

# GLOBAL PRIVATE EQUITY 2003

## Report Charts

# THE WORLD VIEW

## Investment & Fund Raising Trends

# THE WORLD VIEW

## 2002

### Main Headlines

- At least \$102 billion of private equity and venture capital was invested globally in 2002 – a decrease of only 1% on the 2001 level of \$103 billion.
- This is equivalent to 0.32%\* of the world's gross domestic product.
- At least \$88 billion of funds were raised globally in 2002 – down 46% from \$164 billion in 2001.

### Sub Headlines

- Technology investments totalled approximately \$39 billion in 2002 – 38% of total investment.
- At least \$23 billion was invested in expansion stages in 2002 – down 38% on 2001 levels.
- Approximately \$64 billion was invested globally in buyouts in 2002 – an increase of 76% on 2001.

\*Based on 2002 GDP, as calculated using The World Bank Development Database – \$32,252 billion

*Note: Historical data has been revised based on amendments published in 2002.*

# THE WORLD VIEW

## 1H 2003

### Main Headlines

- At least \$57 billion of private equity and venture capital was invested globally in the first half of 2003.
- At least \$24 billion of funds were raised globally in the same period.

### Sub Headlines

- Less than \$3 billion was invested in seed and early stage investments globally in the first half of 2003.
- Just under \$7 billion was invested globally in expansion stages during the same period.
- Approximately \$42 billion was invested globally in buyouts in the first half of 2003 – with buyouts accounting for 74% of all investment.

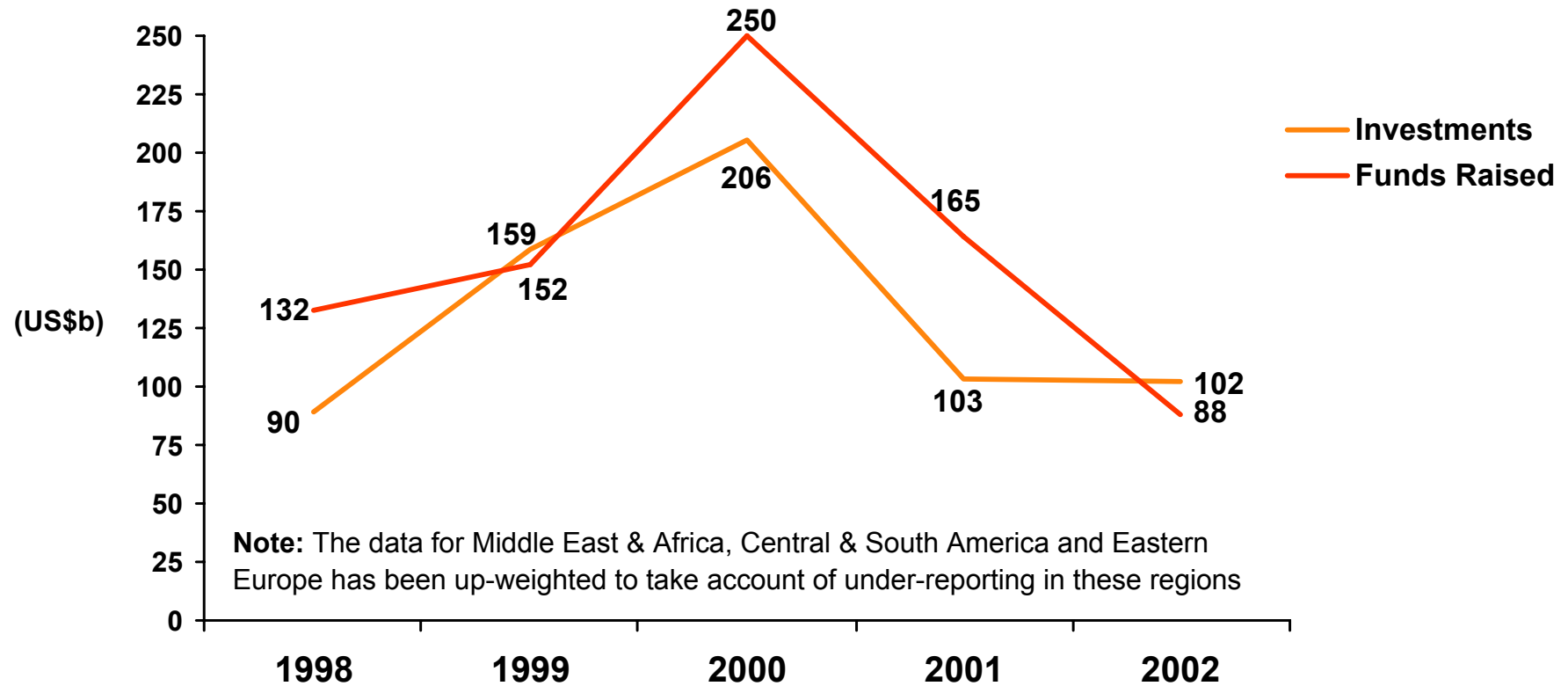
*Note: Figures based on 6 monthly data for US, Europe and Asia Pacific – not upweighted*

# THE WORLD VIEW

## Investment and Fund Raising Trends

Investment: Compound average growth rate = 3.39%

Funds Raised: Compound average growth rate = -9.58%

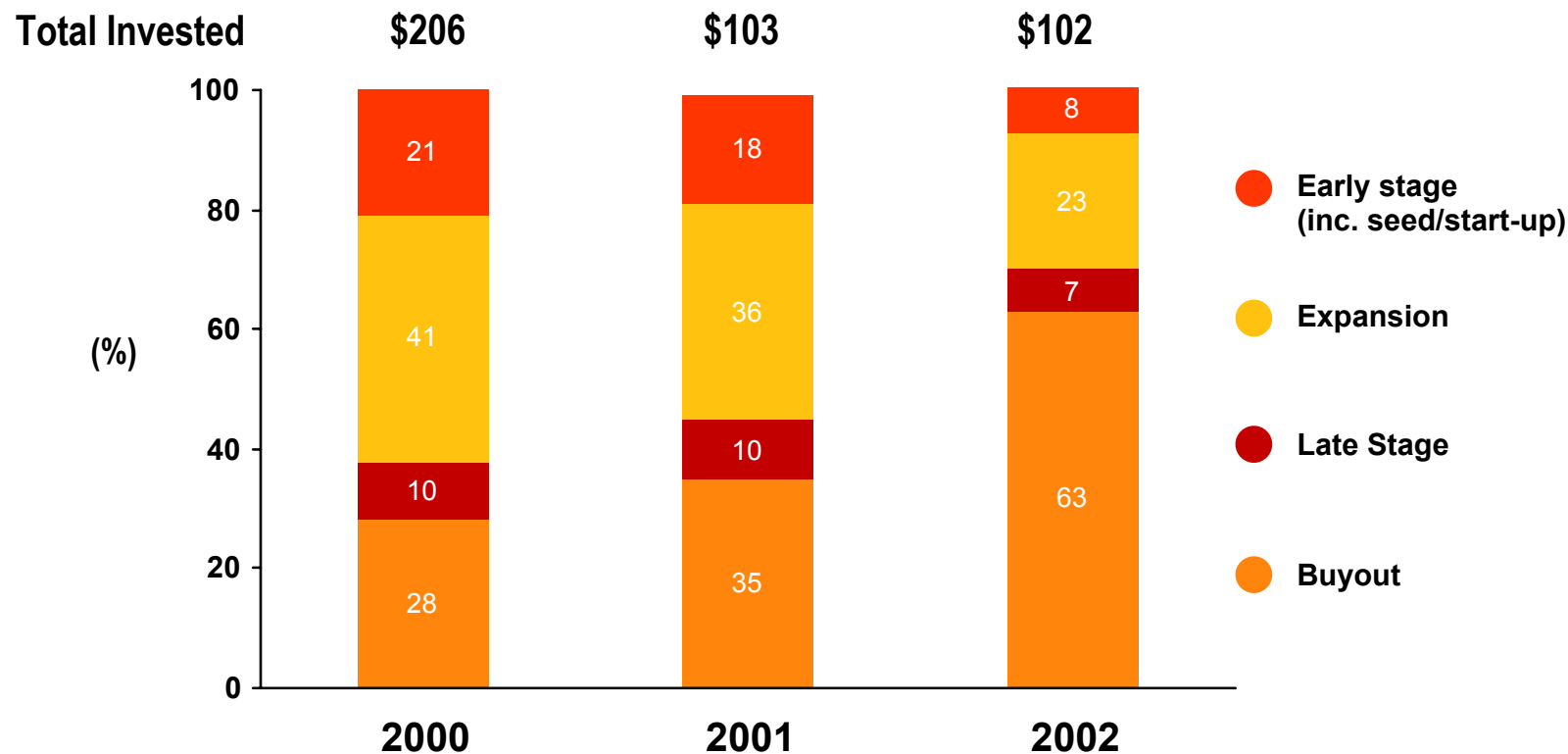


Source: The PricewaterhouseCoopers/Venture Economics/National Venture Capital Association MoneyTree™ Survey / Buyout Newsletter / Private Equity Analyst / CVCA Annual Statistical Review / EVCA Yearbook / AVCJ Guide to Venture Capital in Asia / Latin American Private Equity Analyst / SAVCA Private Equity Survey

