



Crédit Agricole Private Equity Venture Capital

2010 Business Review

N°1



Crédit Agricole Private Equity
was named **Top Venture
Capital Fund in 2010**
by Private Equity Magazine

€468 million

in assets under management
as at 12/31/2010

€60 million

in investments in 2010

€69 million

collected by the ISF* and IR*
FCPIs from customers of the
Crédit Agricole group's retail
banking networks

11 professionals

* ISF FCPI: French regulated mutual funds
investing in innovative companies and
qualifying for a reduction in the wealth tax

** IR FCPI: French regulated mutual funds
investing in innovative companies and
qualifying for a reduction in the income tax

About Crédit Agricole Private Equity ,

Crédit Agricole Private Equity is an AMF-
accredited asset-management subsidiary of
Crédit Agricole, specialising in direct private-
equity investment in non-listed companies.
As a multi-specialist player, Crédit Agricole
Private Equity's team of 100 professionals
manages €3.3 billion with specific expertise
in LBO & Expansion, Venture Capital,
Mezzanine, Co-Investment, Renewable
Energy and PPP Infrastructure.
Crédit Agricole Private Equity has signed
up to the United Nations' Principles for
Responsible Investment (PRI). As a committed
shareholder, Crédit Agricole Private Equity
provides the best possible support for
businesses and delivers sustainable
performance to its investors.

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Editorial



“ The year 2010 was rich in events
and activity for the venture capital industry
and for Crédit Agricole Private Equity in
particular. The financing of young,
innovative companies continues to
develop in France in a medley of debates
and controversies.

The first decade of the new century began
with the bursting of the IT bubble but
ended with the omnipresence of the
Internet in our private, public and
professional lives.

In France, the venture capital business
held at exceptionally high levels over the
past decade with total investments of €6
billion, roughly fifty management teams
and, most importantly, a cohort of
business leaders experienced in
managing innovation and growth. These
courageous "serial entrepreneurs" now
form the indispensable foundation for the
development of venture capital in France.

The fundamentals of our industry can
still be seen in the ongoing improvement
in technological performances (4G
networks, cloud computing, electronic
devices), a consumer market driven by
new usages (boom in e-commerce,

interconnected smartphones, e-tablets
and TVs) and constant innovations in
medical technology and the biotech
industry.

The French market continues to be
shaped by public policies, such as OSEO
loans for start-ups, research tax credits, a
special status for new, innovative
companies and tax incentives. It is our
greatest hope that this process will
continue in coordination with sector
professionals, to avoid over regulating the
industry to the point that these measures
become ineffective.

At Crédit Agricole Private Equity, we
ended 2010 at peak performance: for the
third consecutive year we raised nearly
€70 million in FCPI innovation mutual
funds, confirming our position as the
leader in this market; we invested over
€60 million exclusively in SME
specialising in innovative technology,
placing us in the lead among the most
active venture capital investors; and we
successfully divested on several fronts,
through stock market listings and
disposals (Stentys in medical technology,
Bizanga in software and Biovex in a
\$1 billion transaction).

In conclusion, the past ten years of
venture capital and innovation financing
at Crédit Agricole Private Equity illustrate
the value and professional commitment of
our team.



Antoine Colboc,
Head of Venture Capital,
Crédit Agricole Private Equity

 **CRÉDIT AGRICOLE
PRIVATE EQUITY**

Our eXpertise. Your Success

Funds raised in 2010

2010: Successful fund-raising efforts

Despite the uncertainty that loomed over the future of FCPI innovation mutual funds in 2010, Crédit Agricole Private Equity still managed to collect a high amount of funds, comparable to the 2009 level, with €69 million raised from the customers of LCL and Crédit Agricole group's retail banking networks. Once again, this puts our team among the leaders in the venture capital market in France. Over the past ten years, Crédit Agricole Private Equity has developed strong expertise in FCPI innovation mutual funds and was named the 2010 Top Venture Capital Fund by Private Equity Magazine in January 2011. With its portfolio of innovative SME generating average growth of 30% to 50% a year, Crédit Agricole Private Equity resolutely believes in the potential of FCPI's to finance innovation and stimulate the French economy.

Investments completed **in 2010**



Online eyewear sales

MARCH 2010: Crédit Agricole Private Equity invested €1.3 million in Netzoptiker.de, the German pioneer in online eyewear retailing. This investment marks another joint project with the successful Berlin seed investor Rocket Internet GmbH. Thanks to a streamlined process, Netzoptiker.de offers a complete range of glasses, corrective lenses and contact lenses at prices up to 60% lower than brick-and-mortar optical shops. Lenses are made to prescription in the company's own workshop by professional teams of state-certified opticians, so customers can be sure they are getting nothing but the best.

