UK venture capital and private equity activity: 2010

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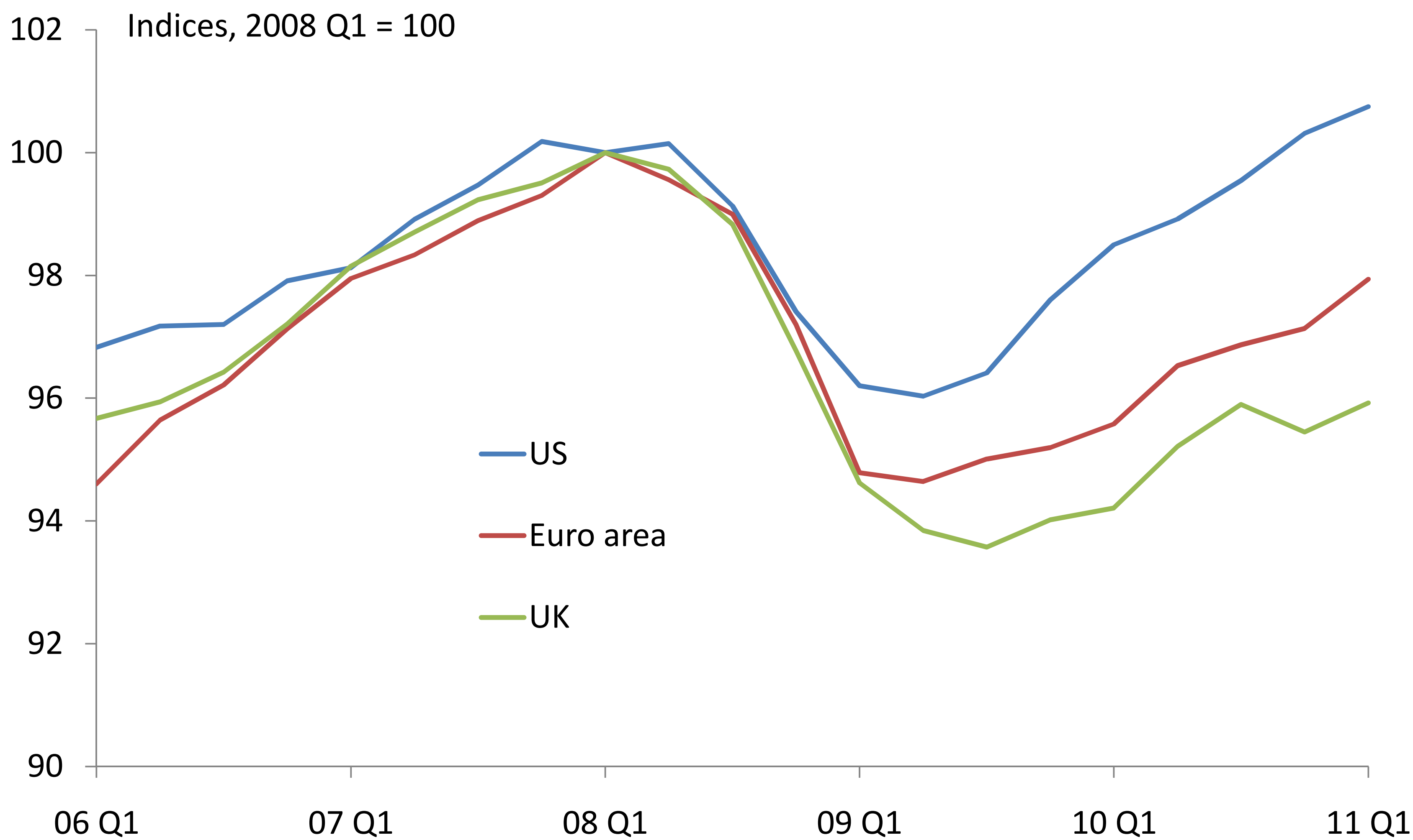
