



EVCA Quarterly Activity Indicator: Q1 2007-Q3 2013*

Activity Data on Fundraising, Investments and Divestments

CREATING LASTING VALUE

European Private Equity & Venture Capital Association

The EVCA is the voice of European private equity.

Our membership covers the full range of private equity activity, from early-stage venture capital to the largest private equity firms, investors such as pension funds, insurance companies, fund of funds and family offices and associate members from related professions. We represent 650 member firms and 500 affiliate members.

The EVCA shapes the future direction of the industry, while promoting it to stakeholders such as entrepreneurs, business owners and employee representatives.

We explain private equity to the public and help shape public policy, so that our members can conduct their business effectively.

The EVCA is responsible for the industry's professional standards, demanding accountability, good governance and transparency from our members and spreading best practice through our training courses.

We have the facts when it comes to European private equity, thanks to our trusted and authoritative research and analysis.

The EVCA has 25 dedicated staff working in Brussels to make sure that our industry is heard.

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Quarterly statistics explained

- For Q3 2013 the PEREP_Analytics database recorded 596 private equity and venture capital firms with €344bn of Capital under Management (as of 31.12.2012) that were active in fundraising, investments and divestments in Europe.
- At the end of each quarter data is predominantly collected directly from GPs and complemented with information from reliable public sources.
- Please refer to the latest edition of the EVCA quarterly activity indicator for the most accurate data during the year. Absolute figures for fundraising, investments and divestments are more likely to change than trends in distributions which are expressed in percentages (%). As the year progresses data is continuously updated and thoroughly audited. Final annual statistics are compiled and released in the EVCA Yearbook.

Fundraising

→ Pages 8-12

- The most prominent fund focus for capital raised during the first three quarters of 2013 was buyout (85%). Venture capital represented 5% and generalist funds 7%. Overall, fundraising activity during the first three quarters of 2013 was already 39% higher than the total amounts raised during 2012.
- Venture capital reached within the first quarters of 2013 46% of the total amount raised in all of 2012. Almost 50% of the venture capital raised was concentrated in Balanced funds. Early-Stage funds attracted 44% and Later-Stage funds 8%.
- By region of fund managers, UK & Ireland represented 85% of the total fundraising in the first three quarters of 2013, while the Nordics stood up for 5% and DACH and France & Benelux taking 4% each.

Investments

→ Pages 13-26

- Investment activity accounted for €9.3bn in Q3 which represents a 27% increase compared to the previous quarter.
- Distributions by investment stage remained relatively stable compared to previous quarters: Buyout investments represented 87% while venture capital and growth accounted for 7% and 6% of total equity invested in European companies respectively.
- Venture capital investments for the first three quarters of 2013 were 13% lower compared to the 2012 quarterly average. Venture investments had a similar distribution by stage like in the previous quarter: The start-up stage had a share of 50%, later stage 46% and seed 4% of the equity invested.
- In terms of geography by equity amount invested, the investment activity was more concentrated in France & Benelux (30%), followed by UK & Ireland (27%), DACH (20%) and Nordics and Southern Europe (11% each).

