

6 Regional Trends - West Africa

6.1 Venture Capital and Private Equity in Africa

■ INTRODUCTION

The data and analysis of venture capital and private equity activity in this section covers the West Africa region. It includes the reported activity of 27 investments made in 2005 in the following 7 countries: Benin, Cote d'Ivoire, Ghana, Mali, Niger, Nigeria, and Senegal.

Of these 27 investments – 24 were reported as in-country investments i.e. investments made in investee companies by fund managers located in the same country and international fund managers (excluding intra-Africa investments), while the remaining 3 investments were outbound investments i.e. fund managers made investments in investee companies located in some other country.

In general the level of investment activity in the region has increased in terms of volume, but has decreased in terms of investment numbers. The communications sector has received the majority of investment in value terms in both 2004 and 2005.

■ SOURCES OF CAPITAL

■ Fund raising increased by 268.7% to US\$ 30.6 million compared to 2004

Fund raising activity was not reported in Benin, Burkina Faso, Cote d'Ivoire, Mali, Niger, Senegal and Togo. The fund raising activity for the region is therefore based on reported data for Ghana and Nigeria. Survey participants reported that the funds they raised in 2005 amounted to US\$ 30.6 million, a substantial increase (268.7%) from US\$ 8.3 million raised in 2004. Funds raised by Nigeria increased from US\$ 1.3 million in 2004 to US\$ 26.6 million in 2005, while funds raised by Ghana decreased from US\$ 7.0 million to US\$ 4.0 million.

■ Private individuals and banks are increasing their contributions to the region

The majority of funds in 2005 were raised in Nigeria reportedly from private individuals. Banks followed in second place. Private individuals and banks contributed US\$ 5.6 million or 18.3% of total funds raised and US\$ 4.0 million or

13.2% of funds raised respectively. Development Finance Institutions (DFIs) and insurance companies were reported to have provided US\$ 3.3 million and US\$ 3.0 million in funds respectively, while pension and endowment funds provided US\$ 1.5 million. The rest of the funding, US\$ 13.2 million or 43.1%, was reported from 'other' sources (not individually listed).

In comparison, most of the fund raising in 2004 was reported by Ghanaian participants, and came from government and aid agencies which contributed US\$ 3.0 million or 36.0% of total funds, followed by DFIs which contributed US\$ 1.0 million or 12.0% of funds. The remainder of funds raised was reported from 'other' sources valued at US\$ 4.3 million or 51.9%. [Table 1.1]

■ The majority of funds in the region were raised from within Nigeria

Nigerian contributors to funds in 2005 raised funds amounting to US\$ 14.1 million by value or 46.2% of total funds raised from their own country, an increase from US\$ 1.3 million raised the previous year.

Funds raised from Europe in 2005, amounted to US\$ 3.3 million or 10.7% of total funds raised – down from US\$ 4.0 million in 2004. Fund raising from other parts of the world amounted to US\$ 13.2 million or 43.1%, a substantial increase (340.0%) from US\$ 3.0 million raised the previous year. [Table 1.2]

■ Majority of funds are raised for balanced/diversified stages

From the funds raised in 2005, Nigerian funds were raised for balanced/diversified stage funds amounting to US\$ 16.4 million by value, early stage funds amounting to US\$ 9.2 million and expansion stage funds amounting to US\$ 1.0 million. Funds raised by Ghana in 2005, amounting to US\$ 4.0 million, were raised for generalist private equity funds.

