



Press Release

First quarter aggregates \$2.45bn of Private Equity investments, Four-S reports

Mumbai, April 03, 2012: The first three months of 2012 saw \$2.45bn of Private Equity investments in Indian companies across 131 deals; 27% down from the investments of \$3.38bn across 89 deals for the same period last year, shows data from Four-S Services. The average deal size also decreased from \$48.2mn to \$24.8mn during the same period.

The latest month of March aggregated \$601.9mn worth of PE/VC investments, down 67% from \$1.85bn invested in the same month last year.

There were 9 deals over \$100mn during the quarter. In the largest deal, online retailer Flipkart raised \$150mn from existing investors Accel Partners and Tiger Global Management. This is so far the largest deal in the online retail space in India. This was followed by Temasek's \$135mn investment to buy 4.9% stake in consumer products firm Godrej Consumer Products, in the single largest alternative investment deal in the Indian FMCG industry. Goldman Sachs acquired a bulk of ICICI Bank's shares sold by Temasek for ~\$120.7mn.

During the quarter, real estate sector topped the investment chart accounting for 29% of investments with a deal value of \$711mn. BFSI occupied the second slot with \$384.2mn (15.7%) worth of investments across 19 deals. Pharma & Healthcare aggregated \$367.2mn (15%) worth of investments.

The first 3 months saw PE/VC exits worth \$1.81bn. Open market exits accounted for 63.7% of the exit value. This included some big ticket exits from Indian banks – Warburg completely exited Kotak Mahindra Bank netting ~\$452.4mn; Temasek sold ICICI Bank's shares for \$297.4mn; Carlyle cut stake in HDFC encashing \$270.3mn and Khazanah exited Yes bank netting \$106.2mn. Strategic sales (M&A, buyback and secondary sale to other PE players) accounted for 35.6% and IPO 0.7% of the exit value.

Table: PE/ VC investments in India

	Mar'12	Mar'11	% Chg YoY	Feb'12	% Chg MoM	YTD (Jan-Mar)'12	YTD (Jan-Mar)'11	% Chg YoY
Investment (\$mn)	601.9	1,851.1	-67%	921.6	-35%	2,454.1	3,376.9	-27%
No. of deals	41	38	8%	50	-18%	131	89	47%
Average deal size* (\$mn)	19.4	56.1	-65%	23.6	-18%	24.8	48.2	-49%

* calculated over disclosed transactions

Source: Four-S Services

Table: Top 5 PE deals in (Jan-March)'12

Investors	Target	Stake (%)	Amount (\$Mn)	Sector - Industry
Accel Partners and Tiger Global Management	Flipkart	NA	150.0	Services – Retail
Temasek Holdings	Godrej Consumer Products	4.9	135.0	Manufacturing – FMCG
Goldman Sachs	ICICI Bank	NA	120.7	Services - BFSI
IL&FS Investment Managers Ltd	Logix Group	NA	117.6	Real Estate
General Atlantic	Fourcee Infrastructure	NA	104.0	Infrastructure – Logistics

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

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