or targets is also included in this section.

Precimed Group

Location	Orvin (CH)
Sector	Medical equipment & supplies
Founded	1995
Turnover	SFr 55m
Staff	270

DAT datapoints

- BVgroup led a €6.558m expansion financing of Ypsomed Holding AG in May 2004. Ypsomed is a producer of medical injection systems and co-led this latest investment in Precimed.

Data generated by Incisive Media's

Deal Analysis Tool

For more information contact:
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BVgroup Private Equity *et al.*

SFr 34m

Investors

A syndicate of investors led by BVgroup Private Equity, co-led by Ypsomed Holding AG and HBM BioVentures/BioCapital alongside co-investor Vinci Capital – Renaissance PME, has invested SFr 34m in Precimed Group. The financing is intended to aid the acceleration of Precimed's organic growth and to facilitate selective acquisitions to enhance the company's product-range. Commenting on the future development of the company, Daniel Kusio of BVgroup indicated the possibility of an IPO in 3-4 years, as well as the potential for interest from competitive OEMs based on the company's internationally recognised management and expertise. Kusio draws on the example of Symmetry, a US listed company specialising in orthopaedic components whose recent listing proved very successful. The company's patenting objectives are said to demonstrate an IP portfolio, which is highly marketable amongst OEMs, taking an innovative, full-service approach.

Company

Headquartered in Orvin since its inception in 1995, Precimed is a growing Swiss medtech company focusing on the design and development of innovative instruments for the orthopaedic implant market. The company also has headquarters in Exton, Philadelphia, as well as subsidiaries in the UK, Japan and Asia. The company's leading products, including instrumentation for hip and knee replacement, trauma and spinal treatment, are sold worldwide to more than 260 orthopaedic OEM customers, among them Zimmer, Stryker, DePuy, Medtronic, Smith & Nephew, Biomet and Synthes. Since the start of the business in 1995, Precimed has developed the company from a 17-employee outfit with SFr 1.8m in revenues, to a 270-strong workforce, of which more than 200 are located in Switzerland, generating turnover of SFr 55m. Precimed generates 60% of its sales in the US within the three major orthopaedic sectors – reconstruction, trauma and spinal injury. Precimed has built up a strong reputation in the areas of minimally-invasive surgery, resurfacing, computer-aided surgery, RFID tracking and disposable instruments. The company today has more than 45 patents and patents pending, and invests approximately 6% of its sales into ongoing research and development.

People

Daniel Kusio led the transaction for BVgroup Private Equity, with Dr Beat Merz handling the deal for HBM Partners. Christian Waldvogel represented Vinci Capital Renaissance. John Ayliffe is CEO of Precimed SA, whilst Patrick Berdoz is chairman and CEO of Precimed Group.

Advisers

Company – Bourgeois Muller Pidoux (*Legal*); Dimension Corporate Finance (*M&A*).

Equity – Wenger Vieli, Christian Wenger (*Legal*).

Trigen Holdings AG

Location	Martinsried
Sector	Pharmaceuticals & biotechnology
Founded	2004
Staff	50

Wellington Partners *et al.*

€26.5m

Investors

Wellington Partners, alongside existing investors HealthCap and 3i has led a €26.5m funding round of Trigen Holdings AG. Co-investors in the round include SR One, the venture capital investment arm of GlaxoSmithKline in Pennsylvania, US, Quintiles PharmaBio Development, the largest global pharmaceutical research institution, Quest for Growth, BIT and Merifin. The new funds will be used to progress Trigen's lead candidates in their clinical development. TGN 255, Trigen's intravenous direct thrombin inhibitor (DTI) will begin a global phase III programme in 2006 to register the product for anticoagulation during haemodialysis. TGN 167, Trigen's oral DTI, will progress further

in Phase I/Ib trials. PR-15, Trigen's novel anti-platelet agent, will be advanced into phase I clinical trials. TGN 255 is said to be very close in its development to the product-stage. Strategic interest in Trigen is expected from all major pharmaceutical companies due to its cardiovascular focus, its broad antithrombotic pipeline and the recently reported success in a phase II trial with TGN 255. Wellington sourced the expansion transaction through Wellington general partner prof Erich Schlick, who joined the company on 1 October from 3i. Prof Schlick is the former head of research and development at BASF Pharma, and met Trigen through its merger with 3i portfolio company Procorde in April 2005.

Company

Martinsried and London-based Trigen Holdings is a biopharmaceutical company which specialises in the discovery and development of drugs for the treatment of cardiovascular disorders. The company was created in 1992 to pursue a research programme on small molecule coagulation protease inhibitors conducted at the world-renowned Thrombosis Research Institute in London. The company's particular focus is on thrombosis and vascular dysfunction. The company was formed in March 2004 through the merger of Trigen Holdings Plc and ProCorde GmbH. Combined, the two companies employ a team of 50 experts. The company's product pipeline includes TGN 255, TGN 167 and PR-15. In addition, the company benefits from two established discovery platforms, SIGSCREEN and THROMSCAN, which have been applied in collaborations with a number of multinational pharmaceutical companies.

TGN 255 is an intravenous, small molecule, direct thrombin inhibitor (DTI) being developed to prevent thrombosis in certain in-hospital and acute care populations. Trigen recently announced successful preliminary Phase II trial data in the drug candidate's first target indication, anticoagulation during haemodialysis. The results demonstrated that TGN 255 was well tolerated in all 25 patients. Each patient underwent at least 3 dialysis sessions with TGN 255 following a baseline session with unfractionated heparin. The results suggest that TGN 255 provided effective and convenient anticoagulant cover in this setting with a high level of control and with no increase in bleeding risk. Final results are expected in Q4 2005.

TGN 167 is an orally active small molecule DTI being developed to prevent and treat thrombosis in the out-patient setting. The product has completed a Phase I study in 20 healthy volunteers. TGN 167 was well tolerated at all doses and increased the thrombin clotting time, a measure of potential efficacy, with minimal effects on activated partial thromboplastin time (aPTT), a measure of potential bleeding risk. Trigen is currently developing controlled release formulations of TGN 167, after which the product will progress further in clinical trials. PR-15 is a novel anti-platelet protein to treat arterial thrombosis. The agent is expected to enter Phase I trials in early 2006.

People

Wellington venture partner Dr Thomas Widmann has joined the board of Trigen as a result of the transaction. Widmann was the co-founder and the first CEO of Actelion, the global drug-developer and marketer. Dr Rainer Strohmenger worked on the deal for Wellington with Dr Erich Schlick, who will take the role of board observer to Trigen. Healthcap was represented by Magnus Persson. 3i was represented by Erich Schlick until May 2005, followed by Thomas Pollare.

Advisors

Equity – Pöllath & Partner, Munich, Dr Michael Inhester (*Legal – Wellington*).

Iris Capital *et al.*

€12m

Investors

1-2-3.tv has secured a €12m funding round led by Iris Capital and backed by existing investors Wellington Partners, Target Partners and 3i. The transaction was completed on 28 September. Following a first venture capital financing in May 2004, when 3i, Target and Wellington invested €20m (*October 2004, page 12*), this second round of funding is intended to assist in the further development of the company's tele-shopping operations. The company's objective is to reinforce its presence on cable networks and ensure

DAT datapoints

- Wellington led a €5.8m expansion financing of immatics biotechnology GmbH in April this year. The company develops immunotherapeutics for the treatment of cancer and has entered into clinical development in renal cell carcinoma (RCC) with its first multi-TUMAP product candidate IMA901. Rainer Strohmenger handled the transaction for Wellington. Pöllath & Partner provided legal advice.

Data generated by Incisive Media's

Deal Analysis Tool

For more information contact:
victor.robinson@incisivemedia.com

1-2-3.tv

Location	Unterföhring
Sector	Retail
Founded	2004
Turnover	€100m
Staff	50

that 1-2-3.tv becomes well-known throughout Germany. As a result of this and previous funding, the financial investors now hold a clear majority stake in the company. Wellington Partners has driven the fundraising for 1-2-3.tv since their original investment in the company. The financing of the company was sourced through partner Michael Wölfle, the founder and one of three board members of ProSiebenSat.1, which was recently acquired by German media giant Axel Springer. Wölfle knew the founders of 1-2-3.tv personally, which led to the initial funding from the three syndicate investors.

Company

Based in Unterföhring, 1-2-3.tv is Germany's first and to date only auction-based home shopping TV channel, selling high-value branded products such as electronic equipment, jewellery and household goods at bargain prices. Jörg Überla of Wellington Partners comments that the company is based on the business model of sit-up, a UK-founded tele-shopping provider, which has been tapping into the transaction-based revenues market via tele-auctions since 2000. sit-up was founded in 2000, generating revenues of €180m by 2004. The company was bought by Telewest Global for approximately €300m this year. Founded in early 2004, 1-2-3.tv is currently broadcast across Germany via analogue and digital satellites. It is also available to cable subscribers at various times of day in Northrhine Westphalia, Lower Saxony, Bavaria, Baden-Württemberg, Berlin and Hamburg, and recently also in Bremen. Digital cable broadcasting is currently available only in Baden-Württemberg and Northrhine-Westphalia. Viewers determine for themselves, by calling low-rate phone lines or over the Internet, what the proposed products are worth to them.

