

NZ Young Company Finance

News, comment, and analysis on the young company market in NZ

INSIDE:

DEALS ON THE DECLINE

ANGEL EDUCATION PROGRAMME

ANGELS, ANGELS EVERYWHERE BUT NOT A PENNY TO BE SPARED - WEB 2.0s DESPAIR

ANNEX FUND

HALO FUND IM DUE OUT IN MARCH

THE USA ANGEL PERSPECTIVE - THE DATA

THE USA ANGEL PERSPECTIVE - THE PRESENTATION

FROM ORGANICS TO ANGELS

AUSTRALIAN AAI NATIONAL ANGELS CONFERENCE

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DEALS ON THE DECLINE

The number of young company private financing deals undertaken in New Zealand fell away significantly in 2008 with 26 deals completed compared to 46 in 2007, according to the Young Company Finance Private Finance Index.

While absolute dollar investment was not significantly affected during the year - in 2008, the 26 deals had a combined value of \$22.9 million compared to 2007's 46 deals with a combined value of \$24.2 - two clear trends have been seen.

Firstly, a greater proportion of 2008's deals were second round finance or later, with only \$4m of new capital being introduced to companies during the year. This is a significant change from the 2007 year where nearly \$16m was invested in new deals.

Secondly, the market in 2008 saw a significant slow down in activity in the last two quarters of the year. Of the \$22.9m invested in the year, only \$5m was invested in the last two quarters.

Since 2006 when the data began being collected, Auckland has been the driver of early stage investment with 60 percent of the deals originating

in the Auckland region. Next highest is Dunedin with 12 percent, followed by Wellington with 11 percent, and Christchurch with 7 percent.

While absolute dollar investment was not significantly affected during the year - in 2008, the 26 deals had a combined value of \$22.9 million compared to 2007's 46 deals with a combined value of \$24.2 - two clear trends have been seen.

Software and services account for 47 percent of the deals completed. The next largest sector was pharmaceuticals, biotechnology and life sciences with 11 percent of the deals.

The average size of deals by investment stage were: seed – \$242,083; start-up – \$766,977; early expansion – \$1.23 million; expansion – \$1.1 million.

NZ Young Company Finance

ANGEL EDUCATION PROGRAMME

A nationwide programme to educate Angel investors has begun with a series of 'Demystifying Angel Investment' events scheduled around the country.

The sessions are designed as an introduction to Angel investing for new and potential angels. They involve a presentation on the basics of Angel investing delivered by an experienced Angel followed by a question and answer session. The series of events will be hosted in conjunction with existing Angel groups around the country.

The introductory sessions are being followed up with a more comprehensive 'Power of Angel Investing' education programme. The 'Power of Angel Investing' is licensed from the Angel Capital Education Foundation (ACEF), a partner of the Ewing Marion Kauffman Foundation in the United States. An ACEF instructor will train New Zealand instructors to deliver the education programme. An overview of the material that will be delivered as part of

the 'Power of Angel Investing' Education series is given below.

1. Angel Investing – an Overview (AIO) – a full day, facilitated seminar designed to introduce sophisticated investors to angel investing. A certified lead instructor works with local faculty to deliver this program.

2. Doing the Deal: Term Sheet – a half day, drill-down workshop on term sheets for investment by angels in early stage ventures. While this workshop is designed for self-delivery by local angels, many hosts prefer to use a recognized expert to help deliver this workshop.

3. Due Diligence - a half day, drill-down workshop on due diligence for investment by angels in early stage ventures. While this workshop is designed for self-delivery by local angels, many hosts prefer to use a recognized expert to help deliver this workshop.

4. Valuation and Portfolio Strategy – a half day workshop on establishing the pre-money valuation of seed/startup companies and a portfolio strategy for angel investing as an asset class.

While this workshop is designed for self-delivery by local angels, many hosts prefer to use a recognized expert to help deliver this workshop.

5. Post-Investment Relationships: Entrepreneurs and Angels – a half day workshop on mentoring, coaching and serving as directors on the boards of early stage ventures, for angels who have invested in these ventures. While this workshop is designed for self-delivery by local angels, many hosts prefer to use a recognized expert to help deliver this workshop.

Angel Investing - an Overview
Thursday 5 March, Christchurch

Angel Investing - an Overview
Thursday 12 March, Dunedin

Angel Investing - an Overview
Thursday 19 March, Hamilton

For more information on the Demystifying Angel Investment or Power of Angel Investing workshops, contact Anna Hamilton-Manns at 09-951 0170.

Registration for these and other angel education events can be done via the Angel Association's new website www.angelassociation.co.nz.

1

NZ Young Company Finance

ANGELS, ANGELS EVERYWHERE BUT NOT A PENNY TO BE SPARED - WEB 2.0s DESPAIR

Patrick Macfie is the Founder of Start-UP Media and Made From New Zealand, and a partner in Silicon Welly. He reflects on the recent Angel Summit.

Since getting involved in the Web 2.0 space a few years back, I've always been somewhat dismayed at the level of engagement from Angel investment networks.

By nature, Angel investment is a risky business: you're backing an early stage company usually founded by unknown entrepreneurs asking for a hundreds of thousands of dollars. So it makes sense that as an investor you would look for investments that: a) offer a high level of return on investment; and b) represent a minimal level of risk.

To my mind the Web 2.0 space offers exactly that - lightweight business models that can be taken to market

relatively cheaply and offer potentially high returns for their investors. So why the lack of interest from the Angel fraternity?

