

BVA 2006 Activities

Internal Communication

Presidents' Meetings

The BVA vzw/asbl organized 4 Presidents' Meetings (March, June, September and December) to enable communication amongst the Venture Capital top managers from all member companies of the BVA vzw/asbl. The meetings serve as a forum for information exchange between the members and provide an opportunity to the members for voicing individual thoughts on the further development of the Venture Capital market in Belgium.

The average participation to the Presidents' Meetings in the course of 2006 was about 32 persons (compared to 34 in 2005 and 31 in 2004). During this year's Presidents' Meetings, the members were informed about BVA vzw/asbl's members and activities, such as the Benelux Venture Capital Summit, the BVA Academy, BVA and EVCA figures on 2005 and the results of the BVA impact study. Mr. Valentin Toubeau also presented the results of his study "Private Equity Firms in Belgium, Value Creators or Locusts?"

Board

Under the leadership of president André-Xavier Cooreman, the Board met 7 times between the General Meetings of 2006 and 2007 and was in general well-attended by all directors.

Committees

The 4 Committees installed in 2005 serve as fora or organizational bodies for the development of point activities geared towards specific subjects.

Communication Committee – Presided by André-Xavier Cooreman, **Sofinim**

The BVA's Communication Committee held its kick-off meeting on February 9, 2006. In the course of 2006, the BVA Communication Committee met 3 more times; the following members contributed to the committee: Dirk Boogmans, André-Xavier Cooreman, Ignace De Bock, Frank De Leenheer, Pierre Demaerel, Diego du Monceau, Katrin Geyskens, Nicolas Pirotte, Peter Van den Brande and Pascal Weerts.

During the year, the committee focused on the following:

- The communication of the results of the BVA's first impact study at the Benelux Venture Summit on February 22, 2006; the annual press conference in June regarding the EVCA statistics; the press release announcing the cooperation of the BVA with Febelfin, Voka and UWE
- The evaluation of the work performed by a job student evaluating the BVA's current communication, recommending the following:
 - o The BVA's **corporate identity** should be made more consistent, a corporate identity hand book is being elaborated
 - o The BVA's **website** has to be renewed (improved navigation, general design and architecture, easier to find with search engines)
 - o The organization of **press conferences** should be better structured



- Based on this study, the committee designed a new website architecture which is to be implemented in 2007.
- The Communication Committee proposed to change the BVA's name to **Belgian Venture Capital and Private Equity Association**, instead of Belgian Venturing Association, the reason for this change is the increased focus of our members on buyouts. It was felt that the name did not sufficiently cover this aspect. The name change is fully in line with similar name changes of other national associations such as e.g. the Swedish association (SVCA) and the European association (EVCA). The abbreviation BVA is to be kept.

Education Committee - Presided by Hilde Famaey, **Taros Capital Belgium**
The education committee strives to:

- Offer the BVA members access to knowledge, by organizing the BVA workshops, the BVA Academy and the Belgian Venture Summit (more info on them can be found on pages 8, 9 & 10 of this annual report)
- Offer the general public insights in the general behavior of Private Equity
- Coordinate the content of the BVA communications to the general public

In 2006, four well attended workshops described later on in this report were organized and the two day BVA Academy seminar for young private equity recruits was overbooked.

Start-up & Innovation Committee - Presided by Marc Lambrechts, **Capricorn Venture Partners**

The scope of the start up & innovation committee is defined as "Private Equity – Venture Capital and its relation to start-ups, innovation and entrepreneurship".

In 2006 the committee worked on the statistics of venture backed, early stage companies in Belgium and coaching of entrepreneurs in the different stages of the investment cycle. The idea rose to organize a "coach the coach" initiative for intermediaries involved in coaching/assisting start-up companies with high growth potential DNA. This initiative will be further elaborated in 2007.

For 2007 the relationship between (open) innovation, corporate venturing and venture capital will be explored. The committee will prepare a seminar on this topic.

Tax and Legal Committee - presided by Brigitte Boone, **Fortis Global Private Equity**

Consequently to the decision taken in 2005, four plenary meetings have been organized in 2006. The Committee has, after a redefinition of its functioning mode and of its objectives, analyzed and debated several important topics, a.o:

- The Private Privak situation;
- The capital gain on shares and the related ancillary costs issue;
- The developments in terms of directors' and company auditor's responsibility ;
- The sweet equity problematic (tax and legal consequences).

For some matters, in order to increase the level of analysis, dedicated working teams have been established.

Drafting of standard BVA documents and members' information regarding relevant tax and legal modifications were also major preoccupations of the Committee. Finally, guest speakers have been invited to share their expertise in specific domains.



