

# European Private Equity Market Outlook for 2012



**idinvest**  
PARTNERS

May 2012

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## EXECUTIVE SUMMARY

### GLOBAL ECONOMY & PRIVATE EQUITY MARKET PERFORMANCE

With the global economy slowdown, volatile financial markets and the European debt crisis, 2011 has been a difficult year both for investors and fund managers.

**In these difficult market conditions, Private Equity buyout investments largely outperform their public equity peers.**

During the post-crisis periods, Private Equity investments register a peak performance because of a lack of long term visibility due to high public markets volatility. Private Equity volatility remains on average 50% lower than the public markets' volatility.

**Thus, Private Equity is considered as an attractive asset class in times economic turmoil.**

**Mid-market funds have proven to be more resilient in difficult financial conditions.**

Performance across time horizons varied according to fund size. In the long term, the best-performing funds were the mid-market buyout funds in the €200 million to €500 million bracket (with a net-pooled IRR since inception of 19%).

European Buyout funds performance by fund size as of 30/09/2011 (Formed between 2000 - 2011)

Fund Size	No. of funds	Pooled IRR
0 - 200m	262	11,7%
200m - 500m	80	19,0%
500m - 1bn	57	15,5%
1bn +	59	9,3%
All Buyout	458	11,8%

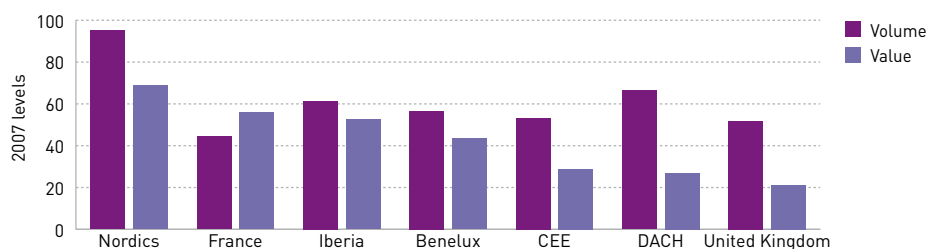
Source: Compiled by Idivest Partners, Thomson Reuters

## CURRENT BUYOUT ACTIVITY IN EUROPE

Despite a shy rebound in 2011 fundraising and deal making, the growth trend is expected to continue as investors are likely to maintain or slightly increase their allocation to Private Equity in 2012. Institutional investors will most probably continue to back their existing GP relationships with a constant look at newer fund managers with compelling stories.

In terms of regional allocation, investors show a growing interest of the European market, and more specifically the Nordics countries, Germany, United Kingdom and France. In 2011, these regions have known a strong rebound both in terms of deal volume and value, and have almost reached 2007 value and volume levels.

European Buyout deals: value and volume levels (2007 vs. 2011)



Source: Compiled by Idivest Partners, Private Equity Insight

The most vigorous activity was registered in the €100 million to €1 billion transactions' bracket, while large transactions' volume has slightly decreased.

The fundraising outlook for 2012 remains relatively positive, although institutional investors are demanding regarding fund selection.

## PERSPECTIVES: INSTITUTIONAL INVESTORS' ALLOCATION TO PRIVATE EQUITY FOR 2012

**Although the market remains uncertain, institutional investors show an increased interest in Private Equity.** The rebound from the global financial crisis continues, and investors are likely to commit more in Private Equity in 2012, especially with existing GP relationships as the appetite for new managers remains limited.

**Investors are targeting mid-market funds in their home markets.** Interest in U.S. large buyout funds and global mega buyout funds remains low.

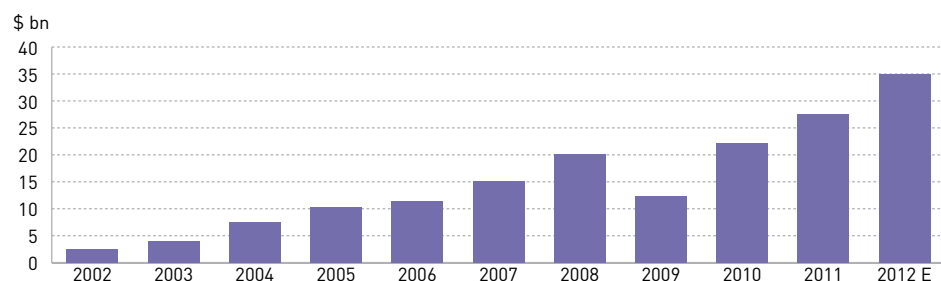
**Institutional investors are currently increasing their allocation to the secondary Private Equity market.** Common motivations are: mitigation of the J-curve effect, early cash distribution, good discounts on NAV, and diversification by vintage year.

**North America and Western Europe remain geographical regions of greatest interest for institutional investors.**

## SECONDARY MARKET

The global secondary market deal-flow in 2011 saw a 24% growth of levels of activity compared to 2010, thus becoming the busiest year in the secondary market history, with the \$27 billion amount exceeded for the first time.

Historical and 2012 projected secondary transaction volume (\$ bn)

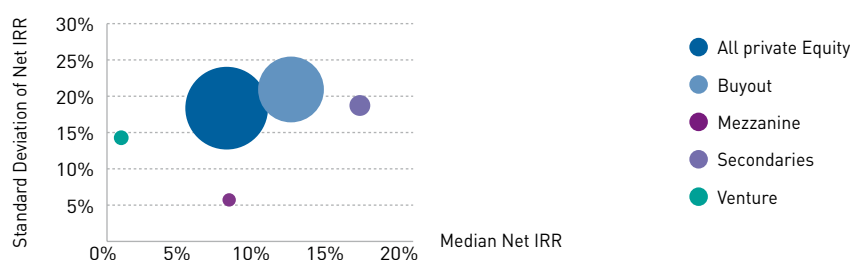


Source: NYPPEX

The secondary market volume was primarily driven by mid-market funds of less than \$500m. Secondary pricing for all Private Equity funds in H2 2011 decreased as a percentage of NAV. In H2 2011, the average high bid decreased from 84.5% in H1 2011 to 80.6% of the reported NAV.

**The secondary transactions show an attractive risk-adjusted return compared to other Private Equity asset classes,** with a median IRR of 17%, calculated over a pool of funds launched between 2000 and 2011.

Risk and Return Profile by Fund Strategy, Vintage 2000 - 2011



Source: Compiled by Idinvest Partners, Preqin

**The secondary market has been constantly growing since several years, taking its place in the overall Private Equity industry.** This positive trend is expected to continue in 2012, accelerating both the investment pace and the fundraising levels.

Based on both primary funds' volume, and large secondary offerings currently on the market, the secondary deal-flow should remain deep and abundant.

2012 should be also a good year in terms of secondary fundraising – as of mid-2011, more than 30 funds were in the market totaling over \$20 billion in commitments.

Secondary market pricing is expected to be in-line with current levels, assuming that Q4 2011 NAVs reflect the current situation and take into the account the European debt crisis.

Given the current levels of fundraising, dry powder and total sales' volumes in the secondary market, supply and demand levels look balanced. Pricing will remain attractive, driven by "forced sales" due to the new regulations and liquidity issues for smaller players.

Given the diversification of projected supply, particularly in the mid-market space, we believe the market will remain inefficient, with a limited number of dedicated intermediaries and a room for value creation.

**Overall, the secondary investment strategy appears to have matured into an efficient method of portfolio optimization and re-balancing.**

## RATING SYNTHESIS BY GEOGRAPHY

In the context of its qualitative study, Idivest Partners has applied the VCPE Index, designed by IESE Business School and EM Lyon research team, in cooperation with Ernst & Young to determine the attractiveness of Private Equity investments by country and region. Quantitative analysis is based on Idivest Partners research and publicly available databases. Final ratings vary from "A" to "D", with "A" corresponding to the most attractive geographies.

Final global and European ratings by country/region are presented below:

### Global ratings

	North America	Western Europe	Eastern Europe	Asia	Latin America
Qualitative Analysis					
Economic activity	A	B	D	A	B
Taxation and legal environment	A	A	D	C	D
Social environment	A	B	C	C	D
Deals opportunities	A	A	C	B	D
Qualitative Score	A	A	C	B	D
Quantitative Analysis					
Volume & value of deals	A	B	D	B	D
Number of funds	A	B	C	B	B
Market performance	B	B	B	C	A
Currency risk	B	A	C	C	D
Quantitative Score	A	B	C	C	C
Final Rating	A	B	C	C	C

Source: Idivest Partners, VCPE Index

### European ratings

	France	DACH	UK	Nordics	Benelux	Iberia	Italy	CEE
Qualitative Analysis								
Economic activity	A	A	A	B	B	C	B	D
Taxation and legal environment	A	A	A	A	A	B	C	D
Social environment	B	A	A	A	A	C	C	C
Deals opportunities	A	A	A	A	A	B	B	C
Qualitative Score	A	A	A	A	A	B	B	C
Quantitative								
Deal-making	A	A	A	A	C	C	C	D
Number of funds	A	B	A	B	C	C	C	D
Performance	B	A	B	A	A	C	B	B
Currency risk	A	A	B	A	A	A	A	C
Quantitative Score	A	A	B	A	B	C	C	C
Final Rating	A	A	B	A	B	C	C	C
Idivest Partners Comments	Three major European markets. France and Germany are overweighted because of the Eurozone constraints for several institutional investors in the Eurozone.			The best performing market numerous deals opportunities.	Small market, limited opportunities.	Extremely difficult macro situation, but some limited opportunities, especially in Northern Italy.		De-correlated from other European markets and good potential.

Source: Idivest Partners, VCPE Index

Given the excellent market conditions currently observed in the secondary market, including growing transaction volume, significant discounts and positive forecast for these variables, Iinvest Partners recommends to its clients to realize at least 40% of their Private Equity programs through secondary investments. This strategy might be realized both via a secondary fund, secondary co-investments or direct secondary transactions, depending on the investor risk aversion and internal capacity to analyze and conduct a co-investment or a direct secondary transaction.

Secondary investments should be diversified across vintages, with a strong preference for mature transactions allowing early cash-flow distributions and J-curve mitigation. The diversification of a secondary portfolio by region should correspond to the overall portfolio allocation (primaries and secondaries).





## MACROECONOMIC OVERVIEW

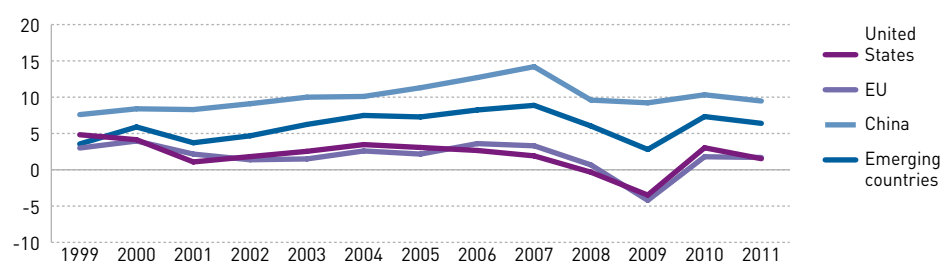
2011 has witnessed a global economy slowdown, financial market volatility, and a sharp increase in investor risk aversion. Market performance is heavily impacted, and this impact diverges across regions. In Europe, the sovereign debt crisis within the euro zone is an additional difficulty to overcome in times of global turmoil. Growth in emerging and developing economies will continue to expand at rates above their pre-crisis averages. However, this trend will probably be restraint as the global crisis weighs on external demand.

### ECONOMIC GROWTH

European GDP grew by 1.5% during 2011. In Europe, Germany had the strongest GDP growth at 3%, followed by France at an estimated 1.7%. German economy is not expected to keep the momentum in 2012, as the Bundesbank has cut 2012 forecasts to 0.6%, primarily due to worries about the European sovereign debt crisis.

Chinese GDP growth slowed to 8.9%, its lowest rate over the previous two years. The Chinese central bank makes efforts to contain inflation and to grow the economy at a more sustainable rate, by raising interest rates throughout the year, and increasing the bank reserve requirement ratio to 21% (relative to 10% in the United States). During the second half of 2011, China's purchasing managers index, considered as a good indicator for future GDP levels, declined below 50 indicating a tightening in the manufacturing sector.

GDP Growth



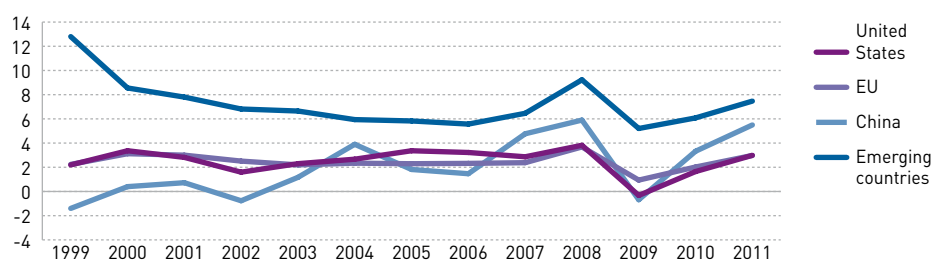
Source: IMF, Bureau of Economic Analysis

## INFLATION

In the European Union, the annual inflation rate increased from 2.1% last year to 3.1% in December 2011. Norway, Sweden and Ireland registered the lowest inflation rates with respectively 1.2%, 1.4% and 1.7%, while the highest rates were recorded in Romania (5.8%), Estonia (5.1%), the United Kingdom (4.8%), and Poland (4.4%).

China observed a fourth consecutive month of annualized inflation rate decrease of 4.1% in 2011. The inflation rates' contraction seems to be an encouraging sign of economic recovery.

Global Inflation Rates



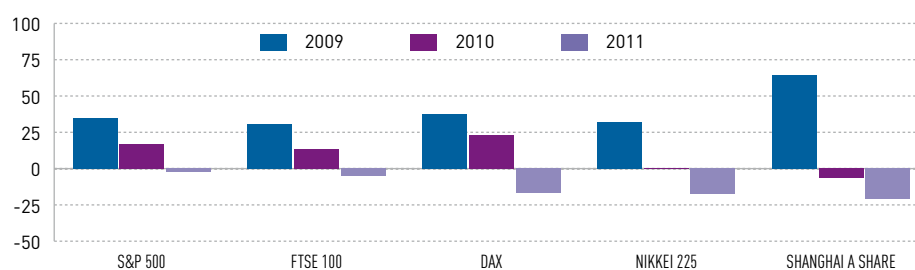
Source: IMF, World Economic Outlook Database

## PUBLIC MARKETS

Public markets suffered from heavy losses in 2011 due to the high volatility. The global stock market, excluding the United States, returned -14%, with emerging markets returning -18%. Natural disasters, social tensions and economic crisis witnessed last year caused an uncertain and highly volatile investment environment. Consequently, the VIX index (an indicator of the stock market volatility) jumped to 48 (vs. 22 in 2010) in August, its peak in the past two years.

By the end of 2011, the emerging markets were also impacted by the global turmoil with major losses registered in Israel (-31%), Chile (-25%), India (-24%), Brazil (-23%), and China (-22%).

Public Markets Returns



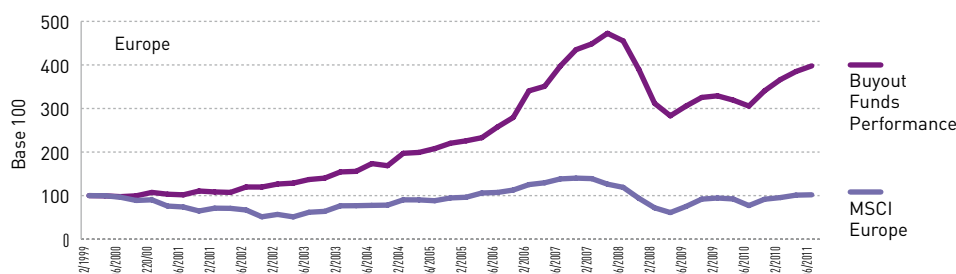
Source: Thomson Reuters

# PRIVATE EQUITY MARKET PERFORMANCE

The current crisis has impacted Private Equity firms' deal making: the volume of new Private Equity buyout deals declined as deal processes were postponed until credit conditions' improvement, and more favorable market conditions for exits. Credit conditions make existing debt refinancing a significant challenge for investors. According to a Collier Capital study<sup>1</sup>, despite this macroeconomic environment, investors will maintain their Private Equity allocation over the next 18 months.

**In spite of the crisis impact on the buyout volume and value, buyout investments remain profitable, and largely outperform their public equity peers.**

Annualized buyout performance measured against the MSCI Europe



Source: Compiled by Idivest Partners, MSCI Indices, Thomson Reuters (Cashflow Summary Report, Western Europe)

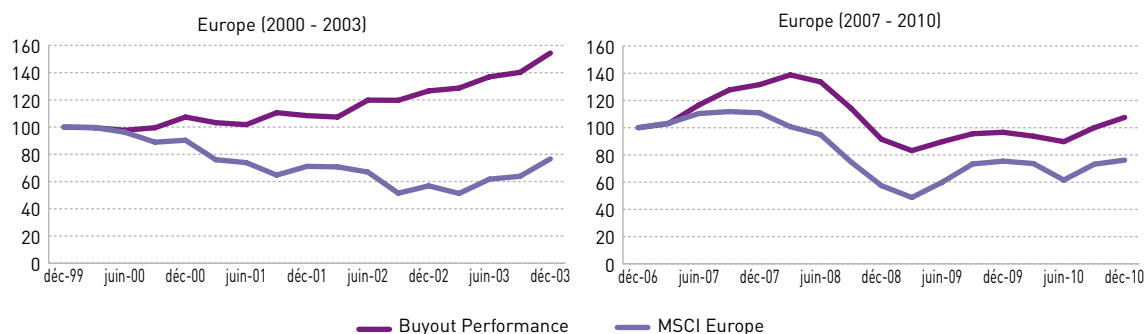
A study issued by Partners Group<sup>2</sup> shows that Private Equity investments beat public equities while offering an attractive risk profile.

**The asset class is proven to be resilient in a difficult macroeconomic environment.**

During the most important crisis periods (in 2000 and in 2007), Private Equity investments had registered a peak performance in comparison with European public markets.

During last decade, this finding is especially true as public markets' volatility is higher and long-term investments' visibility is more compromised.