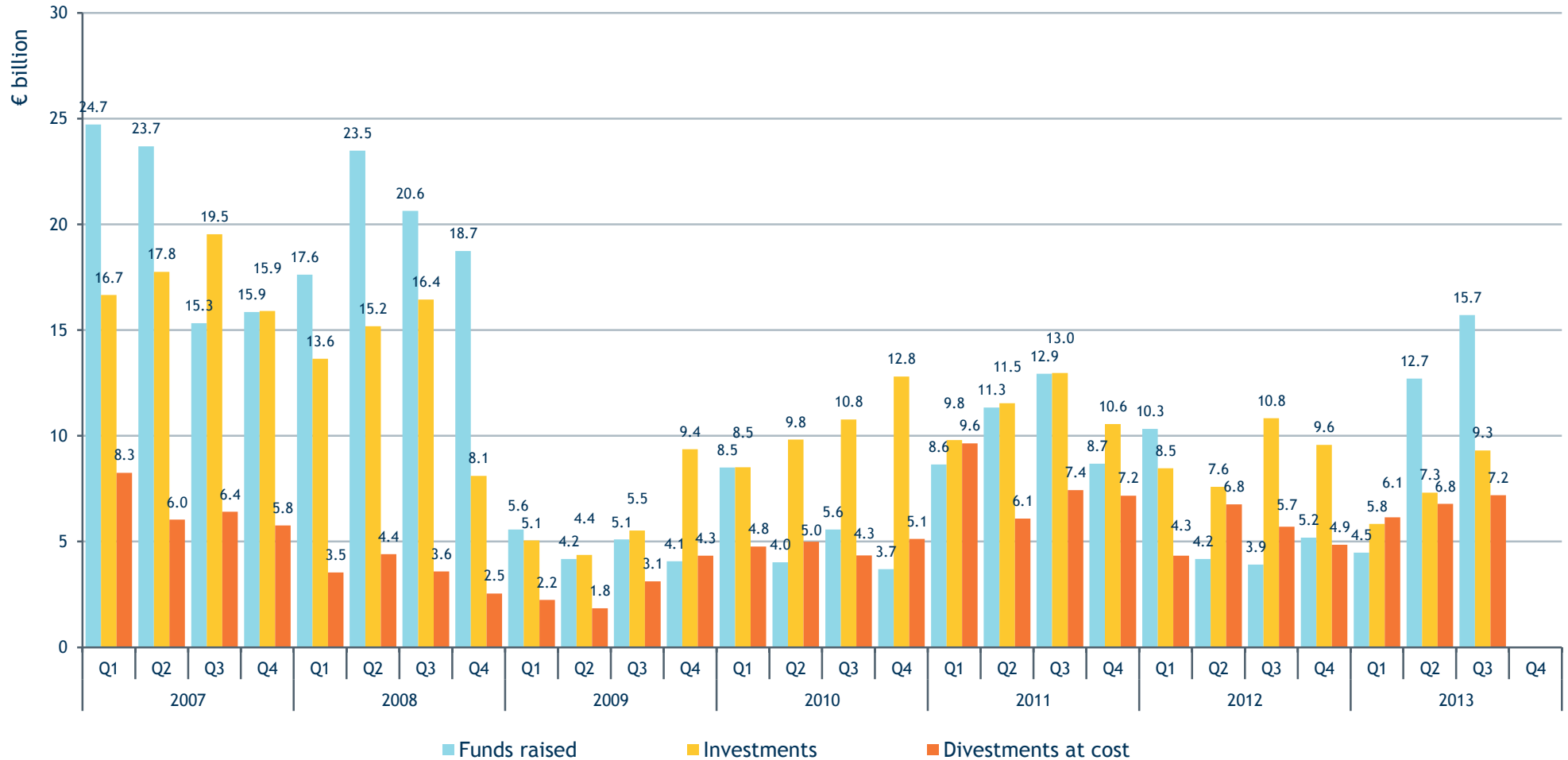
Divestments

→ Pages 27-31

- Divestments at cost reached €7.2bn in Q3 2013, up by 6% compared to Q1, 33% higher than the 2012 quarterly average.
- Venture capital investments were predominantly exited via trade sale, write-offs and sale of quoted equity post flotation.
- Buyout investments were predominantly exited via trade sale, sale to another private equity firm and sale to financial institution.
- Growth investments were predominantly exited via trade sale, sale to another private equity firm and sale to management (MBO).

