

News Release**CEE Private Equity Shows Robust Growth in Fundraising and Exits**

July 7, 2011 – European Private Equity and Venture Capital Association (EVCA) today published a special paper “Central and Eastern Europe (CEE) Statistics 2010” edited by EVCA’s Central and Eastern Europe Taskforce. This document provides annual activity statistics for the private equity and venture capital markets of CEE for 2010.

Private equity and venture capital funds focused on Central and Eastern Europe attracted €645m of new funds for investment into companies in the region during 2010, up more than 60% as compared to the previous year. This was mainly driven by venture and growth capital focused funds. By comparison, fundraising in Europe as a whole increased only 13% in 2010.

In terms of exits, private equity firms in the region enjoyed a relative bonanza in 2010, following a couple difficult years during the financial crisis. The value of divestments (at investment cost) grew by nearly 130% to €300m. Corporate acquirers accounted for the largest portion of buyers, making up around 40% of exits by value in 2010.

On the investment side, due to an absence of large and mega buyouts registered in 2009, the year 2010 showed a drop in private equity investments value to a level of €1.3bn from nearly €2.5bn in 2009. However, the number of companies obtaining private equity and venture capital investment in the region increased by nearly 30% in 2010, with 160 investments, mainly driven by venture capital deals (up 61% on 2009) and growth capital transactions (up 38% on 2009). Although the number of buyouts fell by 13%, buyout investments represented more than half of the total investment value across the region in 2010.

Investment activity in 2010 was highly concentrated in six countries: Poland, the Czech Republic, Romania, Ukraine, Bulgaria and Hungary. Together, they accounted for 94% of the total CEE private equity investment value in 2010 and 68% of the total number of companies financed.

Poland was by far the largest private equity investment market in CEE, accounting for more than half of the total amount invested in the region. It attracted €657m of investment, more than twice the amount invested in Poland in 2009. The Czech Republic (€193m), Romania (€119m) and Ukraine (€96m) came next in the investment ranking in 2010.

Robert Manz, chairman of EVCA’s Central and Eastern Europe Task Force, said:

“In 2010, Central and Eastern Europe private equity showed its resilience with increased investor interest in new fundraisings and the re-awakening of the exit market. Investment levels were strong despite the lack of large sized buyout transactions seen in the previous year. Firms across the region

■ **Emerging Europe Growth Fund II**

■ **Emerging Europe Growth Fund**

Western NIS Enterprise Fund

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clearly notched up their activity on all fronts, a dynamic that continues throughout 2011. Expect the convergence play of CEE to re-emerge as a central theme for those active in this geography.”

Dorte Höppner, Secretary General of EVCA said:

“The Central and Eastern Europe region demonstrates how private equity and venture capital can be a major provider of finance for SMEs across Europe. The role of venture capital and smaller buyouts in facilitating growth and development in the region should be a clear message to EU policymakers about the importance of nurturing all forms of SME finance.”

Natalie Jaresko, Horizon Capital’s Founding Partner and CEO, commented:

“This report is good news for the regional PE market since it shows positive dynamics on both fundraising and exits. Though the value of investments is lower, the number of companies that received private equity backing has grown. Given the size of the economies in the region, the opportunities for private equity are still very attractive, and the potential is immense. We are proud to be part of EVCA’s Central and Eastern Europe Task Force effort aimed at the development and promotion of private equity and venture capital in CEE.”

European Private Equity and Venture Capital Association (EVCA) www.evca.ua

EVCA is the voice of European private equity and venture capital. We promote the interests of our more than 1,200 members, to ensure they can conduct their business effectively. EVCA engages policymakers and promotes the industry among key stakeholders, including institutional investors, entrepreneurs and employee representatives. EVCA develops professional standards, research reports and holds professional training and networking events. EVCA covers the whole range of private equity, from early-stage venture capital to the largest buyouts.

Horizon Capital (www.horizoncapital.com.ua) is a private equity fund manager that originates and manages investments in mid-cap companies with outstanding growth and profit potential in Ukraine, Moldova and the region. Currently, Horizon Capital manages three funds, Emerging Europe Growth Fund II (EEGF II), Emerging Europe Growth Fund (EEGF) and Western NIS Enterprise Fund (WNISEF), with over \$600 million under management.

Horizon Capital is a full member of European Private Equity and Venture Capital Association (EVCA), and is a member of EVCA’s Central and Eastern Europe Task Force.

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