



Financial Sponsors – Going Global

Presentation To:

Council on Foreign Relations

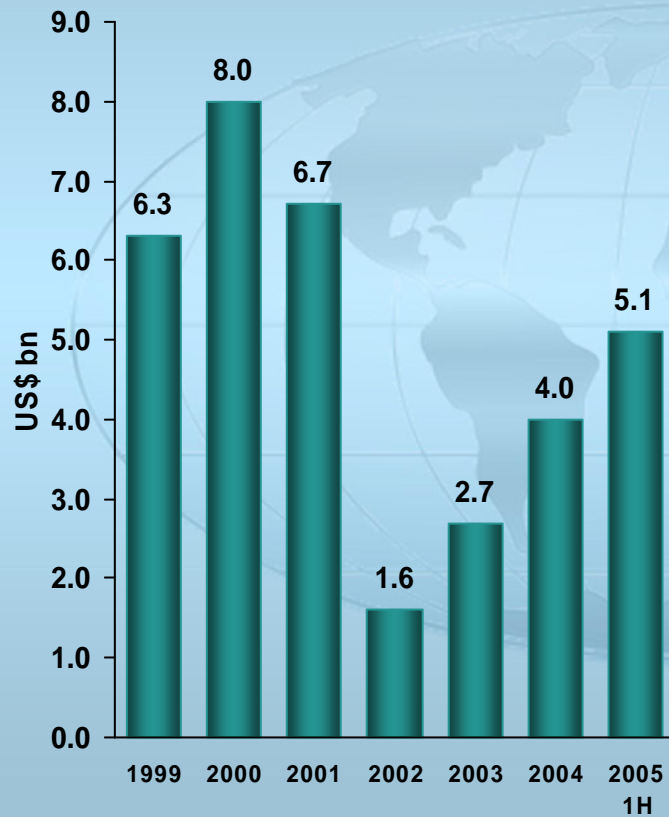
Goldman, Sachs & Co.

