



DIRECT CAPITAL

DIRECTIONS

NEWSLETTER OF DIRECT CAPITAL PRIVATE EQUITY LIMITED SEPTEMBER 2005

Changing MARKETS - Stable values

Whilst Direct Capital continues to refine its approach to investment in Australasia, the company's core values remain the same today as when it was first established some 10 years ago, as do its three founding partners.

Direct Capital seeks to remain a pre-eminent provider of equity capital to Australasian businesses lacking ready access to the stock market, with a focus on increasing shareholder wealth in private companies, and assisting shareholders to realise value.

As the market has changed, Direct Capital has also changed – and grown – and now operates across the business cycle from early stage (venture capital) to mature (private equity) businesses.

Given the increasing sophistication and differing needs of both investors and company owners, Direct Capital now manages dedicated pools of capital.

Direct Capital has attracted specialist expertise to complement its own core private equity expertise, working with joint venture partners that are leaders in their field.

These global partners include Advent International for technology, media and communications, and *inventages* from Switzerland for food and agri-business.

FOR OUR INVESTORS THE BENEFITS ARE:

- a choice of specific asset classes from one local established player
- a manager with scale and critical mass
- a local established manager with access to world-class expertise
- a broad network for deal identification

AND FOR OUR INVESTEES:

- a local partner
- a one-stop shop throughout the business lifecycle
- access to further rounds of capital
- a partner with expertise in growing both early stage and mature businesses, plus business acquisition expertise
- a global network through our partners

Each capital pool has dedicated management at an operational level, supported by a broader and independent perspective at a non-executive level.

Direct Capital has now raised more than \$370 million through six separate capital pools, and is currently finalising its seventh capital raising, Direct Capital Partners III.

Today Direct Capital provides investors with the opportunity to invest across the business cycle through a range of specialist funds, whilst investees are able to benefit from its regional and global experience and network. The methods have changed but Direct Capital continues to create value for investees and provide superior returns for investors.

INSIDE

- 2 TMT offers expansion in Asia, Middle East, Africa and beyond; Excellence rewarded with TMT Ventures investment
- 3 TMT Ventures opens new gateways to success; Telco software supplier set to soar with TMT Ventures' support
- 4 Esphion worm busts on global scale; Chief Executive TMT Ventures: Paul van Tol; Direct Capital Partners III
- 5 Robinhood sets an example; Climate heats up in Australasian market
- 6 Nestlé feeds opportunities into Australasian life sciences; Chairman of Venture Capital Association: Gavin Lonergan
- 7 Noel Leeming - Direct Capital's big brand buyout; Direct Capital: the success path continues
- 8 The Direct Capital team

THE FOUNDATIONS OF DIRECT CAPITAL'S APPROACH REMAIN:

- Solutions focus
- Rigorous investment approach
- Active management
- Strategic, financial, acquisition, managerial change and governance support



TMT offers expansion in Asia, Middle East, Africa and beyond



Always seeking growth, TMT Ventures has made its 11th direct investment in a NZ\$5 million deal with Argent Networks – a leading developer of customer care and billing solutions to the telecommunications market.

Argent is at the forefront of developing next-generation billing platforms and, with existing customers in 12 countries, the new capital will be used to expand the operations in the Middle East and Africa and to extend into other regions.

TMT Ventures recognised Argent's success as a solid investment opportunity and the capital provided by TMT, alongside an existing investor in the company since 2001, completed the \$8 million capital raising for Argent.

Gavin Lonergan, Investment Director for TMT and Chairman of the New Zealand Venture Capital Association, says TMT is impressed by Argent's achievements to date and is excited by the opportunities that lie ahead.

"Argent has all the attributes we're looking for – a leading product, a global market that is demand driven, a well-developed strategy and a management team with the ability and experience to execute that strategy," says Lonergan.

"There is sure to be a continuing industry demand for replacing outdated legacy systems, which will further help ensure Argent's ongoing growth, as it offers service providers unparalleled integration and flexibility.

"This new investment follows an improving sentiment for the technology sector, with 2004 signalling a real step up in investment activity in New Zealand," continues Lonergan.

