



VCs Back Net Acceleration

Network accelerator services provider Netli raises \$18 million in its fourth round of venture capital fund-raising.

February 15, 2006

Netli, a startup that sells network acceleration services for online applications, raised its fourth round of venture capital financing Wednesday, collecting \$18 million to fuel its growth.

The 60-person company has raised a total of \$47 million from investors such as Bessemer Venture Partners, Morgenthaler, and Alta Partners.

Granite Global Ventures led Netli's fourth round of financing, which valued the company 50 percent higher than what it had been worth 18 months ago.

'The time to run fast is when no one is snapping at your heels.'
-Gary Messiana,
Netli

Netli tripled its revenue in 2005, grossing some tens of millions of dollars.

The company could stop selling its product now and still double its revenue in 2006, CEO Gary Messiana said, thanks to the company's subscription model for selling its acceleration service.

Reed Elsevier Ventures, an investment arm of the company that owns Lexis-Nexis and other data aggregation products, also participated in the financing as a strategic partner.

The round of financing is intended to help the company accelerate its sales and growth.

Bigger Bite

"We will get a bite of an apple; the faster we get there, the bigger the bite will be," Mr. Messiana said. "This [money] allows me to be more aggressive. It allowed me to do more of what I'm doing, only faster."

"The time to run fast is when no one is snapping at your heels," Mr. Messiana said. "When you hear the snap it's too late."

Mr. Messiana turned to Granite Global Ventures to lead the round because of the firm's reach into Chinese markets. The investment firm scored a big win last year when Yahoo decided to take a strategic position in Alibaba (see [Yahoo's \\$4B Alibaba Move](#)). The firm invests as much as 30 percent of its \$225-million fund in China. "They have a very strong presence in Asia," Mr. Messiana said.

Netli's service makes accessing a web server on the other side of the globe as easy as accessing the local area network. This is particularly important given the greater the distance between computers. A desktop in California, accessing a web server in China, could take as long as 15 seconds to pull up the

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page. This kind of lag between an information request and its delivery makes it difficult to use web-based applications.

Netli's technology helps deliver pages seamlessly despite the distance. "This is a huge idea and customers love it," said Gary Little, an investor with Morgenthaler. "And I don't mean little customers."

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