Overview - Fundraising, Investments & Divestments

Q1 2007 - Q3 2013 - Market statistics - Amount

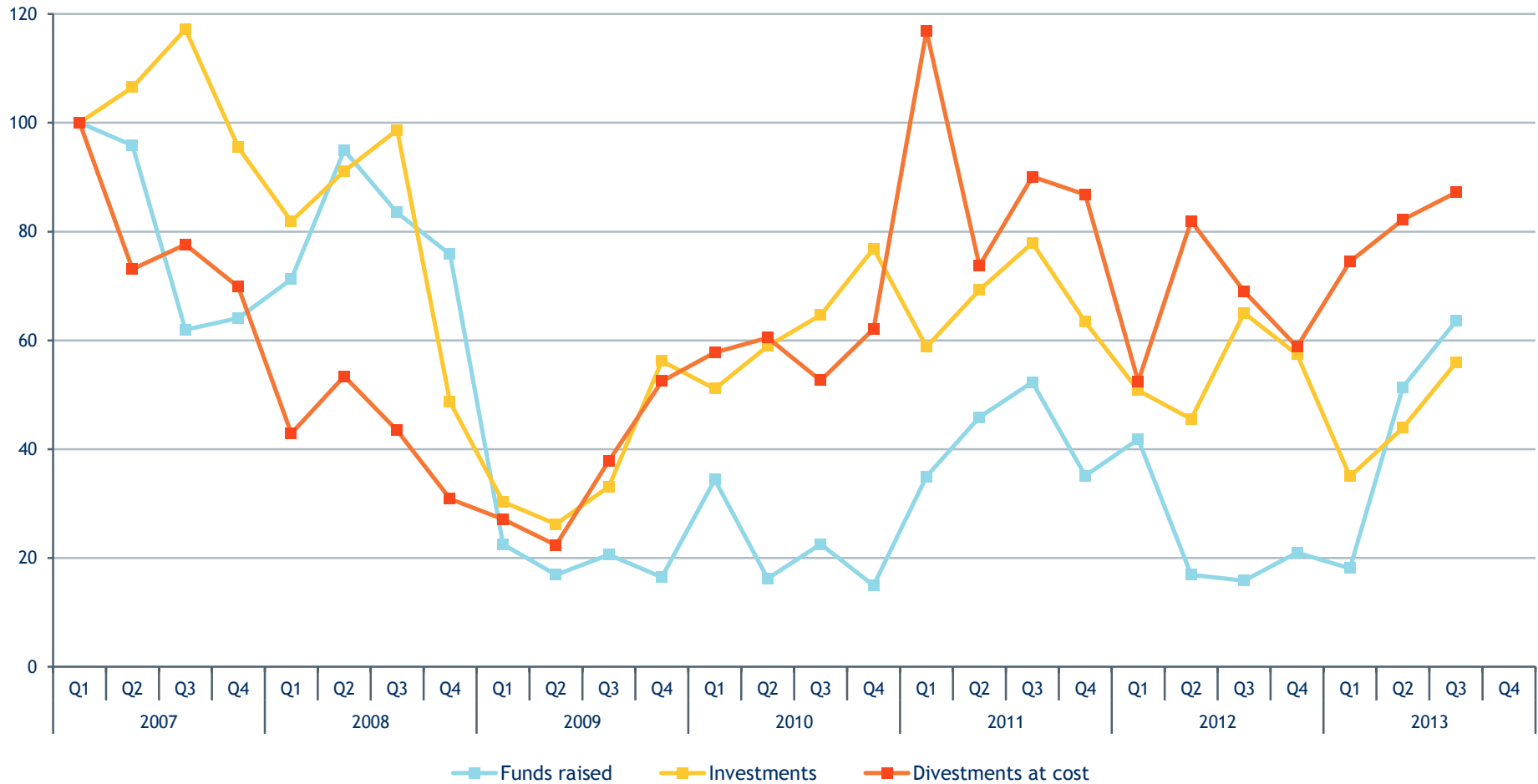


Source: EVCA / PEREP_Analytics

- data as of 1/11/2013 and subject to change -

Trends in European private equity activity flows

Q1 2007 - Q3 2013 - Market statistics - Index (Q1 2007=100)



Source: EVCA / PEREP_Analytics

- data as of 1/11/2013 and subject to change -

Fundraising

Fundraising statistics explained

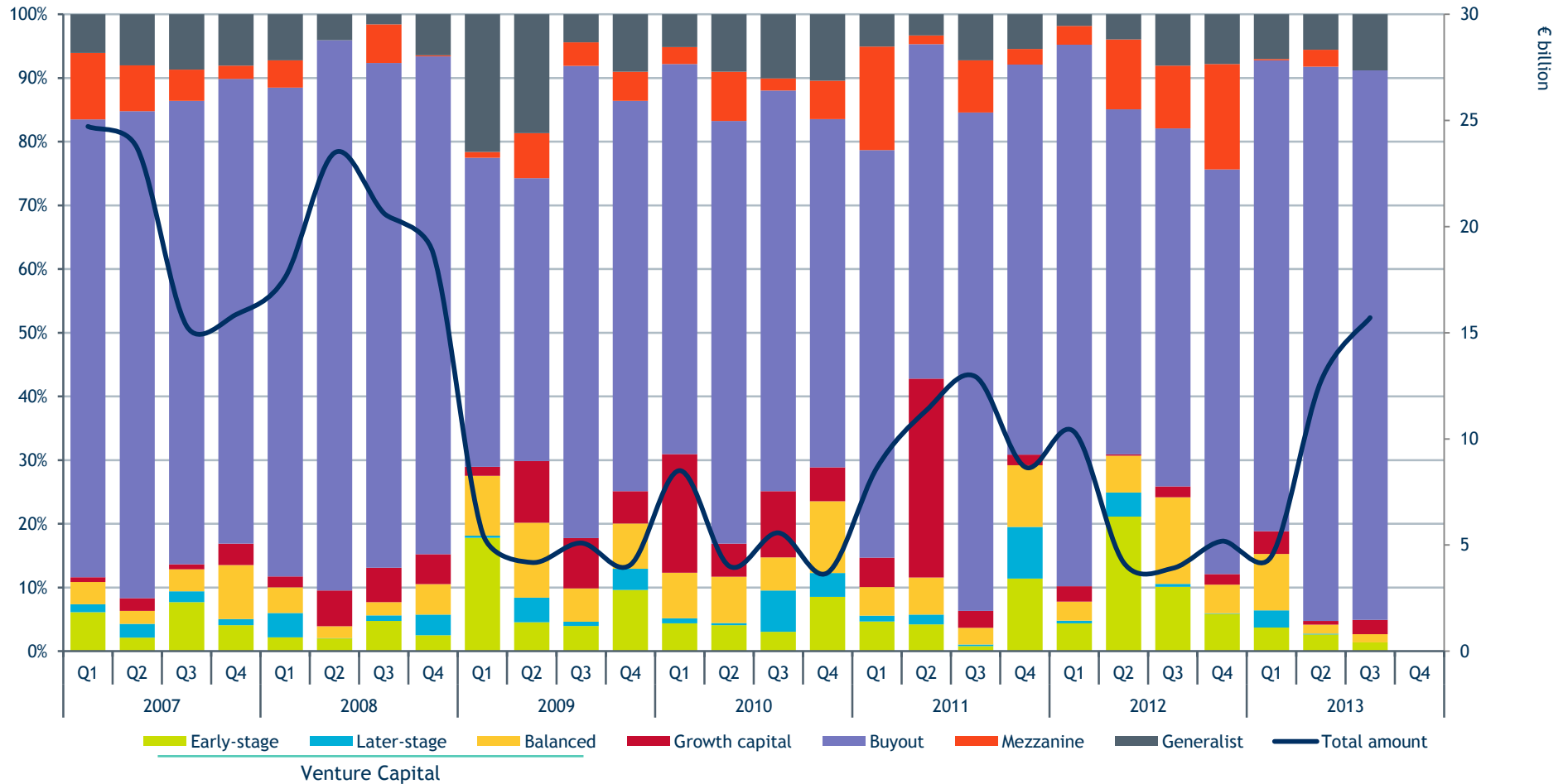
- Direct private equity investment funds that primarily focus on investments in Europe are monitored.
- Funds raised are recorded in the country of the advisory team that is raising/managing the fund (“industry statistics”).
- The funds included in the statistics are: private equity funds making direct private equity investments, mezzanine private equity funds, co-investment funds and rescue/turnaround funds.
- The following funds are excluded from the statistics: infrastructure funds, real estate funds, distress debt funds, primary funds-of-funds, secondary funds-of-funds.

