

BVCA Private Equity and Venture Capital Report on Investment Activity 2007



BVCA *The British Private Equity and
Venture Capital Association* 

BVCA
3 Clements Inn
London
WC2A 2AZ

Tel: 020 7025 2950
Fax: 020 7025 2951

bvca@bvca.co.uk
www.bvca.co.uk

PRICEWATERHOUSECOOPERS 

PricewaterhouseCoopers LLP
Hay's Galleria
1 Hay's Lane
London
SE1 2RD

Tel: 020 7583 5000
Fax: 020 7804 1001

www.pwc.com

Contents

Preface	2	
Executive summary	4	
Worldwide investment	8	
UK investment activity	11	
Investment by financing stage	11	
Amounts of investment in UK companies	14	
Investment by industry sector	16	
Investment in technology companies	19	
Regional breakdown	23	
Private equity penetration by region	26	
Regional investment by financing stage	28	
Regional investment by industry sector	31	
By type of private equity organisation	34	
Sources of private equity funds	35	
Funds raised by source	36	
Funds raised by country	38	
Funds raised by expected stage of investment	39	
Divestments	40	
UK investment compared with the USA and continental Europe	42	
UK versus US technology investment	42	
UK versus continental Europe	42	
Appendices		
Appendix I	Methodology	44
Appendix II	Private equity definitions	46
Appendix III	Industry classifications	48
Appendix IV	UK regions	51
Appendix V	Tables compiled from previous reports	54
Appendix VI	Respondents to the report	94

Preface



Last year was another strong year for investment activity, fundraising and divestments, showing once again the strength, depth-of-knowledge and experience within the UK private equity and venture capital industry.

Worldwide investment by UK-based private equity firms reached £31.6 billion in 2007, a strong increase on the already impressive total of £21.9 billion in 2006. Since last year's report, BVCA membership has increased from 192 to 214 members and some of these are significant investors, accounting for large amounts of additional capital. Excluding this increase in membership (which has swelled assets by £1.7 billion), the growth in investment is still a more than healthy £8 billion, or 37%.

The UK private equity business has become truly global and last year it took an even greater step in this direction.

Private equity firms based in the UK now invest considerably more by volume in continental Europe, the US and elsewhere than they do in the UK itself. The UK is increasingly seen as the gateway to Europe and, as the increasing asset flows to destinations outside Europe attest, a world capital for private equity. It reflects a depth of knowledge built up over decades, a favourable regulatory environment and unparalleled access to capital.

At the same time, the UK industry continues to support enterprise in its home market. Our members provided finance for 1,330 UK companies in 2007, an increase on both 2005 and 2006. In fact, out of all the companies financed by UK private equity last year, 79% were based in the UK.

The UK's private equity firms provide an efficient and effective conduit through which domestic and overseas investors

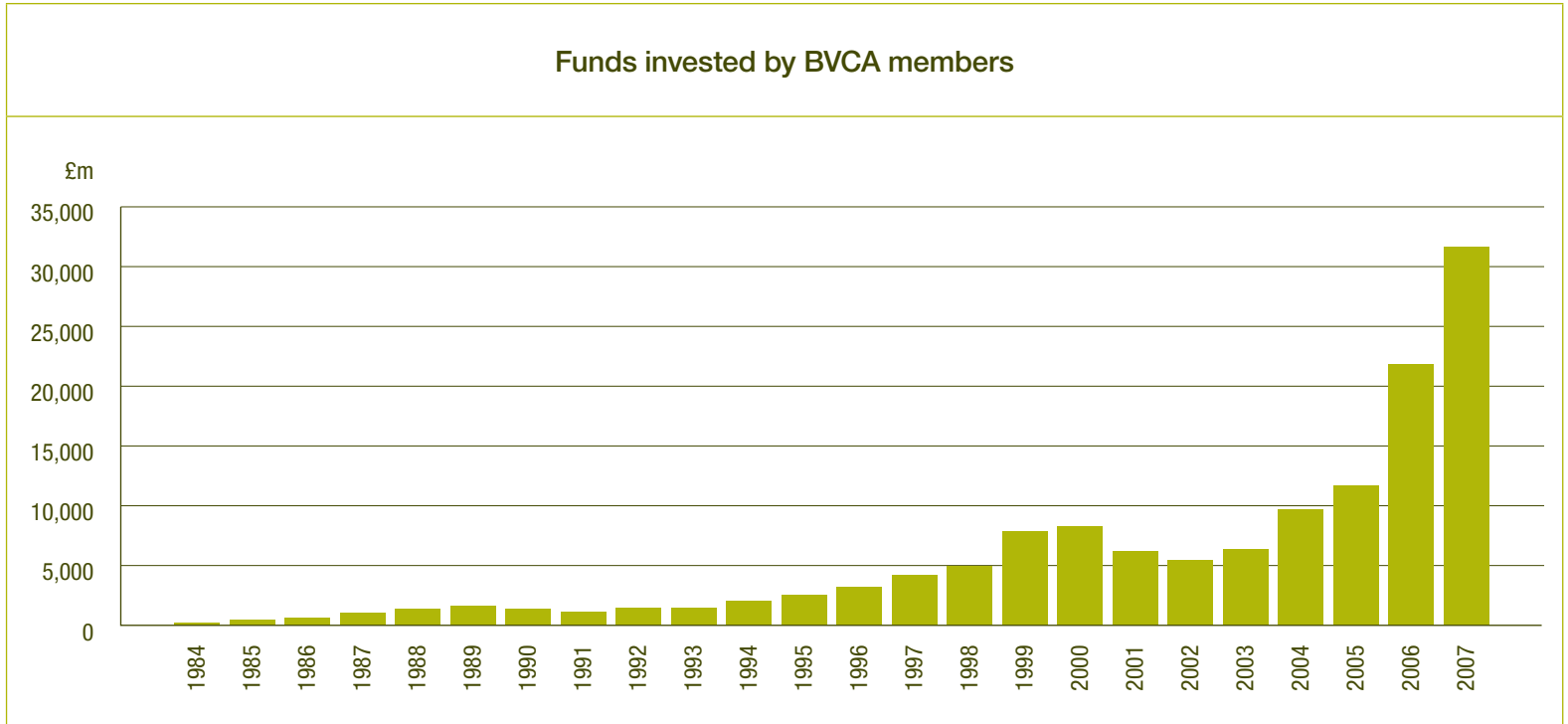
alike can channel their assets to the benefit of both investors and the businesses they help to finance.

I would like to thank our full members, old and new, who have all – without exception – responded to this year's survey. This report now provides the most comprehensive and reliable data on the UK private equity industry. In an era of growing transparency and growing maturity of the private equity industry, such information is invaluable to private equity firms and their portfolio companies, their investors and the wider stakeholder community.

Jeremy Hand
BVCA Chairman
July 2008

The BVCA – The British Private Equity and Venture Capital Association – is the industry body for the UK private equity and venture capital industry. Our membership of over 400 members represents the overwhelming number of UK-based private equity and venture capital providers and their advisers. The BVCA has over 25 years of experience representing the industry, which currently accounts for 46% of the whole of the European market, to government, the European Commission and Parliament, the media, regulatory and other statutory bodies at home, across Europe and around the world. We promote the industry to entrepreneurs and investors, as well as provide services and best-practice standards to our members.

Funds invested by BVCA members



Executive summary



This 2007 annual Report on Investment Activity is based on a full set of responses from the BVCA's entire membership. The data within it, which has been collated and analysed by PricewaterhouseCoopers,¹ represents the most comprehensive study available on the UK's private equity and venture capital industry.

Total investment by BVCA member firms, which represent the vast majority of the private equity and venture capital assets managed in the UK, reached £31.6 billion in 2007. This was a sizeable increase on the 2006 total of £21.9 billion, notwithstanding the turmoil in capital markets witnessed in the second half of 2007.

The 2007 figure includes assets managed by a number of new BVCA members. Consequently, it is not precisely comparable on a like-for-like basis with

the 2006 results. However, excluding the increase in membership (which has swelled assets by £1.7 billion), the growth in investment is £8 billion, or 37%.

The number of companies financed rose from 1,630 in 2006 to 1,680. But this, again, partly reflects a jump in BVCA membership from 192 to 214.

Total investment by BVCA members in UK companies continues to increase, with UK companies absorbing £12 billion in 2007, compared to £10 billion in 2006. At the same time, the rate of growth of investment in continental European companies continues to increase, rising from £10 billion to £14 billion. As a consequence, the proportion of investment in UK companies has fallen to 38% in 2007 from 47% in 2006.

Deals in continental Europe were larger than in the UK, with the average deal size at £56 million compared to £9 million

in the UK. The average deal size in US companies is £54 million.

The share of assets invested elsewhere in the world, including the US, rose to 18% last year from 7% in 2006.

The fact that investment by BVCA firms has risen significantly and yet the percentage of these assets flowing to UK companies is falling, tells a story. The UK is increasingly seen as the gateway to the whole of Europe and, also, as the increasing asset flows to destinations outside Europe attest, a world capital for private equity. This reflects a depth of knowledge built up over decades, a favourable regulatory environment and unparalleled access to capital.

BVCA members raised £29.3 billion in independent funds in 2007, a 15% fall from the £34.3 billion raised in 2006. The percentage raised from overseas sources increased to 75%, at £22 billion. North American investors committed the

¹ Unless otherwise indicated "PricewaterhouseCoopers" refers to PricewaterhouseCoopers LLP (a limited liability partnership in the United Kingdom).

greatest amount of funds – £12.2 billion, or 42% of the total, compared with 37% of the total in 2006. The second-largest investor base was the UK at £7.3 billion, or 25% of the total funds raised, down from 28% in 2006.

Overseas MBO and MBI deals attracted the greatest amount of investment – £14.8 billion, or 75% of the total. This represented a sizeable increase from 66% in 2006. In the UK, MBOs and MBIs also dominate the investment activity at £7.7 billion or 64% of the total. This proportion has remained fairly constant over the last three years.

Venture Capital investors continue to finance a significant number of early stage companies, both in the UK and abroad (584 in total for 2007, as compared to 578 for 2006), which accounts for 35% of all companies that received funding by BVCA members in 2007. The amount of investment, however, declined from a total of £1.3 billion in 2006 to £683 million in 2007.

A total of £13.6 billion was divested in 2007 – or £12.8 billion stripping out the effect of increased BVCA membership numbers – which is comparable to the 2006 figure of £13.1 billion. The largest slice (28%) of divestments was derived from sales to other private equity firms. Trade sales remain to be a highly important form of divestment, accounting for 27% of the total amount divested.

Summary of findings

Worldwide investment

- Worldwide investment by UK-based private equity firms totalled £31.6 billion (including assets managed by BVCA members since last year's survey), compared to £21.9 billion in 2006 and £11.7 billion in 2005.
- In 2007, investments were made in 1,680 companies, compared with 1,630 in 2006 and 1,535 in 2005.

- In the UK, private equity firms are allocating more to deals. Although the number of UK companies receiving investment increased by just 12, to 1,330, the amount invested increased by £1.7 billion to £12 billion.
- Investments were made in 350 overseas companies, compared to 312 in 2006. Total overseas investment by UK private equity firms reached £19.7 billion, or 62% of worldwide investment, compared to £11.6 billion in 2006. This is a significant increase from the 42% of assets that were invested overseas in 2005.
- Most investment outside the UK was in continental Europe, where investment rose from £10 billion to £14 billion, despite its overall share falling from 46% to 44%. For the first time, the amount of assets invested in continental Europe has overtaken investments in the UK. Overseas investments other than those in Europe and the US rose sizeably, from 2% to 6% of the total, at £1.8 billion.

- MBO and MBI deals attracted the greatest proportion of overseas investment – £14.8 billion, or 75% of the total, up from £7.6 billion, or 66% in 2006. Overseas investment in expansion deals also increased by 28% to £4.6 billion, while overseas early stage investment fell by 34% to £249 million.

UK investment

- In the UK, MBOs/MBIs dominate the private equity investment landscape with £7.7 billion or 64% of the total assets devoted to these types of deal. This proportion remains fairly stable compared to 2006 (61%) and 2005 (66%). MBOs represented the lion's share of these types of deals. Only 349 companies received investment, down from 365 in 2006, indicating that deal sizes were larger year-on-year.
- Expansion deals rose to £3.8 billion, or 32% of the total, a small increase on the previous two years. Early stage financing fell to £434 million, or 4% of the total, which is a considerable decline from 9% of the total in 2006.

Executive summary (continued)



- Consumer services were the single most active sector with £6.1 billion worth of deals, 51% of the UK total. Financials also rode the wave of a buoyant economy in the latter part of 2006 and first half of 2007, with £1.6 billion of deals. Its share of the total rose from 6% to 13%. The biggest fall in investment was among industrial groups.
- Commodities attracted a great deal of interest. There were £277 million of oil and gas deals last year, compared to just £41 million in 2006. In addition, there was £67 million worth of basic material deals, compared with £29 million in 2006.

Regional investment

- London and the South East continue to dominate the UK investment landscape, attracting 42% of all UK investment. In total, there were £8.2 billion worth of deals in London and the South East, involving 554 companies.

- In London alone, 334 companies absorbed £5.7 billion, a considerable rise on the £4.3 billion in 2006. This represents 48% of the total invested, compared to just 35% in 2005, reflecting the fact that larger companies are increasingly headquartered in London, where the benefits the capital offers are seen to outweigh the costs of doing business. The importance to companies of being close to London and its financial expertise and sources of funding are evident.
- The proportion of investment flowing to other regions was largely static or in mild decline with the exception of the East Midlands, which increased its share from 4% in 2006 to 7%. More than £800 million was invested in total in the East Midlands. Yorkshire and the Humber saw the biggest decline with only £499 million of investment, compared to £1.2 billion the year before – its share of the total fell from 12% to 4%. However, the comparison is skewed by an unusual number of large deals in the region in 2006.

- The North West was the most active region outside the South East and London with 154 companies receiving investment totalling £600 million. The region accounts for 5% of all UK investment.

Sources of funds raised by geography and sector

- BVCA members raised £29.3 billion from third parties in 2007, a 15% fall from the £34.3 billion raised in 2006, possibly reflecting difficult economic conditions in the second half of the year. The proportion raised from UK sources fell from 28% to 25% – to £7.3 billion in total. Meanwhile, the percentage raised from overseas sources increased to 75% of the total, or £22 billion. However, the proportions of funds raised from UK and overseas sources tend to fluctuate over the years relative to each other, and any comparisons do not necessarily indicate a trend.

- Pension funds are, again, the biggest allocators to private equity, providing £6.7 billion in funds, or 23% of the total. However, this was down from £10 billion in 2006 when they were 29% of the total.
- Reduced allocations by pension funds were partly offset by increased flows from funds of funds, which contributed 21% of the whole, or £6.1 billion, up from 16% in 2006. It is likely that pension funds have chosen to make allocations to private equity increasingly through funds of funds, which can offer greater diversification.
- Investment from banks rose sharply, from £3.5 billion to £5.6 billion. Banks now provide 19% of the total funds raised by BVCA members, up from 10% in 2006. Overseas banks have shown particular interest in UK-based funds, contributing £4.4 billion, or 15% of the total. This represents a significant increase from £1.3 billion in 2006 when they were just 4% of the total. Insurance companies invested £2.4 billion in 2007 and government

agencies £3 billion. There was a drop-off in interest by academic institutions.

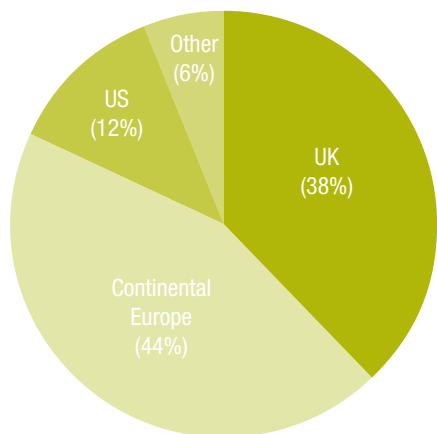
- North American investors again lead the pack in terms of fundraising, committing £12.2 billion, or 42% of the total, compared with 37% of the total in 2006. The next largest sources of investment were UK investors at £7.3 billion, or 25% of the total funds raised.
- Across continental Europe, assets committed to UK-based funds were static or slightly down, with the exception of Germany, where funds committed increased from £919 million to £1 billion. Assets raised from Asian sources also fell slightly.
- Of the funds raised by BVCA members in 2007, a full 90% – or £26.3 billion – was earmarked for buyouts, up from 85% in 2006. By contrast, funds raised for early stage investment fell from £1.24 billion to £830 million (although assets marked for technology companies rose) and funds raised for expansion decreased to £614 million, from £775 million.

Divestments

- A total of £13.6 billion was divested in 2007, comparable to the £13.1 billion figure in 2006 (taking into account the increase in BVCA members this year). The largest percentage of divestments was derived from sales to other private equity firms. These sales, at £3.8 billion, have risen significantly as a percentage, from just 10% in 2006 to 28% in 2007.
- Trade sales also increased significantly, from £2.5 billion in 2006 to £3.6 billion last year, and the proportion of trade sales rose from 19% to 27%. The next highest divestment type was repayment of preference shares and loans, at £2.7 billion.
- There were relatively few flotations. Just £380 million, or 3% of the total divestments were IPOs, despite accounting for 11% of divestments in 2006. Write-offs amounted to £889 million, or 7% of the total.

Worldwide investment

Amount invested by country in 2007



This report looks at the investment activity of private equity firms that are full members of the BVCA. These firms invest their own or third-party resources through unlisted private equity funds, quoted private equity investment trusts (PEITs) and venture capital trusts (VCTs).

This report also contains historical data dating back to the mid-1980s (Appendix V), when the BVCA was formed. Over the years, as the industry has evolved, there have been some changes in methodology (Appendix I) and variations in BVCA membership numbers. Changes in membership have been primarily due to mergers between private equity firms, the creation of new firms and overseas private equity firms setting up in the UK.

The most recent change in methodology means that from 2006, figures relate not just to those investments undertaken by UK-based funds of BVCA members, but also to those investments for which they were the lead adviser, regardless of where the investment fund is domiciled.

This means that more cross-border investments are now included, more accurately reflecting private equity activity – in particular that of UK-based firms that invest via pan-European and other non-UK funds.

The 214 private equity firms that responded to the 2007 report (Table 1) represent the entire membership of the BVCA at 31 December 2007. The BVCA would like to thank members for their support in providing five consecutive years of complete responses. We believe the response rate makes this report the most comprehensive of its kind anywhere in the world.

Investment in 2007 reached a record £31,634 million in 1,680 companies. This cannot be directly compared with previous years' survey results though. Taking into account the increase in membership (with a consequent increase in assets of approximately £1,700 million), the rise in investment is approximately £8,000 million, or 37%.

In the UK alone, investment increased by 17% (although this is somewhat inflated by the effect of new members) to £11,972 million, in 1,330 companies (Table 2). The UK accounts for 79% of all 1,680 companies backed in 2007, down from 85% in 2005 and 81% in 2006. But it only accounts for 38% of total equity invested, a significant drop from 47% in 2006 and 58% in 2005.

Overseas investment in 2007 by UK private equity firms shows a marked increase on 2006 and is rising steadily from year to year. Total overseas investment reached £19,662 million, a 69% increase from 2006 and representing 62% of total investment by UK private equity firms (compared to 42% in 2005 and 53% in 2006). It should be noted that the revised methodology mentioned earlier made a significant contribution to the overseas investment figures from 2006 onwards. Investments were made in 350 overseas companies in 2007, an increase of 12% over the previous year.

Table 1 – Investment activity of BVCA members

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Number of BVCA members	214	192	179	168	164	164	155	135	128	117	105
% of survey respondents	100	100	100	100	100	98	97	96	95	94	95
Total amount invested (£m)	31,634	21,853	11,676	9,679	6,357	5,466	6,164	8,256	7,847	4,919	4,184
Number of companies financed	1,680	1,630	1,535	1,566	1,493	1,459	1,597	1,523	1,358	1,332	1,272

Continental Europe was the greatest recipient of investment outside the UK with £13,988 million of funding. A total of 248 continental European companies received investment, two and a half times more than the number of companies funded in the rest of the world, excluding the UK. In fact, continental Europe received more funding than the UK for the first time since BVCA data has been compiled.

Table 2 – Investment by country

Country	Number of companies			% of companies			Amount invested (£m)			% of amount invested		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
United Kingdom	1,330	1,318	1,307	79	81	85	11,972	10,227	6,813	38	47	58
United States	73	51	44	4	3	3	3,910	1,164	479	12	5	4
Continental Europe	248	214	162	15	13	11	13,988	10,032	4,152	44	46	36
Other overseas	29	47	22	2	3	1	1,764	430	232	6	2	2
Total	1,680	1,630	1,535	100	100	100	31,634	21,853	11,676	100	100	100

Investment in US companies continues to rise. It increased by more than three times year-on-year, from £1,164 million in 2006 to £3,910 million in 2007. Investment in overseas companies operating in 'other' jurisdictions rose at an even faster rate, from £430 million in 2006 to £1,764 million in 2007.

Most of the overseas investment was in MBOs (Table 3), which attracted £14,798 million, nearly double the level of the previous year. MBOs now represent

Worldwide investment

three-quarters of total overseas investment. But flows of assets for expansion and early-stage investment in overseas companies fell in 2007. Investment in firms seeking expansion capital dropped from £2,996 million in 2006 to £1,645 million in 2007. However, this was more than offset by an increase in secondary purchases from £603 million in 2006 to £2,931 million in 2007, meaning that total expansion investment rose year-on-year.

Although overseas investment in early-stage companies fell from £380 million to £249 million, this was still considerably higher than the 2005 total of £95 million. And the total number of early-stage companies receiving funding actually rose from 78 in 2006 to 82 in 2007. This rise is mainly attributable to funding for 'other early-stage' companies, rather than for start-ups, which saw a marked decrease in funding. The number of 'other early-stage' companies receiving funding rose from 32 in 2006 to 59 last year.

Table 3 – Overseas investment by financing stage

Financing stage	Number of companies			% of companies			Amount invested (£m)			% of amount invested		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
Start-up	23	46	16	6	14	7	134	242	22	1	2	–
Other early stage	59	32	52	16	10	23	115	138	73	1	1	2
Total early stage	82	78	68	23	24	30	249	380	95	1	3	2
Expansion	104	118	94	29	37	41	1,645	2,996	1,029	8	26	21
Secondary purchase	30	13	6	8	4	3	2,931	603	24	15	5	1
Refinancing bank debt	6	5	0	2	2	0	39	3	0	–	–	0
Total expansion	140	136	98	39	43	43	4,615	3,602	1,053	23	31	22
MBO	141	100	69	39	31	30	14,798	7,453	3,707	75	64	76
MBI	–	5	2	–	2	1	–	191	8	–	2	–
Total MBO/MBI	141	105	71	39	33	31	14,798	7,644	3,715	75	66	76
Grand total	350	312	228	100	100	100	19,662	11,626	4,863	100	100	100

1. Change in methodology: from 2005, the number of companies in some financing stage categories, and their subtotals, will add up to more than the total number of companies invested in. This is due to some companies receiving more than one investment within the year at different financing stages. E.g. if a company receives a round of start-up finance and then further rounds of expansion finance later in the same year, that company will be counted once in each of the start-up and expansion categories (therefore appearing to be counted twice), but only counted as one in the overall total. This only affects 'number of companies' not 'amounts invested' and is with effect from 2005 figures onwards only.

2. – indicates a value of greater than 0 but less than 0.5.

UK investment activity – investment by financing stage

Private equity firms continue to invest greater amounts in the companies they choose to back. Although the number of UK companies receiving investment increased by just 12 in 2007 (to 1,330), the amount invested increased by 17% to £11,972 million.

Investment by financing stage has remained largely constant in the last three years. Nearly two-thirds (64%) by volume of investment in UK companies was allocated to MBO and MBI activity (Table 4), a little more than in 2006, but a little less than in 2005. The number of companies receiving MBO/MBI financing fell by a single percentage point, from 25% to 24% of the total.

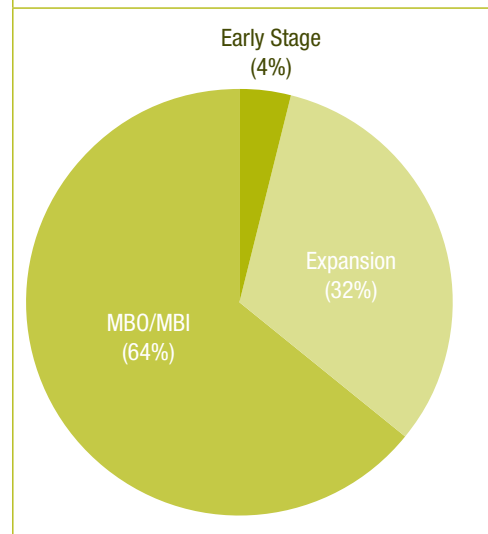
Similarly, about one-third (32%) of UK investment was allocated to expansion deals, a little more than in 2005 and 2006. The number of companies receiving expansion financing rose by 1 percentage point, from 40% to 41%.