Chief Executive of Argent, Chris Jones, says the company welcomes this investment, and can now look forward to worldwide growth and consolidating its position as a world leader.

"Over the last three years the team at Argent has worked incredibly hard in securing very significant customers and has achieved major success in the Middle East and Africa.

"We know our technology is market-leading and, with this capital round now completed, we're extremely well-funded to expand our operations," says Jones.

This investment also emphasises the success of the New Zealand Government's Venture Investment Fund (VIF). TMT is a manager of VIF, and the capital raising for Argent is the fourteenth investment made by VIF managers since 2003.

Excellence rewarded with TMT Ventures investment

Recognising the commitment it takes for a New Zealand software company to successfully expand overseas, TMT Ventures has invested in the internationally burgeoning dental software provider, Software of Excellence.

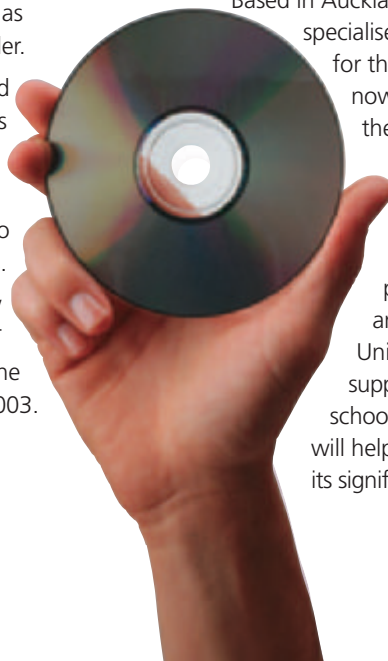


TMT Ventures has taken a placement of mandatory convertible notes in the innovative company, which has firmly established itself as a niche market leader and continues to return positive operating cash flows.

Software of Excellence is now the largest supplier of clinical and administrative software to dental schools and hospitals in the United States, after partly funding the purchase of General System Design Inc and associated ClaimsPro Inc (GSD).

The acquisition, in November 2004, involved a \$2.5 million placement to TMT Ventures and other investors including Sydney-based Co-Investor Group.

Based in Auckland, Software of Excellence specialises in the development of software for the international dental industry and now has wholly-owned subsidiaries in the United Kingdom, Australia and the United States. The company also has customers across Asia, South America and Europe; and a client base spanning dental practitioners, teaching institutions and public health providers. GSD is a United States-based dental software supplier with a customer list of 16 dental schools, and TMT Ventures' investment will help Software of Excellence continue its significant expansion in the United States.



TELCO Software supplier set to soar with TMT Ventures' support



In October 2003, corporate venture fund TMT Ventures led an A\$4.5 million investment round into Integration Management Pty Limited and with global backing from parties such as Alcatel, Lucent, Marconi, Telecom NZ and AAPT the funding is bringing strong growth.

"Our investment into Integration Management represents further reinforcement of the corporate venturing model," says TMT Ventures Director Mark Hutton.

As a market-leading provider of mission-critical software to telecommunications network operators, Integration Management's main product is an interconnect data collection and billing software solution called in>Bill™.

"Interconnect represents a significant part of a telecommunications operator's revenues and costs, which makes it a central issue for all our corporate partners, and there are many opportunities for Integration Management to work with them for the benefit of all," continues Hutton.

The Australian company was established by Gray Goodwin in 1992 and this latest investment round will help fund the company's ongoing expansion into the telecommunications markets in Asia and the Pacific, the United States and Europe.

Prior to TMT Ventures' investment, Integration Management already boasted large telecommunications customers in seven countries reflecting the international attraction of in>Bill™.

"This is a significant event for the company and it validates the customer wins we've had to date," said Goodwin, of TMT Ventures' investment. "Customer traction was vital in securing a new investor of the standing of TMT."

Hutton commented that, during the investment round, Telecom NZ and AAPT (a founding customer of Integration Management) were able to provide invaluable insights into the in>Bill™ solution from an operator's perspective and, therefore, further validate the case for investment.

