



PRIVATE EQUITY

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TMT Ventures first to reach \$100m milestone

Corporate venture capitalist TMT Ventures, supported by both New Zealand and international investors, has formalised its final close, making it New Zealand's first \$100 million fund.

"This marks a notable milestone for the venture capital industry in New Zealand," says TMT Ventures Executive Chairman Ross George. "Some people may be surprised it is the first such fund to achieve \$100 million, but the real value of venture capital has taken a while to take root in New Zealand. In addition its appeal to international investors has just materialised, following intensive marketing since our establishment".

Mr George said that funds had to be of a substantial size before they were attractive to international investors, as was the case with TMT Ventures, which had finances similar to the shareholders' funds of listed companies such as Wrightson and Steel & Tube.

Ross George describes the achievement as "a shot in the arm for young companies with prospects in our sector of interest." TMT is only 22% drawn down so has substantial capital available for investment.

TMT Ventures is New Zealand's largest early stage venture programme, targeting the converging telecommunications, media and technology sectors.

A joint venture between Direct Capital and US-based Advent International, TMT was initiated by seed investor Telecom New Zealand. Telecom committed capital itself and, just as importantly, has supported TMT with industry assistance to investee companies.

Telecom Corporate Affairs General Manager, Philip King, said innovation in communication technology had the potential to create huge value and be a key driver of economic growth. "Leading corporates like Telecom have a vital role to play in ensuring the businesses developing these technologies are nurtured. TMT Ventures is one of the ways in which

Telecom has chosen to do this", he said.

Telecom's investment was closely followed by investments from major international venture capital and technology sector investors, including technology companies Alcatel, Lucent and Marconi, fund manager AXA, utilities company owner Rotorua Energy Trust and entrepreneur Stephen Tindall, founder of The Warehouse.

The fund also attracted investment from the private equity arm of Credit Suisse First Boston, which has US\$26 billion under management in the private equity industry.

Steve Kahn, Managing Director of Advent International, which has US\$6 billion under management, believes the success of TMT Ventures to date says a lot about the potential opportunities in the region and the quality of the management team.

"Good Kiwi business ideas find it hard – almost impossible – to get funding for early stage ventures, which means many brilliant new ideas in New Zealand never make it to the market," says Stephen Tindall. "The TMT Ventures fund will bring New Zealand knowledge to international commercial reality, creating export potential and jobs."

Hon Pete Hodgson, Government Minister responsible for the NZVIF Programme, said he was pleased to see some major New Zealand and offshore investors getting behind TMT, including seed investor Telecom. "It is very healthy for NZVIF to have such heavyweight endorsement."

NZVIF - NZVIF, an exciting venture capital "fund of funds" initiative set up by the New Zealand Government, is investing \$15 million as part of the TMT Ventures programme. As a result, \$45 million of the Fund's investments will be targeted to NZVIF's investment mandate - investing in early stage businesses which are developing brilliant, innovative ideas with high growth potential. The concept is to ensure New Zealand's best business ideas are brought to market, reaching their full commercial potential and creating export opportunities, offshore relationships, and jobs in New Zealand.

"It is very satisfying to have signed this agreement with TMT, as its managers, Direct Capital and Advent, are leaders in their respective markets," said Franceska Banga of VIF. "Direct Capital is the largest venture capital investor in New Zealand and Advent is a global leader in international venture capital markets. This further endorses the mission VIF has to promote venture capital in New Zealand."

INSIDE

2. Direct Capital: A long track record of success

3. Corporate venture capitalists attracted to EMS-Global

4. "SmartMap" streets ahead in car navigation

5. Promising global "Climate" warming

6. Kiwi technology counters cyber-terrorists

7. TMT Ventures Conference

8. The Direct Capital team

Direct Capital: A Long Track Record of Success

Since 1994, Direct Capital has made 33 investments totalling more than \$180 million, making it at least twice as active than its closest New Zealand venture capital competitor. Past investee companies continue to boast strong returns, demonstrating Direct Capital's proven track record of increasing company value.