The number of early-stage companies receiving investment remained constant at 35% of the UK total, with 502 early-stage companies receiving investment in 2007, compared with 500 the previous year.

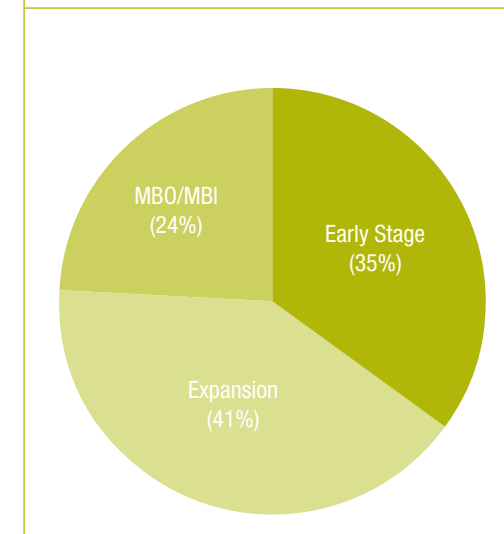
Investment in MBOs/MBIs rose yet again. A full 62% of UK investment by volume in 2007, funded MBOs, compared with 3% for MBIs. The amount invested in MBOs increased to £7,373 million in 2007, from £6,070 in 2006, although the number of firms receiving funding fell from 339 to 312. The clear implication is that MBO deal size is increasing.

The total amount invested in UK early-stage companies by volume fell from 9% of the total in 2006 to 4% in 2007, or from £946 million to £434 million. There was just as much activity in this sector as in the previous two years in terms of the number of deals, with the difference being that deal size fell from £1.9 million in 2006 to £860,000 in 2007.

Amount invested by financing stage in 2007



Number of companies backed by financing stage in 2007



Investment by financing stage (continued)

Looking at UK MBOs by size of investment (Table 5a), the very large deals (of more than £100 million) attracted more capital than in 2006. They received £4,307 million, compared to £3,221 million the year before, even though the number of deals fell from 12 to 9. Large deals attracted 58% of total MBO investment by value, up from 53% the previous year.

The total amount invested in mid-sized deals (with equity of £10 million to £100 million) remains largely unchanged at £2,359 million (compared with £2,418 million in 2006). However, the number of companies receiving investment fell from 71 to 63. These deals attracted 32% of total MBO investment by volume, down from 40% the previous year.

In smaller deals (under £10 million), the amount invested in 2007 rose to £707 million, up 64% from £431 million in 2006. At the same time, the number of companies receiving investment fell from 256 to 240. Smaller MBO activity attracted 10% of total MBO investment by value, up from 7% the previous year.

Management buy-in activity rose significantly year-on-year. There were 37 MBIs (Table 5b), a significant rise

compared with 26 in 2006, but considerably below the 49 deals completed in 2005. They received £348 million of funding, compared with £217 million the year before. This was largely attributable to the re-emergence of large MBIs (those of more than £100 million),

which accounted for £106 million of deals from zero in 2006. There is also a substantial rise in the number of small deals (those of less than £10 million), up from 19 in 2006 to 31 in 2007. The volume of capital in small deals also rose, from £50 million in 2006 to £75 million last year.

The amount invested in mid-sized MBI deals (valued at £10 million to £100 million) remained static at £167 million. But as a proportion of the MBI total, mid-sized deals fell from 77% to 48%.

Table 4 – Investment by financing stage

Financing stage	Number of companies			% of companies			Amount invested (£m)			% of amount invested		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
Start-up	207	245	208	14	17	16	190	531	160	2	5	2
Other early stage	295	255	285	20	18	22	244	415	222	2	4	3
Total early stage	502	500	491	35	35	38	434	946	382	4	9	5
Expansion	474	490	511	33	34	39	1,137	1,836	1,144	9	18	17
Secondary purchase	77	33	58	5	2	4	2,549	1,019	787	21	10	12
Refinancing bank debt	44	50	11	3	3	1	131	139	20	1	1	–
Total expansion	595	573	573	41	40	44	3,817	2,994	1,951	32	29	29
MBO	312	339	259	22	24	20	7,373	6,070	3,736	62	59	55
MBI	37	26	49	3	2	4	348	217	744	3	2	11
Total MBO/MBI	349	365	308	24	25	24	7,721	6,287	4,480	64	61	66
Grand total	1,330	1,318	1,307	100	100	100	11,972	10,227	6,813	100	100	100

1. Change in methodology: from 2005, the number of companies in some financing stage categories, and their subtotals, will add up to more than the total number of companies invested in. This is due to some companies receiving more than one investment within the year at different financing stages. E.g. if a company receives a round of start-up finance and then further rounds of expansion finance later in the same year, that company will be counted once in each of the start-up and expansion categories (therefore appearing to be counted twice), but only counted as one in the overall total. This only affects 'number of companies' not 'amounts invested' and is with effect from 2005 figures onwards only.

2. – indicates a value of greater than 0 but less than 0.5.

Table 5a – MBOs by investment size band

Size (by amount of private equity invested)	Number of companies			% of companies			Amount invested (£m)			% of amount invested		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
Small (<£10m)	240	256	201	77	76	78	707	431	343	10	7	9
Mid-sized (£10m – £100m)	63	71	47	20	21	18	2,359	2,418	1,075	32	40	29
Large (>£100m)	9	12	11	3	4	4	4,307	3,221	2,318	58	53	62
Total	312	339	259	100	100	100	7,373	6,070	3,736	100	100	100

1. Change in methodology: from 2005, the number of companies in some financing stage categories, and their subtotals, will add up to more than the total number of companies invested in. This is due to some companies receiving more than one investment within the year at different financing stages. E.g. if a company receives a round of start-up finance and then further rounds of expansion finance later in the same year, that company will be counted once in each of the start-up and expansion categories (therefore appearing to be counted twice), but only counted as one in the overall total. This only affects 'number of companies' not 'amounts invested' and is with effect from 2005 figures onwards only.

2. Size-bandings are based on amount of equity invested by BVCA private equity firm members, not the total transaction size.

Table 5b – MBIs by investment size band

Size (by amount of private equity invested)	Number of companies			% of companies			Amount invested (£m)			% of amount invested		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
Small (<£10m)	31	19	36	84	73	74	75	50	93	22	23	13
Mid-sized (£10m – £100m)	6	7	11	17	27	22	167	167	419	48	77	56
Large (>£100m)		0	2		0	4	106	0	232	30	0	31
Total	37	26	49	100	100	100	348	217	744	100	100	100

1. Change in methodology: from 2005, the number of companies in some financing stage categories, and their subtotals, will add up to more than the total number of companies invested in. This is due to some companies receiving more than one investment within the year at different financing stages. E.g. if a company receives a round of start-up finance and then further rounds of expansion finance later in the same year, that company will be counted once in each of the start-up and expansion categories (therefore appearing to be counted twice), but only counted as one in the overall total. This only affects 'number of companies' not 'amounts invested' and is with effect from 2005 figures onwards only.

2. Size-bandings are based on amount of equity invested by BVCA private equity firm members, not the total transaction size.

3. Some size-bandings have been amalgamated where there are instances of single deals, in order to preserve confidentiality.

UK investment activity – amounts of investment in UK companies

Average amounts invested (Table 6) rose at every financing stage except in start-up, other early-stage and expansion companies. The overall average shows a significant increase in 2007 to £9 million a deal, up from £7.8 million a deal in 2006 and just £5.2 million in 2005.

The amount of private equity provided for each deal is largely related to the stage of the company receiving funding. Early-stage or expanding companies tend to require finance to launch or develop their business, whether it be for product development, initial marketing or initial expansion of sales and manufacturing. Private equity for MBO and MBIs is used to finance the acquisition of an entire company, so the amounts involved tend to be larger. Of the total number of companies backed in 2007, 1,155 (87%) could be classified as SMEs – smaller and medium-sized enterprises – as they employed fewer than 200 people.¹

The average amount invested in MBO deals rose by 32% from £17.9 million in 2006 to £23.6 million in 2007. The average rose in MBI deals too – from £8.3 million to £9.4 million.

The average amount invested in expansion deals rose from £5.2 million to £6.4 million. The average size of primary deals in expansion capital actually fell from £3.7 million to £2.4 million. But this was more than offset by the rise in secondary expansion deal sizes from £30.9 million in 2006 to £33.1 million last year. The size of bank debt refinancings rose too, from £2.8 million to £3.0 million.

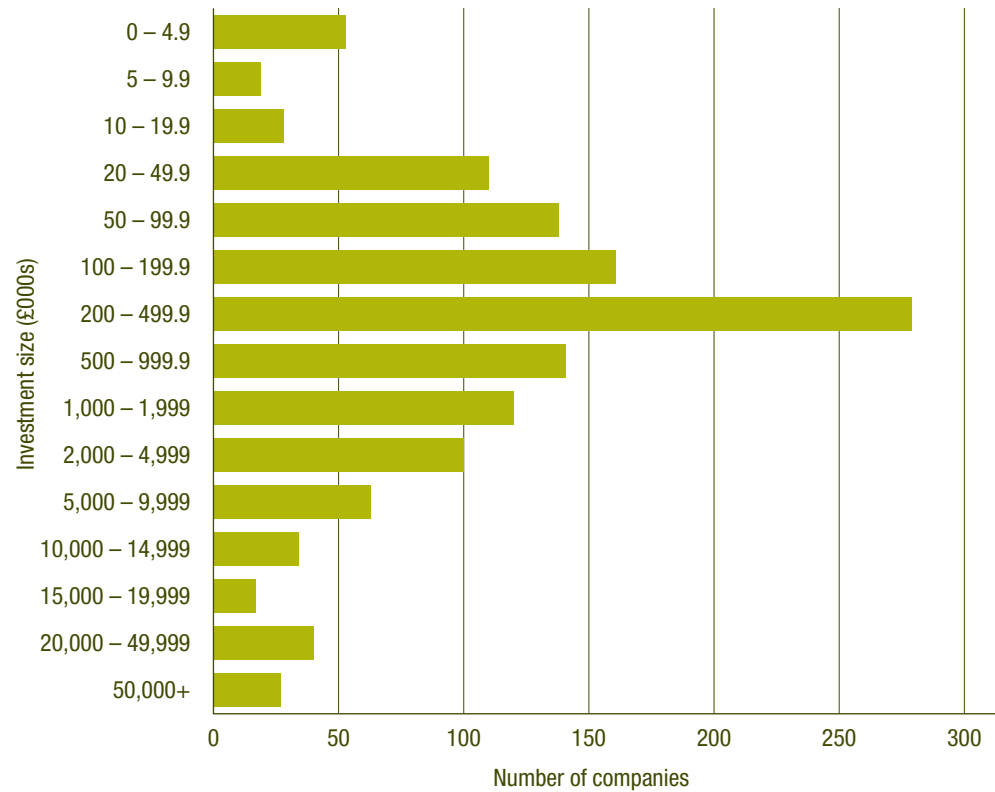
Average amounts invested in early-stage deals fell from £1.9 million to £865,000, with the size of start-up deals down 58% to £918,000. As noted previously, the fall in the size of early-stage deals is not an indication of fewer deals being done. Simply, the deals that were completed tended to be smaller in 2007.

Table 6 – Average amount invested by stage

Financing stage	Average amount invested (£000s)		
	2007	2006	2005
Start-up	918	2,167	769
Other early stage	827	1,627	779
Total early stage	865	1,892	778
Expansion	2,399	3,747	2,239
Secondary purchase	33,104	30,879	13,569
Refinancing bank debt	2,977	2,780	1,818
Total expansion	6,415	5,225	3,405
MBO	23,631	17,906	14,425
MBI	9,405	8,346	15,184
Total MBO/MBI	22,123	17,225	14,545
Total average	9,002	7,760	5,213

¹ While there is no one universally accepted definition of an SME (small and medium-sized enterprise), bodies such as the DTI and European Commission consider one of the main criteria to be that SMEs consist of fewer than 249 employees. The report refers to 'fewer than 200 employees', due to the bandings used in the BVCA survey questionnaire

Graph 1 – Amounts of private equity received by companies in 2007



The figures behind this bar chart are listed in Appendix 5, Table D.

UK investment activity – investment by industry sector

Consumer services attracted the most capital of any sector last year with £6.1 billion of deals (Table 7), or 51% of the total private equity allocation to UK companies. The financial services industry also received a dramatic increase of private equity money in 2007, attracting £1.6 billion. Its share of the total, more than doubled from 6% to 13% year-on-year. The biggest fall in investment was in industrials due mainly to the slowdown in construction.

Within consumer services, the biggest rise in deal volume was seen in the media sector, from £485 million in 2006 to £2,890 million last year. Media deals rose from just 5% of total deals in 2006 to nearly a quarter (24%) of all UK deals last year. The number of deals in the media sector fell from 78 to 73, showing that there were some unusually large individual deals last year. However, the number and volume of deals in the travel and leisure sub-sector were both down.

Industry and Sector	Number of companies			% of companies			Amount invested (£m)			% of amount invested		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
Oil and Gas	28	3	10	2	–	1	277	41	83	2	–	1
Oil and Gas Producers	5	1	5	–	–	–	147	38	4	1	–	–
Oil Equipment, Services and Distribution	7	2	5	1	–	–	108	3	79	1	–	1
Alternative Energy	16	n/a	n/a	1	n/a	n/a	22	n/a	n/a	–	n/a	n/a
Basic Materials	34	23	34	3	2	3	67	29	18	1	–	–
Chemicals	31	20	30	2	2	2	53	25	12	–	–	–
Forestry and Paper	1	1	2	–	–	–	2	3	5	–	–	–
Industrial Metals	2	2	1	–	–	–	12	1	–	–	–	–
Mining	0	0	1	0	0	–	0	0	1	0	–	–
Industrials	281	208	268	21	16	20	1,980	2,843	1,127	17	27	17
Construction and Materials	44	26	33	3	2	2	194	1,123	110	2	11	2
Aerospace and Defence	10	2	5	1	–	–	68	22	65	1	–	1
General Industrials	12	25	10	1	2	1	27	51	40	–	–	–
Electronic and Electrical Equipment	57	53	84	4	4	6	155	405	54	1	4	1
Industrial Engineering	40	1	36	3	–	3	113	0	51	1	–	1
Industrial Transportation	18	16	13	1	1	1	349	721	179	3	7	3
Support Services	100	85	87	8	6	7	1,074	521	628	9	5	9
Consumer Goods	51	69	63	4	4	5	415	731	293	3	7	4
Automobiles and Parts	4	1	6	–	–	–	11	–	27	–	–	–
Beverages	5	1	11	–	–	1	25	84	12	–	1	–
Food Producers	28	16	17	2	1	1	241	480	36	2	5	1
Household Goods	2	42	16	–	3	1	30	153	87	–	2	1
Leisure Goods	12	6	5	1	–	–	108	13	1	1	–	–
Personal Goods	0	3	8	0	–	1	0	–	130	0	–	2
Tobacco	0	0	0	0	0	0	0	0	0	0	–	0
Health Care	210	230	251	16	17	19	899	1,183	549	8	12	8
Health Care Equipment and Services	122	140	113	9	11	9	741	973	419	6	10	6
Pharmaceuticals and Biotechnology	88	90	138	7	7	10	158	210	130	1	2	2

Table 7 – Investment by industry sector

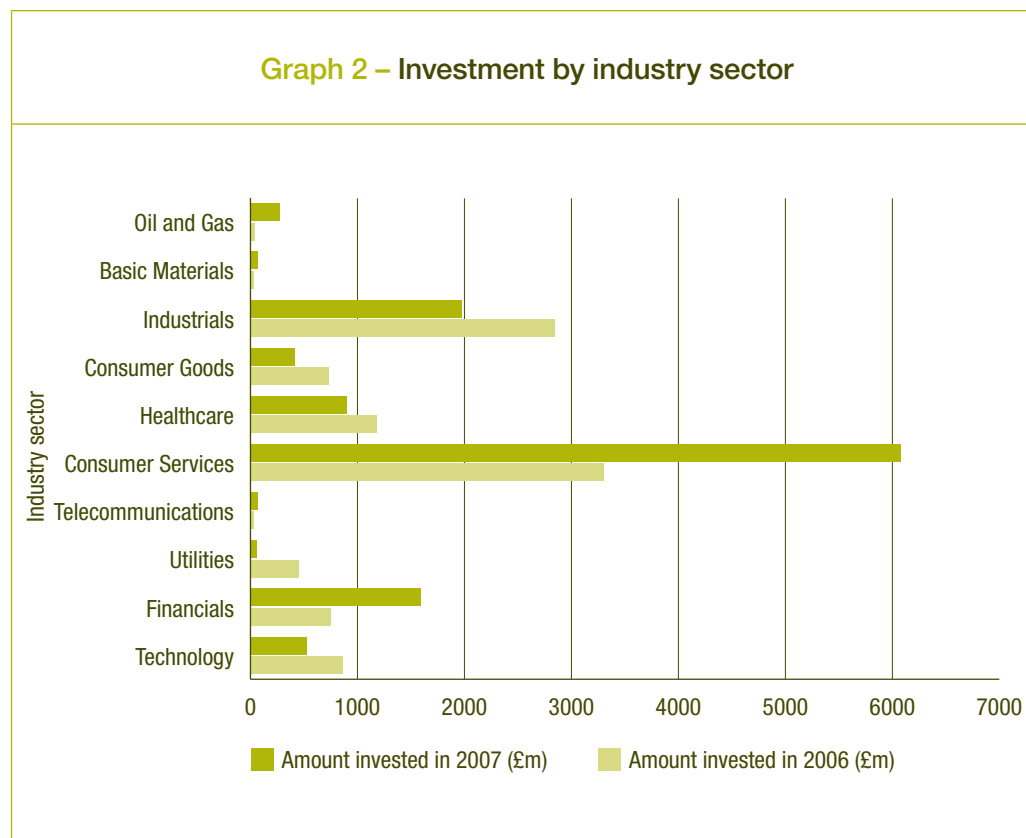
Industry and Sector	Number of companies			% of companies			Amount invested (£m)			% of amount invested		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
Consumer Services	273	261	231	21	20	18	6,079	3,308	3,243	51	33	48
Food and Drug Retailers	18	7	4	1	1	–	88	37	192	1	–	3
General Retailers	123	93	79	9	7	6	1,647	906	1,185	14	9	17
Media	73	78	71	5	6	5	2,890	485	541	24	5	8
Travel and Leisure	59	83	77	4	6	6	1,454	1,880	1,325	12	19	20
Telecommunications	25	18	6	2	1	–	71	29	162	1	–	2
Fixed Line Telecommunications	0	8	3	0	1	–	0	9	129	0	–	2
Mobile Telecommunications	25	10	3	2	1	–	71	20	33	1	–	–
Utilities	20	23	15	2	2	1	63	449	166	1	4	2
Electricity	19	1	7	1	–	–	58	53	15	–	–	–
Gas, Water and Multiutilities	1	22	8	–	2	1	5	396	151	–	4	2
Financials	87	95	69	7	7	5	1,596	751	810	13	6	12
Banks	0	0	0	0	0	0	0	0	0	0	0	0
Non-life Insurance	11	2	15	1	–	1	467	16	160	4	0	2
Life Insurance	3	0	2	–	0	–	3	0	14	–	–	–
Real Estate Investment and Services	7	–	–	1	–	–	128	–	–	1	–	–
Real Estate Investment Trusts	0	7	7	0	1	1	0	36	18	0	–	–
Financial Services	53	68	40	4	5	3	977	657	487	8	6	7
Equity Investment Instruments	13	13	5	1	1	–	21	37	131	–	–	2
Non-equity Investment Instruments	0	5	0	0	–	0	0	5	0	0	–	0
	321	388	360	24	29	27	525	863	362	4	8	5
Software and Computer Services	250	259	265	19	20	20	342	556	264	3	5	4
Technology Hardware and Equipment	71	129	95	5	10	7	183	307	98	2	3	1
Grand total	1,330	1,318	1,307	100	100	100	11,972	10,226	6,813	100	100	100

1. As of 30/12/05, the original FTSE Global Classification System (GCS), historically used for this table, has been replaced by the new Industry Classification Benchmark (ICB). The ICB is the new definitive industry classification standard created jointly by FTSE Group and Dow Jones Indexes. It is significantly different from the original FTSE GCS and therefore impossible to compare to data prior to 2005.

2. Some changes were made to the ICB in March 2008. 'General Financials' is now called 'Financial Services', 'Household Goods' is now 'Household Goods and Home Construction' and 'Industrial Metals' is now 'Industrial Metals and Mining'. 'Real Estate' has now been split into two separate categories – 'Real Estate Investment and Services' and 'Real Estate Investment Trusts'. 'Alternative Energy' is an additional category and therefore does not have values for 2005 and 2006 and are denoted as n/a for these years.

3. – indicates a value of greater than 0 but less than 0.5.

UK investment activity – investment by industry sector (continued)



Activity in the financial sector was driven by the financial services and non-life insurance subsectors. The volume of financial services deals rose from £657 million in 2006 to £977 million in 2007, and from 6% to 8% of total private equity activity. At the same time, the volume of deals in non-life insurance increased from just £16 million in 2006 to £467 million in 2007, and from zero to 4% of total UK private equity investment.

The sharp rise in the global price of energy and raw materials led to an increased focus by private equity firms on commodities. There were £277 million of oil and gas deals last year, compared to just £41 million in 2006. In addition, there was £67 million worth of basic material deals, a sharp rise from the £29 million in 2006.

UK investment activity – investment in technology companies

Table 8 – Technology investment

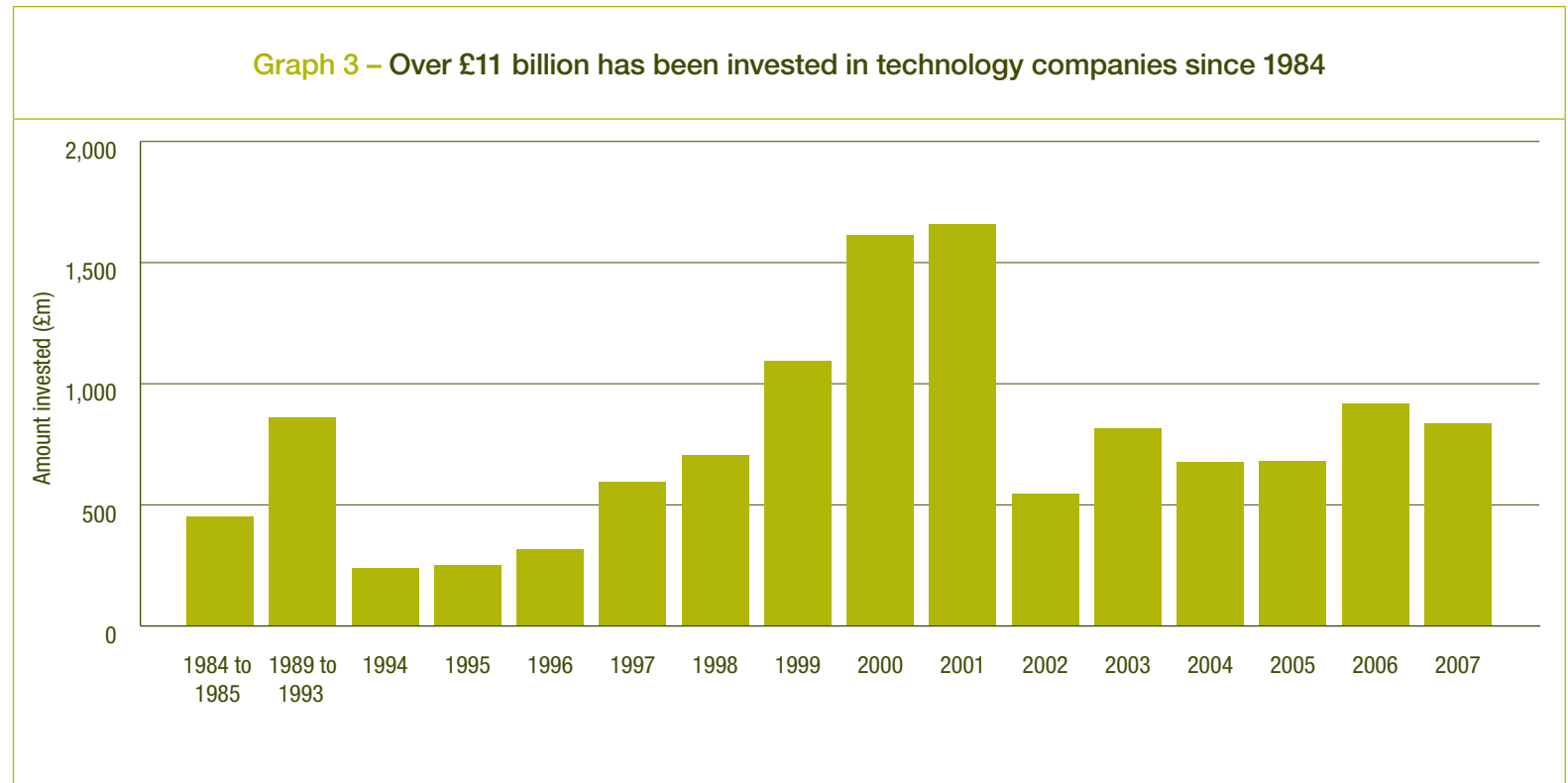
Industry sector	Number of companies			% of companies			Amount invested (£m)			% of amount invested		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
Communications	34	36	58	6	7	9	203	243	197	24	26	29
Computer: hardware	17	15	11	3	3	2	40	41	5	5	4	1
Computer: internet	33	15	27	6	3	4	27	23	18	3	3	3
Computer: semiconductors	23	18	19	4	3	3	37	21	39	4	2	6
Computer: software	180	196	180	34	38	28	213	231	150	26	25	22
Other electronics related	45	47	62	9	9	10	35	35	38	4	4	6
Biotechnology	49	43	67	9	8	10	76	122	58	9	13	8
Medical: instruments	59	71	58	11	14	9	47	96	33	6	10	5
Medical: pharmaceuticals	36	24	39	7	5	6	71	50	31	9	5	5
Medical: healthcare	21	14	26	4	3	4	51	29	78	6	3	11
Other	30	38	97	6	7	15	35	27	34	4	3	5
Total	527	517	644	100	100	100	835	918	681	100	100	100

1. – indicates a value of greater than 0 but less than 0.5.

