

1999 ANNUAL REPORT





## ANNUAL REPORT

### **from the EVCA Board of Directors to the General Assembly**

Mission and Strategy

Achievements 1999 - 2000

Action Plan 2000 - 2001

Accounts - Budget



Dear Colleagues,

The European private equity industry has enjoyed yet another extraordinary year of growth and performance. Fund raising and investment levels were outstanding whilst impressive returns have been delivered by private equity to its investors at all stages of the industry. EVCA is pleased to see that the promotion of entrepreneurship is now high on the agenda of both the European Commission and the governments of the member states, although more could and should be done as set out in our White Paper.

EVCA's 17th year has also been a very good year and we can be proud of many achievements.



In the past year we have placed great emphasis on providing greater transparency and consistency to investors with regard to both the activities and performance of private equity and venture capital funds. An important milestone on the road to better meeting the requirements of our investors was reached with the release of the Reporting Guidelines. Adherence to these guidelines by our members should further promote private equity as an attractive asset class in which to invest.

Other achievements in this area that deserve to be mentioned are:

- The quality and timing of the performance data continues to increase with the 1999 performance data, released in association with Venture Economics and Bannock Consulting, made available in record time
- EVCA's second Investor Conference attracted 400 delegates, including 100 investors
- The EVCA Yearbook was redesigned in order to make it more investor-friendly

Further accomplishments of EVCA during the year included the successful launch of two new Committees focusing on Buyouts and National Venture Capital Associations, both of which have now found their cruising speed.

All of EVCA's conferences and training courses once again attracted record interest and attendance, and the number of courses and workshops offered has been increased to accommodate higher demand.

The number and quality of publications produced this year is also quite commendable. They include Tax and Legal Special Papers and the second Technology Success Stories paper. As a new service to our members, we also produced a member benefits package providing significant savings on various private equity-related products and services.

All of these achievements would not have been possible without the active support of over 120 Board, Committee and Task Force members: men and women who share the same enthusiasm for EVCA. I want to take this opportunity to formally thank all of them for their work and contributions.

I am also pleased to be able to report to you that our finances are in excellent shape. EVCA enjoys a very strong financial position that will allow us to support our association's future growth. The 1999 accounts are the last to be prepared by our Treasurer, Philippe Deville, and I would like to thank him for the time and effort he has put into this task.

I would also like to congratulate Serge Raicher, our Secretary General, who is now moving on to new challenges. Over the last four years with his team in Brussels, he has managed to more than double the number of EVCA members and has positioned EVCA as a truly service-minded association. Furthermore, EVCA is now generally acknowledged as *the* voice of authority in the field of European venture capital and private equity.

Last, but certainly not least, I want to address my deepest thanks to all of you, EVCA members, who day after day support the association in its efforts to continuously improve its services to our industry.

The upcoming year is certainly promising to be another exciting one for our industry and I wish Ari Tolppanen every success for his Chairmanship.

Thank you for your support,  
Emile van der Burg



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MISSION & STRATEGY

## MISSION & OBJECTIVES

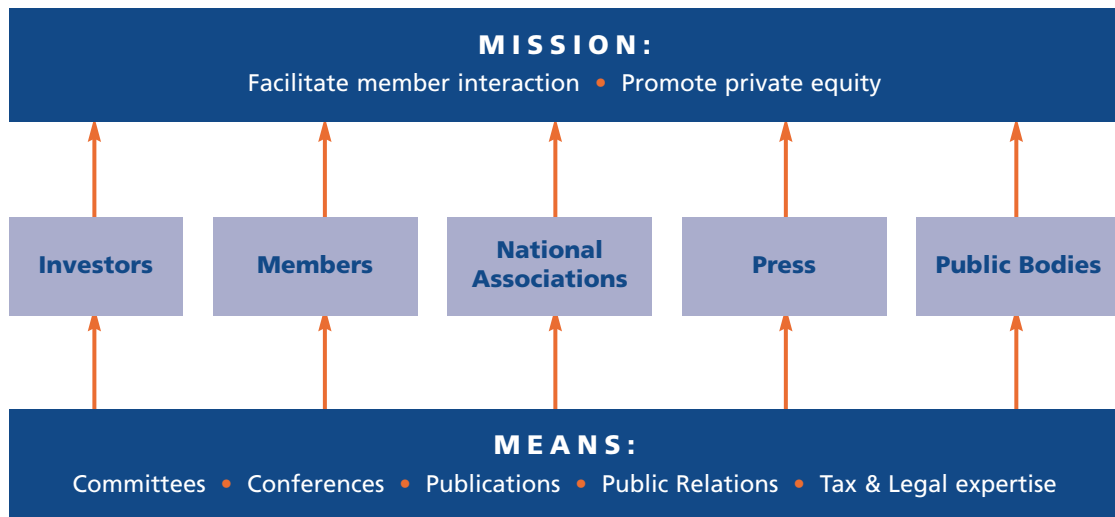
EVCA's global mission is to promote equity investment in unquoted companies by private equity investors and to facilitate interaction amongst the members of the Association.

EVCA establishes high standards of business conduct and professional competence.

The Association stimulates the promotion, research and analysis of private equity in Europe and facilitates contacts with policy-makers, investors, research institutions, universities, trade associations and other relevant institutions.

EVCA also encourages the development of equity markets that are appropriate to the needs of private equity investors and investees.

This mission is pursued through actions and contacts with various peer groups.



## COMMITTEE STRUCTURE

The Board comprises up to 30 members representing countries with at least 3 EVCA full members. The Executive Committee of up to 8 Board members is composed of the Chairman, Chairman-elect, Immediate Past-Chairman, the Treasurer and, as they are elected, Directors who preside over specific operating committees.

Three committees are directly represented at the Executive Committee level: Investor Relations, Professional Standards & Communications, and Conferences & Training.



The Chairman-elect looks after the development of specific interest groups within the EVCA membership and coordinates with other committees.

The Executive Committee formally reviews yearly the role of these interest groups and appoints their Chairmen. The Chairman of each interest group reviews yearly its composition.

The Executive Committee monitors EVCA's relationship with Public Bodies, the financial management of the association (Treasurer), and the evolution of membership.

Whenever there is a need, ad-hoc task forces are formed by agreement of the Executive Committee and are supervised by the appropriate body. At present, there are two such task forces: "Education Partnership Programme" and "Valuation Guidelines". The first is formed under the aegis of the Professional Standards & Communications Committee and the latter is co-chaired by the heads of the Investor Relations and Professional Standards & Communications Committees.

