



Press Release  
For immediate release

## **Helveta's timber track and trace technology receives £1.8m investment**

Oxford, United Kingdom 2 June 08: Helveta Limited, creator and provider of a global track and trace technology software platform, today announced that it has raised £1.8m in new finance. Existing investors Close Ventures and Oxford Capital Partners led the round, with additional funding from Finance South East, management and private investors. The investment will fund the continued expansion of Helveta's international business.

Helveta's unique technology is initially focused on the timber and food sectors, and enables customers to trace assets through the supply chain, providing traceability and verification. Production is monitored using Helveta's mobile device-based software applications – CI Mobile™ - and barcode or RFID reader technologies, which in turn link into Helveta's web-based suite of tools and reports – CI World™.

A key concern in the tropical timber industry is ensuring that only timber from legal and sustainable sources reaches the market. It is estimated that illegal logging depresses legal timber prices by 13-17% (Indufor Report 2008) and accounts for \$5 - 10bn in uncollected forest taxes worldwide (World Bank). In addition, tropical deforestation accounts for 25% of the total human-caused greenhouse gas emissions each year (Climate Focus). Governments, retailers, environmental organisations, importers, sawmills and timber concession operators all have an interest in using technology-based traceability systems to restrict the market to timber felled from legal and sustainable sources.

The United States may soon become the first country in the world to prohibit the import, sale or trade in illegally harvested wood and wood products. The US House of Representatives passed landmark legislation to address the global illegal logging crisis. The law amends a long standing wildlife trafficking statute, the Lacey Act, to include timber, wood products and other plants. Similar measures are under consideration in the UK with Barry Gardiner MP having already tabled a private members bill in the House of Commons proposing similar legislation for the UK. The EU is also considering extending the Forest Law Enforcement, Governance and Trade (FLEGT) process to include similar measures with respect to the legality of hardwood timber imports.

Helveta has recently been awarded a track and trace contract to work with Indonesia's Ministry of Forestry as the country moves towards ensuring all its timber

exports to the EU can be verified as complying with Indonesia's forest laws. It is estimated that illegal logging costs the country approximately \$3.3 billion a year in uncollected forest revenues. A similar system funded by the US Forest Service is already being implemented in Liberia by Helveta and on completion of deployment the country will be able to demonstrate its timber exports do not contain illegally logged timber.

"Helveta is the only technology solution capable of delivering global track and trace for timber and food supply chains whilst at the same time meeting the increased needs for regulatory oversight. We are pleased that our expansion has received continued support from Close Ventures and Oxford Capital Partners, as well as from our new partner Finance South East," said Helveta CEO Patrick Newton "This investment allows us to extend our reach across international markets. CI World™ is being successfully used in locations as diverse as Liberia, Ivory Coast, Cameroon, Central African Republic, Republic of Congo, Bolivia, and Indonesia. We are currently working closely with other producer countries to implement CI World™ capability in their nations to improve forest revenue collection and forest law enforcement capability. The EU and US legislative environment is increasingly changing to constrict the import of illegally felled timber and Helveta is well placed to help producer countries meet these new purchasing criteria."

"Helveta has made encouraging progress since we invested, winning a number of highly significant contracts such as the EU-funded project in Indonesia, the second largest exporter of tropical timber globally. As the only working, electronic traceability system in the timber sector Helveta is uniquely placed to become the industry standard" commented Ed Lascelles, Director at Close Ventures.

"Sales momentum for Helveta's CI World™ continues to grow as organisations seek effective tools to make the world for illegal loggers increasingly hostile. The Finance South East team have recognised the global potential of Helveta's business and we look forward to working alongside them and Close Ventures to help Helveta build a game changing, global environment enhancing, business." said Dr Victor Christou, Senior Investment Manager at Oxford Capital Partners.

"Finance South East has recently created the South East Seed Fund and is delighted that its first investment is in Helveta. The Company has developed ground breaking technology of global importance, for both commercial and environmental reasons. It has strong management and a solid pipeline of opportunities. We look forward to working with the board and our co-investors to make Helveta a conspicuous success." commented Nick Caiger-Smith, Head of Equity Funds at Finance South East.

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#### **About Close Ventures**

Close Ventures is one of the largest and most successful providers of venture capital in the U.K. Formed in 1996 as part of Close Brothers Group plc, Close Ventures currently manages a portfolio of seven VCTs, with funds under management of c.£250 million (Apr 08). In 2005 and 2006 it was named VCT Provider of the Year at the Professional Adviser Awards and VCT Fund Manager of the Year at the Growth Company Awards.

The core investment strategy of all of the seven funds is to offer investors lower investment risk, whilst providing higher dividend yield and sustained capital growth. Close Ventures' funding capability ranges from £1 million to £10 million. At the smaller end, Close Ventures looks at early stage, high-growth propositions, though always generating revenue. In the middle ground Close Ventures is focused on mainstream growth capital and smaller MBOs. Larger investments will be strongly asset-backed. Close Ventures can be reached on 0207 422 7830. Further information is also available at [www.closeventures.co.uk](http://www.closeventures.co.uk)

Close Ventures is authorised and regulated by the Financial Services Authority.

#### **About Oxford Capital Partners**

Oxford Capital Partners is a science and technology venture capital firm with extensive experience in investing in and supporting businesses with high growth potential. We bring to portfolio companies deep experience of managing and building technology businesses together with a world-class network of technology investors, scientific advisors, business leaders and strategic partners.

Oxford Capital Partners is the manager of five Oxford Gateway Funds and oversees a portfolio of over 25 companies in a range of technology sectors, including ICT, clean technologies, life and physical sciences.

Oxford Capital Partners was voted Venture Capital House of the Year 2005 at the Unquote Awards and Best EIS Fund Manager 2006 by the EIS Association. For more information about Oxford Capital Partners see [www.oxcp.com](http://www.oxcp.com)

#### **About Finance South East**

Finance South East is a not-for-profit organisation working with partners from both the private and public sectors to deliver a unique funding service to ambitious, high growth companies across the South East. The organisation helps companies to grow through direct investment and associated support.

Finance South East's specialist range of products and services include advice on funding strategy, introductions to funding sources, fund management, mentoring and investor networks. The Finance South East team consists of highly experienced finance professionals with many years of experience in small business finance.

Finance South East has already helped companies in the region raise in excess of £20million. [www.financesoutheast.com](http://www.financesoutheast.com)