

argoscorecard

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Highlights from Argo's Annual Meeting—April 2008

Once again this year, Argo's Annual Meeting was conducted over GoToMeeting with Webinar.

Potential buyers are approaching many businesses, quite a few of which have improved their top and bottom lines. Our focus continues to be liquidity events, so better performance should lead to higher returns.

Our top potential companies are: OnMobile, Chinatron, Neural Technologies, SurfKitchen, uReach, VoluBill and Casero.



Portfolio Company Profile



John Aalbers
CEO



VoluBill develops software solutions enabling fixed and mobile telecom operators to monetize, invoice and profit from such data-based services as content, Web browsing and SMS/MMS, while proactively managing data user quotas and limits to ensure fairness and good service, as well as to reduce capital expenditures.

VoluBill is currently experiencing very strong growth. After significantly revamping its corporate strategy in early 2006, VoluBill has delivered close to 100% annual growth. With revenues for 2008 on track at about €18 million, the company is taking full advantage of the rapid uptake in mobile data services. The fact that VoluBill is the world's fastest growing charging company attests to its unique problem-solving strategies. VoluBill makes use of Deep Packet Inspection (DPI) technology

to extract subscriber usage information from IP Networks and then employs this data in billing its services. DPI also helps control network access by enforcing usage and quota policies that network operators can configure themselves.

The future looks bright for VoluBill. Rapid update in mobile data services means demand for VoluBill's solutions continues to grow, while corporate strategies bring value to its customers regardless of how operators choose to charge their customers for data services ("flat rate" or "granular"). Through its Intelligent Usage Policy Management (I-Up) solution, VoluBill can help operators delay the need for costly network upgrades, thus saving them millions of euros annually.

For a small firm, VoluBill has a broad client base, with some 70 customers spread across the globe. With customers like Bharti in India, Orange, Telefonica, Tiscali, AT&T, Vivo and STC, the company's credentials in the industry are well established.

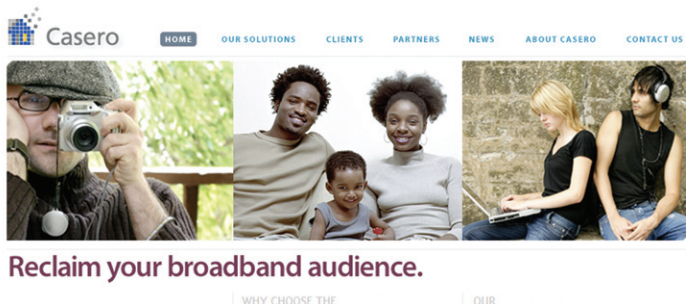
Although it is based in Grenoble, most of VoluBill's staff is based outside France. With expertise centers in Roskilde, Denmark and Kuala Lumpur, Malaysia and offices in London, Dubai, Sao Paulo and Delhi, the company has a fairly global presence. The company currently employs 140 people.

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UPDATE on Portfolio Companies

CASERO, INC.

Camiant, Inc., the leading provider of policy control and application assurance technology and Casero, a leader in white-label personal media management solutions for broadband providers worldwide, announced a joint development and marketing partnership. The two companies now offer integration of Camiant's policy control platform with Casero's Personal Media Management and Sharing solution, delivering a combined offering that optimizes upstream-intensive application performance to provide a superior customer experience, accompanied by peak network performance.



I-PLAY (ACQUIRED BY OBERON MEDIA)

Oberon Media, the world's leading multiplatform casual games company, unveiled a new brand identity that communicates the scope of the company's newly integrated publishing division. Consolidation around the new I-play brand provides access to a single, multiplatform publishing powerhouse for developers, licensors and content partners seeking to introduce or expand their intellectual property.

With the recent acquisition of I-play, the independent leader in casual mobile games and of PixelPlay, the world's leading creator and distributor of games and entertainment in the interactive TV market, Oberon has undergone a strategic transformation that now positions it as the world's first business to deliver integrated casual games solutions across all three (online, mobile and TV) screens.

I-play is emerging as a unique and powerful publisher of multiplatform content in the exploding casual games market. By delivering hugely successful titles across several key platforms, including James Patterson's Women's Murder Club—Death in Scarlet for the PC, Endemol's Deal or No Deal for mobile devices, and the Facebook and MySpace phenomenon, Bubble Town, I-play is successfully leveraging Oberon Media's promise of reaching "more people, in more places and on more platforms."

