Press Release – Immediate Release 15th October 2009

Private Equity Performance Returns at -30.0% in 12 Months to 31st March

Evidence of returns bottoming out; Private equity still beating public markets

Performance data for the private equity industry as of 31st March 2009 is now in. The results are showing that although private equity valuations are still in decline, the rate of quarterly change has slowed considerably from 2008, suggesting that the market is bottoming out and that the fund valuations are set to stabilize. Over the medium to long term, the asset class is still showing healthy returns and is clearly outperforming public indices.

Preqin's industry-leading performance data is based upon net to LP returns for 4,855 individual funds, representing 65% of all funds ever raised in terms of value. This information is gathered from multiple sources including directly from fund managers, and also from investors in funds.

Please see following pages for our private equity performance update report.

Key findings of the research include:

- As of March 31, 2009, the one-year returns for private equity were -30.0% - beating the one year returns for the Standard & Poor's 500, MSCI Europe and MSCI Emerging Markets which stood at -38.1% , -49.9% and -47.1% respectively.
- Medium to long-term returns show private equity is outperforming the S&P by 8.1 percentage points over a one-year period, 19.1 percentage points over a three-year period and 25.4 percentage points over a five-year period.
- One-year horizon returns by fund type show private equity real estate is the worst performer with an IRR of -40.5%, followed by buyout with an IRR of -33.8%, fund of funds with -20%, venture capital at -17.1%, and mezzanine with -2.0%.
- Fund managers wrote down the value of their portfolios by 14.0% in December 2008 compared with the previous quarter, and a further 4.0% in March 2009 in comparison with the previous quarter.
- For buyout funds, the biggest losses were seen at the top end of the market. Mega buyout funds declined in value by 21.9% in Q4 2008 (compared with the previous quarter) and again by 6.6% in the first quarter of 2009, whereas small buyout funds reported smaller losses of 4.9% in Q4 2008 and 3.7% in Q1 2009.

Comment:

Private Equity performance as of 31st March 2009 is still poor for most fund types, with portfolio valuations continuing to drop as fund managers remain unable to exit any of their previous investments. Although data for Q2 2009 is currently too limited to create meaningful benchmarks, it does appear that the recovery in the public markets is also being seen in private equity. Returns are stabilizing, and it is likely that future quarters will show a modest increase in net asset value after a sustained period of decline. The private equity industry is still beating all the main public indices, proving to be a valuable asset class for institutional investors."

Etienne Paresys, Head of Research, Preqin

About Preqin:

Preqin is the leading source of information for the alternative assets industry, providing data and analysis via online databases, publications and bespoke data requests.

Preqin has built a reputation in the alternative assets industry for providing the most comprehensive and extensive information possible. Leading alternative assets professionals from around the world rely on Preqin's services daily, and its data and statistics are regularly quoted by the financial press. For more information, please visit: www.preqin.com

Note to Editors:

- Please note that Preqin has completely replaced Private Equity Intelligence as the official company name.
- Preqin is spelled without the letter 'U' after the 'Q'.

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Preqin Research Report
Private Equity Performance As of Q1 2009

Private equity performance is rapidly changing due to the volatility of the public markets, the current financial turmoil and the new mark-to-market valuation rules. Using data from Performance Analyst, Preqin has analysed the returns generated by private equity partnerships as at 31st March 2009 in order to provide an independent and unbiased description of the industry performance. Preqin currently holds transparent net-to-LP performance data for over 4,800 private equity funds of all types and geographic focus. In terms of aggregate value, this represents around 65% of all capital ever raised. For more information on Performance Analyst please visit:
www.preqin.com/pa

Compared to public indices, private equity is still generating better returns. As of March 31st, 2009, the one-year returns for the Standard & Poor's 500, MSCI Europe and MSCI Emerging Markets were -38.1% , -49.9% and -47.1% respectively, compared with -30.0% for private equity. Horizon IRRs for all private equity have also beaten these public indices over the three- and five-year periods, where private equity outperformed the S&P 500 by 19.1 percentage points over the three-year period and by 25.4 percentage points over the five-year return. All public indices were posting negative returns over a three-year period, while private equity was still showing positive returns of 6%. Private equity has certainly been affected by the current crisis, but to a lesser extent than listed equity, thus confirming private equity as one of the most rewarding asset classes available to investors.