**Chairman:**

Mr. Emile van der Burg, PARNIB HOLDING NV/NIB CAPITAL (NL)

**Directors:**

Mr. Ari Tolppanen, CAPMAN CAPITAL MANAGEMENT OY (FIN)

Mr. Paul Waller, 3i GROUP PLC (UK)

Mr. Philippe Deville, C.D. TECHNICOM S.A. (B)

Mr. Axel Bergmann, DEUTSCHE BETEILIGUNGS AG (D)

Mr. Edoardo Bugnone, ARGOS SODITIC SA (CH)

Mr. Niall V.G. Carroll, ACT VENTURE CAPITAL LIMITED (IRL)

Mr. Stephen Dawson, ECI VENTURES LIMITED (GB)

Mr. Aristides Fronistas, COMMERCIAL CAPITAL (GR)

Mr. Rui Gonçalves Soares, IPE CAPITAL (P)

Dr. Kent Hansen, DANISH VENTURE FINANCE (DK)

Mr. Lennart Jacobsson, SWEDESTART MANAGEMENT AB (S)

Mr. Waldemar Jantz, TARGET PARTNERS (D)

Dr. Franz Krejs, HORIZONTE VENTURE MANAGEMENT (A)

Mr. Robert J. Manz, ENTERPRISE INVESTORS (PL)

Mr. Dominique Peninon, ACCESS CAPITAL PARTNERS (F)

Mr. Francesc Raventos, CATALANA D'INICIATIVES C.R. S.A. (E)

Mr. Sergio Sambonet, 3i ITALY (I)

Mr. Charles Soullignac, FONDINVEST (F)

Mr. Alois Strnad, RENAISSANCE PARTNERS (CZ)

Dr. Zoltan Szemerey, MAVA INVESTMENT MANAGEMENT (H)

Mr. Philip Vermeulen, FLANDERS LANGUAGE VALLEY FUND (B)

Mr. Stan Vermeulen, ALPINVEST HOLDING NV/NIB CAPITAL (NL)

Mr. Svein Wilhelmsen, INDUSTRIFINANS FORVALTING (N)

**Observer:** Mr. Giulio Grata, E.C. - DG XIII – INNOVATION (L)

**Secretary:** Serge Raicher sprl, EVCA

## EXECUTIVE COMMITTEE MEMBERS

### Chairman:

Mr. Emile van der Burg, PARNIB HOLDING NV/NIB CAPITAL (NL)

### Chairman-elect and Interest Group Coordinator:

Mr. Ari Tolppanen, CAPMAN CAPITAL MANAGEMENT OY (FIN)

### Immediate Past-Chairman:

Mr. Paul Waller, 3i GROUP PLC (GB)

### Treasurer:

Mr. Philippe Deville, C.D. TECHNICOM S.A. (B)

### Chairman Marketing & Communications:

Mr. Edoardo Bugnone, ARGOS SODITIC SA (CH)

### Chairman Conferences & Training:

Mr. Stan Vermeulen, ALPINVEST HOLDING NV/NIB CAPITAL (NL)

### Chairman Investor Relations:

Mr. Dominique Peninon, ACCESS CAPITAL PARTNERS (F)

### Deputy Secretary General:

Mr. Javier Echarri, EVCA

**Invited:** Mr. Max W. Römer, QUADRIGA CAPITAL BETEILIGUNGSBERATUNG GmbH (D)

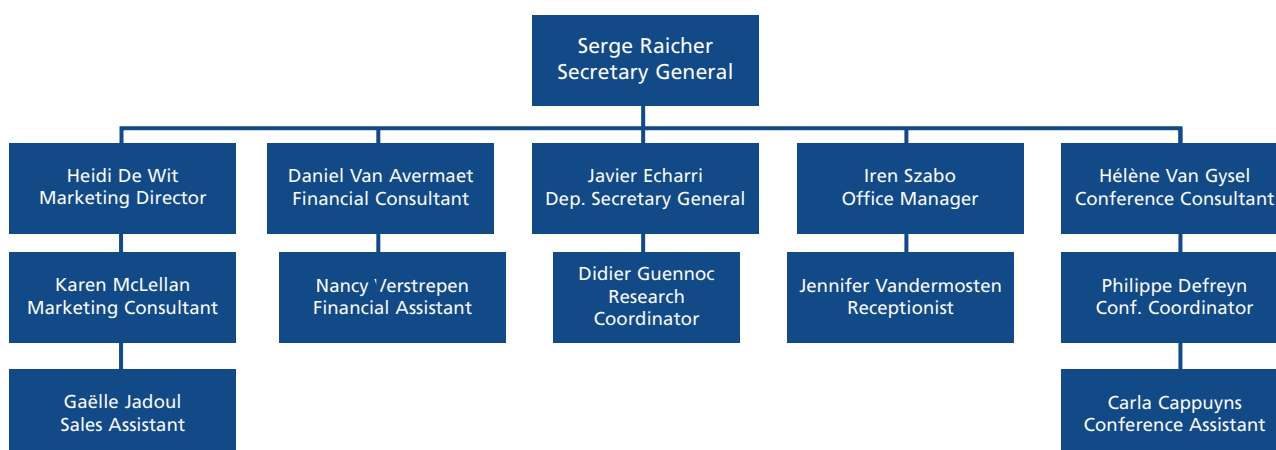
**Secretary:** Serge Raicher sprl, EVCA

## SECRETARIAT

EVCA's Secretariat is organised in such a way as to respond to the following objectives:

- Continuously improve the service to our growing membership
- Have clearly identified contact names for all EVCA Committee and Interest Group members
- Create stability within the Secretariat thus maintaining EVCA's collective memory as well as providing a positive working atmosphere for staff members

The Secretariat is now comprised of 13 permanent staff members. The Board has appointed Javier Echarri sprl as EVCA's new Secretary General, with effect 15 June 2000. Furthermore, three recruitments (communications, public affairs, conferences/reception) are underway to further service EVCA's increasing activities.





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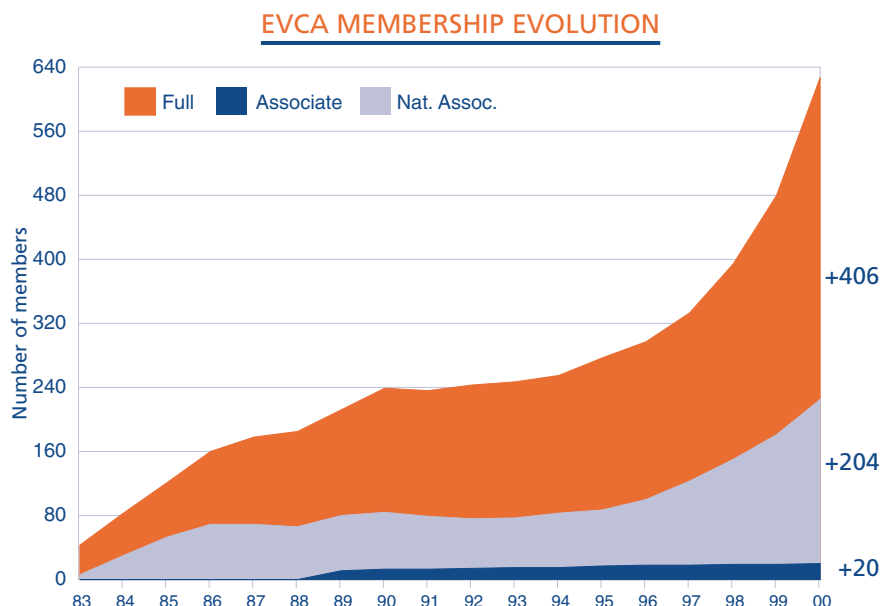
ACHIEVEMENTS 1999-2000

Overview of EVCA's activities in the  
working year June 1999 to June 2000

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## MEMBERSHIP EVOLUTION

EVCA's growing appeal resulted in an increase of membership to a new total of 630. The number of Full and Associate Members as of 30/04/00 at 406 and 224 are record highs. The graph shows the membership evolution since EVCA's foundation.