I've spoken to many experienced online entrepreneurs here in NZ who have become quite disillusioned with the lack of interest and engagement from local Angel groups, and are forsaking local investment for the greener pastures of US markets. We now have a situation where a great number of our better international Web 2.0 investment opportunities are going straight offshore, leaving a plethora of locally focused initiatives fronted by enthusiastic amateurs bashing their heads against the gated communities of high net worth individuals known as Angel investors.

Up until very recently, you'd have to say that the case for Web 2.0 investment didn't look particularly healthy in NZ. I say 'very recently' because normally I would have gone on to deliver a full lambasting of the "Angel Clubs" and their lack of interest in the sector. All that changed for me when I

decided to stop complaining and do something. Andy Hamilton gave me the opportunity to speak at the inaugural Angel Association Summit on Waiheke Island where I was able to address two groups on the investment opportunity of Web 2.0. To my great surprise, I left feeling that the chasm many of us perceived as being uncrossable wasn't so great after all.

Without going into all the dirty details of my brief brush with wealth, delicious crème brulee and pitching Stephen Tindall in the lunch line, the feedback I received from the majority of the attendees in my sessions was actually very positive. The level of web nous in the room surprised me. A couple of guys had invested in the likes of Ponoko, Celsius and Usplus, while one fellow (an Aussie as it turns out) asked me if the younger guys here were into Web 3.0 yet. What immediately occurred to me was that if we were able to get more of the savvy Angels engaged in the local Web 2.0 space - acting as ambassadors for their respective networks - we could go a long way to

2

NZ Young Company Finance

3

bridging the knowledge and apparent generational gap whilst also positioning individuals to lead investment. That way the inexperienced but enthusiastic investor will essentially invest based on the advice of peers, as opposed to struggling to come to terms what is sometimes bleeding edge technology.

The second event that served to fill me with hope was a meeting with Phil McCaw and David Beard from Movac. Now if you don't know Movac, please stop reading and go

directly to www.movac.co.nz and get yourself up to speed. Movac are of course the "30x" guys that invested early on in TradeMe. Recently they've backed some pretty cool companies in the space, namely Flossie and Ebus. What's 30x all about? Well, basically, if you're not going to return 30x on the amount of investment you're asking for in 5 years then it's pretty likely you're going to get the thumbs down. The thing about the guys at Movac is

they actually know what they're doing and while I had initially thought that the 30x requirement was a little far fetched, two things dawned on me while Phil explained

We need to build better businesses, businesses that aren't just beautiful product experiences but businesses that sell. We need to become our harshest critics and scrutinize our business and revenue models to ensure they'll stand up in the best and worst of times.

the very simple methodology behind it. 1). It forces you to be better, to have a better product, a better business and a better revenue model. After all, if you're not in it for at least a 30x return after five years then you should probably be questioning whether you should be in it at all. 2). If you can get investment out of these guys then you can get investment from anyone. In many regards, an organisation like Movac is the investment

litmus test for the sector. So what's my point? Well I think the point is this: if we, the Web 2.0 Start-UP community, want the local investment space to back us, we need to take the lead. We need to engage with local investment networks consistently in an effort to get them to engage with us. And we essentially have to provide them with an education in the investment merits of what we do.

We need to build better businesses, businesses that aren't just beautiful product experiences but businesses that sell. We need to become our harshest critics and scrutinize our business and revenue models to ensure they'll stand up in the best and worst of times. We need to create world beating ideas - not "me too" versions of what someone else does on the other side of the world - and execute those ideas' development to the highest possible levels. Is this simple to achieve? Hell no. But worth it at the end? Hell yes!

For more of Patrick's writings, see: <http://blogs.start-up.co.nz/>

NZ Young Company Finance

ANNEX FUND

NZVIF is committing up to \$20 million to an Annex Fund to support existing venture capital backed portfolio companies which are seeking growth capital. The Fund is designed to assist companies which have previously received investment from NZVIF backed venture capital funds and are looking for follow-on funding for their next stage of growth, such as establishing an export base offshore and developing international markets.

A number of highly promising venture capital fund portfolio companies are at the stage of needing more capital to fund further growth. At the same time, four of the six venture capital funds which

NZVIF has backed are close to fully invested. The Annex Fund will provide further capital which the fund managers can draw on to fund the next stage of growth for their companies. The fund managers will be able to invest on a 1:2 ratio of NZVIF capital to private capital, meaning that this initiative could see as much as \$60 million invested into highly promising New Zealand companies.

HALO FUND IM DUE OUT IN MARCH

The Halo Fund Investment Memorandum is due to be released in March. The IM will be circulated to members of the Fund's partnering angel groups - Upstart Angels, Ice

Funds – Ice Angels, Powerhouse Ventures, Venture Accelerator, Manawatu Investment Group, Pacific Channel, and Sparkbox.

To invest in the Halo Fund, investors will need to belong to one of the Fund's partnering angel groups. Investors will then gain access to deals and investments being made by all the partnering angel groups from across New Zealand. The Fund will invest alongside NZVIF's Seed Co-Investment Fund and its active investment partners. The Fund's investment objective is to provide investors with qualified access to a diversified portfolio of 15 to 30 plus investments over the lifetime of the Fund.

THE USA ANGEL PERSPECTIVE - THE DATA

Eighty-five percent of United States angel group leaders expect the current investment climate to prevail to at least the fourth quarter of next year, according to the ACA Angel Group Confidence Report.

