



VCs role and landscape

**TIC-SME Conference
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AURIGA PARTNERS**

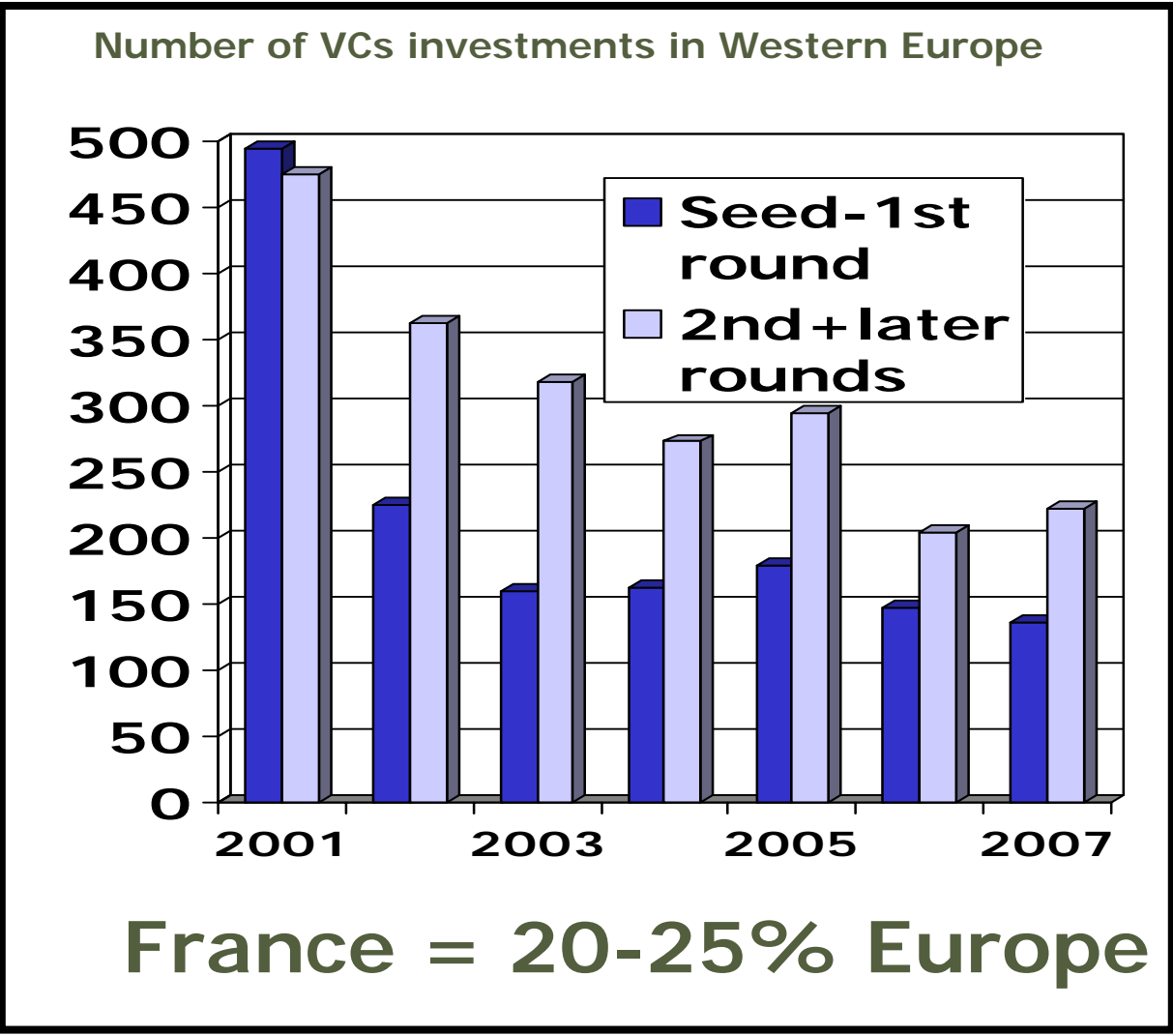


Today's proposed agenda

- VC investment in Europe
- Exit landscape
- Entrepreneurs meet VCs



VCs financing start ups: a selective route on the rise?



