

Summer 2005

Private Equity Statistics

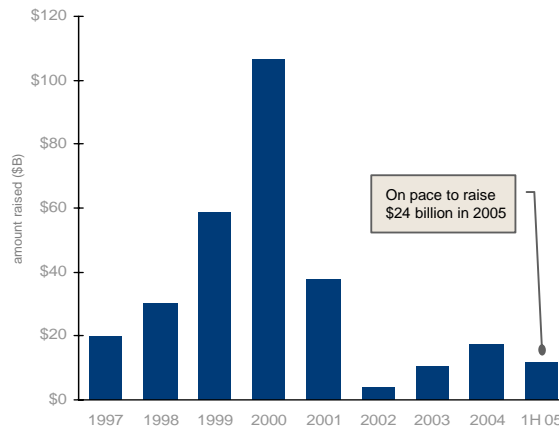
In this special edition of our market commentary, we thought it would be helpful to share with you a set of statistics outlining conditions for fundraising, valuations and exits in the venture capital and leveraged buyout sectors. We will provide semi-annual updates on these statistics in the future. A quick analysis of this information highlights four salient points:

- Fundraising for 2005 VC and LBO funds is on a brisk pace, particularly for LBO funds, and will outpace 2004 at the current run-rate.
- Overall, VC and LBO valuations are trending higher, with the exception of big LBO deals (\$500M+). This indicates that competition is increasing, which underscores the importance of carefully selecting fund managers who have proprietary deal flow and other advantages.
- While there was a decline in VC-backed IPOs for 2005, LBO-backed IPOs are enjoying another banner year. This is no surprise because the post-bubble bar has been set very high for companies pursuing IPOs, such that now more mature companies are highly favored.
- There is a robust M&A market and it is providing significant liquidity to investors, particularly VC firms.

We hope you find this information valuable as you evaluate your private equity investments. We would welcome your questions and comments.

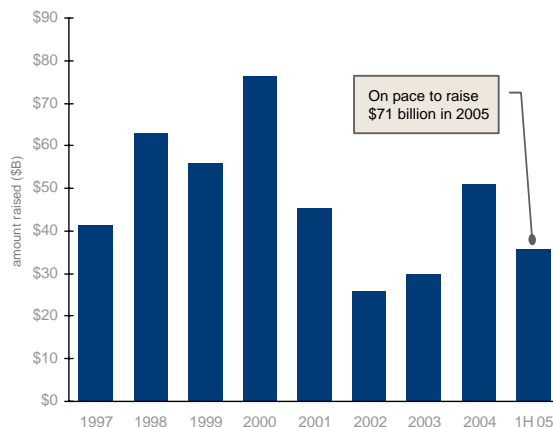
Fundraising

Venture Capital (1997 – 1H 2005)



Source: Thompson Venture Economics/National Venture Capital Association. Data as of 6/30/2005, run as of 7/7/2005.

Leveraged Buyout\* (1997 – 1H 2005)



Source: Thompson Venture Economics/National Venture Capital Association. Data as of 6/30/2005, run as of 7/7/2005.

\* This category includes LBO, Mezzanine, Turnaround and Recapitalization-focused funds.

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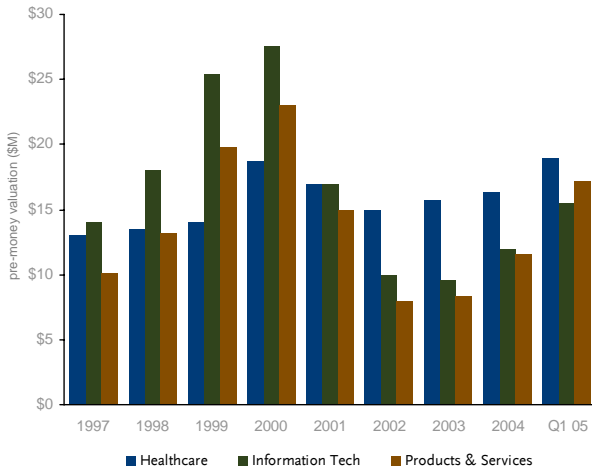
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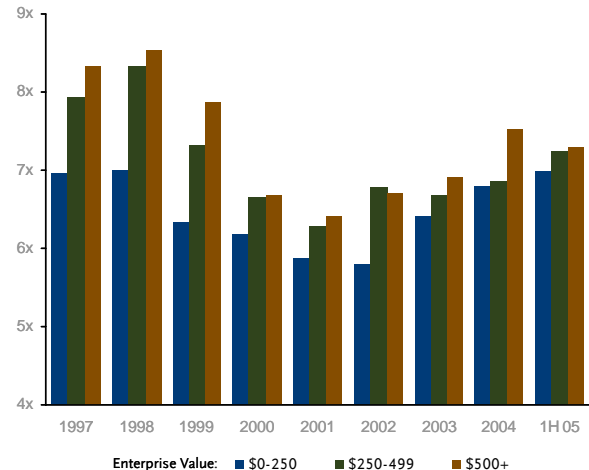
Valuations

Venture Capital Median Pre-Money Valuations (1997 – Q1 2005)



Source: Venture Source and Securities Data Corporation.