The survey reports that nearly half of the respondents (47.9 percent) found their activity was less than they had predicted for 2008. Activity was higher for 16 percent of the angel groups and another 36.2 percent found that their investment activity was about the same as they had forecast. General economic issues were cited as the greatest reasons for reduced investment activity. More than half of the groups that had lower investments said that uncertainty in the market lowered investment activity. Other significant reasons included a loss in member wealth and the need to reserve additional capital for portfolio companies.

While full data for 2008 investments are not yet in – as many angel groups were yet to finalise

NZ Young Company Finance

investment deals in December – the picture from the survey is that total angel group investments in North America will decrease by at least ten percent from 2007.

Survey data for the ACA Angel Group Confidence Report was collected from leaders of ACA member angel organizations November 6 to 18th. About two-thirds of all ACA member organisations participated in the survey.

Selected data below (for full results, see <http://www.angelcapitalassociation.org>)

Did your group co-invest with another angel group in 2008?

Yes	72.1%
No	27.9%

Did any of your group's portfolio companies receive an investment from a Venture Capital firm in 2008? (either a co-investment of follow-on investment)

Yes	62.7%
No	37.3%

How many plans on average does your group screen per month?

(Screening assumes that the plan has met initial group criteria. For example, the plan was in your region and/or industry of preference.)

1 to 5	25.0%
6 to 15	39.4%
16 to 25	23.1%
26 to 40	8.7%
41+	3.8%

How much total capital (\$) has your group invested so far in calendar 2008?

Average	\$1,353,909
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Number of deals closed by the angel group so far in 2008?

Average	4.82
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How many additional deals do you forecast closing during the remainder of 2008?

Average	1.3
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Total expected investment activity, with additional forecasted deals in 2008:

Number of deals:	6.12
Total dollars:	\$1,719,464.90

How would you say your group's investment activity in 2008 compares with your predictions at the beginning of the year?

Considerably less than predicted	16.0%
Slightly less than predicted	31.9%
About the same as predicted	36.1%
Slightly more than predicted	9.6%
Considerably more than predicted	6.4%

How many of your group-

led investments had a positive exit (M&A, IPO, or other) in 2008?

0	77.7%
1	17.0%
2-3	2%
3 to 4	0.0%
5 or more	2.1%

Compared to prior years, how would you describe the relative state of your deal flow in 2008?

Quantity increased, but quality decreased	11.7%
Quantity decreased, but quality increased	9.6%
Quantity and quality increased	38.3%
Quantity and quality decreased	7.4%
Remained the same	33.0%

What is your prediction for deal flow for your group in the rest of 2008 and 2009?

Quantity will increase, but quality will decrease	9.7%
Quantity will decrease, but quality will increase	10.8%
Quantity and quality will increase	39.8%
Quantity and quality will decrease	3.2%
Remain the same	36.5%

How long do you estimate the credit crunch/current market conditions will last?

End of 2008	0.0%
Q2 2009	15.2%
Q4 2009	35.9%
2010	40.3%
2011	6.5%
Later	2.2%

NZ Young Company Finance

THE USA ANGEL PERSPECTIVE – THE PRESENTATION

NZBIO and NZVCA hosted network evenings with Allan May, the chairman of Life Science Angels (LSA), based in Silicon Valley.

LSA is the largest angel organisation in the USA, and is focused solely on early stage medical device and life science start-ups, comprising solely high net worth individuals from the medical device or biotech field. Since 2005, LSA has invested \$19m in 22 early stage companies and attracted in excess of \$400m in contemporary or follow-on venture capital.

Allan May has been a founder, board member or CEO of a number of early stage companies in the life science arena. He was named Biotech Angel Of The Year for 2001 by the International Association of Angels.

The New Zealand visit for Allan May was sponsored by The ICEHOUSE and AucklandPlus. The evenings were held in Auckland and Wellington.

FROM ORGANICS TO ANGELS

Mark Houghton-Brown was an English farmer who turned to organics. Now he's a Nelson-based hedge fund manager, investor and chief executive of the newly formed angel group, Venture Accelerator.

“Never stop asking advice and refining your ideas until they become so compelling it's a no brainer.”

The transition was spurred by a desire to make a difference locally and to help build a prosperous and sustainable economy in his new home of Nelson. Most of his attention is focused on the renewable energy sector within international financial markets.

Young Company Finance talked to Mark about angel investing and establishing a new group.

How did you find out about angel investing?

Dragons Den educated me about what I had already been doing.

How did you get started in angel investing?

Initially I invested vertically in associated businesses.

Did you join an angel network?

Yes, I initially joined Ice Angels and then started Venture Accelerator in Nelson.

How easy was it to find a group/network?

Actually, quite difficult. They tend to keep quiet and here in Nelson there was absolutely nothing.

How big is your group?

Twenty members.

How long have you been investing as an angel?

For 15 years, but only focusing on it as an asset class for the past two years.

How many investments have you been involved in?

My own money has been through 12 in total but my present portfolio is now nine, although one of those looks like it is going to be liquidated any day now.

NZ Young Company Finance

7

What sort of time and commitment do you put in alongside your capital? Are you an active or passive angel?

I do both, and that depends on whether I can add any value, but I spend a lot of time investigating the opportunities.

How do you find the process of being in an angel group as opposed to working solo?

It's often hard for solo entrepreneurs with a culture of independent activity to integrate with others who might have widely different values.

Why is investing with a group of benefit?