December 13, 2005

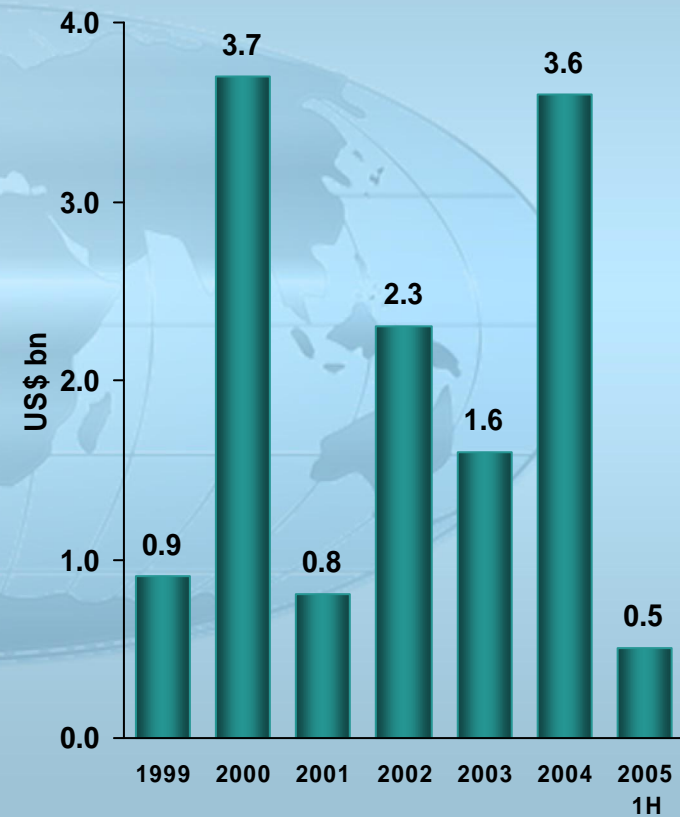
New York

Private Equity Fund Raising Has Rebounded

Asia Ex-Japan



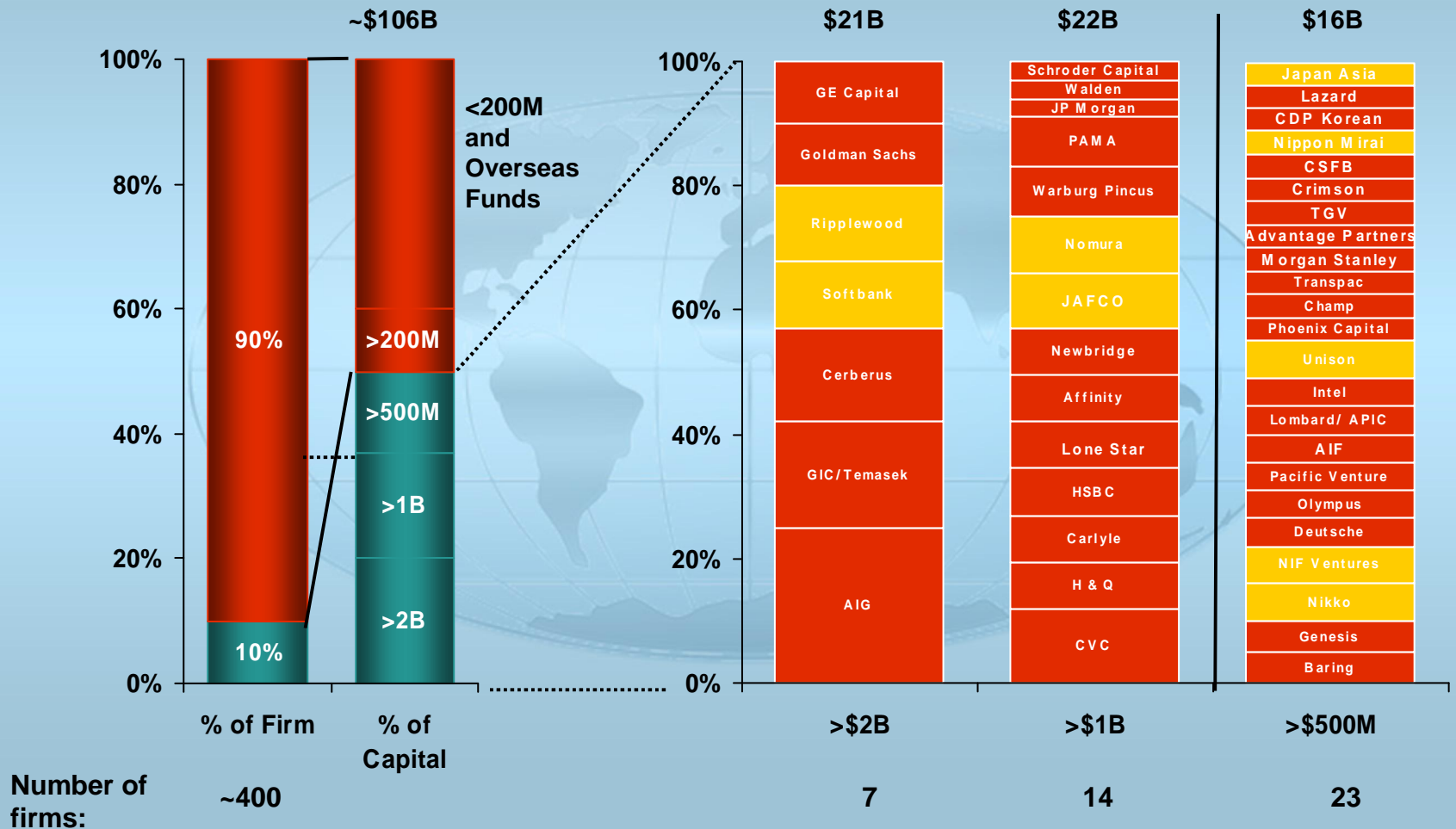
Japan



Source: Asia Private Equity Review



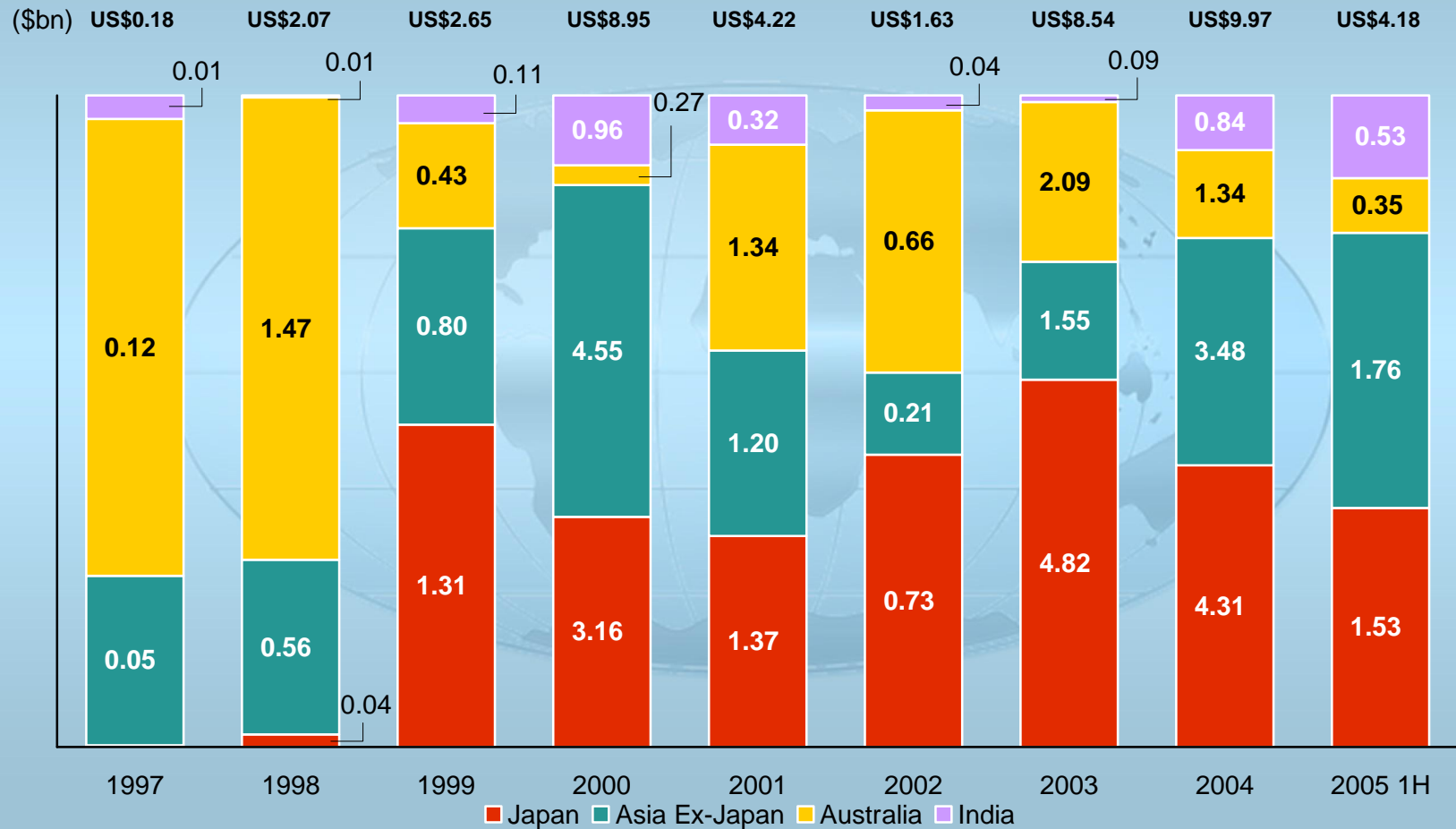
Funds Greater Than \$1 bn Account For 40% of the Capital Under Management



Note: Firms with light-colored boxes denote funds focused primarily on Japan
 Source: Asian Private Equity 300 – ‘The Guide to Venture Capital in Asia 2004’



Dramatic Growth in Deal Volume



Note: Asia Ex-Japan includes China, South Korea, Singapore, Hong Kong and Taiwan
 Source: Thomson and Asia Private Equity Review



