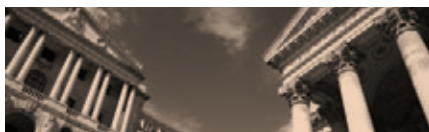


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Q&A – Guys Hands and Mike Chalfen



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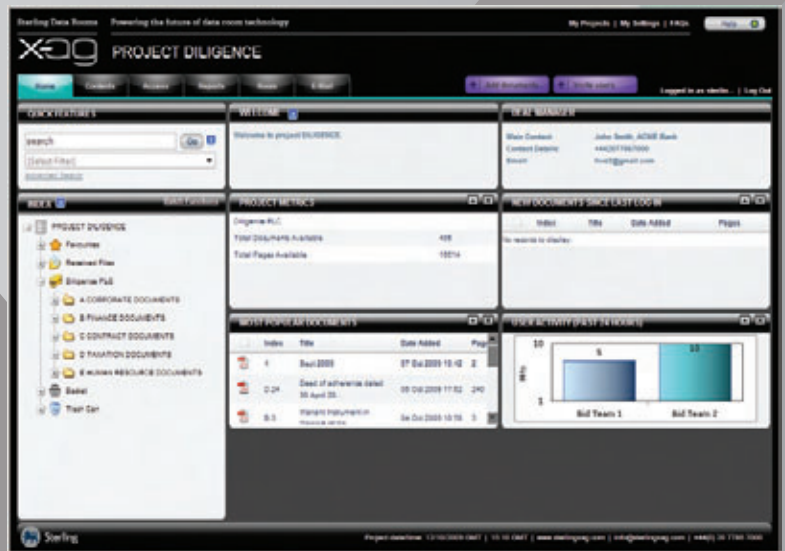


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November 2009

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**CEO
Simon
Walker**

Foreword *from* **CEO**

Welcome to the first issue of the BVCA Briefing, our re-launched research and news publication, designed to keep you abreast of BVCA activity, market trends and provide insightful commentary on topical industry issues. This first edition features an article examining the sometimes fraught relationship between banks and private equity firms during restructurings and looks at the steps that could be taken to facilitate a more orderly debt restructuring process.

The Briefing also features two question and answers pieces – one with Terra Firma Chairman and CIO Guy Hands, who charts the changing attitudes towards the financial world over the past twenty five years, the other with Advent Venture Partners' Mike Chalfen, who laments the lack of exit options for European venture capital-backed companies.

The Briefing will also keep you up to date with our latest policy initiatives and progress, including our campaign to have the proposed AIFM directive amended, which I am sure will feature heavily in the next few issues and beyond. This first policy update features AIFM progress to date, as well as news on the impact of a new Government scheme to reduce carbon emissions, the Carbon Reduction Commitment. The Briefing will also keep you up to date with activity in the market via statistics and commentary from the BVCA Research team.

As always, if you have any comments or suggestions for articles you would like to see featured in the all-new BVCA Briefing please do not hesitate to get in touch.



Here & **Now**

The *Private Equity* Mid-Market and **Banks**

The relationship between banks and private equity firms has undergone a sea-change since the onset of the financial crisis. In the pre-crisis world, banks were jostling with each other to finance private equity buyout deals and competition for mandates was such that private equity firms were in the driving seat, able to tap a large pool of lenders and negotiate extremely favourable debt terms. The dynamics of the post-crisis world are very different.

Damage done to banks' balance sheets as a result of the credit crunch and ensuing financial crisis has been well-documented and the need to repair balance sheets (and pay back bailout money owed to central banks) has become the priority for most banks. The result is that private equity-backed companies hit by the recession, struggling to repay interest payments and breaching loan-related covenants are faced with conducting negotiations with banks whose priority is mending balance sheets, sometimes at the expense of supporting businesses. Those needing to fundamentally reshape capital structures are confronted by institutions unwilling to recognize a loss or a write-down, and companies breaching covenants set in healthier times but trading profitably are being asked to pay significant fees for a covenant reset, or waiver. In

some cases these "technical" breaches (that is, a covenant breach when a company is operating profitably and meeting interest and repayment obligations) are being seized on by a bank in order to force a re-pricing of the entire capital structure on more expensive (and thus punitive) terms. One GP believes the approach taken by the banks can be pared back to two scenarios. 'Where there is low distress, this is seen as a fee earning event. Where there is high distress, this is seen as a fee earning event but also an opportunity to take economic control of the business.'

Damaging behaviour

While private equity sponsors have little complaint about paying a fee for a covenant re-set or waiver which reflects the new economic



environment, these fees should be set at a sensible level which does not endanger the very survival of a company. The pressure to repair balance sheets is forcing banks to adopt a short-term approach to restructurings whereby 'difficult decisions are kicked into the long grass because a long-term solution which would get a company back on the right track involves recognizing an impairment on the debt,' according to one mid-market house.

