



International Private Equity and Venture Capital Valuation Guidelines

3rd IPEV General Assembly

Herman Daems – Chairman of the IPEV Valuation Board

Web Conference, 20 January 2010

Agenda

1. Presentation of the IPEV Board Activities in 2008/2009
2. Endorsement across the world
3. Election of IPEV Board Members
4. Action plan and budget for 2010
5. Q&A Session

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2008/2009 Activities

- Engaging accounting standards setters and other related bodies to represent the private equity and venture capital perspective:
 - Comments to IASB Exposure Draft ED 10 Consolidated Financial statements (25 March 2009)
 - Comments to IASB Exposure Draft “Financial Instruments: Classification and Measurement (15 September 2009)
 - Comments to IASB Exposure Draft “Fair Value Measurements” (1 October 2009)
 - Discussions with AICPA and FASB on fair value related issues
 - Discussions with IASB regarding Fair Value Measurement
 - Meetings with the International Valuation Standards Council (Q4 2009)

2008/2009 Activities

- Guidance for stakeholders
 - Issuance of a press release in November 2008 clarifying the debate around fair value at the peak of the financial turmoil
 - A total number of 73 technical questions have been answered. Main topics raised by users following the issuance of the new edition of the Guidelines were on the determination of the marketability discount for unquoted shares. The Board will update the FAQ to clarify this point.

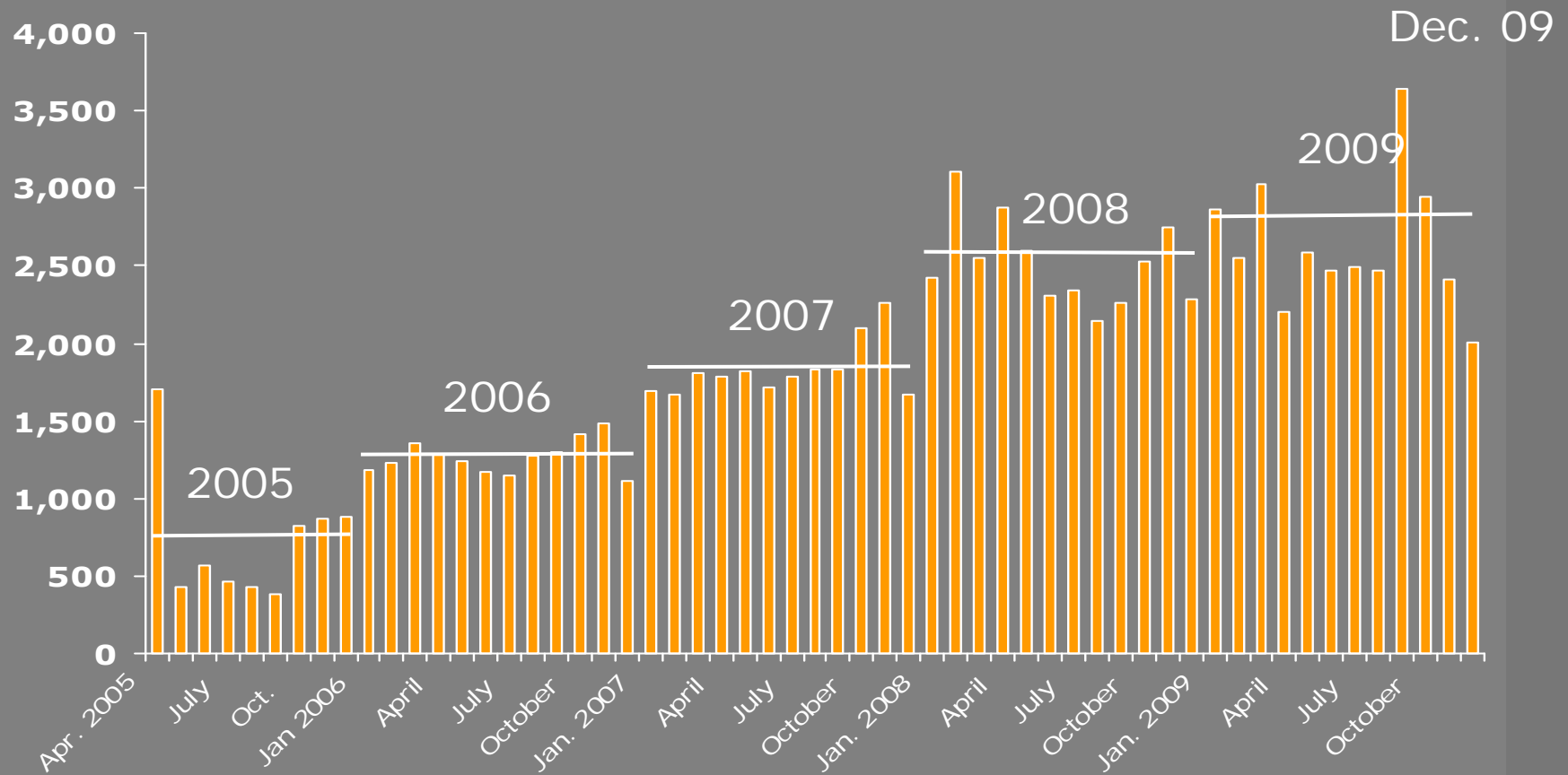
2008/2009 Activities

- Issuance of the new edition of the IPEV Guidelines (September 2009). Main changes compared to the previous edition:
 - Bringing forward the way the marketability discount is considered from a deduction at the end of the calculation to a part of the initial consideration of multiples
 - Eliminating any reference to the one year period used in practice for retaining investments at Price of Recent Investment
 - Additional guidance on the Price of Recent Investment methodology in relation to milestone analysis
 - Guidance on the valuation of interests in funds.

