

New Zealand

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The NZ Venture Capital Monitor 2003

Executive Summary

Welcome to the New Zealand Venture Capital Monitor. This issue consolidates the findings of previous surveys and provides a review of 2003. In addition to commentary on local and global industry trends, we spotlight current industry initiatives and issues of interest. This report is based on responses received from New Zealand's leading Venture Capital and Private Equity firms. This and future surveys will enable us to:

- create accurate information on the size and structure of the Venture Capital and Private Equity industry in New Zealand;
- facilitate analysis of industry trends and portfolio returns over time;
- better quantify the impact of the industry on the New Zealand economy; and
- assist generally in developing the Venture Capital and Private Equity industry in New Zealand.

Respondents to this survey ranged from funds focussed on seed and early stage companies through to private equity funds focussing more on later stage opportunities.

Important findings from this survey are:

- committed capital for the industry as at 31 December 2003 has grown to approximately NZ\$1.12 billion, and of that NZ\$568 million is available for investment in 2004, an annual increase of 16% and 23% respectively;
- 51 deals were reported for the year with an investment value of approximately NZ\$88 million, an increase in deal activity of 31% while dollars invested were marginally ahead of 2002;
- 69% of the deals in the current year were new investments, up from 44% in 2002;
- 7 divestments were reported for the year which realised approximately NZ\$107 million, a significant increase in both activity and value when compared to 2002;
- the most active sectors in terms of number of investments continued to be IT and Software (20) and Communications (6), however Health and Biosciences accounted for the highest value of capital invested during the year;
- investors continued to favour expansion and later stage investments which accounted for 90% of investment by value and 82% by activity, however there is an expectation that early stage investment will feature more prominently in 2004 as various industry initiatives make an impact.

Thank you for your interest in, and support of, this initiative.



Jon Hooper
Director
Ernst & Young Ltd



Christopher Twiss
Executive Director
New Zealand Venture Capital Association

Review of 2003

In the footsteps of giants

The New Zealand Venture Capital and Private Equity industry came of age in 2003 providing the market with a number of well publicised deals while at the same time delivering an unprecedented level of divestment activity. Policy makers recognised some time ago the role this industry could play in improving our economic viability and global competitiveness. It is therefore pleasing to be able to report this year's result against a backdrop of growing awareness of the industry and its future.

Public markets remained cautious during 2003 and global equity investment levels were down on 2002 and well short of numbers achieved in 2000 and 2001. Economic uncertainty combined with a healthy level of skepticism towards new opportunities contributed towards another year of managing portfolios with modest levels of new investment.

A period of consolidation globally has also provided us with some breathing space locally to further develop the industry by examining some of the structural issues, such as the Limited Partnership ("LP") structure, which arguably have put us at a strategic disadvantage when seeking foreign investment. It has also allowed us to put in place additional support networks (e.g. Project Beachheads) to assist companies growing and going global.

We will examine some of these issues later when looking specifically at New Zealand initiatives. The good news is that we have made progress on both fronts and if global activity in the fourth quarter is anything to go by, we will be grateful for the opportunity to get our house in order. Although anyone involved in the process will be well aware of the work that still remains to be done.

While economists remain somewhat divided on their economic outlook, the consensus of opinion in the Venture Capital and Private Equity industry is that 2003 signalled the bottom of the cycle and a period of industry growth is on the horizon.

The year has also provided an opportunity for industry players to add to their war chests and raise new capital of NZ\$81.6 million for the year, with approximately half coming from VIF fund managers. In addition we welcome NZ\$69.7 million from new respondents, which brings the committed capital to NZ\$1.12 billion as at 31 December 2003. Refer to Table 1 for a detailed breakdown of committed capital balances, of this total 51% is available for investment in 2004. This highlights growth in both committed capital and capital available for investment of 16% and 23% respectively since our inaugural survey in 2002.



Table 1: New Zealand Venture Capital/Private Equity Committed Capital Balances as at 31 December 2003.

Fund Manager	Committed Capital Balance as at 31 December 2003 (NZ\$)
AMP Henderson Private Capital NZ	195,600,000
ANZ Private Equity	171,888,000
Pencarrow Private Equity Ltd	150,000,000
Direct Capital Private Equity	135,000,000
Rangatira Limited	110,000,000
West Coast Development Trust	108,000,000
No 8 Ventures Management Ltd	62,000,000
Active Equities	55,000,000
Endeavour i-cap Ltd	39,000,000
iGlobe Treasury	31,175,000
Goldman Sachs JBWere NZ Limited	22,000,000
Other/Not separately disclosed	194,400,000
	1,274,063,000
Adjustments for Joint Management	
AMP / Pencarrow	(150,000,000)
Total Committed Capital as at 31 December 2003	1,124,063,000

