



VENTURE CAPITAL AND LATER STAGE PRIVATE EQUITY

AUSTRALIA

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INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Michael Calabro on Canberra (02) 6252 7039.

NOTES

INTRODUCTION

Venture capital and later stage private equity is high risk capital directed towards businesses with prospects of rapid growth and/or high rates of returns. It is an investment not only of money, but also of skills and time. This publication presents information on both financial and non-financial contributions to venture capital and later stage private equity investments.

The Australian Bureau of Statistics (ABS) undertook the first survey of venture capital for the period 1999-2000 and has since undertaken this survey annually with the financial support of the Department of Innovation, Industry, Science and Research (DIISR). Support was also received from the Australian Private Equity and Venture Capital Association Limited (AVCAL) for the 2007-08 survey.

The ABS has conducted all surveys with the advice and assistance of users of these statistics, industry bodies and data providers.

SCOPE & COVERAGE

Data users are advised to exercise caution when interpreting the results and should refer to the definitions and scope of the survey. Refer to paragraphs 4-10 of the Explanatory Notes for more information.

REVISIONS

There have been revisions in some series back to 2005-06 to include the latest available survey data.



ABBREVIATIONS

\$b	billion (thousand million) dollars
\$m	million dollars
ADI	Authorised Deposit-taking Institution
ANZSIC	Australian and New Zealand Standard Industrial Classification
AVCAL	Australian Private Equity and Venture Capital Association Limited
IPO	Initial Public Offer
IT	information technology
LBO	leveraged buyout
MBI	management buyin
MBO	management buyout

Brian Pink
Australian Statistician

TIME SERIES DATA

TABLES AVAILABLE AS DATA CUBES

Data available free on the ABS web site <<http://www.abs.gov.au>> include longer time series of the tables listed below and tables 1 to 3 in this publication. Most of the longer time series start from 1999-2000 with the remainder starting from 2004-05.

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SUMMARY OF FINDINGS

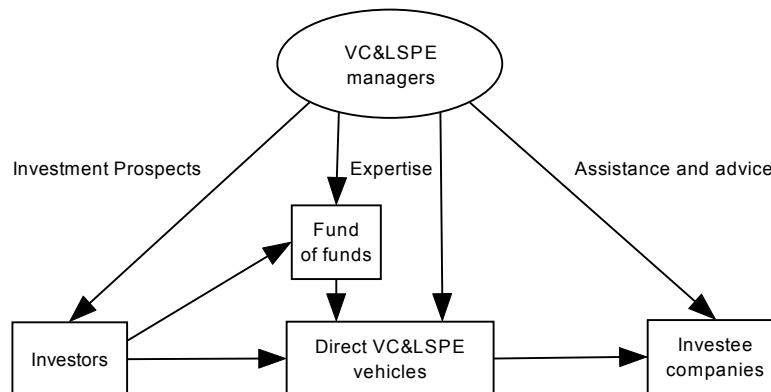
INTRODUCTION

Investors in Venture Capital and Later Stage Private Equity (VC&LSPE) are generally sophisticated individual investors or organisations such as pension (superannuation) funds. Investors invest in VC&LSPE vehicles which are mainly organised in the form of either trust funds or corporations. VC&LSPE trust funds obtain investment commitments from investors, which are drawn down over time. They must return capital plus profit (minus loss) as investments are realised. VC&LSPE vehicles organised as corporations are able to choose to make distributions to investors (including parent corporations) or to retain capital for further investment. Investors in corporations may liquidate their investment by sale on the secondary market. There are two types of vehicles: those that generally invest directly in investee companies, and those that pool funds and generally invest through direct investment vehicles. The latter are called fund of funds.

VC&LSPE investment vehicles include both direct VC&LSPE investment vehicles which place investments directly in investee companies, and fund of funds investment vehicles which mainly place investments with direct VC&LSPE investment vehicles.

The investment decisions of the vehicles are made by a VC&LSPE manager, who is generally a skilled business person and financial analyst. The VC&LSPE manager provides assistance and advice to the investee companies.

The usual relationship between the investors, managers, vehicles and investee companies is shown below. While this represents the usual relationship, variations can occur e.g. a fund of funds may co-invest with another fund manager.



OVERVIEW

The value of funds committed to VC&LSPE investment vehicles decreased during 2008-09. As at 30 June 2009, investors had \$17.4b committed to investment vehicles, a decrease of 1% on the revised \$17.6b committed as at 30 June 2008. Most of the committed funds were sourced domestically, with 91% of commitments from Australian investors (up slightly on June 2008). The value of funds committed by non residents decreased \$351m (19%), while the total value of funds committed remained flat.

Resident pension funds continued to increase their contribution to total commitments, with \$9.8b of committed capital (56% of total funds committed). All investors had \$11.7b of committed funds drawn down at 30 June 2009, an increase of 7% on the previous year end (\$10.9b at June 2008).

