



EUROPEAN
PRIVATE EQUITY &
VENTURE CAPITAL
ASSOCIATION

The voice of European private equity

Annual Report 2009

Private equity and venture capital

Building a better future for Europe



Table of Contents

From the Chairman	4
From the Secretary-General	6
Platforms	
→ Venture Capital	8
→ Mid Market	10
→ Large Buyout	11
→ Limited Partner	12
EU Policy	13
Professional Standards	14
Fundraising and Investor Relations	15
Taxation and Legal	16
Research	17
Governance and Platform Councils	18
Become a Member	19
Financial Statements 2009	20

EVCA is the voice of European private equity and venture capital

We promote and protect the interests of over 1,200 members, ensuring they can conduct their business effectively and so contribute to the European economic recovery.

EVCA engages EU policymakers and promotes the industry among key stakeholders, including institutional investors, entrepreneurs and employee representatives. EVCA develops professional standards, conducts pan-European research, and champions industry education and professional training.

EVCA covers the whole range of private equity, from early-stage venture capital to the largest buyouts.

Beyond AIFMD

FROM THE CHAIRMAN

The new structures and approaches that EVCA adopted in 2009 have allowed it to fulfill a wide ranging agenda in a very challenging year. Making these changes operational and effective has been one of my three priorities this year.



RICHARD WILSON
Chairman

In the face of the most radical regulatory overhaul in our history, one of the things of which I am most proud is the way that the European private equity and venture capital industry pulled together to engage in the debate around the proposed Alternative Investment Fund Managers' Directive. While there is still some way to go in the legislative process, there is no question that this combined effort will help protect European companies and entrepreneurs from disproportionate and damaging measures, and sustain the access to finance that will play such a crucial role in the European economic recovery.

A crucial component in the success of this exercise is the newly formed Public Affairs Executive (PAE), which was formed last year to lead our industry's engagement on the Directive. EVCA is an integral part of the PAE and provides resources and analytical and technical rigour that has given the industry such credibility in this debate. Importantly, by engaging with industry associations in the member states, this forum has, for the first time, allowed the whole industry to speak with one voice on pan-European government and regulatory issues. The PAE has proved itself operationally effective – the model works.

In realisation of the diverse nature of our industry, the other major governance change that was accomplished in 2009 was the empowerment of the industry platforms – Venture Capital, Mid Market and Large Buyout, plus the newly-formed Limited Partner platform. These different member constituents are now governed by independent Councils and have the mandate to set their own agenda with the EVCA secretariat, which is responsible for meeting those requirements.

The second priority of my chairmanship, which in my view is intrinsically linked with the public affairs work around the Directive, has been to tell our story with greater force and clarity. We have an industry of which we should all be proud, but for too long we have allowed our critics to frame the terms of the debate. From seed-capital to large buyouts, this industry is a driving force in the European economy. If we are closed and secretive and fail to engage with our critics, these important messages will not be heard. EVCA is dedicated to putting this message across to a wide array of stakeholders. Over the course of the year we have stepped up our engagement with the media, with trade unions, academics and politicians and through new initiatives such as the new realeconomyfuel.eu website. Crucially, we have also reached out to the CEO's of portfolio companies and to our limited partners.

In order for this to be successful, it has to be an ongoing initiative in which we all contribute. Such messages take time to permeate the public consciousness, and require an industry effort by the associations and individual firms alike. As Europe emerges out of a painful downturn, private equity has a critical role to play in its recovery.

By helping to explain the industry's role, adding value to our members' activities and intelligently engaging policymakers, we can ensure that the industry is appropriately regulated.

My third priority as chairman has been to deliver tangible value to members. In recent months we have conducted an extensive review of all our existing services, led by EVCA's new Chief Commercial Officer, Mark Roberts, to ensure they are timely relevant and get to the heart of member needs. The results from this review are now being developed and put into action. The experience afforded EVCA by virtue of its position in the EU, combined with the expertise volunteered by its members who sit on its Platform Councils and Committees, provide a formidable ally for all those active in the private equity industry.

Many thousands of professionals already take advantage of EVCA's many services, and over the course of this year, I urge you to take a closer look at just how EVCA can help enhance your business and your career.

My best wishes for success to you and your firms as we pull together to support Europe in its economic recovery.



Richard Wilson
Chairman

EVCA Board of Directors

Chairman

- Mr. Richard Wilson (Apax Partners)

Chairman-Elect

- Ms. Uli Fricke (Triangle Venture Capital Group)

Members

Venture Capital Platform Council

- Dr. Hendrik Brandis (Earlybird Venture Capital)
- Mr. Patrick Sheehan (Environmental Technologies Fund)
- Mr. Denis Lucquin (Sofinnova Partners)

Mid Market Platform Council

- Mr. Christopher Masek (IK Investment Partners)
- Mr. Carlo Mammola (Argan Capital Advisors)
- Mr. André-Xavier Cooreman (Sofinim)

Large Buyout Platform Council - Members of EPER

- Vincenzo Morelli (TPG Capital)
- Andrew Joy (Cinven)
- Jacques Garaïalde (KKR)

Limited Partners Platform Council

- Mr. Klaus-Björn Rühne (ATP Private Equity Partners)
- Ms. Marleen Groen (Greenpark Capital)
- Mr. John Holloway (European Investment Fund)

Secretary

- Mr. Javier Echarri (EVCA)

**“From seed-capital
to large buyouts,
this industry is
a driving force in the
European economy.”**

Fighting your Corner

FROM THE SECRETARY-GENERAL

EVCA is the largest private equity and venture capital member association in the world. Our raison d'être is to provide value to every one of our 1,200-plus member firms, located across Europe and beyond supporting their businesses throughout a variety of activities.