In 2004, Nigerian funds were raised primarily for fund of funds and Ghanaian funds for balanced/diversified stage funds. [Table 1.3]

■ INVESTMENT PATTERNS

■ 24 in-country investments reported amounting to a total volume of US\$ 99.4 million

The reported volume of in-country investment in the region increased by 52.5% from US\$ 65.2 million in 2004 to US\$ 99.4 million in 2005, although the number of investments decreased from 30 to 24. In general, the average deal size nearly doubled from US\$ 2.2 million per investment in 2004 to US\$ 4.1 million per investment in 2005. Reported investments by independent fund managers in-country in 2005 increased in value by 70.9% from US\$ 55.4 million in 2004 to US\$ 94.7 million in 2005, but the number of deals decreased from 26 in 2004 to 20 in 2005. Captive fund managers reported 3 investments at a collective value of US\$ 3.0 million in 2005. Investments in-country by public sector fund managers decreased both in terms of number and volume to stand at 1 investment amounting to a value of US\$ 1.6 million in 2005 from 4 investments totalling US\$ 9.8 million in 2004. [Table 2.1]

■ Most volume of investment in the region made by generalist private equity funds in 2005

The majority of in-country investment volume in the region was made by generalist private equity funds which increased from US\$ 61.7 million by value in 2004 to US\$ 88.3 million by value in 2005. Investment by balanced/diversified funds also increased from US\$ 2.2 million to US\$ 9.2 million. Other areas of fund stages shifted from a focus on expansion (US\$1.3 million) and later stage funds (value not reported) in 2004 to fund of fund (US\$ 1.6 million) and early stage funds (US\$ 0.3 million) in 2005. [Table 2.2]

■ Most number and value of investments in expansion stage in both years

In both years a high number of in-country investments in firm expansion were reported – 11 in 2005 and 19 in 2004. In 2005, the expansion stage attracted the most investment in terms of volume, amounting to US\$ 77.1 million by value, while most investment value in 2004 was directed towards third stage. Other investments included 9 start ups amounting to US\$ 19.4 million, 1 venture capital partnership amounting to US\$ 1.6 million, 2 early stages amounting to US\$ 0.7 million and 1 seed stage amounting to US\$ 0.5 million.

In comparison, 2004 showed greater dispersion in the investment stages, notably 4

early stage investments amounting to US\$ 4.3 million by value, 2 third stage investments amounting to US\$ 27.9 million, and 1 acquisition amounting to US\$ 25.0 million. [Table 3.1]

■ Investors tend towards holdings of significant minority stakes

It is difficult to paint an accurate picture of percentage shareholdings for the in-country investments as some of them were not reported. The information reported displayed a tendency towards investments resulting in significant minority holdings and minority holdings i.e. less than 50% ownership. 2 deals were reported as resulting in full ownership, 1 in majority ownership, i.e. above 50% ownership, and 1 in a joint venture. [Table 3.2]

■ Majority of investments are non-syndicated

18 of the 24 investments reported in 2005 were non-syndicated, as were 20 of the 30 investments in 2004. However, the 6 syndicated investments in 2005 amounted to a value of US\$ 68.4 million, or 69.8% of the total. [Table 3.3]

■ Local Nigerian fund made an outbound investment into a firm in Israel

Survey respondents from within the region reported that they made 3 outbound investments i.e. outside their own country of operation¹. In 2005, independent fund managers from Togo made 2 investments into Niger and Cote d'Ivoire-based companies amounting to US\$ 0.02 million and US\$ 1.13 million respectively. An independent Nigerian fund manager was the only one to report outbound investment into a firm in Israel, amounting to US\$ 5.2 million. In 2004, a Senegalese fund manager made a US\$ 0.6 million investment into a firm in Ghana.

The 2 outbound intra regional investments in 2005 were made with generalist private equity funds into expansions. The investments were reported as minority (0 to 19%) ownerships – 1 syndicated and 1 non-syndicated. The investment into Israel was made with an early stage fund into an expansion. [Table 4 and 5]

■ The United States provided 43.0% of total investment in the region

The majority of investments into the region² in 2005 came from United States-based

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)

investors, which provided US\$ 45.1 million or 43.0% of total investments up from US\$ 21.6 million or 32.8% of investments the previous year. Investors based in the United Kingdom provided the second highest investment volume in 2005, amounting to US\$ 33.5 million or 31.9% of total investment up from US\$ 32.0 million or 48.7% the previous year.

