

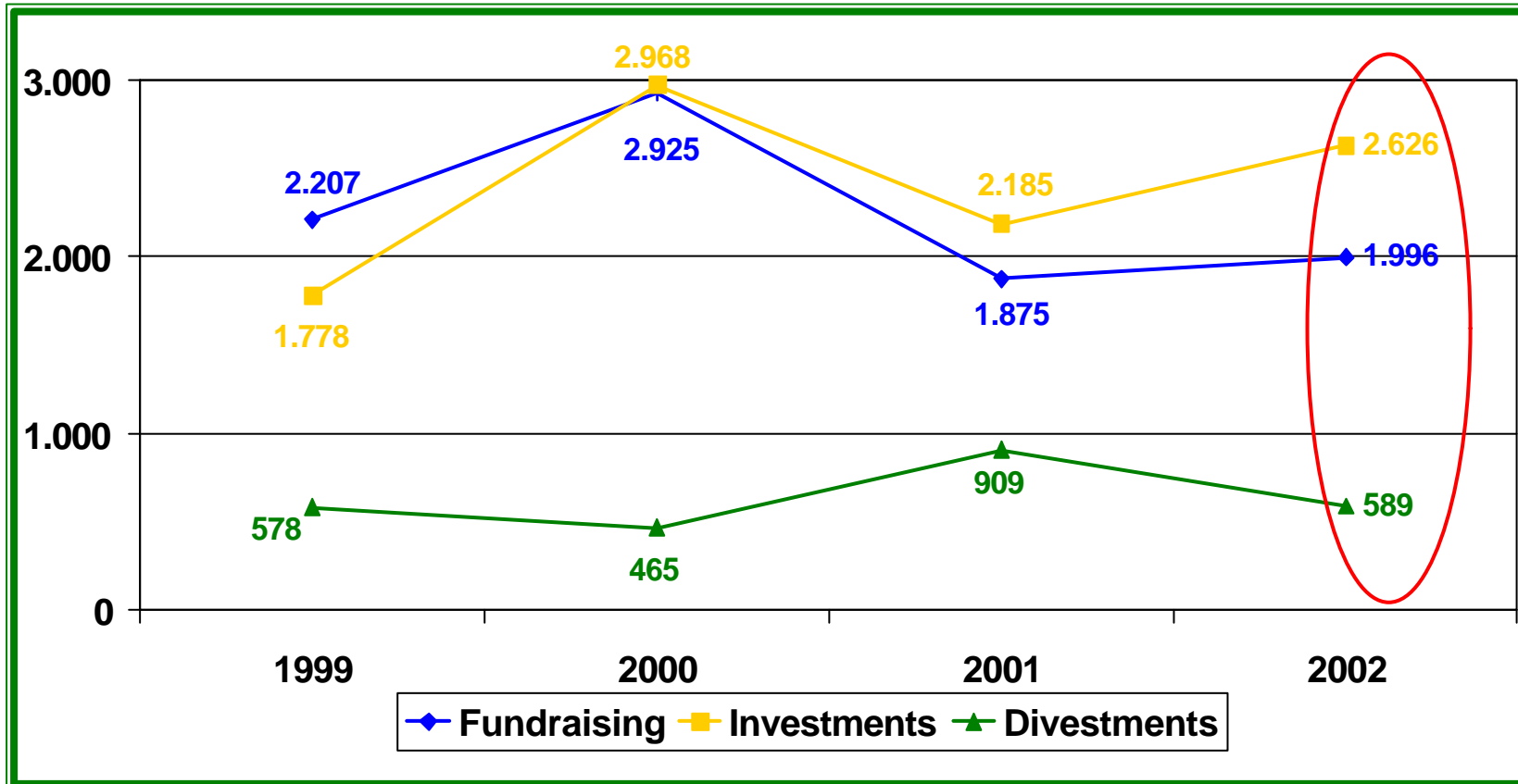
Italian Private Equity and Venture Capital Association

2002:

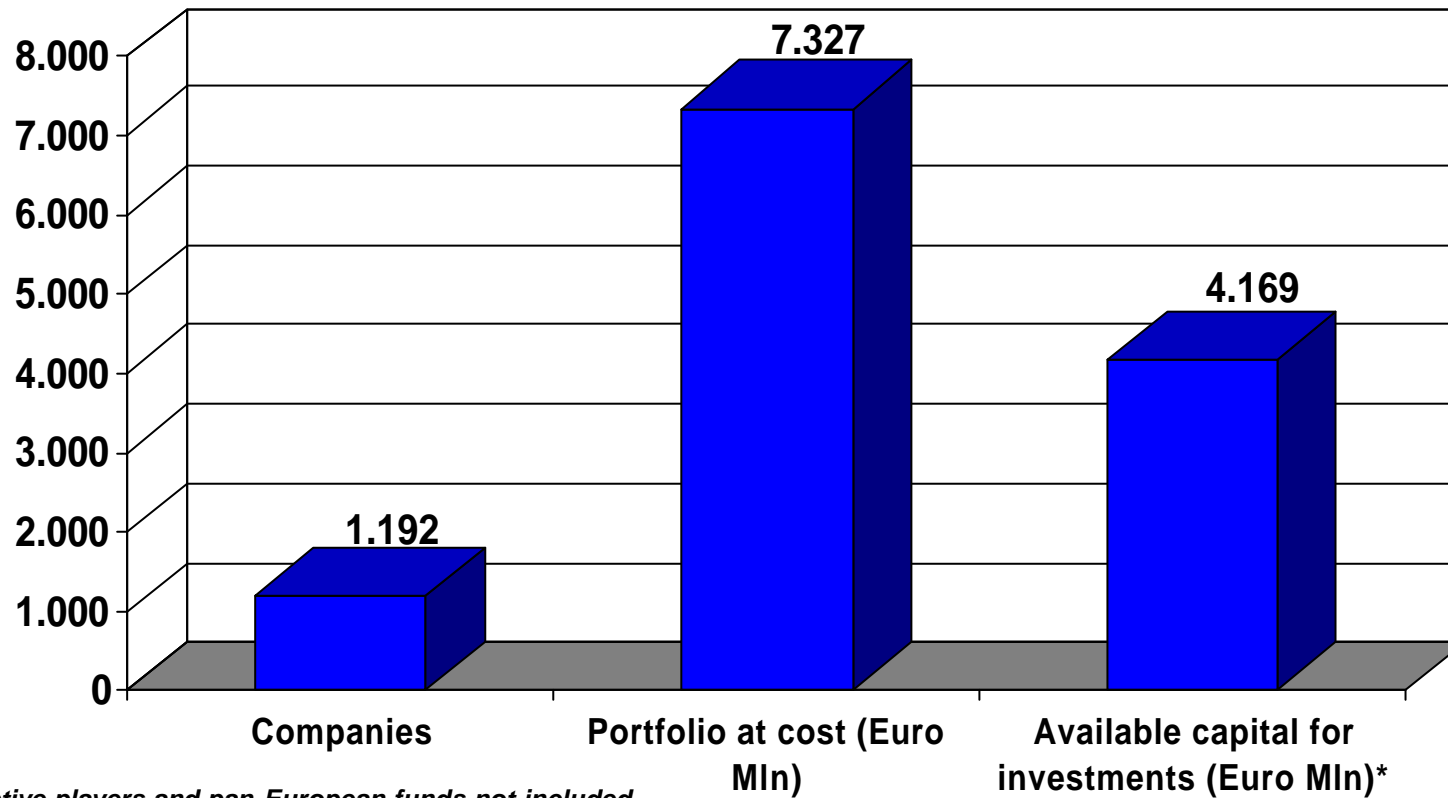
Private Equity and Venture Capital in Italy

Milan, 14<sup>th</sup> April 2003

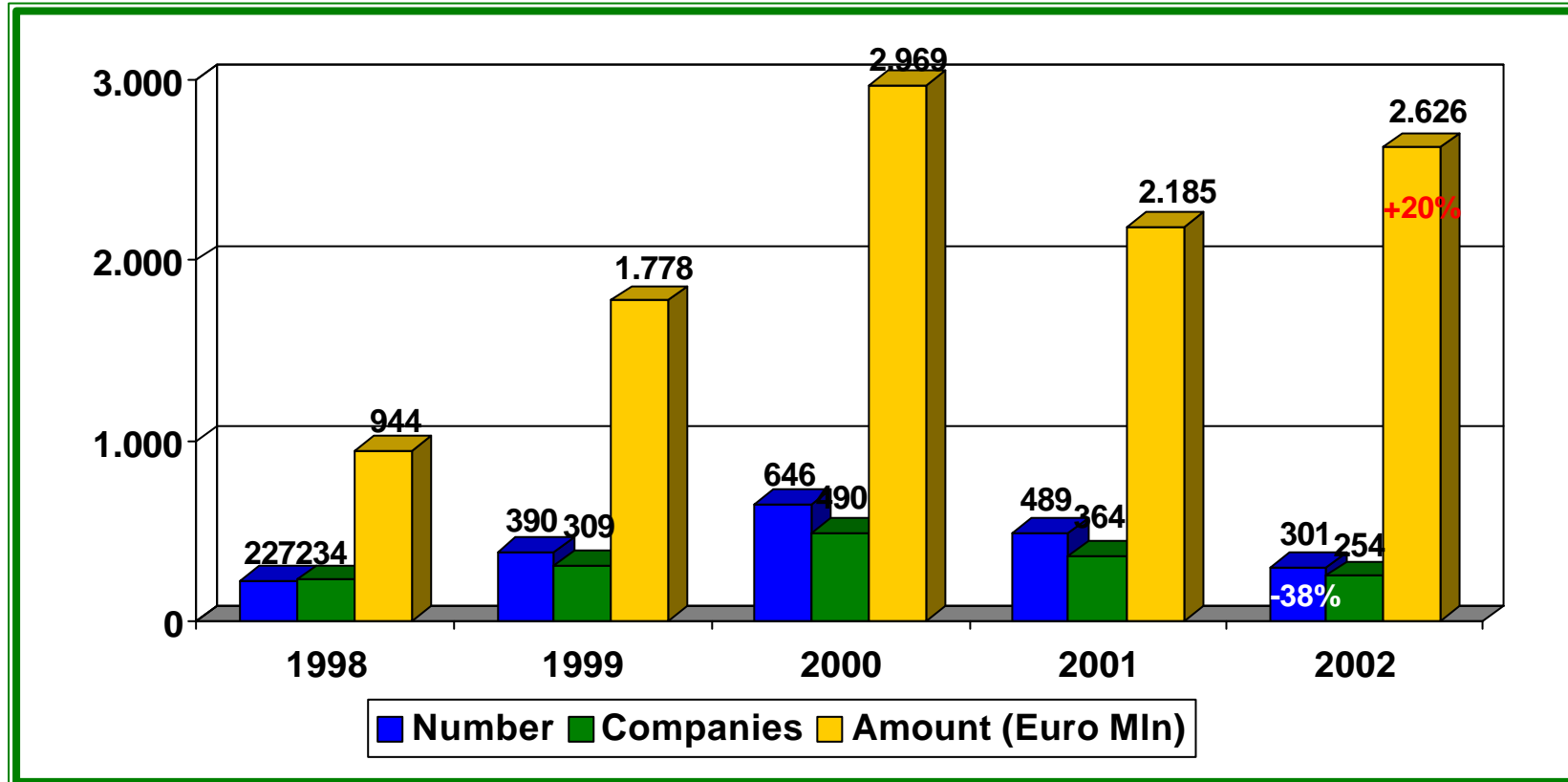
## Comparison: Fundraising, Investments and Divestments



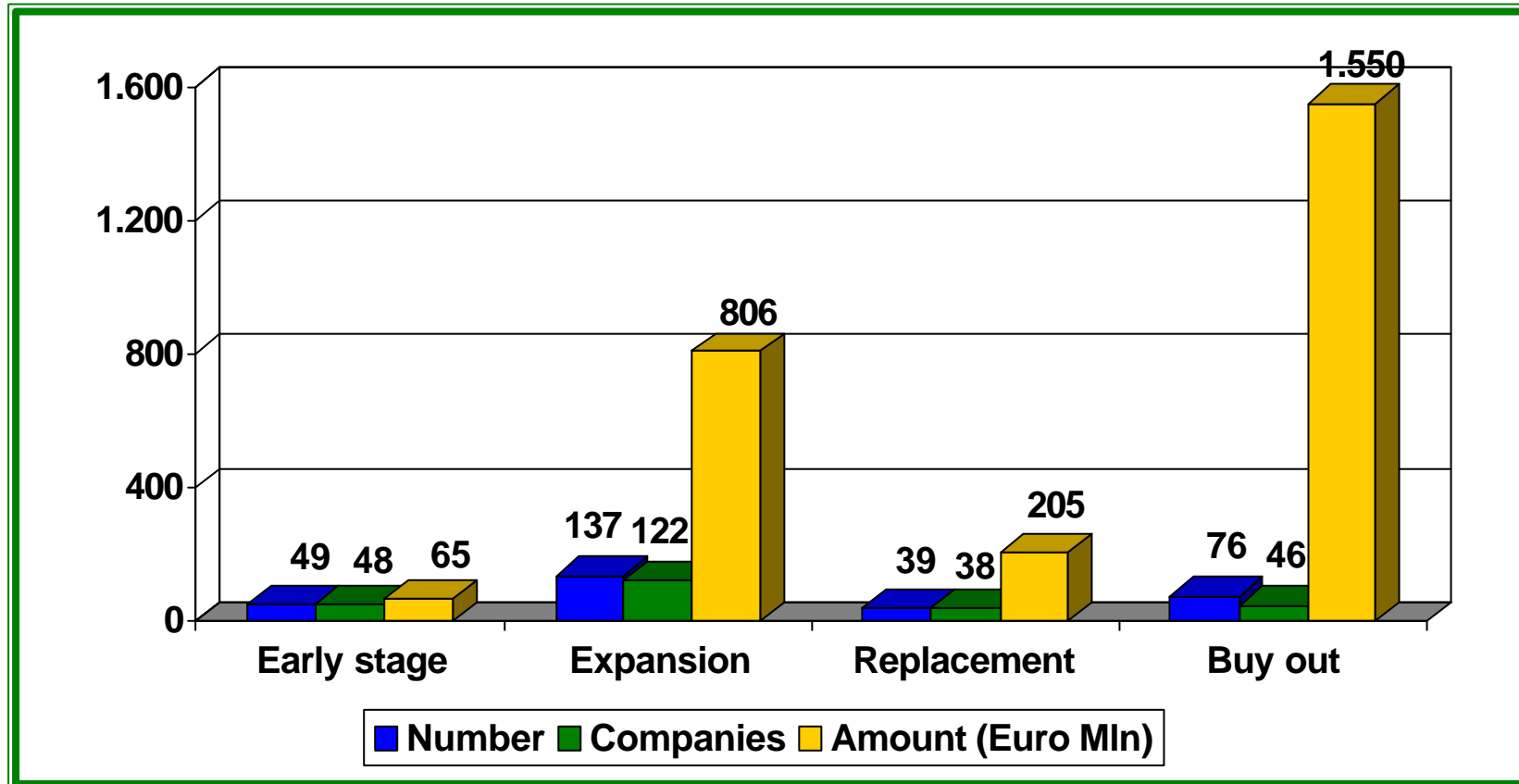
## Portfolio and available capital for investments at 31<sup>st</sup> December 2002



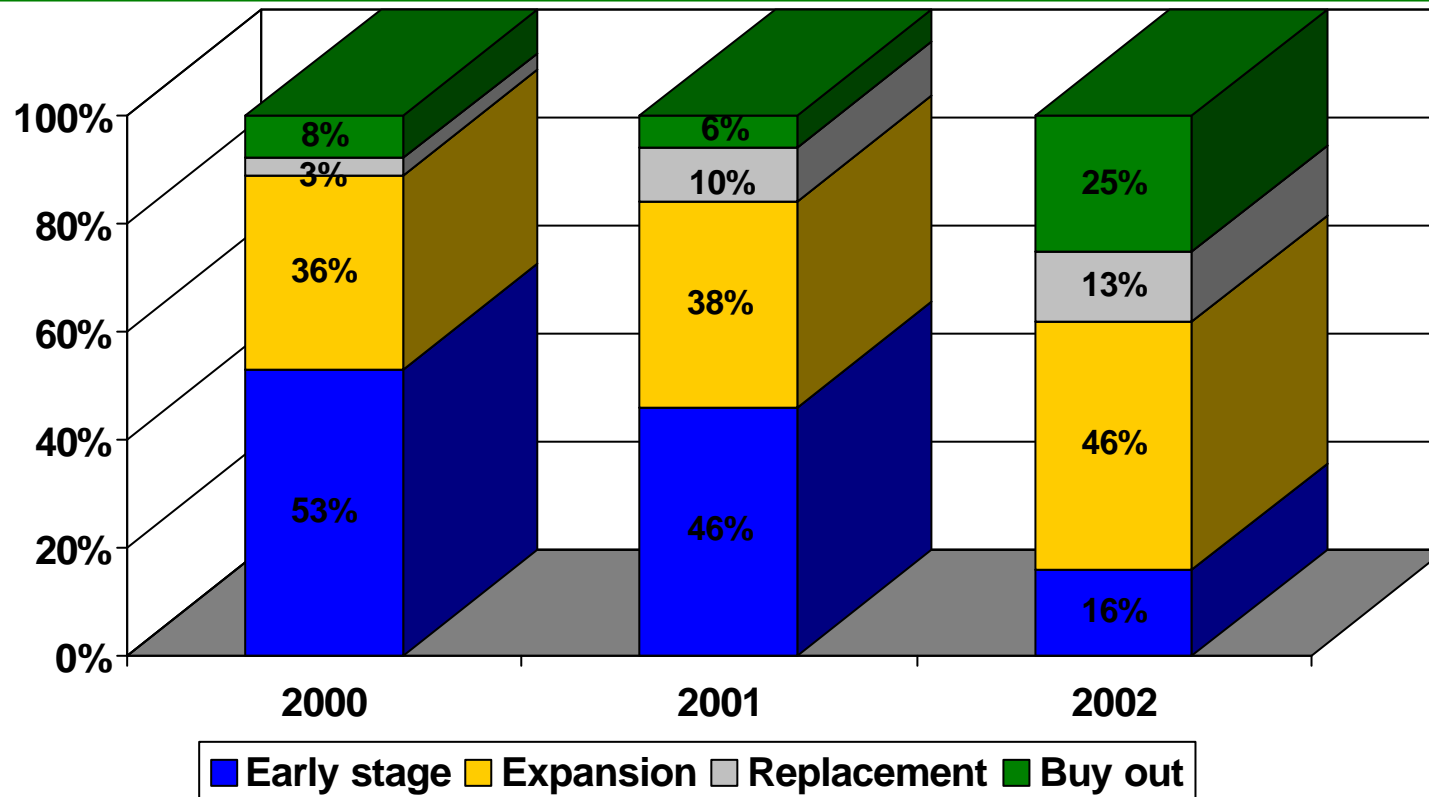
## Investment activity by number, companies and amount



