

4 Regional Trends - North Africa

4.1 Venture Capital and Private Equity in Africa

■ INTRODUCTION

The data and analysis of venture capital and private equity activity in this section covers the North Africa region. It includes the reported activity of 14 investments made in 2005 in the following countries: Egypt, Morocco and Tunisia.

Of these 14 investments – 10 were reported as in-country investments i.e. investments made in investee companies by fund managers located in the same country and by international fund managers (excluding intra-Africa investments), while the remaining 4 investments were outbound investments i.e. fund managers made in investee companies located in some other country.

In general the level of investment activity in the region had increased in terms of volume, but reduced in terms of investment numbers. Foreign funds (from outside Africa) were the largest source of private equity/venture capital funds in the region and investment volumes were mainly concentrated in the transportation sector.

■ SOURCES OF CAPITAL

■ Fund raised amounted to US\$ 166.5 million in 2005 – a significant decline from 2004

Reported fund raising activity decreased substantially from US\$ 426.3 million in 2004 to US\$ 166.5 million in 2005. Funds raised by Egypt accounted for US\$ 155.0 million or 93.1% of total funds raised in the region in 2005 compared to US\$ 350.0 million or 82.1% of total funds raised in 2004. Tunisian participants raised US\$ 11.5 million in 2005 (6.9% of total) and US\$ 51.3 million in 2004 (12.0% of total for the region). Morocco reported fund raising only in 2004 which amounted to US\$ 25.0 million (5.9% of total for the region).

■ Majority of funds raised come from Development Finance Institutions

Egyptian survey participants did not report the type of investor for either of the years. In Tunisia and Morocco, the majority of funds raised came from Development Finance Institutions that provided US\$ 8.4 million or 5.1% of funds raised during

2005 and US\$ 48.2 million or 11.3% of funds in 2004. Among other reported types of investors, banks provided US\$ 0.5 million in 2005 from US\$ 10.6 million reported in 2004. The remainder of the funds raised in 2005, US\$ 157.5 million, was from 'other' types of investors (not individually listed). Corporate funding was not recorded in 2005; however, corporate contributions amounted to US\$ 10.6 million in 2004. Funds were also raised from insurance companies and pension and endowment funds in 2004, amounting to US\$ 6.0 million and US\$ 1.0 million respectively. [Table 1.1]

Of the funding sources recorded in 2005, 100% of the total funds raised by Tunisian participants were reported to have come from sources in the rest of Africa. Funds raised in Egypt were from other parts of the world. In comparison, in 2004, US\$ 15.0 million or 3.5% was raised within the firms' own countries, and a further US\$ 5.1 million or 1.2% from the rest of Africa. The foreign sources of funding in 2004 were for the most part based in Europe (US\$ 50.2 million) followed by the Middle East, which contributed US\$ 6.0 million. [Table 1.2]

■ **Balanced/diversified focused funds raised the most funding**

Balanced/diversified stage funds in Egypt raised US\$ 155.0 million, while the remaining US\$ 11.5 million was raised for generalist private equity funds. In 2004, US\$ 350.0 million of funding was raised for early stage focused funds, and the remainder for generalist private equity funds. [Table 1.3]

■ **INVESTMENT PATTERNS**

■ **Substantial increase in in-country investment volume, but decrease in number of deals**

There was a significant increase in the volume of reported in-country investment in the region from US\$ 13.4 million by value in 2004 to US\$ 37.4 million in 2005, an increase of 179.1%. However, the number of reported in-country investments decreased from 15 to 10. The average deal size in 2005 was US\$ 3.7 million per investment compared to US\$ 0.9 million per investment in 2004.

■ **Most in-country investments were made by independent fund managers**

In 2005, independent fund managers reported making 9 in-country investments

amounting to US\$ 33.3 million by value and public sector fund managers reported making the remaining 1 investment amounting to US\$ 4.1 million by value. In 2004, whilst independent fund managers reported the highest number of investments by number, the relatively low average deal size of these investments meant that they reported an aggregated investment amount of only US\$ 4.8 million significantly lower than the aggregate volume of investments of US\$ 8.6 million reported by public sector fund managers. [Table 2.1]

■ **Investments mainly from generalist private equity type of funds**

The survey respondents classified 9 of the 10 in-country investments they made in 2005 as having been made from generalist private equity funds while the remaining investment was from a balanced/diversified stage fund. In 2004, 10 out of the 15 reported in-country investments were also from generalist private equity and the residual investments were from early stage focused funds. [Table 2.2]

■ **Significant shift towards expansion investment stages in 2005**

During 2005, 6 of the reported in-country investments were made in the expansion stage and contributed 69.5% of the total value invested while 3 of the reported investments were in the form of venture capital partnerships or 28.6% of investment value. 1 investment was recorded in a buyout or 1.9% of investment value.