Direct Capital Partners, as Direct Capital Private Equity was then known, was formed in 1994 to provide a major alternative source of equity capital for private, unlisted companies.

"Upon establishment, we were successful in raising an initial \$51 million for the company almost immediately, which enabled us to commence investment activities without delay. The fund was then capitalised primarily with institutional money, with 16 Australasian financial institutions securing investments," said Ross George, Managing Director of Direct Capital. A subsequent capital raising in December 1995 raised an additional \$17 million.

From 1995 to 1998 Direct Capital Partners made 15 investments in unlisted Australasian companies in a diverse range of industries, including: telecommunications, software, information management, electronic commerce, internet marketing, television and film production, PC manufacturing, winemaking and airline catering. Thirteen of the 15 investee companies have either listed or been sold, providing a return of 44 percent on an IRR (Internal Rate of Return) basis, and clearly demonstrating Direct Capital's proven track record of increasing company value.

Companies like Sky City, Nobilo Wines and Tasman Building Products have become sizeable success stories. But there have been other smaller firms, such as Palliser Estate, Ryman Healthcare, Airwork and Robinson Industries, that have also performed very well.

"Direct Capital's primary focus in its investee businesses is on increasing shareholder wealth, and on putting the company and its shareholders in a position to realise that increased value," says Bill Kermodé, Direct Capital Director.

"We consider ourselves a provider of 'patient equity' and typically have a medium to long-term investment horizon." An early shareholder in Auckland casino operator Sky City prior to its IPO, Direct Capital sold its stake for a net profit of \$1.1m in June 1996 soon after the company was listed on the NZSE. Sky City is now one of the prime performers on the sharemarket. Direct Capital also initiated and led the successful float of the Nobilo/Selaks wines group, now a full subsidiary of the BRL

Hardy stable, and in late 1998 through to 1999 the team acted as the financial adviser to Ryman Healthcare in its successful listing on the NZSE.

Direct Capital has maintained close relationships with many of the Direct Capital Partners investee companies. Direct Capital's second investment fund commenced with the management buy-out of the Australasian business of Moore Business Forms in 1998. Direct Capital led this transaction, and was joined in it by co-investors 3i plc, Europe's largest venture capital company, and AMP Henderson Global Investors. Moore's Australian and New Zealand businesses were sold in two separate transactions in 2001. The year 2000 saw Direct Capital announce two major new initiatives which consolidated its leading position in the Australasian private equity sector. In April, Direct Capital became joint manager of TMT Ventures, a \$100m corporate venture fund, seeded by New

Direct Capital INVESTEE COMPANIES

Fund	Company	Stake Acquired	Industry	Date Invested	Total Investment	Where are they now?
DIRECT CAPITAL	Blue Star Group	20.0%	Office Automation Solutions & Products	Feb 95	\$9,800 m	Merged with US Office Products (USOP) for shares
	PC Direct	25.0%	Personal Computers/ Software	May 95	4,160	Merged with Blue Star for shares
	Robinson Industries	9.1%	Whiteware Manufacturer	May 95	6,300	MBO to new management
	Sky City	3.0%	Casino Operators	Jul 95	12,300	Listed
	Nobilo / National Liquor Distributors	49.0%	Wine Production and Distribution	Dec 95	4,525	Listed, then acquired by BRL Hardy
	Pacific Flight Catering	45.0%	Flight Catering	Apr 96	4,500	MBO refinancing
	Genesis Research & Development	25.0%	Biotechnology	May 96	2,750	Listed
	Communicado	38.0%	TV, Film and Content Production / Media	Aug 96	4,000	Merged with Screentime
	Gallagher Infomanagement	24.0%	Data Management	Oct 96	4,000	Merged with Moore
	Airwork	44.5%	Aircraft Fleet Operator & Maintenance	Jan 97	12,000	Ownership retained
	Ryman Healthcare	25.0%	Retirement Village Operator	Jan 97	14,994	Listed
	Palliser Estate	9.4%	Wine Production and Distribution	Feb 97	621	Secondary listed
	EFTPOS NZ	33.3%	EFTPOS solutions	Sep 97	7,384	Acquired by ANZ
	OPEN Group	33.3%	Supplier of Data / Internet Access Solutions	Sep 97	7,500	Ownership retained
	Tasman Building Products	9.9%	Building Products	Apr 98	6,550	MBO refinancing

