



**BELGIAN VENTURE CAPITAL  
&  
PRIVATE EQUITY ASSOCIATION vzw/asbl**

**NEWSLETTER**

Edition 13

May 2008

## BVA Newsletter 13

### Table of Contents

President's Letter	3
Revised position of the Ruling Commission on post-merger debt push-down	5
New BVA Members	8
The locked box mechanism	9
Educational Activities	12
BVA Agenda 2008	12
New Bio Incubator Leuven	13
BVA Essay Award	15
News from our Members	16

## PRESIDENT'S LETTER

Dear BVA Members,

This is my first brief as new president of the BVA and I am very pleased to share with you my plans for the BVA. I will elaborate on the plans in the first part of this brief. In the second part, I would like to focus on the outlook of the Private Equity and Venture Capital industry in Belgium. These are very turbulent and challenging times for the industry and I would like to share with you some key tendencies and evolutions, in particular for Belgium.

As described in the annual report, one of my priorities for 2008 is to meet opinion leaders regularly. After a few meetings, it was a surprise for me that the positive role of private equity and specifically venture capital is not well known and often misunderstood within the SME's but also in the networks and with advisors active in SME's. Our industry is too often perceived as a 'financial raider'. I re-emphasize the critical role that the Start-up and Innovation Committee has to play towards the SME community and the added value of their initiative "coach the coach". In a nutshell, it consists of helping financial and strategic advisers of CEOs and CFOs of SME's to be informed of the benefits of having as shareholders experienced private equity and venture capitalist groups. I am sure Marc Lambrechts, Katrin Geyskens and Guido Quanten will make it happen.

Another important issue is the diffusion of information provided by the BVA among our members. A lot of information and initiatives on the BVA and its activities do not seem to get through to more junior people in these organizations. I have the impression that we can do better in this area. The BVA Cocktail was a first step in that direction. I would also like to organize a junior or a support staff lunch once a year to be sure that a maximum of people

less involved in the decision process know about the BVA's activities.

Regulation is also a very important topic and we need to follow closely and proactively any initiatives taken by the Government whether it be at federal or regional level. Together with EVCA, we also monitor what is happening on a European level. We need to be very cautious because of the criticism that Private Equity is receiving in some major countries, especially in the United Kingdom and in Germany.

So, after having shared my plans, let me now zoom in on some key figures and trends in the Belgian Private Equity and Venture Capital industry.

On the basis of the preliminary figures, it looks as if Belgium has again had a "grand cru" year in 2007 for its PE/VC business. You will probably remember the great year 2006 in which Belgian PE/VC houses invested 940 million euro (equity value); all indications show that our Belgian PE/VC houses have again invested a record level as the investment figure will be close to the 2006 figures. If we add the activity of foreign PE/VC houses in Belgium, we can expect that the total PE/VC 2007 investments in Belgian investee companies will be far above the 1.4 billion euro we reached in 2006.

If we conclude that 2007 has been a very good year for the industry in Belgium, we shall not overlook this is explained by the very good shape of our economy. With a GDP growth of 2.4 % in 2007, Belgium's growth was above the Eurozone's average growth of 2.1%. Recent reports for Belgium and our neighbouring economies remain encouraging about the economic growth in the first quarter of 2008. It may well be that the impact of the economic slowdown in the USA and Britain will be less severe on Belgium and other continental Europe than some observers

have claimed in the past month. Also, the fall-out of the credit crisis so far remains modest. The political instability of our country has also not frightened domestic and overseas investors. The relatively good outlook shall nonetheless not lead us to complacency. On the contrary, our industry shall remain vigilant as the overall economic and financial situation normally has a very important impact on the state of our industry: our industry performs well when the economy is doing well but we also tend to get our fair share of the misery when the economy slows down. So, even if it has been relatively contained so far, we should remain vigilant.

Since the breakout of the credit crisis in August 2007, some countries have seen a dramatic drop in their PE activity, in particular in the segment of buy-outs. As far as we see now, the impact of the slowdown and the credit crisis has been very limited for the Private Equity and Venture Capital industry in Belgium. An internal survey of the BVA conducted in April 2008 showed that our members don't see a major downward impact yet and little change in their buy-out practice. The Belgian PE houses have traditionally used much less leverage than foreign Private Equity houses in the financing of their buy-outs. They even said that the drying up of available debt financing in European markets and the increase in short-term interest rates and spreads had only a limited impact on their activity. A majority of the members in the survey noticed that

the major impact probably lies in a reduction of the speed at which deals can be closed but there is little issue in getting deals financed. Some of our members have reported some level of difficulty in the closing of a couple of foreign targets though. Measured at the levels of fundraising of the last years, we can only conclude that plenty of funds remain available in Belgium which is an indication that they will be able to maintain a high level of activity, in particular for mid-cap buy-outs.

As to the segment of venture capital, we expect a reduction in investment in 2007, mainly driven by a reduction in expansion capital. It looks as if the tendency in early-stage venture capital remained relatively strong even if high-tech investments have been fewer than in previous years. I still remain positive about the venture capital investments as well. Let's not overlook the positive evolution of fundraising by independent venture capital funds in the last couple of months. Their success in fundraising will add substantial new amounts of money to venture capital and further solidify our industry.

In June, the BVA will present the final 2007 figures. I am confident and very pleased that we will be able to show you and the public another great year for our industry in Belgium.

Alain Parthoens

## REVISED POSITION OF THE RULING COMMISSION ON POST-MERGER DEBT PUSH-DOWN

The Belgian tax environment towards leveraged acquisition and venture capital investment has always been complex in the absence of tax consolidation.

Against this background, a work group within the Belgian Ruling Service has consulted several tax advisers to discuss views about a possible amendment to the ruling practice applicable to post-merger integration. The purpose of this contribution is to present the latest outcome of this discussion, which could serve as the basis for a ruling practice allowing post-merger integration in specific circumstances.