Annualized buyout performance measured against the MSCI Europe

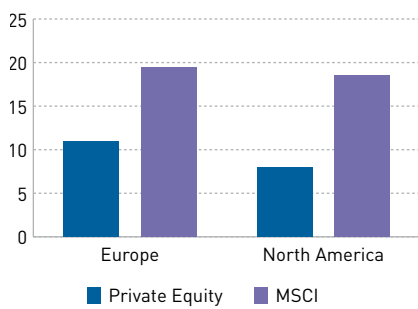


Source: Compiled by Idivest Partners, MSCI Indices, Thomson Reuters (Cashflow Summary Report, Western Europe)

<sup>1</sup> Collier Capital, "Global Private Equity Barometer" - Winter 2011-2012

<sup>2</sup> Partners Group, "Understanding Private Equity's outperformance in difficult times" - January 2012

Volatility of buyout performance vs. MSCI's  
(Q1 2000 – Q2 2011)



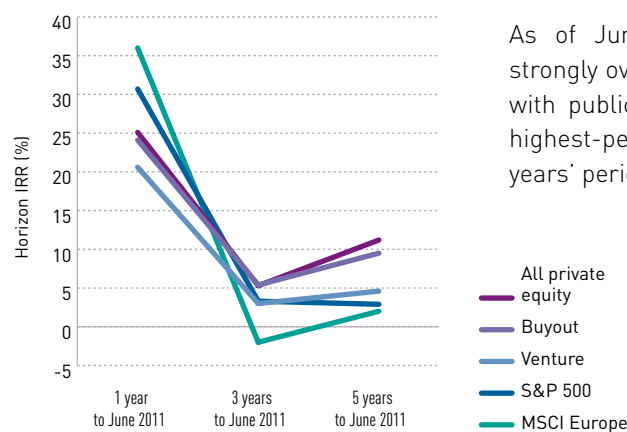
Source: Bloomberg, Partners Group

Compared to MSCI Europe over 2000 -2003 and 2007-2010 periods, buyout funds record an even higher performance during these two recent crises. These results confirm that the Private Equity asset class has strong defensive capabilities and is a viable alternative for investors in an uncertain economic environment.

**From the risk prospective and according to the chart above, the last decade confirms that Private Equity shows lower volatility than public equities.**

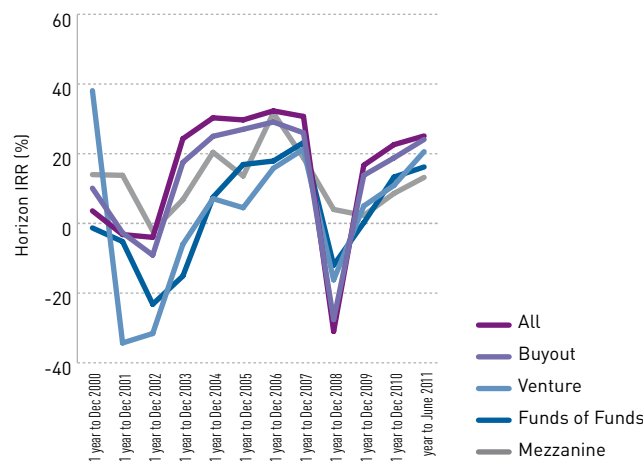
The horizon net IRRs indicated below are calculated by Preqin using cash flow data from over 1,800 Private Equity funds. These charts show the rolling Private Equity performance during a defined period (1 year, 3 years and 5 years).

Private Equity Horizon IRR vs. Public Indices, as of 30 June 2011



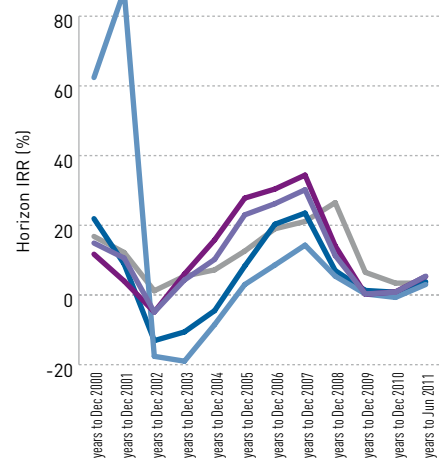
As of June 2011, Private Equity returns rebounded strongly over three and five years' periods in comparison with public indices. Private Equity remains among the highest-performing asset classes over three and five years' periods.

1 Year Rolling IRRs by Fund Type



Source: Preqin

3 Year Rolling IRRs by Fund Type



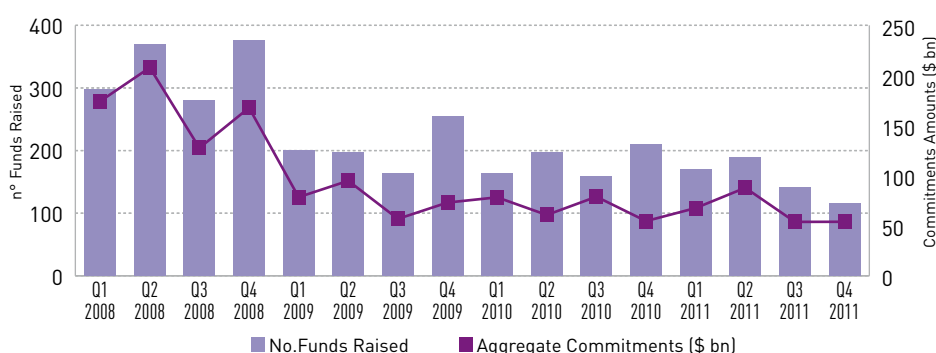
# PRIVATE EQUITY MARKET REVIEW

## FUNDRAISING

The promising trend in fundraising, deals volume and exits, experienced by the market during the first half of 2011, was largely offset by the economic crisis during the second half of the year.

Indeed, during H1 2011, the amount of capital raised by Private Equity funds increased significantly. In H2 2011, Private Equity fundraising dropped off, due to persistent market volatility, growing concerns regarding the euro zone economic bloc and financial markets' uncertainty.

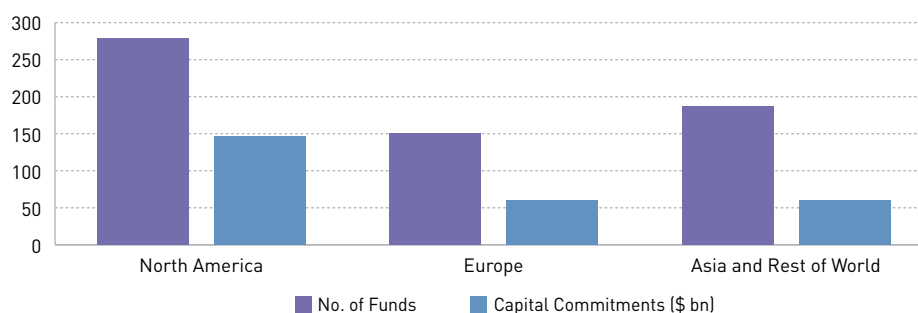
Quarterly Private Equity Fundraising Breakdown



Source: Preqin

In Q4 2011 the gap in fundraising levels between funds with different geographic focuses reduced. Indeed, fundraising levels for North America-focused funds are traditionally significantly higher in terms of value when compared to other regions. By Q3 2011, the total capital raised by funds globally reached its closest point, with \$28 billion raised for North America, \$12.8 billion for Europe, and \$13.2 for Asia and Rest of World.

2011 Private Equity Fundraising Breakdown by Geographical Focus

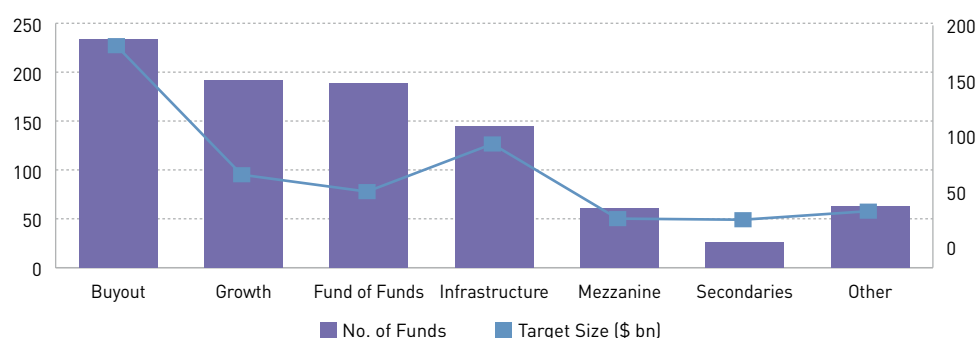


Source: Preqin

Although fundraising conditions in 2011 were heavily impacted by the wider economic turmoil, institutional investors remain optimistic but more demanding regarding fund selection.

The outlook for 2012 remains relatively positive. Private Equity fund managers expect that global market conditions will improve in 2012, allowing for a general upward trend of both volume and value of deals and exits. However, fundraising will probably improve at a slower pace, as institutional investors await distributions from their current investments and try to avoid over-allocation to the asset class. With a record number of 1,800 new funds on the road in January 2012, the upcoming year is likely to experience a crowded fundraising market.

#### European Funds currently in the market



Source: Preqin

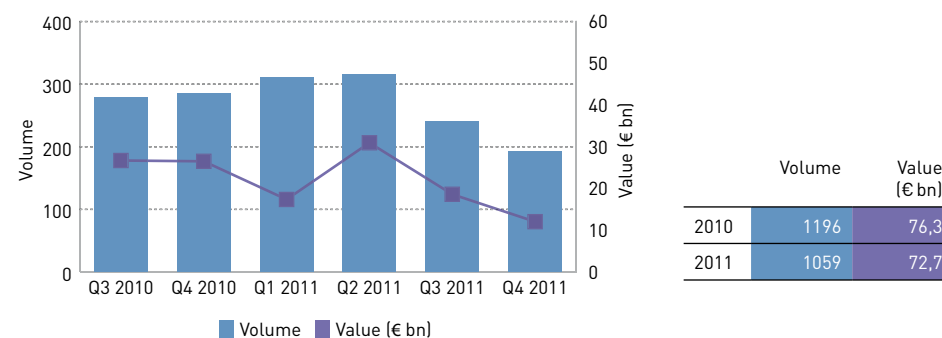
## DEAL MAKING

### Overall European Private Equity

The Private Equity industry witnessed a large contrast in terms of deals and volume, characterized by a significant contraction in overall deal volume in Q4 2011 across all deal stage segments, resulting in a total of just 192 deals. In terms of value, the deals completed in the final quarter of the year represented a 39% fall against the third quarter.

The final quarter figures accentuate the spread between the first and the second halves of 2011. Deal activity in the first six months suggested that the industry would witness the long-awaited recovery. But the Euro zone issues and a widespread fear of sovereign defaults conducted to a full-year deal volumes of €72.7 billion, down by 11.5% from their 2010 levels.

#### Volume and Value of all European Private Equity



Source: Compiled by Idinvest Partners, Private Equity Insight

## European Private Equity Buyouts

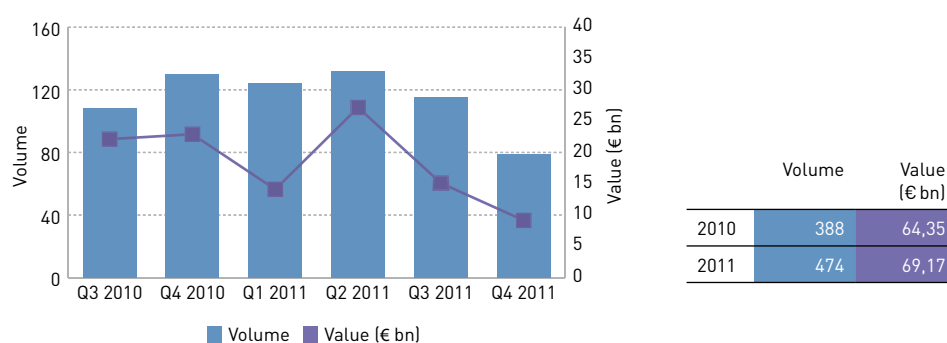
The buyout activity suffered in the final quarter of 2011 of the economic recession expanded to all financial industries.

However, the full-year figures for European buyouts actually absorbed the losses suffered during the final quarter. The volume of buyouts increased during the year by almost 22% to 474 from 388 in 2010.

The European buyout activity recorded its highest figures in the first half of 2011. The second half of the year saw the European deal-flow drop by 24%, with 79 acquisitions completed over the last three months.

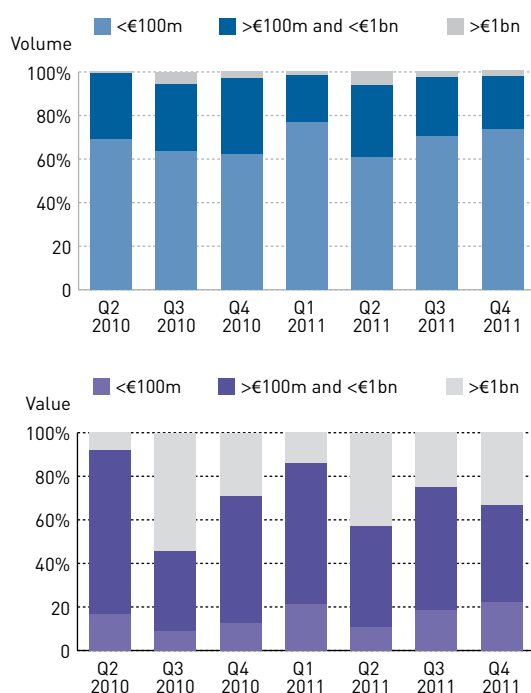
In H2 2011, the volume of mega buyouts deals contracted significantly, while the small and mid-market category, represented respectively by the size bracket of less than €100 million and between €100 million - €1 billion, witnessed a strong growth in terms of volume and value.

### Volume and Value of European Private Equity buyouts



Source: Compiled by Idivest Partners, Private Equity Insight

### Volume and Value of European Private Equity buyouts by size



Source: Compiled by Idivest Partners, Private Equity Insight

### European Buyouts geographic allocation

The overall rise of the buyout transactions' volume and value was replicated across every region with the exception of the UK & Ireland, where there was a slight increase compared to 2010, while value decreased by roughly 38% from €24 billion to a little less than €15 billion.

The German-speaking DACH(\*) region saw the volume of deals increase, rising by close to two thirds.

Despite a downward trend in volume and value of transactions since 2006, the 2011 European market remained more resilient than in 2010.

#### Breakdown of buyouts by region (Volume & Value 2011)

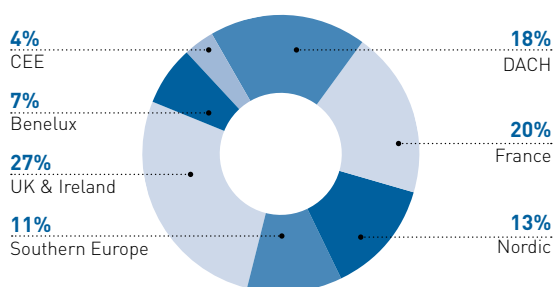
Source: Compiled by Idinvest Partners, Private Equity Insight

	Volume			Value (€ m)		
	2010	2011	CAGR %	2010	2011	CGAR %
Benelux	24	34	42%	8096	7670	-5%
CEE	14	17	21%	833	1832	120%
DACH*	52	87	67%	9039	10518	16%
France	65	92	42%	8764	15375	75%
Nordic	62	63	2%	7548	10140	34%
Southern Europe**	44	52	18%	6088	8827	45%
UK & Ireland	127	129	2%	23977	14809	-38%
<b>EUROPE</b>	<b>388</b>	<b>474</b>	<b>22%</b>	<b>64345</b>	<b>69171</b>	<b>8%</b>

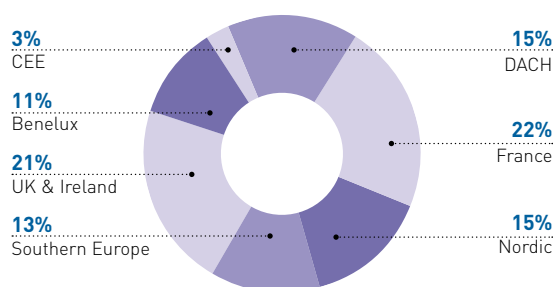
(\*) DACH: Germany, Austria and Switzerland

(\*\*) Southern Europe: Spain, Portugal and Italy

#### Volume (2011)



#### Value (2011)





## 2011 Top European deals and exits

### 10 Largest Buyout Deals Globally in 2011

Source: Preqin

Name	Date	Type	Deal Size (mn)	Currency	Buyers	Sellers	Industry	Location
Samson Investment Company	nov-11	Buyout	7 200	USD	Crestview Partners, ITOCHU Corporation, KKR, NGP Energy Capital Management		Oil & Gas	US
Kinetic Concept, Inc.	juil-11	Public to Private	6 300	USD	Apax Partners, CPP Investment Board, Public Sector Pension Investment Board		Medical Devices	US
Pharmaceutical Product Development, Inc.	oct-11	Public to Private	3 900	USD	Carlyle, Hellman & Friedman		Pharmaceuticals	US
Frac Tech Holdings	avr-11	Buyout	3 500	USD	Chesapeake Energy Corporation, CPP Investment Board, RRJ Management, Temasek Holdings		Oil & Gas	US
Skylark Co., Ltd.	oct-11	Buyout	3 400	USD	Bain Capital	Nomura Group	Restaurants	Japan
Securitas Direct	juin-11	Buyout	21 000	SEK	Bain Capital, Hellman & Friedman	EQT Partners	Technology	Sweden
Emergency Medical Services	févr-11	Public to Private	3 200	USD	Clayton Dubilier & Rice		Healthcare	US
SPIE	mai-11	Buyout	2 100	EUR	AXA Private Equity, Caisse de dépôt et placement du Québec, Clayton Dubilier & Rice	PAI Partners	Engineering	France
Emdeon Inc.	août-11	Public to Private	3 000	USD	Blackstone Group	General Atlantic, Hellman & Friedman	Business Services	US
BJ's Wholesale Club, Inc.	juin-11	Public to Private	2 800	USD	CVC Capital Partners, Leonard Green & Partners		Retail	US

### 5 Notable Exits in 2011

Source: Preqin

Firm	Investment Date	Investors (Entry)	Deal Size	Exit Type	Exit Date	Acquiror (Exit)	Exit Value	Primary Industry	Location
Nycomed	mars-05	Nordic Capital	-	Trade Sale	mai-11	Takeda Pharmaceutical Company Limited	9 600 €	Pharmaceuticals	Switzerland
Skype Technologies	sept-09	Andreessen Horowitz, CPP Investment Board, Index Ventures, Silver Lake	1 900 USD	Trade Sale	mai-11	Microsoft	8 560 \$	Technology	Luxembourg
Graham Packaging	févr-98	Blackstone Group	2 308 USD	Trade Sale	juin-11	Reynolds Packaging Group	4 500 \$	Manufacturing	US
Kabel BW	avr-06	EQT Partners	1 300 EUR	Trade Sale	mars-11	Liberty Global	3 160 €	Telecom Media	Germany
HCA	juil-06	Bain Capital, Citigroup, Kohlberg Kravis Roberts, Merrill Lynch Global Private Equity, Ridgmont Equity Partners	33 000 USD	IPO	mai-11		3 786 \$	Healthcare	US

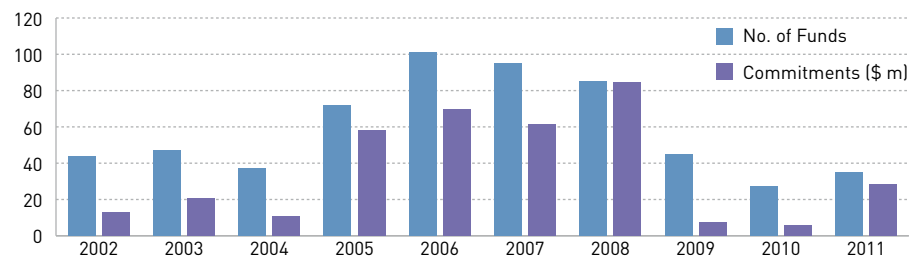
## INSTITUTIONAL INVESTORS' ALLOCATION TO PRIVATE EQUITY FOR 2012

Despite the current financial environment, institutional investors' allocation to Private Equity saw a slight improvement in 2010 and 2011. With the recrudescence of the current economic recession, investors remain committed to Private Equity in 2012.