# THE WORLD VIEW

## % Distribution of Investments

Note: % share based on 3 main regions – North America, Western Europe and Asia Pacific



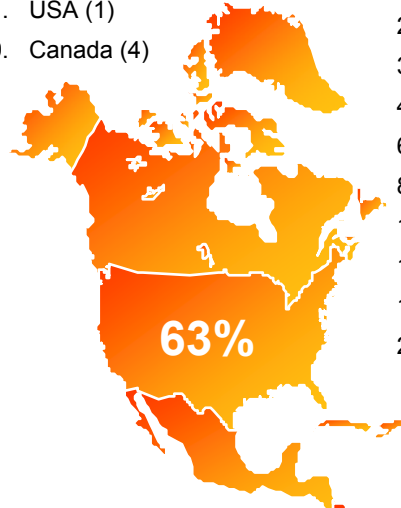
Source: The PricewaterhouseCoopers / Venture Economics / National Venture Capital Association MoneyTree™ Survey / Buyout Newsletter / CVCA Annual Statistical Review / EVCA Yearbook / AVCJ Guide to Venture Capital in Asia

# THE WORLD VIEW

## Top 20 Countries - Based on Investment

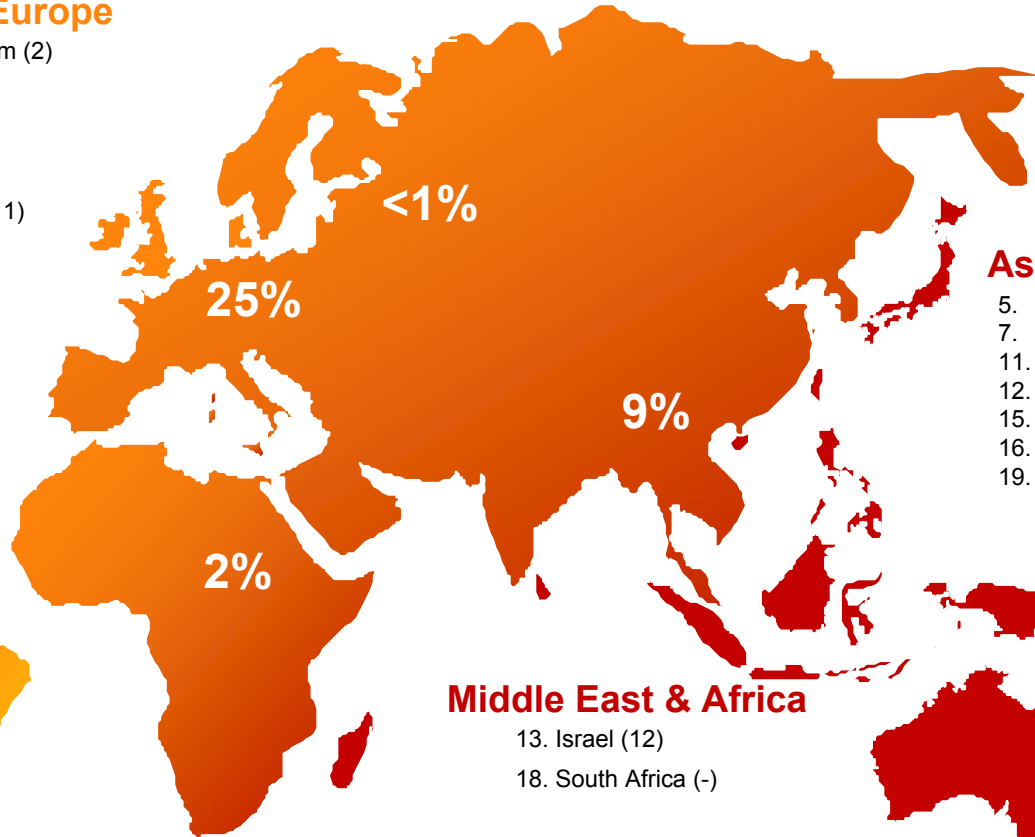
### North America

- 1. USA (1)
- 9. Canada (4)



### Western Europe

- 2. United Kingdom (2)
- 3. France (5)
- 4. Italy (7)
- 6. Germany (3)
- 8. Netherlands (11)
- 10. Sweden (9)
- 14. Spain (17)
- 17. Finland (-)
- 20. Belgium (19)



### Central & South America

1%

### Asia Pacific

- 5. Japan (6)
- 7. Korea (10)
- 11. Australia (14)
- 12. India (15)
- 15. Hong Kong (8)
- 16. Indonesia (-)
- 19. China (13)

### Middle East & Africa

- 13. Israel (12)
- 18. South Africa (-)

Note: There is no published data on Asia Pacific countries for 2002, therefore estimates from the AVCJ are shown

# THE WORLD VIEW

## Top 20 Countries - Based on Growth (CAGR 98-02)

### North America

- 13. Canada (9%)
- 20. USA (<1%)

### Western Europe

- 2. Sweden (57%)
- 3. Denmark (50%)
- 7. France (29%)
- 8. Italy (24%)
- 9. Spain (22%)
- 10. Finland (19%)
- 14. Netherlands (8%)
- 15. Switzerland (5%)
- 16. UK (5%)
- 17. Belgium (4%)
- 18. Germany (2%)
- 19. Norway (1%)

### Central & South America

### Middle East & Africa

- 11. Israel (14%)

### Asia Pacific

- 1. India (82%)
- 4. Australia (39%)
- 5. South Korea (39%)
- 6. Japan (31%)
- 12. China (11%)

Only Countries with investments of at least \$0.225 billion in 2002 are shown

Note: There is no published data on Asia Pacific countries for 2002, therefore estimates from the AVCJ are shown



# THE WORLD VIEW

## Top 20 Countries - Based on Investment

US \$ Billion

Country Ranking	Investment Value	Funds Raised	Country Ranking	Investment Value	Funds Raised
1. USA	62.68	54.89	11. Australia	1.21	0.21
2. UK	9.58	13.42	12. India	1.05	0.16
3. France	5.53	4.54	13. Israel	0.98	1.14
4. Italy	2.48	1.89	14. Spain	0.92	0.60
5. Japan	2.38	0.72	15. Hong Kong	0.75	0.55
6. Germany	2.37	1.55	16. Indonesia	0.56	N/A
7. South Korea	1.95	0.36	17. Finland	0.43	0.68
8. Netherlands	1.63	1.13	18. South Africa	0.37	0.08
9. Canada	1.57	2.07	19. China	0.35	0.32
10. Sweden	1.39	0.61	20. Belgium	0.34	0.12

Note: There is no published data on Asia Pacific countries for 2002, therefore estimates from the AVCJ are shown

# THE WORLD VIEW

## Cumulative Investments and Funds Raised (98-02)

	US \$ Billion		
<i>Region</i>	<i>Investment Value</i>	<i>Funds Raised</i>	<i>Overhang</i>
Global	660.10	788.04	127.94
North America	466.19	554.76	88.57
Western Europe	122.53	153.50	30.97
<b>Asia Pacific</b>	<b>46.49</b>	<b>54.83</b>	<b>8.34</b>
Middle East & Africa	10.75*	12.14*	1.39
Central and South America	12.30*	9.68	-2.62
Eastern Europe	1.86*	3.13*	1.27