Pooling of expertise and aggregating contacts and increasing the diversity of the portfolio.

Has deal flow improved from being part of a group?

Quality and quantity of deals is way more.

Is it financially rewarding?

So far I have never hit a big jackpot but I have earned lots more than keeping it in the bank.

Is it rewarding in other ways?

Of course, you never stop learning and meeting interesting people.

Any highlights?

Good exits are always satisfying and I have been involved in an IPO with Adili and a trade sale with Western Harvesters, but leading a deal is nearly as good.

Any mistakes/lessons learned/pitfalls to be avoided?

Lots of lessons, mainly about people and team building.

Any key advice to give to the young entrepreneur with a great idea and no money?

Never stop asking advice and refining your ideas until they become so compelling it's a no brainer.

What are the key elements of being a successful angel investor?

Perseverance, co-operation and diligent research.

Are there any improvements which can be made to make the community bigger, better, more successful?

Better communication will grow the community and dedication will make it more successful. Angels will only get out what they put in.

How have you managed your return expectations?

I don't expect to hit the jackpot, I just hope to. I live in hope and I only invest in what I can afford to lose.

Did your investments meet your expectations?

Some yes, some no. You have to remember that there are always going to be far more losers than winners.

Have you had to change your expectations?

Every deal turns out differently so you have to be flexible.

Is it fun?

Sometimes yes, when it's good there's nothing better, and you can make lasting friendships. Buts it's always disappointing when people are flaky, or lazy, or backbite, or penny-pinch, or back out at the last minute, or refuse to accept advice and then crash and burn. Life is very much a state of mind and you get out what you put in.

AUSTRALIAN AAAI NATIONAL ANGELS CONFERENCE

The AAAI's 2009 National Angels Conference is being held in Brisbane on 18-20 February. For more details, see <http://www.aaai.net.au/>.

NZ Young Company Finance

Private Financing deals - year to date

2006

Date	Name of Company	Location	Sector	Round	Stage	Range	Syndicate / Adviser
1-Feb-06	Chopper Productions Ltd	Auckland	Consumer Durables & Apparel	1	Early Expansion	\$0-\$250k	Private Investors, Deloitte Auckland NZTE Escalator
1-Feb-06	Go Virtual Medical Ltd	Auckland	Software and Services	1	Seed	\$0-\$250k	ICE Accelerator and Private Investors
1-Mar-06	CabCo	Auckland	Capital Goods	2	Expansion	\$500-\$750k	K1W1
1-Mar-06	Ecologics	Christchurch	Capital Goods	1	Start Up	\$250-\$500k	K1W1
1-Mar-06	Flight Technology Limited	Wellington	Capital Goods	3	Seed	\$250-\$500k	Renouf Corporation, Stephen Underwood
1-Mar-06	My Kids Biz	Auckland	Software and Services	1	Seed	\$0-\$250k	ICE Accelerator and Private Investors
1-Mar-06	Virtual Katy	Auckland	Software and Services	2	Early Expansion	\$1.5m-\$2.5m	VC, Deloitte Auckland NZTE Escalator Service
1-Apr-06	Rural Livestock Finance	Dunedin	Diversified Financials	1	Start Up	\$1.5m-\$2.5m	Private Investors, Parker O'Connor
1-May-06	Anselmi Consulting Ltd	Waikato	Software and Services	1	Start Up	\$0-\$250k	Private Investors Ignition NZTE Escalator
1-Jun-06	Biomatters Ltd	Auckland	Software and Services	3	Start Up	\$250-\$500k	ICE Angels
1-Jun-06	Eurekster	Christchurch	Software and Services	2	Expansion	\$250-\$500k	K1W1
1-Jul-06	Auximedic	Auckland	Healthcare Equipment & Services	1	Seed	\$0-\$250k	ICEHOUSE
1-Jul-06	Tomizone	Auckland	Telecommunication Services	2	Start Up	\$250-\$500k	K1W1
1-Aug-06	Androgenix Ltd	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$1m-\$1.5m	Private Investors Pacific Channel
1-Oct-06	Mobile Mentor NZ Ltd	Auckland	Software and Services	1	Seed	\$250-\$500k	Private Investors, Deloitte Auckland NZTE Escalator, ICEHOUSE
1-Oct-06	Rural Livestock Finance	Dunedin	Diversified Financials	2	Expansion	\$1m-\$1.5m	Private Investors, Parker O'Connor, SBS
1-Nov-06	BeLike No 1	Dunedin	Software and Services	1	Start Up	\$250-\$500k	Private Investors, Upstart Angels
1-Nov-06	Non-identified	Christchurch	Capital Goods	1	Start Up	\$1.5m-\$2.5m	Private Investors, Deloitte Christchurch NZTE Escalator
1-Nov-06	Plan HQ	Wellington	Software and Services	1	Seed	\$250-\$500k	Rod Drury
1-Nov-06	SMX Ltd	Auckland	Software and Services	1	Early Expansion	\$750k-\$1m	Private Investors, NZTE Escalator, Howard & Co
1-Dec-06	Anzode	Manawatu	Materials	3	Start Up	\$250-\$500k	Private Investors, K1W1
1-Dec-06	Go Virtual Medical Ltd	Auckland	Software and Services	2	Start Up	\$1m-\$1.5m	ICE Angels, Sparkbox, SCIF
1-Dec-06	IQ Ideas	Auckland	Consumer Durables & Apparel	1	Start Up	\$0-\$250k	Private Investors, Deloitte Auckland NZTE Escalator
1-Dec-06	Phitek	Auckland	Technology Hardware & Equipment	3	Expansion	\$500-\$750k	K1W1
1-Dec-06	Triplejump Ltd	Auckland	Financial Services	1	Start Up	\$750k-\$1m	Private Investors
Unknown	Arena	Auckland	Software and Services	1	Start Up	\$500-\$750k	ICEHOUSE
Unknown	eBus	Auckland	Software and Services	1	Seed	\$0-\$250k	ICEHOUSE
Unknown	Telemetry Research	Auckland	Healthcare Equipment & Services	1	Start Up	\$500-\$750k	ICEHOUSE