Netherlands and France-based investors made investments into the region for the first time and these were valued at US\$ 6.1 million and US\$ 2.7 million respectively. Several investors from 2004 did not report repeat investments in 2005. These included investors based in Luxembourg (US\$ 6.3 million), Denmark (US\$ 2.2 million), and Cameroon (US\$ 1.3 million).

■ In-country investors increased investments by 660.9% to US\$ 17.5 million

Investors located in the region increased their investments by an overwhelming 660.9%. Investment from Ghanaian-based investors decreased from US\$ 0.8 million in 2004 to US\$ 0.3 million in 2005, Nigerian-based investors reported investment of US\$ 16.9 million only in 2005, Senegalese-based investors reported investment of US\$ 1.2 million only in 2004, and Togo-based investors maintained investment of US\$ 0.3 million in both years. [Table 6]

■ 89.6% of investment volumes reported in Nigerian-based businesses in 2005

The volume of investment in Nigerian-based businesses almost doubled from US\$ 47.9 million or 72.8% of total investment in 2004 to US\$ 93.9 million or 89.6% of investment in 2005. Investee companies in Ghana were reported to have a decreased level of investment, from US\$ 5.0 million in 2004 to US\$ 3.9 million in 2005. Senegalese companies reportedly received decreased levels of investment from US\$ 4.0 million in 2004 to US\$ 0.3 million in 2005. Increased investment was reported in Niger from US\$ 0.1 million in 2004 to US\$ 0.6 million in 2005. Comparatively smaller levels of investment volumes were reported in Benin (US\$ 0.5 million), Cote d'Ivoire (US\$ 0.3 million) and Mali (US\$ 0.02 million) in 2005 only.

Investee companies in Burkina Faso and Togo were reported to have received investments only in 2004, amounting to US\$ 0.3 million and US\$ 8.5 million respectively. [Table 6]

■ **Business and financial services attracted most number of investments, Communications sector attracted most investment volume in both years**

While the greatest number of in-country investments (37.5%) went into the business and financial services sectors, the most investment in value terms went into the communications sector in Nigeria where 3 investments collectively amounting to US\$ 73.1 million were made. Transportation attracted US\$ 7.6 million, consumer related and energy sectors each attracted US\$ 1.8 million, and health, utilities, agriculture, forestry and fishing and 'other' sectors (not individually listed) also attracted small investments.

Similarly, in 2004, business and financial services attracted the most number of investments (10) amounting to US\$ 13.4 million and communication attracted the greatest value at US\$ 21.6 million. Other sectors which attracted investment included construction, consumer related, IT and transportation. [Table 7]

■ **Most targets have turnovers of less than US\$ 20 million and fewer than 100 employees**

Most of the information on target firms was not reported. In 2005, 2 investments were reported in a target with a turnover of under US\$ 1 million, 1 investment in a target with turnover in the US\$ 1 to 4.99 million bracket and 1 investment in a target in the US\$ 5 to 20 million bracket. In 2004, 3 investments were recorded in a target with turnover of under US\$ 5 million, and 1 investment in a target with turnover in the US\$ 21 to 70 million range. [Table 8.1]

12 of the 24 target firms in 2005 had less than 99 employees. Only 1 target firm fell in the range of 500 to 999 employees and the remainder were below this range. [Table 8.2]

■ **Increased divestment activity throughout the region**

Divestment activity increased from 4 exits in 2004 to 9 divestments in 2005. These exits included 2 sales to management amounting to US\$ 1.2 million, 2 sales to private equity firms amounting to US\$ 0.5 million, and 3 repayment of preference loans/shares amounting to US\$ 0.7 million and 2 unspecified activities amounting to US\$ 1.0 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 West African countries is measured as a percentage of private equity and venture capital investments in 2005 to GDP in 2005.

