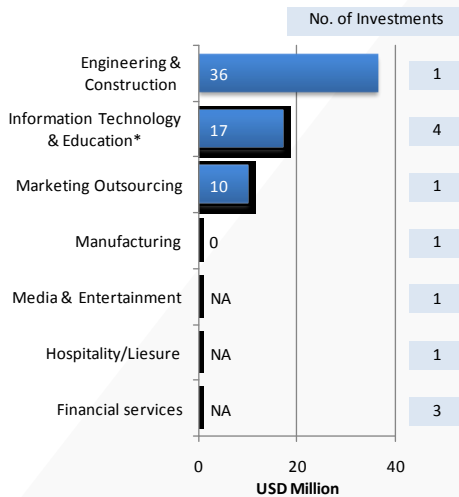




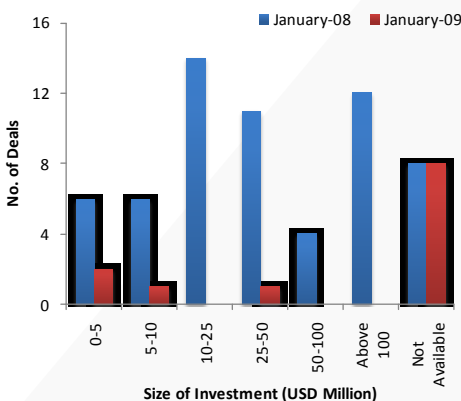
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PE Investment by Sector for Jan2009

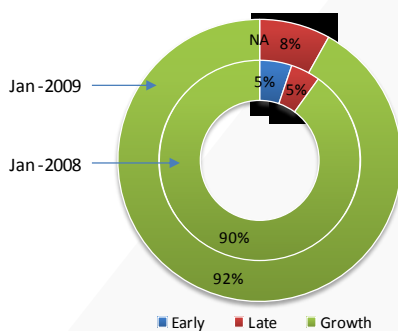


Note: This includes Intel Capital's USD13 Million investment in undisclosed proportion

PE Investments Distribution of Investments by Deal Size



PE amount invested by Stages in Jan 2008 and 2009



Note: Out of a total USD63.5 Million of Indian PE investments in Jan '09 Intel Capital invested in USD13.0 Million in an undisclosed proportion between Early and Late Stages. As a result the Jan'09 pie-chart considers only USD50.5 Million investment.

INDIAN PERSPECTIVE

- ▶ The drastic slowdown in PE activity was evident last month with the number of deals dropping to low teens and investments falling to less than USD100.0 Million from the level of over 60 deals and USD3.0 Billion PE investment in January 2008.
- ▶ Large buyout funds may now look at alternative investment strategy that might benefit growth markets in Asia. Asia-focused funds raised close to USD2.0 Billion in January 2009.

Indian Market Developments

- ▶ Citigroup Venture Capital International (CVCI) acquired a 17.7% stake in Hyderabad-based infrastructure company Coastal Projects for USD36.4 Million.
- ▶ Intel Capital, the investment arm of Intel Corp., invested USD23.0 Million in three Indian companies. IndiaMART.com, an online business-to-business marketplace, received an investment of USD10.0 Million while the remaining USD13.0 Million was allocated to One97 Communications Pvt. Ltd., a provider of value-added services such as ring tones and games for mobile phones, and Global Talent Track, a vocational educational institute.
- ▶ India-focused funds closed were NYLIM Jacob Ballas India Fund III at USD440.0 Million and the PE fund by realty arm of Kotak Mahindra Bank at USD295.0 Million. Aditya Birla Private Equity (ABPE) has started raising its first fund, which has India focus with a target of USD250.0 Million. Asia-focused funds closed were Standard Chartered IL&FS Asia Infrastructure Growth Fund at USD568.0 Million and LGT Capital Partners' Asia Pacific-focused vehicle at USD373.0 Million.
- ▶ FIPB has approved two PE proposals. These include acquisition of 60% stake in HBS Realtors by IL&FS Investment Advisors, the Mauritius-based private equity arm of IL&FS, for INR3.0 Billion. The other deal involves foreign entities of PE firm Sun Apollo which plan to buy a 49% stake in Keystone Realtors for INR3.0 Billion.

