

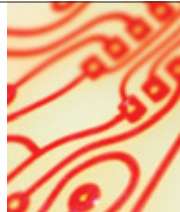
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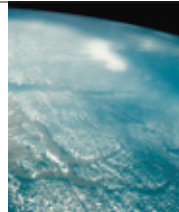
**See You at the
18th 3GSM
World Congress**

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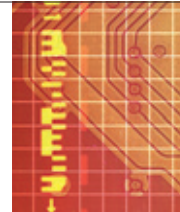
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See You at the 18th 3GSM World Congress!

The 3GSM World Congress will be held in Cannes, France, from Monday to Thursday, February 23 to 26, 2004. Once again, Argo Global has reserved a hospitality suite in the heart of the Palais des Festivals. Our portfolio companies are invited to use the suite to hold private meetings away from the hustle and bustle of the exhibition floor.

As in previous years, we will host a reception in conjunction with Nokia Ventures and St. Paul Venture Capital on Tuesday evening, February 24, to facilitate networking and to allow more informal discussions with carriers and other executives.

Please be sure to drop by and visit us at our hospitality suite in Hall 2, Level 1, Suite 01.18. See you in Cannes in February 2004!



Portfolio Company Profile

WatchMark-Comnitel is a leading provider of wireless performance and service management solutions that help wireless telecommunications service providers solve the technical and business challenges of delivering high-quality voice and data services over next-generation networks. WatchMark-Comnitel solutions enable service providers to predict, analyze, and adjust network performance, monitor service quality, target discrete customer groups for cross-sell and up-sell marketing, scope proper parameters for service level agreements, and much more. They also support service providers' enterprise and consumer-focused business strategies in a customer-centric manner.

Created through the November 2003 merger of WatchMark Corporation and Comnitel Technologies, WatchMark-Comnitel offers a unique portfolio of best-of-breed wireless service assurance solutions to help mobile operators manage new value-added services, optimize network performance, and boost profitability while making the important shift from a network-centric to a customer-centric approach to attracting and retaining valuable subscribers. Market drivers that make these solutions increasingly relevant include migration to 3G, the introduction of new data technologies, the increasing complexity of understanding technology in multi-vendor networks, growing competition for high-value customers, and the impact of reductions in capital and operational expenditures.

WatchMark-Comnitel management comes from leading mobile service providers and network equipment vendors, ensuring an in-depth understanding of both mobile operator business issues and wireless operation support systems. Strong relationships with network equipment providers, systems integrators and global service providers enable WatchMark-Comnitel to deliver unmatched service assurance solutions for managing next-generation wireless networks.



Tom Munro
CFO



The company's customers include more than 100 service providers around the globe, including Cingular Wireless, T-Mobile, 3 and Verizon Wireless. Investors include Argo Global Capital, Ericsson Venture Partners, Investor Growth Capital, New Venture Group, Origin Partners, Pequot Capital and Hg Capital.

Corporate Headquarters
13431 NE 20th St.
Bellevue, Washington 98005 USA
Phone: +1 425 564 8000
www.watchmark.com

European Headquarters
5300 Cork Airport Business Park
Kinsale Road
Cork, Ireland
Phone: + 353 21 730 6000

UPDATE on Portfolio Companies



EMPOWER INTERACTIVE GROUP, LTD.

Empower Interactive Group, Ltd., a trusted supplier of mobile data services infrastructure products for mobile operators, has secured contracts with Orange, the UK's leading operator for mobile messaging, to enhance the management and delivery of SMS and MMS traffic. Empower Interactive will deliver reliable, scalable and flexible solutions to help Orange evolve its messaging solutions without service impact and with minimum expense. The objective is to roll out new services ahead of the competition by offering third-party content providers access to subscribers.

CEREBRUS SOLUTIONS, LTD.