\* Data upweighted to take account of under-reporting in these regions

Note: There is no published data on Asia Pacific countries for 2002, therefore estimates from the AVCJ are shown

# THE WORLD VIEW

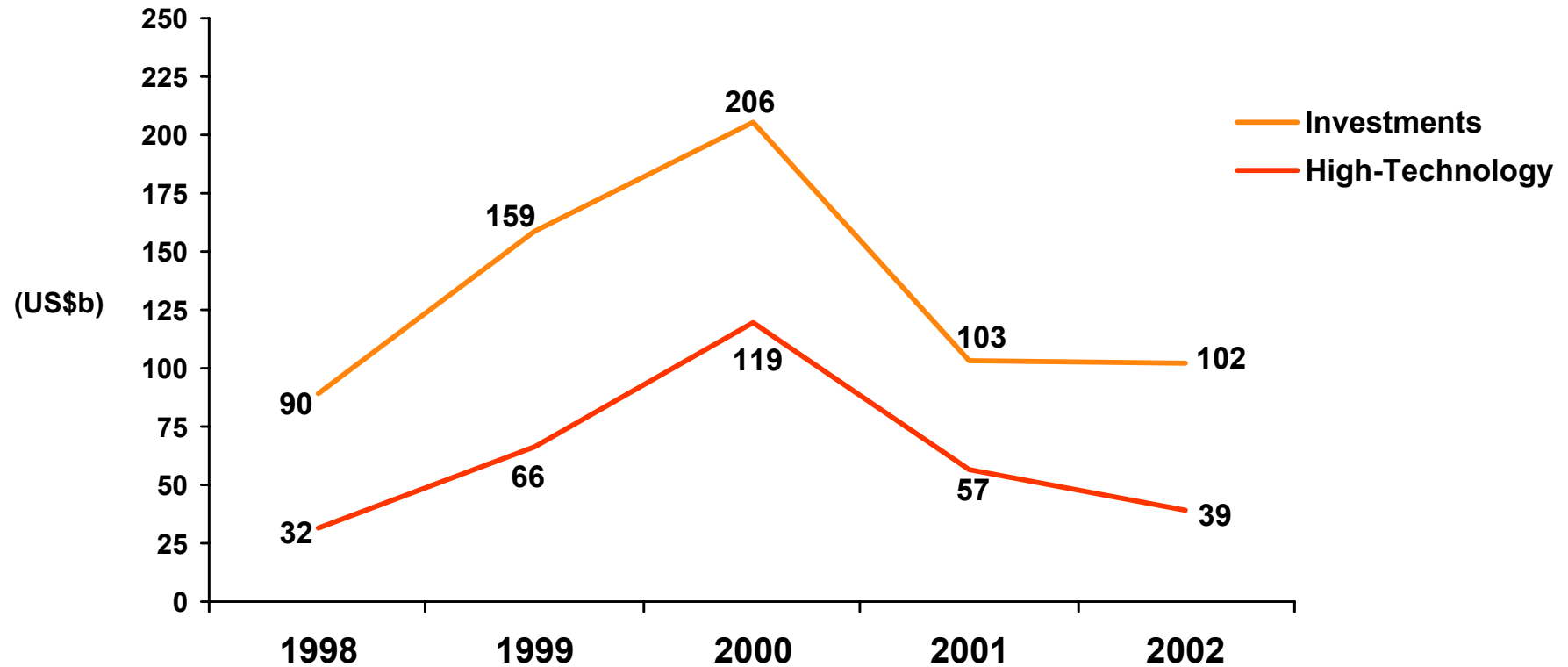
## High-Technology Investment Trends

# THE WORLD VIEW

## High-Technology Investment Trends

Investments: Compound average growth rate = 3.39%

High-Technology: Compound average growth rate = 5.38%



Source: PwC MoneyTree Survey / Buyout Newsletter / Private Equity Analyst / CVCA Annual Statistical Review / EVCA Yearbook / AVCJ Guide to Venture Capital in Asia / Latin American Private Equity Analyst / SAVCA Private Equity Survey

# THE WORLD VIEW

## Top 20 Countries - Based on High-Tech Investment

### North America

1. USA (\$25.7)
4. Canada (\$1.4)

### Western Europe

2. United Kingdom (\$2.4)
3. France (\$1.5)
7. Sweden (\$0.8)
9. Germany (\$0.8)
12. Netherlands (\$0.4)
15. Italy (\$0.3)
16. Switzerland (\$0.2)
17. Denmark (\$0.2)
18. Finland (\$0.2)
19. Belgium (\$0.2)

### Central & South America

### Middle East & Africa

6. Israel (\$0.9)

### Asia Pacific

5. Japan (\$1.0)
8. Korea (\$0.8)
10. Australia (\$0.5)
11. India (\$0.4)
13. Hong Kong (\$0.3)
14. China (\$0.1)
20. Taiwan (\$0.1)

Note: There is no published data on Asia Pacific countries for 2002, therefore estimates from the AVCJ are shown

# THE WORLD VIEW

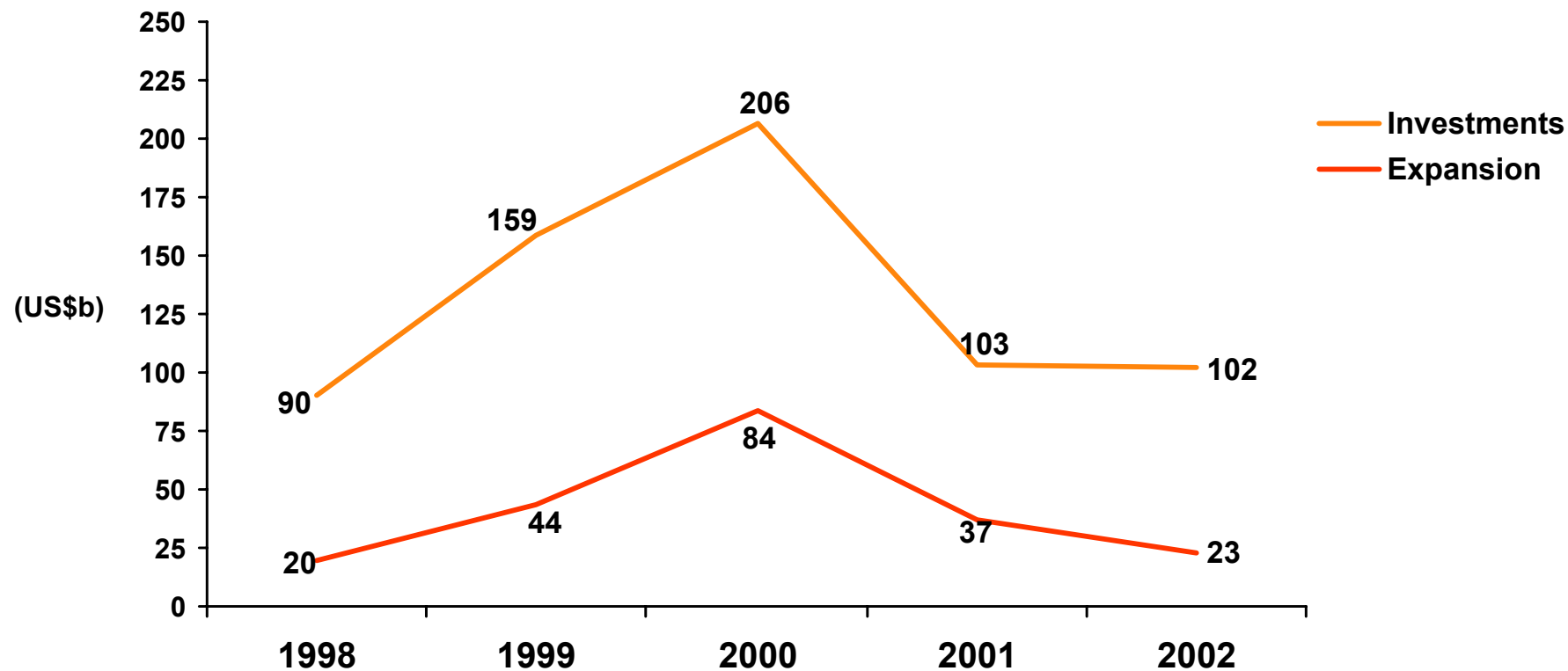
## Expansion Investment Trends

# THE WORLD VIEW

## Expansion Investment Trends

Investments: Compound average growth rate = 3.39%

Expansion: Compound average growth rate = 4.07%



Source: PwC MoneyTree Survey / Buyout Newsletter / Private Equity Analyst / CVCA Annual Statistical Review / EVCA Yearbook / AVCJ Guide to Venture Capital in Asia / Latin American Private Equity Analyst / SAVCA Private Equity Survey