SUMMARY OF FINDINGS *continued*

OVERVIEW *continued*

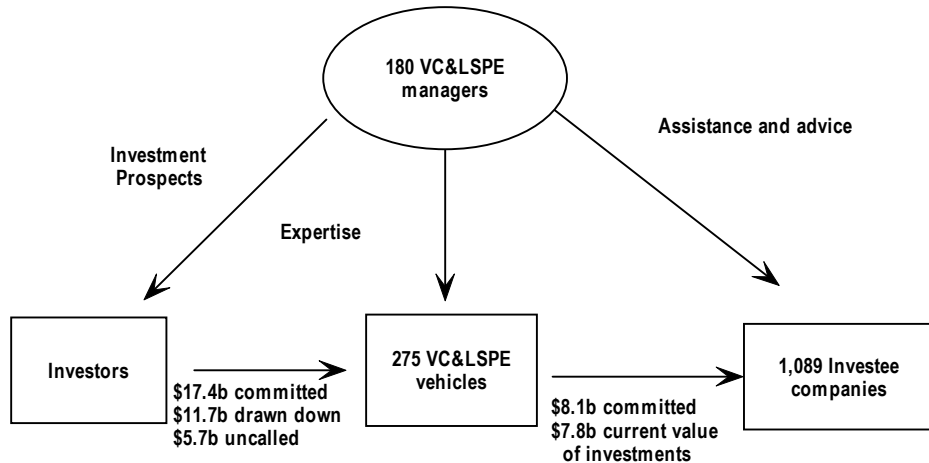
As at 30 June 2009, \$5.7b of committed funds were yet to be called on, down 15% on the revised \$6.7b of unused (undrawn) commitments as at June 2008. The \$5.7b of undrawn commitments can be classified by preferred stage of investment, with only \$0.8b undrawn by funds which prefer to invest at the early stage.

The value of investments by VC&LSPE investment vehicles (\$7.8b in 1,089 investee companies) decreased 6% on the \$8.3b reported at the end of June 2008. Investments in these 1,089 investee companies were reported by 275 vehicles.

During 2008-09, the net value of all exits through trade sales, Initial Public Offerings (IPOs) and buybacks amounted to \$682m.

VC&LSPE managers only selected 2% of the potential investments they reviewed. The 180 VC&LSPE managers reviewed 5,670 potential new investments during 2008-09 and conducted further analysis on 469 of those, with 126 being sponsored for VC&LSPE.

The following diagram summarises key findings for VC&LSPE at June 2009.



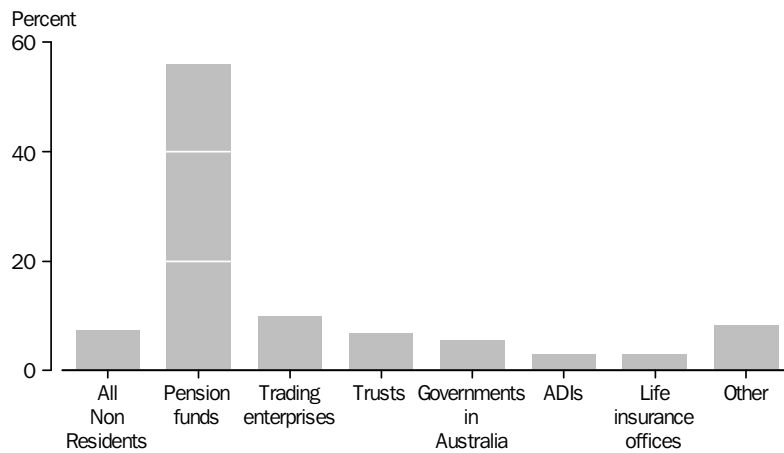
ANALYSIS OF RESULTS

INVESTORS

At the end of June 2009, \$17.4b was committed to direct VC&LSPE investment vehicles, \$3.8b of which was committed via fund of funds investment vehicles. At the end of June 2009, \$5.7b of commitments to direct VC&LSPE investment vehicles were unused, \$1.5b of which was committed via fund of funds investment vehicles (see table 1).

The following graph presents drawdown investment for VC&LSPE investors by type of investor. The largest source of funds in terms of drawdowns for VC&LSPE vehicles was provided by domestic pension funds, with 56% of total drawdowns (up slightly from 53% for 2007-08).

DRAWDOWN FROM INVESTORS BY INVESTOR TYPE, Percentage of total investment in VC&LSPE vehicles—2008-09



ANALYSIS OF RESULTS *continued*

VC&LSPE MANAGERS AND INVESTMENT VEHICLES

The survey identified 180 active VC&LSPE managers who were managing 275 VC&LSPE investment vehicles.

VC&LSPE managers received income in the form of management fees (\$234m). In 2008-09, fund managers spent on average 3.5 days a month per investee company. This compares with 3.8 days in 2007-08 and 3.6 days in 2006-07.

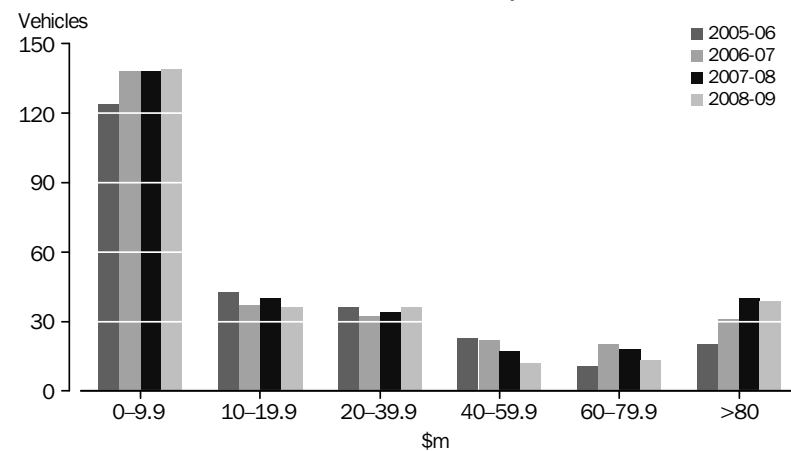
VC&LSPE investment vehicles had net assets of \$9.3b at June 2009 compared with \$10.6b at June 2008 and \$9.5b at June 2007.