It should be noted that the future of this ruling practice is still uncertain as it is conditional upon the drafting of a practice note subject to the approval of high-ranking officials within the Belgian tax authorities.

### Revised position of the Ruling Service on post-merger debt push-down

Belgium is one of the few OECD countries that do not recognize the 'group' notion for tax purposes. While Belgian politicians have been considering introducing the principle of tax consolidation for some

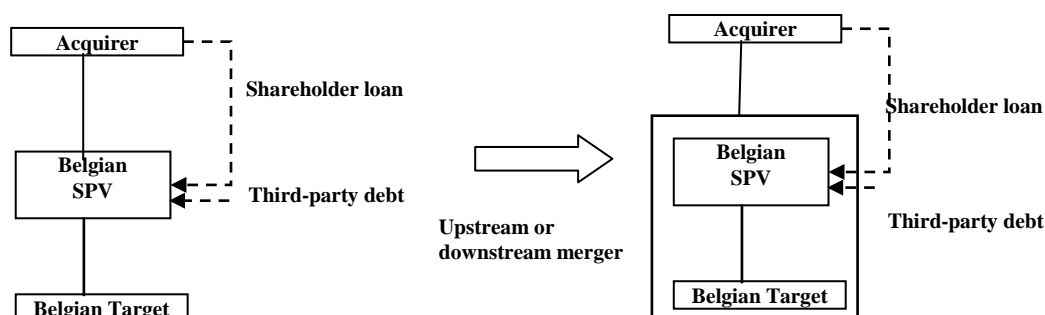
years (cf. press release of new prime minister), practitioners have been implementing various ideas to overcome the lack of legislation in this respect.

The absence of tax consolidation is even more complex considering the position taken by the Ruling Service in the past, prohibiting a tax free merger for leveraged buy-outs, as explained below.

This led to a framework requiring complex structuring work for every leveraged acquisition in Belgium in order for the acquisition costs to qualify for interest deduction.

### *Tax free merger*

A merger of a Belgian acquisition vehicle (SPV) with a Belgian operational target entity is sometimes considered for deal structuring – in the absence of tax consolidation – to allow a debt push-down of the shareholder loans and third-party financing at the level of the operational entity, as illustrated below. This type of structuring is commonly applied in surrounding countries such as Germany, Italy or France, subject to the application of thin capitalization rules in those countries.



Based on Belgian legislation, a merger qualifies as a tax neutral merger, provided, among other things, that the merger meets

legitimate financial or economic needs (business purpose test).

## **Current position**

For a number of years, the Belgian Ruling Service has refused to accept the tax neutral character of upstream mergers involving leveraged passive holding companies based on the absence of sound financial or economic needs<sup>1</sup> (business purpose test). The tax authorities take the view that the target company has no legitimate business reasons to merge into the acquisition vehicle<sup>2</sup>.

A downstream merger could resolve the tax issues but is generally not possible from a company law standpoint as it would entail the cancellation of own shares for an amount higher than the equity of the target company (unless the target company should be converted into a VOF/SNC).

## **Possible practice note**

Considering the position taken in surrounding countries, the Belgian Ruling Service has since mid-June 2007 considered the possibility to revise its position in the case of post-merger integration subject to certain conditions. A work group was set up within the Ruling Service to define a possible framework for such operation, and leading Belgian tax consulting and lawyers offices were consulted to gain their view on this initiative.

The outcome of this discussion would result in the drafting of a position paper that addresses the question whether a post-merger debt push-down could be considered to meet the aforementioned business purpose test.

In broad terms, the Ruling Service makes the distinction between a post-merger debt

push-down by an operational acquirer and one by a passive holding company.

The merger with debt push-down of an operational target into an operational acquisition vehicle can be realized tax free, subject to the fulfillment of an informal thin capitalization test (see conditions below).

A merger of a passive acquisition vehicle into an operational acquisition vehicle with debt push-down (which is the case in most deals by financial investors) can in principle never fulfill the financial or economic needs requirement according to the Ruling Service. However, such a merger can be realized tax free, subject to the fulfillment of the thin capitalization test and the submission of a business plan.

## **Thin capitalization test**

One of the five tests/conditions mentioned below will have to be fulfilled by the merged company in order to obtain a positive ruling on the tax free character of the merger.

### *Test 1: Debt/equity ratio of 3/1*

The debt/equity ratio in the estimated year-end balance sheet of the merged company does not exceed a 3 to 1 ratio in the financial year of the merger. The debt will include both internal and external debt of the merged company. Netting of inter-company loans is allowed if they are recorded on both the assets side and the liabilities side of the company's balance sheet.

### *Test 2: Debt/equity ratio at group level*

If the debt/equity ratio of the acquiring group (consolidated) exceeds the 3/1 ratio, the D/E test of the merged company will be limited to the (higher) D/E ratio at group level.

However, this second test cannot be applied if the acquirer is a private equity investor.

---

<sup>1</sup> Condition required to undertake a tax free merger under sec. 211 ITC.

<sup>2</sup> Decision of the ruling commission no. Ci. Com/044 of 7 February 1994, *Bull ITC*, no. 748, p. 1032 – a positive ruling is mentioned in HAELTERMAN, A. and DERYCKE, H., “De voorafgaande fiscale akkoorden, procedure en praktijkervaringen”, *T.R.V.*, 1995, pp. 3 *and seq.*, esp. 15 – this appears to be the only (unreported) decision on leveraged acquisitions.

### *Test 3: Debt/equity ratio at sector level*

If the D/E ratio at the level of the sector of the operational target entity is higher than 3/1, it is allowed to apply this higher D/E ratio instead of the aforementioned maximum 3/1 D/E ratio of the merged entity.

The sector of the operational target entity is determined on the basis of the NACE code and can be calculated at a European or global level, depending on the market where the operational target entity is active.

Unfortunately, private equity will not be considered as a separate sector.