TMT Ventures' investment will help ensure Integration Management remains at the forefront of the ever-evolving telecommunications industry, as a wider reaching, all-encompassing global telco software supplier.

TMT Ventures opens new gateways to success

TMT Ventures has invested in a highly successful Australian company, Dilithium Networks – a leading provider of wireless multimedia solutions, including voice and video transcoding gateways that serve much of the world's mobile infrastructure industry.



TMT Ventures has joined Motorola Ventures, JafcoAsia, Deutsche Bank Capital Partners, CM Capital and US Venture Partners in two rounds of funding totalling US\$29 million in Dilithium Networks.

"Our participation represents a great example of corporate venture capital at work," says Ross George, Managing Director of TMT Ventures. "Dilithium is right in the space of TMT's four corporate partners and there are many opportunities for cooperation."

Chief Executive Officer of Dilithium Networks, Paul Zuber, says the investments provide Dilithium with the opportunity to work closely with TMT Ventures' corporate partners, including Telecom New Zealand, Alcatel, Lucent and Marconi.

"The inclusion of TMT not only provides the company with access to TMT's corporate partner relationships, the funds will also help expand global sales, and support ongoing research and development efforts," says Zuber.

Founded in 2001, today Dilithium offers a wide range of innovative, market-leading solutions for operators, network infrastructure vendors and terminal vendors in a growing number of countries.

Armed with the financing, Dilithium's future-focused multimedia solutions look set to demonstrate how the corporate venture model can benefit all parties involved in a well-executed major investment round.

Esphion worm busts on global scale

Esphion is looking to greatly expand its worm busting operations after successfully completing in 2004 a \$4 million capital raising.

Founded in Auckland in 2000, Esphion has become a key provider of network intelligence solutions, recognised worldwide as specialists in developing technologies to monitor and analyse network traffic, and enhancing and protecting network value.

Since its launch, the company has selected several highly-respected investors to provide knowledge and funding to support its growth, with TMT Ventures leading the second round of investment of NZ\$5 million in 2002.

This latest funding will allow Esphion to expand throughout Asia and move into the United States market – selling directly to targeted customers, including internet providers, major telcos and corporations.

Gavin Lonergan, Investment Director for TMT, says it is great to see the company gear up for the next stage of their international expansion, after working together over the last two years.

“Esphion has successfully leveraged our investment partners Telecom NZ and Alcatel in achieving the successes it has enjoyed so far, and we are sure this will be a major factor in their ongoing development,” says Lonergan.

As threats to network technology look set to increase due to ever-increasing hacker sophistication, Esphion looks set to stand at the forefront of the industry on the world stage.

ESPHION



Chief Executive TMT Ventures: Paul van Tol

Paul van Tol took on the role of Chief Executive of TMT Ventures in 2004.

TMT Ventures was set up in 2000 to invest in technology start-up companies in New Zealand and Australia.

Prior to joining TMT Ventures, Paul held financial and operational management positions in the telecom industry including CLEAR Communications (1990–2000), a pan-European start-up company in Germany and a successful turn-around project in the UK.

Paul is a director of TMT portfolio companies EMS Global Holdings Limited, Integration Management Pty (Australia) and Redfern Integrated Optics Inc (USA).

DIRECT CAPITAL PARTNERS III

With the closing of Pohutukawa Private Equity – a NZ\$53 million private equity fund for New Zealand retail investors – on schedule and over subscribed in October 2004, Direct Capital lost no time in planning the raising of the institutional private equity fund, Direct Capital Partners III (DCP III), to co-invest alongside Pohutukawa.

The investment strategy of DCP III is at the heart of Direct Capital, with a focus on supporting established profitable businesses through trans-Tasman expansion, succession management buyouts or pre IPO preparation.

Stepped growth, management succession and public listings are all challenges faced by many businesses at some stage in their lifecycle, but often only once. For Direct Capital, these are familiar situations, and Direct Capital is able to assist businesses and successfully navigate these opportunities.