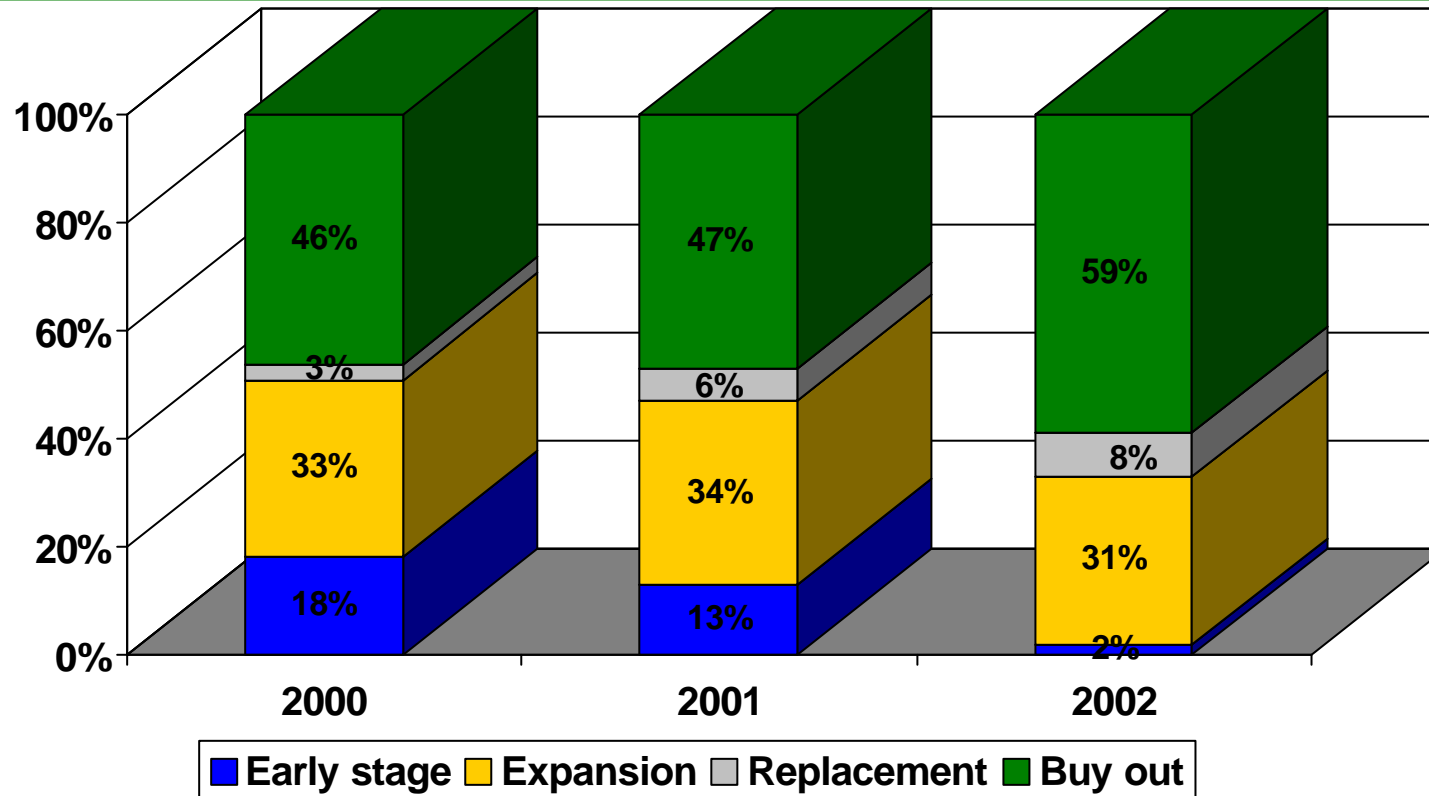
## 2002: Stage distribution of investments



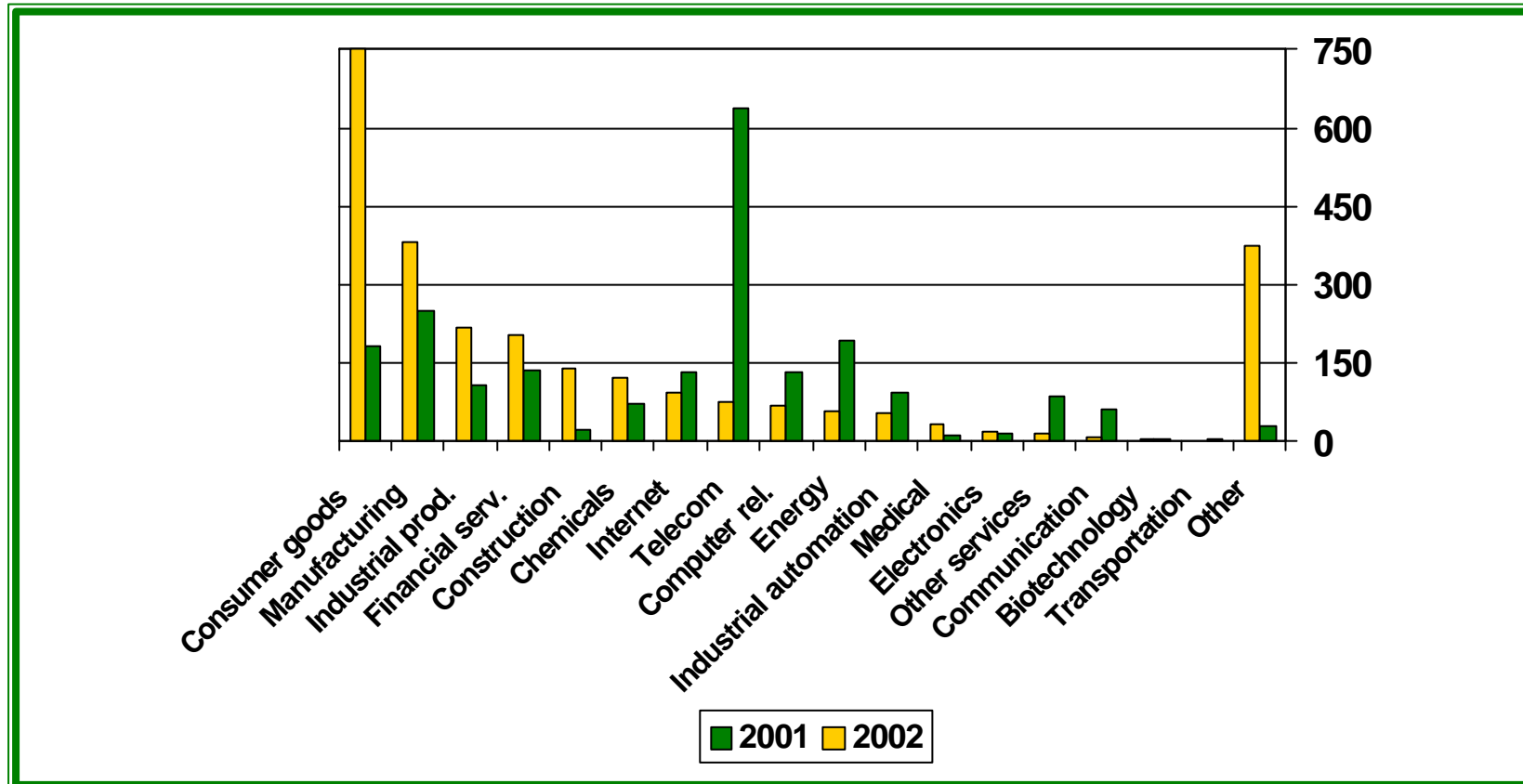
## Stage distribution of investments by % of number



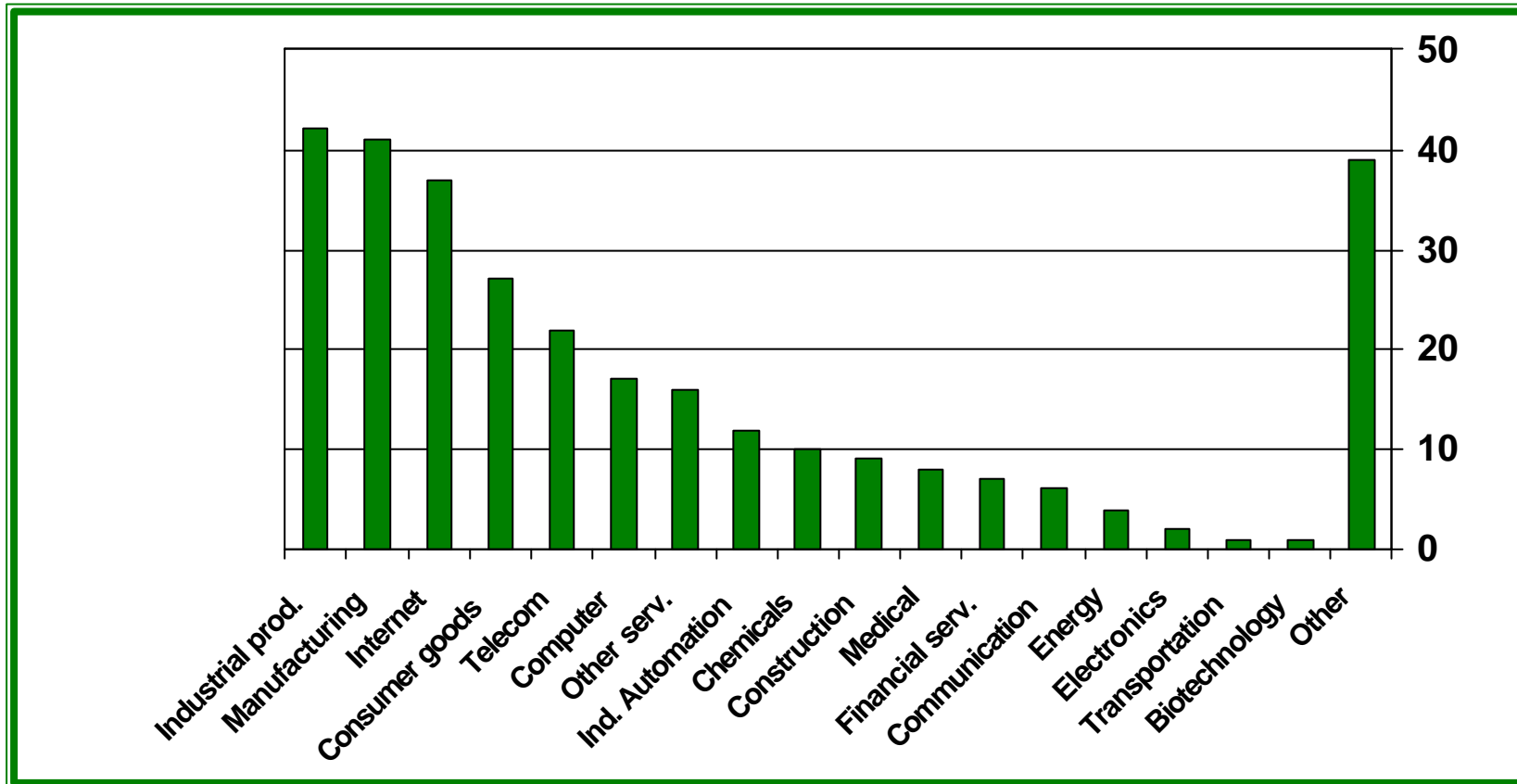
## Stage distribution of investments by % of amount



## Sectoral distribution of investments by amount (Euro Mln)



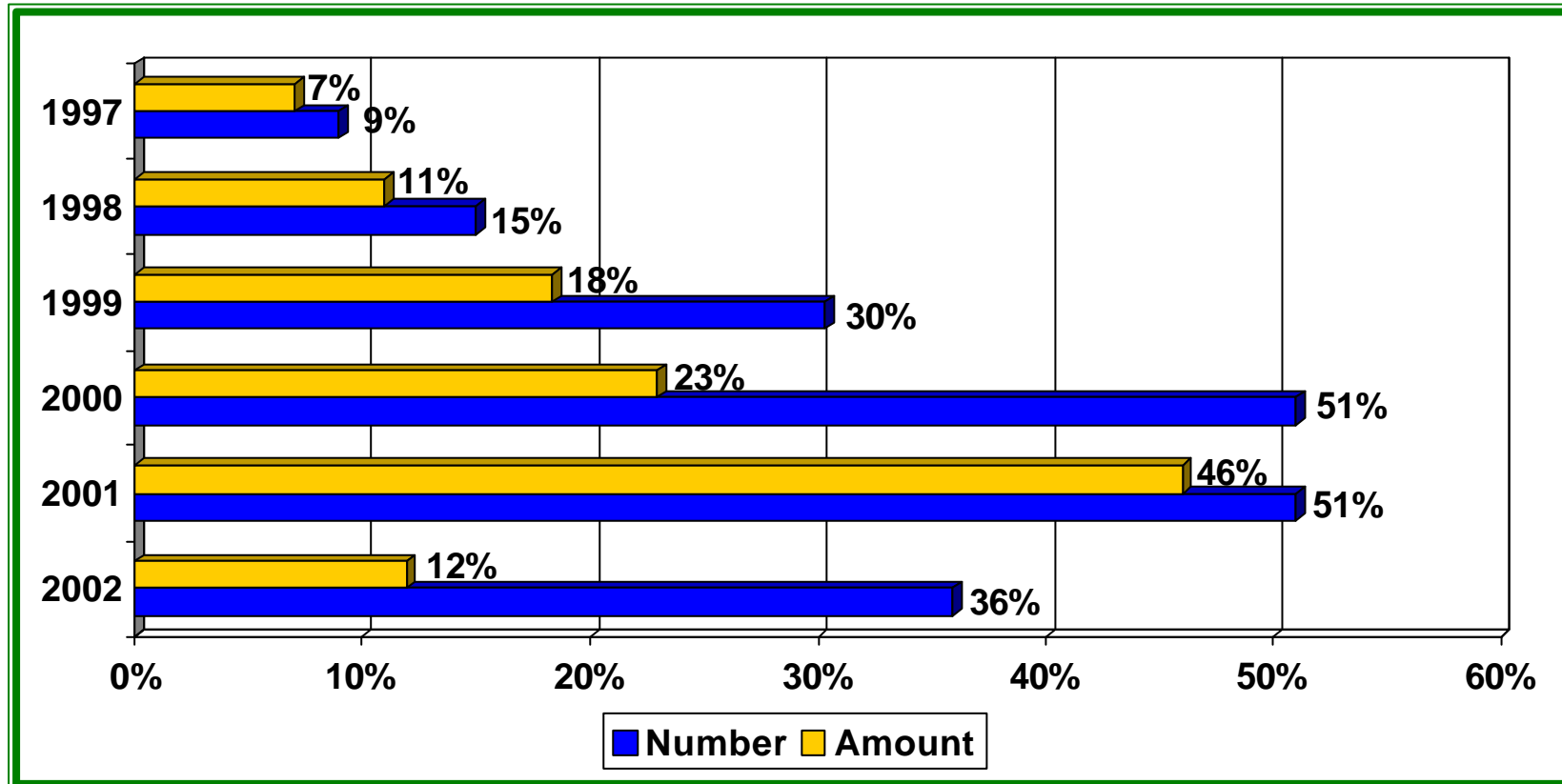
## 2002: Sectoral distribution of investments by number



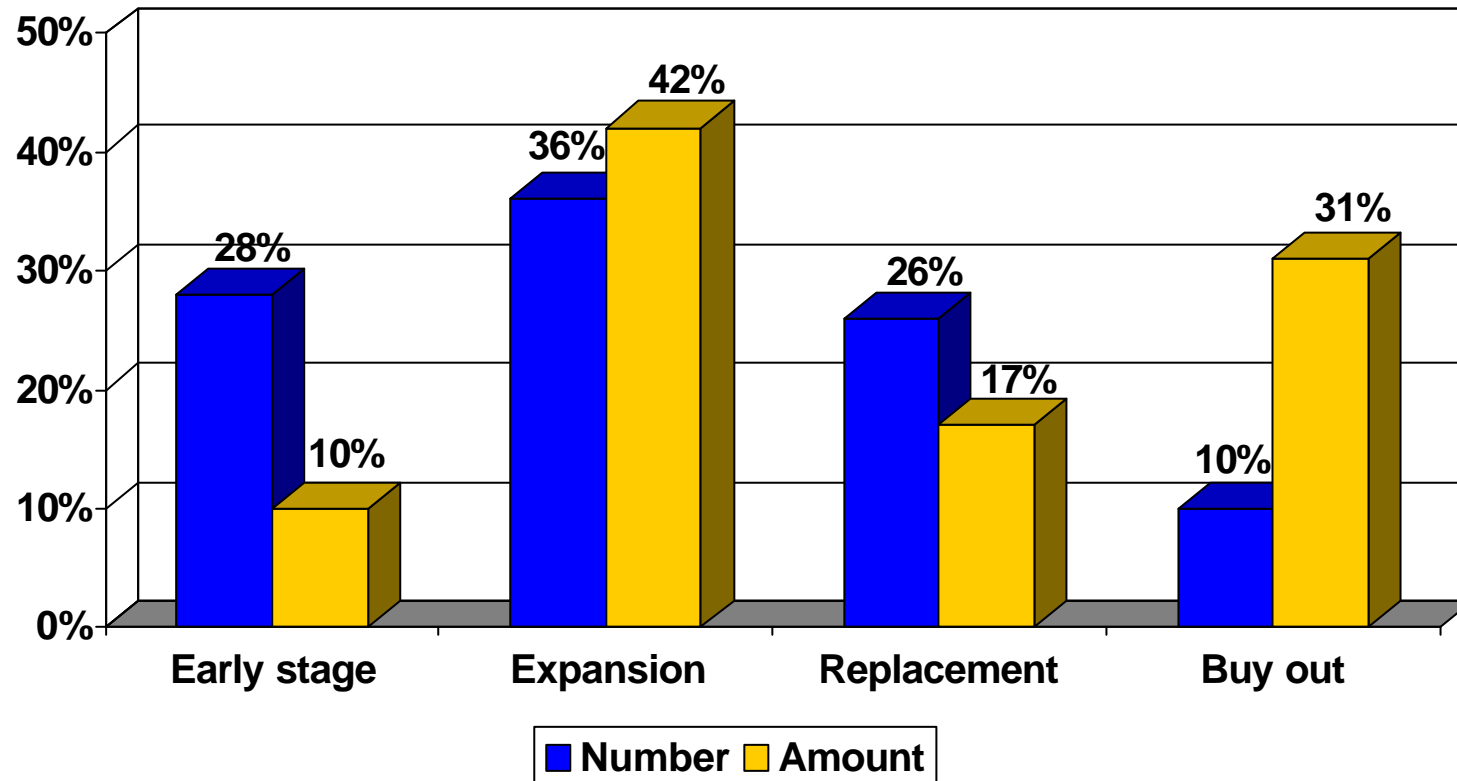
A.I.F.I.

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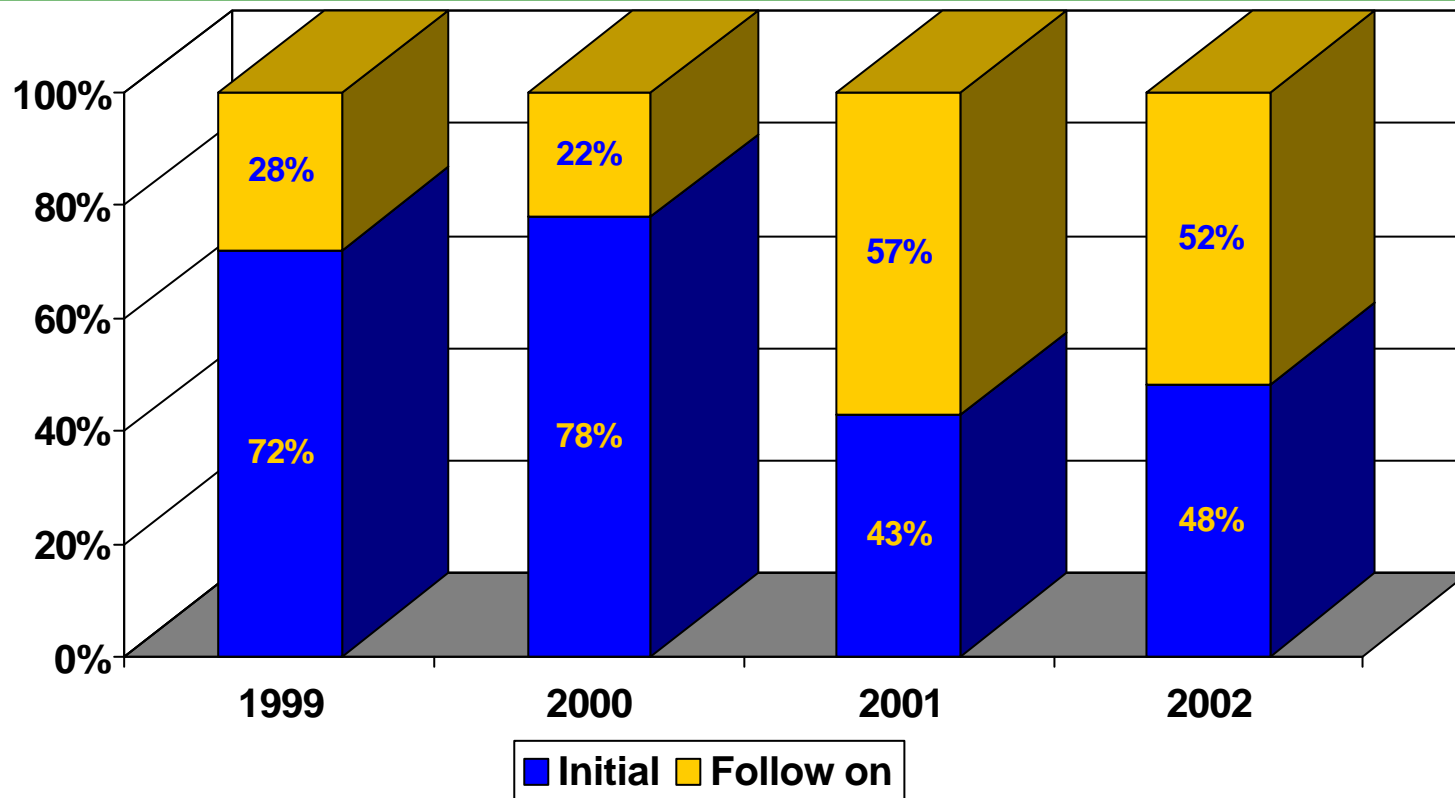
## % of investments in *high tech* companies by number and amount