This contrasts with the reported position in 2004. In that year the greatest number of in-country investments in 2004 were reported to be in start up stages, however, the highest volume of investments were focused on venture capital partnerships. Early stage, seed stage, first, second and third stage, and expansion stage investments attracted only a few investments in that year. [Table 3.1]

■ **Investors opted for non-syndicated investments**

Reported investments made into target firms in both years were all classified as non-syndicated. Only 3 of the 15 reported investments in 2004 were syndicated. As set out earlier – the average deal size in 2005 amounted to US\$ 3.7 million per investment compared to \$0.9 million per investment reported in 2004.

Survey participants did not report the level of shareholding for most investments in 2005. However, 2 reported investments resulted in minority shareholdings (i.e. less than 20% shareholding).

Similarly, in 2004, 6 investments resulted in minority shareholding and 3 investments resulted in significant minority (i.e. 20 to 49% shareholding). It is difficult to draw any conclusions as to the average level of equity interest purchased. [Table 3.2 and 3.3]

■ All outbound investments were to investee companies in the region

Survey respondents from within the region reported that they made 4 outbound investments i.e. outside their own country of operation. All these reported investments took place within the region¹. In 2005, there were 3 investments from Tunisia to Morocco amounting to US\$ 2.2 million and 1 investment from Tunisia to Algeria amounting to US\$ 2.6 million. In 2004, 3 investments were made from Tunisia to Morocco amounting to US\$ 2.6 million.

All such outbound investments in both years were made by independent fund managers. In all cases, the fund stage was generalist private equity and investments were non-syndicated. 3 of the outbound investments reported in 2005 were focused on expansion stages, and 1 in a buyout. Investments in 2004 were scattered between start up, third stage and buyout. [Table 4 and 5]

■ United States and European based investors increased their level of investment in the region significantly

In summary, there were a total of 14 reported investments amounting to US\$ 42.2 million made in companies based in the North African region in 2005. These investments were made by investors (i.e. funds) based both within the region and outside it². Of the total amount invested – US\$ 7 million (16.6%) came from Tunisian based investors while the balance came from funds located in Europe and the United States.

United States based investors reported US\$ 23.6 million or 55.9% of the total investment in the region, an increase from US\$ 2.5 million reported in 2004. The second largest investment came from French-based investors who reported US\$ 7.5 million or 17.6% of total investments in 2005, followed by Luxembourg-based investors who contributed US\$ 4.1 million. In 2004, investments amounting to US\$ 6.1 million by value were reported from Belgium-based investors, but nothing was reported from this country for 2005.

¹Investments made in investee companies based outside the fund manager's country (i.e. outbound investments) are noted in this section separately from the in-country investment activity

²The total investments in this section include investments made by fund managers in investee companies located outside the fund manager's country of operation (i.e. outbound investments)

Tunisia-based investors contributed investments in 2004 and 2005 amounting to US\$ 3.8 million and US\$ 7.0 million respectively. Investors from Morocco provided US\$ 3.6 million in 2004, but did not report any investments in 2005. [Table 6]

■ Egyptian businesses were the main recipients of investment in 2005

In 2005, more than half of the investment in the region was recorded in Egyptian-based companies, which amounted to US\$ 21.5 million in value, whereas in 2004 only US\$ 2.5 million worth of investments were reported. Moroccan-base companies received the second most investment in the region worth US\$ 14.6 million, an increase from US\$ 6.2 million in 2004. The reported level of investment in Tunisian-based investee companies was lower amounting to US\$ 3.6 million in 2005 compared to US\$ 7.3 million in 2004. Investments in Algeria amounted to US\$ 2.6 million in 2005. [Table 6]

■ Transportation sector attracted the most in-country investment

Sectors attracting investment in the region were quite diversified. In 2005, the transportation sector attracted the most investment amounting to US\$ 14.3 million or 38.2% of total in-country investment, and the energy sector attracted the second highest investment amounting to US\$ 10.1 million or 27.0% of total. The greatest number of investments was recorded in the business and financial services sector amounting to US\$ 8.8 million or 23.4% of total value. Other sectors where investments were reported included agriculture, forestry and fishing, consumer related and 'other' sectors (not individually listed).