Most VC&LSPE investment vehicles were either trusts (funds) or corporations. Of the 275 vehicles operating in 2008-09, 92 were companies, 16 of which were listed with the Australian Stock Exchange.

At the end of June 2009, 104 of the 275 VC&LSPE investment vehicles were participating in a government program, a 12% decrease on the number of participants in 2008. Of the 104 participating investment vehicles, 71 were with the Federal government's Pooled Development Fund (PDF) program, a 12% decrease in the number of participants.

The value of total assets held by VC&LSPE investment vehicles was widely dispersed, from 139 investment vehicles having less than \$10m in assets, to 39 with more than \$80m in total assets.

NUMBER OF INVESTMENT VEHICLES, By value of assets held



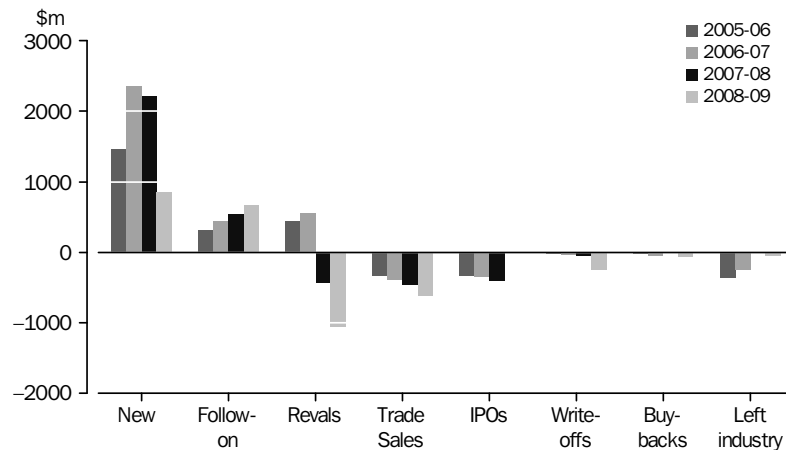
ANALYSIS OF RESULTS *continued*

VC&LSPE MANAGERS AND INVESTMENT VEHICLES *continued*

Table 2 shows the financial flows between VC&LSPE investment vehicles and investee companies over the survey period. New and follow-on investments by VC&LSPE investment vehicles fell \$1,246m (45%) in 2008-09 to \$1,524m.

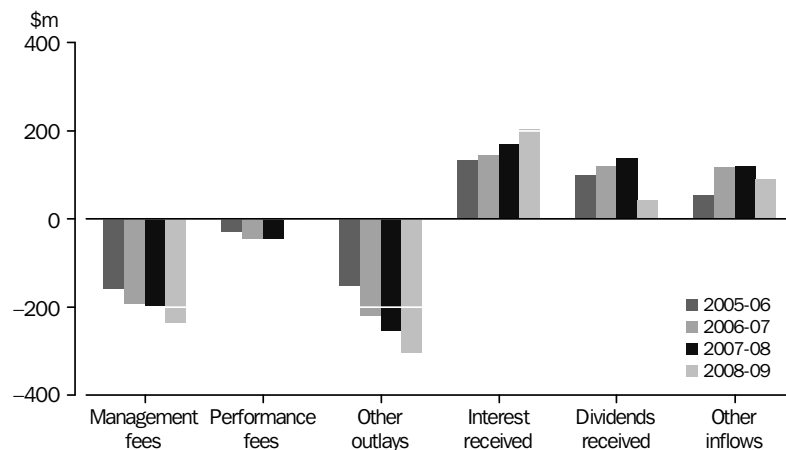
Most return on investment to investees is through exits from investments. The value of exits through trade sales, IPOs and buybacks was \$682m in 2008-09. This compared to a reduction in investment value of \$899m in 2008-09. The value of vehicles that left the Australian VC&LSPE industry (\$55m in 2008-09) was higher than the low level recorded in the previous year (\$6m).

ADDITIONS AND EXITS TO INVESTMENTS IN INVESTEE COMPANIES



Investment vehicles had total expenditure of \$539m during 2008-09, of which the largest component was management fees (\$234m, compared to \$197m during 2007-08). Total income decreased to \$334m, driven mainly by a decrease in dividends received (\$41m in 2008-09 compared to \$138m in 2007-08).