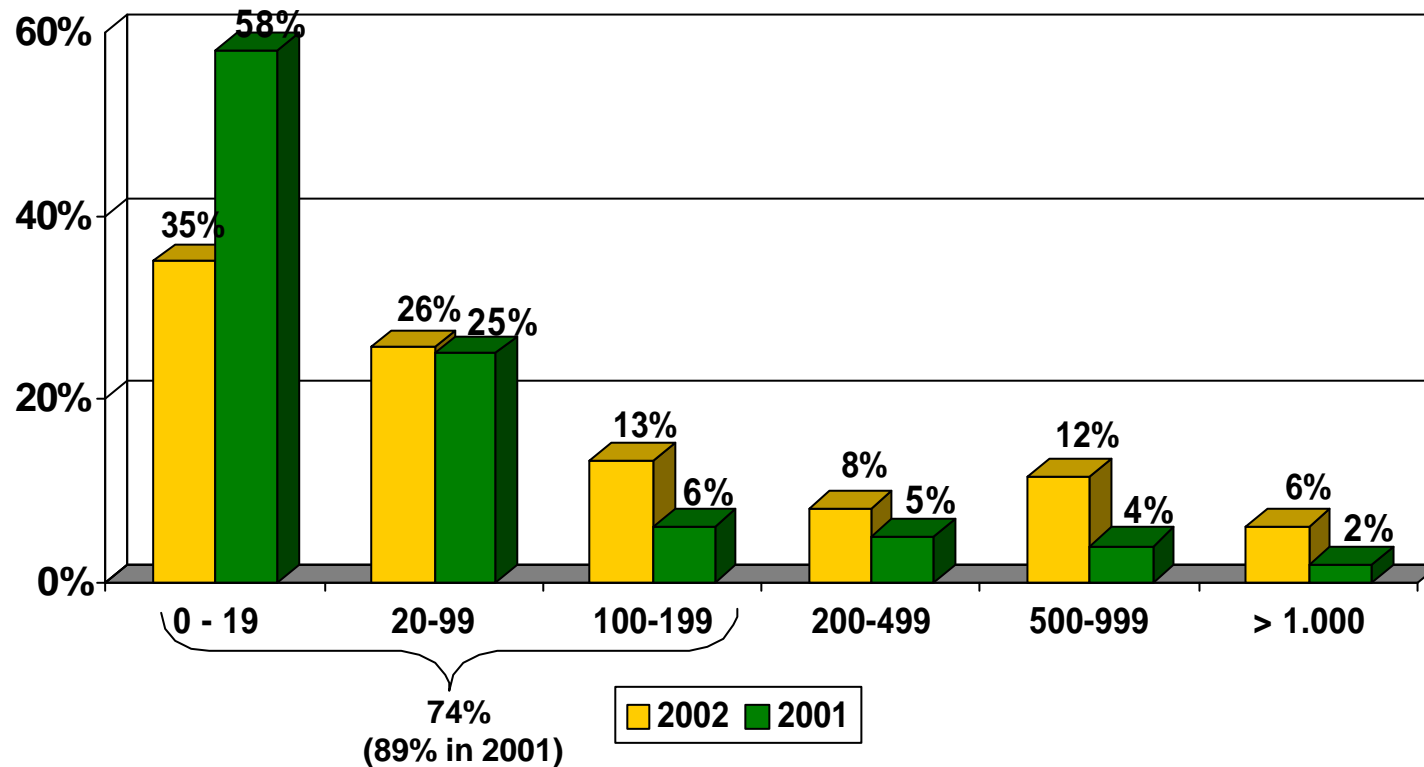
## 2002: Stage distribution by % of investments in *high tech* companies



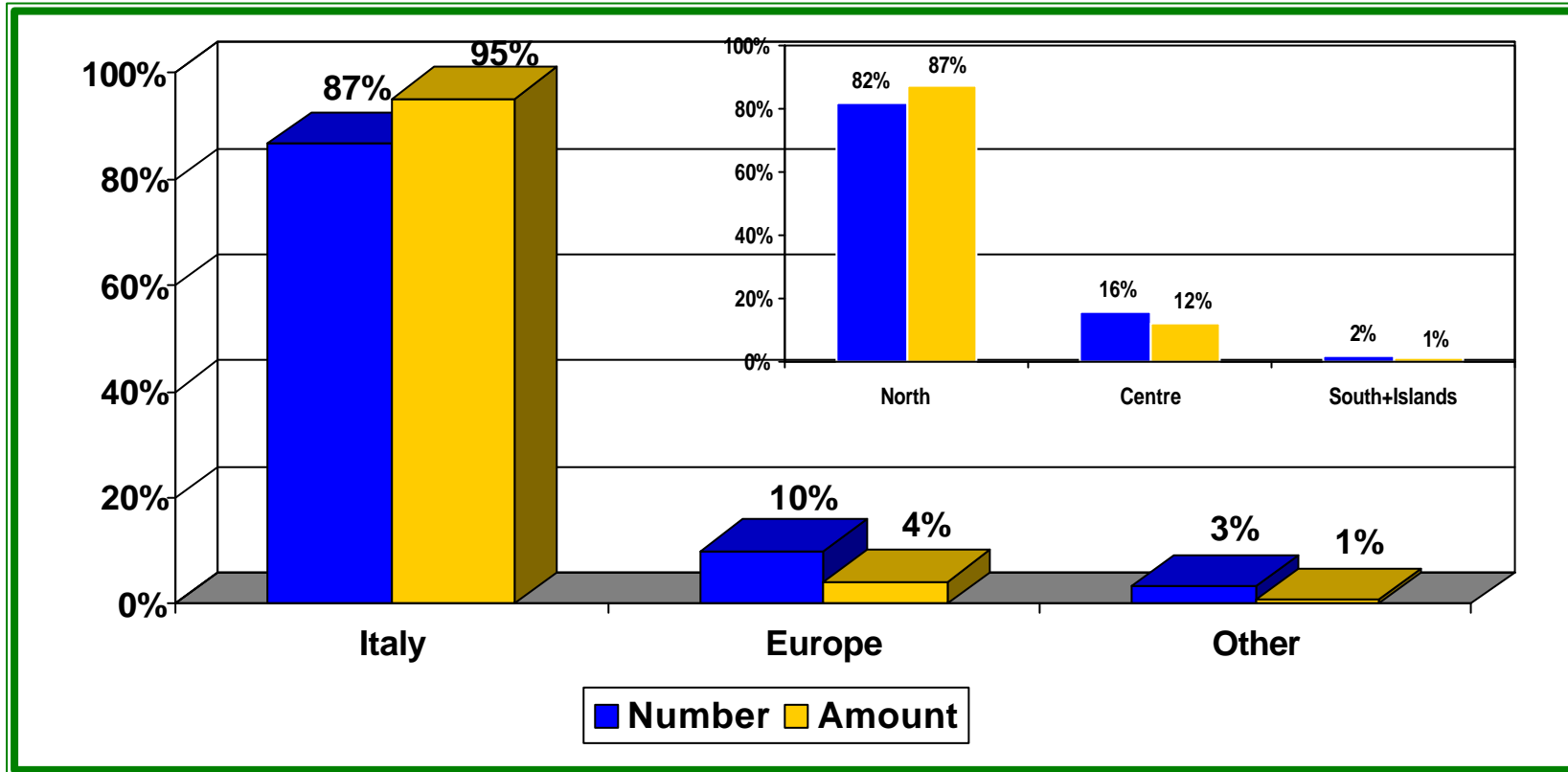
## % of Initial vs. Follow on investments by number



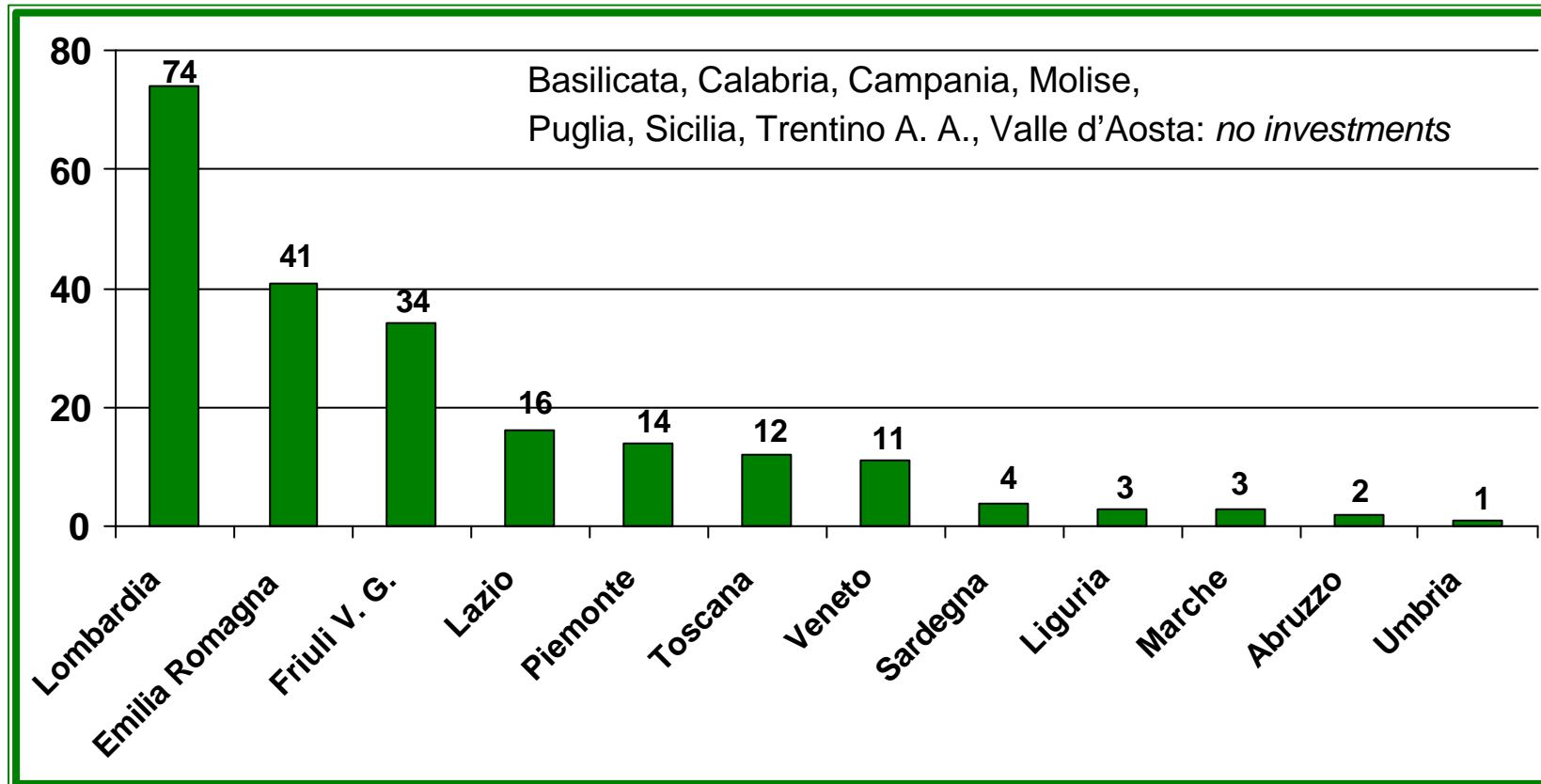
## % distribution of investments (number) by target companies employees (%)



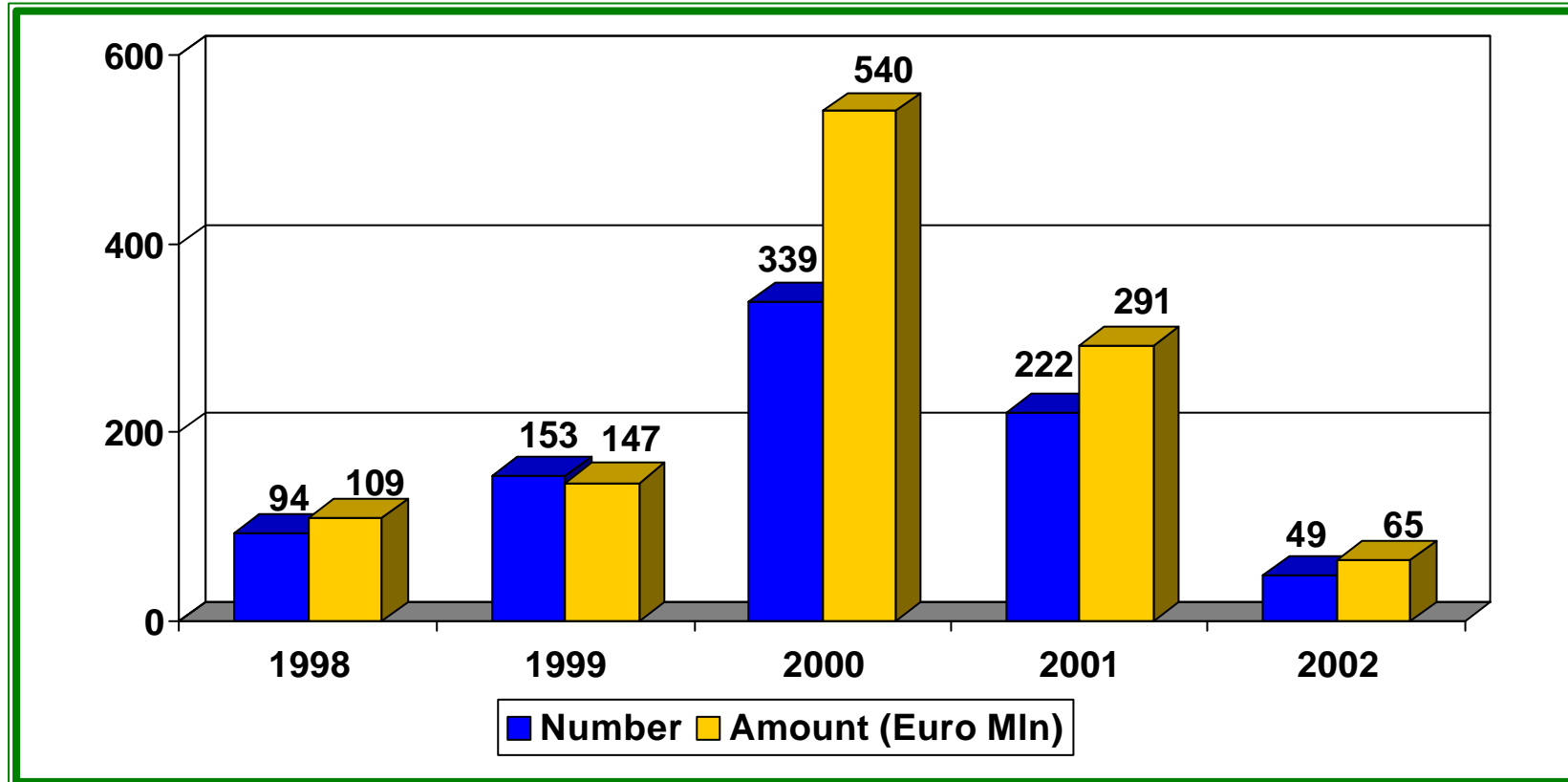
## 2002: Geographical distribution by % of number and amount invested



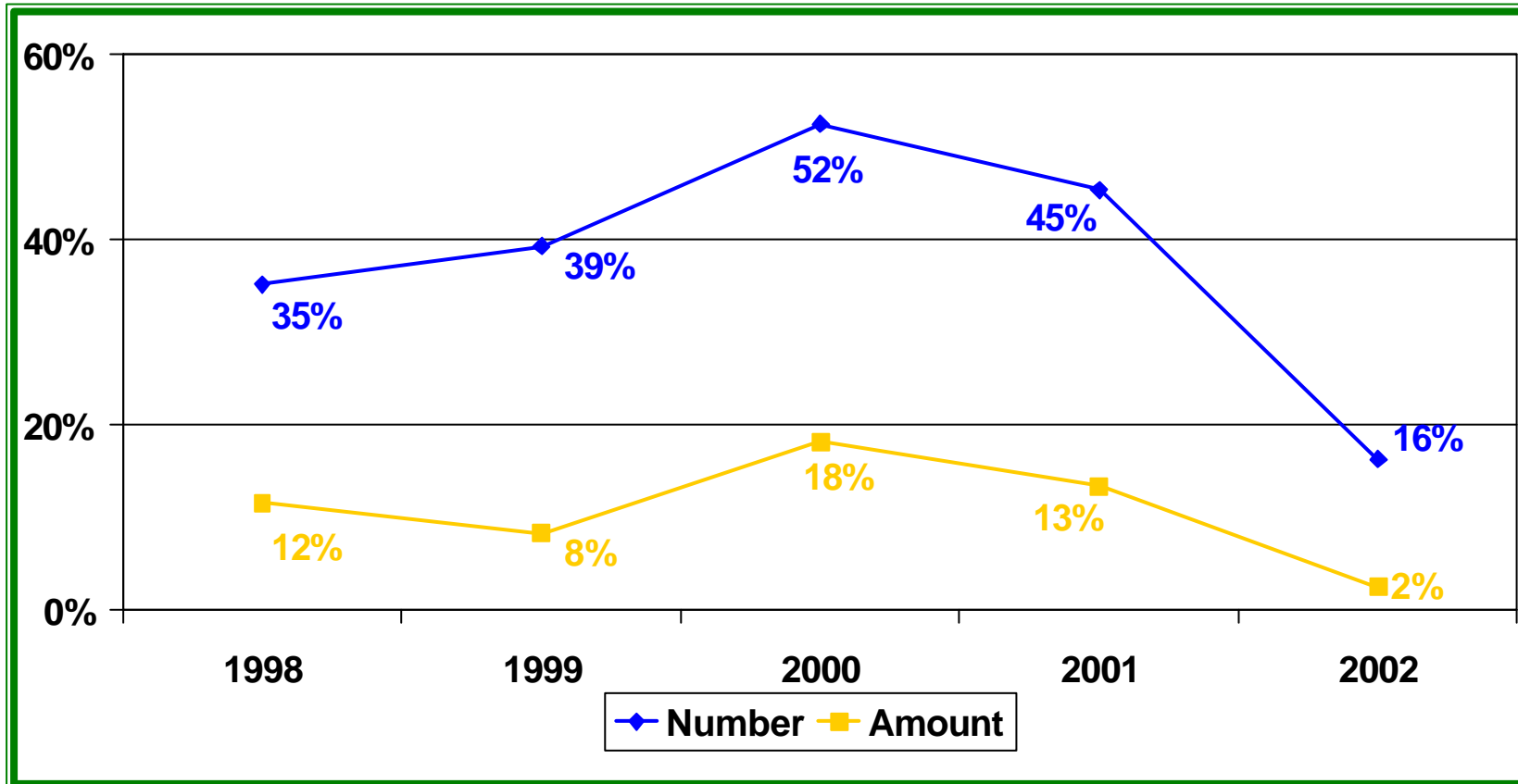
## 2002 - Italy: Regional distribution by number of target companies



