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SCANDINAVIAN ENTREPRENEUR: WebSwap raised \$13M for Marketing

Set and determined to clean out the garage, to fit the car in, Danish Entrepreneur Jens Christensen and wife Nequine Navab founded WebSwap last year. They turned the cumulative effects of parenthood into a VC-funded dot-com, where the public can buy, sell, or swap items in any category.

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TOOLS: The Silicon Valley Corporate Name Game

It is increasingly harder for companies to get their name as their Web address. A Start-up Entrepreneur may take steps to get the same company identity and domain name, before launching or introducing a product to the market; the already established company might have to pay thousands or even millions of dollars for the name they want, or settle for a domain they can afford and change the corporate identity, logo and letterhead.

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REAL ESTATE: Make realistic budget for space expenses

What has been called “obscene” Silicon Valley real estate prices need to be reflected in a realistic budget of any company planning to operate from the most expensive market in the US—where many employees cannot afford to live. Address these issues before the shingle is hung out on Palo Alto’s University Avenue.

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THE NEXT BIG THING: EU follows Silicon Valley trend to seek VC niche

Many Silicon Valley VC funds specialize in one industry or a segment thereof. The trend jumped the Atlantic, now gaining foothold in Scandinavia as well as on the Continent. Veteran Entrepreneur Ulf Jonströmer reviews changes in the VC fund climate.

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NETWORKING: 35 Women Leaders who’ll Rule the Millennium

“The ol’ girl’s network” doesn’t have the same ring to it, but that’s what it’s all about at the three Springboard 2000 fora. Women on the Web picked VCs and VC funded Entrepreneurs among the 25 women recognized as “Leaders of the Millennium;” iVillage chose 10 “Women who’ll Rule.”

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EDITOR’S NOTE:

To Be B2B Or Not To Be B2B

Same reality, New map. In the wake of the downturn of the stock markets in April all the venture capitalists in Silicon Valley suddenly agreed that business-to-consumer Internet companies were bad investments. However, they say business-to-business is a thing of the future. Venture capitalists prove that the human being is still the grassland species that once evolved on the African savanna, and as such its’ basic instinct is to run with the flock.

Too much emphasis is put on markets, even though it is the team and the business model that makes a venture into good business. B2C deals with a sound business model should still be interesting, B2B without a good business model shouldn’t be. Of course, the truth is that the business model for many investors has been to invest in any business where you can make a profitable exit, not in businesses that will be profitable.

But if you still want to know, most buzz in Silicon Valley today is around the B2B-internet ventures, wireless and fiber optics. That is the green grass the flock is heading towards.

Jan Rydén

Founder and Editor

2 EARLY STAGE More US work visas may be available next year

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8 SITE SERVICE Check out our New List of Web Addresses in this issue

QUOTES:

“One of the things that’s hard to know as an entrepreneur approaching the VC market for the first time is that VCs have this stylized language. It’s kind of like doing business in Japan. When they give a rejection, they don’t say exactly what they mean, because they’re trying to be polite.”

Frank Ingari,
Founder and CEO of Wheelhouse

“The rarest commodity is not money, it’s talent.”

Eric Engstrom, Founder of Chromium
and a former Microsoft Executive

“One reason why Sweden is a good market for wireless technology, is that we are a country of shy, home-loving, tech-freaks.”

Ulf Jonströmer, Chairman,
Association of the Swedish IT and
Telecom Industry

“I’m happy to trade the commute to Palo Alto, for the quality of life in Sacramento.”

L.L. Cook, Computer Consultant,
driving 2.5 hrs to get to work.

EARLY STAGE: MORE US WORK VISAS IN THE WORKS

The ever important work visa, the H-1B; which your foreign employees need in order to legally come and work in Silicon Valley, and throughout the US, might soon become a little easier to obtain. The House of Representatives and the Senate are both considering bills, with bipartisan support, that will change the law to temporarily increase the visa cap.

The Senate bill would:

- Raise the H-1B visa cap to 195,000 for fiscal years 2000, 2001, and 2002;
- Exempt from the cap anyone graduating with a Masters degree from an American university;
- Exempt higher education institution immigrant workers from the cap; and,
- Increase the portability of H-1B visa holders.

In the House, several competing legislative solutions are being considered. One bill would temporarily increase the visa cap, but also increase the employer qualifications for visa eligibility. It also would require the Department of Labor to formally implement previous visa legislation before the cap would be increased and put into place additional regulations to limit fraud.

