

# Acanthus Advisers

## European Private Equity Performance

March 2010

# About Acanthus

Acanthus is the leading and most experienced European private equity placement agent focused on the mid-market, with a reputation for rigorous advisory work with a deeply analytical approach.

We are independently owned and work exclusively in private equity, advising firms active in buy-outs, special situations or infrastructure. Clients are primarily European but our investor base is global.

Over the past 11 years we have advised both investors and private equity firms. Over the last five years our clients have raised over €3 billion.

For further information, please visit our website at <http://www.acanthus.eu.com/>

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# European Private Equity Performance

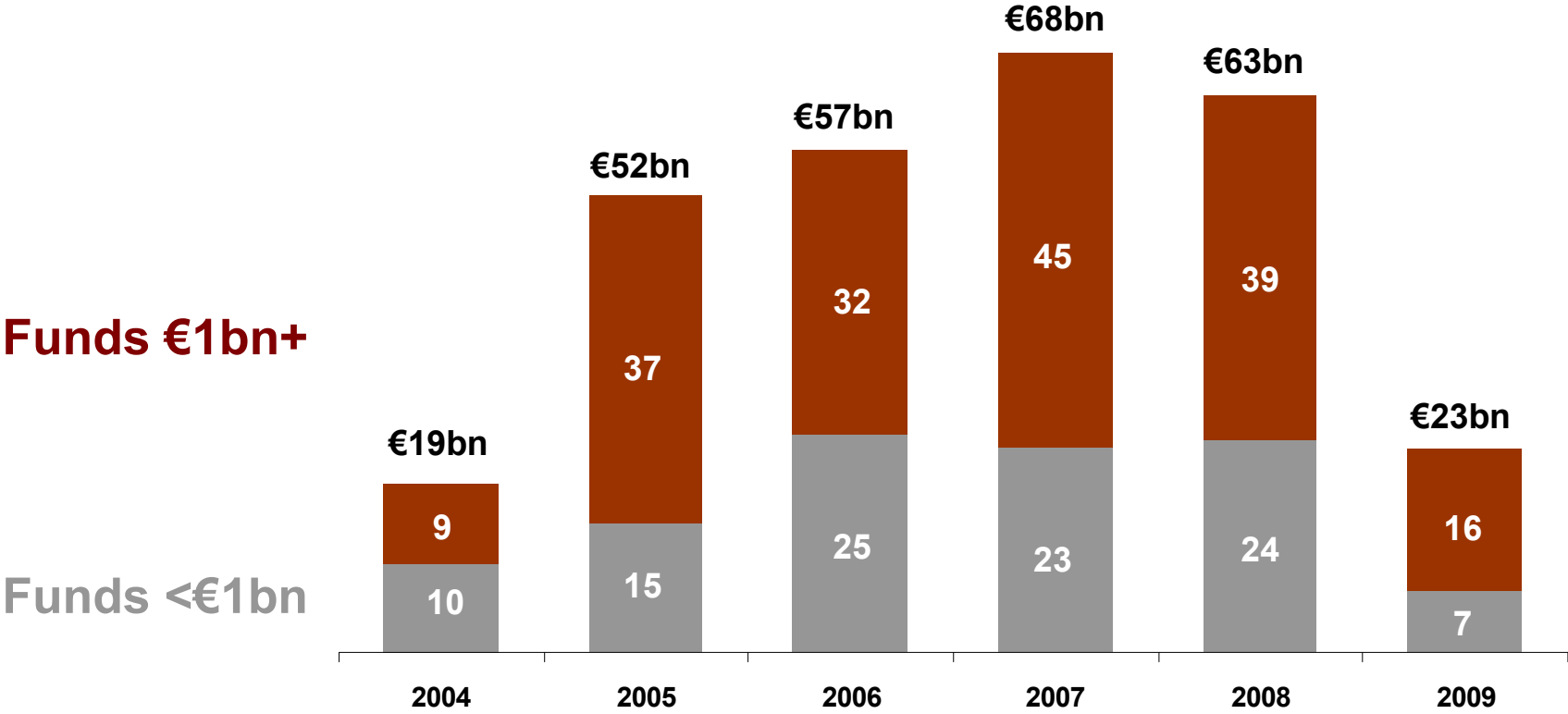
# Introduction

In preparing our annual Mid-Market Review, Acanthus carried out extensive analysis of Preqin performance data combined with our database of mid-market fund raising