Fund stage focus

- **Early-stage fund:** A venture capital fund focused on investing in companies in their primary development stage.
- **Later-stage fund:** A venture capital fund focused on investing in later-stage companies in need of expansion capital.
- **Balanced fund:** A venture capital fund focused on both early-stage and development, with no particular concentration on either.
- **Growth fund:** A fund whose strategy is to invest in relatively mature companies that are looking for capital to expand or restructure operations.
- **Buyout fund:** A fund whose strategy is predominantly to acquire controlling stakes in established companies.
- **Mezzanine fund:** A fund that provides (generally subordinated) debt to facilitate the financing of buyouts, frequently alongside a right to some of the equity upside.
- **Generalist fund:** A fund with either a stated focus of investing in all stages of private equity investment, or with a broad area of investment activity.

Funds raised by fund stage focus

Q1 2007 - Q3 2013 - Distribution and total incremental amount raised during the quarter



Source: EVCA / PEREP_Analytics

- data as of 1/11/2013 and subject to change -

Investments

Investments statistics explained

- **Industry statistics** are an aggregation of figures according to the country of the private equity firm's office in charge of the investment. At European level, this relates to investments made by European private equity firms regardless of the location of the target company.
- **Market statistics** are an aggregation of figures according to the location of the portfolio company. At European level, this relates to investments in European companies regardless of the location of the private equity firm.
- **Equity value:** The amount of capital invested to acquire shares in an enterprise. The equity value includes equity, quasi-equity, mezzanine, unsecured debt and secured debt provided by the firm.
- **Transaction value:** The amount paid to acquire a certain percentage of a company, it includes total round amount provided by the syndicate regardless of the type of co-investors and additional leverage provided by bank(s).

