

## General Atlantic Partners buying 20-25% of PowerDsine



### **General Atlantic Partners buying 20-25% of PowerDsine** **Power-over-Ethernet company PowerDsine plans a Nasdaq IPO.**

Batya Feldman 12 May 04 19:03

US venture capital fund General Atlantic Partners is about to buy between 20% and 25% of Israeli start-up company PowerDsine, at a company value of \$174 million, that is for a total of some \$40 million.

According to sources close to the company, who could not be interviewed, and although it has yet to file a prospectus with the US Securities and Exchange Commission, PowerDsine plans to raise \$70 million on Nasdaq at a value of \$200-250 million.

General Atlantic Partners is buying the holdings of several of the shareholders in PowerDsine, among them the Vertex, Challenge Fund-Etgar, Poalim Capital Markets, Argoquest, and Catalyst (owned by investment house Cukierman) funds. Clal Industries and Investments and Ampal have announced the sales of shares in PowerDsine. Clal Industries and Investments announced to the Tel Aviv Stock Exchange today that it had sold half its stake (6% out of 12%) in PowerDsine for NIS 48 million. Clal Industries and Investments will record a capital gain of NIS 18 million on the sale. Ampal-American Israel Corporation (AMPL) also announced the sale of half its stake in PowerDsine (3% out of 6%), for NIS 5.7 million. Ampal will record a capital gain of \$2.6 million. The deals reflect a company value for PowerDsine of \$174 million, far less than the company, and its investors, who invested some \$74 million in it, had expected.

PowerDsine, which develops power-over-Ethernet solutions, is considered one of the most promising companies to have developed a field and succeeded in establishing itself as the market leader. In 2003, it had revenue of \$34 million, 70% more than in 2002.

PowerDsine would not comment on the report. Clal Industries and Investments, Catalyst, JVP, Argoquest, Poalim Ventures, Plenus, and The Challenge Fund - Etgar also refused to comment.

Sources inform "Globes" that some of the investors in PowerDsine decided to sell their stakes after it became apparent that expectations of an IPO at a value of more than \$300 million were unrealistic.

Published by Globes [online] - [www.globes.co.il](http://www.globes.co.il) - on May 12, 2004