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Online retailer for baby products

APRIL 2010: Crédit Agricole Private Equity invested €4 million in Oclio. Founded in 2003, oclio.com is France's No. 1 online retailer for infants, attracting over 350,000 visitors per month. Oclio offers products for the well-being, comfort and safety of children aged from 0 to 4, including a wide range of food products, hygiene products, infant toys, clothing and furnishings as well as natural and organic products. The website targets new parents and sells 6,500 products from 170 major brands in the sector, in France and elsewhere in Europe after the launch of two websites in Italy and Spain in 2009. This round of fundraising marks a new stage in the site's development and will enable Oclio to strengthen its position as a leading online retailer of baby products.

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E-commerce solutions

JUNE 2010: Crédit Agricole Private Equity invested €2.5 million in Oxatis alongside A-Plus Finance in a second round of funding of €4 million. Founded in 2001, the Marseille-base Oxatis has developed a SaaS e-commerce platform for creating and administering merchant and showroom websites for entrepreneurs and small businesses. It provides a comprehensive offering covering all the services required to set up and operate merchant websites. With over 6,500 websites under management to date and 400 websites created monthly, Oxatis is the leading provider of e-commerce solutions. With this new financing round, Oxatis will be able to take advantage of sector consolidation and step up marketing efforts internationally.

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Email processing platform

JUNE 2010: A pioneer in data storage via cloud computing, Scality completed a first funding round of \$5 million (about €4.2 million) led by Crédit Agricole Private Equity and Galileo, who were joined by business angels. Scality's management and 85% of employees also participated in this funding round with an investment of \$1.3 million (about €1.1 million). The company develops storage software for email applications, which require massive storage capacity. Scality will use the funding to further accelerate growth and expand US operations, which are based in San Francisco.

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Biotechnology

JULY 2010: Crédit Agricole Private Equity invested €3 million in Poxel alongside Edmond de Rothschild Investment Partners and the InnoBio fund. This €16 million deal has been the largest round of Series A financing in the Life Sciences in France since 2005. Created in Lyon in 2009, Poxel is a spin-off of Merck-Serono, the division of the Merck KGaA group specialising in innovative prescription drugs. Its lead programme, Imeglimin, an oral anti-diabetic, has demonstrated efficacy in Phase IIa trials for the treatment of patients. The financing will help the company demonstrate Imeglimin's clinical potential both as a monotherapy and in combination, and to develop new products.

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CMOS power amplifier

JULY 2010: Crédit Agricole Private Equity invested €4.5 million in Acco Semiconductor Inc, a semiconductor developer that designs CMOS power amplifiers for the telephone market. Found in all mobile phones, these types of components amplify the signal received by a telephone antenna and direct it to the signal processors. The fruit of several years of development, Acco has developed a technology that attains higher performances at lower cost than currently available products. Based in the greater Paris area and in the United States, Acco currently has 50 employees.

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Biotechnology

AUGUST 2010: Crédit Agricole Private Equity invested in the Dutch biotech company Arcarios as part of its seed-financing programme with Biogeneration Ventures, our fourth investment with our Dutch partner. Based in Rotterdam, Arcarios specialises in the development of novel therapeutics in the field of bone and joint diseases. Its products have an innovative mechanism aimed at restoring bone and cartilage, whereas the products of its main competitors simply try to slow down tissue degeneration. Arcarios will develop two pre-clinical programmes, one for the development of a molecule for the osteoarthritis market and the second to target various types of bone degeneration.

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Humanoid robotics

NOVEMBER 2010: Crédit Agricole Private Equity invested in Aldebaran Robotics alongside its historical investors CDC Innovation and I-Source Gestion to develop next-generation, interactive humanoid robots. Following the successful launch of NAO in 2008, a robot designed for the education and research markets, Aldebaran Robotics will use this new €5 million in financing to develop NAO for the general public. Founded in France in 2005, with offices in China and the United States, the company develops, manufactures and markets the first interactive humanoid robots at less than €10,000. Its goal is to accelerate the adoption of its platform for recreational, educational and service applications. Over 1000 NAO robots have already been sold to universities and research institutes in 30 countries.

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Bruno Maisonnier, Founder and CEO of Aldebaran Robotics

"For over ten years, I have been convinced that we are going relive the same adventure with robots that we experienced with the PC", says Bruno Maisonnier, CEO of Aldebaran Robotics.

