Impact of the Financial Crisis

Evolution of Private Equity Activity in EBRD Region

January 2007 - June 2009
Methodology

• This presentation focuses on the impact of the global financial crisis on private equity activity in the EBRD region

• The time horizon spans from January 2007 through June 2009 (30 months)

• Dynamics of key private equity indicators is calculated as an index (assuming 1H 2007 as 100%); percentage changes accompanying graphs reflect period-on-period evolution of an indicator

• Where actual numbers are used for representation, EUR is the base currency

• Calculations are based on fund closing dates, rather than vintage year

• For absolute figures of private equity activity in 2007-2008, please refer to our earlier performance presentations
EBRD in Private Equity

- EBRD’s portfolio of funds: over 15 years of investing in the asset class
  - 119 funds
  - 79 fund managers
  - EUR 2.52 billion in commitments (USD 3.03 billion) to funds with capital of EUR 12.98 billion (USD 16.22 billion)
  - Over 1,000 underlying investments, up to 70% exited
- Largest PE Fund investment program dedicated to the region*

*EBRD tracked portfolio only, data to June 2009
EBRD Database

- Best available sample of PE performance in central and south east Europe (CSE) and Russia and CIS
- Tracks all “gross” investments made by a basket of EBRD invested funds as well as “net” returns to EBRD (“tracked portfolio”)
- Measured in EUR
- Obligatory reporting by fund managers, scrutinised by EBRD
  - Reflects comprehensive performance
  - No “survivor bias” resulting from only best fund managers reporting
Fundraising and Investment Trends for EBRD tracked portfolio
Fundraising vs Investments: EBRD Region

Note: EBRD tracked portfolio only
Fundraising vs Investments in CSE

Note: EBRD tracked portfolio only

© EBRD 2009, all rights reserved
Fundraising vs Investments in Russia/CIS

Note: EBRD tracked portfolio only
Fundraising by Fund Investment Stage, EBRD Region

Note: based on EUR amount of commitments, EBRD tracked portfolio only
Fundraising by Fund Investment Type, EBRD Region

Note: based on EUR amount of commitments; EBRD tracked portfolio only
New EBRD Commitments by Fund Investment Stage: Regional Perspective, 2007 – 1H 2009

Note: EBRD tracked portfolio only
Evolution of New Investments and Exits in EBRD region (by number of transactions)

Note: EBRD tracked portfolio only
Evolution of New Investments vs Exits (by variation over previous period)

Note: based on EUR amounts; EBRD tracked portfolio only
Evolution of New Investments: Regional Breakdown (by variation over previous period)

Note: based on EUR amounts; EBRD tracked portfolio only
New Investments by Stage (by investment cost)

Note: EBRD tracked portfolio only
New Investments by Sector (by investment cost)

<table>
<thead>
<tr>
<th>Sector</th>
<th>2007</th>
<th>2008</th>
<th>1H 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>7.32%</td>
<td>13.83%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>4.5%</td>
<td>10.23%</td>
<td>2.33%</td>
</tr>
<tr>
<td>Pharma &amp; Medical</td>
<td>17.1%</td>
<td>15.52%</td>
<td>12.62%</td>
</tr>
<tr>
<td>Consumer, Wholesale/ Retail</td>
<td>9.94%</td>
<td>10.27%</td>
<td>20.02%</td>
</tr>
<tr>
<td>TIM</td>
<td>41.41%</td>
<td>19.68%</td>
<td>21.14%</td>
</tr>
<tr>
<td>Services</td>
<td>19.73%</td>
<td>30.47%</td>
<td>43.89%</td>
</tr>
</tbody>
</table>