A critical advantage of 1-2-3.tv over traditional internet auctions is that, as a trading company, it offers full product warranty. The customer has an unlimited withdrawal right and can return goods within fourteen days. 1-2-3.tv reports that, as a result of its low prices, its customers have saved a total of €43m. In total, the channel reaches about 24 million households. In addition, since 1 August, it has been possible to participate in the auctions via the Internet at www.1-2-3.tv. Since the channel started broadcasting on 1 October 2004, more than 140,000 people have registered with the home-shopping channel. 1-2-3.tv employs a staff of 50, with a long-term target of 80. 70% of the company's customers are repeat purchasers, with the customer-base expected to grow to 500,000 during 2006, generating €100m of sales. 1-2-3.tv is said to be recording double-digit growth rates and is expected to reach break-even by the end of 2006.

Growth prospects

On the future prospects for 1-2-3.tv, Jörg Überla of Wellington Partners comments: 'The company has all options open for its future development. There is a strong case for an IPO, with the company expected to generate large-enough revenues over a short period of time. However, strategic interest from media companies looking to get away from advertising-based revenues also provides good opportunity. There are also a number of media-based companies outside of Germany looking to find a way into the market. One of the key benefits to 1-2-3's business strategy is that it does not require advertising to double its revenues, rather its turnover is transaction-based. Home shopping is a growing market. If you look at the US, where home-shopping has existed for 20-30 years, the industry is still growing at a double-digit rate. Home-shopping is only just beginning to catch on in Europe, so this is an area with huge growth potential.'

People

Iris Capital was represented by Martin Gruschka; Jörg Überla, Wellington's specialist in convergent media investment, handled the transaction for the firm. Wellington partner Michael Wölfle also advised on the transaction. Berthold von Freiberg represented Target Partners and Daniel Meuthen acted for 3i.

Advisers

Equity – Dechert (*Legal – Wellington, Target, 3i*).

Celtic Pharmaceutical Holdings LP

n/d

Investors

Celtic Pharmaceutical Holdings LP, 'Celtic Pharma', has acquired a 21.7% shareholding in Munich-based biopharma company IDEA AG. The value of the transaction, which was completed on 28 September, is undisclosed. Celtic Pharma acquired the shares previously held by the German government organisation tbg and the majority of shares previously held by MPM Capital. MPM sold the balance of its shares to a number of recent Series-D investors who had exercised their proportional right of pre-emption. Other financial investors include 3i Group, HealthCap Venture Capital, Gilde Investments, Life Science Partners, Quest for Growth, TechnoStart and VCM. Gregor Cevc, CEO of IDEA says, 'IDEA is excited about gaining Celtic Pharma as a supporter and welcomes Mr Mayo to the board of directors. Celtic Pharma, with its investment focus on later-stage development projects and the great experience in the pharmaceutical and biotechnology sectors of its principals, is the ideal new partner for IDEA at this stage of the company's development.' TechnoStart provided seed financing to IDEA alongside MPM Capital. In 2000, a syndicate of investors provided early-stage financing to the company, the volume of which remains undisclosed. 3i Group, MPM Capital, tbg and VCM (then VCM Extorel) participated in the funding. IDEA held a series-D financing round in February and May 2005 led by Life Science Partners alongside co-investors Quest For Growth, Gilde and HealthCap Venture Capital.

Company

IDEA specialises in the development of targeted therapeutics based on novel, 'Transfersome' carriers. IDEA's proprietary Transfersome technology enables targeted and non-invasive delivery of drugs (including large molecules such as proteins) through the skin, with a particular focus on pain relief and dermatology. The Transfersome carriers are topically applied to the skin and can be engineered to achieve high drug concentration at or near the site of application, increasing drug potency and diminishing side effects. IDEA's leading compound, IDEA-033 is currently in phase III trials (double-blinded) in Europe for the treatment of peripheral pain. IDEA has also revealed encouraging interim analysis data from the ongoing German open label phase III study of IDEA-033. The compound is partnered in North America with a top five global pharmaceutical company. IDEA AG was founded in 1993 by Gregor Cevc, and currently employs a staff of 40.

Legal focus

Mayer, Brown, Rowe & Maw handled the legal due diligence for Celtic Pharmaceuticals, which covered the intellectual property aspects of the transaction in the US and Europe, as well as the structuring of the transaction from the financial side. Commenting on the transaction, Rüdiger Herrmann, who led the team for Mayer, Brown, Rowe & Maw said, 'This transaction is differentiated by two major elements: it is firstly rather unusual to see a secondary venture transaction take place in Germany. Secondly, the level of thought behind the intellectual property strategy and regulatory considerations which Celtic Pharma developed and applies to its investments are unprecedented in their detail.' Mr Herrmann leads the biotechnology and pharmaceutical team of Mayer, Brown, Rowe & Maw.

People

John Mayo, Steven Evans-Freke, Dr Stephen Parker, Averill Powers, Lisa Rhoads Andrew Sayre and George Iliffe formed the Celtic Pharma investment team. Gregor Cevc is CEO of IDEA. John Mayo has been appointed to the supervisory board of IDEA, replacing Dr Steven St Peter of MPM Capital. Andreas Kochhäuser of 3i Deutschland and Michael Mayer of TechnoStart Ventures hold seats on the company board.

Advisers

Equity - Mayer Brown Rowe & Maw, Rüdiger Herrmann (*Legal*); **PricewaterhouseCoopers** (*Financial due diligence*).

IDEA AG

Location	Munich
Sector	Pharmaceuticals & biotechnology
Founded	1993
Staff	40

Clean Car AG

Location	Meerbusch
Sector	Support services
Founded	1986
Turnover	€40m

CBG Commerzgruppe

€2.5m

Investors

CBG Commerzgruppe has provided €2.5m in mezzanine financing to Clean Car AG, a car-wash operator based in Meerbusch. The investment has a lifespan of up to seven years, with a fixed per annum plus a variable per annum equity kicker.

Company

Clean Car AG provides high-quality car wash facilities based on proprietary technology in outlets across Germany. Founded in 1986, the company completes 160 car washes per hour and generated revenues of €40m in 2004.

People

Klaus Sachse and Steffen Suhany structured the deal at CBG.

Advisers

Mezzanine – Warth & Klein (*Due diligence*).



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Apax Partners

€565m+

Investors

Funds advised by Apax Partners have agreed an offer to acquire Versatel Deutschland, the German arm of Dutch Versatel Telecom International NV, via a delisting and sale of the entire company. The offer, which ended on 7 October, is fully executable based on consent from 95% of current shareholders. Should total consent amongst existing shareholders fall below 95%, Apax will treat the takeover as discretionary. If Apax agrees to the deal under these conditions, the financial investor will dilute remaining shareholders at a later date. The value of the transaction is established to be in excess of €565m, based on the target's enterprise value plus any cash retained on the company's bank balance. Cash injections following the offer are also included in the enterprise value. The transaction is part of a joint offer with Tele2 AB to delist and split Versatel's German and Benelux operations. The Swedish telephone network operator will purchase the Benelux business of Versatel, as well as those subsidiaries of Versatel that do not form part of the German or Benelux businesses. The offer from Apax is motivated by a strategic interest in the acquisition of city carriers – telecommunications providers operating within fixed urban parameters – to add to its portfolio. Apax already owns German carrier Tropolis, a city carrier which is structured similarly to Versatel, and intends to focus on the consolidation of city carrier businesses within its German portfolio. Torsten Krumm of Apax Partners comments, 'A special element of this public-to-private transaction is that it was structured jointly by a telecommunications operator and a private equity player co-operating in order to precipitate a deal'. Apax reportedly worked on the potential deal via a direct and strategic approach to Versatel for over a year. The financial investor was unwilling to consolidate its carrier operations across different countries, and therefore approached Tele2 in April 2005 to ask the telecommunications operator to partner with it as Benelux purchaser. The transaction was financed via Apax Europe VI. Apax plans to merge portfolio company Tropolis with Versatel Deutschland, with the management of the two companies retaining a stake in each.

Debt structure

Debt was a typical senior structure arranged by ABN Amro.

Company

Versatel Deutschland has been a subsidiary of telecommunications provider Versatel Telecom International NV since its inception in 1999, just four years after Versatel NV was founded. Located in Berlin, the company employs 900 staff and has a projected turnover of €390m for 2005.

People

Torsten Krumm of Apax Partners led a full team of investment professionals on the transaction. Krumm and another Apax representative are expected to take seats on the board. Jacco Brouwer managed the debt at ABN Amro.

Advisers

Equity – Skadden Arps, Matthias Jaletzke (*Legal*); ABN M&A, Jan-Geert van Putten, Emile Lens (*M&A*).

Palamon Capital Partners

n/d

Investors

Palamon Capital Partners has acquired a controlling stake in Loyalty Partner GmbH, the multi-partner loyalty programme operator. The value of the transaction, which completed on 30 September, is undisclosed. Palamon bought its 60% stake in the company from vendors Lufthansa Commercial Holdings, a wholly owned subsidiary of Deutsche Lufthansa AG, and retail group Metro AG. Lufthansa

Versatel Deutschland

Location	Berlin
Sector	Telecommunications
Founded	1999
Turnover	€390m
Staff	900

Loyalty Partner GmbH

Location	Munich
Sector	Business services
Founded	1998
Turnover	€125m
Staff	280

DAT datapoints

- Daan Knottenbelt also represented Palamon Capital Partners in the €37.52m expansion financing of SAV Credit Ltd, a UK-based credit card issuer. Palamon led the transaction alongside co-investor Morgan Stanley Capital Partners. Knottenbelt also led a previous €65.92m expansion financing of the company in 2002, in which Palamon provided a majority sum.