Investment Activity – Simmer and Stir Occasionally

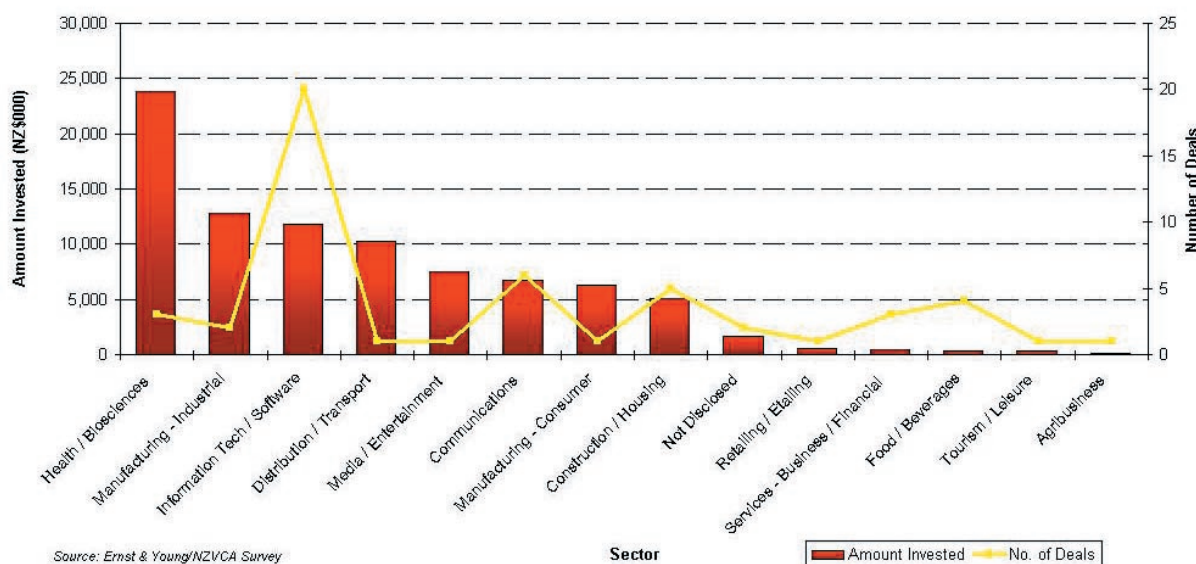
Despite a marked decline in dollars invested during the second quarter of 2003, investment for the year totalled NZ\$87.7 million, marginally ahead of 2002. The real news for 2004 is the significant increase in the number of deals done, with 51 deals reported for 2003 compared to 39 in 2002, an increase in activity of 31%. Broken down, the second half of the year saw 28 deals totalling NZ\$56.1 million compared to 23 deals and only NZ\$31.7 million invested in the first half of the year.

It is also interesting to note there was a rise in the level of new deals undertaken during the year from 44% in 2002 to 69% in 2003. Both of these factors lend support to the observation that we have reached the bottom of the cycle.

Average and median deal sizes during 2003 were NZ\$1.7 million and NZ\$500 thousand respectively, both of which are down on 2002 levels. The decrease was the result of two large deals done during the year combined with a trend towards smaller first round and follow on investments linked closely to the achievement of specific milestones.

“The real news for 2004 is the significant increase in the number of deals done, with 51 deals reported for 2003 compared to 39 in 2002, an increase in activity of 31%.”

Figure 1 - New Zealand Venture Capital Investments by Sector - 2003



As figure 1 shows, investment activity continues to be diversified across a broad range of sectors, although we are moving more into line with global trends with increased investment into Health and Biosciences during 2003.

