

## Press Release

30 April 2008

### **Investor networks vital to early stage venture capital**

Palmerston North, Dunedin and Auckland emerge as New Zealand's 'angel investing' powerhouses, according to data released by the New Zealand Venture Investment Fund. Angel investors are early stage venture capitalists investing money and often time into new ventures.

Dunedin contributed 12 percent of recorded angel investments over the past two years, while Auckland is home to 60 percent. The Manawatu region also made a significant contribution given its small relative size, with five percent of the total investment.

NZVIF Chief Executive Franceska Banga said the data illustrates the importance of building networks of angel investors.

"In Palmerston North, for example, the Manawatu Investment Group is an angel network of high net-worth Manawatu individuals with an interest in investing in early-stage, high-growth-potential companies.

"Auckland and Dunedin, along with Wellington and Christchurch, are also developing clusters and networks of investors actively looking for new early stage ventures to invest in.

"To date, NZVIF has backed the establishment of seven angel groups, which have invested in fifteen companies to the value of over \$10 million of combined investments.

"Early stage investment is becoming an important element in the New Zealand investment sector. In all, almost \$50 million has been invested over the surveyed period, February 2006 to February 2008, with 78 investments in 63 different companies."

Franceska Banga said that the data reveals that New Zealand is following offshore trends for early stage investing.

"Five years ago, the sector was very small in New Zealand. As it is developing, it is following international trends in terms of the areas of investment focus and the stage at which investment is made in New Zealand.

"Just over 80 percent of the companies received less than \$1 million, and the vast majority of these investments were made in the 'seed' or 'start up' stages of

a company's development.

"The biggest areas of focus for investors were software and services, and pharmaceuticals, biotechnology and life sciences."

The top five areas of focus for investors by dollar invested were:

- |  |       |
|--|-------|
| - Software and Services                          | \$17m |
| - Pharmaceuticals, Biotechnology & Life Sciences | \$5m  |
| - Diversified Financials                         | \$4m  |
| - Capital Goods                                  | \$4m  |
| - Technology Hardware & Equipment                | \$3m  |

"Early stage investing is an important element in New Zealand's economic transformation. NZVIF's role is to become the cornerstone investor in the development of a vibrant and sustainable early stage venture capital market for New Zealand.

"A vibrant New Zealand early stage capital market needs to develop at a sustainable rate. Angel investing is a long-term proposition – as is developing an angel capital market."

Attached: **Data: NZ Private Financing Deals 2006-March 2008**

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## NZ Private Financing Deals 2006-March 2008