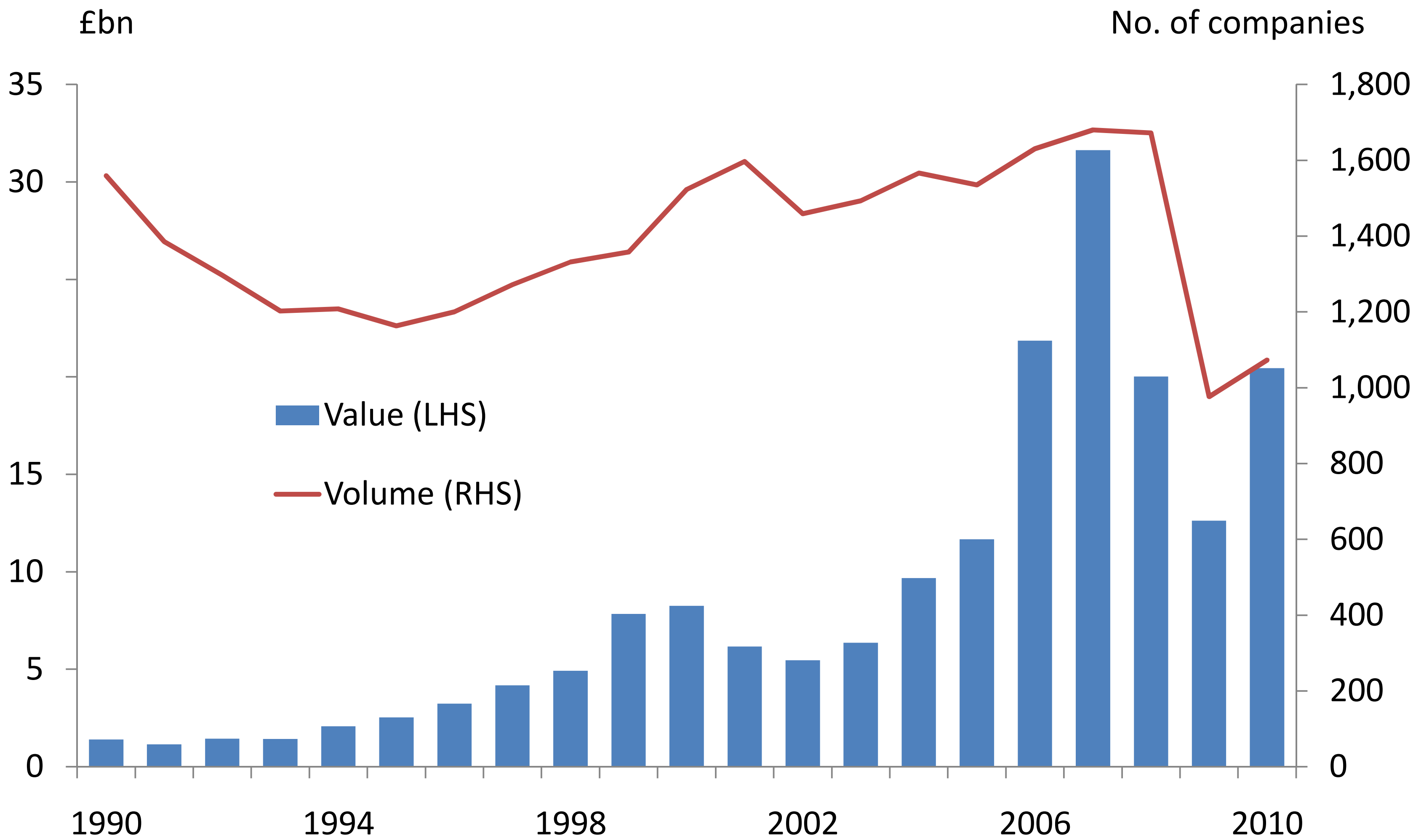
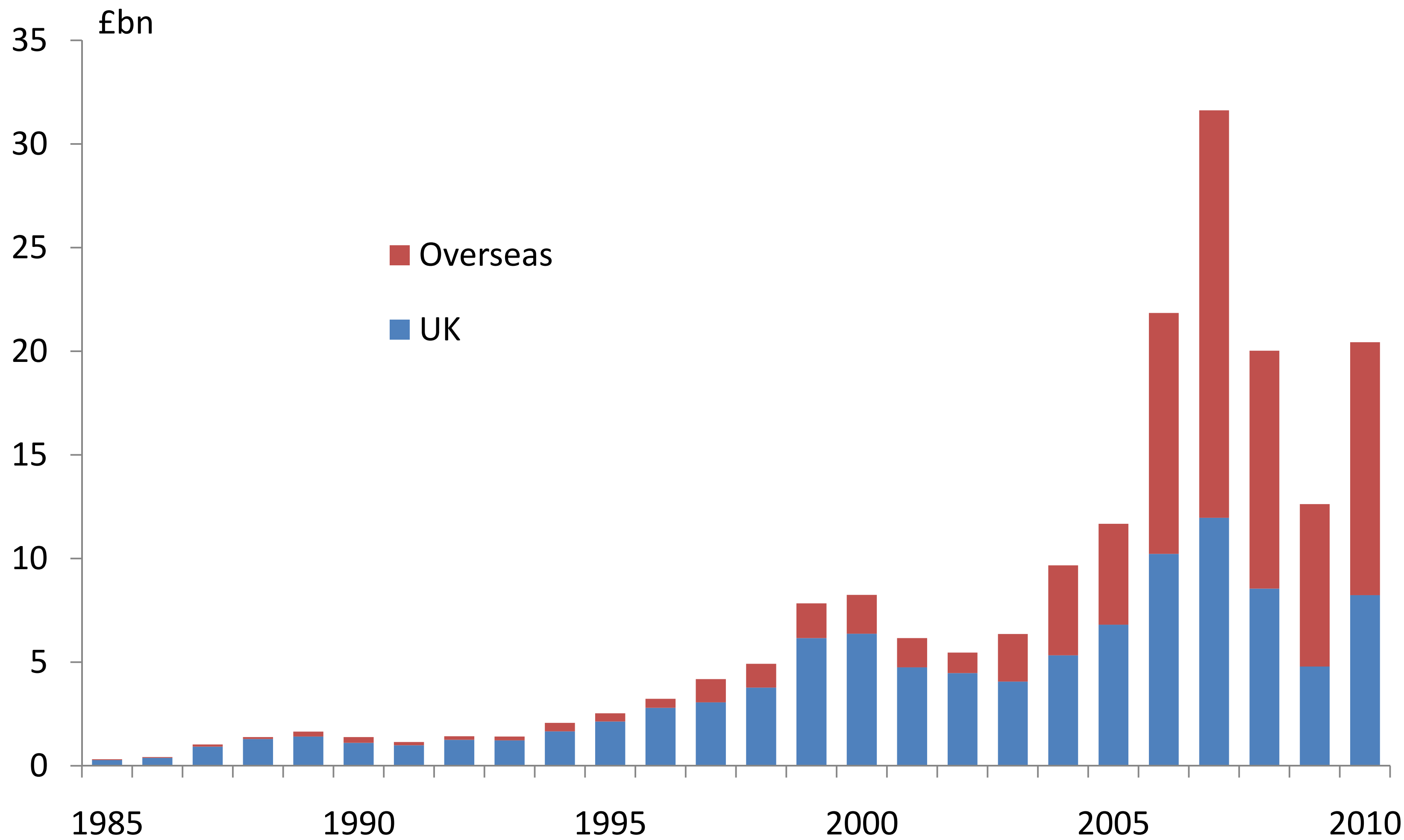
Macroeconomic context



