



TRIDENT NEWS

TRIDENT CAPITAL

Winter 2003

Trident Capital is a leading venture capital firm with over \$1.2B under management in five separate funds, with its most recent Fund V closing at \$519M. Trident invests primarily in U.S. companies providing business services (including business process outsourcing and financial services), marketing services, software, security and network infrastructure. We have four offices located in Palo Alto, Westport, Los Angeles and Chicago.

Over the past year Trident has continued to be an active investor in its target markets. The following are some examples of recent events and additions within the Trident portfolio. We are constantly on the lookout for new opportunities, and we look forward to exchanging ideas and helping to grow tomorrow's leading companies. ❖

Trident Liquidity Events



Montpelier Re Holdings Ltd. (NYSE: MRH) raised \$201.2 million in an October 2002 initial public offering joint-managed by Morgan Stanley, Banc of America Securities and Credit Suisse First Boston and co-managed by JP Morgan. Founded in December 2001 by the White Mountains Insurance Group, Ltd. and Benfield Group plc, Montpelier is a Bermuda-based provider of specialty property reinsurance for the global insurance market. The company commenced operations with approximately \$1.0 billion of capital and is rated "A-" (Excellent) by A.M. Best Company. Montpelier is a Trident Capital Funds IV and V portfolio company.



Vality Technology Inc. was purchased by Ascential Software (NASDAQ: ASCL) for approximately \$92M in cash. With 2001 revenues of \$21.2 million, Vality is a recognized industry leader in enterprise quality management and has over 500 customers primarily in financial services, healthcare, manufacturing, telecommunications, retail and government markets. Vality customers include BARCLAYS plc, Bristol-Myers Squibb, Cingular Wireless, CMP, John Deere, Marks & Spencer, Motorola, National Westminster Bank plc, Premera Blue Cross, UPS and the US Department of Agriculture. Vality was a Trident Capital Fund II portfolio company. ❖

Trident Investment Activity



ARXAN TECHNOLOGIES

In February 2002, Trident led a \$3.3M investment in Arxan Technologies, Inc. Arxan offers robust, viable security software solutions that are designed to reduce piracy, to take computer security beyond cryptography and to generate software that is secure in deployment.

Arxan has developed a sophisticated product designed to trust fortify software programs against tampering. The Company sells its products through direct and indirect channels to the Defense and Intelligence communities, to independent software vendors (ISVs) and to game publishers. Arxan has offices in West Lafayette, IN; Chicago and the San Francisco Bay Area.



CHAMBERLIN EDMONDS

In December 2002, Trident invested \$10M in Chamberlin, Edmonds & Associates, a leading provider of patient eligibility and cost recovery services to U.S. hospitals.

The Company contracts with hospitals to provide uninsured patient eligibility determination (those with no private insurance) and cost recovery services with a federal, state, county and disability focus. Chamberlin Edmonds has been operating for 16 years and is based in Atlanta.



CLAIMIQ

In October 2002, Trident invested in

ClaimIQ, a provider of an innovative family of software tools for processing Property & Casualty insurance claims.

ClaimIQ was formed in 1999 with the strong support of its development partner and first customer, Fireman's Fund Insurance. They obtained first round funding for product commercialization and initial customer acquisition in July 2000. ClaimIQ suffered somewhat from being capitalized at the height of the technology boom and went through a Chapter 11 reorganization in order to restructure its capitalization. Trident invested in the company upon its emergence from the Chapter 11 reorganization. The company is based in San Francisco and currently has 20 employees.



Trident Investment Activity



DERIVATECH

In November 2002, Trident invested \$7M in DerivaTech Risk Solutions, Inc. Since 1996, DerivaTech has delivered innovative, mission-critical software solutions for customers in the financial derivatives industry. The Company's product line includes a suite of open-architecture, scalable applications for options pricing, risk management, trade capture and transaction processing. DerivaTech has implemented exchange options pricing and risk management solutions for many of the world's largest commercial and investment banks, including Merrill Lynch, CSFB, AIG, Lehman Brothers, Fleet Bank and Bank of New York. DerivaTech is based in Chicago with offices in New York and London.