- Performance data was obtained from Preqin in January 2010 for all European private equity funds raised since 2004 in excess of €100m
- Funds of €1bn+:
  - ✓ performance data for 43 of 53 funds is available from Preqin
  - ✓ bulk of remaining 10 funds were raised in 2008-09 with minimal capital called
- Funds €100m - €1bn:
  - ✓ performance data for 84 of 338 funds raised is available from Preqin
  - ✓ for remaining 254 funds (2/3rds of capital committed) performance data has been extrapolated from Preqin data for same fund size bracket on a capital weighted basis
  - ✓ fund size and numbers obtained from Acanthus Mid-Market Review data which covers more mid-market funds than Preqin
  - ✓ 2009 data on funds raised is an estimate and is currently being updated
- The key conclusions are set out in the following slides

# A sharp decline in fundraising

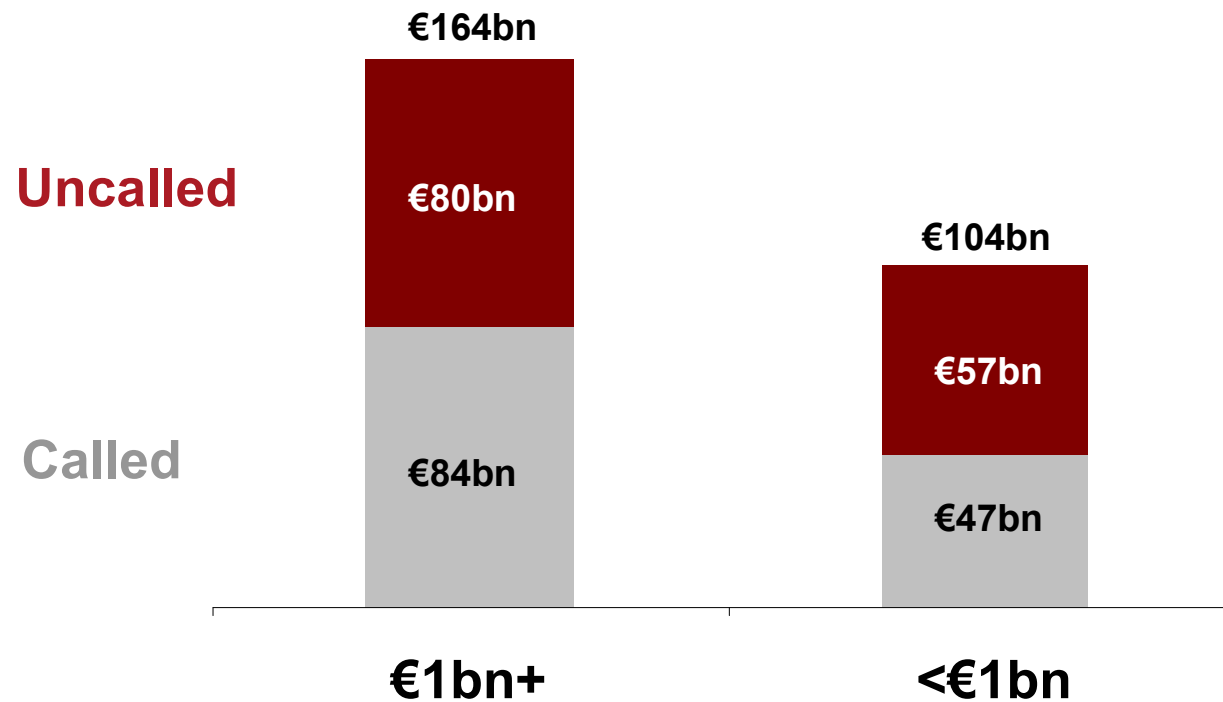
Commitments to European Private Equity Funds 2004-2009