Investment in technology companies tailed off a little, falling from £918 million in 2006 to £835 million last year (Table 8). But the number of companies backed by private equity rose from 517 to 527.

Investment in computer-related companies (involved in hardware, internet, semiconductors and software) accounted for 48% of all technology companies backed, remaining the most active subsectors in the industry. Within this subsector, there was a strong rise in activity in semiconductors, which attracted £37 million of investment, compared with £21 million the year before. Internet-related businesses attracted £27 million of investment, compared with £23 million in 2006. Although investment in software companies subsided a little to £213 million, it still attracts more than one-quarter (26%) of all technology funding. Of the 180 software companies funded, 96 were at early stage and 85 were at expansion stage (Table 9).

UK investment activity – investment in technology companies (continued)



As in the past two years, communications companies received the next highest levels of technology funding after computer-related ones. Communications firms received £203 million of investment in 34 companies, a little down on the

£243 million in 36 companies of 2006. The bulk of this investment (£188 million) was invested in 21 expansion stage deals. This is a significant turnaround from last year's report, when MBOs/MBIs dominated communications deals.

The number of deals in biotechnology firms rose from 43 to 49 year-on-year, but the total amount invested fell from £122 million to £76 million. The majority of the deals (33) were in early-stage firms and a further 18 were at the

Table 9 – Technology investment by financing stage in 2007

Industry sector	Number of companies				Amount invested (£m)			
	Early stage	Expansion	MBO/I	Total	Early stage	Expansion	MBO/I	Total
Communications	13	21	2	34	14	188	1	203
Computer:								
– hardware	3	12	4	17	5	25	10	40
– internet	17	17	0	33	9	18	0	27
– semiconductors	14	11	0	23	16	21	0	37
– software	96	85	15	180	58	56	99	213
Other electronics related	21	16	10	45	13	13	9	35
Biotechnology	33	18	5	49	33	7	36	76
Medical:								
– instruments	40	21	3	59	20	26	1	47
– pharmaceuticals	22	13	6	36	31	34	6	71
– healthcare	15	7		21	10	30	11	51
Other	14	13	5	30	5	14	16	35
Total	288	234	50	527	214	432	189	835

1. Change in methodology: from 2005, the number of companies in some financing stage categories, and their subtotals, will add up to more than the total number of companies invested in. This is due to some companies receiving more than one investment within the year at different financing stages. E.g. if a company receives a round of start-up finance and then further rounds of expansion finance later in the same year, that company will be counted once in each of the start-up and expansion categories (therefore appearing to be counted twice), but only counted as one in the overall total. This only affects 'number of companies' not 'amounts invested' and is with effect from 2005 figures onwards only.

2. Sectors have been amalgamated where there are instances of single deals, in order to preserve confidentiality.

3. – indicates a value of greater than 0 but less than 0.5.

UK investment activity – investment in technology companies (continued)

expansion stage. Biotechnology deals as a proportion of total technology deals fell from 13% to 9%.

A fall in investment in medical instruments is tempered by a rise in pharmaceuticals and healthcare. Investment in pharmaceuticals increased from 5% of total technology deals in 2006 to 9% of deals in 2007 and the amount invested rose from £50 million to £71 million. Meanwhile, healthcare doubled its share of total technology deals from 3% in 2006 to 6% of deals in 2007 and the amount invested rose from £29 million to £51 million.

More than half of all deals in the technology sector were at early stage (Table 9). But while this represents 288 out of the total 527 deals, early-stage investments are just one-quarter (26%)

of the total £835 million invested in technology companies in 2007. On the other hand, although there were relatively fewer (234) expansion deals, the volume of expansion investment was well over half the total. This is considerably higher than in last year's report, which revealed that just 30% of deals involved expansion capital. The 50 companies attracting MBO/MBI capital absorbed £189 million of the total amount invested.

There were 127 separate investments last year in the nascent 'cleantech' sector (Table 10), of which 80 were at early stage. Early-stage investments represent well over 50% of the total volume of £958 million invested in 'cleantech'. There were just 9 MBO/MBI 'cleantech' deals, worth a total of £134 million.

Table 10 – Investment in 'Cleantech' companies by stage

Stage of investment	Number of companies	% of companies	Amount invested (£m)	% of amount invested
	2007	2007	2007	2007
Early stage	80	63	460	48
Expansion	38	30	364	38
MBO/I	9	7	134	14
Total	127	100	958	100

1. We define 'Cleantech' companies as those that use innovative technology to create products and services that compete favourably on price and performance, while reducing mankind's impact on the environment.

UK investment activity – regional breakdown

The regions in Tables 11 to 16 are defined according to the Government Office Regions (see Appendix IV) that were introduced in 1997/8. The statistics in these tables must be viewed with caution as the data for any one region can be heavily influenced by one or more unusually large transactions, generally MBOs.

There was a mixed picture across the UK regions, with some receiving more investment last year than in 2006 and others less. The North-South divide appears to be getting wider, particularly in terms of the capital invested. London and the South East attracted by far the most investment, together accounting for some 69% of the UK total, up from 60% in 2006 and 44% in 2005. London and the South East received £8,223 million of funding, compared with £6,132 million in 2006.

In London alone, 334 companies received £5,730 million of funding, attracting 48%

of the total invested across the UK. This is up from 42% in 2006 and 35% in 2005. Part of the reason for this apparent imbalance is that larger companies (requiring larger investment) are often headquartered in London, although some or most of their business activities may take place elsewhere in the UK or abroad.

In the South East (excluding London), 220 companies received £2,493 million of funding, or 21% of the total invested in the UK as a whole. This is up from 18% in 2006 and well over double its 9% share in 2005.

The proportion of investment flowing to other regions is largely static or slightly declining with the exception of the East Midlands, which increased its share from 4% of the total in 2006 to 7% last year. Companies in the East Midlands attracted £802 million of funding in 2007, precisely double the amount of 2006. The West Midlands also fared well in absolute terms, increasing investment by 51% from

£276 million to £416 million, although its share of the market remained at 3%. Scotland enjoyed the biggest percentage rise in investment (126%), from £174 million to £393 million, and attracted 3% of all UK investment. Wales also saw a big rise in funding, from £61 million in 2006 to £128 million last year.

Yorkshire and the Humber saw the most significant decline with investment falling from £1.2 billion in 2006 to £499 million last year. Its share of the total fell from 12% to 4%. However, the year-on-year comparison is skewed by an abnormal number of large deals in the region in 2006.

The North West was the most active region outside London and the South East in terms of deal numbers, with 154 companies receiving investment (totalling £600 million). The region accounts for 5% of all UK private equity investment.



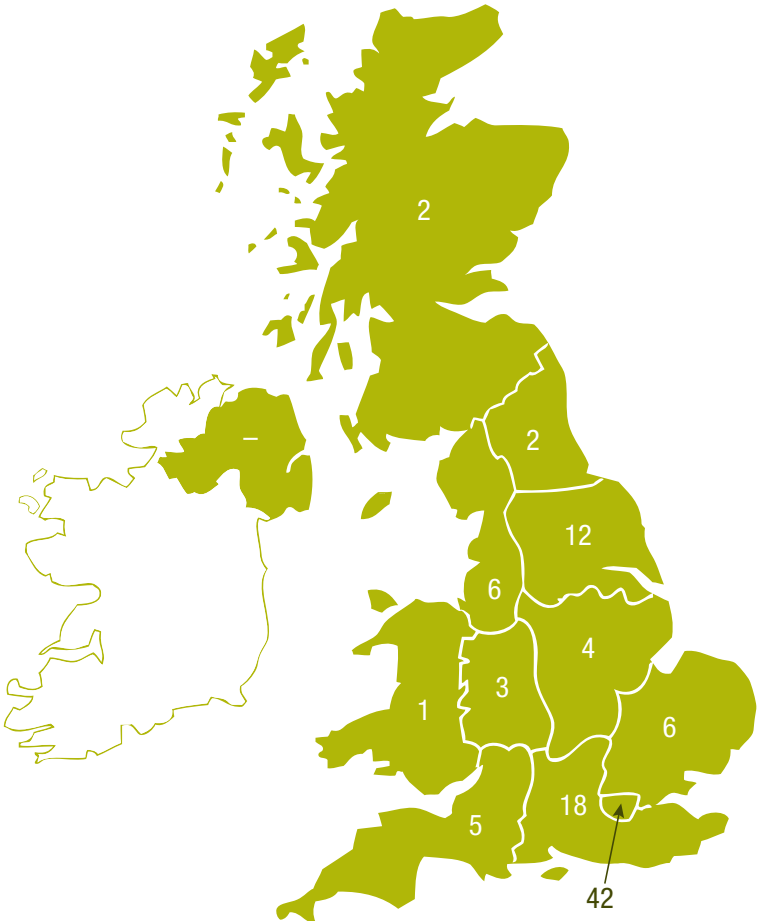
Regional breakdown (continued)

Table 11 – Investment by region

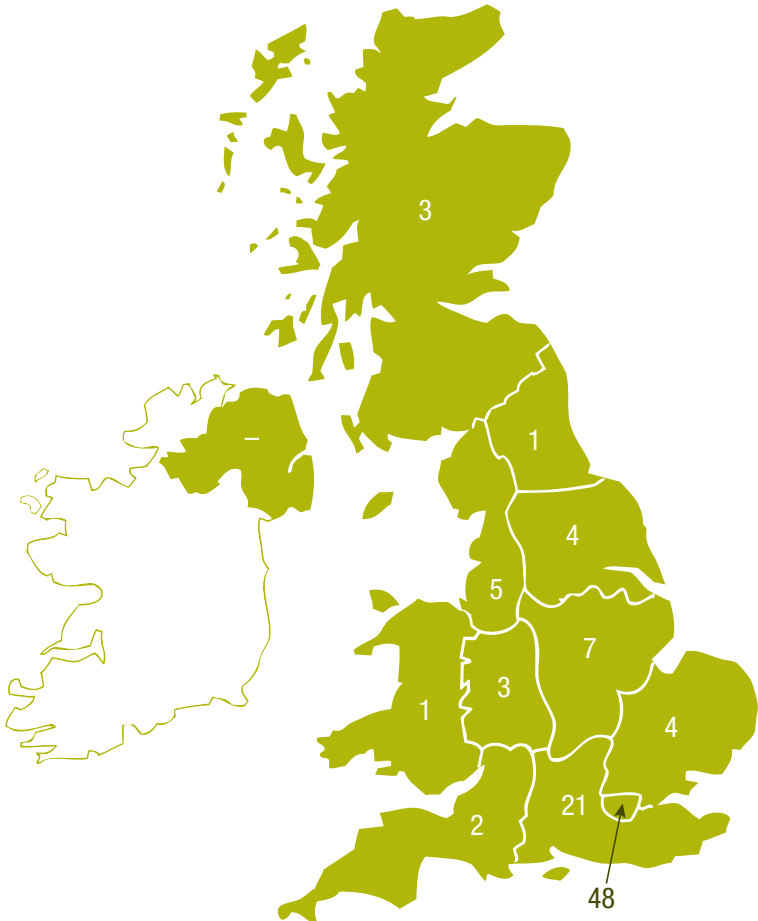
Region	Number of companies			% of companies			Amount invested (£m)			% of amount invested		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
South East	220	224	237	17	17	18	2,493	1,835	578	21	18	9
London	334	330	292	25	25	22	5,730	4,297	2,417	48	42	35
South East and London	554	554	529	42	42	40	8,223	6,132	2,995	69	60	44
South West	82	98	88	6	7	7	198	532	448	2	5	7
East of England	104	95	122	8	7	9	531	639	636	4	6	9
West Midlands	82	90	78	6	7	6	416	276	271	3	3	4
East Midlands	65	59	60	5	4	5	802	401	1,122	7	4	16
Yorkshire and The Humber	108	83	71	8	6	6	499	1,201	243	4	12	4
North West	154	146	144	12	11	11	600	614	426	5	6	6
North East	51	28	42	4	2	3	156	184	85	1	2	1
Scotland	73	78	96	5	6	7	393	174	114	3	2	2
Wales	36	59	51	3	4	4	128	61	461	1	1	7
Northern Ireland	21	28	26	2	2	2	26	13	12	–	–	–
Total	1,330	1,318	1,307	100	100	100	11,972	10,227	6,813	100	100	100

1. – indicates a value of greater than 0 but less than 0.5.

Regional Investment 2006 (% of amount invested)



Regional Investment 2007 (% of amount invested)



UK investment activity – private equity penetration by region

Table 12, showing investment activity by region compared with the total number of VAT-registered businesses, reveals the extent of private equity penetration in the regions. In 2007, the number of UK companies receiving private equity investment as a proportion of VAT-registered firms was 68 in every 100,000, marginally less than in the previous three years.

In London, the proportion was much higher than the average at 108 per 100,000 – in line with the previous year. The next highest proportion was in the North East where 103 out of every 100,000 VAT-registered companies

received funding. This represents a notable increase from 2006 when just 58 companies out of every 100,000 in the North East received private equity funding, and takes the North East back towards 2004 levels when 121 companies per 100,000 received funding.

The North West was the third most active region, with 83 investments for each 100,000 companies. The fewest opportunities last year were in Northern Ireland and Wales – there were 33 deals per 100,000 companies in Northern Ireland and 42 deals per 100,000 companies in Wales, a significant reduction from 2006, which saw 70 deals per 100,000 companies in Wales.

There are a number of possible reasons to explain why London and the South East has relatively high activity compared to some other regions. In London and the South East, the sources of finance are often well known to companies. Private equity and venture capital is well understood and intermediaries and advisers encourage companies to make use of it to further their business aims. Company directors may also be more willing to introduce external shareholders to the company. The fact that a significant proportion of private equity firms are based in or near London also helps to explain the high volume of investment activity in this region.

Table 12 – Investment activity by region compared with total number of VAT registered businesses

Region	Number of VAT registered businesses			Number of private equity backed companies			Companies invested in per 1,000 of total VAT registered businesses		
	2007	2006	2005	2007	2006	2005	2007	2006	2005
South East	306,920	300,905	295,845	220	224	237	0.72	0.74	0.80
London	309,225	301,975	294,815	334	330	292	1.08	1.09	0.99
South East and London	616,145	602,880	590,660	554	554	529	0.90	0.92	0.90
South West	183,420	179,770	176,515	82	98	88	0.45	0.55	0.50
East of England	196,480	193,005	188,955	104	95	122	0.53	0.49	0.65
West Midlands	164,810	161,865	158,725	82	90	78	0.50	0.56	0.49
East Midlands	134,195	131,050	128,250	65	59	60	0.48	0.45	0.47
Yorkshire and The Humber	139,970	137,195	134,515	108	83	71	0.77	0.60	0.53
North West	186,045	181,795	177,525	154	146	144	0.83	0.80	0.81
North East	49,435	48,280	47,085	51	28	42	1.03	0.58	0.89
Scotland	136,890	134,295	132,175	73	78	96	0.53	0.58	0.73
Wales	84,995	83,690	82,310	36	59	51	0.42	0.70	0.62
Northern Ireland	64,365	63,790	62,695	21	28	26	0.33	0.44	0.41
Total	1,956,750	1,917,615	1,879,410	1,330	1,318	1,307	0.68	0.69	0.70

Source: 'Business Start Ups and Closures: VAT Registrations and De-registrations in 2006', published November 2007, news release <http://stats.berr.gov.uk>.

NOTE: Due to a change in the methodology used by BERR for calculating the number of VAT registered business in the UK, the figures within this table have been restated for 2005 and 2006 and therefore will differ from those published in previous reports.

UK investment activity – regional investment by financing stage

London and the South East, once again, attract the highest levels of activity at each stage of private equity investment (Table 13). London maintains the lead it took over the South East in 2006 in terms of the number of early-stage companies financed, with 22% of all deals at this investment stage completed in London. The number of investments rose from 104 to 110 year-on-year. London and the South East combined were home to 39% of all early-stage deals in the UK.

The next most active region in early-stage investments is the North West with 77 deals. It increased its share of such deals to 15%, from 14% in 2006 and 13% in 2005. The East of England had 50 early-stage deals and a 10% share overall. The fastest growing regions for early stage deals are Yorkshire and The Humber and the North East, which both doubled their share from 2% to 4% year-on-year.

London and the South East accounted for 251 expansion deals, or 42% of the UK total. The next highest region for expansion deals is Yorkshire and The Humber, with 56 investments and 9% of the total. The fastest growing region for

these deals is the North East, which doubled its share from 2% in 2006 to 4% last year with 22 deals.

At the MBO/MBI stage, London and the South East is still the leading area, but its dominance has been reduced from 44% to 41% of the total number of deals year-on-year. The next most active region at this stage is the North West with 48 deals and 14% of companies financed by MBO/MBI capital overall.

In terms of volume, expansion and MBO investment has increased, while early-stage funding has declined. Expansion funding rose by 27% from £2,994 million in 2006 to £3,817 million in 2007 (Table 14). MBO/MBI investment increased 23% from £6,287 million to £7,721 million, but early-stage funding fell 54% from £946 million to £434 million. However, the decline in early-stage funding should be viewed in light of the very high levels of investment in 2006, when funding was nearly three times higher than in 2005.

The largest volumes across all funding stages were in London and the South East, where the increase in MBO/MBI funding was the most marked, rising 48% from £3,546 million in 2006 to £5,237 million last year. Outside these regions, the East Midlands saw the biggest rise in

MBO/MBI investment, from £240 million to £501 million, leapfrogging Yorkshire and The Humber for the highest volume of deals outside London and the South East. The South West saw the biggest decline, investment more than halving from £264 million to £111 million.

Expansion deals in London and the South East rose by one-quarter from £2,166 million in 2006 to £2,715 million last year. Many other UK regions saw even greater percentage increases in the amount of expansion capital they attracted. In the West Midlands, companies attracted £215 million of expansion capital, up from just £59 million in 2006. Likewise in the East Midlands, expansion funding increased from £56 million to £282 million. In Scotland, companies attracted £143 million of expansion capital, up from £38 million in 2006 and £27 million in 2005.

Early-stage funding in London and the South East fell 35% from £420 million in 2006 to £271 million last year. However, this is still considerably higher than the £186 million invested in 2005. The biggest decreases in early-stage investment were in East Midlands, and Yorkshire and the Humber. The North East (£7 million) and Northern Ireland (£4 million) managed to attract as much early-stage investment last year as in 2006.

Table 13 – Investment stage analysis by region – by number of companies

Region	Early Stage						Expansion						MBO/MBI					
	Number			%			Number			%			Number			%		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
South East	88	90	104	18	18	21	107	97	102	18	17	18	44	55	47	13	15	15
London	110	104	75	22	21	15	144	149	156	24	26	27	100	107	70	29	29	23
South East and London	198	194	179	39	39	36	251	246	258	42	43	45	144	162	117	41	44	38
South West	29	35	42	6	7	9	45	40	31	8	7	5	15	29	21	4	8	7
East of England	50	50	61	10	10	12	48	34	55	8	6	10	22	22	21	6	6	7
West Midlands	32	35	24	6	7	5	35	40	32	6	7	5	21	25	27	6	7	9
East Midlands	18	20	22	4	4	5	33	29	23	6	5	4	22	15	19	6	4	6
Yorkshire and The Humber	19	10	20	4	2	4	56	52	33	9	9	6	35	29	20	10	8	6
North West	77	70	65	15	14	13	47	39	32	8	7	5	48	51	51	14	14	16
North East	19	10	16	4	2	3	22	12	23	4	2	4	15	11	3	4	3	1
Scotland	34	40	36	7	8	7	34	34	44	6	6	8	12	10	18	3	3	6
Wales	17	20	13	3	4	3	12	35	32	2	6	6	13	11	8	4	3	3
Northern Ireland	9	16	13	2	3	3	12	12	10	2	2	2	2	–	3	1	–	1
Total	502	500	491	100	100	100	595	573	573	100	100	100	349	365	308	100	100	100

1. Change in methodology: from 2005, the number of companies in some financing stage categories, and their subtotals, will add up to more than the total number of companies invested in. This is due to some companies receiving more than one investment within the year at different financing stages. E.g. if a company receives a round of start-up finance and then further rounds of expansion finance later in the same year, that company will be counted once in each of the start-up and expansion categories (therefore appearing to be counted twice), but only counted as one in the overall total. This only affects 'number of companies' not 'amounts invested' and is with effect from 2005 figures onwards only.

2. – indicates a value of greater than 0 but less than 0.5.

Regional investment by financing stage (continued)

Table 14 – Investment stage analysis by region – by amount invested

Region	Early Stage						Expansion						MBO/MBI					
	Amount (£m)			%			Amount (£m)			%			Amount (£m)			%		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
South East	131	142	80	30	15	21	1,129	914	263	30	31	14	1,233	779	235	16	12	5
London	140	278	106	32	29	28	1,586	1,252	552	42	42	28	4,004	2,767	1,759	52	44	39
South East and London	271	420	186	62	44	49	2,715	2,166	815	71	72	42	5,237	3,546	1,994	68	56	44
South West	28	90	26	6	10	7	59	178	38	2	6	2	111	264	384	1	4	9
East of England	45	97	86	10	10	22	108	91	110	3	3	6	378	451	440	5	7	10
West Midlands	6	18	4	1	2	1	215	59	41	6	2	2	195	199	226	3	3	5
East Midlands	19	105	20	4	11	5	282	56	514	7	2	26	501	240	588	6	4	13
Yorkshire and The Humber	12	113	12	3	12	3	95	238	134	2	8	7	392	850	97	5	14	2
North West	21	56	22	5	6	6	118	89	35	3	3	2	461	469	369	6	8	8
North East	7	7	2	2	1	–	46	35	82	1	1	4	103	142	1	1	2	–
Scotland	14	20	15	3	2	4	143	38	27	4	1	1	236	116	72	3	2	2
Wales	7	16	6	2	2	2	20	35	148	1	1	8	101	10	307	1	0	7
Northern Ireland	4	4	3	1	–	1	16	9	7	–	–	–	6	–	2	–	–	–
Total	434	946	382	100	100	100	3,817	2,994	1,951	100	100	100	7,721	6,287	4,480	100	100	100

1. – indicates a value of greater than 0 but less than 0.5.

UK investment activity – regional investment by industry sector

Healthcare and consumer services companies received more funding last year than companies in any other sector. Investment was made in 483 healthcare and consumer services companies, compared with 343 oil and gas, basic materials and industrial companies, and 321 technology companies (Table 15). The fewest UK companies financed were in the consumer goods sector, at just 51. London and the South East accounted for the largest number of companies financed in each sector.

While 48% of healthcare and consumer services investment took place in London and the South East, the rest of the funding to this sector was widely spread across the regions. The North West took 11% of funding (in 55 companies), while the East of England absorbed 10% of it (in 50 companies). The South West, West Midlands, East Midlands and Yorkshire and the Humber all saw more than 20 deals in this sector.

In oil and gas, basic materials and industrials, the South East and London leads the way with 102 companies

receiving investment, or 30% of total funding in the sector. The North West attracted 14% of the total funding, with 48 companies in this sector funded.

Technology investment takes place across the breadth of the UK, in numerous technology 'clusters'. While London and the South East attracted 39% of technology funding, companies in both the South West and the North West received 10% of total UK funding to this sector. In the South West, 33 companies were funded in 2007, while 32 technology companies received investment in the North West.

In terms of the volume invested in each sector (Table 16), London and the South East again dominate. Healthcare and consumer services absorbed the highest amount of any sector – £6,978 million – of which London and the South East attracted nearly three-quarters (74%). Outside of London and the South East most money in this sector was invested in the East Midlands, with £577 million, or 8% of the total. The East of England saw £416 million invested in healthcare and consumer services companies.

