

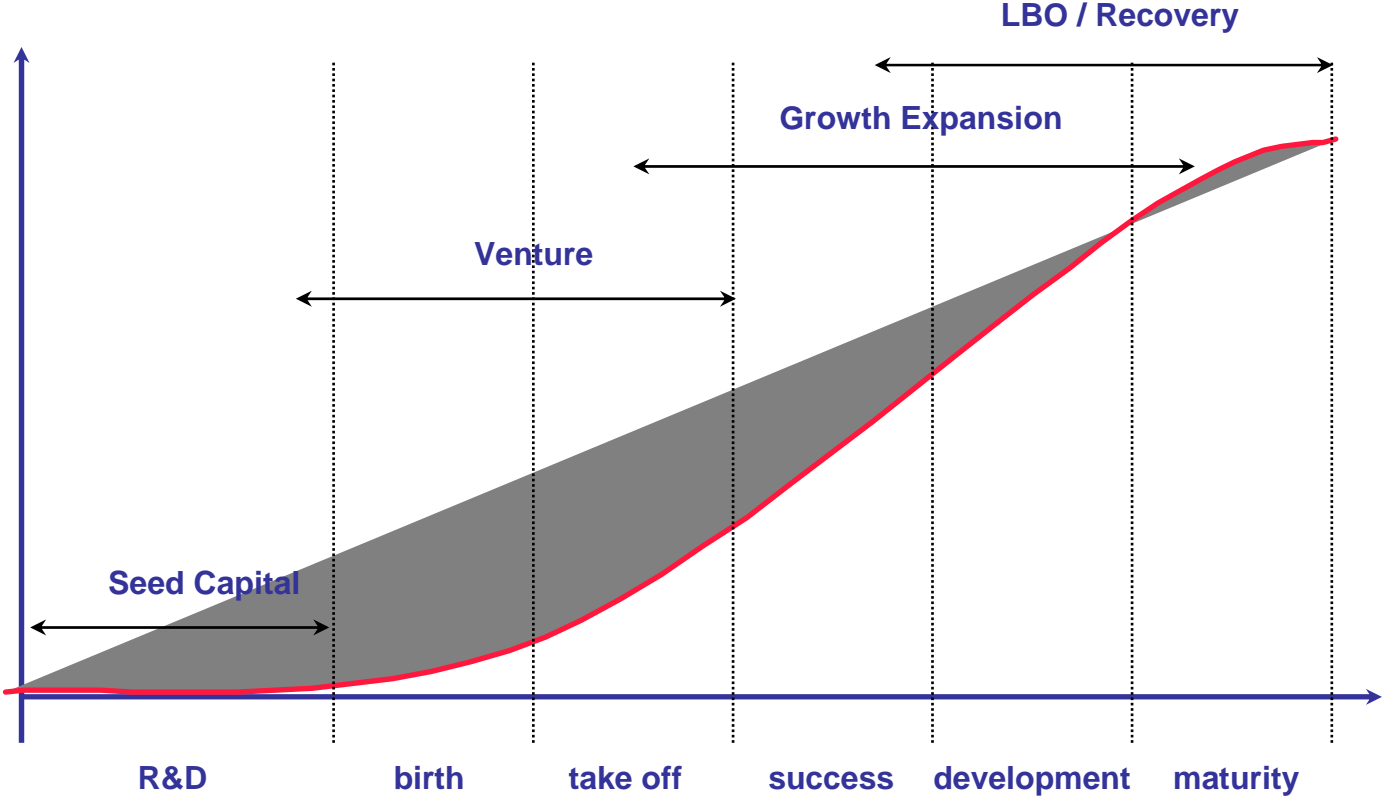
# European Private Equity





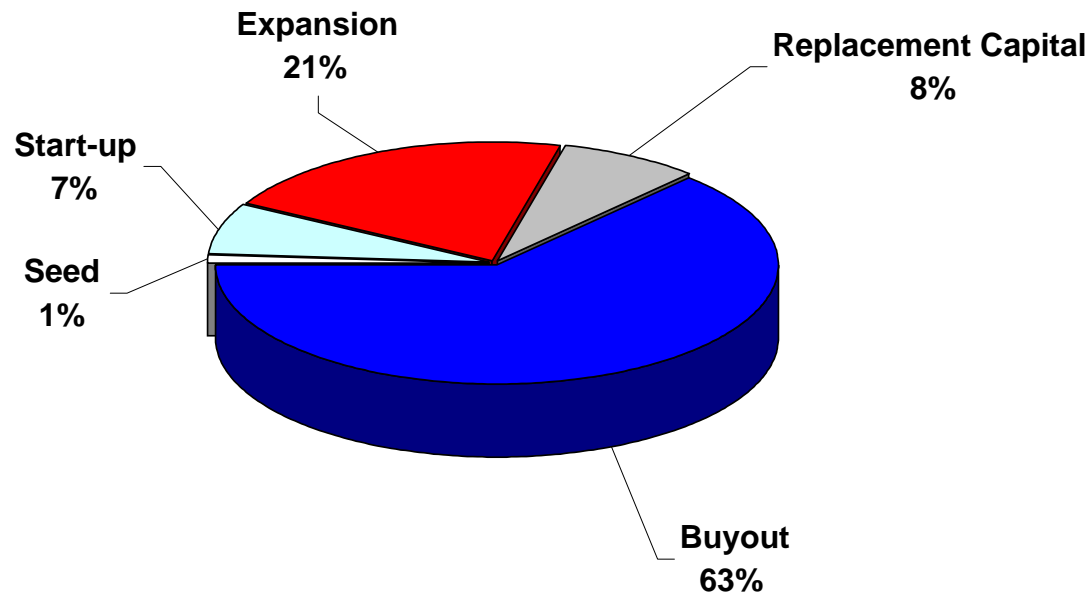
# The European Private Equity Market

EUROPEAN PRIVATE EQUITY MARKET IS DIVIDED INTO FOUR MAIN SUBSETS