Source: Acanthus/Preqin

# But c.50% of commitments are uncalled - €137 billion

Commitments to European Private Equity Funds 2004-2009

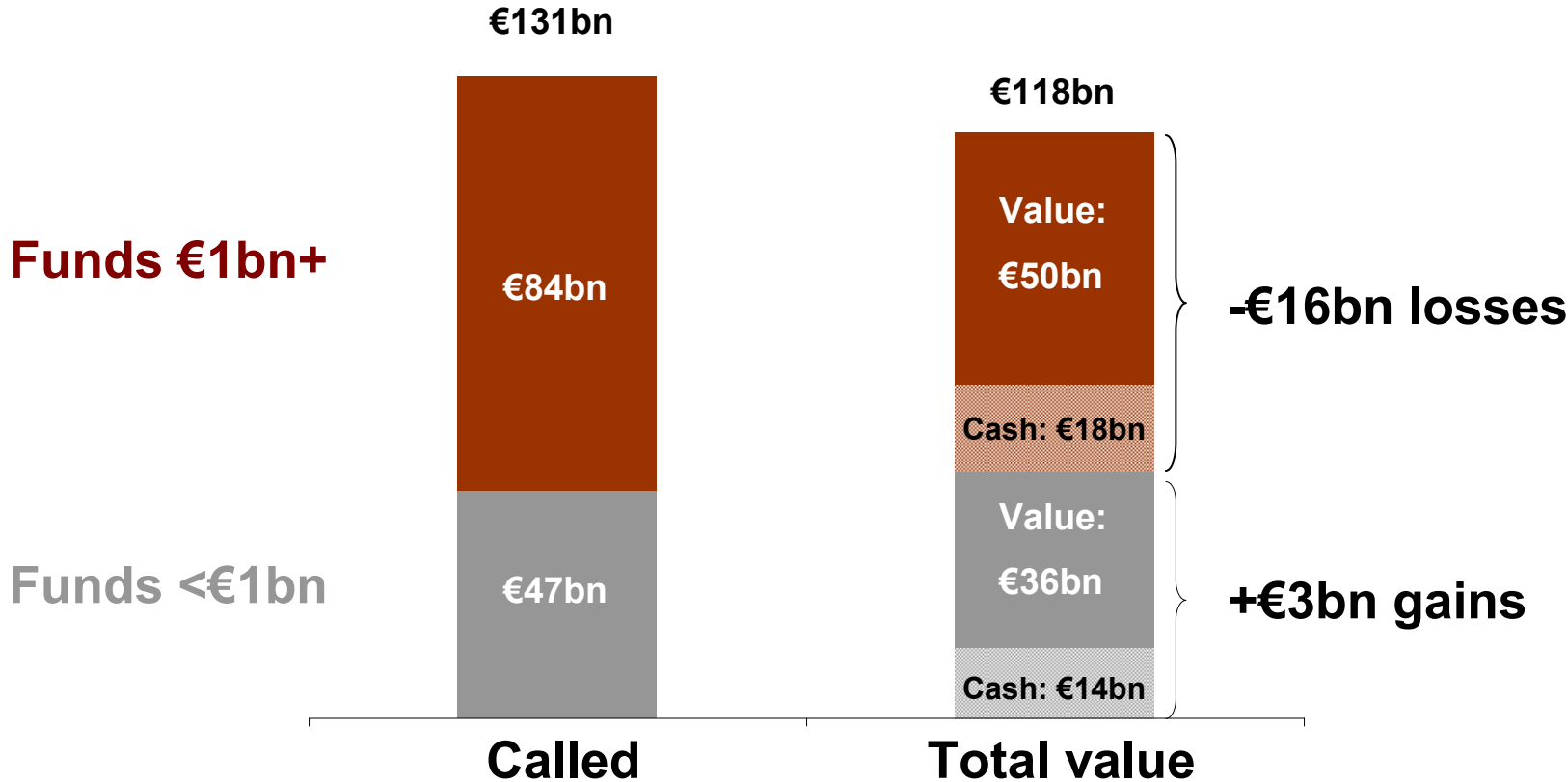


Source: Acanthus/Preqin. €1bn+: Based on available performance data for 43 of 53 European Private Equity funds closed between 2004-2009.

<€1bn: Weighted capital extrapolation based on available performance data for 84 of 338 European Private Equity funds closed between 2004-2009