EXPENDITURE AND INCOME OF INVESTMENT VEHICLES

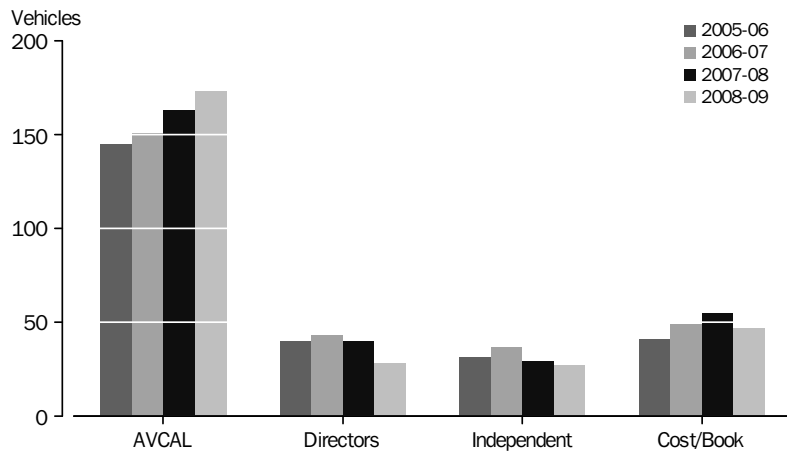


VC&LSPE funds used various valuation methods (refer to paragraph 14 of the Explanatory Notes). The AVCAL method was most frequently used, with 173 vehicles using this method in 2008-09, followed by book value/cost valuation methods (47), directors' valuation (28), and independent valuation methods (27).

ANALYSIS OF RESULTS *continued*

VC&LSPE MANAGERS AND INVESTMENT VEHICLES *continued*

VALUATION METHODS USED, By investment vehicles

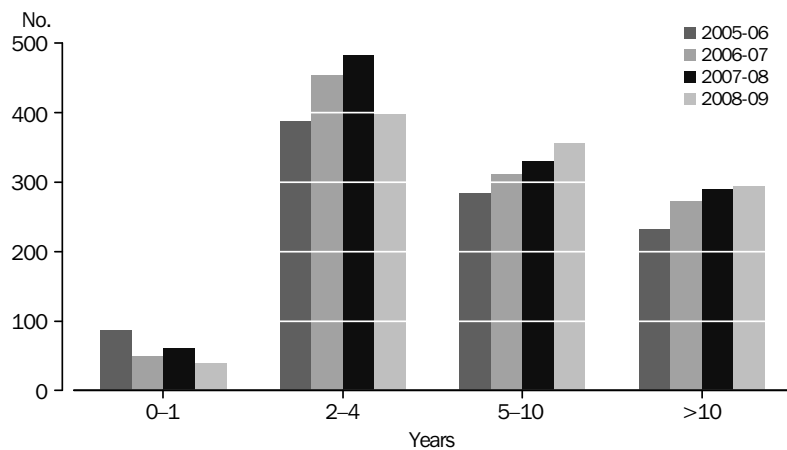


INVESTEE COMPANIES

Of the \$7,789m that was invested in the 1,089 investee companies (deals) at June 2009, \$850m was invested in new projects during the 2008-09 financial year (down by \$1,373m or 62% on 2007-08), with additional investments in existing projects of \$674m (up \$127m or 23%). See table 2 for more details.

The following graph indicates that at the end of 2008-09, the largest concentration of deals held by VC&LSPE vehicles was with investee companies established for between two and four years (37%). Investee companies in the five to 10 year category accounted for 33% of deals at the end of 2008-09.

NUMBER OF DEALS, By age of investee company



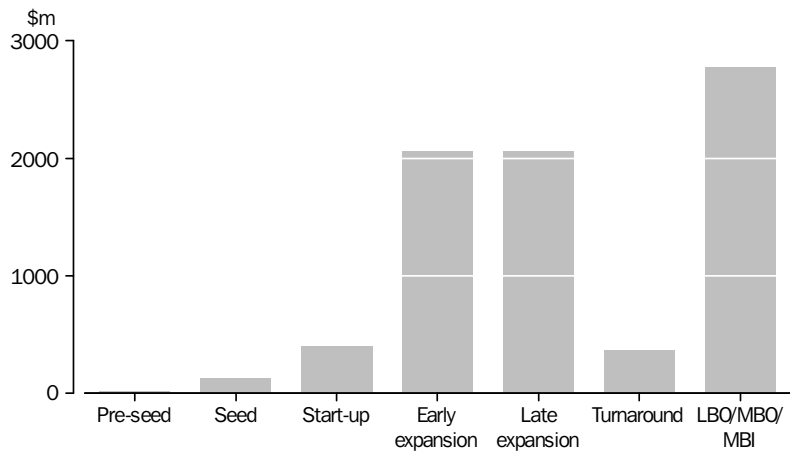
ANALYSIS OF RESULTS *continued*

INVESTEE COMPANIES *continued*

In terms of the current stage of investment, total investments in the leveraged buyout/management buyout/management buyin (LBO/MBO/MBI) stage attracted the largest share, with \$2,770m or 36% of total value as at the end of June 2009.

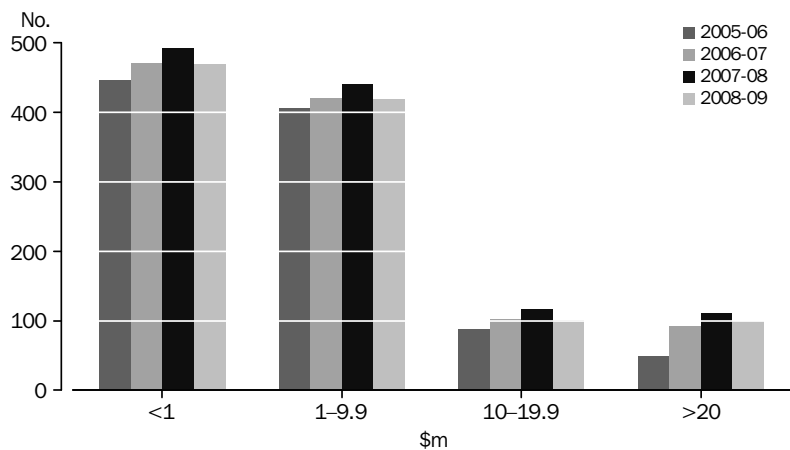
See paragraph 12 of the Explanatory Notes for a definition of the VC&LSPE stages referred to in the following graph.