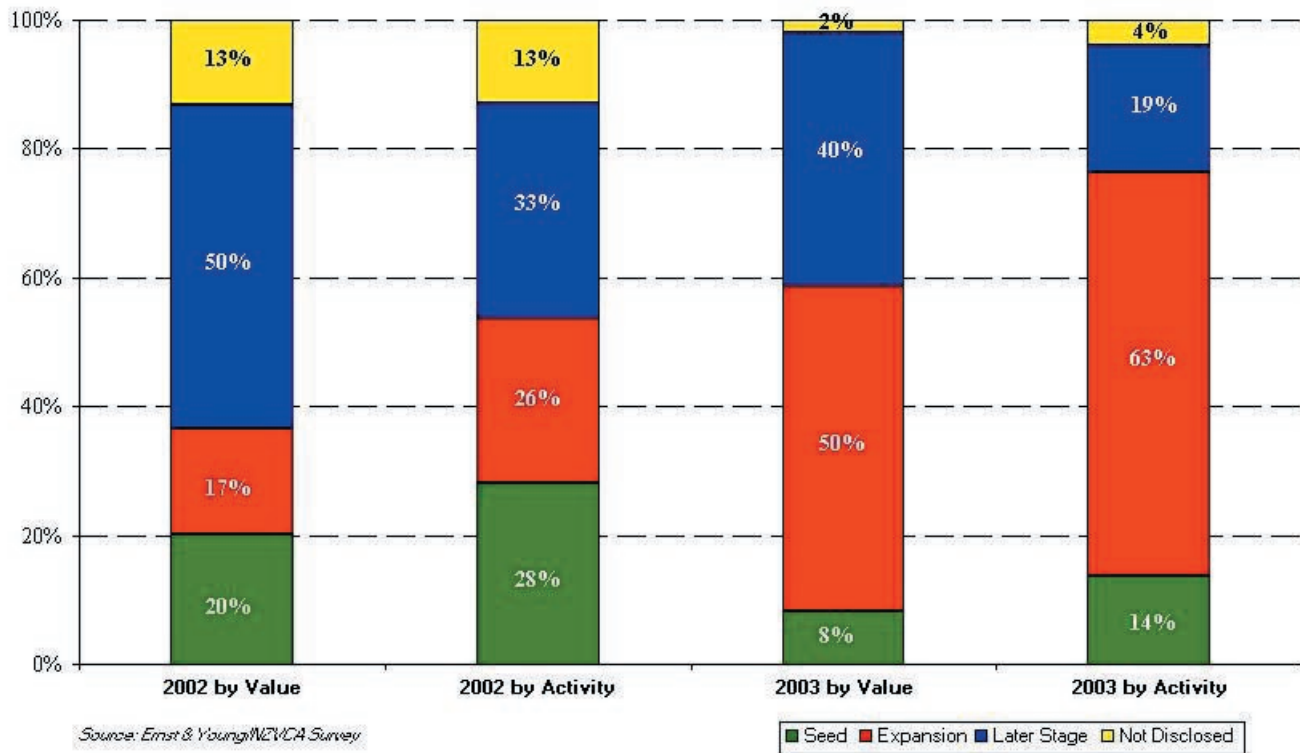
In terms of deals done, the most active sectors continued to be IT/Software (20 deals) and Communications (6 deals) with Construction and Housing (5 deals) also featuring prominently in this years numbers.

In value, Health and Biosciences was the dominant sector with three deals worth NZ\$24 million or 27% of the total investment for the year by value. Compared to 2002 this equates to an additional NZ\$18.3 million injected into this sector. As detailed later in "sectors to watch", the majority of investment in this sector relates to the well publicised Protomix deal.

Other sectors worthy of mention are Manufacturing, both industrial and consumer, which combined had NZ\$19 million or 22% of the investment by value. Consistent with Health and Biosciences investment in this sector was dominated by one deal being the Chequer Group management buy-in completed by ANZ Private Equity. The proportion of investment into this sector is high when compared to the US and Europe. This trend is probably a reflection of the depth of good opportunities which exist in established family or privately held businesses in New Zealand where succession planning is becoming more of an issue.

“In value, Health and Biosciences was the dominant sector with three deals worth NZ\$24 million or 27% of the total investment for the year by value. Compared to 2002 this equates to an additional NZ\$18.3 million injected into this sector.”

Figure 2 - New Zealand Venture Capital Investment by Stage - 2002 & 2003



The proportion of investment into established businesses is reflected in the statistics of investment by stage (see figure 2). Consistent with 2002 figures there has been high proportion of investment into expansion and later stage opportunities. While the statistics of investment by value paint a somewhat bleak picture for seed and early expansion with only 8% of total dollars being invested into ventures in these stages, the activity statistics look more promising with 14% of the deals done at this stage.

These statistics do however, confirm the low level of New Zealand Venture Investment Fund ("VIF") investments which have been made to date. But perhaps more importantly these statistics highlight the importance of establishing VIF and mandating investment at the seed and early expansion stage. Without

this initiative, investment activity would almost certainly continue at the levels reported. Certainly there is an expectation that the level of investment into seed and early expansion businesses will feature more prominently as the VIF money is invested.

Auckland continued to be the preferred location for investment in 2003. Investments made outside the main centres of Auckland, Wellington and Christchurch accounted for 23% of the total value invested. Interestingly, 8% of the total investment value reported was made into overseas companies. Christchurch, which featured prominently in 2002 with five deals, was home to only one deal in 2003.

Divestment Activity

To complete the picture for the year we must reflect on the divestment activity undertaken. Arguably it is divestment activity more than the number of investments that gives the best barometer of a market's maturity. If this is true then 2003 heralded the start of a new era with a total of seven divestments which in total realised NZ\$107 million. These statistics are significantly ahead of 2002 and demonstrate a vibrant market. Consistent with global trends exit mechanisms were either trade sale or share buy backs. It will be interesting to see if the increased global Initial Public Offering ("IPO") activity combined with the New Zealand Stock Exchange moves to simplify compliance matters will encourage more listings and have an impact on the exit mechanisms reported for 2004.

The reported Internal Rates of Return ("IRR") on exit ranged from 18% to 103% with the average rate reported being 48%. The returns reported demonstrate what can be achieved by this industry and go some way towards validating the results of a recent British Venture Capital survey which indicated that private equity backed companies frequently outperform other businesses in terms of revenue growth returns to the economy.