2006									
Year	Quarter	Month	Name of Company	Location	Sector	Round	Stage	Investment Range	Syndicate / Adviser
2006	Q1	01-Feb-06	Chopper Productions Ltd	Auckland	Consumer Durables & Apparel	1	Early Expansion	\$0-\$250k	Private Investors Deloitte Auckland NZTE Escalator
2006	Q1	01-Feb-06	Go Virtual Medical Ltd	Auckland	Software and Services	1	Seed	\$0-\$250k	ICE Accelerator and Private Investors
2006	Q1	01-Mar-06	Virtual Katy	Auckland	Software and Services	2	Early Expansion	\$1.5m-\$2.5m	VC, Deloitte Auckland NZTE Escalator Service
2006	Q1	01-Mar-06	CabCo	Auckland	Capital Goods	2	Expansion	\$500-\$750k	K1W1
2006	Q1	01-Mar-06	My Kids Biz	Auckland	Software and Services	1	Seed	\$0-\$250k	ICE Accelerator and Private Investors
2006	Q1	01-Mar-06	Flight Technology Limited	Wellington	Capital Goods	3	Seed	\$250-\$500k	Renouf Corporation, Stephen Underwood
2006	Q1	01-Mar-06	Ecologics	Christchurch	Capital Goods	1	Start Up	\$250-\$500k	K1W1
2006	Q2	01-Apr-06	Rural Livestock Finance	Dunedin	Diversified Financials	1	Start Up	\$1.5m-\$2.5m	Private Investors Parker O'Connor
2006	Q2	01-May-06	Anselmi Consulting Ltd	Waikato	Software and Services	1	Start Up	\$0-\$250k	Private Investors Ignition NZTE Escalator
2006	Q2	01-Jun-06	Eurekster	Christchurch	Software and Services	2	Expansion	\$250-\$500k	K1W1
2006	Q2	01-Jun-06	Biomatters Ltd	Auckland	Software and Services	3	Start Up	\$250-\$500k	ICE Angels
2006	Q3	01-Jul-06	Auximedic	Auckland	Healthcare Equipment & Services	1	Seed	\$0-\$250k	Ice House
2006	Q3	01-Jul-06	Tomizone	Auckland	Telecommunication Services	2	Start Up	\$250-\$500k	K1W1
2006	Q3	01-Aug-06	Androgenix Ltd	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$1m-\$1.5m	Private Investors Pacific Channel
2006	Q4	01-Oct-06	Mobile Mentor NZ Ltd	Auckland	Software and Services	1	Early Expansion	\$250-\$500k	Private Investors Deloitte Auckland NZTE Escalator, ICE House
2006	Q4	01-Oct-06	Rural Livestock Finance	Dunedin	Diversified Financials	2	Expansion	\$1m-\$1.5m	Private Investors Parker O'Connor, SBS
2006	Q4	01-Nov-06	SMX Ltd	Auckland	Software and Services	1	Early Expansion	\$750k-\$1m	Private Investors NZTE Escalator Howard & Co
2006	Q4	01-Nov-06	Plan HQ	Wellington	Software and Services	1	Seed	\$250-\$500k	Rod Drury
2006	Q4	01-Nov-06	Non-identified	Christchurch	Capital Goods	1	Start Up	\$1.5m-\$2.5m	Private Investors Deloitte Christchurch NZTE Escalator
2006	Q4	01-Nov-06	BeLike No 1	Dunedin	Software and Services	1	Start Up	\$250-\$500k	Private Investors, Upstart Angels
2006	Q4	01-Dec-06	Phitek	Auckland	Technology Hardware & Equipment	3	Expansion	\$500-\$750k	K1W1
2006	Q4	01-Dec-06	Triplejump Ltd	Auckland	Financial Services	1	Start Up	\$750k-\$1m	Private Investors