# THE WORLD VIEW

## Top 20 Countries - Based on Expansion Investment

### North America

1. USA (\$13.3)
3. Canada (\$0.8)

### Western Europe

2. United Kingdom (\$1.8)
4. Italy (\$0.8)
5. Germany (\$0.7)
6. France (\$0.7)
7. Netherlands (\$0.6)
8. Spain (\$0.6)
12. Sweden (\$0.3)
15. Finland (\$0.2)
17. Switzerland (\$0.1)
18. Norway (\$0.1)
19. Belgium (\$0.1)
20. Denmark (\$0.1)

### Central & South America

### Middle East & Africa

10. Israel (\$0.5)

### Asia Pacific

9. Japan (\$0.5)
11. Korea (\$0.4)
13. Australia (\$0.3)
14. India (\$0.2)
16. Hong Kong (\$0.2)

Note: There is no published data on Asia Pacific countries for 2002, therefore estimates from the AVCJ are shown



# THE WORLD VIEW

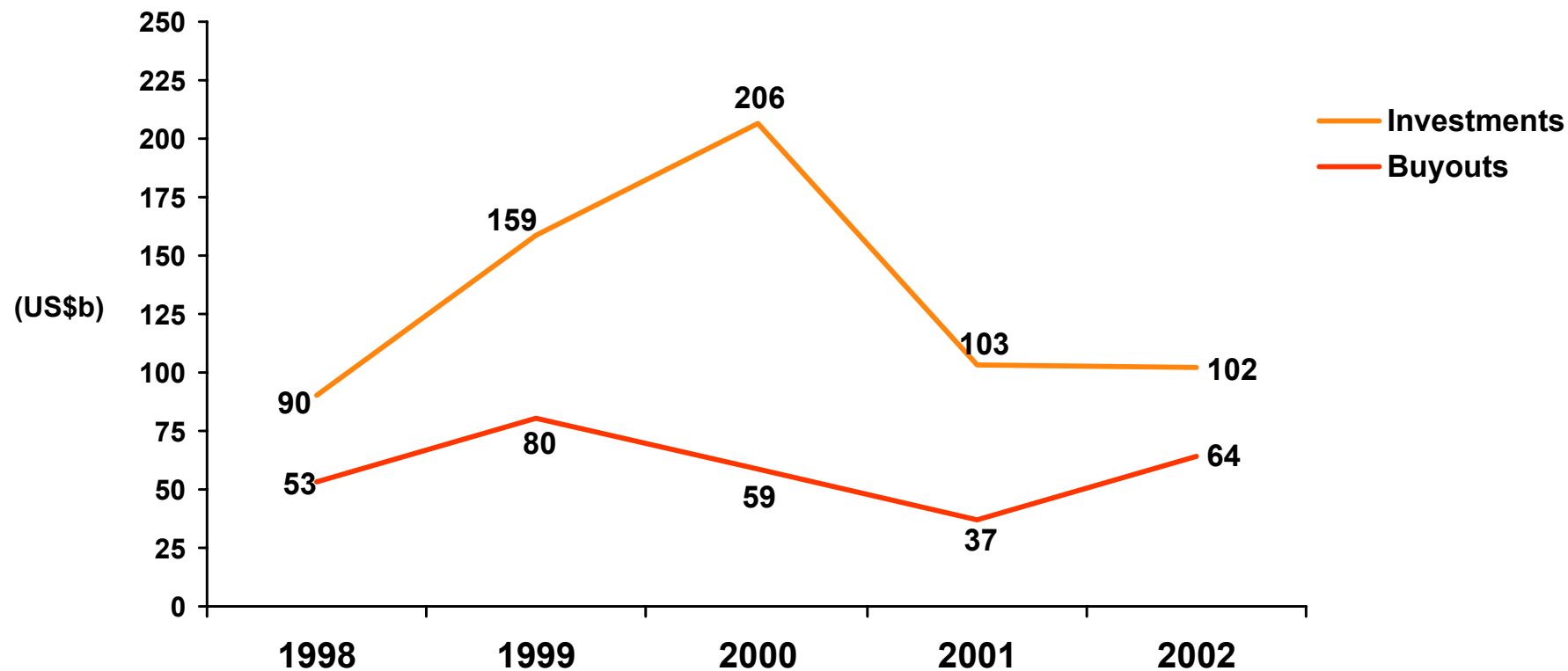
## Buyout Investment Trends

# THE WORLD VIEW

## Buyout Investment Trends

Investments: Compound average growth rate = 3.39%

Buyouts: Compound average growth rate = 5.11%



Source: PwC MoneyTree Survey / Buyout Newsletter / Private Equity Analyst / CVCA Annual Statistical Review / EVCA Yearbook / AVCJ Guide to Venture Capital in Asia / Latin American Private Equity Analyst / SAVCA Private Equity Survey

# THE WORLD VIEW

## Top 20 Countries - Based on Buyout Investment

### North America

1. USA (\$41.5)
20. Canada (\$0.05)

### Western Europe

2. United Kingdom (\$6.9)
3. France (\$4.2)
4. Italy (\$1.5)
6. Germany (\$1.1)
8. Sweden (\$0.8)
9. Netherlands (\$0.7)
13. Spain (\$0.2)
17. Finland (\$0.2)
19. Belgium (\$0.1)

### Central & South America

### Middle East & Africa

14. South Africa (\$0.2)

### Asia Pacific

5. Japan (\$1.3)
7. Korea (\$1.0)
10. Australia (\$0.6)
11. India (\$0.6)
12. Hong Kong (\$0.4)
15. China (\$0.2)
16. Taiwan (\$0.2)
18. Singapore (\$0.1)

Note: There is no published data on Asia Pacific countries for 2002, therefore estimates from the AVCJ are shown

# NORTH AMERICA

## Data Sources:

The PricewaterhouseCoopers / Venture Economics /

National Venture Capital Association MoneyTree™ Survey [www.pwcmoneytree.com](http://www.pwcmoneytree.com)

Buyouts, a Venture Economics publication [www.ventureeconomics.com](http://www.ventureeconomics.com)

The Private Equity Analyst, published by Asset Alternatives, Inc.,

Wellesley Massachusetts 781-304-1400 [www.assetnews.com](http://www.assetnews.com)

Canadian Venture Capital Association (CVCA) Annual Statistical Review,

prepared by Macdonald and Associates Limited [www.cvca.ca](http://www.cvca.ca)

# NORTH AMERICA

## 2002

### Main Headlines

- \$64.3 billion of private equity and venture capital was invested in North America in 2002 – a decrease of 3% on 2001.
- This is equivalent to 0.58%\* of North American GDP.
- \$57.0 billion funds were raised in North America in 2002 – down 52% on 2001 levels.

### Sub Headlines

- Approximately \$27.2 billion was invested in technology investments in North America in 2002 – down 33% on 2001 levels.
- At least \$14.1 billion was invested in expansion stages in 2002 – a decrease of 41% on 2001.
- Approximately \$41.5 billion was invested in buyouts in 2002 – up 78% from \$23.3 billion in 2001.

\*Based on 2002 GDP for USA and Canada, from OECD Main Economic Indicators – \$11,081 billion

*Note: Historical data has been revised based on latest amendments*

# NORTH AMERICA

## 1H 2003

### Main Headlines

- \$41.5 billion of private equity and venture capital was invested in the US in the first half of 2003 - up from \$22.0 billion during the same period last year. This increase was driven by significant buyout investment in the first half of 2003.
- However, only \$14.0 billion funds were raised in the US during the same time period – down slightly from \$18.6 billion funds raised in the first half of 2002.