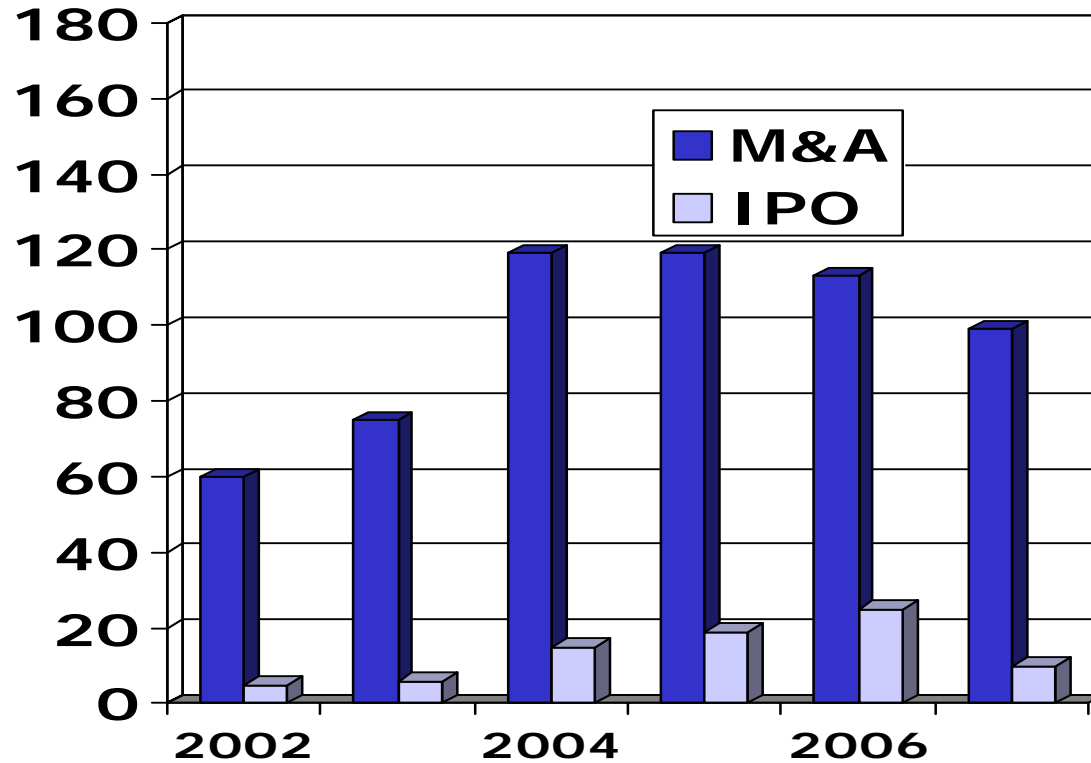
- A significant but selective financing route
- Significant excess pre/ peri bubble
- A significant upside potential?

Source: Venture One



Exit predominantly through M&A in Europe...