A Polytechnique engineer and graduate of the Ecole Nationale des Télécoms at the end of the 1970s, Bruno Maisonnier left the banking sector in 2004 to follow one of his dreams: to be a pioneer in the popularisation of robotics.

Some business projects take time to mature before budding and blossoming. It was only after years of research and training in the most recent technologies that Bruno Maisonnier finally decided to make the leap and create Aldebaran Robotics in 2005, a start-up comprised of a handful of engineers and doctoral students. "At first, I was about the only investor [...] I then raised capital by calling on friends, family and the first employees who wanted to join in. After that we launched a funding round with private investment funds and at the same time received several subsidies from the public authorities in France and Europe," stated Bruno Maisonnier.

On 8 December 2006, the first version of the final product was born: NAO, a small humanoid robot 60 cm tall and weighing 4 kg. Today, Aldebaran has become a solid company with 95 employees. NAO is marketed around the world as a research platform for prestigious universities, and preparations are underway for its launch on the consumer market at the end of 2011.





E-commerce

SEPTEMBER 2010: Crédit Agricole Private Equity invested €2 million in Confortvisuel.com, an online eyewear retailer run by Thomas Sinclair Laboratories. Founded in 2004, Confortvisuel.com began by selling a range of non-prescription optical products such as sunglasses and magnifying glasses. The site extended its activity to prescription eyewear at the end of 2009, when online retailing of prescription lenses was authorized in France. Confortvisuel.com now sells prescription eyewear and sunglasses for consumers as well as optical equipment for specialists and professionals, including doctors, dentists and the visually impaired. The site aims to become one of the leading online opticians in France offering a broad range of designer and "own brand" frames.

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Online advertising

NOVEMBER 2010: Crédit Agricole Private Equity invested €1.5 million in the German company Plista, an online advertising service provider with a performance-based model. Plista offers website operators and publishers innovative and user-friendly ad formats and self-service booking platforms. With 30 employees in Germany, Plista serves an advertising network portfolio comprising over 400 online publishers and 50 publishing houses in Germany, Austria, Switzerland, France and Slovenia. Plista has been offering image, text and video-based ad formats and multi-faceted targeting solutions since 2009.

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Biotechnology

JANUARY 2011: Crédit Agricole Private Equity invested €2 million in the biotech firm Complix as part of Series A financing alongside two Belgian Venture Capital funds, LRM and Vesalius, and historical investors. A Belgian company created in 2008, Complix develops Alphabodies, a new class of biotherapeutic proteins. With characteristics similar to antibodies, Alphabodies offer several advantages: they are more resilient, stable, easy to modify and simpler to produce. Thanks to this first round of funding, Complix will be able to build up a preclinical portfolio for the treatment of autoimmune and infectious diseases.

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News from our portfolio



Medical imaging

APRIL 2010: EOS imaging completed a €12.3 million funding round comprised of the company's historical shareholders, including Crédit Agricole Private Equity. EOS specialises in orthopaedics imaging solutions. It markets the EOS 2D/3D, ultra-low dose, medical imaging system worldwide. In a single take, this imaging solution can make full or partial images of the human body at very low X-ray doses. It can also produce 3D images of the human skeleton thanks to reconstruction and modelling software using two images taken simultaneously. This solution also provides all the parameters necessary for diagnostics, pre- and post-operative surgical monitoring for degenerative pathologies and osteoarticular deformities.

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Medical devices

JULY 2010: EyeTechCare, a company supported since its start-up in 2008, develops non-invasive therapeutic medical devices using ultrasound technology. In July 2010, the Lyon-based company completed a €7.5 million funding round led by Crédit Agricole Private Equity, which invested €4.5 million alongside the insurance company SHAM (*Sociétés Hospitalières des Assurances Mutuelles*). EyeTechCare used the first funding round of €1.2 million in July 2008 to complete preclinical studies of its device for the treatment of glaucoma. This new round of funding will be used to complete the first clinical trial on humans start up manufacturing and begin the marketing, sales and distribution activities necessary to launch the product. The market launch is scheduled for early 2011.

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Ultrasound medical imaging

DECEMBER 2010: SuperSonic Imagine, a company supported since 2006, is completing a third round of funding and strengthening its position in the United States. Specialised in ultrasound medical imaging, SuperSonic Imagine completed Series C financing of €34.5 million, bringing onboard new investors Mérieux Développement, Innobio and Canon to join its historical investors, including Crédit Agricole Private Equity. The goal is to develop new clinical applications and ramp up the company's commercial expansion. In December, the company also signed an exclusive distribution agreement with Hologic, Inc. in the market for breast ultrasounds in the United States. SuperSonic Imagine's innovative ultrasound is the only one capable of generating a shear wave in real time, and to capture and measure its speed of propagation to determine the real value of tissue elasticity.