JAVIER ECHARRI
Secretary-General

The private equity ecosystem encompasses many types of operator, and EVCA caters for them all: investors in university spin-outs; venture and growth capitalists; corporate VCs; mid market and large buyout investors; institutional investors; plus myriad advisory members which provide essential services at every stage of the investment process.

Through our structure of independent platforms – Venture Capital, Mid Market, Large Buyout and Limited Partner – each governed by councils of industry practitioners, EVCA is able to respond to the needs of all major industry constituencies. These platforms dictate their own priorities and action plans, ensuring that the services EVCA provides to its members are timely, relevant and state-of-the-art.

EVCA is the only industry association to provide full and proportionate representation to both the limited partner and general partner communities. We believe both parties require the same level of service, the same excellence in training and professional standards, and the same level of policy engagement to protect and promote their interests as investors in European companies. Our new LP platform gives equal voice to our institutional investment members, and recognises them as a vital part of our industry.

There are five core ways in which EVCA seeks to enhance your business:

- **EU public policy** – we are your eyes and ears in the seat of European government. We have been building relationships among EU policymakers for a quarter of a century.
- **Research** – rigorous and independent data is at the heart of EVCA's activities. We are positioned to provide targeted insight across markets.
- **Education** – individual professional development for students and practitioners of all levels of experience.
- **Professional standards** – EVCA has been the home of private equity standards and industry best practice for 27 years.
- **Business and industry promotion** – we are dedicated to promoting your industry, your business and your portfolio companies.

The private equity and venture capital industry supports European companies with investment and expertise at periods in their development when they face change or opportunity. Last year alone, private equity firms invested €23bn in more than 4,500 European companies, at a time of economic uncertainty that saw other sources of company finance flee.

An industry that specialises in supporting change and growth requires a membership association that can adapt to its changing needs quickly, and with the highest level of service. We look forward to working with our members in this way throughout 2010 and beyond.

A handwritten signature in blue ink, appearing to read 'J. Echarri', with a stylized flourish extending to the left.

Javier Echarri
Secretary-General

“EVCA is the only industry association to provide full and proportionate representation to both the limited partner and general partner communities.”

Venture Capital

PLATFORM

The Venture Capital Platform represents those investors and advisers involved in seed, start-up, early- and late-stage venture capital backing of innovative and entrepreneurial European businesses.



HENDRIK BRANDIS
Chairman

Activities

→ Networking events and workshops

EVCA's Venture Capital Forum remains the gold standard thought leadership and networking event for Europe's venture capital community.

The inaugural Innovation Exchange, organized alongside the European Tech Tour and Informilo at the Venture Capital Forum, put EVCA's venture capital members between the world's largest technology buyers such as – Microsoft, Sony Ericsson and HP – and Europe's hottest entrepreneurs.

Our annual corporate venture workshop provides a high contact networking and thought leadership forum for this important constituency of the platform.

→ Training

Collaboration with leading business schools to conduct high level training for VC general partners.

→ LP outreach

A lack of European institutional investors with the profile to engage with venture capital has been identified as a major obstacle for Europe's high potential venture industry. EVCA has launched a number of initiatives during 2009/2010 to address the issue:

- **Whitepaper:** launched at a policymaker roundtable event in Brussels in March 2010, EVCA's whitepaper puts forward a model for how the EU can help attract private sector investors to the asset-class.
- **VC data project:** led by platform chairman Hendrik Brandis, this project seeks to provide a reflective performance benchmark for institutional grade venture capital.
- **Case for European Venture:** the platform produced an update to this seminal LP outreach text during 2009.

→ Permanent establishment inhibiting VC investment in Europe

EVCA's Tax & Legal Committee formed a European Commission VC Tax Expert Group, to report on the impact on venture capital investment of the EU's currently fragmented tax rules.

→ **Support for AIFMD campaign**

- Uli Fricke has been the Venture Capital representative on the Public Affairs Executive and, through consultation with a Venture steering group of leading VC FDs from across Europe, the specific concerns of the venture industry have been forcefully argued through all PAE and EVCA outreach to policymakers on the AIFMD as well as through the press.
- Assisted in the co-ordination of a grass roots campaign on behalf of VC-backed CEOs from across Europe, to send a petition letter to policymakers, highlighting concerns around AIFMD for SMEs and innovation.

→ **Exit support**

Stock exchange roundtables held with Europe's major market providers, to seek improvement of analyst coverage for venture-backed IPOs and small-caps, harmonisation of listing requirements.

→ **Environmental Task Force**

New sector focused effort was set up, headed by former platform chairman Patrick Sheehan. To enable effective lobbying on environmental venture capital matters.

→ **Biotech Roundtable task force**

Sector-specific roundtables, headed by former platform chairman Helmut Schühsler.