Oil and gas, basic materials and industrials was the next most active

sector last year in terms of the amount invested. A total of £2,324 million was invested in this sector, of which £1,181 million funded companies based in London and the South East. The North West received the next highest level of funding in this sector at £314 million, followed by the West Midlands with £236 million and Scotland with £232 million.

The sector receiving the third highest amount of private equity money in the UK last year was telecoms, utilities and financials, which attracted £1,730 million in total. The South East and London again took the lion's share, or 79%, of this funding. Yorkshire and the Humber also attracted significant investment in this sector of £115m, or 7% of the total.

Technology sector investment totalled £525m last year, down on the £863 million of 2006. Whereas in last year's report, Yorkshire and The Humber attracted more investment than London, this time round London technology companies received £97 million in funding compared to £49 million for Yorkshire and The Humber.

Consumer goods attracted the least investment of all the sectors, at £415 million. Yorkshire and The Humber absorbed 17% of this and the East Midlands 15%.

Regional investment by industry sector (continued)

Table 15 – Industry sector analysis by region in 2007 – by number of companies

Region	Oil and gas, basic materials and industrials		Consumer goods		Healthcare and consumer services		Telecoms, utilities and financials		Technology	
	No.	%	No.	%	No.	%	No.	%	No.	%
South East	43	13	10	20	85	18	20	15	62	19
London	59	17	7	14	148	31	58	44	62	19
South East and London	102	30	17	33	233	48	78	59	124	39
South West	19	6	2	4	23	5	5	4	33	10
East of England	18	5	2	4	50	10	4	3	30	9
West Midlands	29	8	0	0	23	5	7	5	23	7
East Midlands	22	6	7	14	24	5	1	1	11	3
Yorkshire and The Humber	37	11	9	18	26	5	7	5	29	9
North West	48	14	7	14	55	11	12	9	32	10
North East	23	7	1	2	16	3	4	3	7	2
Scotland	31	9	5	10	10	2	8	6	19	6
Wales	11	3	1	2	15	3	4	3	5	2
Northern Ireland	3	1	0	0	8	2	2	2	8	2
Total	343	100	51	100	483	100	132	100	321	100

Table 16 – Industry sector analysis by region in 2007 – by amount invested

Region	Oil and gas, basic materials and industrials		Consumer goods		Healthcare and consumer services		Telecoms, utilities and financials		Technology	
	Amount (£m)	%	Amount (£m)	%	Amount (£m)	%	Amount (£m)	%	Amount (£m)	%
South East	532	23	91	22	1,107	16	577	33	186	35
London	649	28	109	26	4,080	58	795	46	97	19
South East and London	1,181	51	200	48	5,187	74	1,372	79	283	54
South West	63	3	13	3	43	1	50	3	29	6
East of England	38	2	29	7	416	6	1	0	47	9
West Midlands	236	10	0	0	107	2	66	4	7	1
East Midlands	118	5	63	15	577	8	1	0	43	8
Yorkshire and The Humber	64	3	70	17	201	3	115	7	49	9
North West	314	14	27	7	217	3	26	2	16	3
North East	31	1	0	0	101	1	14	1	10	2
Scotland	232	10	8	2	58	1	60	3	35	7
Wales	38	2	5	1	57	1	25	1	3	1
Northern Ireland	9	0	0	0	14	0	0	0	3	1
Total	2,324	100	415	100	6,978	100	1,730	100	525	100

1. – indicates a value of greater than 0 but less than 0.5.

UK investment activity – by type of private equity organisation

Table 17 should be interpreted with care as year-on-year changes may reflect the reclassification of some firms, rather than showing a true increase or decrease in investment activity. For example, a captive private equity firm may be reclassified as semi-captive, following an expansion of its activities to manage third-party funds.

Independent organisations increased their investments from £6,235 million in 2006 to £9,817 million last year. Their share of total UK private equity investment increased from 61% in 2006 to 82% last year. This restores them to their 2005 position when they contributed 80% of all UK investments.

Investments by organisations that invest their own or parent company money (captives) and by organisations that invest

Type of private equity organisation	Amount invested (£m)			% of amount invested		
	2007	2006	2005	2007	2006	2005
Organisations which invest own or parent company money (Captives)	1,042	1,922	261	9	19	4
Organisations which manage funds (Independents)	9,817	6,235	5,484	82	61	80
Organisations which do both (Semi-captives)	1,113	2,070	1,068	9	20	16
Total	11,972	10,227	6,813	100	100	100

their own and third-party money (semi-captives) fell by nearly 50% in both cases. Captive organisations invested £1,042 million, down from £1,922 million in 2006, while semi-captive organisations invested £1,113 million, down from £2,070 million in 2006. Their share of total UK investment fell to 9% in both cases.

Sources of private equity funds

While pension funds remain the richest source of UK private equity investment capital, there has been a surge of interest by banks, funds of funds, government agencies and private individuals, all of whom committed higher amounts to the asset class last year.

The money allocated to private equity funds for investment in companies is raised from a range of institutional, corporate and private sources, and distributed via a number of fund structures. Some private equity firms deploy their own money or capital from a parent organisation, while others rely predominantly on external sources.

Funds raised from external sources are often private funds, and are structured as limited partnerships (used mainly by institutional investors), listed private

equity investment trusts (PEITs are used by both institutional and private investors) and listed venture capital trusts (VCTs are only open to private investors). As Table 17 shows, the majority of investment is undertaken by private equity firms, which raise funds from external sources. Tables 18–20 provide more detail on these sources and how much each contributes. The use of the term ‘funds raised’ refers to the capital committed by investors to private equity funds in any one year. In limited partnership funds (responsible for the majority of funds raised), the investor will not hand over money until it is drawn down by the private equity firm, as and when required over a period of years.

There are cyclical variations in the amount of private equity raised each year, influenced – among other factors – by the economic climate and the maturity dates of existing managed funds. It is also important to note that the last three years

have seen a surge in assets devoted to mega buyouts. This is largely due to a combination of two factors: a maturing UK private equity market, which is increasingly focusing on large deals outside the home market; and the fact that some of the large overseas private equity houses have set up offices in the UK to take advantage of perceived investment opportunities.

This report relates to the activity of full BVCA members and this section looks only at funds raised that will be managed from a UK base. Some of our larger members invest capital drawn from global funds – these are not covered here.

Of the total amount raised by BVCA members’ UK-based funds in 2007, around 29% is expected to be invested in the UK and 28% of the rest of the world. The destinations for the remaining 43% are undecided.

Funds raised by source

BVCA members raised a total of £29,258 million in 2007, down from £34,296 million in 2006, but still higher than the 2005 total of £27,314 million (Table 18). Although funding from UK sources rose sharply in 2006 to £9,722 million, it slipped back somewhat in 2007 to £7,287 million. UK sources now account for one-quarter of all funds raised, down a little from 28% in 2006. Overseas sources provided BVCA members with £21,971 million, compared with £24,574 million in 2006.

Assets raised by pension funds, the biggest contributors to UK private equity over many years, fell a little last year to £6,692 million, from £9,973 million the year before. There were also smaller allocations made by corporate investors (£640 million) and academic institutions (£381 million). But some of the slack was picked up by the increased capital raised by fund of funds. They raised greater

Table 18 – Funds raised by source

Type of source		Amount raised (£m)			% of amount raised		
		2007	2006	2005	2007	2006	2005
Pension funds:	UK	1,132	2,054	1,502	4	6	5
	Overseas	5,560	7,919	7,175	19	23	26
Total		6,692	9,973	8,677	23	29	31
Insurance companies:	UK	635	1,080	558	2	3	2
	Overseas	1,777	2,023	3,136	6	6	12
Total		2,412	3,103	3,694	8	9	14
Corporate investors:	UK	270	442	423	1	1	2
	Overseas	370	847	928	1	2	3
Total		640	1,289	1,351	2	4	5
Banks:	UK	1,188	2,222	822	4	6	3
	Overseas	4,380	1,307	854	15	4	3
Total		5,568	3,529	1,676	19	10	6
Funds of funds:	UK	2,067	1,523	1,131	7	4	4
	Overseas	4,065	3,807	3,244	14	11	12
Total		6,132	5,330	4,375	21	16	16
Government agencies:	UK	59	470	517	–	1	2
	Overseas	2,988	2,552	3,196	10	7	12
Total		3,047	3,022	3,713	10	9	14

Table 18 – Funds raised by source

Type of source		Amount raised (£m)			% of amount raised		
		2007	2006	2005	2007	2006	2005
Academic institutions:	UK	20	130	65	–	–	–
	Overseas	361	1,372	1,279	1	4	5
Total		381	1,502	1,344	1	4	5
Private individuals:	UK	985	669	562	3	2	2
	Overseas	1,486	1,352	1,019	5	4	4
Total		2,471	2,021	1,581	8	6	6
Other sources:	UK	931	1,132	292	3	3	1
	Overseas	984	3,395	611	3	10	2
Total		1,915	4,527	903	7	13	3
Total from UK sources		7,287	9,722	5,872	25	28	21
Total from overseas sources		21,971	24,574	21,442	75	72	79
Grand total		29,258	34,296	27,314	100	100	100
Invested directly for parent through a captive vehicle	Captive	962	4,000	509			
	Semi-captive	466	1,843	106			
Capital gains, dividend income and loan interest		1,073	5,639	1,422			
Amount returned to investors		1	51	7			

1. – indicates a value of greater than 0 but less than 0.5.

assets for private equity last year, increasing the money provided to BVCA members by 15% to £6,132 million. Funds of funds provided more than one-fifth (21%) of funding to UK private equity firms last year, second only to pension funds. It is likely that pension funds have chosen to make allocations to private equity increasingly through funds of funds which can offer greater diversification.

Banks increased their allocations by 37% from £3,529 million in 2006 to £5,568 million last year. Banks were the third-biggest source of private equity funding in 2007 and provided 19% of the total assets raised last year.

Funds raised by country

US investors are still the largest contributors to UK private equity funds, raising £12,176 million last year, a small decline on the 2006 figure of £12,621 million. But, due to the overall fall in assets raised, US investors' share of funds raised rose from 37% to 42% year-on-year. As noted earlier, assets raised in the UK fell last year, as they did in nearly every other country and region surveyed. The exception is Germany, where there was a 13% increase in funds raised, from £919 million in 2006 to £1,040 million last year. The largest decline (38%) was in capital raised in France, which fell from £862 million to £536 million.

Table 19 – Funds raised by country

Country	Amount raised (£m)			% of amount raised		
	2007	2006	2005	2007	2006	2005
UK	7,288	9,722	5,872	25	28	21
Netherlands	873	1,372	956	3	4	4
France	536	862	668	2	3	2
Germany	1,040	919	1,125	4	3	4
Rest of Europe	3,600	4,390	3,156	12	13	12
North America	12,176	12,621	12,218	42	37	45
Asia	1,136	1,437	2,026	4	4	7
Other	2,609	2,973	1,293	9	9	5
Total	29,258	34,296	27,314	100	100	100

Funds raised by expected stage of investment

While mega-funds are still an important part of fundraising, funds of greater than £100 million received less funding last year than in the previous two years. Assets earmarked for mega-buyouts and buy-ins fell 18% from £25,150 million in 2006 to £20,617 million last year (Table 20).

By contrast, funds raised for smaller buyouts soared. Assets raised for very small buyouts (less than £10 million) rose from £305 million in 2006 to £569 million last year; assets for small buyouts (£10 million to £50 million) nearly doubled from £960 million to £1,876 million; and assets raised for mid-sized buyouts (£50 million to £100 million) went up from £2,578 million to £3,196 million. MBOs/MBIs overall, represented 90% of all funds raised by BVCA members last year, an increase from 85% in 2006.

The proportion raised for expansion deals remained static at 2%, although the amount fell from £775 million to £614 million year-on-year. Funds raised for early stage investment fell from £1,235 million in 2006 to £830 million last year. However, assets earmarked for technology investment rose from £549 million to £658 million.

Table 20 – Funds raised by expected stage of investment in 2007

Stages	Amount raised (£m)			% of amount raised		
	2007	2006	2005	2007	2006	2005
Early stage	830	1,235	752	3	4	3
Technology	658	549	580	2	2	2
Other	172	686	172	1	2	1
Expansion	614	775	853	2	2	3
Technology	224	254	346	1	1	1
Other	390	521	507	1	2	2
MBO/MBI	26,263	28,994	24,966	90	85	91
Technology	5	1	530	–	–	2
Other	26,258	28,993	24,436	90	85	89
Up to £10m (total deal value)	569	305	93	2	1	–
£10m – £50m	1,876	960	1,447	6	3	5
£50m – £100m	3,196	2,578	2,075	11	8	8
Over £100m	20,617	25,150	21,351	70	73	78
Other	1,551	3,292	650	5	10	2
Unknown	0	0	93	0	0	–
Total	29,258	34,296	27,314	100	100	100

1. – indicates a value of greater than 0 but less than 0.5.

Divestments

Private equity and venture capital firms generate returns for their investors by 'divesting' or 'exiting' part or all of their stake in a portfolio company. Divestments typically take place 3–5 years after the initial investment.

There are a number of divestment types, the following being among the most common:

- Trade sale. A private equity firm sells its stake in a portfolio company to another company, often operating in the same sector
- Secondary sale. A firm sells a stake in a portfolio company to another private equity firm

- Flotation. A company is floated on the stock market and the shares are passed on to investors, or sold and the proceeds passed on at a later date

Divestments in 2007 increased by 4% from £13,093 million in 2006 to £13,557 million, but it should be noted that the impact of new members has slightly inflated the 2007 figure. The total number of divestments rose from 2,636 to 2,770, and the number of companies in which the divestments were made was down slightly from 1,487 to 1,469.

The highest proportion (28%) of divestments was made via sales to other private equity firms, indicating a strong secondary market. There were £3,830 million of secondary market sales, involving 145 companies. The next most

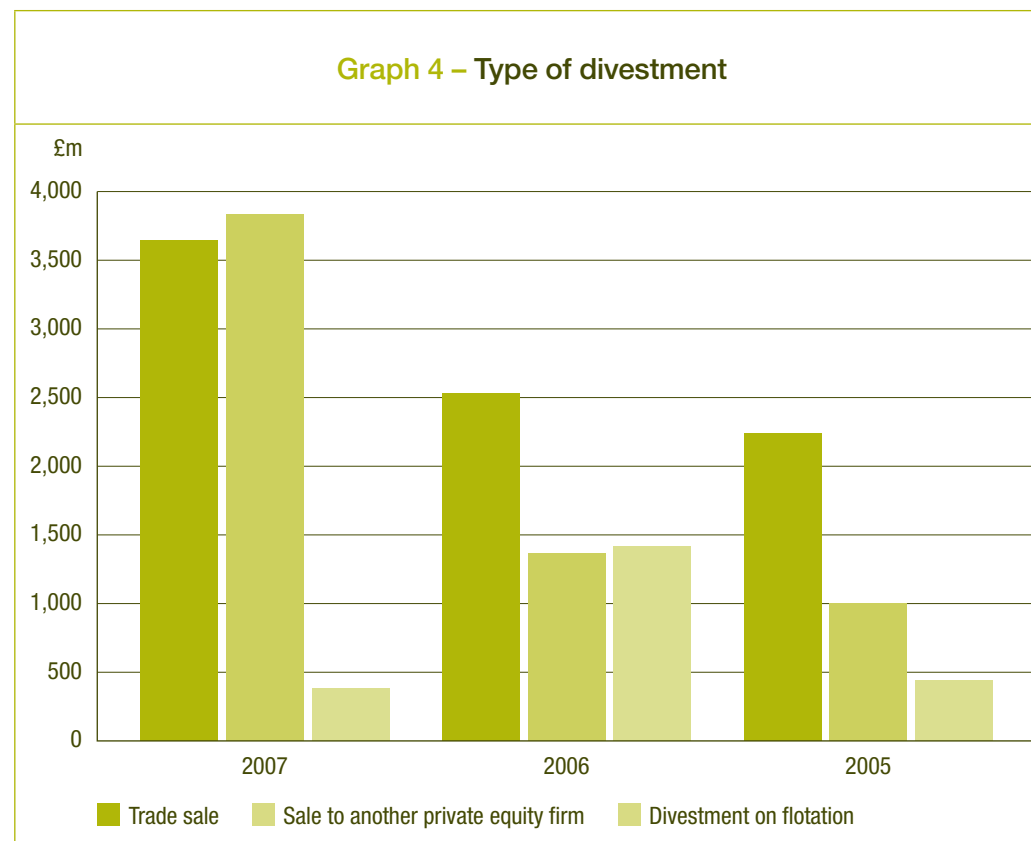
prevalent divestment route last year was via trade sales, which accounted for £3,643 million, or 27% of total divestments. The repayment of preference shares and loans, the most prevalent type of divestment in 2006, at 22% of the total, fell back to 20% of the total in 2007 with £2,693 million worth of divestments. Write-offs rose from 2006, reaching £889 million, or 7% of all divestments last year, compared with 4% in 2006.

Private equity investors received relatively little return from stock markets last year. Just 26 companies were floated in 2007, down from 44 in 2006 and a similar number in 2005 and 2004. Flotations, which took place both in the UK and abroad, account for just 3% of total divestments, at £380 million.

Table 21 – Divestments in 2007

Type of divestment	Amount divested		Number of divestments		Number of companies	
	£m	%		%		%
Divestment on flotation	380	3	30	1	26	2
Sale of quoted equity	538	4	191	7	101	7
Trade sale	3,643	27	370	13	239	16
Sale to another private equity firm	3,830	28	259	9	145	10
Sale to financial institutions	544	4	256	9	39	3
Sale to management (buy-back)	174	1	141	5	93	6
Divestment by other means (not including loan repayments)	866	6	752	27	401	27
Repayment of preference shares/loans	2,693	20	574	21	240	16
Write-off	889	7	197	7	185	13
Total	13,557	100	2,770	100	1,469	100

Graph 4 – Type of divestment



UK investment compared with the USA and continental Europe

UK investment compared with the US and continental Europe

The UK private equity market is the largest and most developed in Europe, accounting for nearly half of total European investment and, globally, is second in size only to the US.

UK versus US technology investment

The UK's BVCA survey and the US's PricewaterhouseCoopers/National Venture Capital Association MoneyTree Report (compiled using data provided by Thomson Financial) are not directly comparable. In the UK survey, private equity and debt (derived from private equity funds) are included, whereas in the US survey, debt is not included, except on conversion to equity. In addition, the industry categories in the two surveys are not directly comparable.

However, by taking the technology industry data from the MoneyTree Survey and the venture capital stages for technology in the BVCA survey, a reasonable comparison

can be made between US and UK technology investments. Non-technology deals have not been split out from US technology categories, such as 'healthcare services', because of the technical difficulties involved. For the same reason, technology-related deals in non-technology industry classifications, such as 'industrial/energy', have not been included. Equally, technology-related deals included in non-technology industry categories in the UK survey have been excluded, while non-technology deals in technology categories have been included.

UK technology investment at the venture capital stage (early stage and expansion) in 2007 declined by 26% to £1,205 million (see Table 22), from £1,638 million in 2006. At the same time, data from the MoneyTree Survey shows that US investment in technology-related companies rose by a slim 2% from £11,012 million in 2006 to £11,253 million last year (although the comparison is slightly skewed by the significant change in the dollar/pound exchange rate over the year).

In terms of the number of companies financed, 10% more UK early-stage and expansion technology companies received investment, rising from 623 to 686 year-on-year. The number of companies backed in the US also increased, from 2,606 to 2,799.

Regarding the overall amounts invested, while the gap between the UK and the US widened last year, it has been steadily closing over the long term. There is currently over nine times more technology investment in the US than in the UK, but the UK has made up plenty of ground in the past decade – 10 years ago, there was nearly 20 times more investment in US technology than in the UK. The same is true of GDP penetration, which was at just 0.06% of UK GDP in 1998, but which has now risen to 0.09%. However, year-on-year, GDP penetration fell in the UK and rose marginally in the US.

UK versus continental Europe

According to European Private Equity & Venture Capital Association (EVCA) data, the UK market accounted for 46% of total European investment in value in 2007, down from 57% the previous year (see Appendix V, Table T). While the UK remains comfortably the pre-eminent player in the European private equity market, other countries have started to make headway. France, for example, increased its share from 14% to 17%, while Germany doubled its share from 5% to 10%. Further analysis can be obtained by contacting the EVCA in Brussels and requesting a copy of its 2007 yearbook, published annually in June.

Due to the complexities involved in gathering data for the whole of Europe, there are some differences in methodology between EVCA and BVCA data, so the figures in this report are not directly comparable to those in the EVCA yearbooks. The differences are outlined in Appendix I.

Table 22 – Investments in technology related sectors

Year	Investment in technology related sectors				GDP Penetration % (x 100)			
	USA		UK		USA GDP		UK GDP	
	Amount (£m)	Deals	Amount (£m)	Companies	£bn	%	£bn	%
1997	7,383	2,314	328	237	4,886	0.15	801	0.04
1998	8,787	2,786	509	312	5,134	0.17	838	0.06
1999	20,148	3,501	694	407	5,747	0.35	824	0.08
2000	47,584	5,124	1,795	680	6,576	0.72	935	0.19
2001	22,242	3,335	1,209	738	7,089	0.31	991	0.12
2002	12,001	2,393	1,285	716	6,948	0.17	1,043	0.12
2003	9,567	2,272	645	735	6,670	0.14	1,109	0.06
2004	9,899	2,376	932	732	6,362	0.16	1,176	0.08
2005	10,400	2,515	1,291	730	6,816	0.15	1,225	0.11
2006	11,012	2,606	1,638	623	7,154	0.15	1,288	0.13
2007	11,253	2,799	1,205	686	6,881	0.16	1,384	0.09

SOURCES: GDP figures are taken from comparable OECD sources (<http://www.oecd.org/dataoecd/48/4/37867909.pdf>).

Annual average exchange rates are provided by the Bank of England (2007: £1 = \$2.0022; 2006: £1 = \$1.8430; 2005: £1 = \$1.8189; 2004: £1 = \$1.7834; 2003: £1 = \$1.6353; 2002: £1 = \$1.5035; 2001: \$1 = 1.4400; 2000: £1 = 1.5151; 1999: £1 = \$1.6180; 1998: £1 = \$1.6574; 1997: £1 = \$1.6600)

US venture capital figures: PricewaterhouseCoopers/National Venture Capital Association MoneyTree™ Report*, Data provided by Thomson Financial.

UK venture capital figures: BVCA Report on Investment Activity.

1. UK figures include all deals within the following categories: 'media', 'fixed line telecommunications', 'mobile telecommunications', 'software and computer services', 'technology hardware and equipment', 'electronic and electrical equipment', 'healthcare equipment and services', and 'pharmaceuticals and biotechnology'.
2. US figures include all deals within 'telecommunications', 'computers and peripherals', 'electronics/instrumentation', 'IT services', 'biotechnology', 'medical devices and equipment', 'healthcare services', 'networking and equipment', 'semiconductors', and 'software'.
3. In order to produce comparable UK and US figures, all venture capital deals within the categories outlined in notes 1 and 2 have been included. To maintain comparability, no attempt has been made to strip out any 'non-technology' deals from these predominantly technology related categories.
4. While deals in other sectors (besides those outlined in notes 1 and 2) may be considered 'technology', they have been excluded from the UK and US figures in order to keep the data comparable.
5. Leveraged buy-outs (similar to UK MBOs and MBIs) are not included in the US MoneyTree Survey as they are not considered to be 'venture capital'. It is for this reason that the UK figures have been reduced according to an estimation of technology buy-out activity for each given year.
6. Please note that the UK totals are expressed in 'number of companies', while comparable US information is only available in terms of 'number of deals'. The figures for 'number of US companies' would be lower than deals totals given.

Appendix I – Methodology

In early 2008, PricewaterhouseCoopers collected data on investments made by full members of the BVCA during the calendar year 2007. A 100% response rate was achieved, which included virtually every major private equity firm in the UK. In order to ensure only qualifying investments were included in the analysis, certain criteria were applied to the data received and are outlined below and in the following appendices.

This year the BVCA ran a dual methodology for data capturing. The traditional paper survey was employed alongside a new electronic data capturing tool. The aim of this new tool was to make survey completion easier and quicker for BVCA members. With over 50% of the returned forms completed using this new tool it is evident that members found it a useful tool for completing the Investment Activity survey.

The European Private Equity and Venture Capital Association (EVCA) also produces statistics on investment activity in the UK. However, for those readers who wish to

compare the BVCA and EVCA figures, please consider the following points.

