

**Dear Media Deals Readers,**

Welcome to the **May-June edition** of the Media Deals newsletter, bringing you the latest in **mediatech market developments** as well as **company investment news (mergers, exits, etc.)**, and announcements of **new funds for startup and seed capital**.

This edition also features the scoop on the **8 companies selected to participate** in our next European Mediatech Investment Forum, which will be part of the first **ImMediaTe Project event—the MediaKIS Mobile Apps Forum**—to be held in **Barcelona on 17 and 18 June**.

Our **most recent Investment Forum, held in Nantes in May**, was a great success and below we give you the lowdown on the **8 companies that pitched to investors** there. Also, have a look at our “**Spotlight On**” section to learn more about the new **social networking app developed by UK-based Rumble**, who participated in our April 2009 Barcelona Forum.

Finally, if you would like to **suggest a potential news item**, or if you are interested in learning more about our **European Mediatech Investment Forums** or any of our **other activities**, please send an e-mail to [info@media-deals.org](mailto:info@media-deals.org)

All the best,

Your Media Deals Team

## Upcoming Barcelona Investment Forum

**Media Deals** is just days away from hosting the next European Mediatech Investment Forum, set to take place in **Barcelona, Spain on 17 and 18 June**.

This event will be held in cooperation with **ImMediaTe Project**, which is a **€3m/3 year** collaborative project co-financed by the **Europe Innova** initiative of the **DG Enterprise of the European Commission** aimed at developing **tools and services** to assist the growth of **digital media SMEs**.

For more **about the ImMediaTe Project**, go [here](#).

The **companies selected to pitch in Barcelona** are:

DigitalFun (Italy) — focused on developing and publishing cross-platform applications for new mobile platforms, app stores, web and social networks.

Bubiloop (Spain) — the place where people discover the apps they need for their mobile devices.

BCN Touch (Spain) — helps brands beat counterfeiting and develop deeper customer relationships by consumers just touching their goods with a mobile phone.

buzzAR (The Netherlands) — clients such as brands and ad agencies can add a logo, ad, or other expression (image) to our web system and configure what content to return when a customer takes a picture of that image.

Teambox (Spain) — a Twitter-style project collaboration platform: share tasks, private wikis, files, and status updates with your team.

MuseTrek (France) — the leading handheld guide for people interested in sharing their cultural experiences with their social network and beyond.

BlooSee (Spain) — the first user-generated, geotagged, web and mobile social atlas for millions of sea-lovers and marine leisure businesses.

Robot Media (Spain) — mobile entertainment content publisher for young audiences; interactive content tightly integrated with user lifestyle and social networks.

## Nantes Investment Forum 2010

Organized as part of the **Start West Investment Forum** ([www.start-west.com/english.htm](http://www.start-west.com/english.htm)) in partnership **ECCE Innovation** ([www.ecce-innovation.eu/](http://www.ecce-innovation.eu/)), Media Deals hosted an Investment Forum **focused on the creative industries**, which took place on 19 May in Nantes.

**8 companies** were selected to pitch to approximately **5 European and 15 French investors**.

The **selected companies** were:

**Cellictica** (Finland) — develops “Magical Mobile Apps” that listen to you, understand you, and talk to you.

**Songhi Entertainment** (Finland) — Songhi.com is a game-like Internet community-service and associated virtual economy for easy music consumption for teenagers in the Music 2.0 era.

**Naked Design / Goal Accelerator** (U.K.) — combines gaming and social media to help people lose weight, gain muscle and achieve their fitness goals through fun, interactive software.

**First On Mars** (U.S.) — develops advanced social and personalized TV discovery guides (TDGs) and analytics for connected consumer products and manufacturers.

**Digital Slaves** (France) — interconnect in real-time numerical protocols, data flows, hardware externals (sensors, servo engines) with the possibility to integrate 3D projection.

**BB & PP** (France) — offers to producers and independent artists a Web 2.0 customizable platform from which music can be listened to and distributed legally and bought both in digital form and on high-quality physical devices.

**Recol Networks** (Spain) — a new business initiative based on virtual reconstructions of ancient archaeological sites for Interpretation Centers.

**Saooti** (France) — provides online services supported by its innovative platform of wikiradios, offering an all-in-one collaborative web-based solution for producing, publishing, and broadcasting content.

## Investment News

### Rockola.fm (Spain)

Spanish music-streaming service Rockola.fm has **secured approximately €1.5 million in additional funding**, which comes from (among others) investment bank Caja Navarra, Cabiedes & Partners, and Jesus Encinar, who is already a shareholder in the company. **Founded in 2008**, Rockola.fm had **previously raised approximately €500,000**. The service is **available both as a web-based version and an iPhone app** and **boasts over 400,000 users**.

### madvertise (Germany)

Berlin-based **mobile ad network madvertise has received an investment** from Earlybird Venture Capital and the company's previous investor/co-founder Team Europe Ventures said to be **in the €4 million to €6 million range**. Madvertise **offers advertisers a mobile ad marketplace with a range of targeting options** including by demographic, content topics, defined handset models, operating systems, time, geographic location, and frequency capping. The **new investment will allow the company to strengthen its position in the German-speaking market**.