"...2003 heralded the start of a new era with a total of seven divestments which in total realised NZ\$107 million. These statistics are significantly ahead of 2002 and demonstrate a vibrant market."

Turning to the Crystal Ball

In this survey we asked our respondents to comment on how they found the deal flow for the second half of the year compared to the first half of the year. Industry opinion was unanimously "similar" to "improved slightly" a sentiment that supports the industry statistics presented earlier. As a follow on question we asked whether or not respondents would be more or less likely to co-invest with Venture Capital and Private Equity partners in the next twelve months. The response was split with half the respondents indicating no change and the other half saying "more likely". The Protomix deal a good example of how a consortium of 38 investors successfully co-invested to raise NZ\$18 million of growth capital¹.

Finally, we asked our respondents to provide their outlook for 2004. Consistent with global expectations for this industry all respondents surveyed believe 2004 will be a positive year for the New Zealand industry.

"Consistent with global expectations for this industry all respondents surveyed believe 2004 will be a positive year for the New Zealand industry."



Global Perspective

There is a feeling of optimism in the global Venture Capital and Private Equity industry. Positive indicators such as resurgence in the IPO market and more Venture Capital companies planning to raise additional funds in 2004 suggest the industry is warming up again.

In the US, deal flow for the second half of 2003 was similar to the first half of the year. In total, the number of investments and amount invested in 2003 were down 15% and 20% respectively on 2002². In terms of where the investment was made, Healthcare (including Biosciences) continued to dominate. In the second half of 2003, the amount invested in Healthcare grew 41% with the majority of investment into Biopharmaceuticals³. In contrast, IT (including software) investment was down 11% reflecting a continued cooling off in the Technology sector⁴.

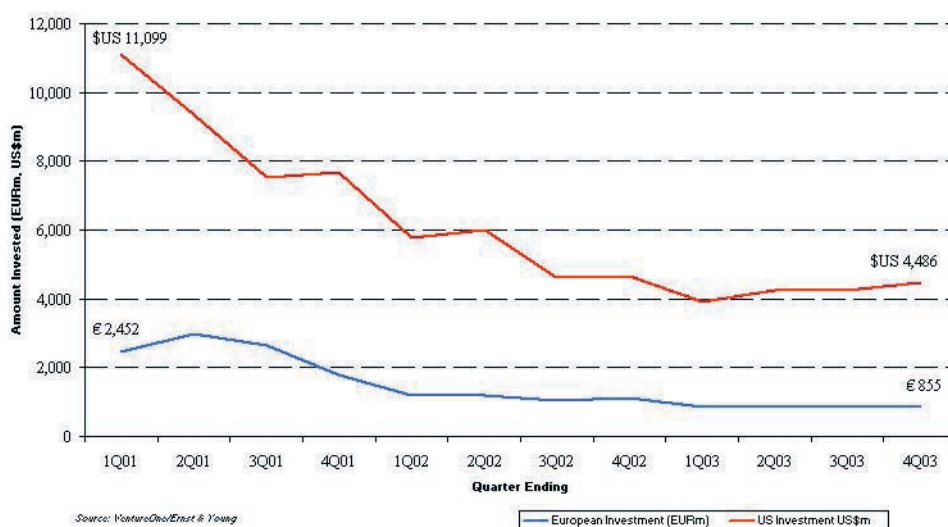
Consistent with previous quarters and our own experience locally, US investors continue to favour later stage investing. However, the results of the 2004 VentureOne/Ernst & Young Outlook study indicate that venture capital firms are planning to make several investments in seed and first round deals over the next year. The survey findings suggest the industry globally is again becoming more receptive to start-up companies looking for early stage financing

The US IPO market picked up significantly in the fourth quarter with double the amount of deals and monies raised compared to quarter three. However, reinforcing the slow start to the year was the fact that only one more IPO was completed in 2003. The companies that went public in 2003 experienced a small rise in pre-money valuations, were older, required more capital prior to IPO and raised less at IPO. These observations support the view that public markets remained cautious during 2003. Figure 3 provides a quarterly comparison of US and European investment trends for the period 2001-2003. The point to note from figure 3 is the similarity between the markets.

In Europe, the number of investments and amount invested in 2003 was down 31% and 23% respectively on 2002⁵. The industry sectors dominating investment were Biopharmaceuticals and Software. Again, the encouraging sign from the European results was the renewed interest in early stage investing. In fact, seed and first round deals accounted for a third of all deals completed in the fourth quarter.

In Australia, the amount invested in the third quarter decreased 35% to A\$207 million while the number of deals remained static⁶. Of the total quarter activity, 41 deals totalling A\$175 million (85%) were directed to new investments and 65 deals totalling A\$32 million (15%) into follow-on investments⁷. Buyout transactions continued to account for a large percentage of the investment made in the Healthcare and Biosciences and Information Technology and Software sectors, which were the most active in terms of deals completed.