1. The aggregate data produced for the BVCA report is derived from BVCA full members (UK private equity firms) only, which constitute the vast majority of private equity and venture capital in the UK. In the EVCA report, non-BVCA member data is also included.
2. From 2006, EVCA data includes investment by mezzanine players; the BVCA data does not.
3. Investments led by overseas offices of BVCA members (and which have not been advised on by the UK office) are excluded in the BVCA report (as it is only the UK office that is the BVCA member). This is the case, even if they invest back into the UK, unless the private equity executives from the UK office played a key role in the decision-making processes of the deal. Under the EVCA methodology, such investments made by UK private equity firms' overseas offices back into the UK are included in their market statistics.
4. BVCA does not include UK deals made by non-UK-based private equity firms, whereas EVCA includes these deals in their market statistics.
5. The BVCA report is based on data provided directly by BVCA member firms, whereas EVCA uses both data provided by private equity firms and information collected from public sources, for example, private equity websites.
6. The BVCA funds raised total does not include amounts raised by captives and realised capital gains available for reinvestment, although they are in the EVCA totals. Therefore, the EVCA's 'independent funds raised' figure is closest to the BVCA's total funds raised.
7. Further differences will be the result of the impact of exchange rates, with BVCA's data reported in sterling and EVCA's in euros.

Other amendments in methodology

Industry sectors

The wording in the 2006 BVCA questionnaire was enhanced to include investments 'made' or 'advised by' the office of the BVCA full member firm, 'regardless of whether the investing fund is UK or overseas-based'. This means that the 2006 figures relate not only to those investments undertaken by BVCA full member firms, but also to those undertaken through an overseas office, where the UK office was the lead adviser and regardless of where the investment fund was domiciled. As a result, more cross-border investments have been included in the BVCA data and therefore reflects more accurately the activity of BVCA full members, particularly those that invest out of pan-European or global funds.

Industry sectors

As of 30 December 2005, the FTSE Global Classification System (GCS) has been replaced by the new Industry Classification

Benchmark (ICB). The ICB is the new definitive industry classification standard, created jointly by FTSE Group and Dow Jones Indices. It is significantly different from the original FTSE GCS and therefore not possible to compare to previous years' data in this report. Please see Appendix III for more information.

Financing stages

From 2005, the number of companies in some financing stage categories and their subtotals, add up to more than the total number of companies invested in. This is due to some companies receiving more than one investment within the year at different financing stages. For example, if a company receives a round of start-up finance and then further rounds of expansion finance later in the same year, that company will be counted once in each of the start-up and expansion categories (therefore appearing to be counted twice), but only counted as one in the overall total. This only affects 'number of companies' not 'amounts invested' and is with effect from 2005 figures onwards only. This is in line with EVCA methodology.

Technology classification: methodology

There is as yet no widely accepted definition of a 'technology' firm. For the purposes of this report, PricewaterhouseCoopers used both the ICB and EVCA classification systems as a basis to establish a more comprehensive grouping of companies that are strongly classified under the ICB sector codes 9530 (software and computer services) and 9570 (technology hardware and equipment) and the EVCA sectors of 'biotechnology', 'computers', 'medical' and 'electronics-related'. Companies falling into EVCA subsectors such as 'publishing and media' under 'communications' and 'computer retailers' under 'computers' companies were included from other sectors dependent on new technologies and where they were involved in the development side of these technologies. Thus, industrial companies, which merely used an innovative technique to produce traditional goods were excluded, while those that specialised in producing cutting-edge materials were included.

E-commerce and 'Cleantech' companies

Due to low response rates and high 'Don't know' counts for the question relating to whether a portfolio company could be classified as involved in e-commerce, it was decided to remove this question for 2007 and replace it with a question that aims to quantify whether a portfolio company is involved in using clean technology, which is defined as "those companies who use innovative technology to create products and services that compete favourably on price and performance, while reducing mankind's impact on the environment".

Funds raised

Included in funds raised in this report are:

1. UK private equity firms with funds managed principally from the UK, for both UK and overseas investment.
2. Funds managed by the overseas headquarters of international private equity firms (which have UK-based offices that are BVCA members) are excluded as they are not managed from the UK.

Foreign currency conversion

Where PricewaterhouseCoopers was provided with investment information in foreign currencies, the amounts were converted into sterling using the daily average exchange rates for 2007, calculated from figures supplied by the European Central Bank (ECB).

Appendix II – private equity definitions

The term ‘private equity’ is the term generally used in Europe to cover the industry as a whole, both buyouts and venture capital. ‘Venture capital’ is a subcategory covering the start-up to expansion stages of investment. Private equity describes equity investments in unquoted companies, often accompanied by the provision of loans and other capital bearing an equity type risk. Below are descriptions of the different stages of private equity investment that are used in this report, along with the different types of private equity firms.

Stages of investment

Start-up

Financing provided to companies for use in 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 yet sold their product commercially.

Other early stage

Financing provided to companies that have completed the product development stage and require further funds to initiate commercial manufacturing and sales. They may not yet be generating profits.

Expansion

Sometimes known as ‘development’ or ‘growth’ capital, provided for the growth and expansion of an established company. Funds may be used to finance increased production capacity, product development, provide additional working capital, and/or for marketing. Capital provided for rescue/turnaround situations is also included in this category in this report.

Refinancing bank debt

Funds provided to enable a company to repay existing bank debt.

Secondary purchase

Purchase of existing shares in a company from another private equity firm, or from another shareholder or shareholders.

Management buyout (MBO)

Funds provided to enable current operating management and investors to acquire an existing product line or business. Institutional buyouts (IBOs), leveraged buyouts (LBOs) and other types of similar financing are included under MBOs for the purposes of this report.

Management buy-in (MBI)

Funds provided to enable an external manager or group of managers to buy into a company.

Types of private equity firms

The definitions below need to be interpreted with caution. In recent years, several larger private equity firms that historically invested funds from a single in-house source have begun to raise and manage external sources.

Independents

These can either be firms, funds or investment trusts, either publicly listed or

private, which raise their capital from external sources.

Captives

These organisations invest their own money, and/or manage or invest funds on behalf of a parent organisation. In the latter case, this private equity firm would be a wholly owned subsidiary or division of the parent, usually a financial institution.

Semi-captives

These invest funds on behalf of a parent company, or their own funds, in addition to investing funds raised within the last five years from external sources.

Appendix III – Industry classification

Economic group	Sectors	Subsectors
Oil and Gas	Oil and gas, Oil and gas producers Oil equipment, services and distribution Alternative energy	Exploration and production, integrated oil and gas. Oil equipment and services, pipelines. Renewable energy equipment, alternative fuels
Basic materials	Chemicals Forestry and paper Industrial metals and mining Mining	Commodity and specialty chemicals. Forestry, paper. Aluminium, non-ferrous metals, iron and steel. Coal, diamonds and gemstones, general mining, gold mining, platinum and precious metals.
Industrials	Construction and materials Aerospace and defence General industrials Electronic and electrical equipment Industrial engineering Industrial transportation Support services	Building materials and fixtures, heavy construction. Aerospace, defence. Containers and packaging, diversified industrials. Electrical components and equipment, electronic equipment. Commercial vehicles and trucks, industrial machinery. Delivery services, marine transportation, railroads, transportation services, trucking. Business support services, business training and employment agencies, financial administration, industrial suppliers, waste and disposal services.

⁵ The Industry Classification Benchmark is the new definitive industry classification standard created jointly by FTSE Group and Dow Jones Indexes. Full details can be found on www.ftse.com

Economic group	Sectors	Subsectors
Consumer goods	Automobiles and parts	Automobiles, auto parts, tyres.
	Beverages	Brewers, distillers and vintners, soft drinks.
	Food producers	Farming and fishing, food products.
	Household goods and home construction	Durable household products, non-durable household products, furnishings, home construction.
	Leisure goods	Consumer electronics, recreational products, toys.
	Personal goods	Clothing and accessories, footwear, personal products.
	Tobacco	Tobacco.
Basic materials	Chemicals	Commodity and specialty chemicals.
	Forestry and paper	Forestry, paper.
	Industrial metals	Aluminium, non-ferrous metals, steel.
	Mining	Coal, diamonds and gemstones, general mining, gold mining, platinum and precious metals.
Healthcare	Healthcare equipment and services	Health care providers, medical equipment, medical supplies.
	Pharmaceuticals and biotechnology	Biotechnology, pharmaceuticals.
Consumer services	Food and drug retailers	Drug retailers, food retailers and wholesalers.
	General retailers	Apparel retailers, broadline retailers, home improvement retailers, specialised consumer services, specialty retailers.
	Media	Broadcasting and entertainment, media agencies, publishing.
	Travel and leisure	Airlines, gambling, hotels, recreational services, restaurants and bars, travel and tourism.

Appendix III – Industry classification (continued)

Economic group	Sectors	Subsectors
Telecommunications	Fixed-line telecommunications Mobile telecommunications	Fixed-line telecommunications. Mobile telecommunications.
Utilities	Electricity Gas, water and multi-utilities	Conventional electricity, alternative electricity Gas distribution, multiutilities, water.
Financials	Banks Non-life insurance Life insurance Real estate investment and services Real estate investment trusts Financial services Equity investment instruments Non-equity investment instruments	Banks. Full line insurance, insurance brokers, property and casualty insurance, reinsurance. Life insurance. Real estate holding and development, real estate services. Industrial and office REITs, retail REITs, residential REITs, diversified REITs, specialty REITs, mortgage REITs, hotel and lodging REITs. Asset managers, consumer finance, specialty finance, investment services, mortgage finance. Equity investment instruments. Non-equity investment instruments.
Technology	Software and computer services Technology hardware and equipment	Computer services, internet, software. Computer hardware, electronic office equipment, semiconductors, telecommunications equipment.

Appendix IV – UK regions

The ‘Standard Statistical Regions’, provided by the Office for National Statistics, used in this report in previous years were replaced by ‘Government Office Regions’ (GORs) in 1996/7. This resulted in some changes in the regional boundaries in England. Tables (li–ii in Appendix V) use the old Standard Statistical Regions for data from 1984 to 1998. The new GORs have been used since 1998. Scotland, Wales and Northern Ireland are not subdivided into GORs, but are listed with them as regions in UK-wide statistical comparisons.

Standard Statistical Regions

North

Cleveland
Durham
Northumberland
Tyne and Wear
Cumbria*

North West

Cheshire
Greater Manchester
Lancashire
Merseyside

Yorkshire and Humberside

Humberside
North Yorkshire
South Yorkshire
West Yorkshire

Government Office Regions

North East

Cleveland
Durham
Northumberland
Tyne and Wear

North West

Cumbria
Cheshire
Greater Manchester
Lancashire
Merseyside

Yorkshire and The Humber

Humberside
North Yorkshire
South Yorkshire
West Yorkshire

*Regions that have changed their area boundaries.

Appendix IV – UK regions (continued)

Standard Statistical Regions

East Midlands

Derbyshire
Leicestershire
Lincolnshire
Northamptonshire
Nottinghamshire

West Midlands

Hereford and Worcester
Shropshire
Staffordshire
Warwickshire
West Midlands

East Anglia

Cambridgeshire*
Norfolk*
Suffolk*

Government Office Regions

East Midlands

Derbyshire
Leicestershire
Lincolnshire
Northamptonshire
Nottinghamshire

West Midlands

Hereford and Worcester
Shropshire
Staffordshire
Warwickshire
West Midlands

East of England

Cambridgeshire
Norfolk
Suffolk
Bedfordshire
Essex
Hertfordshire

*Regions that have changed their area boundaries.

Standard Statistical Regions

South East

Bedfordshire*
Berkshire
Buckinghamshire
East Sussex
Essex*
Greater London*
Hampshire
Hertfordshire*
Isle of Wight
Kent
Oxfordshire
Surrey
West Sussex

Government Office Regions

South East

Berkshire
Buckinghamshire
East Sussex
Hampshire
Isle of Wight
Kent
Oxfordshire
Surrey
West Sussex

London

South West

Avon
Cornwall
Devon
Dorset
Gloucestershire
Somerset
Wiltshire

South West

Avon
Cornwall
Devon
Dorset
Gloucestershire
Somerset
Wiltshire

Appendix V – Tables compiled from previous reports

Table A – Funds invested by BVCA members

Year	Number of companies financed in the UK	Number of companies financed overseas	Total number of companies financed	Amount invested in UK (£m)	Amount invested overseas (£m)	Total amount invested (£m)
1984	350	129	479	140	50	190
1985	517	118	*1,185	277	47	*433
1986	600	108	*1,292	384	42	*584
1987	1,174	124	1,298	934	96	1,029
1988	1,326	201	1,527	1,298	96	1,394
1989	1,302	267	1,569	1,420	227	1,647
1990	1,221	338	1,559	1,106	288	1,394
1991	1,196	190	1,386	989	164	1,153
1992	1,147	150	1,297	1,251	183	1,434
1993	1,066	136	1,202	1,231	191	1,422
1994	1,101	107	1,208	1,668	406	2,074
1995	1,030	133	1,163	2,140	395	2,535
1996	1,060	140	1,200	2,806	433	3,239
1997	1,116	156	1,272	3,066	1,118	4,184
1998	1,122	210	1,332	3,775	1,144	4,919
1999	1,109	249	1,358	6,169	1,678	7,847
2000	1,182	341	1,523	6,371	1,885	8,256
2001	1,307	290	1,597	4,752	1,412	6,164
2002	1,196	263	1,459	4,480	986	5,466
2003	1,274	219	1,493	4,074	2,283	6,357
2004	1,301	265	1,566	5,336	4,343	9,679
2005	1,307	228	1,535	6,813	4,863	11,676
2006	1,318	312	1,630	10,227	11,626	21,853
2007	1,330	350	1,680	11,972	19,662	31,634
Total	26,652	5,024	32,810	82,679	53,618	*136,563

Notes

1. Figures are not strictly comparable due to annual changes in membership.
2. Investment by 3i was not included in the 1984 figures.
3. *Final total figures in 1985/6 were adjusted in 1987 to include 3i investments. Subtotals were not altered. This also affects the grand totals.
4. 1992-date: Secured debt is included where it is concurrent or alongside equity investment, or where it is rescue finance. Previously only unsecured debt as part of an equity/quasi-equity package was included. 1. 2. 3. 4.

Table B – Investment by country by BVCA members

Year	No. of companies				% of companies				Amount invested (£m)				% Amount invested			
	UK	USA	CE	Other	UK	USA	CE	Other	UK	USA	CE	Other	UK	USA	CE	Other
1984	350	117	12		73	24	3		140	48	3		74	25	1	
1985	517	97	18	3	81	15	3	1	278	38	8	1	86	12	3	–
1986	600	95	11	2	85	13	2	–	384	37	5	–	90	9	1	–
1987	1,174	103	21		91	8	2		934	83	12		91	8	1	
1988	1,326	1,370	38	26	87	9	2	2	1,298	41	47	8	93	3	3	1
1989	1,302	156	94	17	83	10	6	1	1,420	127	97	3	86	8	6	–
1990	1,221	178	150	10	78	11	10	1	1,106	62	223	3	79	5	16	–
1991	1,196	92	94	4	86	7	7	–	989	70	92	2	86	6	8	–
1992	1,147	71	77	2	88	6	6	–	1,251	51	119	13	87	4	8	1
1993	1,066	59	74	3	89	5	6	–	1,231	58	116	17	87	4	8	1
1994	1,101	47	60	0	91	4	5	0	1,668	38	368	0	80	2	18	0
1995	1,030	46	83	4	89	4	7	–	2,140	49	343	3	84	2	14	–
1996	1,060	62	74	4	89	5	6	–	2,806	84	346	3	87	2	11	–
1997	1,116	44	97	15	88	3	8	1	3,066	135	965	18	73	3	23	–
1998	1,122	78	106	26	84	6	8	2	3,775	129	861	154	77	3	17	3
1999	1,109	53	170	26	82	4	12	2	6,169	115	1,443	120	79	1	18	2
2000	1,182	78	246	17	78	5	16	1	6,371	271	1,580	34	77	3	19	1
2001	1,307	94	179	17	82	6	11	1	4,752	197	1,191	24	77	3	19	1
2002	1,196	54	195	14	82	4	13	1	4,480	54	899	33	82	1	16	1
2003	1,274	40	164	15	85	3	11	1	4,074	292	1,972	19	64	5	31	–
2004	1,301	60	181	24	83	4	12	1	5,336	459	3,858	26	55	5	40	–
2005	1,307	44	162	22	85	3	11	1	6,813	479	4,152	232	58	4	36	2
2006	1,318	51	214	47	81	3	13	3	10,227	1,164	10,032	430	47	5	46	2
2007	1,330	73	248	29	79	4	15	2	11,972	3,910	13,988	1,764	38	12	44	6
Total	26,652	3,162	3,095		81	10	9		82,680	7,991	45,627		61	6	33	

- Notes
1. Figures are not strictly comparable as membership changes annually.
 2. 1984/5/6: Breakdown for management buyout, buy-in and acquisitions not available.
 3. 1992-date: Secured debt is included where it is concurrent or alongside equity investment, or where it is rescue finance. Previously only unsecured debt as part of an equity/quasi-equity package was included.
 4. CE = continental Europe.
 5. – indicates value greater than 0, but less than 0.5.

Appendix V – Tables compiled from previous reports (continued)

Year	Early stage (£m)			Expansion (£m)				MBO/MBI (£m)			Grand Total (£m)
	Start-up	Early	Total	Exp	Ref	2ndry	Total	MBO	MBI	Total	
1984	25	13	38	62	n/a	11	73	n/a	n/a	*29	140
1985	32	18	50	104	n/a	16	120	n/a	n/a	*107	277
1986	58	28	86	104	n/a	20	124	n/a	n/a	*174	384
1987	75	45	120	278	n/a	23	301	480	33	513	934
1988	70	60	130	402	n/a	33	435	n/a	n/a	733	1,298
1989	86	129	215	319	n/a	19	338	n/a	n/a	867	1,420
1990	76	52	128	343	n/a	53	396	n/a	n/a	582	1,106
1991	35	23	58	261	72	54	387	n/a	n/a	544	989
1992	43	39	82	279	43	40	362	670	137	807	1,251
1993	34	35	69	295	12	86	393	585	184	769	1,231
1994	45	31	76	415	6	59	480	797	315	1,112	1,668
1995	26	59	85	419	5	71	495	1,090	470	1,560	2,140
1996	41	90	131	384	31	177	592	1,566	517	2,083	2,806
1997	58	101	159	678	8	221	907	1,513	487	2,000	3,066
1998	111	177	288	688	3	131	822	2,129	536	2,665	3,775
1999	128	219	347	980	39	137	1,156	4,282	384	4,666	6,169
2000	175	528	703	2,012	11	99	2,122	3,297	249	3,546	6,371
2001	163	227	390	1,339	63	234	1,636	2,520	206	2,726	4,752
2002	99	196	295	1,118	24	232	1,374	2,659	152	2,811	4,480
2003	73	190	263	477	46	344	867	2,395	549	2,944	4,074
2004	96	188	284	789	7	158	954	3,778	320	4,098	5,336
2005	160	222	382	1,144	20	787	1,951	3,736	744	4,480	6,813
2006	531	415	946	1,836	139	1,019	2,994	6,070	217	6,287	10,227
2007	190	244	434	1,137	131	2,549	3,817	7,373	348	7,721	11,972
Total	2,430	3,329	5,759	n/a	n/a	n/a	23,096	n/a	n/a	53,824	82,679

Notes

1. Figures are not strictly comparable as membership changes annually. 3i investment is not included in the 1984-6 figures.
2. *Includes investment in 'acquisitions' as well as 'MBOs/MBIs'.
3. 1992-date: Secured debt is included where it is concurrent or alongside equity investment, or where it is rescue finance. Previously only unsecured debt as part of an equity/quasi-equity package was included.

Table Cii – Number of UK financings/companies by stage

UK financings											
Year	Early stage			Expansion				MBO/MBI			Grand Total
	Start-up	Early	Total	Exp	Ref	2ndry	Total	MBO	MBI	Total	
1984	99	64	163	237	n/a	27	264	n/a	n/a	*87	514
1985	135	98	233	360	n/a	59	419	n/a	n/a	*191	843
1986	166	108	274	359	n/a	45	404	n/a	n/a	*284	962
1987	267	191	458	817	n/a	59	876	360	32	392	1,726
1988	202	182	384	639	n/a	51	690	n/a	n/a	282	1,356
1989	177	344	521	473	n/a	24	497	n/a	n/a	333	1,351
1990	199	141	340	543	n/a	93	636	n/a	n/a	340	1,316
1991	158	115	273	529	41	131	701	n/a	n/a	288	1,262
1992	130	92	222	605	45	109	759	228	110	338	1,319
1993	123	113	236	625	20	101	746	167	66	233	1,215
1994	100	77	177	546	13	131	690	219	103	322	1,189
Total	1,756	1,525	3,281	n/a	n/a	n/a	6,682	n/a	n/a	3,090	13,053

Appendix V – Tables compiled from previous reports (continued)

Table Cii (continued) – Number of UK financings/companies by stage (continued)											
UK companies											
Year	Early stage			Expansion				MBO/MBI			Grand Total
	Start-up	Early	Total	Exp	Ref	2ndry	Total	MBO	MBI	Total	
1995	78	89	167	431	13	84	528	229	106	335	1,030
1996	84	100	184	432	11	77	520	247	109	356	1,060
1997	113	106	219	451	9	88	548	250	99	349	1,116
1998	115	126	241	484	5	72	561	218	102	320	1,122
1999	101	159	260	481	7	51	539	255	55	310	1,109
2000	153	256	409	498	6	44	548	190	35	225	1,182
2001	190	218	408	590	23	40	653	202	44	246	1,307
2002	165	233	398	568	9	42	619	150	29	179	1,196
2003	185	242	427	582	14	49	645	168	34	202	1,274
2004	190	264	454	522	11	47	580	237	30	267	1,301
2005	208	285	491	511	11	58	573	259	49	308	1,307
2006	245	255	500	490	50	33	573	339	26	365	1,318
2007	207	295	502	474	44	77	595	312	37	349	1,330
Total	2,034	2,628	4,660	6,514	213	762	7,482	3,056	755	3,811	15,652

Notes

1. Figures are not strictly comparable due to annual membership changes. 3i's investments are excluded in the 1984–6 figures.
2. *Includes 'acquisition' financings as well as MBOs/MBIs.
3. 1992-date: Secured debt is included where it is concurrent or alongside equity investment, or where it is rescue finance. Previously only unsecured debt as part of an equity/quasi-equity package was included.
4. Figures have been restated back to 1995 to represent numbers of 'companies', rather than 'financings', to be more comparable with other tables in the report. Companies can have more than one financing in any one year.
5. Change in methodology: from 2005, the number of companies in some financing stage categories, and their subtotals, will add up to more than the total number of companies invested in. This is due to some companies receiving more than one investment within the year at different financing stages. Please see Appendix I for further information.

Table Ciii – Overseas investment by stage

By amount invested											
Year	Early stage (£m)			Expansion (£m)				MBO/MBI (£m)			Grand Total (£m)
	Start-up	Early	Total	Exp	Ref	2ndry	Total	MBO	MBI	Total	
1997	18	13	31	256	0	89	345	679	63	742	1,118
1998	19	99	118	244	3	2	249	676	101	777	1,144
1999	33	84	117	336	38	3	377	1,135	49	1,184	1,678
2000	119	266	385	765	0	37	802	685	13	698	1,885
2001	43	98	141	516	4	95	615	656	0	656	1,412
2002	19	90	109	213	16	8	237	615	25	640	986
2003	10	90	100	546	3	42	591	1,552	40	1,592	2,283
2004	19	159	178	742	12	16	770	3,337	58	3,395	4,343
2005	22	73	95	1,029	0	24	1,053	3,707	8	3,715	4,863
2006	242	138	380	2,996	3	603	3,602	7,453	191	7,644	11,626
2007	134	115	249	1,645	39	2,931	4,615	14,798	–	14,798	19,662
Total	678	1,225	1,903	9,288	118	3,850	13,256	35,293	548	35,841	51,000

Appendix V – Tables compiled from previous reports (continued)

Table Ciii (continued) – Overseas investment by stage (continued)

By number of companies											
Year	Early stage			Expansion				MBO/MBI			Grand Total
	Start-up	Early	Total	Exp	Ref	2ndry	Total	MBO	MBI	Total	
1997	18	14	32	66	0	12	78	38	8	46	156
1998	15	53	68	84	2	4	90	41	11	52	210
1999	20	47	67	118	8	2	128	50	4	54	249
2000	40	105	145	152	0	10	162	30	4	34	341
2001	23	56	79	152	3	28	183	28	0	28	290
2002	18	88	106	101	1	26	128	22	7	29	263
2003	10	60	70	88	1	4	93	53	3	56	219
2004	10	91	101	75	3	5	83	79	2	81	265
2005	16	52	68	94	0	6	98	69	2	71	228
2006	46	32	78	118	5	13	136	100	5	105	312
2007	23	59	82	104	6	30	140	141	–	141	350
Total	239	657	896	1,152	29	140	1,319	651	46	697	2,883

Notes

Change in methodology: from 2005, the number of companies in some financing stage categories, and their subtotals, will add up to more than the total number of companies invested in. This is due to some companies receiving more than one investment within the year at different financing stages. Please see Appendix I for further information.