VALUE OF INVESTMENT, By investee stage—2008–09



The following graph shows the distribution of the value of investment placed by VC&LSPE managers in individual investee companies. Most deals attracted less than \$10m from any one investment vehicle.

VALUE OF INVESTMENT, By number of investees

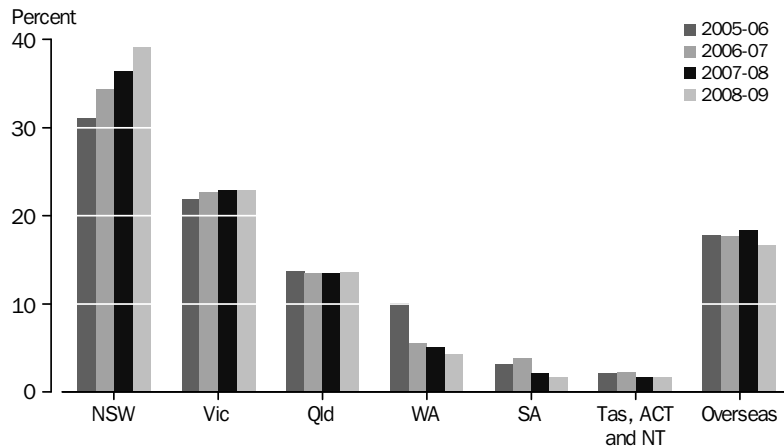


ANALYSIS OF RESULTS *continued*

INVESTEE COMPANIES *continued*

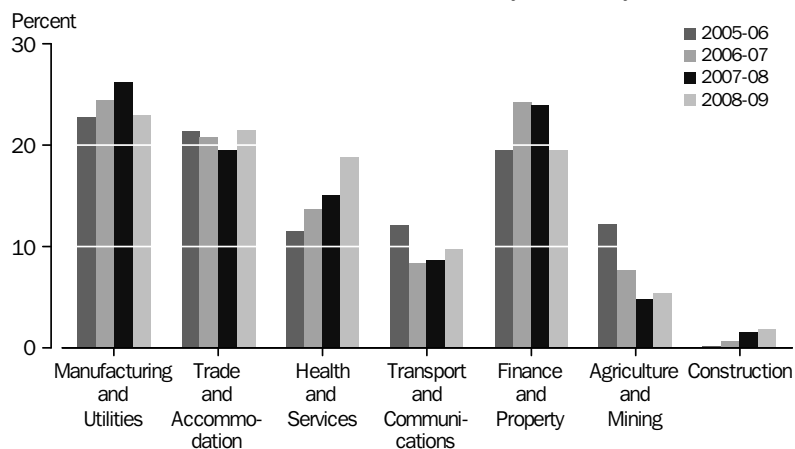
Most of the value of VC&LSPE investment was in investee companies with head offices in New South Wales and Victoria (39% and 23% respectively at June 2009). The current value of investee companies with head offices in New South Wales increased \$15m to \$3,044m compared to 2007-08, whereas Victoria fell \$118m to \$1,787m. While the current value of investments by Australian vehicles in offshore investee companies decreased \$222m (15%) to \$1,300m, it still remained significant, accounting for 17% of total investment.

PERCENTAGE OF INVESTMENT VALUE, By location of investee



VC&LSPE vehicles invested in a wide range of industries. Of the total value of \$7,789m invested in 2008-09, Manufacturing and Utilities remained the predominant industry of investment, with investments at the end of the year of \$1,793m (23% of total investment) despite a \$385 reduction in the level of investment. The Trade and Accommodation industries with investments of \$1,678m (22% of total investment) replaced the Finance and Property industries with investment of \$1,528m (20% of total investment) in second place after the Finance and Property industries experienced a \$470m fall in the level of investment. The ranking of all other industries remained constant.

PERCENTAGE OF TOTAL INVESTMENT, By industry of investee

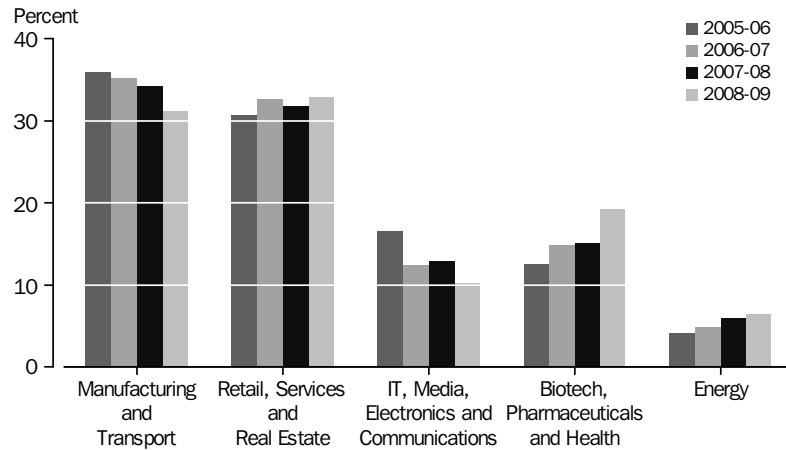


ANALYSIS OF RESULTS *continued*

INVESTEE COMPANIES *continued*

When analysed by activity, as defined by the Standard and Poors Activity Classification, the Retail, Services and Real estate related activities attracted the largest share of investment, with \$2,555m or 33% of total investment as at the end of June 2009. Manufacturing and Transport with \$2,432m (31%) and Biotech, Pharmaceuticals and Health activities with \$1,494m (19%) also attracted large shares of the total investments as at the end of June 2009.

