



edition 1 > october 2005

1. Entrepreneurial Projects	1
2. EU projects	1
3. Events	2
4. Tools	3
5. Trend watch	4
6. Further Information	4

brabo newsletter

1. Entrepreneurial Projects

Brabo Ventures' main activity is supporting innovative European management teams in establishing and growing their businesses.

Depending on where they are in their life cycle, companies have different needs. Alliances with other companies, attracting the right personnel, securing enough capital for market introduction or R&D are some of the daily issues companies face.

Brabo Ventures cooperates with the management team and advises on the process to reach a perfect solution. These solutions are tailored to the specific needs and often include cooperation with Brabo Ventures' partners. Together we can build on our expertise in the Life Sciences, ICT, New Materials, Energy, Food and many other sectors to overcome any financial, technical or operational issue.

Preparing the necessary documents, identifying relevant partners, and guidance through due diligence are some of the key strengths of the Brabo Ventures team. Together with the management we form a perfect fit to tackle any of the issues a young innovative business might have to overcome.

Brabo Ventures has built relationships with partners, in Europe and the US, to better service the companies we support and to truly develop all opportunities to be successful with our customers.

2. EU projects

EUROPEAN NETWORKING FOR FINANCING INNOVATION IN THE FOOD SECTOR (ENFFI) AND MEDICAL DEVICE SECTOR (INJECTION)

Europe INNOVA is an initiative for innovation practitioners supported by the European Commission. It brings together analytical insight and grass root experience. Starting in October 2005, more than 200 partners will participate in 22 projects in different industrial sectors, from biotechnology to ICT, automotive, energy or textile, sharing their experience and exchanging good practice. The lessons learned by the Europe INNOVA partners will be shared as widely as possible with other initiatives, to contribute to the emergence of strong industrial clusters and innovation poles in Europe. This approach is based on the principle of networking amongst partners with shared interests. Finally, innovation panels with independent experts will be established to steer this initiative and provide policy recommendations. The Europe Innova initiative is launched by EU DG Enterprise.

Below are some of the companies we currently support:

A Belgian enterprise software company providing a world premier solution for visualizing complex 3D models.

A German drug delivery company using polymeric nanoparticles enabling drugs to cross the BBB.

A Spanish energy related IT company manufacturing Automated Meter Reading Technology for the utility sector.

An Irish start up company that developed a new material with a first application in orthopaedic splints.

A German early stage Life Sciences company manufacturing new drug delivery tools for better administration of existing and new drugs.

A Dutch company using lactobacilli for developing new therapeutics for the treatment and prevention of infectious diseases.

A Swedish company developing drug delivery solutions using electroporation.



Under this Europe INNOVA programme Brabo Ventures will be involved with the projects focusing on the Medical Device and on the Food sector. Both projects clearly aim at identifying, analysing and addressing sector-specific innovation finance issues. A European network involving relevant actors for innovation financing will be set up. Hereby one will take advantage of the extensive European networking and relationships already built up by the respective consortium partners.

BRIDGE2GROWTH

Promoting SME involvement and investment in the RTD process and thereby mobilizing the massive resources of the European SME community

SMEs constitute 99% of all European enterprises and 2/3 off all European jobs, but they still face problems in relation to investment in innovation and RTD (Lisbon and Barcelona objectives). Bridge2Growth aims to address the barriers for these investments. Brabo Ventures will use its expertise and network of the investment community to support the European regions for bridging this gap at the level of regional RTD policy.

The project will adopt a pragmatic approach encouraging SMEs to take a practical approach, developing or refining ideas from elsewhere, whilst working on micro R&D with shorter timescales and a much closer focus on end results/customers/products/sales.

Brabo Ventures will deliver its expertise in R&D financing and investment in the development of European best practice instruments and tools for increasing and improving regional investment in RTD and innovation. In addition, Brabo Ventures will contribute in the analyses and mapping of the sources of funding of RTD and innovation activities for SMEs and the identification of the investment barriers. In sum, the Bridge2Growth project is building a learning platform for regional RTD policies forming a stepping-stone on the way to European regions of knowledge.