The target size for DCP III is NZ\$75 million, providing - alongside Pohutukawa - a capital pool of NZ\$125 million. DCP III had its initial close in April with a number of New Zealand institutional investors, and it is scheduled to have a final close in the middle of 2005.

Robinhood sets an example...

Direct Capital's investment in Robinson Industries Limited in 1999 added to the investor's impressive portfolio, and strengthened the investment case and track record for private equity in New Zealand; Direct Capital has now negotiated the company's acquisition by Alesco Corporation Limited following rapid sales growth in Australia and the United States.

As manufacturer and distributor of Robinhood branded rangehoods, supertubs, ironing centres and waste disposals in New Zealand and internationally, Robinson Industries was renamed Robinhood Limited due to the brand's success and recognition.

"Robinhood Limited is a prime example of how management buyouts can lead to a successful transition for the founder, further develop an established business and create shareholder value for all parties involved," says Mark Hutton, Director of Direct Capital.

Listed on the Australian Stock Exchange, Alesco Corporation (ALS) is a value adding supplier of specialist products to niche markets, covering branded building products, earthmoving tyres and automotive specialists.

Direct Capital became involved with Robinson Industries in 1995 with the initial \$4 million investment by listed fund Direct Capital Partners. Steve Bootten, Managing Director of Robinhood Limited, joined with Direct Capital in 1999 to complete a management buyout.

Management and shareholders then worked jointly to help create a successful and vibrant business, developing strong market positions in New Zealand, Australia, the United States and Europe.

Alesco now has the opportunity to reap ongoing growth opportunities as Robinhood Limited expands in the Australian and United States markets, highlighting the global potential of New Zealand based niche manufacturers with strong distribution skills.

The sale also results in an attractive rate of return for the institutional investors and supports the current call from the New Zealand private equity industry for financial institutions and super funds to allocate funds specifically to the New Zealand private equity market.



Climate heats up in Australasian market

The company that broke new ground in the finishing of wood-based products is now carrying out multi-million dollar, world-class research that will potentially revolutionise the way wood products are used in Australasia's building industry.

The recent NZ\$1 million investment from research and development funding agency Technology New Zealand comes hot on the heels of Climate unveiling two new product ranges that helped consolidate its position as a world leader in the development of powder coated systems for medium density fibreboard and plywood.

Direct Capital first recognised Climate's vast potential in 2000 and became involved with the business as it began developing its first business plan.

When Climate was launched as a standalone business in August 2001, Direct Capital committed \$1.4 million to fund its start-up, through the Carter Holt Harvey Venture Capital Fund. Direct Capital continues to provide commercial and shareholder counsel to the company as it grows.

"This is a time of significant development for Climate as we've extended our offerings to customers, expanded our operations with a new plant and now have funding to further perfect our process of colour coating," says Guy Wills, Managing Director of Climate.

As Australasia's only specialist powder coater of wood-based products for furniture, joinery and building markets, Climate's coating technology provides the highly-demanded flexibility of paint with the performance of a laminate, including its latest product ranges – Blush and Element.

"The Technology New Zealand grant will enable Climate to continue the advanced innovation that's been our hallmark to date. It will allow Climate to reinvent itself to drive growth and ensure products remain relevant to growing and changing demands of customers," says Wills.



Nestlé feeds opportunities into Australasian life sciences

Direct Capital has combined forces with international life sciences specialist *inventages* venture capital investments inc, of Switzerland, and AgResearch to jointly manage a new venture capital programme, BioPacificVentures.

The programme looks set to achieve superior returns from a thriving life science sector by uniting top corporate and financial investors on an immense scale.

BioPacificVentures first closed in March 2005 with NZ\$100 million, allowing the programme to begin identifying and investing in a diversified portfolio of biotechnology, agri-tech, food technology and health businesses within New Zealand and Australia.

The programme has the ultimate aim of establishing BioPacificVentures as the “investor of choice” in the young – but fast-growing – sector, and will remain dedicated to being the dominant agriculture and food investment fund in Australasia.

