



Media Release

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Angels invest over \$31 million in first half 2010

The first half of 2010 has seen record high levels of angel investment activity with more than \$31 million invested by angel investors into young companies, according to the latest Young Company Finance Index.

In the year to 30 June 2010, \$52.2m was invested, eclipsing last year's previous record high for a June year of 42.7m. Cumulatively, \$160m has now been invested into young companies by angels since Young Company Finance Index began collating data in 2006.

NZVIF chief executive Franceska Banga says the continued high level of investment results from the growth in angel groups and investors in recent years.

"Angel investors are making new investments but also supporting existing investee companies as they grow. As more companies are invested into, more companies are receiving follow-on investments, providing a snowball effect.

"There is now a considerable 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. The challenge for New Zealand's capital markets is to improve the availability of growth capital to keep building these companies."

Of the \$31.6m invested in the first half of the year, \$13.4m was into first round investments and \$18.2m comprised follow-on investments. In terms of the stage of investment, \$3.9m was seed investment, \$20.5m was at the start-up stage, \$4.8m at the early expansion level, and \$2.5m at the expansion stage.

Deal flow for the year was maintained at the high level of last year. In 2009, 64 deals were completed. So far in 2010, 35 deals have been completed.

Since 2006, by region, 49 percent has been invested in Auckland, 17 percent in Wellington, 11 percent in Christchurch, 8 percent in Dunedin, 7 percent in Palmerston North, and 4 percent in Hamilton. Software and services received 27 percent of the amount invested, followed by pharmaceuticals/life sciences technology (26%), hardware and equipment (13%), and food and beverage (11%).

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