# Distribution by amount invested in Europe

PERCENTAGE OF AMOUNT INVESTED IN 2003

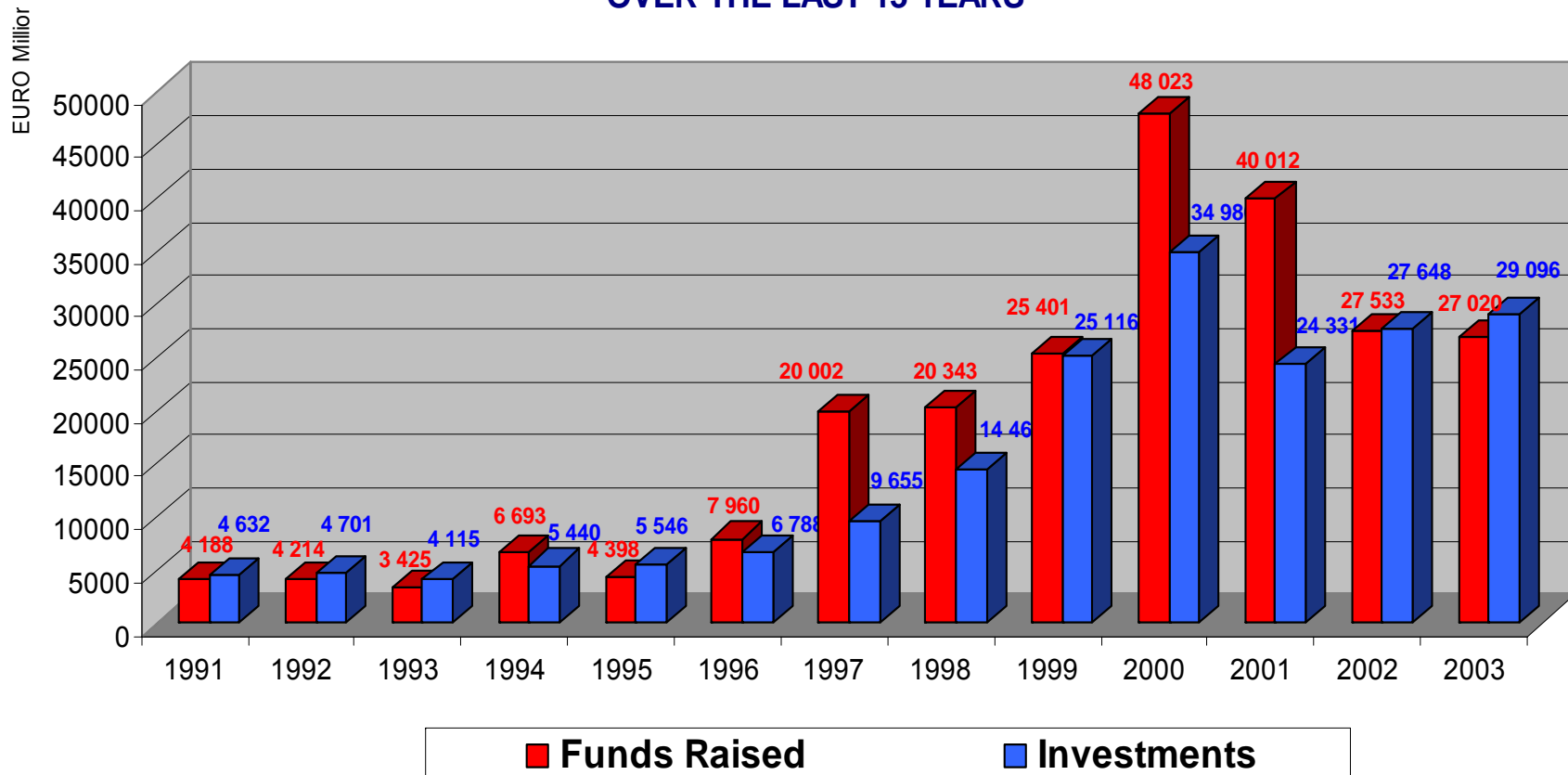


Source EVCA

- Expansion & Buyout investments together represent more than 80% of the European Private Equity market