Another bill, supported by the high-tech industry, includes:

- An increase in the H-1B visa cap to 200,000 for fiscal years 2001, 2002, and 2003;
- 10,000 reserved visa for colleges and university use and 60,000 reserved visas for master and doctoral degree holders;
- An Internet tracking systems for visa applications; and,
- An increase in the application fee to \$1,000 to fund new scholarship programs.

A compromise between the bills is currently being considered and bicameral passage of a cap increase is expected before Congress recesses for the election.

(NVCA)

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SCANDINAVIAN ENTREPRENEUR: WEBSWAP RAISED \$13M FOR MARKETING

“We are expanding very rapidly,” says Danish entrepreneur Jens Christensen of WebSwap, referring to 70,000 registered users and currently 100,000 listings after only two months “live” on the Net.

Providing another Internet entertainment form—swapping of all those great things that you no longer need, with people who have things that you want—WebSwap has moved the flea market onto the Net.

Christensen and wife Nequine Navab founded WebSwap in January 1999, after finding themselves with a garage full of things they didn’t use anymore. They self-funded the company for four months before completing the \$1.3 million Angel

think it’s worth. We don’t specialize our listings, any category is allowed.

“In the first venture round we were looking for investors with Internet experience, and we are very pleased to work with Sequoia Capital (Yahoo!, 3COM), and Accel Partners (UUNET, Macromedia).

“When you go to raise money as an entrepreneur, the money is of course important, but to be able to also get good advice is in many cases just as important. Receiving money

“Quit your job—it will make you more committed, and that’s what being an entrepreneur is all about”

round in April of last year. Five months later, the first VC round brought in \$13 million.

“We are focusing on building a strong organization,” says Christensen, “with great developers and content providers, but most of all people with strong marketing skills. Marketing is our single biggest cost; and we are looking at branding and partnerships. WebSwap is now the ‘official swapping site’ of MP3, with the idea that musicians can trade musical instruments and CD’s. We are looking for other partnerships in the future.

“Besides swapping, people can buy items that are listed, or sell things that they list. It becomes a form of entertainment, almost like a game category—to check out, for free, what other people have and what they

from somebody who cannot contribute in other ways is not so helpful for an entrepreneur.”

Christensen is the “Working Chairman” of the largest swap site of its kind on the Net, and his advice for the potential entrepreneur is: “Just do it! Execute your idea! Quit your job—it will make you more committed, and that’s what being an entrepreneur is all about—invest some time and money and in a few months you’ll find out if this is something you want to do. I think that a big mistake that many make is that they hang on to the day job and plan forever, instead of acting on that good idea!”

(VC Report)

NEWS FLASH:

SEED CAPITAL

Ex-Microsoft Exec Invests In Tech Workers

Faced with a harrowing shortage of tech workers, an email start-up is foregoing venture funding to offer its employees more equity in the company.

Chromium, a Seattle-area start-up, is at work on what Founder and former Microsoft Executive Eric Engstrom calls “a new kind of email.” He would not give details of the technology, but said that the company, which is self-funded, will take the stock it would otherwise have given to first-round venture capitalists and give it to its employees instead.

“The rarest commodity is not money, it’s talent,” said Engstrom, former General Manager for Internet Access at Microsoft and former General Manager of DirectX Media.

The Chromium team is three-fourths of the way through the email product, which will run on both Linux and Windows, he said.

Engstrom, like other ex-Microsoft employees, is using the fortune he earned from Microsoft stock options to fertilize new businesses. Engstrom is known for his testimony in Microsoft’s landmark antitrust trial, in which he gave a spirited defense of Microsoft’s behavior toward Apple Computer.

(CNET News.com)

VENTURE CAPITAL

How to get seed money

— Oregon style

The tiny town of Halfway (pop. 345), in Eastern Oregon, might be the first dot com city in the world. The Conshohocken, Pennsylvania, company Half.com, Inc have struck a deal with the citizens of the town to issue a proclamation changing its name to HALF.COM, Oregon, for one year. After talking with dozens of town residents, Half.com proposed to donate 20 computers to the city for use in the computer lab at Halfway Elementary School; a new Web site; a prize to be raffled at the County Fair; and \$75,000 in seed money to be used in civic improvement efforts. In exchange, the town agreed to change its name—a day the town will remember forever. Half.com is an online marketplace that sells and buys previously-owned books, music, movies and games, and the customer is not supposed to ever pay more than half the listed retail price.