# Losses concentrated in €1bn+ funds with €80bn uncalled

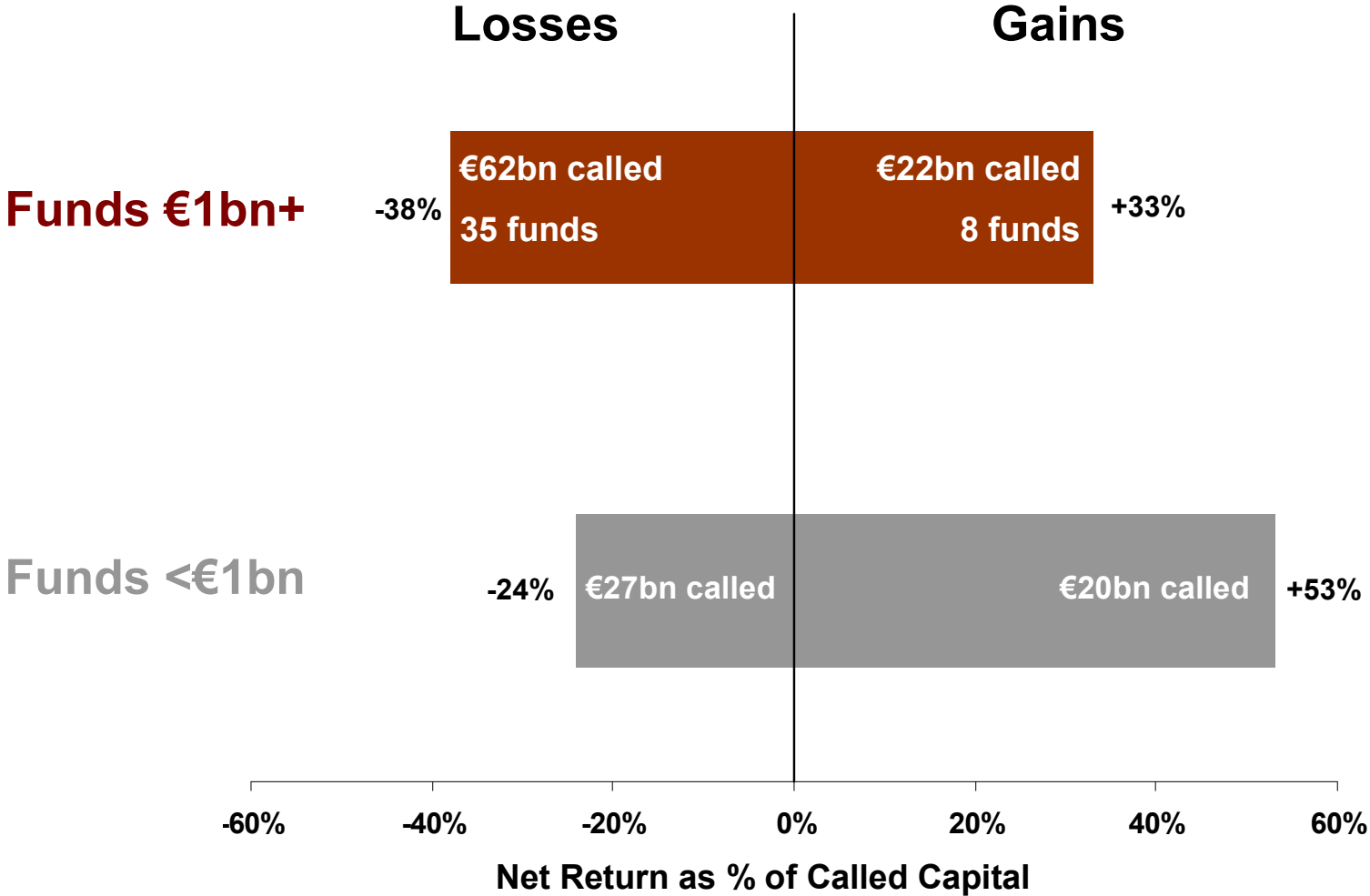
European Private Equity Funds 2004-2009



Source: Acanthus/Preqin. €1bn+: Based on available performance data for 43 of 53 European Private Equity funds closed between 2004-2009.  
<€1bn: Weighted capital extrapolation based on available performance data for 84 of 338 European Private Equity funds closed between 2004-2009

# Losses of €23bn on €62bn called by 35 €1bn+ funds

European Private Equity Funds 2004-2009



Source: Acanthus/Preqin. €1bn+: Based on available performance data for 43 of 53 European Private Equity funds closed between 2004-2009.  
 <€1bn: Weighted capital extrapolation based on available performance data for 84 of 338 European Private Equity funds closed between 2004-2009

# Acanthus Advisers

# Acanthus: European mid-market leader

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**Leader in European mid-market**

Established in 1998 with a core focus on raising European mid-market funds  
Over €3 billion raised over the last 5 years in Europe, the US and Asia

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**Advisory driven**

Deep analytical approach to meet increasing investor demand  
Comprehensive investment grade documentation

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**Focused marketing**







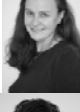

Extensive investor screening leading to targeted fundraising with priority prospects  
Strong relationships with the investor community well beyond those of a simple distributor of funds