PERCENTAGE OF VALUE OF INVESTMENT, By activity of investee



SOURCE OF FUNDS OF INVESTMENT VEHICLES

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
	\$m	\$m	\$m	\$m	\$m	\$m
.....						
COMMITMENTS BY INVESTORS						
Non-residents						
Pension funds	27	27	70	59	57	32
Other	649	657	620	1 335	1 826	1 500
Residents						
Pension funds	4 346	4 996	6 337	8 520	9 700	9 796
Authorised Deposit-taking Institutions	462	637	494	466	577	374
Trading enterprises	818	1 000	1 330	941	1 290	1 434
Governments in Australia	456	781	768	888	883	928
Life insurance offices	161	179	293	315	360	358
Trusts	257	452	713	660	917	1 108
Other residents	807	1 319	1 724	2 201	2 013	1 888
Total	7 983	10 048	12 348	15 385	17 623	17 418
Of which, invested through a fund of funds(a)	994	1 193	2 104	2 681	3 903	3 753
.....						
DRAWDOWNS FROM INVESTORS						
Non-residents						
Pension funds	20	21	47	np	11	np
Other	326	343	272	842	1 017	833
Residents						
Pension funds	2 246	2 561	3 446	5 079	5 806	6 575
Authorised Deposit-taking Institutions	310	504	410	np	506	np
Trading enterprises	491	460	705	728	1 013	1 162
Governments in Australia	262	336	389	514	532	648
Life insurance offices	141	150	204	304	331	340
Trusts	143	226	406	402	645	792
Other residents	653	852	1 470	910	1 045	987
Total	4 592	5 453	7 349	9 207	10 907	11 716
Of which, invested through a fund of funds(a)	515	688	788	1 466	2 052	2 268
.....						
UNUSED COMMITMENT						
Non-residents						
Pension funds	7	6	23	np	46	np
Other	323	314	347	494	808	667
Residents						
Pension funds	2 100	2 435	2 891	3 441	3 893	3 221
Authorised Deposit-taking Institutions	152	133	84	np	71	np
Trading enterprises	327	540	625	213	277	272
Governments in Australia	194	445	378	374	352	280
Life insurance offices	20	29	89	11	29	18
Trusts	114	226	307	258	272	316
Other residents	154	467	254	1 291	968	900
Total	3 391	4 595	4 999	6 178	6 716	5 703
Of which, invested through a fund of funds(a)	479	505	1 316	1 215	1 851	1 485
.....						

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Capital sourced from investors which were invested through a fund of funds, into a direct vehicle.

2

INVESTMENT BY VENTURE CAPITAL AND LATER STAGES PRIVATE EQUITY INVESTMENT VEHICLES IN INVESTEE COMPANIES

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
	\$m	\$m	\$m	\$m	\$m	\$m
Investments at beginning of year	3 338	3 092	3 532	4 665	6 936	8 312
<i>Additions to investment value during year</i>						
New vehicles and projects	465	839	1 475	2 359	2 223	850
Follow-on investments	162	183	307	446	547	674
Unrealised gains in investee companies	50	254	453	554	-438	-1 066
<i>Exits and other decreases in value (at balance sheet valuations)</i>						
Trade sales	241	291	334	392	476	618
Initial public offers	428	246	345	360	411	—
Buybacks	60	35	36	53	12	64
Write-offs	50	49	22	40	50	243
Left the industry	144	215	366	243	6	55
Investments at end of year	3 092	3 532	4 665	6 936	8 312	7 789

— nil or rounded to zero (including null cells)

3

NEW AND FOLLOW-ON INVESTMENT IN INVESTEE COMPANIES, By stage of investee company(a)

Stage of investee company	2007-08		2008-09	
	no.	\$m	no.	\$m
New investments during the year				
Pre-seed	15	5	12	2
Seed	27	26	8	14
Start-up	50	169	36	90
Early Expansion	81	453	34	221
Late Expansion	54	684	14	280
Turnaround	15	225	10	84
LBO/MBO/MBI	39	661	14	158
Total	281	2 223	128	850
Follow-on investments during the year				
Pre-seed	12	5	17	5
Seed	20	8	21	12
Start-up	35	36	53	81
Early Expansion	92	199	108	218
Late Expansion	53	106	35	158
Turnaround	14	31	12	28
LBO/MBO/MBI	44	161	36	171
Total	270	547	282	674

(a) A new stage of development classification was introduced in the 2005-06 survey.