Figure 3 - Global Equity Investment 2001-2003



2 Source: VentureSource

3 Source: Ibid

4 Source: Ibid

5 Source: Ibid

6 Source: Australian Venture Capital Journal Dec 2003

Sectors to Watch

In this section we spotlight the New Zealand Venture Capital and Private Equity activity in the Biotechnology and Information Technology sectors. These sectors have both enjoyed significant levels of investment activity and based on global trends are likely to continue to receive significant funding from the Venture Capital and Private Equity industry.

Biotechnology

As reported in our inaugural survey, investment into Health and Bioscience in New Zealand during 2002 was low in comparison to the level of investment reported internationally for this sector.

In comparison, the 2003 year saw a total of three investments made in the Health and Biosciences sector accounting for 27% of the total dollars invested by the industry. The majority of this balance was represented by the well publicised NZ\$20 million Protomix investment. Protomix is a New Zealand Biopharmaceutical company that develops therapies for cardiovascular disease, diabetes mellitus and other metabolic disorders. In September 2003, Protomix raised NZ\$18 million from a consortium of 38 private investors headed up by Birnie Capital Partners who took a 25% stake in the company⁸. New Zealand Trade and Enterprise provided the remaining NZ\$2 million by way of development grant to keep the company's Laszarin project in New Zealand. Just three months after securing the initial growth capital, Protomix are seeking an additional NZ\$50 million to continue growing.

Investment into Biotechnology has more than any other sector required very deep pockets. The legal and regulatory hurdles which must be overcome to satisfy the various stages of clinical trials required to bring a product to market have always made this a long term high risk investment option. The returns from this sector can however be significant for those companies that make it.

Recognising the obvious gap in the industry and to stimulate early stage industry funding for the rising stars of the Biotech industry the Government has dedicated NZ\$25 million to set up the "Biotech Fund". Essentially, the fund is a hybrid of the existing Venture Investment Fund ("VIF"). To date, seven fund managers have submitted proposals to run some, or all of the government investment money. Final selection of the fund manager(s) is expected in March 2004 with funds available for investment in late 2004.

Information Technology

In 2002, IT and Software was New Zealand's most active sector with 12 deals completed accounting for 21% of the total dollars invested. This trend continued in 2003 with 20 investments representing 13% of the total investment for the year. These results are in line with global trends where IT investment has traditionally dominated investment flows.

Similar to the Biotechnology taskforce, the Information and Communications Technology ("ICT") taskforce challenged both government and industry in November 2002, to remove identified barriers to growth and establish 100 companies turning over NZ\$100 million each by 2012. The HiGrowth Project was launched by New Zealand Trade & Enterprise ("NZTE") to address this challenge. To achieve this goal the Venture Capital and Private Equity industry once again has a vital role to play in funding many of these high growth companies.



New Zealand Initiatives

Integral to growth of any successful business or industry are growth drivers. It all starts with strategy and in response the government has established sector-led taskforces to develop and set the growth strategy for each of the selected industries. To make strategies happen finance is the fuel. This is where the Venture Capital industry has a key role to play in improving our economic performance and global competitiveness. Later in this review we look specifically at the Irish experience of venture capital.

New Zealand Venture Investment Fund

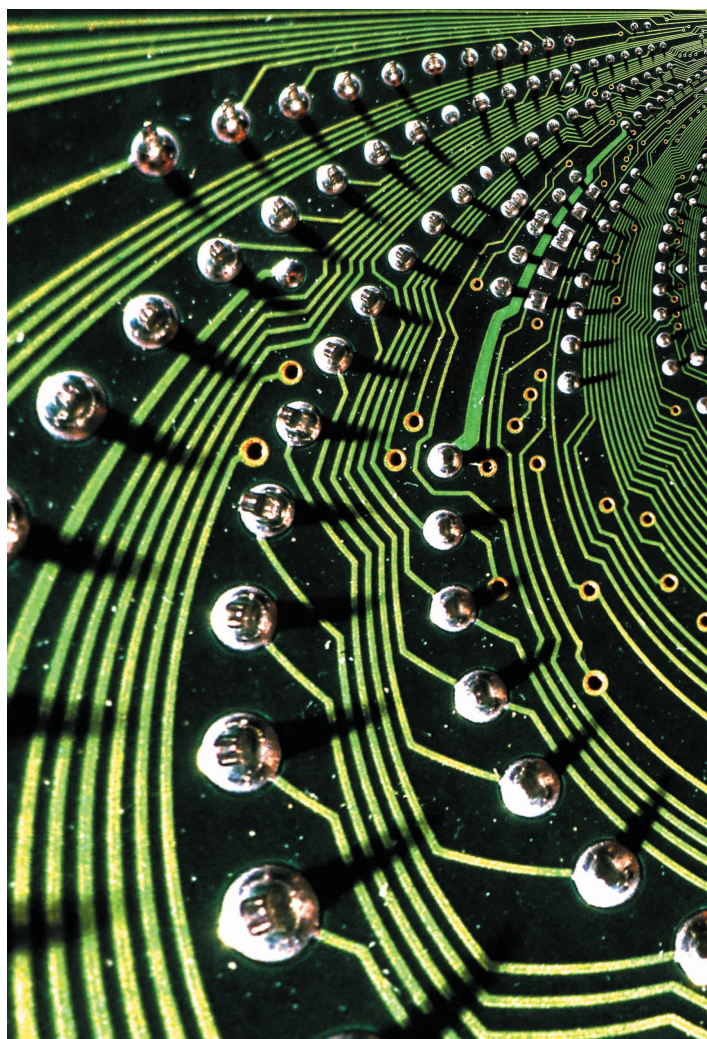
In 2001, the New Zealand Government set up the Venture Investment Fund ("VIF") to accelerate the development of the Venture Capital industry with the investment of NZ\$100 million. Of the NZ\$100 million invested, NZ\$25 million has now been dedicated to the "Biotech Fund". The fund was established after evaluating state backed initiatives in Israel and Australia to address the lack of institutional investment in early stage New Zealand businesses. The VIF investment is managed by private sector fund managers who match the tax-payer investment two to one with private funds. There is a view that this initiative will reach maturity when industry players establish their own "fund of funds". Until such time industry players have a key role to play co-investing with the government in early stage high growth businesses. For more information on VIF see www.nzvif.com.