Newsmakers

- ▶ Canaan Partners has promoted its India head Alok Mittal to General Partner and Bessemer Venture Partners (BVP) has promoted Vishal Gupta to the position of director of Mumbai-based BVP India.
- ▶ Abraaj Capital has appointed Narayanan Rajagopalan and Ahmed Badreldin as executive directors. Anil Ahuja has joined 3i as head of its Asia operations.

Major PE Investments in January 2009

Company Name	Sector	Amount (USD Million)	Investors	% Stake	Investment Stage
Coastal Projects Pvt. Ltd.	Eng. & Construction	36.4	CVC International	18.0	Late
One97 Communications	Technology /ITeS	23.0	Intel Capital	N.A.	Growth
IndiaMART.com	Marketing Outsourcing			N.A.	Late
Global Talent Track	Education			N.A.	Early
Appnomic Systems	Technology/ITeS	4.1	Norwest Capital Partners	N.A.	Growth
Mayfair Hotels & Resorts	Hospitality/Leisure	N.A.	State Bank of India	20.0	Late
Bombay Stock Exchange	Financial services	N.A.	Aditya Birla Group PE	N.A.	Late

The Deal Room

- ▶ The RPG Group plans to seek PE investments to fund the expansion of the retail business of its brand Spencer. The company has estimated an investment of INR20.0 Billion to be spread over the next two years.
- ▶ Sona Koyo Steering Systems, an automotive component maker, has approached PE investors to raise close to USD100.0 Million for partly financing its expansion and acquisition plans.
- ▶ South Asian Petrochem Limited is looking for PE partners for its new subsidiary Dhunseri Polycarbonate which is setting up a INR2.5 Billion project in Haldia.
- ▶ Navis Capital Partners, a majority stakeholder in Nirula's, has appointed NM Rothschild as advisor for the planned sale of the Delhi-based fast-food chain. Vakow, a Mumbai-based mobile startup (for SMS forwards) that received seed funding from Rediff, is looking for a potential buyer.

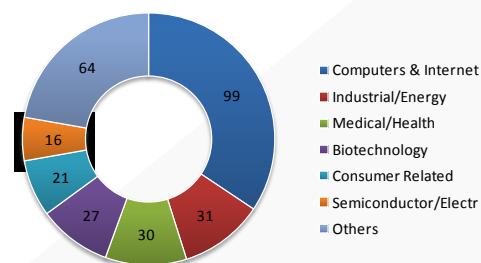
GLOBAL PERSPECTIVE

- ▶ Fresh fund closures crossed USD33.0 Billion in January 2009. This included 3i's USD13.7 Billion investment and CVC's funding of EUR11.0 Billion. North America accounted for 56% of closures, while Europe covered 37% and Asia 5%.
- ▶ PE firms across the globe are feeling the heat of the slowdown, evident from the job cuts and portfolio company troubles.