2007

1-Jan-07	Calcium	Auckland	Software and Services	2	Start Up	\$0-\$250k	ICE Angels
1-Jan-07	Ponoko	Wellington	Software and Services	1	Seed	\$250-\$500k	Private investors
1-Feb-07	Biomatters Ltd	Auckland	Software and Services	4	Start Up	\$250-\$500k	ICE Angels, SCIF
1-Feb-07	Databrake International Ltd	Auckland	Technology Hardware & Equipment	1	Seed	\$250-\$500k	ICE Angels, SCIF
1-Feb-07	Resonance Systems Ltd	Auckland	Software and Services	1	Seed	\$500-\$750k	Sparkbox, SCIF
1-Feb-07	Whats in Play	Auckland	Software and Services	1	Seed	\$0-\$250k	Rod Drury
1-Mar-07	CG Surgical Limited	Dunedin	Healthcare Equipment & Services	1	Start Up	\$750k-\$1m	Private Investors, Pacific Channel
1-Mar-07	LanzaTech	Auckland	Energy	2	Start Up	\$500-\$750k	K1W1
1-Mar-07	Mobile Mentor NZ Ltd	Auckland	Consumer Services	2	Start Up	\$500-\$750k	Private Investors
1-Mar-07	Photonz Corporation	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	3	Start Up	\$250-\$500k	K1W1
1-Mar-07	Unimarket	Auckland	Software and Services	1	Seed	\$250-\$500k	ICE Accelerator and Private Investors
1-Apr-07	Bidtogether	Auckland	Software and Services	1	Seed	\$250-\$500k	ICE Accelerator and Private Investors
1-Apr-07	Digi-Click	Auckland	Technology Hardware & Equipment	1	Seed	\$0-\$250k	ICE Accelerator and Private Investors

NZ Young Company Finance

Private Financing deals - year to date (cont.)

Date	Name of Company	Location	Sector	Round	Stage	Range	Syndicate / Adviser
1-Apr-07	eBus	Auckland	Software and Services	2	Seed	\$0-\$250k	ICE Accelerator and Private Investors
1-May-07	Doppelganger	Auckland	Software and Services	1	Seed	\$250-\$500k	ICE Accelerator and Private Investors
1-May-07	Hectors World	Auckland	Software and Services	2	Start Up	\$0-\$250k	ICE Accelerator and Private Investors
1-May-07	Ponoko	Wellington	Software and Services	2	Seed	\$0-\$250k	Private Investors
1-May-07	Sentry Bay Corporation	Auckland	Software and Services	4	Start Up	\$0-\$250k	Private Investors
1-May-07	The Street	Dunedin	Software and Services	1	Start Up	\$750k-\$1m	Private Investors, Upstart Angels
1-May-07	Visual Footprints	Manawatu	Technology Hardware & Equipment	1	Early Expansion	\$0-\$250k	Private Investors Ignition NZTE Escalator
1-Jul-07	Daestra New Zealand Ltd	Dunedin	Software and Services	1	Start Up	\$500-\$750k	Upstart Angels, SCIF
1-Jul-07	IQ Ideas	Auckland	Consumer Durables & Apparel	2	Start Up	\$0-\$250k	Private Investors
1-Jul-07	Sleep Limited	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$0-\$250k	Private Investors, Pacific Channel
1-Jul-07	The Great Sleep Company Ltd	Auckland	Consumer Durables & Apparel	1	Start Up	\$500-\$750k	Sparkbox, SCIF
1-Jul-07	Vouchermate	Dunedin	Software and Services	1	Start Up	\$500-\$750k	Upstart Angels
1-Jul-07	Zander Corporation	Auckland	Food & Staples Retailing	1	Start Up	\$0-\$250k	Private Investors Ignition NZTE Escalator
1-Aug-07	Clocktower Games	Dunedin	Software and Services	1	Start Up	\$1.5m-\$2.5m	Private Investors Parker O'Connor
1-Aug-07	Forest Genetics	Rotorua	Pharmaceuticals, Biotechnology & Life Sciences	2	Seed	\$250-\$500k	Western Bay of Plenty Investors Forum
1-Aug-07	Fundit	Queenstown	Diversified Financials	1	Start Up	Unknown	Private - Eion Edgar
1-Sep-07	Ponoko	Wellington	Software and Services	3	Seed	\$250-\$500k	Private Investors
1-Sep-07	Xenos	Manawatu	Capital Goods	1	Start Up	\$250-\$500k	Manawatu Investment Group, SCIF
1-Oct-07	Biomatters Ltd	Auckland	Software and Services	5	Start Up	\$0-\$250k	ICE Angels, SCIF
1-Oct-07	Blackhawk Tracking Systems	Auckland	Software and Services	1	Start Up	\$0-\$250k	ICE Angels, SCIF
1-Oct-07	Ecodiesel	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$2.5m+	Private Investors NZTE Escalator Pacific Channel
1-Oct-07	Indigo Systems	Christchurch	Technology Hardware & Equipment	1	Seed	\$0-\$250k	Powerhouse Ventures, SCIF
1-Oct-07	Inro Technologies	Auckland	Technology Hardware & Equipment	1	Start Up	\$1.5m-\$2.5m	ICE Angels, SCIF
1-Oct-07	Mesoma	Wellington	Healthcare Equipment & Services	1	Seed	\$0-\$250k	Sparkbox, SCIF
1-Oct-07	Migco Pharmaceuticals	Christchurch	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$1m-\$1.5m	Private Investors NZTE Escalator Pacific Channel
1-Oct-07	Nexus6	Auckland	Healthcare Equipment & Services	3	Start Up	\$750k-\$1m	ICE Angels, SCIF, Private Investors
1-Oct-07	PostaMovie	Auckland	Media	1	Seed	\$500-\$750k	ICE Angels, SCIF
1-Nov-07	RPM Retail	Christchurch	Software and Services	2	Start Up	\$0-\$250k	Private Investors
1-Nov-07	Triplejump Ltd	Auckland	Financial Services	2	Start Up	\$250-\$500k	Private Investors
1-Nov-07	Unimarket	Auckland	Software and Services	2	Start Up	\$500-\$750k	ICE Accelerator and Private Investors
1-Dec-07	Anzode	Manawatu	Materials	4	Start Up	\$1.5m-\$2.5m	Manawatu Investment Group, SCIF, K1W1
1-Dec-07	Innovative Learning	Dunedin	Software and Services	2	Start Up	\$1m-\$1.5m	Private Investors Parker O'Connor, Upstart Angels, SCIF
1-Dec-07	Valuecruncher	Wellington	Software and Services	1	Seed	\$0-\$250k	Private Investors