120 new Full Members and 58 new Associate Members joined EVCA since June 1999. In addition, 20 National Venture Capital Associations exchange Associate Membership with EVCA. The complete list of new EVCA Members in the past working year is shown below.

### NEW EVCA FULL MEMBERS SINCE JUNE 1999

- |                                                         |                                                                           |
|---------------------------------------------------------|---------------------------------------------------------------------------|
| Access Capital Partners – Paris – F                     | CVC Capital Beratungs GmbH –<br>Frankfurt am Main – D                     |
| Advent International GmbH – Frankfurt – D               | CVC Capital Partners Belgium – Brussels – B                               |
| Advent International Sarl – Paris – F                   | CVC Capital Partners BV – Amsterdam – NL                                  |
| Advent International Srl – Milan – I                    | CVC Capital Partners Danmark A/S –<br>Copenhagen – DK                     |
| AIG Private Equity Ltd – Zug – CH                       | CVC Capital Partners Espana – Madrid – E                                  |
| Alchemy Partners – London – GB                          | CVC Capital Partners SA – Paris – F                                       |
| Alice Ventures – Milano – I                             | CVC Capital Partners Srl – Milan – I                                      |
| Altius Associates Limited – London – GB                 | CVC Capital Partners Svenska AB – Stockholm – S                           |
| Amena- Retevision Movil, S.A. – Barcelona – E           | Dassault Developpement – Paris – F                                        |
| Andersen Consulting Ventures – London – GB              | DBG Eastern Europe (Polska) sp z.o.o. –<br>Warsaw – PL                    |
| Anschutz Investment Company – Hoofddorp – NL            | De Kruijff Venture Partners – Utrecht – NL                                |
| Armada Asset Management – Lodz – PL                     | Dilmun Investments LTD – London – GB                                      |
| Aureus Private Equity AG – Zug – CH                     | Duke Street Capital – London – GB                                         |
| AXA Investment Managers – Paris – F                     | DVCG Deutsche Venture Capital Gesellschaft<br>mbH – Frankfurt am Main – D |
| Banexi Ventures Partners – Paris – F                    | East Fund Managementberatungs Ges.m.b.H. –<br>Vienna – A                  |
| Barcelona Empren SCR SA – Barcelona – E                 | E-Capital – Brussels – B                                                  |
| Baring Private Equity Partners Limited – Paris – F      | EDF Capital Investissement – Paris – F                                    |
| BOC Ventures Ltd – Nicosia – CY                         | Egeria B.V. – Amsterdam – NL                                              |
| Botts & Company Limited – London – GB                   | Equinet Venture Partners AG – Damstadt – D                                |
| Campus Companies Venture Capital Fund –<br>Dublin – IRL | Ergodata S.A. – Kallithea – GR                                            |
| Capital Dynamics – Zug-Cham – CH                        | Ericsson Innova, S.A. – Barcelona – E                                     |
| Capital International Inc. – London – GB                | ETF Group – Manno –CH                                                     |
| CapVis Equity Partners AG – Zurich – CH                 | European Internet Capital Ltd – Guernsey – GB                             |
| CDC Equity Capital – Paris – F                          | Extorel Management-und<br>Beteiligungsgesellschaft mbH – München – D      |
| Cisco Systems – Uxbridge – GB                           | Fenno Management OY – Helsinki – FIN                                      |
| Citibank Investment Capital – London – GB               | Folio Investments Ltd. – Brussels – B                                     |
| Clayton Dubilier & Rice Limited – London – GB           |                                                                           |
| Cognition Ventures – Göteborg – S                       |                                                                           |
| Cognition Ventures – Helsinki – FIN                     |                                                                           |
| Cognition Ventures AS – Oslo – N                        |                                                                           |
| Cognition Ventures Plc – London – GB                    |                                                                           |

Fonds Partenaires Gestion – Paris – F  
 G & H Kapitalpartner AG – Vienna – A  
 Gatx European technology Ventures – London – GB  
 Gaz-et-Eaux – Paris – F  
 Generationskifte & Vaekst A/S – Kolding – DK  
 Geocapital Partners – London – GB  
 GMT Communications Partners Ltd - London – GB  
 Go Equity Invest Holding GmbH – Vienna – A  
 Hamilton Lane Advisors LLC – London – GB  
 Hannover Finanz GmbH – Hannover – D  
 Hibernia Capital Partners Limited – Dublin – IRL  
 Hikari Tsushin Europe Ltd – London – GB  
 Hungarian Innovative Technology Fund – Budapest – H  
 IFE Conseil – Paris – F  
 Innovationsagentuer Ges.m.b.H. – Vienna - A  
 Quadran Gestion – Paris – F  
 Intec Management – Brussels – B  
 Inventures Management Limited – London – GB  
 Kappa-IT Ventures – Munich – D  
 KBB Beteiligungs-GmbH & CO. KG – Böblingen – D  
 Kobi Yatirimlarina Ortaklik A.S. – Ankara – TR  
 KPN-Royal Dutch Telecom – The Hague – NL  
 Lakeport Finance S.A. – Geneva – CH  
 Landsbankinn Framtal HF – Reykjavik – ICL  
 MB Venture Capital SA – Luxembourg – L  
 Mediatel Management – Luxembourg – L  
 Medicis AG – Munich – D  
 Mercurius Beleggingsmaatschappij BV – Heerlen – NL  
 Mercury Private Equity – Frankfurt am Main – D  
 Palamon Capital Partners – London – GB  
 Pantheon Ventures Limited – London – GB  
 Pantheon Ventures Limited – Waterloo – B

Part'Com – Paris – F  
 Petter Olsen Finans AS – Oslo – N  
 Pino Venture Partners – Milan – I  
 Polytechnos Venture-Partners GmbH – München – D  
 Primary Capital Ltd – London – GB  
 Proventure – Helsinki – FIN  
 Reiten & Co. Strategic Investments – Oslo – N  
 SEB Företagsinvest – Stockholm – S  
 Securitas Capital LLC – Zurich – CH  
 Sete Advisory Services – Bellevue – CH  
 Sonderjyllands Udviklingsselskab A/S – Aabenraa – DK  
 Sony Europe – Berlin – D  
 Sopartec – Louvain-la-Neuve – B  
 SPP-SPP Investment Management – Stockholm – S  
 Storebrand Kapitalforvaltning – Oslo – N  
 Strathdon Investments Limited – Hants – GB  
 Suez Capital Partenaires – Paris – F  
 Swiss Life Private Equity Partners – Zurich – CH  
 Talis Snc – Paris – F  
 Target Partners GmbH – Munich – D  
 Techno Nord GmbH – Hamburg – D  
 Trondelag Vekst AS – Trondheim – N  
 Twinning – Amsterdam – NL  
 U.C.A. Unternehmen Consult AG – Munich – D  
 UBS Capital – London – GB  
 Unigestion Capital Partners – Genève – CH  
 VCI GmbH Beratung für Technologieinvestitionen – München – D  
 Venture Investors – Prague – CZ  
 Venture Partners AG – Zurich – CH  
 Waterland Private Equity Investments B.V. – Bussum – NL  
 Wellington Partners Venture Capital GmbH – München – D