Data generated by Incisive Media's

Deal Analysis Tool

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has sold its entire 52.6% share in the company, whilst Metro will retain a shareholding of approximately 10%. Alexander Rittweger, CEO and founder of Loyalty Partner, will increase his shareholding from 14.8% to approximately 20%, and Roland Berger, chairman of Roland Berger Strategy Consultants, will maintain his 7.5% stake. Jürgen Weber, chairman of Deutsche Lufthansa AG's supervisory board, will remain as chairman of Loyalty Partner's supervisory board with Hans-Joachim Körber, CEO of Metro AG, and Roland Berger continuing to serve on the board. Palamon anticipates the nomination of further supervisory board members, the details of which are under discussion. Palamon sourced the deal via a process arranged by JP Morgan on behalf of Lufthansa. The transaction took six weeks to complete from preferred bidder status.

This is the first investment from Palamon European Equity II, which held a first close in the summer. The fund has a target of €650m. Palamon intends to pursue the continued growth of the company's PAYBACK Card scheme by adding additional retail partners and further increasing usage of the card by the company's customers. Further internationalisation of the Loyalty Partner's burgeoning outsourcing activities is also expected.

Debt structure

Barclays Acquisition Finance provided the debt package, which was a combination of senior debt and mezzanine, and underwrote the entire financial package.

Company

Loyalty Partner GmbH specialises in customer relations and customer data management. The company's services focus on the management of large numbers of customers and the efficient handling of large volumes of data which can be applied to the development of new customer loyalty schemes, as well as the maintenance of existing schemes. Loyalty Partner operates Germany's largest multi-partner loyalty programme through its PAYBACK Card. Since the launch of the card in 2000, the company has developed more than 28 million cards and the PAYBACK Card is now the third-most used plastic card in German wallets after the health card and the debit card. PAYBACK Card has more than a dozen core partners with €20bn of retail sales. These include blue-chip companies such as Real (hypermarket group), Galeria Kaufhof (department stores), OBI (DIY stores) and dm (drugstore group).

In addition to the PAYBACK card business, Loyalty Partner also markets a fast-growing visa card programme in Germany, the PAYBACK VISA card, in a joint venture with Landesbank BadenWuerttemberg. Further Loyalty Partner services include motor and other insurance policies in partnership with HDI, and the PAYBACK mobile phone subscription in partnership with Vodafone. Loyalty Partner also operates the frequent traveller programme, 'bahn comfort', for Deutsche Bahn and is in the process of expanding its loyalty and CRM programme outsourcing business. Loyalty Partner also owns two additional companies, Billing & Loyalty Systems (Billing) and 5one (Consulting). Headquartered in Munich with additional offices in Oberhausen, London and Paris, the company employs a staff of 280. In 2004, Loyalty Partner recorded revenues of €125m and is said to be set to record double-digit growth rates in 2005.

People

Palamon was represented by Matthew Turner, Daan Knottenbelt and Holger Kleingarn. Alexander Rittweger is CEO and founder of Loyalty Partner. Darren Hart and Alastair Jemmet arranged the debt for Barclays.

Advisers

Equity – Clifford Chance, Frankfurt, Christopher Kellett, Dr Stefan Jörgens, Susanne Decker (*Legal – corporate finance*); Matthias Meister, Dr Malte Abel (*Legal – corporate commercial*); Anne Kleffmann (*Legal – employment law*); **London**, Alan Inglis, Carol Van der Vorst, (*Legal – finance*); **Munich**, Thomas Weitkamp (*Legal – banking, capital markets*); **Luxembourg**, Claudie Grisius, Sophie Bronkart (*Legal – corporate*); **PricewaterhouseCoopers**, Steve Roberts, David Blake (*Financial due diligence*).
Debt – Lovells (*Legal*).

Vendor – Freshfields Bruckhaus Deringer, Barbara Keil (*Legal*); JP Morgan, Dirk Albersmeier (M&A).

Nordwind Capital

€210m

Investors

Nordwind Capital closed the acquisition of the automotive division of Schwäbische Hüttenwerke SHW, which will henceforth act as SHW (automotive), on 30 September. The brand will continue to be known as SHW, having now spun out all its other divisions, including the sale of SHW Casting Technologies to Capiton in May this year (*July/August 2005, page 30*). The company was previously under the joint ownership of MAN AG and the German State of Baden Württemberg, which held equal 50% stakes in the company. The transaction, excluding debt, is valued at €100m, and represents the first investment from Nordwind Capital NCP I, a €300m fund specialising in investments in companies with 'significant operational value creation potential'. Nordwind sourced the deal through a direct approach to MAN, which it knew personally. Deutsche Bank, which was acting as an advisor to MAN, qualified Nordwind as a suitable buyer. Dr Hans Albrecht of Nordwind said, 'The process of convincing the state of Baden-Württemberg to sell and qualifying Nordwind as a suitable buyer was lengthy due to the fact that the company had been owned by the state and its predecessors for 650 years. It took over 18 months to effect this and to solve all other issues resulting from the long history of the company.' He also pointed out that, in spite of the controversy caused by the 'locust debate', the financial investor was able to gain unanimous parliamentary approval on the acquisition.

Debt structure

Commerzbank Corporates & Markets (CBCM) was the sole mandates lead arranger for the €110m senior debt facilities. Commerzbank fully underwrote the full debt sum.

Company

Aalen-Wasseraffingen-based SHW is an automotive supplier. Founded as a mining operation and foundry in 1365, SHW is the oldest industrial company in Germany. Today the company produces hydraulic pumps mainly used in car engines, high and ventilated brake discs, and power metallurgy products. The company's customer base comprises renowned automobile producers such as Volkswagen, Audi, BMW and DaimlerChrysler. Employing a staff of approximately 1,300 at its production sites in Germany, Canada and Brazil, SHW produced a consolidated turnover of €246m in 2004, with operational turnover of €218m for its automotive division. Nordwind Capital plans, in co-operation with the company management, to realize SHW's 'considerable further growth and profitability potential and to secure and improve the company's global competitive position. Planned measures comprise significant sales growth by means of further improving operational efficiencies and adding new products, customers and geographic areas in which the company will be active.' Nordwind plans to invest approximately €70m in this context, in order to facilitate the expansion of the company's present operations.

People

Dr Hans Albrecht, Anton Schneider and Martin Beck headed up the team for Nordwind Capital. Dr Lothar Hauck is managing director of SHW.

Advisers

Equity – Hengeler Müller, Dr Reinhold Ernst (*Legal*); KPMG, Karlo Fresl (*supervisor*) Johannes Weiler, Markus Heidelberger (*Financial due diligence*); Ulrich Ackermann (*Tax due diligence*).

Debt – White & Case, Annica Lindegren, Anne Force, Dr Jörg Kupjetz, Sascha Schmidt (*Legal – banking*); Nico Neumann (*Legal – trade*).

Barclays Private Equity

n/d

Investors

Barclays Private Equity, alongside company management, has announced the majority acquisition of Wedel-based Schneider Gruppe. Barclays has bought its majority stake in the company from the family owners, as well as the two financial investors Hannover Finanz and Norddeutsche Innovations- und

SHW (automotive)

Location	Aalen-Wasseraffingen
Sector	Auto parts
Founded	1365
Turnover	€218m
Staff	1,300

Schneider Gruppe

Founded	1965
Sector	Retail
Staff	650
Turnover	€270m

Beteiligungsgesellschaft. The Schneider family will retain a 20% participatory stake in the company, with the management keeping a 10% equity share. Barclays intends to expand the organic growth of the company, create new catalogue concepts and expand into new geographic markets. The deal was sourced at auction, taking 3-4 months to structure. Funding for the transaction came from the Barclays Private Equity European Fund II. The debt and mezzanine was structured by Deutsche Bank.

Company

Founded in 1965 by Heinrich Schneider, the company has become a market leader in the specialist mail order business, as well as in relationship marketing. Schneider began its operations with exclusive focus on relationship marketing. In 1985, the firm moved into the specialised mail order business. In 1990, in order to support the company's further growth, Hannover Finanz and Norddeutsche Innovations- und Beteiligungsgesellschaft partnered the company in return for a minority stake. The company has three business lines: 'Schneider', which handles advertising and promotional gifts, 'Impressionen', which supplies high-value lifestyle goods for women, and 'Conley's', specialising in fashions from around the world. Alongside these core operations, the company also supplies incentive awards to corporate customers for use in 'relationship marketing', whereby gifts are sent to customers as part of a company's marketing initiative. Employing a staff of 650, the company generated a turnover of €270m in 2004.

People

Peter Hammermann, Michael Bork and Jan Wiechmann worked on the transaction for Barclays Private Equity. Andreas Schober handled the exit for Hannover Finanz.

Advisers

Management – CMS Hasche Sigle, Heino Büsching (*Legal*).

Equity – Ernst & Young, Thomas Eberhard, Konrad Meyer (*Financial*); Michael Kunz, Daniel Windsheimer, Anja Bühler (*Tax*); Skadden Arps, Lutz Zimmer, Carsten Böhm, Frederick von Mallinckrodt (*Legal*); LEK, Paul Jowett, Karin von Kienlin (*Market due diligence*).

Mezzanine – Deutsche Bank, Thomas Neumann, Tanja Engelbrecht.

Debt – Deutsche Bank, Thomas Neumann, Tanja Engelbrecht.

