



Trident Capital is a leading venture capital and private equity firm with over \$1.5 billion of capital under management, including \$400 million raised in our most recent fund, Fund VI. Our core investment focus has remained consistent since inception in 1993. We focus on investments in the business services, information services and software sectors across a variety of industries. Within our sector focus, we invest across multiple stages, including traditional venture capital investing as well as investments in micro-cap public companies, buyouts and consolidation platforms. The firm has made over 100 investments since inception. We have investment offices in Palo Alto, CA and Westport, CT. ❖

FEATURED PORTFOLIO COMPANY: MERCHANT eSOLUTIONS

Merchant e-Solutions (MeS) Inc., is one of the fastest growing service providers in the electronic payment processing and transactions processing industry. Founded in 1999 by the former executive management team of BA Merchant Services, Inc. – the merchant acquiring subsidiary of Bank of America – MeS currently provides payment processing services for over 50,000 merchants. The company also has processing and referral agreements with over 100 banks and has key strategic marketing partnerships with several prominent companies including Discover Financial and Sabre. The Company has grown rapidly and now processes over 7.5 million transactions a month, with annualized credit card volume of \$9 billion.

Initially funded in February 2000 by Trident Capital, Merchant e-Solutions achieved profitability in September 2002 and has achieved income growth every month since then. Since inception, the company has raised \$27 million in capital, which was used to finance the development of its technology, establish business operations, conduct acquisitions, and develop its multiple sales channels.



The Company's proprietary technology platform enables the company to offer a complete set of web-based, business management and process automation tools to the company's clients and strategic partners. The company is able to leverage the use of this technology to process e-Commerce and traditional payment transactions.

The technology platform addresses all of the functionality of the merchant business process, including

- Sales Management
- Credit Evaluation
- Risk Scoring and Management
- Customer Relationship Management
- Pricing and Profitability
- Chargeback Automation
- Terminal and Equipment Inventory Management
- Merchant Activity Reporting
- Bank Portfolio Management Reporting

The Company has developed both direct and indirect sales channels.

Business partners include Discover and Verisign, and mid-tier banks such as CB&T, BB&T and Silicon Valley Bank. MeS provides a private label service to these distribution partners and banks who in turn provide them to their merchants under their own brand. This enables these partners to be every bit as competitive as the largest players in the merchant acquiring industry—with minimal or no investment in technology.

Today, the company employs 150 professionals in offices located around the country. Corporate headquarters are located in Redwood City, California, and company operations reside in Spokane, Washington. Additionally, sales and client support staff are located in offices in Florida, Minnesota and Georgia.

MeS remains one of the best positioned companies in the Trident portfolio due to its experienced management team with comprehensive knowledge of the payments processing industry, its proprietary technology platform that is unique within the industry, the establishment of multiple and successful distribution channels, and a focus on the underserved needs of regional banks.

www.merchante-solutions.com ❖



TRIDENT INVESTMENT ACTIVITY



In July 2005, Trident invested in **RoyaltyShare, Inc.** RoyaltyShare is a new company providing royalty services for independent record labels, distributors, music publishers and other content providers.

Technological advances in digital music, video and books are driving dramatic changes in the entertainment industry. Over the past several years, the music industry has been the first to see the impact of a major platform shift from the sale of physical CDs to digital distribution. Although this shift has generated much publicity, only now is the industry beginning to understand

the implications of this shift and the reality that soon digital distribution will be the primary sales channel for music (and eventually movies and books) worldwide.

In recent years, overall worldwide music sales have experienced a substantial decline. At the same time, digital distribution is starting to take hold as major players (Apple, Yahoo, Walmart, Microsoft, Sony, etc.) have entered the market with digital distribution services. According to Forrester Research, digital distribution will represent a third of all music sales by 2008.

