

Press information for immediate release

Emerging Markets Private Equity Approaching a Risk Tipping Point

Washington DC, 12 May 2010—A record number 750 delegates from over 50 countries packed the halls of the IFC's 12th Annual Global Private Equity Conference in Association with EMPEA. The event, titled *Returning to Growth: Private Equity in Emerging Markets*, concluded its two day program today.

Day one kicked off with a keynote address from Nassim Taleb, Professor and author of bestseller, *The Black Swan: The Impact of the Highly Improbable*. Taleb pointed out the impossibility of forecasting and framing rare risk events using historical analysis, exacerbated by the speed at which information travels today. His provocative observations set the tone for an agenda that continued to throw out challenges to perceived wisdom, in particular the notion that emerging markets are riskier than their developed counterparts.

Contributors to the first panel which included Actis, Standard Bank and Carlyle observed that 'the emerging markets had a good financial crisis. They went into the crisis with US\$5 trillion in currency reserves, lower debt to GDP ratios than western economies which are shackled to big anchors of debt, and more robust demographics.'

Robert Pozen, the eminent former US government advisor, financial expert and author of '*Too Big to Save? How to Fix the US Financial System*' picked up the theme at the start of day two surprising the audience with the news that rather than a financial crisis every 5-10 years, there have in fact been 139 crises since 1973 by his calculations. He revealed that the US Government bailed out 670 institutions during the financial crisis. Among his summary key recommendations were that the IMF reallocates its voting structure which at the moment gives greater weight to Belgium than to India.

A clean-tech panel led by Sir David King, Director of the Smith School of Enterprise and former Chief Scientific Advisor to the British Government noted that the challenges being thrown up by climate change, water shortage and food security offer the private equity community its biggest opportunity for 100 years. One third of the 78 global clean-tech companies are based in emerging markets and China is currently filing more patents in wind and solar energy than any other country.

Commenting on the event, Sarah Alexander, EMPEA President and CEO said, "Evidence of continued growth, superior returns and economic resilience continues to stack up. The EMPEA annual investor survey shows that 57% of the enlightened converts (those already invested in emerging markets private equity), expect their new commitments to accelerate in the coming year while 77% are expecting returns of 16%+ from their portfolios – only 29% have the similar expectations of their global PE portfolios.

Alexander went on to add, "As private equity in emerging markets moves more into the mainstream, we have a great opportunity to promote greater understanding of the asset class and the positive impact created by this development capital."

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About EMPEA

The Emerging Markets Private Equity Association (EMPEA) is an independent, global industry association that promotes greater understanding of and a more favorable climate for private equity investing in the emerging markets of Africa, Asia, Central/Eastern Europe and Russia/CIS, Latin America, and the Middle East. EMPEA's members represent a broad array of private equity fund managers, institutional investors, service providers, and other key stakeholders in the industry. For more information, visit <http://www.empea.net/>.

About IFC

IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. We foster sustainable economic growth in developing countries by supporting private sector development, mobilizing capital for private enterprise, and providing advisory and risk mitigation services to businesses and governments. Our new investments totaled \$14.5 billion in fiscal 2009, helping channel capital into developing countries during the financial crisis. For more information, visit <http://www.ifc.org>.

Save the Dates!

The IFC's 13th Annual Global Private Equity Conference in Association with EMPEA is confirmed for 10-11 May, 2011 at the Ritz-Carlton in Washington, DC