Platform Councilors 2009-2010

- Dr. Hendrik Brandis (Earlybird Venture Capital) (Chairman)
- Mr. Patrick Sheehan (Environmental Technologies Fund) (Past Chairman)
- Mr. Denis Lucquin (Sofinnova Partners) (Chairman Elect)
- Mr. Alex Brabers (GIMV)
- Mr. Simon Cook (DFJ Esprit)
- Mr. Michiel de Haan (Aescap Ventures)
- Mr. Les Gabb (Advent Venture Partners)
- Ms. Anne Glover (Amadeus Capital Partners)
- Mr. Ulrich Grabenwarter (European Investment Fund)
- Mr. Paul Jozefak (Neuhaus Partners)
- Mr. Sven Lingjaerde (Endeavour Ventures)
- Dr. Björn Odlander (HealthCap)
- Mr. Thomas Meyer (EVCA)

Invited (representative on PAE)

- Ms. Uli Fricke (Triangle Venture Capital Group)

Secretary

- Mr. Georges Noël (EVCA)

Mid Market

PLATFORM

The Mid Market Platform represents those investors and advisers involved in mid-sized European corporates, whether conducting growth and development capital, company turnaround support or buyout investment.



CHRISTOPHER MASEK
Chairman

Activities

The Platform has instituted a number of task forces to ensure targeted value is delivered to Mid Market members.

→ Research

Building rigorous data about the mid market, providing hard facts and practical examples of its effects on business and the economy.

→ Communications

Fortnightly Mid Market briefing to update platform members about EVCA activities that specifically support the mid market.

→ AIFMD campaign

Anne Rannaleet of IK Investment Partners is the Mid Market representative on the Public Affairs Executive. The Mid Market Platform supports the Public Affairs Executive's strategy of engagement by providing mid market perspectives, case studies and expertise.

→ Events

The inaugural EVCA Buyout Forum was the first Mid Market platform-driven event and was a great success, bringing together leading GPs, LPs and advisers from across Europe's different markets in thought leadership and debate.

Platform Councilors 2009-2010

- Mr. Christopher Masek (IK Investment Partners) (Chairman)
- Mr. Carlo Mammola (Argan Capital Advisors)
- Mr. André-Xavier Cooreman (Sofinim)
- Ms. Kathryn Baker (Reiten & Co)
- Mr. John Barber (Bridgepoint Capital)
- Mr. Craig Butcher (Mid Europa Partners)
- Mr. Jean-Louis Delvaux (Natixis Private Equity)
- Mr. Jaime Hernández Soto (MCH Private Equity Asesores)
- Mr. Karsten Langer (Riverside Europe Partners)
- Ms. Elizabeth O'Reilly (LBO France)
- Mr. Philippe Poletti (AXA Private Equity)

Invited (representative on PAE)

- Ms. Anne Rannaleet (IK Investment Partners)

Secretary

- Mr. Philippe Defreyne (EVCA)

Large Buyout

PLATFORM

The Large Buyout Platform represents those investors and advisers involved in larger European corporate investment. The Platform has been highly focused on assisting EVCA in its engagement with policymakers regarding the Alternative Investment Fund Managers' Directive.



VINCENZO MORELLI
Chairman

Activities

The Platform has instituted a number of task forces to ensure targeted value is delivered to Large Buyout members.

→ AIFMD

Vincenzo Morelli of TPG Capital is the Large Buyout representative on the Public Affairs Executive. The Large Buyout Platform provides concrete examples of private equity's value creating activities, in support of policymaker engagement. Mapping portfolio companies across Europe as real-life reference points for MEPs.

→ Stakeholder outreach

Engaging with the media, trade unions and politicians to explain the role of private equity and ensure close co-operation with Europe's social partners.

→ Technical Committees

The Large Buyout Platform works closely with all EVCA and PAE technical committees to provide cross border and large deal perspectives on guidelines, submissions and proposals.

Platform Council 2009-2010 - European Private Equity Roundtable (EPER)

- Mr. Vincenzo Morelli (TPG Capital) (Chairman)
- 3i Group
- Advent International
- Apax Partners
- Apollo Management International
- AXA Private Equity
- Bain Capital
- BC Partners
- The Blackstone Group International
- Bridgepoint Capital
- Carlyle Group
- Cinven
- Clayton Dubilier & Rice
- CVC Capital Partners
- EQT Partners
- Goldman Sachs Private Equity Group
- IK Investment Partners
- Kohlberg Kravis Robert & Co.
- LBO France Gestion
- Nordic Capital
- PAI Partners
- Permira Advisers
- Providence Equity Partners
- Terra Firma Capital Partners
- Warburg Pincus & Co. International

Limited Partner

PLATFORM

EVCA is the only private equity and venture capital association to give equal weight per member and voice to limited partners as to general partners, made possible through our structure of independently governed platforms, with their own action plans.



