



ANGEL NEWS AUSTRALIA

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AAAI Adelaide Summit

May 12-14 the second 2009 AAAI Board Summit was held in Adelaide. BioAngels provided logistic support for the three days and the AAAI Board wish to acknowledge their appreciation for the excellent support provided by Corinna Steeb and the members of BioAngels.

The South Australian government through their support of BioAngels and SA Angels provided invaluable contributions to the Summit and are active supporters of the Angel community. Associate Member of the AAAI, Venture Capital SA and its Manager, Mike Richards, made outstanding efforts to make the Summit and the one day Workshop a success. The South Australian Government provided much appreciated financial sponsorship essential to staging the Workshop.

As a national organisation with a distributed Board the AAAI has scheduled four face-to-face full Board meetings each year. One is held in association with the annual conference (Glenelg, SA February 17-19 2010) and the other three are held in different cities around the country. The idea is to use these occasions as an opportunity for the local angel community to host peers from around the country and, together, to build a stronger angel community nationally and in the Summit city. In response to enthusiastic requests from members at the 2009 National Angels Conference in Brisbane, the Board has initiated an Angel Group Leaders Forum to further facilitate mutual help across the community and to offer Group Leaders a structured way to collaborate on best practice and other important operational

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issues for Angel Groups.

The Adelaide Summit activities included:

- AAAI Board meeting
- AAAI Group Leaders Forum
- Meeting with SA State government
- Attendance at the Venture Capital SA Private Equity Forum
- Being guests of BioAngels for a group meeting
- Delivery of the one-day Power of Angel Investing: *Angel Investing – An Overview* introductory workshop.

This was the first Summit at which the Board were able to welcome our new CEO, Ruth Drinkwater (see page 3 for a little more about Ruth). On page 2 of this newsletter you will find a report on the recent policy submission the AAAI has made to the Federal Government. That is a direct result of the AAAI Board meeting in Adelaide.

Don't Miss Out!! Post-Investment Workshop & COMET Company Showcase

August 6th, 8am-4pm, Sydney

For Sydney-based Angel investors and anyone interested in learning to be effective as an angel investor and how angel investors add value to the companies in which they invest.

See page 3 for more details.



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AAAI Working with COMET

In coming months AAAI will be teaming with the COMET program to deliver one day events in a number of cities around the country. These events will include an opportunity for well-qualified, promising COMET client companies to present their business plans to an audience of well informed business people. A combination of expert panels and audience Q&A will provide invaluable feedback to those companies on all aspects of their plans for growth.

For current and prospective Angel investors there will be educational and informational sessions. The AAAI believes strongly that Angel investor education will most quickly disseminate best practice. Developing through education a widely held common understanding and level of skills required to foster more successful outcomes for Angel investors and the companies in which they invest.

This joint initiative of the AAAI and AusIndustry is focused on the goal of improving the opportunity and probability for success of innovative, entrepreneurial Australian companies. In the order of 67% of funding received by companies after entering the COMET program has come from Angel investors. So it is no surprise that COMET and Angels have been working together for sometime.

COMET clients are a rich source of qualified deal flow for Angel investors. Angel investors are an invaluable and inexpensive source of validation for COMET advisers and their clients seeking to navigate emerging technology businesses into commercial success.

For more information on COMET go to the AusIndustry web site at www.ausindustry.gov.au

AAAI Policy Report

The AAAI continues to pursue the opportunity for the Federal and State governments to provide support to the emergence of an effective, sustainable Angel community. The AAAI Board recently submitted a proposal to the Federal government for support in building infrastructure and capability in the Australian Angel investor community for the purpose of increased capacity to invest in entrepreneurial innovation through improved access to better prepared capital.

Innovation By Angels is an integrated program designed to include collaboration with Government and other sectoral stakeholders to deliver:

- Effective, sustainable national infrastructure for angel investors
- 20 sustainable active Angel groups within 3 years
- Increase the pool of accessible Angel capital
- Improved information and understanding of the Angel Capital community
- Angel Capital to drive new jobs growth

To effectively fulfil their role in the Australian capital and commercialisation "eco-system", Angel investors require information about appropriate investment practices, investment structures, valuation policies and other "best practice" style information and resources. The AAAI was formed to promote and support Angels in their role as a pivotal source of funding for the commercialisation of Australian innovation.