GENERAL WIRELESS

General Wireless, the leading provider of PC-to-mobile messaging and Mobispine AB, an aggregator of Web-based content for the mobile Internet, announced they have entered into a definitive agreement whereby Mobispine will acquire all General Wireless shares in a stock transaction.

The combination of Mobispine and General Wireless offers consumers one of the most comprehensive portfolios of mobile applications in the industry, including personalized RSS feeds of news and blog articles, the ability to share content with friends and the option to send SMS and MMS messages from the PC to mobile phones. The products and services currently offered by Mobispine and General Wireless greatly complement each other and will drive further growth.



Mobispine General Wireless is a leading provider of mobile multimedia to mobile operators, enterprises and internet businesses.

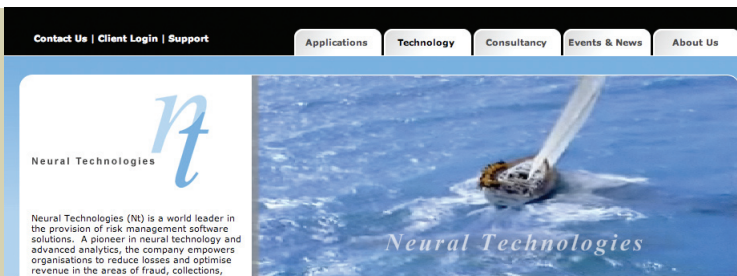
NEURAL TECHNOLOGIES

KaR-Tel, Kazakhstan's second largest mobile operator, has installed Neural Technologies' fraud management solution as part of a framework deal between Neural Technologies and VimpelCom, KaR-Tel's parent company.

VimpelCom has been successfully using Neural Technologies' Minotaur™ solution in its Russian operations since 2002 and KaR-Tel is the first of its numerous affiliates to benefit from the increased fraud protection the solution provides. So successful has Minotaur™ been in detecting fraud on the Kazakhstan operator's network, that it achieved return on investment within just five weeks of operation.

Neural Technologies announced that mobile telecom operator MTN South Africa has migrated over to its Minotaur™ Fraud Management Solution. MTN migrated to Minotaur™ from the former Cerebrus RE solution, which Neural Technologies has been supporting since it acquired Cerebrus Solutions at the end of 2004. MTN made the decision to upgrade to Minotaur™ following an extensive validation "gap analysis" and market screening, which demonstrated Minotaur's™ throughput capability, wide-range functionality and configurational flexibility.

BTC Mobile, the fastest developing company in the Bulgarian telecom market, has implemented Neural Technologies' Minotaur™ solution to help tackle network fraud issues.



ONMOBILE

OnMobile, India's leading and pioneering Telecom Value Added Services (VAS) provider announced that it has acquired 100% of telisma, the leading European Speech Recognition company. The addition of telisma's standards-compliant speech recognition products and expertise will enable OnMobile to accelerate its penetration into fast-growing emerging markets by developing new speech recognition language models. This technology enables quick and easy access to mobile applications and content and also strengthens OnMobile's mobile applications product line.

Telisma was created in August 2000 as a spin-off from France Telecom's Research and Development Laboratory and is funded by leading European venture capital firms.

SURFKITCHEN

SurfKitchen, the global market leader in On-Device Portal (ODP) applications, announced that it has been selected by Cincinnati Bell Wireless (CBW) to support CBW's new mobile data services portal MyPhone. Using SurfKitchen's ODP platform, CBW's MyPhone will greatly enhance mobile data delivery and consumption by providing a simple and compelling user experience. A division of Cincinnati Bell Inc., a provider of integrated communications solutions including local, long distance, data, Internet and wireless services, CBW will reinforce its commitment to innovation by becoming the first carrier in North America to launch SurfKitchen's software.

SurfKitchen also announced the commercial availability of SurfKit Mediation, its on-device analytics and evaluation tool that lets operators analyze and manage the entire lifecycles of their mobile data services. SurfKit Mediation is part of the SurfKit Phonetop suite of products. It provides a powerful set of analytical tools, enabling operators to interrogate key metrics associated with mobile data services.