(VC Report)

Reuters and Aether Launch Wireless Venture

Reuters Group Plc and Aether Systems Inc have launched a wireless data services venture and are eyeing acquisitions. The new company, Sila Communications, will host, design and manage services to wireless customers through data centers across Europe. Aether is providing \$15 million cash and its recent \$85 million acquisition of IFX Group Plc. Reuters is contributing \$22 million cash and its wireless applications asset, Futures Pager. The company has day one revenues of some \$17 million a year through IFX and Futures Pager, which have offices in the UK, France, Germany, Spain, Norway, Sweden, Finland, Denmark, Netherlands, Portugal as well as Singapore. Adoption of wireless devices is more prevalent in Europe than in North America, with a lead of 18-24 months, according to research analysts.

(Reuters)

TOOLS: UNIQUE NAME EASIER TO TRADEMARK, KEEP

“The unique name, maybe with a hint of what your business is doing, will be easier to trademark and you will not run into competition or problems with domain name,” says Thomas E. Moore III, with lawfirm Tomlinson Zisko Morosoli & Maser LLP in Palo Alto, speaking from experience with clients who didn’t have all their name-bases covered before moving or starting their Silicon Valley business.

“Be as creative as possible,” warns Moore, and points out that “the more descriptive you are and if you use regular English words, your desired company name is very likely taken already. If you end up going to court to settle a name dispute, the current trend seems to be to favor companies using unique names.”

The already busy entrepreneur now also needs to plan for a good company name, and a few back-up ones. During times when web site domain names are traded like baseball cards—with a tad higher values—it is not a given right to be able to register the same domain name as you have selected for your start-up, or the other way around.

“Everybody needs a good trademark, but it is not necessary to hire a firm to create one.”

An entrepreneur has the choice of incorporating in California or elsewhere, such as Delaware. At the California Secretary of State in Sacramento, an entrepreneur can reserve a name while he or she is lining up the paper work to incorporate. Once reserved, the name must be utilized within 60 days, either by filing Articles of Incorporation to form the corporation or by registering to do business as a foreign corporation. Unless it is already taken.

“Usually there is time to do a name search before you get to market,” says

Moore, and offers a simple plan of actions:

1. Try to come up with a creative and unique name; not using common words like “United” or “General.”
2. Check the records of the Secretary of State. There are firms that specialize in name and trade mark searches.
3. Check the domain name at networksolutions.com.
4. If you see your name; it’s back to the drawing board.

Companies registered in another state might run into the problem that the company name is already taken in California—that’s where “dba” comes in. “Companies with the same, or almost the same, name can be incorporated in different states and do business in those states,” Moore explains. “When a corporation incorporated elsewhere comes into California to register as a “foreign entity,” to do business here, they are often forced to “do business as” under a different name. The real name shake-out usually occurs on the (federal) trademark registration level.” The increasingly important piece in the name puzzle is the web address. Many “web squatters” hoard domain names—easily registered for \$70—hoping to sell the site name to the highest bidder. Last November, the Anti-Cybersquatting consumer Protection Act was passed, making it illegal to register a trademark name for the purpose of peddling it to its rightful owner.

“I think that everybody needs a good trademark,” Moore concludes, “but it is not necessary to hire a firm to create one. John Lennon, all by his lonesome self, came up with my favorite; the Beatles.”

(VC Report)

REAL ESTATE: MAKE REALISTIC BUDGET FOR SPACE EXPENSES

Planning to move yourself and your company to Silicon Valley? Time to review the budget, again, and this time calculate the cost for housing and office space to exceed even your wildest nightmares.

"It's really, really nutty. People are just throwing money," says Julie Ziemelis of the Santa Clara County Association of Realtors. The median home price in Santa Clara County for the month of February was \$489,000.

This spring saw the real estate market in the entire San Francisco Bay Area go through the roof, and produce the most expensive housing in the entire USA. In Palo Alto, the heart of Silicon Valley, a one-bedroom (88 m²) bungalow on a stamp-sized lot, sold for \$550,500. That was \$41,500 over asking price, yielding a per-foot price of \$695.08 at closing. Amenities: Hardwood floors, brick backyard patio, fireplace, impossible to get lost inside.

"There was a small place that's basically in the same neighborhood that was asking \$739,000 and just went for \$906,000. So in retrospect, that little home that everybody thought went for such an insane price is not that bad of a deal; it's already gone up in value," says Alan Dunkel, of Alain Pinel Realtors, who sold the Palo Alto house.

