



A series of occasional releases highlighting recent research into private equity and the broader alternative asset markets undertaken by Arbor Square Associates.

November 2007



Results of the Second Deloitte India Private Equity Confidence Survey Released

The findings from the second Deloitte India Private Equity Confidence Survey have been released. Undertaken for Deloitte by Arbor Square Associates, the survey examines the state of play in Indian private equity through the eyes of the leading general partners in the market.

Repeated every six months, the study acts as an ongoing indicator of the direction the market is expected to take with regard to all the key stages of the private equity cycle, from fundraising, through deal-doing and portfolio management, to exiting. The information is gathered via a program of in-depth interviews designed to obtain candid views and opinions.

Key highlights from the latest survey...

- Investment activity levels expected to maintain current levels or increase further
- Clear signs that entry multiples will level off
- Strongly held view that recent high entry valuations will depress returns
- Evidence to suggest that fundraising for India may be reaching an inflexion point
- Competition levels set to increase further within a more segmented market
- Ability of investors to offer tangible value-add to portfolio companies becoming more important
- Market regulation tops list of biggest market challenges going forward
- Confidence in long-term potential of Indian private equity is rising

Commenting on Arbor Square's role in the project, Chris Ward, Head of Global Corporate Finance Advisory at Deloitte, said:

"Arbor Square has done a very thorough and professional job, leveraging off their knowledge of private equity markets generally to really get under the skin of what is happening in India. I have even had direct feedback from one respondent who said he himself had got a lot from the Arbor Square interview, which had challenged him to think about his business in the light of market developments."

Ends.

Access a copy of the summary findings of the Confidence Survey at www.arborsquare.com/DeloitteIndiaH207.pdf

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The information contained in this press release is correct at the time of going to press.

Notes:

About Deloitte.

Deloitte Touche Tohmatsu is an organization of member firms around the world devoted to client service excellence. Our member firms offer services in audit, tax, consulting and financial advisory.

With access to the intellectual capital of approximately 150,000 people worldwide, we focus on client service through a global strategy executed locally in more than 140 countries.

Our clients include more than 80 percent of the world's largest companies, as well as large national enterprises, public institutions, locally important clients and successful, fast-growing global companies.

Our offering comprises world class, differentiated, value-added solutions to our clients across the wide and varied spectrum of commercial and transaction challenges they encounter.

Within corporate finance, we support our clients throughout the deal cycle on both buy-side and sell-side, through a range of specialist teams, providing technical expertise and deep industry knowledge. Our reach is unparalleled, with more than 3,500 M&A professionals across our network of member firms. We are positioned to deliver a comprehensive firm-wide M&A offering to middle market companies, private equity houses and large corporates requiring support on significant, complex transactions.

For further information visit www.deloitte.com

About Arbor Square Associates

Founded in 2006, Arbor Square is a research-based consultancy firm providing services to groups operating within the alternative assets industry. The consultants are information specialists, with an unrivalled knowledge of data and relevant contextual research. They have more than 40 years cumulative experience of private equity and have worked together as a team in various guises for over eight years.

For further information visit www.arborsquare.com