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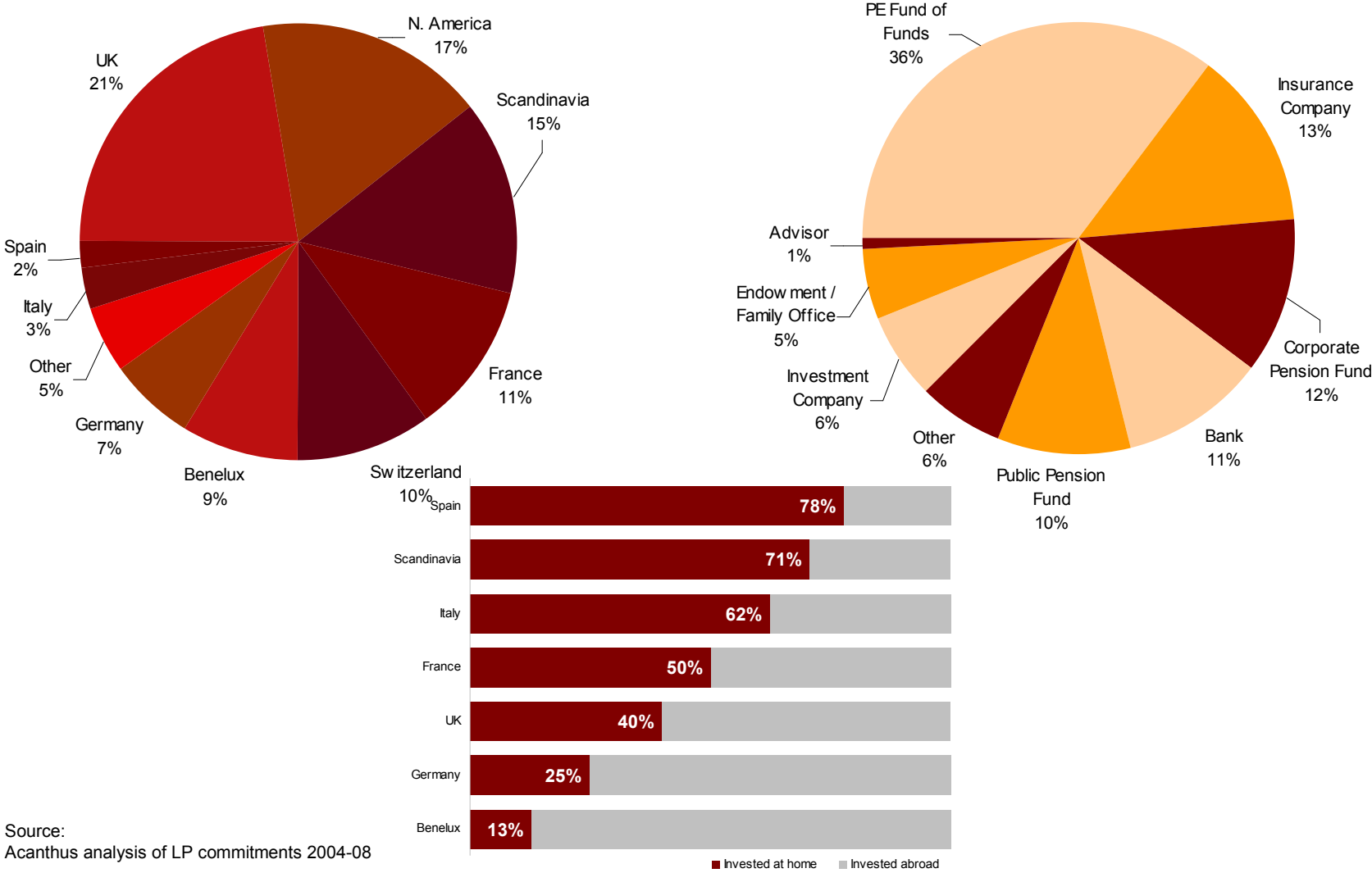
**Owner led, experienced and independent**

Transactions led by the owners: strong level of commitment  
Interdisciplinary, experienced and multicultural team