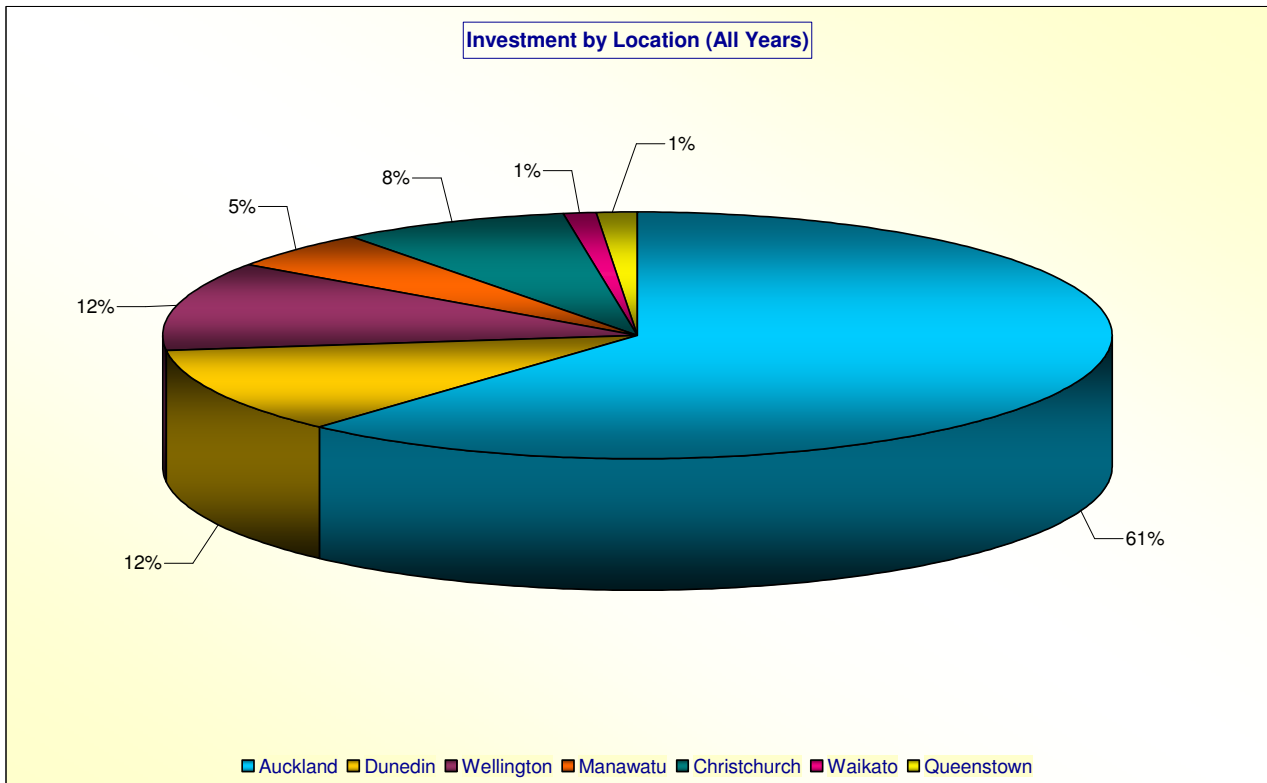
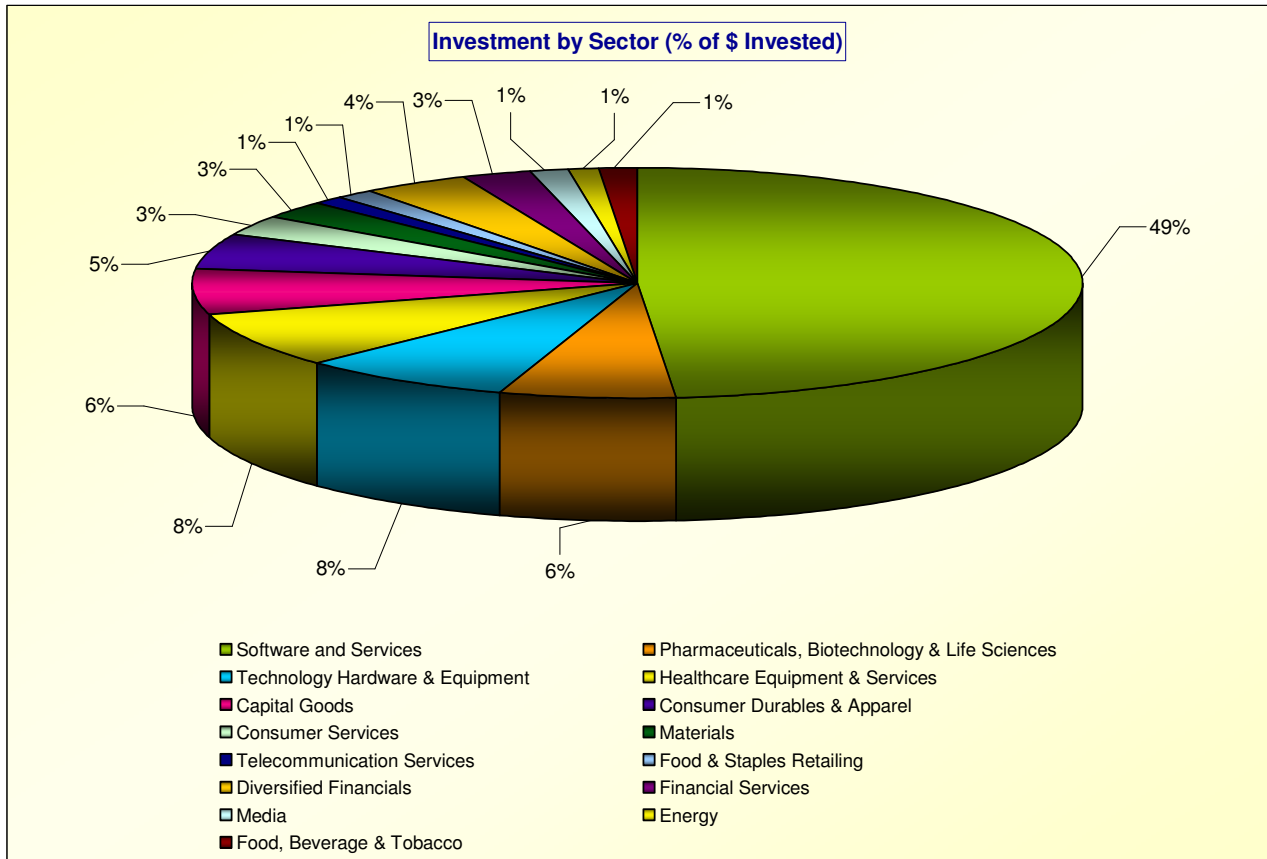
2006	Q4	01-Dec-06	Go Virtual Medical Ltd	Auckland	Software and Services	2	Start Up	\$1m-\$1.5m	ICE Angels, Sparkbox, SCIF
2006	Q4	01-Dec-06	IQ Ideas	Auckland	Consumer Durables & Apparel	1	Start Up	\$0-\$250k	Private Investors Deloitte Auckland NZTE Escalator
2006	Q4	01-Dec-06	Anzode	Manawatu	Materials	3	Start Up	\$250-\$500k	Private Investors, K1W1
2006	Q4	Unknown	eBus	Auckland	Software and Services	1	Start Up	\$0-\$250k	Ice House
2006	Q4	Unknown	Arena	Auckland	Software and Services	1	Start Up	\$500-\$750k	Ice House
2006	Q4	Unknown	Telemetry Research	Auckland	Healthcare Equipment & Services	1	Start Up	\$500-\$750k	Ice House
<b>2007: First Half</b>									
Year	Quarter	Month	Name of Company	Location	Sector	Round	Stage	Investment Range	Syndicate / Adviser
2007	Q1	01-Jan-07	Ponoko	Wellington	Software and Services	1	Seed	\$250-\$500k	Private investors
2007	Q1	01-Jan-07	Calcium	Auckland	Software and Services	2	Start Up	\$0-\$250k	ICE Angels
2007	Q1	01-Feb-07	Whats in Play	Auckland	Software and Services	1	Seed	\$0-\$250k	Rod Drury
2007	Q1	01-Feb-07	Databrake Int'l 2006 Ltd	Auckland	Technology Hardware & Equipment	1	Seed	\$250-\$500k	ICE Angels, SCIF
2007	Q1	01-Feb-07	Resonance Systems Ltd	Auckland	Software and Services	1	Seed	\$500-\$750k	Sparkbox, SCIF
2007	Q1	01-Feb-07	Biomatters Ltd	Auckland	Software and Services	4	Start Up	\$250-\$500k	ICE Angels, SCIF
2007	Q1	01-Mar-07	Unimarket	Auckland	Software and Services	1	Seed	\$250-\$500k	ICE Accelerator and Private Investors