# The European Private Equity Market

## FUNDS RAISED AND INVESTMENTS IN THE EUROPEAN PRIVATE EQUITY MARKET OVER THE LAST 13 YEARS

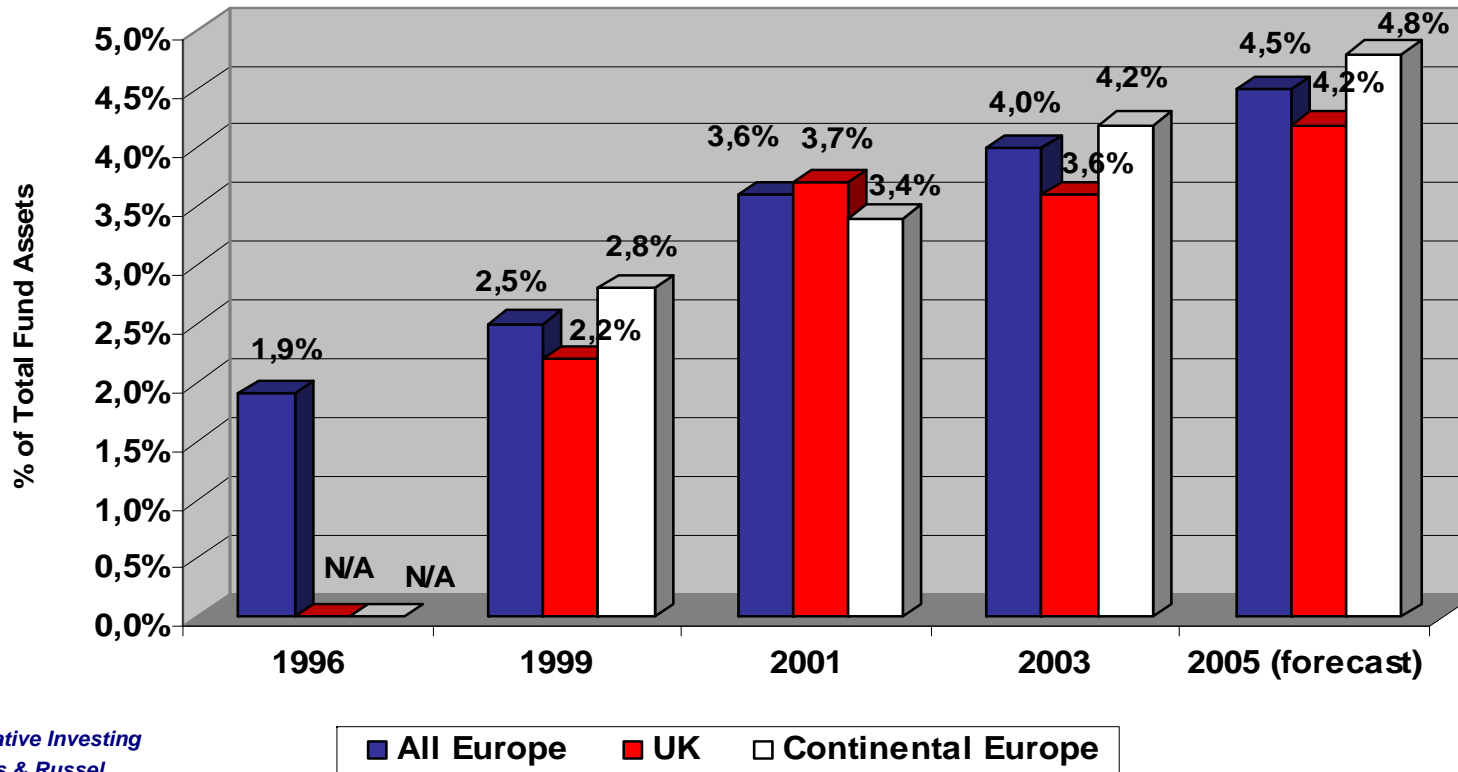


- Despite difficult market conditions, Funds raised and Investments in the European Private Equity Market have remained historically high since 1999



# Strategic Allocation to Private Equity

## EUROPEAN INSTITUTIONS' STRATEGIC ALLOCATION TO PRIVATE EQUITY



- European strategic allocation is expected to rise to 4,5% by 2005