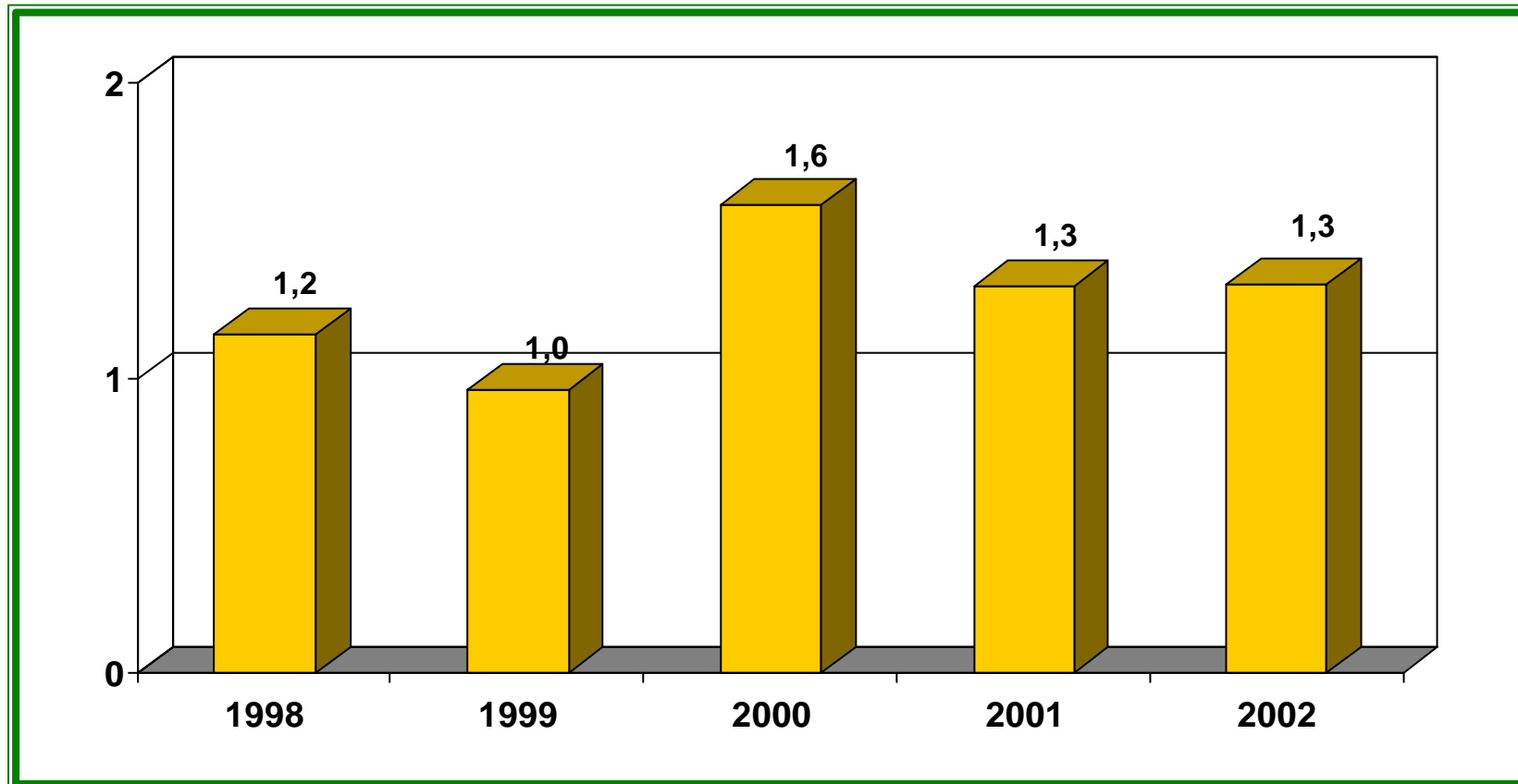
## Focus early stage: Historical trend



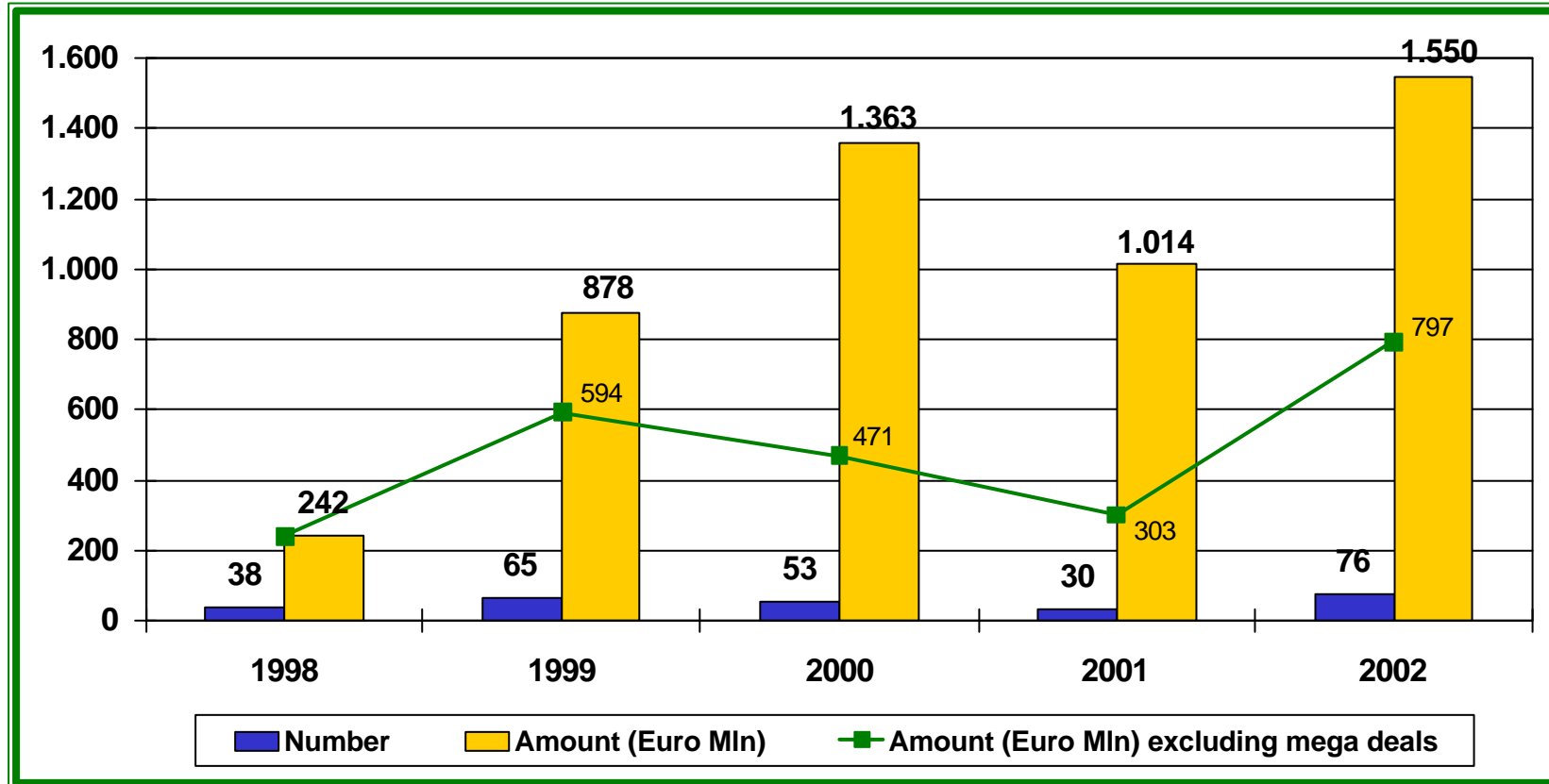
**Focus early stage: % weight on total investments**



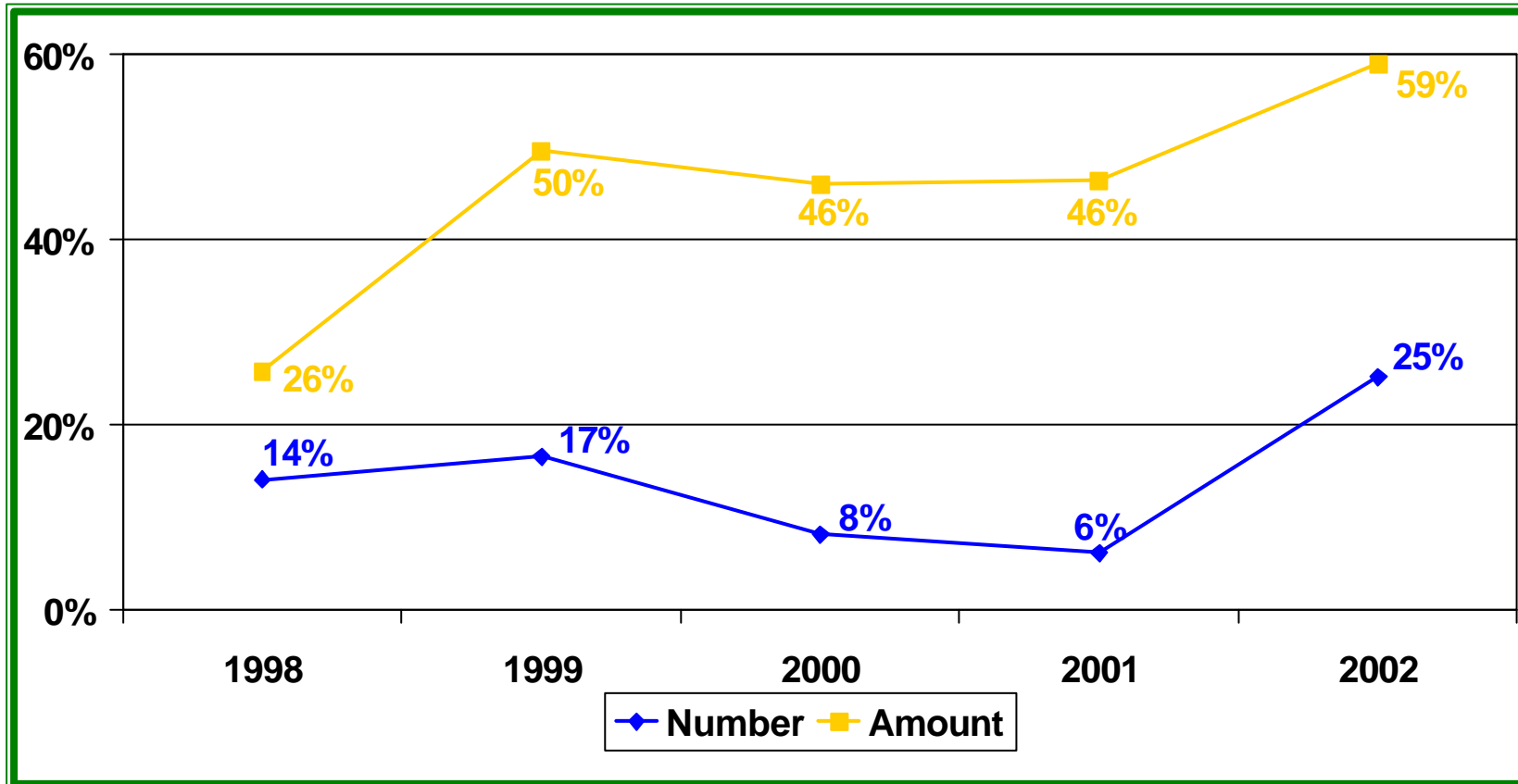
**Focus early stage: Average invested amount (Euro MIn)**



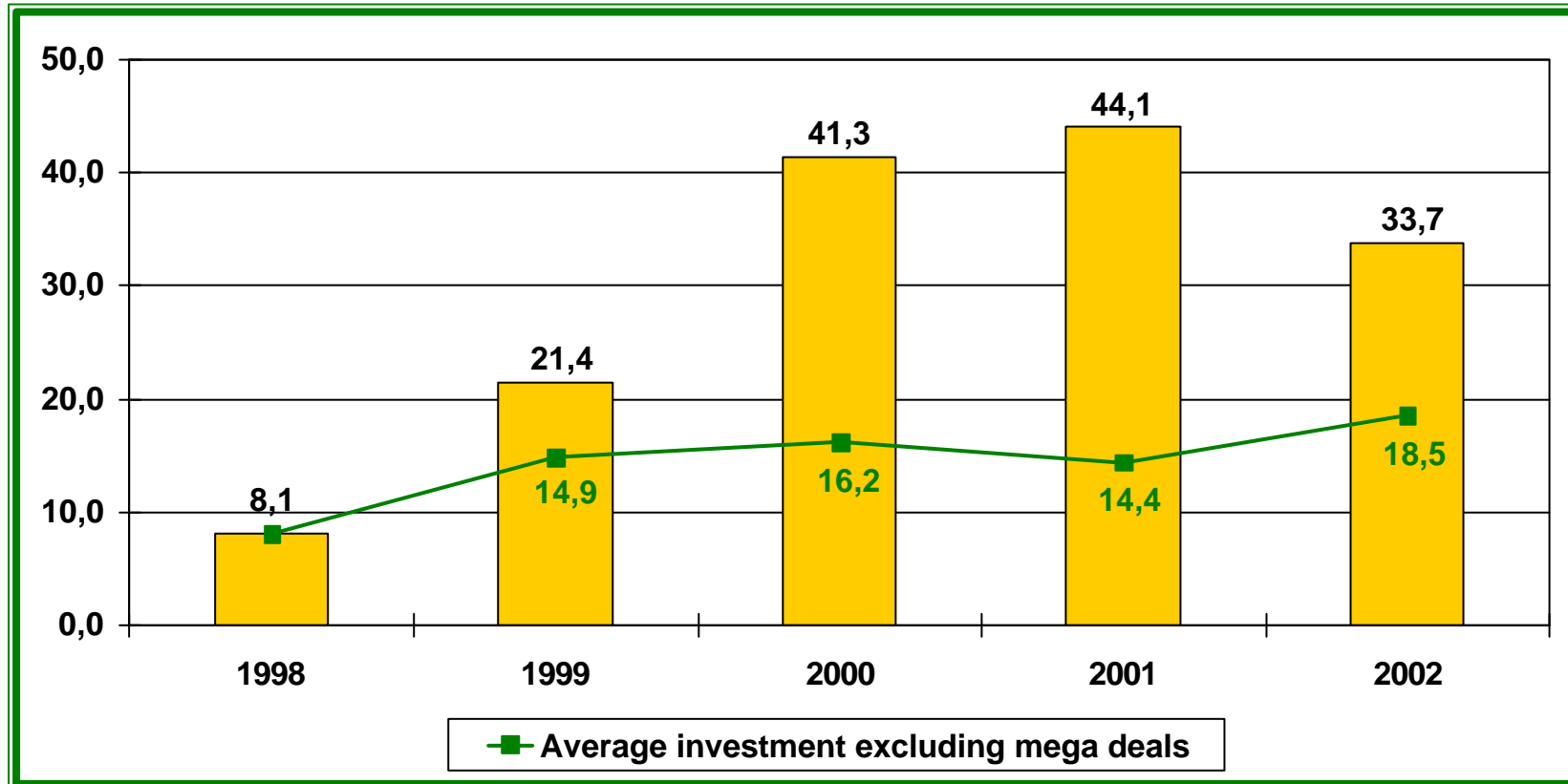
## Focus buy out: Historical trend



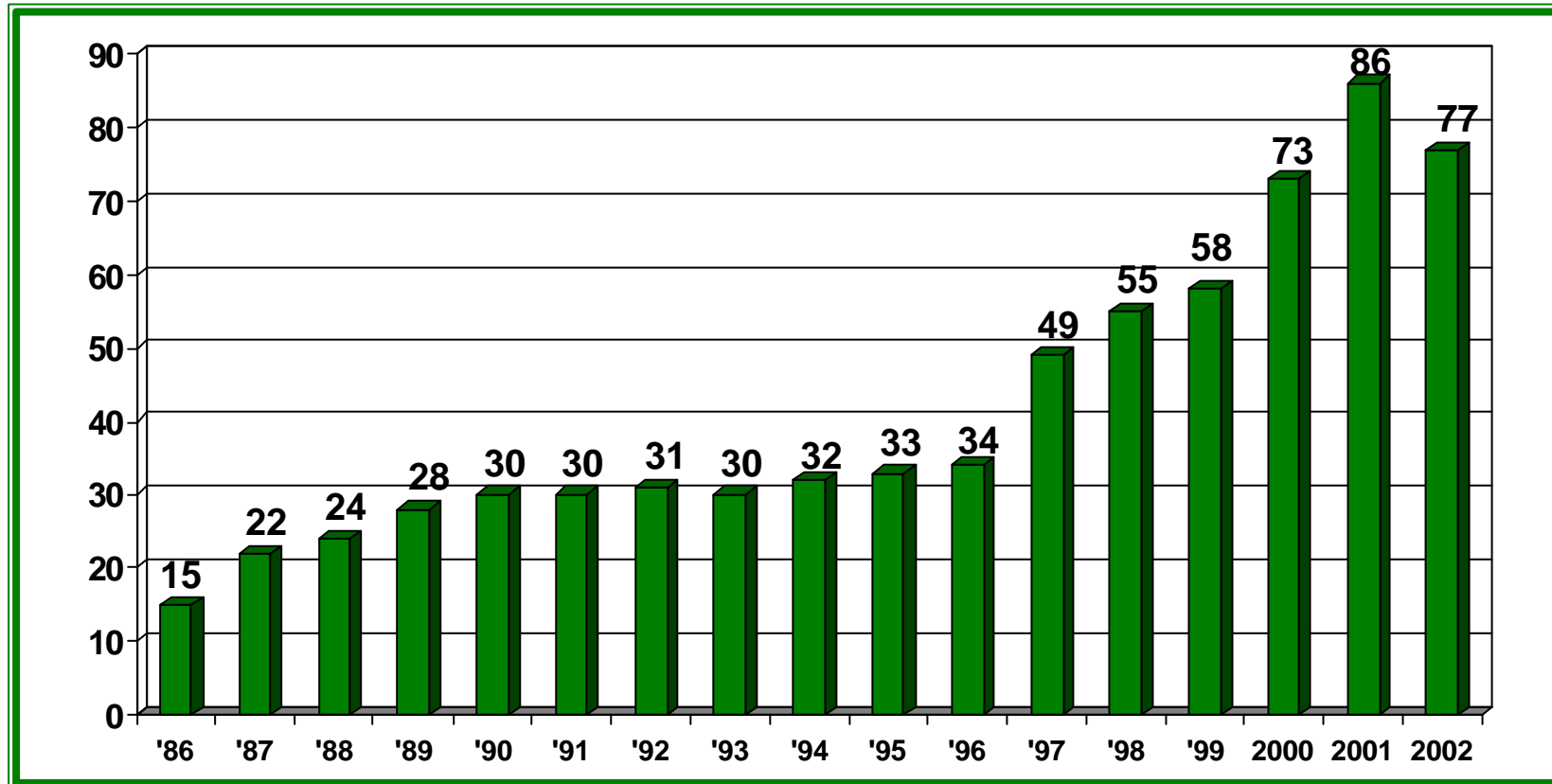
## Focus buy out: % weight on total investments