2007	Q1	01-Mar-07	Mobile Mentor NZ Ltd	Auckland	Consumer Services	2	Start Up	\$500-\$750k	Private Investors
2007	Q1	01-Mar-07	LanzaTech	Auckland	Energy	2	Start Up	\$500-\$750k	K1W1
2007	Q1	01-Mar-07	CG Surgical Limited	Dunedin	Healthcare Equipment & Services	1	Start Up	\$750k-\$1m	Private Investors Pacific Channel
2007	Q1	01-Mar-07	Photonz	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	3	Start Up	\$250-\$500k	K1W1
2007	Q2	01-Apr-07	Digi-Click	Auckland	Technology Hardware & Equipment	1	Seed	\$0-\$250k	ICE Accelerator and Private Investors
2007	Q2	01-Apr-07	Bidtogether	Auckland	Software and Services	1	Seed	\$250-\$500k	ICE Accelerator and Private Investors
2007	Q2	01-Apr-07	eBus	Auckland	Software and Services	1	Start Up	\$0-\$250k	ICE Accelerator and Private Investors
2007	Q2	01-May-07	Visual Footprints	Manawatu	Technology Hardware & Equipment	1	Early Expansion	\$0-\$250k	Private Investors Ignition NZTE Escalator
2007	Q2	01-May-07	Ponoko	Wellington	Software and Services	2	Seed	\$0-\$250k	Private investors
2007	Q2	01-May-07	Doppelganger	Auckland	Software and Services	1	Seed	\$250-\$500k	ICE Accelerator and Private Investors
2007	Q2	01-May-07	Hectors World	Auckland	Software and Services	2	Start Up	\$0-\$250k	ICE Accelerator and Private Investors
2007	Q2	01-May-07	Sentry Bay Corporation	Auckland	Software and Services	4	Start Up	\$0-\$250k	Private Investors
2007	Q2	01-May-07	The Street	Dunedin	Software and Services	1	Start Up	\$750k-\$1m	Private Investors, Upstart Angels