Nigeria recorded the highest percentage in 2005 at 0.095%, an increase from 0.066% reported the previous year. Ghana recorded the second highest percentage in 2005 at 0.036% from nothing the previous year. [Table 10]

Table 1.1 ■ SOURCES OF FUNDS

Funds (in US\$ million)		2004		2005	
Type of investor	Amount	%	Amount	%	
Banks	0.00	0.00	4.05	0.13	
Corporates	0.00	0.00	0.00	0.00	
Development Finance					
Institutions	1.00	12.01	3.28	0.11	
Government and aid agencies					
	3.00	36.04	0.00	0.00	
Insurance companies	0.00	0.00	3.00	0.10	
Pension and endowment funds					
	0.00	0.00	1.50	0.05	
Private equity fund of funds					
	0.00	0.00	0.00	0.00	
Private individuals	0.00	0.00	5.60	0.18	
Other	4.32	51.94	13.22	0.43	
Total funds raised	8.32	100.00	30.64	100.00	

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	4.00	48.06	3.28	0.11	
Middle East	0.00	0.00	0.00	0.00	
Own country	1.32	15.90	14.15	0.46	
Rest of Africa	0.00	0.00	0.00	0.00	
United States	0.00	0.00	0.00	0.00	
Other	3.00	36.04	13.22	0.43	
Total funds raised	8.32	100.00	30.64	100.00	

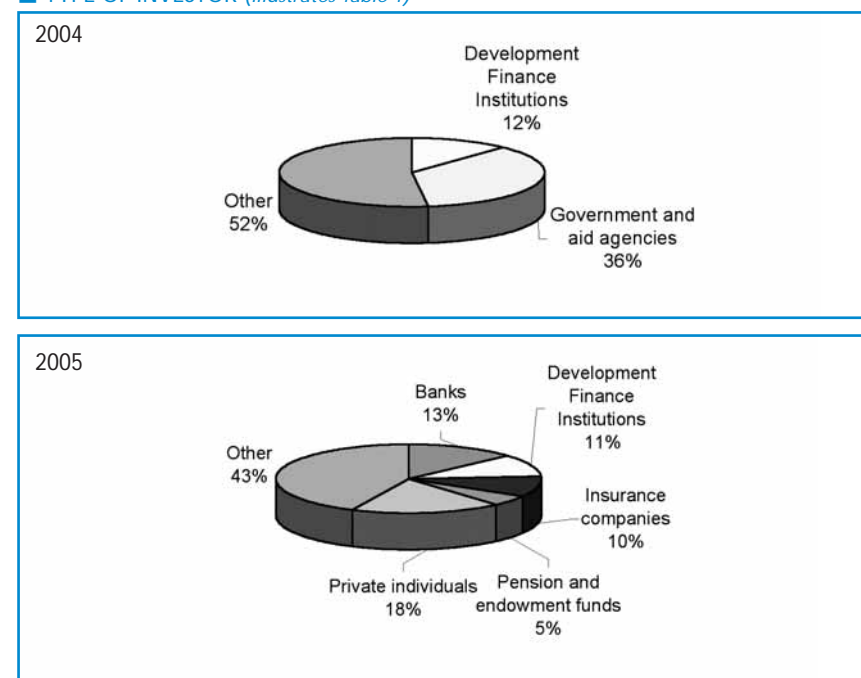
Source: Thomson Financial, SAVCA/KPMG

Table 1.3

Funds (in US\$ million)		2004		2005	
Funds raised by fund stage focus					
Balanced/Diversified	7.00	0.84	16.38	0.53	
Buyouts	0.00	0.00	0.00	0.00	
Early Stage	0.00	0.00	9.22	0.30	
Expansion	0.00	0.00	1.05	0.03	
Fund of funds	1.32	0.16	0.00	0.00	
Generalist Private Equity	0.00	0.00	4.00	0.13	
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	8.32	100.00	30.64	100.00	

Source: Thomson Financial, SAVCA/KPMG

■ TYPE OF INVESTOR (Illustrates Table 1)



