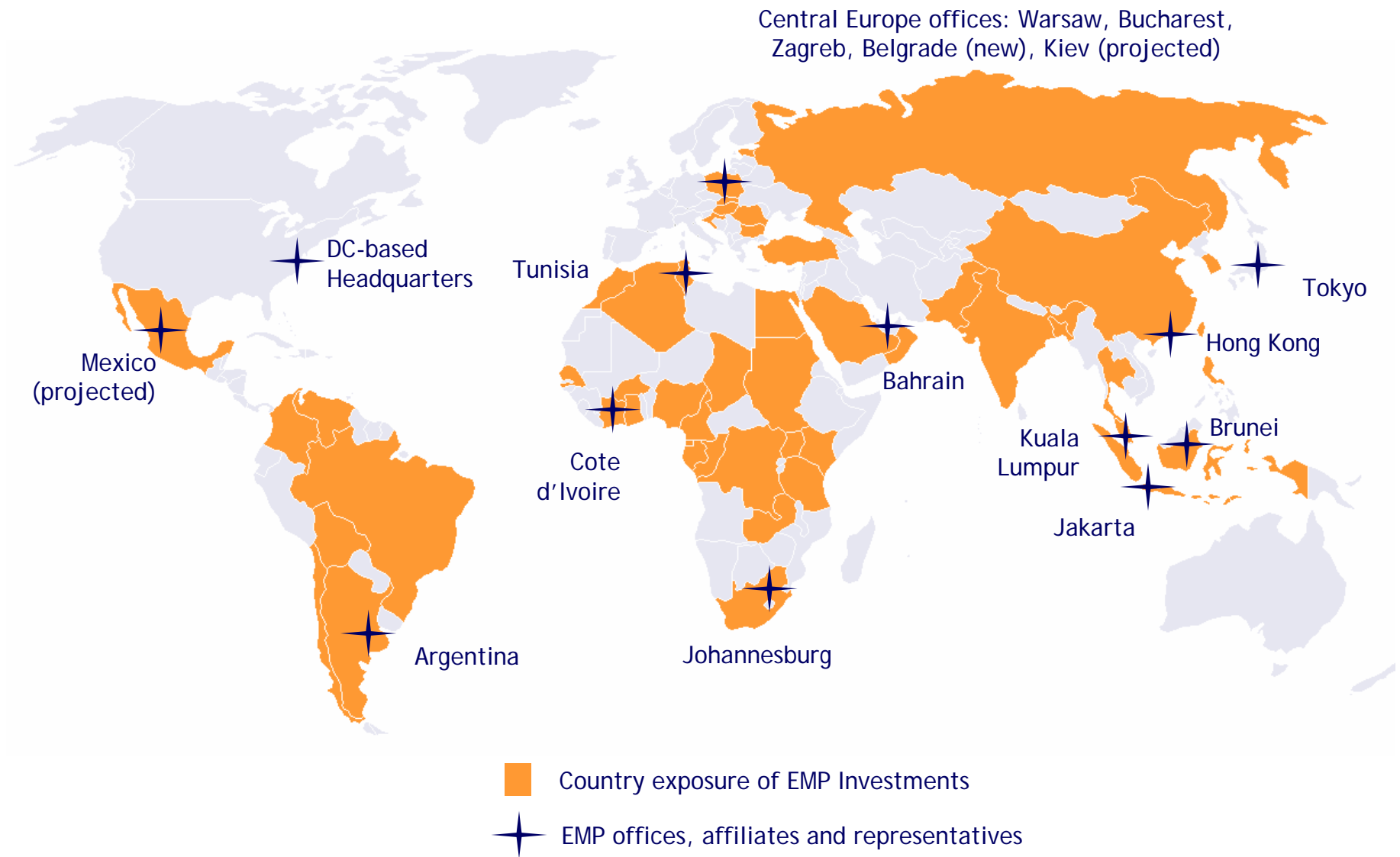




Emerging Markets Private Equity: The Global Perspective

Roberta F. Brzezinski, EMP

EMP – exclusive focus on EM PE since 1994



Emerging Markets PE – has its time come?