Growth and Innovation Framework

As a follow on to the VIF programme the New Zealand Government in 2002 released its Growth and Innovation Framework. The goal of the framework is to return New Zealand to the top half of the OECD in GDP per capita rankings. One of the initiatives of the framework has been to select high potential industries and direct government effort towards them. The four industries identified include Information and Communications Technology, Biotechnology, Screen Production and Design.

Project Beachheads

In May 2002, the Beachheads programme was set up by NZTE to assist New Zealand emerging companies gain a foothold in certain overseas markets. With the costs of setting up an overseas office out of the reach of many New Zealand early stage companies looking to go global, the programme is aimed at minimising the financial and market risk of entering a new market. So far, beachheads have been established to focus on specific sectors and markets. Examples include the marine sector in Fort Lauderdale, USA opened in October 2002 and ICT sector in the Silicon Valley, USA opened in 2003. This initiative is seen as a key step in connecting New Zealand businesses to global supply chains.



Escalator Service

In December 2003, NZTE launched the Escalator Service to replace the Investment Ready Scheme which had been running for several years by Economic Development Association of New Zealand ("EDANZ") and I Grow New Zealand Limited. The aim of the service is to promote business growth by providing SME's and entrepreneurs with capital and/or skills and assistance to pursue investment opportunities. See www.vcapital.co.nz for more information.

Business Incubators

Business incubators are facilities designed to assist businesses during the early stages of development. The incubation period is normally one to three years in which time the incubator may provide a range of services from shared premises, business advice, networking and mentoring through to a full time manager. Examples of New Zealand incubators include The Icehouse and Massey University's e-centre.

The Icehouse was developed with the help of several leading industry players to form part of the University of Auckland Business School. The success of the Icehouse initiative over the last three years has resulted in participants experiencing average turnover growth of 24% per annum, twice the New Zealand average⁹. Encouraging statistics from just one of the many business incubator facilities in New Zealand. Lets hope we can replicate the US statistics that show business incubators increase the success rates of start-ups from 20 to 87%¹⁰.

HiGrowth Project

The HiGrowth Project is a charitable trust which was started in response to the ICT taskforce report completed in 2002. The taskforce report challenged both industry and government in the next ten years to grow and establish 100 companies with turnover greater than NZ\$100 million. If this goal is achieved then the taskforce estimates that the ICT sector is capable of raising its current GDP contribution from 4.3% to 10%¹¹. For further information see www.higrowth.co.nz

The Irish Venture Capital Initiative

We have chosen to compare the venture capital initiatives of Ireland and New Zealand since both countries have free open market economies and an almost identical population base. Having made those comparisons it is interesting to note that the 2002 Irish GDP is 1.75 times larger than New Zealand and the real GDP growth rate is 2.4% higher per annum¹².

Similar to the New Zealand VIF fund, Enterprise Ireland ("EI") a government organisation, set up a Seed and Venture Capital fund in 1994 to provide early stage equity capital to small and medium sized growth orientated businesses. Following on from the success of the initial programme, which invested €110 million in over 120 companies from 1994-2000, EI launched its second programme committing an additional €95 million to the same market segment for 2001-2006¹³.

In addition to Seed and Venture Capital funds, EI also facilitates business incubation centres with tertiary institutions similar to The Icehouse and Massey's e-centre. These incubators provide advisory services to assist SME's achieve their growth aspirations.

The positives for the New Zealand Venture Capital industry is that New Zealand can potentially look forward to the same period of high growth Ireland experienced in the 1990's fuelled by venture capital.