A more constructive approach, which preserves long-term value for all stakeholders is needed, rather than, as one mid-market GP put it, 'an aggressive approach focused, in some cases, on wiping out sponsor equity and asserting control as the "economic owner" of the business.' One of the difficulties facing private equity owners is the lack of competition to the 'big four' UK banks, with firms and companies unable to bring alternative lender offers to the table, leaving them to negotiate with their existing bank or banks on unequal terms.

Kicking problems into the long-grass rather than getting to grips with an issue with the potential to do long-term damage to a company is a common theme. As one mid-market executive laments, 'banks are only willing to discuss a meaningful restructuring when a situation has deteriorated and can no longer be ignored, but by this point problems are such that the bank and the equity sponsor stand to lose far more than if they had acted at an earlier stage.'

There is, of course, another side to this story; the banks' story. Bank workout teams argue that private equity firms are leaving it too late before approaching their lending banks to discuss a potential covenant breach, either because of historic valuations or for tactical reasons, eroding trust between banks and private equity firms. This is making the subsequent negotiations between the two parties more difficult and private equity firms should begin restructuring discussions while the value is still breaking in the equity, say the banks.

Some banks also believe that restructuring talks have been slowed down by private equity firms attaching unrealistic valuations to companies, with others balking at demands from GPs that equity injected to cure a breach or other problem ranks above the original debt in the capital structure. This, according to one banker, 'is not realistic.'

So what can be done?

In the recessions of the 1970s and early 1990s, the London Approach was trumpeted as a 'grown-up' solution to resolving the

ASSET PROTECTION SCHEME

The APS allows participating institutions to claim payment for 90% of a 'bad debt', with the institution taking the first 10% loss. Payment is only forthcoming on occurrence of a 'trigger event' such as a default. This can mean that creditors are less incentivised to reach a resolution and may prefer to allow default to occur, as the Treasury payment on default may be more attractive than the cash value of the debt. The APS adds an extra layer of complexity and lack of visibility in an already fraught process (as debt in the APS needs HMT approval for refinancing). The scheme is necessary to get bad debt off the balance sheet and improve liquidity, but, according to one private equity lawyer, 'the process needs to be far more transparent.'


future of companies in distress, with the Bank of England acting as an arbiter when discussions between parties stalled. The increasing complexity and size of financial structures and the growing number of participants in any one deal killed off the London Approach as a workable solution, but in recent months some have called for the resurrection of something along the lines of the London Rules, possibly a set of guidelines or agreed approach that lenders and equity sponsors could sign up to in order to facilitate restructurings.

Back to the '90s

The recession of the early 1990s saw banks take significant amounts of property assets and loans onto their balance sheets, a situation some believe is analogous with leveraged loans today. With the benefit of hindsight, many of those banks now accept that they sold loans, which subsequently made it back to par, too soon. Chastened by this experience, this time around banks are reluctant to recognise a loss by writing off loans, preferring to maintain their position in anticipation of an economic revival and an upswing in the value of the assets underlying these loans. On the surface this appears a sound argument, but fails to take into account the long-term effect on the company of failing to restructure. Many companies with a sub-optimal capital structure are fundamentally sound but performance will inevitably be compromised by continuing to operate without restructuring. By the time the upturn arrives, a strong company could be weakened by the delay to restructure and its value, and the value of the loans backing it, will be diminished.

Banks as equity owners

With an increasing number of companies falling under bank ownership, the question that needs to be asked is: 'are banks set up to own and manage companies?' The answer to this question has broader economic implications, and if the answer is no, banks should be encouraged to sell these assets to buyers with the experience of managing companies, growing them and creating jobs. There are a number of private equity firms with the appetite to structure a deal which would give the banks immediate cash and future upside but this typically involves writing off debt, which banks are unwilling to do. Relying on an improvement in market conditions as a route to an exit and hoping that the company can continue to operate efficiently without an equity sponsor in the meantime is a high-risk strategy for making returns and a poor recipe for future growth and job creation.

A return to the London Approach, in an era of infinitely greater complexity and a less influential Bank of England, is not workable. A more realistic approach would see lenders and company owners agree on a common approach which would make the restructuring process less of a battle of wills and more a meeting of minds. The BVCA has held meetings with the workout teams at the four big UK banks and with other lobby groups and trade associations to discuss potential solutions. For economic recovery to take hold, restructurings which enable companies to focus on the future, return to growth and create jobs are essential. All stakeholders, including the banks, private equity sponsors and policymakers, should work together to ensure this takes place and company ownership is placed in the hands of those who can drive improvements and long-term growth. 



with *Guy Hands*

Chairman and Chief Investment Officer,
Terra Firma

Guy started his career with Goldman Sachs International where he went on to become Head of Eurobond Trading and then Head of Goldman Sachs' Global Asset Structuring Group. Guy left Goldman's in 1994 to establish the Principal Finance Group (PFG) at Nomura International plc which acquired 15 businesses with an aggregate enterprise value of €20 billion. Guy led the spin out of PFG to form Terra Firma in 2002.

Q1. Guy, how have you enjoyed taking a more hands on approach in your portfolio companies?