Table D – Amount of private equity received by UK companies

Investment size (£000s)	Number of Companies							% of Companies							Amount Invested (£m)							% of amount invested							
	2007	2006	2005	2004	2003	2002	2001	2007	2006	2005	2004	2003	2002	2001	2007	2006	2005	2004	2003	2002	2001	2007	2006	2005	2004	2003	2002	2001	
0-4.9	53	92	38	16	18	19	19	4	7	3	1	1	2	1	–	–	–	–	–	–	–	–	–	–	–	–	–		
5-9.9	19	11	11	9	14	13	8	1	1	1	1	1	1	1	–	–	–	–	–	–	–	–	–	–	–	–	–		
10-19.9	28	21	19	27	14	18	23	2	2	1	2	1	2	2	1	–	–	–	–	1	–	–	–	–	–	–	–		
20-49.9	110	80	100	95	80	47	40	8	6	8	7	6	4	3	8	3	3	3	2	5	2	–	–	–	–	–	–		
50-99.9	138	109	98	114	105	87	84	10	8	7	9	8	7	6	22	8	7	8	6	13	8	–	–	–	–	–	–		
100-199.9	161	198	172	167	171	145	135	12	15	13	13	14	12	10	54	29	23	23	21	35	28	1	–	–	–	1	1	1	
200-499.9	279	258	291	283	296	216	225	21	20	22	22	23	18	17	171	88	86	86	79	117	88	1	1	1	2	2	3	2	
500-999.9	141	125	146	169	165	180	195	11	9	11	13	13	15	15	206	95	98	115	100	156	153	2	1	1	2	2	3	3	
1,000-1,999	120	115	156	152	152	181	204	9	9	12	12	12	15	16	278	174	215	215	186	307	301	2	2	3	4	5	7	6	
2,000-4,999	100	104	125	125	125	143	207	8	8	10	10	10	12	16	515	338	383	411	330	425	637	4	3	6	8	8	9	13	
5,000-9,999	63	67	46	44	61	65	92	5	5	3	3	5	6	7	683	464	311	314	392	359	547	6	5	5	6	10	8	12	
10,000-14,999	34	31	36	29	26	25	27	3	2	3	2	2	2	2	555	385	449	349	287	254	341	5	4	7	7	7	6	7	
15,000-19,999	17	25	9	17	4	13	6	1	2	1	1	–	1	–	412	422	153	301	57	215	101	3	4	2	6	1	5	2	
20,000-49,999	40	38	25	32	24	27	20	3	3	2	2	2	2	2	1,742	1,245	727	981	606	877	586	15	12	11	18	15	20	12	
50,000+	27	44	35	22	19	17	22	2	3	3	2	2	1	2	7,325	6,975	4,358	2,530	2,008	1,716	1,960	61	68	64	47	49	38	41	
Total	1,330	1,318	1,307	1,301	1,274	1,196	1,307	100	100	100	100	100	100	100	11,972	10,227	6,813	5,336	4,074	4,480	4,752	100	100	100	100	100	100	100	100

Note
– indicates value greater than 0, but less than 0.5.

Appendix V – Tables compiled from previous reports (continued)

Table Ei – UK investment by industry sector (£m)

Year	Consumer related	Computer related	Electronics related	Industrial related	Medical health biotech	Communications	Energy	Transport	Construction	Financial services	Other services	Manufacturing, agricultural & other	Total
1984*	26	22	11	6	7	7	5	3	2	n/a	18	6	(*113)140
1985*	33	32	21	12	7	13	2	6	6	10	15	14	(*171)277
1986*	39	21	15	13	17	14	1	16	4	19	25	6	(*190)384
1987	260	46	39	101	46	17	8	36	46	46	219	70	934
1988	457	56	19	103	23	18	6	40	84	166	72	254	1,298
1989	605	74	28	112	46	29	18	72	98	38	110	190	1,420
1990	386	67	25	67	49	17	3	95	77	80	88	152	1,106
1991	326	65	36	103	23	6	25	78	39	33	156	99	989
1992	396	30	19	159	42	23	125	82	53	42	164	116	1,251
1993	390	109	58	103	101	13	10	129	93	73	70	82	1,231
1994	482	82	54	238	67	37	18	136	74	88	106	286	1,668
1995	536	129	84	248	181	101	79	276	94	30	125	257	2,140
1996	769	96	69	581	183	104	30	104	48	203	315	304	2,806
1997	899	179	103	414	236	171	73	174	112	79	277	349	3,066
1998	557	253	103	381	210	506	57	129	101	58	502	918	3,775
1999	1,640	680	93	431	288	119	63	320	291	104	729	1,411	6,169
2000	2,132	892	197	382	697	510	83	127	191	64	382	714	6,371
2001	1,122	663	62	124	481	655	45	294	356	173	323	453	4,752
2002	1,561	284	78	143	710	260	23	278	62	394	278	408	4,480
2003	1,616	285	62	104	213	382	11	79	45	236	333	708	4,074
2004	1,421	316	85	244	462	125	191	43	9	536	1,137	767	5,336
2005	2,563	297	49	102	540	658	299	182	75	762	495	791	6,813
2006	2,172	816	35	397	1,081	576	420	618	1,119	668	1,479	846	10,227
2007	3,990	417	31	894	887	2,607	231	304	125	1,593	469	424	11,972
Total	24,378	5,911	1,376	5,462	6,597	6,968	1,826	3,621	3,204	5,495	7,887	9,625	*82,679

Notes

- Figures are not strictly comparable due to annual membership changes.
- The totals in 1985 and 1986 were restated when 3i plc joined the BVCA in 1987.
- *These industry sector subtotals exclude some types of deals, therefore they do not correlate to the final column on the far right. * 1984: Figures exclude buyouts and acquisitions. * 1985: Figures exclude buy-ins/outs and acquisitions. * 1986: Figures exclude buy-ins/outs, acquisitions and secondary purchases. 1. 2. 3.
- 1992-3: Secured debt is included where it is concurrent or alongside equity investment, or where it is rescue finance. Previously only unsecured debt as part of an equity/quasi-equity package was included.
- Consumer-related = leisure, retailing, food, products, services.
- Computer-related = hardware, internet, semiconductors, software.
- Electronics-related = components, instrumentation, other.
- Industrial products = chemicals and materials, services, automation.
- *£70,707m: Total invested in the UK includes deals that were omitted in the industry sector investment tables in 1984-6.

Table Eii – UK investment by number of companies by industry sector

Year	Consumer related	Computer related	Electronics related	Industrial related	Medical health biotech	Communications	Energy	Transport	Construction	Financial services	Other services	Manufacturing, agricultural & other	Total
1984*	59	51	31	25	24	20	19	10	8	n/a	35	23	(*305)350
1985*	96	71	39	16	44	34	7	20	19	14	33	31	(*424)517
1986*	112	64	35	35	32	28	3	23	9	24	64	24	(*453)600
1987	259	117	73	125	58	53	14	53	55	36	190	141	1,174
1988	305	127	68	155	52	37	19	62	58	126	109	208	1,326
1989	329	139	81	132	58	30	16	67	82	25	147	196	1,302
1990	305	156	61	130	51	20	14	90	75	55	91	173	1,221
1991	270	114	80	155	42	13	20	43	58	29	204	168	1,196
1992	282	82	59	177	48	20	15	30	58	23	202	151	1,147
1993	242	84	77	158	64	20	9	44	52	34	143	139	1,066
1994	209	80	71	164	48	23	11	33	59	42	149	212	1,101
1995	226	83	51	152	68	31	20	64	61	26	75	173	1,030
1996	190	80	37	207	71	24	15	32	36	26	190	152	1,060
1997	243	108	53	138	100	34	27	50	30	57	145	131	1,116
1998	115	164	59	168	106	42	16	22	40	23	126	241	1,122
1999	112	258	48	86	133	35	17	9	31	17	147	216	1,109
2000	142	242	73	24	180	232	15	24	35	35	71	109	1,182
2001	161	437	78	58	179	91	13	57	38	57	92	47	1,307
2002	153	332	59	51	216	136	20	18	19	72	87	33	1,196
2003	120	351	76	71	203	106	17	19	18	46	118	129	1,274
2004	119	285	73	111	244	90	24	13	22	36	123	161	1,301
2005	138	291	69	98	246	94	25	16	27	63	129	111	1,307
2006	167	276	46	105	225	111	23	11	24	75	143	112	1,318
2007	218	290	33	164	205	127	41	21	29	86	27	89	1,330
Total	4,572	4,282	1,430	2,705	2,697	1,451	420	831	943	1,027	2,840	3,170	*26,652

Notes

- Figures are not strictly comparable due to annual membership changes.
- The totals in 1985 and 1986 were restated when 3i plc joined the BVCA in 1987.
- * These industry sector subtotals exclude some types of deals, therefore they do not correlate to the final column on the far right. * 1984: Figures exclude buyouts and acquisitions. * 1985: Figures exclude buy-ins/outs and acquisitions. * 1986: Figures exclude buy-ins/outs, acquisitions and secondary purchases. 1. 2. 3.
- 1992-3: Secured debt is included where it is concurrent or alongside equity investment, or where it is rescue finance. Previously only unsecured debt as part of an equity/quasi-equity package was included.
- Consumer-related = leisure, retailing, food, products, services.
- Computer-related = hardware, internet, semiconductors, software.
- Electronics-related = components, instrumentation, other.
- Industrial products = chemicals and materials, services, automation.
- * 25,322: Total number of companies in receipt of private equity in the UK includes deals that were omitted in the industry sector investment in 1984-6.

Appendix V – Tables compiled from previous reports (continued)

Table Fi – Technology investment by number of companies													
Industry Sector	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Communications	34	36	58	54	68	63	93	53	27	25	22	13	16
Computer:											106	80	79
hardware	17	15	11	14	21	20	34	41	22	14			
internet	33	15	27	23	24	32	53	148	59	16			
semiconductors	23	18	19	15	32	24	18	23	8	4			
software	180	196	180	198	236	194	270	286	165	128			
Other electronics related	45	47	62	67	60	42	32	44	48	57	39	33	34
Biotechnology	49	43	67	82	80	75	57	32	56	47	30	19	10
Medical:											30	17	14
instruments	59	71	58	50	30	28	27	15	23	3			
pharmaceuticals	36	24	39	37	38	48	44	1	8	9			
healthcare	21	14	26	19	18	18	21	15	24	15			
Other	30	38	97	98	94	97	41	114	33	33	39	22	15
Total	527	517	644	657	701	641	690	772	473	351	266	184	168

Table Fii – Technology investment by amount (£m)

Industry Sector	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Communications	203	243	197	58	260	62	566	220	75	97	92	78	21
Computer:											173	96	94
hardware	40	41	5	7	62	13	22	72	53	34			
internet	27	23	18	13	14	15	73	254	159	21			
semiconductors	37	21	39	23	29	27	35	66	24	3			
software	213	231	150	180	152	156	383	585	441	194			
Other electronics related	35	35	38	27	34	53	34	41	93	94	78	52	63
Biotechnology	76	122	58	72	84	58	68	59	73	68	29	30	18
Medical:											120	24	26
instruments	47	96	33	41	34	15	128	8	16	1			
pharmaceuticals	71	50	31	118	39	41	87	4	15	16			
healthcare	51	29	78	15	14	19	71	11	55	11			
Other	35	27	34	124	95	87	191	295	89	168	103	39	31
Total	835	918	681	678	817	546	1,658	1,615	1,093	707	595	319	253

Appendix V – Tables compiled from previous reports (continued)

Table Gi – Technology investment analysis by financing stage – Early stage

Technology sector	Number of Companies												Amount (£m)											
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Communications	13	17	27	27	25	31	47	21	13	8	6	31	14	3	12	15	19	33	61	59	12	13	7	1
Computer: hardware											37													31
internet	3	2	7	4	8	9	9	13	9	5			5	–	2	2	3	2	3	5	21	6		
semiconductors	17	5	10	13	9	14	27	94	30	11			9	4	5	7	2	4	35	88	49	12		
software	14	13	10	10	18	15	11	17	6	2			16	8	13	12	14	9	24	32	16	1		
	96	101	88	102	96	62	94	110	49	56			58	91	52	50	44	30	70	155	55	99		
Other electronics related	21	33	39	41	22	15	17	13	7	10	13	9	13	24	17	15	8	9	17	10	7	10	6	7
Biotechnology	33	35	36	52	56	59	38	25	36	27	19	11	33	14	34	45	62	33	39	49	54	31	16	19
Medical: instruments											10	3											18	11
pharmaceuticals	40	57	45	27	16	18	12	10	14	0			20	24	25	10	27	6	13	2	6	0		
healthcare	22	17	25	19	18	30	25	6	3	8			31	41	15	22	25	20	26	4	4	14		
	15	3	19	16	9	12	17			11			7	10	7	63	4	1	7	13	3	4	10	
Other	14	24	66	46	38	47	11	50	6	5	7	4	5	11	17	10	18	21	14	86	7	8	3	1
Total	288	307	372	357	315	312	308	359	179	143	92	58	214	227	255	192	223	174	315	493	235	204	81	55

Notes

1. Some sectors have been amalgamated, where possible, where there are instances of single deals, in order to preserve confidentiality.
2. For details of the methodology, please see Appendix I.

Table Gii – Technology investment analysis by financing stage – Expansion

Technology sector	Number of Companies												Amount (£m)											
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Communications	21	18	23	25	38	32	42	28	11	12	12	9	188	88	24	39	17	29	133	116	44	17	44	5
Computer:											50	33											66	31
hardware	12	10	5	9	12	11	24	21	8	6			25	19	3	4	6	11	15	46	10	3		
internet	17	10	17	10	15	17	22	50	23				18	18	12	6	12	11	33	157	37	2		
semiconductors	11	9	8	5	13	9	7	5	1	4			21	13	25	11	14	18	12	1	2	2		
software	85	88	82	89	126	126	160	159	87	58			56	79	82	68	75	113	279	291	215	51		
Other electronics related	16	17	23	24	37	24	14	26	30	31	15	14	13	10	19	11	23	22	16	12	23	17	20	5
Biotechnology	18	26	28	29	24	15	18	7	18	18	10	8	7	13	23	27	22	24	24	10	12	18	12	11
Medical:											12	12											12	8
instruments	21	20	12	20	12	9	14	5	8				26	11	8	28	7	7	114	6	10	1		
pharmaceuticals	13	7	15	18	20	17	19	0	5	4			34	9	16	96	14	21	61	0	11	2		
healthcare	7	9	7	2	6	4	4	10	14	4			30	7	14	1	11	1	58	8	15	1		
Other	13	15	31	46	50	42	17	53	22	15	23	16	14	4	17	109	69	56	18	110	30	18	48	35
Total	234	229	251	277	353	306	341	364	227	152	122	92	432	271	243	400	270	313	762	768	408	132	202	95

Notes

1. Some sectors have been amalgamated, where possible, where there are instances of single deals, in order to preserve confidentiality.
2. For details of the methodology, please see Appendix I.

Appendix V – Tables compiled from previous reports (continued)

Table Giii – Technology investment analysis by financing stage – MBO/MBI

Technology sector	Number of Companies												Amount (£m)											
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Communications	2	4	9	2	5	0	4	4	3	5	4	3	1	152	161	4	224	0	372	45	19	67	41	72
Computer:				8	16	7					19	17											76	49
hardware	4	4	0				5	7	5	3			10	22	0	1	53	0	4	21	22	25		
internet	0	3	3					5	7	3			0	1	1	0	0	–	5	9	73	7		
semiconductors	0						0						0	–	1	0	1	0	0	22	7	–		
software	15	29	14				16	17	29	14			99	61	16	62	33	13	34	139	171	44		
Other electronics related	10	5	3	3	1	4	2	5	11	16	11	10	9	1	2	1	3	22	1	19	63	67	52	40
Biotechnology	5	3	3					0	2	2	9	0	36	95	1	–	0	1	5	0	7	19	1	0
Medical:		5	2	4			1	0	5	0		2											90	5
instruments	3				2								1	61	–	3	–	2	1	0	–	0		
pharmaceuticals	6				0		2						6	–	0	0	0	–	0	0	0	0		
healthcare		5			3	2							11	15	1	10	2	11	0	0	36	0		
Other	5	4	1	6	6	8	13	11	5	13	9	2	16	12	–	5	8	10	159	99	52	142	52	3
Total	50	62	35	23	33	23	41	49	67	56	52	34	189	420	183	86	324	59	581	354	450	371	312	169

Notes

1. Some sectors have been amalgamated, where possible, where there are instances of single deals, in order to preserve confidentiality.
2. For details of the methodology, please see Appendix I.
3. – indicates a value greater than 0, but less than 0.5.

Table H – Cleantech investment by stage

Stage of Investment	Number of Companies								Amount invested (£m)							
	2007	2006	2005	2004	2003	2002	2001	2000	2007	2006	2005	2004	2003	2002	2001	2000
Early stage	80	n/a	n/a	n/a	n/a	n/a	n/a	n/a	460	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Expansion	38								364							
MBO/I	9								134							
Total	127	145	157	107	168	119	70	225	958	547	162	72	399	60	109	264

Notes

1. We define 'Cleantech' companies as those companies who use innovative technology to create products and services that compete favourable on price and performance, while reducing mankind's impact on the environment.
2. Change in methodology: from 2005, the number of companies in some financing stage categories, and their subtotals, will add up to more than the total number of companies invested in. This is due to some companies receiving more than one investment within the year at different financing stages. Please see Appendix I for further information.

Appendix V – Tables compiled from previous reports (continued)

Table li – Amount invested by region in the UK (£m) (1984–1998)

Year	South East	South West	East Anglia	West Midlands	East Midlands	Yorks and Humb	North West	North	Scotland	Wales	NI	Total
1984	121	n/a	n/a	n/a	n/a	n/a	n/a	n/a	16	3	0	140
1985	171	18	16	19	6	7	5	2	18	7	0	*277
1986	246	18	20	11	10	13	17	12	26	11	0	384
1987	529	67	24	40	71	68	36	6	50	42	1	934
1988	640	53	38	119	86	80	57	103	81	27	14	1,298
1989	689	93	39	82	103	58	76	37	217	19	7	1,420
1990	674	34	51	64	70	57	38	23	81	12	2	1,106
1991	513	72	27	93	47	74	46	21	73	17	6	989
1992	550	125	33	88	83	80	106	25	96	37	28	1,251
1993	650	34	51	81	46	37	168	22	119	16	7	1,231
1994	612	143	40	216	73	104	225	79	77	73	26	1,668
1995	819	121	41	316	322	126	180	47	109	34	25	2,140
1996	1,222	93	82	265	228	154	355	158	200	32	17	2,806
1997	1,228	175	84	384	291	249	317	44	196	78	20	3,066
1998	1,697	267	165	294	331	248	386	71	275	24	17	3,775
Total	n/a								1,634	432	170	22,485
Total 85-98	10,240	1,313	711	2,072	1,767	1,355	2,012	650	1,618	429	170	22,345

Notes

1. Figures are not strictly comparable due to annual membership changes.
2. * Amounts invested by each region does not come to the total of £277m listed in 1985.
3. 1992-date: Secured debt is included where it is concurrent or alongside equity investment, or where it is rescue finance. Previously only unsecured debt as part of an equity/quasi-equity package was included.
4. The regions used above are the old 'Standard Statistical Regions' and care must therefore be taken when comparing these figures with those in Table 11 in the main report where the new 'Government Office Regions' are used. See Appendix IV for further details, and Table Ji for figures from 1998–2005.

Table Iii – Number of companies invested in by region (1984–1998)

Year	South East	South West	East Anglia	West Midlands	East Midlands	Yorks and Humb	North West	North	Scotland	Wales	NI	Total
1984	284	n/a	n/a	n/a	n/a	n/a	n/a	n/a	53	12	1	350
1985	269	42	32	36	17	17	14	10	62	12	2	*517
1986	277	51	39	37	26	18	26	18	52	53	3	600
1987	486	74	68	86	75	70	78	38	116	71	12	1,174
1988	509	78	60	119	72	36	94	98	145	94	21	1,326
1989	512	74	48	116	90	71	107	79	147	43	15	1,302
1990	512	68	57	87	81	75	64	50	174	39	14	1,221
1991	450	60	50	102	80	104	66	45	150	57	32	1,196
1992	412	77	59	112	64	104	117	38	98	41	25	1,147
1993	383	54	35	70	63	92	95	54	151	48	21	1,066
1994	387	59	32	103	66	89	102	58	138	37	30	1,101
1995	380	59	32	91	64	67	103	47	127	34	26	1,030
1996	401	65	50	98	67	78	97	36	121	22	25	1,060
1997	387	69	34	99	72	82	121	55	130	44	23	1,116
1998	422	76	51	79	79	91	109	48	121	33	13	1,122
Total	n/a								1,785	640	263	15,328
Total 85-98	5,787	906	647	1,235	916	994	1,193	674	1,732	628	262	14,978

Notes

1. Figures are not strictly comparable due to annual membership changes.
2. * Number of companies invested in does not come to the total of 517 listed in 1985.
3. 1992-date: Secured debt is included where it is concurrent or alongside equity investment, or where it is rescue finance. Previously only unsecured debt as part of an equity/quasi-equity package was included.
4. The regions used above are the old 'Standard Statistical Regions' and care must therefore be taken when comparing these figures with those in Table 11 in the main report where the new 'Government Office Regions' are used. See Appendix IV for further details, and Table Jii for figures from 1998–2005.

Appendix V – Tables compiled from previous reports (continued)

Table Ji – Amount invested by region in the UK (£m) (1998–2007)

Year	South East	London	South West	East of England	West Midlands	East Midlands	Yorks and The Humber	North West	North East	Scotland	Wales	NI	Total
1998	588	957	267	316	294	331	248	392	66	275	24	17	3,775
1999	802	2,376	230	379	590	172	312	736	95	208	234	35	6,169
2000	1,309	1,638	126	335	521	817	176	1,024	92	262	48	23	6,371
2001	1,142	1,330	205	435	311	377	119	282	38	440	60	13	4,752
2002	1,454	1,240	64	222	602	149	108	193	83	271	26	68	4,480
2003	467	1,461	395	170	461	621	92	166	73	109	40	19	4,074
2004	1,552	1,423	265	232	335	111	314	654	90	176	99	85	5,336
2005	578	2,417	448	636	271	1,122	243	426	85	114	461	12	6,813
2006	1,835	4,297	532	639	276	401	1,201	614	184	174	61	13	10,227
2007	2,493	5,730	198	531	416	802	499	600	156	393	128	26	11,972
Total 98-07	12,220	22,869	2,730	3,895	4,077	4,903	3,312	5,087	962	2,422	1,181	311	63,969

Table Jii – Number of companies by region in the UK (1998–2007)

Year	South East	London	South West	East of England	West Midlands	East Midlands	Yorks and The Humber	North West	North East	Scotland	Wales	NI	Total
1998	204	184	76	85	79	79	91	111	46	121	33	13	1,122
1999	190	241	61	87	96	58	66	103	39	109	42	17	1,109
2000	236	301	47	112	80	51	63	96	29	125	20	22	1,182
2001	234	291	71	149	87	54	93	113	33	122	32	28	1,307
2002	248	274	61	132	82	29	39	93	47	93	49	49	1,196
2003	276	265	78	132	93	64	59	98	37	86	35	51	1,274
2004	259	262	67	127	82	72	49	131	55	105	49	43	1,301
2005	237	292	88	122	78	60	71	144	42	96	51	26	1,307
2006	224	330	98	95	90	59	83	146	28	78	59	28	1,318
2007	220	334	82	104	82	65	108	154	51	73	36	21	1,330
Total 98-07	2,328	2,774	729	1,145	849	591	722	1,189	407	1,008	406	298	12,446

Note
Appendix IV contains details of the Government Office Regions used in the above tables.