Alexia Perouse,
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BioVex

A major disposal in the Life Sciences sector

JANUARY 2011: AMGEN and BioVex signed a definitive agreement for Amgen to acquire the BioVex Group, Inc., for up to \$1 billion. Crédit Agricole Private Equity first invested in BioVex in 2003 and since then holds nearly 10% of the share capital and a seat on the Board. Crédit Agricole Private Equity has supported the company during its various funding rounds and has invested a total of €12 million, making BioVex the biggest line of investment in its venture capital portfolio.

Created in 1998, BioVex develops new vaccines for the treatment of cancer and the prevention of chronic infectious diseases. The company has two unique development programmes, OncoVEX and ImmunoVEX, whose technology is based on the manipulation of the herpes simplex virus (HSV). BioVex recently completed a phase II clinical trial for the treatment of melanoma based on its star product OncoVEX GM-CSF, a first-in-class oncolytic vaccine. The trial results show that the product achieved a high proportion of durable complete remissions. BioVex is currently conducting a Phase 3 trial in metastatic melanoma.

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Email processing platform

FEBRUARY 2010: Bizanga, an email processing specialist that Crédit Agricole Private Equity has invested in since 2008, sold its Intelligent Message Processor (IMP) security platform to its American partner Cloudmark, the global leader in carrier-grade messaging security. This acquisition will round out the company's offer of email security solutions while providing telecom operators with a fully integrated webmail management platform. Bizanga keeps its storage activities, which have been renamed Scality.

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Mobile terminal management software

OCTOBER 2010: Sparus Software, a company we have invested in since 2007, was bought out by Zenprise, a California-based provider of mobile device management solutions for smartphones. Founded in 2003, Sparus Software is the French publisher of an enterprise mobile management software suite. It specialises in managing, securing and remotely deploying business applications used on smartphones. Sparus enables Zenprise to strengthen its sales and marketing footprint in Europe with local customer technical support, while gaining expertise in Windows Mobile platforms. This transaction will create the market leader in complete enterprise mobile management solutions.

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Stentys

At the heart of France's medtech sector

Stentys, a medtech start-up, created a new generation of stents for the treatment of myocardial infarction. The invention first won over venture capitalists and cardiologists, and then the market.

The reasons for choosing us

Gonzague Issenmann

CEO of Stentys

The choice of Crédit Agricole Private Equity as an investor began mainly as an encounter between individuals. We had met Alexia Perouse when we were creating Stentys. She was already highly experienced in medtech and things seemed to click. When we increased our capital in 2008, Crédit Agricole Private Equity naturally became one of our shareholders. Our relations are based on confidence, and we talk frankly about growth strategies and company financing. Crédit Agricole Private Equity provided invaluable support during our stock market listing.

By investing another €3.6 million in Stentys, they sent a strong signal to the market and potential investors.



A surgeon's idea

All companies in the leading-edge medtech sector must work through a series of cycles: an encounter between engineers; *in vitro* laboratory tests, *in vivo* tests on animals and clinical trials on patients; EC labelling, the equivalent of authorisation to market; and finally mass production. Created in 2006, Stentys successfully got through these steps. This company, which makes and markets stents (small metallic tubes inserted in the artery to increase the diameter and treat blockage or shrinkage), began with an encounter between two men, Jacques Seguin, professor of cardiac surgery at the University of Paris-Créteil, and Gonzague Issenmann, an engineer at Johnson & Johnson, the American group specialising in medical and paramedical supplies. Their idea was based on a simple observation: "*None of the stents available seemed to be flexible enough to be truly adapted to the treatment of myocardial infarction. Available models were rather rigid and were used by default. Ideally, an optimal heart attack treatment would use specific technology capable of responding to the spontaneous blockage of coronary arteries and naturally adapt to their numerous ramifications,*" explained Gonzague Issenmann, CEO of Stentys.