Vendor – KPMG, Stefan Kinne, Uwe Schuldt (*Financial*); Rittstieg, Andreas Rittstieg, Jörn Wöbke, Patrick Mossler (*Legal*); Renzenbrink Raschke von Knobelsdorff Heiser, Ulf Renzenbrink (*Legal*);

Drueker & Co, Siegfried Drueker, Philip Riekert (*M&A*).

Runners Point

Location	Recklinghausen
Sector	Retail
Turnover	€93.6m
Staff	c1000

Hannover Finanz

n/d

Investors

Hannover Finanz has bought the speciality running sport retail chain Runners Point from Karstadt Quelle AG. The value of the transaction was not disclosed. Hannover intends to concentrate the firm's expansion plans at home and abroad.

Company

Headquartered in Recklinghausen, the Runners Point retail chain employs approximately 1,000 staff and generated revenues of €93.6m in 2004. The company is one of Germany's largest specialist retailers of sport shoes, functional clothing, running outfits, sportswear and lifestyle clothing lines. The firm has approximately 125 outlets in Germany as well as an online retail service.

People

Dr Albrecht Hertz-Eicherode handled the transaction for Hannover Finanz.

Advisers

Equity – CMS Hasche Sigle, Katja Pohl (*Legal*); Deloitte & Touche Corporate Finance GmbH, Düsseldorf, Kay Krafft, Michael Reuther, Johanna Rapp (*Corporate finance*); Hannover, Jens Ballerstein, Stefan Szurlies (*Financial & tax due diligence*); Düsseldorf, Hamburg, Georg Fassbender, Axel Vortmann (*Commercial due diligence*).

Deutsche Beteiligungs AG *et al.*

n/d

Investors

Deutsche Beteiligungs AG (DBAG) and its co-investment fund DBAG Fund IV, in partnership with Quadriga Capital group, have purchased Leonberg-based pump manufacturer Lewa from its family vendors. The value of the transaction, which closed on 30 September, remains undisclosed. The management is expected to retain a stake of between 5-10%. DBAG holds the majority of the remaining shares. DBAG will take a third of its equity share on its balance sheet, leaving the remaining two-thirds to DBAG Fund IV. The deal was sourced at auction, with BW Bank providing the debt facility. The financial investors plan to consolidate Lewa's core market operations supporting the oil and gas industries, and to intensify operations in the pharmaceutical, food and biotech markets, with geographical diversification into Russia and India. Moreover, the group plans to enhance its very successful business with complementary products from third-party manufacturers.

Company

Founded in 1952, the Lewa group consists of manufacturing company Lewa Herbert Ott GmbH & Co. KG, Leonberg, and a network of fifteen international sales companies located, amongst others, in the US, Singapore and Brazil. Lewa has, until now, been family owned. The company develops, manufactures and distributes high-performance metering and process diaphragm pumps. Applications of these sophisticated pumps are particularly suited to critical processes and high safety standards – for instance oil and gas production and the chemical industry. The group is currently engaged in a production joint venture in China. Employing a staff of 600, 400 of which are located at its headquarters in Leonberg, Lewa group generated revenues of €93m in 2004.

People

Dr Rolf Scheffels, Volker Bonsels, Matthias Loos and Kai Wiesenbach represented DBAG, whilst Max Römer and Dr Burkhard Bonsels acted for Quadriga Capital.

Advisers

Equity – SJ Berwin (*Legal*); Haarman Hemmelrath (*Legal*); PricewaterhouseCoopers (*Financial due diligence*); Onestone Consulting Group (*Market due diligence*); HPC – Harress Pickel Consult (*Environmental due diligence*); Funk Gruppe (*Insurance due diligence*).

Debt – Linklaters (*Legal*).

Mezzanine – Linklaters (*Legal*).

Vendor – Bögner Hensel Gerns (*Legal*); Heinrich & Cie (*M&A*).

Management – Hennerkes (*Legal*).

Finatem Beteiligungsgesellschaft

n/d

Investors

Finatem Beteiligungsgesellschaft has acquired Derby Cycle Group from Raleigh Cycle Ltd in a management buyout. The value of the transaction remains undisclosed. Finatem plans to widen Derby's market exposure in the European and US cycle markets. This is Finatem's second investment in 2005 and the third from its latest fund.

Debt Structure

HSH Nordbank AG, Hamburg provided senior debt to finance the transaction.

Company

Derby Cycle has its origins in the Cycle Companies Raleigh Deutschland and Kalkhoff, which were founded in 1919. The company as it exists today was founded in 1988. It is the leading bicycle producer in Germany and also the market leader in the independent bicycle dealer (Fachhandel) segment. Sales have grown over 10% in 2005 to reach €92m in total, demonstrating the strength of the company in relation to the decline of the overall cycle market.

Lewa

Location	Leonberg
Sector	Engineering - general
Founded	1952
Turnover	€93m
Staff	600

Derby Cycle Group

Location	Cloppenburg, Germany
Sector	Consumer goods
Founded	1988
Turnover	€92m
Staff	359

People

Dr Robert Hennigs, Irmgard Schade and Daniel Kartje represented Finatem. Hans Repsold and Dejan Soldat arranged senior debt facilities for HSH Nordbank.

Advisors

Equity – **Thümmel Schütze & Partner, Frankfurt**, Dr Hans-Jochen Otto, Stephan Skulesch, Dr Thomas Hofacker (*Legal*); **Ernst & Young**, Claudia Dedio (*Tax due diligence*); **Ernst & Young**, Rainer Elsner, Petra Hollenberg (*Financial due diligence*); **LEK**, Dr Paul Jowett, Nicole Mooljee Damani (*Commercial due diligence*); **URS**, Christine Rupp (*Environmental due diligence*); **Willis**, Simone Gahse (*Insurance due diligence*).

Vendor – **Hauck und Aufhäuser Corporate Finance**, Ruggero von Wedel, Alexander Bielig (*M&A*); **Lovells**, Dr Tim Oliver Brandi (*Legal*).

Schenk Bohemia Group

Location	Esslingen, Bretten, Liberec
Sector	Auto parts
Founded	1916
Turnover	€84m
Staff	490

Argantis GmbH

n/d

Investors

On 7 October, Argantis GmbH acquired Schenk Bohemia Group (SBG), which comprises Sarnamotive Schenk GmbH, Esslingen, and Sarnamotive Bohemia, Liberec (Czech Republic). The vendor is Sarna Kunststoff Holding AG, based in Sarnen, Switzerland. The Schenk Bohemia Group specialises in the manufacture of quality plastic trims and functional components for the automotive industry. Under the terms of the agreement, Argantis will acquire a 100% stake in SBG from listed company Sarna Group, which manufactures polymer seals and waterproofing systems for the construction and civil engineering industries. The management will also receive the opportunity to acquire a 5-10% stake in SBG as part of the transaction. The parties are bound to silence regarding the transaction volume. The deal opportunity came in the light of a move by Sarna Group to focus on its core construction activities. Sarna Group consequently announced plans in December 2004 to divest its automotive business.

Argantis will focus on concentrating the company's automotive interior and powertool component development. This will include the further marketing of the latest manufacturing method 'Skinform', which is used in the production of polymer-based leather equivalents (e.g. for seat-covers). Benefiting from the cost-structures afforded by the company's Czech assembly facilities, Argantis hopes to further direct the company into a niche market for plastic car interior components, which is said to be growing at a rate of 7% per year. Argantis sourced the deal via Ernst & Young Switzerland, which was advising the vendor. The transaction took approximately six months to complete. This is Argantis' third acquisition since its operative launch in 2004. For Argantis, the purchase is representative of its continued strategy of focusing on the acquisition of corporate spin-offs and mid-sized family-owned businesses in Germany, Austria and Switzerland. Argantis is investing from Argantis Private Equity, which is valued at €126m, and typically invests in transactions valued between €30-100m. Landesbank Baden-Württemberg structured the debt package for the transaction.

Company

SBG develops and manufactures quality functional components, panels and decorative trims used primarily in automotive interiors. Its products are also used in electric and motor-driven machines. The product range includes seat cover modules and rear armrests incorporating kinematic components, as well as ergonomically shaped grips for drills and air filters. Swabian automotive component supplier Sarnamotive Schenk GmbH was established in 1916 and has its German manufacturing plants in Esslingen and Bretten. In 2003, these were joined by Sarnamotive Bohemia in the Czech Republic. The company's clients include high-profile OEMs such as DaimlerChrysler, VW, BMW, Faurecia, Johnson Controls, Fehrer and Bosch. Employing a total workforce of 490, the group reported combined revenues of €84m in 2004.

People

Michael Hildisch handled the transaction for Argantis. Dr Wolfgang Braun is CEO of SBG.

Advisers

Equity – **CMS Hasche Sigle** (*Legal*); **Ernst & Young** (*Financial, tax*); **LEK Consulting** (*Market due diligence*).

Vendor – **Ernst & Young, Switzerland** (*M&A*).

Finatem Beteiligungsgesellschaft

n/d

Investors

Finatem Beteiligungsgesellschaft has acquired J&S Group, Wustermark, via a management buyout from a vendor group of private investors. The management acquired a 15% stake in the company as part of the transaction. The purchase price involved was not disclosed. Finatem plans to increase the international sales activities and to support the company in acquiring new customer segments.

Debt structure

IKB Deutsche Industriebank, Frankfurt, provided senior debt to finance the transaction

Company

Wustermark-based J&S Group has established itself as one of the major producers of safety components for the European automotive industry. The group specialises in the production of guided-loop, welded metal components and combined plastic metal components. J&S provides an entire range of services from development to prototyping, tooling design, and series production. Over the last few years, the company has shown considerable growth with forecasted sales for 2005 of €34m.