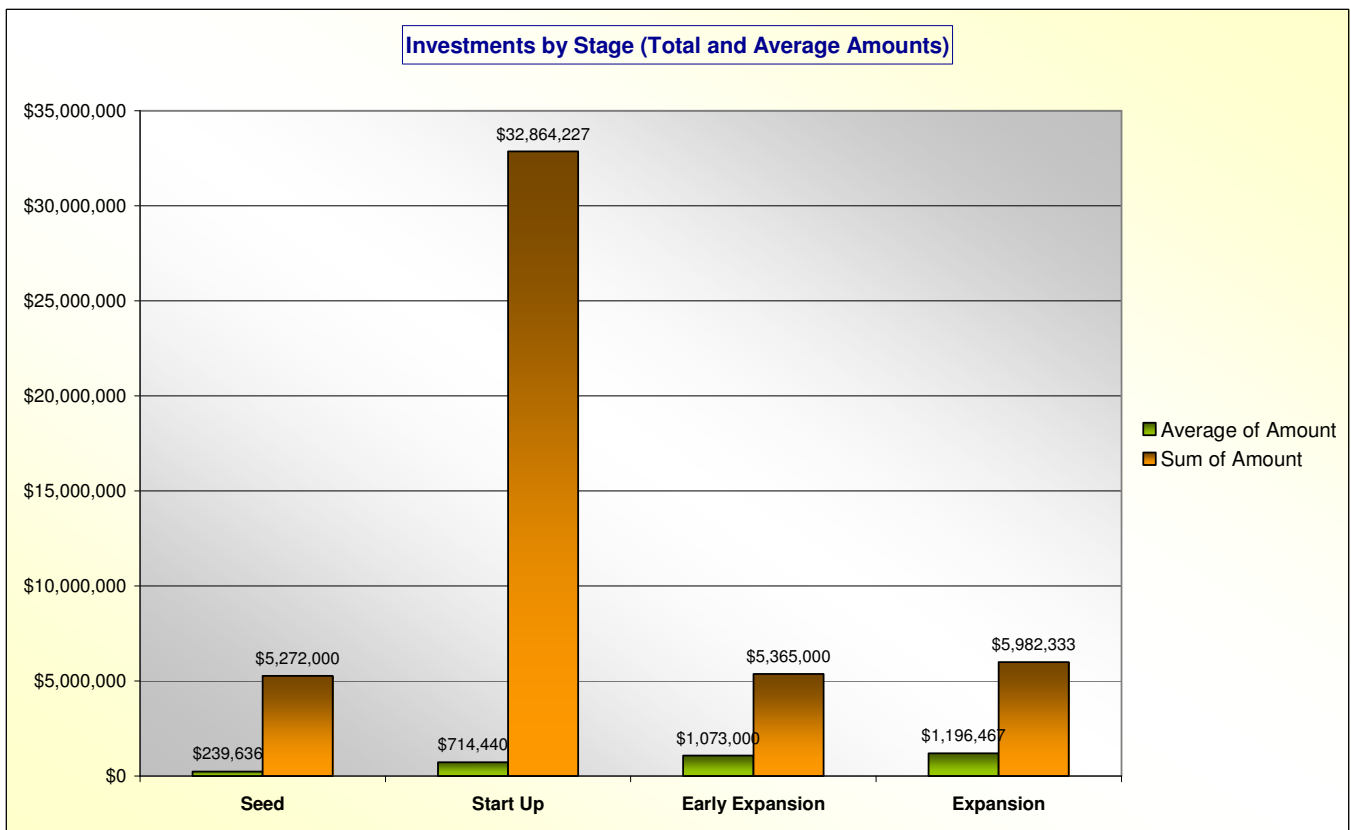
