

Wellington Partners invests in Truphone

Wellington Partners is serving as the lead investor in an €18 million initial round of funding for Truphone. This investment constitutes the largest initial round of VC financing in the European technology sector in 2006, and enables Truphone to broaden its pioneering position in the field of mobile Internet telephony.

Munich, January 09, 2007. British-based Truphone is strengthening its capital base through a round of financing totaling some €18 million, with Wellington Partners as the lead investor. Also participating in financing Truphone, in addition to Wellington and existing investors Eden Ventures and various Business Angels, are Independent News and Media as well as Burda Digital Ventures – marking the European technology sector's largest Series A venture funding of 2006.

With its standards-based application, Truphone enables mass market mobile phone handsets to make free and very low-cost calls on the basis of the Internet Protocol (Voice over IP – VoIP). Access to the Internet is via wireless networks by means of WLAN/Wi-Fi technology. This access technology eliminates the user's dependence upon a conventional mobile provider, an enormous cost advantage for the customer. "Truphone users are already able to make free calls among one another worldwide – without the need for a contract with a conventional cellular network service provider," is the way CEO James Tagg explains the advantages of Truphone. "This round of funding will enable us to evolve our offering and make it accessible to a mass market. Long term, we want to position ourselves as a worldwide mobile Internet network operator," adds Tagg.

With its business model, Truphone is addressing the high-growth mobile communication sector, whose worldwide market volume already totals several hundred billion euros. "This is a market that offers enormous growth opportunities for operators like Truphone, who can slash the costs of wireless telephony," Dr. Jörg Überla, General Partner at Wellington Partners, is convinced. Truphone is the only company to offer free telephone calls from mass market mobile handsets to other mobile handsets – a revolutionary offering for price-conscious customers.

With its investment in Truphone, Wellington is underscoring its engagement in the high-growth Voice over IP sector. The firm has been invested in German-British Swyx, a vendor of software for wireline-based Internet telephony, since the year 2000. "The success of Voice over IP in the wireline environment is now impacting wireless communication," notes Überla, adding: "Within weeks of the launch of the Truphone beta version, thousands of users spread around the globe have embraced this technology. It has the potential to revolutionize the market for mobile VoIP."

This investment highlights once again Wellington's commitment to fund first class entrepreneurs across Europe, provided they have a disruptive product offering. Truphone CEO James Tagg had already successfully built a startup, Moonstone, which was later sold to MicroTouch (now 3M). "The Truphone team now has the opportunity to set the standards in the global Mobile VoIP market," adds Überla.

About Wellington Partners

Wellington Partners (www.wellington-partners.com), formed in 1991, ranks among Europe's most successful early-stage investors. With €450 million currently under management, the firm focuses on helping European entrepreneurs build companies with large global market opportunities, mostly in the areas of information technology, media convergence and life science.

To date, Wellington Partners has invested in over 85 companies, selling a third of them at a profit, in eight cases through an IPO. Serving as the lead or co-lead investor, Wellington Partners has already accompanied such successful high-tech players as biotech company Actelion, software vendor SAF AG or online networking platform XING (formerly openBC) in their IPOs, and guided online service company Ciao AG, for example, in its merger with Greenfield Online, software company Meiosys in its merger with IBM and German auctioneer Alando when acquired by eBay.

About Truphone

Truphone (www.truphone.com) is a privately-owned UK technology company, founded in 2000 and funded by a mixture of private investment and venture capital. Today, Truphone is pioneering an all-SIP solution that enables mass market mobile phone handsets to make free and very low-cost calls using VoIP over wireless LAN.

Truphone's founders, investors, advisers and staff are dedicated to the development of mobile internet telephony in the cause of freedom and choice for mobile phone users. The company is also closely involved with the open source community and is developing Truphone in accordance with internationally-recognised open standards. The company has development teams and partners in locations across Finland, Romania, USA and the UK. In December 2006 Truphone was selected as a 'Technology Pioneer for 2007' by the World Economic Forum.

For further information

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