

## **Photoways Secures \$29 Million in Series A Funding**

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*Highland Capital Partners and Index Ventures co-lead round in Europe's fastest growing online photo lab company.*

**Courbevoie, France – July 20, 2005** – Photoways, Inc. the newly-created U.S. company that operates a leading European online digital photo lab, today announced that it has secured EUR24 million (\$29 million) in Series A funding from Highland Capital Partners and Index Ventures. The financing will be used to expand Photoways' global presence and develop additional products and services for instant online photos.

In conjunction with the funding, Fergal Mullen and Neil Rimer will join the Board of Directors. Additionally, to further support the company's step toward global expansion, Pierre Chappaz, founder and CEO of Kelkoo, the highly successful European shopping engine acquired by Yahoo! last year and Laurent Amouyal, an experienced marketing executive who founded Catalina Marketing Europe and previously held senior positions with The Coca-Cola Company, will also join the board of Photoways, Inc.

Photoways was founded in 1999, by Michel de Guilhermier, with the idea of creating an online photo sharing and printing web site for the European market. Since its inception, the company has experienced significant growth, with more than 800,000 members and has already reached profitability. Photoways currently has operations in 15 countries and plans to expand its global footprint to additional markets in 2005. Photoways also operates a budget-priced, print-only service under its PixDiscount brand.

"Photoways' dynamic growth and performance over the past five years is due in large part to the experience and entrepreneurial spirit of its management team," said Fergal Mullen, a General Partner with Highland Capital Partners. "The direct and integrated production model, which Michel de Guilhermier and Martin Genot formulated for the company early on, now delivers solid competitive advantages in terms of costs, scalability and defensibility."

"Photoways has taken a very direct path to success in the digital photo market, by satisfying consumers' desire for better value, and more personalized, original products," said Neil Rimer, a General Partner with Index Ventures. "Michel and Martin's 'just do it' attitude to production, product development and customer service has positioned them to be the Pan-European leader in this space."

"We feel privileged to have received funding from two leading, international venture firms in Highland Capital Partners and Index Ventures," said Michel de Guilhermier, CEO of Photoways. "Our management

team is excited about working with Pierre, Laurent, Fergal and Neil to leverage the tremendous knowledge, experience and global contacts to help make Photoways the leader in online photo services.”

**About Photoways:** Founded in 1999, Photoways is a pioneer and leader of the European online photo lab market. Photoways provides a complete digital photo service that offers photo developing, printing, storing and sharing online. Through proprietary photo finishing and offset printing technologies, Photoways provides film quality reprints from your digital camera at lower costs and with a faster turnaround time than traditional services. For more information, visit the company’s web site at [www.photoways.com](http://www.photoways.com).

**About Highland Capital Partners:** Highland Capital Partners was founded with the mission of helping great people build great companies. Since its inception in 1988, the firm has taken a sector-focused and stage-diversified approach to investing in exceptional information technology, communications, and healthcare companies. With over \$1.8 billion of committed capital, Highland has invested in and worked to create such firms as Ask Jeeves, Avid Technology, Be Free, CheckFree, Conor Medsystems, EXACT Sciences, Lycos, MapQuest, Ocular Networks, Odyssey Healthcare, Renal Treatment Centers, Sybase, Telica and WebLine Communications. For more information, visit Highland's web site at [www.hcp.com](http://www.hcp.com).

**About Index Ventures:** Index Ventures is a venture capital firm dedicated to helping top entrepreneurial teams build their companies into global leaders. Index proactively seeks out entrepreneurs who are committed to solving real problems with a novel approach and help them develop their company by leveraging the combined experience, networks and resources of the entire partnership. Index recently announced the closing of its fourth fund of EUR300m, which brings its total funds under management to EUR750m. The Index team has been active in technology venture investing since 1996 and has become a major player on the VC world stage with an unrivalled network spanning Europe and the US. The firm has offices in Geneva, London and Jersey and focuses its investment activity primarily on Europe and Israel. IT investments include Betfair, now the world's largest betting exchange; Virata, (acquired by Conexant) a world leader in DSL and other communication chipsets; Skype (global P2P telephony service); MySQL (the world's most popular open source database); and KVS (email archiving firm recently sold to Veritas). [www.indexventures.com](http://www.indexventures.com)

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