It should be noted, however, that comparisons made between the public indexes and private equity at March 2009 are made at a particularly difficult period as the public markets bottomed out at this period.

Furthermore, comparisons with public markets need to be viewed with caution as private equity remains an illiquid investment and horizon returns are therefore not as relevant as for listed equities. Investors in private equity partnerships are unable to exit their investments and must wait for the fund to be liquidated before they can realize their total returns.

All private equity strategies posted negative one-year returns for the period ending March 31, 2009. With a horizon IRR of -40.5%, private equity real estate is the worst performing private equity strategy, suffering the most in the aftermath of the sub-prime crash. Buyout funds were the second-worst performers, with an average horizon IRR of -33.8% during that period. Other strategies' horizon IRRs have suffered slightly less, with fund of funds around -20% and venture capital at -17.1%. Mezzanine, the only strategy that posted positive one-year returns as of Q4 2008, is now also in the red, at -2.0%.

Mid- and long-term horizon IRRs are all in positive territory, with the exception of the three-year real estate IRR to March 09, which stands at

Fig. 2:
Private Equity Horizon IRRs As of 31 March 2009

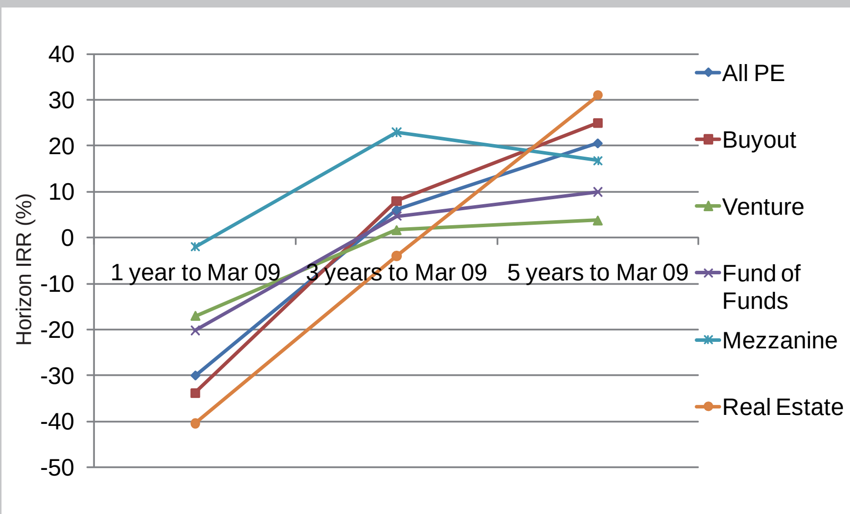
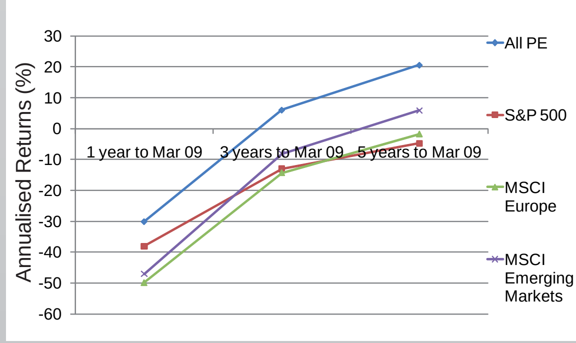


Fig. 1:
Private Equity Horizon IRRs Vs. Public Indices, As of 31 March 2009



Did You Know That Preqin Provides Free Private Equity Benchmarks?

To find out more or sign up to access our free benchmarks please visit,
www.preqin.com/benchmarks

"...Compared to public indices, private equity is still generating better returns..."