### Sub Headlines

- Venture capital accounts for only 20% (\$8.3 billion) of investment made during the first half of 2003.
- \$1.8 billion was invested in start-up and early stage investments in the US.
- However, \$4.8 billion was invested in expansion stages in the US during the same period.
- \$33.2 billion was invested in buyouts in the US in the first half of 2003 compared to \$9.5 billion in the first half of 2002 – topped only by the \$44.1 billion invested in the first half of 1999.

*Note: No 6 monthly data is available for Canada, therefore only US data is shown*

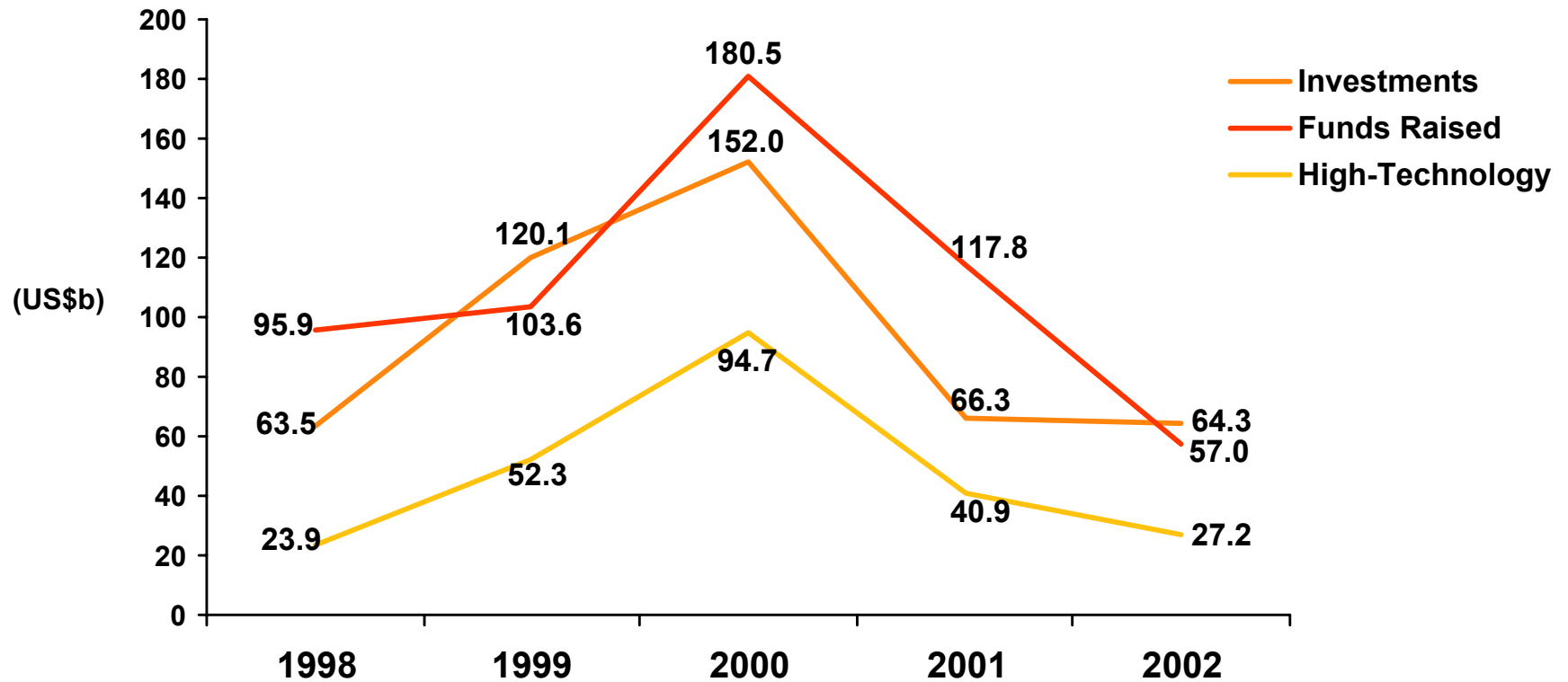
# NORTH AMERICA

## Investment and Fund Raising Trends

Investments: Compound average growth rate = 0.32%

High-Technology: Compound average growth rate = 3.29%

Funds Raised: Compound average growth rate = -12.22%

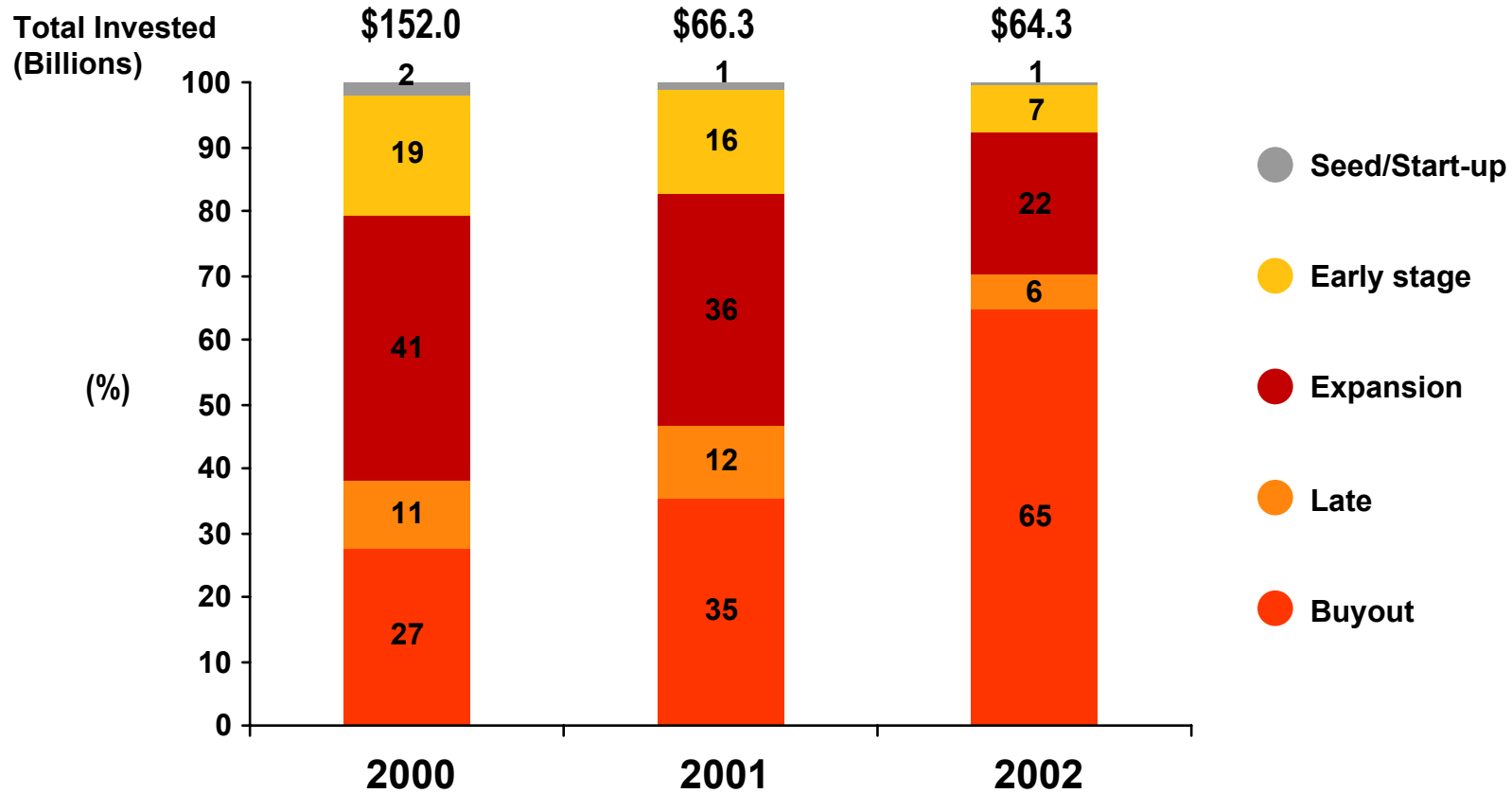


Source: The PricewaterhouseCoopers / Venture Economics / National Venture Capital Association MoneyTree™ Survey / Venture Economics Buyout Newsletter / Private Equity Analyst / CVCA Annual Statistical Review