KLAUS-BJÖRN RÜHNE
Chairman

Activities

The Limited Partner Platform was launched in November 2009 and its Council officially constituted in March 2010. The actions of the platform will enrich the private equity activities of individual LP members, while also informing the relationship between LPs and GPs in a structured way. The Platform will consider topics including:

- **Limited partner-related professional standards**
- **Limited partner-specific education and professional training**
- **Involvement in regulatory issues that cut across the LP/GP dynamic – eg: AIFMD, Solvency II etc.**
- **Best practice guidelines to inform LP/GP communication and expectations**
- **Contribute to the promotion of the private equity and venture capital industry towards policymakers and other stakeholders**

Platform Councilors 2009-2010

- Mr. Klaus-Björn Rühne (ATP Private Equity Partners) (Chairman)
- Ms. Marleen Groen (Greenpark Capital)
- Mr. John Holloway (European Investment Fund)
- Mr. George Anson (HarbourVest Partners)
- Mr. Ralf Jung (Allianz Capital Partners)
- Mr. Dan Kjerulf (Danske Private Equity)
- Ms. Helen Steers (Pantheon Ventures)

Secretary

- Mr. Thomas Meyer (EVCA)

EU Policy

EVCA's understanding and authority in EU public affairs has been an asset to the private equity and venture capital industry over its 27 year history. The full weight of our credibility and expertise has been brought to bear in the important AIFM Directive process.



Based in the heart of the EU quarter of Brussels, EVCA is respected by leading policymakers from the European Parliament, Commission and Council.

We monitor all output and discussions within the EU that may impact our industry, and regularly contribute to expert groups to assist the Commission in putting forward evidence and proposals in support of better regulation.

Activities

→ Venture Capital Whitepaper and EU innovation agenda

The EVCA Venture Capital Whitepaper: The next stage of venture capital's evolution in Europe was launched at an event hosted by EVCA in Brussels which attracted senior members of the Commission, Parliament and the European Investment Fund. Result of an industry wide consultation on how the public sector can help create a self-sustaining venture capital industry in Europe.

→ AIFMD

As the most fundamental review of regulation relating to our industry, the Alternative Investment Fund Managers' Directive has been a major focus of EVCA's public affairs efforts in 2009. We have exploited the reputation and contacts we have built within the EU institutions after 27 years in Brussels, to engage with policymakers in order to secure major improvements in the initial text proposed by the Commission.

For more information on our extensive engagement around the AIFMD, please visit www.evca.eu - Public & Regulatory - AIFM Directive.

→ Solvency II

EVCA has instituted a Risk Management Working Group, in expectation of the major impact that Solvency II may have on our industry. Chaired by Peter Cornelius of Alpinvest, the group will develop a framework to engage in discussions with the relevant authority, the Committee of European Insurance and Occupational Pensions Supervisors.

Professional Standards

EVCA's Professionals Standards Committee presides over our industry's exemplary pan-European professional standards, as well as our Code of Conduct, compliance to which is compulsory for all EVCA members.



ULI FRICKE
Chair

→ Current charters

EVCA Code of Conduct
EVCA Code of Conduct (Placement Agents Supplement)
EVCA Corporate Governance Guidelines
EVCA Governing Principles
EVCA Reporting Guidelines
International Private Equity and Venture Capital Valuation Guidelines

→ AIFMD: The bulk of the PAE's Technical Group advising on this issue is constituted by members of the Professional Standards Committee and members of the Tax and Legal Committee of EVCA

→ Participation and contribution to the UN PRI work group

IPEV

Since 2003, EVCA has argued our industry should not consolidate their investments but should report their fair value in accordance with the IPEV Guidelines (similar approach to US GAAP). IASB standards include an opaque model that obliges our funds to record fair value and consolidate accounts of the controlled portfolio companies. During an IASB/FASB Joint Meeting in February 2010, the IASB seems to have recognized this. EVCA will monitor this file as the IASB carries forward its project of amending IAS 27.

Placement Task Force

When a US SEC regulatory review of political finders for pension funds threatened to encompass legitimate service providers, EVCA stepped up to head off this wrong headed regulatory response. A task force set about a global consultation to devise a global Code of Conduct for Placement Agents. The Placement Code is enshrined within EVCA's Code of Conduct statutes and has been adopted by most industry associations. EVCA submitted to the SEC, highlighting the activities of legitimate placement agents, and referring to our compulsory code.

Chair

- Ms. Uli Fricke
(Triangle Venture Capital Group)

Members

- Ms. Mary Kuusisto (Proskauer Rose)
- Mr. Vincent Neate (KPMG)
- Ms. Anne Rannaleet
(IK Investment Partners)
- Mr. Michael Russell
(Altius Associates)

- Mr. Christoph von Einem
(White & Case)
- Dr. Rolf Wickenkamp
(Sal. Oppenheim Private Equity Partners)
- Ms. Claire Wilkinson
(MVision Private Equity Adviser)
- Mr. Javier Echarri (EVCA)

Secretary

- Mr. Georges Noël (EVCA)

Fundraising and Investor Relations

EVCA's Investor Relations Committee promotes the industry and fosters new relations and better communication between the GP and LP communities, to create a slip stream for individual member fundraising processes.



HANNEKE SMITS
Chair

→ Promotion of the industry

The committee is dedicated to telling the story of the industry based on rigorous data and examples, to stakeholders from the investment community as well as potential limited partners.

→ Why and how to invest in private equity

This presentation backed by rigorous data showing the value of private equity and venture capital to institutional investors, was used numerous times on every Continent during 2009 as part of EVCA's global LP roadshow.

→ EVCA Investors' Forum, Geneva

As a testament to EVCA's year-round LP outreach programme, the number of new investors that are attracted to attend our Investors' Forum in Geneva each March rises year-on-year. In 2010, another record year, the forum brought together major pension fund and asset managers from across the world with an equal number of general partners.

