

**Index Ventures Dresses Up Stardoll.com In Dollars**

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Paper dolls are making a comeback online.

Stardoll.com, a Swedish Web site that allows users to dress up their favorite celebrities, has secured \$4 million in Series A funding led by Index Ventures. Angels also participated in the round.

In addition to the funding, Stardoll.com appointed its first formal CEO, Mattias Miksche, 37 years old, founder of Swedish online DVD rental company Boxman AB.

The new financing will be used to develop the Stardoll.com Web site, which is scheduled to be updated in the second quarter of 2006. "We're planning to enhance the functionality and add features that focus on the community aspects of the service," said Miksche.

Targeting girls between the ages of 5 and 14, Stardoll.com will allow them to choose from over 320 celebrity look-alike virtual dolls, including Britney Spears and Camilla Parker-Bowles. Girls can then choose clothing and accessories for the dolls, as well as change their hair and makeup. The site currently relies on advertisements to generate income, although future versions will charge users fees to access certain dolls and more elaborate garments.

"This is a very unique concept, one that targets an underserved demographic," noted Miksche. "The key here is to allow young girls to play, to give them an Internet site that is safe and fun."

Stardoll.com does not have any direct competitors, although virtual communities like Neopet and Habbo Hotel have a sizeable young female user population, said Miksche.

"Index has a history of choosing companies that recognize inflection points in the market," said an Index spokesperson. "Stardoll has some very compelling content, and they realize they are tapping into a niche that has largely been ignored."

Index's portfolio includes Skype Limited, the Internet communications company recently acquired by eBay Inc. and FON Technology SL, the developer of a global WiFi network.

Miksche said Stardoll.com was not planning another funding round at this time.

Formerly known as Paper Doll Heaven, the Stockholm-based StarDoll.com was founded in 2002.

<http://www.stardoll.com>