While most investment was reported in 'other' sectors (not individually listed) in 2004, the semiconductor and business and financial services sectors attracted US\$ 2.8 million and US\$ 2.6 million of investment respectively. Communications, consumer related, and energy sectors also attracted investments. [Table 7]

■ Investors tend to prefer investee businesses with turnovers of US\$ 20 million or less

Information relating to turnover and number of employees of the target firm was not available for most deals in both years. Generally, for those deals reported, target firms had a turnover of US\$ 20 million or less and employee size of target firms generally ranged from 20 to 200. [Table 8]

■ Only a few exits were reported

Only 2 exits were reported in 2005, compared with 16 in 2004. Both exits in 2005 were by means of a trade sale collectively valued at US\$ 2.9 million. In 2004, there was greater diversity in the modes of exit given the number of exits recorded in that year. In particular, 7 deals involved write offs (US\$ 1.8 million), and 5 deals involved repayment of preference loans/shares (US\$ 0.5 million). Other methods of exit included 1 IPO (US\$ 1.3 million), 2 trade sales (US\$ 0.9 million) and 1 unspecified form of exit (US\$ 1.1 million). [Table 9]

■ CONTRIBUTION OF VENTURE CAPITAL AND PRIVATE EQUITY TO THE OVERALL ECONOMIC ACTIVITY

The contribution of private equity and venture capital to the overall economic activity in North African countries is measured as a percentage of private equity and venture capital investments in 2005 to GDP in 2005.

Morocco recorded the highest percentage in 2005 at 0.028%, an increase from 0.012% in 2004. Egypt followed with the second highest percentage of 0.024% up from 0.003% the year before. [Table 10]

Table 1.1 ■ SOURCES OF FUNDS

Funds (in US\$ million)		2004		2005	
Type of investor	Amount	%	Amount	%	
Banks	10.61	2.49	0.51	0.00	
Corporates	10.56	2.48	0.00	0.00	
Development Finance Institutions	48.17	11.30	8.45	0.05	
Government and aid agencies	0.00	0.00	0.00	0.00	
Insurance companies	6.00	1.41	0.00	0.00	
Pension and endowment funds	1.00	0.23	0.00	0.00	
Private equity fund of funds	0.00	0.00	0.00	0.00	
Private individuals	0.00	0.00	0.00	0.00	
Other	350.00	82.09	157.54	0.95	
Total funds raised	426.34	1.00	166.50	1.00	

Source: Thomson Financial, SAVCA/KPMG

Table 1.2

Funds (in US\$ million)		2004		2005	
Source of funds by geographical region					
Asia	0.00	0.00	0.00	0.00	
Europe	50.17	11.77	0.00	0.00	
Middle East	6.00	1.41	0.00	0.00	
Own country	15.05	3.53	0.00	0.00	
Rest of Africa	5.12	1.20	11.50	0.07	
United States	0.00	0.00	0.00	0.00	
Other	350.00	82.09	155.00	0.93	
Total funds raised	426.34	1.00	166.50	1.00	