A. Terra Firma has always been intensely involved in the operational aspects of its portfolio companies. Indeed, the operational half of our firm spends its entire time either working directly in the companies or with senior management driving change. Over the last two years, I have had the opportunity to truly experience the operational side of Terra Firma's immersion in businesses on a day-to-day basis. Indeed, 35 Terra Firma employees joined me for 12 months inside EMI. I recommend that all PE practitioners throw away their spreadsheets, at least for a period of time, and work inside one of their portfolio companies. Without this experience, it is difficult to truly feel and understand what the management of your portfolio businesses go through on a daily basis.

Q2. What does the future hold for PE?

A. The one size fits all, institutionalised private equity model of increasingly large fundraisings is over. Going forward, there will still be some firms that are asset gatherers, who will focus on how big they can become and how much fee income they can generate, whilst managing many different funds. That model, however, will only be possible for a few firms as the amount of capital committed to PE reduces and many investors require their GPs to demonstrate specific skills rather than a generalist approach to investing. Many firms, therefore, will realise that the generalist model is not something that will work for them and will, in order to survive, need to determine how and where they add value in order to justify both raising a fund and getting paid at the same level as in the past. The big question for all GPs is what is your added value.

Q3. What advice can you offer to the next generation of PE professionals?

A. If you do not enjoy business first, second and third, do not go into private equity. There are easier ways to make money. Too many people over the last few years have entered private equity purely for the financial compensation. Jobs in Private Equity will pay substantially less than they have in the past. Therefore the most important thing in coming into

Private Equity is to focus on whether you really enjoy adding value to and working with businesses.

Q4. What can we learn from the credit crunch and how can we effectively mitigate the risk of another such occurrence?

A. Unfortunately in the run up to the credit crisis, bankers became more focused on pushing products in order to earn fees and bonuses rather than on determining the right level of lending for a particular company. Private equity practitioners, used to having to push their bankers to provide credit, did not notice this switch and hence many took on debt at the maximum level without establishing an appropriate equity buffer for an economic and credit downturn. Going forward, we will need to insert such a buffer in order to be able to ride out credit and economic cycles. Clearly, even though it will reduce the risk of private equity investment, it will also reduce the available returns. The difficulty therefore will come in determining how much buffer to put in. If it needs to be sufficient to survive a once in a lifetime economic event, private equity will not be able to generate adequate returns. Indeed, such a buffer would basically remove the vast majority of leverage and all but destroy economic investment in society generally. The risk is that regulators, governments, and indeed politicians, move in that direction and push the West into a Japanese style depression.

Q5. From your point of view, how has the world of finance changed from when you were at Goldman Sachs, to Nomura and now Terra Firma?

A. When I joined Goldman Sachs in 1982, while investment bankers were paid well (about twice as much as doctors), we had little social status, and commercial bankers, while paid less, were regarded as doing a more socially worthwhile job. By 1995, when I joined Nomura, the distinction between commercial bankers and investment bankers was eroding. Investment bankers were picking up social status and starting to advise politicians. At this point, they were getting paid up to twenty times what doctors were getting paid. By 2007, politicians the world over were embracing investment bankers, commercial banks were dominated by their investment banking arms and top bankers were getting paid two

hundred times what doctors made. The change that occurred between 1982 and 2007 in banking compensation and the social acceptability of the investment banking profession sucked out vast amounts of talent from other areas of business activity which was not healthy for society. Since the credit bubble burst, the banking industry has become more segmented with some bankers still getting paid handsomely and retaining their access to power as if 2007 had never occurred, whilst others who have lost their jobs, social status and everything – the difference between those who have succeeded and those who have lost often resting on a decision by the governments on who to bail out

Q6. What's your view of the current environment for new fundraisings? Are we going to see a significant fall-off in LP support for the industry?

A. I think the \$20 billion, or even the \$10 billion mega fund is going to be extremely difficult to raise, and so in general, funds are going to be smaller. Less capital is likely to be committed to Private Equity for three reasons: one, investors still having large unfunded commitments to funds raised in 2006-2008; two, Private Equity not achieving significant realisations that would return substantial capital to investors (so they can recycle capital); and three, LPs having growing cash commitments themselves to fund operations (pension payouts, university operating budgets etc). So the industry is going to be smaller, but I think that is probably a good thing.

Q7. What is the single most important consideration to Terra Firma when assessing an investment proposal?

A. In considering whether we purchase a business, the key question we ask is do we believe we can add value and is there an opportunity to make strategic and operational change. Improving businesses is where we have always found alpha and been able to add value.

Q8. Which Terra Firma company are you most excited about?

A. While financially it clearly has been a poor investment for Terra Firma, the operational change that we have made in EMI is quite extraordinary and regardless of what happens I am proud and excited about the changes we have made to EMI.


Q9. Which PE-backed company in the UK do you wish you would have invested in?

A. Saga, the financial services company acquired by Gordon Bonnyman of Charterhouse in 2004. While the deal looked expensive, Charterhouse recognised the potential to take a company owned by the same family for 50 years and energise it. It was a great deal for Charterhouse and having now reached 50, I too can see the attraction of the company!