As a leading international life science venture capital investor, *inventages’* involvement in the fund is considerable, offering a powerful combination of venture capital and biotech investment capability. With the major multinational food industry corporate, Nestlé, joining as the largest investor in the programme, the investment capability of the fund has grown significantly.

Direct Capital Director, Bill Kermode, says the combination of AgResearch’s technical and commercialisation skills with the established local venture capital skills of Direct Capital is, in itself, a unique and significant step forward in the nascent Australasian life science market.

“This particular investment partnership provides a level of sector understanding, combined with a history of managing inherent risks in early-stage companies, which has so far remained scarce in this sector,” says Kermode.

Now, with the involvement of *inventages’* experienced team of investment professionals and their strong commitment to initiatives that advance biotechnology globally, BioPacificVentures has global connections with outstanding support and capability that are rare in the sector in Australasia.

“As new partners, *inventages* offer strong, complementary agricultural and food business investment skills to BioPacific Management; while Direct Capital and AgResearch bring to the investment table a local network and solid track record,” says Kermode.

BioPacificVentures will provide capital to both early and later stage life science companies, with its three leading players providing access to ongoing deal flow, committing executive resources to provide specialist expertise in the targeted sectors, and ensuring venture capital best practice.

Kermode says BioPacificVentures’ primary objective is to generate substantial above-average financial returns for investors and, with such a significant-sized fund focusing on a wide range of businesses, the investment programme sits in a market-leading position.

“Life science now constitutes much more than gene-based technology, having proliferated into many sub-sectors ripe for investment,” says Kermode.

Across New Zealand and Australia the biotechnology sector has been growing at an estimated 20 per cent per annum for three years, as Australasia has gained competitive advantage in niche research and development fields, including cancer, diabetes and neuroscience.

In agriculture, the region also has a long history of global competitiveness, efficiency and innovation. Furthermore, New Zealand’s “pure” positioning is combined with unique biology and industries, which help create the promising environment for investment opportunities that exists today.

Chairman of Venture Capital Association: Gavin Lonergan

In November 2004, investment director Gavin Lonergan was appointed Chairman of the New Zealand Venture Capital Association, having been a council member since its re-establishment in 2001. The association represents fund managers, investors and market participants in New Zealand’s \$1.5 billion private equity and venture capital industry.

Gavin joined Direct Capital in 1998, managing investment activity within its private equity fund before focusing on the establishment of Direct Capital’s first sector-specific programme, TMT Ventures. Launched in 2000, TMT Ventures has successfully raised over \$100 million for investment in New Zealand and Australian high-growth companies operating in the technology, media and telecommunications sectors.

Gavin is a director of TMT portfolio companies including Eshion Limited, EMS Global Holdings Limited and Argent Networks. Gavin is also on the advisory council of AUT’s Bachelor of Business programme.

Noel Leeming - Direct Capital's big brand buyout

Direct Capital has opened yet another door of opportunity after completing the successful acquisition of the Noel Leeming Group in conjunction with Gresham Private Equity.

As New Zealand's leading consumer appliance and electrical retailer – operating under the Noel Leeming and Bond & Bond brands – the Noel Leeming Group was previously owned by Pacific Retail Group Limited and the acquisition, for \$138.5 million, was made possible by the combined investment of Direct Capital and Gresham.

Mark Hutton of Direct Capital, who has joined the Noel Leeming Group Board, says the two investors are looking forward to working with all stakeholders in the business – employees, customers and suppliers – to support the continued growth of such significant New Zealand brands. "This latest co-investment, and resulting buyout of such a substantial New Zealand business, clearly signifies the maturing nature of the country's private equity industry," says Hutton.

The Noel Leeming Group has 88 retail outlets nationwide, a market share of approximately 26% and turnover in excess of \$475 million in 2004, making the acquisition a considerable achievement for Direct Capital.



Direct Capital: the success path continues

Since 1994, Direct Capital has made 39 investments totalling more than \$165 million, making it arguably the most active private equity investor in New Zealand.

Established in 1994 to offer an alternate source of equity for private, unlisted companies, Direct Capital quickly set a strong precedent for success and has continued on this path for a decade.

