



Press Release

PE/VC investments cross \$6bn in the first 6 months of 2011, Four-S reports

Mumbai, July 1, 2011: The first six months of 2011 saw \$6.65bn of Private Equity investments in Indian companies across 207 deals; up 65% from the investments of \$4.03bn across 159 deals for the same period last year, shows data from Four-S Services.

The second quarter aggregated \$3.44bn over 118 deals; almost double the investments worth \$1.81bn across 81 deals for the same period last year. Both the quarters of the current year saw deals aggregating more than \$3bn with the first quarter totaling \$3.22bn across 89 deals.

The largest deal during the second quarter was \$290mn investment by Apollo Global Management in Welspun Corp, a steel pipe manufacturer. This is a part of \$500mn commitment by Apollo in Welspun Group. This was followed by two \$200mn investments in GMR Airports – first round by Macquarie SBI Infrastructure Fund and later by Standard Chartered PE, Jacob Ballas & Old Lane Capital. In a similar value deal, Morgan Stanley Infrastructure Partners agreed to invest \$200mn in a joint venture with Isolux Corsán Concesiones to build road projects in India.

The year is witnessing an increase in appetite for large ticket transactions. There have been 5 deals above \$200mn in size during the second quarter of the year, compared to just 1 such deal during the same period last year. Thus, the average deal size for the quarter went up to \$33.4mn, compared to \$27.1mn during the same period last year.

The infrastructure sector (including power) topped the investment chart accounting for 37.2% of investments in the second quarter with a deal value of \$1.28bn. The manufacturing sector occupied the second slot and registered 10 deals worth \$563.5mn (16.4%). BFSI (8.9%) and real estate (9.7%) were other significant sectors. IT/ITES topped the chart in terms of deal volume with 26 deals aggregating \$175.5mn.

The first 6 months saw PE/VC exits worth \$1.59bn. Of these, 88% (\$1.4bn) worth of exits have been made by PE firms through strategic sale (M&A, buyback and secondary sale to other PE player). This included one of the largest PE exit from an Indian firm, wherein, Blackstone, other shareholders of the business process outsourcing company Intelenet, struck a deal to sell the firm to UK's Serco for \$634mn. In another prominent exit during the period, General Atlantic exited Patni Computers by selling 14.65% stake to the consortium of iGate Corporation and private equity major Apax Partners.

Table: PE/ VC investments in India

	April-June'11	April-June'10	% Chg YoY	Jan-March'11	% Chg Q0Q	YTD'11	YTD'10	% Chg YoY
Investment (\$mn)	3,435.4	1,818.8	89%	3,219.1	7%	6,654.5	4,031.9	65%
No. of deals	118	81	46%	89	33%	207	159	30%
Average deal size* (\$mn)	33.4	27.1	23%	46.7	-29%	38.7	29.4	31%

* calculated over disclosed transactions

Source: Four-S Services

Table: Top 5 PE deals in April-June'11

Date	Investor(s)	Target	Deal Value (\$mn)	Sector
29-June	Apollo Global Management LLC	Welspun Corp	290	Manufacturing
01-April	Macquarie SBI Infrastructure Fund	GMR Airports	200	Infrastructure-Airport
12-May	Standard Chartered PE, Jacob Ballas & Old Lane Capital	GMR Airports	200	Infrastructure-Airport
25-May	Morgan Stanley Infrastructure Partners	Road Projects JV with Isolux Corsán Concesiones	200	Infrastructure-Road projects
28-April	Halcyon Finance, Partner	Two iron mines in Goa and Karnataka	200	Others-Iron ore mines

Source: Four-S Services

About Four-S Services

Four-S Services provides customised business and financial research to organizations across the globe. The company also provides investor relations and financial consulting to corporates based on in-depth sectoral and company research. The company has an impressive client profile and a team of analysts covering key sectors including Finance & Banking, IT & Telecom, Retail, Media & Entertainment, Pharmaceuticals, Infrastructure and Manufacturing, amongst others. . For further information on the company please visit www.four-s.com

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