VCs exit route in Western Europe

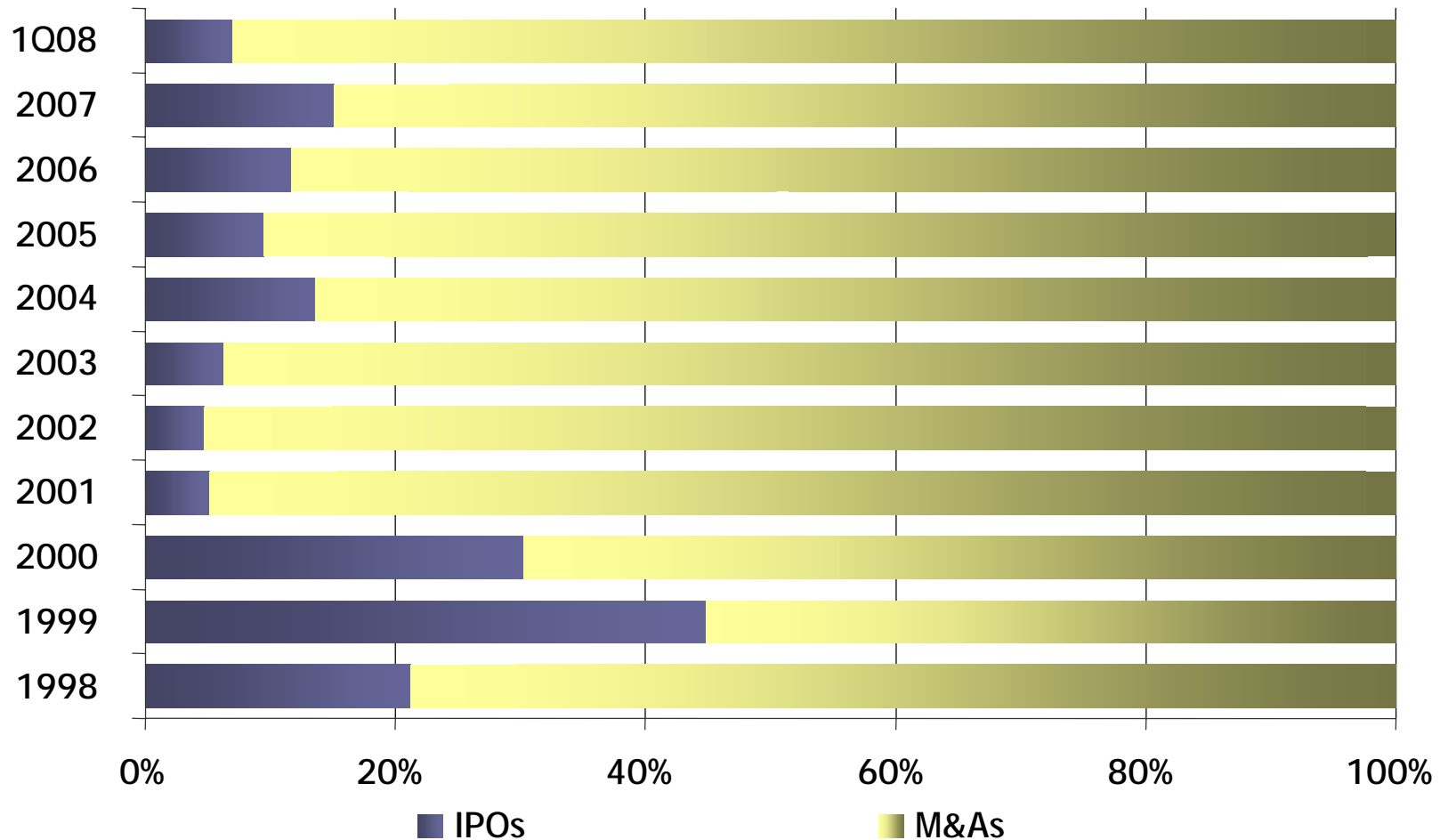


Source: Venture One



... Same is true is the US

Percentage Breakdown of Venture Backed Liquidity Events: IPO vs. M&A

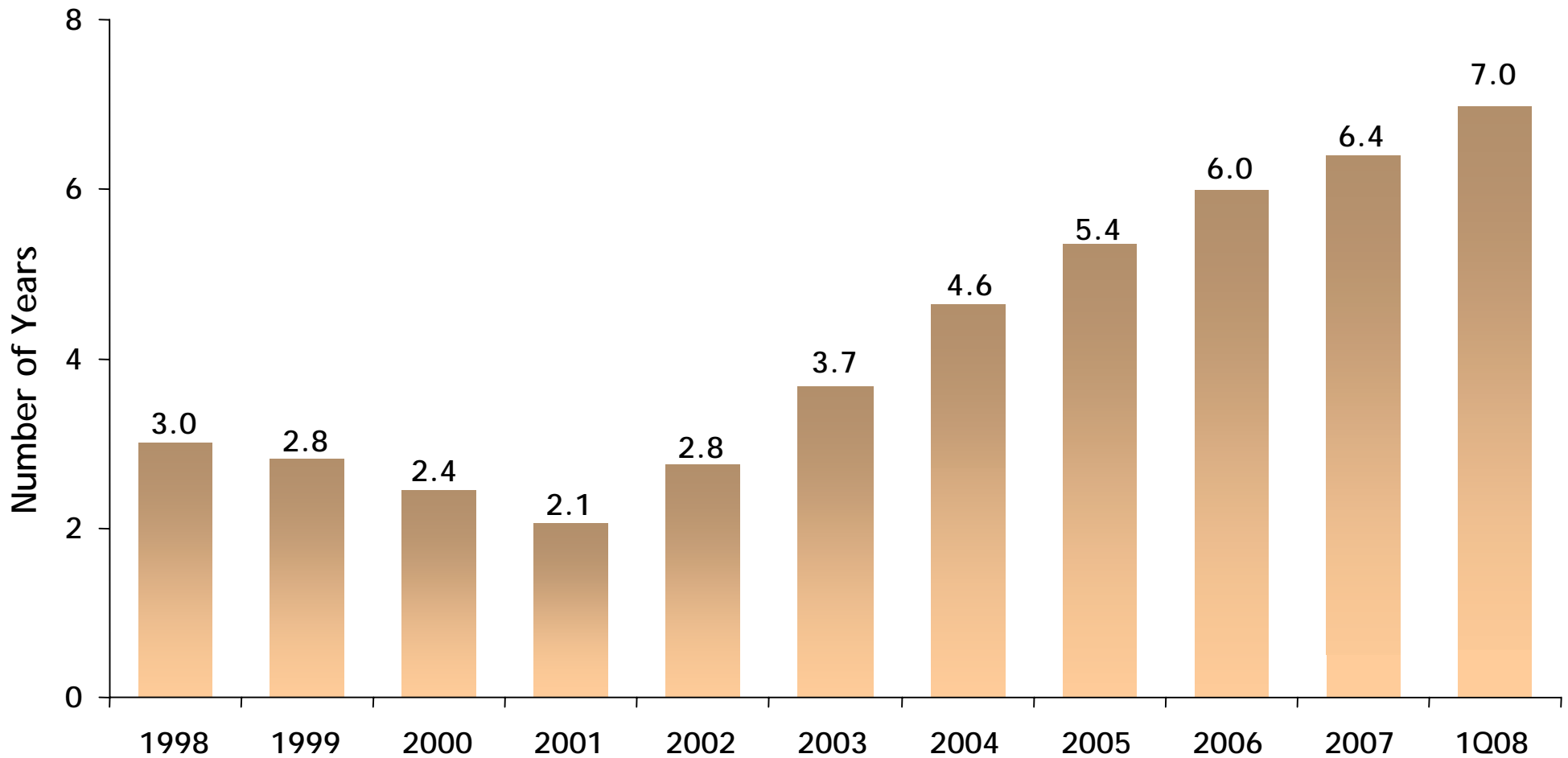


Source: Dow Jones VentureSource



Age of acquired companies invcreases

Median Time From Initial Equity Funding to M&A



Source: Dow Jones VentureSource



Performance of « high value » M&A exits

Exits over \$100 mill.
2004-2006

Europe U.S. Israel

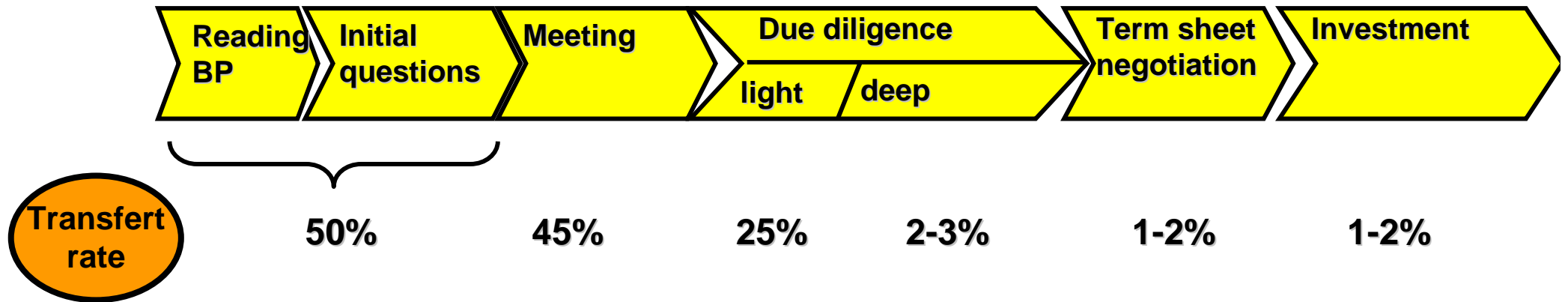
With Google Without Google

	Europe	U.S. With Google	U.S. Without Google	Israel
Number	94	303	302	10
Average value (M\$)	263	361	264	na
Multiple of cash invested	4.5	4.0	3.1	na
% with multiple of cash > 5	51%	35%	35%	40%

Source: VentureOne and Ernst & Young



To get financed start ups go through a steep investment funnel



Overall process driven by assessment of multiple and risk level



Auriga's credo: build value through trust based partnerships

- First Assess market potential and technological differentiation, then build/ consolidate the project if necessary
- Build trust from the first contacts on
- Set up investment protocols as simple as possible without becoming naive...
- Reward succes, rather than overpay it in advance



Active VCs provide companies with business value added

Key hirings



CEO counselling/ coaching



Business Development



Exit support





Thanks for your attention



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