### *Test 4: Repayment capacity test*

The total interest charges of the merged company as recorded in the estimated year-end balance sheet of the financial year of the merger may not exceed 50% of the operational cash flow of the company (EBITDA).

### *Test 5: Positive taxable basis*

The estimated taxable basis of the operational target entity on a stand-alone basis and of the merged company must be positive for the financial year of the merger.

## Business plan requirement

On top of the thin capitalization test, a business plan has to be submitted by leveraged holding companies and has to include the following most important features:

- time period of minimum 5 years – maximum 10 years;
- illustration of the estimated evolution in turnover, EBIT, headcount and investments (CAPEX);
- at the level of the operational target entity (not consolidated with its subsidiaries);
- important modifications (asset deal, change in management, etc.) during the described time period need to be reported to the Ruling Service asap.

Compliance with the proposed business plan will be audited by the Ruling Service at least 6 months before the general three-year statute of limitations expires. Non-compliance with the business plan can, however, be justified based on sound reasons (economic evolution, change in management, etc.).

## **Impact on venture capitalist and private equity industry**

The development of a favorable tax and legal environment is key to supporting venture capital investment and it is therefore essential to obtain clear guidance as to the possibilities for post-acquisition merger. This is also important in other areas such as more flexible exclusion rules for financial assistance or initiatives encouraging tax friendly fundraising and investment.

Therefore, the proposed practice note would be a progress for leveraged buy-outs in Belgium. It would create possibilities for post-merger debt push-down for investors, albeit subject to stringent conditions.

While we appreciate the initiative, a lot of comments can be expected in this respect. The Ruling Service is proposing conditions that are not embedded in the law and that are contrary to the principles imposed by the EU Merger Directive.

Furthermore, the audit of the business plan after implementation provides some severe limitations and does not provide upfront legal certainty. This creates a high risk of a taxed merger for investors as certainty is not provided until after the audit of the business plan. This could even lead to the situation where legal certainty is only provided after the exit of the financial investor.

Taking the above into account, we are of the opinion that the revised position creates a useful tool for corporate buyers but will not provide any grip for financial investors. We therefore advise that specific initiatives are taken to adapt the



practice note to the context of a financial buyer.

Finally, please note that it is still uncertain whether the practice note on post-merger rulings will ever be finalized and approved by Belgian policy-makers although numerous rulings are waiting, in the pre-filing stage, for the outcome of this approval process.

For more information, please contact:  
Jan Muyldermans – Lead Transaction Partner, PricewaterhouseCoopers  
Hugues Lamon – Tax Director, PricewaterhouseCoopers  
Frederic Lievens – Tax Consultant, PricewaterhouseCoopers

## NEW BVA MEMBERS

*The BVA is pleased to welcome the following new members*

### **Full Members:**

Ocas Ventures  
Mr. Philippe Vercruyssen  
Partner  
President J.F. Kennedylaan 3  
9060 Zelzate  
TEL: 32-9-345.12.07  
FAX: 32-9-345.12.04

Vesalius Biocapital Arkiv  
Mr. Alain Parthoens  
Manager  
Tervurenlaan 273  
1150 Brussels  
TEL: 32-2-775.30.53

Theodorus  
Mr. Jean Van Nuwenborg  
Investment Manager  
Joseph Wybranlaan 40  
1070 Brussels  
TEL: 32-2-529.59.34  
FAX: 32-2-529.59.11

### **Associate Members:**

Loyens & Loeff  
Mr. Stefaan Deckmyn  
Woluwe Atrium  
Neerveldstraat 101-103  
1200 Brussels  
TEL: 32-2-743 43 43  
FAX: 32-2-773.23.53

Van Bael & Bellis  
Mr. Steven De Schrijver  
Louizalaan 165  
1050 Brussels  
TEL: 32-2-647.73.50  
FAX: 32-2-640.64.99

Lydian  
Mr. Peter De Ryck  
Havenlaan 86C/113  
1000 Brussels  
TEL: 32-2-787.90.00  
FAX: 32-2-787.90.99

## LOCKED BOX MECHANISM

### Advantages and pitfalls related to a locked box mechanism

In recent years, we have noted that during negotiations of price mechanisms more PE and corporate sellers –in the UK and now also in Belgium– started asking the question “why don’t we use a locked box mechanism?” In a locked box system, the period between the latest available accounts and the closing date is not covered by interim closing accounts, but by a “locked box” clause in the SPA. This locked box mechanism comprises a contractual agreement that no value can ‘leak’ from the company, and is often used as a means to avoid uncertainty during negotiations on the

seller’s side. The locked box principle can be attractive, providing there is sufficient access to information to undertake a thorough financial due diligence and that the box is locked effectively. Our experience with these mechanisms has resulted in identifying a number of pros and cons one should be aware of.

#### What is a locked box mechanism?

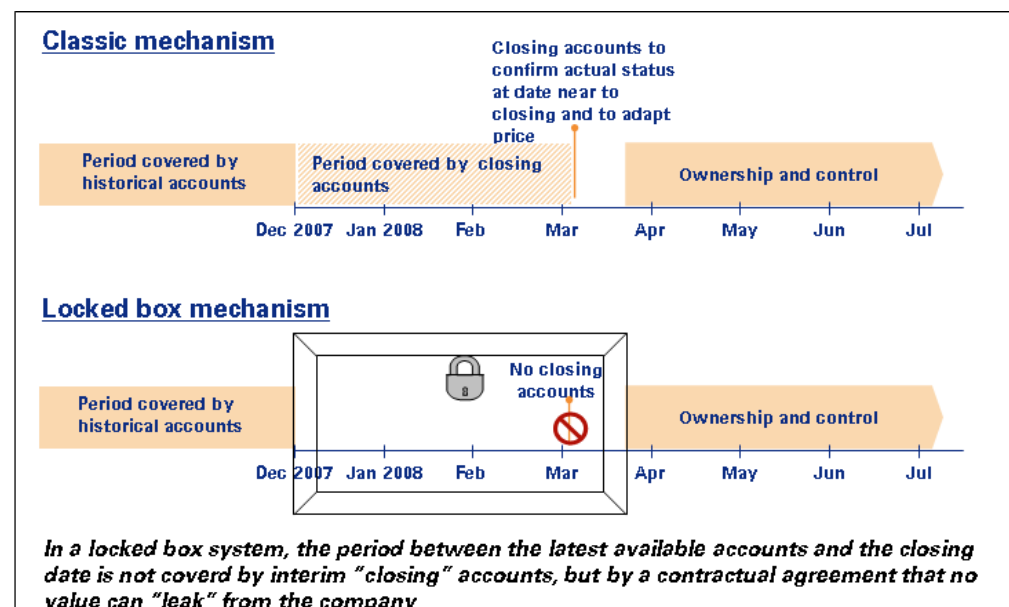
A “classic mechanism” comprises a negotiated enterprise value combined with a net debt deduction and a working capital adjustment based on closing accounts.