The first fund was primarily capitalised with institutional money, with 16 Australasian financial institutions securing investments.

The initial fund raising in October 1994, and a subsequent capital raising in December 1995, delivered a total of \$68 million.

From 1995 to 1998, Direct Capital Partners invested in 15 unlisted Australasian companies across a wide range of industries, including: telecommunications, software, information management, electronic commerce, internet marketing, television and film production, PC manufacturing, wine making and airline catering.

Investee companies such as Sky City, Nobilo Wines and Tasman Building Products have clearly demonstrated Direct Capital's success by expanding into sizable and profitable businesses.

Meanwhile, smaller businesses, including Palliser Estate, Ryman Healthcare, Airwork and Robinson Industries, continue to grow and perform to a high standard.

Direct Capital Director, Bill Kermode, says the company's primary focus is increasing shareholder wealth in investee companies and ensuring these companies and their shareholders are in a position to realise the increased value.

"We consider ourselves a provider of 'patient equity' and typically have a medium to long-term investment horizon," says Kermode.

Direct Capital is credited with initiating and leading the successful float of the Nobilo/Selaks wines group, which is now a full subsidiary of the Constellation BRL Hardy stable and, from late 1998 through 1999, the Direct Capital team acted as the financial adviser to Ryman Healthcare during its successful NZSE listing.

Direct Capital continues to maintain close relationships with many original Direct Capital Partners investee companies.

With its second investment fund, Direct Capital began with the 1998 management buyout of an Australasian business, Moore Business Forms. As Direct Capital led the investment it was joined by co-investors 3i plc, Europe's largest venture capital company, and AMP. In 2001, Moore's Australian and New Zealand businesses were sold in two separate transactions. To date, 15 investee companies have either been listed or sold, delivering a gross realised portfolio return of 31 percent on an IRR (Internal Rate of Return) basis and solidifying Direct Capital's track record of successfully increasing company value. The new millennium also brought Direct Capital's announcement of two key initiatives, consolidating its position as leader in the Australasian private equity sector. In May 2000 Carter Holt Harvey (CHH), listed on the NZSX and ASX, announced Direct Capital would be managing its first corporate venture fund – a \$15 million fund established to invest in businesses linked to CHH's core business areas. In 2001, Direct Capital became manager of TMT Ventures, a \$100 million corporate venture fund seeded by New Zealand's largest company, Telecom New Zealand. TMT Ventures was established to provide capital investment in New Zealand and Australian communication companies at both early and late stages of business growth.

Kermode says the strong returns previous investee companies continue to generate demonstrates the value in taking on a strong financial partner with an established track record of successful investments on which to build. 2004 was an active year with seven new investments in TMT and DCP II, the closing of Pohutukawa Private Equity and the strengthening of the management team with a number of old and new investment professionals. With the fund raising for BioPacificVentures, along with a food and agri-business fund and DCP III both having completed their initial close, 2005 promises to be another exciting year for Direct Capital.

The Direct Capital Team

Ross George, LLB - Managing Director

Founding managing director of Direct Capital Private Equity, Ross 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 start-ups to large private businesses.

From 1985-1992, Ross was a founding director and shareholder of the BKW Group, a Hong Kong based private equity house.

Mark Hutton, BCom - Director

A founding director of Direct Capital, Mark has a strong background in private equity, specialising in mergers, acquisitions and funding structures for portfolio companies. Mark has been a director of a number of portfolio companies and is currently a director of Image Centre (print/new media communications), Noel Leeming (retail) and Datacap (imaging/scanning).

Bill Kermod, BSc (Hons), MA (Oxon) - Director

Another founding director of Direct Capital Private Equity, Bill has a background in business analysis, strategic planning, and finance. Bill has been director of a number of private and public companies and among his current directorships are EziBuy, eCargo and Climate. In the 1980s, Bill established the currency and interest rate options business at DFC, and negotiated its sale to the BNZ in 1990.

BioPacificVentures

Patrick Coyle, BA, CA - Investment Manager

Patrick joined BioPacific Management in 2005 from Celentis, the commercialism arm of AgResearch. Prior to this Patrick initially trained with a Big Four accountancy firm in the UK and then moved to New Zealand as a manager with KPMG Corporate Finance in Auckland.