Zealand's largest company, Telecom New Zealand. The venture fund was to provide capital in seed, early stage and later stage investment in New Zealand and Australian technology companies. In May 2000, Carter Holt Harvey, a NZSE and ASX listed company, announced it was establishing its first corporate venture fund, also to be managed by Direct Capital. The \$15 million fund invests in businesses that are linked to Carter Holt Harvey's core business areas.

"The strong returns that many previous Direct Capital investee companies are continuing to generate demonstrates the value in taking on a strong financial partner with a well-established track record of successful private equity investment," says Bill Kermodé.

Most recently TMT Ventures has been appointed one of the New Zealand Government's Venture Investment Fund managers.

Corporate venture capitalists attracted to EMS-Global

Following TMT Ventures' recent injection of \$5 million into EMS-Global, the world is now an oyster for New Zealand's leading connectivity service.

The EMS deal, finalised in December 2002, closely followed another investment in EMS-Global by UK investor 3i, the largest venture capital firm in Europe.

"With 3i, and now TMT Ventures with its corporate investors, EMS-Global possesses truly world class shareholders," says Wayne Dartnell, CEO of EMS-Global.

Established in 2000, TMT Ventures is a \$100m corporate venture capital programme, managed by Direct Capital in a joint venture with Boston-based Advent International.

Dartnell is the founder and the driving force behind EMS-Global. An innovative and enterprising individual, Dartnell's "no boundaries" way of thinking has played a large part in securing the internationally recognised investors.

"The significant investments by TMT Ventures and 3i have assisted in putting EMS-Global on the international stage, providing us with enormous flexibility and diversity as the company continues to pursue opportunities in Asia-Pacific, Europe and North America," he says.

Founded in 1996, EMS-Global is a major telecommunications security and professional services company that designs and builds smart solutions for telcos, service providers, corporate and government organisations in New Zealand, Australia, Europe and Asia.

"Our vision is to make EMS technology the industry standard around the world, and our flagship product, EMS Cortex, is helping us achieve this goal," Dartnell explains.

"Cortex, the part of the brain responsible for smart thought and reasoning, encapsulates the essence of our core product: smart network technology which makes our customers look smart."

EMS Cortex ensures a secure Internet Protocol (IP) communication platform, allowing service providers such as telcos to give customers safe and secure access to a range of value added network services, monitored and managed around the clock.

A core component of Telecom's 'Safecom', the EMS Cortex technology has been chosen by Telecom New Zealand to strengthen the security of its data services delivery to major corporate customers throughout the country.

EMS Cortex is available in Australia through 'SecurePoint', a managed services offering from AAPT, while British Telecom offers EMS Cortex to the United Kingdom market under the 'Ultimus' brand of security offerings.

"TMT Venture's investment acts as a visible endorsement of EMS Cortex, highlighting our international 'best of breed' services and people," says Dartnell.

Ross George, Chairman of TMT Ventures, believes TMT's investment in EMS-Global highlights the importance of both capital and global relationships for a fast growing company with international aspirations.

"With the EMS-Global deal, TMT Ventures' fourth investment and Direct Capital's third involving 3i as a fellow shareholder, TMT Ventures is now 22 percent invested," he says.

"The introduction of the deal by Telecom led to assistance with technical due diligence, as well as on-going operational input and assistance in the U.K. expansion."

Ross George emphasises: "This particular deal is a classic example of corporate venturing."

IMAGE CENTRE makes further gains

Direct Capital investee company Image Centre has made further gains since last year's acquisition of leading niche magazines NZ Rugby World and NZ Fishing World.

Image Centre (www.image-centre.com) acquired the two leading New Zealand titles last year following the demise of Wilson Neill subsidiary IT Media.

"Image Centre was involved in the production side of the two magazines since their inception, so we were delighted to have the opportunity to take the magazines into the future," said Image Centre managing director Dave Atkins.