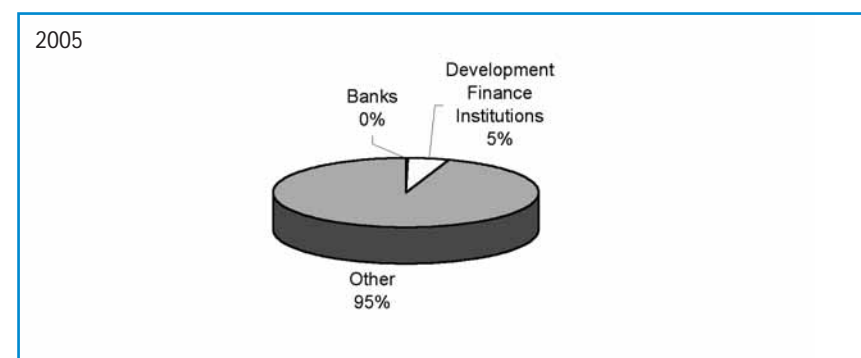
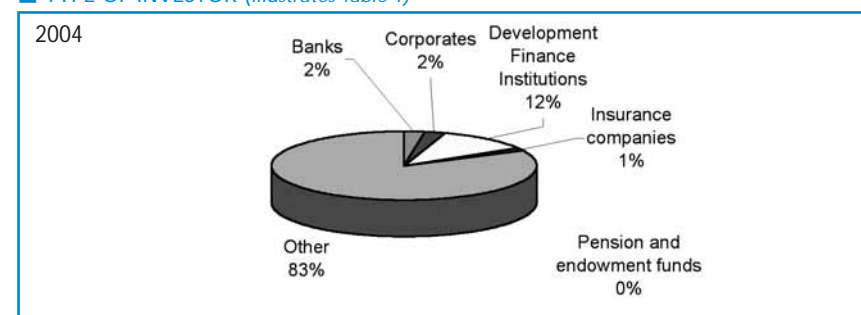
Source: Thomson Financial, SAVCA/KPMG

Table 1.3

Funds (in US\$ million)		2004		2005	
Funds raised by fund stage focus					
Balanced/Diversified	0.00	0.00	155.00	0.93	
Buyouts	0.00	0.00	0.00	0.00	
Early Stage	350.00	0.82	0.00	0.00	
Expansion	0.00	0.00	0.00	0.00	
Fund of funds	0.00	0.00	0.00	0.00	
Generalist Private Equity	76.34	0.18	11.50	0.07	
Later Stage	0.00	0.00	0.00	0.00	
Mezzanine	0.00	0.00	0.00	0.00	
Turnaround/Special Situation	0.00	0.00	0.00	0.00	
Total funds raised	426.34	1.00	166.50	1.00	

Source: Thomson Financial, SAVCA/KPMG

■ TYPE OF INVESTOR (Illustrates Table 1)



■ SOURCE OF FUNDS BY GEOGRAPHICAL REGION (Illustrates Table 2)

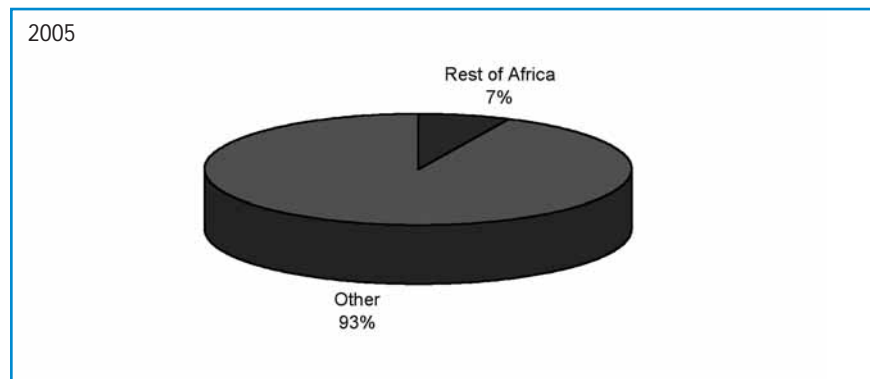
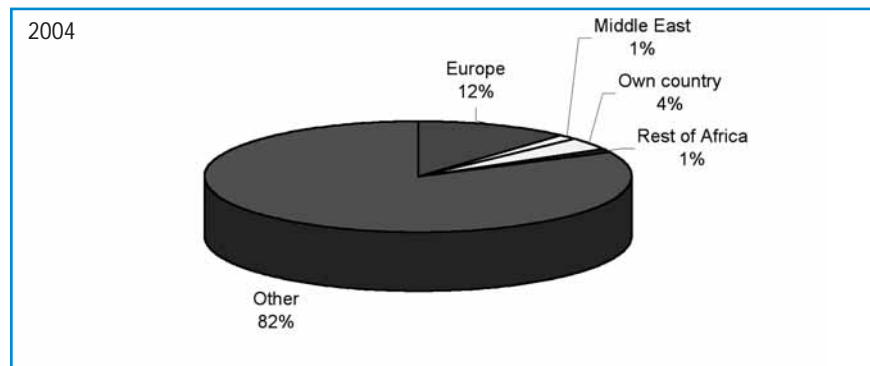


