

INTERNET

Less to cheer about  
Yahoo warns investors



SAN FRANCISCO ♦ Yahoo Inc. warned yesterday that slowing ad growth will depress its third-quarter results, marking the Internet powerhouse's latest letdown.

The prospect of a slowdown in online advertising rattled Wall Street, which has been operating under the assumption that Internet companies would fare relatively well even in a sluggish economic time.

*Spectator wire services*

TECHNOLOGY

Microsoft new service  
enhances video sharing



SEATTLE ♦ Microsoft is rolling out a new video service in hopes of tapping into the popularity of uploading and sharing videos online.

"Soapbox on M-S-N Video" will let Internet users watch and post videos, rate or comment on them, and share favourites by e-mailing them or linking them to their personal Web pages or blogs.

*Spectator wire services*

ACCOUNTING

Hamilton accountant  
elected to CMA board



Hamilton accountant Nigel Jacobs, chief executive of Taylor Leibow LLP, has been elected to the board of governors of the Certified Management Accountants of Ontario.

CMA Ontario governs the province's 16,000 CMAs. "Nigel is recognized, in both Canada and the United States ...," said Taylor Leibow partner Stephen Wiseman.

*The Hamilton Spectator*

▼ DOLLAR 88.68 US -0.77	▲ EURO 1.43 Cdn +0.96	▼ TSX 11,701.71 -61.84	▼ TSX VE 2,537.44 -40.08	▼ TSX 60 664.50 -2.68	▼ DOW 11,540.91 -14.09	▼ S&P 500 1,318.31 -2.87	▼ Nasdaq 2,222.37 -13.38	▼ GOLD \$576.80 US -\$9.40 US	▼ OIL (West Tr.) \$61.67 US -\$2.13 US
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Mutual listings in Monday's Spectator



PAUL HOURIGAN, THE HAMILTON SPECTATOR

Mac chemistry professors Mike Brook, left, and John Brennan chat with Andrey Szynda of Ventus Fund, which is in final stages of raising \$5.3 million from private investors.

# GROWING IDEAS

## Seed fund could help Mac chemistry profs develop drug-testing technology

BY NAOMI POWELL

Chances are the "McMaster Sol Gel Microarray" will never become a household word. But with the right funding, a pair of McMaster chemistry professors think it could become the next big thing in drug testing.

Enter the Ventus Fund — a new venture capital "seed" fund aimed at commercializing technologies developed at Ontario universities.

McMaster University has thrown its support behind the fund, now in the final stages of raising \$5.3 million from private investors, says the fund's general partner, Andrey Szynda.

"What I tell researchers is they don't need a business plan," said Szynda, who heard a string of pitches from McMaster professors and researchers yesterday. "What we want is the technology."

That technology could be anything

### Funds by the numbers

- Seed funds, also known as angel investors, make high-risk investments in startup companies with promising ideas.
- Venture capital funds take a slightly lower risk, providing the round of funding that follows seed funding, financing for new businesses or projects that lack the money to expand.
- 42 — number of investments in Canadian seed deals in 2005.
- 633 — number of Canadian venture capital deals in 2005.

from a needle-free insulin patch to the Sol Gel Microarray, the brainchild of McMaster chemistry professors John Brennan and Mike Brook. Their technology uses a printer similar to an ink jet to trap various active proteins inside a glass microscope slide. Many diseases

stem from the relationship between different proteins and the slide would allow pharmaceutical companies to determine how their drugs affect it, Brennan said.

Brennan and Brook still have some research to do and they figure it will be two years before their product even hits the market — just the right stage for Ventus.

While more traditional venture capital funds prefer to invest in existing companies ready to expand into more lucrative markets, Ventus gets involved early in a product's development, often taking higher risks in hopes of reaping healthy returns.

"It's rare to find an entire fund focused on seed because it's such high risk," said Darrell Pinto, director of global private equity performance at Thomson Financial.

"You might get two home runs out of the 10 companies you fund, two failures

and the rest mediocre."

Ventus found a way to offset that risk by registering with the Ontario Commercialization Investment Fund, Szynda says, a government program that refunds 30 per cent of all seed money invested in technologies born at Ontario research institutions.

The fund plans to make three investments per year of between \$250,000 and \$750,000 each but will often have arranged for larger venture capital funds to get involved at a later stage, Szynda said.

"They asked lots of questions so that's good," Brook said after his meeting with Szynda yesterday.

"A lot of these venture capital funds are connected so if these guys aren't interested there may be someone else who is."

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# Layoffs loom for Chrysler plants

## Reducing shipments of trucks, SUVs and minivans

DETROIT ♦ The Chrysler division of DaimlerChrysler AG (NYSE:DCX) has been side-swiped by a shift in demand toward smaller vehicles and is radically reducing its shipments to dealers.

This will result in temporary factory layoffs which the company declined to specify yesterday. Chrysler, which depends on trucks, sport utility vehicles and minivans for more than 70 per cent of its sales, said it is cutting third-quarter deliveries to its American dealers by 90,000 units, or nearly 24 per cent, to 290,000.

For the second half of the year, Chrysler plans to reduce U.S. shipments by 16 per cent from its previous target, to 705,000 vehicles.

Tom LaSorda, president of the German-American automaker's North American Chrysler group, refused to say which assembly plants will take downtime, and how much.

He said, though, "many of the cuts are sitting in the truck market and the large-SUV market."

Chrysler Canada assembles large rear-wheel-drive sedans in Brampton, west of Toronto, and produces minivans in Windsor, Ont.

Union officials have been quoted as saying Brampton, which produced 177,422 cars in the first half of the year, will shut for three weeks in the first quarter of 2007 in addition to two weeks next month. Windsor churned out 164,259 minivans in the January-June period.

LaSorda said there are no plans for permanent plant closures.

*The Associated Press*

### SPECTICKER... POWER CENTRE. GOING ON A JOB INTERVIEW? BE NICE TO THE RECEPTIONIST. GO 18



THE ASSOCIATED PRESS

Tickle Me Elmo has some amazing moves, says the editor of a toy industry magazine.

# Elmo's got new moves

## Mattel unveils extreme version of toy on 10th anniversary

BY CAROLYN THOMPSON

EAST AURORA, N.Y. ♦ He's still red, fuzzy and really ticklish, but now Elmo's laughing fits have him slapping his knee, falling to the floor, rolling over and pounding his arm.

Fisher-Price, a unit of Mattel Inc., took the wraps off T.M.X. Elmo yesterday, ending months of unprecedented secrecy that's had the toy industry abuzz. Until the unveiling, only about 50 people had seen it.

Predicted to be a hot holiday seller, the new and improved Tickle Me Elmo made its debut

on ABC's "Good Morning America" as customers lined up at Toys "R" Us, Wal-Mart and KB Toys.

The "X" in T.M.X. stands for extreme.

"When I originally saw a picture of how it moves, I really thought there were some sort of wires, like a puppet, moving it," said Jim Silver, editor-in-chief of Toy Wishes, a trade publication. "We've never seen a stuffed animal that has this type of movement."

The debut of T.M.X. Elmo was timed to the 10th anniversary of Tickle Me Elmo.

Mattel president Neil Friedman had been president of Tyco Toys, now a unit of Mattel, when it launched the original Tickle Me Elmo, which had parents of preschoolers elbowing each other in the aisles.

Executives at KB Toys Inc. and Toys "R" Us Inc. said pre-orders for the toy, which retails for \$39.99, have exceeded expectations.

Silver expected demand to be high, not only for the buzz and novelty, but because of the advanced technology.

*The Associated Press*