"Retaining the services of editors John Matheson and Geoff Thomas was a big coup, as they are both highly respected professionals in the industry."

The latest coup for the Rugby World team is the addition of two high profile monthly contributors: Saatchi & Saatchi Worldwide CEO Kevin Roberts, and

international referee Paddy O'Brien.


Meanwhile recent figures from the AC Nielsen Readership Survey indicate that NZ Fishing World readership rate has grown by 20%.

The most recent addition to the Image Centre board is former Saatchi & Saatchi Managing Director, Mike Hutcheson.

Co-founder of a number of leading advertising agencies in New Zealand, including Colenso, Hutcheson, Knowles Marinkovich and Marcoa Direct, Hutcheson has also spent three years with TV and film production house Communicado.

Hutcheson presently heads The Lighthouse Ideas Company - a new venture for Image Centre that focuses on creativity for new ideas in business.

Image Centre is a fully integrated communications provider, offering services that range from Internet and multi-media design and development through to high quality colour pre-press and print services.



“SmartMap” streets ahead in car navigation

BMW has taken the initiative and made the first move to bring fully featured automotive navigation, SmartMap, to New Zealand roads.

In a joint project with key business partners Air Logistics (soon to be GeoSmart) and Civic Wholesale, BMW New Zealand has funded the establishment of a trial area to demonstrate the SmartMap's system benefit to motorists.

Turn by turn instructions are delivered to the driver by voice and displayed in the driver's peripheral vision.

Progress can be followed on the displayed map.

“Air Logistics (GeoSmart) is delighted that BMW has taken the initiative in trialing car navigation in New Zealand,” says Phil Allen, Air Logistics Managing Director.

“This is a significant leap forward for the automotive industry and road safety in New Zealand.”

Carter Holt Harvey Venture Capital, the \$15 million fund managed by Direct Capital, has a 40 percent shareholding in Air Logistics, developers of the SmartMap mapping database BMW will trial between

BMW's Mt Wellington headquarters, Ellerslie, Mangere Bridge, Auckland Airport and East Tamaki.

The most accurate spatial data set of its kind in New Zealand, SmartMap uses differential GPS, aerial photography and photogrammetry, as well as detailed field data collection.

The information is presented in CD-ROM / DVD form, and can be loaded simply, taking only moments to configure itself.

“SmartMap's spatial accuracy, combined with detailed road information, makes car navigation in New Zealand now viable as up until now there has been no alternative dataset capable of meeting the exacting criteria required for vehicle navigation,”

says Allen, who established the “SmartMaps” division of the company in 1993. Air Logistics (GeoSmart) uses SmartMap to produce all Wisers street and travel maps and Department of Conservation park maps, and has a range of clients that includes Transit New Zealand, Land Information New Zealand, various local authorities and regional councils. “We've either flown over or driven along every inch of road in New Zealand to produce the system, and are continually updating and enhancing the data with the latest business information from UBD, combined with extensive physical and cultural data and street addressing information from various sources,” says Allen.

Satellite navigation has been a feature of BMW cars in Europe for nearly 10 years, with the company seeing major safety and convenience benefits to its customers.

“Navigation is a proven aid to the driver, and in its current sophisticated form, is also a major safety benefit,” says Allen.

“No longer does a motorist have to have a map book on the seat beside them, or drive much slower in traffic while they search for street names, wondering whether they are still heading toward their destination.”

Instructing the driver verbally, SmartMap aids in reducing traffic congestion by making routing decisions based on the time of day and real-time traffic status information.

“The driver simply selects a destination from the entry screen, and the system computes the most efficient route based on selected preferences and/or live traffic information,” says Allen.

“Consumers are becoming increasingly geospatially focused with the use of GPS and its ability to find out information such as the nearest store selling a particular brand/product. Air Logistics (GeoSmart) is focused on bringing these geospatial solutions to New Zealand via various devices such as phones, PDAs and car navigation.”



Promising Global “CLIMATE”warming

Climate powder in its raw state before being applied and cured

After sealing its first export contract last year, Climate Coatings’ client list continues to grow as the innovative wood powder coating company makes exciting technological advances.

