

EDITORIAL

The Satyam scandal in India is a stark reminder that emerging markets are not immune to corporate scandals. Rather, with unprecedented growth over the past 10 years and nascent corporate governance, it is surprising that we have not seen more such scandals in India and China. If you have spent any time in either country, the amount of successful yet marginal business leaders is staggering. These individuals have build businesses on the back of record annualized GDP, in a time which will probably be remembered as the golden age of their nascent economic revolutions. Characterized by "produce and Europe and the US will consume" these leaders are now facing the realities of a global economic downturn. For many of the business leaders in India and China this is the first negative market they will experience. No doubt many will fail, while others will try trickery as their way to salvation. Expect many of both in the coming months. Anything else is fools gold.

[COMPANY IN THE SPOTLIGHT]

brands4friends



brands4friends is Germany's leading online shopping club for fashion and lifestyle. The German market leader recently secured a € 10 million third round financing which was one of the largest growth financings in European e-commerce in 2008.

brands4friends is Germany's largest online shopping club with currently more than 1.5 million registered club members. The market leader, launched in September 2007, currently has over 80 employees at its company headquarters in Berlin. The company welcomes 10,000 new members daily and had sales of 25 million euros during its first business year. With the recent financing completed in October 2008 brands4friends not only defied the financial markets crisis but more importantly has laid the foundations for its next phase of growth.

Business Model

brands4friends sells original goods from renowned fashion and lifestyle brands exclusively to its members at significantly reduced prices. brands4friends offers on a daily basis limited special offers for products from more than 200 brands, representing both over-stocks from current collections as well as "off season" goods and special collections.

The brands4friends portfolio contains fashion and sportswear brands as well as specialty labels and makers of luxury products. The products are exclusively high-quality, originally manufactured goods ordered directly from manufacturers.

The idea behind the "friendship approach" at brands4friends is that members recommend to their friends that they take advantage of attractive purchasing deals. Anyone who is a member of this exclusive and cost-free community can make his or her purchases at reduced rates. brands4friends generates new members through recommendations from current members. The word-of-mouth promotion of this shopping concept is a mainstay of brands4friends.

Honors

The company was recently awarded the Vision Award in conjunction with the "Visions: People. Media. Marketing" congress and the Innovation Prize "Online Shop of the Year 2008"

by the jury of the Mailorder Company Congress. In addition, brands4friends was named "INTERNET WORLD" business idea 2008". The founders of brands4friends were awarded the German Entrepreneur Prize in November, offered by the Harvard Business School Association of Germany.

Future Plans:

brands4friends is planning to expand continuously its range of products in the area of beauty and home & living products and to offer even more frequent special sales to create a more varied and attractive shopping experience. The company will expand its market leadership in Germany and expand internationally. brands4friends is also planning to enter new markets, target groups and product segments and will expand its team accordingly. It is the customers who will primarily benefit from this, as brands4friends can offer brand products at significantly reduced prices with even better service.

ABOUT MANGROVE

Mangrove Capital Partners is committed to turn entrepreneurial visions into realities as a means to drive capital appreciation for investors. Our hands-on philosophy in all areas of business and technological development is the cornerstone of our investment strategy and positions us as a true partner for growth.

Mangrove Capital Partners has invested in among other the following companies: Skype (www.skype.com), Lumension (www.lumension.com), Dialcom Networks (www.dialcom.com), Quintura (www.quintura.com), Zink (www.zink.com), Woome (www.woome.com), Nimbuzz (www.nimbuzz.com), SeatWave (www.seatwave.com), Enormo (www.enormo.com), Jamendo (www.jamendo.com), Zlio (www.zlio.com).

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[PORTFOLIO
NEWS]

ENORMO

WWW.ENORMO.COM

The company reaches the milestone of 6 million property listings comforting its global leadership status. It also reaches 4 million visitors for the month of December.



WWW.ZINK.COM

Takara Tomy launches the Xiao, the world's first camera with integrated printing technology from Zink. This is Zink's second product in the market after the Polaroid Pogo. Expect to see a slew of new products in 2009 as a multitude of partners launch digital products with integrated printing capabilities.

Nimbuzz

WWW.NIMBUZZ.COM

On the back of the most comprehensive suite of products in the market, Nimbuzz has reached the important milestone of 25,000 new daily users.



WWW.JOOCE.COM

Jooce will be closing its doors during the month of February.

[INTERVIEW]



Stephen Stokols, CEO & Co-Founder of WooMe.com

Could you describe WooMe in a nutshell?

Live introductions via voice and video - meet 3 people in 3 minutes!

WooMe extends the speed dating concept into a broad based introduction platform leveraging in-browser voice and video communications. Users create topical chat sessions and invite new people to meet in 60 second video clips.

What is your vision for the online dating and social networking markets?

Regardless of where people go to meet others - dating sites, social networks, or special interest sites - the web is increasingly more "live," a more synchronous environment where people engage directly in real time. Couple this with the increased proliferation and adoption of video communications and it is easy to see that more and more sites will look to incorporate video interactions between

WooMe

their users. Both social networks and dating sites will either enable this or become obsolete.

What is the outlook for WooMe in this market?

WooMe is at the forefront of the "live web" movement and has been recognized by numerous pundits as a leader in this space. It is the world's largest LIVE introduction platform (by traffic and activity) where

with something for everyone, from the user who wants to meet new people to the voyeur who wants to watch raw unedited reality tv.

How would you describe your relationship with Mangrove?

From the day the first term sheet was signed, Mangrove moved from acting like an investor to acting like a valuable part of the management team.



people can meet via video in a fast and fun environment. It has also pushed the boundaries of video, and allows people to watch and even share their own interactions with others on WooMe.TV

Recently launched WooMe.TV extends WooMe from an introduction platform into a full scale entertainment platform

They continue to drive company interests foremost, even when those interests may conflict with investor perspectives.

Mangrove has also provided acute perspectives and invaluable guidance in product direction, funding strategy and board composition.