Table 2.1 ■ PE/VC INVESTMENT ACTIVITY DURING THE YEAR

Funds (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Captive	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00
Independent	12.00	0.80	4.81	100.00	9.00	90.00	33.29	88.94
Public Sector	3.00	0.20	8.60	0.00	1.00	10.00	4.14	11.06
Total	15.00	100.00	13.41	100.00	10.00	100.00	37.43	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 2.2

Funds (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Balanced/Diversified	0.00	0.00	0.00	0.00	1.00	10.00	0.00	0.00
Buyouts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Early Stage	5.00	33.33	0.92	6.86	0.00	0.00	0.00	0.00
Expansion	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fund of funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Generalist Private Equity	10.00	66.67	12.49	93.14	9.00	90.00	37.43	100.00
Later Stage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mezzanine	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Turnaround/Special Situation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	15.00	100.00	13.41	100.00	10.00	100.00	37.43	100.00

Source: Thomson Financial, SAVCA/KPMG

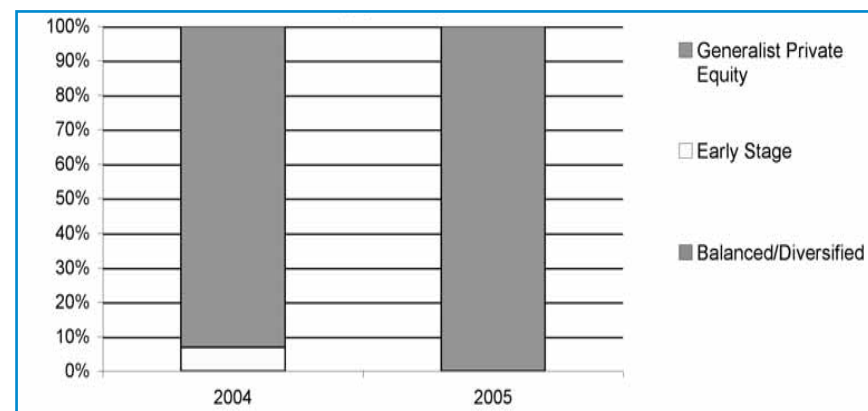


Table 3.1 ■ TYPE OF DEALS

Funds (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Investment stage focus								
Early Stage	1.00	0.07	0.15	1.08	0.00	0.00	0.00	0.00
Seed	1.00	0.07	0.15	1.08	0.00	0.00	0.00	0.00
Start up	5.00	0.33	0.98	7.33	0.00	0.00	0.00	0.00
First Stage	3.00	0.20	0.74	5.52	0.00	0.00	0.00	0.00
Second Stage	1.00	0.07	2.50	18.64	0.00	0.00	0.00	0.00
Third Stage	1.00	0.07	0.30	2.24	0.00	0.00	0.00	0.00
Expansion	1.00	0.07	2.50	18.64	6.00	0.60	26.01	0.69
Bridge	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Recapitalisation/Turnaround	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Buyout	0.00	0.00	0.00	0.00	1.00	0.10	0.72	0.02
Private investment in public company	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Acquisition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
VC Partnership	2.00	0.13	6.10	45.47	3.00	0.30	10.69	0.29
Total	15.00	100.00	13.41	100.00	10.00	100.00	37.43	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 3.2

Funds (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Shareholding/ownership of investment								
Full ownership (100%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Majority (51-99%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Joint Venture (50%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Significant minority (20-49%)	3.00	0.20	0.75	0.06	0.00	0.00	0.00	0.00
Minority (0-19%)	6.00	0.40	1.07	0.08	2.00	20.00	16.50	44.08
Not reported	6.00	0.40	11.60	0.86	8.00	80.00	20.93	55.92
Total	15.00	100.00	13.41	100.00	10.00	100.00	37.43	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 3.3

Funds (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Syndicated investment activity								
Non syndicated	12.00	0.00	7.01	0.52	10.00	100.00	37.43	100.00
Syndicated	3.00	100.00	6.40	0.48	0.00	0.00	0.00	0.00
Total	15.00	100.00	13.41	100.00	10.00	100.00	37.43	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 4.1 ■ INVESTMENT OUTSIDE COUNTRY ^{XSA}

Investments (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Firm Ownership								
Captive	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Independent	3.00	1.00	2.55	1.00	4.00	1.00	4.80	1.00
Public Sector	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.00	100.00	2.55	100.00	4.00	100.00	4.80	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 4.2