2008

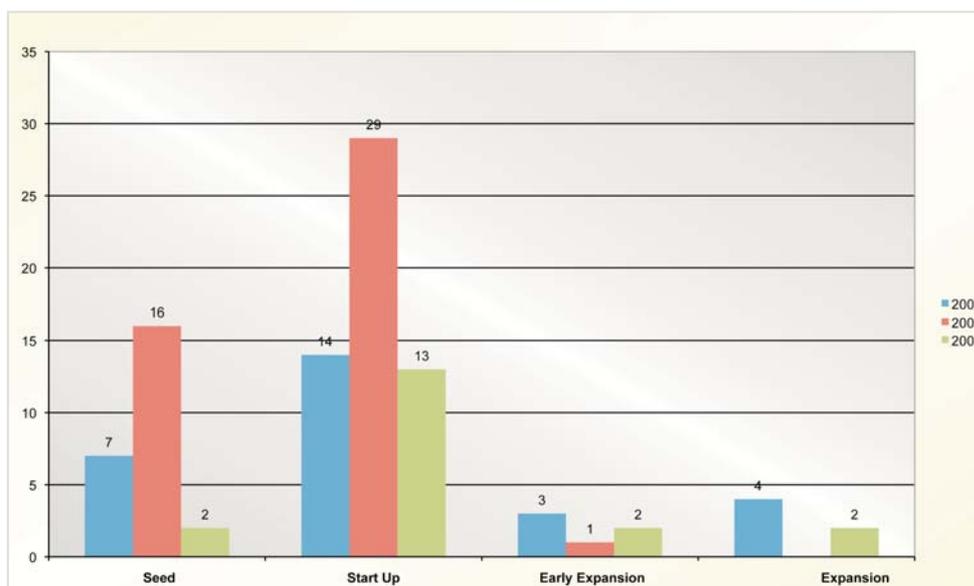
39448	Mesoma	Wellington	Healthcare Equipment & Services	2	Start Up	1450000	\$0-\$250k
39448	Ponoko	Wellington	Software and Services	4	Start Up	316000	\$250-\$500k
39448	Smartfoods Limited	Auckland	Food, Beverage & Tobacco	2	Expansion	3024000	\$2.5m+
39479	Blackhawk Tracking Systems	Auckland	Software and Services	2	Start Up	279000	\$250-\$500k
39479	Mobile Mentor NZ Ltd	Auckland	Consumer Services	3	Early Expansion	1600000	\$500-\$750k
39508	Databrake International Ltd	Auckland	Technology Hardware & Equipment	2	Seed	38000	\$250-\$500k
1-Apr-08	Clean Planet	Auckland	Consumer Services	1	Start Up	\$500-\$750k	Sparkbox, SCIF
1-Apr-08	Resonance Systems Ltd	Auckland	Software and Services	2	Start Up	\$750k-\$1m	Sparkbox, K1W1, SCIF, Private Investors

NZ Young Company Finance

Private Financing deals - year to date (cont.)