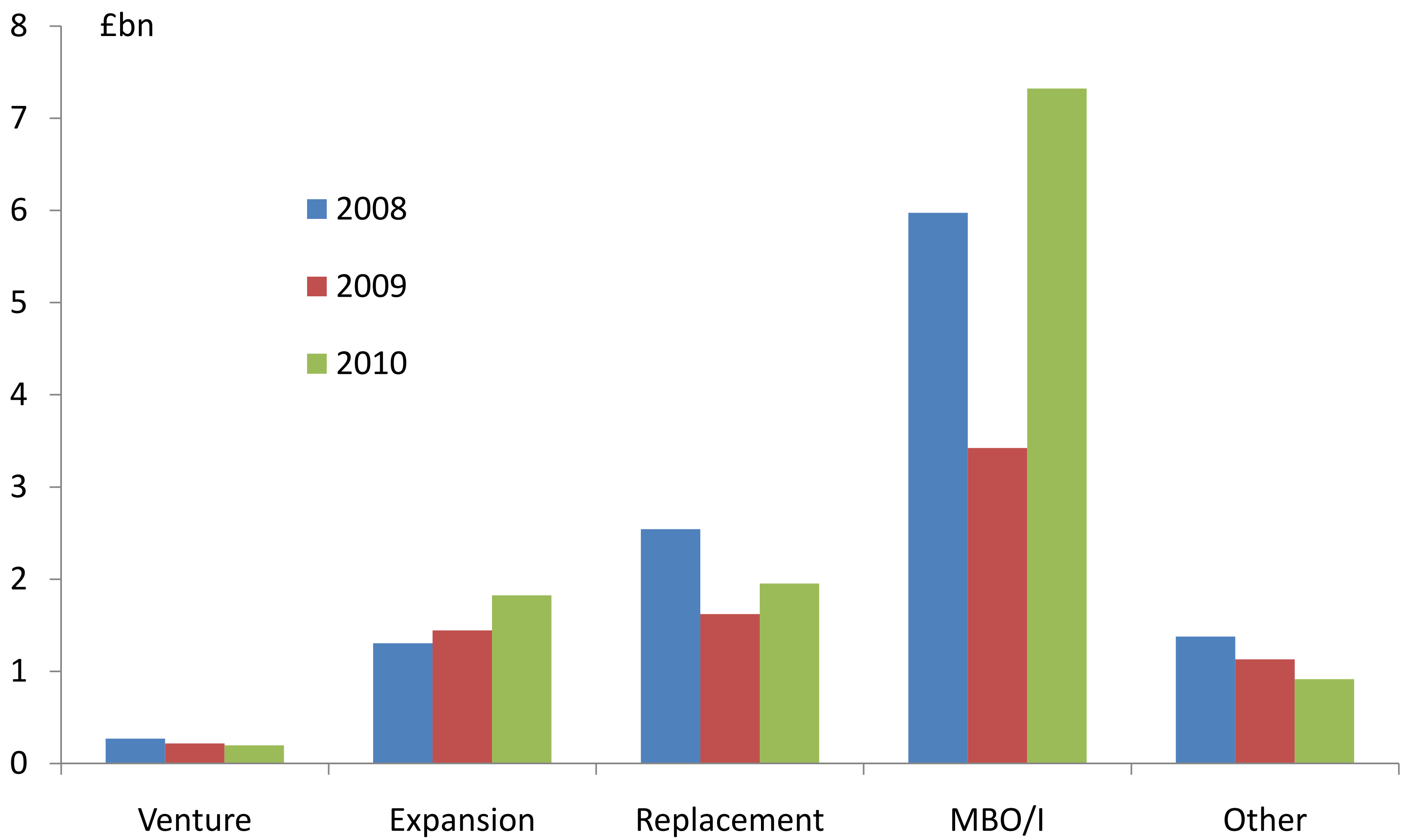
Number of investments still weak



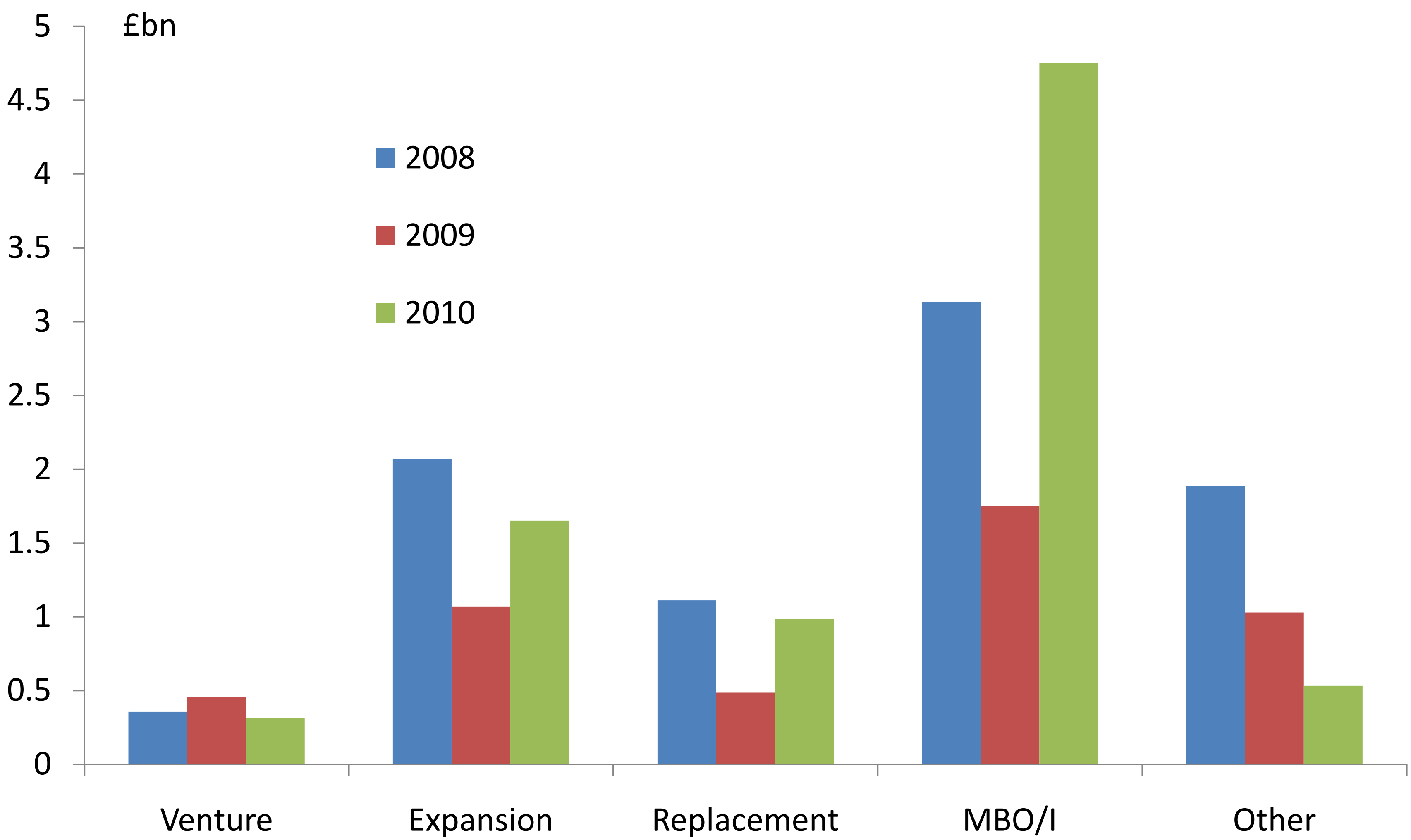
UK acting as a global hub



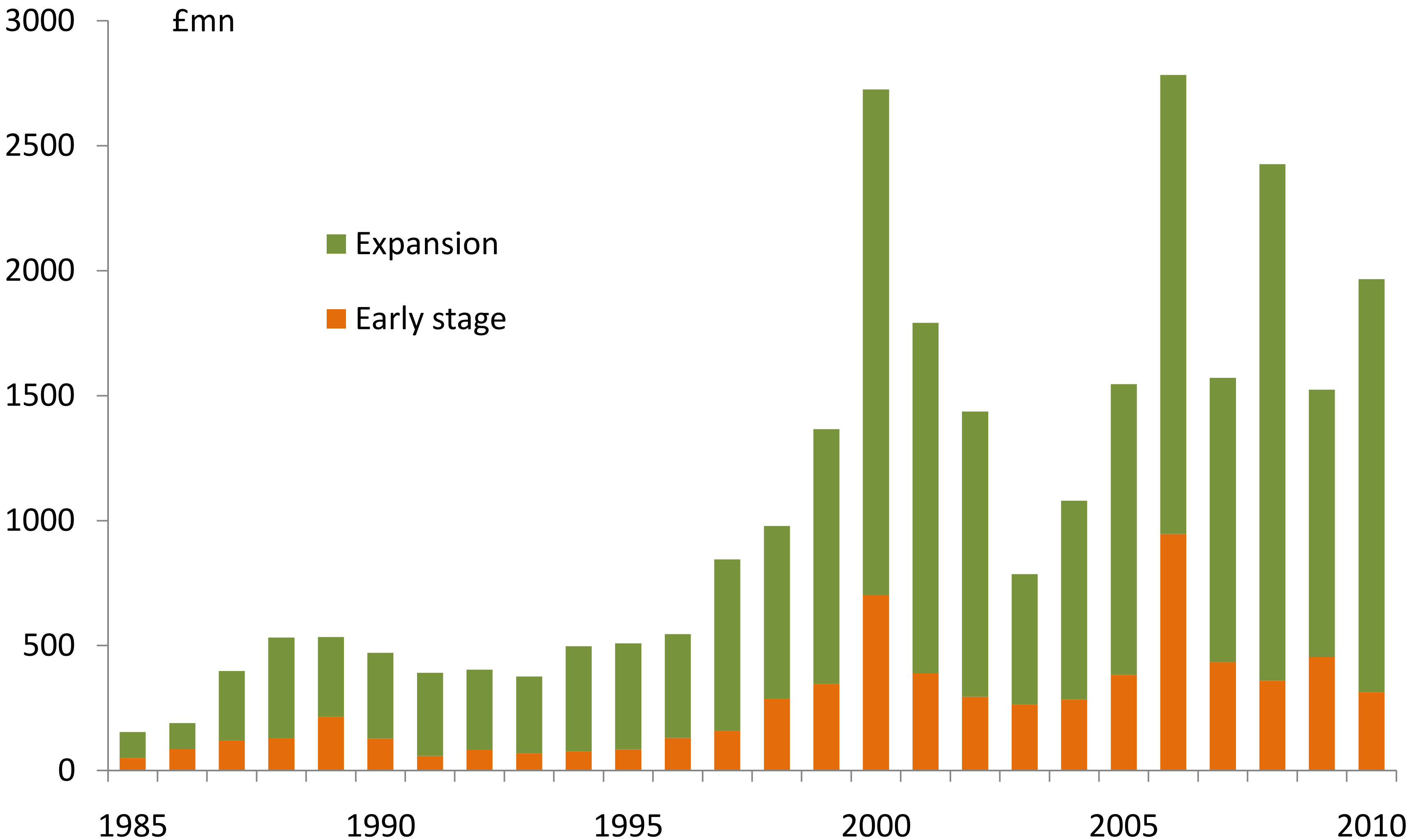