Investments (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Fund stage focus								
Balanced/Diversified	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Buyouts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Early Stage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expansion	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fund of funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Generalist Private Equity	3.00	1.00	2.55	1.00	4.00	1.00	4.80	1.00
Later Stage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mezzanine	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Turnaround/Special Situation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.00	100.00	2.55	100.00	4.00	100.00	4.80	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 4.3

Investments (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Investment stage focus								
Early Stage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Seed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Start up	1.00	0.33	0.27	0.11	0.00	0.00	0.00	0.00
First Stage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Second Stage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Third Stage	1.00	0.33	0.53	0.21	0.00	0.00	0.00	0.00
Expansion	0.00	0.00	0.00	0.00	3.00	0.75	4.07	0.85
Recapitalisation/Turnaround	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Buyout	1.00	0.33	1.75	0.69	1.00	0.25	0.72	0.15
Acquisition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.00	100.00	2.55	100.00	4.00	100.00	4.80	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 4.4

Investments (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Shareholding/ownership of investment								
Full ownership (100%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Majority (51-99%)	1.00	0.33	1.75	0.69	1.00	0.25	0.72	0.15
Joint Venture (50%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Significant minority (20-49%)	2.00	0.67	0.80	0.31	0.00	0.00	0.00	0.00
Minority (0-19%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not reported	0.00	0.00	0.00	0.00	3.00	0.75	4.07	0.85
Total	3.00	100.00	2.55	100.00	4.00	100.00	4.80	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 4.5

Investments (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Syndicated investment activity								
Non syndicated	3.00	1.00	2.55	1.00	4.00	1.00	4.80	1.00
Syndicated	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.00	100.00	2.55	100.00	4.00	100.00	4.80	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 5 ■ GEOGRAPHICAL ACTIVITY BY FUND STAGE FOCUS

Investments (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Investment outside local								
country by region	Number	%	Value	%	Number	%	Value	%
West Africa	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
North Africa	3.00	1.00	2.55	1.00	4.00	100.00	4.80	100.00
Southern Africa	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
East and Central Africa	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ROW	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.00	100.00	2.55	100.00	4.00	100.00	4.80	100.00

Source: Thomson Financial, SAVCA/KPMG

N/R - not reported

0: investment value reported for the corresponding deal

Source: Thomson Financial* Total includes one deal reported by IFC valued at US\$ 15m not specific to any country

N/R: not reported

-: data not available

0: investment value reported for the corresponding deal

Table 6 ■ INVESTMENT ACTIVITY BY INVESTOR AND COMPANY LOCATION ^{XSA}

Funds (in US\$ million)	Investor location				Company location			
	Value 2004	%	Value 2005	%	Value 2004	%	Value 2005	%
Algeria	0.00	0.00	0.00	0.00	0.00	0.00	2.56	0.06
Angola	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Belgium	6.09	38.16	0.00	0.00	0.00	0.00	0.00	0.00
Benin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Botswana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Burkina Faso	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Burundi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cameroon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cape Verde	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Central African Republic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chad	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Comoros	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Congo	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Denmark	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Djibouti	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DRC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Egypt	0.00	0.00	0.00	0.00	2.50	15.66	21.54	0.51
Equatorial Guinea	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Eritrea	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ethiopia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
France	0.00	0.00	7.45	0.18	0.00	0.00	0.00	0.00
Gabon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gambia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ghana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guinea	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guinea Bissau	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
India	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Israel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ivory Coast	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Kenya	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lesotho	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liberia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Luxembourg	0.01	0.06	4.14	0.10	0.00	0.00	0.00	0.00
Lybia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Madagascar	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Malawi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mali	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mauritania	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mauritius	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Morocco	3.60	22.56	0.00	0.00	6.15	38.53	14.58	0.35
Mozambique	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Namibia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Netherlands	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Niger	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nigeria	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Norway	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rwanda	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sao Tome and Principe	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Senegal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Seychelles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sierra Leone	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Somalia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
South Africa	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sweden	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sudan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tanzania	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Togo	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tunisia	3.76	23.56	7.04	0.17	7.31	45.80	3.55	0.08
Uganda	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
United Kingdom	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
United States	2.50	15.66	23.60	0.56	0.00	0.00	0.00	0.00
Zambia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Zimbabwe	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	15.96	100.00	42.23	100.00	15.96	100.00	42.23	100.00