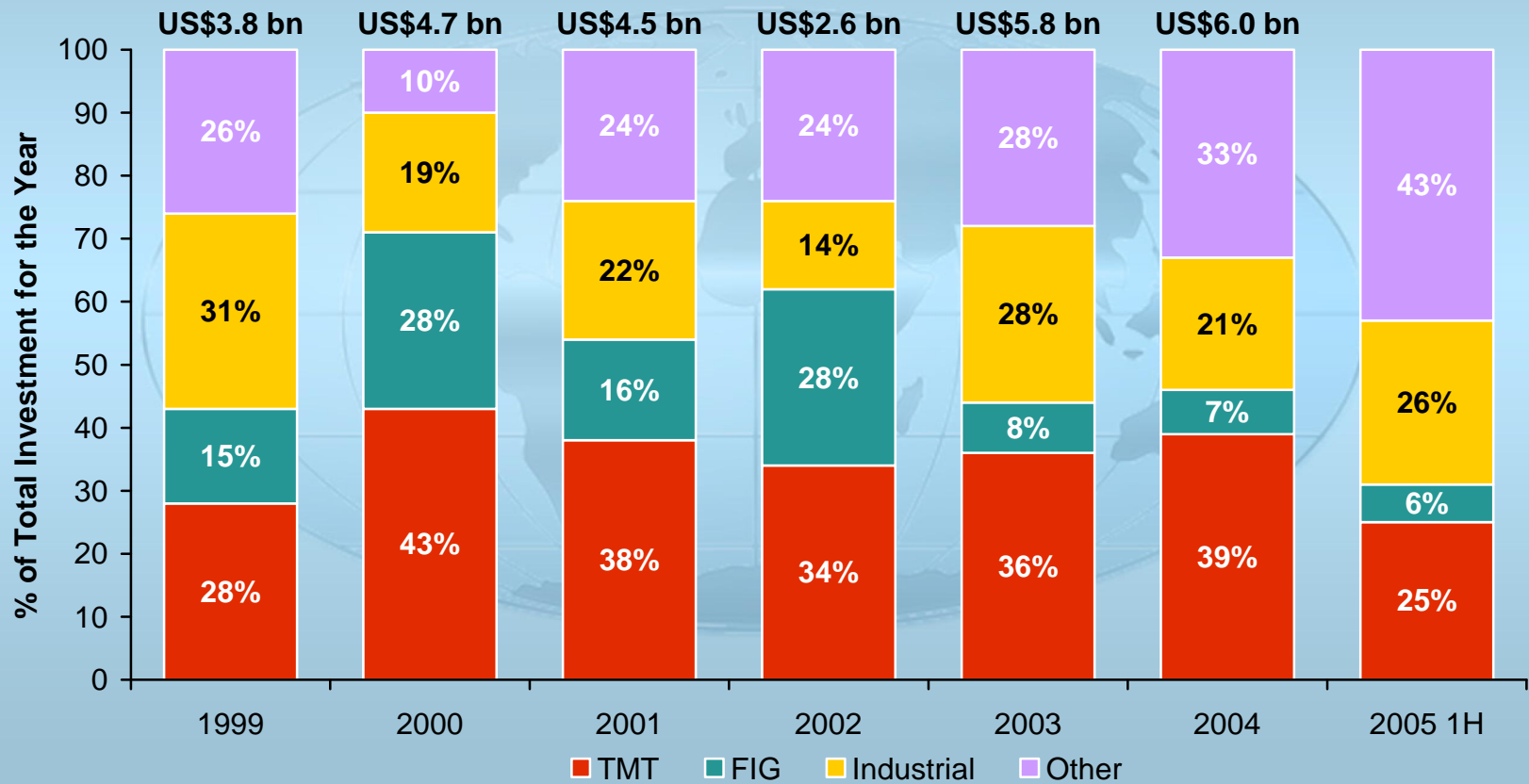
Average Asian Deal Size Has Increased



Source: Asian Venture Capital Journals and Asia Private Equity Review

Investment Spread Evenly Across Industries

Investment Breakdown by Industry According to Value¹



¹ Figures for 1999-2002 exclude investments in Japan due to lack of breakdown

² Others include investments in healthcare, food and beverage, consumer goods/retail and services sectors

Source: Asia Private Equity Review



Strong Financial Sponsor Interest in the Technology and Pharmaceutical Sectors



Select Financial Sponsor Investments — India

Date Announced	Investee	Investor ⁽¹⁾	Industry
Nov-05	Sify	Infinity Ventures	Technology
Oct-05	Scandent Solutions	ICICI Venture	Technology
Oct-05	Nazara Technologies	Westbridge	Technology
Oct-05	Medreich Ltd.	Temasek	Pharma
Sep-05	Perlecan Pharma	ICICI Venture	Pharma
May-05	Malladi Drugs	ICICI Venture	Pharma
Nov-04	Nectar Lifesciences	CVC	Pharma

Select Financial Sponsor Investments — China

Date Announced	Company	Sponsor	Industry
Oct-24-05	General Atlantic	Vimicro Corp	Semiconductor
Mar-30-05	Texas Pacific Group	Lenovo Group	Computer Systems
Dec-14-04	Warburg Pincus	Harbin Pharma	Generic Drugs
Feb-3-00	Warburg Pincus	Asia Info Holdings	Technology Service

Source: Goldman Sachs Analysis



What is Driving the Growth?