Q10. It has been reported that you would like to become a major clean-energy player. Where are the big opportunities globally in clean-tech and what more could the UK government be doing to encourage investment into the sector?

A. I believe there are significant opportunities as governments impose ever more stringent environmental targets on themselves. However, it is a sector which needs better operational managers and considered development. All that is green is not gold! We need to recognise that renewable energy requires substantial capital investment and the return will only be long-term. That presents significant opportunities for Private Equity, but also presents very real risks.

Q11. If you could do it all again, what would you do differently?

A. I would have spent more time with my children when they were growing up, have listened to my wife more and eaten less. 

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with **Mike Chalfen**

General Partner,
Advent Venture Partners

Mike joined Advent in July 2008. He has made around 25 investments over the past twelve years across most parts of media and technology and served on over 17 Boards.

Q1. Mike, before you became a General Partner at Advent you were involved with growth investments at Apax for 10 years. What made you join a dedicated European venture firm like Advent?

A. Advent was a great fit for me, and in my view for the times we're in. It has a long history of venture, growth and growth buyout investing, dating back to the growth buyout of Royal Blue. So the firm's heritage is as similar from a stage perspective to (old) Apax's balanced fund approach as you could find today. And it is a real pan-European player with a good brand.

Mainly, though, I was very impressed by the achievements of the new generation of leaders that have run the firm and made all the investment decisions since 2006 – not least having managed the succession process itself.

The firm is focused on capital efficiency and managing investments- we focus on managing equity value, and always relate portfolio company plans clearly to value creation. I felt that capital efficiency was an important philosophy that some investment firms had abandoned. It makes creating equity value much easier so it is the right starting point, not just in tough times.

That discipline has resulted in a strong portfolio. I committed more of my own capital than I was asked to in the current fund, and today the fund is one of the very best for its vintage across Europe and the US combined.

Q2. From your point of view, how has the venture capital industry changed from when you started in the 90's to where it is today?

A. Even after a possible consolidation during this downturn the industry will be broader, deeper, better funded and more professional than in 1995.

More conditions for success are in place including management talent and entrepreneurial culture. There is more capital available. The internet has accelerated the expected pace of change – accelerating innovation but also distorting GP and LP expectations for the pace of value creation. Generally though we're going in the right direction

The market used to be multi-local; to some degree that persists but London is now the clear centre of the European PE industry. And the best European deals now can find backers from the US and Asia.

Some things haven't changed though: the asset class isn't well enough established in Europe and IPO markets aren't receptive to small growth companies.

Q3. What has the impact of the credit crunch and the recession had on VC firms and their investment strategies as well as on those companies seeking VC?

A. Anticipating longer fundraising cycles, many firms are slowing their investment pace. They're also syndicating more, to reduce their share of cash burn for loss-making ventures, and seeking later stage, bootstrapped businesses to balance their portfolios. This is forcing companies seeking venture capital to prove they can get a long way on limited amounts of capital.

So the market is in some ways catching up with Advent strategy - which has been focused on a mix of venture and growth stage investments in capital efficient investments.

Q4. What role does the government play in ensuring that an ecosystem exists for venture capitalists and early stage firms in the UK? What more, if anything, could the government do?

A. The government has a major role in shaping the currently proposed AIFM directive so that the UK's PE and VC market is not further undermined. The BVCA has been making great headway to date in fighting the directive, but there is still lots to be done in Brussels.

After staving off European legislation, it is well understood that Governments are vital in creating the right conditions for VC ecosystems to thrive. The new UK Innovation Investment Fund is a pro-active measure to attract LPs into the European VC asset class and to help fund a newer generation of VC funds. The fund needs to be managed and invested quickly and judiciously while encouraging private capital back into the asset class – although more levers could be created to achieve that.

Lastly, there is an outstanding research base in the UK and it is widely understood that R&D drives innovation and therefore makes it important that the government maintains relevant funding.

Q5. Is it still up for debate or can London officially be recognized as the centre of European Venture Capital?

A. London is – there is no debate. But there are a lot of exciting companies across Europe. We must cover them better, be more responsive and work well with the local investors if London is to remain the region's centre of venture capital and growth equity.

Q6. Is the lack of an exit environment affecting the VC industry right now?

A. Yes, and not just in Europe. According to Jefferies, in the 9 months to



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September there were just 22 sales of VC-backed tech companies in the US and Europe for over \$50m EV. That's an unbelievable drought. Illiquidity is the enemy for all investors today so until exits return our investors will remain cautious. At the same time, it is forcing boards to be much more focused on what it will take to achieve an exit. We've worked hard on this and have had three profitable exits this year.

Q7. Following on from your point on exits and having worked closely with Ronald Cohen at Apax it would be interesting to hear your views on making European Stock Exchanges more favourable to VC-backed flotations.

A. You are referring to Ronald founding Easdaq, to support IPOs of innovative growth companies across Europe. There remains no pan-European exchange that supports growth companies. There are many local markets serviced by generalist investment banks. Fragmentation prevents deep and liquid markets for small and mid-sized growth companies as the markets can't support specialised analyst coverage and equity sales. The barriers to this are not technical – it's a marketing and sales problem which we need to tackle as an industry.