Table K – Investment activity by region compared with the total number of VAT registered businesses

Region	Number of VAT registered businesses							Number of private equity backed companies						
	2007	2006	2005	2004	2003	2002	2001	2007	2006	2005	2004	2003	2002	2001
South East	306,920	300,905	295,845	285,780	283,210	280,315	276,600	220	224	237	259	276	248	234
London	309,225	301,975	294,815	286,860	284,835	284,715	282,095	334	330	292	262	265	274	291
South East and London	616,145	602,880	590,660	572,640	568,045	565,030	558,695	554	554	529	521	541	522	525
South West	183,420	179,770	176,515	169,050	167,715	166,280	164,815	82	98	88	67	78	61	71
East of England	196,480	193,005	188,955	182,890	181,280	179,195	177,725	104	95	122	127	132	132	149
West Midlands	164,810	161,865	158,725	151,545	150,460	149,235	147,670	82	90	78	82	93	82	87
East Midlands	134,195	131,050	128,250	123,955	122,330	120,765	119,330	65	59	60	72	64	29	54
Yorkshire and The Humber	139,970	137,195	134,515	129,645	127,600	127,125	126,535	108	83	71	49	59	39	93
North West	186,045	181,795	177,525	172,080	169,815	168,945	167,800	154	146	144	131	98	93	113
North East	49,435	48,280	47,085	45,405	44,775	44,500	44,445	51	28	42	55	37	47	33
Scotland	136,890	134,295	132,175	126,560	126,025	125,650	125,215	73	78	96	105	86	93	122
Wales	84,995	83,690	82,310	79,010	79,020	79,150	78,540	36	59	51	49	35	49	32
Northern Ireland	64,365	63,790	62,695	57,680	57,855	57,260	56,760	21	28	26	43	51	49	28
Total	1,956,750	1,917,615	1,879,410	1,810,460	1,794,920	1,783,135	1,767,530	1,330	1,318	1,307	1,301	1,274	1,196	1,307

Appendix V – Tables compiled from previous reports (continued)

Table K (continued) – Investment activity by region compared with the total number of VAT registered businesses(continued)

Region	Companies invested in per 1,000 of total VAT registered businesses						
	2007	2006	2005	2004	2003	2002	2001
South East	0.72	0.74	0.80	0.91	0.97	0.88	0.85
London	1.08	1.09	0.99	0.91	0.93	0.96	1.03
South East and London	0.90	0.92	0.90	0.91	0.95	0.92	0.94
South West	0.45	0.55	0.50	0.4	0.47	0.37	0.43
East of England	0.53	0.49	0.65	0.69	0.73	0.74	0.84
West Midlands	0.50	0.56	0.49	0.54	0.62	0.55	0.59
East Midlands	0.48	0.45	0.47	0.58	0.52	0.24	0.45
Yorkshire and The Humber	0.77	0.60	0.53	0.38	0.46	0.31	0.73
North West	0.83	0.80	0.81	0.76	0.58	0.55	0.67
North East	1.03	0.58	0.89	1.21	0.83	1.06	0.74
Scotland	0.53	0.58	0.73	0.83	0.68	0.74	0.97
Wales	0.42	0.70	0.62	0.62	0.44	0.62	0.41
Northern Ireland	0.33	0.44	0.41	0.75	0.88	0.86	0.49
Total	0.68	0.69	0.70	0.72	0.71	0.67	0.74

Notes

1. Source: 'Business Start Ups and Closures: VAT Registrations and De-registrations in 2006', published November 2007, news release <http://stats.berr.gov.uk> and 'Business Start Ups and Closures: VAT Registrations and De-registrations in 2005', published October 2006, news release www.dti.gov.uk/smes/vat.
2. Appendix 4 shows the counties in the regions above. 1. 2.
3. Figures for 2005 and 2006 have been re-stated by BERR (previously dti)

Table Li – Financing stage analysis by region – Early Stage

Region	Number of companies										Amount (£m)									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
South East	88	90	104	94	98	79	56	82	60	48	131	142	80	69	84	72	82	128	99	65
London	110	104	75	75	66	69	82	126	75	51	140	278	106	73	45	99	85	286	119	87
South East and London	198	194	179	169	164	148	138	208	135	99	271	420	186	142	129	171	167	414	218	152
South West	29	35	42	29	22	15	19	16	12	8	28	90	26	11	8	11	17	32	14	11
East of England	50	50	61	59	66	67	72	53	23	31	45	97	86	40	71	57	88	47	23	25
West Midlands	32	35	24	21	20	14	23	22	8	9	6	18	4	4	2	3	12	29	7	21
East Midlands	18	20	22	25	15	5	11	8	9	11	19	105	20	17	10	2	10	18	11	10
Yorkshire and The Humber	19	10	20	6	13	5	26	14	11	12	12	113	12	24	2	1	7	44	15	4
North West	77	70	65	61	42	41	34	23	12	21	21	56	22	20	9	17	28	34	35	21
North East	19	10	16	16	15	16	9	8	6	8	7	7	2	3	2	2	2	9	2	3
Scotland	34	40	36	34	22	30	49	41	33	32	14	20	15	14	7	12	45	55	15	37
Wales	17	20	13	14	15	26	16	4	6	5	7	16	6	4	14	8	9	7	2	1
Northern Ireland	9	16	13	20	33	31	11	12	5	5	4	4	3	5	9	11	5	14	5	3
Total	502	500	491	454	427	398	408	409	260	241	434	946	382	284	263	295	390	703	347	288

Notes

- Appendix IV shows the counties included in the regions above.
- indicates a value greater than 0, but less than 0.5.
- Change in methodology: from 2005, the number of companies in some financing stage categories, and their subtotals, will add up to more than the total number of companies invested in. This is due to some companies receiving more than one investment within the year at different financing stages. Please see Appendix I for further information.

Appendix V – Tables compiled from previous reports (continued)

Table Lii – Financing stage analysis by region – Expansion

Region	Number of companies										Amount (£m)									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
South East	107	97	102	105	140	128	130	111	82	97	1,129	914	263	215	145	477	344	262	163	111
London	144	149	156	129	149	165	163	127	98	88	1,586	1,252	552	267	198	326	319	479	327	202
South East and London	251	246	258	234	289	293	293	238	180	185	2,715	2,166	815	482	343	803	663	741	490	313
South West	45	40	31	30	39	38	30	19	25	36	59	178	38	18	52	42	39	55	51	52
East of England	48	34	55	53	55	55	59	43	44	32	108	91	110	54	27	79	125	90	79	41
West Midlands	35	40	32	36	54	44	43	32	49	40	215	59	41	86	53	92	92	109	113	76
East Midlands	33	29	23	28	35	12	27	25	26	39	282	56	514	22	252	22	245	103	34	79
Yorkshire and The Humber	56	52	33	25	27	22	42	34	38	57	95	238	134	66	11	41	37	31	57	64
North West	47	39	32	36	43	43	52	48	60	53	118	89	35	98	35	132	151	806	164	77
North East	22	12	23	25	11	18	20	17	21	24	46	35	82	16	4	31	23	16	40	7
Scotland	34	34	44	62	57	56	57	72	60	67	143	38	27	69	59	101	235	150	61	97
Wales	12	35	32	29	19	21	13	11	27	22	20	35	148	35	22	11	18	12	56	14
Northern Ireland	12	12	10	22	17	17	17	9	9	6	16	9	7	8	9	20	8	9	11	2
Total	595	573	573	580	645	619	653	548	539	561	3,817	2,994	1,951	954	867	1,374	1,636	2,122	1,156	822

Notes

- Appendix IV shows the counties included in the regions above.
- indicates a value greater than 0, but less than 0.5.
- Change in methodology: from 2005, the number of companies in some financing stage categories, and their subtotals, will add up to more than the total number of companies invested in. This is due to some companies receiving more than one investment within the year at different financing stages. Please see Appendix I for further information.

Table Liii – Financing stage analysis by region – MBO/MBI

Region	Number of companies										Amount (£m)									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
South East	44	55	47	60	38	41	48	43	48	59	1,233	779	235	1,268	238	905	716	919	540	412
London	100	107	70	58	50	40	46	48	68	45	4,004	2,767	1,759	1,083	1,218	815	926	873	1,930	668
South East and London	144	162	117	118	88	81	94	91	116	104	5,237	3,546	1,994	2,351	1,456	1,720	1,642	1,792	2,470	1,080
South West	15	29	21	8	17	8	22	12	24	32	111	264	384	236	335	11	149	39	165	204
East of England	22	22	21	15	11	10	18	16	20	22	378	451	440	138	72	86	222	198	277	250
West Midlands	21	25	27	25	19	24	21	26	39	30	195	199	226	245	406	507	207	383	470	197
East Midlands	22	15	19	19	14	12	16	18	23	29	501	240	588	72	359	125	122	696	127	242
Yorkshire and The Humber	35	29	20	18	19	12	25	15	17	22	392	850	97	224	79	66	75	101	240	180
North West	48	51	51	34	14	9	27	25	31	37	461	469	369	536	122	44	103	184	537	294
North East	15	11	3	14	11	13	4	4	12	14	103	142	1	71	67	50	13	67	53	56
Scotland	12	10	18	9	7	7	16	12	16	22	236	116	72	93	43	158	160	57	132	141
Wales	13	11	8	6	1	2	3	5	9	6	101	10	307	60	4	7	33	29	176	9
Northern Ireland	2	–	3	1	1	1	0	1	3	2	6	–	2	72	1	37	0	–	19	12
Total	349	365	308	267	202	179	246	225	310	320	7,721	6,287	4,480	4,098	2,944	2,811	2,726	3,546	4,666	2,665

Notes

- Appendix IV shows the counties included in the regions above.
- indicates a value greater than 0, but less than 0.5.
- Change in methodology: from 2005, the number of companies in some financing stage categories, and their subtotals, will add up to more than the total number of companies invested in. This is due to some companies receiving more than one investment within the year at different financing stages. Please see Appendix I for further information.

Appendix V – Tables compiled from previous reports (continued)

Table Mi – Industry sector analysis by region – Oil and gas, basic materials & industrials

Region	Number of companies										Amount invested (£m)									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
South East	43	44	52	45	48	47	29	49	39	44	532	560	51	41	59	145	49	327	222	139
London	59	44	34	17	14	16	20	29	18	20	649	1,182	330	91	57	30	318	46	150	118
South East and London	102	88	86	62	62	63	49	78	57	64	1,181	1,742	381	132	116	175	367	373	372	257
South West	19	14	19	10	10	4	12	9	14	28	63	68	13	4	18	3	85	14	58	61
East of England	18	17	18	18	11	14	9	17	17	15	38	75	63	19	13	40	6	9	27	66
West Midlands	29	22	34	28	31	18	27	20	39	33	236	140	177	75	234	33	160	222	301	95
East Midlands	22	7	15	16	11	1	11	11	16	19	118	–	55	15	25	7	231	16	26	92
Yorkshire and The Humber	37	19	19	16	15	8	22	17	22	42	64	587	19	14	14	37	30	67	94	17
North West	48	35	36	25	13	8	12	22	23	37	314	190	58	192	5	3	17	116	359	94
North East	23	7	21	13	9	6	6	7	15	26	31	–	80	3	58	14	4	45	42	50
Scotland	31	12	42	40	26	22	28	26	32	44	232	87	71	105	21	70	39	73	72	82
Wales	11	11	18	13	13	11	5	4	12	22	38	24	309	33	5	2	4	1	41	16
Northern Ireland	3	2	4	12	5	5	5	2	3	2	9	–	2	76	5	13	1	3	5	2
Total	343	234	312	253	206	160	186	213	250	332	2,324	2,913	1,228	668	514	397	944	939	1,397	832

Notes

1. 'Oil and gas, basic materials and industrials' replaced the previous grouping 'Resources, basic industries and general industrials' in 2005. This is following the replacement of the original FTSE Global Classification System with the new Industry Classification Benchmark – please see Appendix III for further information. Data from 2005 onwards will therefore not be strictly comparable to that prior to 2005.
2. Appendix IV shows the counties included in the regions above.
3. – indicates a value of greater than 0 but less than 0.5.

Table Mii – Industry sector analysis by region – Consumer Goods

Region	Number of companies										Amount invested (£m)									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
South East	10	2	8	77	66	67	39	39	40	46	91	532	3	209	73	434	213	278	171	95
London	7	6	10	40	22	42	24	29	36	32	109	82	15	51	25	90	75	468	136	65
South East and London	17	8	18	117	88	109	63	68	76	78	200	614	18	260	98	524	288	746	307	160
South West	2	3	4	23	11	17	10	5	8	7	13	–	12	17	18	25	12	11	31	11
East of England	2	1	6	55	59	52	65	25	25	35	29	–	131	69	72	89	114	10	36	89
West Midlands	0	11	3	13	11	21	7	5	19	16	0	24	24	65	9	373	12	31	82	78
East Midlands	7	4	2	24	15	6	8	11	22	25	63	17	8	39	45	23	34	182	80	123
Yorkshire and The Humber	9	18	4	10	13	10	23	17	17	15	70	29	3	25	37	11	17	64	74	43
North West	7	10	12	36	28	29	24	27	23	19	27	47	82	254	14	108	49	44	133	54
North East	1	6	3	18	9	13	5	5	9	8	0	–	1	48	4	33	7	22	12	9
Scotland	5	2	4	18	16	22	24	22	32	22	8	–	12	20	16	165	145	17	56	58
Wales	1	4	4	11	8	16	16	9	10	6	5	–	1	11	15	4	11	16	14	4
Northern Ireland	0	2	3	12	13	19	8	8	6	7	0	–	1	4	5	10	4	1	3	3
Total	51	69	63	337	271	314	253	202	247	238	415	731	293	812	333	1,365	693	1,144	828	632

Notes

1. In 2005, the original FTSE Global Classification System was replaced with the new Industry Classification Benchmark – please see Appendix III for further information. This means that the 'Consumer goods' category from 2005 onwards will not be strictly comparable with that prior to 2005.
2. Appendix IV shows the counties included in the regions above.
3. – indicates a value of greater than 0 but less than 0.5.

Appendix V – Tables compiled from previous reports (continued)

Table Miii – Industry sector analysis by region – Healthcare and consumer services

Region	Number of companies										Amount invested (£m)									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
South East	85	79	80	53	51	56	74	37	44	65	1,107	411	316	849	160	670	715	474	204	277
London	148	160	132	97	113	91	114	106	102	93	4,080	2,557	1,355	1,039	1,011	771	685	736	1,834	679
South East and London	233	239	212	150	164	147	188	143	146	158	5,187	2,968	1,671	1,888	1,171	1,441	1,400	1,210	2,038	956
South West	23	38	28	16	17	14	18	14	25	27	43	250	257	235	263	20	69	53	108	153
East of England	50	40	57	11	18	25	25	29	18	20	416	313	309	51	40	63	273	264	225	103
West Midlands	23	30	20	30	20	21	22	22	16	19	107	100	38	191	213	166	107	92	134	104
East Midlands	24	27	26	19	26	15	14	19	13	20	577	115	1,011	36	545	112	52	616	60	97
Yorkshire and The Humber	26	22	31	14	19	10	28	9	16	20	201	355	160	224	38	41	56	17	63	150
North West	55	45	50	25	20	32	39	31	32	35	217	190	176	159	106	64	129	842	199	206
North East	16	8	11	17	12	12	13	6	11	6	101	163	1	11	9	23	14	6	39	4
Scotland	10	17	18	13	13	16	16	23	23	25	58	37	19	23	47	23	174	81	67	35
Wales	15	20	19	10	8	8	6	2	7	2	57	–	145	12	2	4	8	5	128	3
Northern Ireland	8	5	10	3	1	1	0	6	6	2	14	–	5	1	–	–	0	4	22	2
Total	483	491	482	308	318	301	369	304	313	334	6,978	4,491	3,792	2,831	2,434	1,957	2,282	3,190	3,083	1,813

Notes

- 'Health care & consumer services' replaced the previous grouping 'Services' in 2005. This is following the replacement of the original FTSE Global Classification System with the new Industry Classification Benchmark – please see Appendix III for further information. data from 2005 onwards will therefore not be strictly comparable to that prior to 2005.
- Appendix IV shows the counties included in the regions above.
- indicates a value of greater than 0 but less than 0.5.

Table Miv – Industry sector analysis by region – Telecoms, utilities and financials

Region	Number of companies										Amount invested (£m)									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
South East	20	18	13	12	8	8	8	4	2	2	577	197	99	332	25	55	26	20	2	3
London	58	48	30	24	16	44	35	19	12	11	795	286	606	180	73	297	71	33	36	51
South East and London	78	66	43	36	24	52	43	23	14	13	1,372	483	705	512	98	352	97	53	38	54
South West	5	12	7	0	4	5	0	0	1	3	50	124	140	0	74	3	0	0	7	12
East of England	4	5	7	2	2	2	3	0	2	1	1	219	103	57	13	1	7	0	28	10
West Midlands	7	5	2	0	3	4	3	3	1	0	66	12	17	0	1	3	11	14	12	0
East Midlands	1	8	5	3	0	2	1	0	0	4	1	124	19	10	0	3	1	0	0	10
Yorkshire and The Humber	7	4	8	6	1	2	1	2	1	2	115	10	60	46	–	13	–	2	3	22
North West	12	13	10	8	3	3	5	3	2	3	26	167	88	18	9	7	26	7	7	13
North East	4	3	2	2	0	3	0	1	1	1	14	12	–	15	0	–	0	3	–	1
Scotland	8	12	4	4	1	0	4	3	1	6	60	41	3	14	4	0	32	9	–	30
Wales	4	5	1	3	1	5	1	0	2	0	25	37	1	38	14	7	23	0	37	0
Northern Ireland	2	3	1	0	1	2	0	0	0	0	0	–	2	0	–	39	0	0	0	0
Total	132	136	90	64	40	80	61	35	25	33	1,730	1,229	1,138	710	213	428	197	88	132	152

Notes

1. 'Telecoms, utilities and financials' replaced the previous grouping 'Utilities and financials' in 2005. This is following the replacement of the original FTSE Global Classification System with the new Industry Classification Benchmark – please see Appendix III for further information. Data from 2005 onwards will therefore not be strictly comparable to that prior to 2005.
2. Appendix IV shows the counties included in the regions above.
3. – indicates a value of more than 0, but less than 0.5.

Appendix V – Tables compiled from previous reports (continued)

Table Mv – Industry sector analysis by region – Technology

Region	Number of companies										Amount invested (£m)									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
South East	62	81	84	72	103	70	84	107	65	47	186	135	109	121	150	150	139	210	203	74
London	62	72	86	84	100	81	98	118	73	28	97	190	111	62	295	52	181	355	220	44
South East and London	124	153	170	156	203	151	182	225	138	75	283	325	220	183	445	202	320	565	423	118
South West	33	31	30	18	36	21	31	19	13	11	29	90	26	9	22	13	39	48	26	30
East of England	30	32	34	41	42	39	47	41	25	14	47	32	30	36	32	29	35	52	63	48
West Midlands	23	22	19	11	28	18	28	30	21	11	7	–	15	4	4	27	21	162	61	17
East Midlands	11	13	12	10	12	5	20	10	7	11	43	145	29	11	6	4	59	3	6	9
Yorkshire and The Humber	29	20	9	3	11	9	19	18	10	12	49	220	1	5	3	6	16	26	78	16
North West	32	43	36	37	34	21	33	13	23	17	16	20	22	31	32	11	61	15	38	25
North East	7	4	5	5	7	13	9	10	3	5	10	9	3	13	2	13	13	17	2	2
Scotland	19	35	28	30	30	33	50	51	21	24	35	9	9	14	21	13	50	82	13	70
Wales	5	19	9	12	5	9	4	5	11	3	3	–	5	5	4	9	14	26	14	1
Northern Ireland	8	16	8	16	31	22	15	6	2	2	3	13	2	4	9	6	8	15	5	10
Total	321	388	360	339	439	341	438	428	274	185	525	863	362	315	580	333	636	1,011	729	346

Notes

1. 'Technology' replaced the previous grouping 'Information technology' in 2005. This is following the replacement of the original FTSE Global Classification System with the new Industry Classification Benchmark – please see Appendix III for further information. Data from 2005 onwards may therefore not be strictly comparable to that prior to 2005.
2. Appendix IV shows the counties included in the regions above.
3. – indicates a value of more than 0, but less than 0.5.

Table N – Amount invested in the UK by type of private equity company (£m)

Year	Independent	Captive	Semi-captive	Total
1984	88	52	n/a	140
1985	140	137	n/a	277
1986	208	176	n/a	384
1987	685	249	n/a	934
1988	1,018	280	n/a	1,298
1989	1,030	390	n/a	1,420
1990	717	389	n/a	1,106
1991	736	253	n/a	989
1992	621	361	269	1,251
1993	571	319	341	1,231
1994	899	349	420	1,668
1995	1,004	642	494	2,140
1996	1,765	237	804	2,806
1997	2,099	200	767	3,066
1998	2,252	272	1,251	3,775
1999	4,749	340	1,080	6,169
2000	4,527	152	1,692	6,371
2001	3,136	397	1,219	4,752
2002	3,653	349	478	4,480
2003	2,794	238	1,042	4,074
2004	3,913	420	1,003	5,336
2005	5,484	261	1,068	6,813
2006	6,235	1,922	2,070	10,227
2007	9,817	1,042	1,113	11,972
Total	58,141	9,427	15,111	82,679

Notes

1. Figures are not strictly comparable as membership changes annually.
2. 1984/5/6: Breakdown for management buyout, buy-in and acquisition not available.
3. 1992-date: Secured debt is included where it is concurrent or alongside equity investment, or where it is rescue finance. Previously only unsecured debt as part of an equity/quasi-equity package was included.
4. See Appendix II for definitions.

Appendix V – Tables compiled from previous reports (continued)

Table O – UK independent funds raised by source

Type of source		Amount raised (£m)										
		2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Pension funds	UK	1,132	2,054	1,502	359	781	796	1,640	817	437	553	622
	Overseas	5,560	7,919	7,175	512	2,080	1,043	3,853	2,759	1,610	1,875	1,397
Total		6,692	9,973	8,677	871	2,861	1,839	5,493	3,576	2,047	2,428	2,019
Insurance companies:	UK	635	1,080	558	74	208	739	451	457	533	152	1,160
	Overseas	1,777	2,023	3,136	148	513	454	1,022	931	383	193	505
Total		2,412	3,103	3,694	222	721	1,193	1,473	1,388	916	345	1,665
Corporate investors:	UK	270	442	423	72	30	236	195	299	138	83	376
	Overseas	370	847	928	119	138	410	100	414	447	432	428
Total		640	1,289	1,351	191	168	646	295	713	585	515	804
Banks:	UK	1,188	2,222	822	108	473	1,051	661	332	350	383	238
	Overseas	4,380	1,307	854	373	676	495	1,376	575	786	640	467
Total		5,568	3,529	1,676	481	1,149	1,546	2,037	907	1,136	1,023	705
*Fund of funds:	UK	2,067	1,523	1,131	98	1,054	282	474	799	58	n/a	n/a
	Overseas	4,065	3,807	3,244	497	925	778	1,705	427	352	n/a	n/a
Total		6,132	5,330	4,375	595	1,979	1,060	2,179	1,226	410	n/a	n/a
**Government agencies:	UK	59	470	517	95	47	128	13	6	n/a	n/a	n/a
	Overseas	2,988	2,552	3,196	75	1,163	827	561	241	n/a	n/a	n/a
Total		3,047	3,022	3,713	170	1,210	955	574	247	n/a	n/a	n/a
**Academic institutions:	UK	20	130	65	5	32	55	86	13	29	5	10
	Overseas	361	1,372	1,279	96	180	103	394	47	122	434	234
Total		381	1,502	1,344	101	212	158	480	60	151	439	244
Private individuals:	UK	985	669	562	220	67	108	214	363	175	157	164
	Overseas	1,486	1,352	1,019	78	75	119	429	211	100	152	142
Total		2,471	2,021	1,581	298	142	227	643	574	275	309	306
Other sources:	UK	931	1,132	292	79	117	90	173	125	56	182	228
	Overseas	984	3,395	611	291	330	113	287	179	237	329	525
Total		1,915	4,527	903	370	447	203	460	304	293	511	753
Total UK		7,287	9,722	5,872	1,110	2,809	3,485	3,907	3,211	1,776	1,515	2,798
Total Overseas		21,971	24,574	21,442	2,189	6,080	4,342	9,727	5,784	4,037	4,055	3,698
Grand total		29,258	34,296	27,314	3,299	8,889	7,827	13,634	8,995	5,813	5,570	6,496
Invested directly for parent through a captive vehicle	Captive	962	4,000	509	522	310	430					
Captive Semi-captive	Semi-Captive	466	1,843	106	298	317	156					
Capital gains, dividend income and loan interest (available for reinvestment)		1,073	5,639	1,422	959	385	258					
Amount returned to investors		1	51	7	1	186	361					

Table O (continued) – UK independent funds raised by source (continued)

Type of source		% of amount raised										
		2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Pension funds	UK	4	6	5	11	9	10	12	9	7	10	10
	Overseas	19	23	26	15	23	13	28	31	28	34	21
Total		23	29	31	26	32	23	40	40	35	44	31
Insurance companies:	UK	2	3	2	2	2	9	3	5	9	3	17
	Overseas	6	6	12	5	6	6	8	10	7	3	8
Total		8	9	14	7	8	15	11	15	16	6	25
Corporate investors:	UK	1	1	2	2	–	3	1	3	2	1	6
	Overseas	1	2	3	4	2	5	1	5	8	8	6
Total		2	4	5	6	2	8	2	8	10	9	12
Banks:	UK	4	6	3	4	5	14	5	4	6	7	4
	Overseas	15	4	3	11	8	6	10	6	14	11	7
Total		19	10	6	15	13	20	15	10	20	18	11
*Fund of funds:	UK	7	4	4	3	12	4	3	9	1	n/a	n/a
	Overseas	14	11	12	15	10	10	13	5	6	n/a	n/a
Total		21	16	16	18	22	14	16	14	7	n/a	n/a
**Government agencies:	UK	–	1	2	3	1	2	–	–	n/a	n/a	n/a
	Overseas	10	7	12	2	13	10	4	2	n/a	n/a	n/a
Total		10	9	14	5	14	12	4	2	n/a	n/a	n/a
**Academic institutions:	UK	–	–	–	–	–	1	1	–	–	–	–
	Overseas	1	4	5	3	2	1	3	1	2	8	4
Total		1	4	5	3	2	2	4	1	2	8	4
Private individuals:	UK	3	2	2	7	1	1	2	4	3	3	3
	Overseas	5	4	4	2	1	2	3	2	2	3	2
Total		8	6	6	9	2	3	5	6	5	6	5
Other sources:	UK	3	3	1	2	1	1	1	1	1	3	4
	Overseas	3	10	2	9	4	2	2	2	4	6	8
Total		7	13	3	11	5	3	3	3	5	9	12
Total UK		25	28	21	34	32	45	28	36	31	27	43
Total Overseas		75	72	79	66	68	55	72	64	69	73	57
Grand total		100	100	100	100	100	100	100	100	100	100	100
Invested directly for parent through a captive vehicle	Captive											
	Semi-captive											
Capital gains, dividend income and loan interest (available for reinvestment)												
Amount returned to investors												

Notes

1. 'Other sources' includes investment trusts.
2. * Prior to 1999, 'funds of funds' were included under 'other sources'.
3. **Government agencies and academic institutions were combined prior to 2000.

