



## Press Release

### Private equity investments dipped 57% during the first quarter on a y-o-y basis, Four-S reports

**Mumbai, April 03, 2013:** As Private equity investors continue to struggle with lack of profitable exit opportunities, coupled with uncertain economic and political conditions, there has been a sharp drop in private equity investments in 2013. There have been only 90 deals during the first three months of 2013 compared to 141 deals for the same period last year. The deal value dropped by 57% - from \$2.42bn during Jan-Mar'12 to \$1.04bn Jan-Mar'13, shows data from Four-S Services.

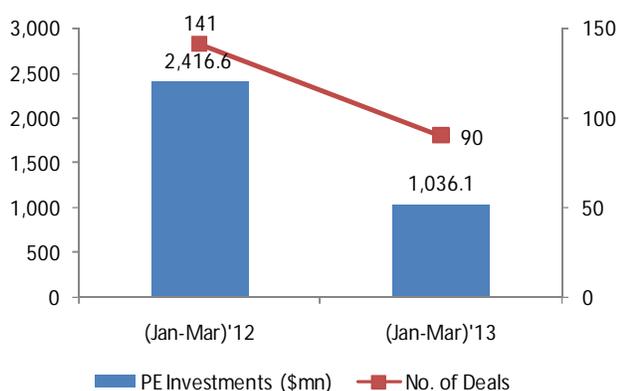
PE funds are still eyeing exits from investments of 2007-08 boom years. However, they have been struggling for the same amid sluggish stock market and poor economic sentiments. Thus lack of exits is preventing them from making fresh investments.

The average deal size also decreased from \$24.2mn to \$16.2mn during the same period. There has also been a drop in the number of \$100mn mega deals – two such deals in 2013 compared to eight such deals in the same period last year. In the largest deal, Government of Singapore Investment Corporation (GIC) invested around \$150mn in Greenko, one of India's largest independent power producers in the renewable energy space. This was followed by Blackstone's \$101mn investment to buy 53% stake in Sree Jayajothi Cements Ltd.

During the quarter, infrastructure (including power) sector topped the investment chart accounting for 20.7% of investments with a deal value of \$214.4mn. Real estate occupied the second slot with \$181.4mn (17.5%) worth of investments across 6 deals. Pharma & Healthcare aggregated \$178.9mn (17.3%) worth of investments. IT/ITeS scored highest in terms of volume with 19 deals.

The first 3 months saw PE/VC exits worth \$979.4bn. Open market exits accounted for 79.5% of the exit value. This included some big ticket exits - TPG Capital sold nearly half of its stake in Chennai-based commercial vehicle financier Shriram Transport Finance Company (STFC) for ~\$297mn; General Atlantic and Oak Hill Capital Partners cut stake in Genpact encashing \$182mn. Buyback accounted for 16.2% of exits and M&A and secondary sale accounted for the rest 4.2%. There has been no IPO exit.

#### Chart: PE/ VC investments in India Q1CY13 vs Q1CY12



**Table: PE/VC investments in India**

	Mar'13	Mar'12	% Chg YoY	Feb'13	% Chg MoM	YTD (Jan-Mar)'13	YTD (Jan-Mar)'12	% Chg YoY
Investment (\$mn)	593.1	661.7	-10%	245.4	142%	1,036.1	2,416.6	-57%
No. of deals	30	43	-30%	26	15%	90	141	-36%
Average deal size* (\$mn)	23.7	20.7	15%	13.6	74%	16.2	24.2	-33%

\* calculated over disclosed transactions

Source: Four-S Services

**Table: Top 5 PE deals in (Jan-March)'13**

Investors	Target	Stake (%)	Amount (\$Mn)	Sector - Industry
GIC	Greenko	NA	150.0	Infrastructure – Power
Blackstone	Sree Jayajothi Cements	53	101.3	Manufacturing – Cement
Blackstone Real Estate	Panchshil Realty - Eon Free Zone	50	82.8	Real Estate
IDFC Alternatives	Pune SEZ - Paranjape Schemes Construction	NA	45.4	Real Estate
Westbridge Crossover Fund, TA Associates	Dr. Lal PathLabs	NA	45.0	Services - Health

Source: Four-S Services

### About Four-S Services

Four-S is a boutique firm focusing on cutting-edge Financial Research, Business Advisory and Investment Banking services for clients. Through our deep research into India's high growth industries and accurate and objective advice we have helped many marquee institutional investors take informed investment decisions in private equity and public markets. Four-S has proven success in business advisory, investment banking and investor relations mandates with 100+ corporate clients and large PE funds. For further information on the company please visit [www.four-s.com](http://www.four-s.com)

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