An overlapping issue is the increase in scale for IPOs. We need smaller banks to step up and be willing to help companies raise €30-50 million on IPO, rather than €100 million plus. It would help too if listing costs were reduced for smaller companies or in the first years after going public.

Q8. What is the single most important thing to Advent when assessing an investment proposal?

A. Capital efficiency. It's obvious that we look for highly differentiated companies addressing attractive markets. But they'll also demonstrate superior microeconomics to support a capital efficient plan aimed at exit. So the Foundry making over £1m per salesman and collecting receivables in less than a month made it a highly unusual software company. If we also find that the team viscerally understands how that capital efficiency drives how profitable an exit can be, then it is a great fit for us.

Q9. Which Advent company are you most excited about?

A. Zong, the pioneer in mobile payments. It's addressing a Paypal sized opportunity, has some monstrously large partnerships in the works, and has been built very intelligently. It sits on top of a profitable mobile aggregator that gives it a tremendous cost advantage and that itself has quadrupled in 2 years. So with limited downside a European entrepreneur has created significant possible upside, and is winning in a global market that will be big.

Q10. Which VC-backed company in the UK do you wish you would have found and invested in?

A. Three: LateRooms as a great growth buyout; GDCM for its combination of seamless data center management and energy saving mission; and Playfish for its frictionless scalability. 



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Public Policy Update

An update on the latest public policy issues and their impact on private equity and venture capital.



EU Alternative Investment Fund Managers Directive (AIFM)

The BVCA continues to work hard to mitigate the impact of the proposed directive across all fronts and with our European counterparts. The EU Council is in the process of producing an amended text, which we are hopeful will be an improvement on what was originally published. The European Parliament is also discussing the directive, with a report due from the Economic and Monetary Affairs Committee in December.

We are working with individuals in both institutions, as well as with HM Treasury, FSA and other member states to ensure that our concerns are given due consideration. The big issues remain those which emerged from the draft legislation published earlier this year: additional capital and disclosure requirements; the imposition of independent valuers, custodians and depositaries; and restrictions on marketing to funds outside the EU (so-called 'third country' funds). ▀

UK Innovation Investment Fund (UKIIF)

The UKIIF, which was launched in June of this year following sustained lobbying by the BVCA, is in the process of selecting a private sector fund-of-funds manager, with a decision expected by the end of the year. There is a clear aim to raise significantly more over time than the £150m corner-stoning, but there is also a recognition that speed of deployment is very important in making sure struggling venture-backed businesses start to receive funding in the early part of next year. ▀

Carbon Reduction Commitment (CRC)

This new scheme (which will come into force in April 2011) will create a cap and trade scheme for companies using over 6,000MWh of electricity per year. The BVCA is supportive of the scheme's carbon reduction objectives overall, but is concerned that its application will hinder private equity-owned companies in a disproportionate manner. The CRC requires the consolidation of portfolio companies and the application of the scheme at fund level, in effect lumping all investee businesses together and counting aggregate emissions across the fund.

The BVCA has been in discussions with the Department for Energy and Climate Change (DECC) on this issue for the last year, and we have spent time with officials drafting the legislation (as well as ministers and officials in other departments) to explain that their intended application of the CRC does not reflect the true nature of private equity ownership.

In its response to the consultation, the Government recognised the difficulties in implementing the scheme for private equity, and has allowed so-called 'principle subsidiaries' (portfolio companies which are themselves big enough to meet the threshold) to stand alone within the scheme and be disaggregated from the group (as well as delaying implementation by a year). This should help large investee businesses, but does not address our fundamental concern. We will continue to work with DECC and the Environment Agency (which will be the enforcement body) to try and make continued progress on this issue. ▀

Industry Index

A brief wrap up of news and developments in the global private equity and venture capital community.

FYI


- The NVCA has found that, for venture-backed companies, 92 percent of job growth occurs post-IPO.
- Private equity investment as a percentage of GDP is 1.5 percent in Dubai and 0.1 percent in Saudi Arabia (Emerging Private Equity Magazine).
- Florida State Board of Administration is looking to invest \$250 million in funds that are targeting high-technology businesses in Florida (Florida Growth Fund).
- The majority of investors in private equity funds intend to keep their allocation to the asset class stable, with only a small number (5%) planning to decrease their allocation over two years and a significant number (15%) expecting to increase allocation levels over the same period (Global Investor Attitudes to PE 2009 – BVCA and Preqin).
- The BVCA will be launching a new online collection tool – the BVCA Benchmark – in January 2010, for members to complete our two annual surveys, the Report on Investment Activity and the Performance Measurement Survey. More details will follow. 

Peace with Honour?

Michael Cembalest, Chief Investment Officer of J.P. Morgan Global Wealth Management, examined the performance of vintages 2006 and 2007 buyout funds with the hypothesis that if they returned all original capital, a 'Peace with Honour' could result.

