



IPEV Board Releases Updated Private Equity and Venture Capital Valuation Guidelines

Brussels, 17 December 2012

The International Private Equity and Venture Capital Valuation Guidelines Board (IPEV Board) today released Updated Private Equity and Venture Capital Valuation Guidelines (www.privateequityvaluation.com). Notably, these Guidelines take into account amendments to Fair Value accounting standards promulgated by the Financial Accounting Standards Board (FASB) in the United States and the issuance of Fair Value accounting standards by the International Accounting Standards Board (IASB).

“The IPEV Valuation Guidelines, which have become the worldwide standard for use by buy-out and venture capital managers around the globe, serve to meet the growing need for technical guidance on this and other highly complex, dynamic valuation issues,” said Stephen Kempen, IPEV Board member and Funds Administration Director of Apax Partners. “We’re pleased to report that more and more Limited Partner investors in Private Equity are requesting that their General Partners comply with the IPEV Valuation Guidelines to help assure credible reporting of Fair Value estimates.”

The Updated IPEV Valuation Guidelines have been drafted to be consistent with IFRS, US GAAP and other bases of accounting using a similar definition of Fair Value. In 2011, FASB and the IASB harmonized their definition of Fair Value and related guidance; the updated IPEV Valuation Guidelines take into account the 2011 Fair Value accounting changes and best practices.

“Fair Value estimates require judgment, and the Updated Private Equity and Venture Capital Valuation Guidelines provide straight-forward guidance on the delicate exercise of applying human judgment to ultimately determine accurate values of private equity investments,” said Emile Van Der Burg, the IPEV Board Chairman. “Further, the Updated Private Equity and Venture Capital Valuation Guidelines provide definitive guidance on the application of Fair Value in the global private equity industry – including investments in early stage ventures, buyouts, infrastructure, mezzanine debt and similar investments in growth or development capital.”



“Fair Value continues to provide investors with the best basis for monitoring their portfolios, informing key asset allocation decisions, and of course complying with accounting standards,” said David Larsen, IPEV Board Member, and managing director at financial advisory and investment banking firm Duff & Phelps. “As important questions about applying Fair Value standards emerge, IPEV’s Updated Private Equity and Venture Capital Valuation Guidelines anticipate points of potential confusion and chart a clear path to reaching accurate and consistent outcomes.”

Notes to Editors:

The *IPEV Valuation Guidelines* exist to help the private equity industry address the need for greater consistency and comparability in assessing Fair Value for private equity and venture capital investments. The Guidelines also promote compliance with IFRS, US GAAP and other accounting principles.

Separate and distinct from the *IPEV Valuation Guidelines*, the *IPEV Investor Reporting Guidelines* address the need for reporting information beyond requirements of financial statement reporting, taking into account the need for flexibility among various types of funds and fund managers.

About IPEV

In October 2005, IPEV was created as an independent body and charged with maintaining, promoting, monitoring, and updating the Valuation Guidelines, as well as providing guidance on the application of the Guidelines to all worldwide stakeholders in the Private Equity and venture Capital industry—assisting practitioners, investors, regulators and auditors. More information can be found on the IPEV website at www.privateequityvaluation.com.

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The private equity and venture capital associations supporting IPEV include:

AFIC - Association Française des Investisseurs pour la Croissance
AIFI - Italian Private Equity and Venture Capital Association
AMEXCAP - Mexican Private Equity Association
AMIC - Moroccan Venture Capital and Private Equity Association
APCRI - Portuguese Private Equity and Venture Capital Association
ASCRI - Spanish Private Equity and Venture Capital Association
ATIC - Tunisian Association of Capital Investors
AVCA - African Venture Capital Association
AVCAL - Australian Private Equity and Venture Capital Association
AVCO - Austrian Private Equity and Venture Capital Organization
BVA - Belgian Venture Capital & Private Equity Association vzw/asbl
BVCA - British Private Equity and Venture Capital Association
BVK - German Private Equity and Venture Capital Association e.V.
CAPE - China Association of Private Equity
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 and Private Equity Association
EMPEA - Emerging Markets Private Equity Association
EVCA - European Private Equity and Venture Capital Association
FVCA - Finnish 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 Private Equity and Venture Capital Association
LPEq - Listed Private Equity
LVCA - Latvian Venture Capital Association
MENA Private Equity Association
NVCA - Norwegian Venture Capital & Private Equity Association
NVP - Nederlandse Vereniging van Participatiemaatschappijen (Dutch Private Equity and Venture Capital Association)
NZVCA - New Zealand Private Equity and Venture Capital Association
PSIK - Polish Private Equity and Venture Capital Association
Réseau Capital - Québec's Private Equity and Venture Capital 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 - Singapore Venture Capital and Private Equity Association

SVCA - Swedish Private Equity and Venture Capital Association