Example of a classic price mechanism:

*On 15 March an enterprise value is negotiated at 100, based on latest financial information on 31 December and assuming a working capital at closing of 10. Parties agree to draft closing accounts as at 31 March. Any financial debt in these closing accounts (e.g. 15) and any deviation from the target working capital (e.g. working capital is 8 in stead of 10) will be deducted from the enterprise value, leading to a share price of 100 minus 15 minus 2 = 83.*

In the period between the negotiation of the enterprise value and the agreement on the final share price, the sellers have a period of uncertainty. In a seller

friendly market, sellers request more certainty and want to avoid a second negotiation round on the closing accounts.



Avoiding uncertainty for sellers has led to the locked box idea, whereby immediately a share price is set, based on information available in the last historical accounts and whereby the seller agrees not to leak any value out of the company prior to the closing. Closing accounts and a related price adjustment are no longer used in a locked box mechanism.

The purchaser has no protection from the closing accounts to provide cover for the activities of the company in the interim period between last historical accounts and closing date, and does not have an opportunity to thoroughly review, analyse or audit the closing accounts. A purchaser should only accept a locked box under condition of having sufficient access to historical information and under condition of sufficient anti-leakage protection in the SPA.

#### **What sources of leakage should the purchaser cover for?**

Examples of anti-leakage elements we see in transactions are:

- Dividends, distribution payment
- Management fees
- Transactions not at arms length
- Group hedging result and intra-group trading
- Transactions outside ordinary course of business
- Etc.

Specialized lawyers will be able to support the inclusion of anti-leakage provisions in the SPA.

#### **Who has access to the interim profit?**

An element convincing purchasing parties to accept the locked box is the fact that, implicitly, the purchaser has

access to the profit of the target company as from the date of the last historical accounts. In a classic mechanism, the interim profit reduces the net debt and implicitly increases the share price.

#### **Some advantages of the locked box mechanism:**

- The uncertainty about the final purchase price for the shares is eliminated
- A second negotiation round to discuss the findings of the closing accounts analysis is eliminated, easing the process and allowing a faster integration focus
- Working capital and net debt elements can be included in the negotiations
- No need for elaborate definitions of the final purchase price calculation mechanism, or for discussions on the definitions and interpretation thereof

#### **Some disadvantages and potential pitfalls of locked box:**

- Historical accounts are drafted by the vendor and information is in many cases not fully disclosed prior to the signing of an SPA, leading to a poorly informed acquirer
- Inventory positions in the historical accounts cannot be counted and verified retroactively. The acquirer will have to trust the checks by the vendor on the historical accounts
- If the target business has to be carved out of a larger business,

historical accounts are less robust

- Locking a box is less obvious in a context where a lot of intra-group transactions take place, whereby the arms-length principle is difficult to assess
- The need for an opening balance sheet for the purpose of inclusion in the consolidated accounts of the purchasing group eliminates the advantage of not having to prepare closing accounts
- The anti-leakage provisions in the SPA might not cover all leakage situations

### **Conclusion**

The locked box mechanism is popular in the UK and is being adopted in Belgium. We have not only seen locked boxes in PE deals but also in corporate deals. The mechanism can be attractive providing there is sufficient access to information to undertake a thorough financial due diligence and that the box is locked effectively. Situations with large working capital swings, large inventories and carve-out situations are less appropriate for a locked box mechanism.

### **Yann Dekeyser**

Partner, KPMG Transaction Services, a division of KPMG advisory civil cvba  
April 2008

## EDUCATIONAL ACTIVITIES

**On 11 December 2007, our 4<sup>th</sup> workshop of 2007 took place. Its subject was “Pension Issues” and it took place at the offices of Deloitte in Diegem who hosted and sponsored this event.**

The purpose of the workshop was to discuss pension issues, in particular from a due diligence perspective. In December, the long announced MBO of J Sainsbury in the UK was called off and it is clear that pension obligations were one of the drivers of this call off. For a lot of BVA members, the issue of pension obligations has become very important. During the workshop, we reviewed the actuarial side of pension obligations (i.e. measurement of pension obligations and determination of pension costs) as well as the legal side (such as obligation to take over the pension engagements or not, transfer of pension schemes and non discrimination, pension funds in case of take-over,

liabilities and prescription period). We also looked at the issues to be verified during the due diligence phase.

**On 22 April, our first workshop of 2008 took place at the offices of KBC Acquisition Finance in Brussels.**

Johan Thiers, general manager KBC Acquisition Finance Benelux spoke about The Belgian LBO financing market in an international perspective. The workshop first focused on some international and European trends. There was, however, a very interesting focus on the specific Belgian context. As such, KBC identified some key trends and analyses focusing on the Belgian level. The Belgian-centric data was complemented by a survey conducted among BVA members active in buy-outs to see how much leverage they generally put on a buy-out deal.