Japan

- n Extraordinary number of investments in distressed real estate and distressed debt
- n Corporate private equity has recently accelerated
- n Increase in corporate restructuring activity implies an increase in medium to large buyouts
- n Increasing acceptance of M&A as part of business strategy
- n Abundant financing is available

Australia

- n Financial sponsors are coming of age
- n Recent success of sponsors has brought significant attention to the asset class
- n Exploiting current strength of equity market to divest portfolio companies
- n Bank debt market is more aggressive than the US market

Asia Ex-Japan

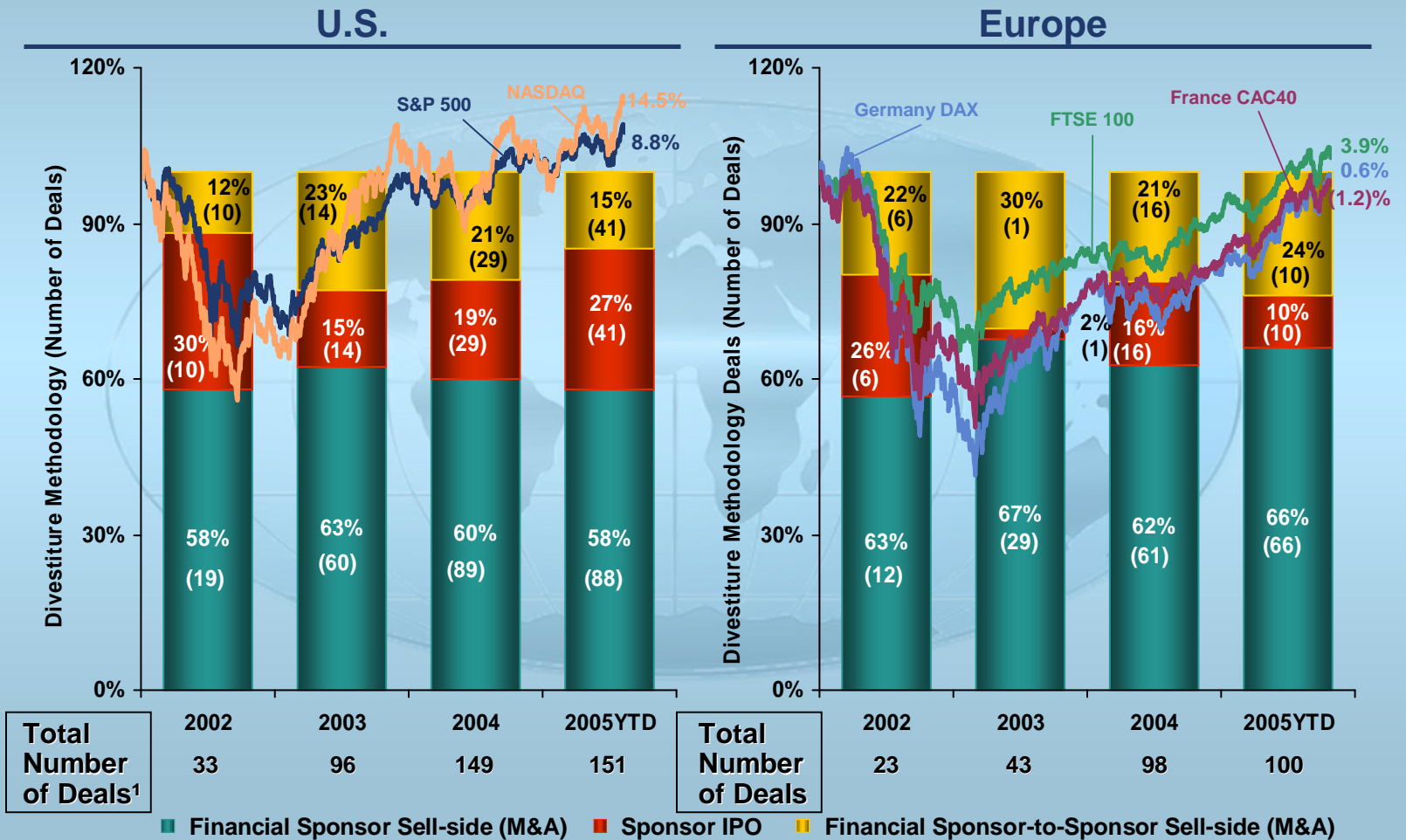
- n More minority deals due to expiring fund life; lack of buyout opportunities and regulatory constraints
- n Privatization and ongoing restructuring
- n Increasing willingness among corporates to dispose of non-core business
- n Need for growth capital
- n Low domestic interest rates make LBOs attractive