→ Pension fund consultants - education programme

The Committee has launched an education programme aimed at consultants within the pension fund industry. Two training sessions have been held to-date, at Mercer Consulting and Watson Wyatt, with more than 60 consultants so far benefiting from data and contextual analysis on the private equity and venture capital industry.

Chair

- Ms. Hanneke Smits (Adams Street Partners)

Members

- Mr. John Barber (Bridgepoint Capital)
- Mr. Andrea Bonomi (Investindustrial Advisors Limited)
- Mr. Mounir Guen (MVision Private Equity Advisers)
- Mr. Stephen Marquardt (Doughty Hanson & Co)
- Mr. Antoine Papiernik (Sofinnova Partners)
- Ms. Emma Whitaker (Mercer Investment Consulting)
- Mr. Javier Echarri (EVCA)

Secretary

- Mr. Georges Noël (EVCA)

Taxation and Legal

EVCA's Tax & Legal Committee tackles legal and taxation issues on behalf of the European private equity and venture capital industry.



FABIO BRUNELLI
Chairman

Activities

→ AIFMD

The Committee has been involved with a technical group analysing specific textual improvements on this Directive. Committee members also provided collaboration with their respective national associations with regards to policy engagement in the member states on this dossier.

→ European Commission's VC Tax Expert Group

Members of EVCA's Tax & Legal Committee were called upon to form the European Commission's VC Tax Expert Group, to report on removing tax obstacles to Cross border VC Investments. The report focused on the effects upon investment in innovation, but the issues of double taxation and tax transparency that we explored apply to all sizes of private equity funds investing across borders within the EU. The final draft of the paper will be published early 2010.

→ OECD

EVCA attended a public consultation meeting on the OECD Discussion Draft on a new Article 7.

Chairman

- Dr. Fabio Brunelli
(Di Tanno e Associati)

Vice-Chairman

- Mr. Bernard Peeters
(ALTIUS/Tiberghien)

Members

- Mrs. Ana Sofia Batista
(Abreu Advogados)
- Mr. Feargal Brennan
(BCM Hanby Wallace)
- Mr. Marco de Lignie (Loyens & Loeff)
- Mrs. María Gracia Rubio
(Baker & McKenzie)
- Mr. Dariusz Greszta
(CMS Cameron McKenna)
- Mrs. Maria Leander
(European Investment Fund)
- Ms. Robin Painter (Proskauer Rose)

- Ms. Jill Palmer (3i Group)
- Mr. George Pinkham
(SJ Berwin Paris)
- Mr. Uwe Schimmelschmidt
(Clifford Chance)
- Mr. Daniel Schmidt (Proskauer Rose)
- Mr. Ole Schmidt (Accura Law Firm)
- Mr. Ulf Söderholm (Andulf Advokat)
- Mr. Olivier Stahler (Lenz & Staehelin)
- Mr. Jyrki Tähtinen
(Borenius & Kempainen Attorneys at law)
- Ms. Patricia Volhard
(P+P Pollath + Partners)
- Mr. Simon Witney (SJ Berwin)
- Dr. Andreas Zahradnik
(Dorda Brugger Jordis Rechtsanwälte)
- Mr. Javier Echarri (EVCA)

Secretary

- Ms. Sandrell Sultana (EVCA)

Research

EVCA is uniquely positioned to provide rigorous, pan-European private equity and venture capital industry data, across a wide range of metrics and industry sub-sectors. Through a research hub, governed independently by leading industry academics, EVCA is the source of industry data.



EVCA reports include

- Yearbook 2009
- 2009 Performance survey
- Buyout report
- The case for European venture
- CEE report
- Nordic report
- Quarterly activity indicators

IN FOCUS

2009 EVCA Yearbook

EVCA's Yearbook is the definitive data source for European private equity and venture capital. It includes complete pan-European coverage of fundraising, investment and divestment activity; in-depth trend analysis; split by country, location of sponsor and target.

EVCA Buyout Report

EVCA's European Buyout report analyses the impact of the changing economic environment over the period on investment, debt and deal structures, fundraising, divestment and performance, including which regions and industry sectors have been most affected by the changed funding environment. The data also demonstrates the extent to which private equity firms have changed their focus, from financing new deals to supporting the companies in their portfolios through this recession. It also analyses the state of the banking and debt finance market.

Governance and Platform Councils



2009 saw the most fundamental evolution of EVCA's governance structure in its history. The new model empowers our four Platforms – Venture Capital, Mid Market, Large Buyout and Limited Partner – as independently governed bodies, to set their own action plans and priorities and so task the EVCA secretariat with services that are tailored for specific market segments.

→ Empowering members

EVCA's governance structure has been simplified by streaming selected Platform Councilors into the EVCA Board, elegantly ensuring a broad representation of industry segments, and involving those individuals best informed to guide EVCA's overall governance and conflict checking processes.

→ How are Councilors elected?

Any full member can put himself forward for election to the respective Platform Council.

The Council will consist of at least 7 representatives, selected by the outgoing Council, who will strive to ensure a proportionate balance across geography, industry sub-segment and size.

The Council explains their choices in this regard at the Annual General Assembly. Each Council member is elected for a maximum of three years, with a third of the Council changing each year.

From among these 7 Council representatives, the Platform Assembly of Members will elect three to join the EVCA Board. The Chairman of the Platform will be chosen from among these three. There will also be a representative of each Platform on the Public Affairs Executive.