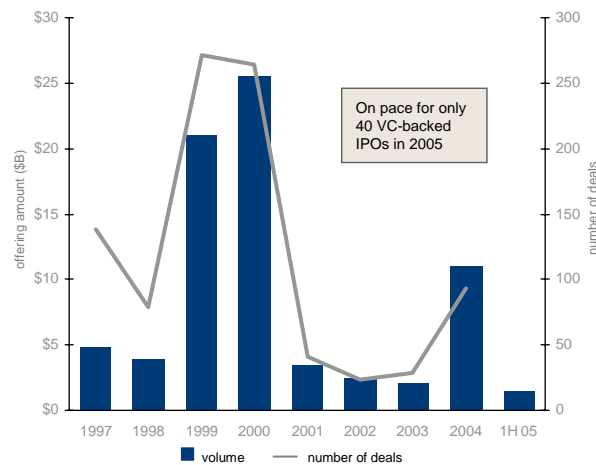
Avg. LBO Purchase Price (Multiple of EBITDA) (1997 – 1H 2005)



Source: Standard & Poor's Q2 Leveraged Buyout Review.

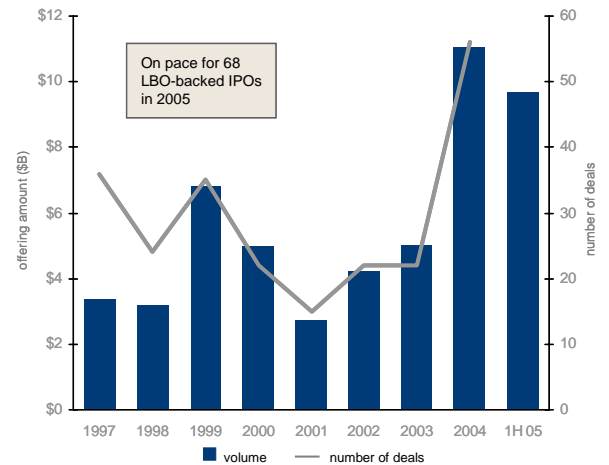
Exits

Venture-backed IPO Market (1997 – 1H 2005)



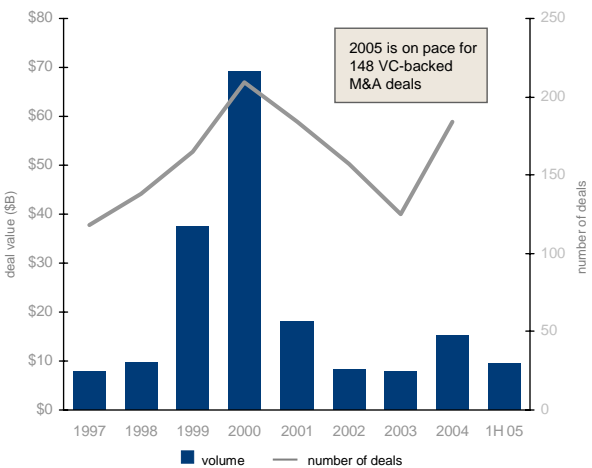
Source: Thompson Venture Economics/National Venture Capital Association. Data as of 6/30/2005, run as of 7/7/2005. Data only includes disclosed deals.

Buyout-backed IPO Market (1997 – 1H 2005)



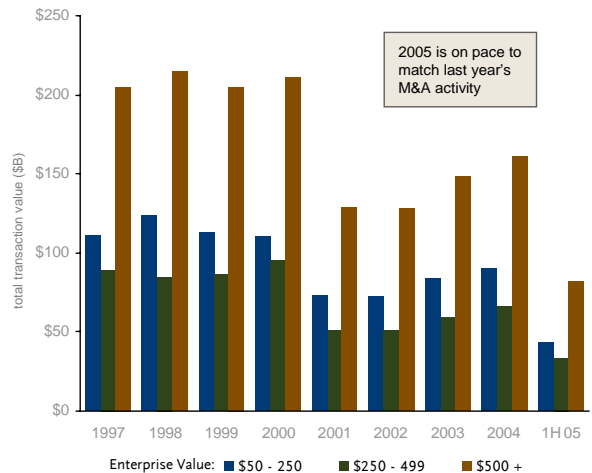
Source: Thompson Venture Economics/National Venture Capital Association. Data as of 6/30/2005, run as of 7/7/2005. Data only includes disclosed deals.

Venture-backed M&A Market (1997 – 1H 2005)



Source: Securities Data Corporation. Data as of 6/30/2005, run as of 7/8/2005. Data only includes disclosed deals.

M&A Activity by Transaction Value (1997 – 1H 2005)



Source: Securities Data Corporation. Data as of 6/30/2005, run as of 7/8/2005. Data only includes disclosed deals.