



INVESaTNews



Bridging the gap between
INnovative enterprises
& financial **IN**vestors in
the emerging ICT markets
of **Sa**TEllite applications



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Dear reader,

Welcome to the INVESaT club and this first edition of the INVESaT Newsletter.

INVESaT aims at **bridging the gap** between **innovative small and medium sized enterprises and financial investors** in the emerging markets of satellite Earth observation, navigation, timing, geo-positioning and telecommunications applications.

After six months of project activity, we feel that the right time has come to inform you about the kick-off of the project activities and the start of the INVESaT network.

This newsletter will be published regularly on a trimestrial basis and circulated to all members of the INVESaT and ESINET network, informing you about the current activities, results, upcoming events and important developments in the satellite related ICT markets.

Enjoy reading,
The INVESaT Team

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at a glance

Strategic background

In the ICT sector, whether in the USA, Japan, or Europe, **innovative services** are already in use, based on **large scale space-based investments**: they involve earth observation, telecommunication, navigation, timing and positioning satellites.

In combination with the advent of powerful hand-held terminals and the demand for ubiquitous services, it is expected that info-mobility applications will reveal new sources of business in the years ahead, using in particular the **GMES, EGNOS and future GALILEO** systems to position any feature or user anywhere in the world within a few meters of accuracy. Hence, satellite based capabilities must be seen as new and unique opportunities for Europe to enhance economic development in the **knowledge economy**.

This growth potential has already been grasped by many incubating structures in Europe. Yet, the actual business growth rate appears below expectations for many European players when they look at what occurred in the USA after the launch of the GPS positioning system. Europe must therefore overcome **intrinsic barriers** to seize these new business opportunities faster and with more economic impacts.

Objectives of the INVESaT project

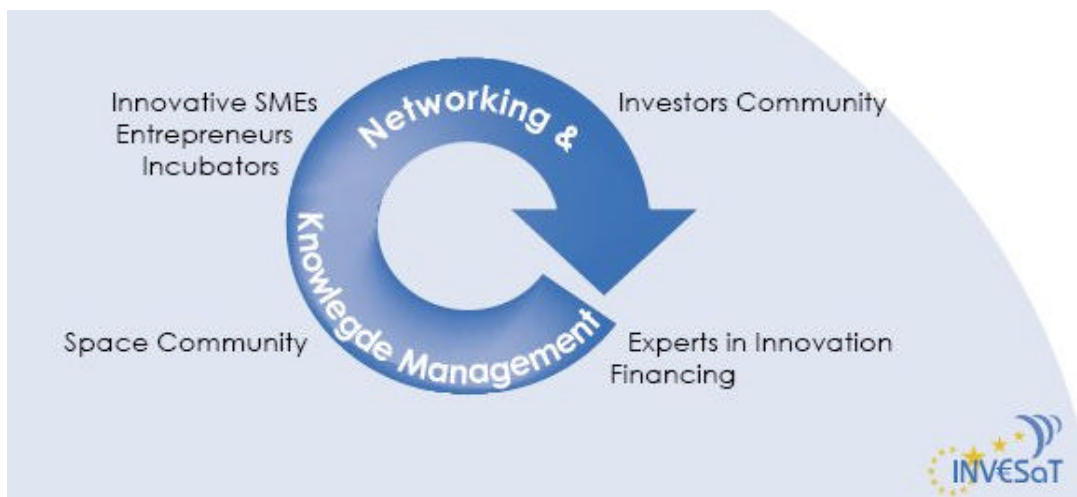
The principal goal of the INVESaT project is to:

Consolidate and disseminate the knowledge that is required to support investments into innovative

services in the following areas: satellite capabilities in earth observation, navigation, timing, ge-positioning and telecommunications.