Overseas investments by stage



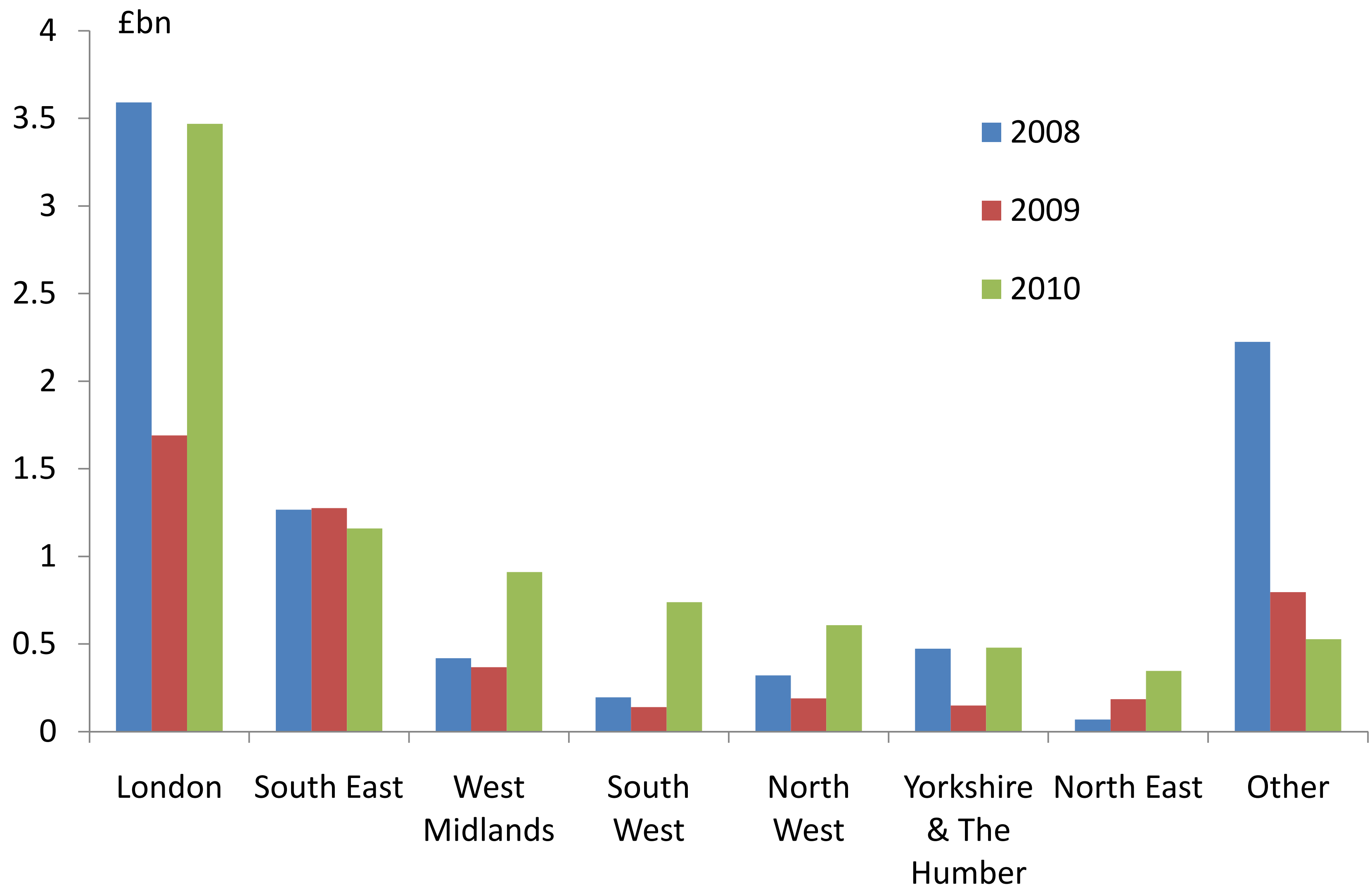
UK investments by stage



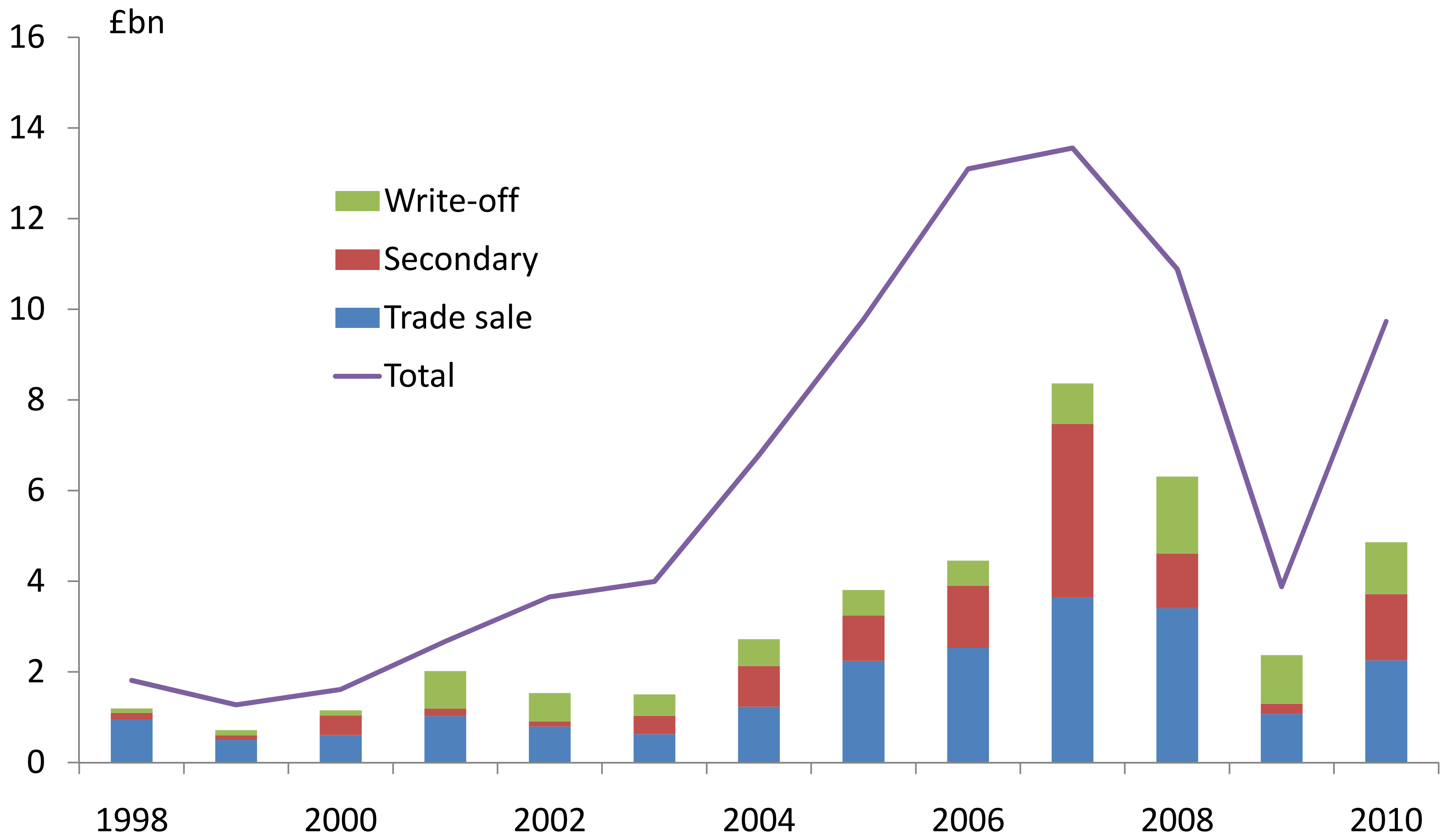