- US Pension Funds which are well developed compared to Europeans allocate on average more than 8% of their assets into Private Equity. This figure has been constantly growing over the last ten years.



# Why Invest in Private Equity?

- Absolute high-long term returns

**Net Investment Horizon Returns as of 31 Dec 2002**

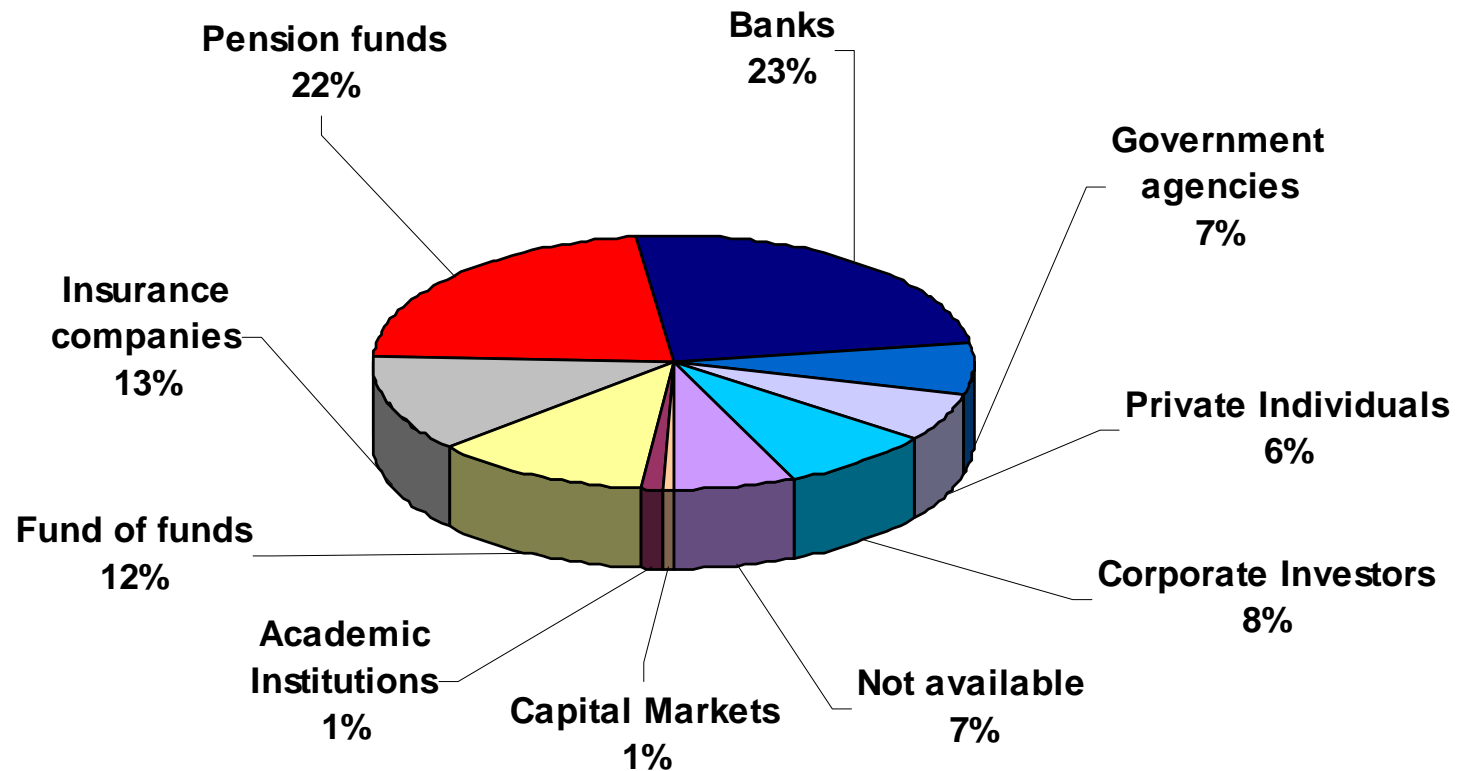
	<b>5 Year</b>	<b>10 Year</b>
<b>All Private Equity</b>	10.1%	13.6%
<b>MSCI Europe</b>	-1.5%	9.3%
<b>MSCI Europe Small Caps</b>	-3.4%	5.6%
<b>JP Morgan Europe Bond</b>	6.6%	8.6%