The general objectives for both the EnFFI and InJection project are :

Identify and analyse sector specific needs and problems related to innovation financing, and to get a better understanding of success factors in financing food sector innovation.

Develop and validate guides and tools to bridge the identified innovation financing gaps, focused on the specificities of each sector

Network the most suitable funding organisations for sector specific innovative investments.

To define and disseminate policy lessons and recommendations to be exploited by policy authorities and concerned stakeholders (a.o. SMEs and start-ups looking for financing and finance investors).

3. Events

These are events were you will be able to meet members of the Brabo Ventures team.

Gate2Growth Venture Academy	Albacete - Spain	19/10/2005 - 19/10/2005
Gate2Growth Venture Academy	Bilbao - Spain	26/10/2005 - 26/10/2005
Gate2Growth Event on Stimulating Innovative Entrepreneurship	Bilbao - Spain	27/10/2005 - 27/10/2005
European Venture Market	Vienna - Austria	07/11/2005 - 09/11/2005
Rothamsted International BioMarket	Rothamsted - U.K.	07/11/2005 - 09/11/2005
InvestorNet Roundtable Meeting Energy	Aberdeen - U.K.	15/11/2005 - 16/11/2005
Gate2Growth Venture Academy	Madrid - Spain	24/11/2005 - 24/11/2005
Gate2Growth Event on Stimulating Innovative Entrepreneurship	Madrid - Spain	25/11/2005 - 25/11/2005
Biotech & Finance Forum	Barcelona - Spain	01/12/2005 - 02/12/2005
InvestorNet Roundtable Meeting Medical Devices	Lund - Sweden	08/12/2005 - 09/12/2005
Gate2Growth Innovation Summit	Berlin - Germany	13/12/2005 - 13/12/2005
European Tech Investment Forum	Berlin - Germany	14/12/2005 - 14/12/2005
InvestorNet Roundtable Meeting Food	Copenhagen - Denmark	01/2006 - 01/2006



4. Tools

Delivering services is like creating an artifact. It's has to be done by specialized artisans using the right tools. Brabo ventures is using a set of tools (Business Planner, Assessment tools, etc.) resulting in more efficient service delivery.

In this newsletter the Business Planner is shortly introduced. This tool will support you to develop a successful business plan and assists you in analyzing your ideas so that you can make more informed business decisions.

There are many reasons to develop or revise a business plan. These include:

- > Starting a new business
- > Launching a new product or service
- > Adding a new product line
- > Establishing a new industrial venture, business or organization
- > Creating new internal policies
- > Developing an annual budget
- > Creating or revising a financial plan
- > Preparing a marketing plan

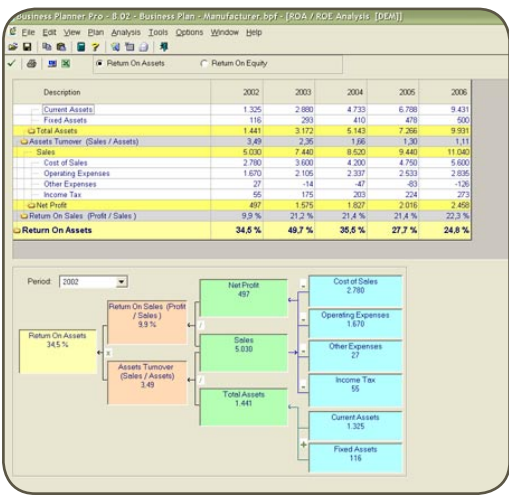
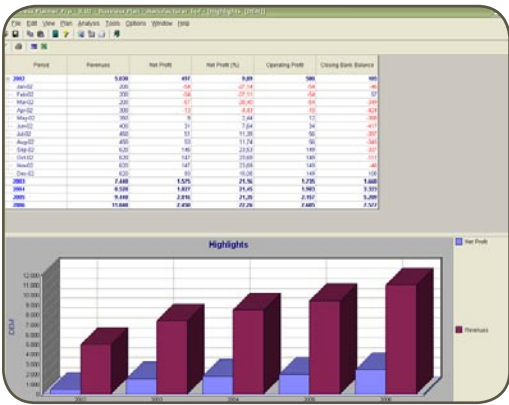
The Business Planner is designed to help you plan for the future of your business, to simulate the way a business will be conducted, and analyze your business environment. You can use the Business Planner to analyze almost any business decision that you intend to make.