Since this is the first year of the structure, to kick-start the process, the initial Councilors have mandates of between 1-3 years, so new elections may begin for the 2010 General Assembly.

→ EVCA Board

The EVCA Board consists of 3 members of each EVCA Platform, plus the EVCA chairman, treasurer and chairman elect. The EVCA Board assesses all Platform Action Plans, acts as a conflict check and reviews allocation of resources from within the secretariat. The board is also responsible for EVCA's long term strategy and sustainability.

Become a Member

EVCA members have a wealth of resources at their fingertips. All our member services are free of charge or available at a significantly reduced rate.

→ Public policy formation

[Represents and champions the asset class](#) at the highest levels of government throughout Europe

[Access, influence and trust in Europe](#) – 27 years of constructive engagement

[Leads and gives focus to the industry response](#) to EU financial regulation like AIFMD, Solvency II and Basel III

[In-house policy think tank](#) – feeds the output of our working groups into EU policy

→ Research and market intelligence

[Access to intelligence](#) provided by EVCA's industry-leading research unit

[Market research](#), data and analysis dating back to 1984

[Gateway to information](#) – in-house reports, research partnerships, third-party papers

[Performance data benchmarking](#)

[PEREP_Analytics](#): 18 NVCAs + EVCA, country-by-country statistics, cross-border and segment analysis; including breakdown by 'market' (i.e.: location of investee company) and by 'industry' (location of fund manager)

→ Industry promotion

[Investor Relations](#) – A year round programme to educate the world's leading LPs includes effecting introductions to corporate and sovereign investors in emerging markets + annual [Investors' Forum](#) with 250 LPs in private equity

[A programme of targeted conferences and events](#) across Europe including our LP/GP forum, Venture Capital Forum, Buyout Forum and CFO-COO Summit

[Company exposure](#) – online directory 48,000 views per month and [EVCA Yearbook and Directory](#), sent to over 1,200 investment and advisory firms

→ Education

[World renowned](#) professional training academy, established in 1987

[Senior private equity practitioners](#) delivering bespoke tuition

[Sell-out courses](#) across a range of disciplines

[Tailored and relevant](#) subject matter, reflecting current market conditions

[Member-only summits](#), roundtables and thought-leadership events

→ Professional standards

[Access to best practice](#) and industry-led guidelines

[Professional standards](#) consistent with the latest regulatory thinking

[Convergence](#) with global industry codes, such as valuation methodologies

[Code of conduct](#) for all EVCA members

[A seal of credibility](#) among business partners and investors

Financial Statements 2009

Balance sheet (in euros)

Assets	2009	2008
Fixed assets		
At cost, less depreciation ⁽¹⁾	47,788	337,860
Current assets		
Receivables ⁽²⁾	424,276	882,221
Provision for bad debts	(147,940)	(220,480)
Deposits and prepayments	74	112
VAT ⁽³⁾	101,329	559,562
Deferred charges	131,411	104,020
Accrued income ⁽⁴⁾	250,000	25,127
Cash at bank ⁽⁵⁾	4,234,449	3,175,394
Total current assets	4,993,599	4,525,954
TOTAL ASSETS	5,041,387	4,863,814
Liabilities	2009	2008
General reserves		
Opening balance	2,145,572	2,137,209
Attribution of profit/loss	(320,747)	8,364
Closing balance	1,824,825	2,145,572
Provision ⁽⁶⁾	471,461	260,887
Provision for events risk	560,000	560,000
Current liabilities		
Supplier	1,572,499	1,071,889
Payroll accruals ⁽⁷⁾	350,579	400,673
Deferred income ⁽⁸⁾	262,023	410,625
Accrued charges	0	14,167
Total current liabilities	2,185,101	1,897,354
TOTAL LIABILITIES	5,041,387	4,863,814

Profit & loss (in euros)	Actuals 2009	Budget 2009	Actuals 2008
Membership	5,030,044	5,200,000	5,296,659
Conference & Training ⁽⁹⁾	1,664,644	2,212,470	2,740,863
Publications	40,572	80,000	77,266
Sponsorship ⁽⁹⁾	342,144	438,875	741,676
Service fees ⁽¹⁰⁾	457,500	0	0
Bank interest & miscellaneous ⁽¹¹⁾	96,553	200,000	210,081
Other revenue	91,739	74,500	51,821
Use of provision for events risk	0	0	360,000
Total revenue	7,723,196	8,205,845	9,478,365
Personnel costs ⁽¹²⁾	3,255,926	3,766,000	3,659,590
Professional services ⁽¹³⁾	2,158,079	1,596,541	1,980,729
Housing costs	402,352	400,000	373,617
Accommodation events ⁽⁹⁾	410,528	924,262	1,601,966
Travel & representation	286,565	272,445	233,348
Communications	211,250	255,558	284,712
Printing & audio-visuals	312,294	352,944	431,865
Various office costs	600,263	523,670	705,998
Finance costs	37,298	64,425	79,396
Provisions/other costs ⁽¹⁴⁾	369,388	50,000	118,780
Total expenses	8,043,943	8,205,845	9,470,002
NET OPERATING RESULTS	-320,747	0	8,364

⁽¹⁾ Decrease mainly caused by yearly depreciation charges

⁽²⁾ Write-offs of prior years receivables

⁽³⁾ 2008 VAT receivable cashed in 2009

⁽⁴⁾ Service fees due for the financing of the Public Affairs Executive (PAE)

