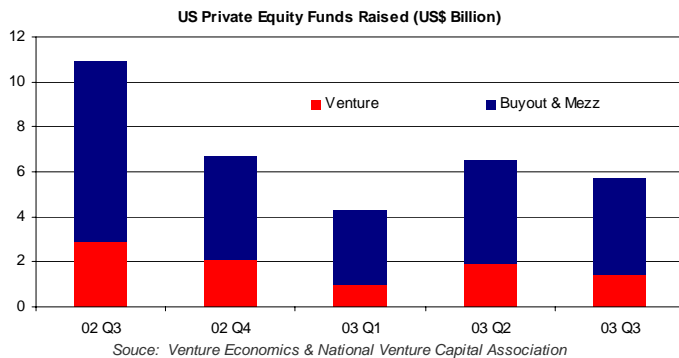
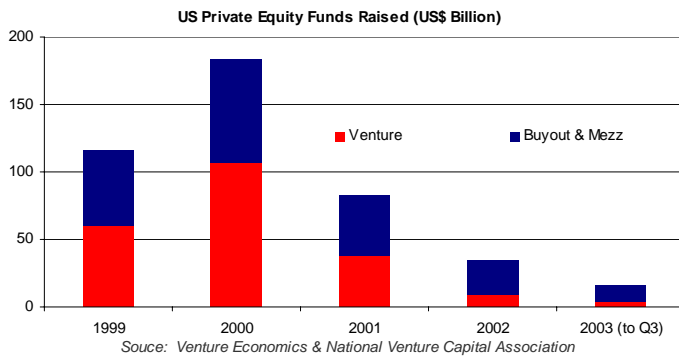


Private Equity Data Service

US Private Equity Fund Raising

- US Private Equity fund raising remains subdued in the first nine months of 2003 with just 85 venture funds having raised \$4.3 billion and 64 buyout and mezzanine funds having raised \$12.2 billion in 2003 to date.
- The majority of funds continue to be raised by follow on teams, including in the third quarter Lehman Brothers Venture Partners 2003, ComVentures IV and Crosslink Crossover Fund IV on the Venture side and GS Mezzanine Partners III on the Buyout and Mezzanine side.
- The overhang of venture capital in the US is becoming less of an issue. As at Q2 03 there was an estimated \$84 billion of overhang, of which 50% was estimated to be reserved for follow on financing. The investment rate is running steadily at \$4 billion per quarter indicating that the overhang for new investments stands at around 2.5 years supply. Venture capital funds have stopped downsizing their funds: further evidence that the supply / demand equilibrium for capital may be shifting.

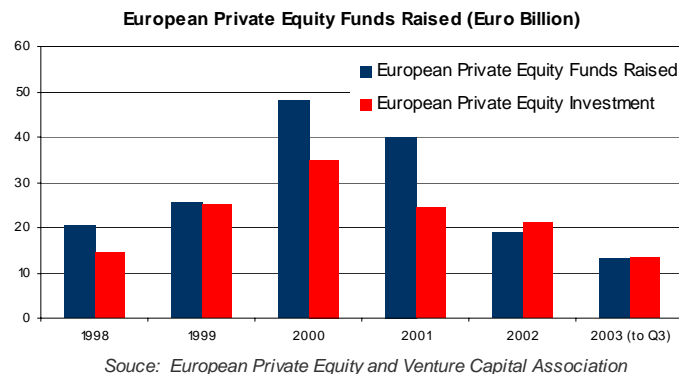
Source: Venture Economics and NVCA



European Private Equity Fund Raising

- Funds raised in Europe look set to remain at subdued levels for 2003 in spite of the successful fundraising activity of a few exceptionally large funds (e.g. Permira).
- Investments continue to outpace new funds raised, however activity continues to be concentrated in a small number of larger transactions
- A decrease in write-offs by 48% and the sharp increase in trade sales by 29% from Q2 to Q3 2003 may provide evidence of a better environment for exits.

Source: EVCA



US Private Equity Quarterly Returns

- Something amazing has happened to US venture performance – it's positive, for the first time since Q3 2000 (ten consecutive quarters in the red)! US Private Equity recorded a strong showing in Q2 2003 at 7.33%. Optimists will take this as a signal that the market is finally turning.

Source: Cambridge Associates