## BVA AGENDA 2008

- |                    |   |
|--------------------|---|
| - 23 January       | Board Meeting   |
| - 19 March         | BVA Essay Award Ceremony + Board Meeting + Presidents' Meeting + Annual General Meeting |
| - 22 April         | Workshop: de Belgische LBO financieringsmarkt in een Europees perspectief               |
| - 5 June           | Workshop: Intangibles (@PwC)  |
| 10 June            | Annual BVA press conference   |
| 11 June            | Board Meeting + Presidents' Meeting (@ De Warande)                                      |
| - 7 September      | Casual day  |
| 18 September       | BVA Cocktail  |
| - 8 October        | Board Meeting + Presidents' Meeting (@ De Warande)                                      |
| October            | Workshop 3  |
| - 20 + 21 November | BVA Academy   |
| - 3 December       | Board meeting + Presidents' Meeting (@ De Warande)                                      |

## A NEW BIO-INCUBATOR IN LEUVEN\*

Knowledge is undoubtedly the driving force behind prosperity and well-being in this new millennium. The speed and intensity with which new scientific and technological knowledge is being transformed into socially and economically relevant activities is well-known.

The Leuven region clearly does not hide its ambition to play a dynamic and leading role in the European knowledge economy of the 21<sup>st</sup> century.

The region has a long tradition of creating knowledge. The University of Leuven dates back to 1425, when the City Council, supported by the Chapter of St Peter, took the initiative to build a university. On the ninth of December 1425, the Bull of foundation was issued by Pope Martin the Fifth.

The University of Leuven, together with its University Hospital ("Gasthuisberg"), upholds a leading position among the 25 most renowned European academic research centres. There exists a strong determination to expand and reinforce this position.

In addition to the university, there is the Interuniversity Micro Electronics Centre: IMEC, Europe's largest independent research centre in the field of microelectronics. IMEC has also become increasingly active in the field of nano-electronics.

The city of Leuven itself plays a detrimental role in the development of the city and its neighbouring areas into a real knowledge-economy region.

In 1998, it became clear that an extra state-of-the-art infrastructure was needed to follow the explosive growth of this Leuven technology region.

At that time there was an incubator with 3000m<sup>2</sup> of office and laboratory space available: the I&I or "Innovatie- & Incubatie"-centrum. The Haasrode research park was also in full development. This Haasrode research park is situated south of Leuven, near the

E40 freeway and at 25 kilometres from the Brussels Airport. This park occupies 136 hectares and is exploited by Interleuven. Today, the Haasrode Research Park has almost reached full capacity with more than 150 technology companies on its site offering approximately 5000 high added-value jobs.

At this very moment, Leuven is building its second Research Park: the Arenberg Research Park. The Arenberg Research Park is situated next to the IMEC research centre and in close proximity to the Leuven University Science campus. The park occupies 13 hectares and is located at the city border and at 15 kilometres from Brussels Airport.

This park will have five clusters, each with roughly 25.000 square metres in office and laboratory space, with a total infrastructure of 125.000 square metres.

Three clusters have been reserved for ICT companies, and two will be dedicated to life-science research.

The fundamental research in the field of life-science is concentrated in the group Biomedical Sciences of the University of Leuven. The University Hospital "Gasthuisberg" and the various research groups of the Faculty of Medicine support this research. There is a research group for molecular and cardiovascular medicine, with more than 20 years of experience in heart and artery diseases. The recombinant t-Pa (tissue plasminogen activator) that has been developed by this group is annually administered to hundreds of thousands of patients around the world. Other research groups are : the Leuven Clinical Coordination Centre, the Centre for Human Genetics and the Centre for Experimental Surgery. This year the Leuven Medical Technology Centre (LMTC) was set up to unite all the research groups in Leuven around medical technology.

The IMEC centre too, is increasingly performing research in the field of medical

technology: working on biosensors, biochips, and lab on a chip, for example. Indeed the convergence of life sciences and nano-electronics opens a complete new area of medicine: the “bio-silicon field”.

It is in this context that one has to see the construction of the new Leuven Bio-Incubator. The Leuven Bio Incubator has set out to accomplish one clear mission: “To offer state of the art infrastructure and support services for R&D focussed life science companies at the new Arenberg Research Park”.

The Leuven Bio-Incubator has a “naamloze vennootschap” (NV) legal structure together with the University of Leuven, het Vlaams Instituut voor Biotechnologie (VIB) and AVEVE.

Three main characteristics were employed from the very beginning: modularity, technicality and flexibility.

The Leuven Bio incubator building has three levels.

Each level hosts 4 identical modules of 250 square metres each.

Each incubator hosts besides a reception also a small cafeteria and three identical meeting rooms. At the basement there is ample storage room and extra office space if needed.

The modules are built in such a fashion that the typical technical infrastructure these kinds of activities require, are met. The companies will only have to install their individual equipment for the research activities they are specifically involved in.

Today several companies are already installed or are on the verge of moving in:

- OMS- OncoMethylome Sciences is a molecular diagnostics company developing gene methylation tests for early detection of cancer and for personalized treatment decisions.

- reMYND is a spin-off company from the University of Leuven and is a biology-driven discoverer and developer of innovative, disease modifying treatments against protein-misfolding disorders such as Alzheimer’s and Parkinson’s disease.
- ReGenesys is a biopharmaceutical company focussed on the research and development of stem cell based therapies.
- FORMAC Pharmaceuticals is a pharmaceutical company focussed on the development of oral formulation forms of pharmacologically active compounds.
- ThromboGenics is focused on developing new medicines to treat cardiovascular diseases, eye diseases and cancer conditions which result from abnormalities of the vascular system.
- DIATOS is developing new therapies for cancer and improves existing therapies through its novel proprietary peptide-based Tumor-Selective Pro-drug (TSP) and intracellular delivery platform technologies and licensing of these technologies.

In view of the current demands, Leuven is preparing for a second Bio Incubator to be built in 2009 and probably to be opened in the spring of 2010. We hope to be able to repeat our previous success with new challenging biotech companies.