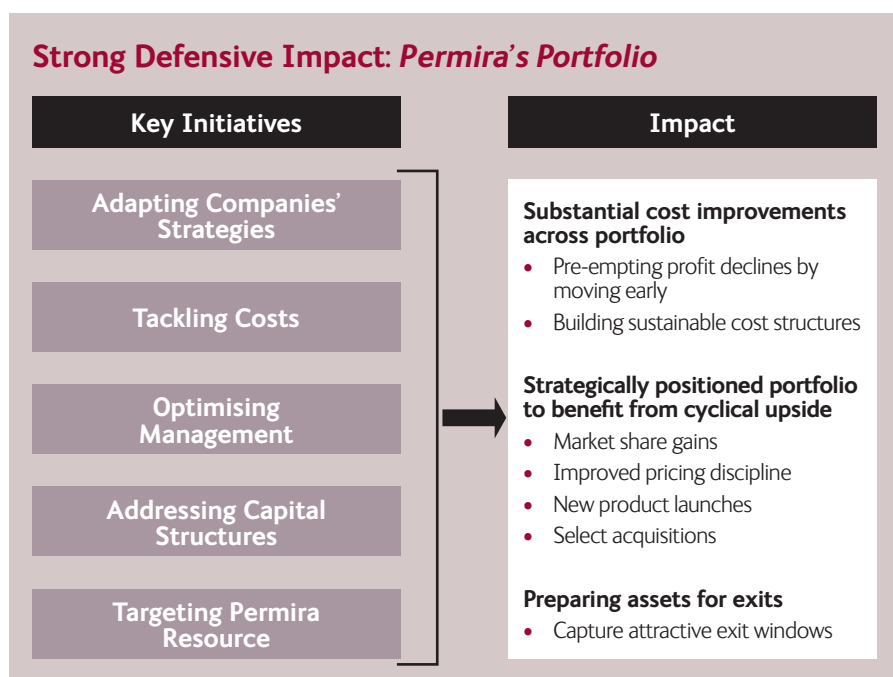
The sample used was 43 portfolio company investments made by the large-cap buyout funds on the J.P. Morgan platform primarily in 2006 and 2007. Assumptions of earnings growth, exit multiples and debt paydowns were made to predict conclusions on each company's exit value.

The findings show that 12% of the portfolio on an asset-weighted basis is projected to return nothing, 23% ought to return up to 50% of capital invested, with 9% estimated to return between 50% and 100% of capital invested. 56% of the portfolio should return more than 100% of the investment.

If PE funds of these vintages do likewise, LPs should be relatively satisfied, given the outperformance of other vintages that PE generates. 

Portfolio Company Focus

Speaking at the BVCA Summit in October, Co-Managing Partner of Permira, Kurt Bjorklund discussed his firm's strategy:



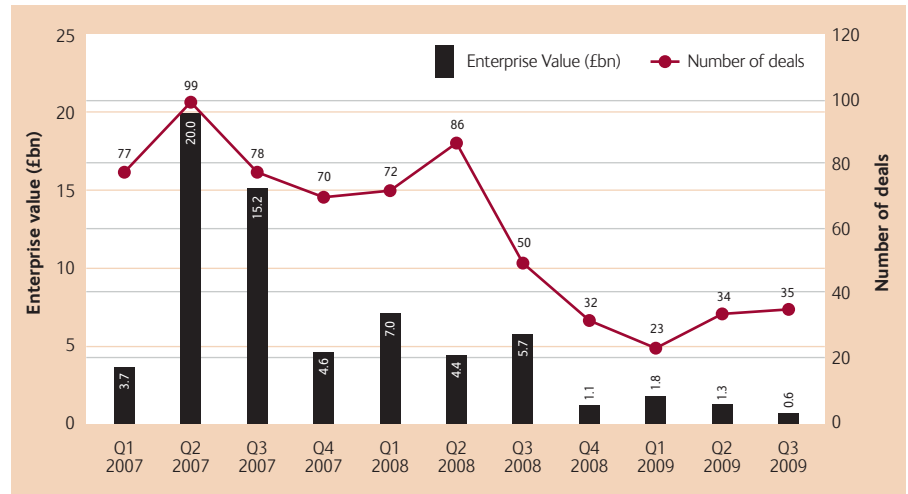
Source: Permira

Market Statistics

The private equity market once again saw a decline in the amount invested over the last quarter. Venture capital investment, however, saw the highest level in Q3 2009, since Q1 2008.

