

Table 1
Québec's Venture Capital Industry Resources and Liquidity
 (\$ Millions)

	1995*	1994*
Capital Under Management	\$2 668	\$2 380
New Funds Raised	\$483	\$367
Capital Available for Investment**	\$802	\$891

* *As of December 31 for all but labour-sponsored venture capital funds which are measured as of March 1 of the following year.*

** *For labour-sponsored venture capital funds, 40% of total capital under management has been excluded to determine capital available for investment given requirements for liquid reserves for redemptions, etc.*

Source: Macdonald & Associates Limited for Réseau Capital

Table 2
Québec Captures Largest Share
Venture Capital Investment Activity by Investee Location*

Location	1995				1994			
	#	%	\$(mm)	%	#	%	\$(mm)	%
British Columbia	67	11	64	10	50	12	45	10
Alberta	12	2	18	3	9	2	10	2
Saskatchewan	44	7	37	6	42	10	45	10
Manitoba	15	2	15	2	18	4	21	5
Ontario	183	30	218	33	100	24	125	27
Québec	236	39	258	39	157	38	172	37
Atlantic Canada	4	1	7	1	1	0	2	0
Foreign Countries	49	8	53	8	32	8	39	8
Total	610	100%	669	100%	409	100%	460	100%

* *Investee location defined as place of principal facility.*

Source: Macdonald & Associates Limited for Réseau Capital

Table 3
Investment Activity Continues to Grow
Number of Investments and Amount Invested
New vs. Follow-on Investments

	1995*				1994**			
	#	%	\$(mm)	%	#	%	\$(mm)	%
New	120	51	155	60	100	64	108	63
Follow-on	116	49	103	40	57	36	64	37
Total	236	100%	258	100%	157	100%	172	100%

* 1995 data includes 15 transactions which involved more than \$5 million each with a total value of \$135 million.

** 1994 data includes 7 transactions which involved more than \$5 million each with a total value of \$42 million.

Source: Macdonald & Associates Limited for Réseau Capital

Table 4
Majority of Companies Are Private
Number of Investments and Amount Invested in Québec
Private vs. Public Companies

	1995				1994			
	#	%	\$(mm)	%	#	%	\$(mm)	%
Private	217	92	221	86	151	96	165	96
Public	19	8	37	14	6	4	7	4
Total	236	100%	258	100%	157	100%	172	100%

Source: Macdonald & Associates Limited for Réseau Capital

Table 5
Early Stage Activity Strong in Québec
Investments by Stage of Development

Stage	Investment		1995				Investment		1994			
	#	%	#	%	\$(mm)	%	#	%	#	%	\$(mm)	%
Early Stage	118	50	64	45	106	41	63	40	42	36	53	31
Expansion	80	34	46	32	99	38	59	38	47	40	73	43
Acquisition/Buyout	14	6	12	8	20	8	15	10	12	10	19	11
Turnaround	3	1	3	2	1	0	17	11	13	11	21	12
Other	21	9	17	12	32	12	3	2	3	3	5	3
Total	236	100%	142	100%	\$258	100%	157	100%	117	100%	\$172	100%

Source: Macdonald & Associates Limited for Réseau Capital

Table 6
Small Companies Target for Many Investors
Investment Activity in Québec by Revenue of Investees

\$ (mm)	1995							1994				
	Investment		Companies		Amount			Investment		Companies		Amount
	#	%	#	%	\$(mm)	%	#	%	#	%	\$(mm)	%
\$0-\$1	72	44	39	42	36	24	42	31	31	31	22	16
\$1-\$4	34	21	21	23	13	9	35	26	24	24	24	17
\$4-\$9	24	15	15	16	37	25	15	11	10	10	9	7
Over \$9	32	20	18	19	65	43	45	33	34	34	83	60
Total*	162	100%	93	100%	\$151	100%	137	100%	99	100%	\$139	100%

* Excludes investments for which investee revenues not reported

Source: Macdonald & Associates Limited for Réseau Capital

Table 7
Technology Activity Growing
Investments in Québec by Sector

	Investments		1995				Investments		1994			
	#	%	#	%	\$(mm)	%	#	%	#	%	\$(mm)	%
Biotechnology	22	9	9	6	34	13	16	10	7	6	16	9
Communications	31	13	11	8	47	18	16	10	11	9	13	8
Computer Related	27	11	19	13	18	7	19	12	15	13	16	9
Electronics	14	6	11	8	17	6	17	11	11	9	17	10
Energy/Env.Tech.	13	6	6	4	7	3	3	2	1	1	1	1
Ind. Aut.&Equip.	6	3	3	2	2	1	4	3	3	3	2	1
Medical/Health	23	10	11	8	19	8	6	4	4	3	7	4
Total (Technology)	136	58%	70	49%	145	56%	81	52%	52	44%	73	42%
Consumer Related	20	8	13	9	54	21	6	4	6	5	17	10
Manufacturing	50	21	35	25	40	16	46	29	37	32	57	33
Miscellaneous	30	13	24	17	19	7	24	15	22	19	25	15
Total (Traditional)	100	42%	72	51%	113	44%	76	48%	65	56%	99	58%
Total	236	100%	142	100%	\$258	100%	157	100%	117	100%	\$172	100%

Source: Macdonald & Associates Limited for Réseau Capital

Table 8
Venture Capital Investment Activity in Québec
by Number of Employees in Investee Companies

# Employees	1995						1994					
	Investments		Companies		Amount		Investments		Companies		Amount	
	#	%	#	%	\$(mm)	%	#	%	#	%	\$(mm)	%
0-24	102	43	59	42	43	17	57	36	44	38	29	17
25-49	29	12	18	13	22	9	27	17	16	14	18	10
50-99	26	11	15	11	41	16	22	14	16	14	19	11
100-199	21	9	10	7	47	18	13	8	9	8	15	9
200-499	6	3	6	4	27	10	17	11	13	11	45	26
500-999	1	0	1	1	1	0	1	1	1	1	6	3
>1000	7	3	3	2	20	8	3	2	2	2	11	6
Did not report	44	19	30	21	57	22	17	11	16	14	29	17
Total	236	100%	142	100%	258	100%	157	100%	117	100%	172	100%

Source: Macdonald & Associates Limited for Réseau Capital

Table 9
Company Buybacks Most Prevalent Exit Route
Dispositions of Venture Capital Investments in Québec by Exit Mechanism

Exit Mechanism	#	1995 Cost (\$ mm)	Exit Value (\$ mm)	#	1994 Cost (\$ mm)	Exit Value (\$ mm)
Acquisition	5	3	10	2	4	7
Company Buyback	55	18	34	15	14	13
IPO & Subsequent Sales	0	0	0	3	5	32
Merger	2	3	3	5	14	14
Write Off	10	9	0	4	11	0
Other*	10	11	30	3	6	5
Total	82	\$43	\$77	32	\$54	\$71

* *Primarily secondary sales*

Source: Macdonald & Associates Limited for Réseau Capital

Table 10
Profile of Respondents

	1995	1994
# of Respondents	28*	29**
Total # of Investments in Portfolio	570	429
Average # of Investments	20	15
Total Cost of Investments (\$ millions)	1 041	1 005
Average Cost of Investments per Respondent (\$ millions)	37	35
Total Estimated Market Value of Investments (\$ millions)	1 538	1 346
Average Estimated Market Value of Investments per Respondent (\$ millions)	55	46

* Excludes three funds with no investment data to date.

** Excludes one funds with no investment data to date.

Source: Macdonald & Associates Limited for Réseau Capital