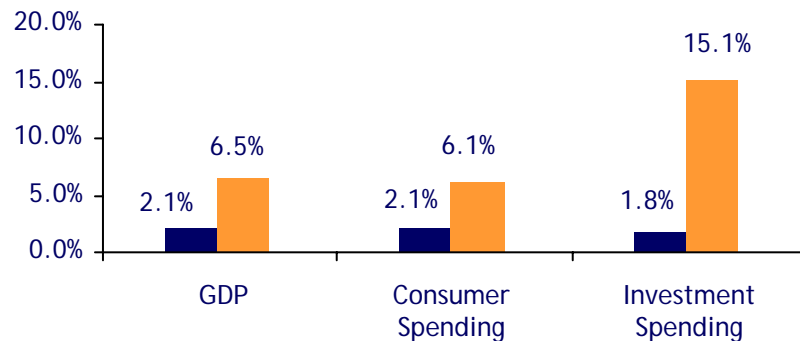


- Emerging markets PE attracted 9% of total private equity raised in 2006
- \$33 billion raised across 162 funds
 - \$19.4 billion for Asia
 - \$3.3 billion for Central/Eastern Europe and Russia
- LPs have growing enthusiasm, particularly for Asia
 - 42% of LPs projected their EM commitments as a percentage of the PE portfolio would grow in 2007
 - 78% of LPs surveyed by EMPEA projected their EM commitments would grow over the next five years
 - 84% of LPs reported that their institutions view EM PE as more attractive than three years ago

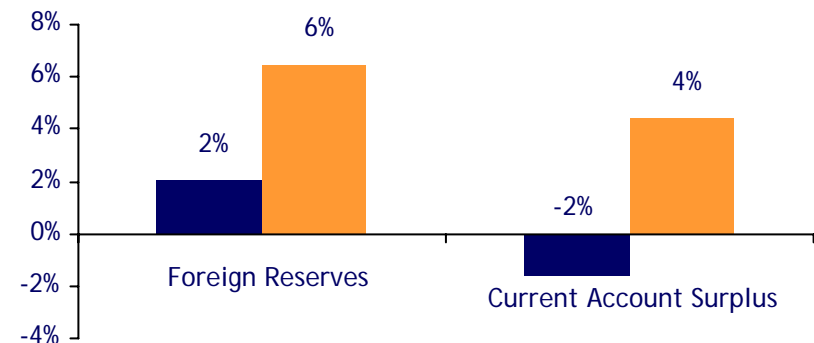
Source: Emerging Markets Private Equity Association

Improving economies are the main reason

Leading Indicators Annual Increase '06-08



Reserves and Current Account (as % of GDP)