"The positive for the New Zealand Venture Capital industry is that New Zealand can potentially look forward to the same period of high growth Ireland experienced in the 1990's fuelled by venture capital."

9 Source: New Zealand Trade and Enterprise
10 Source: Ibid

11 Source HiGrowth Project website

12 Source: Economist Intelligence Unit
13 Source: Enterprise Ireland



Current Industry Challenges

Limited Partnership ("LP") Structure

A hot topic of industry debate at present is whether or not New Zealand will follow Australia's lead when adopting the limited partnership ("LP") structure for venture capital funds. The LP structure is used by many international jurisdictions with active venture capital/private equity industries and is widely regarded as the best practice structure. While the commonly used investment structures in New Zealand offer fundamentally the same benefits as the LP structure, the current debate is centred on removing unnecessary barriers that overseas investors may perceive investing in New Zealand.

Lessons to be learned when considering the Australian reforms are that some investment restrictions such as company size and investment limited to local markets are unacceptable to local investors but more importantly global investors. One of the positives to emerge is that separate legal entities are regarded as a must have.

All in all New Zealand has a prime opportunity to learn from the Australian experience and gain some comparable advantage in this area by implementing a simpler LP structure with fewer constraints on Venture Capital and Private Equity managers. This is imperative to ensure that a major current "road block" to foreign investment in the New Zealand Venture Capital and Private Equity industry is removed.

The role of "informal" investment in New Zealand

There is a widespread belief in New Zealand that professional (or "classic") venture capital is the only source of funding available for new and growing start-ups and that the relatively small number of businesses being funded in this way means that this market is failing to deliver.

Interestingly, however, recent research conducted by the Global Entrepreneurship Monitor ("GEM") research programme helps to put New Zealand's professional venture capital market in perspective. The research shows that "informal" investment, which includes business angel activity, plays the key role in funding start-ups in New Zealand. Informal investment accounted for 99.20 per cent of total investment in such firms, the report found. By contrast, venture capital accounted for 0.8 per cent ¹⁴.

The GEM research also identifies the fact that "classic" venture capital is typically directed only at the top 1% of companies – the "super stars"¹⁵. What is more, this figure is in line with that over all GEM nations and so New Zealand is not exceptional in this regard.



¹⁴ Source: Global Entrepreneurship Monitor

¹⁵ Source: Ibid

A core message from the research report is that these findings have implications for entrepreneurs, policy-makers, educators, researchers and journalists. "In a nutshell, they should pay more attention to the critical role of the four 'Fs' – family, friends, founders and 'foolish' investors in start-up ventures" the report said.

For the third year in a row, New Zealand ranked top in the developed world in the rate of informal investment in new and growing start-ups. As a proportion of GDP, informal investment in New Zealand stands at 3.5 per cent - making it a significant factor in the economy. Internationally, the average is 1.2 per cent of GDP ¹⁶.

The GEM research showed that 39 per cent of informal investors in New Zealand put their money into a relative's business, 34 per cent into a friend's business while 8 per cent invested in a work colleague's business¹⁷.

The report also found that New Zealand investors are more likely to be women than men, with New Zealand women accounting for more than half (58 per cent) of our informal investors¹⁸. This compares to an international GEM gender breakdown of 68 per cent male and 32 per cent female¹⁹.

The report concluded that grassroots informal investments are a "crucial ingredient" in the development of New Zealand's entrepreneurial firms, and therefore economic growth.

By comparison, access to venture capital is so rare at the seed stage of a new venture as to be meaningless for 99.9 per cent of firms²⁰.

This research and its findings helps to move debate about seed and start-up funding in a more constructive direction. In many respects, our local professional venture capital market is actually delivering on its objective which is to invest in the "super star" companies that are referred to in the GEM report. The implication is that perhaps more attention needs to go on informal investing, the critical role of the four "Fs" and how that market can be developed and improved.

Industry participants recognise that the Venture Capital and Private Equity activities span the whole spectrum of private enterprise investment in New Zealand. The NZVCA is currently working with other interested parties looking to develop an angel investment course and other educational materials relating to informal investment in general as a way of building up levels of expertise in this area in New Zealand.