People

Christophe Hemmerle, Eric Jungblut and Dieter Mensing acted on behalf of Finatem. Karin Steinle and Florian Zimmermann arranged senior debt facilities for IKB.

Advisors

Equity – Thümmel Schütze & Partner, Frankfurt, Dr Hans-Jochen Otto, Dr Gabriele Fontane, Stefan Skulesch (*Legal*); **Ernst & Young**, Claudia Dedio (*Tax due diligence*); **Ernst & Young**, Rainer Elsner, Alexander Weber (*Financial due diligence*); **Simon Kucher & Partner**, Dieter Lauszus, Sebastian Hosenfeld, Frank Niemeyer (*Commercial due diligence*); **URS**, Christine Rupp, Eric Artmann (*Environmental due diligence*), **AON Jauch & Hübener**, Wolfram Gärtner (*Insurance due diligence*); **Interfinanz**, Hans-Hubert Pfeiffer, Dr Wolfgang Moersdorf (*Corporate finance*).

Adendum

Advent International – Casa Reha

(October 2005, page 28)

ECM Equity Capital Management advised a consortium of institutional investors which included German Equity Partners BV on the sale of Casa Reha to private equity funds managed and advised by Advent International. The financial vendors, JP Morgan Partners and German Equity Partners, have held a minority stake in the company, Germany's fifth largest operator of nursing homes for the elderly, since 1998. In 2001 the financial investors acquired a joint majority stake in the company via a capital increase. ECM is an investment adviser to the private equity funds German Equity Partners BV and German Equity Partners II LP. Rothschild, represented by Hans Meier-Scherling, Alexander Tetzlaff and Linda Rubin, acted as financial adviser to the sellers. CMS Hasche Sigle, represented by Dr Martin Bell, Dr Oliver Wolfgramm and Dr Hendrik Schindler, provided legal advice and Juergen Scheidsteger of Ernst & Young acted as tax adviser.

Axel Eichmeyer, the ECM managing director responsible for the Casa Reha investment, expressed satisfaction with the exit. 'We are delighted with the development of the company. During the period of our involvement the sales of Casa Reha have more than quadrupled. The management team, led by Dirk van de Maat, CEO, has done an outstanding job of positioning Casa Reha as a strong platform for further growth in this market.'

J&S Group

Location	Wustermark
Sector	Auto parts
Founded	1990
Turnover	€34m (predicted)
Staff	190

Esmertec

Location	Dübendorf
Founded	1999
Staff	290
Turnover	\$26.8m
Market	SWX
Value	SFr 98.1
Sector	Software technology
Sponsor	UBS Bank, Deutsche Bank

Earlybird Venture Capital *et al.*

Exit deal

Swiss embedded software provider Esmertec floated on the main board of the SWX Swiss Exchange on 29 September under the ticker symbol ESMN. The opening share price was SFr 18, based on a book-building range of between SFr 15-20, with trading closing on SFr 18.20 on the first day. Esmertec holds 15,867,484 registered shares, giving the company a market capitalisation of SFr 288.8m, including a green-shoe allocation of 815,000 shares. Approximately one third (5.45 million) of all admitted shares in the company were listed in connection with a capital increase of 5 million shares, resulting in a transaction volume of SFr 98.1m (approximately €63m). UBS Investment Bank and Deutsche Bank were the joint-global coordinators. Bank Sarasin was the co-manager for the flotation and Bank Julius Bär was the selling group member. KPMG was the auditor.

Previous funding

The company has been supported by a number of venture capital backers, with seed financing of SFr 7.5m provided by Partners Private Equity (now Partners Group) in November 1999. Further funding came from Earlybird Venture Capital and Partners Group in a split-tranche funding round with a first closing of SFr 6m in October 2001 (*November/December 2001, page 30*). The round was extended to a total of €10m after a second closing in early 2002, when Sofinnova Partners contributed €4m (*June 2002, page 20*). As a result of their backing, all three financial investors held similar stakes in Esmertec, with the management holding a significant minority share including stock options. The most recent funding saw the three cornerstone investors joined by lead investor Invision AG alongside Bvgroup Private Equity, Quilvest Group, Rothschild Gestion and Crédit Lyonnais Private Equity in November 2003 with a €23m round (*October 2003, page 16-17*). In October 2004 the company placed a €22m discounted convertible note with Marshal Wace, Mitsui and Invision AG among others. Post-IPO and pre-green shoe allocation, the investment stakes from financial investors are approximately as follows: Partners Group 15%; Earlybird 15%; Sofinnova 16.08%; Invision 6.3%; Quilvest 2.9%; Rothschild 2.9%; Crédit Lyonnais 2.9% and BV Holding 1.4%. After conversion of the convertible notes the note holders own 11.7% of the company. All investors are subject to an average lock-up period of six months and a further 'restricted period' of six months where the written consent of underwriters is necessary for any transaction.

Company

Esmertec was founded in 1999 and has its headquarters in Dübendorf near Zürich. The company is a global provider of software for mobile telephones and embedded systems. Esmertec supplies high-performance Java-based and customised solutions for mobile and fixed-network telecommunications, home multimedia, machine-to-machine communications and consumer electronics. The company also has research, commercial and customer care facilities in China, Denmark, France, Japan, Korea, Singapore, Sweden, Taiwan, the UK and the US. One of Esmertec's outstanding features is that it generates its greatest revenues in the Asian market. The company presently employs a staff of 290.

Esmertec reported a total annual turnover of \$26.8m in 2004. However in the company's half-year results for 2005, it calculated that annual sales had grown by 129%, rising from \$8.7m in H1 2004 to \$20.1m by H1 2005. The company's EBITA margin before exceptional items for the first half of 2005 is reported to be 17.4%. Exceptional items, which total \$ 2.9m are associated with flotation on SWX and bad debt provision due to insolvency of a client, bringing total net losses for H1 2005 to \$2m. This is a marked improvement on the company's figures for 2004, which recorded a net loss of \$3.7m for the same period.

People

Hans-Ulrich Mueller of Partners Group, Roland Manger of Earlybird, Jean Schmitt of Sofinnova and Bernd Pfister of Invision all retain seats on the board of Esmertec. Alain Blancquart is chairman and CEO of Esmertec.

Apax Partners, Cinven

CBR

Funds advised by Apax Partners and Cinven have announced that Hans Andersson is to become the chairman of Celle-based ladies fashion manufacturer CBR. Apax and Cinven acquired the company in early 2005 for an undisclosed price (*February 2005, page 20*). The company owns the clothing brands Street One, Cecil and One Touch, and had a turnover of over €500m in 2004. Andersson was previously CEO of German operations at H&M Hennes & Mauritz. Born in Sweden, Andersson was employed in a number of leadership roles with the company before taking on this position in 1994. Since then, Germany has

become H&M's largest worldwide market in terms of turnover, with the number of outlets growing from approximately 60 to almost 300.

Siemens Venture Capital et al.

Panoratio Database Images GmbH

Early-stage dataset interpretation software developer Panoratio Database Images GmbH, a Stuttgart-based portfolio company of DVC Deutsche Venture Capital, L-EA/SEED Venture and Polytechnos Venture-Partners as well as latest investors Siemens Venture Capital, has announced the broadening of its operations into North America.

Brett Kilpatrick will lead the newly formed Panoratio Database Images Inc as CEO. Kilpatrick brings his extensive experience in the database and application software markets to his new role. Prior to his involvement with Panoratio, Kilpatrick served as CEO of Alterian Inc, a company specialising in platforms for database marketing and ACRM software. Beyond this, Kilpatrick has 20+ years of experience in vice president and executive and sales positions with companies such as Determine Software, Accrue Software, Avantgo, IONA, Versant, Andersen Consulting and Oracle. Kilpatrick will be joined by Panoratio's vice president of field operations, Cal Ball, who has extensive experience of the North American database technology and application software industry.

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Cablecom

Acquirer	United ACM Holdings Inc, Liberty Global Inc
Value	cSFr 4.4bn
Sector	Telecommunications

Apollo Group *et al.***Exit deal**

Glacier Holdings, a holding company formed by a consortium of investors consisting of Apollo Management LP, GS Capital Partners 2000 LP and TowerBrook Capital Partners LP, alongside institutional investors, has exited its 100% stake in Cablecom. The financial investors within the syndicate held a 53% stake in the Swiss cable television and internet access and telephony provider, which was due to list on the Swiss Stock Exchange on 13 October. However, its plans for flotation were arrested by an approach from broadband cable operator Liberty Global Inc, which agreed to acquire Cablecom through its wholly owned subsidiary United ACM Holdings Inc. The deal was agreed on 30 September, the day after Cablecom had commenced its roadshow for an initial public offering. The board of majority shareholder syndicate Glacier Holdings GP AG met on 29 September and reached the decision that the sale to Liberty Global was in the best interests of all parties concerned. The value of the exit transaction totalled approximately SFr 4.4bn, including the assumption of approximately SFr 1.6bn of debt. The consideration for the equity of SFr 2.285bn was based on an approximate share price of SFr 56.22 and was agreed at a price just below the bottom-end of the IPO marketing range, which was set at SFr 57-70 per share, reflecting the fact that the sale to Liberty Global represented a 100% exit, while only up to 70% of the existing equity was due to be sold in the IPO (up to 80.5% if the over-allotment option had been exercised in full). Lead representatives of the consortium members were Marc Rowan (Apollo Management), Hughes Lepic (GS Capital Partners) and Ramez Sousou (TowerBrook Capital Partners).