In this time of economic recession early-stage investors in entrepreneurial, high growth businesses are eager to invest now. The counter-cyclical nature of early-stage investing makes these "down times" the critical period for a country to be investing in the next wave of innovative commercial opportunities. It is the time to build the

infrastructure around the willing investors to make it easier for them to participate and succeed in supporting great Australian entrepreneurs.

The AAAI proposes an integrated program of activities with a view to developing a sustainable and accessible source of early-stage funding for Australian innovation. The proposals include a Group Development Initiative to foster the establishment of sustainable and effective Angel Groups as the formal core of the broader Angel community. An Angel Education program is considered the key to developing and disseminating information on investment practices, investment discipline and investment strategies. An Early-Stage Co-Investment Fund is proposed to provide matching funding on a deal-by-deal basis to eligible co-investors including Angel groups and early-stage venture capital/private equity investors. The AAAI is ready to start discussions around tax incentives and has provided examples of successful tax incentive schemes from other jurisdictions.

Angel groups are not the only way for Angels to invest but, they are the best way to make Angel investment accessible to entrepreneurs. Currently, there are at least 10 angel groups in Australia of which the oldest and only manager-led group is a little over five years old, half the groups are less than two years old and a few of those have yet to make their first investment. To survive and succeed, these young groups need access to funding, information and co-investment.

These proposals involve policy approaches that have been successfully implemented in many jurisdictions. They would stimulate the supply of Angel capital, and thereby help fulfil the Commonwealth Commercialisation Institute's need to stimulate the supply of capital for innovative emerging companies. They would also serve to augment existing Federal venture capital programs.

Australian Angels Partner With Microsoft BizSpark

As a AAAI member you can 'gift' a start-up with three years of free access to the complete suite of Microsoft Software Development Tools, a value in the order of \$10,000/year. We can use this to leverage our own investments and to offer value to companies even if we don't invest.

An eligible start-up must have the following characteristics at the time of joining:

- A privately held company building a software-based product or service;
- In business for less than 3 years; and
- Less than \$1 million in annual revenue.

Start-ups can participate in [Microsoft BizSpark](#) for up to 3 years with no costs for Start-ups to join BizSpark.

A BizSpark Start-up gets access to the software tools needed to develop and bring to market innovative and interoperable solutions. That includes development tools, platform technologies and production licenses for everything from the Visual Studio® Team System to Expression® Studio Version 2, and production licenses of server products, like Microsoft Windows Server®, SQL Server®, Office SharePoint® Portal Server, System Center, to host your solution. BizSpark does not require exclusivity, even if you are an Open Source ISV.

BizSpark includes access to the Microsoft Developer Network (MSDN) set of online services, including web sites, newsletters, developer conferences, trade media, blogs and software distribution. Full access to the MSDN Library of technical documentation content and registered developers will get access to a MSDN subscription, two incidents of technical support, and unlimited program support for non-technical issues.

As a BizSpark member, companies can leverage a rich, vibrant ecosystem of peers, partners, support resources around the globe — potential investors, customers and more. Entrepreneurs can profile their company on the [BizSparkDB](#), an online Start-up Directory on the [Microsoft Start-up Zone](#). Just fill out a short questionnaire, and Microsoft does the rest. Every week, the Microsoft BizSpark team selects a new Start-up to showcase.

To enrol a company in BizSpark, once satisfied that it qualifies under the above criteria, please send an email to bizspark@aaai.net.au with your name, phone number and AAAI membership number. The email should also include information about the candidate company that includes at least company name, ABN, address, contact (CEO/CTO), email, phone and web site. You will receive a reply email within two business days with instructions for the company's enrolment in BizSpark.