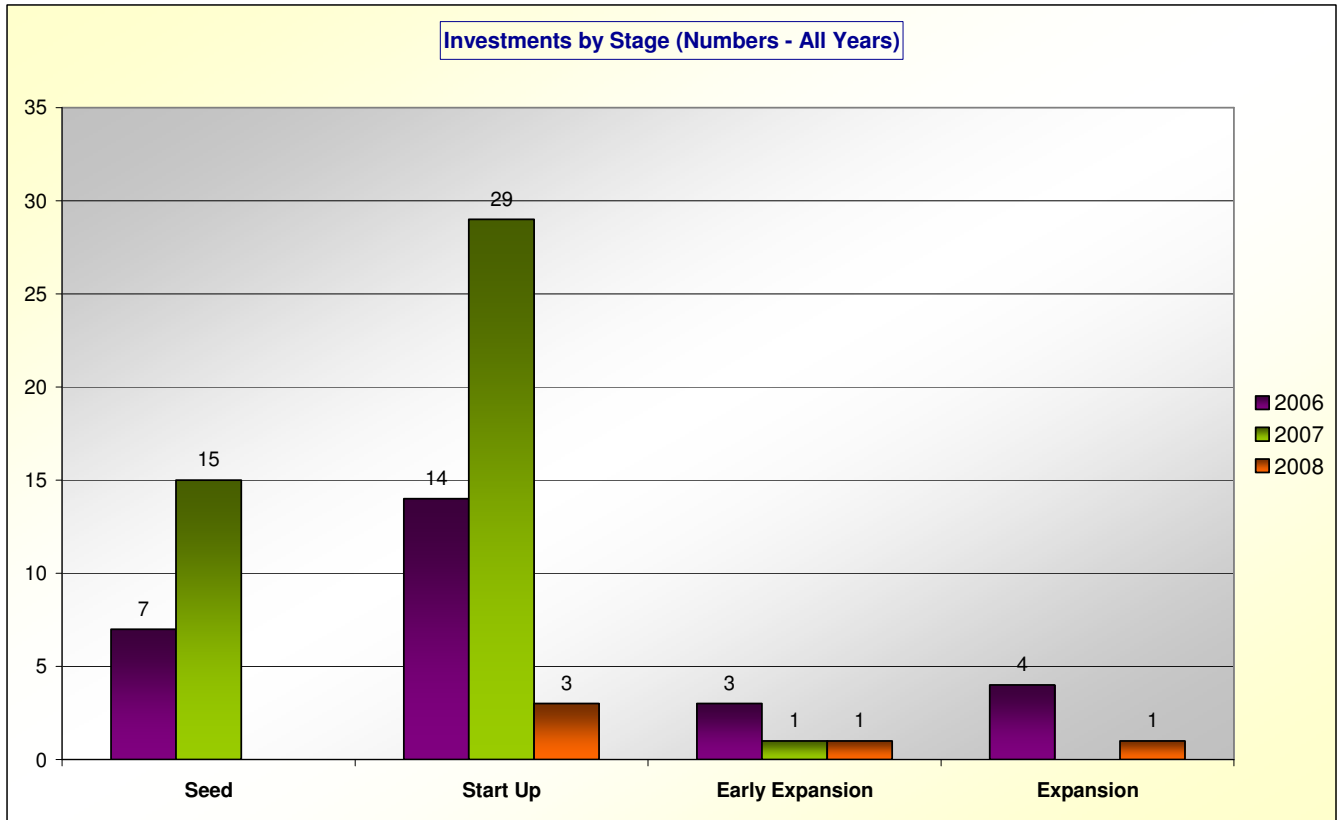
### 2007: Second Half