Cerebrus Solutions, Ltd., a leading provider of fraud and revenue assurance applications and a member of the Oracle PartnerNetwork, announced its support for Oracle Database 10g, the first database designed for emerging enterprise grid computing and the most cost-effective and flexible way to manage enterprise information. Participation in the Oracle Database 10g Beta Program enabled Cerebrus Solutions to test CerebrusRE for improvements in Oracle Database 10g performance and new manageability features. It also allowed Cerebrus to access training, marketing and development resources as a first step to build solutions on Oracle's next-generation database technology.



KABIRA TECHNOLOGIES, INC.

Kabira Technologies, Inc., the provider of the Infrastructure Switch™ software for high-volume, real-time transactions, has launched a new certification program to ensure wide availability of expertise and skills for deployment of a growing number of customer projects built with Kabira software. The program has been designed for technical personnel in both systems integrator and client organizations who are building new real-time services and infrastructures for telecom and financial applications.

WATCHMARK CORPORATION

WatchMark Corporation, a leading provider of wireless performance management software, and Comnitel Technologies, a provider of wireless service management software, announced that the two companies have merged. The new company, WatchMark-Comnitel, brings together unique wireless system and operations support system (OSS) expertise, strong customer and partner relationships, and proven, best-of-breed technology for managing next-generation wireless services from pre-launch throughout the service lifecycle.

KABIRA TECHNOLOGIES, INC. & VOLUBILL SA

Kabira Technologies, Inc., the provider of the Infrastructure Switch™ software for convergent network and real-time financial services, and VoluBill SA, a leading provider of mobile data, content and MMS charging solutions, announced they have entered into an OEM agreement. In this agreement, VoluBill will use Kabira's Infrastructure Server to enhance the functionality of VoluBill's Dialog Control and Charging Platform (D2CP).

NUERA COMMUNICATIONS, INC.

Nuera Communications, Inc. has joined forces with Wave7 Optics to deliver a fiber-to-the-home (FTTH) solution for Chariton Valley Telecom Corporation & Telephone Corporation of Missouri. Nuera's RDT-8g broadband access gateway and Wave7's Last Mile Link (LML) fiber optic access solution work together to deliver voice services over an advanced fiber network. Chariton Valley leverages this broadband system to offer the "triple play" — voice, video and data — to homes and businesses in rural communities in north-central Missouri.

Cabovisao, the second largest cable operator in Portugal with more than 770,000 homes passed, has deployed Nuera's ORCA® RDT-8v Voice-over-IP gateway to offer telephone services. Nuera's RDT-8v broadband access gateway enables Cabovisao to leverage its Class 5 circuit-switched infrastructure to offer voice services over an IP network. Cabovisao currently offers service to more than 160,000 customers using Constant Bit Rate (CBR) technology. The company plans to grow its voice network using VoIP to take advantage of a converged voice, video and data network.



**new
investment**

SYLANTRO SYSTEMS CORPORATION

Argo Global Capital has invested in Sylantr Systems Corporation, a premier provider of IP Centrex and hosted communications software and applications that leads the market in deployments.

www.sylantr.com

NewsFlash

ALICE SYSTEMS AB

Alice Systems AB will supply Nextel Communications Inc. and Nextel Partners Inc., the leading provider of fully integrated wireless voice and data communications services in the US, with a connection management software suite. Nextel will be able to take advantage of Alice Systems connectivity software and Alice Deploy tools for client software installation and distribution. These tools simplify the connection of laptops and PDAs to the Internet over Nextel's iDEN network.

DIGITAL BRIDGES, LTD.

The dbi publishing division of Digital Bridges, a world leader in mobile entertainment solutions, and Dangaard Telecom A/S, the leading telecom distributor in Europe, announced that Dangaard Telecom will distribute mobile entertainment retail packs published by dbi in several key European markets. Dangaard Telecom started distributing the packs in December 2003 in Germany, Norway, Sweden, Denmark, Austria and Switzerland, as well as in Belgium and the Netherlands.

EMPOWER INTERACTIVE GROUP, LTD.

