



Trident Capital is a leading venture capital 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 120 investments since inception. We have investment offices in Palo Alto, CA and Westport, CT. ❖

Advanced Payment Solutions advances the prepaid card market in the United Kingdom with the launch of the Gold Prepaid MasterCard



Advanced Payment Solutions (APS) has become the leading provider of prepaid general purpose payment cards to unbanked and underbanked consumers in the United Kingdom. The management team, led by CEO Rich Wagner, has been the key to its success and has leveraged their prior experience at Bank of America, Providian and Barclays. Trident Capital was introduced to APS by Chairman Jim Jones, who has been a long time friend of Trident and is a founding Board member of Trident portfolio company Merchant eSolutions. Both Wagner and co-founder Paul Darnell worked for Jones when he ran the international operation of Providian. Trident invested in APS in 2005 and is the Company's sole institutional investor.

APS has forged key strategic partnerships with MasterCard International, the U.K. Post Office and Siemens Financial Services providing the necessary momentum for APS to

succeed in the United Kingdom and allowing APS to leverage its infrastructure into the wider European market.

In June of this year, APS signed a commercial partnership deal with MasterCard Europe, which was the first one of its kind for a non-member bank. This was a strong endorsement from MasterCard, which now sees APS as one of the dominant players in the growing prepaid and stored value market sector. Many industry experts see



APS is well positioned to further leverage its expertise in this early stage of Europe's growth and to provide a leadership role in influencing the direction of the European market.

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Europe as the next big growth area for the global prepaid market. According to Nilson, Eurozone growth rates have been exceeding 100% for the past couple years and it expects Europe's market size to pass nearly a €100 billion within a few years.

APS launched the UK's first general purpose prepaid Chip and PIN payment card in August 2005. Since then, APS made news with the first FIFA World Cup prepaid card and recently launched the UK's first and only Gold

[continued on page 2](#)



TRIDENT INVESTMENT ACTIVITY



In October 2006, Trident invested \$17.5 million in **HomeAway, Inc.**, a leading online marketplace for vacation rental properties. HomeAway's mission is to provide the world's most complete, secure and user-friendly marketplace for vacation rentals—when travelers stay in private homes and apartments instead of hotels.

CEO Brian Sharples and Chief Development Officer Carl Shepherd, both veterans of high-growth information businesses, began HomeAway in 2004 and acquired seven of the

leading companies serving the vacation traveler. These acquisitions include CyberRentals.com, GreatRentals.com, A1Vacations.com, Rent101.com, Holiday-Rentals.co.uk, Fewo-Direkt.de and VRBO.com.

HomeAway has been building its infrastructure, integrating its acquisitions and listening to its users. Its site now allows consumers to search thousands of properties including photos, pricing and booking information. The company charges a fee to advertise rental properties. Until now, the multi-billion dollar vacation rental industry has made it difficult for travelers to find rentals, who have had to search many sites with limited inventory.

In October 2006, HomeAway acquired VRBO.com (VRBO stands for “vacation rentals by owner”), previously HomeAway's largest competitor in the U.S. With the acquisition, HomeAway now features over 130,000 rental listings in over 90 countries on its Web sites. HomeAway has been cash flow positive, and VRBO—like all of the company's acquisitions to date—was internally funded and profitable.

Other investors in this round include Austin Ventures, Redpoint Ventures, Institutional Venture Partners and American Capital. HomeAway is based in Austin, TX. For more information or to find your next vacation rental, please visit www.homeaway.com. ❖



In September 2006, Trident invested \$5 million in **Syndero, Inc.**, a rapidly growing, next-generation direct response company focused on creating high-quality branded consumer products marketed through online media channels. Syndero creates and launches consumer brands within large consumer categories such as self improvement, beauty, healthcare and finance, often based upon private label products sourced from third parties. The company markets these products directly to consumers through a subscription-

based model that customers replenish month after month.

The direct response market—products sold directly to consumers via TV, radio and the internet—is large and growing. According to the Electronic Retailing Association, in 2005 the amount spent by consumers and the amounts spent to reach consumers totaled \$182 billion on TV (via infomercials, short form direct spots, and live TV shopping), \$71 billion on radio and \$70 billion on the internet.

Co-Founders Brad Klaus, Dave Lukrich, Dan Ellis and Ken Fox, veterans of high-growth online marketing and software companies, began Syndero in early 2005. The company

launched its first product midway through the year and reached profitability within the first six months after launch.