Carter Holt Harvey Venture Capital, a \$15 million fund managed by Direct Capital, took a majority shareholding in the business venture in 2000 following Climate’s selection into Carter Holt Harvey’s i2b (Ideas to Business) Programme.

“The business is definitely part of New Zealand’s knowledge wave,” says Guy Wills, Managing Director of Climate.

Climate is a powder coating process for wood products used in the building, commercial and residential furniture, cabinetry and joinery industries, and most recently, outdoor products. Following the launch of its first commercial product late last year, Climate sealed an Australian export deal for a new finishing solution, the “Climate primer”, which Wills believes has set a new standard in exterior finishing.

“The revolutionary coated plywood product offers significant benefits in comparison to traditional wet based primers,” he explains.

“Primary advantages include time saving, convenience, quality and longevity.”

The primer’s hardwearing, serviceable finish lasts up to six months onsite prior to cleaning and top coating, allowing greater construction time frame flexibility. Importantly, the primer contains no volatile organic compounds (VOCs) or heavy metals, therefore reducing the environmental impact.

Following an extensive testing process, the product was launched through timber and plywood manufacturing business, Ecopine, during November 2002.

The revolutionary primer is now available right throughout Australia and will soon be released in the New Zealand market.

“We’ve forecast revenue on the product to be over and above the \$1 million mark, and are presently looking for opportunities to enter Asian and US markets. The product offering will evolve to more prefinish type products once our testing regime has been completed,” says Wills. Recent feedback on the new primer from Australian builders and painters has been extremely positive. A Queensland based builder commented:

“The coverage of the new priming on the sheets is better than if I paid a sub contractor to do it onsite with a brush; plus it would take them around 35 minutes and use about 1.5 litres of primer per sheet, which is a very expensive process.”

A further highlight in the past year is the technical breakthrough Climate has made with a next generation of powder.

“The new generation powder offers greater performance and longevity, particularly with products that require edge coating,” says Kyle True, Sales and Marketing Manager at Climate.

“It enables greater design flexibility, without compromising surface finish functionality, and produces a completely impermeable finish.”

Developments expected from Climate later this year include the launch of specialised, antibacterial powders that have applications in the health and food sector.

“We are continuing to secure high profile customer contracts, and are on our way to being globally recognised,” says Wills.

Carter Holt Harvey Venture Capital invests in new ventures in Australia and New Zealand linked to Carter Holt Harvey’s core businesses.



Arnold - just the ticket for Travel

The ability to make and confirm travel plans, all within two minutes, has made ARNOLD the on-line travel booking engine of choice for many leading Australian and New Zealand agencies.

TMT Ventures, in conjunction with new management, purchased the software, customer contracts and operating assets from Penzance Technology Pty Limited, the owner of ARNOLD, in September last year.

Since then the new company, Arnold Travel Technology, known as ARNOLD, has significantly increased market penetration and developed innovative new features.

The ARNOLD system allows agents or consumers to check flight availability, check fare rules and restrictions, and book and pay for flights within two minutes. It has a clean and simple graphical interface, negating the need for training to use the product.

"It's fantastic that there is a software product like this developed here in New Zealand that not only competes with globally developed products, but effectively leads them," says Adam Johnson, Managing Director of ARNOLD.

"ARNOLD's unique ability to access a vast amount of travel-related data, and present it as meaningful travel information to enable the travelling customer to book on-line, makes it world class."

With operations in both Sydney and Auckland, ARNOLD is currently the on-line engine of choice for groups such as Carlson Wagonlit, Harvey World Travel, Webjet, Tek Travel, Travelmall, Travel Smart, eFlights.co.nz and also the booking engine on the TVNZ owned site, www.nzzoom.com.

Ross George, Executive Chairman of TMT Ventures, welcomed the chance to lead the management buy-in of ARNOLD following due diligence on the software.

"The quality of the people who created the system, the favourable customer references and most importantly, securing substantial capital to allow ARNOLD to trade and grow, all checked out, so business going forward looks very positive," he says.