Empower Interactive Group, Ltd. was ranked 6th in the Sunday Times ARM Tech Track 100 of the UK's fastest growing technology companies. Empower's direct entry into the top ten highlights a year of unprecedented growth, marked by ongoing expansion and major global contract wins.

KABIRA TECHNOLOGIES, INC.

Kabira Technologies, Inc. is teaming up with Sun Microsystems, Inc. to support the Model Driven Architecture (MDA) on Sun Platforms. Kabira is a leader in commercial support for MDA, the "native language" of the Kabira Infrastructure Switch. Kabira is a Sun iForce partner focused on providing a high-speed volume switch software architecture for convergent telecom and financial services.

MEDIABRICKS AB

CNN announced a new collaboration with Nokia that brings CNN's latest java mobile news product, CNNlive, to the pockets of Nokia 6600 phone users in Europe. CNNlive will be embedded in the

standard sales package of the Nokia 6600 phone, and will also be available through the Nokia website. The arrangement builds on a previous collaboration when CNN first launched CNN Mobile in 1999. Developed by Mediabricks, CNNlive provides a rich user experience and is updated every two minutes when used and connected to the service via the users' mobile phone operator.

NUERA COMMUNICATIONS, INC.

Nuera Communications, Inc. announced that Essent Kabelcom, the second largest cable company in the Netherlands, has deployed the ORCA® RDT-8v Voice-over-IP (VoIP) broadband access gateway as part of its ongoing delivery of voice-over-cable services.

UREACH TECHNOLOGIES, INC.

Bell Canada launched Single Number Reach, an easy-to-use service that puts customers in control of their communications by enabling them to organize and direct calls between multiple devices through just one virtual telephone number. Single Number Reach helps small and medium-sized businesses (SMBs) and large mobile workforces stay organized while staying connected through a growing array of communications devices. Acting like a personal assistant, Single Number Reach provides integrated messaging and real-time call processing using one virtual telephone number. The underlying technology for Single Number Reach is from New Jersey-based uReach Technologies Inc. and Massachusetts-based NMS Communications, leading providers of next-generation messaging products.

VOLUBILL SA

VoluBill SA, a provider of content charging software for mobile operators, has signed a partnership agreement with Ferma, a value-added service provider. This partnership agreement answers operators' need to provide prepaid customers with data services. Ferma will integrate VoluBill's advanced content charging software into its existing prepaid offering, enabling Ferma to provide operators with a complete prepaid voice and data charging solution.

Mobile Number Portability: Exploring the Pros and Cons

IN MOST COUNTRIES WHERE MOBILE NUMBER PORTABILITY (MNP) HAS BEEN IMPLEMENTED, THE HIGH VOLUME OF PORTED NUMBERS HAS TAKEN MANY OPERATORS BY SURPRISE. THE DESIRE TO RETAIN ONE'S NUMBER WHEN SWITCHING OPERATORS APPEARS TO BE MUCH GREATER THAN PROVIDERS WANT TO ADMIT. AS MUCH AS CONSUMERS AND, IN PARTICULAR, ENTERPRISES VALUE MNP, OPERATORS ARE GENERALLY AGAINST IT. THEY FEAR THEIR BRAND WILL BE DILUTED DUE, FOR EXAMPLE, TO THE FACT THAT THEIR PREFIX CAN BE USED NOT ONLY IN THEIR OWN NETWORK BUT ALSO IN COMPETITORS' NETWORKS. LARGE OPERATORS ALSO WORRY ABOUT LOSING CUSTOMERS TO SMALLER OPERATORS, WHILE REGULATORY BODIES CLAIM THEY SIMPLY WANT TO MAKE THE MARKET MORE COMPETITIVE.



We believe that mobile number portability has the potential to make the operators' service portfolio development stronger than ever before. With the advent of MNP, now operators really have to come up with services that "lock" customers into their networks and discourage them from switching to another operator.