Syndero differentiates itself through a proprietary technology platform and its strong expertise in performance-based online marketing. This enables the company to create, test and optimize its products and subscription programs in a far more cost-effective manner than traditional direct response marketing companies.

Other investors in the company include The Stripes Group and management. Syndero is based in San Francisco, CA. For more information, please visit www.syndero.com ❖

Portfolio continued from page 1

Prepaid MasterCard. APS now has distribution arrangements with over 500 retailers to sell its card. APS has also launched a new prepaid card called *Unique* to leverage the expanding immigrant and money transfer market.

In the past two years, APS has

been featured as the leader in the prepaid card industry by the BBC (news.bbc.co.uk/1/nolavconsole/ukfs_news/hi/newsid_6120000/newsid_6127400/lb_wm_6127468.stm), Financial Times and many of the other major papers in the UK. European Card Review recently named APS' cash plus prepaid MasterCard product as

one of the most Innovative Retail or Corporate Payments Products launched during 2005. APS has also been recently nominated as a finalist in the forthcoming Institute of Bankers' Financial Innovation Awards for the Most Promising New Product in Retail Financial Services.

www.apsgroup.com ❖



TRIDENT LIQUIDITY EVENTS



In September 2006, **BenefitPoint** was acquired by Vertafore, Inc., a leading provider of specialized software solutions for the insurance industry. BenefitPoint delivers the industry's leading Web-based platform for customer relationship management and procurement, making it easier for employee benefits

professionals to manage, buy and sell benefits.

Vertafore and BenefitPoint are joining forces to deliver the best benefits agency management and carrier connectivity solutions across all segments of the market.

The combination of AMS Benefits and BenefitPoint will enable the new entity to effectively meet the needs of small, medium and large agencies through the combination of their respective technologies and the

financial strength and organizational stability of Vertafore.

This transaction creates a clear market leader with the advantage of leading domain expertise, product breadth, customer base and financial backing. The result will be additional product innovation, additional product investment and a reliable solution provider for benefit operations that need a solution to support their business growth and evolution.

www.benefitpoint.com ❖

TRIDENT PORTFOLIO COMPANIES SPHERE AND TURN CHOSEN FOR WEB 2.0 LAUNCH PAD

The Web 2.0 Summit took place on November 7-9, 2006 in San Francisco. The Web 2.0 Summit focuses on emerging business and technology developments that utilize the Web as a platform and defines how the Web will drive business in the future. This year



more than 200 companies petitioned for the opportunity to participate in the conference's Launch Pad Workshop, where entrepreneurs debuted their companies or lunched their new products. Thirteen companies, including **Sphere** and **Turn**, were chosen for this honor. ❖

TRIDENT PORTFOLIO COMPANY NEWS



MegaPath Inc., the leading provider of managed IP voice, data and security services, announced that it was named to Deloitte's 2006 Technology Fast 500, a ranking of the 500 fastest growing technology, media, telecom-

munications and life sciences companies in North America. Rankings are based on percentage revenue growth over five years, from 2001-2005. MegaPath grew 276 percent during this period.

"MegaPath is widely recognized for providing our customers with innovative, cost-effective communications and network security solutions that help them grow their businesses

and remain competitive," said Jim Cragg, President and COO of MegaPath. "We are extremely proud of our 276 percent growth rate and the recognition of being named to Deloitte's 2006 Technology Fast 500. This is a direct result of our customer-centric approach and the efforts of our high caliber team."

www.megapath.com ❖



TRIDENT PORTFOLIO COMPANY NEWS

circles

In November 2006, The Boston Herald awarded to **Circles** CEO Janet Kraus and President Kathy

Sherbrooke the Herald's 2006 Hall of Fame Entrepreneur award, for their commitment to enterprise, adherence to a founding premise, capabilities in forging new industries and attention to customer and culture. Circles is a lead-

ing provider of loyalty management programs, including concierge, personal assistance, incentive and recognition, and relationship marketing services. www.circles.com ❖

Infopia, the industry leader in multi-channel online selling solutions, announced it has won two important regional awards. Utah Business Magazine recently picked Infopia as one of an elite group of 12 "Best Companies to Work for" in the state; and for a third year in a row, Infopia was named to MountainWest Capital Network's Utah 100 list of the fastest-growing companies in the state.