RoyaltyShare is based in San Diego. The company was founded by executives with extensive experience in

both the music and technology industries. Bob Kohn, Chairman and CEO, was the founder of eMusic, the Internet's first digital music provider, and is the co-author of *Kohn On Music Licensing*, which USA Today calls, "the bible of legal issues in the music world." He also served as Vice Chairman of Borland Software (BORL). Steve Grady, President and COO, was General Manager of eMusic, having previously served as eMusic's VP of Marketing. Scott Holcombe, CTO, was the VP of Technology at eMusic, and previously worked as a Senior Software Developer for MP3.com. www.royaltyshare.com ❖



In May 2005, Trident closed a Series C investment in **Webify, Inc.**, which provides service-oriented business software for the insurance and health care industries. Webify develops and markets a family of "On-Demand" software solutions to deliver business agility and measurable business value for health care and property/casualty insurance companies. Webify's on-

demand software solutions are delivering dramatic results for leading health care and insurance companies by helping them streamline operations, generate new revenue, and comply with diverse regulations.

Webify's value proposition centers around interoperability and integration of existing technology systems and processes. Traditional EAI vendors can sell interoperability but are not developed to the point of real integration for industry-specific business processes. Webify's solution solves this problem by

working in conjunction with well-known, industry-focused technology partners to create a level of interoperability and integration that allows businesses to do more with less.

Manoj Saxena, the Company's founder and CEO, is a serial entrepreneur who most recently founded and sold Extricity, a leader in collaborative process management, and previously was a co-founder of Commerce One. Webify is headquartered in Austin, TX with offices in United Kingdom and India. www.webifysolutions.com ❖

TRIDENT CAPITAL PARTNERS WITH MUSTANG VENTURES, A NEW CHINA FOCUSED VENTURE CAPITAL FIRM

In August, 2005, Trident Capital, entered into a strategic partnership with **Mustang Ventures**, a new venture capital firm investing in technology and technology-enabled service companies in China. In connection with this relationship, Trident is investing \$10 million in Mustang I, L.P., Mustang Venture's initial venture capital fund. Mustang Ventures is a U.S. venture capital firm whose principals spend most of their time on the ground in Shanghai,

China. Mustang was initially established in September 2004 and recently completed its final close at \$40 million. The Mustang I fund is managed by general partner Rob McCormack and special limited partner Leonard Liu.

Through its relationship with Mustang, Trident expects to gain insight into the business environment in China and how it might impact Trident's areas of focus, and to generate business development opportuni-



ties and potential co-investment opportunities. Trident has long maintained an active presence outside the U.S., including several direct investments in Europe and over 1,500 employees in India at its existing portfolio companies.



TRIDENT INVESTMENT ACTIVITY (CONT'D)



In September 2005, Trident Capital invested \$3M in **Teranode Corporation**, the leading innovator of experiment design automation (XDA) software for the Life Sciences industry. Trident, together with Cargill Ventures,

led Teranode's Series B round of financing, in which Teranode raised a total of \$9.5 million. Teranode plans to use the funds to broaden its sales and consulting channels, to expand the company's product to support translational medicine, and to establish a developer program for VARs and technology partnerships.

Teranode was recognized by Red

Herring as being in the Top 100 startups in December 2004 and as a Cool Company by Gartner Group in March 2005. Since then, Teranode has won recognition of its technology leadership with two awards from Frost & Sullivan, for technology leadership in bioinformatics and laboratory information management systems.

www.teranode.com ❖



In July 2005, Trident Capital invested \$15M in **WhenU**, a leading provider of software-based contextual online advertising. Trident Capital's

investment in WhenU follows \$20M in funding secured earlier this year from ABS Capital Partners. The funds will be used to continue product development and provide working capital.

WhenU is an established force in software-based contextual advertising and the industry leader in best practices. Its products include adware,

branded toolbars and integrated contextual and behavioral products that enable many Fortune 500 companies to reach consumers with the right message at the right moment without compromising users' privacy or security. WhenU is headquartered in New York City and has offices in San Francisco and Toronto. www.whenu.com. ❖

TRIDENT PORTFOLIO COMPANY NEWS



London based start up firm **Advanced Payment Solutions (APS)** has become the first company to create a prepaid payment card in the United Kingdom, with the launch of its cashplus™ prepaid MasterCard.

The APS offering will provide real value for the country's 2.4 million unbanked and 7 million immigrants who have previously been excluded from accessing globally accepted payment cards. As a result, cashplus™ has been described as "an evolution of a true 'plastic democracy'" by Phil Davies,

Director of Business Development for MasterCard (Europe).