Kiwi technology counters cyber-terrorists

Developing innovative solutions for organisations wanting to better manage their Internet Protocol (IP) infrastructure has positioned Auckland start-up company Espion Limited on the global stage.

Following TMT Ventures' and existing shareholders' injection of \$5 million late last year, Espion now has the capacity to further develop network products, including software that protects against cyber terrorists.

Greg Cross, Chief Executive of Espion, welcomed the successful capital raising and what TMT Ventures brings along with that finance.

"We're a young company with tremendous talent and have developed a unique technology for managing and protecting network traffic," he says.

"The capital and access to key corporates that TMT Ventures provides us is a vital next step in implementing our sales strategy."

Founded in November 2000, Espion's focus is computer network protection and improving bandwidth management. Espion's first product, netDeFlect, protects IP Networks against a

range of traffic anomalies that can have a significant impact on the performance of networks and the delivery of mission critical information. An example of a traffic anomaly which netDeFlect can manage is denial-of-service (DoS) attacks launched by cyber terrorists. By flooding a network address with huge volumes of traffic, DoS attacks can cause a temporary loss of all network and connectivity services, such as email or website use. In some cases a DoS attack can also destroy programming and files on a computer system.

"DoS attacks, often instigated by cyber terrorists, are a growing threat to all Internet traffic," explains Cross.

"netDeFlect detects such attacks at the onset, providing a crucial early warning and filtering out attack traffic. Additionally, netDeFlect has the ability to detect sudden changes in traffic volumes and traffic types at different points of the network."

The investment in Espion was led by TMT Ventures with follow-on investment by the company's existing investors, including the New Zealand Seed Fund and Stephen Tindall.

"Espion is an excellent example of how TMT Ventures operates. We were able to access key technologists within our corporate partners to help in our initial technical evaluation," says Gavin Lonergan, TMT Associate Director.

"We continue to work with the company and our corporate partners to help achieve the all-important early sales and reference sites that are so critical for a young company."

TMT Conference links Global Corporates with Local Tech Companies



Panel chairman Steve Kahn (centre) with other corporate representatives (left to right) Paul Butcher, Pierre Bonnard, Murray Milner and Alistair Bell at the TMT conference.

In what is believed to be a New Zealand first, TMT Ventures has hosted a conference in Auckland aimed at improving the vital links between global corporates and young technology companies.

The conference, held in February this year, revolved around the theme of the necessity for Kiwi companies to link into global distribution partners and the requirement for global corporates to access new technologies from third parties.

The session was chaired by Advent International Managing Director Steve Kahn, who is a global leader in corporate venture capital. The panel included Murray Milner, CTO Telecom; Pierre Bonnard, Paris based Vice-president of Research and Development for Alcatel; Alistair Bell, CFO Lucent Australia; and Paul Butcher, MD Marconi Australia/New Zealand. This gave representation from a European, American and Australasian perspective.

Eighty companies were invited to the event and 75 attended, the high turnout reflecting how relevant the subject matter is to young Kiwi companies. The obvious clash in size, culture and process between young

technology companies and global corporates was highlighted in a no-holds barred discussion with Telecom, Alcatel, Lucent and Marconi. Each spokesperson outlined processes in acquiring, investing in, and partnering with young technology companies.

Feedback generated in the succeeding question and answer session indicated that the technology companies felt that the corporate process was too long, costly and complicated. The corporates' response to this placed emphasis on the boxes that had to be ticked before an investment, alliance or distribution agreement was put in place. Once this was in place, keeping the relationship working and financially rewarding for both parties was imperative.

"What our corporate partners provide are the business connections to help young companies succeed – the money alone is not enough," said Ross George of TMT Ventures.

"Our corporate partners help us to assess the technologies prior to investment and help commercialisation post investment. It's a compelling combination to offer early-stage tech companies.

"We established TMT Ventures and its \$100 million programme to help bridge this divide, and the conference was a way of opening up the opportunities for both sides."



The Direct Capital team: (from left) Ross George, Ann Grieve, Rodney Harris, Gavin Lonergan, Bill Kermode, Esther Vernon, Mark Hutton and Kory Fagan.