⁽⁵⁾ Increase of cash at bank explained by 2008 VAT cashed in during the year

⁽⁶⁾ Provisions includes 3 months of payroll charges on total headcount as of year-end and a provision of a receivable given conditional payment of this receivable

⁽⁷⁾ Payroll accruals includes legal Belgian provision for legal holiday and social charges as of December 2009

⁽⁸⁾ Deferred income includes services (EVCA Conferences and Training) invoiced in 2009 to be delivered in 2010

⁽⁹⁾ Major drop explained by cancellation of the Symposium & the 40% registration downside in Training

⁽¹⁰⁾ Services fees for the financing of the Public Affairs Executive (PAE)

⁽¹¹⁾ Major drop in interest rates in 2009 not budgeted

⁽¹²⁾ Decrease of personnel costs given cost cutting efforts vs. budget

⁽¹³⁾ Increase of professional services due to additional "Public Affairs efforts"

⁽¹⁴⁾ Include write-offs of prior year receivables

Financial Statements 2009

Profit & loss

The operating revenues decreased by 18% to reach €7,723,196 in 2009 against €9,478,365 in 2008. Operating expenses on the other hand amounted to €8,043,943 in 2009 vs. €9,470,002 in 2008 decreasing by 15% over the period. The 2009 net operating loss amounted to €320,747 compared to a net profit of €8,364 in 2008.

The main variances year over year in revenue are explained as follows:

1. Income from membership fees, representing 65% of EVCA's revenues, dropped by 5%, which is a relatively low reduction considering the wider economic impact of the downturn on the industry.
2. Conference and Training revenues decreased by 39% due to the decision to cancel the EVCA Symposium and a significant reduction of training courses. The management team has taken a number of corrective actions throughout the year to minimise the effects of the current economic situation on Conference and Training programs.
3. The 54% decrease in sponsorship revenue is mainly explained by the cancellation of the Symposium.
4. In 2009, EVCA has devoted important resources to the Public Affairs efforts in conjunction with the PAE members fees for which EPER contributed for €507,500.
5. Bank interest revenue was down given the lower interest rates than in 2008.

In 2009 operating costs decreased by 15% explained on the one hand by major cost cutting efforts during the year and the cancellation of the Symposium on the other hand. We incurred however higher expenses linked to the additional efforts devoted to public affairs given current political circumstances. The Board took also a very prudent approach regarding receivable, justified by the current economic environment.

Balance sheet

The balance sheet total amounts to €5,041,387. The cash position amounts to €4,234,449 as at December 31, 2009 compared to €3,175,394 in 2008 which is a very healthy position though outstanding payables have also substantially increased so working capital has improved.

The increase in cash balance is also explained by a VAT recoverable balance in 2008 being cashed in the current year.

Budget 2010

EVCA proposes a budget with a loss of €622,148 for 2010. The main reason for this is due to the extra investment in the development of a "Value for the industry" plan to deliver high-level professional services in line with member expectations and the continued need to devote significant resource to engage with policymakers during a period of regulatory change. Agreements have been made with EPER and NVCA's to share in the exceptional and non structural costs created by the requirement to respond to the AIFMD. The board will, like in previous years, closely monitor the financial situation throughout the year.

The necessary budgets have been provided for the various member platform activities as well as for the various committees active within the EVCA. The platforms will evaluate throughout the year how these activities are best structured and what the associated cost should and could be, with an objective of maintaining an overall efficient organisation with the appropriate economies of scale. This also includes the costs relating to the gathering of the proper statistics on the industry and the EVCA's share of supporting the International Private Equity Valuation Guidelines Board (IPEV).

Summary of significant accounting policies

→ Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets using the straight line method.

→ Cash or cash equivalents

Cash and cash equivalents are carried at nominal value.

→ Receivables

Receivable are carried at nominal value. Provisions are made for all unpaid membership fees during the year. All other receivables are written off if they are outstanding for more than one year and no explicit confirmation or certainty about payment is available.

→ Provisions

Provisions are recognised for probable outflows or resources to settle probable obligations when a reliable estimate of the amount can be made. In additions to that, the association provides for: “events risk losses” on conferences and trainings as well as for three months of remunerations.

→ Liabilities

Trade payables and payroll liabilities are carried at nominal value.

→ Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. With respect to the rendering of services, revenue is recognised by reference to the stage of completion.

Financial Statements 2009

Profit & loss (in euros)	Budget 2010	Actuals 2009
Membership ⁽¹⁾	4,650,000	5,030,044
Conference & Training ⁽²⁾	2,198,635	1,664,644
Publications	30,000	40,572
Sponsoring	232,125	342,144
Service fees ⁽³⁾	1,215,000	457,500
Bank interest & miscellaneous	50,000	96,553
Other revenue	68,000	91,739
Total revenue	8,443,760	7,723,197
Personnel costs ⁽⁴⁾	3,645,194	3,255,927
Professional services ^(4 & 5)	2,823,526	2,158,079
Housing costs	418,500	402,352
Accommodation events	650,268	410,528
Travel & representation	402,604	286,565
Communications	282,096	211,250
Printing & audio-visuals	376,301	312,294
Various office costs ⁽⁶⁾	392,275	600,263
Finance costs	50,144	37,298
Provisions/other costs ⁽⁷⁾	25,000	369,388
Total expenses	9,065,908	8,043,943
NET OPERATING RESULTS	(622,148)	(320,747)