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

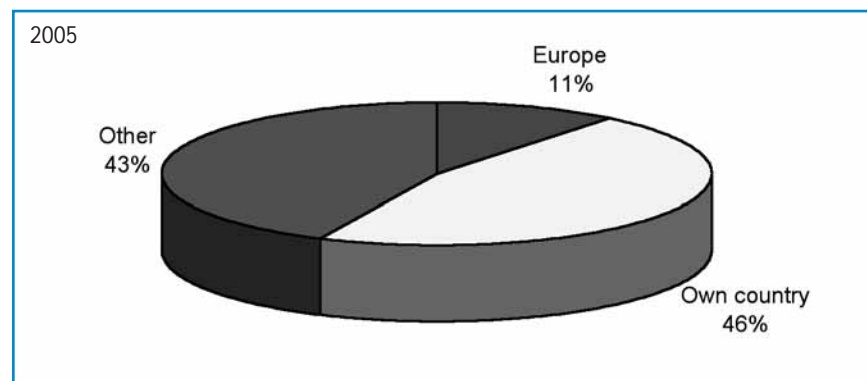
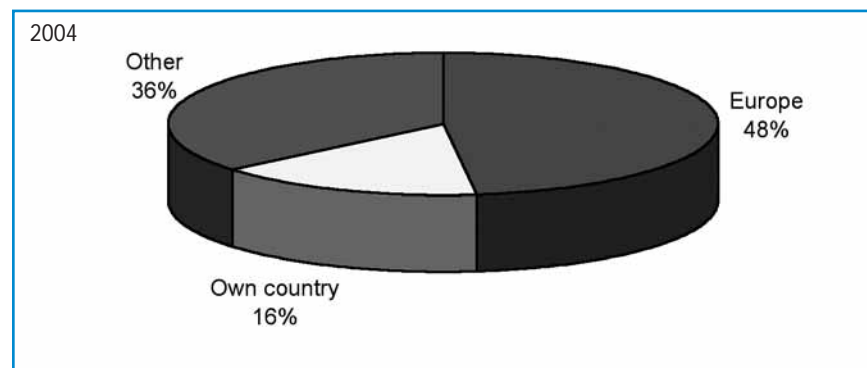


Table 2.1 ■ PE/VC INVESTMENT ACTIVITY DURING THE YEAR

Funds (in US\$ million)		2004				2005			
Firm Ownership	Number	%	Value	%	Number	%	Value	%	
Captive	0.00	0.00	0.00	0.00	3.00	12.50	3.04	3.06	
Independent	26.00	0.87	55.40	0.85	20.00	83.33	94.74	95.33	
Public Sector	4.00	0.13	9.78	0.15	1.00	4.17	1.60	1.61	
Total	30.00	100.00	65.18	100.00	24.00	100.00	99.38	100.00	

Source: Thomson Financial, SAVCA/KPMG

Table 2.2

Funds (in US\$ million)		2004				2005			
Fund stage focus	18036	%	18036	%	18045	%	18045	%	
Balanced/Diversified	1.00	3.33	2.23	3.42	6.00	25.00	9.23	9.29	
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	1.00	4.17	0.30	0.30	
Expansion	1.00	3.33	1.28	1.96	0.00	0.00	0.00	0.00	
Fund of funds	0.00	0.00	0.00	0.00	1.00	4.17	1.60	1.61	
Generalist Private Equity	24.00	80.00	61.67	94.62	16.00	66.67	88.25	88.80	
Later Stage	4.00	13.33	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	30.00	100.00	65.18	100.00	24.00	100.00	99.38	100.00	