As an entrepreneur it's a benefit to be used to tough competition; it's common to see two dozen bids for each house on the market. "People are offering stock options with their bids, baking cakes, paying for vacations—anything to get the house," says Ziemelis. Prepare to explain to your investors why you want to set up shop in an area where people can make \$250,000 a year and still not afford the house they want. The rent situation is even worse, with families doubling up in single apartments, or paying \$400 a month to live in a garage or to sleep on a stranger's living-room floor. You'd better figure out how you plan to attract employees to an area where the homeless person spending the

night on the bus, is making \$50,000 a year.

"The rolling hotel" is the Nr.22 bus running along the Silicon Valley, from San Jose to Menlo Park and back, 24/7. A day-pass is \$3 and pays for two-hour naps, with 10-15 minutes wait between runs. The all night passengers are non-tech, full-time workers. According to federal housing officials, you are "poor" in this area if you are single and earn less than \$37,200 a year, or for a family of four total earnings are less than \$53,100 a year.

"Over the last five years, we have seen a sharp increase in the number of families and working poor who become homeless almost exclusively due to the outrageous cost of housing in Silicon Valley," says Jan Bernstein, with a nonprofit group providing 300 shelter beds and serving 850 meals a day to the needy. Some people chose to leave, and join the increasing ranks of Bay Area refugees, many of whom commute from as far away as Livermore or Sacramento.

"I don't mind the commute," says L.L. Cook, a computer consultant driving alone for 2.5 hrs in each direction, from Sacramento to Palo Alto. "I'm happy to trade the commute for the quality of life." He left the Bay Area because of the high real estate prices and has been commuting for six years. "Usually I go down (to Palo Alto) for a couple of days a week; most work I do by telecommuting from my office at home," adds Cook.

(VC Report)

NEWS FLASH:

VENTURE CAPITAL

Majority of Q1 US IPOs are Venture-Backed

Venture-backed companies continued to account for the bulk of initial public offerings in the first quarter of 2000. Of the 139 offerings, 75 received venture funding prior to the offering —accounting for 53.8% of the total. This is a gigantic start to the year compared to the 26 companies that went public in Q1 of 1999. Venture-backed IPOs returned 92.6% for the year ending 12/31/1999. When compared with a 19.5% return for the S&P500, this clearly signifies the ever-increasing role the venture capital community is playing in the new economy.

While some venture investors were able to bring a lot of companies to the marketplace, they were not necessarily the firms who saw the best returns in their post IPO performance. Fifteen firms saw returns of more than 200%, with the Mayfield Fund and Goldman, Sachs & Co. leading this brigade with returns that exceed 400%. These returns numbers are based on a \$1,000 investment at IPO date.

(Venture Economics, NVCA)

Cisco sizzles, buys Arrowpoint, wants proper execution.

Cisco (Nasdaq: CSCO) buys publicly traded Arrowpoint Communications (Nasdaq: ARPT) for \$5.7 billion and reported 1999 fiscal third quarter pro forma net income of \$1.03 billion, or 14 cents per share, excluding one-time charges, taxes related to options, and gains on some investments. Cisco makes network routers and switches, and Arrowpoint, which went public on March 30, makes network switches designed to manage Web content and traffic. "We continue to gain market share in all our key markets," Cisco CEO John Chambers said during a conference call with analysts. "We continue to be very optimistic about our role in the Internet economy as the leader in the Internet revolution, assuming we execute properly."

(Cisco, VC Report)

GROWING MARKETS

Silicon Valley and San Francisco —places to be for future Success

The popular San Francisco-based new economy magazine, Red Herring, has picked ten early-stage companies to watch for the future. Their selection strategy involves going with entrepreneurs with a proven track record. To qualify, the companies had to have been founded in the last 12 months; they could not have raised more than one round of funding; and they could not yet have launched or released their product or service. Seven of the ten companies are based in California; six of them in Silicon Valley and San Francisco: AppStream; BigBand Networks; Eazel; Icebox.com; LeaseExchange; LiveMind; Restaurant Pro.com.