UK early stage vs expansion



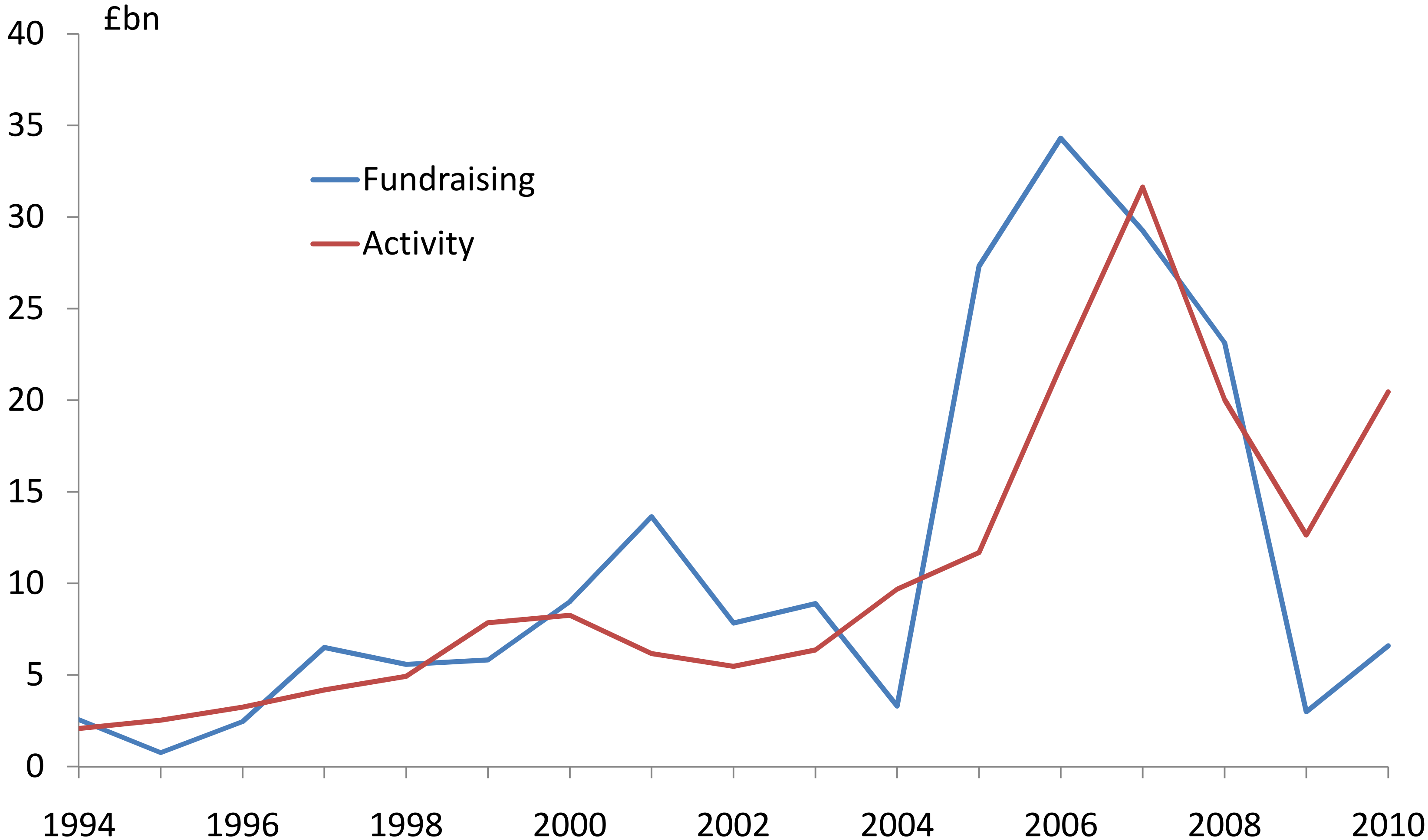
UK investments by region



Divestments recovered in 2010

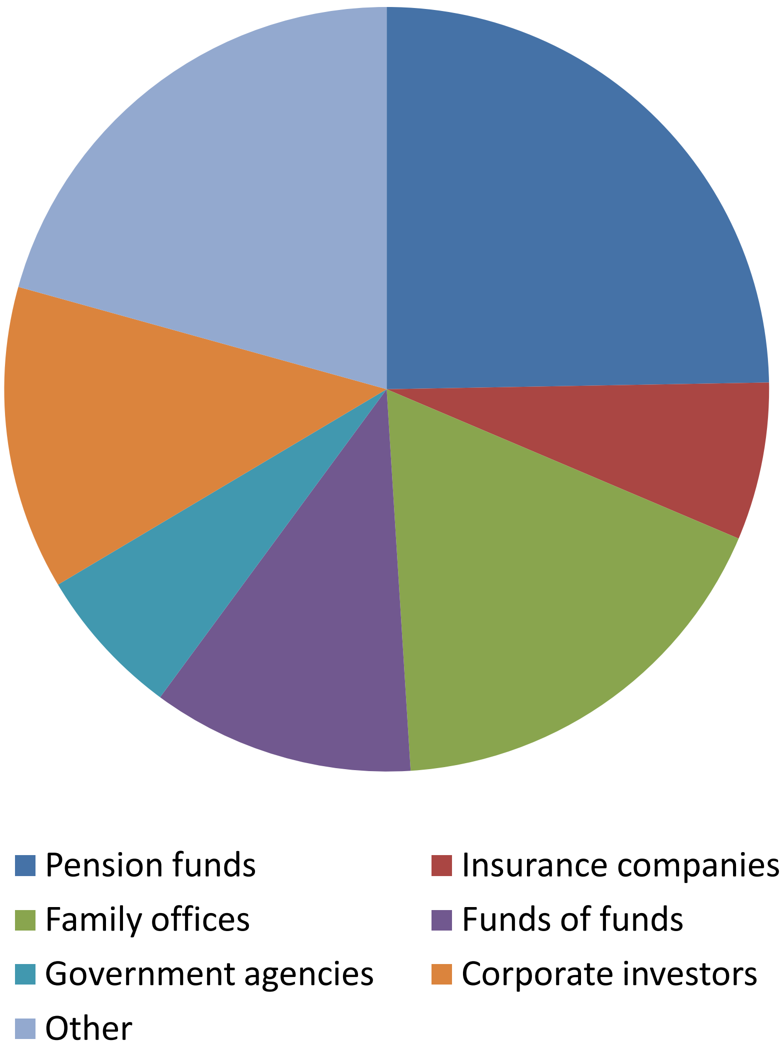