Cablecom was founded in 1994 as the result of a merger of several independent cable operators in Switzerland. The company has since grown from its original cable operations to offer web-based and digital services as a leader in the broadcasting communications field. Now the largest cable network provider in Switzerland, offering customers three-way service plans providing cable television, broadband internet and fixed network telephony, the company has developed to match the digital requirements of the market. Cablecom offers its customers WAN (Wide Area Network) services, additional voice communications services, and both analogue and digital television distribution. Based in Zurich, the company recorded a 17% increase in turnover compared to last year for the first half of 2005, reaching SFr 406.2m.

Previous funding

Apollo Management, GS Capital Partners and Soros Private Equity (now TowerBrook Capital Partners) jointly acquired a 51.2% controlling stake in Cablecom in 2003, in a debt for equity swap (*November 2003, page 27*). The transaction enabled the restructuring of the firm's approximate SFr 3.8bn of bank debt. Under the terms agreed, the outstanding debt was reduced to some SFr 1.7bn structured in two tranches with a lifetime of approximately six years and nearly seven years respectively.

Advisers

Equity – Goldman Sachs International, Fedor Schulten (*Financial advisory*); Credit Suisse First Boston (*Financial advisory*); Morgan Stanley (*Financial advisory*); Bär & Karrer (*Legal*); Wachtell, Lipton, Rosen & Katz (*Legal*); Kirkland & Ellis, Erik Dahl, Tai Hsia, Michel Debolt (*Legal – M&A, equity restructuring*); Erik Dahl, Dniel Hoverman, Dominick Stuehler (*Legal – IPO dual-track*); Neel Sachdev, Nigel Dunmore (*Legal – financing, English law*).

Acquirer – JP Morgan Chase, (*Financial advisory*); UBS (*Financial advisory*); White & Case, Alan Greenough, James MacArthur (*Legal – M&A*); Rachel Hatfield, Christopher Kandel, Rob Matthews (*Legal – financial*).

ErSol Solar Energy AG

Market	Frankfurt Prime Standard
Value	€637m
Sector	Electronics

Ventizz Capital Partners *et al.***Exit deal**

Ventizz Capital Partners, Equitrust AG and NWK Kapitalbeteiligungsgesellschaft der Sparkasse Bremen have announced the successful IPO of Erfurt-based ErSol Solar Energy AG. The flotation, which took place on 30 September, was the first of two venture-backed IPOs of solar energy specialists to take place in two weeks, joined by Q-Cells, which was floated on 5 October. Approximately one third of the

company's 9.8 million shares was listed on the Frankfurt Prime Standard Stock Exchange. A green-shoe allocation of 439,096 shares was also placed, giving the company an initial market capitalisation of €637m. ErSol's (trading symbol ES6) shares were offered at €42, with the opening share price fixed at €65, declining to €52.70 at the end of trading on the first day of listing. Ventizz announced that on the third day of trading the company's share price had reached €55, representing a 30% capital gain for new shareholders. The share offering was 50 times oversubscribed. The transaction brought the Net Asset Value of vintage 2004 fund Ventizz II to an approximate 4x multiple.

The ErSol Group manufactures and distributes photovoltaic products. Following the acquisition of ASI Industries GmbH, ErSol is now involved with the production of ingots and wafers (ASi GmbH) and the fabrication of solar cells (ErSol AG). The ErSol Group distributes modules and other system components (especially inverters and racks) via its subsidiary, aimex-solar GmbH, and plans to manufacture modules in a joint venture with SESE Co. Ltd. Founded in 1997, the Erfurt-based company employs a staff of 225. Post-listing, Ventizz will continue to own a 51.2% stake in the company, while Equitrust will retain 3.72%. Helmut Vorndran represented Ventizz on the IPO transaction.

Previous funding

ErSol, in which Ventizz held a 79.72% stake pre-IPO, is part of the portfolio of Ventizz Capital Fund II, which closed on €67m in 2004. Ventizz backed the company in August 2004, investing an undisclosed figure described as being one of the largest investments for Ventizz Capital Fund II. NWK held a 4.98% stake in the company pre-IPO, while Equitrust held a 7.51% stake in the company pre-IPO, having bought outstanding shares in the company ErSol prior to participation from Ventizz.

Advisors

Equity – Gleiss Lutz (Legal); BFJM (Legal); CNC Communications (Public relations); PricewaterhouseCoopers, Deutsche Revision (Tax and finance).

Broker – Deutsche Bank AG (Sole bookrunner, coordinator); HypoVereinsbank (Co-manager); Sal. Oppenheim (Co-manager); Sparkasse Bremen (Co-manager).

Apax Partners

Exit deal

Q-Cells AG, a Thalheim-based manufacturer of high-performance solar cells, floated on the Frankfurt Stock Exchange on 5 October. Q-Cells has 36,913,604 registered shares in total, giving the company a market capitalisation of €1.4bn. 7,168,055 of these, amounting to roughly one fifth of the company's total shareholding were listed on the Frankfurt Prime Standard Exchange at the top of its book-building range on €38 per share. This valued the transaction on the first day of trading at €272.4m (excluding greenshoe). A green-shoe allocation of 1,075,207 shares was placed, plus an additional allocation to friends and family of 1.44%. The share price has risen to €48.95 at the time of writing. Joint global coordinators and book-runners were Citigroup Global Markets Ltd and Dresdner Kleinwort Wasserstein. Co-lead manager was Landesbank Baden-Württemberg. Apax Partners, which originally backed the company in March 2004, retains 12% of its original 16% shareholding post-IPO. Christian Reitberger of Apax Partners commented that this is the first successful sizeable IPO for a technology company in over five years, stating, 'This is a tremendously positive sign for the German venture capital community. We will have exited only 10% of our fund's stake in Q-Cells post-IPO, and retain the remaining 90% since we believe the company has great potential'. Apax reported a 16x return on its total investment in the company at the IPO valuation.

Founded in 1999, Q-Cells is the world's largest independent manufacturer of multi- and mono-crystalline silicon solar cells. Q-Cells introduced the Q6 solar cell, a genuine novelty in Europe at the time of its release in 2002, superseding the five-inch solar cell that had been on the markets up until then. Headquartered in Thalheim, the company currently employs a workforce of 700. Q-Cells also partners other companies engaged in similar product development such as Evergreen Solar, via a vehicle called Ever-Q, and CSG Solar, which has also received backing from Apax since March 2005 (April 2005, page 11).

Q-Cells AG

Market	Frankfurt Prime Standard
Value	€313m
Returns	16x investment at IPO valuation
Sector	Electronics

DAT datapoints

- This flotation of a solar-energy specialist is the second to take place in the space of a week, following the flotation of ErSol Solar Energy AG on 30 September. ErSol's share offering was 50 times oversubscribed

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Tipp24 AG

Market	Frankfurt Prime Standard
Value	€177.5m
Sector	Gaming / e-commerce

Previous funding

Funds advised by Apax originally invested in the company in March 2004, providing €10m of expansion financing (*March 2004, page 22*). Since then, the financial investor has raised its backing internally to €11.5m, giving Apax a resulting stake of 16%.

Advisers

Company – Cleary Gottlieb (Legal); KPMG (Financial).

Earlybird**Exit deal**

Earlybird has exited 34% of its interest in online gaming service provider Tipp24 AG, which floated on the Frankfurt Prime Standard Stock Exchange on 12 October. The offering, which opened at €20.50 per Tipp24 share, was fifteen times oversubscribed. Tipp24 floated 46% of its shareholding, comprising 4,077,046 of a total registered shareholding of 8,872,319 shares. An additional green-shoe allocation of 610,000 shares was issued. Tipp24 recorded a market capitalisation of just under €177.5m based on the opening share price.

Based in Hamburg, Tipp24 is a leading online provider of Lotto, Oddset and other governmentally licensed gaming products. Founded in 1999, the company employs a staff of over 100 and recorded revenues of €154m in 2004, having tripled its EBIT in the space of a year. Post-IPO, Earlybird retains a 24% stake in the company. Dr Christian Nagel handled the IPO transaction for Earlybird.

Previous funding

In September 1999, Earlybird provided early-stage financing amounting to €3.7m. This was followed in September 2000 by a second €6.9m financing round led again by Earlybird and co-funded by several private investors.

Advisers

Equity – Pöllath & Partner, Otto Haberstock (Legal).

Broker – Deutsche Bank AG (Joint coordinator, bookrunner); Morgan Stanley Bank AG (Joint coordinator, bookrunner).