# NORTH AMERICA

## % Stage of Investments

Data for North America has been created by adding MoneyTree™ / Buyout Newsletter and CVCA data



Source: The PricewaterhouseCoopers / Venture Economics / National Venture Capital Association MoneyTree™ Survey / Venture Economics Buyout Newsletter / CVCA Annual Statistical Review



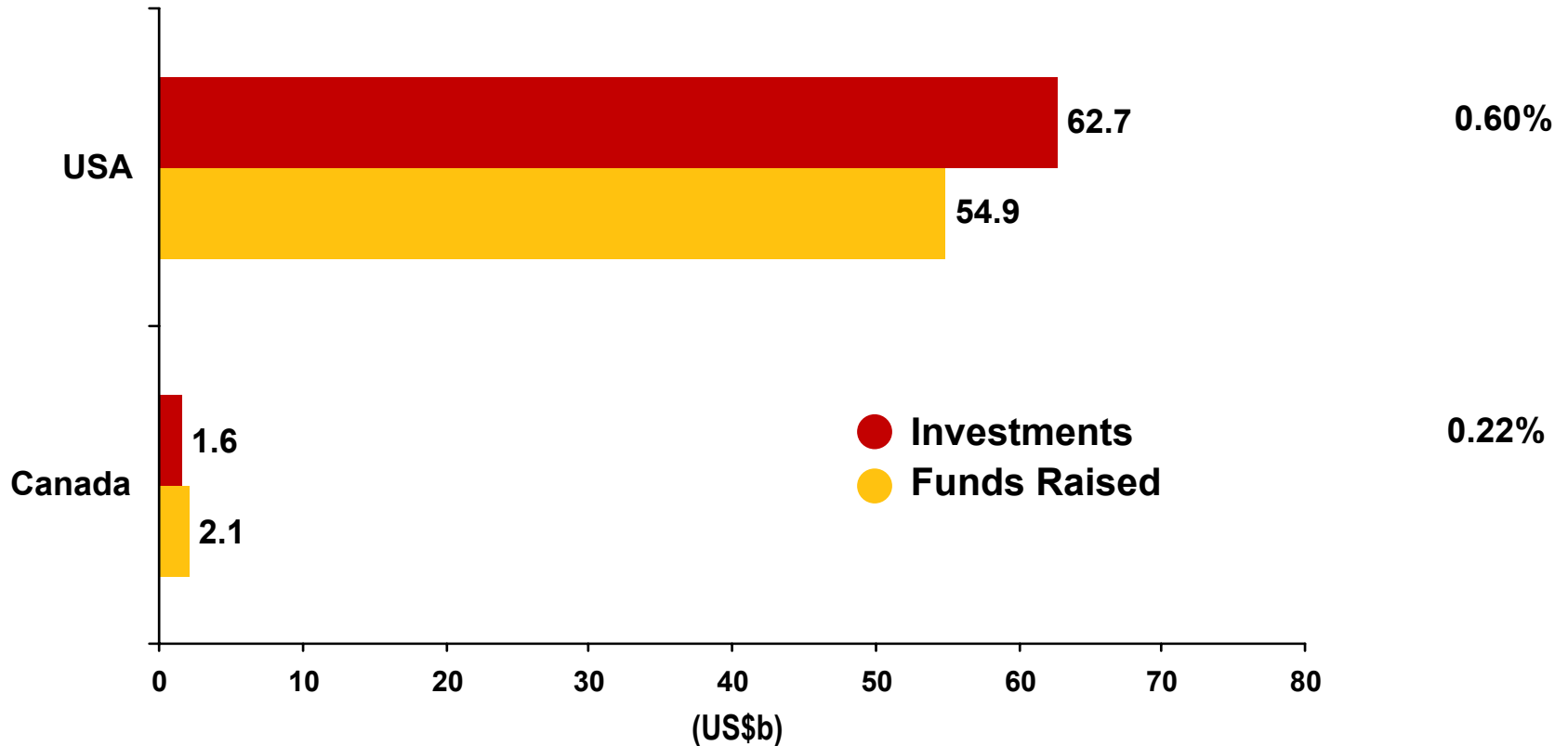
# NORTH AMERICA

## Investments & Funds Raised by Country

Total Investments: \$64.3 billion

Total Funds Raised: \$57.0 billion

Investment as  
% of GDP



Source: The PricewaterhouseCoopers / Venture Economics / National Venture Capital Association MoneyTree™ Survey / Venture Economics Buyout Newsletter / The Private Equity Analyst / CVCA Annual Statistical Review

# WESTERN EUROPE

**Data Sources:**

European Private Equity and Venture Capital Association (EVCA) Survey, conducted by PricewaterhouseCoopers [www.evca.com](http://www.evca.com)

Data converted to US dollars using the average of the four quarterly averages obtained from [oanda.com](http://oanda.com).

# WESTERN EUROPE

## 2002

### Main Headlines

- \$26.0 billion of private equity and venture capital was invested in Western Europe in 2002 – a 21% increase on 2001.
- This is equivalent to 0.29%\* of Western European GDP.
- \$25.8 billion funds were raised in Western Europe in 2002 – down 24% on 2001 levels.

### Sub Headlines

- Technology investments in Western Europe totalled \$7.3 billion in 2002 – down 12% on 2001 levels.
- Approximately \$6.4 billion was invested in expansion stages in 2002 – a decrease of 9% on 2001.
- The buy-out market increased by 65% in 2002, to almost \$16.0 billion.

\*Based on 2002 GDP for Western Europe

# WESTERN EUROPE

## 1H 2003

### Main Headlines

- Indicative data shows that at least €8.1 billion (\$8.9 billion) of private equity and venture capital was invested in Europe in the first half of 2003 – down from €8.8 billion during the same period last year.
- At least \$7.1 billion funds were raised in Europe in the first half of 2003 – down from \$9.1 billion in the first half of 2002.

### Sub Headlines

- At least \$0.7 billion was invested in the seed and start-up stages in Europe in the first half of 2003.
- At least \$1.5 billion was invested in expansion stages.
- However, buy-out investments totalled at least \$6.1 billion in the first half of 2003 and accounted for 69% of the total value of investments.

*Note 1: 6 monthly data is only available for Europe as a whole, therefore Eastern Europe data is also included in these figures*

*Note 2 : The 6 month data is based on an indicative sample of private equity firms in Europe and does not represent the full population.*

*Note 3: Data converted to US dollars using the average of the four quarterly averages obtained from [oanda.com](http://oanda.com). Differences in the exchange rate between 2002 and 2003 have effected some of the trends. The 1H 2003 headline data is therefore shown in €'s.*