Source: Thomson Financial, SAVCA/KPMG

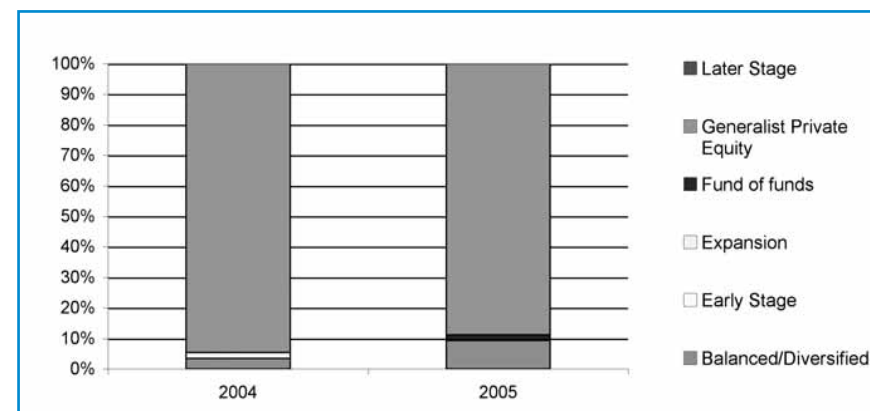


Table 3.1 ■ TYPE OF DEALS

Funds (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Investment stage focus								
Early Stage	4.00	13.33	4.30	6.60	2.00	8.33	0.68	0.68
Seed	0.00	0.00	0.00	0.00	1.00	4.17	0.54	0.54
Start up	3.00	10.00	3.58	5.49	9.00	37.50	19.44	19.56
First Stage	1.00	3.33	0.60	0.92	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	2.00	6.67	27.87	42.76	0.00	0.00	0.00	0.00
Expansion	19.00	63.33	3.83	5.87	11.00	45.83	77.12	77.60
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	0.00	0.00	0.00	0.00
Private investment in public company	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Acquisition	1.00	3.33	25.00	38.36	0.00	0.00	0.00	0.00
VC/PE Partnerships	0.00	0.00	0.00	0.00	1.00	4.17	1.60	1.61
Total	30.00	100.00	65.18	100.00	24.00	100.00	99.38	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	2.00	8.33	10.50	10.57
Majority (51-99%)	1.00	3.33	0.30	0.46	1.00	4.17	1.25	1.26
Joint Venture (50%)	0.00	0.00	0.00	0.00	1.00	4.17	0.00	0.00
Significant minority (20-49%)	4.00	13.33	22.78	34.95	5.00	20.83	1.46	1.47
Minority (0-19%)	1.00	3.33	0.04	0.06	4.00	16.67	0.36	0.36
Not reported	24.00	80.00	42.06	64.53	11.00	45.83	85.81	86.34
Total	30.00	100.00	65.18	100.00	24.00	100.00	99.38	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	20.00	0.00	34.50	0.00	18.00	100.00	30.95	100.00
Syndicated	10.00	100.00	30.68	100.00	6.00	0.00	68.43	0.00
Total	30.00	100.00	65.18	100.00	24.00	100.00	99.38	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	1.00	1.00	0.60	1.00	3.00	1.00	5.35	1.00
Public Sector	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1.00	100.00	0.60	100.00	3.00	100.00	5.35	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	1.00	0.33	5.20	0.97
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	1.00	1.00	0.60	1.00	2.00	0.67	0.15	0.03
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	1.00	100.00	0.60	100.00	3.00	100.00	5.35	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
First Stage	1.00	1.00	0.60	1.00	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	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	3.00	1.00	5.35	1.00
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	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
Total	1.00	100.00	0.60	100.00	3.00	100.00	5.35	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 4.4

Investments (in US\$ million)	2004				2005			
	Value	%	Value	%	Value	%	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%)	1.00	1.00	0.60	1.00	0.00	0.00	0.00	0.00
Minority (0-19%)	0.00	0.00	0.00	0.00	2.00	0.67	0.15	0.03
Not reported	0.00	0.00	0.00	0.00	1.00	0.33	5.20	0.97
Total	1.00	100.00	0.60	100.00	3.00	100.00	5.35	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 4.5

