



Case study

Creating... the technology for mobile Bluetooth

CSR

From Cambridge start-up to \$1bn global company



Funded by



CSR's founders had developed a disruptive technology, combining digital and analogue circuits on a single chip for use in Bluetooth modems. Commercial potential was based on two premises: that the communications industry would support the 1998 Bluetooth standard and that a growing market for mobile communications would require high bandwidth, low cost, non line-of-sight technology.

Key Successes

- Development, with the founders, of the company's Bluetooth strategy
- Pursuit of constant IP registration and protection
- Recruitment of senior management team
- Introductions to strategic investors, including Intel, ARM, Compaq, Sony and Siemens.
- Employment from 9 to 489; sales from zero to \$487 million (at flotation)

The investment

The founding investors knew this was to be a long-term investment of commitment and finance. The risks were considerable: uncertainty about acceptance of the Bluetooth standard; combining circuits on a single CMOS chip had not been done before and would be complex; intense competition anticipated from established companies to be first to market with a single chip.

CSR consistently met its technical targets, attracted world-class management and, through four rounds of funding, developed into a silicon products company with a strong patent-protected portfolio.

An IPO had been planned for early 2002, but the technology crash of 2001 occasioned a change of plan - and an agreement with Nokia. CSR eventually floated on the London Stock Exchange in March 2004 and joined the FTSE-250 in July that year.

Investment rationale

- Track record of founders who had worked together developing chips and winning business from major telecoms and consumer products manufacturers
- Potential in complex and disruptive technology
- Belief that, by integrating complete radio system, baseband and microcontroller functions, CSR could build long-term defensible position

Investor:	Amadeus Capital Partners (with Gilde and 3i)
Location:	East of England
Sector:	Communications
Stage:	Start-up 1999
Exit	IPO 2004
Company website:	www.csr.com
Investor website:	www.amadeuscapital.com

“The three original investors in CSR, Amadeus, 3i and Gilde, provided a well-balanced group of technology-literate and commercially-savvy investors. They worked well together, complementing our founding management, to form an efficient and effective board of directors. These investors supported the Company with deep pockets, networks and advice through to its IPO in March 2004.”

Dr Phil O'Donovan, Co-Founder CSR plc