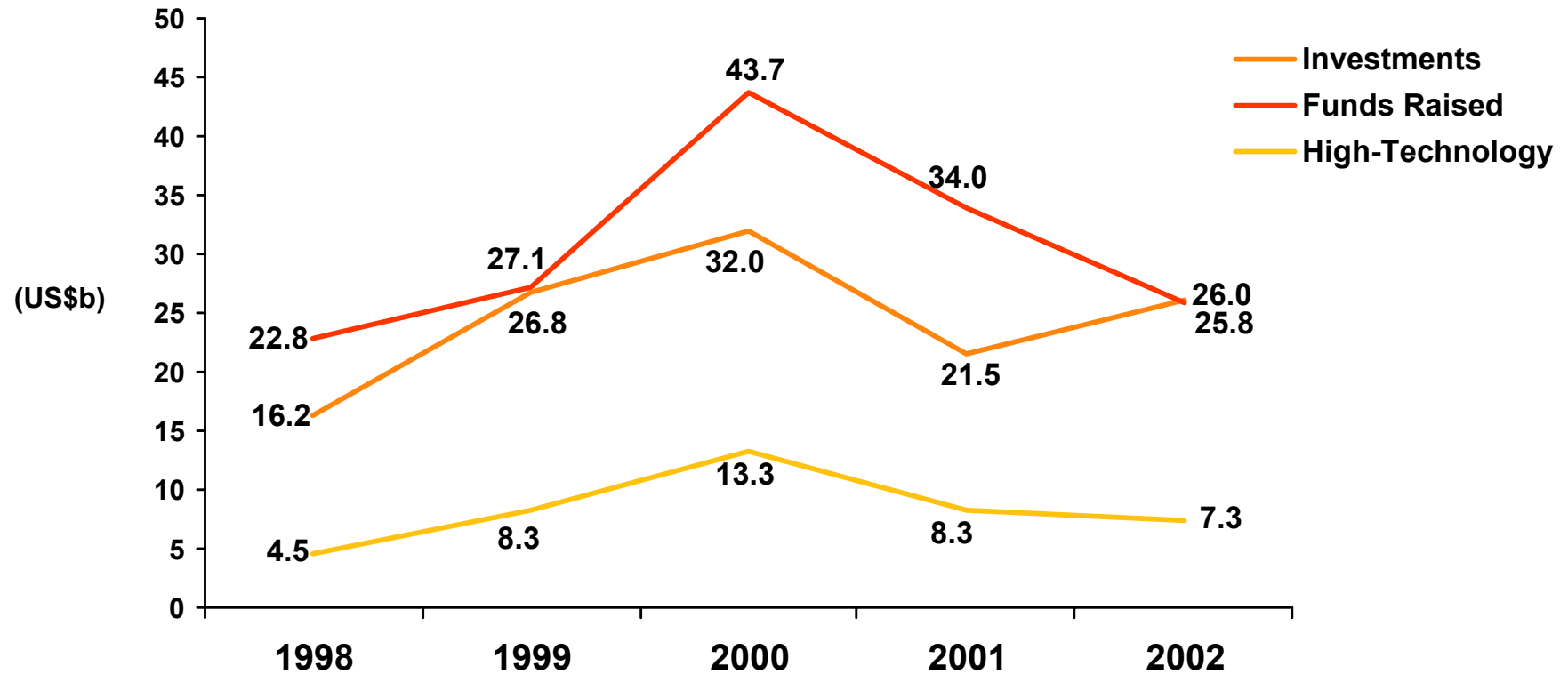
# WESTERN EUROPE

## Investment and Fund Raising Trends

Investments: Compound average growth rate = 12.46%

High-Technology: Compound average growth rate = 12.78%

Funds Raised: Compound average growth rate = 3.14%



Source: EVCA Yearbook

# WESTERN EUROPE

## % Stage of Investments



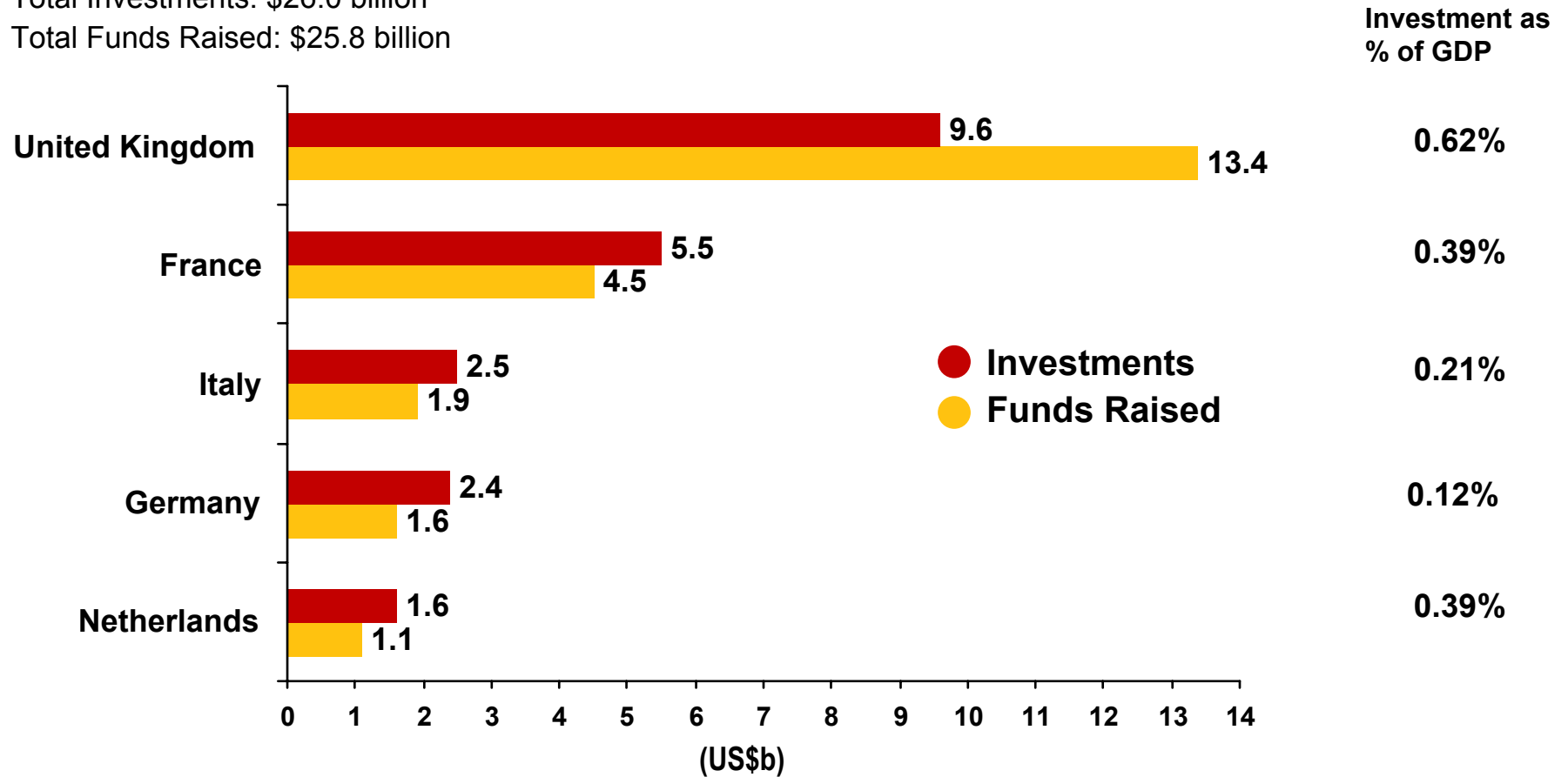
Source: EVCA Yearbook

# WESTERN EUROPE

## Investments & Funds Raised by Country

Total Investments: \$26.0 billion

Total Funds Raised: \$25.8 billion



Source: EVCA Yearbook

# ASIA PACIFIC

**Data Sources:**

Asian Venture Capital Journal (AVCJ) Guide to Venture Capital in Asia and estimates from the AVCJ for 2002 [www.asianfn.com](http://www.asianfn.com)

Data converted to US dollars using the average of the four quarterly averages obtained from [oanda.com](http://oanda.com)



# ASIA PACIFIC

## 2002

### Main Headlines

- A predicted \$8.9 billion of private equity and venture capital was invested in the Asia Pacific region in 2002 - a 20% decrease on 2001.
- This is equivalent to 0.12%\* of Asian GDP.
- Only \$3.0 billion of funds raised are predicted for 2002 – down 70% on 2001 levels.

### Sub Headlines

- Technology investments in Asia Pacific totalled an estimated \$3.7 billion in 2002 – down 29% on 2001 levels.
- Approximately \$3.7 billion was invested in expansion stages in 2002 – a decrease of 20% on 2001.
- The buy-out market totalled an estimated \$1.6 billion in 2002 – down 20% on 2001.

\*Based on 2002 GDP, as calculated using The World Bank Development Database – \$7,495 billion  
No GDP data available for Taiwan

# ASIA PACIFIC

## 1H 2003

### Main Headlines

- An estimated \$6.6 billion of private equity and venture capital was invested in the Asia Pacific region in the first half of 2003 (three quarters of the full year total for 2002).
- Japan led the region accounting for 34% of the value of deals completed, followed by Australia with 27% and Korea with 11% - a similar pattern to 2002.
- In contrast, only \$1.5 billion of funds raised are estimated for the same period.

