

NZVCA 2010



New Zealand Private Equity Returns

1994 - 2010



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VENTURE CAPITAL ASSOCIATION INC

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- Approach
- Results
- Analysis
- Conclusion
- Q&A



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- ❑ Returns generated from investing into unlisted New Zealand companies: 1994 - 2010
- ❑ Actual cash on cash company returns
- ❑ NZ and Australian PE managers
- ❑ Company, not fund, performance
- ❑ Excludes Venture Capital



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Summary

- ❑ Investment into 74 companies
- ❑ NZ\$675 million invested
- ❑ 11 fund managers
- ❑ Covers 16 years of investment activity
- ❑ Average investment size = \$9 million
- ❑ Average holding period = 4 years



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Results

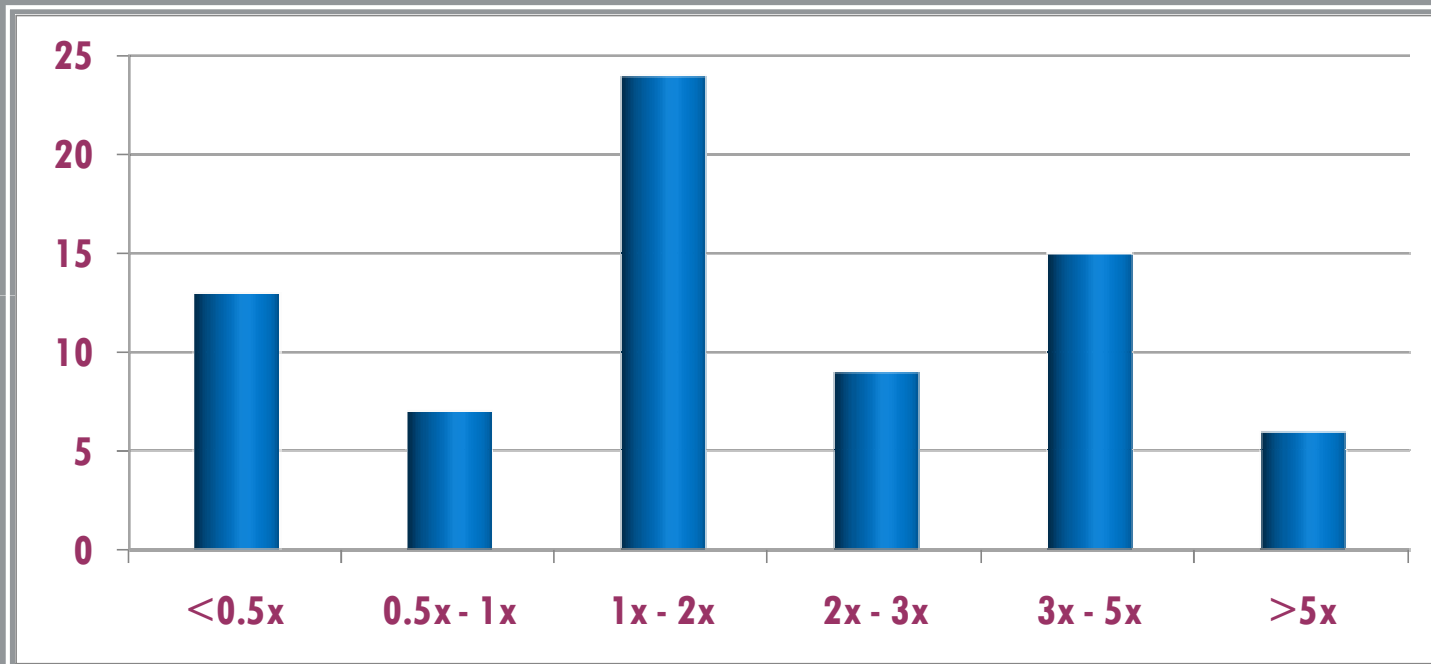
- ❑ \$675 million of investment has returned \$1.7 billion for investors
- ❑ Multiple of 2.5x
- ❑ Pool average return (IRR) of 33.6% p.a.
- ❑ Median return (unweighted)
 - IRR = 22.0%
 - Multiple = 1.7x