⁽¹⁾ Conservative budget with regard to membership

⁽²⁾ New conferences planned in 2010, also helped by the "Value for Industry" plan

⁽³⁾ Service fees related to the financing of the Public Affairs Executive (PAE)

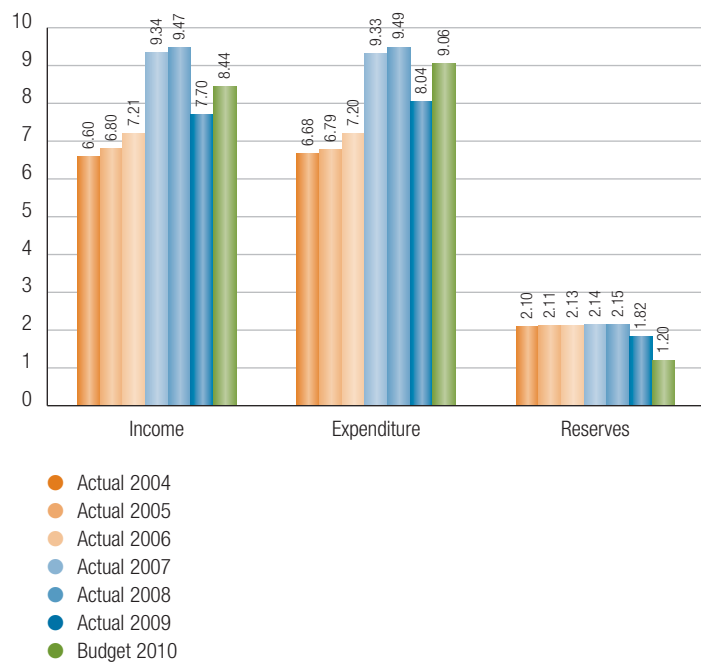
⁽⁴⁾ Includes additional expenses vs. 2009 to cover development of new services

⁽⁵⁾ Includes additional expenses to face "public affairs" & "public relations" efforts in 2010

⁽⁶⁾ 2009 various costs include reversal of prior year provisions

⁽⁷⁾ 2009 costs includes one off write-offs of prior years receivables

Evolution of income, expenditure and reserves (in millions of euros)



Auditor's report



ERNST & YOUNG

Ernst & Young
Bedrijfsrevisoren
Reviseurs d'Entreprises
J. Englishstraat 52
B - 2140 Borgerhout (Antwerpen)
Tel: +32 (0)3 270 12 00
Fax: +32 (0)3 235 31 45
www.ey.com/be

Auditor's report to the general meeting of members of European Private Equity and Venture Capital Association aisbl/ivzw on the financial information for the year ended 31 December 2009

In accordance with your instructions, we are pleased to report to you on the performance of the audit mandate which you have entrusted to us.

Unqualified opinion on the financial information

We have audited the financial information for the year ended 31 December 2009, prepared in accordance with the accounting policies presented in the notes, which show a balance sheet total of € 5.041.387 and a loss for the year of € 320.746,79.

Responsibility of the board of directors for the preparation and fair presentation of the financial information

The board of directors is responsible for the preparation and fair presentation of the financial information. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibility of the auditor

Our responsibility is to express an opinion on the financial information based on our audit. We conducted our audit in accordance with the legal requirements and the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial information is free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the association's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. We have evaluated the accounting policies used, the reasonableness of significant accounting estimates made by the association and the presentation of the financial information, taken as a whole. Finally, we have obtained from the board of directors and the association's officials the explanations and information necessary for executing our audit procedures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial information for the year ended 31 December 2009 gives a true and fair view of the association's financial position and the results of its operations in accordance with the accounting policies presented in the notes.

Antwerp, 16 April 2010

Ernst & Young Bedrijfsrevisoren BCvBA
Auditor
represented by

Patrick Rottiers
Partner



Burgerlijke vennootschap die de rechtsvorm van een coöperatieve vennootschap met beperkte aansprakelijkheid heeft aangenomen
Société civile ayant emprunté la forme d'une société coopérative à responsabilité limitée
RPR Brussel - RPM Bruxelles - B.T.W. - T.V.A. BE 0446.334.711
Bank - Fortis - Banque 210-0905900-69

→ **EVCA Secretariat**
EVCA
Bastion Tower
Place du Champ de Mars 5
B - 1050 Brussels
Belgium
Tel: + 32 2 715 00 20
Fax: + 32 2 725 07 04
info@evca.eu
www.evca.eu

→ **Executive Office**
Ann Delvaux
Tel: + 32 2 715 00 32
ann.delvaux@evca.eu

→ **Member Services**
Gaëlle Jadoul
Tel: + 32 2 749 95 13
membership@evca.eu

→ **Research**
Jennifer Vandermosten
Tel: + 32 2 715 00 20
research@evca.eu

→ **Public Affairs**
Tel: + 32 2 715 00 20
publicaffairs@evca.eu

→ **Media Relations**
Astrid Pirlot
Tel: + 32 2 715 00 29
press@evca.eu

→ **Events & Training**
Monica Bergo
Tel: + 32 2 715 00 27
forums@evca.eu