■ INVESTMENT ACTIVITY BY COMPANY LOCATION

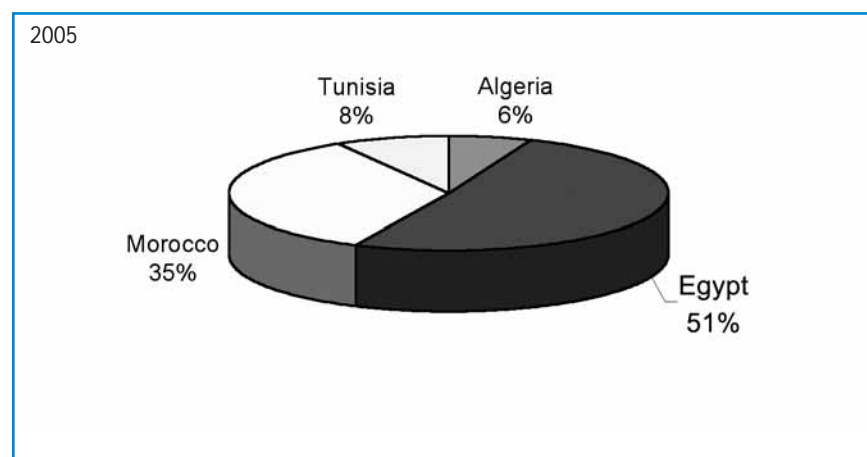
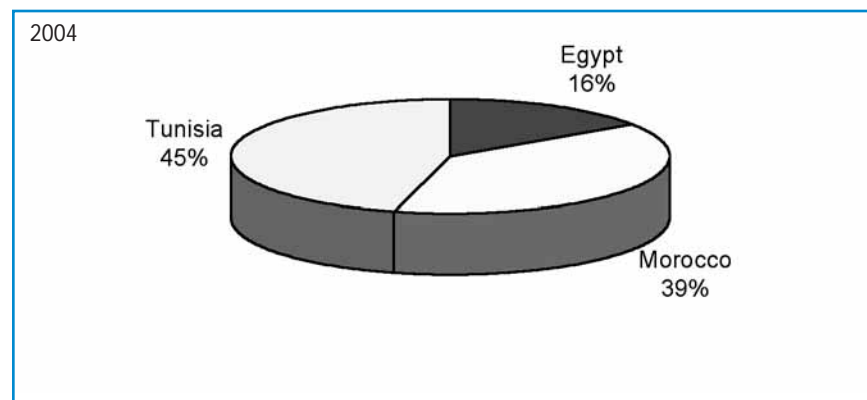


Table 7 ■ INVESTMENT ACTIVITY BY SECTOR

Funds (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Agriculture, Forestry and Fishing	0.00	0.00	0.00	0.00	1.00	10.00	0.00	0.00
Business and Financial Services	2.00	13.33	2.64	0.20	4.00	40.00	8.76	0.23
Communications	1.00	6.67	0.12	0.01	0.00	0.00	0.00	0.00
Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consumer Related	4.00	26.67	0.94	0.07	1.00	10.00	0.70	0.02
Energy	3.00	20.00	0.79	0.06	1.00	10.00	10.10	0.27
Health	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Manufacturing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Semiconductor/Electronics	2.00	13.33	2.80	0.21	0.00	0.00	0.00	0.00
Transportation	0.00	0.00	0.00	0.00	2.00	20.00	14.31	0.38
Utilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	3.00	20.00	6.12	0.46	1.00	10.00	3.55	0.09
Total	15.00	100.00	13.41	100.00	10.00	100.00	37.43	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 8.1 ■ INVESTMENT ACTIVITY BY TARGET FIRM ^{XSA}

Funds (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Turnover								
under US\$1 million	2.00	0.13	0.35	100.00	0.00	0.00	0	0.00
US\$1 million-US\$4.99 million	2.00	0.13	0.60	0.00	1.00	10.00	0.70	0.02
US\$5 million-US\$20 million	2.00	0.13	2.80	0.00	1.00	10.00	0.81	0.02
US\$21 million-US\$70 million	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US\$71 million-US\$150 million	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US\$351 million-US\$500 million	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US\$151 million-US\$350 million	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US\$501 million+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not reported	9.00	0.60	9.67	0.00	8.00	80.00	35.92	0.96
Total	15.00	100.00	13.41	100.00	10.00	100.00	37.43	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 8.2