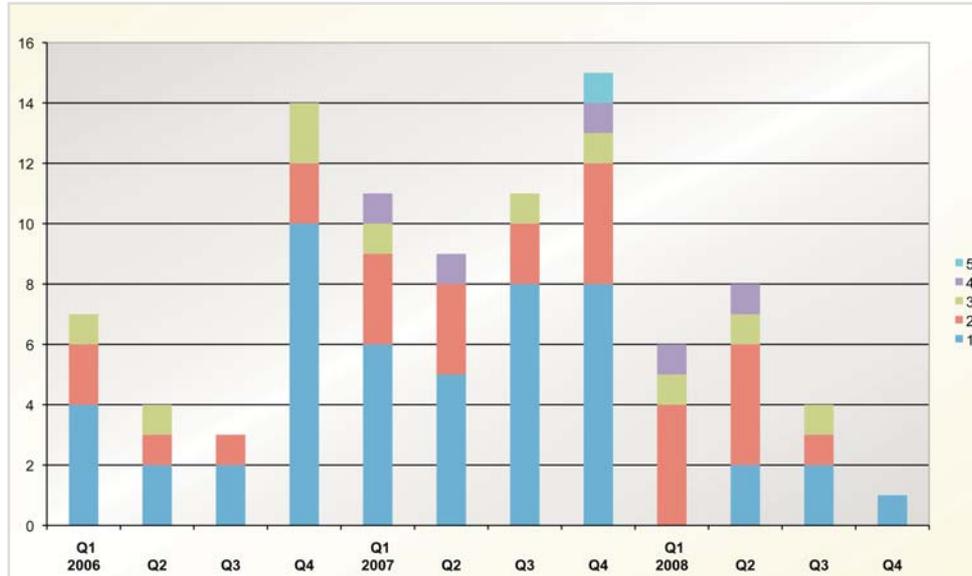
Date	Name of Company	Location	Sector	Round	Stage	Range	Syndicate / Adviser
1-Apr-08	Resonance Systems Ltd	Auckland	Software and Services	2	Start Up	\$1.5m-\$2.5m	Upstart Angels, SCIF
1-Apr-08	TracPlus Global	Dunedin	Software and Services	2	Early Expansion	\$250-\$500k	ICE Angels, Sparkbox, SCIF
1-May-08	Go Virtual Medical	Auckland	Software and Services	3	Start Up	\$250-\$500k	ICE Angels, Sparkbox, SCIF
1-May-08	Xenos	Manawatu	Capital Goods	2	Start Up	\$250-\$500k	Manawatu Investment Group, SCIF
1-Jun-08	Androgenix	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	2	Start Up	\$2.5m+	Private Investors, Pacific Channel
1-Jun-08	Photonz Corporation	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	4	Start Up	\$1m-\$1.5m	Cure Kids, K1W1, SCIF
1-Jul-08	Flow Software	Auckland	Software and Services	1	Expansion	\$500-\$750k	Private Investors, Howard & Company, NZTE Escalator Service
1-Jul-08	Clocktower Games	Dunedin	Software and Services	2	Start Up	\$250-\$500k	Private Investors, Parker O'Conner ICE Angels, SCIF
1-Aug-08	Sports Ground	Hawkes Bay	Software and Services	1	Start Up	\$250-\$500k	K1W1, Private Investors
1-Sep-08	Blackhawk Tracking Systems	Auckland	Software and Services	3	Start Up	\$250-\$500k	
1-Sep-08	Nexx NZ	Auckland	Software and Services	1	Start Up	\$500-\$750k	ICE Angels
1-Oct-08	TracMap	Dunedin	Technology Hardware & Equipment	1	Start Up	\$250-\$500k	Angel HQ, Upstart Angels
1-Oct-08	Ulearn & Care	Auckland	Health Care Equipment & Services	1	Start Up	\$0-\$250k	Private Investors
1-Nov-08	Pathway Therapeutics	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Seed	\$250-\$500k	Trans-Tasman Commercialisation Fund, Uniservices
1-Nov-08	Samespeak, Asset Rich	Wellington	Software and Services	1	Start Up	\$0-\$250k	Private Investors
1-Nov-08	Ulearn & Care	Auckland	Health Care Equipment & Services	2	Start Up	\$0-\$250k	Private Investors
1-Dec-08	Run The Red	Wellington	Media	2	Expansion	\$1m-\$1.5m	US Investor, Howard & Company
1-Dec-08	SciTOX	Christchurch	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$1m-\$1.5m	Pacific Channel, Private Investors, SCIF and NZTE Escalator Service
1-Dec-08	ZyGEM Corporation	Hamilton	Pharmaceuticals, Biotechnology & Life Sciences	4	Start Up	\$250-\$500k	Cure Kids Ventures, SCIF, Other Investors

Investments by Range (All Years)