# A highly experienced and multicultural team

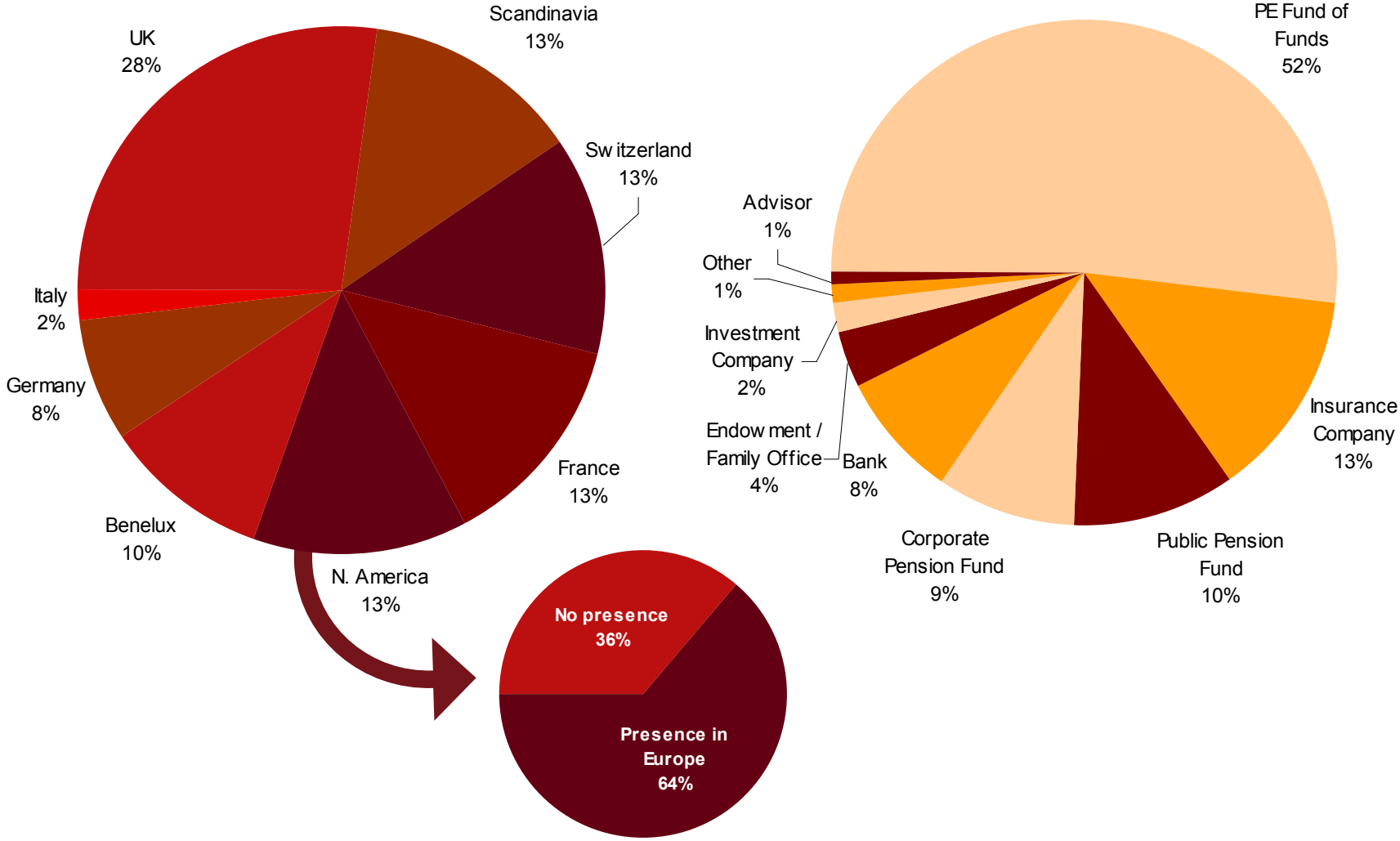
Team	Years experience	Management consultancy	Accountancy	M&A and Corporate Finance	Fund Placement Advisory	Previous firms
 Armando D'Amico Managing Partner	30+	✓			✓	VenCap, EBRD, Telesis, Bain & Co, Alliance (Paris/Milan/Boston)
 Dermot Crean Managing Partner	24		✓	✓	✓	Hawkpoint, J O Hambro Magan & Co, Samuel Montagu & Co, Pricewaterhouse Coopers
 Paul Arent Director	10	✓		✓	✓	Deloitte Private Equity Fund Placement Advisory Group, Barclays and Roland Berger
 Jean-Francois Joachim Associate	4		✓	✓	✓	Rothschild, AXA Investment Managers, Deloitte
 Viktor Bergström Analyst	2			✓	✓	Kaupthing Singer and Friedlander
 Tamsin Miles Roadshow coordinator	11			✓	✓	Bear Stearns, Merrill Lynch
 Mariette Davis Chief Operating Officer	24		✓	✓	✓	Grant Thornton, N M Rothschild and Sons, Legal and General Ventures, GNI Fund Management Ltd
 Marcia Malcolm Office manager	20			✓	✓	Pricewaterhouse Coopers, Interconnector (UK) and Sun International Exploration and Production