Funds (in US\$ million)	2004				2005			
Number of employees								
0-9	1.00	6.67	0.13	0.97	0.00	0.00	0.00	0.00
10-19	2.00	13.33	0.00	0.00	0.00	0.00	0.00	0.00
20-99	2.00	13.33	2.70	20.13	2.00	20.00	1.42	3.79
100-199	1.00	6.67	0.30	2.24	1.00	10.00	0.81	2.16
200-499	1.00	6.67	0.30	2.24	0.00	0.00	0.00	0.00
500-999	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1000+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not reported	8.00	53.33	9.98	74.42	7.00	70.00	35.20	94.04
Total	15.00	100.00	13.41	100.00	10.00	100.00	37.43	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 9 ■ EXIT/DIVESTMENT ACTIVITY

Funds (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Trade sale	2.00	0.00	0.90	0.16	2.00	1.00	4.60	1.00
IPO	1.00	0.00	1.30	0.23	0.00	0.00	0.00	0.00
Sale of listed shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale to Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale to another private equity firm or financial institution	0.00	0.00	0.00	0.00	1.00	0.00	0.90	0.00
Repayment of preference loans/shares	5.00	0.00	0.55	0.10	0.00	0.00	0.00	0.00
Share buy back by investee company	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends and interest payments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Write offs	7.00	100.00	1.80	0.32	0.00	0.00	0.00	0.00
Other	1.00	0.00	1.08	0.19	0.00	0.00	0.00	0.00
Total	16.00	100.00	5.64	100.00	3.00	100.00	5.50	100.00

Source: Thomson Financial, SAVCA/KPMG

Tables includes exit details for companies located within the country/region and excludes investments outside Africa.

■ EXITS BY NUMBER

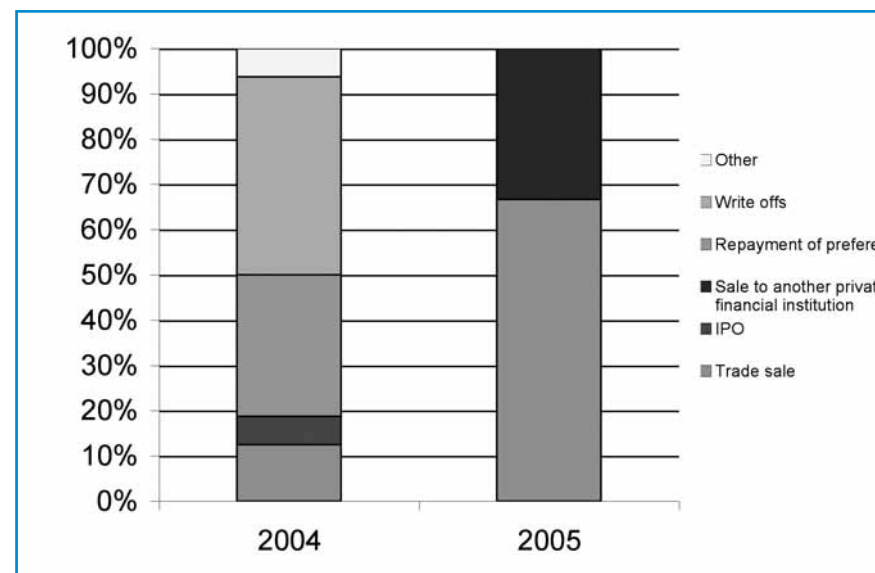


Table 10 ■ CONTRIBUTION OF VENTURE CAPITAL AND PRIVATE EQUITY TO THE OVERALL ECONOMIC ACTIVITY

Country	2003		2004	
	Total Investment	Investment as % of GDP*	Total Investment	Investment as % of GDP*
Morocco	6.2	0.012	14.6	0.028
Egypt, Arab Rep.	2.5	0.003	21.5	0.024
Mauritania			0.4	0.021
Tunisia	7.3	0.026	3.6	0.013
Algeria			2.6	0.003

Mali

Source: Thomson Financial, World Bank Development Report Selected Indicators 2005 & 2006

* Investment as % of GDP given to 3 decimal places as some figures are very small