"We've always believed that it's possible to aggressively grow our company while fostering a collaborative work

INFOPIA™

environment that encourages creativity and excellence in each individual, and these two recent awards validate our success in finding that balance," said Bjorn Espenes, Chief Executive Officer of Infopia. "At the end of the day, Infopia's greatest asset is our people, so we are always aware and appreciative of that."

The new Utah awards help to cap off an exciting year for Infopia, in which the company closed \$8 million in new

funding, recruited to its executive team additional experienced leaders in enterprise software, expanded its customer and partner bases, and captured salesforce.com's celebrated 'Breakthrough Application of the Year' technology award, among other notable achievements. The organizations selected for Utah Business Magazine's top workplace honors underwent a rigorous research process, which included extensive input from employees and benchmarking against similar firms.

www.infopia.com ❖

In November 2006, **KSR, Inc.** announced that it has merged with Neohapsis, cementing its position as the industry's first Managed Risk Services Provider (MRSP). Having assembled some of the most respected minds in information security, information technology and risk management, KSR is the first service provider to offer a new breed of professional and managed services specifically designed to align business goals with effective risk management practices. KSR's integrat-

ed, real-time approach to enterprise risk management provides visibility regarding where and how to invest in risk mitigation initiatives in a manner that ensures ongoing confidentiality, integrity, availability and efficiency.

Under the terms of the merger, Neohapsis will become a wholly owned subsidiary of KSR. Neohapsis will expand KSR's existing world-class professional services organization, adding expert consultants, advanced researchers and published authors who have helped

KSR

shape the evolution and adoption of information assurance initiatives. Neohapsis' services bring a new level of capability to KSR's portfolio of Managed Risk Services, including digital forensics, application security, eDiscovery and enterprise IT product-testing. www.ksr.com ❖

SideStep, Inc., the Internet's leading travel search company, announced the completion of its acquisition of TravelPost.com, the largest independently owned site for hotel reviews and ratings. The transaction was finalized on Tuesday, October 31, 2006.

The deal couples TravelPost.com's robust lodging content with SideStep's dynamic, real-time access to the most comprehensive online travel search infor-

SideStep

mation available. "SideStep invented the vertical search category, and we are again redefining the way people find and utilize travel information," said Rob Solomon, president and CEO, SideStep, Inc. "The expansion of user-generated content is a powerful trend, and this

acquisition allows SideStep to rapidly accelerate its offerings and capture a leadership position in this exciting transformation."

SideStep will integrate TravelPost.com's superior travel planning content into SideStep's award-winning site over the coming months, matching travelers to the hotels that best meet their needs along with travel advice from people with similar interests. www.sidestep.com ❖



TRIDENT PORTFOLIO COMPANY NEWS

Vidavee, provider of a patent-protected, video management software platform that enables a user to upload, archive, tag, search, share and distribute digital video, has won the Award of Excellence in the Business category from the Society for New Communications Research. The Society



for New Communications Research, is a nonprofit think tank dedicated to the advanced study of new communications tools and technologies and emerging

modes of communication, and their effect on traditional media, professional communications, business and society. This award honors organizations that are successfully adopting new communications models and leveraging them in innovative ways for business purposes. www.vidavee.com ♦

XATA Corporation (Nasdaq: XATA), the leader in onboard fleet management systems for private fleet transportation, announced that Jay Coughlan will be joining the Company as Chairman & Chief Executive Officer effective October 1, 2006. Mr. Coughlan, a seasoned executive with deep experience in selling complex enterprise solutions, was most recently the President and Chief Executive Officer of Lawson Software



(Nasdaq: LWSN).

As Chairman and CEO, Mr. Coughlan will be responsible for the overall strategic direction and management of XATA, with a focus on furthering XATA's growth, executing strategic transactions and increasing the company's visibility on Wall Street.

"With his impressive 18-year

career at Lawson and history of proven leadership during Lawson's high growth period, Jay brings the skills we need to continue to execute our strategy," said Craig Fawcett, outgoing Chairman & CEO of XATA. "Jay's strong business skills, management ability and tremendous energy will enable him to further advance our leadership position in fleet management solutions." www.xata.com ♦



*Wishing You a
Joyous Holiday Season
and a Prosperous New Year*

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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 over 120 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:

- Communications & Wireless
- Enterprise Software
- Healthcare & Insurance Services
- Innovation
- Interactive Marketing Services & eCommerce
- IT Services & Outsourcing
- Payments & Transaction Processing
- IT Security

Investment Sizes: Up to \$30M
Transaction Types:

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

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