UPDATE on Portfolio Companies

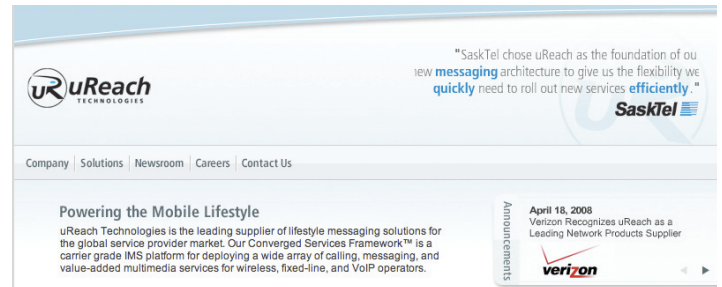
SYLANTRO SYSTEMS CORPORATION

Sylantro Systems Corporation, provider of the leading Multiplay Application Feature Server platform that enables rich IP communication services, announced it will provide hosted VoIP solutions to HT Mostar, an incumbent Bosnia-Herzegovina-based telecom operator, partially owned by Croatian Telecom, a subsidiary of Deutsche Telekom.

Beginning in Q3 2008, HT Mostar will launch VoIP services, employing Sylantro's renowned Synergy Multiplay Application Feature Server (AFS). HT Mostar will also utilize Sylantro's ComMarketing™ program, under which Sylantro will work with HT's sales and marketing departments to develop processes for strategy, provisioning, market launch and service delivery, highlighting Sylantro's end-to-end solutions approach to customer commitments.

uREACH TECHNOLOGIES, INC.

uReach Technologies, Inc., a leading provider of communications solutions for wireless, wire-line and broadband carriers, announced that it has been selected as the recipient of Verizon's 2007 Supplier Excellence Award in the "Network Products" category in recognition of its outstanding effort and its achievements in demonstrating excellent performance.



NewsFlash

BYTEMOBILE, INC. (ACQUIRED PROQUENT SYSTEMS CORPORATION)

Bytemobile, Inc., the global leader in mobile internet solutions for network operators, announced a new general release of its Web Fidelity(tm) Service and Media Fidelity(tm) Service. These services optimize the delivery of fast, PC-quality web browsing and video with mobile advertising to all wireless handsets, thereby creating additional revenue opportunities for operators, while increasing network efficiency and capacity.

HANDMARK

Handmark, a global leader in the development and distribution of mobile media, announced its plans to develop a variety of games and applications for the Apple® iPhone™ at the 2008 Apple Worldwide Developers Conference (WWDC). UK-based Astraware®, the Handmark® Game Studio™, was one of the first companies to create games for the iPod in 2006 and will play an integral part in the development of various game titles for the iPhone.

KABIRA TECHNOLOGIES, INC.

Kabira Technologies, Inc., a leader in extreme transaction processing software for global enterprises, announced that it is building a Java technology enabled product to work with its core product technology, the Kabira eXtreme Transaction Platform (KXTP). Marrying a Java technology development environment to the Kabira Runtime lets application developers import integrated transactionality, high performance, transparent distribution, persistent shared memory data, high availability and high speed channels from Kabira's technology into native Java applications, while preserving the robustness of the Kabira runtime technology.

Kabira also announced Planet Consulting, Inc., a division of Planet Group, Inc., as the latest member of its Global Partner Program. Under their agreement, Kabira™ and Planet Consulting will develop and implement joint marketing efforts to generate new revenue opportunities throughout North America.

NEURAL TECHNOLOGIES

Neural Technologies announced the opening of a new office in Brazil. This is Nt's second office in Latin America and it was established in response to increased demand for Nt's solutions across the CALA region. Comcel of Haiti and All America Cables and Radio in the Dominican Republic are the most recent operators to join Nt's growing Western Hemisphere customer list, which also includes Brasil Telecom and Axtel in Mexico.

ONMOBILE

OnMobile, India's largest telecom VAS Company, announced the deployment of an innovative Mobile Marketing offering, Ad Ring Back Tones (AD RBT). This service has been launched with one of the leading Indian GSM Operators in Mumbai and will be extended on a phased basis to other regions. When a user subscribes to Ad RBT, callers to that user will receive audio ads, personalized to the caller's profile. The OnMobile adRBT platform has a unique call-to-action feature that allows interested users to respond instantly to an advertisement with a click of a single key. Users who have subscribed to Ad RBT will receive special operator discounts and offers to participate in this program.

SURFKITCHEN

SurfKitchen, the market leader in On-Device Portal (ODP) applications, announced the commercial availability of SurfKit Event, an on-device application giving users one-click access to exclusive content to a specific campaign or "event," such as a blockbuster movie launch or sporting competition.