While there is an expected increase in allocations to Private Equity for 2012, many investors are cautious, and look at the asset class with discernment, remaining focused on their current GP relationships.

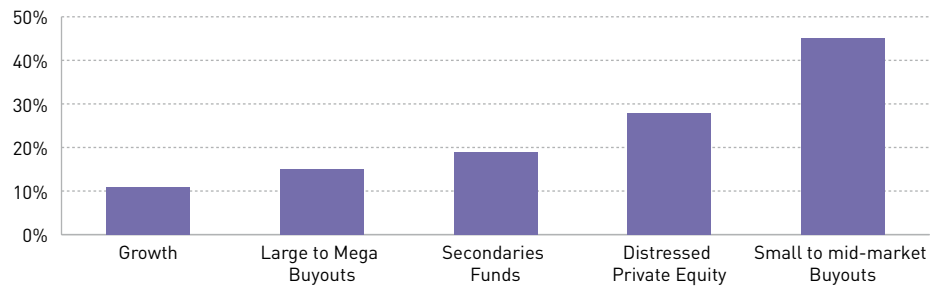
**Although the market remains uncertain, institutional investors show an increased interest in Private Equity.**

### Annual Commitments in European Private Equity Funds



Source: Compiled by Idinvest Partners, Thomson Reuters

### Areas of the market institutional investors view as presenting the best opportunities

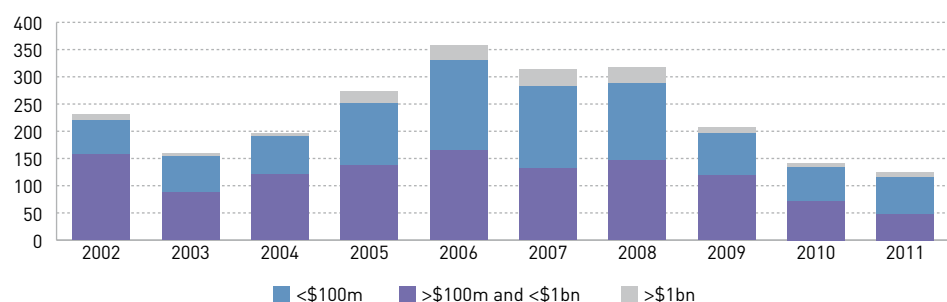


Source: Preqin

### Investors are targeting mid-market funds in their home markets.

Investors tend to focus first on their home market, especially in mid-market buyout funds. The interest in global and mega buyout funds remains low as small and mid-markets present more attractive opportunities to investors.

### Number of European funds raised by size range



Source: Compiled by Idinvest Partners, Thomson Reuters

Performance across time horizons varied according to the fund size. In the long term, the best-performing funds were the mid-market buyout funds in the €200 million to €500 million bracket (with a net-pooled IRR since inception of 19%).

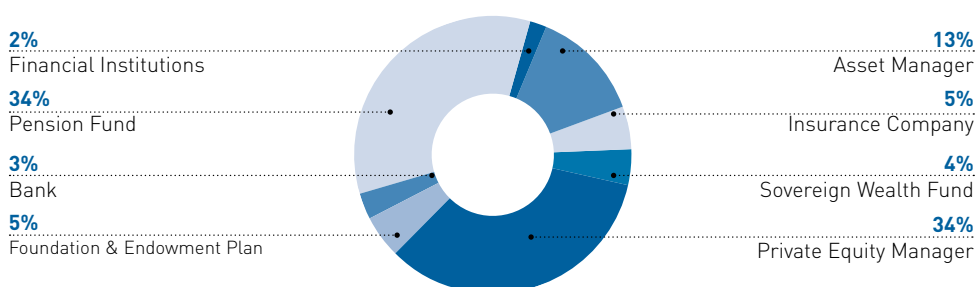
European Buyout funds performance by fund size as of 30/09/2011 (formed between 2000 - 2011)

Fund Size	No. of funds	Average Pooled IRR
0 - 200m	262	11,7%
200m - 500m	80	19,0%
500m - 1bn	57	15,5%
1bn +	59	9,3%
All Buyout	458	11,8%

Source: Compiled by Idinvest Partners, Thomson Reuters

**Institutional investors are currently increasing their allocation to the secondary market**, not only through commitments to specialized secondary funds, but also through direct secondary investments.

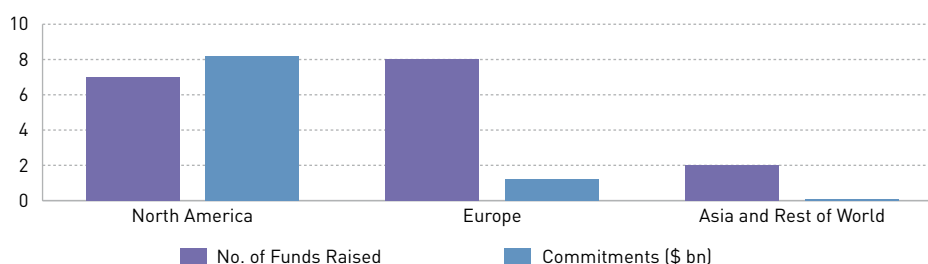
Secondaries commitments by investor profile



Source: Preqin

Several reasons may conduct investors to buy fund shares in the secondary market. The principal reasons are the J-curve mitigation effect and early cash distributions. Investing in a secondary transaction enables investors to access to mature funds at attractive discounts of NAV, to benefit from quick positive cash-flows, while diversifying the portfolio by vintage, geography, strategy, sector...

Secondary Funds Closed in 2011 by Geographic Focus

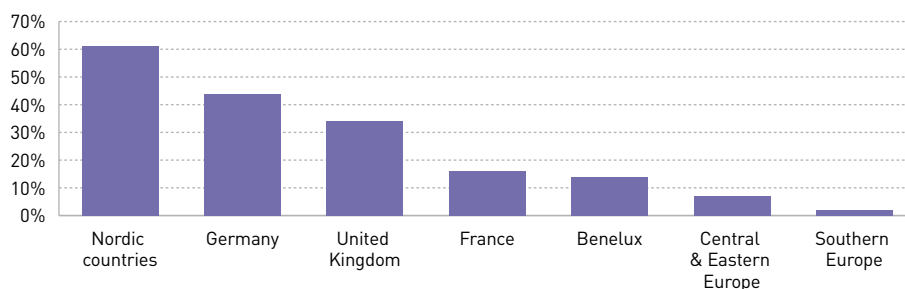


Source: Idinvest Partners, Preqin

**North America and Western Europe remain geographical regions of greatest interest for institutional investors.** In recent years, Asia, and more specifically China, became the new geography of focus for many institutional investors.

However, in the current environment, investors mostly chose their home region as they can easily monitor their investments. In Europe, institutional investors are more interested in the Nordic Region for Private Equity investing. Germany and the United Kingdom are part of the top three, followed by France and Benelux.

Institutional investors' geographic allocation for 2012

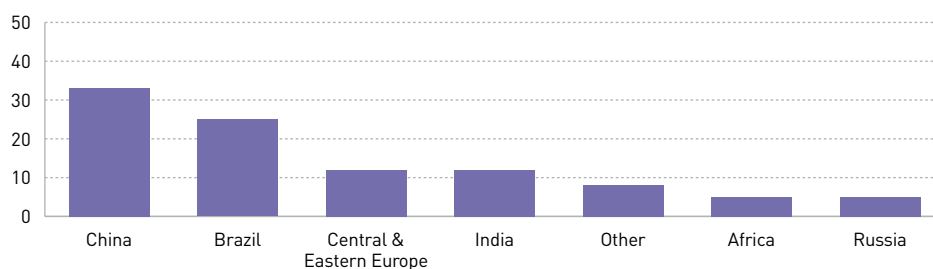


Source: Preqin

Despite better economic conditions in many emerging markets, investors remain relatively cautious to pursue opportunities outside the developed markets because of political and financial instability and worries of manager selection, given the difficulties to build a distant sustainable relationship.

Interest in emerging markets remains highly concentrated. In the emerging markets, China, Brazil, and India dominate investor interest, with Russia far behind.

Emerging countries' investors views as presenting interest



Source: Preqin



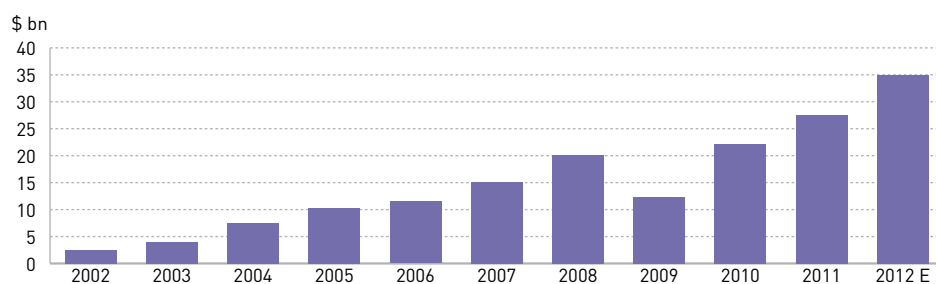
## SECONDARY MARKET OVERVIEW

The secondary market has been constantly growing since several years, taking its place in the overall Private Equity industry. If this positive trend continues in 2012, both investment pace and fundraising could increase significantly.

### SECONDARY MARKET OVERVIEW

In 2011, secondary market deal-flow intensified, exceeding \$27 billion in 2011 vs. \$22 billion in 2010, which represents a 24% increase.

Historical and 2012 projected secondary transaction volume (\$ bn)



Source: NYPPEX

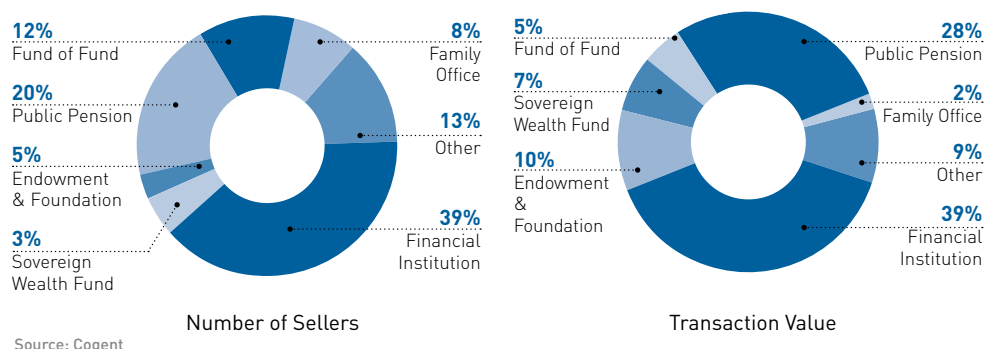
The principal reason limiting the 2009 deal-flow was a substantial discount on funds' NAVs due to the overall crises. In parallel, due to a serious improvement of public equities, numerous investors were less inclined to sell off their Private Equity investments with large discounts.

As a consequence of this dis-balance, average discounts went down, but buyers' interest in secondary transactions remained intact due to the other benefits of this market.

The alignment of buyer and seller expectations on secondary market prices in 2010 and 2011 played a major role in deal-making, and resulted in a number of deals completing in 2011.

The supply level increased significantly, coming both from non-financial institutions seeking to rebalance their Private Equity portfolios, and financial institutions seeking to reduce Private Equity (non-core) assets in the light of new regulations.

Global secondary market seller universe in 2011



In 2011, Cogent<sup>3</sup> estimates that “public pensions and financial institutions comprised 59% of sellers by number and over 66% by transaction volume in 2011”. These two groups are likely to remain the major drivers of the secondary market in the near future. The long-term growth of the secondary market will be a function of both the size of the primary market and the appropriate capitalization of secondary market buyers.

## SECONDARY SELLERS

Since the beginning of the financial crisis in 2007, in addition to a lack of liquidity in the market, numerous constraints have been imposed to financial institutions. Within the Private Equity asset class, these themes remained key sale drivers behind secondary transactions in 2011.

The number of first time secondary sellers has increased significantly. Motivations to sell in 2011 varied based on sellers’ profiles.

- Banks and insurance companies sought to reduce alternative asset portfolios, typically in preparation for new regulations and higher risk-based capital requirements (Solvency II and Basel III).
- Pension funds, constrained by a limited allocation to Private Equity, suffered from the “denominator effect” due to the drop in public market prices causing a listed portfolio contraction and thus increasing the Private Equity pocket over the limit fixed by the pension fund Board.
- Non-financial institution sellers sought to reduce capital calls on immature investments motivated by lack of positive cash-flows and uncertainty about exits’ timing and valuation.
- Advisors, small institutions and family office sellers sought to reduce illiquid asset portfolios or were liquidity constrained, as public market volatility caused an aversion to risk assets and, in some cases, massive margin calls triggered the need to sell assets.
- In addition, institutional investors sought to consolidate their GPs relationships.

<sup>3</sup> Cogent Partners, “Secondary Pricing Trends and Analysis” - January 2012

## SECONDARY BUYERS

Early cash-flow distributions coming from mature fund interests, and a higher visibility on underlying portfolios attract numerous investors. An increasing number of secondary buyers are focusing on transactions with a clear exit frame and a reasonable probability of success, resulting in a higher performance and a considerably shorter investment horizon comparing to primary investments.

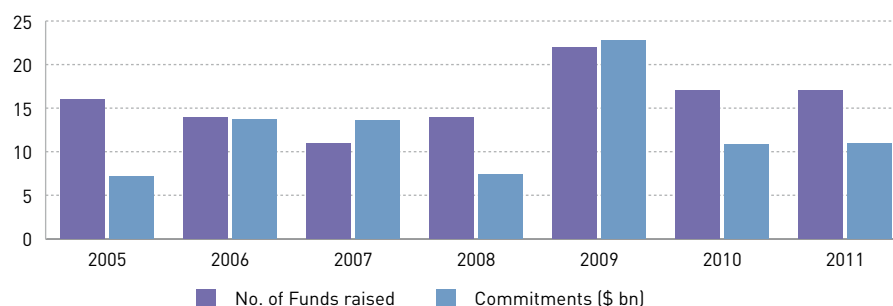
In 2011, traditional secondary funds, limited partners and funds of funds managers, but also new secondary buyers ranging from institutional investors to family offices, all successfully purchased private fund assets.

In August/September 2011, record transaction purchases were largely motivated by the supply of quality funds at low prices, constraints of capital deployment, and a less competitive buying environment partly due to the public market volatility.

## SECONDARY FUNDRAISING

From the fundraising prospective, 2009 has been a positive year, with \$23 billion raised by secondary funds globally. In 2010 and 2011, fundraising levels were more modest, but still strong enough on the historical basis with nearly \$11 billion of new commitments in 2010, and around \$10 billion in 2011. Mid-market buyout transactions of less than \$500 million dominated the market.

Annual secondary transactions fundraising



Source: Preqin

Number of secondary funds closed in 2011 by fund size

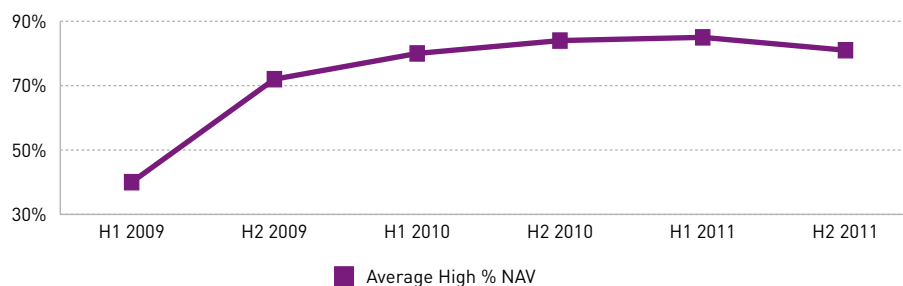


Source: Preqin

## SECONDARY PRICING

With large discounts on NAVs, prices on secondary transactions decreased considerably, driven by increased public market volatility and depreciation subsequent to June 30<sup>th</sup>, 2011. The average high bids exceeded 80% on the reported NAV, down from 84.5% of NAV in H1 2011.