#### NEW EVCA ASSOCIATE MEMBERS SINCE JUNE 1999

AGF Private Equity – Paris – F  
 Analytx – London – GB  
 Aon Belgium – Brussels – B  
 Aon Jauch & Hübener GmbH – Mülheim an der Ruhr – D  
 Aon Risk Sevices – AON Mergers & Acquisitions Group – London – UK  
 Aon SGCA – AON Mergers & Acquisitions Group – Levallois-Perret – F  
 Apollo Capital Partners GmbH – München – D  
 Bryan Garnier & Company – Paris – F  
 Bunadarbanki Islands HF – Reykjavik – ICL  
 Bützow Nordia Advocates Ltd. – Helsinki – FIN  
 Cambridge Associates Ltd. – London – GB  
 Camco AG – Zurich – CH  
 Castrén & Snellman Attorneys at law – Helsinki – FIN  
 Cognition Ventures – New York – USA  
 Cognition Ventures – Toronto – CAN  
 Corporate Capital & Consulting – Zurich – CH  
 Credit Agricole Indosuez – Paris – F  
 Deloitte & Touche Corporate Finance – Amsterdam – NL  
 Dirigeants et Investisseurs – Neuilly sur Seine – F  
 Donaldson Lufkin and Jenrette – London – GB  
 Europe Unlimited – Brussels – B  
 European Investment Bank – Luxembourg – L  
 Fidya Conseil – London – GB  
 Frank Russell Capital Inc – Tacoma – USA  
 Hammond Suddards – Bradford – GB  
 Helix Associates Limited – London – GB  
 Hogan & Harston Sp. Zo.o. – Warsaw – PL  
 Huth Dietrich Hahn – Hamburg – D  
 International Private Equity Services Limited – Guernsey – CHISL

Invent Finance – Paris – F  
 Iposcope N.V./S.A. – Brussels – B  
 Lambert Fenchurch Corporate Ventures – Berkshire - GB  
 Lift – Luxembourg – L  
 LeBoeuf, Lamb, Greene & MacRae – London – GB  
 Lexington Partners Inc – New York – USA  
 Loyens & Volkmaars – Amsterdam – NL  
 M.S. Farrell & Co, Inc – New York - USA  
 Medabiotech SA – Geneve – CH  
 Merrill Lynch – London – GB  
 Nurol Investment Bank, Inc – Istanbul – TR  
 PricewaterhouseCoopers – Amsterdam – NL  
 RMF Investment Group – Pfäffikon – CH  
 SEB Merchant Banking – London – GB  
 Sitka Limited – London – GB  
 Sitra Management Ltd – Helsinki – FIN  
 Slovene Development Corporation – Ljubljana – SLO  
 Southern African Private Equity and Venture Capital Association – NorthCliff – S.AFR  
 Sundt + Company Limited – Kent – GB  
 Susan Lloyd & Associates – Guernsey – CHISL  
 The Royal Bank of Scotland plc – London – GB  
 The University of British Columbia – Vancouver - CAN  
 UBS Capital – Zurich – CH  
 Van Schoonhoven in 't Veld – Amsterdam – NL  
 Von Braun & Schreiber Private Equity Partners GmbH - Munich – D  
 W & S Transition & Interim Management – Amstelveen – NL  
 Warburg Dillon Read – London – GB  
 WJ Hopper & Co. Limited – Zurich – CH  
 WR Hambrecht + Co – New York – USA

1. Organised with the support of the Conferences & Training Committee the second EVCA Investor Conference (385 attendees including 120 investors). Whilst only the second edition, this event is already Europe's largest gathering of investors in private equity.
2. Produced EVCA's Reporting Guidelines in association with the Marketing and Communications Committee. These guidelines have already been integrated into the industry's major reporting software.
3. Managed the production and publication of the 3rd pan-European study of net returns in association with Venture Economics and Bannock Consulting.
4. Monitored and further improved the market survey with PricewaterhouseCoopers (PwC).
5. Promoted European private equity to US investors via a specialised panel in the Private Equity Analyst conference
6. Continued to provide input into the contents of the Europe Private Equity Update.

#### **INVESTOR RELATIONS COMMITTEE MEMBERS**

##### Chairman:

Mr. Dominique Peninon, ACCESS CAPITAL PARTNERS (F)

##### Members:

Ms. Janet Brooks, ECI VENTURES LTD (GB)

Ms. Catherine Lewis, PROVENTURE LTD (I)

Mr. Juha Marjosola, FINNISH INDUSTRY INVESTMENT LTD (FIN)

Mr. John McCrory, WESTPORT PRIVATE EQUITY LTD (GB)

Mr. Serge Raicher, EVCA

Mr. Max W. Römer, QUADRIGA CAPITAL BETEILIGUNGSBERATUNG GmbH (D)

Mr. Sergio Sambonet, 3i ITALY (I)

Mr. Charles Soullignac, FONDINVEST (F)

##### Secretary:

Mr. Javier Echarri, EVCA

1. Produced in association with the Investor Relations Committee EVCA's Reporting Guidelines to investors. These guidelines have already been integrated into the industry's major reporting software.
2. Increased key press coverage by more than 50%.
3. Developed a "members only" benefits package including major discounts on trade press and reporting software, as well as an insurance product specifically developed for the European private equity industry.
4. Produced three issues of the Europe Private Equity Update; issued the Press Summary on a monthly basis.
5. Increased communication on what EVCA is doing for its members and the benefits of belonging to the association.

### **MARKETING & COMMUNICATIONS COMMITTEE MEMBERS**

#### Chairman:

Mr. Edoardo Bugnone, ARGOS SODITIC (CH)

#### Members:

Mr. Simon Thornton, LANDMARK PARTNERS INC. (GB)

Dr. Holger Frommann, BUNDESVERBAND DEUTSCHER KBG's (D)

Mr. Serge Raicher, EVCA

#### Secretary:

Ms. Karen McLellan, EVCA

1. Organised two EVCA Institutes for a total of 110 participants
  - Institute XVIII from 21-24 September 1999 in Paris with parallel Early-Stage/Later Stage modules
  - Institute XIX from 22-25 February 2000 in Paris with a focus on later stage
2. Organised the second Advanced Training Course in association with INSEAD and IESE from 4-7 April 2000 in Paris with 58 participants
3. Actively supported the Investor Relations Committee for the organisation of the EVCA Business Seminar in Geneva from 22-23 March 1999; the proceedings of the conference were issued as an EVCA Special Paper
4. Organised a networking event from 24-26 March 2000 with 60 participants
5. Organised the Symposium in Paris from 7-9 June 2000 on the theme of "The New Belle Epoque?" The programme was enhanced with two keynote speakers, Michel David-Weill and Edward de Bono
6. Introduced conference-specific products on EVCA's web site such as the on-line registration system and the publication of the list of attendees to an upcoming conference

#### **CONFERENCES & TRAINING COMMITTEE MEMBERS**

Chairman:

Mr. Stan Vermeulen, ALPINVEST HOLDING NV/NIB CAPITAL (NL)

Members:

Ms. Carol Kennedy, PANTHEON VENTURES LTD (GB)

Mr. John Singer, ADVENT INTERNATIONAL PLC (GB)

Mr. Niall Carroll, ACT VENTURE CAPITAL (IRL)

Mr. Serge Raicher, EVCA

Mr. Philippe Defreyn, EVCA

Secretary:

Ms. Hélène Van Gysel, EVCA

1. Published the Special Paper on “Private Equity Fund Structures”
2. Published a Special Paper on “General Issues in Venture Capital and LBO Deal Structuring”
3. Published, in cooperation with the European Investment Fund, an analysis relating to the introduction of the Euro
4. Actively supported all lobby activities relating to the impact of the merger regulation on private equity

### **TAX & LEGAL COMMITTEE MEMBERS**

#### Chairman:

Mr. Jonathan Blake, SJ BERWIN & CO (GB)

#### Members:

Ms. Maria Leander, EUROPEAN INVESTMENT FUND (L)

Ms. Renata Mendana, Ms. Ana Nuevo Lopez, GARRIGUES & ANDERSEN (E)

Ms. Esther Schmith, ADVOKATFIRMAET O. BONDO SVANE (DK)

Ms. Daniela Weber-Rey, Mr. Klaus Weinand-Härer, CLIFFORD CHANCE PÜNDER (D)

Mr. Fabio Brunelli, STUDIO DI TANNO ASSOCIAZIONE PROFESSIONALE (I)

Mr. Jonathan Clarke, CINVEN LTD (GB)

Mr. Miguel de Avillez Pereira, AVILLEZ PEREIRA & ASSOCIADOS (P)

Mr. Olivier Hess, SALANS HERTZFELD & HEILBRONN (F)

Mr. David Huff, 3i GROUP PLC (GB)

Mr. José Ramon Martinez, Mr. Antonio Ortega, GARRIGUES & ANDERSEN (E)

Mr. Frede Morck, DANISH VENTURE FINANCE (DK)

Mr. Bernard Peeters, TIBERGHIEU & CO (B)

Mr. Serge Raicher, EVCA

Mr. Ulf Söderholm, ADVOKATFIRMAN VINGE KB (S)

Mr. Martti Timgren, BÜTZOW NORDIA ADVOCATES LTD (FIN)

Mr. Dirk Tirez, EASDAQ (B)

Mr. Ari Tolppanen, CAPMAN CAPITAL MANAGEMENT OY (FIN)

Mr. Andrea Tomaschù, ASSOCIAZIONE ITALIANA INV. ISTIT. CAP. RIS. (I)

Mr. Hans A. van Ramshorst, TRENITE VAN DOORNE (NL)

Mr. Gian Paolo Zini, PAVIA E ANSALDO (I)

Mr. Carlos Pazos, Mr. Javier Morer, SJ BERWIN PAZOS GALLARDO Y ASSOCIADOS (S)

#### Secretary:

Ms. Josyane Gold, SJ BERWIN & CO (GB)

1. Organised EVCA's highly successful 4th international conference on 20-22 October 1999 in Amsterdam focused on European technology and early-stage investment which attracted over 400 participants
2. Organised in cooperation with 3i/Technologieholding the 3rd IT interest group workshop in Munich, and with Life Science Partners the 2nd Biotech interest group workshop in Amsterdam
3. Published the second edition of the "European Technology Success Stories" Special Paper. This paper was published during EVCA's 4th Technology Investment & Early-Stage Conference held in October 1999 in Amsterdam
4. Focused on the role and needs of corporate venturers and compiled a listing of corporate venturers operating in Europe

#### **HIGH-TECH COMMITTEE MEMBERS**

Chairman:

Mr. Jim Martin, ADD PARTNERS (GB)

Members:

Mr. Patrick Bamas, AURIGA PARTNERS (F)

Mr. Roger Bendisch, IBB BETEILIGUNGSGESELLSCHAFT MBH (D)

Mr. Alessandro De Dominicis, IRITECH SPA (I)

Mr. Alan Duncan, PRELUDE TECHNOLOGY INVESTMENTS LTD (GB)

Dr. Kent Hansen, DANISH VENTURE FINANCE (DK)

Mr. Lennart Jacobsson, SWEDESTART MANAGEMENT AB (S)

Mr. Erkki Kariola, SFK FINANCE OY (FIN)

Mr. Roger Pett, EUROPEAN INVESTMENT FUND (L)

Mr. Serge Raicher, EVCA

Mr. Karl Schütte, TRINITY VENTURE CAPITAL (IRL)

Mr. Falk Strascheg, TECHNOLOGIEHOLDING VC GmbH (D)

Mr. Ari Tolppanen, CAPMAN CAPITAL MANAGEMENT OY (FIN)

Mr. Marc Verlinden, E.C. - DG XIII (L)

Mr. Philip Vermeulen, FLANDERS LANGUAGE VALLEY FUND (B)

Mr. Charly Zwemstra, PARNIB HOLDING NV/NIB CAPITAL (NL)

Secretary:

Mr. Javier Echarri, EVCA

1. Reviewed lobby activities at the national and pan-European level in order to evaluate the need for coordination
2. Ensured strong coordination between each National Association and local EVCA/PwC market survey representatives
3. Reviewed Government support for entrepreneurship throughout Europe
4. Launched a mentoring programme aimed at emerging NVCA's

### **NVCA COMMITTEE MEMBERS**

Chairman:

Mr. Raynier van Outryve d'Ydewalle (B)

Members:

Ms. Anna Gervasoni, ASSOCIAZIONE ITALIANA INV. ISTIT. CAP. RIS. (I)

Ms. Iveta Griacova, SLOVAK VENTURE CAPITAL ASSOCIATION (SK)

Ms. Dominique Barthel Denis, ASOCIACION ESPANOLA DE CAPITAL INVERSION (E)

Ms. Albina Nikkonen, RUSSIAN VENTURE CAPITAL ASSOCIATION (RU)

Ms. Marie-Annick Peninon-Bernard, ASSOCIATION FRANCAISE DES  
INVESTISSEURS EN CAPITAL (F)

Ms. Lojzka Podvrsnick, SLOVENIAN VENTURE CAPITAL ASSOCIATION (SL)

Mr. Tom Berggren, THE SWEDISH VENTURE CAPITAL ASSOCIATION (S)

Mr. Peter Borg, FINNISH VENTURE CAPITAL ASSOCIATION (FIN)

Mr. Paulo Caetano, ASSOCIACÃO PORTUGUESA DE CAPITAL DE RISCO (P)

Dr. Holger Frommann, BUNDESVERBAND DEUTSCHER KBG's (D)

Mr. David Hartford, PIONEER INVESTMENT POLAND (PL)

Mr. Ron Hollidge, BRITISH VENTURE CAPITAL ASSOCIATION (GB)

Mr. John McNerney, IRISH VENTURE CAPITAL ASSOCIATION (IRL)

Mr. Martin W. Noordzij, NEDERLAN.VERENIG.VAN PART.MIJEN NVP (NL)

Mr. Michal Nosek, CZECH VENTURE CAPITAL ASSOCIATION (CZ)

Mr. George Noël, BELGIAN VENTURING ASSOCIATION (B)

Dr. Berndt Samsinger, SWISS PRIVATE EQUITY & CORPORATE FINANCE  
ASSOCIATION (CH)

Dr. Géza Széphalmi, HUNGARIAN VENTURE CAPITAL AND PRIVATE EQUITY  
ASSOCIATION (H)

Mr. Emile van der Burg, PARNIB HOLDING NV/NIB CAPITAL (NL)

Secretary:

Mr. Serge Raicher, EVCA

1. Launched the 1st European Economic Impact Study of Buyouts in cooperation with CMBOR and PwC with the aim to publish in Fall 2000
2. Established criteria and assembled a database in order to select data for publication of the 1st European Buyout Success Stories paper
3. Worked with the Tax and Legal Committee in the aim to develop proper recommendations with regard to anti-monopoly regulation

### **BUYOUT COMMITTEE MEMBERS**

#### Chairman:

Mr. Lionel Anthony, ABN AMRO DEVELOPMENT CAPITAL (GB)

#### Members:

Ms. Andida Bouma, PARNIB HOLDING NV/NIB CAPITAL (NL)

Mr. Luciano Balbo, B & S PRIVATE EQUITY GROUP (I)

Mr. Walter Butler, BUTLER CAPITAL PARTNERS (F)

Mr. Alan Lewis, NATWEST EQUITY PARTNERS (GB)

Mr. Andrew W. Marchant, CINVEN LTD (GB)

Mr. Serge Raicher, EVCA

Mr. Andrew Richards, 3i DEUTSCHLAND (D)

Mr. John Singer, ADVENT INTERNATIONAL PLC (GB)

Mr. Ari Tolppanen, CAPMAN CAPITAL MANAGEMENT OY (FIN)

Mr. Emile van der Burg, PARNIB HOLDING NV/NIB CAPITAL (NL)

Mr. Vesa Vanha-Honko, CAPMAN CAPITAL MANAGEMENT OY (FIN)

#### Secretary:

Mr. Javier Echarri, EVCA

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ACTION PLAN 2000-2001

Overview of EVCA's activities for the  
working year June 2000 to June 2001

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The Committees will pursue the actions that are specified below, showing a detailed and ambitious work agenda for the coming working year.

Some of these actions are medium-term exercises and may continue even after the end of this working year.

Through the pursuit and achievement of targeted objectives and actions, EVCA will add the highest possible value to its members' activities and to the growth and profitability of the European private equity sector.

### **INVESTOR RELATIONS COMMITTEE**

1. Co-lead with the Professional Standards and Communications Committee a task force to review EVCA's Valuation Guidelines
2. Improve the pan-European Performance Study and the European Private Equity Investment Survey with the aim of releasing mid-year data
3. Coordinate with the Conferences & Training Committee a Task Force aimed at organising the 3rd Investor Conference in March 2001
4. Update the Fund Raising and Investor Relations paper
5. Promote European private equity to US investors via a specialised panel at the Private Equity Analyst Conference

### **PROFESSIONAL STANDARDS & COMMUNICATIONS COMMITTEE**

1. Co-lead with the Investor Relations Committee a Task Force to review EVCA's Valuation Guidelines
2. Widen the distribution and adoption of the Reporting Guidelines
3. Pilot an Education Partnership Programme Task Force with the aim to establish and promote a private equity and venture capital module in European universities
4. Expand the Member Benefits Package
5. Continue to provide input on EVCA's external communication activities

## **CONFERENCES & TRAINING COMMITTEE**

1. Organise the 20th and 21st EVCA Institute Training Courses including concurrent early-stage / later stage modules in the September session
2. Organise the 3rd and 4th Advanced Training Programme aimed at professionals with 3-5 years in the industry
3. Organise in cooperation with the Investor Relations Committee EVCA's 3rd Investor Conference in March 2001 and its subsequent networking event
4. Organise the 2001 EVCA Symposium in Rome on the basis of the success of the 2000 Paris Symposium
5. Organise the 5th Technology Investment Conference in Munich in cooperation with the High-Tech Committee
6. Organise a pilot workshop aimed at CFOs and Controllers

## **TAX & LEGAL COMMITTEE**

1. Produce a benchmarking paper and draft recommendations demonstrating the impact of taxation of stock options in the various member states
2. Produce a benchmarking paper and draft recommendations demonstrating the impact of fund structures in the various member states
3. Continue to support EVCA's efforts on monitoring the impact of the anti-monopoly regulation on private equity
4. Provide on a regular basis Tax & Legal National Developments memorandums to be made available on EVCA's web site
5. Produce special papers on "Public to Private Deals" and an update on "Taxation of Corporate Profits, Dividends and Capital Gains" and possibly launch an update on the "Venture Capital Incentives" paper

**HIGH-TECH COMMITTEE**

1. Organise the 5th Technology Investment & Early-Stage Conference in Munich on 18-20 October 2000 in co-operation with the Conferences & Training Committee
2. Promote Best Practice in technology investments through different forums between smaller/larger and newer/more established funds
3. Continue the development of active interest groups for Life Sciences and IT investments and organise the 6th, 7th and 8th "EVCA Members Only" specialised workshops
4. Promote the integration of Corporate Venturers within EVCA and organise the 1st Corporate Venturing workshop

**NATIONAL ASSOCIATIONS COMMITTEE**

1. Continue coordinating public awareness and promotion as well as lobby activities at the National and European level
2. Further harmonise market statistics and possibly produce interim flash data and increased geographical coverage
3. Support the development of National Associations located in European countries where private equity is emerging via a bi-lateral mentoring programme
4. Continue monitoring national practices to promote entrepreneurship throughout Europe
5. Follow the way PE associations monitor and serve their membership with respect to the "high-tech wave"

**BUYOUT COMMITTEE**

1. Organise the 1st EVCA specialised workshop in buyouts
2. Finalise the publication of the 1st European Economic Impact Study of buyouts in cooperation with PwC and CMBOR and ensure the largest possible distribution
3. Collect and publish the 1st European Buyout Success Stories paper
4. Identify the key relevant policy-making issues for the buyout industry within the focus of EVCA's White Paper
5. Continue providing input with regard to anti-monopoly regulations

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ACCOUNTS & BUDGET

Auditor's Report

Balance Sheet at 31 December 1999

Statement of Income less  
Expenditure 1999

2000 Budget

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 Bedrijfsrevisoren  
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## AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 1999 TO THE MEMBERS OF EUROPEAN VENTURE CAPITAL ASSOCIATION ASBL

In accordance with your requirements we are pleased to report to you on the performance of the audit mandate which you have entrusted to us.

We have audited the accompanying balance sheet as at December 31, 1999 and the related statement of income and expenditures for the year then ended which have been prepared under the responsibility of the board of directors and which show a balance sheet total of EUR 2.417.643,59 and a profit for the year of EUR 394.487,79.

### Unqualified audit opinion on the financial statements

We conducted our audit in accordance with the standards of "Institut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet and statement of income and expenditures are free of material misstatement.

In accordance with those standards, we considered the association's administrative and accounting organisation, as well as its internal control procedures. The association officials have responded clearly to our requests for explanations and information. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing accounting principles used and significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the balance sheet as at December 31, 1999 and the statement of income and expenditures for the year ended December 31, 1999 give a true and fair view of the association's assets, liabilities, financial position as of December 31, 1999 and the results of its operations for the year then ended, and the information given in the notes to the financial statements is adequate.