India

- n Early private equity effort focused on technology, now broadening out, PIPES have been common
- n Returns have been significant
- n Investments in minority stakes rather than control investing



Divestment Methodology Trends in U.S. and Europe



Source: Factset and Goldman Sachs Analysis
 1 Includes deals with base amount >\$100mm.

Exit Trends in Asia





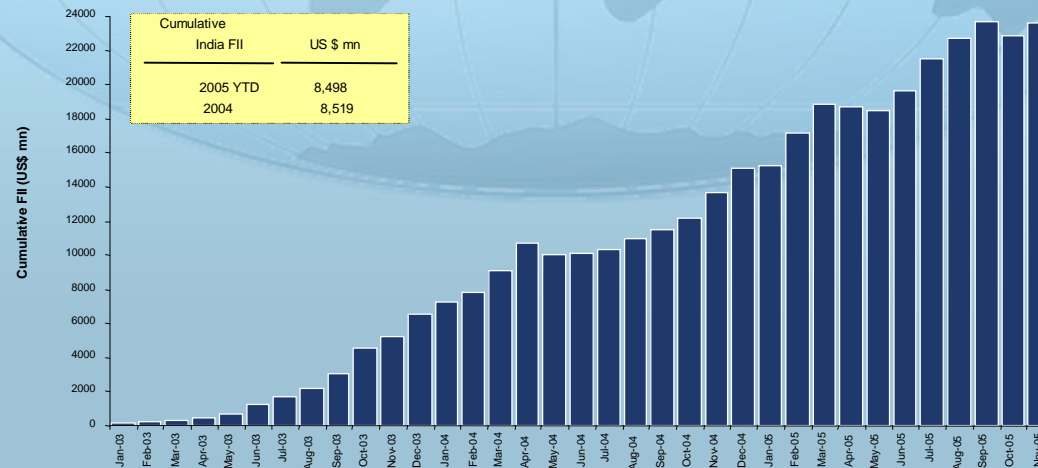
Indian Equity Markets

Sensex Reaches a New High 9,000; Fundamentals Remain Buoyant

Market Scale to a New High after a Blip in October



FII's Turn Positive Again





Recent Sponsor Transactions in India 2005 YTD

Divestiture Methodology Trends in India



Date	Company	Investor	Divestment Methodology
Oct-05	Bharti Televentures	Warburg Pinus	Trade Sale
Sep-05	Servion Global	CVC	Trade Sale
Sep-05	Suzlon	CVC	IPO
Jul-05	Satnam Overseas	Temasek	Trade Sale
Jun-05	Yes Bank	CVC	IPO
Jun-05	Nectar Lifesciences	CVC	IPO
Jun-05	Knowledge Systems	Other	Trade Sale
Apr-05	Shoppers Stop	ICICI Venture	IPO
Apr-05	India Infoline	ICICI Venture	IPO
Apr-05	Allsec Technologies	Other	IPO
Apr-05	Arvind Brands	ICICI Venture	Trade Sale

Source: Goldman Sachs Analysis



Listing Location Considerations: Key Criteria to Evaluate

n Favored listing location depends on balancing several key criteria

	Key Criteria		
Valuation	Open Market	ü	ü
	IPO Discount Required	ü	ü
Brand- ing	Enhance Listing Company Profile in Home Market	ü	ü
Ease of Future M&A	Shareholder Approval Required	ü	ü
	Regulatory Restrictions	ü	
Regulatory / Governance	Ongoing Listing Requirements		ü
	Quarterly Reporting		ü
Role of Research	Pre-IPO / Pre-Marketing Research Allowed	ü	