SYLANTRO SYSTEMS CORPORATION

Sylantro Systems Corporation, provider of the leading Multiplay Application Feature Server platform that enables rich IP communication services, has been named a 2007 Product of the Year Award recipient from Technology Marketing Corporation's (TMC) Communications Solutions for Sylantro's Synergy, Synapps and Synapps Central solutions.

Sylantro also has been named a 2008 TMC Labs Innovation Award winner for its Synergy Web Attendant Console presented by Technology Marketing Corporation's (TMC) publication, Internet Telephony.

VOLUBILL SA

VoluBill SA, a leading supplier of real-time charging, control and usage policy management solutions for data and content services, announced that it has signed three major new software licenses and deployment agreements for its Charge it™ DCP (Dynamic Charging Platform) product.

The new software license agreements are with the Zain Group in the Middle East, Excelcomindo (XL) in Indonesia and a third unnamed operator in the Southeast Asia region.

Convergence at home— IPTV is the catalyst for new services



THE INTERNET PROTOCOL TELEVISION (IPTV) MARKET HAS EVOLVED AT A CONSIDERABLE PACE OVER THE LAST 18 MONTHS, PARTICULARLY IN EUROPE. ACCORDING TO INFORMA, THE GLOBAL IPTV MARKET IN 2007 PASSED THE 12 MILLION SUBSCRIBER MARK, WITH WESTERN EUROPE ACCOUNTING FOR 57% OF THIS BASE. THE EUROPEAN MARKET IS CHARACTERIZED BY TELECOM OPERATORS COMPETING WITH BOTH TRADITIONAL BROADCAST AND CABLE OPERATORS, BUT ALSO WITH OTHER TELECOM OPERATORS LAUNCHING IPTV SERVICES.

It is interesting to look at the French market, as this is the most sophisticated IPTV market with over 5 million subscribers and competition present between incumbent France Telecom (Orange) and such alternative broadband providers as Iliad and Neuf Cegetel. One IPTV enabler in France is deregulation of the broadband market, where local loop unbundling has allowed operators like Iliad to aggressively compete with Orange by differentiating their services through bundling. The fact that Iliad's basic TV services are part of their standard broadband package, which also includes a PVR and a residential gateway at no additional charge, has helped make this firm its market leader in terms of subscriber numbers. Both companies are deploying Fiber to the Home (FTTH) and continuing to enhance such services as High Definition TV, VoIP, and Video on Demand (VoD). The Orange LiveBox residential gateway is particularly innovative and now includes internal storage to essentially become a media center, permitting sharing of content, photos and videos across many devices in the home.

The Internet Video to the PC market has also evolved rapidly, particularly in the US (with YouTube) but this also poses a competitive threat to IPTV providers. Media businesses such as News Corp and NBC Universal have launched a joint venture called Hulu, which provides free VoD of popular TV shows and movies from many content providers. Although this feature is currently limited to the US, it will become globally available in the future.

One challenge of the Internet video market is delivering such content onto television screens, since watching TV content on a PC monitor is

less enjoyable than on a wide living room plasma screen. Innovation is providing the solution with examples such as Panasonic, which has embedded a browser in its latest TV set and VoD providers such as Apple and Netflix, which supply standalone devices (Apple TV and Netflix player respectively) connected to the TV.

One challenge for operators is defending against the substitution of Internet video, while simultaneously supporting it, especially for user generated content, which is a key driver for video uptake. Delivering FTTH and using 12-24 month contracts is a key tactic to lock-in customers. This strategy permits payback for the fiber investment but also enables bundling of VoIP and IPTV to defend against the substitution of Internet video. The residential gateway can then be used to deliver additional services, such as home automation, surveillance and in the longer-term healthcare monitoring services.

Convergence is providing many options for consuming TV, Video, Voice, Web content and other services in the home. There are many opportunities for telecom operators to deploy IPTV. The key to success, however, will be bundling multiple services so as to not only gain a greater share of the customers' wallet, but to minimize the threat of new competing services.

TOM BARNFIELD
MANAGER, INCODE

Upcoming Events

AFRICACom

November 18-19, 2008
Cape Town
South Africa

3GSM WORLD

CONGRESS 2009
February 16-19, 2009
Barcelona
Spain

CTIA WIRELESS 2009

April 1-3, 2009
Las Vegas NV
USA



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