# We track over 3,000 commitments from 1,400 LPs in the European mid-market



Source: Acanthus analysis of LP commitments 2004-08

# LPs invested in 5 or more European mid-market funds



## Appendix: Performance Data

# European Private Equity Funds 2004-09

	No	Committed	Called	Uncalled	Distrib	Value	Total val	Gain/loss	Gain/loss %
<b>Over €1 billion</b>									
Performance data	43	164,784	84,429	80,356	17,756	50,771	68,527	(15,902)	-19%
None*	10	13,502							
	<u>53</u>	<u>178,287</u>							
Funds with gains	8	26,560	22,711	3,849	15,348	14,860	30,208	7,497	+33%
Funds with losses	35	138,224	61,718	76,506	2,407	35,911	38,318	(23,399)	-38%
	<u>43</u>	<u>164,784</u>	<u>84,429</u>	<u>80,356</u>	<u>17,756</u>	<u>50,771</u>	<u>68,527</u>	<u>(15,902)</u>	<u>-19%</u>
<i>Funds with gains</i>	19%	16%	27%	5%	86%	29%	44%		
<i>Funds with losses</i>	81%	84%	73%	95%	14%	71%	56%		
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>		
<b>€100 million - €1 billion</b>									
Performance data	84	33,763	17,198	16,565	5,691	13,077	18,768	1,570	+9%
None	254	70,137							
	<u>338</u>	<u>103,900</u>							
Funds with gains	31	11,666	7,321	4,345	4,944	6,277	11,221	3,900	+53%
Funds with losses	53	22,098	9,877	12,220	747	6,800	7,547	(2,330)	-24%
	<u>84</u>	<u>33,763</u>	<u>17,198</u>	<u>16,565</u>	<u>5,691</u>	<u>13,077</u>	<u>18,768</u>	<u>1,570</u>	<u>9%</u>
<i>Funds with gains</i>	37%	35%	43%	26%	87%	48%	60%		
<i>Funds with losses</i>	63%	65%	57%	74%	13%	52%	40%		
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>		

\* 6 of these funds are vintage 2008-09 representing €9bn so presumed to be largely uncalled

# European Private Equity Funds 2004-09

Over €1 billion: With performance data

	No	Committed	Called	Uncalled	Distrib	Value	Total val	Gain/loss	Gain/loss %
2004	3	9,100	8,280	820	8,797	3,360	12,158	3,878	+47%
2005	10	35,817	29,995	5,822	8,397	19,762	28,159	(1,836)	-6%
2006	8	31,384	20,396	10,988	486	11,024	11,510	(8,886)	-44%
2007	11	42,339	20,498	21,841	72	12,966	13,037	(7,460)	-36%
2008	8	35,944	4,673	31,271	3	3,196	3,199	(1,473)	-32%
2009	3	10,200	588	9,612		463	463	(125)	-21%
<b>Total</b>	<b>43</b>	<b>164,784</b>	<b>84,429</b>	<b>80,356</b>	<b>17,756</b>	<b>50,771</b>	<b>68,527</b>	<b>(15,902)</b>	<b>-19%</b>

	% of total		% of total comm		% of total called			Gain/loss %
2004	7%	6%	91%	9%	106%	41%	147%	+47%
2005	23%	22%	84%	16%	28%	66%	94%	-6%
2006	19%	19%	65%	35%	2%	54%	56%	-44%
2007	26%	26%	48%	52%	0%	63%	64%	-36%
2008	19%	22%	13%	87%	0%	68%	68%	-32%
2009	7%	6%	6%	94%		79%	79%	-21%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>51%</b>	<b>49%</b>	<b>21%</b>	<b>60%</b>	<b>81%</b>	<b>-19%</b>

# European Private Equity Funds 2004-09

€100 million - €1 billion: With performance data

	No	Committed	Called	Uncalled	Distrib	Value	Total val	Gain/loss	Gain/loss %
2004	12	4,308	3,913	396	3,606	3,072	6,678	2,765	+71%
2005	14	4,934	3,735	1,199	1,329	2,787	4,116	381	+10%
2006	25	10,502	5,973	4,529	644	4,550	5,194	(779)	-13%
2007	20	8,041	2,399	5,641	17	1,763	1,781	(618)	-26%
2008	11	5,479	1,147	4,332	95	872	967	(180)	-16%
2009	2	500	32	468	0	34	34	2	+6%
<b>Total</b>	<b>84</b>	<b>33,763</b>	<b>17,198</b>	<b>16,565</b>	<b>5,691</b>	<b>13,077</b>	<b>18,768</b>	<b>1,570</b>	<b>+9%</b>

	% of total	% of total comm	% of total called				Gain/loss %
2004		91%	9%	92%	78%	171%	+71%
2005		76%	24%	36%	75%	110%	+10%
2006		57%	43%	11%	76%	87%	-13%
2007		30%	70%	1%	73%	74%	-26%
2008		21%	79%	8%	76%	84%	-16%
2009		6%	94%	0%	106%	106%	+6%
<b>Total</b>		<b>51%</b>	<b>49%</b>	<b>33%</b>	<b>76%</b>	<b>109%</b>	<b>+9%</b>

€100 million - €1 billion: all funds using weighted average data for each vintage year in this fund size bracket

	No	Committed	Called	Uncalled	Distrib	Value	Total val	Gain/loss	Gain/loss %
2004	33	10,000	9,082	918	8,370	7,129	15,500	6,418	+71%
2005	44	14,700	11,127	3,573	3,960	8,303	12,263	1,135	+10%
2006	78	24,700	14,048	10,652	1,514	10,701	12,215	(1,833)	-13%
2007	78	23,300	6,952	16,348	51	5,110	5,160	(1,792)	-26%
2008	75	24,200	5,066	19,134	418	3,852	4,270	(796)	-16%
2009	30	7,000	446	6,554	0	472	472	27	+6%
<b>Total</b>	<b>338</b>	<b>103,900</b>	<b>46,722</b>	<b>57,178</b>	<b>14,314</b>	<b>35,567</b>	<b>49,880</b>	<b>3,159</b>	<b>+7%</b>