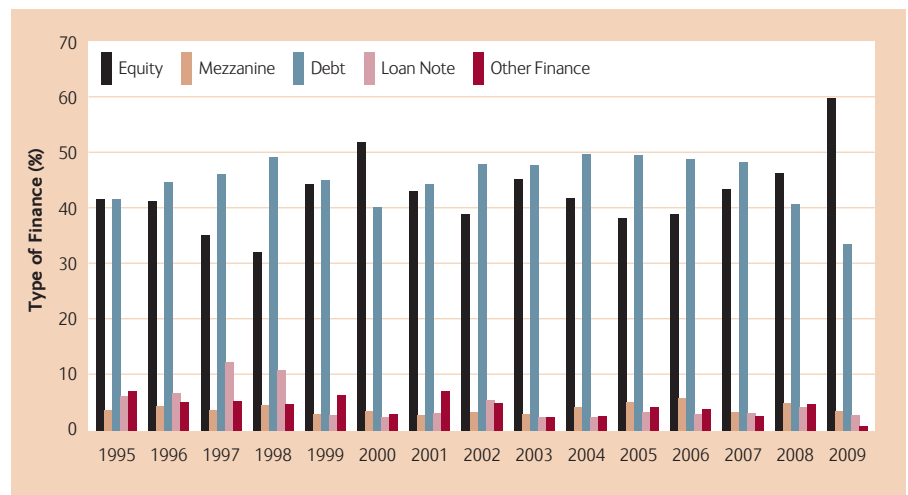
INVESTMENTS

The Overall Picture of the UK PE Buy-out Market



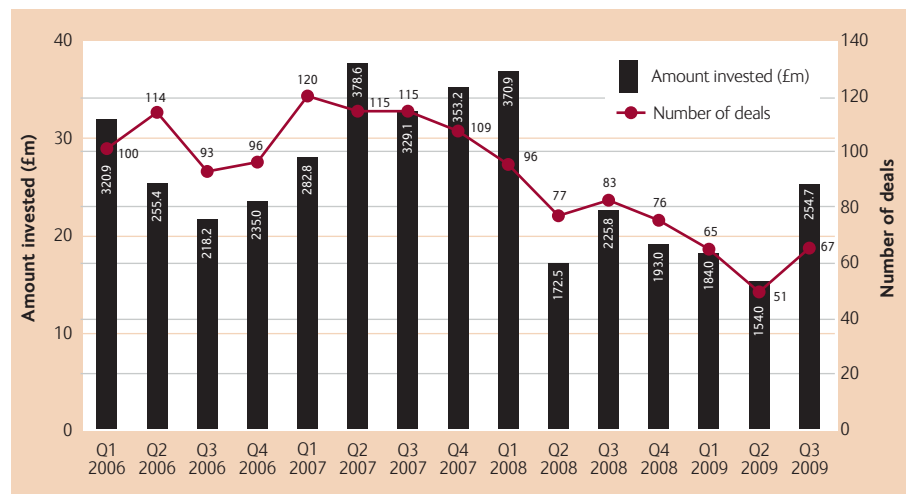
Source: CMBOR

Average Deal Structures by type of Finance (%) (PE Backed)



Source: CMBOR

Trends in UK VC Investment



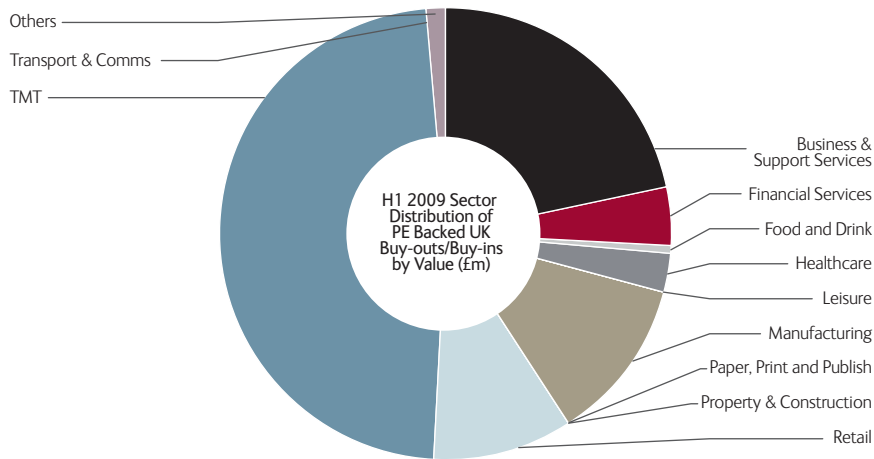
Source: Dow Jones VentureSource

Sector distributions of UK Buy-outs/Buy-ins by Value (£m)

Sector Group	2000	2001	2002	2003	2004	2005	2006	2007	2008	Q1 2009	Q2 2009	Q3 2009
Bus. & Support Services	863	3376	1466	1152	4225	3295	2429	7172	6269	2	666	375
Financial Services	403	426	711	478	857	2027	1194	1847	867	25	104	75
Food and Drink	2867	620	823	363	772	118	3215	2107	1500	0	20	24
Healthcare	1443	534	1039	407	1421	4562	1124	2777	1388	51	31	35
Leisure	3183	5351	4590	5934	3358	4805	5293	1001	417	2	0	1
Manufacturing	4146	1950	1030	841	2554	2655	2568	4311	2359	14	346	95
Paper,Print,Publish	543	118	33	868	54	144	112	257	122	0	0	0
Property & Construction	3865	1928	542	350	236	221	2496	3414	318	0	2	0
Retail	1421	242	2624	2184	2166	2495	2412	13435	598	229	78	40
TMT	1034	401	279	1432	900	1504	2157	5621	3740	1406	70	10
Transport & Comms	838	170	221	413	422	158	1074	794	234	0	0	0
Others	797	593	329	160	615	721	827	706	387	36	0	2