Glossary - Investment Stages

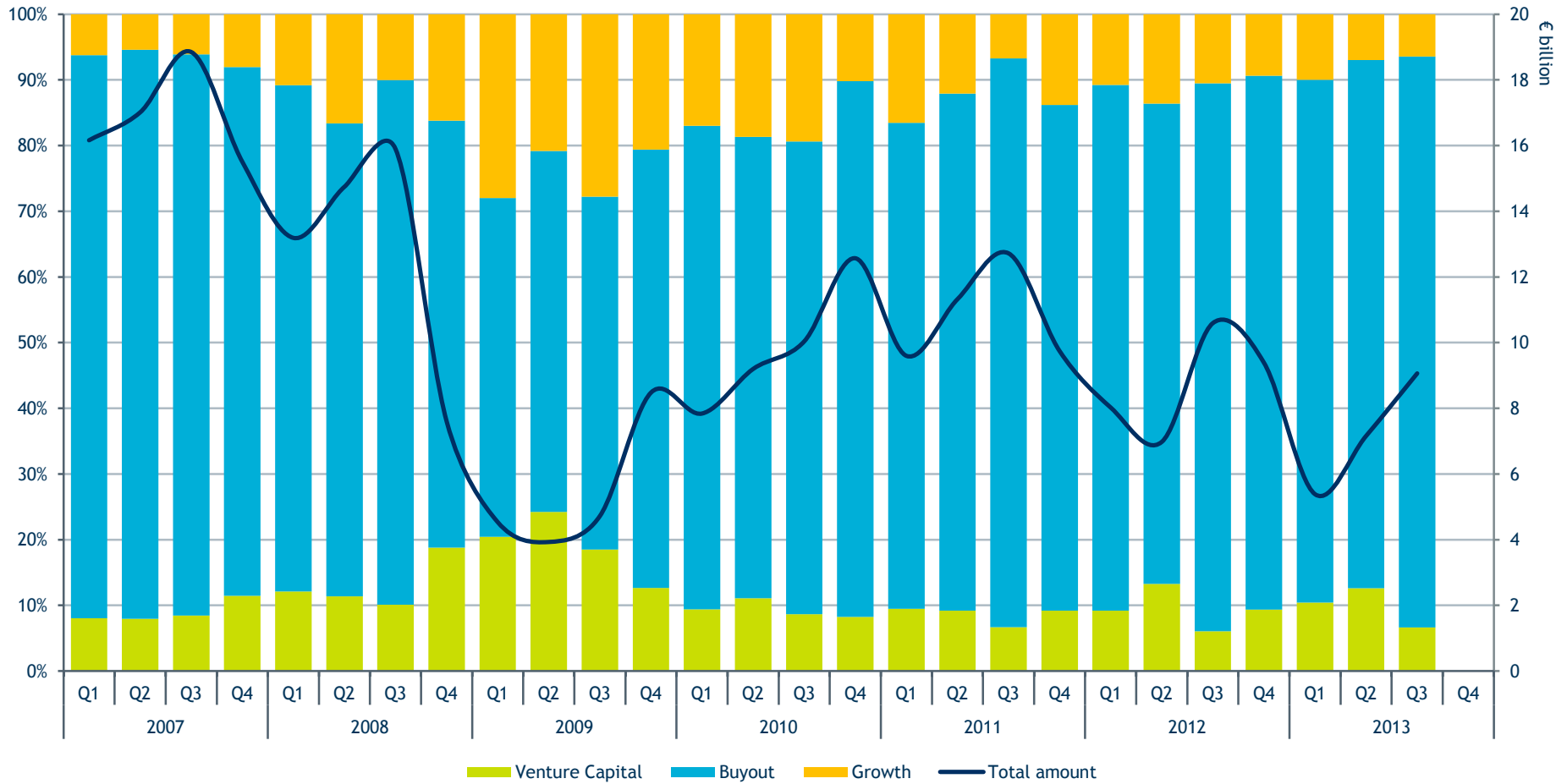
- **Venture Capital**

- **Seed:** Financing provided to research, assess and develop an initial concept before a business has reached the start-up phase.
- **Start-up:** Financing provided to companies for product development and initial marketing. Companies may be in the process of being set up or may have been in business for a short time, but have not sold their product commercially.
- **Later-stage venture:** Financing provided for the expansion of an operating company, which may or may not be breaking even or trading profitably. Later-stage venture tends to finance companies already backed by venture capital firms.

- **Growth:** A type of private equity investment - most often a minority investment but not necessarily - in relatively mature companies that are looking for capital to expand or restructure operations, enter new markets.
- **Buyout:** Financing provided to acquire a company. It may use a significant amount of borrowed money to meet the cost of acquisition.