SOURCE OF FUNDS OF INVESTMENT VEHICLES, By investment vehicles' preferred stage of investment—2008–09

	Earlier stages(a)	Expansion	Later stages(a)
	\$m	\$m	\$m
.....			
COMMITMENTS BY INVESTORS			
Funds			
Non-residents			
Pension funds	np	np	13
Other	394	425	681
Residents			
Pension funds	1 383	3 508	4 906
Authorised Deposit-taking Institutions	np	np	129
Trading enterprises	225	830	379
Governments in Australia	338	191	399
Life insurance offices	np	np	199
Trusts	95	515	499
Other residents	170	614	1 103
Total	2 622	6 490	8 307
Of which, invested through a fund of funds(b)	415	1 101	2 238
.....			
DRAWDOWNS FROM INVESTORS			
Funds			
Non-residents			
Pension funds	np	np	np
Other	np	np	428
Residents			
Pension funds	936	2 480	3 159
Authorised Deposit-taking Institutions	np	np	np
Trading enterprises	217	651	295
Governments in Australia	273	154	221
Life insurance offices	np	np	np
Trusts	86	333	373
Other residents	128	393	466
Total	1 821	4 618	5 277
Of which, invested through a fund of funds(b)	283	710	1 275
.....			
UNUSED COMMITMENT			
Funds			
Non-residents			
Pension funds	np	np	np
Other	np	np	253
Residents			
Pension funds	446	1 028	1 747
Authorised Deposit-taking Institutions	np	np	np
Trading enterprises	8	180	84
Governments in Australia	65	37	178
Life insurance offices	np	14	np
Trusts	10	181	125
Other residents	42	221	637
Total	801	1 872	3 030
Of which, invested through a fund of funds(b)	132	390	963
.....			

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Refer to paragraph 12 of the Explanatory Notes.

(b) Capital sourced from investors which were invested through a fund of funds, into a direct vehicle.

5

TOTAL COMMITMENTS BY INVESTMENT VEHICLES, By investment vehicles' preferred stage of investment—By current stage of development of investee companies—2008–09

<i>Investment vehicles' preferred stage of investment</i>	INVESTEE COMPANIES' CURRENT STAGE OF DEVELOPMENT		
	<i>Earlier stages(a)</i>	<i>Expansion</i>	<i>Later stages(a)</i>
	\$m	\$m	\$m
Earlier stages(a)	440	412	75
Expansion	160	1 983	702
Later stages(a)	57	1 800	2 516

(a) Refer to paragraph 12 of the Explanatory Notes.

6

TOTAL COMMITMENTS BY INVESTMENT VEHICLES, By current stage of development of investee companies—By stage of development when original investment made—2008–09

<i>Stage of development when original investment made</i>	INVESTEE COMPANIES' CURRENT STAGE OF DEVELOPMENT		
	<i>Earlier stages(a)</i>	<i>Expansion</i>	<i>Later stages(a)</i>
	\$m	\$m	\$m
Earlier stages(a)	658	316	80
Expansion	—	3 879	334
Later stages(a)	—	—	2 880

— nil or rounded to zero (including null cells)

(a) Refer to paragraph 12 of the Explanatory Notes.

EXPLANATORY NOTES

THE SURVEY

1 This publication contains venture capital and later stage private equity (VC&LSPE) statistics for the period 2003–04 to 2008–09. Data back to 1999–2000 are also available in the supplementary spreadsheets available on the ABS website <<http://www.abs.gov.au>>.

2 The 2008–09 VC&LSPE survey was funded by Department of Innovation, Industry, Science and Research (DIISR). The survey was first conducted for the 1999–2000 reference period, with results released as a Special Article in the *Managed Funds, Australia* (cat. no. 5655.0) December quarter 2000 issue.

3 The population of investment managers included in the survey was constructed from lists of participants in government programs (including Pooled Development Fund, Innovation Investment Fund, Venture Capital Limited Partnerships, Information and Communications Technology Incubator Program), membership of AVCAL, the Australian Venture Capital Guide, business directories and venture capital journals. The survey is a census of VC&LSPE vehicles domiciled in Australia that were able to be identified by ABS. Investment managers reported on behalf of the VC&LSPE investment vehicles they controlled.

SCOPE AND COVERAGE

4 The VC&LSPE survey aimed to cover all investments by resident VC&LSPE vehicles in enterprises that met the following definitions of venture capital and later stage private equity.

5 *Venture capital* is defined as high risk private equity capital for typically new, innovative or fast growing unlisted companies. A venture capital investment is usually a short to medium-term investment with a divestment strategy with the intended return on investment mainly in the form of capital gains (rather than long-term investment involving regular income streams).

6 *Later stage private equity* is defined as investment in companies in later stages of development, as well as investment in underperforming companies. These companies are still being established, the risks are still high and investors have a divestment strategy with the intended return on investment mainly in the form of capital gains (rather than long-term investment involving regular income streams).

7 As VC&LSPE vehicles invest in a business, they become part owners and may require a seat on the company's board of directors. They tend to take a minority share in the company and usually do not take day to day control, but the managers provide support and advice on a range of management and technical issues to assist the company to develop its full potential.

8 *Fund of funds* which invest mainly in other VC&LSPE funds are also included within the scope of this survey. This type of fund pools investments from a diverse range of investors and mainly places its investments with other VC&LSPE funds who then invest in unlisted companies. Direct investments in unlisted companies may occur, but are typically undertaken as a co-investment with another fund manager who manages the investment.