In late August, APS announced a deal which will give cashplus™ prepaid MasterCard cardholders a choice of 14,500 UK Post Office branches from which to load up their cards. According to APS Chief Executive Rich Wagner, the deal is a significant step towards acceptance of prepaid payment cards in the United Kingdom, which, he says, will be built on accessibility to and functionality of quality prepaid products.

"The Post Office is the UK's largest retail network. It has extremely well positioned high street sites and instantly

recognisable branding. This agreement will add significant momentum to the prepaid proposition in the UK and provides the infrastructure for APS to expand," says Mr Wagner.

Alongside developing its cashplus™ product portfolio, APS provides turnkey solutions for businesses to offer branded prepaid products to their customers.

APS was founded in 2004 by former executives from Barclaycard and Providian International. Trident Capital led a £7 million financing in April 2005 and is a majority owner of the Company. www.apsgroup.com ❖



Bytemobile, a provider of carrier class mobile data optimization solutions, was selected by the editors of AlwaysOn as one of the Top 100

private companies. Chosen from a field of more than 1,000 nominees across a range of technical sectors, Bytemobile's recognition comes in the wireless networking software arena. The AlwaysOn 100 nominations are given by leading venture capitalists,

investment bankers, leading entrepreneurs, and industry insiders. Finalist awards are based on excellence in five areas: innovation, market potential, customer adoption, media buzz, and investor value creation.

www.bytemobile.com ❖



TRIDENT LIQUIDITY EVENTS

ClaimIQ acquired by Mitchell International, Inc.

On September 13th, 2005, Mitchell International, Inc., a leading provider of information and workflow solutions to the automotive insurance and collision repair industries, announced it has acquired San Francisco-based **ClaimIQ**, a leading provider of claims decision optimization and best practices applications for insurance carriers. ClaimIQ will join the Mitchell organization as a business unit of Mitchell's medical division. All

products of both Mitchell and ClaimIQ will continue to be supported and expanded, and a new set of integrated products will be introduced that combine the strengths of decision support, bill review and collision estimating.

"This acquisition makes strategic sense for both organizations," said Jim Lindner, Chairman and CEO of Mitchell International. "Combining ClaimIQ's expertise with Mitchell's will enable our combined organization to



deliver enhanced functionality requested by both companies' customers in a single, integrated platform, creating a powerful base for future growth. In addition, we will be able to provide our customers with a unique and rich set of business analytics coming from both first and third party medical claims, incorporated with auto physical damage claims." www.claimiq.com ❖

Sygate Technologies acquired by Symantec Corporation

On August 16, 2005, **Symantec Corp.** (Nasdaq: SYMC) announced that it has signed an agreement to acquire Sygate Technologies, a technology leader in endpoint compliance solutions. Sygate's technology will complement Symantec's presence on the endpoint to create a holistic solution to address the security, compliance and




remediation requirements of today's large enterprises. The acquisition is expected to close shortly after receiving customary regulatory approvals.

"Thanks to the support of our

customers, employees, investors, partners and shareholders, Sygate has helped some of the largest, most complex enterprises to secure their infrastructures and eliminate disruptions to business-critical computer systems," said John DeSantis, president and CEO of Sygate Technologies.

www.sygate.com ❖

TRIDENT PORTFOLIO COMPANY NEWS (CONT'D)


 **Qualys™, Inc.**, the leading provider of on-demand vulnerability management solutions, announced that it has won "Security Product of the Year" in the CNET Networks UK Technology Awards.

The awards recognize innovation,

application and excellence in technology and business in the UK across all sectors and technologies. The Awards Judging Council comprised senior practitioners and experts from the technology industry and media. Running for the third successive year, this awards program received over three hundred entries this year.

This award is the third significant accolade Qualys has received in the UK this year. Qualys won the SC Magazine European Excellence award for "Best Small Business Security Solution" as well as the IDG Network Award 2005 for "Best Service of the Year for Network Protection".

www.qualys.com ❖

 **Vidient Systems, Inc.**, a developer of intelligent video software that makes video surveillance cameras (CCTV) more accurate and cost effective, has been awarded the 2005 Frost & Sullivan Product Innovation Award for demonstrated excellence in

new products and technologies within the worldwide video surveillance software marketplace.

Vidient's SmartCatch was chosen by Frost & Sullivan for its rich and unique feature set, open architecture, ease of integration with existing video management systems, and simplified navigation and usability.