Investments by stage focus

Q1 2007 - Q3 2013 - Market statistics - Distribution and total amount

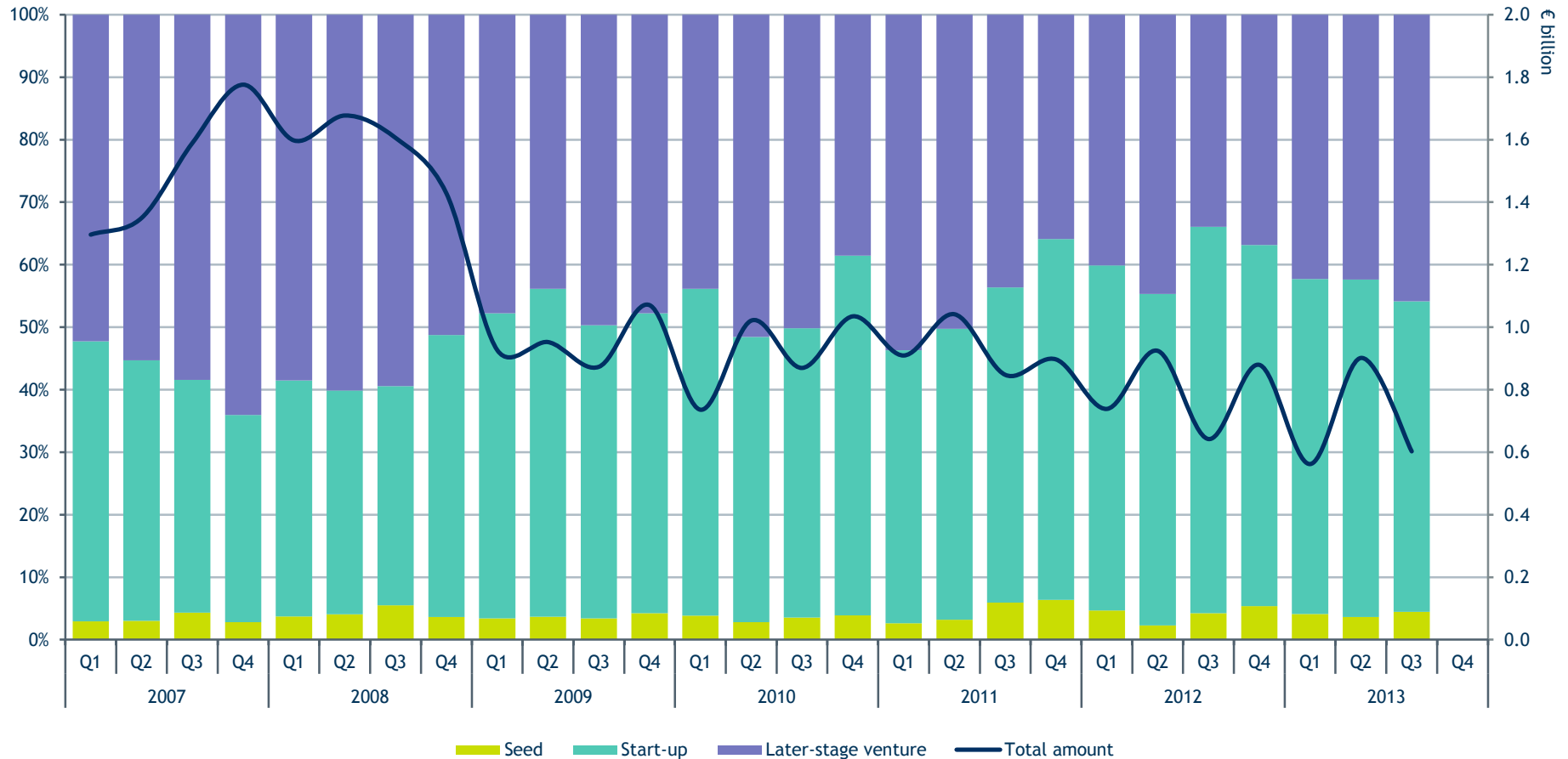


Source: EVCA / PEREP_Analytics

- data as of 1/11/2013 and subject to change -

Venture Capital - Investments by stage focus

Q1 2007 - Q3 2013 - Market statistics - Distribution and total amount



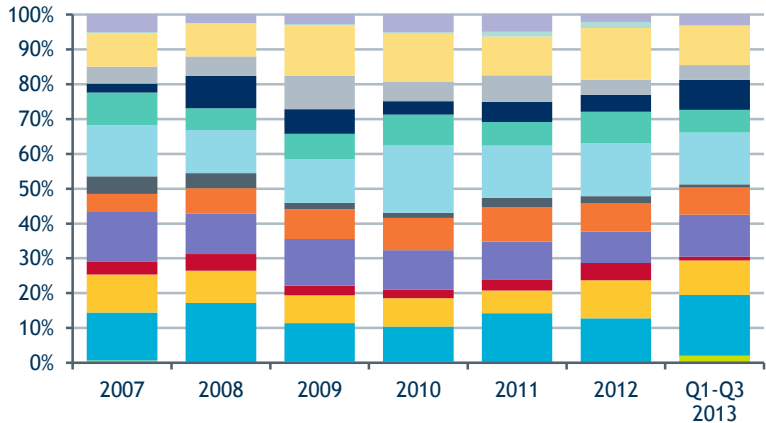
Source: EVCA / PEREP_Analytics

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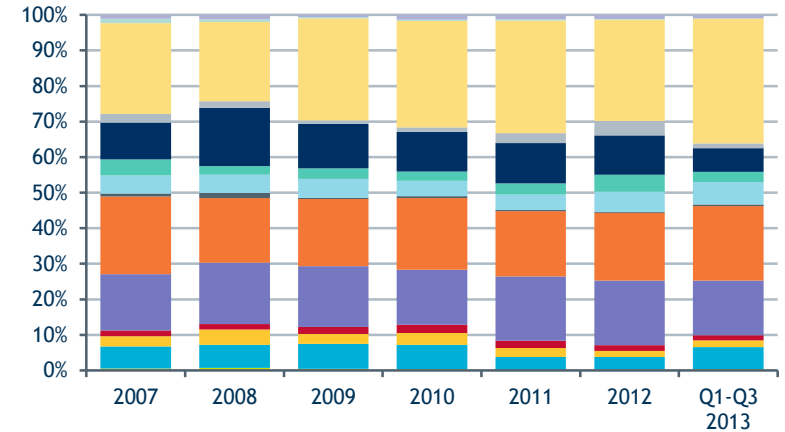
Investments by sector focus