To fully grasp the many dimensions of this topic, let's take a closer look at mobile number portability in Finland, an excellent example of MNP implementation and its effects.

Based on the Communications Market Act in Finland, the Finnish Communications Regulatory Authority (Ficora) requires all Finnish mobile operators to implement a central solution — a so-called "Master system" — to manage mobile number portability in the country. "Master system" solutions are used in all of the Scandinavian countries and several large European countries for MNP management.

To meet both the Market Act and Ficora requirements, Finnish mobile operators organized a joint workforce to design the overall system. Northstream was selected to analyze and build a working model for MNP management, as well as to draw up an RFP for system integrators and, finally, to choose the integrator to be used to develop the system.

The time schedule for the project was very tight. We needed to choose the system integrator in March 2003 and have the system up and commercially running in July 2003. To deliver on time, the operators would have to work very closely together on all levels. To avoid competition, the Finnish operators decided to retain the services of an "outsider" to manage the overall project. Having Northstream manage the overall project and a major system integrator develop and implement the operator-independent Master system, enabled the project to progress rapidly to the testing and launch phase.

To handle the ongoing management of MNP in Finland, the country's three largest operators established a joint management company called Numpac. This company received permission from the Finnish Competitive Authority to operate a monopoly business in Finland. Numpac manages and controls mobile numbers in such a way so that they can be, and are, ported by any and all of the Finnish operators in accordance with Ficora's requirements. Numpac

outsources activities such as hosting, billing, operations and maintenance in order to remain a pure management company with a low fixed-cost structure. After approximately six months of operation, all of the parties involved agree that, to date, the model has proven to be the right one for managing mobile number portability in Finland.

In terms of actual market data, the porting of mobile numbers began in Finland at the end of July 2003. To virtually everyone's surprise, more than 150,000 mobile phone numbers were ported during the first two months of operation. The first-year estimate predicts 900,000 ported numbers, which represents about 20% of the Finnish mobile subscriber base and more than the total number of new subscriptions in 2002. Based on these figures, one could draw the conclusion that number portability clearly increased the churn in Finland in the short term, while hopefully making the market more competitive at the same time. With number portability uptake developing quite differently depending on the market, hasty conclusions should be avoided, even in Finland. MNP's real impact on competitive developments in the country will only be evident around mid-2004.

We can, however, draw the following general conclusions: Mobile number portability is a great service for the end user. While it increases churn and does create some extra work for operators (which can be outsourced), it forces them to focus on remaining competitive by, for example, improving their service portfolio and lowering their prices — elements that enable volume and usage growth and all the good things that accompany such growth.

Mika Martikainen
Northstream

About Northstream

Northstream provides operators, manufacturers and other players with independent and unbiased advice on opportunities presented by GPRS, 3G and Wireless including WLAN. In addition, Northstream offers recommendations on key technical and commercial issues in mobile data services as well as advises industry players on their strategic position and value proposition.

www.northstream.se

Upcoming Events

**3GSM World Congress
2004**
February 23-26, 2004
Cannes, France

CTIA Wireless 2004
March 22-24, 2004
Atlanta, Georgia
USA

**Argo Global Capital
Annual Meeting**
April 28-29, 2004
Boston, Massachusetts
USA



Argo Global Capital

Boston-Headquarters
601 Edgewater Drive, Suite 345
Wakefield, Massachusetts 01880
USA
Phone: +1 781 213-9344
Fax: +1 781 213-9345

Montreal
1250, René-Lévesque Blvd. West
38th Floor
Montreal, Quebec H3B 4W8
Canada
Phone: +1 514 397-8444
Fax: +1 514 397-8445

London
Parkshot House
5 Kew Road
Richmond-Upon-Thames
Surrey TW9 2PR
UK
Phone: +44-20-8334-8002
Fax: +44-20-8334-8100

Hong Kong
22/F Silver Fortune Plaza
1 Wellington Street, Central
Hong Kong
Phone: (852) 2295 2209
Fax: (852) 2295 3111