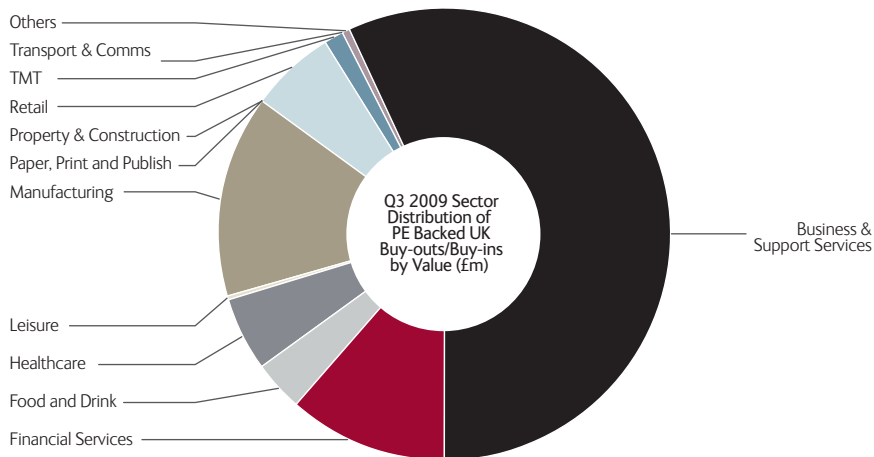
Source: CMBOR

H1 2009 Sector Distribution of PE Backed UK Buy-outs/Buy-ins by Value



Source: CMBOR

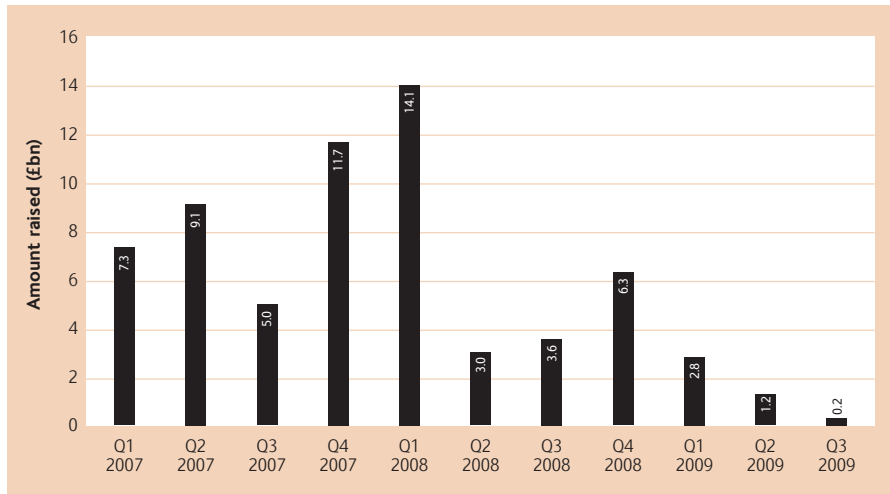
Q3 2009 Sector Distribution of PE Backed UK Buy-outs/Buy-ins by Value



Source: CMBOR

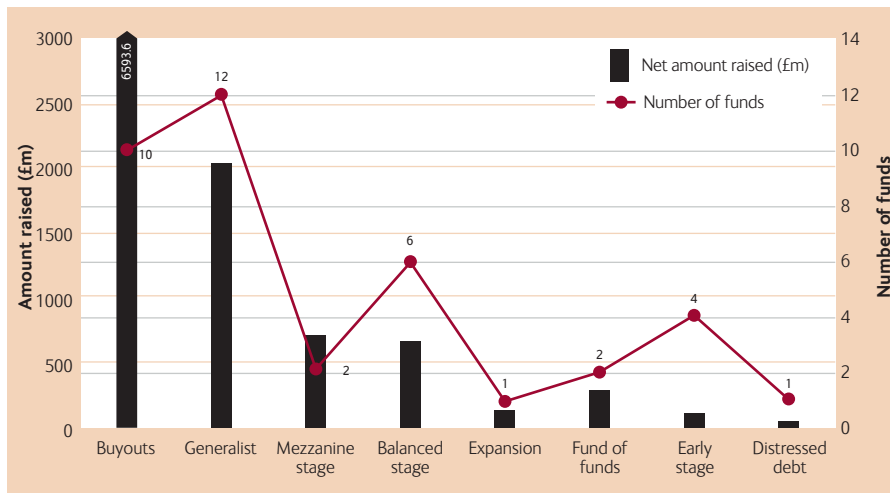
FUNDRAISING

UK PE Fundraising



Source: Thomson Reuters ThomsonOne

UK Fundraising by Stage Focus – 12 Months to 30/09/09



Source: Thomson Reuters ThomsonOne



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