Andrew Kelly, PhD - Executive Director

Andrew joined BioPacificVentures from Celentis. He was a foundation executive of Celentis, AgResearch's commercialisation vehicle, before which he had been General Manager - Investment at AgResearch. Prior to joining AgResearch, Andrew headed two research institutes in Australia, coming from a research career in veterinary science.

Howard Moore, BTech - Executive Director

Prior to joining BioPacific Management in 2004, Howard Moore was a co-founder of Tercica, an endocrine drug development company which is now based in the US but was originally based in New Zealand. Howard was also a founding executive of the ag-biotech company, ViaLactia Biosciences. His earlier career was in technical and general management positions within the NZ dairy industry. Howard has a Bachelor of Food Technology from Massey University.

Direct Capital Partners III

Tony Batterton, BCom, CA - Investment Director

Tony rejoined Direct Capital in July 2004 after returning from five years in the United Kingdom where he worked in private equity and investment banking, most recently as an Associate Director with HSBC Investment Bank. He qualified as a Chartered Accountant with Price Waterhouse.

Richard Hughes, MA, ACA

Richard has extensive experience of all aspects of private equity, most recently as CEO of China Capital Partners, which managed a US\$100m private equity fund focused on mainland China. Richard gained his initial private equity experience in the UK with 3i Group plc. He qualified as a Chartered Accountant with Arthur Andersen in London and started his career as a structural engineer with W.S. Atkins.

Simon Plowman, BCom - Investment Manager

Simon has also recently rejoined Direct Capital after returning from the United Kingdom, where he worked for two years in finance manager and financial controller roles for ntl Home, the UK's leading provider of broadband internet, digital TV and telephony services.

TMT Ventures

Kory Fagan, MCom (Hons), PGDipFin, BCom - Investment Director

Kory joined Direct Capital five years ago from his role as Manager at Ernst & Young heading up the Business and Intangible Asset Valuation service line. Prior to this, Kory was general manager of a boutique investment banking firm based in Auckland. He is a director of GeoSmart, Momentum Energy and GFG Group.

Rodney Harris, BMS - Investment Analyst

Rodney joined Direct Capital in 2002. Prior to joining Direct Capital, Rodney was an investment analyst with FundSource Research, and spent two years working for Beattie Rickman, a multi service accountancy firm based in Hamilton.

Gavin Lonergan, BBus, CA - Investment Director

Gavin has been with Direct Capital since 1998 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, and previously spent four years with British Telecom in London. Gavin is a director of Argent Networks, Epsilon and EMS Global, and is currently chairman of the New Zealand Venture Capital Association. He is also on the Advisory Board for Auckland University of Technology's business degree programme.

Paul van Tol, MBA - Chief Executive

Paul joined TMT Ventures after 15 years in the telecom industry, where he has held senior finance, operations and sales management positions for start-up companies in New Zealand (Clear Communications, now Telstra-CLEAR), Germany and the UK. Originally from the Netherlands, Paul started his career with Klynveld Kraayenhof & Co, now part of KPMG Peat Marwick. After migrating to New Zealand he started his own transport company, ACT Transport Limited, which he sold prior to joining Clear Communications.

Philippa McCarthy, BA, BCom, CA - Finance Manager

As Finance Manager, Philippa takes responsibility for the financial and reporting relationship with investee companies, and investors' reporting requirements, as well as managing both Direct Capital's and TMT's internal financial, organisational and compliance requirements. She previously worked as a business analyst at APN Media, and had financial accounting roles at Granada International plc and Reuters plc in London. Philippa qualified as a Chartered Accountant with PricewaterhouseCoopers.

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



DIRECT CAPITAL
PARTNERS

Level 6, 2 Kitchener Street

PO Box 6466, Wellesley Street, Auckland, New Zealand

Telephone: +64 - 9 - 307 2562, Facsimile: +64 - 9 - 307 2349

www.directcapital.co.nz