Monthly Statistics

www.privateequityvaluation.com

of unique users per month



2008/2009 Activities

- Meetings of the Board
 - Meeting 06 March 2008 – New York
 - Meeting 20 November 2008 – London
 - Meeting 13 May 2009 - Paris
 - Meeting 29 October 2009 – Chicago

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List of Endorsing Associations as of today: 37 associations

- AFIC – French Private Equity and Venture Capital Association
- AIFI - Italian Private Equity and Venture Capital Association
- Amexcap – Mexican PE and VC Association
- AMIC – Moroccan PE and VC Association
- APCRI - Portuguese Private Equity and Venture Capital Association
- APEA – Arab Private Equity Association
- ASCRI - Spanish Private Equity and Venture Capital Association
- ATIC – Tunisian Venture Capital Association
- AVCA - African Venture Capital Association
- AVCAL - Australian Venture Capital Association
- AVCO – Austrian Private Equity and Venture Capital Organization
- BVA - Belgian Venture Capital & Private Equity Association
- BVCA – British Venture Capital Association
- BVK - German Private Equity and Venture Capital Association e.V.
- CVCA – Canada's Venture Capital and Private Equity Association
- CVCA - China Venture Capital Association
- CVCA - Czech Venture Capital and Private Equity Association
- DVCA - Danish Venture Capital Association
- EMPEA - Emerging Markets Private Equity Association
- EVCA – European Private Equity and Venture Capital Association
- FVCA - Finnish Venture Capital Association
- GVCA – Gulf Venture Capital Association
- HKVCA - Hong Kong Venture Capital Association
- HVCA - Hungarian Venture Capital and Private Equity Association
- ILPA - Institutional Limited Partners Association
- IVCA - Irish Venture Capital Association
- LAVCA - Latin American Venture Capital Association
- LVCA - Latvian Venture Capital Association
- NVCA - Norwegian Venture Capital & Private Equity Association
- NVP – Dutch Private Equity and Venture Capital Association
- PPEA - Polish Private Equity Association
- Réseau Capital – Québec Venture Capital and Private Equity Association
- RVCA - Russian Private Equity and Venture Capital Association
- SAVCA - Southern African Venture Capital and Private Equity Association
- SECA - Swiss Private Equity and Corporate Finance Association
- SLOVCA - Slovak Venture Capital Association
- SVCA - Swedish Private Equity and Venture Capital Association

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Current Board

- **Current Board**

- **Prof. Herman Daems, Chairman (GIMV)**
- **Mr. Anthony Cecil (KPMG) – BVCA Representative**
- **Mr. Hervé Claquin (ABÉNEX Capital) – AFIC Representative**
- **Mr. Gilles Duruflé (CVCA) – CVCA Representative**
- **Mr. William B. Franklin (Conversus Asset Management, LLC) – USA**
- **Mr. W. Stephen Holmes (InterWest Partners) – USA**
- **Mr. William J. Hupp (Adams Street Partners, LLC) – USA**
- **Mr. David Larsen (Duff and Phelps) – USA**
- **Dr. Katharina Lichtner (Capital Dynamics) – EVCA Representative**
- **Mr. Jonathan Lowe (Permira) – BVCA Representative**
- **Mr. Michael P. Maher (U.S. Venture Partners) – USA**
- **Mrs. Monique Saulnier (Sofinnova) – AFIC Representative**
- **Mr. Barry Zuckerman (CHAMP Private Equity) – AVCAL Representative**
- **Dr. Didier Guennoc – Secretary**

Motion

The General Assembly of IPEV, having been duly informed by the Chairman of IPEV of the recommendation formulated by the Nomination Committee during its meeting of January 13, 2010 as to the appointment of directors to the IPEV Board, moves to approve the immediate appointment of the following members for a term of 3 years:

- **Prof. Herman Daems, Chairman (GIMV) (second term)**
- **Mr. Gilles Duruflé (CVCA) – CVCA Representative (second term)**
- **Mr. Michael Wotherspoon (Actis) – EVCA Representative (first term)**

Vote on Motion

If you **agree with** the motion, please click on **Yes**

If you **disagree with** the motion, please click on **No**



Motion – Result of the Vote

The motion is unanimously adopted

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2010 Action Plan

- Broaden recognition of the guidelines particularly in North America
- Consider improvements to the EVCA reporting guidelines developed in 2006
- Continue to interact with rule-setting organizations
- Continue to provide guidance to users that are members of the endorsing associations
- Continue to support endorsing associations in training their members

2010 Draft Budget

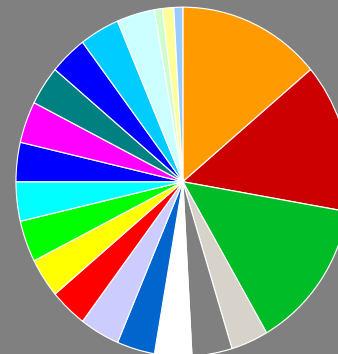
Annual budget of EUR 110,000
Contributors' shares – for 2010: indicative shares currently
discussed by the three founding associations

2005-2007



■ EVCA: 100%

2010-...



■ EVCA: 15%

■ AFIC: 15%

■ BVCA: 15%

■ 34 Endorsing
associations:
55%

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Q&A Session

Before asking your question, please state your name and the association you represent.

Thank you.