The Direct Capital team

Ross George, LLB – Managing Director

Ross is a founding director of Direct Capital Private Equity. He has been in the venture capital industry since 1987 and has been involved as an investor and director in many private companies in Hong Kong, Australia and New Zealand – from startups to large private businesses.

Ross was based in Hong Kong from 1985-1992. He was a founding director and shareholder of the BKW Group, a Hong Kong based private equity house. BKW managed unquoted private equity funds exceeding NZ\$100 million with investments in the manufacturing, service, tourism and finance industries. Ross is director of a number of private companies.

Mark Hutton, BCom – Director

Mark is a founding director of Direct Capital Private Equity. He has a background in corporate finance and specialises in the establishment of capital structures, capital management and the utilisation of a wide range of financial products for operating business units. Mark has been director of a number of private companies including Airwork, Blue Star Group, Nobilo Wines, Open Holdings, Tasman Building Products, Moore Australia and Moore Gallagher. He is currently a director of Image Centre and Datacap. Mark spent six years as Group Treasury Manager of Gestetner Holdings Plc (turnover \$2.5 billion, net assets \$500 million) in London.

Bill Kermode, BSc (Hons), MA (Oxon) – Director

Bill is a founding director of Direct Capital Private Equity. He has a background in business analysis, strategic planning, and finance. Bill has been director of a number of private and public companies including Ryman Healthcare, EFTPOS NZ, PC Direct, Robinson Industries, and Communicado. Among his current directorships are EziBuy, eCargo, Climate, StaffCV, and the TAB. In the 1980s Bill established the currency and interest rate options business at DFC and negotiated its sale to the BNZ in 1990.

Gavin Lonergan, BBus, CA – Associate Director

Gavin has been with Direct Capital for five years and manages investment activity for Direct Capital's technology programme, TMT Ventures. Prior to joining Direct Capital he was a senior analyst with Clear Communications in its commercial finance unit. Before joining Clear Communications Gavin spent four years with British Telecom in London as an analyst in its managed network services unit. Gavin is a director of Espion and EMS

Global and is a council member of the New Zealand Venture Capital Association. He is also on the Advisory Board for Auckland University of Technology's business degree programme.

Kory Fagan, MCom (Hons), PGDipFin, BCom – Investment Manager

Kory joined Direct Capital two years ago from his role as Manager at Ernst & Young heading up the Business and Intangible Asset Valuation service line. In this role he also undertook other corporate advisory activities such as business profitability analysis and strategic management. Prior to this Kory was involved in the investment banking industry as General Manager for Brent Wheeler & Co, a boutique investment banking firm based in Auckland. Kory's role at Direct Capital includes assessing investment opportunities, valuations, transaction execution and an ongoing role managing investments. Kory is a director of Air Logistics and alternate director for Climate and eCargo.

Esther Vernon, BA (Hons), M.Sc – Finance Manager

Esther joined Direct Capital two years ago as Finance Manager. In this role she takes responsibility for the financial and reporting relationship with investee companies, investors' reporting requirements as well as managing Direct Capital's and TMT's internal financial, organisational and compliance requirements. Esther has worked in a variety of corporate finance, accounting and audit roles in New Zealand, Luxembourg, Bermuda, and the United States. She initially studied and commenced work in Chicago, Illinois. Prior to joining Direct Capital she worked with Deloitte Corporate Finance in Auckland, and before that Franklin Templeton Funds in Luxembourg.

Rodney Harris, BMS – Investment Analyst

Rodney has recently joined Direct Capital in the capacity of investment analyst. In this role he is involved in assessing investment opportunities, valuations, transaction execution, research and ad hoc consultancy projects. Prior to joining Direct Capital, Rodney was an investment analyst with FundSource Research, leading and evaluating managed funds on a qualitative basis. Before joining FundSource, Rodney spent two years working for Beattie Rickman, a leading multi service accountancy firm based in Hamilton. Rodney studied finance and economics at Waikato University.

The Investment team continues to receive support from Office Manager Ann Grieve.



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