

VENTURELINK'S 10 BAGGER

By Barry Critchley

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The sale was completed almost five months back, the proceeds have already been distributed to the limited partners but it wasn't until Tuesday night that the venture capital industry gave its collective assessment. And the Canada Venture Capital Association awarded the transaction its deal of the year.

We are talking about the sale by VentureLink LP of its investment in PlateSpin to Novell, Inc. for US\$205-million. VentureLink is the manager of the VentureLink Group of labour-sponsored investment funds. For VentureLink, the sale of its interest in PlateSpin, which provides "solutions for workload relocation, protection and provisioning, will give customers the agility to cross physical and virtual boundaries so it can work together" was a 10-bagger - a result that makes all investors happy.

That sale came about five years after the VentureLink Brighter Future Fund invested \$1.35-million in the company - enough to make it the company's third-largest shareholder. Back then, PlateSpin was home to a dozen employees. At the time of the sale, the number had grown to 185.

According to the so-called management report on fund performance, for the six months ended June 30, 2008, the fund has been involved with the sale of six investee companies. In all, those sales have generated \$25.806-million in gross proceeds, enough for net realized gains of \$16.101-million.

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