Workshops

In 2006, the BVA organized 4 workshops, which were hosted and/or sponsored by Allen & Overy, Monard-D'Hulst, Deloitte, Ernst & Young and ING, whom the BVA wishes to thank for their support. All workshops were very well attended, with an average of 36 BVA members attending. The speakers at these workshops gave presentations on very interesting subjects:

- **Acquisition Finance** – Paul Langerak from ABN AMRO spoke about the trends and market developments in the European LBO financing market. Based on statistics, we could see how the markets have grown tremendously showing a record year in number of deals and volume. They have hence become more favourable for the lenders with respect to margins as well as the type of structures and maturities offered. This all comes forth from an increasing appetite among investors for this type of investments, mainly driven by an increasing number of institutional investors. Peter Bienenstock from Allen & Overy elaborated on debt push downs in Acquisition Finance and the way security can be structured avoiding the pitfalls of financial assistance regulations.
- **Structuring the deal – key tax & legal considerations** – Peter Rooryck and Ortwin Carron from Monard-D'Hulst were the speakers of this workshop, building on the previous workshop. They focussed on the way the deal can be structured from the management's point of view, the acquisition vehicles and the tax implications thereof.
- **Driving portfolio company performance through active ownership** – Private equity firms have long promoted the virtue of active ownership. But what does active ownership mean and does it really lead to superior performance? In his presentation, Erik van Ockenburg from McKinsey discussed how private equity firms can apply active ownership to help the companies in their portfolio outperform their industry peers, what elements of active ownership they apply, and what best practices exist in applying these. All attendants agreed that the work actually starts after the closing is complete. A 100-day initial program would be very helpful as kick-off in the journey with a new portfolio company and this learning could be applied to a VC environment even if the presentation was more focussed on buy-outs. On the other hand, many lessons learned seemed to be applicable only insofar that they would be adapted to the Belgian context taking into account the size of the companies, the way auctions are handled or the way the management team of the investees is structured.
- **Corporate Governance in a Private Equity & Venture Capital context** – Sophie Manigart from the Vlerick Leuven Gent Management School and Tom Baelden from the Belgian Governance Institute (BGI) gave a short presentation on the results of a European survey regarding "Venture Capitalists' value creation through their impact on corporate governance". The interesting angle was that through this research, the soft issues also came to the forefront like the way the various parties interacted with each other, and that the entrepreneurs and managers were actually very enthusiastic about the support they got from private equity and VC players. According to the study this all enhanced the corporate governance of the companies with an ensuing increased firm value. The presentation was followed by a panel discussion with Mr. Pol Bamelis, independent director with a.o. Bekaert, Mr. Pol Vanderhaeghen, CEO and director of Taminco and Prof. Dr. Herman Daems, a.o. chairman of the Board at GIMV. The panel stressed that there is a totally different perspective to be taken in the structure and composition of the corporate governance and the board depending on whether it relates to a young start-up or a mature buy-out deal. This was in turn related to the value drivers which are very different depending on the type of deal. This was the first time we organized an event together with another institute, the BGI, and it was an overwhelming success. In all 122 people attended, so there were ample



networking opportunities for our members while at the same time increasing the brand awareness of the BVA.

BVA Academy

This major 2 day residential training program aimed at both young and experienced Private Equity & Venture Capital professionals and service providers to the industry. It was organized by President André-Xavier Cooreman from **Sofinim** and took place on 30 November and 1 December in Antwerp. The purpose of the training course was to provide a didactic overview of the full cycle of the private equity and venture capital investment process, from deal flow generation to the exit master plan, and to cover critical issues such as corporate governance.

Gathering 38 participants and not in the least thanks to the many volunteer-speakers, primarily from our member organizations, this event was very successful. It is the board's intention to organize a next session of the BVA Academy during Q4, 2008.

The following persons accepted to support this event by covering one of the program topics:

Herman Paridaens	
Dirk Meeus & Pascal Weerts	Allen & Overy
Frank Maene	Big Bang Ventures
Claude Stoufs	Capricorn Venture Partners
Guido Vandervorst	Deloitte & Touche
Karsten De Clerck	Egon Zehnder
Joost Maes	Egon Zehnder
Koen Geens	Eubelius
Annick De Muynck	Fortis Bank
Paul De Ridder	Halder
Nico Goossens	Linklaters De Bandt
Chris Figeo	McKinsey
Eric Verkest	Petercam
Herwig Opsomer	PricewaterhouseCoopers
André-Xavier Cooreman	Sofinim
Luc Dochez	TiGenix

The vast majority of the participants rated the contents of the BVA Academy as very good and a number of valuable suggestions for further improvement were made. These will be taken into account for the next BVA Academy in 2008.

Casual Day

The BVA vzw/asbl Casual Day is an opportunity for members to get in contact with each other in an informal atmosphere. The Casual Day in 2006 was once again a resounding success, this time visiting 'La Ferme de l'Abbaye de la Ramée' in Jodoigne where we enjoyed a number of outdoor and indoor activities. It was organized and sponsored by our Board Members Mr. Alain Parthoens from **ING** and Mr. Jean-Pierre di Bartolomeo from **Sowalfin**, and was attended by 43 adults and 13 small children, an unprecedented success.