(Red Herring)

You read it first here: Geneva VC-event in November

A "Silicon Valley goes to Switzerland" panel-discussion event is scheduled for November 2000, at the UBS building in Geneva, Switzerland. The theme for the conference is still a well guarded secret, but VC Report have found out part of the line-up. Kick-off speaker is Robert Bishop, Chairman of the Board and President of SGI. Featured lunch speaker is the Honorable Richard Fredericks, US Ambassador to Switzerland and former investment banker partner at Montgomery Securities in San Francisco. Co-chairing the event are the Executive Director of Silicon Valley Association Switzerland, Dr. Hank Slettenhaar of Webster University, Saint Louis, Missouri, and Richard Horning, with Tomlinson Zisko Morosoli & Maser LLP in Palo Alto. Webster U has a campus in Switzerland. Horning is a member of VC Report's Advisory Board. The web site for the event will be available in the coming month.

(VC Report)

THE NEXT BIG THING: VC FINDS ITS NICHE

Like their counterparts in Silicon Valley, Venture Capital funds in Sweden and throughout Europe are homing in on specific niches of technology, banking on the in-house expertise they can bring to the entrepreneur's company while keeping the wallet wide open.

"It is so much easier today," says Ulf Jonströmer, Swedish veteran entrepreneur in the telecommunications field, "compared to 20, or even five years ago. Finding money, finding support, finding knowledgeable investors; all of it is easier in today's market."

"During the 80's, there was a traditional view of evaluating a company—an investor wanted to see a good profit and a continuous growth before the checkbook would come out. There was only very mild interest by owners to consider new ideas and semi-finished products," says Jonströmer, who recently wrapped up the sale of his (minority ownership in) Across Wireless, to the tune of 900M Euros for the entire company. It was a record breaking deal (for the wireless industry, in total

the fund's partners can add value by deep industrial experience in that field. This trend is already under way in Silicon Valley. Instead of focusing on a certain stage in the emerging company's development, the VCs will tend to invest in all stages of funding of companies in their chosen field.

Pro's and con's, according to Jonströmer, for the entrepreneur dealing with a very niched VC, vs one with broader focus, are:

Niched VC fund

- + knowing the industry well makes for owners who doesn't burden the tempo.
- + investors can take own initiatives
- + VC-people know the "players" in the crucial market
- lack of broad networks (for later stages)

"The emerging trend in the Venture Capital market, is focusing the resources on a specific niche, where the fund's partners can add value by deep industrial experience in that field."

amounts, and for the IT-industry regarding payment per number of employees), according to Jonströmer, current Chairman for the Association of the Swedish IT and Telecom Industry.

"In the past, investors only went into established companies. Even five years ago, obtaining SEK 10M was a great deal for an entrepreneur; today you can get SEK 100M based on a mediocre idea—the differences are infinite!"

The emerging trend in the Venture Capital market in Sweden, as well as on the Continent, is focusing the resources on a specific niche, where

Regular VC fund

- + can be a speaking partner when it's time to broaden the technical field
- forced to consult experts in every step and loose crucial tempo

Jonströmer, Founder of AU-System, iD2 and Across Wireless, predicts the market will change for the VCs as well. "I believe the competition will increase, in order to fund the good projects the VCs have to show their competence and prove their own experience in the specific niche," he concludes.

(VC Report)

NETWORKING: WOMEN WHO RULE—BOTH SIDES OF THE TABLE

These are powerful and technically brilliant women who walk softly and carry big sticks! “Women on the Web” picked 25 “Leaders of the Millennium”—some Venture Capitalists, some VC funded entrepreneurs. Two of them were also dubbed “Women who’ll rule” in the 21st century. And, the ultimate networking: “Springboard 2000” is a forum featuring women entrepreneurs throughout the US.

Ann Winblad, Co-founding partner of Hummer Winblad Venture Partners, is among the “Top25” women recognized this year, by the San Francisco organization, Women on the Web. SFWOW lists women who have made significant contributions to the advancement of technology and to the advancement of women in technology related fields. The program this year also honors those who have helped increase the number of women on the Internet/online to nearly 50% of the “Internet population.” Additionally, it emphasizes the community-based network of women who have helped each other in technology related fields.

Joy Covey, Chief Strategy Officer at Amazon.com. also made the list this year. She was the company’s CFO through the IPO, found her own replacement and moved into strategy planning three years ago.

Donna Dubinsky, Co-Founder and CEO of Handspring (remember Palm?) is one of the “Top25.” She is also recognized by iVillage.com and msnbc as one of 18 “Women who’ll Rule” in the new century. Dubinsky’s predicted to rule in the “Business and Technology” category.