Secondary Pricing 2009 - 2011



Source: Cogent

According to NYPPEX, the secondary median bid prices increased by 0.7% to 69.46 (as a percentage of NAV) as of December 31<sup>st</sup>, 2011 from 68.98 on December 31<sup>st</sup>, 2010 for interests in Private Equity funds worldwide. In H2 2011, many secondary buyers adjusted their pricing to decreasing NAVs.

Secondary "median" bids in 2011

Fund Type	12/31/2010 [% NAV]	12/31/2011 [% NAV]	% Change
Buyout	83.65	83.41	-0.30%
Venture	75.08	65.58	-12.70%
Funds of Funds	56.36	61.02	8.30%
Real Estate	52.37	62.09	18.60%
Distressed Debt	69.63	66.82	-4.00%
Natural Resources	55.64	69.87	25.60%
Hedge Funds	90.11	77.43	-14.10%
All Funds Sectors	68.98	69.46	0.70%

Source: NYPPEX

Unsurprisingly, secondary pricing is largely impacted by public market valuations and volatility. As Private Equity funds are significantly less volatile than their public equity peers, funds are valued less frequently, and NAVs do not necessarily reflect current market conditions.

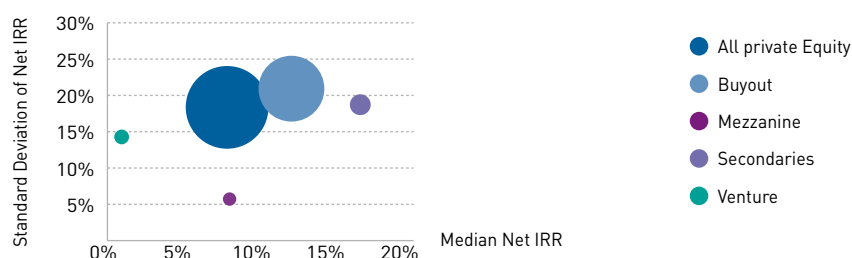
In 2011, the European debt crisis had a negative effect on global equity markets. From H1 to H2 2011, the S&P 500 and FTSE 100 indices had depreciated respectively by 8.8% and 10.0%, and the secondary market pricing declined by 9% over the same time period.



## SECONDARY PERFORMANCE

Secondary transactions show an attractive risk-adjusted return compared to other Private Equity asset classes, with the median IRR calculated for a pool of 2000-2011 vintage funds of 17%.

Risk and Return Profile by Fund Strategy, Vintage 2000 - 2011



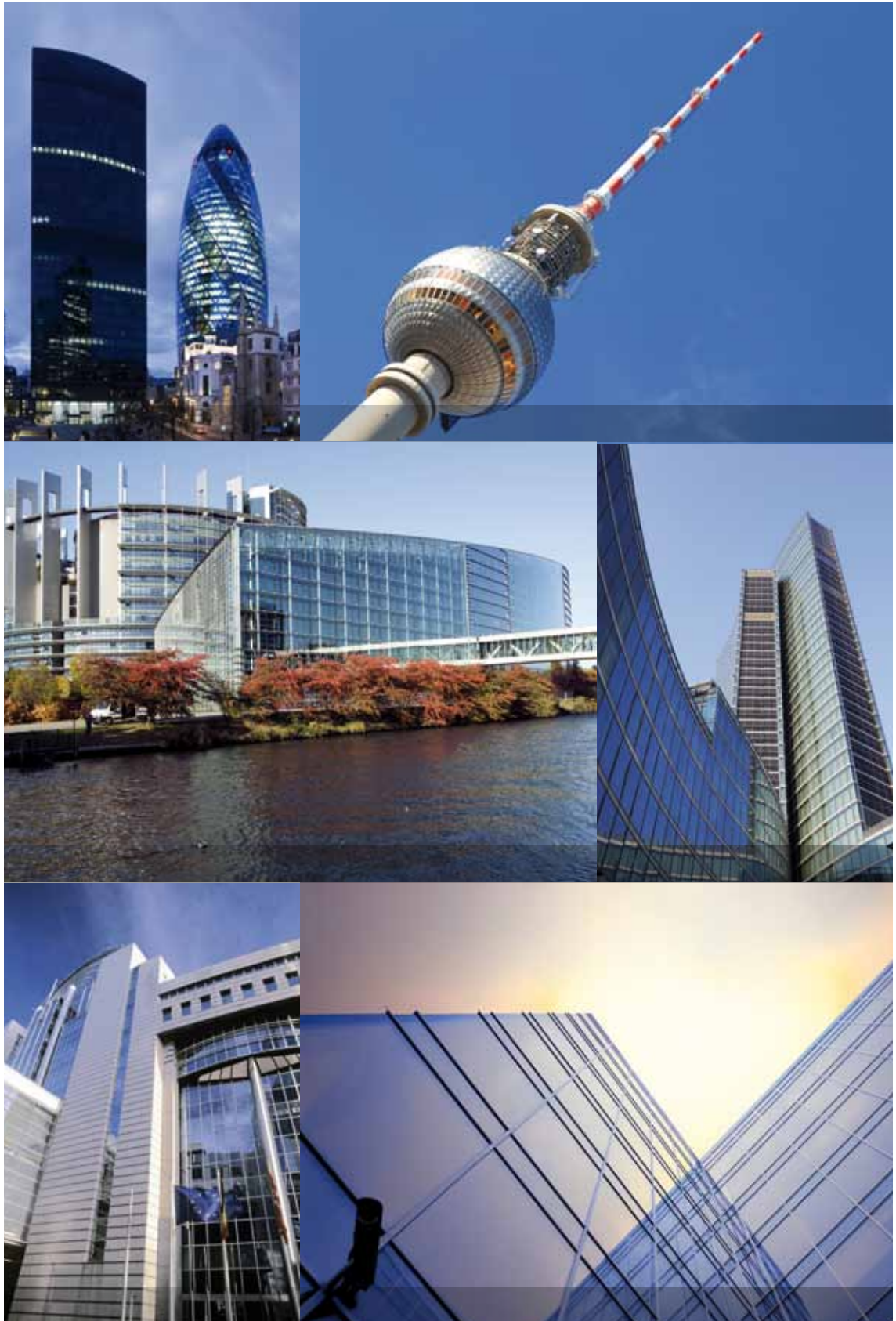
Source: Compiled by Idivest Partners, Preqin

This exceptional average performance is explained by attractive prices, large deal-flow, and market inefficiency observed in the secondary market. Idivest estimates that secondary market inefficiency will remain extremely high in the upcoming period, particularly in the mid-market space.

## SECONDARY OUTLOOK FOR 2012

As mentioned above, the secondary investment strategy has been outperforming over the past two years, and as of the beginning of 2012, it seems to continue. Expected patterns of the secondary market are summarized below:

- The secondary deal-flow should remain rich and abundant partly due to the large primary funds' volume still available in the market. Public pension funds and financial institutions should continue to drive the secondary market in the next 12 to 18 months. These players accounted for over 70% of secondary sales in 2011.
- 2012 seems to be a promising year in terms of secondary fundraising. As of end 2011, more than 30 funds were in the market totaling over \$20 billion in commitments. The demand in the market is mostly driven by institutional investors, keen to re-balance their portfolios, allocating a higher proportion of their Private Equity assets to secondary transactions. The supply results from numerous secondary funds currently being launched, including several large funds raised in late 2008 and 2009 returning to the market within the next 12 months.
- The public markets improvement during Q4, coupled with their high volatility and difficult macroeconomic conditions, result in lower NAVs as of the end of the year. In 2012, secondary market pricing is expected to stay in-line with current levels, assuming that Q4 NAVs reflect the current situation and take into the account the impact of the European debt crisis. However, due to the diversification of projected supply, particularly in the mid-market space, we believe the market will remain inefficient.
- Given the current levels of fundraising, dry powder and total sales' volumes in the secondary market, supply and demand levels look balanced. Pricing will remain attractive, driven by "forced sales" due to the new regulations and liquidity issues.
- Overall, the secondary investments are now an integral part of a Private Equity portfolio, and an efficient method of portfolio re-balancing and diversification.
- Within the secondary space, the mid-market segment remains inefficient with a limited number of dedicated intermediaries and a room for value creation.



# REGIONAL & COUNTRY PROFILES

## EVALUATION CRITERIA

Despite the current turmoil, the Private Equity market still offers attractive opportunities, and the investors' appetite still exists, even limited, in order to benefit from the propitious market conditions.

The current study aims to identify the geographic regions presenting attractive conditions for Private Equity deal making, with a focus on buyout transactions performance. For this purpose, Idivest Partners selected some countries and regions that might be of interest for institutional investors and analyzed the attractiveness and the depth of their market through qualitative and quantitative criteria.

For the qualitative analysis, Idivest used the 2011 annual study entitled "The Global Venture Capital and Private Equity Country Attractiveness Index" (VCPE Index), designed by EM Lyon and IESE Business School research team in cooperation with Ernst & Young. To obtain the most accurate and synthesized picture of each country, Idivest referred to the VCPE Index Ranking and the SWOT matrix elaborated by Ernst & Young and completed by Idivest Partners.

For the quantitative analysis, Idivest used Private Equity Insight and Preqin databases to update the existing and publicly available figures as of the end of December 2011. These databases are generally considered to be the most reliable sources of information available.

Among the criteria used to evaluate countries' attractiveness are included the expected deal opportunities in a country or region. Funds' investment strategies, individual track records and other parameters evaluated during due-diligence process are beyond the scope of our evaluation because they depend on individual cases and undisclosed data.

The decisive factors for a propitious and vibrant Private Equity market in a country have been extensively studied. Our analysis will focus on 2 major axes determining the attractiveness of a country:

### 1. Qualitative analysis:

- Economic activity and depth of the capital market
- Legal environment and corporate governance
- Human and social environment
- Deal opportunities

### 2. Quantitative analysis:

- Volume and value of buyout deals per year
- Number of buyout funds raised per year
- Market performance by vintage year
- Currency risk

Each country or region will be analyzed within the scope of these two axes. A final rating will be attributed to each country taking into account all the criteria announced above and the VCPE Index ranking.

In order to optimize the score of each country, the two axes of the analysis will have different weights: the qualitative analysis represents 40% of the final score, and the quantitative analysis 60%. Sub-item points of each axis will be weighted equally.

## Focus on the key drivers

### GDP Growth

The economic activity of a country is the main macro-economic indicator that measures the attractiveness of a market. The economy's size and employment levels are proxies for prosperity, the number of local corporations and entrepreneurial activity, and hence, for the expected Private Equity deal flow.

The Private Equity market performance is significantly related to the country GDP growth.

#### Real GDP Projected Growth Rate

Country	2011	2012	2013
UK	0.9%	0.6%	2.0%
France	1.6%	0.2%	1.0%
Germany	3.0%	0.3%	1.5%
Nordic countries	2.5%	1.3%	2.0%
Italy	0.4%	-2.2%	-0.6%
Spain	0.7%	-1.7%	-0.3%
Central Europe	5.1%	1.1%	2.4%
<b>Eurozone</b>	<b>1.6%</b>	<b>-0.5%</b>	<b>0.8%</b>
<b>Emerging Countries</b>	<b>6.2%</b>	<b>5.4%</b>	<b>5.9%</b>

Source: IMF, OECD

A preliminary analysis of the table above shows that the UK, Germany, France and the Nordic countries will experience a steady GDP growth in 2013. The GDP growth rate of Emerging markets shows a significant potential resulting from the size of their population, the availability of natural resources and transition to liberal markets. The GDP growth will be analyzed in the scope of other macro-economic factors such as inflation and unemployment rates, in order to have a global view of the country's economic activity.

### Depth of the Private Equity market

Despite the uncertainty posed by the current environment, the first half of 2011 was characterized by an increased buyout activity supported by more available leverage, secondary market activity interest, and increased commitments to Private Equity funds across most sectors and geographies.

#### Private Equity Opportunities in Europe

Key Aspects	UK	France	DACH	Nordics	Benelux	Italy	Iberia	CEE	Europe
LBO's from €25m to €250m EV in 2010	54	32	26	26	13	26	26	26	229
Market Share of LBO's from €25m to €250m EV	28%	16%	13%	19%	7%	7%	5%	5%	100%
Number of Mid Market Funds	26	16	22	14	7	8	14	6	113
Number of Small Cap Funds	11	8	5	7	3	5	5	3	47
Total Funds	37	24	27	21	10	13	19	9	160

Source: Compiled by Idinvest Partners

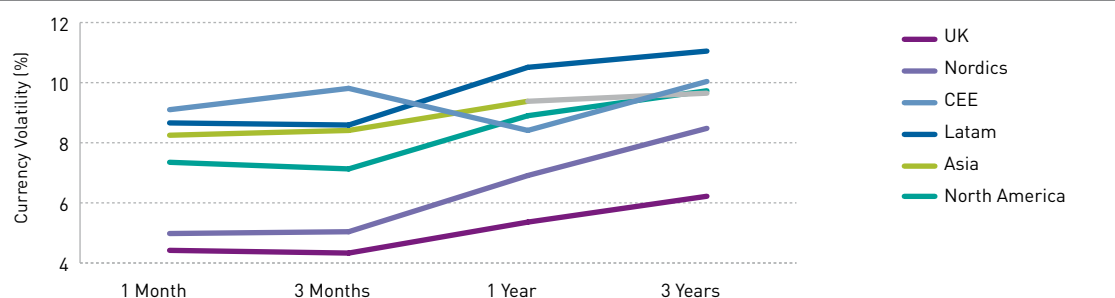
The table above shows a strong activity in the Private Equity buyout market and a clear interest from investors, who are likely to commit more to the asset class in 2012. But the appetite for new GPs remains limited as many established programs seek to narrow GP relationships, re-upping with the existing managers. In this perspective, we focus only on the most established GPs in the market with multi-generation funds and proven capabilities to seek performance.

### Currency risk

Regional Private Equity funds' performance can be affected by the local currency volatility, a risk to be taken into account for the portfolio allocation. A diversified portfolio could mitigate the currency risk. The currency volatility is calculated based on the spread between the local currencies and Euro in different time frames: 1 month, 3 months, 1 year and 3 years.

The chart below shows that volatility of the Nordic countries' currencies and the UK pound are lower in comparison with Latin America, Asia and CEE that record the highest 3-years volatility rate (more than 10% in average).

Regional Currencies Volatility



Source: Compiled by Idivest Partners, [www.ratesfx.com](http://www.ratesfx.com)

## FRANCE

### Attractiveness criteria

	Score	VPC Ranking		Rating			
		2007	2011	A	B	C	D
VPCE Index (out of 100)	79.6	17	14	↑	●		
Economic Activity	89.8	68	20	↑	●		
Depth of Capital Market	73.6	13	11	↑	●		
Legal Environment & Corp. Gov.	85.4	23	19	↑	●		
Social Environment	67.6	23	26	↓		●	
Deal Opportunities	82.5	12	16	↓	●		

Source: VCPE Index

### SWOT analysis

#### Strengths

- Strong and sophisticated framework for PE transactions
- Comeback of large leveraged buyouts (LBOs), particularly secondary deals, thanks to improved debt markets
- Consistent deal flow of high-quality, high-tech projects

#### Weaknesses

- French GPs realize less international deals than their European peers, e.g., UK, Germany, Sweden
- Cleantech investments were late to develop in France, but are now accelerating
- Secondary buyouts are numerous

#### Opportunities

- Tax policy in favor of asset class: "FCPI," "Loi TEPA"
- Tax policy in favor of innovation: "crédit impôt recherche," "OSEO" incentives
- Development of ESG (environmental, social and governance) principles and best practices

#### Threats

- Deductibility of interest charges could be curtailed

Source: VCPE Index, Ernst & Young

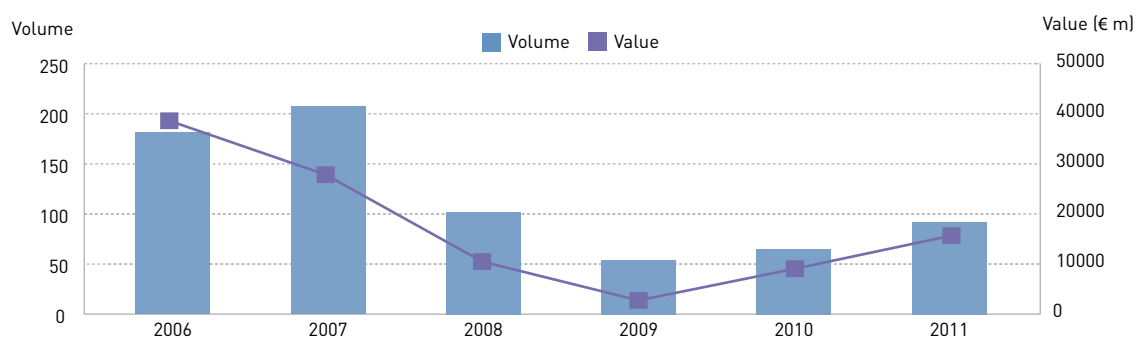
### Market Outlook for France

Banks and insurance companies are preparing to regulatory changes (Solvency II, Basel III) which impacts their attitude towards Private Equity assets. New tax policies could emerge from presidential elections.

The French market is now experiencing Private Equity portfolio exits delayed by the crisis.

