



## Private equity investments in CEE reach €2.5bn in 2009

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Private equity and venture capital firms have invested at a steady rate in companies located in Europe's Central and Eastern European states ("CEE") throughout the credit crunch, according to EVCA's special paper *Central and Eastern Europe Statistics 2009* based on data collected by PEREP\_Analytics and edited by the EVCA Central & Eastern Europe Task Force.

In 2009, €2.5bn of private equity was invested in the region, a similar amount to the investment levels of 2008 and 2007. By contrast, in Europe as a whole, private equity investments in 2009 contracted 60% on the previous year. As a result, investment in CEE-based companies accounted for nearly 11% of total private equity investment across Europe in 2009, up from 5% in 2008.

Investment activity in the CEE region was largely concentrated in five countries, with the Czech Republic, Poland, Romania, Hungary and Bulgaria accounting for 93% of the total investment value and 73% of a total 123 companies financed in 2009. The Czech Republic alone accounted for nearly 60% of total CEE investment value and was the result of a small number of large investments in companies headquartered in the Czech Republic but active in several CEE countries.

By key market segments in 2009, the total amount invested in buyouts in the CEE region went up by nearly 20%, to €1.8bn, whereas growth capital investments halved, to €391m. In venture capital, the amount of investments completed decreased by almost two-thirds to €43m – driven by a low level of both later-stage and start-up investments.

Divestments from private equity – backed companies in CEE in 2009 fell by 48% compared to the level achieved in 2008, when measured by amount using the cost of investment. Private equity firms across the region decided to hold on to their investments rather than sell in the relatively more difficult market environment.

Meanwhile fundraising for the CEE region in 2009 totalled €378m, significantly less than in 2008, reflecting the cyclicity of the market, and the well-funded nature of firms targeting the region, following strong fundraising years in 2006 to 2008.

Commenting on the data, Robert Manz, chair of EVCA's CEE Task Force, said: "Private equity investments in the CEE region held up impressively well in 2009 against the backdrop of Europe as a whole. Private equity fund managers remained well-funded and continued to find attractive investment opportunities across the region, particularly in the mid-market and large buy-out segments. Although exit activity was subdued in 2009, the overall health of CEE portfolios held up comparatively well. A reasonably solid year for the region considering the global environment."

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## **Notes to editors**

### **About European Private Equity & Venture Capital Association**

EVCA is the voice of European private equity and venture capital, trusted by over 1.200 members to represent the industry at the highest levels of business and government.

It is this trust, fostered over 26 years, that enables EVCA to promote and protect the industry, working in partnership with key stakeholders like policy makers, institutional investors, entrepreneurs, employee groups, professional advisors and business executives.

EVCA develops and delivers professional standards, world class research and education, industry promotion and public policy making.

EVCA covers the whole range of private equity from early-stage venture capital to the largest buyouts.

For more information, please visit [www.evca.eu](http://www.evca.eu).

### **About The EVCA CEE Task Force**

The EVCA Central & Eastern Europe Task Force was started in 2003 to launch initiatives specifically aimed at the development of private equity in the CEE region.

### **About PEREP\_Analytics**

PEREP\_Analytics™ is a centralised, non-commercial pan-European private equity database.

Currently it is the joint statistical platform of EVCA and 18 national and regional private equity and venture capital associations across Europe, of which seven are from the CEE region: CVCA (Croatia), CVCA (the Czech Republic), EstVCA (Estonia), HVCA (Hungary), PPEA (Poland), SEEPEA (South Eastern Europe) and SLOVCA (Slovakia). Full confidentiality of the underlying data is preserved by the associations involved in the exercise. No further third parties have access to the data