\*See also: “*Leuven, Knowledge Pearl*”- Leuven Charter 2020.

Dr Martin Hinoul  
Business Development- Region Leuven.

## BVA ESSAY AWARD

In collaboration with Deloitte, the BVA has organized its second Essay Award. The BVA has received a number of very good essays.

The BVA aims to promote academic research on entrepreneurial financing, Venture Capital and Private Equity. The organisation of the BVA Essay Award sponsored by Deloitte is part of this effort.

During our president's meeting on March 19, we presented Ms. Annelies Bobelyn (UGent), the winner of the award. Her thesis had the title "The role of venture capital in the growth path of early stage high tech companies. It was conducted under supervision of Professor Bart Clarysse. In line with a great many other studies, including the BVA's impact study of 2006, Ms. Bobelyn demonstrated that VC backed companies have a significantly higher growth in employment, asset accumulation and revenue. The study also showed that similar non-VC-backed companies had more profit and higher cash flows.

We would also like to take the opportunity to mention two other interesting studies that were submitted in the context of the BVA Essay Award. Even though these theses did not win the price, the jury found them of very good academic quality and very useful to the industry.

First of all, there was the thesis submitted by Mr. Frederik Boterdaele who, under the supervision of Professor Sophie Manigart, wrote "Management buy-outs in a European context: an empirical study". Starting from the hypothesis that MBO's

have a positive impact on profit and growth of companies, the study zoomed in on the institutional factors why some countries have more MBO's than others. The study covered 18 countries. The institutional factors studied were: degree of entrepreneurship, availability of private equity, corporate governance, accounting environment, fiscal situation, legitimacy/acceptance of buy-outs, financial structure and socio-cultural aspects. The study demonstrated that the availability of local private equity money, existence of a corporate governance structure, strong accounting culture and favorable fiscal situation boost the number of buy-outs in a particular country.

The other interesting study, we would like to introduce is the work by Ms. Laetitia Noël who, under supervision of Prof. Pierre Giot (FUNDP) wrote the thesis "LBO's: Detection and Prevision of LBO's: determinants and models". The study proposed a quantitative methodology for identifying potential LBO deals. The approach suggested a "financial ratios approach that results in a probability of takeover depending on the actual characteristics of the company. The main determinants that were identified on a sample covering companies between 1994 and 2006 to predict a takeover, are: Dividend Payout, Total Assets (represented via a variable dummy), Return On Assets (ROA), Sales Growth and finally Debt to Ebitda.

More information on all the essays, including the full text of the essays, will soon be available for our members through the BVA website.

## NEWS FROM OUR MEMBERS

### ARKIMEDES REPORTED THE FOLLOWING NEWS TO US:

**20/11/2007: Het ARKImedes-Fonds voorziet 4.990.000 euro voor de oprichting van een nieuw durfkapitaalfonds: Vesalius Biocapital ARKIV.**

ARKImedes Management erkende opnieuw een bijkomende ARKIV: Vesalius Biocapital ARKIV. Het ARKImedes-Fonds zal hierin participeren voor bijna vijf miljoen euro. Indien de twee ARKIV's waaraan ARKImedes Management een erkenningsbelofte heeft verleend hun private middelen tijdig kunnen ophalen, zullen er, samen met Vesalius Biocapital ARKIV, veertien ARKIV's operationeel zijn onder de ARKImedeskoepel.

**Vesalius Biocapital ARKIV** is een nog op te richten ARKIV, met het ARKImedes-Fonds en Vesalius Biocapital S.A. SICAR als aandeelhouders. Vesalius Biocapital ARKIV is een nieuw fonds dat investeert in *early-* en *later stage* life-sciencebedrijven. De fondsgrootte van zal tien miljoen euro bedragen, waarvan 4,99 miljoen euro van het ARKImedes-Fonds.

**12/12/2007: De Vlaamse business angels zetten samen met ARKImedes de aanval in op de financieringskloof.**

BAN Vlaanderen vzw en ARKImedes Management NV richten het durfkapitaalfonds ARK-ANGELS FUND NV op, de twaalfde ARKIV en het eerste fonds dat

het statuut van ARKIV zal combineren met dat van een private privak naar Belgisch recht.

**27/3/2008: European Directory Assistance sluit succesvol een kapitaalverhoging af**

European Directory Assistance (kortweg EDA), de eerste alternatieve aanbieder van telefooninlichtingen in België, sinds eind 2004 bereikbaar via de korte nummers 12-12 (NL) en 13-13 (FR), krijgt een kapitaalinjectie van ongeveer 1,6 miljoen euro.

Het geld wordt bijeengebracht door een private investeerder en een groep van 4 risicokapitaalverschaffers onder het Arkimedes stelsel, namelijk de fondsen Arkafund, KBC Arkiv, ING Activator Fund en Fortis Private Equity Arkimedes.

Met deze financiële steun wil EDA haar aanbod van telefooninlichtingendiensten verder uitbreiden in België en in het buitenland, de niche van Engelstalige telefooninlichtingen via 14-14 beter bedienen, alsook haar internet aanwezigheid via de de websites [www.de1212.be](http://www.de1212.be) en [www.le1313.be](http://www.le1313.be) verder uitbouwen.

**Voor meer informatie, contacteer de heer Ben Jehaes: + 32 495 54 78 40**

### CAPRICORN VENTURE PARTNERS REPORTED THE FOLLOWING NEWS TO US:

**21/5/2008: Capricorn Venture Partners closes its Cleantech Fund at €100 million**

Last week Capricorn Venture Partners held the final closing of its Capricorn Cleantech Fund well above its original

fundraising target, at over Euro 100 million. Three existing investors, PMV (ParticipatieMaatschappij Vlaanderen), Ethias and a Dutch pension fund, increased their participation in the fund. In addition Capricorn welcomed the Solvay Group as a strategic partner and over 15

private investors as new shareholders to the fund. With over Euro 100 million under management, the Capricorn Cleantech Fund will be among Europe's leading specialist cleantech funds and we look forward to the growing investment opportunities that are arising every day.