## Market statistics (2006-2011) – France

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	181	207	102	54	65	92
Value (€M)	38307	27537	10196	2444	8764	15375
Av. value (€M)	212	133	100	45	135	167
% of European Volume	24.0%	25.0%	17.0%	20.0%	17.0%	19.4%
% of European Value	21.0%	14.0%	14.0%	10.0%	14.0%	22.2%



Source: Compiled by Idivest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – France

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) - RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>85.5</b>	<b>20.0</b>	<b>82.8</b>	<b>1.19</b>	<b>11.5</b>
Weighted	70.2	41.7	77.3	1.19	6.1
Average	73.8	64.5	66.5	1.32	12.1
Standard Deviation	30.8	79.5	46.2	0.59	13.0
Pooled IRR * (12 funds)					5.7

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.  
Source: Compiled by Idivest Partners, Preqin

## Final rating

France	
<b>Qualitative Analysis</b>	
Economic activity	A
Taxation and legal environment	A
Social environment	B
Deals opportunities	A
<b>Qualitative Score</b>	<b>A</b>
<b>Quantitative Analysis</b>	
Volume & value of deals	A
Number of funds	A
Market performance	B
Currency risk	A
<b>Quantitative Score</b>	<b>A</b>
<b>Final Rating</b>	<b>A</b>

Source: Idivest Partners

## GERMANY, SWITZERLAND & AUSTRIA (DACH)

### Germany

#### Attractiveness criteria

	Score	VPC Ranking			Rating			
		2007	2011		A	B	C	D
VPCE Index (out of 100)	82.8	16	10	↑	●			
Economic Activity	90.6	72	17	↑	●			
Depth of Capital Market	67.5	16	16	→	●			
Legal Environment & Corp. Gov.	96.3	12	14	↓	●			
Social Environment	80.9	18	18	→	●			
Deal Opportunities	91.8	3	5	↓	●			

Source: VCPE Index

#### SWOT analysis

##### Strengths

- Large number of interesting targets of all sizes and strong potential from privately owned businesses facing succession problems
- Europe's leading economy, with diverse portfolio of industries
- Very strong infrastructure and reliable administration
- Cultural attitude towards performance and diligence

##### Opportunities

- The macroeconomic environment is very favorable with forecasts predicting that Germany should become even stronger
- Comprehensive restructuring has placed many companies in strong competitive positions
- The loan situation is still fraught, causing many companies to look for other sources of capital, where PE represents a good option

##### Weaknesses

- The Government is looking to bring in stricter regulations and governance around the quality of management and diligence procedures, which may decline deal-making attractiveness

##### Threats

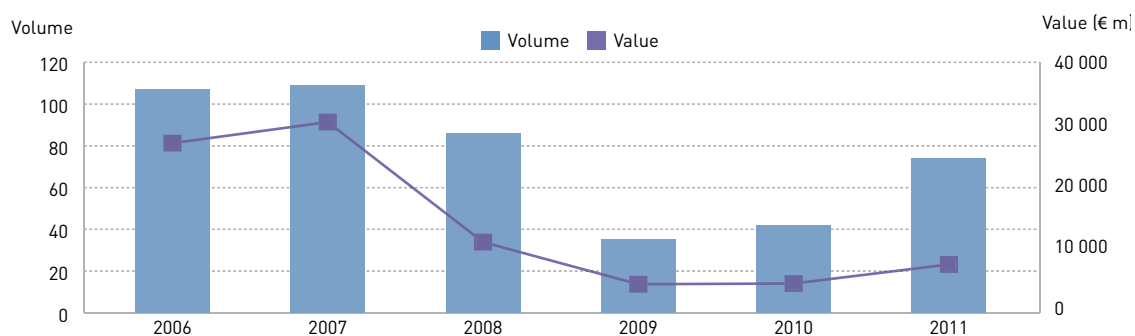
- Germany's current strength is mainly export driven and therefore strongly dependent on global recovery
- The improved tax position and other legislation, which was changed during the crisis, might be reversed if the economy keeps growing
- Regulations deriving from the AIFM Directive means that investors' access to certain products may be restricted, which may change their portfolio diversification models

Source: VCPE Index, Ernst & Young



## Market statistics (2006-2011) – Germany

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	107	109	86	35	42	74
Value (€M)	27248	30613	11442	4716	4832	7875
Av. value (€M)	255	281	133	135	115	106
% of European Volume	14.0%	13.0%	15.0%	13.0%	11.0%	15.6%
% of European Value	15.0%	16.0%	16.0%	20.0%	8.0%	11.4%



Source: Compiled by Idivest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – Germany

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) - RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>78.6</b>	<b>12.4</b>	<b>78.5</b>	<b>1.30</b>	<b>14.8</b>
Weighted	67.9	34.7	77.3	1.12	1.7
Average	70.6	64.5	72.2	1.37	12.8
Standard Deviation	29.9	80.4	47.0	0.69	19.7
Pooled IRR * (17 funds)					-0.2

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idivest Partners, Preqin

## GERMANY, SWITZERLAND & AUSTRIA (DACH)

### Austria

#### Attractiveness criteria

	Score	VPC Ranking			Rating			
		2007	2011		A	B	C	D
VPCE Index (out of 100)	71.7	23	22	↑		•		
Economic Activity	86.0	58	31	↑		•		
Depth of Capital Market	47.9	28	33	↓		•		
Legal Environment & Corp. Gov.	91.7	14	17	↓	•			
Social Environment	92.1	14	14	→	•			
Deal Opportunities	77.4	17	17	→	•			

Source: VCPE Index

#### SWOT analysis

##### Strengths

- Strong economic performance, making it an interesting niche market, with a similar range of companies and industries as Germany, but smaller

##### Weaknesses

- Still perceived as a "closed shop," providing a lot of effort for little return in terms of deal flow and transaction size

##### Opportunities

- Many hidden champions and family-owned companies with succession problems

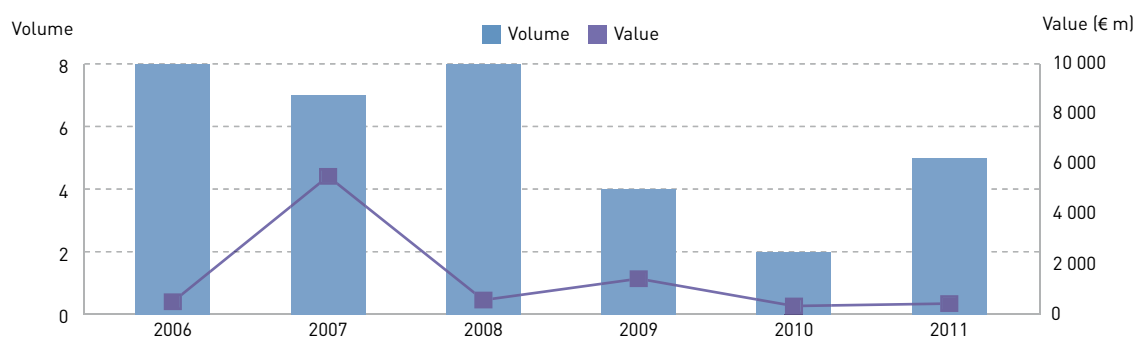
##### Threats

- Somewhat export oriented, which puts businesses under similar risks as those seen in Germany

Source: VCPE Index, Ernst & Young

## Market statistics (2006-2011) – Austria

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	8	7	8	4	2	5
Value (€M)	270	5227	339	1190	101	197
Av. value (€M)	34	747	42	297	51	39
% of European Volume	1.1%	0.8%	1.4%	1.5%	0.5%	1.1%
% of European Value	0.1%	2.7%	0.5%	5.0%	0.2%	0.3%



Source: Compiled by Idivest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – Austria

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) -RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>57.1</b>	<b>0.0</b>	<b>83.4</b>	<b>0.93</b>	<b>14.9</b>
Weighted	50.2	22.1	90.5	1.13	12.0
Average	57.1	43.0	85.3	1.28	8.6
Standard Deviation	33.8	75.6	55.5	0.85	20.9
Pooled IRR * (6 funds)					17.7

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idivest Partners, Preqin

## GERMANY, SWITZERLAND & AUSTRIA (DACH)

### Switzerland

#### Attractiveness criteria

	Score	VPC Ranking			Rating			
		2007	2011		A	B	C	D
VPCE Index (out of 100)	91.8	5	5	→	●			
Economic Activity	90.4	54	18	↑	●			
Depth of Capital Market	92.2	4	3	↑	●			
Legal Environment & Corp. Gov.	74.0	27	28	↓		●		
Social Environment	112.1	3	2	↑	●			
Deal Opportunities	89.7	9	6	↑	●			

Source: VCPE Index

#### SWOT analysis

##### Strengths

- Strong bio-tech, med-tech and pharmaceutical focus; generally, innovative high-tech industries
- Research universities provide a flow of technology spin-offs
- Strong lobbying/support networks improve the PE fiscal and regulatory environment
- Plenty of business angels
- Liberal labor law
- Excellent tax treaty network

##### Opportunities

- Presence of major multinationals leads to spin-off opportunities especially in chemical and consumer good sectors
- Large cash pools looking for opportunities
- Bio-tech opportunities resulting from depressed prices

##### Weaknesses

- Growing number of PE houses focused on the Swiss market; Swiss corporates are also more active, causing more intense competition
- Small market

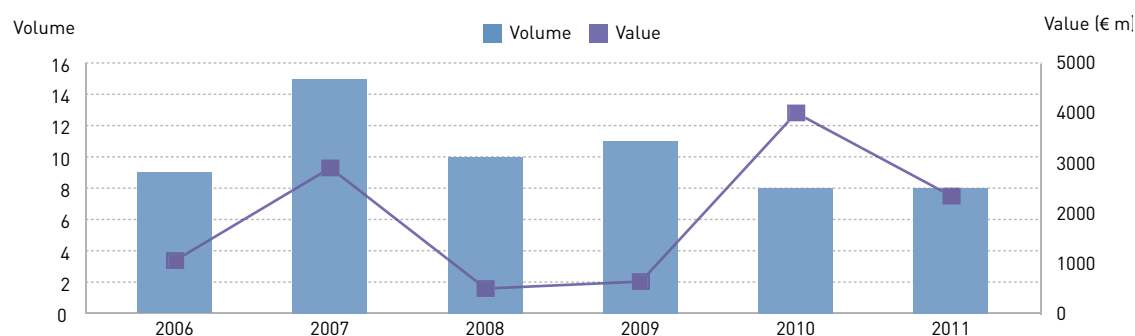
##### Threats

- Increased regulation post-financial crisis

Source: VCPE Index, Ernst & Young

## Market statistics (2006-2011) – Switzerland

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	9	15	10	11	8	8
Value (€M)	1159	3008	600	740	4106	2446
Av. value (€M)	129	201	60	67	513	306
% of European Volume	1.2%	1.8%	1.7%	4.1%	2.1%	1.7%
% of European Value	0.6%	1.6%	0.8%	3.1%	6.5%	3.5%



Source: Compiled by Idivest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – Switzerland

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) -RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>70.6</b>	<b>6.0</b>	<b>83.1</b>	<b>1.19</b>	<b>13.9</b>
Weighted	53.9	23.7	85.7	1.10	13.3
Average	62.0	47.7	74.6	1.22	11.7
Standard Deviation	34.9	72.3	57.5	0.82	15.6
Pooled IRR * (5 funds)					17.8

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idivest Partners, Preqin



## Market Outlook for the DACH countries

The German market is recovering from the financial crisis. Many companies could represent potential investment targets as they are well positioned in niche growth markets, have an important technological advantage, and a deep innovation culture.

Austria will remain a niche market, but offers good opportunities for Eastern European acquisitions. The short-term outlook for Switzerland is promising as it is considered as a "deal country".

## Market statistics (2006-2011) – DACH

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	124	131	104	50	52	87
Value (€M)	28677	38848	12381	6646	9039	10518
Av. value (€M)	231	297	119	133	174	121
% of European Volume	16.4%	15.2%	17.0%	17.5%	13.4%	18.4%
% of European Value	15.9%	19.8%	16.6%	24.5%	14.0%	15.2%

Source: Compiled by Idivest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – DACH

	Called Up [%]	Distributed [%] - DPI	Remaining Value [%] -RVPI	Multiple (X)	Net IRR [%]
<b>Median</b>	<b>78.6</b>	<b>20.0</b>	<b>80.0</b>	<b>1.30</b>	<b>13.4</b>
Weighted	67.3	35.2	77.3	1.13	1.9
Average	69.3	63.9	70.5	1.35	11.9
Standard Deviation	31.4	78.6	48.0	0.69	19.5
Pooled IRR * (18 funds)					0.4

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idivest Partners, Preqin

## Final rating

	Germany	Austria	Switzerland	DACH
<b>Qualitative Analysis</b>				
Economic activity	A	B	A	A
Taxation and legal environment	A	A	A	A
Social environment	A	A	A	A
Deals opportunities	A	A	A	A
<b>Qualitative Score</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>
<b>Quantitative Analysis</b>				
Volume & value of deals	B	D	B	A
Number of funds	A	C	C	B
Market performance	B	A	A	A
Currency risk	A	A	B	A
<b>Quantitative Score</b>	<b>A</b>	<b>B</b>	<b>B</b>	<b>A</b>
<b>Final Rating</b>	<b>A</b>	<b>B</b>	<b>B</b>	<b>A</b>

Source: Idivest Partners

## UK & IRELAND

### Attractiveness criteria

	Score	VPC Ranking			Rating			
		2007	2011		A	B	C	D
VPCE Index (out of 100)	93.3	3	2	↑	●			
Economic Activity	88.6	48	27	↑		●		
Depth of Capital Market	91.1	3	4	↓	●			
Legal Environment & Corp. Gov.	103.4	7	8	↓	●			
Social Environment	96.3	7	10	↓	●			
Deal Opportunities	89.4	4	7	↓	●			

Source: VCPE Index

### SWOT analysis

#### Strengths

- Established global PE and financial center, with large number of assets currently under PE ownership
- PE, as an asset class, is recognized as an important part of the economy
- Significant rebounding of PE acquisition activity in 2010, with exit opportunities reappearing in M&A markets
- Leverage is returning and is much more accessible than in the last two years

#### Opportunities

- Many attractive investment opportunities will come to market as the pent-up flow of exits continues
- Assets acquired by the banks during economic difficulties are expected to come to market
- While fund-raising still remains difficult, liquidity concerns are likely to recede and fundraising should recover

Source: VCPE Index, Ernst & Young

#### Weaknesses

- Caution created by continuing economic uncertainty
- Fierce competition for quality assets
- Difficult to establish the stability and growth prospects of individual target assets while emerging from the recession

#### Threats

- Macroeconomic uncertainty continues
- An increased regulatory burden may be placed upon PE; the full impact of the regulatory changes are yet to become clear
- Refinancing challenges remain for PE-backed assets
- The IPO market as an exit route for PE remains uncertain

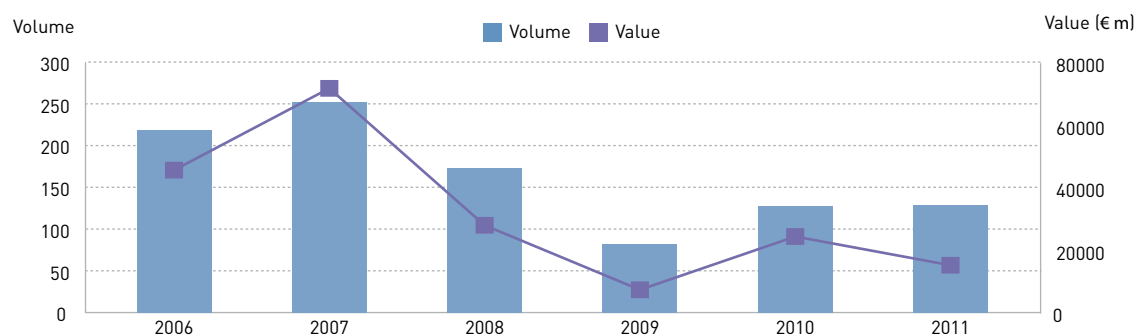
### Market Outlook for UK & Ireland

A large Private Equity portfolio exits are expected in the UK market which will foster the flow of assets to the market. Fund-raising conditions are improving slightly but remain challenging.



## Market statistics (2006-2011) – UK and Ireland

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	218	252	173	82	127	129
Value (€M)	45178	71310	27571	6966	23977	14809
Av. value (€M)	207	283	159	85	189	115
% of European Volume	28.8%	30.3%	29.3%	30.8%	34.0%	27.2%
% of European Value	25.0%	37.5%	37.9%	29.2%	38.0%	21.4%



Source: Compiled by Idivest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – UK and Ireland

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) - RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>83.5</b>	<b>37.1</b>	<b>64.9</b>	<b>1.24</b>	<b>13.6</b>
Weighted	76.0	57.9	62.5	1.21	6.1
Average	73.7	71.2	59.3	1.31	13.3
Standard Deviation	31.4	81.5	40.4	0.63	24.2
Pooled IRR * (28 funds)					6.3

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idivest Partners, Preqin

## Final rating

UK & Ireland	
<b>Qualitative Analysis</b>	
Economic activity	A
Taxation and legal environment	A
Social environment	A
Deals opportunities	A
<b>Qualitative Score</b>	<b>A</b>
<b>Quantitative Analysis</b>	
Volume & value of deals	A
Number of funds	A
Market performance	B
Currency risk	B
<b>Quantitative Score</b>	<b>B</b>
<b>Final Rating</b>	<b>B</b>

Source: Idivest Partners

## NORDICS Denmark

### Attractiveness criteria

	Score	VPC Ranking			Rating			
		2007	2011		A	B	C	D
VPCE Index (out of 100)	81.8	13	12	↑	●			
Economic Activity	77.7	61	47	↑			●	
Depth of Capital Market	59.3	22	24	↓		●		
Legal Environment & Corp. Gov.	106.3	4	5	↓	●			
Social Environment	108.4	2	4	↓	●			
Deal Opportunities	88.7	13	10	↑	●			

Source: VCPE Index

### SWOT analysis

#### Strengths

- Increased economic activity with entrepreneurs
- Strong VC environment with local as well as international players
- Increased political focus on providing finances to the business community
- Increase in corporate earnings

#### Opportunities

- The PE model receives positive interest from the public
- Mid-sized PE houses have raised funds recently
- Good entrepreneurship in technologies and products
- Human resource environment is business friendly

#### Weaknesses

- Low end of the VC market not powerful enough and few players only
- Several exits from PE houses may increase competition in buy-side processes

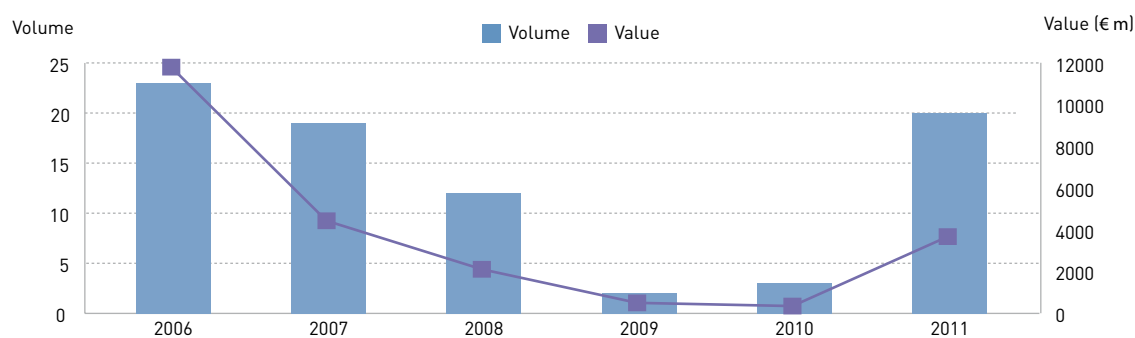
#### Threats

- Financial market is still repositioning on the back of the financial crisis
- Imbalance between financing opportunities and market pricing on companies
- Competition from industrial buyers