The business planner was developed taking into account that it had to be:

- > Quick to learn, Easy to use
 - Step by step on-line guide for novice user
 - Enhanced on-line help
 - A Plan Navigator that helps to identify and utilize functions quickly
- > Flexible and Customizable
 - Easily adjusted to different businesses
 - Includes samples by industry
- > Highly Professional
 - Advanced budgeting and planning tools
 - Powerful analysis tools
 - State of the Art reports and graphs
 - Built-in modeling and calculations

A trial version of this business planner can be downloaded from the Brabo Ventures website.

http://www.braboventures.com/tools_bpl.php





5. Trend watch

A view on VC activity in the first half of 2005. After a slow start to the year, with more conservative 2005-H1 activity, we like to think that we will see a strong rebound in the VC market for the rest of 2005.

According Tornado Insider data, the second quarter of this year does not show us the expected reboot of the industry. Well to the contrary, a usually strong VC quarter shows a 36% decrease compared to the previous quarter, bringing back the activity of high tech funding to 2003 levels. 178 deals were recorded during Q2 2005, totaling EUR 667 million of financing. The number of deals went down 13% compared to Q1 2005, and the average deal size decreased 27% to EUR 3.6 million; the lowest average since Q2 2003.

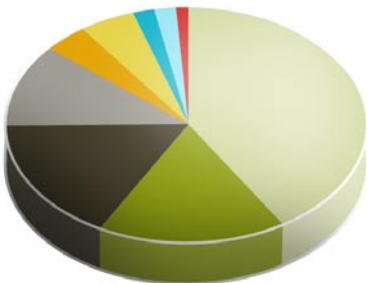
Looking at the industry sectors this money is invested into, the Life Sciences sector still dominates all others. With 41% or EUR 269 million of total tech funding raised in 2005-H1, biotech, pharma, medical device and related service companies are still number one on most VC company's radar.

On a shared second position, software and communications companies each attracted 17% or around EUR 120 million each.

Computers and electronics, with Internet technology companies together were able to raise another 15% of the cake.

As mentioned, VC spending plunged in most European countries, except for Austria, Belgium and Portugal. The UK remains the leading VC market, followed by Germany and Denmark.

Most investors are still most interested in second and third round financing, whereas seed and first rounds still lag behind substantially. We believe there are many opportunities in that space for funds that welcome such early engagements.



Life Sciences	41%
Software	17%
Telecommunication	17%
Computers & Electronics	11%
Internet	4%
Media & Entertainment	5%
Energy and Agriculture	2%
Materials and Nanotechnology	2%
IT Services	1%

6. Further Information

We would like to draw your attention on the fact that besides this newsletter, Brabo Ventures keeps its website up to date on regular intervals and more recent information can be found on our home page. This newsletters and previous issues are available to download on <http://www.braboventures.com/newsletter>

If you want to know more about a topic in this newsletter, please contact:

Brabo Ventures
Sint-Jacobsmarkt 97
B-2000 Antwerpen
Tel : + 32 32 31 65 00
E-mail: info@braboventures.com
URL: www.braboventures.com

Unless stated otherwise, the information and data in this document confidential and privileged. Brabo Ventures and its directors, shareholders or employees do not guarantee the accuracy of the information and opinions contained in this document. It is the responsibility of the reader to carry out its own analysis and research and to confirm, if necessary, the information given.

To unsubscribe, please email info@braboventures.com with subject 'unsubscribe newsletter'
To subscribe, please email info@braboventures.com with subject 'subscribe to newsletter'