Year	Quarter	Month	Name of Company	Location	Sector	Round	Stage	Investment Range	Syndicate / Adviser
2007	Q3	01-Jul-07	Sleep Limited	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$0-\$250k	Private Investors Pacific Channel
2007	Q3	01-Jul-07	Great Sleep Company Ltd, The	Auckland	Consumer Durables & Apparel	1	Start Up	\$500-\$750k	Sparkbox, SCIF
2007	Q3	01-Jul-07	Daestra New Zealand Ltd	Dunedin	Software and Services	1	Start Up	\$500-\$750k	Upstart Angels, SCIF
2007	Q3	01-Jul-07	IQ Ideas	Auckland	Consumer Durables & Apparel	2	Start Up	\$0-\$250k	Private Investors
2007	Q3	01-Jul-07	Zander Corporation	Auckland	Food & Staples Retailing	1	Start Up	\$0-\$250k	Private Investors Ignition NZTE Escalator
2007	Q3	01-Jul-07	Vouchermate	Dunedin	Software and Services	1	Start Up	\$500-\$750k	Upstart Angels
2007	Q3	01-Aug-07	Fundit	Queenstown	Diversified Financials	1	Start Up	Unknown	Private - Eion Edgar
2007	Q3	01-Aug-07	Clocktower Games	Dunedin	Software and Services	1	Start Up	\$1.5m-\$2.5m	Private Investors Parker O'Connor
2007	Q3	01-Sep-07	Ponoko	Wellington	Software and Services	3	Seed	\$250-\$500k	Private investors
2007	Q3	01-Sep-07	Xenos	Manawatu	Capital Goods	1	Start Up	\$250-\$500k	Manawatu Investment Group, SCIF
2007	Q4	01-Oct-07	Mesoma	Wellington	Healthcare Equipment & Services	1	Seed	\$0-\$250k	Sparkbox, SCIF
2007	Q4	01-Oct-07	Post a Movie	Auckland	Media	1	Seed	\$750k-\$1m	ICE Angels, SCIF
2007	Q4	01-Oct-07	Indigo Systems	Christchurch	Technology Hardware & Equipment	1	Start Up	\$0-\$250k	Powerhouse Ventures, SCIF
2007	Q4	01-Oct-07	Biomatters Ltd	Auckland	Software and Services	5	Start Up	\$250-\$500k	ICE Angels, SCIF
2007	Q4	01-Oct-07	BlackHawk Tracking Systems	Auckland	Software and Services	1	Start Up	\$0-\$250k	ICE Angels, SCIF
2007	Q4	01-Oct-07	Nexus6	Auckland	Healthcare Equipment & Services	3	Start Up	\$750k-\$1m	ICE Angels, SCIF, Private Investors
2007	Q4	01-Oct-07	Migco Pharmaceuticals	Christchurch	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$1m-\$1.5m	Private Investors NZTE Escalator Pacific Channel
2007	Q4	01-Oct-07	Inro Technologies	Auckland	Technology Hardware & Equipment	1	Start Up	\$1.5m-\$2.5m	ICE Angels, SCIF
2007	Q4	01-Oct-07	Ecodiesel	Auckland	Pharmaceuticals, Biotechnology & Life Sciences	1	Start Up	\$2.5m+	Private Investors NZTE Escalator Pacific Channel
2007	Q4	01-Nov-07	Triplejump Ltd	Auckland	Financial Services	2	Start Up	\$250-\$500k	Private Investors
2007	Q4	01-Nov-07	RPM Retail	Christchurch	Software and Services	2	Start Up	\$0-\$250k	Private Investors
2007	Q4	01-Nov-07	Unimarket	Auckland	Software and Services	2	Start Up	\$500-\$750k	ICE Accelerator and Private Investors
2007	Q4	01-Dec-07	Valuecruncher	Wellington	Software and Services	1	Seed	\$0-\$250k	Private Investors
2007	Q4	01-Dec-07	Innovative Learning	Dunedin	Software and Services	2	Start Up	\$1m-\$1.5m	Private Investors Parker O'Connor, Upstart Angels, SCIF
2007	Q4	01-Dec-07	Anzode	Manawatu	Materials	4	Start Up	\$1.5m-\$2.5m	Manawatu Investment Group, SCIF, K1W1