Five key objectives:

- √ To identify the critical generic and specific innovation financing features of SME-based business models which involve the applications of Europe's satellite capabilities
- √ To reinforce and extend the connections of the ESINET network with European investors willing to invest in innovative services making use of satellite capabilities
- √ To develop and validate specific good practices to be used by entrepreneurs, incubators or investors willing to finance innovative services making use of satellite capabilities
- √ To disseminate and further validate the results towards the key stakeholders (ranging from companies involved in satellite development and operations, to regional investors or entrepreneurs that are examining the development of new and innovative services using these satellite capabilities)
- √ To prepare and deliver policy lessons and recommendations regarding public-private partnerships that are able to use satellite capabilities















INVEsaT partners



The INVEsaT consortium is a group of complementary organisations involved in the stimulation and the support of innovative SMEs in the area of satellite based services.

Most of them are members in the ESINET network.



Coordinator	 <p>European Business & Innovation Centre Network</p>	Belgium	www.ebn.be
Expert partners	 <p>European Space Agency</p>	Netherlands	www.esa.int
	 <p>Capital High Tech</p>	France	
	 <p>JKIC – Joerg Kresel International Consultant</p>	Germany	www.jkic.de
	 <p>Technofi S.A.</p>	France	www.symple.tm.fr
	 <p>D'Appolonia S.p.A.</p>	Italy	www.dappolonia.it
Incubating structures	 <p>Centre International de Communication et d'Opérations Multimedia (CICOM)</p>	France	www.cicom.fr
	 <p>Hermia Business Development</p>	Finland	www.hermiayrityskehitys.fi
	 <p>Hertfordshire Business Incubation Centre (HBIC)</p>	UK	www.hertsbic.co.uk
	 <p>Consorzio per l'AREA di Ricerca Scientifica e Tecnologica di Trieste (AREA)</p>	Italy	www.area.trieste.it
	 <p>Barcelona City Council Local Development Agency (Barcelona Activa)</p>	Spain	www.barcelonactiva.es
University	 <p>HfB–Business School of Finance & Management</p>	Germany	www.hfb.de

May 23rd 2006
BRUSSELS
DIAMANT Conference
Centre

INVESaT

1st Networking Event

"Satellite Applications and Investors?"

In collaboration with



The objective of this 1st Networking Event was to bring together innovative SMEs in the area of satellite-based ICT applications, investors interested in such market opportunities enabled by space programmes, major players and experts of the space sector.

Providing an overview of emerging commercial potential of satellite applications in communication, navigation and earth observation, as well as

startup cases and discussions, this event constitutes the official launch of the INVESaT Network.

The joint participation of all potential stakeholders, as public organisations, space industry, innovative SMEs, entrepreneurs, business and innovation centres and investors, has provided new insights to business creation and finance in the field.

PROGRAM

Opening by Philippe Vanrie, CEO, *European BICs Network (EBN)*

Welcome Address

Reinhard Büscher, Head of Unit for Innovation Policy, *EC DG Enterprise and Industry*

Pierre Brisson, Head of Technology Transfer & Promotion Office, *ESA*

Pierre Lionnet, Head of Strategy, Technology & Economic Affairs, *Eurospace*

Satellite-based ICT Applications: "New Commercial Opportunities"

Space Infrastructure: "The systems enabling business development in communication, navigation and earth observation"

Mike Mattner, Head of Business Development, *GJU*

Luigi Fusco, *ESA, GMES*

Martine Diss, *EC DG Enterprise et Industrie*

The INVESaT project: Objectives, stakeholders & roadmap

Robert Sanders, Head of Project Department, *EBN*

Investment Opportunities? – "The sector, its players, markets & business"

Joerg Kreisel, CEO, *JKIC*

Satellite-based ICT businesses accessing financing: "Challenges and opportunities"

Chaired by Olivier Debande, Senior Advisor, *EIB* & Robert Sanders, Head of Project Department, *EBN*

Selected Startup Cases

RapidEye (Wolfgang Biedermann – CEO)

MAPORAMA (Dominique Grillet – CEO)

Senso Systems (Vincent Lavignolle – CEO)

The VC perspective

Javier Echarri, Secretary General, *EVCA*

Round Tables with Incubators, SMEs, Startups and Financiers

Conclusions & Wrap-Up

Alex Talacchi, *EC DG Enterprise and Industry*

Robert Sanders, Head of Project Department, *EBN*

**Presentations
and results can
be downloaded @**

www.invesat.com

MAJOR IDEAS AND CONCLUSIONS OF THE INVESAT 1ST NETWORKING EVENT

80 persons participated at this first networking event of INVESaT, with representatives from the financial community, space institutions, specialized incubators and SMEs.