### Sub Headlines

- Start-up and early stage investments in Asia Pacific are estimated at \$0.3 billion in the first half of 2003.
- An estimated \$0.7 billion was invested in expansion stages during this period.
- The buy-out market accounted for the majority of investment (42%) in the first half of 2003 and is estimated at \$2.8 billion. Other late stage financing (restructuring/turnaround) was estimated at \$2.4 billion.

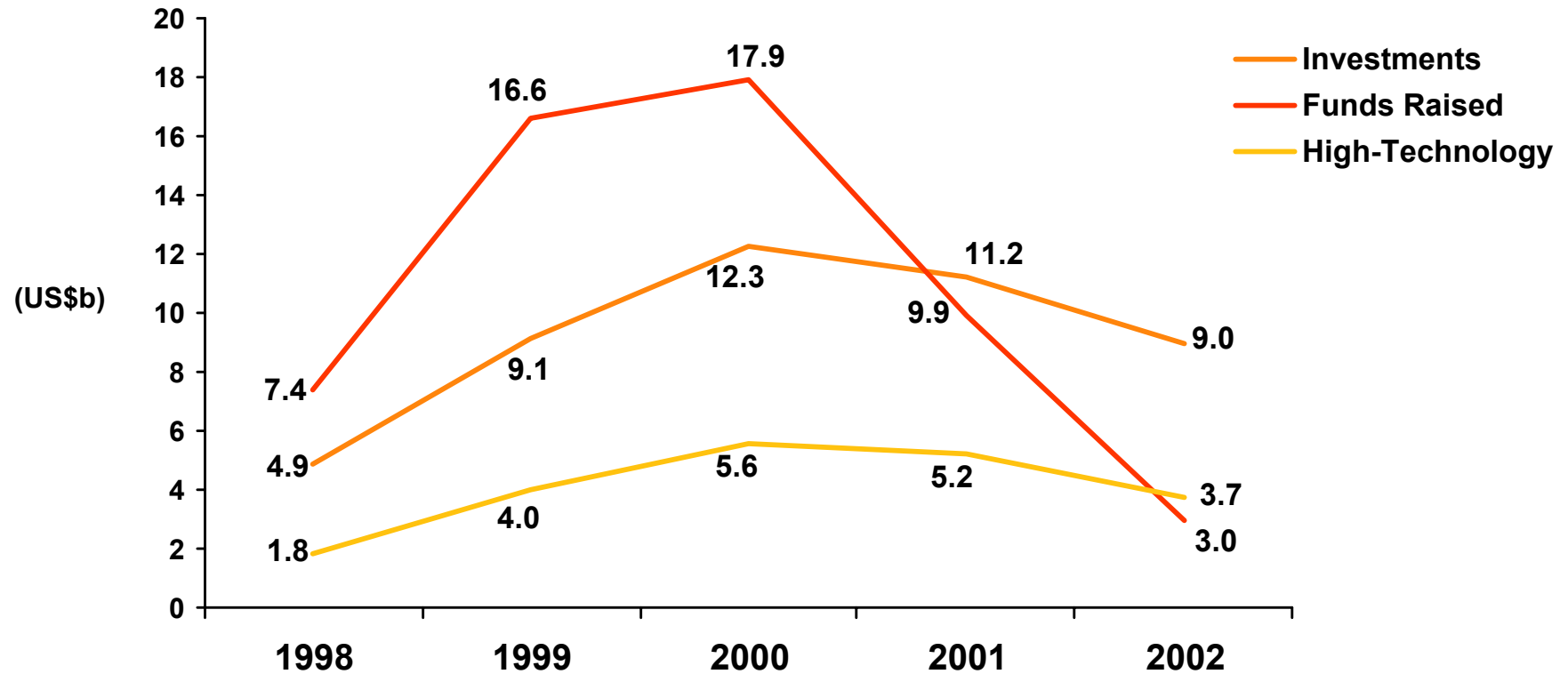
# ASIA PACIFIC

## Investment and Fund Raising Trends

Investments: Compound average growth rate = 16.16%

High-Technology: Compound average growth rate = 20.24%

Funds Raised: Compound average growth rate = -20.33%



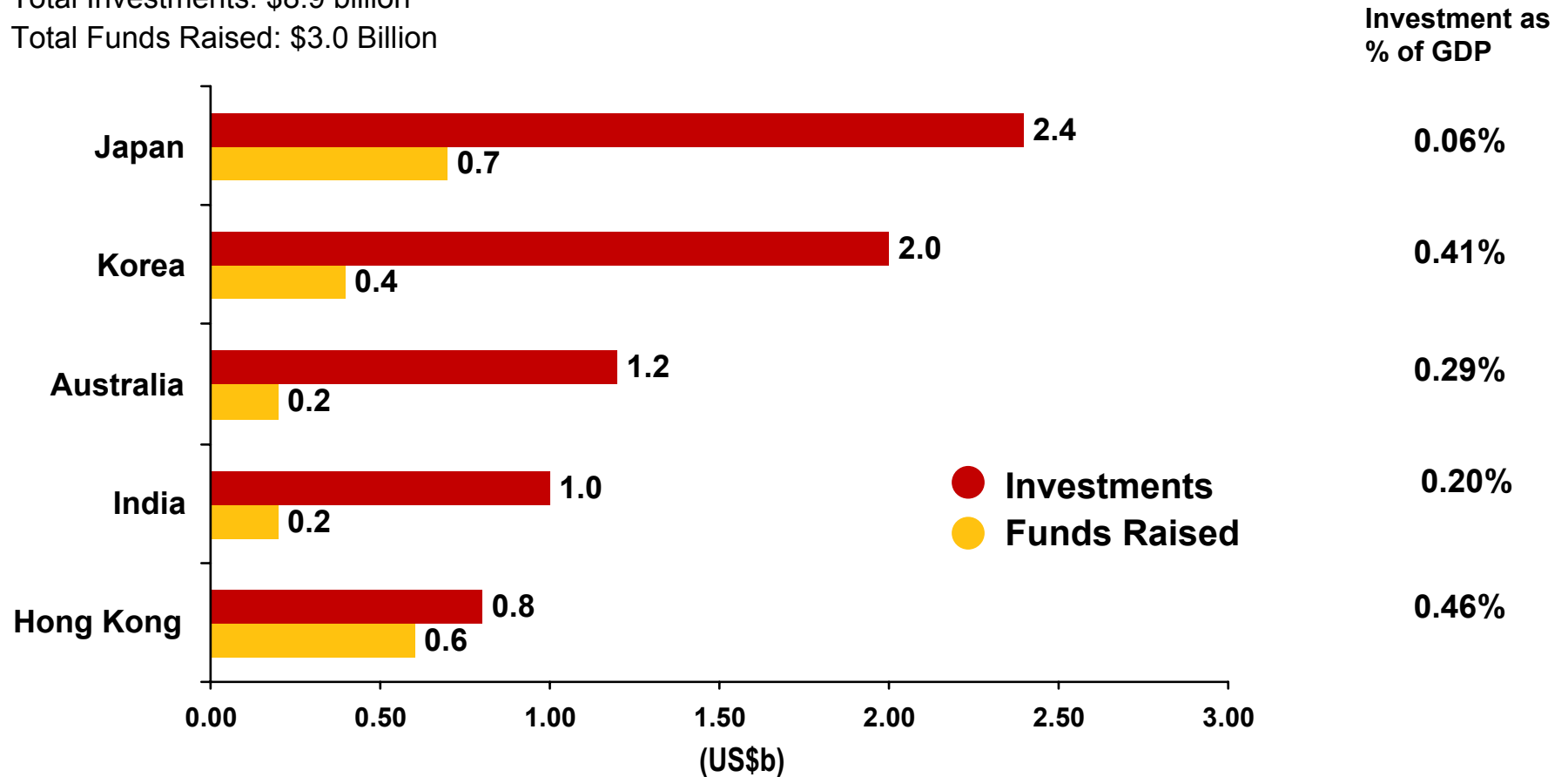
Source: AVCJ Guide to Venture Capital in Asia / AVCJ estimates

# ASIA PACIFIC

## Investments & Funds Raised by Country

Total Investments: \$8.9 billion

Total Funds Raised: \$3.0 Billion



Source: AVCJ estimates

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