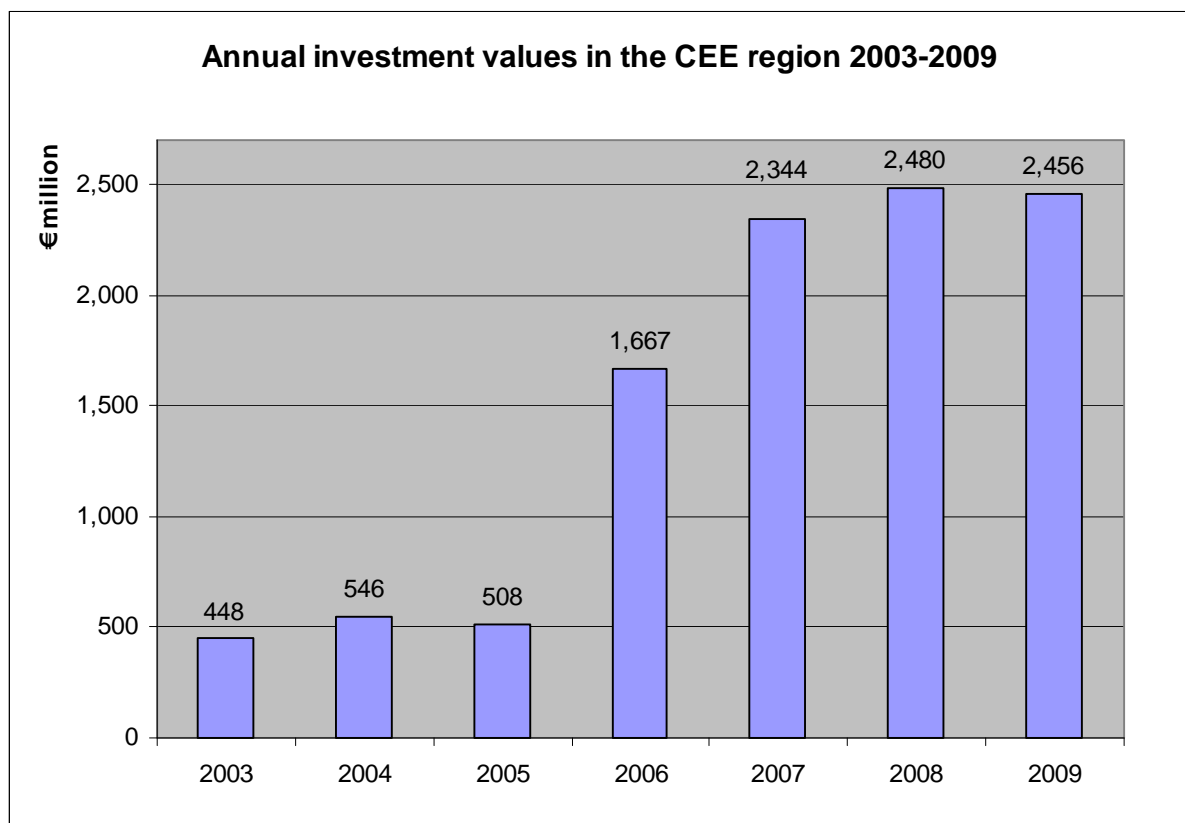
The quantitative and qualitative data collected via PEREP\_Analytics serves:

- the needs of all stakeholders for market approach statistics
- the need for accurate, consistent and timely data
- the need for timely ad hoc analyses
- the intrinsic private equity market evolution, which has seen cross-border transactions become the norm, rather than the exception
- the needs of industry practitioners, investors, international organisations, governments and other stakeholders, all of which demand private equity statistics

Figures are updated on a continuous basis and are thus subject to change.

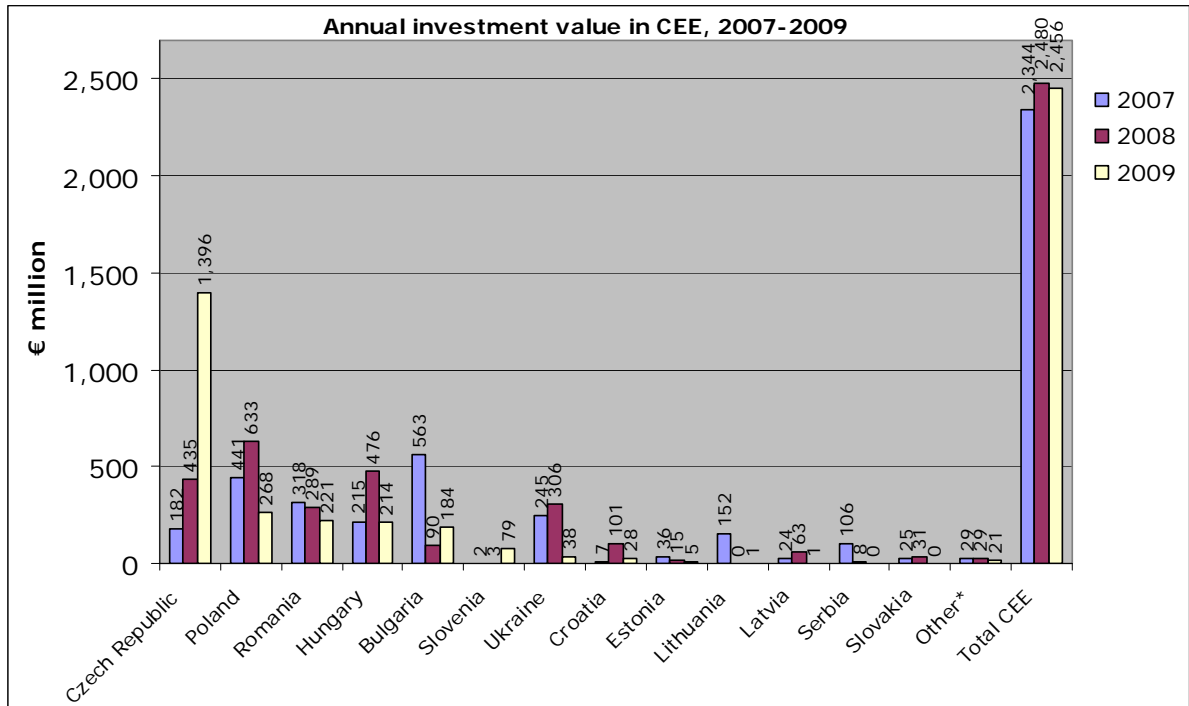
For more information, please visit [www.perepanalytics.eu](http://www.perepanalytics.eu)

#### Appendix 1:



Source: EVCA/PEREP\_Analytics

Appendix 2:



Source: EVCA/PEREP\_Analytics

\* Bosnia-Herzegovina, Macedonia, Moldova, Montenegro