Source: Thomson Venture Economics 2002 (Data Euro-based)

- Lower correlation with public equities
- Growing asset class
- Diversification of assets

# Private Equity raised by type of investor

Private Equity raised by type of investor in 1999-2003

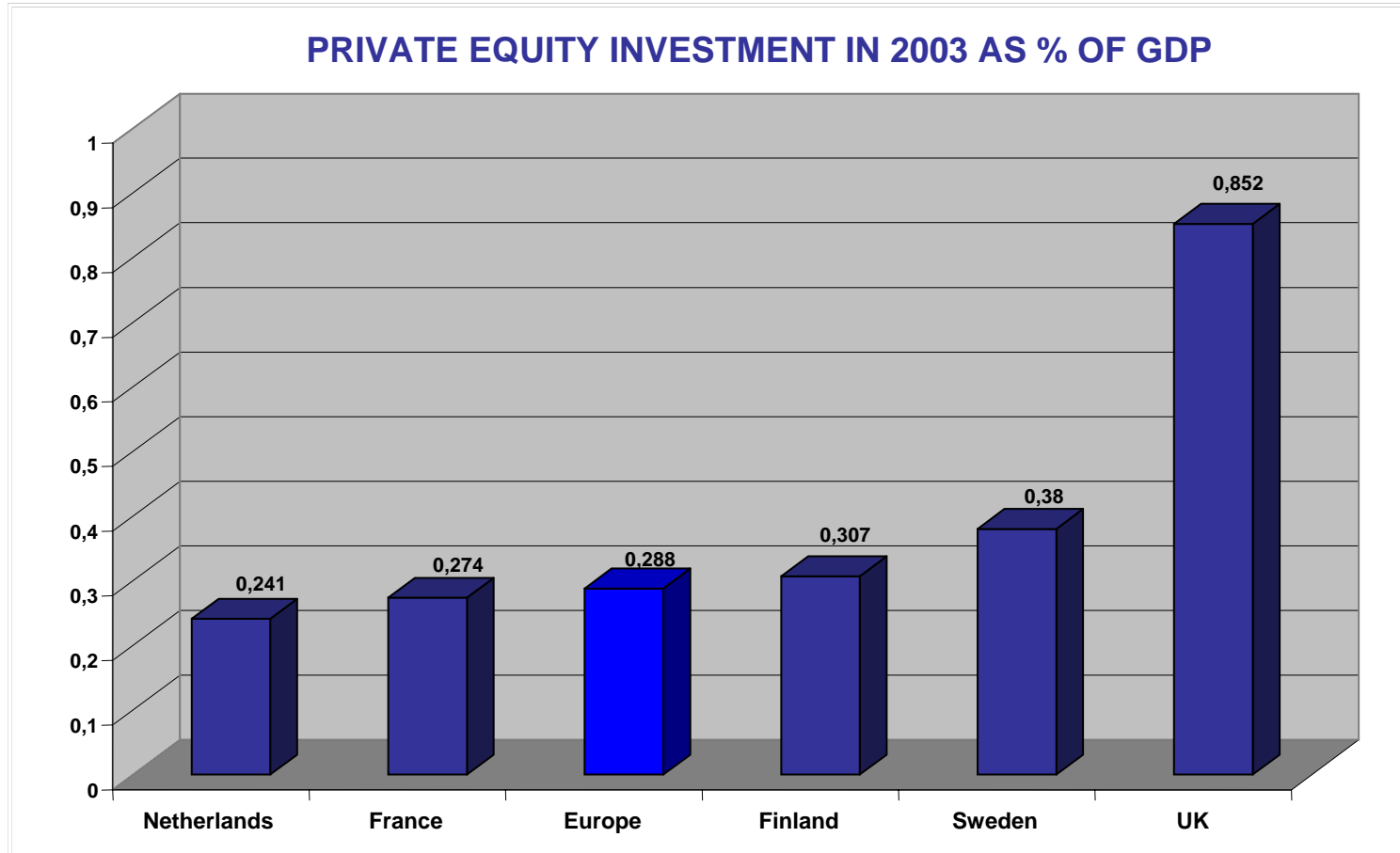


Source: EVCA

- The European Private Equity market is dominated by Banks but Pension Funds are well developed and should continue to grow