In addition to ramping up its investment pace following this successful closing, Capricorn is also looking to expand its investment team in the coming months.

**For more information, please contact Mr. Jos B. Peeters: +32/16/28.41.00**

#### **E – CAPITAL** REPORTED THE FOLLOWING NEWS TO US:

E-Capital Equity Management, the management company of the E-Capital funds, has made the final close of its second fund, E-Capital II, with commitments in excess of 30MioEUR.

The E-Capital funds are collective funds of industrial families and entrepreneurs. Investors in E-Capital II are originating from Belgium, France and the Netherlands.

E-Capital II will be dedicated to the lower-market segment of buyouts (MBO, MBI and OBO), i.e. in companies with a turnover between 5 and 50MioEUR, or with an enterprise value between 5 and

25MioEUR. It is investing in priority in Belgium and neighboring regions and is taking majority (or minority control) stakes.

E-Capital II, whose first closing took place in March 2007, has made its first investments in October 2007. It is planning to build a diversified portfolio of about 10 companies in 3 to 4 years.

Companies currently in portfolio in the E-Capital funds include Splen, Guillaume-Teco, GlobeZenit, or Euroglas-De Landsheer.

**More information on [www.e-capital.be](http://www.e-capital.be)**

#### **FORTIS PRIVATE EQUITY** REPORTED THE FOLLOWING NEWS TO US:

Fortis Private Equity Special Situations have, together with hands-on management firm Clearwood, acquired frozen pastry producer **Maître Paul** from Nestlé. Maître Paul develops and produces frozen pastry on an industrial basis, supplying both the retail and the foodservice market. The Clearwood team members will provide managerial support on a general, commercial and financial level. The company generated some EUR 34m sales in 2007; closing took place on 11 March, 2008.

**PanGenetics BV** has closed on 5 March, 2008 a financing round in which it has raised a total of EUR 23m. The round was led by Edmond de Rothschild Investment Partners, with participation from a.o. Fortis Private Equity. PanGenetics is headquartered in Utrecht, the Netherlands,

with an office near Cambridge in the UK. The company specializes in taking antibodies at the late research stage through to clinical proof of concept.

Fortis Private Equity closed on 3 March, 2008 the EDA-deal. **EDA** is the second player in Belgium offering directory assistance services with the numbers 1212-1313-1414 next to Belgacom's 1207-1307-1405. A syndicate was formed together with other Flemish ARKimedex-funds.

Fortis Private Equity acquired a 86% stake in **Smithuis Bakkerijen**. Fortis Private Equity bought Smithuis Pré Pain and Bakkerij Smithuis together with the management of these bakeries. Pré Pain specializes in the rapidly-growing international bake-off bread segment and

Smithuis focuses on fresh bread in the eastern part of the Netherlands. The bakeries post annual sales of some EUR 50m. Deal was closed on January 8th 2008.

On December 21, 2007 Fortis Private Equity Arkimedes invested and committed EUR 350k + EUR 300k in a capital increase by **SteelThermHex**, an industrial producer and developer of lightweight sandwich panels. SteelThermHex is a venture project in which EconCore, OCAS and Arcelor are involved.

Closing of a EUR 5m investment by Fortis Private Equity in a mezzanine loan + warrants (35% coverage) issued by **Metris**, a quoted metrology company took place on December 7, 2007.

NAZCA II acquires a 46.2% stake in **GyV**, a provider of specialized logistics at all temperatures to small and medium companies in the Northern part of Spain. Closing took place in December 2007.

Exit of **Mindscape** was realized in December 2007 through an IPO. Fortis Private Equity France together with Nord Europe Private Equity invested in October 2005 EUR 4m in Groupe Mindscape to support its buy and build strategy. The company publishes games, kids, lifestyle and budget software and is one of the longest established software publishers in the market.

Nazca II acquired a 45% stake in **elogos Conocimiento**, a leading e-learning company in Spain. Closing took place in December 2007.

Fortis Private Equity and Ackermans & van Haaren have sold their shares in **Corneille van Loocke NV** to the Belgian group Umicore. Corneille Van Loocke, based in Bruges, produces chemical components for the coatings, tyre and catalyst industries. The majority of the turnover is exported to more than 70 countries. Closing was on 31 October, 2007.

Mitiska and Fortis Private Equity agreed upon the sale of the 49.5% share of Fortis Private Equity in **Retail Partners** in may of last year. The exit of Retail Partners was closed in June 2007.

Fortis Private Equity acted as an important minority equity provider in the shareholder restructuring of the Belgian company **Arets Graphics NV**. Arets specializes in the development and production of UV curing inks and varnishes. Next to its UV activities, Arets distributes conventional and specialised inks and related products for the graphic industry. It has approximately 100 employees and annual sales of about EUR 33m in 2007. The deal was closed on 26 June, 2007.

Sodexho, the French catering group, has acquired **Vivaboxes**, a Belgium-based maker of gift boxes. Vivaboxes was owned by investment funds Fortis Private Equity and Indufin together with a business angel and the management. Signing with Sodexho was closed on 30 March, 2007.

**For more information, please contact Mrs. Greet Baeyens: +32/2/565.84.98.**

**GIMV REPORTED THE FOLLOWING NEWS TO US:**

**21/11/2007: First closing for DG Infra+, the Dexia and GIMV investment fund for infrastructure and PPS projects in the Benelux, at EUR 135 million**

At the end of June, Dexia and GIMV announced that they were working on the creation of a new private-equity fund for investments in small and medium sized infrastructure projects, PPP (public-private partnership) and primary real estate development projects, mainly in the Benelux. Today they are announcing the first closing of this fund, DG Infra+, at EUR 135 million. Fundraising started in September and will probably be completed in the first half of 2008. The new fund is in line with the expansion strategy of both sponsors and takes advantage of institutional investors' interest in this type of investment.

