



MEDIA RELEASE

SENATOR KIM CARR

Minister for Innovation, Industry, Science and Research

Friday, 5 November 2010

\$160M TO HELP INNOVATIVE START-UP COMPANIES

A market-leading pain management product and an autoimmune disease treatment are just two success stories that have got a head-start from the Australian Government's Innovation Investment Fund.

Announcing that over \$160 million in venture capital will be made available through four new funds, Innovation Minister Senator Kim Carr said venture capital is a critical element of an effective innovation system because it links research to world markets.

"The venture capital we are providing these fund managers today will help early-stage high-growth Australian companies commercialise their research. This will lead to new skills, jobs and trade opportunities that will grow our economy," Senator Carr said.

"Receiving Government funding of \$20 million each, the four fund managers also have received funding from private investors. This private investment must match or exceed the Government's investment.

"Carnegie Venture Capital, MRCF, Southern Cross Venture Partners and Start-up Australia Ventures are the four fund managers being announced today. They will use this investment to help new companies commercialise their research and bring a wealth of new products into the Australian economy.

"Each fund has its own focus. For example, one will look at spin-outs from our world-class medical research institutes and another will focus on internet and new media technologies."

Senator Carr said the Innovation Investment Fund plays an important role in developing fund managers and building management skills within new companies.

Since it began in 1998, the Innovation Investment Fund has supported more than 90 companies.

Attached are details of the successful fund managers and examples of previous successful investee companies.

For more information on the Innovation Investment Fund, visit www.ausindustry.gov.au, phone 13 28 46 or email VentureCapital@innovation.gov.au.

For more information on the range support provided through the Innovation portfolio, visit www.innovation.gov.au.

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Carnegie Venture Capital Pty Ltd

Proposed Fund Name	Carnegie Innovation Fund (CIF)
Fund Structure	Early-Stage Venture Capital Limited Partnership (ESVCLP)
Investment Focus	Life sciences, Internet and media technology and other innovation driven sectors
Key Personnel	<p>Mr Mark Carnegie</p> <p>Ms Nicola Young</p> <p>Mr David Birkbeck</p> <p>Professor David Celemajer</p> <p>Dr. Jacinth Fairley</p>
Contact	<p>Mr Mark Carnegie</p> <p>02 9241 4821</p> <p>enquiries@mhcarnegie.com</p>
Location	Sydney
Fund summary from application	<p>The fund's focus is on early-stage Australian companies driving innovation in product and process development in the life sciences, information technology and other sectors. The principals of the Carnegie Innovation Fund have long and proven track records in business and in the venture industry. Among the fund's principals is Mark Carnegie, whose investing track record and contribution to the development of the venture capital industry in Australia rank among the most significant in the country. The Carnegie Innovation Fund has committed capital to allow it, together with the Australian Government, to expeditiously close on a fund of \$40 million.</p>

MRCF Pty Ltd

Proposed Fund Name	MRCF IIF Partnership, LP
Structure	Venture Capital Limited partnership (VCLP)
Investment Focus	New seed to early stage investments into innovations originating from Member Australian medical research institutes and research hospitals
Key Personnel	Dr Chris Nave Dr David Fisher Dr Stephen Thompson
Contact	Dr Chris Nave 03 9657 0700 info@brandoncapital.com.au
Location	Melbourne
Fund summary from application	<p>The Medical Research Commercialisation Fund (MRCF) was established in July 2007 as a seed/early-stage fund supporting the commercialisation of innovations developed within Australia's medical research institutes and research hospitals. The MRCF started with operational grant support from the Victorian and NSW Governments and eight of the leading medical research institutes from those states as members. In the short period since establishment, the MRCF has seen membership grow to 27 medical research institutes and their associated research hospitals, spanning Victoria, NSW, Western Australia and Queensland. More recently, the Departments of Health in Western Australia and Queensland have also joined the MRCF collaboration.</p> <p>The MRCF IIF will ensure that there is sufficient capital to provide seed funding for approximately fifteen newly formed companies to commercialise innovations emanating from the Member Institutes. In addition, the MRCF IIF will provide sufficient follow on capital to support the most promising companies, following the seed investment, to a stage where they can be partnered or attract capital from the more traditional venture capital sources. The existing Investors have committed to supporting the MRCF IIF and will provide the \$20 million of required matching private capital.</p>

