

Press Release



Open-Plug raises US\$ 15 Million in Series B funding to sustain growth

Sophia Antipolis, France and Taipei, Taiwan ROC – October 03, 2006 - Open-Plug, a leading supplier of mass market software platforms for the handset industry, announced today that it has secured US\$ 15 million in a second round of investment financing led by new investors BayTech Venture Capital and SGAM AI Private Equity. First round investors Auriga Partners, I-Source Gestion, Siparex Ventures and Sophia Euro Lab also joined the Series B funding.

Created in 2002, Open-Plug develops and markets ELIPS, the first open software framework designed for mass market phones. Based on Open-Plug's unique and patented Flexibleware™ technology, the ELIPS product suite enables the rapid development of low to high-end feature phones as well as ultra low-cost (ULC) devices, which represent more than 90% of the market. With its technology, Open-Plug has successfully adapted the component-based approach to the embedded software industry, delivering the flexibility of a true modular architecture on mass-market terminals, with neither resource nor power consumption penalty. The ELIPS Product suite includes ELIPS MMI (Man-Machine Interface), a complete software solution for mobile phones and ELIPS Studio, a development environment. ELIPS enables the customization of the user interface and the addition or removal of new applications in record time. ELIPS is available on the most popular Real-Time Operating Systems (RTOS) as well as Linux-based chipset platforms.

"This funding comes at a perfect time for Open-Plug" said Eric Baissus, CEO of Open-Plug. "We have established a substantial presence in the mobile industry supplying our software framework and MMI to leading handset makers. Now that the market is getting rid of legacy software and is looking for flexible and highly efficient platforms, we are ideally positioned to become the solution of choice. The investment from our new and existing investors is a great endorsement of Open-Plug's progress and strategy. It will allow us to further strengthen our market position with handset makers and operators by offering them innovative solutions which will address their future requirements".

Meeting today's market needs and tackling tomorrow's challenges with its technology, Open-Plug has just entered a new growth stage. Having opened a branch office in Taiwan and a software development centre in Romania, the new funds will enable Open-Plug to meet the growing demand for its solutions by expanding its sales, R&D and customer support organizations.

According to Xavier Lorphelin, Partner at SGAM AI Private Equity: "Unlike many mobile software vendors, Open-Plug addresses a real and highly strategic market need. More than that, Open-Plug is at the heart of the main challenge faced by handset makers and brings innovative and cost-effective solutions which enable its customers to improve their time-to-market and price points while increasing the number of phone variations they support. We are very pleased to have invested in Open-Plug and are confident that it will become one of the big names of the mobile phone industry".

Andreas Demleitner, Partner at BayTech Venture Capital said: “Open-Plug has the right profile for us to invest: a strong management team, a breakthrough technology, a proven product that already has significant market traction, and a strong focus on a fast growing market. We consider Open-Plug as one of the most promising companies of our portfolio and we definitely believe that this round will help the company reinforce its leading position in a promising market”.

Go4Venture, a London-based corporate finance advisory firm specialized in international technology equity private placement and M&A, advised the company in its fundraising process (www.go4venture.com).

About Open-Plug

Open-Plug creates and commercializes the first open software framework designed for mass-market phones. The Open-Plug ELIPS Product Suite relies on a unique component-based technology, which drastically simplifies and secures all the phases of mobile phone software development, integration and deployment. It enables mobile operators and handset makers to create, update and customize their phones in record time, while keeping full control over their design and development cycle. Created in 2002, Open-Plug is a private company financed by leading international venture capital investors. Headquartered in France, the company also has a sales and support office located in Taipei, Taiwan ROC. Open-Plug is a founding member and an active promoter of the LiPS Forum. For more information, visit www.open-plug.com

About BayTech Venture Capital

Munich-based BayTech Venture Capital was founded in October 2000 and is an independent, internationally oriented venture capital fund with a fund volume of €100 million. Its main investors are a group of prestigious European financial institutions. The fund is amongst the most active European investors in the sectors information and communications technology and life sciences. For more information, visit www.baytechventurecapital.de

About SGAM AI Private Equity

SGAM AI Private Equity is the department of SGAM Alternative Investments dedicated to equity investments in private companies. With a team of more than 70 specialists and €1.3 billion under management, SGAM AI Private Equity covers the major asset classes from direct investments (Venture Capital, Expansion Capital, LBOs) to indirect investments (Funds of Funds). With €230 million allocated to Information and Communication Technologies, the Venture Capital team invests in talented entrepreneurs who develop disruptive technologies that have the potential to open new markets or ultimately overturn the incumbent technology. For more information, visit www.sgam-ai.com

About I-Source Gestion

I-Source Gestion is a Venture Capital firm dedicated to early stage financing of high growth potential ventures, coming from either public or private research, and in the areas of Information Technologies and Telecommunications. I-Source Gestion manages six funds totaling an amount of around €160 million and has invested in about 50 portfolio companies. For more information, visit www.isourcegestion.fr

About Siparex Ventures

The venture capital activity accounts for 22 % of Sigefi Private Equity / Siparex Group (€940 million) assets under management. Sigefi Private Equity is one of the leading private equity investors in France. The “Group” first entered the venture capital business in the United States, where it has been present for 18 years through its San Francisco office. In France, specialized funds finance start-ups, mainly in the sectors of information technology, security,

and the life sciences. Siparex Ventures manages 9 “FCPI” innovation funds for well-known financial institutions. Siparex Ventures’ team comprises 9 professionals based in Lyon and Paris. For more information, visit www.siparex.com

About Auriga Partners

Auriga Partners is a Paris-based independent capital-risk company specialising in seed-fund and early-stage investment in high-potential, high-innovation IT and life science companies in Europe, North America and Israel. Auriga Partners manages four funds topping €340 million, including Auriga Ventures III closed in July 2006. In addition to its investment business, Auriga Partners also provides know-how in team formation, organisation, network expansion and setting up strategic partnerships. For more information, visit www.aurigapartners.com

About Sophia Euro Lab

Sophia Euro Lab is a €20 million fund, located in Sophia Antipolis, dedicated to innovative companies specialized in information and communication technologies, and engineering sciences. The fund's vocation is to search for newly created companies, or companies in the process of creation, proposing highly technological and innovative projects with a large market reach. For more information, visit www.sophiaeurolab.com

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