2007 - Q1-Q3 2013 - Market statistics - Distribution by amount

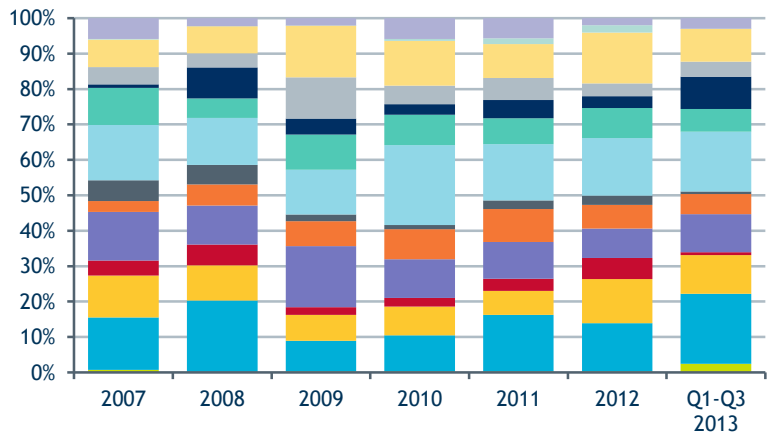
All Private Equity



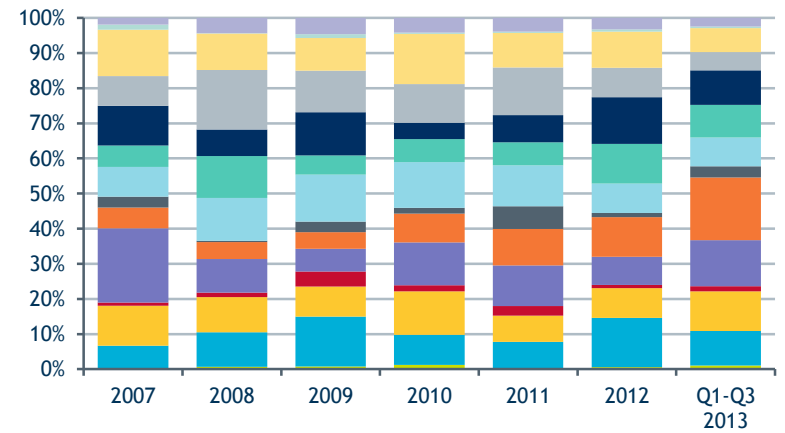
Venture Capital



Buyout



Growth



Source: EVCA / PEREP_Analytics

- data as of 1/11/2013 and subject to change -

Divestments

Divestments statistics explained

- **Industry statistics** are an aggregation of figures according to the country of the private equity firm's office in charge of the divestment. At European level, this relates to divestments made by European private equity firms regardless of the location of the target company.
- **Market statistics** are an aggregation of figures according to the location of the portfolio company. At European level, this relates to divestments of European companies regardless of the location of the private equity firm.
- Divestment amounts (including write-offs) are recorded at cost (i.e. the total amount divested is equal to the total amount invested before).

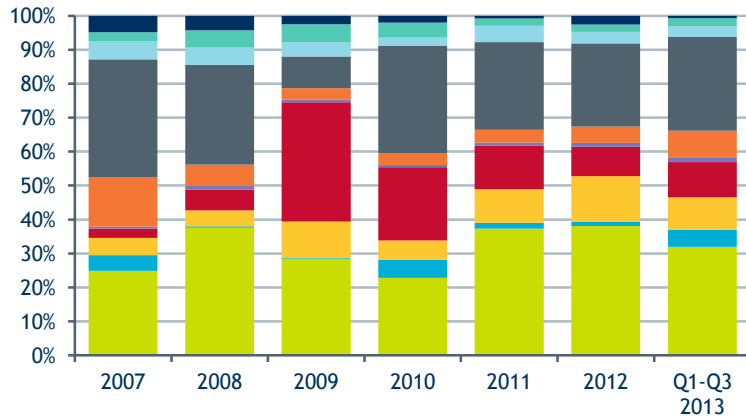
Glossary - Divestment Methods

- **Initial public offering (IPO):** The sale or distribution of a company's shares to the public for the first time by listing the company on the stock exchange.
- **Repayment of principal loans:** If a private equity firm provided loans or purchased preference shares in the company at the time of the investment, then their repayment according to the amortisation schedule represents a decrease of the financial claim of the firm into the company, and hence a divestment.
- **Repayment of silent partnerships:** A silent partnership is a type of mezzanine financing instrument. It is similar to a long-term bank loan but, in contrast to a loan, a silent partnership is subject to a subordination clause, so that in the event of insolvency all other creditors are paid before the silent partner. The company has to repay the partnership and has to pay interest and possibly a profit-related compensation. The subordination clause gives the capital the status of equity despite its loan character. This financing instrument is frequently used in Germany.
- **Sale of quoted equity:** The sale of quoted shares only if connected to a former private equity investment, e.g. sale of quoted shares after a lock-up period.
- **Sale to another private equity firm:** The sale of company shares to another direct private equity firm.
- **Sale to financial institution:** The sale of company shares to banks, insurance companies, pension funds, endowments, foundations and other asset managers other than private equity firms.
- **Trade sale:** The sale of company shares to industrial investors.
- **Write-off:** The total or partial write-down of a portfolio company's value to zero or a symbolic amount (sale for a nominal amount) with the consequent exit from the company or reduction of the shares owned. The value of the investment is eliminated and the return to investors is a full or partial loss.

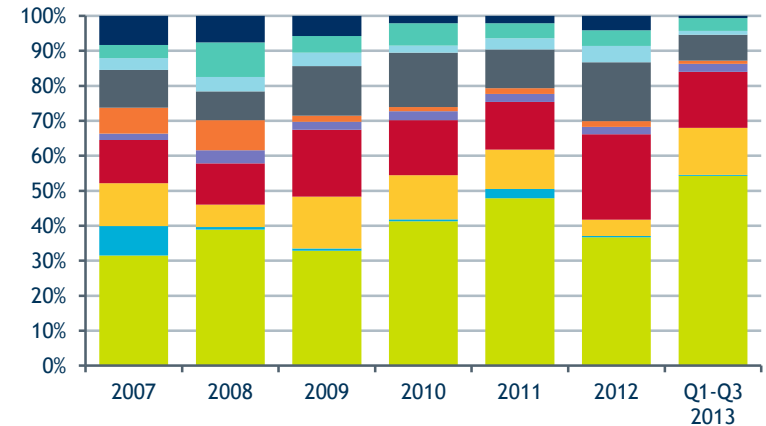
Divestments at cost - Venture Capital / Buyout / Growth