All participants expressed their convictions about the opportunities to be expected from the applications of space for the development of new markets and economic opportunities. Indeed, with such space programmes in progress today as GALILEO, GMES or SATCOMS, the range of potential civil applications increases even further, with major impacts worldwide and considerable leverage on important segments of the economy of Information and Communication Technologies.

- Telecommunications : It is anticipated that satellite communications systems will expand rapidly to provide access to millions of users world-wide, using interactive broadband terminals for a range of applications, whether mobile, fixed or broadcasting...
- Satellite navigation : In combination with the advent of powerful handheld terminals and the demand for ubiquitous services, it is expected that info-mobility applications will reveal new sources of business in the years ahead, using particularly the EGNOS and future GALILEO systems. The creation of more than 100 000 jobs is expected downstream in this context.
- Earth Observation: A more sophisticated use of earth observation data will generate huge amounts of information, which will be injected into location based services. In parallel, global positioning services will contribute to the development of added-value services aimed at environment monitoring and earth resources management.

In spite of this growth potential, the actual business growth rate appears below expectations for many of the experts interviewed. One reason expressed by attendants is related to the difficulties encountered at building sound business plans in this area because of the numerous actors involved in the value adding chain, from the satellite system down to the final user

Participants also pinpointed the existence of several types of barriers which prevent for these new business opportunities to be seized faster and with more economic impacts.

1. When considering such applications of space systems, a very complicated factor is that the

upstream space segment is typically very small when compared to the downstream segment, although it is an essential link in the value chain it contributes to generate ⇒ A better dialog must be installed between all the actors of the innovation value-added chain to effectively channel and harness economic success stories downstream the satcoms / navigation and Earth Observation markets.

2. The space sector too often works in a top down approach. Rather, a bottom-up approach is needed to instigate the inventiveness of people already operating on the terrestrial markets. Let's mention here the key role to be played by SMEs. Being close to end-users, they are very well positioned to incubate cost effective promising services downstream the aerospace activities. They will bring new ideas of applications which will reinforce the business prospects of the Space sector per se.
3. Innovation financing is of course a prerequisite for success, in this area like any other. Raising awareness in the Investor community about the capability of Space applications to generate economic success stories is deemed necessary when the space sector per se is generally considered as high cost, high risk, long term investment. For this, new business models are needed which will highlight the potential value added chain contributors together with the space value added while involving a larger number of end-users.

Having understood these major difficulties, all participants supported the launch of the INVESaT expertise work which will be aimed at consolidating and disseminating the knowledge components required to support more investments into innovative space-intensive information and communication activities.

Good practices and guidance materials for entrepreneurs, innovative enterprises, incubators or investors, would be welcome. Finally, participants also stressed the importance of building a common understanding of the competitive environment in the space related areas.

Most of them agreed to join the INVESaT Network which will allow to foster collaboration between the various actors of the space related value-added chain, investors and generalists in innovation financing.

Florence Ghiron, Capital High Tech

☛ Expert workshop

October 16th / 17th 2006

Nice / France

☛ Expert workshop

January 22nd / 23rd 2007

Barcelona / Spain

☛ Networking Event & Investors' Forum

April 17th / 18th 2007

Brussels / Belgium

☛ Final INVESaT Conference & Workshops

May 2008

To be confirmed

INVESaT is part of the initiative

Europe INNOVA

"The Network driving European Innovation"

<http://test.europe-innova.org>



The project is supported by the

European Commission

DG Enterprise and Industry

<http://ec.europa.eu/dgs/enterprise/>



The European Space Incubators Network

<http://esinet.atecmedia.com/>



Bridging the gap between **INnovative** enterprises and financial **inVEstors** in the emerging ICT markets of **SaTEllite** applications

www.invesat.com

" Space offers extraordinary potential
for commerce and adventure,
for new innovations and new tests of will "

Bill Frist