### Videoplaza (Sweden)

In March Stockholm-based **Videoplaza, a video ad server, raised €3.5 million in additional investment** from Nordic VCs Creandum and Northzone Ventures. Company CEO Sorosh Tavakoli says the **new investment will be used to "expand our customer reach ... across Europe and ... evolve our ad serving technology** as publishers really start to **unlock the value in online video** and the new TV market truly takes shape."

### Drimmi (Russia)

Social games developer Drimmi **received €2.9 million in investment** in the first quarter of 2010 just prior to **releasing its first game on Russian social network Vkontakte, which reportedly has over 60 million users**. Started less than a year ago, Drimmi plans to develop titles for audiences outside Russia in the future, but **will seek another round of investment before entering the global market**.

### Plyce (France)

Officially launched in March, **location-based social network Plyce has received seed funding** from Jaina Capital and Kima Ventures. Together, these investors have provided **approximately €300,000** to assist the company in getting off the ground and focusing on building its business in Europe.

### Picklive (U.K.)

London-based Football3s.com has re-launched as Picklive, **a gaming startup that employs a real-time platform to allow users to play social games while watching live sporting events**. The amount of this seed investment was undisclosed but is reported to be **a six-figure sum in return for a minority stake in the company**.

### Nival Network (Russia)

Moscow-based **social games company Nival Network has raised approximately €5.5 million in new funding** from DST, 1C Company, and Nival Group founder & CEO Sergey Orlovskiy. **Nival's game portfolio includes MMORPG titles** like Dragonica, Shaiya: Light and Darkness, Cabal Online, the multiplayer racing game Level-R, the

browser-based strategy game Khan Wars 2.0, and music game RockFree as well as online gaming and social networking portal ZZima. The **Russian online game market was valued at roughly €187 million in 2009** with MMOGs accounting for around €165 million and casual games for around €22 million.

## Market News

### Plink (U.K.) / Google (U.S.)

Oxford-based Plink, which developed and launched an **Android mobile app that identifies any work of art photographed by users**, has been **acquired by Google**. While the amount paid for the acquisition was undisclosed, this has been characterized as a **“developer hire”** with the founders of Plink—Mark Cummins and James Philbin—joining the **Google Goggles team**. Plink **launched publicly only 4 months before the acquisition** and had **achieved 50,000 users within 4 weeks**.

### 123people (Austria) / PagesJaunes (France)

With approximately **40 million unique visitors a month** and a presence in 11 countries around the globe, **“the world’s leading people search engine” 123people has been acquired by yellow-pages company PagesJaunes** for an undisclosed sum. 123people had been **“incubated” by i5invest** and **received a round of investment from Gamma Capital Partners**, both of whom are provided with an exit through the PagesJaunes deal.

### Grand Union (U.K.) / FullSix (International)

Owned by European private equity firm Cognetas, digital network **FullSix has acquired digital agency Grand Union to expand its U.K. business** in a deal reported to be worth **approximately €17.5 million**. With a client list that includes Boots, Coca-Cola, Procter & Gamble, and Waitrose, **Grand Union is poised to become a global network via this acquisition**.

### On The Phone Media (U.K.) / Burst Media (U.S.)

Seeking to grow its U.K. business, online ad rep Burst Media has **acquired London-based On The Phone Media (OTP) for roughly €1.8 million plus a commitment from Burst to issue 1 million new shares of its stock to OTP Media’s vendors**. In February 2010 Burst was ranked the **16th largest ad network in the U.K., reaching nearly 12.3 million unique viewers**; this acquisition is expected to help put the company in the top 10.

### Jamendo (Luxembourg) / MusicMatic (International)

With offices in Belgium, France, and Spain, **MusicMatic has acquired a stake in Luxembourg digital music startup Jamendo for an undisclosed sum, providing Mangrove Capital Partners with an exit**. The purchase will allow MusicMatic to expand its commercial network, particularly in Benelux. The company will continue to run Jamendo, which **represents approximately 18,000 artists and 30,000 albums** that are free for the general public and available to professionals for a competitive global license fee.

### Codemasters (U.K.) / Reliance Big Entertainment (India)

With **revenues in excess of roughly €118 million per year**, games developer and publisher Codemasters has **sold a 50% stake in their company to Reliance Big Entertainment**. Launched in 2005 with an investment from Balderton Capital, Codemasters’ **portfolio includes major gaming franchises** in cricket games, racing games, performance games, and military simulations. While the **amount paid for its stake was undisclosed**, Reliance now co-owns the company alongside Balderton.