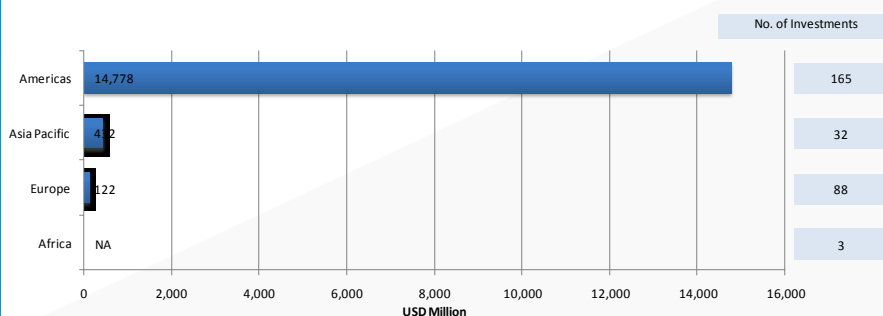
Global Market Developments

- ▶ Symptoms of stress showed up in PE firms with American Capital and Cerberus cutting staffing levels and office infrastructure. Portfolio companies of Cognetas had to review their finances, 3i companies broke banking covenants and one of Candover companies, Ferretti defaulted on its debt to RBS.
- ▶ According to a survey of limited partners conducted by Almeida Capital, a UK-based placement agent for private equity, regions such as India, China, and Central & Eastern Europe are looking most attractive in the current market environment.
- ▶ Harvard University's endowment fund decided against its USD1.5 Billion of stakes in PE funds as there are number of sellers in this segment in the PE Secondaries markets and offers were too low to be considered.
- ▶ A bill recently introduced in the U.S. Senate that would require hedge funds with assets greater than USD50.0 Million to register with SEC, if passed, would apply to PE and VC funds as well.

PE Investments (Number of deals) by Sector in Jan 2009



Distribution of Investments by Region in Jan 2009

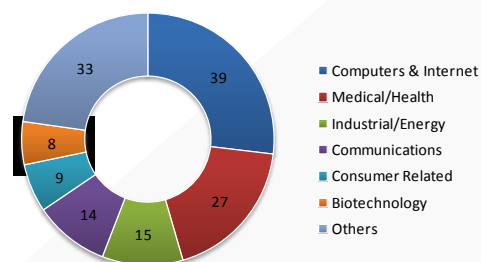


Major PE Investments in January 2009

Date	Company Name	Company Nation	Sector	Amount (USD Million)	Investors	Status
02 Jan '09	IndyMac ABS, Inc.	United States	Financial Services	13,900.0	J.C. Flowers & Co. LLC, MSD Capital L.P., Undisclosed firms	Pending Acquisition
28 Jan '09	Novafora, Inc.	United States	Computer Hardware	255.6	Gemini Capital Fund Management, Ltd., Vertex Management Israel	Acquisition for Expansion
30 Jan '09	Flagstar Bancorp, Inc.	United States	Financial Services	255.3	MatlinPatterson Asset Management LLC, Management	LBO
19 Jan '09	STel Communication, Ltd.	India	Communications	225.0	Millennium Private Equity, Undisclosed firm	Pending Acquisition
13 Jan '09	Pelican Products, Inc.	United States	Manufacturing	200.0	Behrman Capital	Acquisition for Expansion
12 Jan '09	Aladdin Knowledge Systems, Ltd.	Israel	Computer Software	160.0	Vector Capital	Pending Acquisition
06 Jan '09	NetVersant Solutions, Inc.	United States	Communications	130.0	Undisclosed Firm	LBO
16 Jan '09	Wallenborn Transports SA	Luxembourg	Transportation	66.4	AFINUM Management GmbH, Individuals	LBO
27 Jan '09	Centerplate, Inc.	United States	Consumer Related	52.5	Kohlberg & Company	LBO
15 Jan '09	Century Payments, Inc.	United States	Other	50.0	Austin Ventures, L.P.	Acquisition for Expansion

Global Leaders - An Overview of the Top 50 Global PE Firms

Number of Investments by Sector (Nov '08-Jan '09)



- ▶ Only 36 of the top 50 firms made investments during the period November 2008 to January 2009. Warburg Pincus LLC, New Enterprise Associates, Goldman Sachs & Co., Domain Associates LLC, The Carlyle Group and Oak Investment Partners were the most active firms with 8 or more deals in the quarter.
- ▶ TPG and GS Capital Partners have closed the largest private equity exit ever with the sale of wireless carrier Alltel to Verizon for USD28.0 Billion, making a profit of USD1.3 Billion on the exit.
- ▶ New Enterprise Associates which has investments in Juniper Networks Inc. and Salesforce.com Inc., has almost completed raising a USD2.5 Billion fund.
- ▶ PE firms TPG, CVC Capital Partners and Advent International are bidding against each other for a 45% cent stake in Caceis, a French custody business valued at EUR1.5-2.0 Billion.

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