



Boeing enters Canada's VC market

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In its first foray into the Canadian venture capital market, U.S. aerospace giant **Boeing Co.** said Thursday, Feb. 20, it has invested \$10 million in Montreal-based VC fund **TechnoCap Inc.**

Boeing said the investment, through its Phantom Works research and development unit, is part of a plan to increase VC investments to \$300 million this year.

Canadian VC watcher Kirk Falconer, director of research for Toronto-based VC tracking firm **Maddonald & Associates**, said Boeing's strategy marks renewed confidence among investors, many of whom had abandoned the ailing technology sector.

Falconer said the deal is "a fairly important signal for what the expectations are for the market returning in the not-too-distant future."

TechnoCap, which has C\$250 million (\$165 million) under management, bills itself as an investor in "extreme performance technology companies" and counts Canadian software companies **YottaYotta Inc.**, **Hyperchip Inc.** and **BigBangwidth** among its investments.

Miller Adams, director of technology planning and acquisition for Phantom Works, said in a statement Thursday the TechnoCap deal represents a commitment to investment in Canada, "where a great deal of excellent technology work is being done that can be used to streamline our business processes and enhance the value of our products and services."

Adams said that through its investment in TechnoCap, Boeing will have access to companies developing technology it can use, particularly those focused on networking hardware and enterprise software and services.

Falconer said the deal follows an "incredible" fund-raising pace in 2002 in Canada, during which private funds brought in C\$1.1 billion.

"TechnoCap has just taken the next step of not only bringing in more money but bringing it in from a source that we've never seen before," Falconer said.