IBEX PROCESS TECHNOLOGY

In January 2002, Trident participated in a \$4.8M financing for IBEX Process Technology, Inc. IBEX is a visionary advanced process control solution company applying advanced mathematical techniques to solve the complex challenges facing the semiconductor industry. IBEX's first product, the Dynamic Neural Controller (DNC™), offers Predictive

Metrology™, which tells manufacturers when their results go out of specification as soon as the wafer is processed, hours and sometimes days before metrology results are available and provides recommendations resulting in improved results. IBEX is headquartered in Lowell, Massachusetts.



Invention Machine

Discover the Knowledge that Powers Innovation

INVENTION MACHINE

In December 2002, Trident invested \$5M in Invention Machine Corporation (IMC), a developer and marketer of solutions that help engineering teams adopt a systematic approach to innovation. By using IMC's products, companies can accelerate concept development and technical problem solving, protect R&D investments, eliminate duplicate work, cut research time for their top engineers and scientists and avoid costly redesign and patent licensing fees. IMC markets its products to Global 5000 companies through a direct sales force in North America and Europe and resellers in Japan, Korea and Taiwan.



Outsource Partners International

OPI

Trident made a bridge investment in Outsource Partners International, Inc.

(OPI) in October 2002. OPI is a leading business process outsourcing firm focused on finance and accounting (F&A) outsourcing.

The company recently acquired KPMG's middle-market outsourcing practice, and provides a sustainable cost savings to its customers by leveraging Indian back-office operations. OPI provides F&A outsourcing services to mid-sized and large U.S. firms interested in outsourcing their accounting operations. The firm has Tier 1 channel alliances with KPMG and BearingPoint.



SYGATE

SYGATE TECHNOLOGIES

In November 2002, Trident led a \$17.5M investment in Sygate Technologies, Inc., a leading provider of security policy enforcement solutions. Sygate Secure Enterprise, the company's market-leading security solution, learns user, application and network behaviors and enables security managers to create, define and enforce policies across thousands of endpoints. Sygate's solution eliminates threats by ensuring all end users achieve compliance with enterprise security policy. By providing a comprehensive security architecture, Sygate maintains an unbroken chain of network access control at all times. Sygate is headquartered in Fremont, CA. ❖

TRIDENT CEO CONFERENCE



TRIDENT CAPITAL

Trident Capital assembled over 100 executives, entrepreneurs, analysts and investors at its annual CEO Conference held at The Boulders in Carefree, Arizona on November 6-8, 2002. The focus of the conference was to bring past and present Trident Capital portfolio executives together with leading industry figures in order to network, to attain customers and to refine strategy.

The conference featured a series of panels and forums led by world-renowned experts in the areas of outsourcing, marketing services, technology and business leadership. Conference participants were exposed to leading thinking and new research on a variety of issues including the current state of technology investment spending, the role of advanced marketing solutions and services in cost efficient growth, the evolution of business process outsourcing, and ways to adapt investment strategies to capitalize on the current market and investment environment. ❖



Trident Portfolio Company News



CBCA, an employee benefits outsourcing company, announced that it is consolidating its acquisitions under the CBCA, Inc. name. HRM Claim Management and USI Administrators, Inc., both recent CBCA acquisitions, will adopt the CBCA name as the first step in the company's overall branding and corporate identity initiative. The combined company's primary customer base includes more than 800 self-insured employers, insurance carriers, and affinity groups that outsource the specialized functions of health plan administration, management, banking, and related processing services to CBCA. On behalf of these customers and their more than one million covered individuals, CBCA manages over \$1.25 billion of annual disbursements.