## Focus buy out: Average invested amount (Euro Mln)

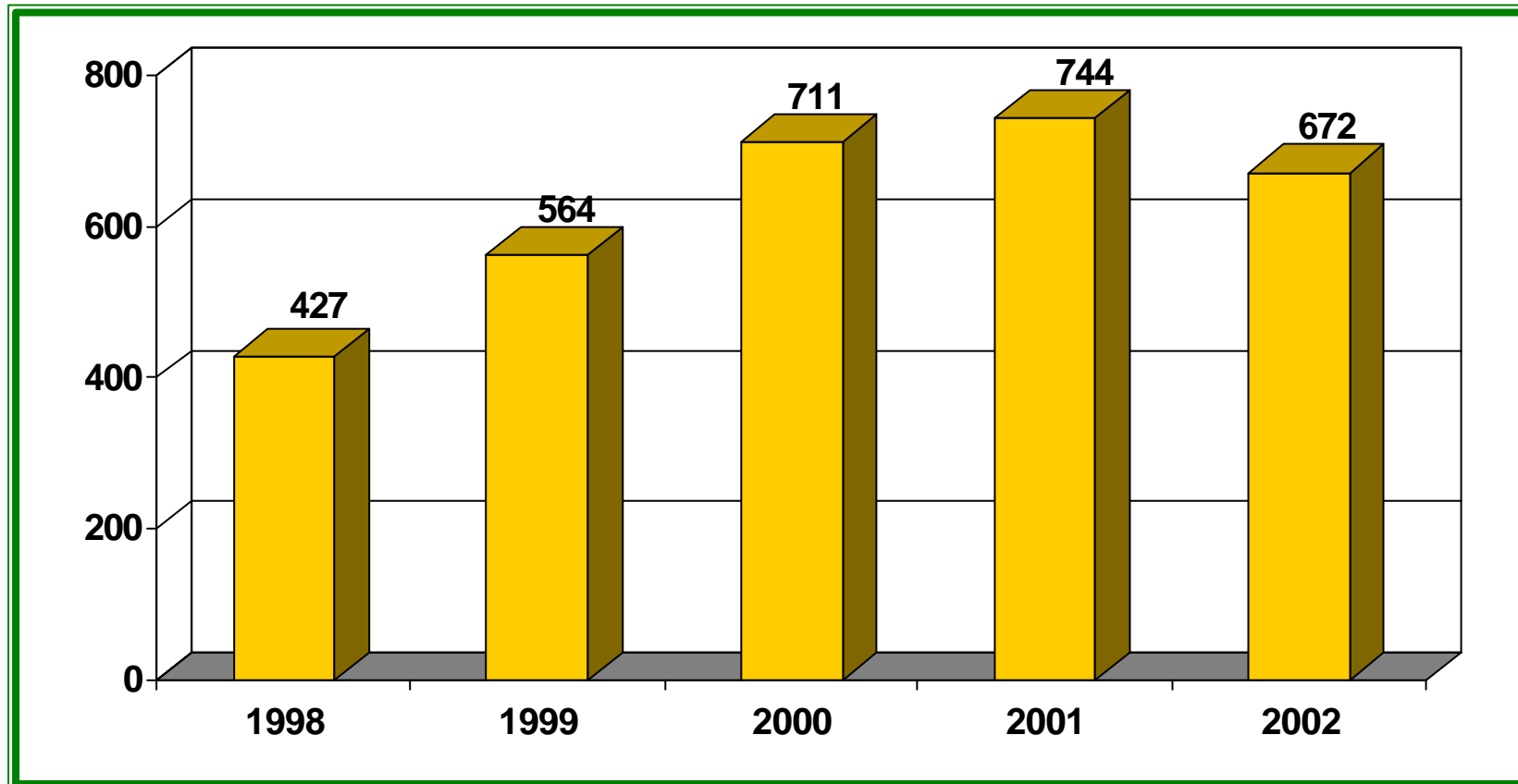


## A.I.F.I. members (at 31<sup>st</sup> December)



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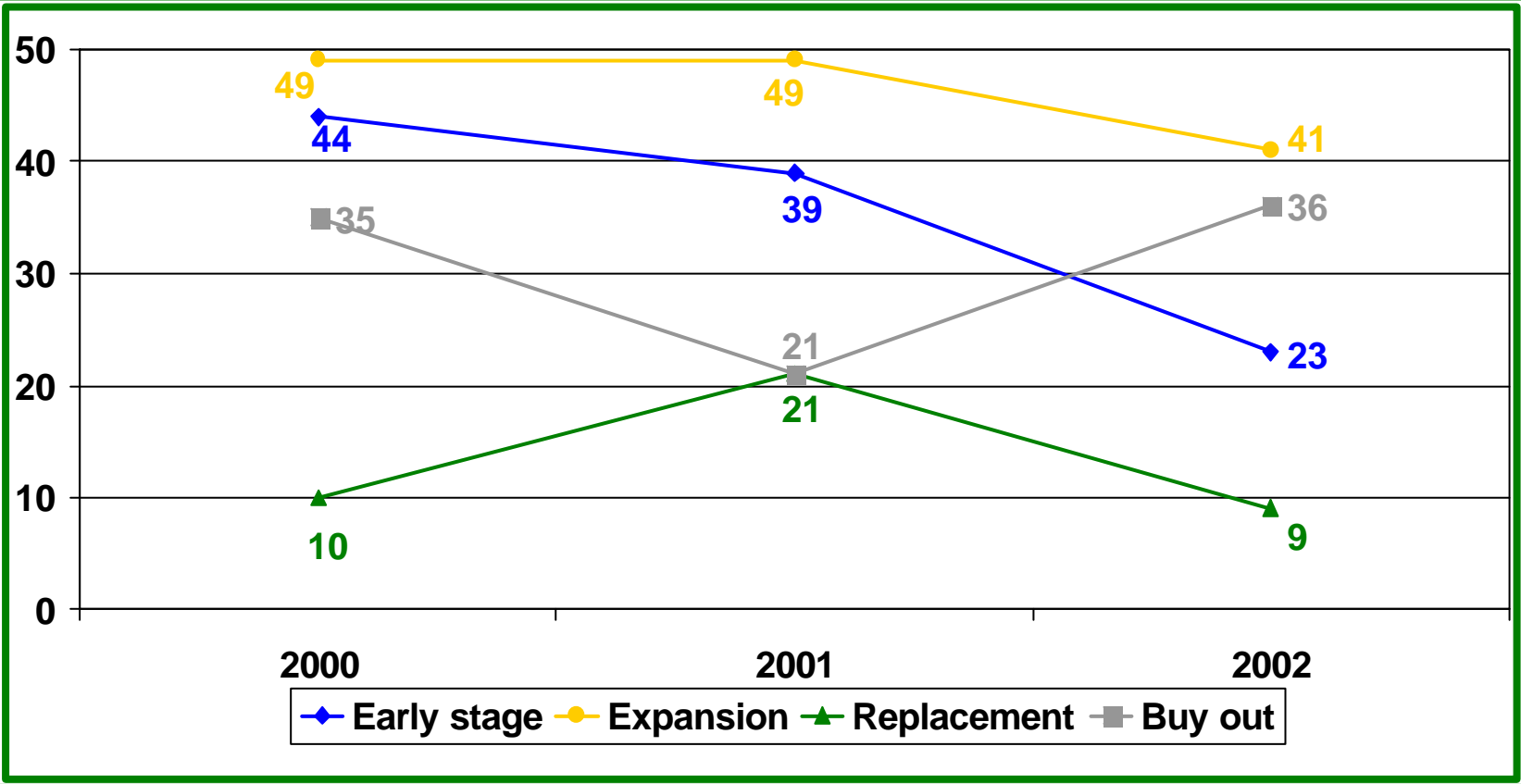
## Human resources employed in the industry at 31<sup>st</sup> December



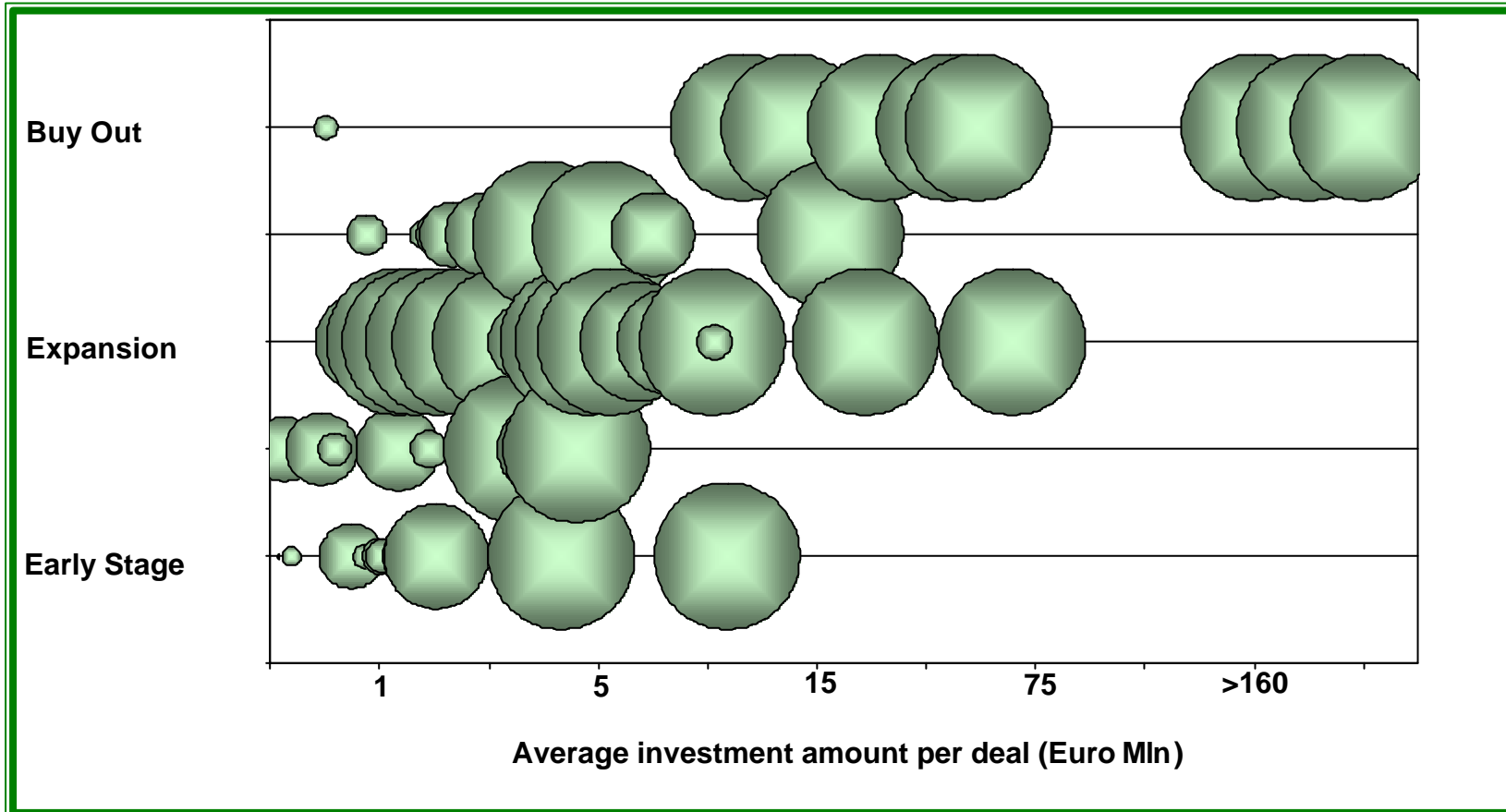
**A.I.F.I.**

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# Active players in each segment

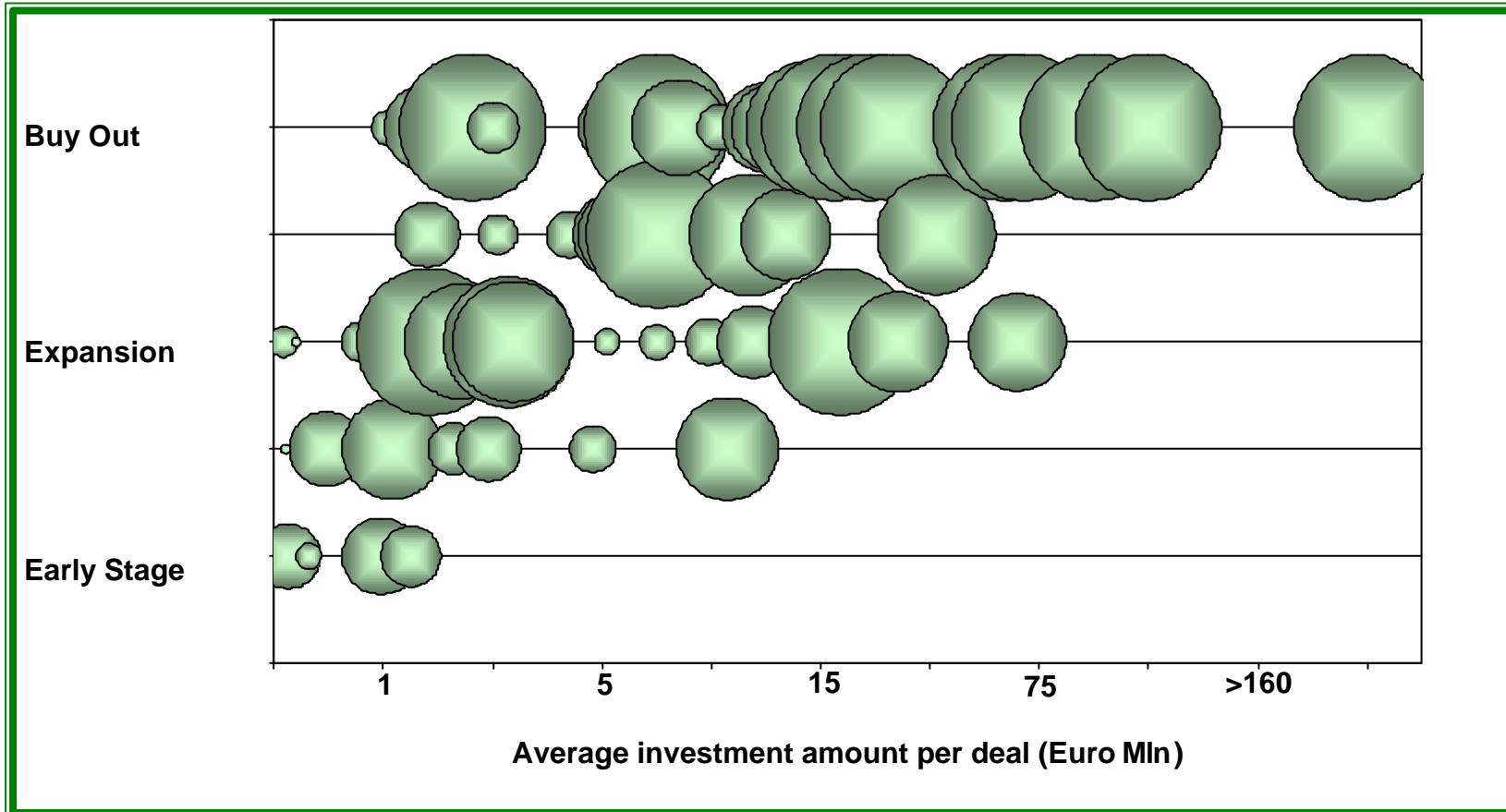


## 2000: Market players positioning



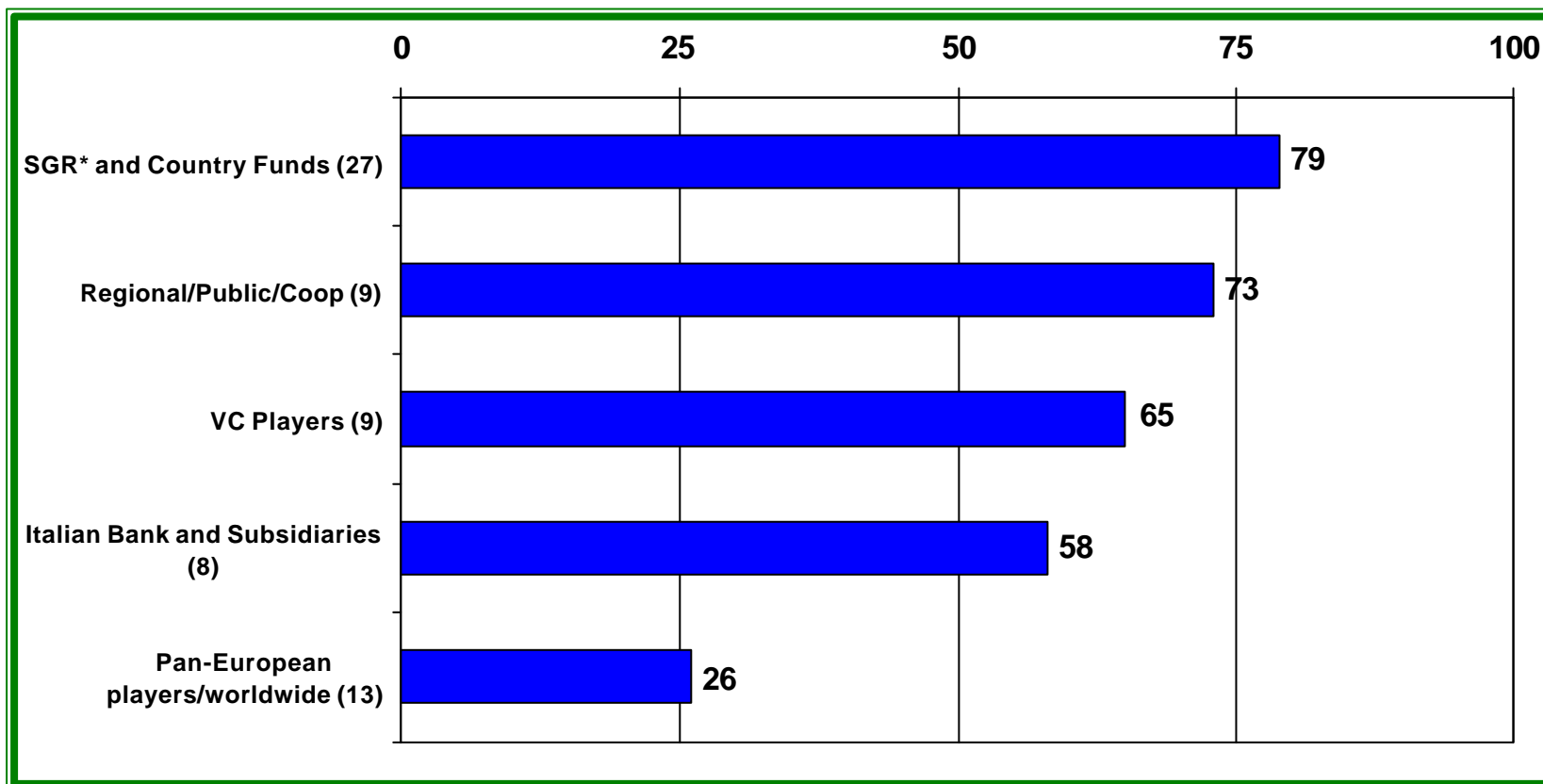
\*Spheres dimension is directly correlated with amount under management/available

## 2002: Market players positioning



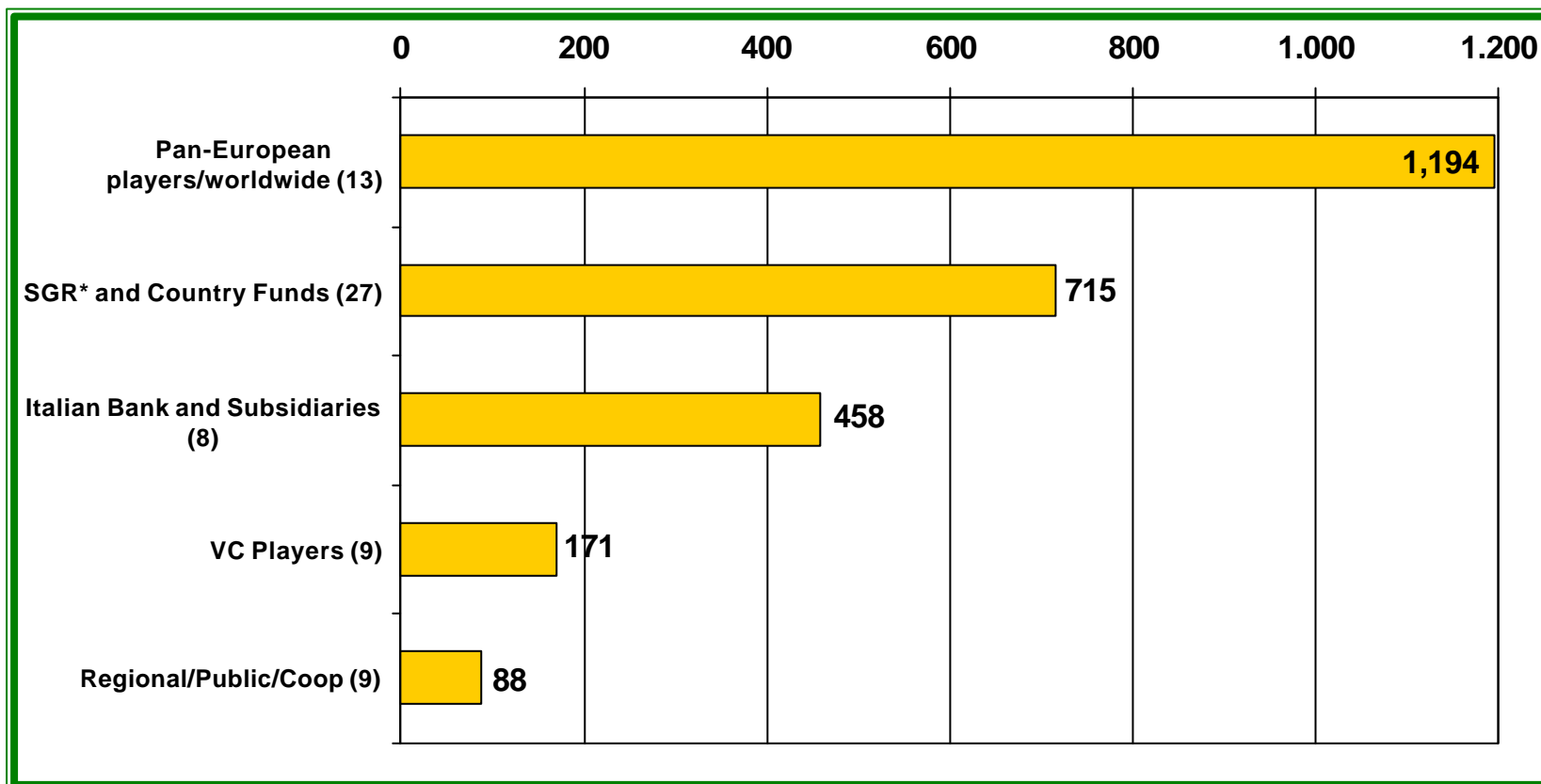
\*Spheres dimension is directly correlated with amount under management/available

