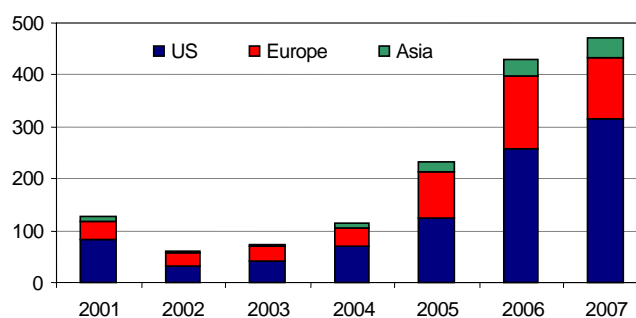


Global Private Equity Fund Raising

- In each issue of this Data Service since 2002 we have reported the same trend: fundraising totals increasingly dominated by buyouts, buyouts increasingly dominated by mega-buyouts. As of H2 2007 the story changed quite dramatically.
- While global fundraising figures for full year 2007 are expected to reach over US\$450B, significant underlying changes have taken place in the market that we expect to impact the volume and make up of fundraising for the coming years.
- Mega buyout fundraising is likely to be more challenging for a start. Going forward, we expect capital to be allocated to a wider range of strategies, including small & mid-market buyouts (particularly restructuring & turnaround funds), special situation and real assets.
- In 2008 we expect to see: overall slow down in capital raising, new capital from sovereign wealth funds; new competition for deals from sovereign wealth funds; slower investment paces; longer holding periods; fewer recaps; fewer secondary sales, less aggressive fund size increases (perhaps fund size decreases); a few bankruptcies and maybe a scandal or two.

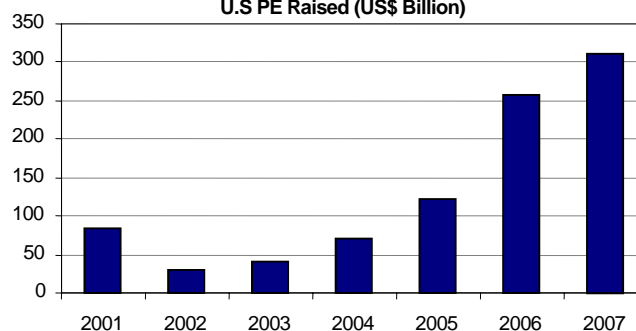
Global PE Raised (US\$ Billion)


Source: AVCJ, Venture Economics & NVCA, EVCA, Somerset

US Fund Raising

- US fundraising for 2007 is on track to set a new record at over US\$300B. This is a reflection of the US mega-fund phenomenon, and includes the closing of GS Capital Partners at \$20B and Blackstone at \$21.7B. The top twelve mega-funds raised a total of \$84B, accounting for 37% of buyout fundraising and 28% of overall fund-raising.
- Since the summer, there has been growing interest in more defensive strategies, such as distressed debt, turnaround and restructuring and even mezzanine.
- Fundraising levels for VC reached \$34.6B, the highest seen since 2001 driven by an ongoing shift to later-stage and growth equity investing. LPs continues to favour established brands over new teams.

Source: NVCA, Private Equity Analyst (PEA)

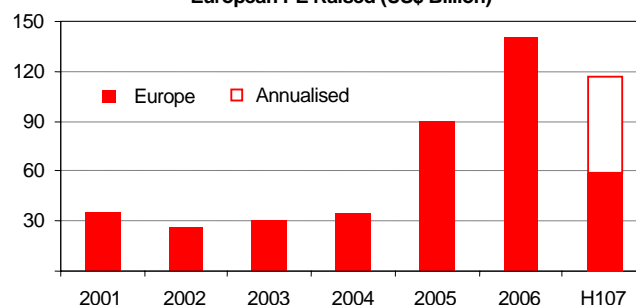
U.S PE Raised (US\$ Billion)


Source: NVCA, Private Equity Analyst for 06 and 07

European Fund Raising

- Europe remains slow to release data. European fundraising totals for the full year 2006 were released by EVCA in June 07 reaching a new record of US\$141 / €112B.
- 2007 fundraising is expected to slow as the market absorbs the impact of the slow down in the credit markets. In the 3Q07, the volume of buyout deals fell 60% compared with prior year. We estimate total fundraising for the full year 2007 to be below US\$120B. Apax raised Europe's largest buyout fund last summer with €11.2B (US\$16.4B) in commitments. Other large funds raised include Carlyle European Buyout at €5.3B.
- In emerging Europe, fundraising has doubled in each of the last two years with ~€4.5B expected to be raised in 2007 focused mostly on Russia and CIS.

Source: EVCA, EMPEA

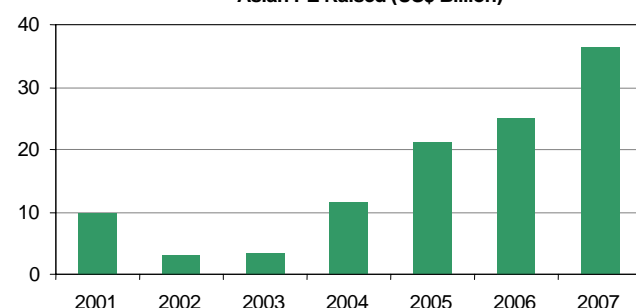
European PE Raised (US\$ Billion)


Source: EVCA, Somerset (Annualised 07)

Asian Fund Raising

- In 2007, there is a major shift in focus to Asia. US\$36.4B of capital was raised during 07, up 44% compared to 2006. Venture funds recorded an impressive 65% growth to reach \$7.1B in 2007.
- China led in raising the largest pool of capital at \$6.9B followed by India at \$5.3B. KKR raised \$4B for its Asian Buyout Fund. Hopu Fund (China), ChrysCapital (India) and Morgan Stanley Asia Buyout Fund each raised more than \$1B.
- The industry also witnessed an explosion of fund of funds. APER reports that FoFs raised in Asia accounted for 7.4% of total funds raised in 2006 (\$1.86B) up from \$180M raised in 2004. H1 2007 saw the closing of Asia Alternatives Capital Partners (\$515M) and Axiom Asia Private Capital (\$440M).

Source: APER

Asian PE Raised (US\$ Billion)


Source: APER