16 Source: Ibid

17 Source: Ibid

18 Source: Ibid

19 Source: Ibid

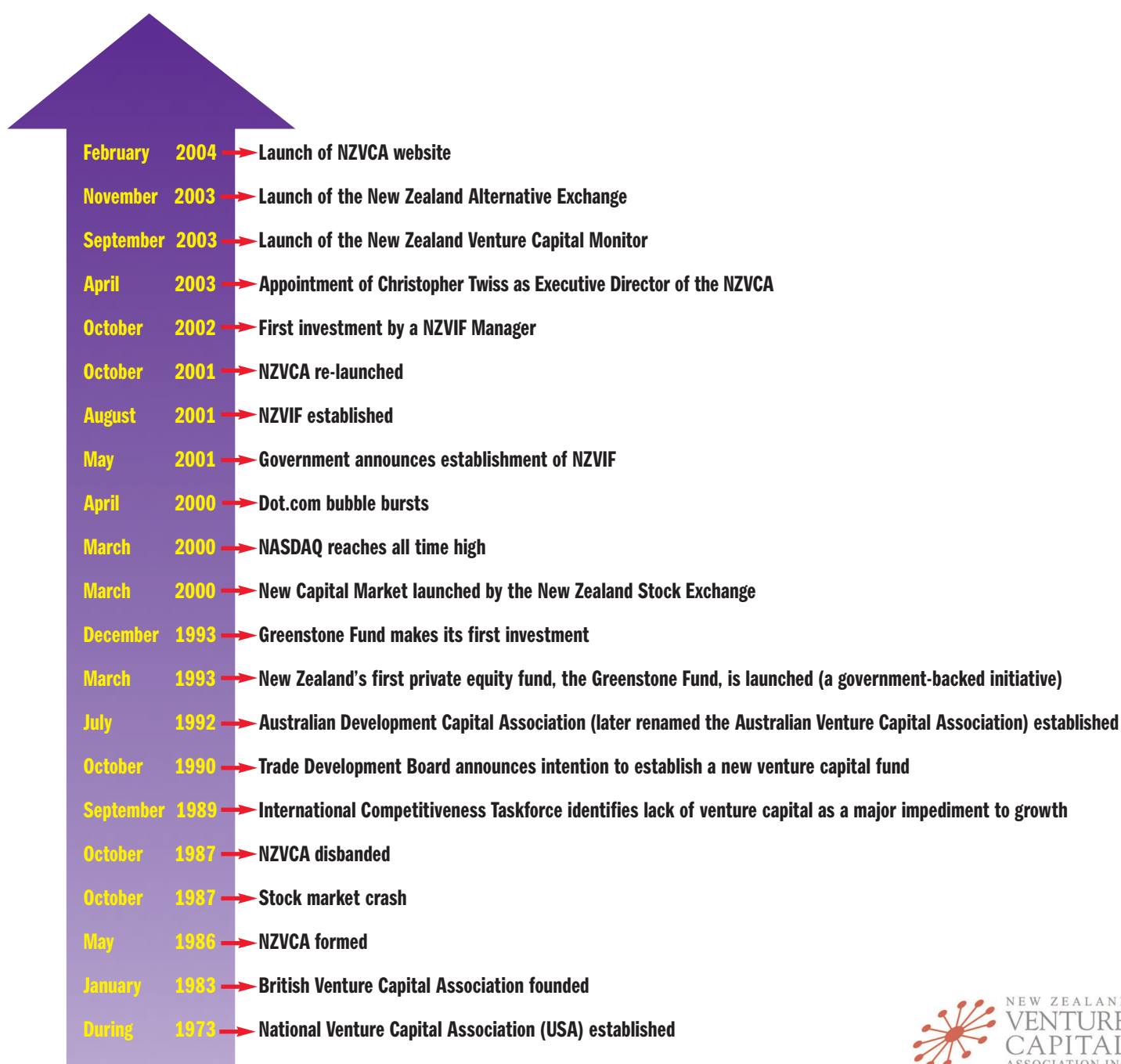
20 Source: Ibid



The History of New Zealand's Venture Capital Industry

As previously reported this is an exciting time for the New Zealand Venture Capital and Private Equity industry. There is no doubt that it has grown significantly in recent years as confidence in, and awareness of, the industry has improved. To date, the industry has been shaped by a variety of key events and factors, some of which are highlighted below.

This year has seen progress made on a number of fronts including examining some of the structural issues facing this industry. Based on Q4 2003 numbers and early indicators for 2004 it would appear the market reached the bottom of a cycle and we are poised for a period of growth.



About the Survey

The Survey

If you are aware of a colleague that did not receive a copy of the New Zealand Venture Capital Monitor or if you would like to participate in future surveys, please contact either Jon Hooper at Ernst & Young or Christopher Twiss at the NZVCA. Contact details are provided below.

Ernst & Young Entrepreneurial Services

The Ernst & Young Entrepreneurial Services group is a global leader in providing specialised advisory services to businesses in high growth markets. Globally, Ernst & Young is involved in the analysis of the venture capital industry in association with VentureOne. Our New Zealand team has over 15 years experience in the local entrepreneurial marketplace and a dedicated team of over 20 partners and 200 staff to provide integrated business solutions.

For further information about the New Zealand Venture Capital Monitor or to find out more about Ernst & Young, please contact one of the specialists noted below.

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About the NZVCA

The NZVCA is a not-for-profit industry body committed to developing the Venture Capital and Private Equity industry in New Zealand. Its core objectives include the promotion of the industry and the asset class on both a domestic and international basis and working to create a world-class venture capital and private equity environment.

Members include venture capital and private equity investors, financial organisations, professional advisors, academic organisations and government or quasi-government agencies.

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