Source: VCPE Index, Ernst & Young

## Market statistics (2006-2011) – Denmark

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	23	19	12	2	3	20
Value (€M)	11450	4089	1765	156	204	3330
Av. value (€M)	498	215	147	78	68	166
% of European Volume	3.0%	2.3%	2.0%	0.8%	0.8%	4.2%
% of European Value	6.3%	2.2%	2.4%	0.7%	0.3%	4.8%



Source: Compiled by Idinvest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – Denmark

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) -RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>82.9</b>	<b>42.0</b>	<b>104.8</b>	<b>1.54</b>	<b>22.8</b>
Weighted	74.1	49.9	100.2	1.50	15.7
Average	76.1	91.0	99.8	1.91	28.4
Standard Deviation	27.4	104.2	79.2	1.27	28.8
Pooled IRR * (9 funds)					19.1

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idinvest Partners, Prejin

## NORDICS Finland

### Attractiveness criteria

	Score	VPC Ranking		Rating			
		2007	2011	A	B	C	D
VPCE Index (out of 100)	82.3	9	11	↓	●		
Economic Activity	72.3	46	53	↓			●
Depth of Capital Market	64.4	15	19	↓	●		
Legal Environment & Corp. Gov.	106.0	5	6	↓	●		
Social Environment	92.8	8	12	↓	●		
Deal Opportunities	93.7	5	3	↑	●		

Source: VCPE Index

### SWOT analysis

#### Strengths

- High education and R&D contribution
- Healthy banking sector

#### Weaknesses

- Relatively small markets
- Early-stage VC financing needing further development

#### Opportunities

- New sectors arising, such as cleantech and engineering
- Development of globally leading clusters in certain strong industries

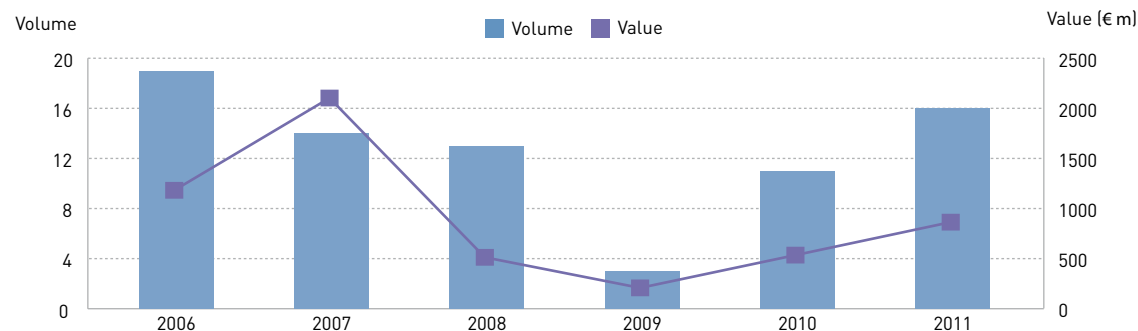
#### Threats

- Increasing importance of globalization
- Failure to maintain advanced telecom sector

Source: VCPE Index, Ernst & Young

## Market statistics (2006-2011) – Finland

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	19	14	13	3	11	16
Value (€M)	1176	2097	507	202	529	858
Av. value (€M)	62	150	39	67	48	54
% of European Volume	2.5%	1.7%	2.2%	1.1%	2.9%	3.4%
% of European Value	0.7%	1.1%	0.7%	0.8%	0.8%	1.2%



Source: Compiled by Idinvest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – Finland

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) -RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>87.5</b>	<b>37.4</b>	<b>98.8</b>	<b>1.56</b>	<b>22.2</b>
Weighted	75.3	47.3	99.0	1.46	13.6
Average	78.2	88.1	92.3	1.80	23.1
Standard Deviation	24.4	108.4	53.1	0.94	22.9
Pooled IRR * (9 funds)					19.2

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idinvest Partners, Preqin

## NORDIC COUNTRIES

### Norway

#### Attractiveness criteria

	Score	VPC Ranking		Rating			
		2007	2011	A	B	C	D
VPCE Index (out of 100)	81.0	12	13	↓	●		
Economic Activity	91.3	52	15	↑	●		
Depth of Capital Market	63.1	17	20	↓	●		
Legal Environment & Corp. Gov.	106.4	6	4	↑	●		
Social Environment	84.0	16	17	↓	●		
Deal Opportunities	84.0	15	13	↑	●		

Source: VCPE Index

#### SWOT analysis

##### Strengths

- Overall strong economic performance, with good GDP growth and positive effects on employment
- Strong PE environment with local and Nordic players
- Increased attention from large international PE players
- Large amount of VC funds
- Strong PE environment, focusing on energy, oil services and ICT

##### Weaknesses

- Limited number of large PE funds in Norway
- Economy strongly dependent on the energy sector
- Overall limited depth of the capital market

##### Opportunities

- Approximately €4,000m in committed non-invested capital
- A large portion of investments are mature, leading to a significant number of sell processes expected in 2011 and 2012
- Well-developed cleantech, oil and energy sectors offer investors the greatest opportunities
- Key place for innovation within the national economy
- A significant number of IPOs are expected to take place during 2011; IPOs are again viewed as an exit opportunity

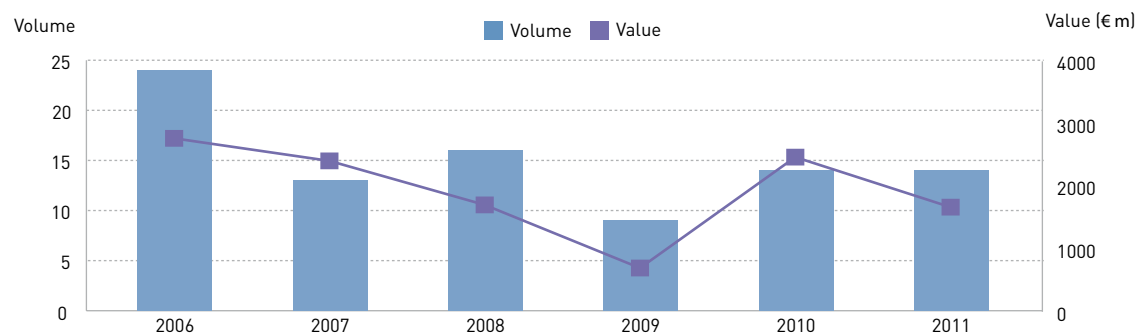
##### Threats

- Over-heated economy and increasing interest rates

Source: VCPE Index, Ernst & Young

## Market statistics (2006-2011) – Norway

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	24	13	16	9	14	14
Value (€M)	2727	2367	1664	656	2427	1628
Av. value (€M)	114	182	104	73	173	116
% of European Volume	3.2%	1.6%	2.7%	3.4%	3.7%	3.0%
% of European Value	1.5%	1.2%	2.3%	2.7%	3.8%	2.4%



Source: Compiled by Idivest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – Norway

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) -RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>81.1</b>	<b>24.3</b>	<b>105.0</b>	<b>1.33</b>	<b>20.1</b>
Weighted	73.8	43.0	99.9	1.43	12.9
Average	76.6	75.3	97.9	1.73	20.7
Standard Deviation	22.4	104.5	52.2	0.94	21.8
Pooled IRR * (8 funds)					18.1

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idivest Partners, Preqin

## NORDICS Sweden

### Attractiveness criteria

	Score	VPC Ranking			Rating			
		2007	2011		A	B	C	D
VPCE Index (out of 100)	85.0	8	8	→	●			
Economic Activity	78.2	39	45	↓		●		
Depth of Capital Market	70.6	10	14	↓	●			
Legal Environment & Corp. Gov.	97.4	18	12	↑	●			
Social Environment	95.7	12	11	↑	●			
Deal Opportunities	93.1	6	4	↑	●			

Source: VCPE Index

### SWOT analysis

#### Strengths

- Long-established PE industry
- Swedish companies tend to think globally from start-up

#### Opportunities

- Large public sector beginning to open to competition
- Strong M&A market with significant transaction activity
- Further leveraging of Sweden's strengths in technology, innovation and entrepreneurship

#### Weaknesses

- Some uncertainty remains in the IPO market, with few PE exits by IPO
- Relatively rigid labor market and high employee-related taxation

#### Threats

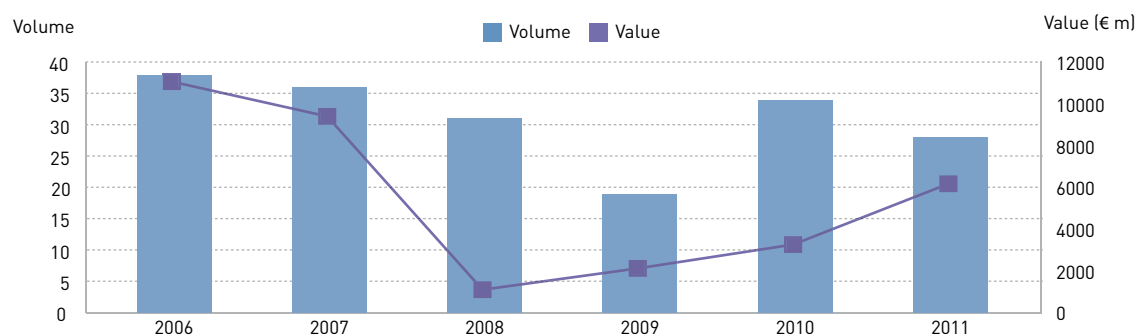
- Currently strong Swedish Krona threatens export competitiveness
- Continued weakness in Eurozone increases the risk of defaults among PE-backed companies

Source: VCPE Index, Ernst & Young



## Market statistics (2006-2011) – Sweden

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	38	36	31	19	34	28
Value (€M)	12193	10531	2226	3248	4388	7301
Av. value (€M)	321	293	72	171	129	261
% of European Volume	5.0%	4.3%	5.3%	7.1%	9.1%	5.9%
% of European Value	6.7%	5.5%	3.1%	13.6%	6.9%	10.6%



Source: Compiled by Idivest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – Sweden

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) -RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>83.0</b>	<b>44.0</b>	<b>98.8</b>	<b>1.56</b>	<b>22.2</b>
Weighted	75.3	57.3	93.5	1.51	15.6
Average	76.8	91.9	99.7	1.92	26.1
Standard Deviation	25.3	102.8	75.8	1.22	25.9
Pooled IRR * (12 funds)					18.5

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idivest Partners, Preqin



## Market Outlook for Nordic countries

In Denmark, numerous deal opportunities will emerge due to the improved entrepreneurial environment. In Finland, the R&D increase and the healthy financial system will lead to the occurrence of new investment opportunities.

Norway remains attractive for foreign investors, as the economy is growing at a steady pace, with low unemployment rates and strong focus on energy and oil services.

Sweden remains attractive for both local and foreign investors, and benefits from a mature and sophisticated M&A market.

## Market statistics (2006-2011) – Nordic Countries

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	104	82	72	33	62	78
Value (€M)	27546	19084	6162	4262	7548	13117
Av. value (€M)	265	233	86	129	122	168
% of European Volume	13.7%	9.5%	11.8%	11.5%	16.0%	16.5%
% of European Value	15.2%	9.7%	8.3%	15.7%	11.7%	19.0%

Source: Compiled by Idivest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – Nordic Countries

	Called Up [%]	Distributed [%] - DPI	Remaining Value [%] -RVPI	Multiple [X]	Net IRR [%]
Median	84.7	41.1	82.4	1.56	18.0
Weighted	74.9	57.7	92.0	1.50	14.3
Average	75.1	92.6	86.7	1.79	22.4
Standard Deviation	27.5	101.9	71.1	1.12	25.6
Pooled IRR * (12 funds)					18.7

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idivest Partners, Preqin

## Final rating

	Denmark	Finland	Norway	Sweden	NORDICS
<b>Qualitative Analysis</b>					
Economic activity	B	B	B	A	B
Taxation and legal environment	A	A	A	A	A
Social environment	A	A	A	A	A
Deals opportunities	A	A	A	A	A
Qualitative Score	A	A	A	A	A
<b>Quantitative Analysis</b>					
Volume & value of deals	B	D	B	B	A
Number of funds	B	C	C	B	B
Market performance	B	A	A	A	A
Currency risk	A	A	A	A	A
Quantitative Score	B	B	B	B	A
Final Rating	A	B	B	B	A

Source: Idivest Partners

## BENELUX

### Belgium

#### Attractiveness criteria

	Score	VPC Ranking			Rating			
		2007	2011		A	B	C	D
VPCE Index (out of 100)	76.8	18	15	↑		•		
Economic Activity	81.8	65	39	↑		•		
Depth of Capital Market	57.5	23	26	↓		•		
Legal Environment & Corp. Gov.	91.5	15	18	↓	•			
Social Environment	92.4	13	13	→	•			
Deal Opportunities	83.2	14	14	→	•			

Source: VCPE Index

#### SWOT analysis

##### Strengths

- Attractive tax system for the PE market
- Strong educational system with highly skilled workforce and important R&D activity

##### Weaknesses

- Poorly developed capital market compared to peers

##### Opportunities

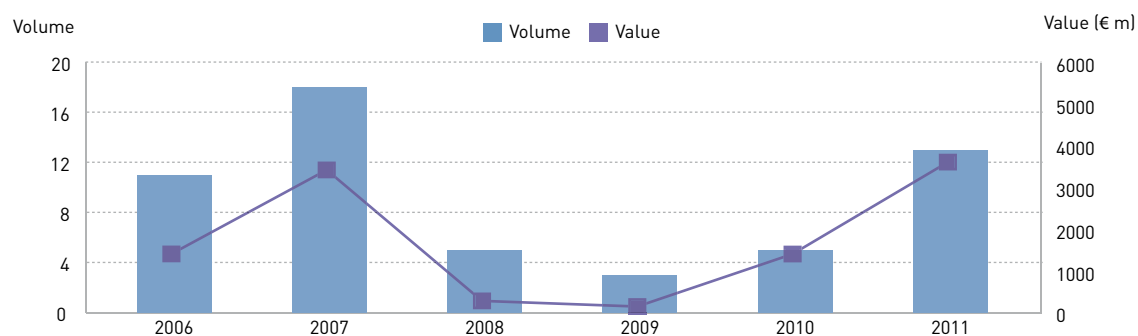
- Most SMEs are still family companies
- There is a strong entrepreneurial culture with good deal opportunities

##### Threats

Source: VCPE Index, Ernst & Young

## Market statistics (2006-2011) – Belgium

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	11	18	5	3	5	13
Value (€M)	1470	3432	345	210	1468	3670
Av. value (€M)	134	191	69	70	294	282
% of European Volume	1.5%	2.2%	0.8%	1.1%	1.3%	2.7%
% of European Value	0.8%	1.8%	0.5%	0.9%	2.3%	5.3%



Source: Compiled by Idivest Partners, Private Equity insight

## Market performance (vintage year 2000 – 2011) – Belgium

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) -RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>80.4</b>	<b>11.6</b>	<b>85.2</b>	<b>1.34</b>	<b>14.8</b>
Weighted	72.7	39.3	69.2	1.08	4.2
Average	69.2	60.5	72.5	1.33	15.7
Standard Deviation	35.4	79.0	48.9	0.69	19.0
Pooled IRR * (7 funds)					4.1

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idivest Partners, Preqin

## BENELUX Netherlands

### Attractiveness criteria

	Score	VPC Ranking			Rating			
		2007	2011		A	B	C	D
VPCE Index (out of 100)	84.3	10	9	↑	●			
Economic Activity	89.6	59	22	↑		●		
Depth of Capital Market	72.4	8	13	↓	●			
Legal Environment & Corp. Gov.	91.8	16	16	→	●			
Social Environment	88.8	17	16	↑	●			
Deal Opportunities	87.0	10	11	↓	●			

Source: VCPE Index

### SWOT analysis

#### Strengths

- Attractive tax system: low tax rate, high benefits for PE firms
- PE still of great economic importance
- Highly skilled workforce resulting in many R&D activity centers

#### Opportunities

- Portfolio repositioning by PE firms
- Better integration of acquisition within firms, with stronger focus on post-merger integration

#### Weaknesses

- Sharpening of the (European) corporate governance rules and more pressure from regulators on LPs to protect assets
- IPO market unstable due to low trade volumes
- Many foreign and local PE funds in the Dutch market
- Highly competitive PE market, as a consequence of the stable government, robust legal framework, strong property rights and a well-developed financial market

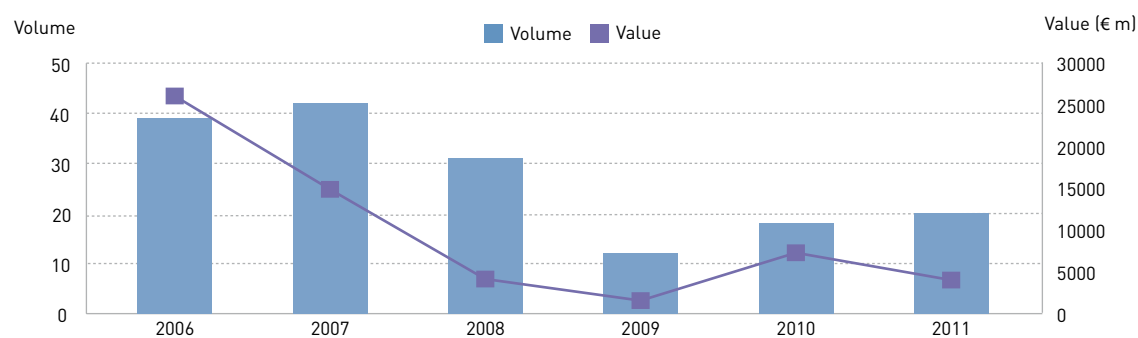
#### Threats

- LPs look at risk, return and liquidity of PE funds more critically than pre-crisis
- Wall of maturity, refinancing of large amounts of debt through 2013-15
- Capital moves to emerging markets