Brussels, April 6, 2000

Ernst & Young Bedrijfsrevisoren BCV (B 160)  
 Statutory auditor  
 represented by

Remi Vermeir  
 Partner

RV/nvc

De officiële verantwoordelijkheid voor de inhoud van deze KifB-verslaggeving is uitsluitend te leggen op de RV's.  
 De aansprakelijkheid van de RV's voor de inhoud van de verslaggeving is beperkt tot de aansprakelijkheid van hun aansluitende RV's.  
 RV's: Brussel: R.V.N. Sindsel 213 - FAX: 021 774 91 11  
 Sampet - Antwerpen: 03 21 40 20 07 - PBK: 010178177 - 12  
 Gemeenteregister: Coelbeek: B.K. 211080566 (000) - KifB: 415001770-12

## General Comments on the 1999 EVCA Accounts

EVCA's statement of income over expenditure for 1999 shows:

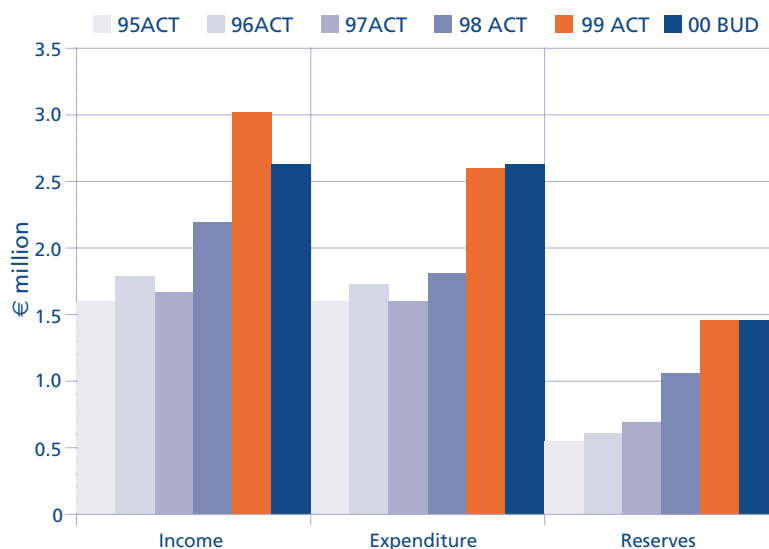
- Total income of EUR 3.02 million up from EUR 2.19 million in 1998
- Total expenditure of EUR 2.63 million up from EUR 1.81 million in 1998
- An excess of income over expenditure of EUR 0.39 million, up from EUR 0.38 million in 1998

In 1999, the EUR 0.83 million increase in income has more than compensated for the EUR 0.79 million increase in expenditure. In fact all income categories increased. Income from European Community contracts remained at the same level and sponsorship doubled.

Consequently, as the graph below shows, general reserves at the end of 1999 were up to EUR 1.49 million compared to 1998's year-end level of EUR 1.06 million.

An evolution over 5 years, from 1995 to 1999 in actual accounts, shows a steady growth of the reserves.

### EVOLUTION OF INCOME/EXPENDITURE/RESERVES



Detailed comments are provided on the following pages for:

- The balance sheet as at the end of 1999 and 1998
- The statement of income less expenditure for 1999 and 1998

## General Comments on the 2000 EVCA Budget

The 2000 budget projects:

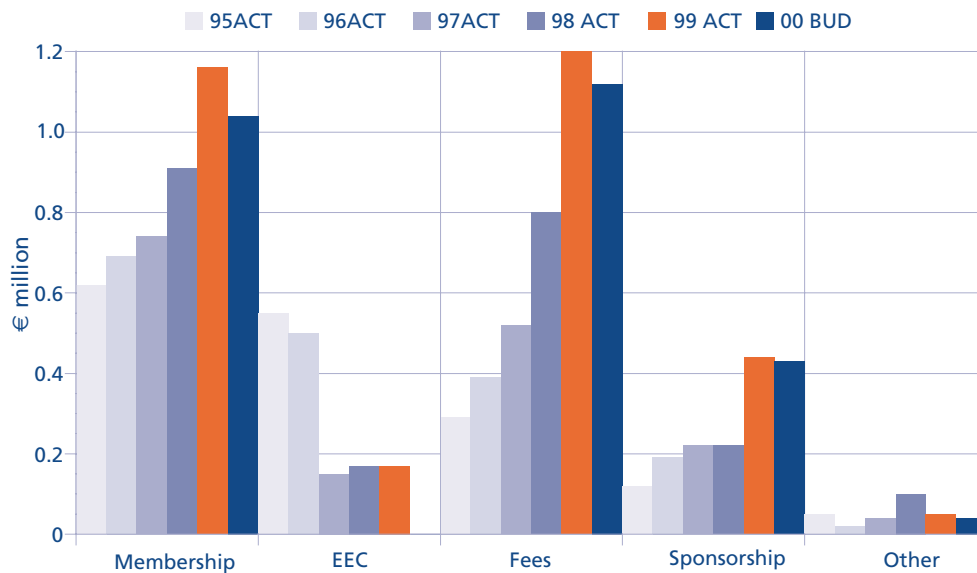
- Total income of EUR 2.63 million, down from 1999's actual income of EUR 3.02 million
- Total expenditure of EUR 2.63 million, up from 1999's actual expenditure of EUR 2.63 million
- A small excess of income over expenditure

Income from membership fees, fees from sales and sponsorship is conservatively budgeted; outstanding performances achieved in 1999 have not been taken into account. The graph below shows a positive evolution of membership fee income (MEMB), registration fee income (FEES) from conferences and sales of publications, and finally, of sponsorship income (SPONS).

No income from the European Commission has been budgeted for 2000.

All expenditure items have been budgeted conservatively for 2000.

### DETAILED EVOLUTION OF INCOME



A detailed comparison between the 2000 budget and the 1999 actual accounts is provided on the following pages.

## EVCA 1999 BALANCE SHEET

All amounts in EUR	ACTUAL 31 December 1999	ACTUAL 31 December 1998
<b>ASSETS</b>		
FIXED ASSETS		
At cost less depreciation	39,866.29	46,731.82
CURRENT ASSETS		
Receivables	186,802.47	107,421.31
Provision for bad debts	-83,050.45	-58,416.28
EC Contracts	204,200.75	139,882.30
Deposits and prepayments	9,176.47	9,176.47
VAT	41,990.46	52,022.81
Deferred charges	83,162.70	47,609.81
Cash at banks	1,935,494.90	1,104,931.30
TOTAL CURRENT ASSETS	2,377,777.30	1,402,627.72
<b>TOTAL ASSETS</b>	<b>2,417,643.59</b>	<b>1,449,359.54</b>
 <b>LIABILITIES</b>		
GENERAL RESERVES		
Opening balance	1,063,565.42	685,957.25
Attribution of profit/loss	394,487.79	377,608.17
Closing balance	1,458,053.21	1,063,565.42
PROVISIONS	226,837.50	222,392.52
CURRENT LIABILITIES		
Suppliers	292,674.52	125,058.09
Payroll accruals	70,075.73	36,856.14
Deferred income	370,002.63	1,487.37
TOTAL CURRENT LIABILITIES	959,590.38	385,794.12
<b>TOTAL LIABILITIES</b>	<b>2,417,643.59</b>	<b>1,449,359.54</b>

**COMMENTS ON THE 1999 BALANCE SHEET****ASSETS****Fixed assets at costs less depreciation**

New office equipment and furniture have been acquired in 1999 replacing obsolete items which were fully written off. (Fixed assets are depreciated at 33.33% per annum).