Interhyp

Market	Prime Standard
Value	€104m
Sector	Mortgage finance
Broker	Deutsche Bank

Earlybird Venture Capital, 3i**Exit deal**

Earlybird Venture Capital and 3i announced their facilitation of the successful accelerated IPO of online mortgage broker Interhyp on 29 September. Earlybird held a 28% stake in the company prior to its listing, whilst 3i held 17.7%. The balance pre-listing was held in the main by management board members Robert Haselsteiner and Marcus Wolsdorf, alongside current and former employees and advisors. 3i has exited 40% of its secondary shares in Interhyp, and will hold a 9.5% stake in the company post-IPO. Earlybird has also exited approximately 33% of its share in the company, holding a 15.03% stake post-IPO. The two founders will retain at least 75% of their shares. The company listed on the Official Market of the Frankfurt Prime Standard Stock Exchange on 29 September under the abbreviation IYP. The offering, which opened at €42 per share, was 30x oversubscribed. An over-allotment of 355,745 shares was placed, which was fully taken up. Of the 5,798,350 total registered shares in the company, 2,727,375 were issued, of which 700,000 constituted a capital increase, valuing the transaction at €104m. Interhyp has a market capitalisation of €272.9m based on the opening price on 29 September. Interhyp's share value has since risen to €53 at the time of writing. Christian Siegele of 3i will retain his seat on the board of Interhyp. Siegele comments, 'Interhyp's outstanding management team has increased Interhyp's revenues sevenfold over the last three years alone solidifying its position as Germany's premier mortgage broker consultancy.' Dr Christian Nagel, managing partner of Earlybird Capital will also retain his seat on the board of Interhyp.

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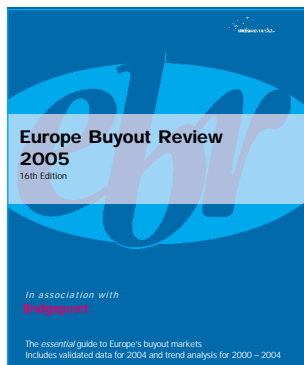
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Post-IPO the shareholdings in the company are as follows: Free float, 37.88%; Earlybird, 15.03%; 3i Group Investments LP, 9.5%; founders, former employees and advisors, 37.59%.

Banking consortium

Deutsche Bank was global coordinator and sole book-runner for the transaction, which followed the 'decoupled approach' by way of an accelerated IPO. In this context, 1,671,630 shares – just over half of those issued – came from the holdings of existing shareholders. Deutsche Bank was represented by Martin Hörssel. Sal-Oppenheim jr. & Cie acted as co-lead manager and ING DiBa is the selling agent. Apart from the public offering in Germany, the shares will be offered for subscription to qualified institutional investors outside of Germany, for instance, in the US by way of private placements.

Company

Interhyp's founders and executive board members Robert Haselsteiner and Marcus Wolsdorf were dubbed 'German Entrepreneurs of the Year' in September by Ernst & Young, for the firm's revolutionary use of the Internet, outstanding growth and continued innovation in the services category. Founded in 1999, Interhyp is an online mortgage broker, which is reported by financial investors to be redefining the highly fragmented mortgage broker industry by combining the benefits of the Internet with independent consultancy. Germany currently represents the largest mortgage market in Europe. Munich-based Interhyp gained over €1.1bn in new residential mortgage volume in the first half of 2005. Interhyp's online mortgage advice enables borrowers to benefit from rates which are, on average, 0.5% below those of traditional branch-based retail banks. Employing a staff of 200, Interhyp reported revenues of €17m and net profits of €4.1m in H1 2005.

Previous funding

Earlybird Venture Capital made an initial early-stage investment of €4.1m in the company in 1999 (*November/ December 1999*). 3i invested €7.2m in September 2000 in return for a 17.7% stake in Interhyp, alongside Earlybird which contributed €2.8m (*September 2000, page 19*). Earlybird consequently held a 28% stake in Interhyp.

Advisers

Company – **Sullivan & Cromwell, Frankfurt**, Dr Konstantin Technau, Krystian Czerniecki, Dr Carsten Berrar, Patrick Bauer, Adam McAnaney (*Legal*).

Equity – **Inhouse 3i**, Berthold Hummel, Senior Counsel 3i Gesellschaft für Industriebeteiligungen mbH (*Legal*); **CMS Hasche Sigle, Frankfurt**, Dr Andres Zanner, Philipp Melzer (*Legal – capital markets*); **Munich**, Stefan Ulrich-Müller, Dr Ulrich Springer (*Legal – corporate*).

Banking – **Freshfields Bruckhaus Deringer, Frankfurt**, Dr Andreas König, Rick van Aerssen, Mark Strauch, Frank Meyer, Ethan Perry, Michael Wolz, Annina Bintz (*Legal*).

Schneider

Acquirer	Barclays Private Equity
Sector	Specialist retail

Hannover Finanz

Exit deal

Hannover Finanz has exited its minority stake in postal retail and relationship marketing retail specialist Schneider to Barclays Private Equity and the management. The value of the exit deal is undisclosed. The Schneider family vendors will also retain a participatory 20% stake in the company. Peter Hammermann handled the deal for Barclays Private Equity. Hannover Finanz was represented by Andreas Schober. Hannover Finanz reports that the company has achieved growth above average over the past few years, and will continue to pursue its growth strategy with backing from Barclays Private Equity.

Previous funding

Hannover Finanz invested in Schneider in 1990 in order to assist the firm with its expansion into its current production areas. The financial investor partnered the company alongside Norddeutsche Innovations und Beteiligungs-gesellschaft, which also exited its stake in the company to Barclays Private Equity and management.

Capiton AG

Exit deal

Capiton has exited its stake in leading wind energy plant provider REpower Systems AG. The value of the exit deal is undisclosed. REpower has been bought by Portuguese firm Martifer Energia, alongside Areva, France, two specialists in the alternative energy sector. REpower has increased its revenues from €147m in 2001 to €300m in 2004, generating over 650 MW.

Previous funding

Capiton invested in REpower in 2001 shortly before it was floated on the Frankfurt Stock Exchange in March 2002. Dr Andreas Kogler and Christoph Spors handled the transaction for Capiton at the time.

MPM Capital

Exit deal

MPM Capital has exited its stake in IDEA AG in a secondary venture sale to Celtic Pharmaceuticals. Celtic Pharma acquired a 21.7% holding in the Munich-based biopharmaceutical company, gaining the majority of the shares previously owned by MPM Capital and the German government organisation tbG. MPM sold the balance of its shares to a number of recent Series-D investors who had exercised their proportional right of pre-emption. The value of the transaction, which was completed on 28 September, is undisclosed. Dr Stephen St Peter, who had represented MPM on the board of IDEA, stepped down from his board role to be replaced by John Mayo of Celtic Pharmaceuticals. Other financial investors include 3i Group, HealthCap Venture Capital, Gilde Investments, LSP, Quest for Growth, TechnoStart and VCM. Commenting on the transaction St Peter explained that the exit was brought on by the need to recover capital and generate liquidity, having been invested in IDEA out of a 1997 vintage year fund. Whilst MPM was not willing to disclose an IRR figure, the former IDEA board-member said that he was happy with the results which IDEA had produced during MPM's investment in the company, especially given that the company had been required to adjust its business model somewhat. IDEA moved away from being a provider of a technology for protein delivery across the skin to a developer of targeted therapeutics based on a proprietary drug delivery technology. The change was evidently successful.

Previous funding

MPM initially provided a seed investment and additional follow-on investments to IDEA from its 1997 vintage-year fund with a 10-year lifespan.

Advisers

Equity – Mayer Brown Rowe & Maw, Rüdiger Herrmann (*Legal*); PricewaterhouseCoopers (*Financial due diligence*).

Siemens Venture Capital *et al.*

Exit deal

Siemens Venture Capital and a syndicate of investors have exited their 100% stake in Garderos Software Innovations GmbH, Munich, to parent company Siemens Communications for an undisclosed value. Exiting co-investors include Wellington Partners and Dr. Neuhaus Techno Nord. The start-up company, one of the leading suppliers of software for operational support systems (OSS), will continue to be run under its existing name as a fully owned Siemens subsidiary. Garderos' OSS programme will become a strategic element of the Siemens Wireless Integration Platform (WIP), which enables fast and flexible coupling of WLAN, WiMAX and Flash-OFDM networks to mobile and fixed telecommunications networks.

REpower Systems AG

Acquirer	Martifer Group, Areva Group
Sector	Electricity

IDEA AG

Acquirer	Celtic Pharmaceuticals
Value	21.7% stake
Sector	Pharmaceuticals

Garderos Software Innovations GmbH

Acquirer	Siemens Communications
Sector	Business services / Software

Garderos Software Innovations GmbH, a fully-owned Siemens subsidiary, offers operational support systems (OSS) for internet protocol-based wireless broadband services. The hardware-independent software architecture enables service providers and companies to securely create and operate wireless broadband services. These are used most intensively in so-called 'hotspots' found in business or travel terminals where people converge requiring access to the Internet. Garderos customers include leading mobile and fixed network operators, and also major corporations and hospitals. Munich-based Garderos was founded in 2002, although the core technology behind WLAN architecture began in 1998. The company employs a staff of 15.

Previous funding

Wellington Partners provided a seed investment of €1.5m to Garderos GmbH when it spun off from Siemens in March 2002. As parent company and shareholder, Siemens provided the company with all the required patents. Frank Böhnke handled the investment for Wellington at the time (*April 2002, page 25*). Dr Neuhaus Techno Nord later invested €1m in the company as a follow-on to a round of funding held six months earlier by SAP Ventures and Wellington Partners (*April 2004, page 19*). Matthias Grychta handled the transaction for Dr. Neuhaus Techno.

scaraboo GmbH

Acquirer	Best Gaming Technology AG
Sector	Gaming

Siemens Acceleration in Communications

Exit deal

Siemens Acceleration in Communications has sold its portfolio company, German-based interactive gambling software provider scaraboo GmbH. The buyer, Best Gaming Technology AG, is a European specialist in betting and gaming technology and services.

scaraboo offers back-end and front-end technology for all types of sports and horse betting, as well as mobile casino services. The company creates and develops general solutions with consequent orientation to real-time applications and highly accessible transaction management. scaraboo products can be offered via all common media including internet, SMS, WAP, Java Phones (J2ME), iTV, IVR or Pocket PC.