# European Private Equity within the economy



Source: EVCA

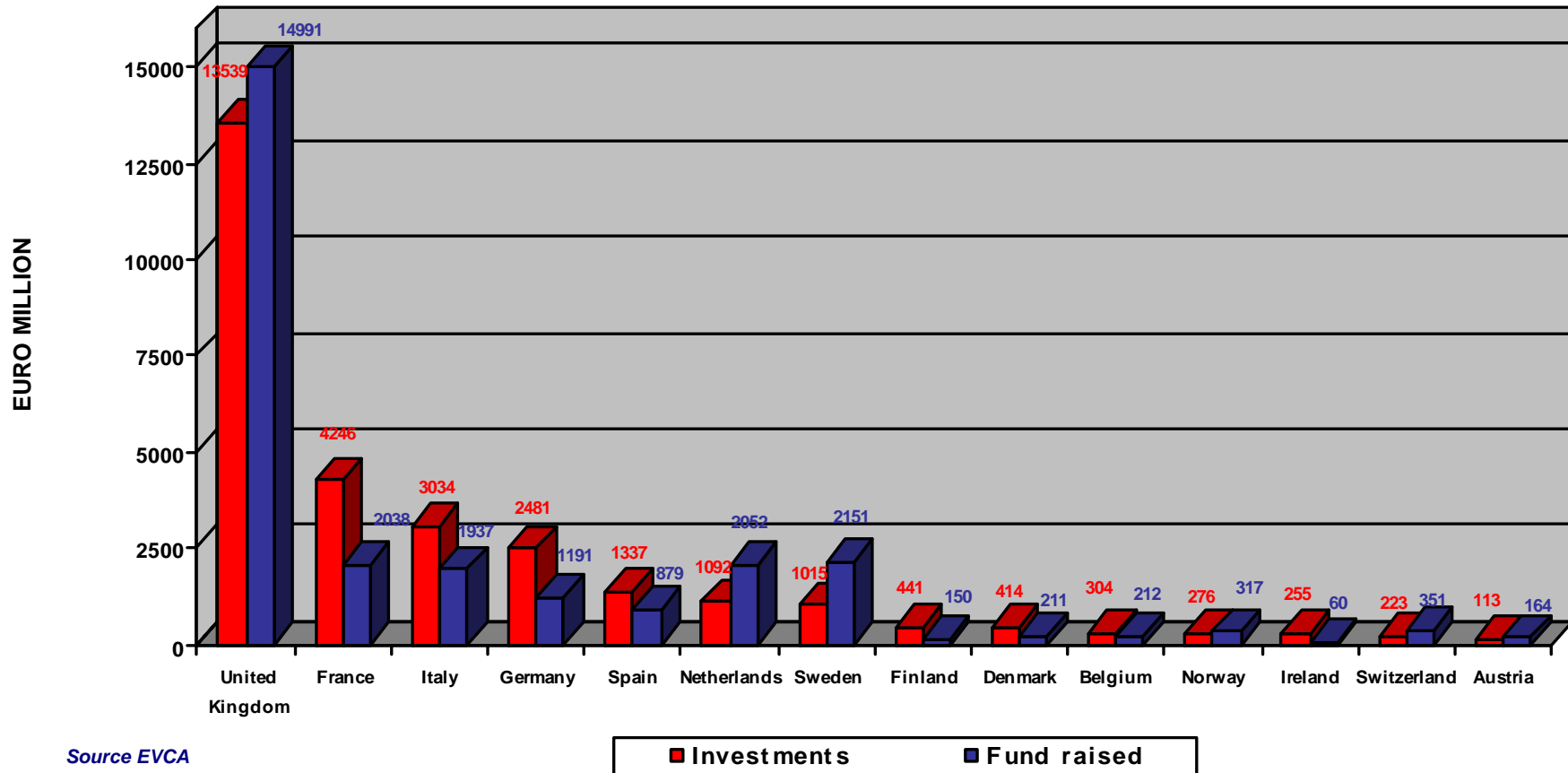


- Development of the Private Equity market in Europe is clearly linked to the development of the Pension Funds systems



# European Private Equity market by country

Breakdown of funds raised and investments realised by European countries in year 2003

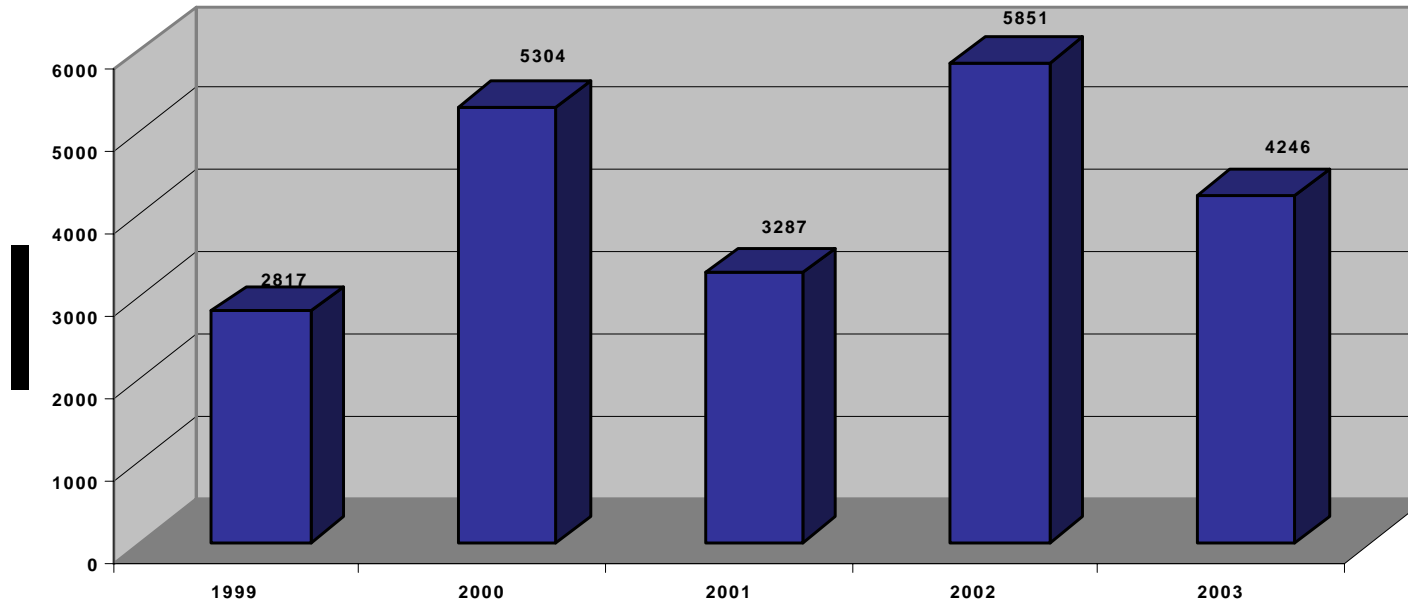


- The European Private Equity Market is dominated by the UK. France is the major market in Continental Europe



# The French Private Equity Market

PRIVATE EQUITY AMOUNT INVESTED IN FRANCE  
OVER THE LAST 5 YEARS



Source EVCA

## ■ If we consider that:

- the average life time of an investment for a Private Equity Fund is five years
- and the average IRR for the French Market over the period is 15%

↪ The size of the French market is around €27 billion which is representing 5,5% of the domestic Market Cap (MSCI France)

- In North America, this ratio is 9,5%