“Power of Angel Investing” Post-Investment Workshop and COMET Company Showcase”

Where:	Sydney CBD
When:	Thursday August 6 th , 8am-4pm
Who should attend:	Sydney-based angel investors and anyone interested in learning how to be effective as an angel investor and how angel investors add value to the companies in which they invest.
Price:	\$250 (includes training course book and morning tea, lunch and afternoon tea)

The first session of this innovative, two part event will be one of the renowned **Power of Angel Investing** training modules, the “Post-Investment Workshop”. This half-day session will cover how angel investors can add value to their investments, manage risks and, ultimately, realise a return. The session will be led by an experienced angel investor who is an accredited Power of Angel Investing facilitator. The second part of the day will be a showcase of innovative early-stage companies in the AusIndustry COMET program. Some of these companies will be seeking angel investors, others may already have them. All will have had the benefit of professional business mentoring and advice paid for by COMET Grants to help them get investment-ready and commercialise their innovations.

This event is being co-ordinated for AAAI by local Angel investment group Sydney Angels www.sydneyangels.net.au. AAAI also gratefully acknowledges the support provided by event sponsors AusIndustry and the New South Wales State Government Department of State & Regional Development.

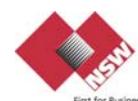
More detailed information and registration facilities will shortly be published on the AAAI website www.aaai.net.au.

In the meantime, register your interest by emailing Sydney Angels contact@sydneyangels.net.au.

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WA ANGELS

In development, contact the editor to be referred to the founders.

Events**AUSTRALIA**

AAAI/COMET 1-Day Workshop & Showcase – Hosted by *Sydney Angels*
 August 6th, 8am-4pm, Sydney

September, Gold Coast
 October, Melbourne

AAAI/Investec Angel Cocktails
 June 25th, St Lucia Golf Club, Brisbane

Brisbane Angels
 June 26th Noon "Working Lunch" @ iLab

July 30th 7am "Angels at Breakfast" @ Riverside Receptions Centre, Brisbane

BioAngels Meeting
 July 8th, 5:30-8pm, Bionomics Ltd, Thebarton

Capital Angels Dinner
 July 15th, The Boat House, Canberra

Melbourne Angels
 July 8th 4:15-6:15pm, Deal Meeting ICN, Melbourne
 July 31st, 12-2pm, Lunch, Fiorini's, Toorak

AAAI National Angel Conference
 February 17th-19th 2010 Glenelg, SA

INTERNATIONAL

[NACO National Angel Summit](#)
 October 2009 Halifax, Nova Scotia, Canada

AAAI CEO

The AAAI is a not-for-profit organisation led by an all volunteer Board. The last few years of the AAAI infancy have been challenging and very rewarding as we have seen our support and recognition for Angel Investors grow and penetrate the broader community. However, to continue to increase the pace of our growth and the level of our activities in support of members the AAAI needs a dedicated management team. We have been very lucky to secure the services of Ruth Drinkwater as CEO for AAAI with much appreciated interim support from foundation sponsor i.lab Incubator Pty Ltd funded by the Queensland Government.

In addition to her role as AAAI CEO, Ruth is the Business Development Manager, Capital Raising at i.lab Incubator Pty Ltd. i.Lab is a leading Australian incubator established and funded by the Queensland State Government.

Until March 2009, when the company was sold, Ruth managed teQstart Pty Ltd, the Queensland Government owned, early stage, co-investment funds. These funds grew a portfolio of 26 biotech and technology companies via co-investment with private sector angel and venture capital investors over 6 years.

Ruth has worked with over 60 technology-based start-up companies from the university and public sectors in recent years. Her previous roles include Product Development Director at the Australian Institute for Commercialisation, General Manager at Uniseed Pty Ltd and several business management roles within the University of Queensland.

During a commercialisation career spanning almost 20 years, Ruth has gained experience across innovation investment, general management and strategic development of technology and knowledge based SMEs. Ruth has undertaken business planning, resource management, market research and marketing, intellectual property, product development and capital raising. One of her key areas of interest is to grow the angel investment community to enable a greater level of investment support for young Australian entrepreneurial companies.

Ruth is a Graduate of the Australian Institute of Company Directors, is a Director on the Board of QUT Creative Enterprise Australia, a Director on the Board of Women in Technology and Chair, WiT|Biotech.



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