9 Organisations which were not considered VC&LSPE funds for the purposes of this survey included organisations with a principal activity of providing non-financial support to seed industries. For instance, incubators (typically providing office space and support) set up by either a state government or by way of a Commonwealth grant facilitate seed enterprises in their efforts to get the business into a position of growth. The incubator may offer grants, seed funding, reduced office rental, mentors, marketing contacts and access to office equipment. Only those incubators with significant equity investment in seed enterprises were included in this survey.

EXPLANATORY NOTES *continued*

SCOPE AND COVERAGE

continued

10 Investments by non-resident VC&LSPE funds in Australian investee companies are out of scope of this survey, however funds sourced from non-residents and Australian funds investing in non-resident companies are in scope. In addition, non-institutional investors such as "business angels" (private individuals investing in private equity) were also excluded.

FURTHER CHARACTERISTICS

11 The following are typical characteristics of VC&LSPE activities.

- The VC&LSPE industry receives a large number of approaches from individuals and groups of individuals who have what they believe to be good business propositions.
- A small or specialist fund manager will typically receive between 5 and 20 approaches each month for funding; of those 2 or 3 may receive more thorough examination, and out of those perhaps 1 per quarter will get funding.
- The medium sized organisations will receive anything from 20 to 400 approaches in a month. Even though they are medium in size in terms of the amount of capital they are raising and disbursing, their offices typically have only a small number of highly trained staff. There may be 5 or 10 approaches that are investigated thoroughly or undergo due diligence. From these perhaps 2 or 3 will receive funding in a quarter.
- A small number of large organisations receive upwards of 400 approaches a month. These offices are still run with a small number of staff. The culling process is similar to that of the medium sized organisations, with perhaps 5 to 7 enterprises receiving funding in any one quarter.

12 The following describes various stages at which a venture capital vehicle may make investments.

- Pre-seed, seed, start-up or early (earlier stages): products are in development, testing or pilot production. Investee companies may not be fully operational and may not yet be generating revenue.
- Early expansion, expansion or late expansion: developed products are in the market and the investee company has significant revenue growth and may be approaching, or at, profitable operating levels.
- Turnaround, late, buy-out or sale (later stages): a mature investee company that may require financing for turnarounds (because of flat or declining revenue), consolidation and sales.

13 The following definitions of the type of capital sourced from investors are used in this survey.

- Commitments from investors: capital pledged by investors, representing the maximum amount that the fund may drawdown from investors. Committed capital shown in table 1 of this publication is cumulative.
- Drawdowns from investors: for funds, this represents cumulative called capital. This is the amount of capital committed by investors that has actually transferred to a venture capital fund in aggregate for the life of the fund, and is also known as paid-in capital. Calls made, but not yet received, are excluded. Capital returned to investors that is available to be called from investors is excluded from the balance at the end of the financial year. For companies, drawdowns from investors represents paid-up capital as at the end of the year.

VALUATION BASIS

14 The VC&LSPE industry uses a variety of valuation methods for the equity they hold in the investee companies. The valuation methods may vary from one organisation to the other. However, the AVCAL method (described below) is widely used in reporting the value of the private equity holdings.

Methods of valuation

ASSETS VALUED BY THE AVCAL METHOD

EXPLANATORY NOTES *continued*

Methods of valuation continued

15 This method is well documented by AVCAL and Venture Economics and states that all assets should be valued at cost for the first 12 months and thereafter valued at market value or Directors' Valuation.

ASSETS VALUED BY DIRECTORS' VALUATION

16 Assets may be valued by the Directors taking care to undertake valuations with integrity and based on a common sense approach. This will need to be logically cohesive and subject to a rigorous review procedure under the direction of senior management and possibly non-executive Directors.

ASSETS VALUED BY INDEPENDENT VALUATION

17 The fund may choose to engage a registered independent valuer who will then value the asset based on the current market movements and environment.

ASSETS VALUED AT COST/BOOK VALUE

18 This method is preferred at least for the first 12 months and it is the cost of the asset at time of purchase by the Fund.

EFFECTS OF ROUNDING

19 Any discrepancies between totals and sums of components in the tables are due to rounding.

RELATED STATISTICS

20 Related ABS publications which may also be of interest include:

- *Australian System of National Accounts* (cat. no. 5204.0)—issued annually;
- *Australian National Accounts: National Income, Expenditure and Product* (cat. no. 5206.0)—issued quarterly;
- *Australian National Accounts: Concepts, Sources and Methods* (cat. no. 5216.0)—latest issue, 2000;
- *Australian National Accounts: Financial Accounts* (cat. no. 5232.0)—issued quarterly;
- *Managed Funds, Australia* (cat. no. 5655.0)—issued quarterly;
- *Standard Economic Sector Classifications of Australia (SESCA)* (cat. no. 1218.0)—latest issue, 2008.

21 Non-ABS data sources:

- Australian Private Equity and Venture Capital Association Limited web site <<http://www.avcal.com.au>>
- Venture Economics web site <<http://www.ventureeconomics.com>>
- Australian Venture Capital Guide 2009, Australian Venture Capital Journal; web site contact <<http://www.vcjournal.com.au>>

22 Data available on request:

The ABS may be able to provide additional data for this survey on request.

FOR MORE INFORMATION . . .

INTERNET **www.abs.gov.au** the ABS website is the best place for data from our publications and information about the ABS.

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