Bytemobile announced that T-Mobile UK has signed a software licensing and support services agreement for the use of Bytemobile's Macara OSN in T-Mobile's UK GPRS network. Macara OSN will enhance T-Mobile's wireless data offerings for consumer and corporate/enterprise customers by providing wireline-like network speeds and increased robustness, as well as enhanced security for corporate customers. Bytemobile's end-to-end solution allows mobile operators and enterprises to significantly improve the user experience and security of current and future wireless data networks. This facilitates market development for both service providers and enterprises and ensures maximum returns on existing and future mobile infrastructure investments. Announced customers include Nextel Communications, Orange UK, Sprint, T-Mobile UK, and Vodafone UK. The company is headquartered in Mountain View, California and has offices in East Sussex, England and Tokyo, Japan.



CentrPort is a leading provider of marketing software and analytic support services. The Company announced new capabilities in its marketing interaction, measurement and analytics technology platform that will allow customers to better manage and optimize interactive marketing campaigns. New capabilities include advanced measurement, segmentation, market testing and report distribution capabilities, as well as automatic campaign trafficking and message delivery. These enhanced capabilities provide marketing executives the support needed to precisely analyze which content on various marketing channels is most effective for specific visitor segments and marketing campaigns. CentrPort's customers use this multi-channel reporting and control system to identify, convert and up-sell the right prospects and customers across the most effective marketing channel, including digital advertising, web sites, direct mail, e-mail and call centers.



Merchant e-Solutions provides technology-based solutions to assist regional banks and other financial institutions in the delivery and management of merchant-related services. The company recently announced that the Union Bank of California NA has adopted Merchant Card Services - Web Reporting, a new set of online reporting tools for credit card merchants. Businesses with a Merchant Services account at Union Bank can now view their daily transaction activity and monthly statements through the Internet. Featuring a comprehensive set of reporting options, including batch, deposit, adjustment and reconciliation, the service also provides flexible date ranges, special transaction and deposit search functions and the ability to download report files

for use with other programs. Businesses with multiple store outlets can view reports summarized for all outlets and each individual store.



CCBN, the leading provider of Internet-based financial communications services, announced that The NASDAQ Stock Market, Inc. (NASDAQ®) will incorporate CCBN's StreetEvents(SM) data into its Market Intelligence Desk(SM). The market intelligence desk is a new service that redefines NASDAQ's client service by providing listed companies with a centralized point of contact for detailed information regarding their stocks' trading activity, news coverage, analyst upgrades and downgrades and market analysis. As a select provider of direct-from-the-source corporate information, CCBN will supply the Market Intelligence Desk with streamlined access to information collected from more than 6,000 public companies and 100 sell-side institutions. CCBN is the global leader in enabling direct communications between public companies and the investment community over the Internet. CCBN builds, manages and hosts the investor relations sections of Web sites for more than 2,500 public companies, providing detailed shareholder information through interactive multimedia solutions. In addition, CCBN hosts live and archived quarterly conference calls for more than 3,000 corporations each quarter. ❖

A private equity firm focused on the networked economy

Trident Capital was founded in 1993 to invest in information and business outsourcing companies. By consistently helping entrepreneurs build industry leading technology and services businesses, Trident has become one of the most successful private equity firms in the country. The firm leverages a partnership that has invested in more than 150 companies and has held senior operating, consulting and investment banking roles at organizations such as AT&T, IBM, Dun & Bradstreet, Morgan Stanley and Bain. To date, Trident has raised five funds and manages over \$1.2 billion in committed capital. The firm operates out of offices in Palo Alto, Westport, Los Angeles and Chicago.

Trident invests in the following sectors:

- Business Process Outsourcing
- Financial & Insurance Services
- Marketing Services
- Software
- Security
- Network Infrastructure

Investment Sizes: Up to \$30M

Transaction Types:

- Early Stage Growth Capital
- Expansion Stage Financings
- Management Buyouts
- Spinouts

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