Southern Cross Venture Partners Pty Ltd

Proposed Fund Name	Southern Cross Fund No. 2 LP
Structure	Early Stage Venture Capital Limited partnership (ESVCLP)
Investment Focus	General
Key Personnel	<p>Mr Gareth Dando</p> <p>Mr Bill Bartee</p> <p>Mr Bob Christiansen</p> <p>Mr John Scull</p> <p>Mr Larry Marshall</p> <p>Mr Tristen Langley</p> <p>Mr Frank Foster</p>
Contact	<p>Mr Gareth Dando</p> <p>02 8314 7400</p> <p>gdando@sxvp.com</p>
Location	Sydney
Fund summary from application	<p>Australian-US early stage fund in the IT, telecommunications, materials and clean technology sectors.</p> <p>Southern Cross's major strength lies in the way it has structured its business model for venture investing, with experienced people based in Silicon Valley, Sydney and Brisbane. This fund will have strong formalised international linkages. Southern Cross is committed to building a self sustaining Australian venture capital industry which is why they have integrated their business into Silicon Valley, in order to facilitate Information and Communication Technology (ICT) capitalisation and divestment.</p> <p>Southern Cross has a strong commitment to work with domestic investees, both getting them investor ready and then through the expansion stage optimising exit value. The fund's US presence is a critical success factor for executing this strategy.</p>

Start-up Australia Ventures Pty Ltd

Proposed Fund Name	Start-up Australia Fund
Structure	Venture Capital Limited Partnership (VCLP)
Investment Focus	Early-stage life science companies
Key Personnel	Dr George Jessup Mr Stephen Robinson
Contact	Dr George Jessup 02 8249 4029 george@start-up.com.au
Location	Sydney
Fund summary from application	<p>Start-up Australia is a leading Australian venture capital company specialising in the bioscience sector. Since it was established in 1997 it has provided institutional investors with attractive investment returns by investing in Australian companies developing products for global bioscience markets.</p> <p>The Start-up Australia Fund intends to invest in early stage companies developing products for global pharmaceutical, medical device, diagnostic, animal health, agricultural technology, food, energy and environmental markets.</p>

A Selection of Investee Companies from the Innovation Investment Fund (IIF) Program

The Australian Government's venture capital programs support new innovation funds and fund managers with expertise in early-stage venture capital investing. The programs co-invest with private sector investors in innovation funds to assist early-stage companies to commercialise the outcomes of Australia's strong research capability.

Looksmart is an internet search engine company supported by IIF fund manager AMWIN Management Pty Ltd. Their \$2.2 million investment returned \$245 million to investors; a staggering 111 times the original investment.

SEEK is one of the largest online jobseeker sites in Australia and New Zealand. Venture capital investment by the IIF fund manager AMWIN Management Pty Ltd contributed to its early growth strategy. From a revenue base of less than \$1 million in 1999 it successfully listed in April 2005 with a market capitalisation of \$600 million.

QRxPharma, a Four Hats Capital investment, has a product pipeline in the fields of pain management and neurodegenerative diseases. Its stock exchange debut made it the largest life-sciences initial public offering in Australia.

Pharmaxis is a drug discovery company focused on treatments for autoimmune diseases. IIF fund manager GBS Venture Partners Ltd was a seed venture capital investor in Pharmaxis in 1999. Its value grew from \$1.4 million at investment to more than \$635 million to date.

Alchemia listed on the Australian Stock Exchange 2003 after the biotechnology company received venture capital investments from four IIF fund managers: Start-up Australia Ventures Pty Ltd, GBS Venture Partners Ltd, AMWIN Management Pty Ltd, and, Coates Myer and Company Pty Ltd. Alchemia is awaiting approval from the United States' Food and Drug Administration to begin sales of its first product, a treatment for deep-vein thrombosis.

Further details on the Australian Government's venture capital programs can be found at www.ausindustry.gov.au or by emailing VentureCapital@innovation.gov.au