

EMERGING MARKETS PRIVATE EQUITY QUARTERLY REVIEW

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EM FUNDRAISING TRIPLES FROM 2004 - 2005; EMPEA RELEASES 2nd LP SURVEY

As we inaugurate the second year of EMPEA's *Quarterly Review*, there is a lot to celebrate. In 2005, fund managers raised over US\$21bn for the asset class, more than triple the amount in 2004. (See table below) All regions posted increases, but Asia led the way with a remarkable burst to US\$15.4bn. Central & Eastern Europe and Russia were second with US\$2.7bn raised.

Because 2005 provided such strong evidence of a turn around, our first issue of 2006 provides an in-depth view of how Limited Partners now view the asset class, and what key factors are driving their interest. EMPEA has just completed its second Survey of LP attitudes toward emerging markets, and this issue includes a four-page overview of the very interesting findings. Our country feature in this issue takes a closer look at India, a market that led the fundraising increases in 2005. And, in our first guest article feature, Henry Potter of the European Bank for Reconstruction and Development (EBRD) provides some insights into the dynamics of the best performing and fast growing private equity markets of Central & Eastern Europe and Russia.

Please remember that you can find the complete 2006 LP Survey report and other valuable material at www.empea.net. EMPEA would like to extend a special thanks to all the Limited Partners who took the time to complete our Survey.

-- Roger Leeds, Chairman, EMPEA

EM FUNDRAISING 2003 - 2005 (US\$m)

	2003	2004	2005	% Chg '04-'05
Asia (ex Jap / ANZ) ¹	2,200	2,800	15,446	552%
CEE & Russia ²	406	1,777	2,711	53%
Latin America ³	400	1,020	2,067	103%
Africa & Middle East	350	545	962	77%
EM Total	3,356	6,142	21,186	245%

¹ Excluding Japan, Australia, New Zealand

² CEE & Russia: 2003 data does not include Russia or non-EU accession states

³ Latin America data includes real estate funds; other regions do not. Non-real estate PE fundraising for 2005 in Latin America was about \$750 million

Sources:

Asia: Asia Private Equity Review

CEE & Russia: 2003 – EVCA; 2004 & 2005 – EBRD Estimates

Latin America: Venture Equity Latin America

Africa & Middle East: EMPEA, Liberty Global Partners Estimates