Investments (in US\$ million)	2004				2005			
	Value	%	Value	%	Value	%	Value	%
Syndicated investment activity								
Non syndicated	1.00	1.00	0.60	1.00	2.00	0.67	5.22	0.98
Syndicated	0.00	0.00	0.00	0.00	1.00	0.33	0.13	0.02
Total	1.00	100.00	0.60	100.00	3.00	100.00	5.35	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	1.00	1.00	0.60	1.00	2.00	0.67	0.15	0.03
North Africa	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	1.00	0.33	5.20	0.97
Total	1.00	100.00	1.00	100.00	3.00	100.00	5.35	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	0.00	0.00
Angola	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Belgium	0.00	0.00	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	0.54	0.01
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	0.27	0.41	0.00	0.00
Burundi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cameroon	1.28	0.02	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	2.23	0.03	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	0.00	0.00	0.00	0.00
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	0.08	0.00	2.68	0.03	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	0.80	0.01	0.30	0.00	5.00	7.60	3.90	0.04
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	5.20	0.05
Ivory Coast	0.00	0.00	0.00	0.00	0.04	0.06	0.30	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	6.27	0.10	0.00	0.00	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	0.02	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	6.07	0.06	0.00	0.00	0.00	0.00
Niger	0.00	0.00	0.00	0.00	0.08	0.12	0.62	0.01
Nigeria	0.00	0.00	16.86	0.16	47.88	72.79	93.90	0.90
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	1.20	0.02	0.00	0.00	4.00	6.08	0.27	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	0.31	0.00	0.30	0.00	8.51	12.93	0.00	0.00
Tunisia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Uganda	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
United Kingdom	32.00	0.49	33.45	0.32	0.00	0.00	0.00	0.00
United States	21.60	0.33	45.09	0.43	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	65.77	100.00	104.75	100.00	65.77	100.00	104.75	100.00

INVESTMENT ACTIVITY BY COMPANY LOCATION

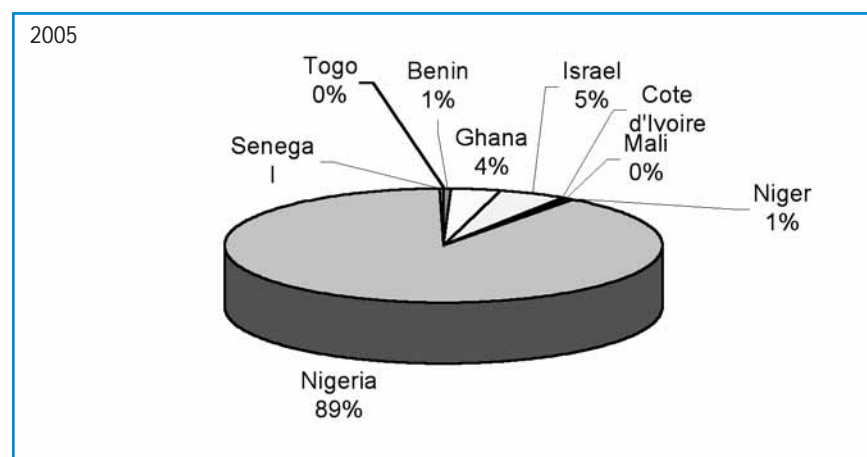
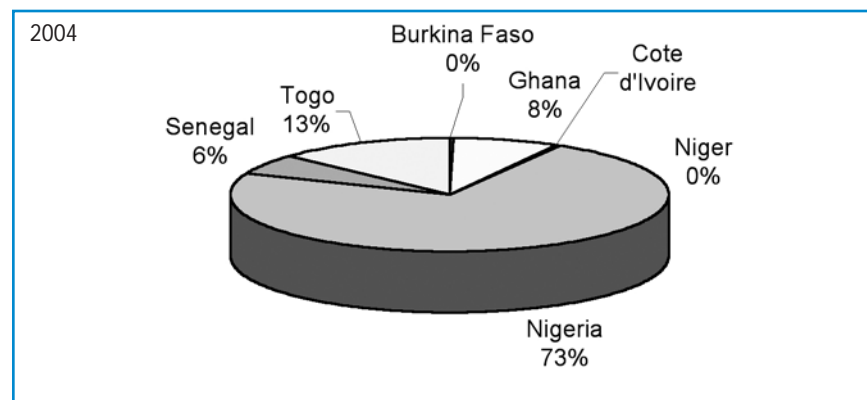