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-4.0%. With 6.0% net returns over a three-year period, mid-term overall private equity returns have certainly been affected by the current crisis, but long-term performance remains very strong, at 20.6% over five years.

Fig. 3 provides a snapshot of the effects of the financial crisis on the industry beginning with the credit crunch in December 2007.

As shown by the graph, the effects of the credit crisis and falling public markets took a while to hit private equity valuations. Looking at the weighted change, which takes into account fund size and demonstrates the role larger funds have in the industry, fund valuations increased between Q3 and Q4 2007 by 2% and show almost no change in value in Q1 and Q2 2008. It is not until Q3 2008, the quarter in which Lehman Brothers filed for bankruptcy, that NAV starts to decline significantly quarter on quarter. The biggest quarter-on-quarter decline in average NAV came in Q4 2008, when it decreased by an average of 14%. In Q1 2009 this decrease in fund valuations continued, but at a much slower rate, with a 4% decrease measured between the first quarter in 2009 and the last quarter in 2008.

The performance of buyout funds has a significant impact on overall private equity returns as a large portion of committed capital is currently invested in large and mega buyout funds. Breaking down the buyout industry by fund size shows that buyout funds are posting significantly different returns according to their sizes.

Fig. 4 provides an overview of the quarterly changes for buyout funds from December 2007 to March 2009, illustrating the especially big effect that the crisis has had on the NAVs of the largest funds.

Across the industry, December 2007 valuations were buoyant, with all the fund sizes showing an increase in value from the previous quarter. It is not until June 2008 that negative NAVs are posted and, unsurprisingly, Q3 2008 and Q4 2008 show the most significant changes for mega buyout funds, with quarter-on-quarter losses of 9% and 22% respectively. The first quarter of 2009 shows a smaller quarter-on-quarter decrease of around 4%.

Small buyout funds, which use less leverage, appear to have been less prone to the adverse affects of the current economic crisis and fund revaluation techniques. Small buyouts marginally increased their portfolio valuations in Q4 2007 to Q2 2008 and reported no change in the third quarter of 2008.

This analysis indicates that private equity performance was still in decline during Q1 2009, but that the rate of decline had slowed considerably from 2008. Considering the medium- to long-term returns, the asset class is still showing healthy returns and clearly outperforms public indices. Private equity is certainly experiencing one of its most difficult periods but the rapid drop in valuations seen during Q4 2008 are slowing, leading us to believe that the worst is over.

Fig. 4: Change in NAV by Quarter, by Buyout Fund Size

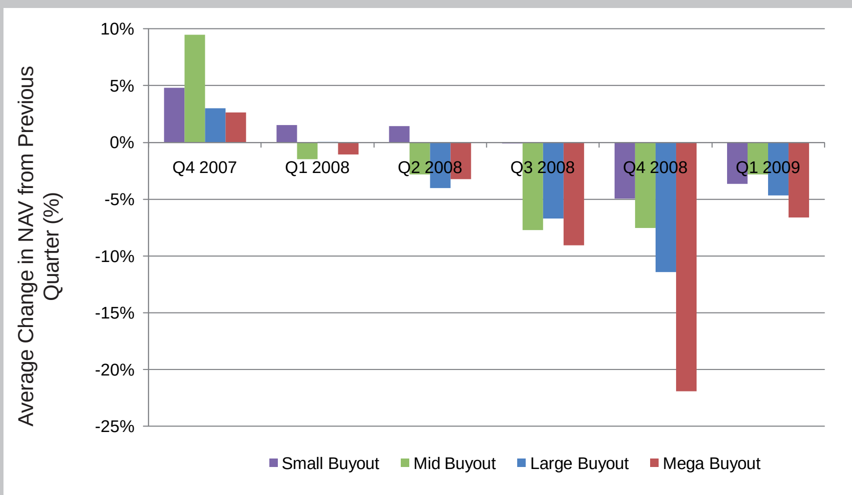

Fig. 3:
Change in NAV by Quarter
For All Private Equity