The software specialist employs a staff of 20, all based in Bremen, Germany. During its backing from Siemens, the company has focused its operations on wireless technologies, enabling it to grow in the interactive TV and internet domains. Siemens considered the synergies between acquirer Best Gaming Technology and scaraboo to be propitious for a successful further development of the company. Dr Ingo Potthof and Dr Dietrich Ulmer handled the exit deal for Siemens. Arne Urban is CEO of scaraboo. Dr Armin Sageder is CEO of Best Gaming Technology.

Previous funding

Siemens Acceleration in Communications invested an undisclosed figure in a series-A financing of scaraboo in 2001. Although the financial investor was not prepared to disclose figures, the average investment basis for this kind of financing is €1-2m. Siemens took a considerable minority stake in the scaraboo as a result of the funding. The ministry of Bremen also took a later part in the funding of scaraboo.

Advisers

Equity – Siemens Legal Services (*Legal*).

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3i

3i has made a number of additions to its European Infrastructure Team, which is responsible for investments into infrastructure-based projects. The team's focus is on public-private partnerships in the health, construction, transport, building, education and waste disposal sectors. Joining as a new partner, Neil King previously led the infrastructure team of West LB, London. Amongst other transactions, he played a principal role in the public-private partnership of the London Underground. Dougie Sutherland also joins 3i as a new partner. From 1999-2004 Sutherland was managing director at Amey Ventures where he worked on a number of projects in the schooling and transport sectors. Alistair Ray will take on the role of director. During his career, Ray has worked for the British Linen Bank, Edison Capital and Noble Fund Managers on infrastructure investment. In 2004 he sold the Noble PFI fund to Infrastructure Investors, which marked a large secondary exit transaction at the time. Angela Roshier will become an associate-member of the team. She has spent six years working for Actis (previously CDC Capital Partners) on investments concerning airports, shipping, energy, transport, and construction. Prior to this, she was a strategy consultant at Cap Gemini Ernst & Young. Head of 3i Deutschland Stephan Krümmer commented that investment in infrastructure projects is to become an increasingly active area for 3i Deutschland, accompanying its core private equity operations in the German mid-market.

AIB Capital Markets

AIB Capital Markets has relocated Nina Bauer from the bank's German acquisition finance team. From 5 October Nina will join the group's UK acquisition finance team. The appointment underpins AIB Capital Markets' focus on lead arranging mid-market leveraged finance opportunities. Brauer joins UK Acquisition Finance as associate director. She joined AIB in 2003, having previously worked for Commerzbank in the leveraged finance team in Frankfurt. Bruce Thomson and director David Lock lead the AIB UK Acquisition Finance team. The team now comprises 11 professionals, focused upon arranging senior debt and mezzanine finance for MBOs, public to private transactions and company recapitalisations. Recent lead arranger roles include the refinancing of Eurotherm Drives and the secondary buyouts of Aktrion and OyezStraker.

Allied Irish Banks

Allied Irish Banks has recruited Jens Richter to its Frankfurt-based acquisition finance team as vice president responsible for the generation and execution of new acquisition finance business in Germany. Richter joined AIB in September 2005 from KBC, Frankfurt, where he was head of its German acquisition finance operations. He previously worked as a project manager in leveraged

finance with ING-BHF. Richter will report to Kai Gebauer, who is responsible for AIB's leveraged finance operations in Germany. His move to AIB brings the number of executives on its German acquisition finance team to eight, and is part of an ongoing strategy to expand AIB's leveraged corporate lending activities in Germany.

EVCA standards committee

TVM chairman and managing partner of the Munich based venture capital firm TVM, Dr Helmut Schühlsler, is to be the new chairman of EVCA's professional standards committee. He will take over from Herve Claquin, chief executive of ABN Amro Capital Finance, who held the position for four years. The new chairman will be promoting the adoption of new corporate governance guidelines for the management of privately owned companies. He will also be responsible for updating EVCA's reporting guidelines which are designed to reassure investors. Schühlsler has been working in venture capital for 18 years, specialising in life science. He has been responsible for over 20 TVM investments in life science companies and has since 1990 served on various committees, among others, as a member of the Senate of the Hermann von Helmholtz-Gemeinschaft Deutscher Forschungszentren (HGF). He is currently on the board of life science companies Curacyte AG, Develogen AG, Ingenium Pharmaceuticals AG, Intercell AG, Morphochem AG and SelectX Inc.

HgCapital

HgCapital has appointed Alex King to its technology investment team as it expands its business in Germany and in

the Benelux region. Previously director at Kennet Venture Partners and a consultant at Spectrum Strategy Consultant, King brings substantial experience of both software and semiconductor markets to the European mid-market private equity investor.

Invision AG

Gerhard Weisschädel has joined Invision as a partner, following five years as managing director of Veronis Suhler Stevenson (VSS), a leading US private equity firm. Weisschädel was based in London with responsibility for investments in Europe.

Weisschädel acted during his time with VSS as CEO of Mediatel Holding (Yellow Bricks Road Group), Vienna, a yellow page company led by VSS and 3i Plc. The private equity houses invested €300m in the company. In March 2005, YBR was sold for €1.825bn to the Macquarie-Group, booking more than €900m profit to the equity investors. Prior to this, Weisschädel served from 1995-2000 as CEO of Deutsche Telekom Media and as managing director of Deutsche Telekom AG. In 1992 he founded CTS Event Team, a computer ticketing service company, and acted as CEO until its successful sale in 1995. From 1985 he spent seven years at Tandem Computers as director of sales and marketing for Europe and later as CEO of the software division. He began his career in 1975 at Nixdorf Computer AG in a variety of sales and marketing positions, culminating in three years as head of sales and marketing in the Asia Pacific region. At Invision, Weisschädel, with a degree from the University of

Karlsruhe in Germany, will be focusing on media and entertainment, as well as information technology opportunities.

IRIS Capital

European venture capital firm Iris Capital has appointed Erkan Kilicaslan as partner. Erkan Kilicaslan will be responsible for international investments in the media and entertainment, communications and IT sectors, with particular focus on the German speaking countries. Prior to joining Iris Capital, Kilicaslan was a partner at TecVenture Partners, a Venture Capital fund based in Munich. He was responsible for investments in the software and telecommunications sectors and worked as a supervisory board member of numerous technology companies on issues concerning M&A, strategic positioning and technology growth management. Previously, he worked at Technologieholding VC (now 3i Group) in Munich as investment manager for technology investments and as a consultant at McKinsey & Company on corporate finance and technology projects. In addition, he has worked with Schlumberger Technologies in their Smart Card division in Paris. Erkan Kilicaslan has a

degree in electrical engineering and computer science from the Ruhr-Universität Bochum in Germany, studied at the Ecole Nationale Supérieure d'Electronique et de Radioélectricité de Bordeaux (ENSERB) and holds an MBA from Harvard Business School.

Madison Management AG

Zürich-based Madison Management AG has announced the addition of Andreas Ziegler and Henrik Förderer to its team from 1 October. Ziegler will be responsible for investor relations, particularly concerning the Swiss market, while Förderer will be focusing on development in the German market. Andreas Ziegler was formerly CFO and COO of The Genetic Company Inc in Zürich. Prior to this he was a manager for Deloitte in Zürich and New York/Stamford. Henrik Förderer has held a number of leadership positions alongside Robert Bosch of Deutsche Telekom. Prior to joining Madison, he was CEO of Pandatel AG in Hamburg. Madison Private Equity Holding AG is a Zürich-based private equity investor managing funds which focus primarily on Austrian, German and Swiss succession based acquisitions.

Wellington Partners

From 1 October Dr Erich Schlick, formerly of 3i, will join Wellington Partners as a general partner active in the company's life science investment branch. Before coming to Wellington, Schlick had served as director and head of 3i Healthcare Germany and as deputy sector head of 3i Healthcare Worldwide. Prior to his entry into venture capital, Schlick spent 15 years with BASF Pharma Knoll AG. From 1990 until 2000, he served as an executive board member with worldwide responsibility for preclinical and clinical R&D, obtaining worldwide registrations for five products in cardiovascular, metabolic and pain indications. In 1993 Schlick established the partnership with Cambridge Antibody Technology, which led to the successful development of Humira, the first fully-human therapeutic monoclonal antibody. Today, this is a blockbuster product marketed by Abbott. Schlick studied medicine in Berlin, Mainz and Heidelberg/Mannheim, and holds a medical doctorate from the University of Heidelberg. He served as professor of pharmacology at the University of Massachusetts, Boston, US, and is an external professor of immunopharmacology at the University of Heidelberg.

Triangle Venture Capital

Soeren Schuster has joined Triangle to become a partner with the company. Schuster is already working on pipeline transactions for Triangle's latest fund, Triangle Fund IV, which is currently heading for a final close. Previously with Technologieholding and the large, globally operating 3i, Schuster knows what it takes to fund technology startup companies and successfully sell them in an international transaction. He has demonstrated this capability in 12 profit-making cases, most recently selling datafactory of Leipzig to car navigator manufacturer TomTom in Amsterdam. A physicist by education, at Triangle, Soeren will focus on software, micro- and nano-systems, as well as semiconductor related technologies. He has excellent longstanding relationships with numerous universities and research centres, the primary source of Triangle's deal flow.



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