

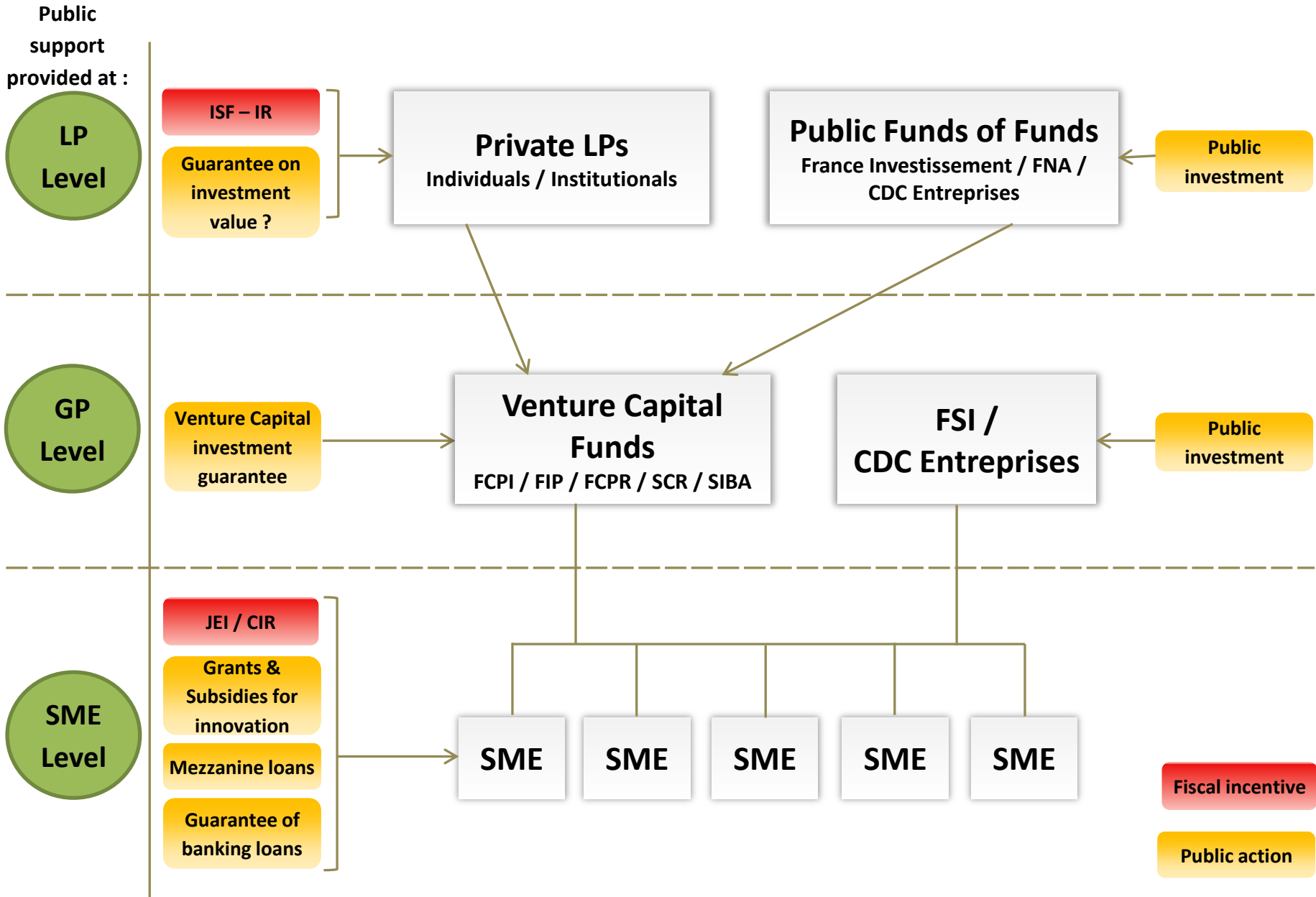
PPF 2011

Public Policies to Support the Venture Capital Industry in France

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Public Policies to support the Venture Capital industry in France



Guarantee on Investment Value

- Experimental guarantee scheme created in 2008 and dedicated to LPs (Family offices & institutionals) in new FCPR, to help fund raising
- Funded and operated by CDC Entreprises and OSEO
- Global capacity : 25 M€
- First loss protection : cover 20% or 30% of first losses of LPs
- Budget allocated to 5 GPs

Venture Capital guarantee

- 3 Guarantee Funds funded by French State and CDC Entreprises to encourage Funds to invest in early stages and risked equities
- Global capacity : 350 M€ a year
- Target : to guarantee up to 70% investments realized in innovating SMEs or less than 7 years
- 300 - 340 M€ investments guaranteed each year

Financial Conditions of Venture Capital guarantee

- A 50% guarantee given to VCFs for 10 years
- A guarantee raised to 70% for less than 5 year old SMEs
- A 30% « stop-loss » ceiling determined as a proportion of the portfolio composition
- An annual guarantee fee on the investment amount (0,30%)
- A 10% share in capital gains made the VCFs

Mezzanine Loans – PPA

- Unsecured Loan from 50 to 150 K€ during 8 years (including 3 years free of capital reimbursement)
- Dedicated to innovative companies created since less than 5 years,
- In 2010 : 18 M€ invested
- 09/2011 : 15 M€ invested

Mezzanine Loans – CDP

- Unsecured Loan from 0,3 to 3 M€ during 7 years (including 2 years free of capital reimbursement) matched with banking loans or equities
- Dedicated to companies created since more than 3 years, with good financial ratios and increasing their turnover
- In 2010 : 540 M€ invested in 550 companies
- 09/2011 : 380 M€ invested in 405 companies

Mezzanine Loans – FCPR OC+

- Creation in 2010 to invest through convertible bonds combined with warrant actions
- FSI subscribes 100% of the FCPR which represents 360 M€ spread over :
 - 220 M€ managed by CDC Entreprises (from 2 to 5 M€ by investment)
 - 140 M€ managed by Avenir Entreprises (from 0,5 M€ to 2 M€ by investment)
- At the end of 2010, 107 M€ invested

Mezzanine loans

	PPA	CDP	OC +	
Target	- For less than 5 year-old Innovative SMEs	- For more than 3 year-old companies - Having good financial ratios and increasing their turnover	- For more than 3 year-old companies - Declaring more than 3 M€ of turnover	
Scheme	- Unsecured loan - 8 years including 3 years free of capital reimbursement	- Unsecured loan - 7 years including 2 years free of capital reimbursement	- Convertible bonds combined with warrant actions for a budget of 360 M€ funded by FSI	
			140 M€ managed by Avenir Entreprises	220 M€ managed by CDC Entreprises
Amount	From 50 to 150 K€	From 300 to 3.000 K€	From 500 to 2.000 K€	From 2.000 to 5.000 K€
Capacities & realizations	In 2010 : 18 M€ invested 09/2011 : 15 M€ invested	In 2010 : 540 M€ invested 09/2011 : 380 M€ invested	End of 2010 : 107 M€ invested	

Grants & Subsidies for Innovation

- **Innovation Aid**

- Finance companies (up to 2000 staff) with its innovative project
- Loans (up to 3 M€), without interest, reimbursed upon reaching predefined milestones
- In 2010 : 290 M€ financed

- **Strategic Industrial Innovation (ISI)**

- Finance collaborative projects
- Grants and loans (up to 10 M€), reimbursement proportional to commercial success
- In 2010 : 140 M€ financed