# European Private Equity Funds 2004-09

## All funds with performance data

	No	Committed	Called	Uncalled	Distrib	Value	Total val	Gain/loss	Gain/loss %
<b>Funds with gains</b>									
Over €1 billion	8	26,560	22,711	3,849	15,348	14,860	30,208	7,497	+33%
€100 million - €1 billion	31	11,666	7,321	4,345	4,944	6,277	11,221	3,900	+53%
	39	38,226	30,032	8,194	20,292	21,137	41,430	11,397	+38%
<b>Funds with losses</b>									
Over €1 billion	35	138,224	61,718	76,506	2,407	35,911	38,318	(23,399)	-38%
€100 million - €1 billion	53	22,098	9,877	12,220	747	6,800	7,547	(2,330)	-24%
	88	160,322	71,595	88,727	3,155	42,711	45,865	(25,729)	-36%
<b>Total</b>									
Over €1 billion	43	164,784	84,429	80,356	17,756	50,771	68,527	(15,902)	-19%
€100 million - €1 billion	84	33,763	17,198	16,565	5,691	13,077	18,768	1,570	+9%
	127	198,548	101,627	96,920	23,447	63,848	87,295	(14,332)	-14%

	% of total	% of total comm	% of total called					Gain/loss %
<b>Funds with gains</b>								
Over €1 billion	21%	69%	86%	14%	68%	65%	133%	+33%
€100 million - €1 billion	79%	31%	63%	37%	68%	86%	153%	+53%
	100%	100%						
As % of total	31%	19%	30%	8%	87%	33%	47%	
<b>Funds with losses</b>								
Over €1 billion	40%	86%	45%	55%	4%	58%	62%	-38%
€100 million - €1 billion	60%	14%	45%	55%	8%	69%	76%	-24%
	100%	100%						
As % of total	69%	81%	70%	92%	13%	67%	53%	
<b>Total</b>								
Over €1 billion	34%	83%	51%	49%	21%	60%	81%	-19%
€100 million - €1 billion	66%	17%	51%	49%	33%	76%	109%	+9%

# European Private Equity Funds 2004-09

	No	Committed	Called	Uncalled	Distrib	Value	Total val	Gain/loss	Gain/loss %
<b>Over €1 billion: With performance data*</b>									
2004	3	9,100	8,280	820	8,797	3,360	12,158	3,878	+47%
2005	10	35,817	29,995	5,822	8,397	19,762	28,159	(1,836)	-6%
2006	8	31,384	20,396	10,988	486	11,024	11,510	(8,886)	-44%
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<b>€100 million - €1 billion: all funds using weighted average data for each vintage year in this fund size bracket</b>									
2004	33	10,000	9,082	918	8,370	7,129	15,500	6,418	+71%
2005	44	14,700	11,127	3,573	3,960	8,303	12,263	1,135	+10%
2006	78	24,700	14,048	10,652	1,514	10,701	12,215	(1,833)	-13%
2007	78	23,300	6,952	16,348	51	5,110	5,160	(1,792)	-26%
2008	75	24,200	5,066	19,134	418	3,852	4,270	(796)	-16%
2009	30	7,000	446	6,554	0	472	472	27	+6%
<b>Total</b>	<b>338</b>	<b>103,900</b>	<b>46,722</b>	<b>57,178</b>	<b>14,314</b>	<b>35,567</b>	<b>49,880</b>	<b>3,159</b>	<b>+7%</b>
<b>Total</b>									
2004	36	19,100	17,362	1,738	17,168	10,490	27,657	10,296	+59%
2005	54	50,517	41,122	9,395	12,357	28,064	40,422	(701)	-2%
2006	86	56,084	34,444	21,640	2,001	21,724	23,725	(10,719)	-31%
2007	89	65,639	27,450	38,189	122	18,075	18,198	(9,252)	-34%
2008	83	60,144	9,739	50,405	421	7,048	7,470	(2,269)	-23%
2009	33	17,200	1,034	16,166	0	935	935	(98)	-9%
<b>Total</b>	<b>381</b>	<b>268,684</b>	<b>131,150</b>	<b>137,534</b>	<b>32,069</b>	<b>86,338</b>	<b>118,407</b>	<b>(12,743)</b>	<b>-10%</b>

\* excludes 10 funds with €13.5bn committed for which no performance data is available - 6 of these representing €9bn were 2008-09

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