Source: VCPE Index, Ernst & Young

## Market statistics (2006-2011) – Netherlands

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	39	42	31	13	18	20
Value (€M)	25346	14168	3422	840	6568	3300
Av. value (€M)	650	337	110	65	365	165
% of European Volume	5.1%	5.1%	5.3%	4.9%	4.8%	4.2%
% of European Value	14.0%	7.5%	4.7%	3.5%	10.3%	4.8%



Source: Compiled by Idivest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – Netherlands

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) -RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>78.5</b>	<b>1.2</b>	<b>92.9</b>	<b>1.51</b>	<b>19.0</b>
Weighted	50.6	21.9	92.1	1.14	9.7
Average	63.3	64.6	83.5	1.48	21.3
Standard Deviation	35.0	89.7	54.0	0.81	17.4
Pooled IRR * (6 funds)					3.6

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idivest Partners, Preqin

## BENELUX Luxembourg

### Attractiveness criteria

	Score	VPC Ranking		Rating			
		2007	2011	A	B	C	D
VPCE Index (out of 100)	59.3	29	33	↓		•	
Economic Activity	67.8	43	59	↓			•
Depth of Capital Market	38.3	43	46	↓			•
Legal Environment & Corp. Gov.	93.8	17	15	↑	•		
Social Environment	66.6	33	27	↑		•	
Deal Opportunities	64.1	25	26	↓		•	

Source: VCPE Index

### SWOT analysis

#### Strengths

- Multilingual and internationally oriented qualified workforce
- No constraints applicable to pension funds when investing in PE, and no geographical restrictions for investments outside Luxembourg
- Favorable tax policy for investments in PE, including new exemption from subscription tax for all microfinance investment vehicles, intellectual
- Property and R&D expenditures
- Complete portfolio of products enabling maximum flexibility in legal, tax and operational structuring

#### Opportunities

- AIFM Directive: track record in PE-regulated products with independent depository, re-domiciliation of businesses looking for an onshore European PE fund label
- Mobilization of all industry players to ensure swift and pragmatic implementation process with a view to turning AIFM into a powerful marketing brand for cross-border distribution of PE funds
- Stock options tax treatment could be used to support talent retention in investee company
- PE structures are very relevant for investment in distressed and impact finance (e.g., cleantech, microfinance, renewable energies)
- Modernization of the limited partnership regime

Source: VCPE Index, Ernst & Young

#### Weaknesses

- Lack of specific tax rate for SMEs
- Limited deal flow
- Fiscal incentives to support investment in R&D at company level could be enhanced

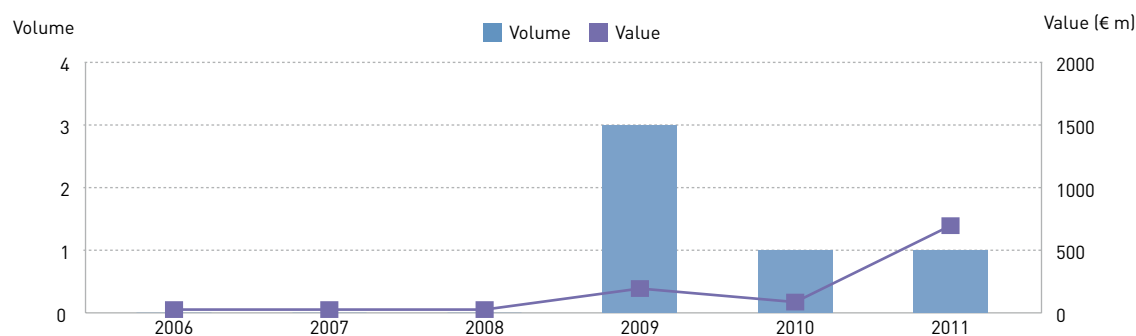
#### Threats

- Duplication of available products and tax incentives by competitive locations
- Treaty access requires strict compliance with substance requirements
- Constraints imposed on non-EU managers for the distribution of their Luxembourg funds within Europe by the AIFM Directive



## Market statistics (2006-2011) – Luxembourg

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	0	0	0	3	1	1
Value (€M)	0	0	0	168	60	670
Av. value (€M)	0	0	0	56	60	670
% of European Volume	0.0%	0.0%	0.0%	1.0%	0.3%	0.2%
% of European Value	0.0%	0.0%	0.0%	0.6%	0.1%	1.0%



Source: Compiled by Idivest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – Luxembourg

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) - RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>70.6</b>	<b>7.7</b>	<b>68.6</b>	<b>1.18</b>	<b>10.5</b>
Weighted	67.9	43.3	75.0	1.18	10.4
Average	64.9	45.2	73.4	1.19	11.9
Standard Deviation	33.1	79.6	46.4	0.68	18.9
Pooled IRR * (6 funds)					13.7

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idivest Partners, Preqin

## Market Outlook for Benelux

Belgium is well positioned in the Benelux space. Despite recent political tensions, some deals opportunities are emerging.

In the Netherlands, the Private Equity market is recovering, which is in turn increasing valuation multiples. The market will witness a comeback of large buyouts, an increase in M&A volume and a high interest in secondary buyout transactions.

Luxembourg is considered as a major center for Private Equity onshore investment and fund structuring in Europe due to its advanced innovation culture and flexible legal environment.

## Market statistics (2006-2011) – Benelux

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	50	60	36	19	24	34
Value (€M)	26816	17600	3767	1218	8096	7640
Av. value (€M)	536	293	105	64	337	225
% of European Volume	6.6%	7.0%	5.9%	6.6%	6.2%	7.2%
% of European Value	14.8%	9.0%	5.0%	4.5%	12.6%	11.0%

Source: Compiled by Idivest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – Benelux

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) -RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>81.1</b>	<b>7.3</b>	<b>91.7</b>	<b>1.45</b>	<b>19.4</b>
Weighted	64.5	32.7	82.6	1.15	6.4
Average	69.3	63.3	84.9	1.48	19.0
Standard Deviation	34.5	85.5	56.0	0.76	18.2
Pooled IRR * (9 funds)					5,2

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idivest Partners, Preqin

## Final rating

	Belgium	Netherlands	Luxembourg	BENELUX
<b>Qualitative Analysis</b>				
Economic activity	B	A	C	B
Taxation and legal environment	A	A	B	A
Social environment	A	A	B	A
Deals opportunities	A	A	B	A
<b>Qualitative Score</b>	<b>A</b>	<b>A</b>	<b>B</b>	<b>A</b>
<b>Quantitative Analysis</b>				
Volume & value of deals	C	C	C	C
Number of funds	C	B	C	C
Market performance	B	A	B	A
Currency risk	A	A	A	A
<b>Quantitative Score</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>B</b>
<b>Final Rating</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>B</b>

Source: Idivest Partners

# IBERIA Portugal

## Attractiveness criteria

	Score	VPC Ranking			Rating			
		2007	2011		A	B	C	D
VPCE Index (out of 100)	60.4	38	31	↑		•		
Economic Activity	75.7	78	51	↑			•	
Depth of Capital Market	47.3	32	34	↓		•		
Legal Environment & Corp. Gov.	68.0	30	35	↓		•		
Social Environment	59.3	36	37	↓		•		
Deal Opportunities	62.1	28	27	↑		•		

Source: VCPE Index

## SWOT analysis

### Strengths

- Very attractive tax conditions for business angels and PE funds
- Close historical links with high-growth countries such as Brazil and Angola
- Portuguese language – key strategic asset

### Weaknesses

- Negative impact of austerity measures for fiscal consolidation
- Lack of rollout capital to fund innovation in biotech and environment
- Absence of Portuguese companies on the NYSE Alternext stock exchange

### Opportunities

- Increase in R&D spending will boost innovation in a few years
- Niche segments in industry related to medical devices and renewable energy and environment
- Corporate turnaround funds
- Need for consolidation in traditional industries with room for build-up acquisitions
- Room for specialized funds
- Clusters with good potential: energy, life sciences and leisure

### Threats

- Small size of domestic market
- Low growth of Portuguese economy

Source: VCPE Index, Ernst & Young

## IBERIA Spain

### Attractiveness criteria

	Score	VPC Ranking		Rating			
		2007	2011	A	B	C	D
VPCE Index (out of 100)	69.1	20	23	↓	•		
Economic Activity	69.2	36	56	↓		•	
Depth of Capital Market	73.8	11	10	↑	•		
Legal Environment & Corp. Gov.	71.7	26	32	↓		•	
Social Environment	53.4	37	43	↓			•
Deal Opportunities	65.7	21	24	↓		•	

Source: VCPE Index

### SWOT analysis

#### Strengths

- Well-established PE market, especially among middle-market players
- High-level fund managers with proven experience in the PE market
- Mature capital markets in line with the size of the Spanish economy, (including the Spain's alternative investment market) and adapted to the size of companies that many PE funds have in their portfolios
- Strong banking system
- High level of human capital

#### Opportunities

- Growth through expansion into Latin America, where Spanish companies have historically been successful
- High returns achievable by investing at the bottom of the economic cycle

Source: VCPE Index, Ernst & Young

#### Weaknesses

- Lack of labor market flexibility and mobility which has led to a high level of unemployment and economic cost
- Restricted access to credit
- High level of bureaucracy, with regulatory differences in each of the country's 17 autonomous communities

#### Threats

- Restructuring of national savings banks, which threatens the Spanish financial system
- Increased pessimism towards investment in Spain due to the economic outlook of the country  
Investment analysis compromised by focus on portfolio management
- A prolonged economic downturn could, over time, lead to a loss in human capital due to migration of talent abroad where there are greater opportunities

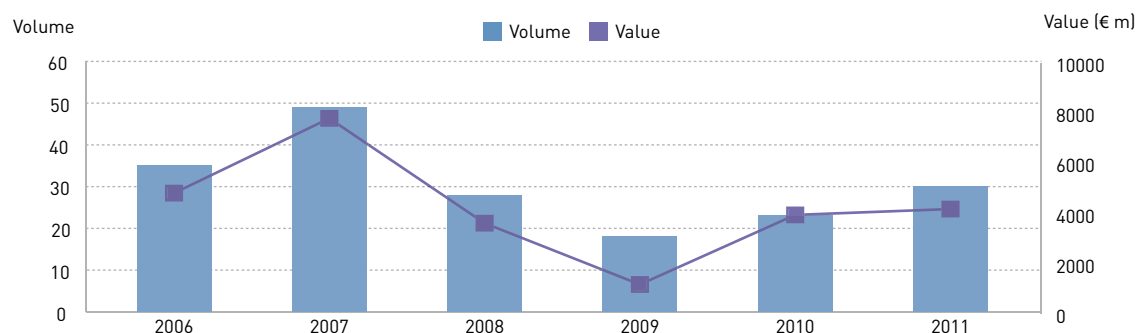
### Market Outlook for Iberian countries

The difficult credit environment and social conditions in Spain penalize the Private Equity deal activity and fundraising and contribute to an increase of distressed asset deals.

Portugal is recovering slowly as investments' volume decrease considerably despite significant labor law reforms, collective negotiations, as well as a fiscal adjustment.

## Market statistics (2006-2011) – Iberia

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	35	49	28	18	23	30
Value (€M)	4652	7636	3451	1004	3782	4016
Av. value (€M)	133	156	123	56	164	134
% of European Volume	4.6%	5.9%	4.7%	6.8%	6.1%	6.3%
% of European Value	2.6%	4.0%	4.7%	4.2%	6.0%	5.8%



Source: Compiled by Idivest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – Iberia

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) -RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>71.6</b>	<b>3.3</b>	<b>91.6</b>	<b>1.03</b>	<b>6.1</b>
Weighted	70.2	12.0	89.4	1.01	3.2
Average	72.5	19.6	85.1	1.05	6.4
Standard Deviation	24.4	29.7	33.0	0.30	3.9
Pooled IRR *					n/m

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idivest Partners, Preqin

## Final rating

Iberia	
<b>Qualitative Analysis</b>	
Economic activity	C
Taxation and legal environment	B
Social environment	C
Deals opportunities	B
<b>Qualitative Score</b>	<b>B</b>
<b>Quantitative Analysis</b>	
Volume & value of deals	C
Number of funds	C
Market performance	C
Currency risk	A
<b>Quantitative Score</b>	<b>C</b>
<b>Final Rating</b>	<b>C</b>

Source: Idivest Partners

## ITALY

### Attractiveness criteria

	Score	VPC Ranking		Rating			
		2007	2011	A	B	C	D
VPCE Index (out of 100)	59.6	32	32	→	•		
Economic Activity	84.8	75	35	↑	•		
Depth of Capital Market	51.5	26	30	↓	•		
Legal Environment & Corp. Gov.	45.3	49	57	↓		•	
Social Environment	52.6	46	47	↓		•	
Deal Opportunities	67.3	22	21	↑	•		

Source: VCPE Index

### SWOT analysis

#### Strengths

- Well-developed economy (innovative designs and inexpensive production techniques), with highly specialized industrial districts and niches of excellence
- Relatively stable banking system
- Comparatively low indebtedness of combined families and companies (below 120% of GDP vs. an EU average of above 185%)

#### Opportunities

- Improvement in public labor productivity is expected due to performance linked salary to be introduced after 2010
- Progress has been made in labor productivity in the private sector, with some key breakthroughs
- Recent reforms have set the stage for further progress (e.g., competitive tendering, enhanced role of the antitrust authority, removal of obsolete legislation, secondary school and university)

#### Weaknesses

- Complicated tax system with comparatively high tax rates, resulting in still high evasion rates – estimated at over €300 billion of undeclared profits
- High sovereign debt (approximately 118% of GDP) and limited space for government stimulus measures
- Rigidity of labor market (but comparatively low cost of labor), with a gap between highly protected permanent workers and poorly protected temporary workers

#### Threats

- The family-centered model of capitalism is suffering from weak corporate governance and a generation change
- Lack of measures to attract talents from abroad or to retain Italian ones may affect growth/innovation in the long term
- Realization of crucial prospected reforms (energy, justice, bureaucracy) is currently undermined by an unusually high level of political strife

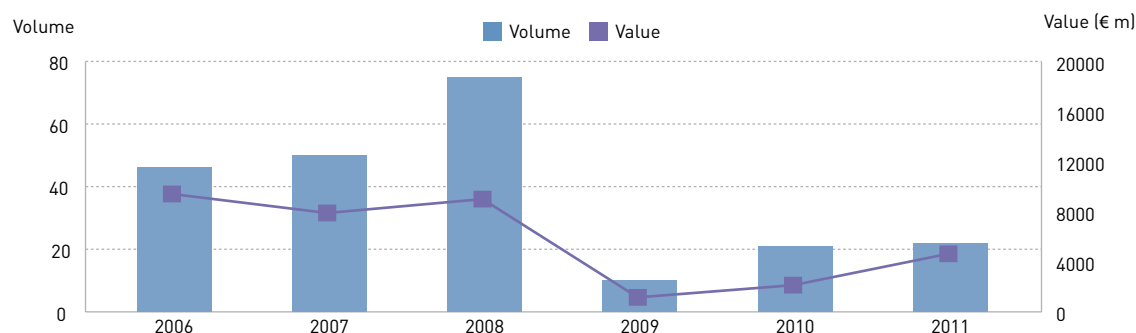
Source: VCPE Index, Ernst & Young

### Market Outlook for Italy

The Italian economy is improving at a slow pace affected by austerity measures imposed by the government, and by low consumer spending.

## Market statistics (2006-2011) – Italy

	2006	2007	2008	2009	2010	2011
Volume of buyout deals	46	50	75	10	21	22
Value (€M)	9588	8070	9180	1332	2306	4811
Av. value (€M)	208	161	122	133	110	219
% of European Volume	6.1%	6.0%	12.7%	3.8%	5.6%	4.6%
% of European Value	5.3%	4.2%	12.6%	5.6%	3.6%	7.0%



Source: Compiled by Idivest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – Italy

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) -RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>70.6</b>	<b>7.7</b>	<b>68.6</b>	<b>1.18</b>	<b>10.5</b>
Weighted	67.9	43.3	75.0	1.18	10.4
Average	64.9	45.2	73.4	1.19	11.9
Standard Deviation	33.1	79.6	46.4	0.68	18.9
Pooled IRR * (6 funds)					13.7

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idivest Partners, Preqin

## Final rating

Italy	
<b>Qualitative Analysis</b>	
Economic activity	B
Taxation and legal environment	C
Social environment	C
Deals opportunities	B
<b>Qualitative Score</b>	<b>B</b>
<b>Quantitative Analysis</b>	
Volume & value of deals	C
Number of funds	C
Market performance	B
Currency risk	A
<b>Quantitative Score</b>	<b>C</b>
<b>Final Rating</b>	<b>C</b>

Source: Idivest Partners

## C&E EUROPE

### Attractiveness criteria

	Score	VPC Ranking		Rating			
		2007	2011	A	B	C	D
VPCE Index (out of 100)	44.4	6	7	↓			•
Economic Activity	64.7	5	8	↓			•
Depth of Capital Market	26.4	8	8	→			•
Legal Environment & Corp. Gov.	60.3	7	7	→			•
Social Environment	55.0	6	6	→		•	
Deal Opportunities	46.0	6	6	→		•	

Source: VCPE Index

### SWOT analysis

#### Strengths

- Generous tax incentives among most of the Eastern European countries
- Strong stock market in Poland

#### Weaknesses

- Generally weak capital market structure in the region
- Lack of experience in structuring and completing complex transactions
- Currency volatility in some countries

#### Opportunities

- Rising entrepreneurial culture and opportunities for VC investors
- Ongoing privatization projects
- Reform of legal systems provides increasing security and attractive environment for PE

#### Threats

- Funding can be difficult for local general partners (GPs)
- Less stable regulatory and enforcement environment than in Western Europe

Source: VCPE Index, Ernst & Young

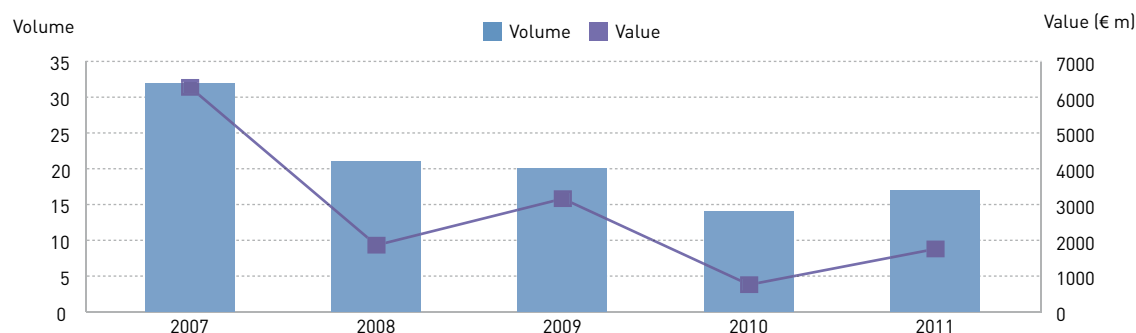
### Market Outlook for CEE

CEE countries GDP is expected to reach at 2.4% in 2013 which augurs rising deal opportunities motivated by tax incentives regime.



