

## VCs Sit Tight As Nimsoft Nabs Indicative Software

Nimsoft Inc., a developer of software that manages information technology resources and application performance, has entered into an agreement to acquire Indicative Software Corp., which sells service management software.

Gary Read, Nimsoft's president and chief executive, declined to provide the terms of the cash and stock deal, which is expected to close this week.

Both companies are backed with a similar amount of venture funding, but Read said Nimsoft didn't need to raise additional funds to finance the acquisition. Though Nimsoft was founded 10 years ago, it raised a \$10.3 million Series A round from JMI Equity and Northzone Ventures in January 2007.

Indicative had raised \$14.7 million in venture capital prior to the acquisition. Read said none of the company's current investors, which include Sequel Venture Partners, Sutter Hill Ventures and Vista Ventures, will exit with the acquisition.

The acquisition of Fort Collins, Colo.-based Indicative will augment Nimsoft's business service management and end-user response software capabilities.

With the addition of approximately 20 of Indicative's 22 employees, Nimsoft's staff will grow to about 165, Read said. The combined companies had about \$35 million in customer sales in 2007, he said.

Read added that Redwood City, Calif.-based Nimsoft's revenue grew about 77% in 2007. The company has 620 customers in 29 countries, and Read said it is close to profitability.

Companies such as Hewlett-Packard Co., International Business Machines Corp., BMC Software Inc. and CA Inc., are all major competitors to Nimsoft. But Read said those companies have poor customer service - something at which Nimsoft excels, he said. Read said the company sees a more than 99% customer renewal rate annually.