Appendix V – Tables compiled from previous reports (continued)

Table P – UK funds raised by BVCA member firms (£m)

Type of source	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total
UK pension funds	221	130	433	175	149	97	113	437	170	734	622	553	437	817	1,640	796	781	359	1,502	2,054	1,132	13,352
Overseas pension funds	58	59	331	117	95	99	130	359	191	519	1,397	1,875	1,610	2,759	3,853	1,043	2,080	512	7,175	7,919	5,560	37,741
UK insurance companies	68	56	167	82	25	72	92	239	131	221	1,160	152	533	457	451	739	208	74	558	1,080	635	7,200
Overseas pension funds	53	71	158	39	12	7	25	128	12	104	505	193	383	931	1,022	454	513	148	3,136	2,023	1,777	11,694
UK corporate investors	5	13	72	40	7	1	12	145	32	29	376	83	138	299	195	236	30	72	423	442	270	2,920
Overseas pension funds	35	36	128	105	20	29	69	280	18	51	428	432	447	414	100	410	138	119	928	847	370	5,404
UK other sources	} 205	127	675	202	82	108	147	683	78	399	640	727	668	1,638	1,621	1,714	1,790	605	3,389	6,146	5,250	84,077
Overseas pension funds								280	117	388	1,368	1,555	1,597	1,680	4,752	2,435	3,349	1,410	10,203	13,785	14,264	
Total	645	492	1,964	760	390	413	588	2,551	749	2,445	6,496	5,570	5,813	8,995	13,634	7,827	8,889	3,299	27,314	34,296	29,258	162,388
Total UK	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,504	411	1,383	2,798	1,515	1,776	3,211	3,907	3,485	2,809	1,110	5,872	9,722	7,287	46,790
Total overseas	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,047	338	1,062	3,698	4,055	4,037	5,784	9,727	4,342	6,080	2,189	21,442	24,574	21,971	110,346

Note
 'Other sources' includes primarily banks and private individuals, government agencies, academic institutions, funds of funds and others including investment trusts.

Table Q – UK funds raised by source and by country

By Source	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Banks	10	45	592	49	221	705	1,023	1,136	907	2,037	1,546	1,149	481	1,676	3,529	5,568
Pension funds	158	231	796	361	1,253	2,019	2,428	2,047	3,576	5,493	1,839	2,861	871	8,677	9,973	6,692
Insurance companies	72	106	368	143	325	1,665	345	916	1,388	1,473	1,193	721	222	3,694	3,103	2,412
Corporate investors	50	37	424	50	80	804	515	585	713	295	646	168	191	1,351	1,289	640
Funds of funds	n/a	n/a	n/a	n/a	n/a	n/a	n/a	410	1,226	2,179	1,060	1,979	595	4,375	5,330	6,132
Private individuals	38	19	96	47	176	306	309	275	574	643	227	142	298	1,581	2,021	2,471
Government agencies and academic institutions	5	24	45	67	138	244	439	151	307	574	955	1,210	170	3,713	3,022	3,047
Other	14	17	230	32	252	753	511	293	304	460	203	447	370	903	4,527	1,915
Total	347 (*413)	479 (*588)	2,551	749	2,445	6,496	5,570	5,813	8,995	13,634	7,827	8,889	3,299	27,314	34,296	29,258
By country	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
UK	222	202	1,504	412	1,383	2,798	1,515	1,776	3,210	3,907	3,485	2,809	1,110	5,872	9,722	7,288
Netherlands								326	343	554	227	458	74	956	1,372	873
France	30	52	145	78	135	842	815	98	196	197	136	193	67	668	862	536
Germany								450	163	566	347	397	106	1,125	919	1,040
Rest of Europe								697	814	1,070	563	900	472	3,156	4,390	3,600
North America	57	216	723	235	822	2,359	2,865	2,134	3,584	6,303	2,394	3,347	1,334	12,218	12,621	12,176
Asia	10	2	97	5	55	261	174	132	397	674	438	602	91	2,026	1,437	1,136
Other	28	7	82	19	50	236	201	200	288	363	237	183	45	1,293	2,973	2,609
Total	347 (*413)	479 (*588)	2,551	749	2,445	6,496	5,570	5,813	8,995	13,634	7,827	8,889	3,299	27,314	34,296	29,258

Notes

- *Restated in 1994 (see Table P).
- 1999 is the first year in which there has been a greater split of 'Europe'.

Appendix V – Tables compiled from previous reports (continued)

Table R – Funds raised by expected stage of investment

Stages	Amount raised (£m)								% of amount raised							
	2007	2006	2005	2004	2003	2002	2001	2000	2007	2006	2005	2004	2003	2002	2001	2000
Early stage	830	1,235	752	68	368	229	1,413	963	3	4	3	2	4	3	10	11
Technology	658	549	580	66	259	217	1,240	939	2	2	2	2	3	3	9	10
Other	172	686	172	2	109	12	173	24	1	2	1	–	1	–	1	–
Expansion	614	775	853	196	290	523	1,523	1,207	2	2	3	6	3	6	11	13
Technology	224	254	346	44	42	167	939	913	1	1	1	1	–	2	7	10
Other	390	521	507	152	248	356	584	294	1	2	2	5	3	4	4	3
MBO/MBI	26,263	28,994	24,966	2,966	8,195	6,786	10,079	6,517	90	85	91	90	92	87	74	72
Technology	5	1	530	–	1	77	n/a	n/a	–	–	2	–	–	1	n/a	n/a
Other	26,258	28,993	24,436	2,966	8,194	6,709	n/a	n/a	90	85	89	90	92	86	n/a	n/a
Up to £10m (total deal value)	569	305	93	136	110	105	207	571	2	1	–	4	1	1	2	6
£10m – £50m	1,876	960	1,447	720	1,122	1,876	946	520	6	3	5	22	13	24	7	6
£50m – £100m	3,196	2,578	2,075	825	1,820	1,312	1,399	1,362	11	8	8	25	20	17	10	15
Over £100m	20,617	25,150	21,351	1,285	5,143	3,493	7,527	4,064	70	73	78	39	58	45	55	45
Other	1,551	3,292	650	34	36	70	377	221	5	10	2	1	–	1	3	3
Unknown	0	0	93	35	0	219	242	87	0	0	–	1	0	3	2	1
Total	29,258	34,296	27,314	3,299	8,889	7,827	13,634	8,995	100	100	100	100	100	100	100	100

Note
– indicates a value greater than 0, but less than 0.5.

Table Si – Divestments – Amount divested (£m)

Type of divestment	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Divestment on flotation	380	1,413	440	463	501	571	68	86	151	103	276
Sale of quoted equity	538	1,026	436	356	290	114	226	108	180	224	n/a
Trade sale	3,643	2,530	2,240	1,227	619	791	1,024	604	495	947	933
Sale to another private equity firm	3,830	1,365	1,000	899	410	114	163	430	100	147	n/a
Sale to financial institutions	544	784	339	190	349	108	185	85	90	138	n/a
Sale to management (buy-back)	174	437	266	173	123	96	85	41	41	95	n/a
Divestment by other means (not including loan repayments)	866	2,104	1,411	587	130	177	94	141	92	55	443
Repayment of preference shares/loans	2,693	2,874	3,069	2,292	1,100	1,054	n/a	n/a	n/a	n/a	n/a
Write-off	889	560	565	593	471	628	826	116	120	100	200
Total	13,557	13,093	9,766	6,780	3,993	3,653	2,671	1,611	1,269	1,809	1,852

Table Sii – Divestments – Number of divestments

Type of divestment	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Divestment on flotation	30	67	60	72	12	42	14	44	32	80	129
Sale of quoted equity	191	218	315	202	208	195	287	160	280	229	n/a
Trade sale	370	343	480	392	224	241	366	269	343	345	546
Sale to another private equity firm	259	96	103	93	65	13	27	20	49	52	n/a
Sale to financial institutions	256	81	18	33	40	18	32	11	17	14	n/a
Sale to management (buy-back)	141	275	362	207	186	130	145	149	173	117	n/a
Divestment by other means (not including loan repayments)	752	697	356	219	233	155	127	111	142	173	723
Repayment of preference shares/loans	574	622	765	783	360	122	n/a	n/a	n/a	n/a	n/a
Write-off	197	237	378	301	317	308	444	203	217	195	264
Total	2,770	2,636	2,837	2,302	1,645	1,224	1,442	967	1,253	1,205	1,662

Appendix V – Tables compiled from previous reports (continued)

Table Siii – Divestments – Number of companies

Type of divestment	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Divestment on flotation	26	44	40	43	10	26	9	42	18	41	71
Sale of quoted equity	101	128	187	134	138	135	196	139	161	177	n/a
Trade sale	239	258	261	257	171	156	261	259	236	242	363
Sale to another private equity firm	145	96	75	60	48	11	17	20	28	19	n/a
Sale to financial institutions	39	48	14	24	33	10	25	11	13	8	n/a
Sale to management (buy-back)	93	161	217	122	105	100	123	149	156	99	n/a
Divestment by other means (not including loan repayments)	401	227	164	123	133	109	100	96	105	105	587
Repayment of preference shares/loans	240	324	371	478	161	85	n/a	n/a	n/a	n/a	n/a
Write-off	185	201	213	225	257	257	356	195	194	159	227
Total	1,469	1,487	1,542	1,466	1,056	889	1,087	911	911	850	1,248

Notes

1. Includes repayment of preference shares/loans derived only from private equity fund investments. These have been excluded prior to 2002.
2. *This category also includes some private equity-backed flotations.
3. 'Number of divestments' differs from 'Number of companies' in that there can be more than one divestment in any one company during the year. 1. 2. 3.
4. Divestments by other means' does not include loan repayments.

Table T – European private equity investment by number and amount

	Number of companies															
	2007		2006		2005		2004		2003		2002		2001		2000	
	No	%	No	%	No	%	No	%	No	%	No	%	No	%	No	%
Austria	66	1	190	3	172	2	140	2	145	1	171	2	212	2	151	1
Belgium	192	3	244	3	217	3	291	4	330	3	343	3	329	3	483	4
Czech Republic	18	–	8	–	8	–	8	–	13	–	18	–	35	–	32	–
Denmark	149	3	101	1	277	4	309	4	366	4	293	3	260	2	253	2
Finland	263	5	248	3	234	3	212	3	487	5	460	4	485	4	398	3
France	706	12	1,374	18	1,227	17	1,303	19	2,092	20	1,778	17	1,926	18	2,994	23
Germany	1175	21	969	13	982	14	950	14	1,214	12	1,720	17	2,311	22	3,012	23
Greece	11	–	10	–	4	–	7	–	70	1	43	–	49	–	78	1
Hungary	18	–	43	1	36	–	48	1	41	–	33	–	32	–	51	–
Iceland	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	31	–	51	–	179	1
Ireland	78	1	82	1	109	2	81	1	249	2	203	2	184	2	205	2
Italy	91	2	243	3	234	3	208	3	336	3	301	3	489	5	646	5
Netherlands	408	7	312	4	373	5	458	7	530	5	481	5	593	5	789	6
Norway	261	5	153	2	209	3	141	2	367	4	377	4	279	3	256	2
Poland	50	1	37	–	25	–	34	–	63	1	102	1	68	1	102	1
Portugal	73	1	146	2	140	2	122	2	157	1	94	1	87	1	161	1
Romania	17	–	29	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Slovakia	n/a	n/a	n/a	n/a	10	–	24	–	16	–	20	–	13	–	9	–
Spain	280	5	633	8	464	6	383	5	488	5	448	4	412	4	389	3
Sweden	567	10	546	7	502	7	557	8	689	7	709	7	619	6	702	5
Switzerland	124	2	130	2	144	2	111	2	214	2	103	1	184	2	237	2
UK	1137	20	2,038	27	1,840	26	1,598	23	2,508	24	2,500	24	2,054	19	1,980	15
Total	5684	100	7,536	100	7,207	100	6,985	100	10,375	100	10,229	100	10,672	100	13,107	100

Appendix V – Tables compiled from previous reports (continued)

Table T (continued) – European private equity investment by number and amount (continued)

	Total Amount Invested															
	2007		2006		2005		2004		2003		2002		2001		2000	
	€m	%	€m	%	€m	%	€m	%	€m	%	€m	%	€m	%	€m	%
Austria	257	–	158	–	143	–	140	–	113	–	146	1	147	1	163	–
Belgium	939	1	940	1	193	–	298	1	305	1	360	1	410	2	565	2
Czech Republic	130	–	12	–	21	–	20	–	13	–	35	–	26	–	122	–
Denmark	1,212	2	370	1	1,057	2	395	1	414	1	242	1	331	1	274	1
Finland	996	1	266	–	230	–	223	1	441	2	456	2	257	1	384	1
France	12,288	17	10,100	14	7,294	16	5,227	14	4,246	15	5,851	21	3,287	13	5,304	15
Germany	7,452	10	3,518	5	2,695	6	3,766	10	2,481	9	2,506	9	4,435	18	4,767	14
Greece	455	1	15	–	8	–	5	–	26	–	45	–	104	–	195	1
Hungary	42	–	36	–	47	–	96	–	34	–	17	–	143	1	51	–
Iceland	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	13	–	18	–	138	–
Ireland	287	–	108	–	107	–	61	–	255	1	105	–	145	1	223	1
Italy	1,459	2	3,415	5	2,186	5	1,480	4	3,034	10	2,626	9	2,185	9	2,969	8
Netherlands	3,928	5	2,393	3	2,336	5	1,659	4	1,092	4	1,722	6	1,887	8	1,916	5
Norway	964	1	462	1	427	1	308	1	276	1	201	1	279	1	296	1
Poland	571	1	294	–	154	–	130	–	133	–	118	–	150	1	202	1
Portugal	158	–	173	–	243	1	161	–	116	–	69	–	108	–	183	1
Romania	298	–	96	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Slovakia	n/a	n/a	n/a	n/a	1	–	4	–	3	–	3	–	9	–	1	–
Spain	3,053	4	2,815	4	2,662	6	1,967	5	1,337	5	968	4	1,199	5	1,127	3
Sweden	4,170	6	4,259	6	3,001	6	1,622	4	1,015	3	1,468	5	2,043	8	2,300	6
Switzerland	905	1	837	1	363	1	272	1	223	1	312	1	243	1	626	2
UK	34,224	46	40,897	57	23,832	51	19,086	52	13,539	47	10,385	38	6,926	28	13,180	38
Total	73,788	100	71,164	100	47,000	100	36,920	100	29,096	100	27,648	100	24,331	100	34,986	100

Source: 'EVCA Yearbook 2007' – EVCA/Thomson Venture Economics/PricewaterhouseCoopers

Notes

1. 2000: € = £.61p; 2001: € = £.65p; 2002: € = £.63p; 2003: € = £.69p; 2004: € = £.68p; 2005: € = £.68p; 2006: 1€ = £.69p; 2007: € = £.68p

2. – indicates value greater than 0, but less than 0.5.

Table U – BVCA membership

Year	London based			Outside London			Total			Grand total
	Full	Fins	Profs	Full	Fins	Profs	Full	Fins	Profs	
1983	22	n/a	n/a	12	n/a	n/a	34	n/a	n/a	34
1984	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1985	35	n/a	9	15	2	n/a	50	2	9	61
1986	47	1	19	18	2	1	65	3	20	88
1987	57	4	22	20	3	1	77	7	23	107
1988	62	4	27	28	3	2	90	7	29	126
1989	67	4	39	40	3	4	107	7	43	157
1990	77	4	40	43	3	5	120	7	45	172
1991	79	0	43	42	1	7	121	1	50	172
1992/3	71	8	58	44	3	14	113	11	72	196
1993/4	74	8	70	43	3	16	117	11	86	214
1994/5	72	10	80	43	2	14	115	12	94	221
1995/6	67	12	74	42	2	18	108	14	92	214
1996/7	64	16	95	42	2	13	106	18	88	212
1997/8	65	18	74	36	3	12	101	21	86	208
1998/9	74	20	76	38	3	15	112	23	91	226
1999/2000	89	20	82	39	3	19	128	23	101	252
2000/2001	93	20	90	37	3	15	130	23	105	258
2001/2002	114	22	94	37	3	18	151	25	112	288
2002/2003	124	22	97	44	3	22	168	25	119	312
2003/2004	117	26	95	44	3	21	161	29	116	306
2004/2005	119	25	104	45	4	24	164	29	128	321
2005/2006	126	26	105	49	4	29	175	30	134	339
2006/2007	131	28	116	50	3	25	181	31	141	353
2007/2008	162	18	150	53	0	43	214	18	193	426

Source: BVCA Directory of Members Notes

Notes

1. Excludes academic and honorary members.
2. Types of BVCA members:
 - Full: Private equity firms active in making long-term equity investments.
 - Financial: Associate financial have funds available for private equity investment, but for whom this activity is not their principal business.
 - Professional: Associate professional advisers who have experience in dealing with both private equity firms and those seeking private equity.

Appendix VI – Respondents to the report

3i	Bank of Scotland Growth Equity	Close Brothers Private Equity LLP	E-Synergy Limited
AAC Capital Partners	Barclays Capital Principal Investments Area	Close Growth Capital Ltd	ETCapital Ltd
Aberdeen Asset Managers Limited	Barclays Private Equity Limited	Close Ventures	European Capital Financial Services Ltd
Abingworth LLP	Barclays Ventures	Cognetas LLP	Exponent Private Equity LLP
Acacia Capital Partners Limited	BC Partners Limited	Company Guides Venture Partners Limited	Ferranti Limited
Acorn Capital Partners	Beringea Ltd	Core Capital LLP	Fidelity Equity Partners
ACT Venture Capital Ltd	Bestport Ventures LLP	Create Partners Ltd	Fidelity Ventures
Active Private Equity Advisory LLP	Birmingham Technology (Venture Capital) Ltd	CVC Capital Partners Limited	Finance Cornwall Limited
Advantage Capital Limited	Blackstone Group International Ltd	Darwin Private Equity LLP	Finance Wales Investments Limited
Advantage Early Growth Limited	Botts & Company Ltd	Dawnay Day Principal Investments	Foresight Group
Advent International plc	Bowmark Capital Limited	Derbyshire First Investments Limited	Frontiers Capital Limited
Advent Venture Partners LLP	Braveheart Ventures	DFJ Esprit LLP	Glitnir Total Capital
Alchemy Partners LLP	Bridgepoint	Doughty Hanson & Co Ltd	GMT Communications Partners LLP
Alliance Fund Managers Limited	Bridges Community Ventures Limited	Duke Street Capital	Goldman Sachs Capital Partners
Alliance Trust Equity Partners Ltd	Cabot Square Capital LLP	Dunedin Capital Partners Limited	Graphite Capital Management LLP
Amadeus Capital Partners Limited	Calculus Capital Ltd	ECI Partners LLP	Greenhill Capital Partners Europe LLP
AnaCap Financial Partners LLP	Candover	Elderstreet Investments Limited	Gresham LLP
Apax Partners	Carbon Trust (The)	Electra Partners LLP	H.I.G. Capital
Apposite Capital LLP	Carlyle Group (The)	Endless LLP	Herald Investment Management Limited
Arcapita Limited	Catapult Venture Managers Ltd	Englefield Capital LLP	Hermes Private Equity
Atlas Venture LLP	CCMP Capital Advisors (UK), LLP	Enterprise Equity Fund Management (NI) Limited	HgCapital
August Equity LLP	Chamonix Private Equity	Enterprise Private Equity Limited	Hotbed Limited
Avlar BioVentures Limited	Charterhouse Capital Partners LLP	Enterprise Ventures Limited	Iceni Capital
AXM Venture Capital Ltd	Chrysalis VCT plc	Envestors LLP	Impax Asset Management Ltd
B.P. Marsh & Partners Plc	Cinven	EPIC Private Equity	Imperial Innovations Group plc
Bain Capital Ltd	Clarendon Fund Managers Limited	Epi-V LLP	Industri Kapital Ltd
Baird Capital Partners Europe	Clayton Dubilier & Rice Limited	Equity Ventures Ltd	Infinity Asset Management LLP
Balderton Capital Management (UK) LLP			Inflexion Private Equity

Ingenious Ventures Limited	Milestone Capital Partners Limited	Platina Partners LLP	Sussex Place Ventures
Innvotec Limited	Mitsui & Co Europe Plc	Pond Venture Partners Ltd	SV Life Sciences Advisers LLP
Intel Capital	MMC Ventures Ltd	Primary Capital Ltd	Swarraton Partners
Invest Northern Ireland	Modus Private Equity Ltd	Providence Equity LLP	TDR Capital LLP
IQ Capital Partners LLP	Montagu Private Equity LLP	PUK Ventures	Terra Firma Capital Partners Limited
ISIS EP LLP	Moorfield Investment Management Ltd	Quester	Top Technology Ventures Limited
Isis Innovation Ltd	MTI	Quilvest Private Equity	TowerBrook Capital Partners (UK) LLP
Javelin Ventures Limited	NBGI Private Equity	Risk Capital Partners	TPG Capital LLP
Kelso Place Asset Management LLP	NEL Fund Managers Limited	RJD Partners Limited	Triodos Bank NV
Key Capital Partners LLP	NESTA Investments	Royal Bank of Scotland Equity Finance	TTP Venture Managers Ltd
Kohlberg Kravis Roberts & Co Ltd	Next Wave Ventures	Rutland Partners LLP	UK Steel Enterprise Ltd
LA Investments Ltd	Noble Fund Managers Limited	Scottish Equity Partners	Unilever Ventures Ltd
Langholm Capital LLP	Nomura Private Equity	Seraphim Capital (General Partner) LLP	Veronis Suhler Stevenson International Limited
LDC	North West Equity Fund	Shackleton Ventures Limited	Viking Fund
LF Europe Investments	NorthStar Equity Investors Ltd	Silverfleet Capital Partners LLP (formerly PPM Capital Limited)	Vision Capital Ltd
LGV Capital	NVM Private Equity Limited	Sigma Technology Management Ltd	Wales Fund Managers Limited
Lion Capital	Octopus Private Equity	SL Capital Partners LLP	Warburg Pincus International LLC
London Seed Capital Ltd	Octopus Ventures Limited	Smedvig Capital Limited	What If Ventures
London Ventures (Fund Managers) Limited	Oxford Capital Partners	Sovereign Capital Partners LLP	WHEB Ventures Ltd
Longbow Capital LLP	Oxford Technology Management Limited	SPARK Ventures plc	WM Enterprise
Loudwater Investment Partners Ltd	Palamon Capital Partners, LP	SRPE LLP	YFM Private Equity Limited
Ludgate Investments Limited	Parallel Private Equity Limited	STAR Capital Partners	YFM Venture Finance Ltd
Lyceum Capital Partners LLP	Penta Capital Partners Limited	Stargate Capital Management Ltd	Zeus Private Equity LLP
Manchester Technology Fund Ltd (The)	Pentech Ventures	Strand Partners Limited	
Matrix Private Equity Partners LLP	Permira Advisers LLP	Sulis Investment Management Ltd	
Merlin Biosciences Limited	Phoenix Equity Partners	Summit Group Ltd (The)	
Midven Limited	Pi Capital		
	Piper Private Equity Limited		

Notes

BVCA full members as at 31 December 2007

Contacts



BVCA
3 Clements Inn
London
WC2A 2AZ

Tel: 020 7025 2950
Fax: 020 7025 2951

bvca@bvca.co.uk
www.bvca.co.uk



PricewaterhouseCoopers LLP
Hay's Galleria
1 Hay's Lane
London
SE1 2RD

Tel: 020 7583 5000
Fax: 020 7804 1001

www.pwc.com

Enquiries:

Simon Walker, Chief Executive, BVCA 020-7025 2952

Ashley Coups, Director, PricewaterhouseCoopers LLP 020-7804 9609

Rachel Barbour, Director of Communications, BVCA 020-7025 2971

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