From the drawing board to market certification

For the two specialists, there was no doubt but that a suitable material existed: nitinol, a titanium alloy with super-elastic properties used notably in the manufacture of flexible eyeglass frames. The material "simply" needed to be adapted. Like any high-tech project, enormous sums were needed to fund research and development. Sofinnova Partners provided the initial investment of €1 million. For the next two years, Stentys gradually developed a stent perfectly adapted to the complex anatomy of the coronary artery. Unlike existing stents, rigid tubes without openings that could not be used to treat the ramifications of these arteries, the mesh structure of Stentys' product could be used to treat bifurcations. Once deployed and the clot dissolved, the stent continues to expand in the artery to maintain constant fixation along the walls of the main vessel. To perfect the invention and move on to the industrial phase, Stentys conducted a second funding round in 2008 that raised €15 million. Sofinnova Partners was joined by Crédit Agricole Private Equity and a UK venture capital fund to invest in the project. Another two years were necessary to obtain the indispensable EC label that paves the way to marketing. Stentys obtained

certification for the stent designed for myocardial infarction in March 2010 and then in May 2010 for the model with a medicated coating to treat inflammation caused by inserting the stent.

Stock market listing, a big success

At the same time, Gonzague Issenmann and Jacques Seguin presented Stentys to the community of cardiologists. The results of clinical trials conducted in some of the biggest hospitals in several European countries, including Cochin in France, were written up in specialised publications like *EuroIntervention* and *European Cardiology*. Stentys also built up its reputation by participating in international conferences like EuroPCR in Paris (Paris Course on Revascularization) and TCT (Trans Catheter Therapeutics) in San Francisco. A network of opinion leaders gradually took shape. In 2010, following a rather rapid period of reflection, Stentys' Board opted for a stock market listing.

"We discussed sales and long-term strategy. Between an IPO and Series C financing, the choice seemed obvious. Despite the inherent risks of an IPO, the stock market seemed to be the best way to ensure the company's future," said Gonzague Issenmann. Effective on 28 October 2010, the IPO on Nyse-Euronext Paris was a success, raising nearly €23 million. Stentys became a *société anonyme* (public limited company) as it followed the traditional development process for the medtech sector, in which start-ups, nearly always financed by venture capital funds, often end up becoming listed companies.

Several development phases

Stentys is now entering a new phase in its promising development: marketing and product launch. Staff was increased from 4 employees in 2008 to 20 people at the end of 2010. The latest recruits were hired to form the technical/commercial sales team, which has begun to generate sales. *"The*

world market is estimated at \$2 billion," says Gonzague Issenmann. *"Our first sales were in the Netherlands and Germany. By 2012, we think we can expand successively into Italy, Spain, Switzerland, Scandinavia, Poland and finally France. In the longer term, we will also target the Japanese and American markets, where authorisations are harder to obtain."* Having entered a period of maturity after the incubation phase prior to EC labelling, Stentys is highly confident in the future. It has a first-in-class product and the resources to market it. In terms of name recognition, the company will shift into high gear with direct communications to the general public, which it must do anyway given its new status. The company has made efforts to improve communications by overhauling its website in summer 2010. One of the company's last clinical trials was named Open, and indeed Stentys seems to be facing an open door to success.

Three questions for Alexia Perouse,

Partner
Crédit Agricole Private Equity

When and why did Crédit Agricole Private Equity take an interest in Stentys?

We are very familiar with medical technology, a sector we have invested in since I joined Crédit Agricole Private Equity in 2005 and started our medtech portfolio, among others. This sector now accounts for over a third of our Life Sciences portfolio, with seven start-ups in medical imaging, cardiology, orthopaedics and ophthalmology. From our first contact, I was impressed by Stentys' history and management. They started with a very good idea and had true expertise

in the medical technology sector. Convinced by their story, I made sure we did not miss out on the second round of funding.

How much has Crédit Agricole Private Equity invested in Stentys over the years?

In 2008, we participated in the Series B round to finance technical developments and obtain the EC label. We invested €3 million in the €15 million funding round. We then participated in the IPO, an operation that Stentys managed extremely well, taking only four months to prepare and complete the listing by late October. This equity story enabled Stentys to differentiate itself and drive through the price and amounts it wanted, a sign of the market's recognition.

What role will Crédit Agricole Private Equity play in the company's future development?

We try to use an approach that is both proactive and respectful of the company. Stentys has a clear business plan: ensure the development and marketing of its innovative stents, pursue post-market research to confirm the advantages of its medical devices and obtain the necessary regulatory approvals to market its products in the United States.



A team of **11 professionals**

Thanks to the diversity of its members' backgrounds, and of their culture and expertise, the team has a perfect understanding of the market. The investors, who are experts in corporate management, hiring, strategy and commercial development, have a close partner relationship with the companies.



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Christian Claussen,
Senior Partner



Renaud Poulard,
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Life Sciences



Alexia Perouse,
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