## 2002: Number of investments by type of investors



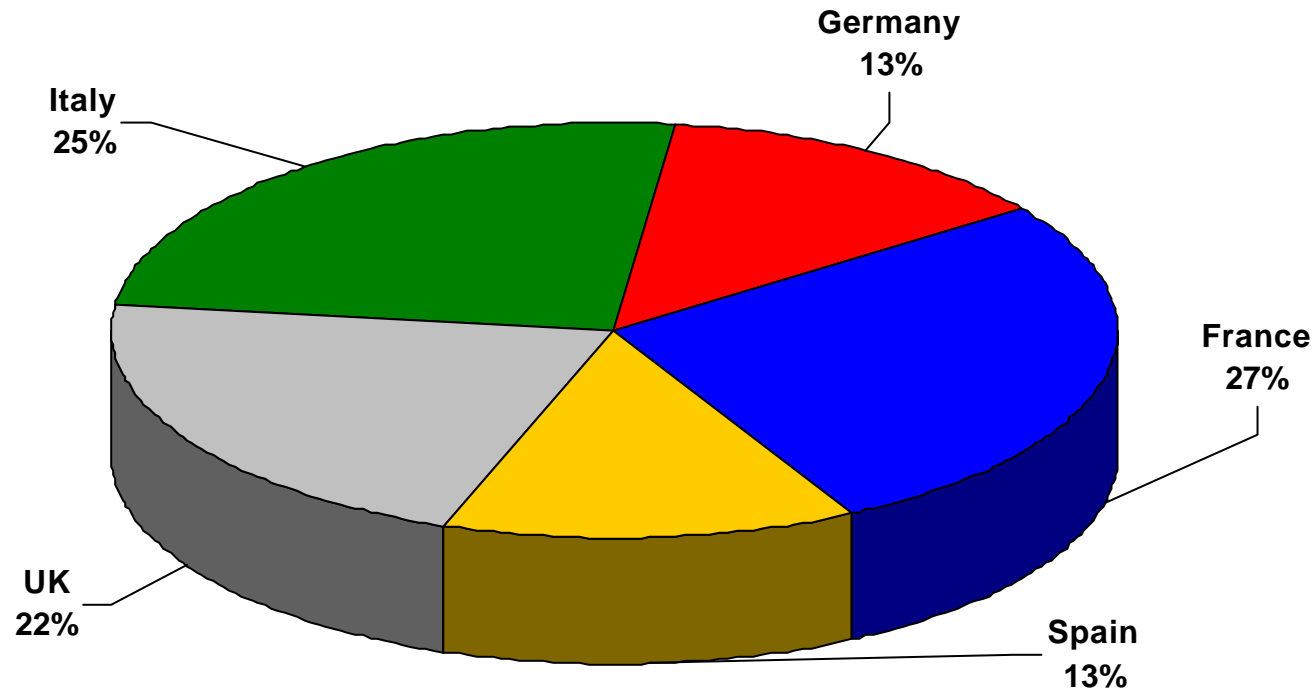
\* Management companies regulated by the Italian law

## 2002: Amount invested by type of investors (Euro Mln)



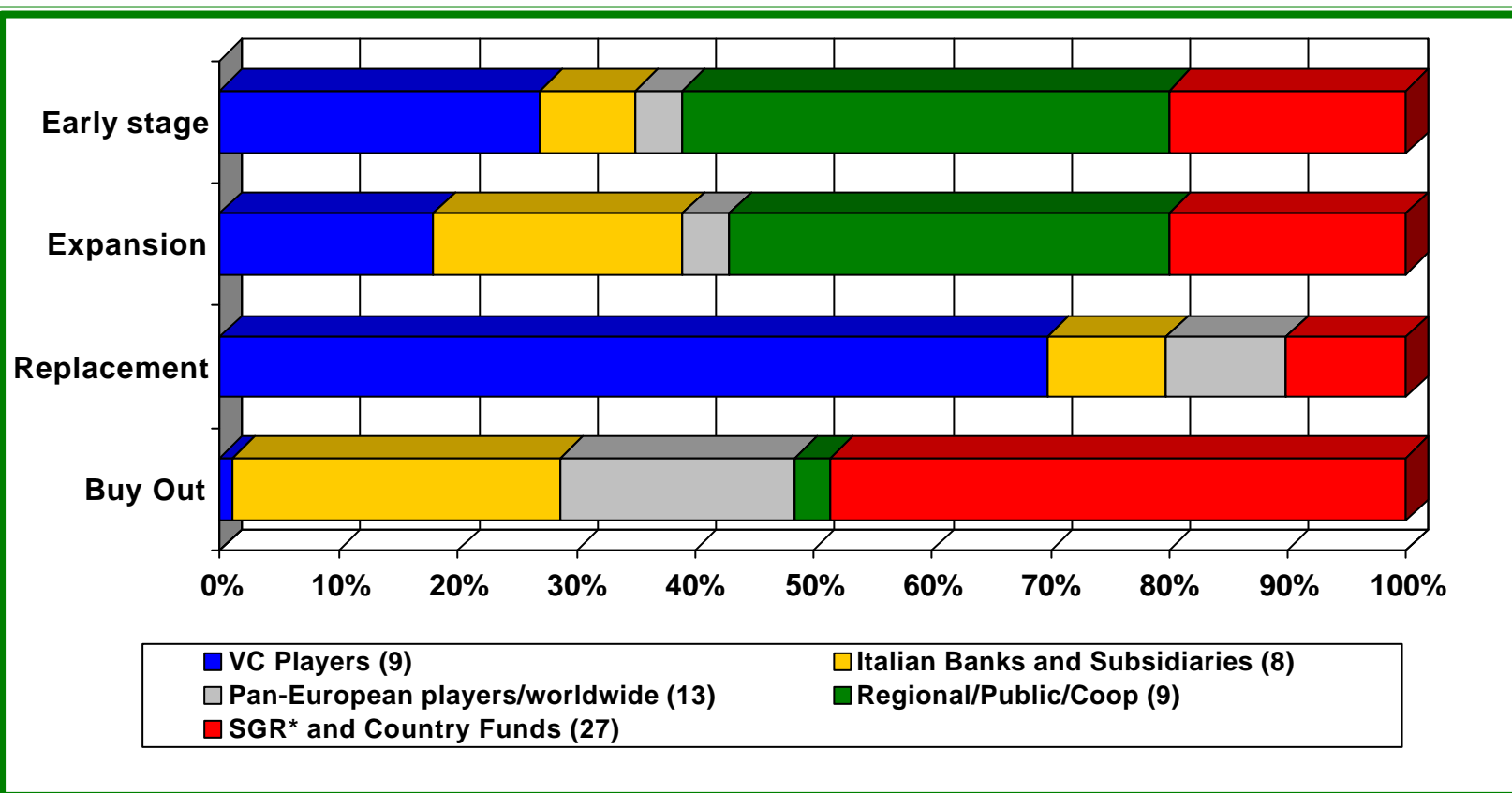
\* Management companies regulated by the Italian law

## 2002: Geographical distribution of amount invested by pan-European\* funds



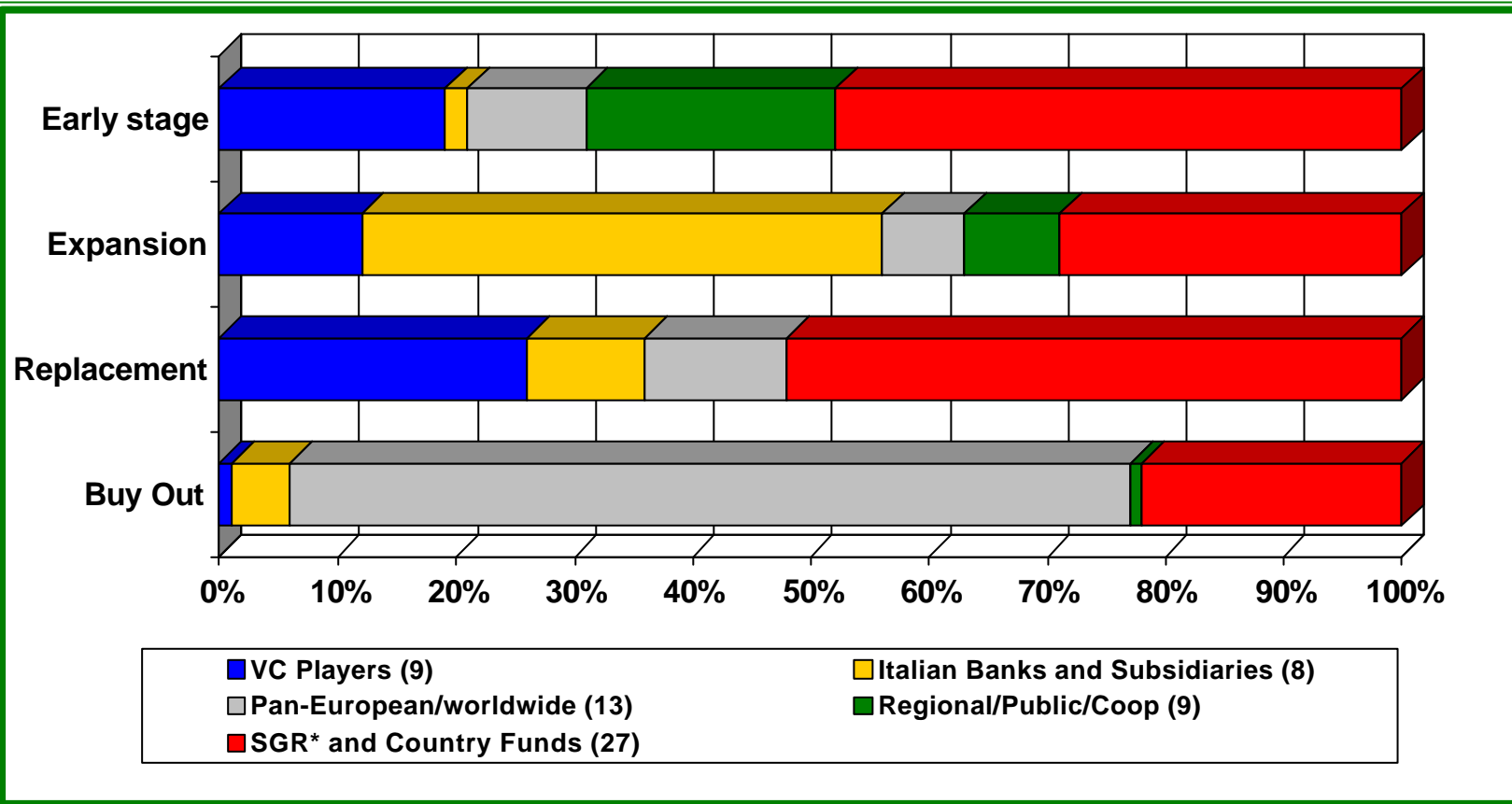
*\*Advent Int., Apax Partners, Argos Soditic, Bc Partners, Bridgepoint Capital, Carlyle Group, CVC, Doughty Hanson, HSBC Private Equity, Permira, Vestar Capital Partners, 3i.*

## 2002: Stage distribution of investments (number) by type of investors



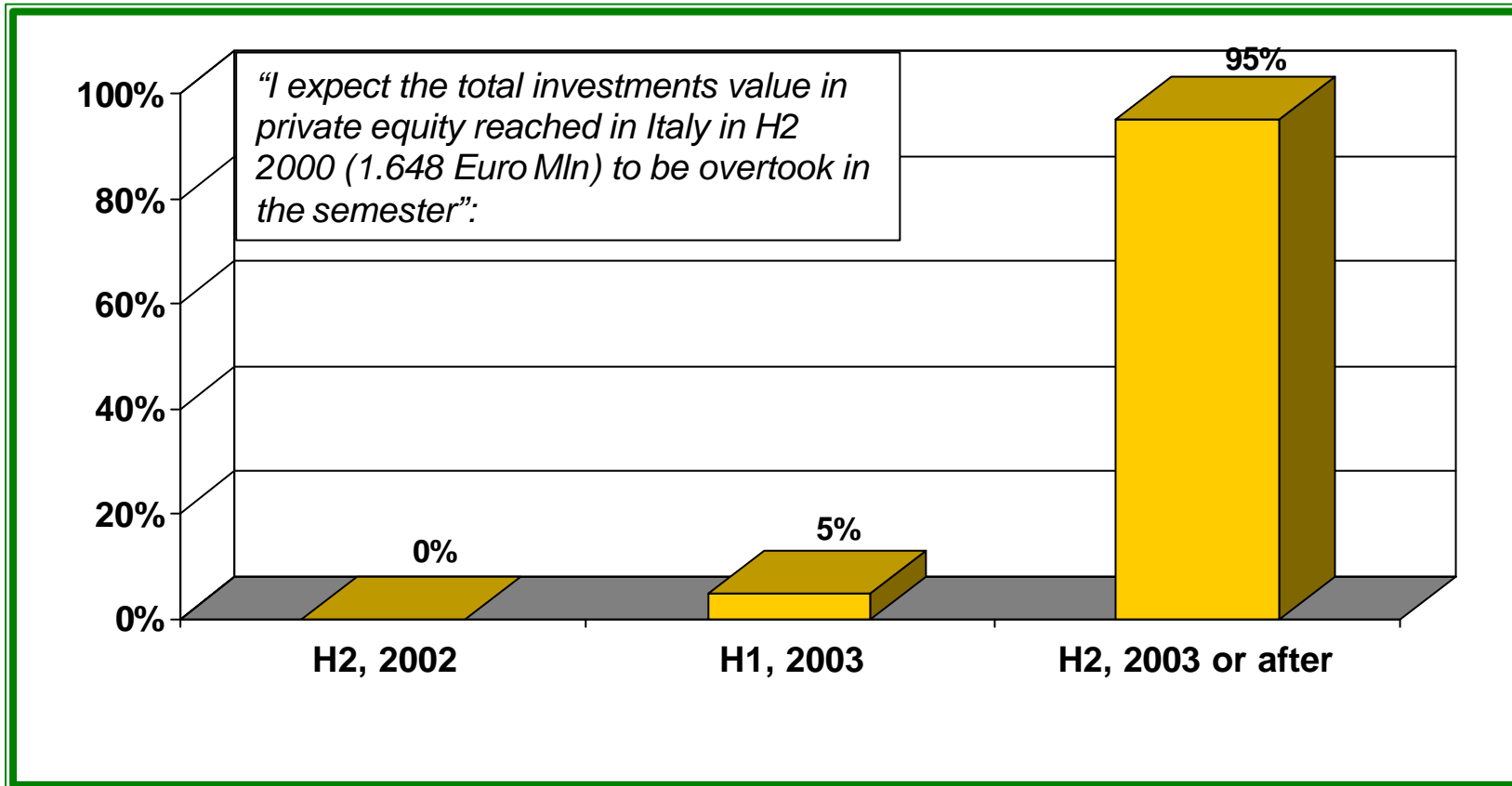
\* Management companies regulated by the Italian law

## 2002: Stage distribution of investments (amount) by type of investors



\* Management companies regulated by the Italian law

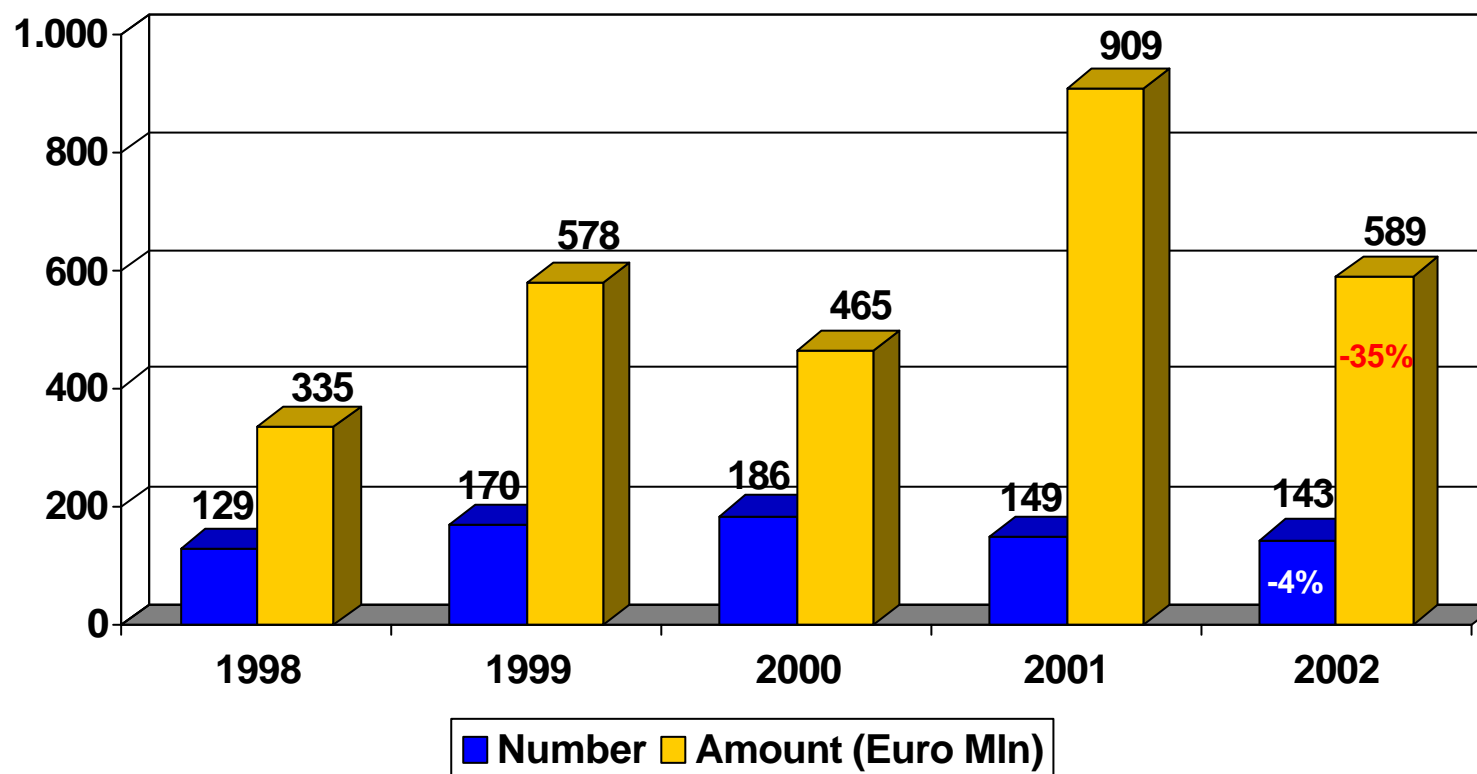
## Investors expectations



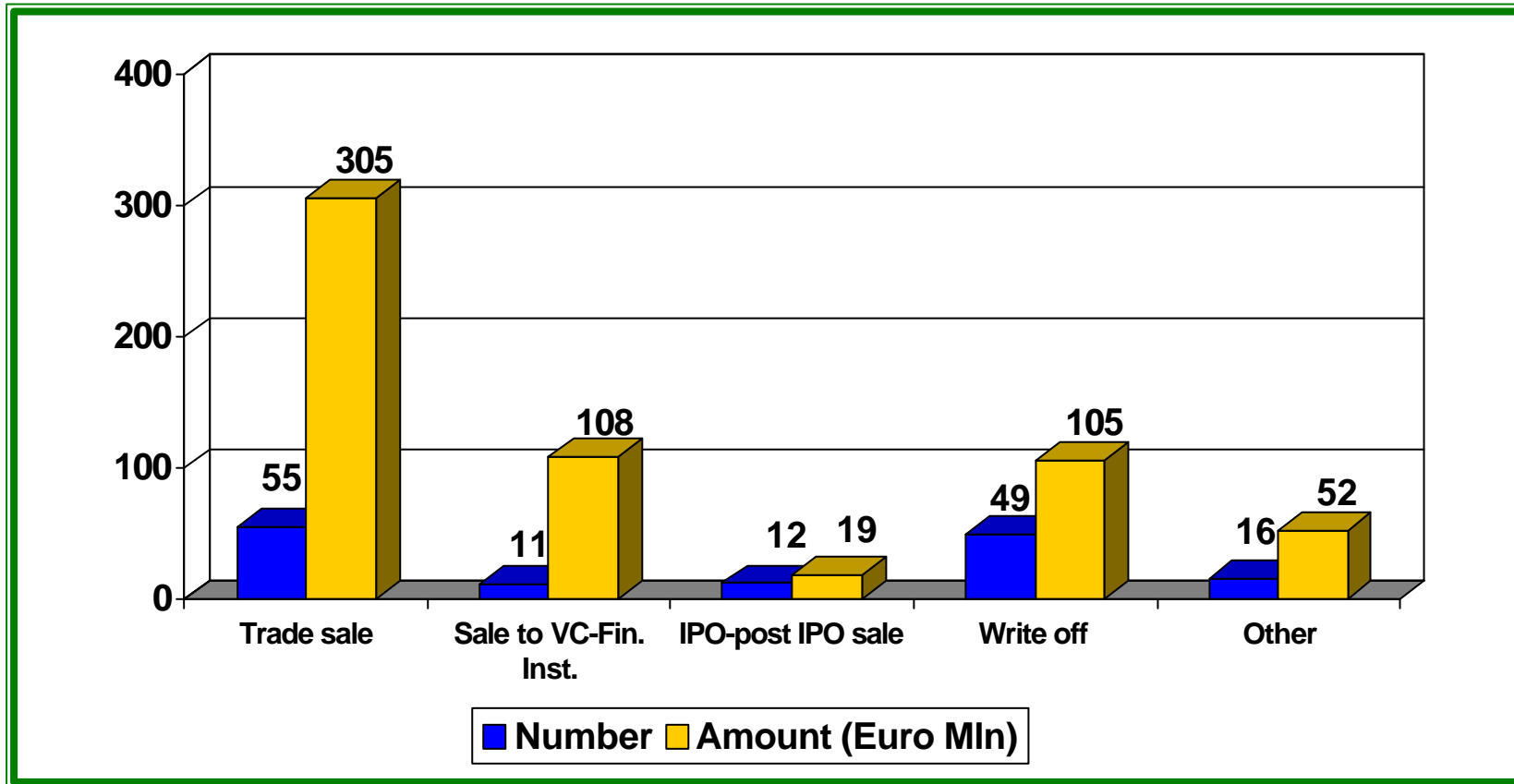
Source: Deloitte & Touche Corporate Finance, “Italy Private Equity Confidence Survey”