Another “Top25” is Catherine Muther. She retired as a millionaire from Cisco Systems four years ago and founded the Women’s Technology Cluster, the first ever incubator for women-led high tech businesses.

Also one of the 18 “Women who’ll Rule” in the 21st century, Muther was selected in the Philanthropy category in her role as Founder and President for the Three Guineas Fund—a public grant fund.

In the VC world, women are staking their claims: the first ever VC forum to showcase female entrepreneurs was a smashing hit in Silicon Valley a couple of months ago. 26 women leading life science and information technology businesses headquartered on the west coast presented their businesses to over 300 corporate, angel and venture investors at this one-day venture forum. Over 350 applications were screened to get a select class of final presenters. Each of the women entrepreneurs were then assigned coaches from among the hundreds of experts supporting this forum to prepare them for their presentation.

The entrepreneurs sought between \$1 million and \$20 million in seed, first and second round investments.

This exclusive forum attracted support from leading venture capitalists, private investors and other accredited investors looking for prime investment opportunities as well as a number of the leading service providers on the West Coast.

Two more “Springboard 2000”, as the Women’s Venture Capital Forums are called, will occur this year. The Mid-Atlantic event is July 11-12 in Dulles, Virginia, and the New England forum will be November 2-3 at Harvard Business School. Applications for entrepreneurs will be accepted online this summer (see site at our back page ref. list) for the New England event.

(VC Report)

NEWS FLASH:

VC/IPOs

California & Computers leading IPO league

During the first quarter of 2000, California continued to dominate among the states producing IPOs (32). Boston is by many considered the hub of VC on the East Coast, and Massachusetts indeed came in second with 9 companies. Atlanta has earned a reputation as the emerging VC-capital of the South, and Georgia received honorable mention with 4 IPOs.

Leading States of Number of IPOs

Leading States	# of IPOs
California	32
Massachusetts	9
Georgia	4

Leading Industries of Number of IPOs

Leading Industries	# of IPOs
Computer Related	37
Communication	20
Biotechnology	6

(VC Report, Venture Economics, NVCA)

VC RANKINGS - TOTAL IPOs

Venture investors ranked by number of IPOs March 1999—March 2000

VENTURE FIRM, NUMBER OF IPOs

1. Hambrecht & Quist Private Equity	25
2. Intel Corp.	23
3. New Enterprise Associates	20
4. Kleiner Perkins Caufield & Byers	18
5. Sequoia Capital	18
6. Comdisco Ventures	17
7. Benchmark Capital	15
8. Norwest Venture Partners	14
9. Integral Capital Partners	13
10. Goldman, Sachs & Co.	12

NEW SITE SERVICE

VC Report features a new reader service; listing the web sites of companies and organizations mentioned in this issue. For ease of use, they are listed alphabetically, and not in the order they appeared.

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 www.accel.com
 www.altapartners.com
 www.amazon.com
 www.apple.com
 www.appstream.com
 www.apr.com
 www.ausys.se
 www.Benchmark.com
 www.bessemervp.com
 www.bigbandnet.com
 www.bowmancapital.com
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 www.uunet.com
 www.ventureeconomics.com
 www.websteruniv.edu
 www.WebSwap.com
 www.wheelhouse.com
 www.womenstechcluster.org
 www.wpgvp.com
 www.yahoo.com

FOLLOW UP: NAME WOES FOR BUSY ENTREPRENEUR

OnFiber sold to Onfiber Networks for undisclosed amount.

OnFiber, the Silicon Valley broadband start-up, needs a new name. In May, after months of "subtle pushing," Kleiner Perkins backed Onfiber Networks bought the name OnFiber.

"They must have been hungry (for the name)," says JG Werthén, the featured Scandinavian Entrepreneur in VC Report 2/2000 who just completed the company's seed round, "because they were very persistent."

The soon to be officially nameless fiberoptics-to-household-provider will spend \$15K on professional help to find a "new & improved" name.

(VC Report)

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LOOK, MA — NO WIRES!

Your totally cordless connection to VC is at BrainHeart Capital. The new \$250 M VC fund targeting wireless companies is the largest in Europe. The Swedish company will draw on the personal experience of the management team, the great reputation Sweden still has worldwide in the technology field, and the tremendous potential it sees in the wireless communications industry to succeed as a trendsetter for very specialized Venture Capital funds in Sweden and Europe. More on the who, how & why in the next issue of VC Report!