Table 7 INVESTMENT ACTIVITY BY SECTOR

Sector	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Agriculture, Forestry and Fishing	0.00	0.00	0.00	0.00	2.00	8.33	0.01	0.01
Business and Financial Services	10.00	33.33	13.42	0.21	9.00	37.50	14.20	14.29
Communications	3.00	10.00	21.60	0.33	3.00	12.50	73.05	73.51
Construction	5.00	16.67	0.08	0.00	1.00	4.17	0.02	0.02
Consumer Related	5.00	16.67	0.30	0.00	3.00	12.50	1.84	1.85
Energy	1.00	3.33	0.00	0.00	2.00	8.33	1.81	1.82
Health	0.00	0.00	0.00	0.00	1.00	4.17	0.12	0.12
IT	1.00	3.33	1.28	0.02	0.00	0.00	0.00	0.00
Manufacturing	2.00	6.67	0.00	0.00	0.00	0.00	0.00	0.00
Semiconductor/Electronics	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transportation	1.00	3.33	0.50	0.01	1.00	4.17	7.60	7.65
Utilities	0.00	0.00	0.00	0.00	1.00	4.17	0.58	0.58
Other	2.00	6.67	28.00	0.43	1.00	4.17	0.15	0.15
Total	30.00	100.00	65.18	100.00	24.00	100.00	99.38	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 8.1 INVESTMENT ACTIVITY BY TARGET FIRM^{XSA}

Turnover	2004				2005			
	Number	%	Value	%	Number	%	Value	%
under US\$1 million	1.00	100.00	0.08	100.00	2.00	8.33	0.45	0.00
US\$1 million-US\$4.99 million	2.00	0.00	0.64	0.00	1.00	4.17	0.12	0.00
US\$5 million-US\$20 million	0.00	0.00	0.00	0.00	1.00	4.17	0.00	0.00
US\$21 million-US\$70 million	1.00	0.00	21.60	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	26.00	0.00	42.86	0.00	20.00	83.33	98.81	0.99
Total	30.00	100.00	65.18	100.00	24.00	100.00	99.38	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 8.2

Funds (in US\$ million)	2004				2005			
Number of employees								
0-9	0.00	0.00	0.00	0.00	5.00	20.83	1.02	1.03
10-19	0.00	0.00	0.00	0.00	2.00	8.33	0.00	0.00
20-99	3.00	10.00	3.59	5.51	5.00	20.83	9.75	9.81
100-199	3.00	10.00	22.20	34.06	0.00	0.00	0.00	0.00
200-499	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
500-999	0.00	0.00	0.00	0.00	1.00	4.17	7.60	7.65
1000+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not reported	24.00	80.00	39.39	60.43	11.00	45.83	81.01	81.52
Total	30.00	100.00	65.18	100.00	24.00	100.00	99.38	100.00

Source: Thomson Financial, SAVCA/KPMG

Table 9 ■ EXIT/DIVESTMENT ACTIVITY

Funds (in US\$ million)	2004				2005			
	Number	%	Value	%	Number	%	Value	%
Trade sale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IPO	0.00	0.00	0.00	0.00	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	2.00	0.29	1.16	0.51
Sale to another private equity firm or financial institution	0.00	0.00	0.00	0.00	1.00	0.14	0.50	0.22
Repayment of preference loans/shares	0.00	0.00	0.00	0.00	3.00	0.43	0.16	0.07
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	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	4.00	0.00	0.40	1.00	1.00	0.14	0.45	0.20
Total	4.00	100.00	0.40	100.00	7.00	100.00	2.27	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*
Nigeria	47.9	0.066	93.9	0.095
Ghana			3.9	0.036
Niger	0.1	0.003	0.6	0.018
Benin			0.5	0.012
Senegal	4	0.052	0.3	0.004
Cote d'Ivoire			0.3	0.002
Burkina Faso	0.3	0.006		
Togo	8.5	0.412		

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