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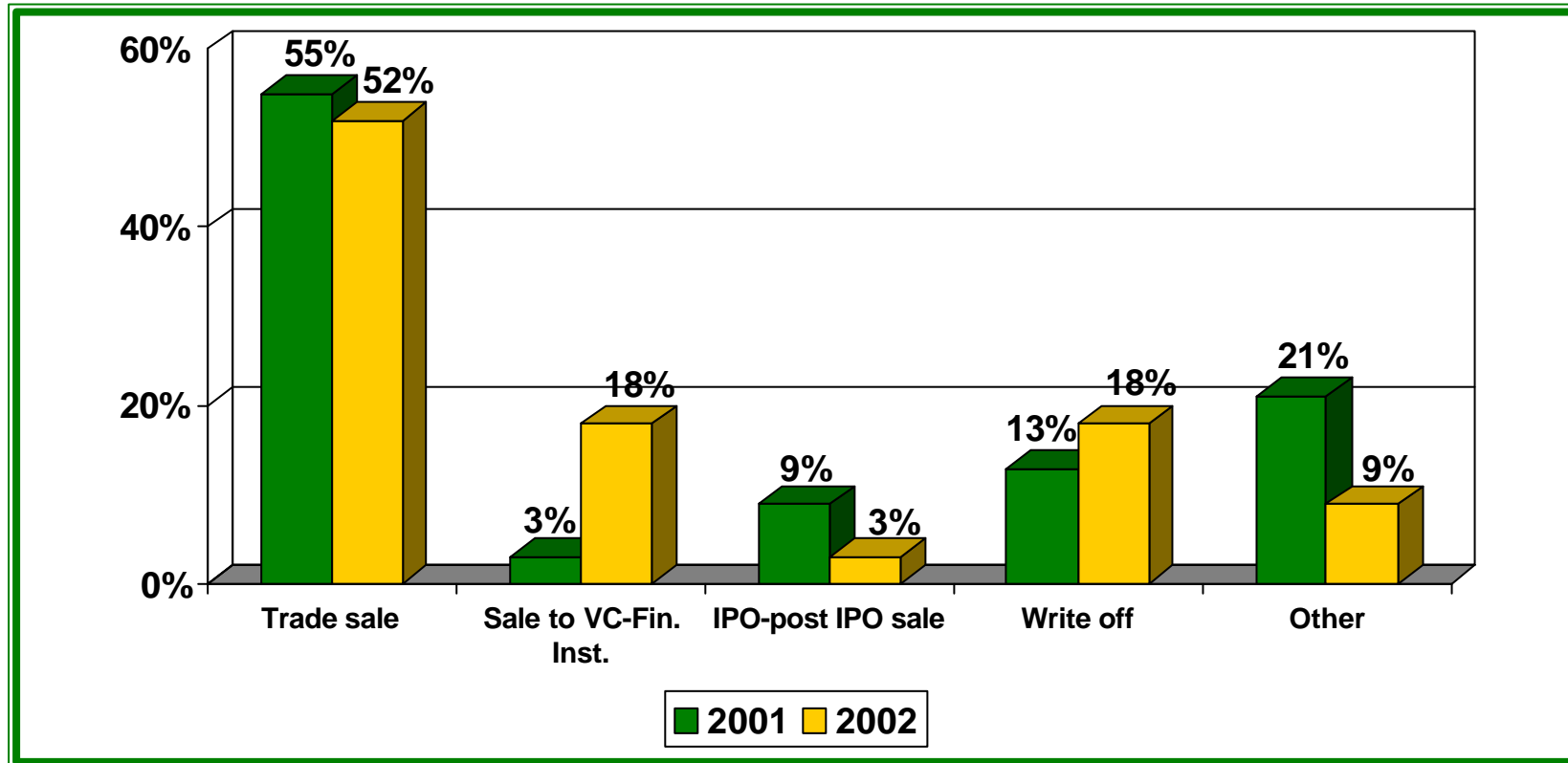
## Divestment activity by number and amount (at cost)



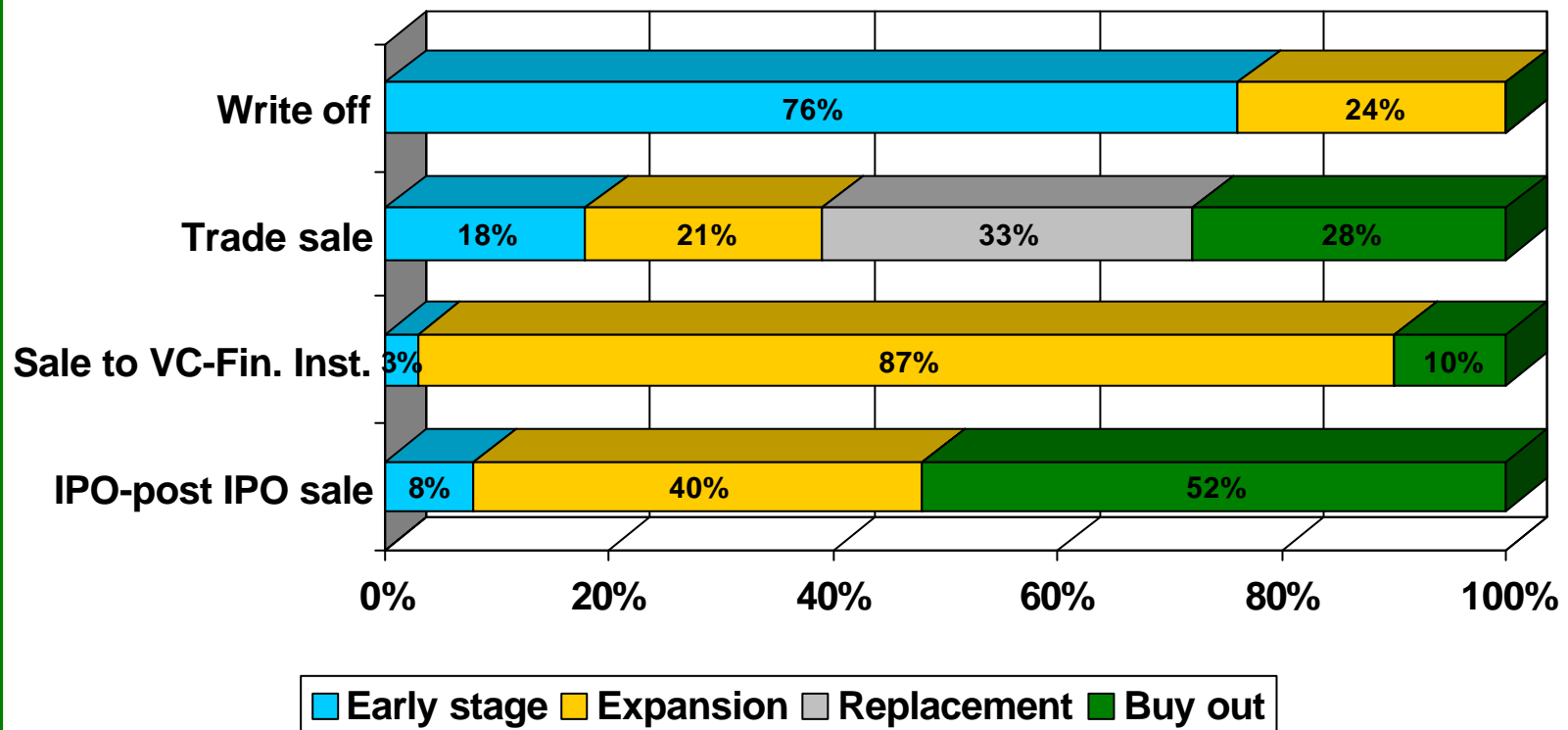
## 2002: Distribution of divestments by number and amount



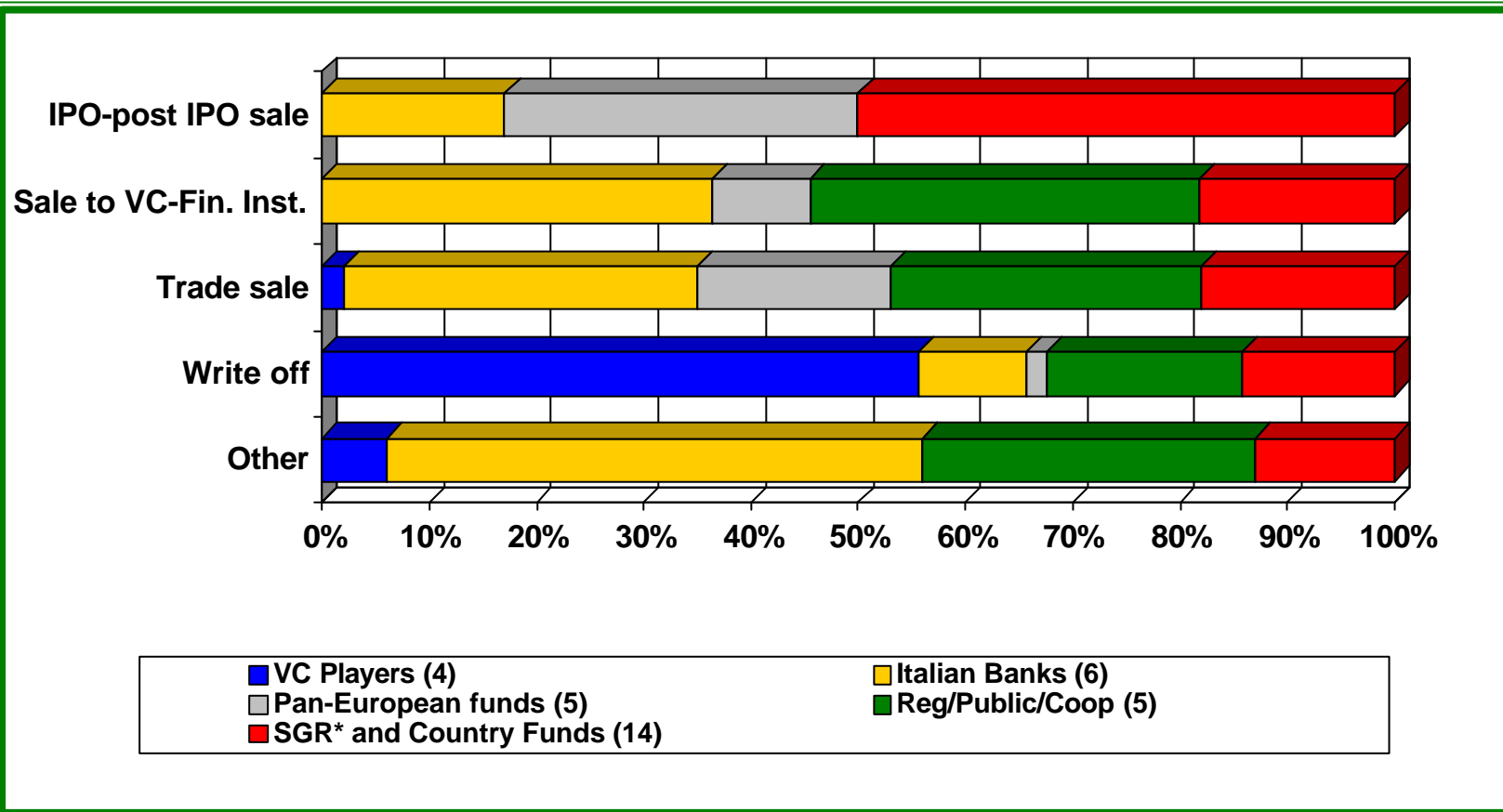
## 2001 – 2002: % distribution of divestments by number



## 2002: Divestments distribution of initial investments

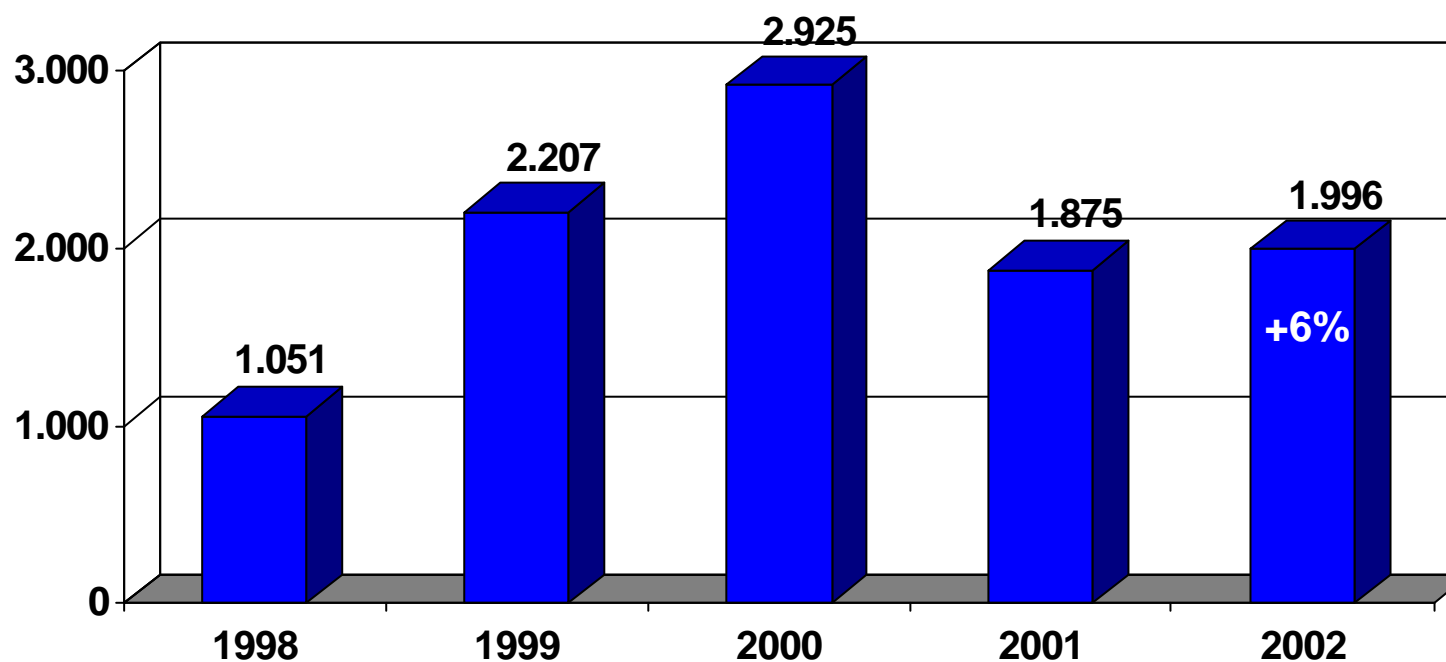


## 2002: Stage distribution of divestments (number) by type of investors




\* Management companies regulated by the Italian law

## Annual fund raising activity (Euro Mln)\*

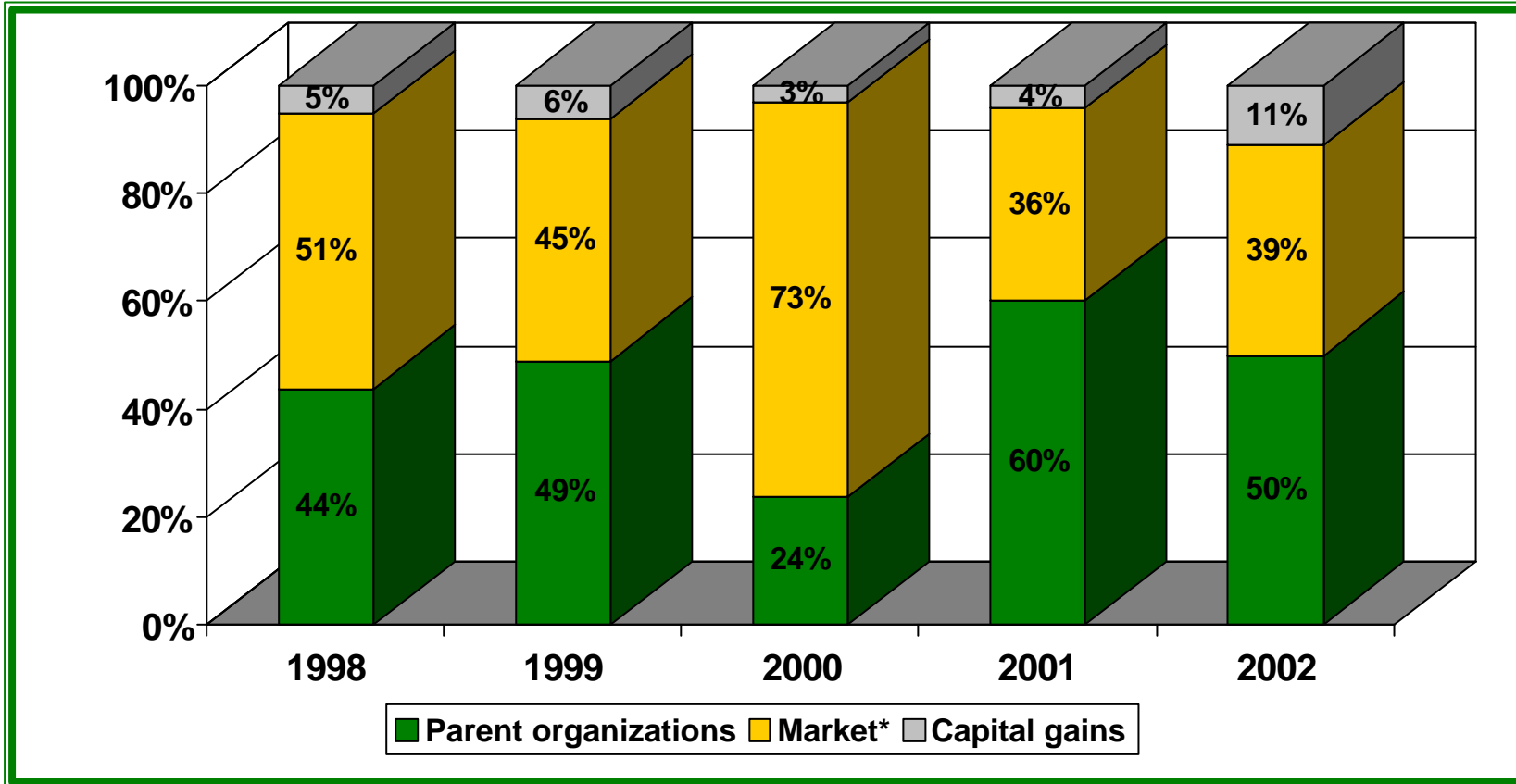


\* Pan-European funds not included

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## Sources of total new funds