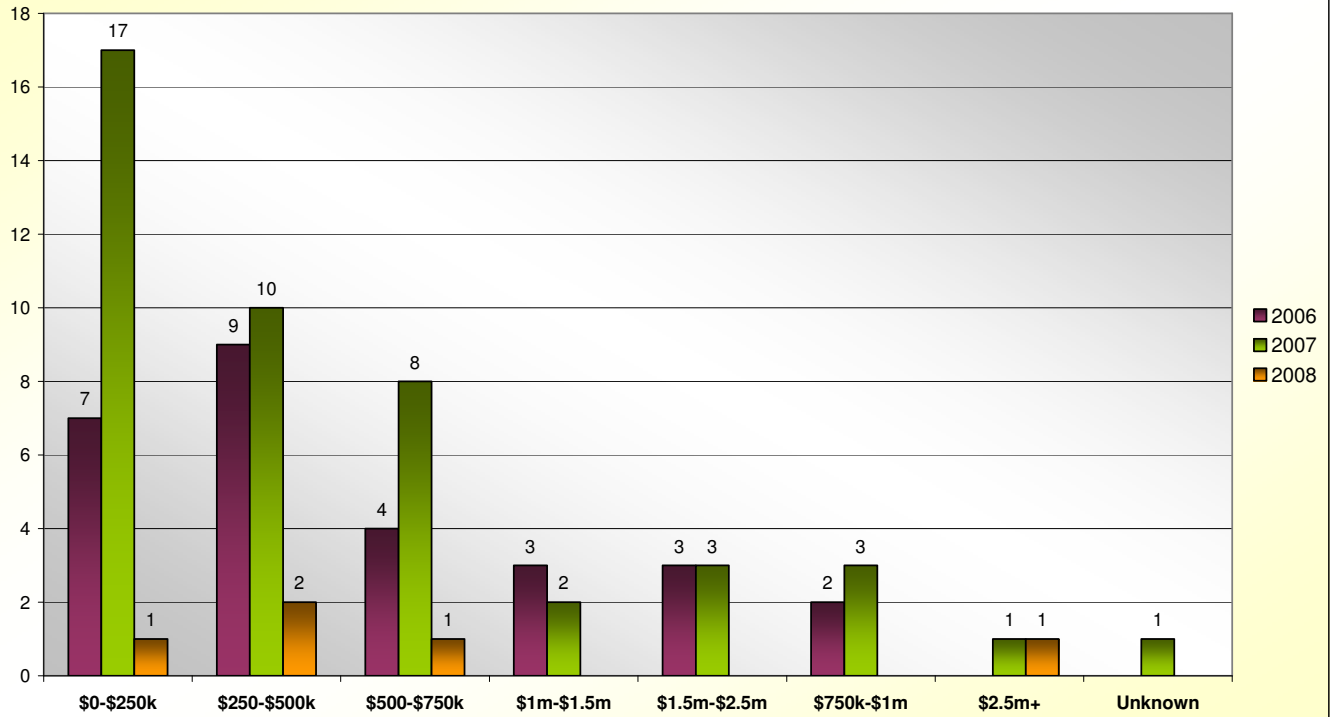
### 2008: First Quarter

Year	Quarter	Month	Name of Company	Location	Sector	Round	Stage	Investment Range	Syndicate / Adviser
2008	Q1	01-Jan-08	Smartfoods Limited	Auckland	Food, Beverage & Tobacco	2	Expansion	\$2.5m+	Escalator / Deloitte / Bancorp
2008	Q1	01-Jan-08	Mesoma	Wellington	Healthcare Equipment & Services	2	Start Up	\$0-\$250k	Sparkbox, SCIF
2008	Q1	01-Jan-08	Ponoko	Wellington	Software and Services	4	Start Up	\$250-\$500k	Private investors
2008	Q1	01-Feb-08	Mobile Mentor Limited	Auckland	Consumer Services	2	Early Expansion	\$500-\$750k	ICE Angels, Private Investors
2008	Q1	01-Feb-08	Blackhawk Tracking Systems	Auckland	Software and Services	2	Start Up	\$250-\$500k	ICE Angels and SCIF





Investments by Range (All Years)



Investment By Round (All Years)