**Receivables and provision for bad debt**

The receivables are higher at the end of 1999 than the previous year. They include mainly sponsorship unpaid as of 31/12/99 and unpaid membership fees. The provision of EUR 83,050.45 is based on the status of these debtors as per end February 2000.

**Contracts EC**

The amount due by the EC amounts to EUR 204,200.75 at the end of 1999 and covers the balance due on two contracts. The balance of the first contract (ex 1998) has been received meanwhile. The amount due for the second contract has been fully provisioned for, due to the uncertainty of the payment.

**Deposits and prepayments**

This amount contains mainly guarantees for social charges.

**VAT**

The amount due by the Belgian government according to declarations over the fourth quarter of 1999.

**Deferred charges**

Expenditures related to 2000 events.

**LIABILITIES****General Reserves**

All transactions being purely financial and with the fixed assets being only 1.65% of the balance sheet total, the cash position of EVCA is close to the amount of total reserves. The cash position is not yet covering one year of operating expenses.

**Provisions**

The provisions totalling EUR 226,837 at the end of 1999 are the following:

3 months staff salaries and charges	EUR	70,669
Taxis (second contract)	EUR	156,168

**Suppliers**

The outstanding balance was due in the beginning of January 2000.

**Payroll accruals**

This contains the legal holiday provision for staff people on the payroll.

**Deferred income**

Invoiced sponsoring and participants' fees related to conferences occurring in 2000.

**STATEMENT OF INCOME LESS EXPENDITURE  
ACTUALS 1999 VS. 1998**

<b>All amounts in EUR</b>	<b>Actual 1999</b>	<b>Actual 1998</b>
Membership fees	1,157,733.16	906,245.03
European Community contracts	170,544.75	164,965.08
Fees & subscriptions	1,203,638.16	799,856.87
Sponsorship	441,556.80	216,978.75
Other income	47,760.11	99,328.21
<b>Total income</b>	<b>3,021,232.98</b>	<b>2,187,374.83</b>
Staff	-752,361.66	-564,634.87
External fees	-323,708.09	-219,153.42
Office and meeting accommodations (conferences included)	-791,511.60	-188,373.22
Equipment	-78,826.03	-66,006.88
Travel, hotels and representation	-80,900.11	-356,547.79
Communications	-249,767.35	-173,969.12
Printing & slides	-174,742.77	-142,492.22
Various office costs	-66,564.64	-40,533.94
Financial charges & exchange differences	-26,117.19	-37,702.81
Provisions	-82,245.75	-23,352.39
<b>Total expenditure</b>	<b>-2,626,745.19</b>	<b>-1,809,766.66</b>
<b>Income less expenditure</b>	<b>394,487.79</b>	<b>377,608.17</b>

**COMMENTS ON THE STATEMENT OF INCOME LESS EXPENDITURE  
ACTUALS 1999 VS. 1998****Membership fees**

Invoicing of membership fees in 1999 increased by 28% compared to 1998.

**European Community contracts**

Actual income charged to the EC, covering the ad-hoc expenditures, relates to the Tacis project (started end 1998 – second contract).

**Fees and subscriptions**

1999 actuals are 50% better than in 1998. This is due to a record level of successful conferences and the increase in the sale of publications.

**Sponsorship**

Sponsorship in 1999 shows more than 50% increase compared to previous year with outstanding results on the Symposium and the Yearbook

**Other income**

Bank interests are in line with that of last year. In 1998 there was an exceptional and non-recurrent income of EUR 49,578.70.

**Staff and external fees (inter-related costs)**

Staff costs and external fees increased by 33%. This reflects the investments made by EVCA to support the increasing activity (membership services, sales of documentation, conferences) as well as the related non-recurrent recruitment costs.

**Office and meeting accommodations (conferences included)**

Important increase of meeting accommodation for conferences. Furthermore, EVCA's offices were extended to host new team members.

**Travel, hotels and representation**

An amount of EUR 172,143 has been identified as conference-related costs and consequently a transfer from actual chapter to the previous one has been booked. This reallocation explains the decrease of the amount of actual chapter compared to 1998.

**Communications - printing and slides - various offices costs**

The increase of this item is due to the increase in the number and volume of conferences.

**Financial charges and exchange differences**

Positive exchange differences occurred in 1999 which explains the total decrease of these costs.

**Provisions**

The increase compared to 1998 is partially due to the increase of the provision for bad debtors and partially to the increase of the provision related to the second Tacis contract.

**BUDGET 2000 VS. ACTUALS 1999**

<b>All amounts in EUR</b>	<b>Budget 2000</b>	<b>Actual 1999</b>
Membership fees	1, 041,152.80	1,157,733.16
European Community contracts		170,544.75
Fees & subscriptions	1,117,757.33	1,203,638.16
Sponsorship	431,847.01	441,556.80
Other income	37,184.03	47,160.11
<b>Total income</b>	<b>2,627,941.17</b>	<b>3,021,232.98</b>
Staff	-903,076.11	-752,361.66
External fees	-258,181.11	-323,708.09
Office and meeting accommodations (conferences included)	-817,645.65	-791,511.60
Equipment	-45,860.30	-78,826.03
Travel, hotels and representation	-83,571.26	-80,900.11
Communications	-205,751.63	-249,767.35
Printing & slides	-172,781.79	-174,742.77
Various office costs	-45,240.57	-66,564.64
Financial charges & exchange differences	-43,381.37	-26,117.19
Provisions	-52,057.64	-82,245.75
<b>Total expenditure</b>	<b>-2,627,547.43</b>	<b>-2,626,745.19</b>
<b>Income less expenditure</b>	<b>393.74</b>	<b>394,487.79</b>

## **COMMENTS ON THE STATEMENT OF INCOME LESS EXPENDITURE 2000 BUDGET VS. 1999 ACTUALS**

### **Membership fees**

The 2000 budget is conservatively 90% of the amount invoiced in 1999.

### **European Community contracts**

The Tacis project for Technical Assistance to the Equity Investment Sector in the NIS (New Independent States) came to an end in February 2000. Renewal of this contract has not been sought.

### **Fees and subscriptions**

Compared to the outstanding results on the 1999 events, a conservative figure has been budgeted.

### **Sponsorship**

The budget has been kept in line with the 1999 actuals.

### **Other income**

This item has also conservatively been budgeted.

### **Staff and external fees**

An increase of 8% has been budgeted.

### **Office and meeting accommodations (conferences included)**

The budget has been kept in line with the 1999 actuals.

### **Equipment**

The budget is under the 1999 actual costs as some material has been fully written off at the end of 1999.

### **Travel, hotels and representation**

The 2000 budget has been increased as more workshops are expected to be organised in 2000.

### **Communications**

As important discounts have been negotiated with telecom companies, the budget is 18% lower than the 1999 expenses.

### **Printing and slides**

The budget has been kept in line with the 1999 actuals.

### **Various office costs**

The decrease on the 2000 budget is due to an expected decrease in software expenses.

### **Financial charges & exchange differences**

More charges are expected from the acceptance of credit cards in collecting fees from participants in EVCA events. Positive exchange differences occurred in 1999. Both items explain the increase of the 2000 budget.

### **Provisions**

The 2000 budget includes a provision similar to the 1999 actual figures.







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