## Market statistics (2007-2011) – CEE

	2007	2008	2009	2010	2011
Volume of buyout deals	32	21	20	14	17
Value (€M)	6348	1937	3237	833	1832
Av. value (€M)	198	92	162	59	108
% of European Volume	3.7%	3.4%	7.0%	0.1%	3.6%
% of European Value	3.2%	2.6%	11.9%	1.3%	2.6%



Source: Compiled by Idivest Partners, Private Equity Insight

## Market performance (vintage year 2000 – 2011) – CEE

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) -RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>80.0</b>	<b>11.8</b>	<b>82.4</b>	<b>1.23</b>	<b>13.2</b>
Weighted	68.8	32.3	79.0	1.11	1.7
Average	72.8	58.0	74.7	1.33	11.2
Standard Deviation	29.2	78.2	46.6	0.68	19.0
Pooled IRR * (28 funds)					0.5

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idivest Partners, Preqin

## Final rating

	CEE
<b>Qualitative Analysis</b>	
Economic activity	D
Taxation and legal environment	D
Social environment	C
Deals opportunities	C
<b>Qualitative Score</b>	<b>C</b>
<b>Quantitative Analysis</b>	
Volume & value of deals	D
Number of funds	D
Market performance	B
Currency risk	C
<b>Quantitative Score</b>	<b>C</b>
<b>Final Rating</b>	<b>C</b>

Source: Idivest Partners

## NORTH AMERICA

### Attractiveness criteria

	Score	VPC Ranking		Rating			
		2007	2011	A	B	C	D
VPCE Index (out of 100)	97.4	1	1	→	●		
Economic Activity	95.1	2	1	↑	●		
Depth of Capital Market	94.0	1	1	→	●		
Legal Environment & Corp. Gov.	103.1	2	2	→	●		
Social Environment	104.2	2	2	→	●		
Deal Opportunities	95.2	1	1	→	●		

Source: VCPE Index

### SWOT analysis

#### Strengths

- Better economic recovery compared with other developed markets, particularly Europe
- Recovery of financial markets
- Strong innovation and entrepreneurship culture
- Fully developed and robust PE "ecosystem"

#### Opportunities

- Innovation and fast growth can be seen in segments such as cleantech, cloud computing, social networks, wireless and security
- Worldwide economic rebound and growth of emerging markets is driving demand for commodities (i.e., energy in Canada) and innovation
- PE-backed IPOs are back

Source: VCPE Index, Ernst & Young

#### Weaknesses

- Economic recovery not strong enough to show effects on unemployment and to drive substantial increase in domestic demand
- High individual debt and possible further deleverage of individuals
- Continuous decrease in the number of VC funds
- Decline of VC-backed IPOs

#### Threats

- Succession planning in some funds
- The lack of exits is impacting the ability to raise new or follow-on funds
- Global competition is accelerating
- State deficit is likely to lead to increase in taxation and will continue to weaken the US dollar, thus adding foreign exchange risk

### Market Outlook for North America

North America benefits from a strong and mature Private Equity industry, and growing investment opportunities in new and innovative segments.

## Market performance (vintage year 2000 – 2011) – North America

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) -RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>85.3</b>	<b>30.1</b>	<b>83.0</b>	<b>1.27</b>	<b>10.8</b>
Weighted	74.2	50.1	77.3	1.28	9.7
Average	74.4	57.7	75.8	1.34	11.3
Standard Deviation	30.5	67.0	39.2	0.55	13.7
Pooled IRR * (284 funds)					12.9

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idinvest Partners, Preqin

## Final rating

North America	
Qualitative Analysis	
Economic activity	A
Taxation and legal environment	A
Social environment	A
Deals opportunities	A
Qualitative Score	A
Quantitative Analysis	
Volume & value of deals	A
Number of funds	A
Market performance	B
Currency risk	B
Quantitative Score	A
Final Rating	A

Source: Idinvest Partners

## ASIA

### Attractiveness criteria

	Score	VPC Ranking		Rating			
		2007	2011	A	B	C	D
VPCE Index (out of 100)	65.4	4	4	→	•		
Economic Activity	93.0	1	2	↓	•		
Depth of Capital Market	58.6	4	4	→	•		
Legal Environment & Corp. Gov.	69.6	5	5	→		•	
Social Environment	60.6	5	5	→		•	
Deal Opportunities	57.8	4	4	→	•		

Source: VCPE Index

### SWOT analysis

#### Strengths

- Fastest-growing region of the world economy for many years – set to continue, largely driven by China and India
- Strong position in many manufacturing sectors, result of leading technologies and the advantage of comparatively lower labor costs

#### Opportunities

- Debt headwinds in the US and EU may encourage Asian markets to rebalance their economies and promote domestic demand; this could stimulate strong growth in the service sectors if accompanied by structural reform and liberalization
- Rapid increase in the number of urban middle-class consumers
- A move away from the family-owned business model could lead to increased Private Equity investment

#### Weaknesses

- Administrative inefficiencies and weak corporate governance

#### Threats

- Political tension could lead to a potential conflict if unresolved
- Asia needs to improve corporate and administrative governance in general, and avoid arbitrary regulatory and business decisions that may discourage foreign investment
- Infrastructure challenges could hinder expansion in potentially fast growing economies

Source: VCPE Index, Ernst & Young

### Market Outlook for Asia

A positive economic outlook is attributed to Asia with a number of equity markets reaching their highest levels of the pre-crisis period after massive foreign investments during 2010.

However, the Asian space remains extremely heterogeneous as China and India stand out largely from the other countries, with sophisticated financial markets and a strong economy growth

## Market performance (vintage year 2000 – 2011) – ASIA

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) -RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>73.7</b>	<b>11.0</b>	<b>93.2</b>	<b>1.12</b>	<b>8.9</b>
Weighted	66.6	27.5	91.9	1.19	7.0
Average	67.7	46.6	79.6	1.26	7.5
Standard Deviation	28.9	79.4	37.4	0.61	16.4
Pooled IRR * (21 funds)					6.0

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idinvest Partners, Preqin

## Final rating

	Asia
<b>Qualitative Analysis</b>	
Economic activity	A
Taxation and legal environment	C
Social environment	C
Deals opportunities	B
<b>Qualitative Score</b>	<b>B</b>
<b>Quantitative Analysis</b>	
Volume & value of deals	B
Number of funds	B
Market performance	C
Currency risk	C
<b>Quantitative Score</b>	<b>C</b>
<b>Final Rating</b>	<b>C</b>

Source: Idinvest Partners

## LATIN AMERICA

### Attractiveness criteria

	Score	VPC Ranking		Rating			
		2007	2011	A	B	C	D
VPCE Index (out of 100)	44.0	8	8	→			●
Economic Activity	83.1	4	4	→		●	
Depth of Capital Market	32.6	7	7	→			●
Legal Environment & Corp. Gov.	44.8	8	8	→			●
Social Environment	42.1	8	8	→			●
Deal Opportunities	40.1	8	7	↑			●

Source: VCPE Index

### SWOT analysis

#### Strengths

- Latin America has proved to be more robust after the last global crisis and its economic performance is currently at an all-time high
- Improvement of capital markets' development compared to previous periods
- Increase in GDP, private consumption and investment
- Strong tax incentives

#### Weaknesses

- Positive growth rates but high historical volatility
- Lack of entrepreneurial culture delaying the development of new companies
- Poor application of the appropriate regulations and laws in several countries
- Imperfection of credit markets
- Disparity in growth across the region
- Accelerated inflation in 2010 exceeded projections due to a stronger than expected recovery
- Nominal and real appreciations in most currencies during 2010

#### Opportunities

- Public effort to promote start-ups and innovation

#### Threats

- High corruption and weak judicial system in many countries
- Investor protection and corporate governance structures are still underdeveloped in comparison with developed countries
- Most countries managed to escape the impact of higher commodity prices through currency appreciation
- Presidential elections and newly elected governments might increase the uncertainty related to policy-making
- External shocks are likely to have a negative impact through both trade and financial channels

Source: VCPE Index, Ernst & Young

### Market Outlook for Latin America

A strong economic growth is expected in the region due to strong tax incentives, with an exception for the few countries remaining under populist governments.

The social environment is still improving with a lack of transparency and a high rate of corruption. Corporate governance structures are still weak, which can highly slow down the emergence of new investment opportunities.

## Market performance (vintage year 2000 – 2011) – Latin America

	Called Up (%)	Distributed (%) - DPI	Remaining Value (%) -RVPI	Multiple (X)	Net IRR (%)
<b>Median</b>	<b>79.2</b>	<b>15.4</b>	<b>101.7</b>	<b>1.20</b>	<b>21.4</b>
Weighted	48.2	16.9	88.3	1.01	19.6
Average	60.2	72.6	86.6	1.07	34.3
Standard Deviation	37.6	162.2	54.5	0.70	32.5
Pooled IRR * (7 funds)					17.0

\* Pooled IRR is only calculated if there are at least 3 funds with cash-flow data.

Source: Compiled by Idinvest Partners, Preqin

## Final rating

Latin America	
Qualitative Analysis	
Economic activity	B
Taxation and legal environment	D
Social environment	D
Deals opportunities	D
Qualitative Score	D
Quantitative Analysis	
Volume & value of deals	D
Number of funds	B
Market performance	A
Currency risk	D
Quantitative Score	C
Final Rating	C

Source: Idinvest Partners

## RATING SYNTHESIS BY REGION

### European rating

	France	DACH	UK & Ireland	Nordics	Benelux	Iberia	Italy	CEE
Qualitative Analysis								
Economic activity	A	A	A	B	B	C	B	D
Taxation and legal environment	A	A	A	A	A	B	C	D
Social environment	B	A	A	A	A	C	C	C
Deals opportunities	A	A	A	A	A	B	B	C
Qualitative Score	A	A	A	A	A	B	B	C
Quantitative Analysis								
Volume & value of deals	A	A	A	A	C	C	C	D
Number of funds	A	B	A	B	C	C	C	D
Market performance	B	A	B	A	A	C	B	B
Currency risk	A	A	B	A	A	A	A	C
Quantitative Score	A	A	B	A	B	C	C	C
Final Rating	A	A	B	A	B	C	C	C

Source: Idinvest Partners



## Global rating

	North America	Western Europe	Eastern Europe	Asia	Latin America
Qualitative Analysis					
Economic activity	A	B	D	A	B
Taxation and legal environment	A	A	D	C	D
Social environment	A	B	C	C	D
Deals opportunities	A	A	C	B	D
Qualitative Score	A	A	C	B	D
Quantitative Analysis					
Volume & value of deals	A	B	D	B	D
Number of funds	A	B	C	B	B
Market performance	B	B	B	C	A
Currency risk	B	A	C	C	D
Quantitative Score	A	B	C	C	C
Final Rating	A	B	C	C	C

Source: Idinvest Partners

# APPENDIX

## 1. Size of European Funds in the market

Average Equity Ticket Size for Country Specific Funds

EV	Debt	Equity	% of fund	Deal nb	Invested	Fund Size	Category
15	8	8	8%	13	94	117	
25	13	13	8%	13	156	195	150/300
50	25	25	8%	13	313	391	
75	38	38	8%	13	469	586	400/800
100	50	50	8%	13	625	781	
150	75	75	8%	13	938	1 172	
200	100	100	8%	13	1 250	1 563	1000/2000
250	125	125	8%	13	1 563	1 953	

Maximum Equity Ticket for Country Specific Funds

EV	Debt	Equity	% of fund	Deal nb	Invested	Fund Size	Category
50	25	25	12%	8	208	260	150/300
150	75	75	12%	8	625	781	400/800
250	125	125	12%	8	1 042	1 302	1000/2000

Average Equity Ticket Size for Multi-local Funds

EV	Debt	Equity	% of fund	Deal nb	Invested	Fund Size	Category
100	50	50	4%	25	1 250	1 563	1500/2000
150	75	75	5%	20	1 500	1 875	

Source: Idivest Partners, Private Equity Insight

Average ticket sizes and fund sizes are estimated given current leverage conditions. For instance, a €200 million fund can do 13 deals of €25 million average EV at a rate of 3/4 deals per year.

The most active buyout segments in Europe are targeted by country specific funds between €150 million and €800 million.

Multi-local funds of size €1500-2000 million can have well diversified portfolios targeting EV's of €100 -150 million and occasionally do larger deals (€250 million up to €400 million).

## 2. Overview of the World Economic Outlook Projections

	Projections in %			
	2010	2011	2012	2013
World Output	5.2	3.8	3.3	3.9
Advanced Economies	3.2	1.6	1.2	1.9
United States	3.0	1.8	1.8	2.2
Euro Area	1.9	1.6	-0.5	0.8
Germany	3.6	3.0	0.3	1.5
France	1.4	1.6	0.2	1.0
Italy	1.5	0.4	-2.2	-0.6
Spain	-0.1	0.7	-1.7	-0.3
Japan	4.4	-0.9	1.7	1.6
United Kingdom	2.1	0.9	0.6	2.0
Canada	3.2	2.3	1.7	2.0
Other Advanced Economies	5.8	3.3	2.6	3.4
Newly Industrialized Asian Economies	8.4	4.2	3.3	4.1
Emerging and Developing Economies	7.3	6.2	5.4	5.9
Central and Eastern Europe	4.5	5.1	1.1	2.4

Source: IMF

### 3. Number and value of European Buyout deals by size range

#### Volume

	<€100m	%	>=€100m and <1bn	%	>=€1bn	%	Quarterly Total
Q2 2010	75	69	33	30	1	1	109
Q3 2010	69	64	33	31	6	6	108
Q4 2010	81	62	45	35	4	3	130
Q1 2011	95	77	27	22	2	2	124
Q2 2011	80	61	44	33	8	6	132
Q3 2011	81	70	31	27	3	3	115
Q4 2011	58	73	19	24	2	3	79

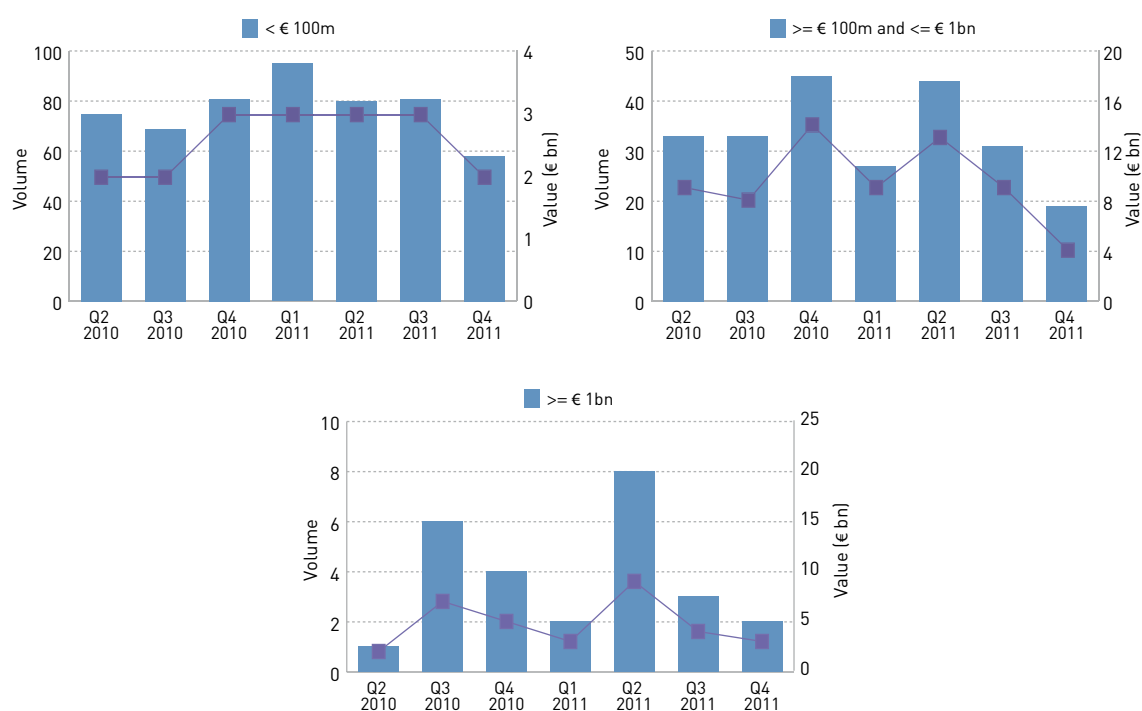
Source: Private Equity Insight

#### Value

	<€100m	%	>=€100m and <1bn	%	>=€1bn	%	Quarterly Total
Q2 2010	75	69	33	30	1	1	109
Q3 2010	69	64	33	31	6	6	108
Q4 2010	81	62	45	35	4	3	130
Q1 2011	95	77	27	22	2	2	124
Q2 2011	80	61	44	33	8	6	132
Q3 2011	81	70	31	27	3	3	115
Q4 2011	58	73	19	24	2	3	79

Source: Private Equity Insight

#### Breakdown by size range



Source: Private Equity Insight



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Company with management and supervisory boards  
Share capital of € 1 000 000. Duly authorized by the French "Autorité des Marchés Financiers" under the number GP 97-123