Note: other sectors include agriculture & forestry, primary & energy, and manufacturing; EBRD tracked portfolio only
<table>
<thead>
<tr>
<th>Sector</th>
<th>2007</th>
<th>2008</th>
<th>1H 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>8.54%</td>
<td></td>
<td>7.14%</td>
</tr>
<tr>
<td>Other</td>
<td>13.41%</td>
<td>18.57%</td>
<td>25.81%</td>
</tr>
<tr>
<td>Pharma &amp; Medical</td>
<td>9.76%</td>
<td>10.0%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Consumer, Wholesale/ Retail</td>
<td>15.85%</td>
<td>14.29%</td>
<td>12.9%</td>
</tr>
<tr>
<td>TIM</td>
<td>25.61%</td>
<td>17.14%</td>
<td>29.03%</td>
</tr>
<tr>
<td>Services</td>
<td>26.83%</td>
<td>32.86%</td>
<td>19.35%</td>
</tr>
</tbody>
</table>

Note: other sectors include agriculture & forestry, primary & energy, and manufacturing; EBRD tracked portfolio only.
Investment Profitability by Exit Type

Note: investment profitability is the difference between exit proceeds and investment cost; EBRD tracked portfolio only.
Returns Data & Trends
Gross Snapshot: All Funds (since inception to 1H 2009)

Investments at Cost
EUR 6,641m

EUR 3,405m
EUR 2,842m
EUR 395m

EUR Millions

Fully Realised (Including WO)
Partially Realised
Unrealised

Overall 1.57x 17.19%
FR 2.23x 20.46%
PR 2.41x 23.9%
UR 0.92x -4.3%

EUR 6,331m
EUR 951m
EUR 3,116m

Total Value
EUR 10,398m

Note: EBRD tracked portfolio only

© EBRD 2009, all rights reserved
## Summary of Returns, 2007 – 1H 2009

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>1H 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IRR</td>
<td>TVPI</td>
<td>IRR</td>
</tr>
<tr>
<td>Fully realised</td>
<td>20.29%</td>
<td>2.19</td>
<td>20.87%</td>
</tr>
<tr>
<td>Partially realised</td>
<td>32.29%</td>
<td>3.77</td>
<td>27.15%</td>
</tr>
<tr>
<td>Unrealised</td>
<td>22.94%</td>
<td>1.56</td>
<td>-2.89%</td>
</tr>
<tr>
<td>Overall</td>
<td>21.5%</td>
<td>2.0</td>
<td>18.15%</td>
</tr>
</tbody>
</table>

*Note: in EUR, EBRD tracked portfolio only*
Evolution of Returns

Note: Number of investees reflect unrealised investments including partially realised; EBRD tracked portfolio only.
Geographical Origin of LPs

Note: based on EUR amount of commitments; EBRD tracked portfolio only
Evolution of Funds Raised by Investor Type, 2007-1H 2009

Note: based on EUR amount of commitments; EBRD tracked portfolio only
Definitions

• **Fund Investment Stage**: seed/start-up, growth/expansion, buyout, and other.

• **Fund Investment Type**: venture capital, private equity, mezzanine, distressed/special situations, and other.
EBRD Region

- **CEE Countries** – Estonia, Czech Republic, Hungary, Latvia, Lithuania, Poland, Slovak Republic, Slovenia

- **SEE Countries** – Albania, Bosnia & Herzegovina, Bulgaria, Croatia, FYR Macedonia, Kosovo, Montenegro, Romania, Serbia, Turkey

- **CIS Countries** – Armenia*, Azerbaijan, Belarus*, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russian Federation, Tajikistan*, Turkmenistan, Uzbekistan*, and Ukraine

- **CSE Countries** – countries included in CEE & SEE lists as shown above

* There are no fund sub-investments in these countries as of end June 2009
This material is for the recipient’s private information. No part of this document may be reproduced or transmitted in any form or by any means, including photocopying and recording, without the written permission of the Bank. Such written permission must also be obtained before any part of this publication is stored in a retrieval system of any nature. While the information contained herein was compiled by the EBRD, we do not guarantee its accuracy or completeness. We accept no liability in relation to use of this information. Copyright 2009 European Bank for Reconstruction and Development. All rights reserved.