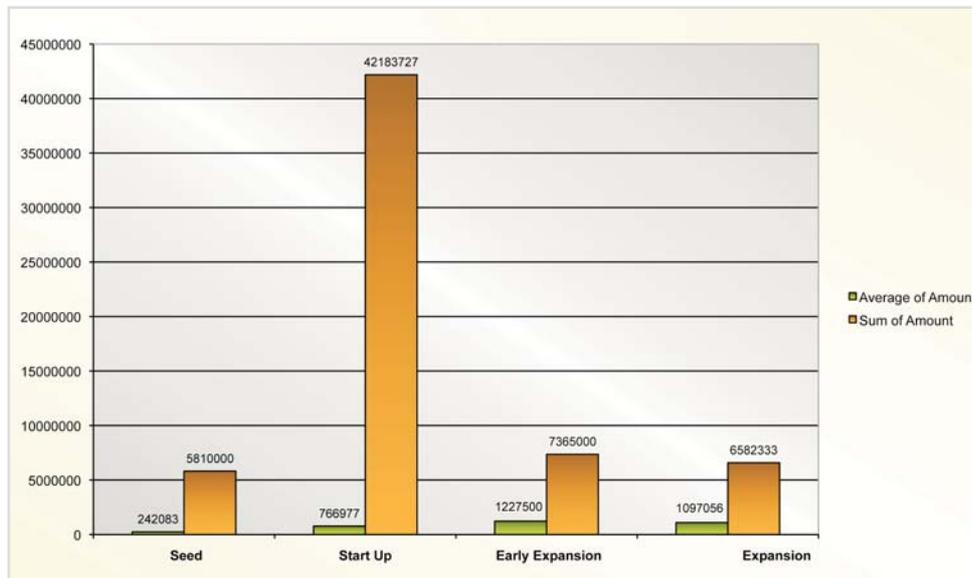


NZ Young Company Finance

Round of Investments by Quarter

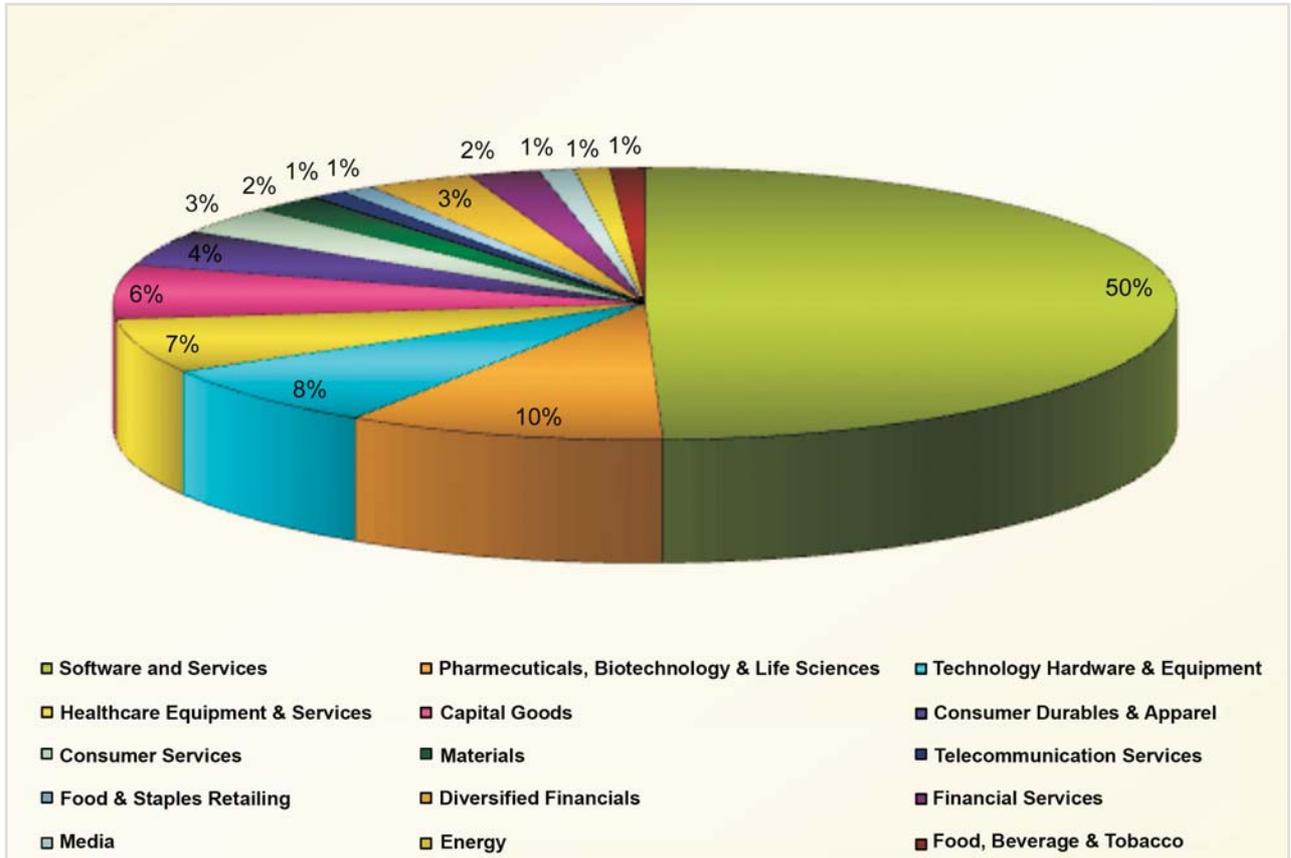


Investments by Stage (Total and Average Amounts)

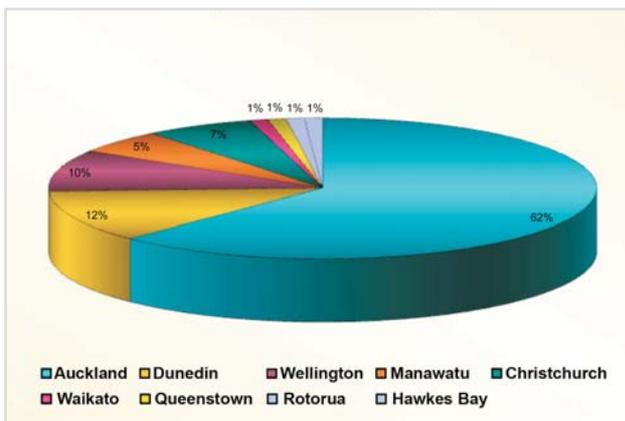


NZ Young Company Finance

Investment by Sector (% of \$ Invested)



Investment by Location (All Years)



Investment by Round (All Years)

