



OCTOPUS VENTURES

SECTOR

Media

DATE COMPLETED

July 2003

TRANSACTION TYPE

Advanced early stage

DEAL SIZE

£2.1 million

INVESTMENT

£600k

WEBSITE

www.lovefilm.com

THE COMPANY

Founded in 2003, LoveFilm International Limited is one of Europe's leading home entertainment companies. It is one of the most respected entertainment and film sites in Europe. It was the first company to deliver online-DVD to the mass market in the UK and other key markets in Europe. The company's growth has been impressively fast, helped by innovative new offerings, as well as acquisitions. Since launch, it has entered into a combination of ten mergers and acquisitions across Europe, demonstrating its skill in picking the right market and the right opportunity.

In February 2008, LoveFilm agreed a deal with Amazon's DVD rental business, making LoveFilm Europe's leading online DVD rental and movie download company, with nearly 900,000 active household subscribers and over 20% of the total DVD rental market.

The company has been nominated for or won numerous awards and there have been press commenting valuations in the region of £200 million.

INVESTMENT

- In July 2003 Octopus Ventures led a £1.25 million funding round on behalf of LoveFilm.
- Investors participated in partial exit for cash and equity early in the history of the company.

STRATEGY

- The company showed early promise of good returns and expansion in a sector familiar to the Ventures team.
- The innovative idea behind the business, ambitious business development plans and company expansions have continued to impress.

OCTOPUS

The Octopus Ventures team was formed in 2000 by a group of successful entrepreneurs and businessmen in order to provide both capital and business expertise to small, fast growing companies. The Ventures Team manage their Private Investor Group which invests alongside the Titan VCTs (established by Octopus in 2007). Our team has extensive business experience, with backgrounds ranging from investment banking through sales & marketing to business management which, together with the Private Investor Group, offers a strong competitive advantage in the marketplace.

If you have any investment situations you would like to discuss with us, please contact our investment team on **020 7710 6459**.

FOR FURTHER INFORMATION ON THIS TRANSACTION, PLEASE CONTACT:

Alex Macpherson

Octopus Ventures
8 Angel Court, London EC2R 7HP
Tel: 020 7710 2843
amacpherson@octopusventures.com

OR:

Alan Wallace

Octopus Ventures
8 Angel Court, London EC2R 7HP
Tel: 020 7710 2844
awallace@octopusventures.com



“The question is not so much where people get films from but what they want to watch. This new, bigger customer base will give us an even better position from which to build LoveFilm as the best place for customers to find film.”

Simon Calver, Chief Executive of LoveFilm

“As one of Europe’s largest online DVD rental businesses, LoveFilm is well established to serve customers’ increasing demand for entertainment. Our investment will enable LoveFilm to grow the business further and we are excited to be part of their future.”

Greg Greeley, Vice President of European Retail, Amazon