



Press Release

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NZVIF records first surplus and record investment year

The New Zealand Venture Investment Fund has recorded its first annual surplus amid its busiest investment year.

In its 2009 annual report, NZVIF posted a net surplus of \$3 million and completed 50 investment transactions totalling \$18.7 million- a record level despite the demanding investment environment. Over \$80m of private capital was raised alongside this.

NZVIF chief executive Franceska Banga said the better than expected result – it had forecast a deficit of \$3.4 million – was due to a combination of investment realisations and improvements in the holding value of investments.

“It is still early days for our venture capital funds and the development of the industry, but the year saw encouraging progress. We have equity interests in 81 New Zealand companies in sectors such as ICT, pharmaceuticals, biotechnology, life sciences, and telecommunications. Across NZVIF’s portfolio, there is good revenue growth and, consequently, the combined value of those companies is rising.

“The business environment is, however, tough and venture capital market faces major challenges – particularly when it comes to raising new funds. Individual investors are waiting out the recession and are reluctant to commit money to new ventures before seeing a return on existing investments. Meanwhile, institutional investors remain on the sidelines.

“It has been pleasing to observe the seed investment sector’s continuing growth. Across the total sector, angel investors invested a record \$30 million into young New Zealand companies over the first six months of 2009, taking the amount invested over the past three-and-a-half years to over \$100 million.”

NZVIF media contact: David Lewis
Cell: 021-976 119 david.lewis@nzvif.co.nz