## New Funds for Startup and Seed Capital

### Northzone Ventures (Sweden)

Stockholm-based Northzone Ventures, a VC fund **set up to invest in technology companies with rapid-growth potential**, has **raised an additional €90 million** in the first quarter of 2010. The total raised by the company since its inception is €445 million and they have **invested in a range of companies including, for example, Spotify.**

### Team Europe Ventures (Germany)

Focused on **seed stage startups in the fixed and mobile internet industry**, Berlin-based Team Europe Ventures has **launched a new €6 million fund**. They plan to make **5 investments of around €500,000 a year** in internet companies both in Europe and the U.S. and have previously been “key investors” in approximately 15 companies and co-investors in approximately 40.

### Atomico (U.K.)

In March, London-based Atomico launched its **€130 million Atomico Ventures II fund**. The company had invested previously in a range of startups including social networking manager Seismic, music service Rdio, and social gaming firm Playfire and they say that **the new fund will target European software and internet startups that have the potential to be “transformative.”**

### Index Ventures (Switzerland)

Swiss VC Index Ventures has created a **new seed fund, Index Seed**, financed by capital from their already-existing fund, which is valued at roughly €314 million. While the amount dedicated to Index Seed was not disclosed, the company has said that it **plans to make 20 early stage investments ranging from approximately €40,000 to €785,000 over the next 24 months.**

### Greycroft Partners (U.S.)

New York and L.A.-based Greycroft Partners has launched a **new Digital Media Fund (a.k.a. Greycroft II) with approximately €100 million**. As with Greycroft I, the company plans to continue investing in early-stage digital media companies that deliver products and services online or through a wireless device. Their aim is to make **40 investments from roughly €400,000 to €4 million over the next 4 or 5 years.**

### ISAI (France)

France’s ISAI has announced that it **has raised €24 million for its ISAI Development Fund**, which will be dedicated to early-stage investments. ISAI intends to leverage its collective experience to **fund internet startups, with investments ranging from €50,000 to €1.5 million.**

### Google (U.S.)

With a roughly **€75 million fund launched last year**, Google’s VC division has now **turned its sights on investing in early-stage companies in Europe**. After making 10 investments in U.S. startups in 2009, including in mobile payments firm Corduro, Google has **ramped up its search for early-stage European mediatech companies.**

### Conor Venture Partners (Finland)

Finnish VC Conor Venture Partners has **launched its Conor Technology Fund II** to invest in **early-stage tech companies in the Nordic and Baltic regions**. While the

amount dedicated to the new fund was undisclosed, Conor **now manages approximately €70 million** and “invests in disruptive technologies in ICT, embedded systems, electronics, new materials and optics.”

## **SPOTLIGHT ON: Rumble**

London-based Rumble was founded in 2007 by CEO Andrew J. Scott and has raised approximately €575,000 from inception through the first quarter of 2010. With 7 employees, the company had its commercial launch in 2008 and has been steadily gaining market share ever since.

### **What is it?**

Rumble is a location-based mobile service that makes personalized recommendations to you about where you can go in real-time based on your location, likes and dislikes, time of day, weather, past behavior, etc. It is a “social web” app that filters data from a range of sources such as Facebook and Twitter to build up individualized “trust networks” for its users to discover “content” (e.g. cool bars, coffee shops, secret hangouts, local knowledge) in real locations.

### **Who are its potential users?**

Web-3.0-savvy individuals who regularly use Facebook, Twitter, etc. to socialize as well as all smartphone owners looking for new ways to experience their environment while at home and abroad. It's both a social tool and a new kind of travel guide.

### **How could/does it generate revenue?**

While Rumble is still in open beta testing, the current business model is driven by location-specific advertising and special offers. For example, advertising triggered by user proximity to existing storefronts or discount coupons being offered for nearby coffee shops and restaurants. Additional ways to generate revenue via B2B interaction are also being explored, but have yet to be announced or integrated.

### **Who are the competitors?**

While traditional travel guides, “what’s on” sections of newspapers, and local recommendation services are all obvious competitors, mobile services such as Yelp, Loopt, Foursquare, and Gowalla are all vying with Rumble for market share among smartphone users. However, Rumble’s real-time aspect coupled with its broad user-data resources generates a highly-personalized service that makes it stand out among both its traditional and its Web-3.0 competitors.

### **What makes it attractive for investors?**

CEO Andrew J. Scott has a track record with location-based networks, having launched Playtxt in 2003. He knows the market well and sees incredible growth potential over the next 18-21 months as more and more consumers transition to using smartphones. Also, “location” and “personalization” are two key trends in mediatech right now and Rumble addresses and delivers on both. This mix of market experience, a shift in the consumer

standard for mobile phone technology, and offering elements that have prospective users buzzing insures that Rumble's investors are poised to benefit from an app with huge commercial potential.

## Talkback

As always, we welcome your **questions, comments, feedback, and inquiries**. If you have a suggestion about a potential news item for our next Media Deals newsletter please send that along as well.

We are always interested to learn about **new company developments** and **entrepreneurial initiatives** as well as **investor news in the Mediatech sector**.

Address all news-related e-mails to [news@media-deals.org](mailto:news@media-deals.org)

Until next time . . .