



Press Release

31 August 2010

Up to \$50 million available for new venture capital funds

The New Zealand Venture Investment Fund has up to \$50 million available for establishing new venture capital funds which will invest into innovative young New Zealand companies.

It is calling for proposals from venture capital fund managers with established management teams, confirmed capital commitments in excess of \$10 million, and a track record of venture capital investment experience.

NZVIF chief executive Franceska Banga said that following the government's announcement of an underwrite for NZVIF's venture capital programme, it has up to \$50 million available for investing into new venture capital funds. NZVIF will commit between \$10 million to \$25 million to each new fund.

"We hope to establish at least one, if not more, new venture capital funds which will focus on emerging New Zealand technology companies which need capital to expand.

"There is now a healthy pipeline of young technology companies looking to grow following consistent and significant growth in the angel investment sector in the past few years. As these promising young angel-backed companies develop, they need new sources of growth capital.

"These companies, typically, are at the stage where they would be looking for capital of around \$2 million to \$4 million to start taking their product offshore. This is where new venture capital funds have an opportunity to invest into some exciting opportunities.

"We are hoping to see new funds which have strong international linkages. New Zealand companies face challenges when they get to the stage of taking their product offshore. Internationally-linked venture capital funds are not only a source of investment capital but can provide valuable advice and access."

Franceska Banga said NZVIF is seeking fund managers with appropriate venture capital investment experience, and knowledge of the New Zealand science and technology industry and investment opportunities.

NZVIF's venture capital programme was established by the New Zealand Government to accelerate the growth of the New Zealand venture capital industry. Six venture capital funds have been established under the programme to date. The deadline for proposals for new funds is 5pm Monday, 27 September 2010.

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For information regarding the Proposals guidelines phone +64 9 951 0170 or email venture@nzvif.co.nz.