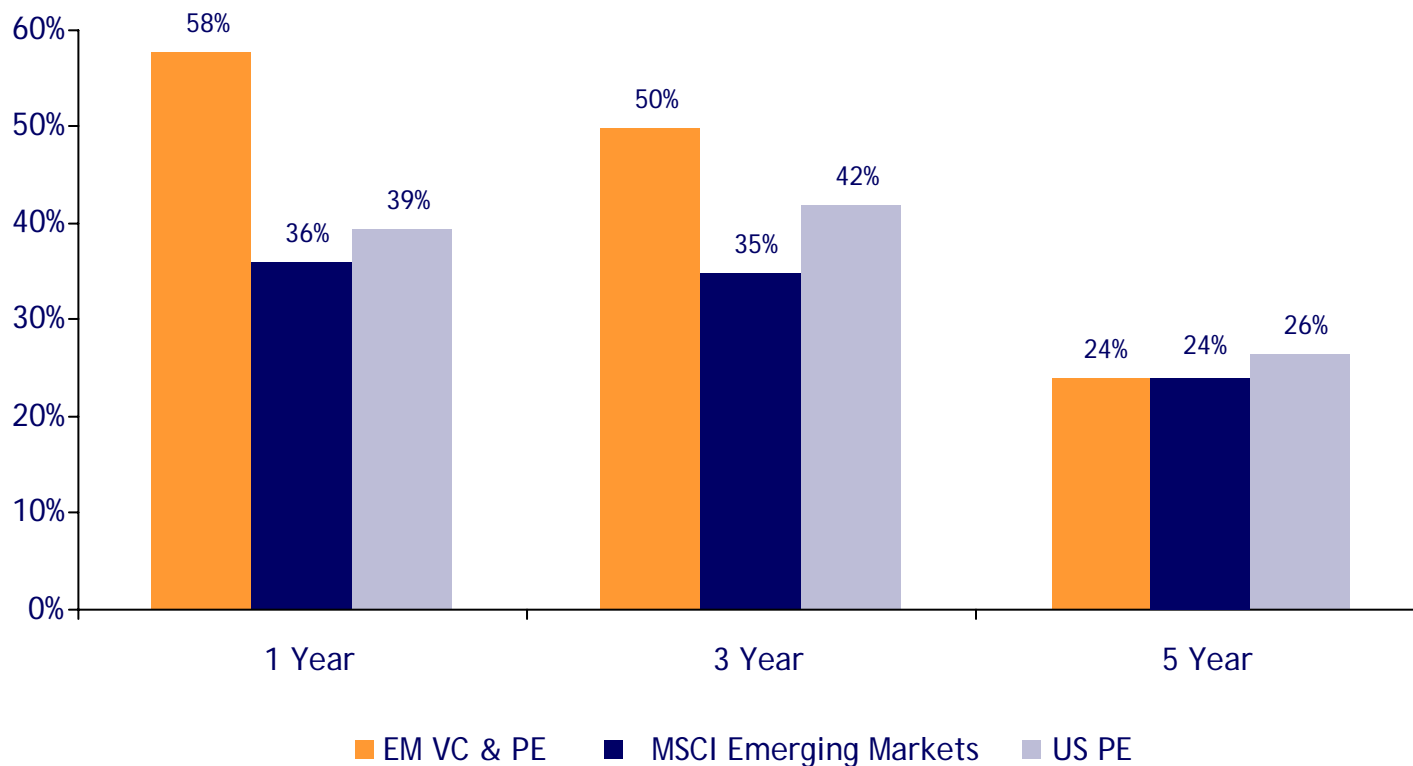
Developed Markets

Emerging Markets

- Emerging markets represent 25% of global GDP today and growing
- Market cap of EM listed stocks estimated to be \$5 trillion at end 2006
- Nearly 10% of today's Fortune 500 companies are EM-based

High performance is another reason

Comparative Top Quartile End to End Returns by Region (6/30/06¹)



¹ Top quartile returns as of June 30, 2006 based on data provided by Cambridge Associates, LLC to the Emerging Markets Private Equity Association (EMPEA).

Opportunities in every EM region

Asia		Latin America	
Opportunities	Risks	Opportunities	Risks
<ul style="list-style-type: none"> + Increased sophistication + Increased interest in PE + Growing maturity + Cross-border transactions provide investment opportunities + Increased exit potential + Increased access to debt 	<ul style="list-style-type: none"> - Substantial PE raised - Relatively high valuations - Some negative reactions to recent high-profile PE exits and potential for government interference 	<ul style="list-style-type: none"> + Reasonable valuations + Limited competition + Range of deal sizes available + Strong commodity plays 	<ul style="list-style-type: none"> - Lack of access to debt - Potential political risk (particularly in the resources sector)
CEE/Russia		Africa	
Opportunities	Risks	Opportunities	Risks
<ul style="list-style-type: none"> + Increased sophistication + Reasonable valuations (in non-EU countries) + Strong access to debt + Increased exit potential + Strong interest in PE + Relative lack of competition 	<ul style="list-style-type: none"> - Relatively high valuations (in new EU countries) - Potential for government interference in transactions (former Soviet Union) - Lingering issues with transparency 	<ul style="list-style-type: none"> + Reasonable valuations + Limited competition + Strong commodity plays + Improved sophistication 	<ul style="list-style-type: none"> - Limited access to debt - Risk of corruption, changes to investment climate
		Middle East/North Africa	
		Opportunities	Risks
		<ul style="list-style-type: none"> + Reasonable valuations + Limited competition (N.Afr.) + Range of deal sizes available + Strong exit environment 	<ul style="list-style-type: none"> - Short track record of local managers - Some competition (M.East)