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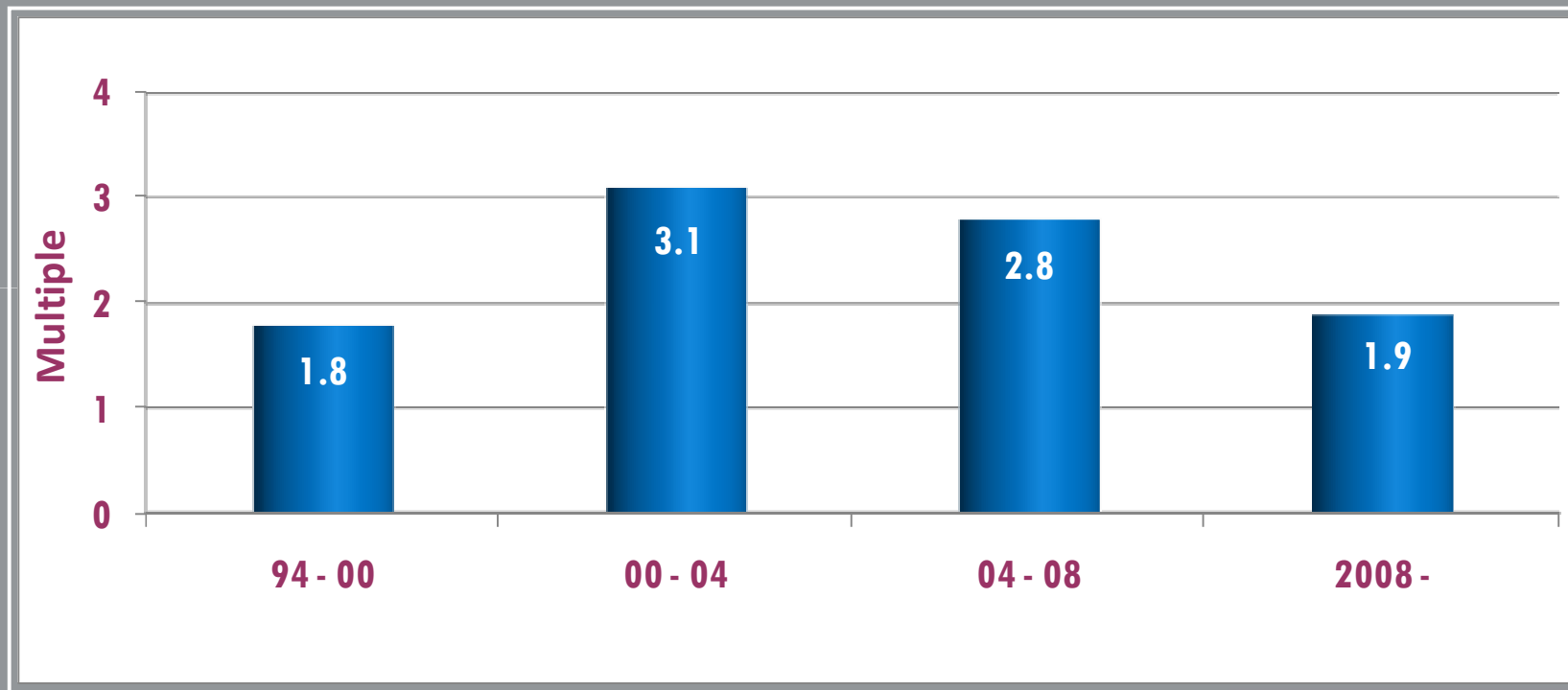


Range of return multiples





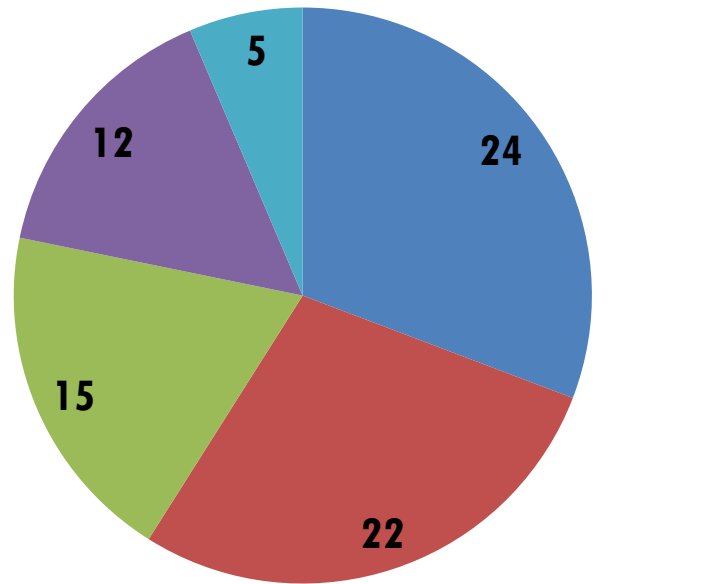
Returns over time





Analysis of exits

Exit Types



■ Trade Sale
■ Secondary
■ Receivership
■ Existing Mgmt/S'hold
■ IPO





- ❑ Strong returns from investing in New Zealand companies over last 16 years.
- ❑ Portfolio approach across time and fund managers, to achieve consistent returns.
- ❑ Fund manager selection also key - professional, active approach.