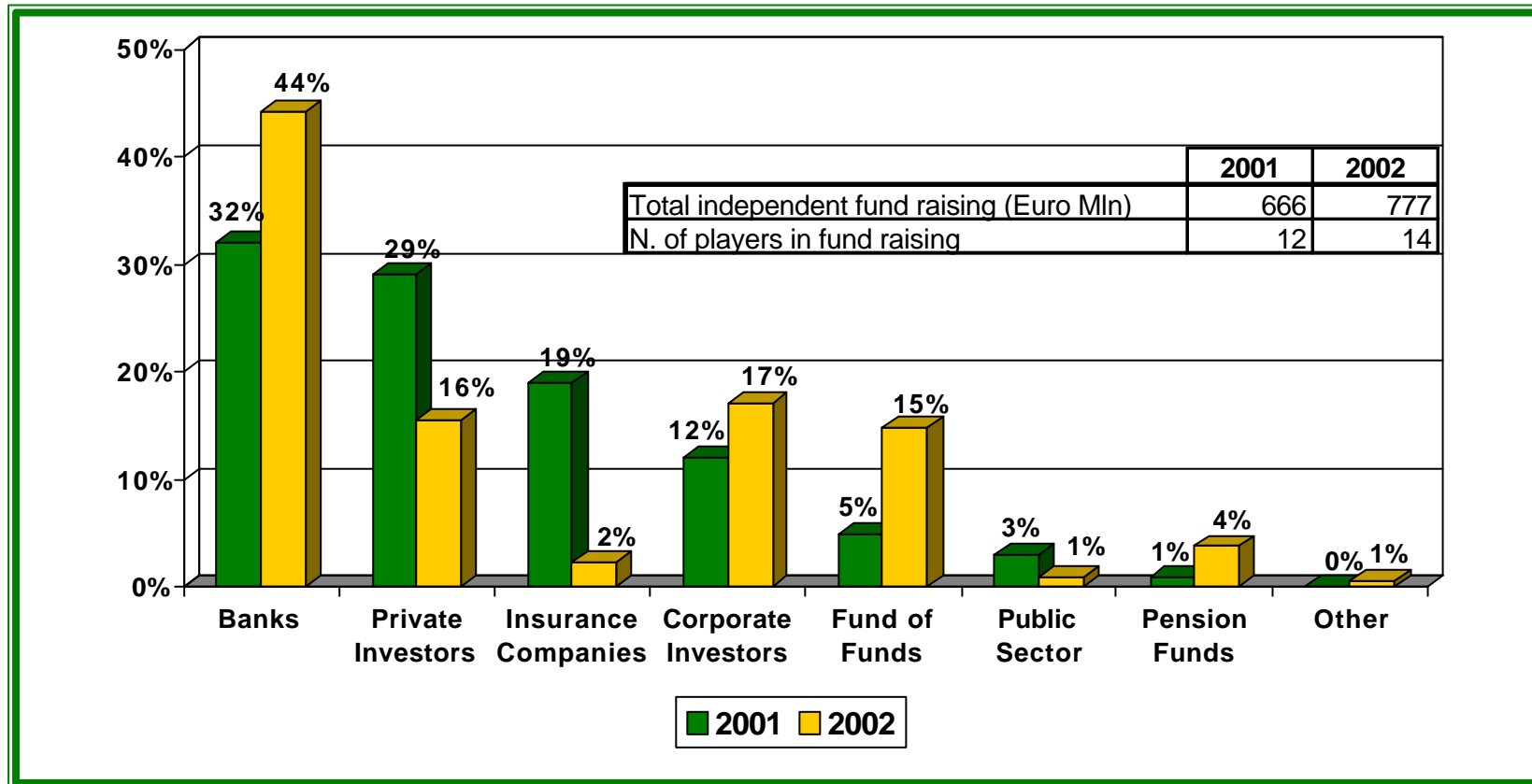


\* New funds raised by local players

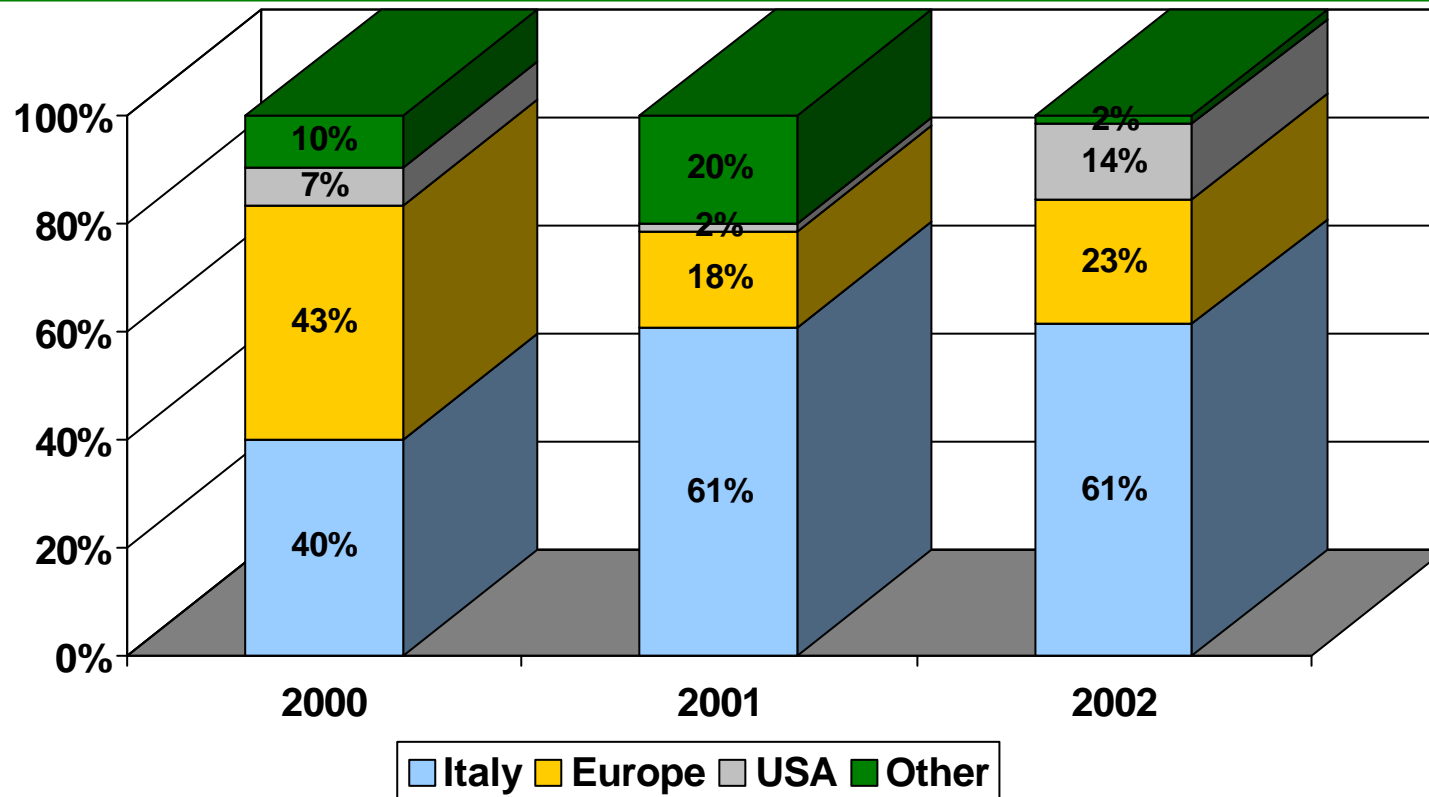
**A.I.F.I.**

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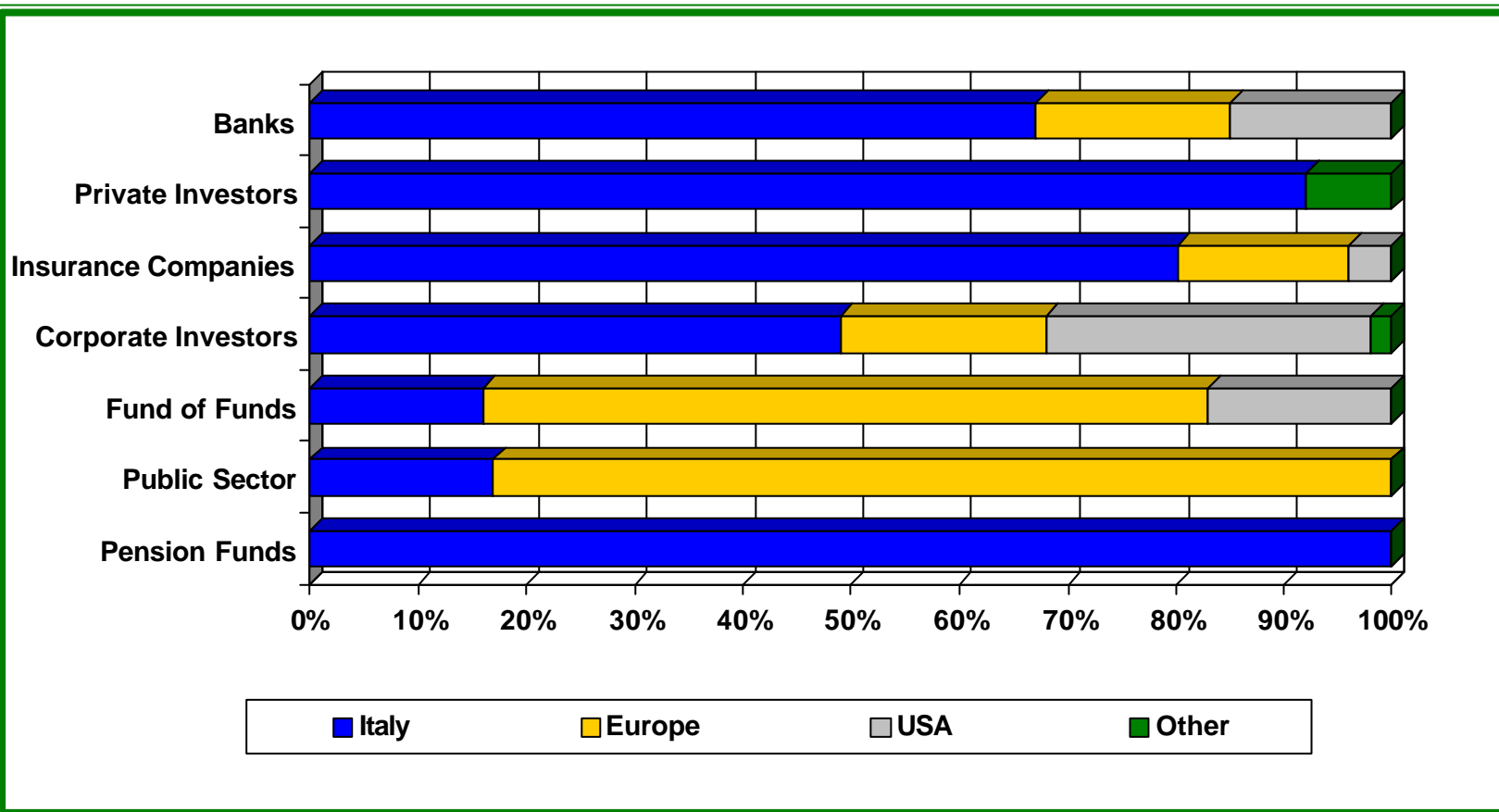
## 2001 – 2002: Sources of new funds raised on the market by %



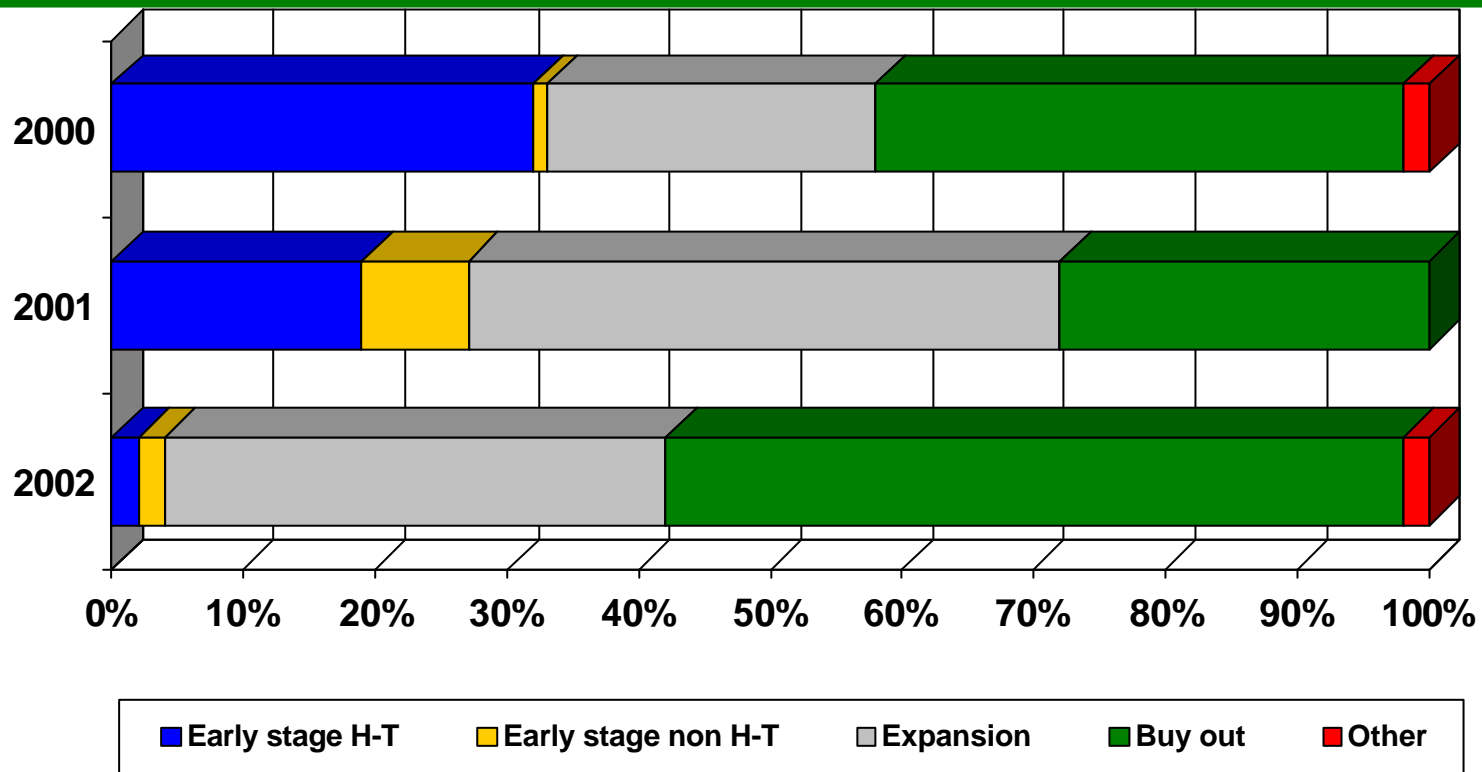
## Geographical breakdown of funds raised on the market



## 2002: Geographical and by source distribution of new funds



## Fund raising target



## Industry performance: the analysis methodology

### ***Gross IRR on Realised Investments (EVCA 1<sup>st</sup> Level)***

- ✓ It is the average annual return (IRR);
- ✓ it is calculated using invested (cash in) and divested (cash out) amounts without considering tax, fee and carried interest (Gross);
- ✓ it considers only investments at least divested for 30% of the cost of equity investment and for at least 80% of the participation value, in case of write off (Realised Investments).

The sample does not consider public players.

**Industry performance:**  
**Average annual Gross IRR by year**

	2002	2001	2000	1999	1998
Number of divestments	62	69	78	58	51
Gross IRR	34,9%	34,2%	47,1%	36,2%	30,1%

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ABCD

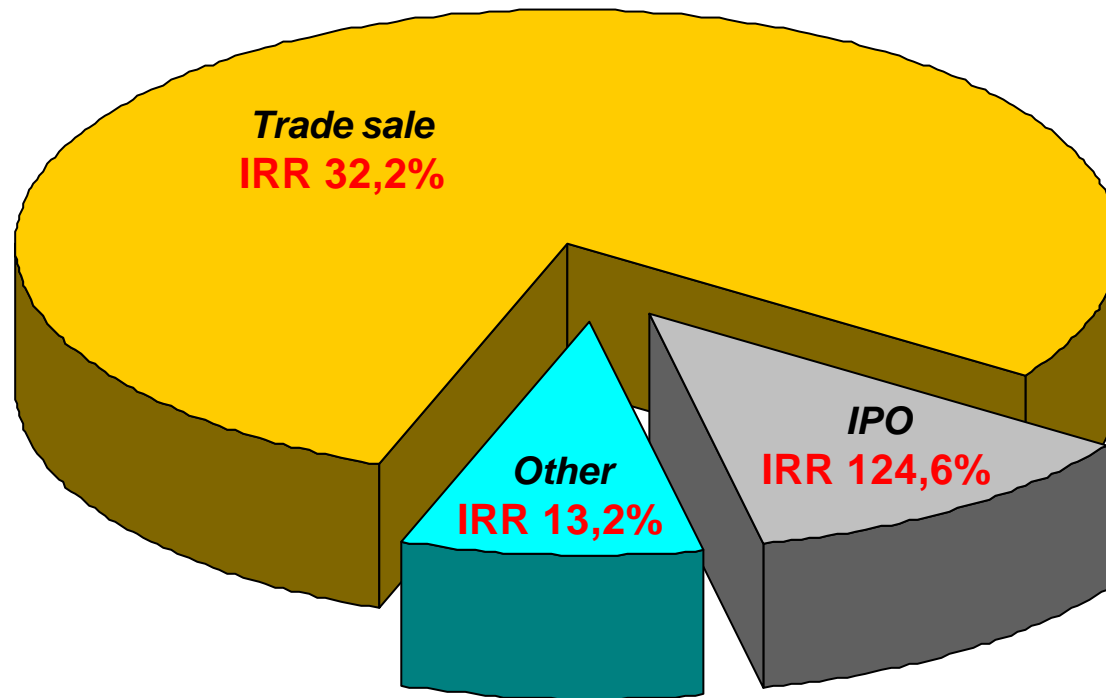
**Industry performance:**  
**Gross IRR distribution**

	2002		2001	
	Number	%	Number	%
Write off	12	19,4%	17	24,6%
0%-10%	16	25,8%	20	29,0%
10%-30%	17	27,4%	11	15,9%
30%-50%	6	9,7%	7	10,1%
50%-100%	4	6,5%	6	8,7%
100%-500%	5	8,1%	4	5,8%
>500%	2	3,2%	4	5,8%
<b>Total</b>	<b>62</b>	<b>100,0%</b>	<b>69</b>	<b>100,0%</b>

**A.I.F.I.**

ABCD

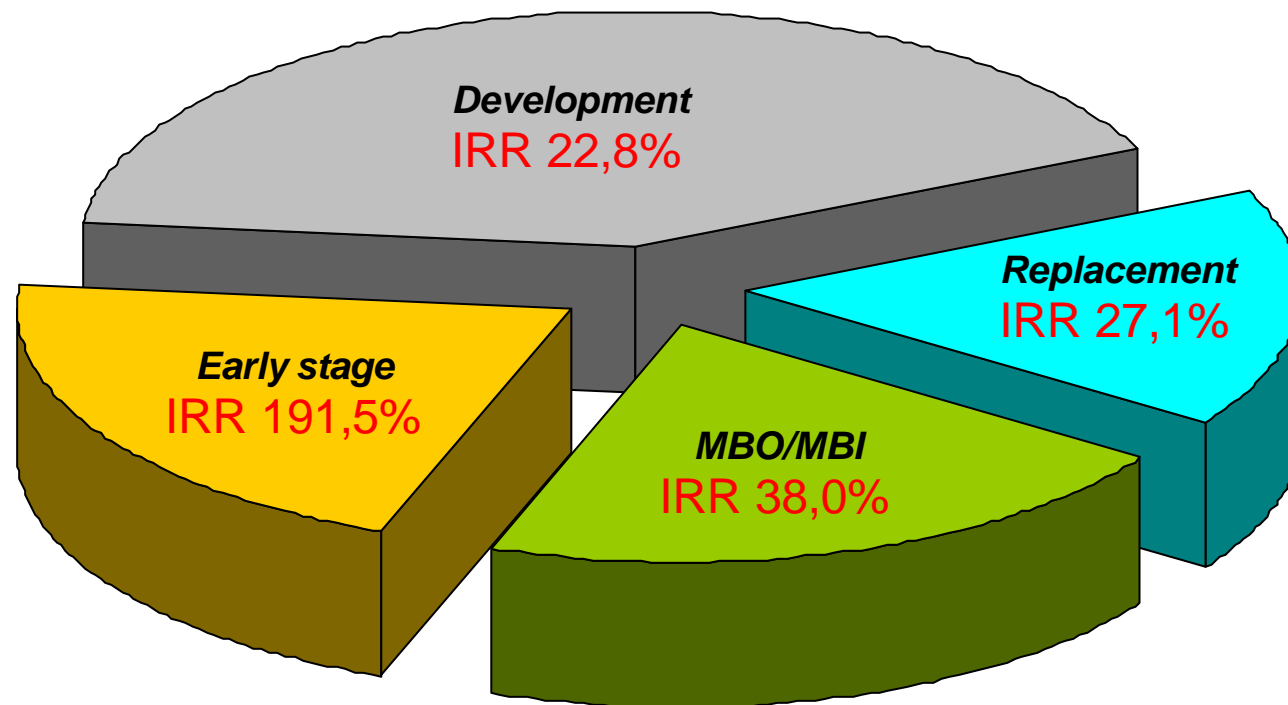
**The performance:**  
**2002 Gross IRR by way out**



**A.I.F.I.**

ABCD

**The performance:**  
**2002 Gross IRR by investment stage**



**A.I.F.I.**

ABCD

## The industry performance since 1986

	1986 - 2002
N. of companies that realized at least one divestment	37
N. of divestments	450
Average investment dimension (Euro Mln)	3,5
Total Cash out (Euro Mln)	1.596
Total Cash in (Euro Mln)	3.642
<b>Gross IRR</b>	<b>31,5%</b>

**A.I.F.I.**

ABCD