2007- Q1-Q3 2013 - Market statistics - Distribution by amount

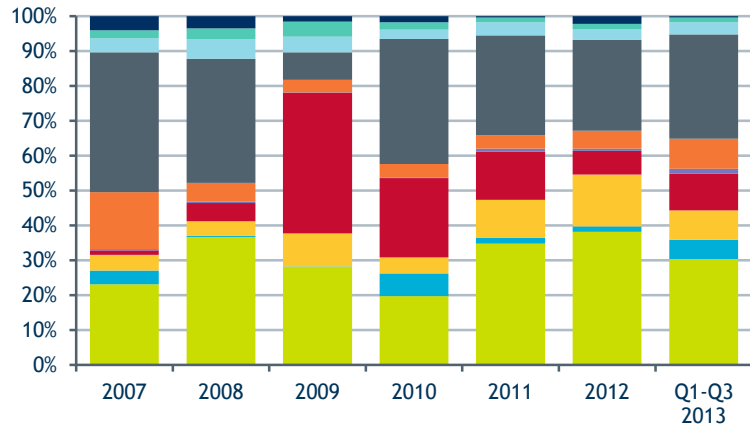
All Private Equity



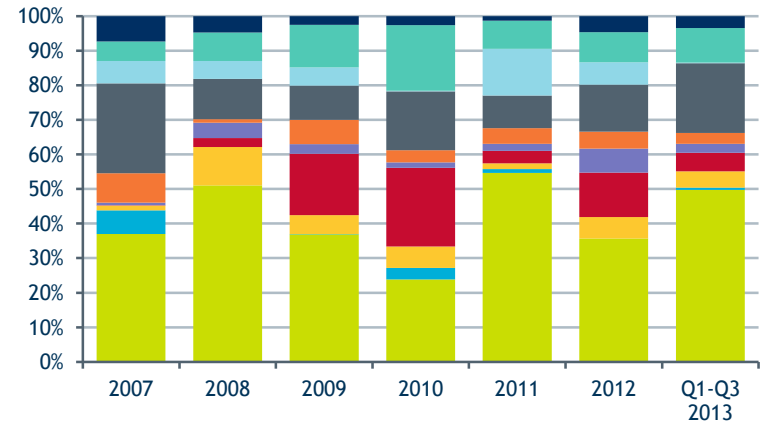
Venture Capital



Buyout



Growth



Source: EVCA / PEREP_Analytics

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Acknowledgements

We are grateful for the generous support of General Partners representing private equity and venture capital firms across Europe who provided us with their activity data. The following comprehensive and verified pan-European statistics would not be possible without their on-going commitment.

We also thank all the regional and national private equity associations that collect their activity data via PEREP_Analytics, the pan-European statistic platform. We thank the following associations for their participation to make PEREP_Analytics the most comprehensive private equity database on private equity in Europe: APCRI (Portugal), AVCO (Austria), BVA (Belgium), BVK (Germany), CVCA (Croatia), CVCA (the Czech Republic), DVCA (Denmark), EstVCA (Estonia), FVCA (Finland), HVCA (Hungary), IVCA (Ireland), LTVCA (Lithuania), NVCA (Norway), NVP (the Netherlands), PSIK (Poland), SECA (Switzerland), SEEPEA (South Eastern Europe), SLOVCA (Slovakia) and SVCA (Sweden).

About PEREP_Analytics and EVCA Research

- The PEREP_Analytics database monitors 1,883 eligible private equity firms. As of 31.12.2012, they represented €534bn of capital under management.
- PEREP is a joint Pan-European statistics platform of the following private equity associations: APCRI (Portugal), AVCO (Austria), BVA (Belgium), BVK (Germany), CVCA (Croatia), CVCA (the Czech Republic), DVCA (Denmark), EstVCA (Estonia), EVCA (Europe), FVCA (Finland), HVCA (Hungary), IVCA (Ireland), LTVCA (Lithuania), NVCA (Norway), NVP (the Netherlands), PSIK (Poland), SECA (Switzerland), SEEPEA (South Eastern Europe), SLOVCA (Slovakia), SVCA (Sweden).

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<p><i>Analyst Team</i></p> <table border="0"> <tr> <td>Adriana Andronic</td> <td>Laura Dumitrascu</td> </tr> <tr> <td>Andreea Banica</td> <td>Iuliana Furica</td> </tr> <tr> <td>Monica Biolan</td> <td>Adelina Stefan</td> </tr> <tr> <td>Alina Ciucardel</td> <td>Andrei Teslici</td> </tr> <tr> <td>Raluca Coroi</td> <td>Ioana Turbatu</td> </tr> <tr> <td>Cristina Cristea</td> <td></td> </tr> </table>	Adriana Andronic	Laura Dumitrascu	Andreea Banica	Iuliana Furica	Monica Biolan	Adelina Stefan	Alina Ciucardel	Andrei Teslici	Raluca Coroi	Ioana Turbatu	Cristina Cristea		<p><i>Research Manager</i> Julien Krantz</p>
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