According to Brooks McChesney, president & CEO of Vidient, "We're delighted to receive this award, which not only recognizes the critical role of SmartCatch in the video surveillance chain but also further validates our leadership, vision and growing momentum with new technology, partners and customers." www.vidient.com ❖



TRIDENT PORTFOLIO COMPANY NEWS



EveryPath, Inc., a leading provider of Mobile Task Automation

(MTA) solutions to global 1000 companies, was selected by Frost & Sullivan as the recipient of the 2005 Mobile Solutions of the Year Award for its mobile task automation (MTA)

solutions in the life sciences vertical market. Each year, this award is presented to a company that has exhibited innovation and excellence in launching new products and technologies within the industry.

EveryPath's MTA solutions result in significant and quantifiable business value through improved information gathering, better visibility into

inventory, and the ability to quickly pull work orders and order replacement parts. EveryPath solutions replace paper detail aids, enabling representative interactions, prescriber preferences, sales results and 'real-time' micromarketing adjustments to be electronically captured, delivering value to the prescriber. www.everypath.com ❖



SideStep, Inc., the traveler's search engine, was selected as readers' favorite online travel site in BusinessWeek Online's recent "Best of the Web" survey. With 41% of the vote, SideStep outdistanced its closest-

scoring competitor in the poll – Expedia – by 17%.

"BusinessWeek Online attracts a sophisticated audience, and we're excited to see such enthusiasm for SideStep among BusinessWeek's many Web-savvy travelers," said Russ Lemelin, SideStep's interim CEO. "As the creators of the travel search cate-

gory, SideStep is passionate about providing travelers with the Web's most comprehensive selection of flight, hotel and rental car options. This award inspires us to drive harder still in pursuit of this consumer commitment." www.sidestep.com ❖



Thor Technologies, the most experienced and proven provider of identity management solutions, announced that Software Business magazine honored the company, together with strategic partner RSA

Security, in the magazine's annual awards program. Thor Technologies and RSA Security were recognized for the "Best Sales Strategy", based on a forward-looking strategy for solution delivery and unique joint development and delivery efforts surrounding the successful market acceptance of integrated enterprise identity and access management solutions.

"Less than two years after formalizing this partnership, RSA Security and Thor Technologies jointly support more than a dozen global customers," said J. Alberto Yépez, Chairman and CEO of Thor Technologies. "The Software Business award is an appreciated recognition of the value Thor and RSA Security bring to the market." www.thortech.com ❖

Trident Sponsors 3rd Annual Executive Women's Forum

What do Allstate Insurance, George Washington University, Social Security Administration, First Republic Bank, Hewlett Packard and Time, Inc. have in common? All entrust their corporate information security, risk management and privacy programs to women. These executives, along with almost two hundred of their colleagues, converged on the Sheraton Wild Horse Pass Resort, Chandler Arizona, in early September for the third annual Executive Women's Forum. Trident Capital has

sponsored the EWF from its inception, and Becky Bace, one of Trident Capital Venture Consultants, serves on the advisory board for the Forum.

This year's conference featured a unique set of presentations and events, with keynote speakers including Jayshree Ullal, Senior VP and General Manager of Security Technology for Cisco Systems, and Zainab Salbi, President/CEO of Women for Women International. Presentors included security and privacy executives from many Fortune

100 firms, and a special session on dealing with corporate boards and executive teams was led by Cathy Brune and Elizabeth Hackenson, the CIOs of Allstate and MCI, respectively. Trident's portfolio was also well-represented, with Sally Sheward, VP Marketing for TriCipher, Deborah Janus and Deborah Volk, sales directors for Thor Technologies, and Becky Bace joining forces to present a well-received technical discussion session on identity management. ❖

TRIDENT CAPITAL

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 venture capital firms in the country. The firm leverages a partnership that has invested in more than 100 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 six funds and manages \$1.5 billion in committed capital. The firm operates out of investment offices in Palo Alto, CA and Westport, CT.

Trident invests principally in the following sectors:

- IT Security
- Payments and Transaction Processing
- IT Services and Outsourcing
- Communications/Wireless
- Internet and Marketing Services
- Enterprise Software
- Healthcare and Insurance Services
- Innovation

Investment Sizes: Up to \$30M

Transaction Types:

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

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