Fundraising lagging activity

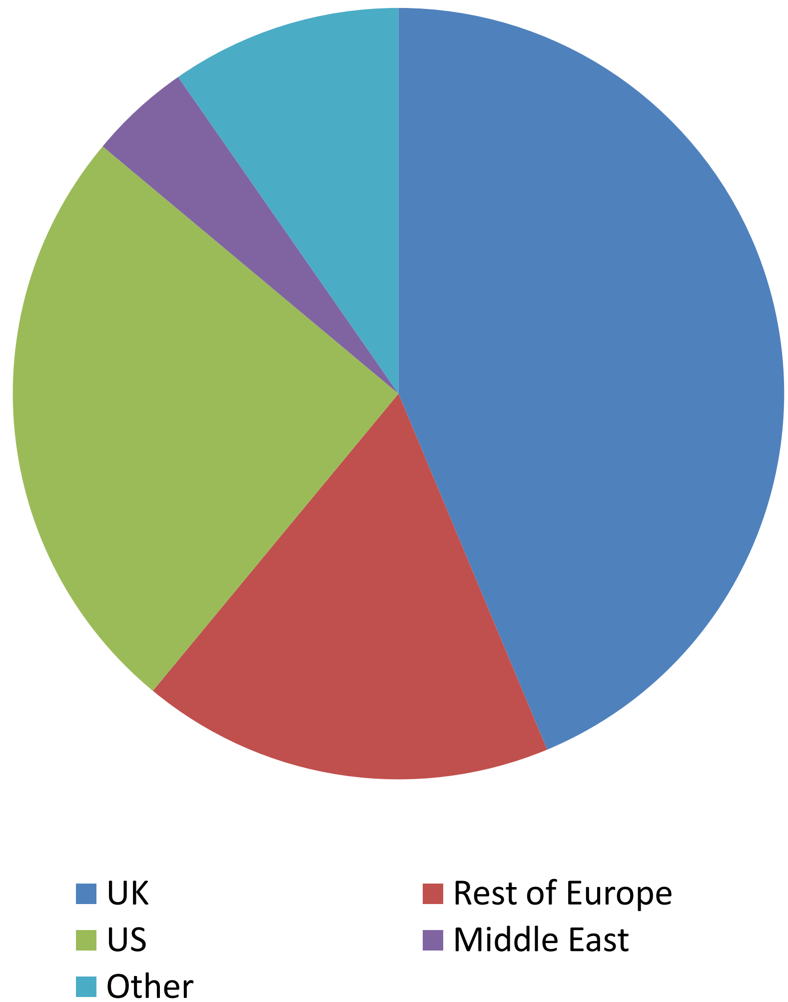


Fundraising sources

By type



By location



Conclusions

- Overall, investment returned to 2008 levels, but average deal size increased
- Continued focus on expansion & growth capital
- UK remains a global hub for private equity & venture capital
- Exits picked up last year, reflecting better environment
- But fundraising is lagging behind; we estimate still £72bn of dry powder to be spent
- GPs may increasingly look to new funding spheres