**27/11/2007: GIMV acquires majority share in Dutch fashion chain Ter Stal**

GIMV announces that it has acquired, through its subsidiary Halder, a majority shareholding in the Dutch fashion chain Ter Stal. After the transaction the management will obtain a substantial shareholding.

The transaction is still subject to the approval of the Dutch anti-trust authorities.

**12/12/2007: GIMV sells its stake in Geveke**

GIMV sells its stake in the Dutch company Geveke to ABN AMRO Participaties. Geveke is an industrial service provider with more than 25 years of experience. The company's activities consist of advising on, delivering, starting-up and maintaining a wide range of technical products. GIMV became shareholder of Geveke in January 2005. The transaction is still subject to the approval of both the Dutch and German anti-trust authorities.

**07/1/2008: GIMV co-leads investment in French ICT company Movea**

GIMV announces that it has invested EUR 3 million in a first EUR 7.3 million capital round of French ICT start-up Movea, a spin-out of the French research institute CEA-Léti, that develops human motion capture solutions for the consumer and health care markets. Today Movea also acquired the assets of American Gyration, specialized in motion pointing devices for digital media markets.

**08/1/2008: Investment in fashion chain Ter Stal finalised - Ter Stal Family Fashion takes over Philipoom Mode**

GIMV announces that its investment in the Dutch fashion chain Ter Stal, which has been announced in November, has been approved by the antitrust authorities and therefore has been finalised. Through its Dutch subsidiary Halder, GIMV acquires a majority shareholding in the company. In addition, Ter Stal already expands its chain of shops by acquiring Philipoom Mode, a Dutch chain of 21 fashion boutiques.

**16/1/2008: GIMV sells its stake in Dutch company HEBU**

GIMV sells its stake in the Dutch company HEBU to Italian Manuli. Both companies are active in the hydraulic sector. HEBU is the biggest Dutch wholesaler for hoses, pipes and accessories for hydraulic systems. Through its Dutch subsidiary Halder, GIMV acquired a 77.5% majority shareholding of HEBU in June 2006.

**12/2/2008: GIMV and KBC Private Equity sign partnership agreement to invest in Russia**

Venture capital providers, GIMV and KBC Private Equity (KBC group) are entering into a partnership agreement for private equity investments in the Russian market.

Each partner is planning to invest about 10 million euros per year in medium-sized Russian companies operating in fast-growing economic sectors.

This move fits in with KBC Private Equity's strategy of expanding its private equity activities in Central and Eastern Europe. For GIMV, it is a follow-up to the Eagle Russia Fund it launched in 2006.

**15/2/2008: GIMV provides mezzanine financing to VAG Armaturen**

Founded in 1872, VAG Armaturen is one of the European market leaders in the design, production and distribution of valves and fittings for the water supply and waste water industries. The company has its own factories in Germany, Czech Republic, China and India. In addition, it also operates sales subsidiaries in Chile and Poland. The products of VAG Armaturen are typically used in water stations, pumping-stations, water treatment plants, hydro-electric power plants, sluices, barrages etc. In 2007, the company achieved sales of more than EUR 100 million with its 850 employees.

**27/2/2008: Road builder Verhaeren appeals to GIMV for further growth**

GIMV acquires a 30% stake in Brussels road builder Verhaeren and offers additional means for the group's further growth and expansion. The family shareholders retain the remaining 70% of shares. Group Verhaeren is one of the fastest growing companies in the Belgian

market of road works, asphalt works and the installation of sewers.

**14/5/2008: GIMV invests an additional USD 7 million in German-American ICT company CoreOptics**

GIMV invests an additional USD 7 million as co-lead investor in CoreOptics, a fast-growing and innovative player in the optical networks sector. The investment is part of a total series-C funding round of USD 25 million, subscribed by existing investors GIMV, TVM Capital (Germany), Crescendo Ventures (USA), High Tech Private Equity (Germany), T-Com Venture Fund (Germany), and Quest for Growth (Belgium).

**15/5/2008: GIMV sells its stake in Westerlund Group to Babcock & Brown**

GIMV announces that the exclusive negotiations with Babcock & Brown Infrastructure, which had been reported earlier, have led to the sale of its remaining stake in Westerlund Group.

**19/5/2008: GIMV co-leads first financing round in Spanish ICT-company Openbravo**

GIMV announces its investment of EUR 3 million in Openbravo, a Spanish software company. GIMV co-leads with British Amadeus Capital Partner the EUR 7.7 million series A-financing round. Spanish Adara Venture Partners and Sodena also participated. Openbravo is the leading developing company for open source enterprise resource planning software that allows companies to integrate and streamline business processes and information.

***For more information, please contact Mr. Frank De Leenheer: Tel: +32/3/290.22.18***

**ING REPORTED THE FOLLOWING NEWS TO US:**

**9/1/2008: ING België investeert in Management Buy-Out van IT dienstverlener AXI**

AXI is in België en Nederland actief op het vlak van bedrijfskritische software oplossingen en hoge beschikbaarheid services voor de sectoren retail, health en public. Het bedrijf ontstond in 1985 uit een

management buy-out bij de informaticadiensten van de werkgeversorganisatie VEV (het huidige VOKA). ING België wordt nu de nieuwe financiële partner van AXI.

**For further information, please contact Mr. Tom Bousmans: +32-2-547 26 87**

**KBC PRIVATE EQUITY REPORTED THE FOLLOWING NEWS TO US:**

**20/12/2007: KBC Private Equity acquires Hungarian toy wholesaler and retailer Gulliver Group**

Yesterday, KBC Private Equity acquired Gulliver and Star-Toys from the Kovács and Kovalcsik families. Gulliver Group is the leading Hungarian toy wholesaler and, under its Bambini-brand, toy retailer. The company distributes the main international toy brands on the Hungarian market, and operates 5 cash & carries and 15 retail stores. Financial details of the transaction will not be disclosed. The transaction has been approved by the Competition Office.

**09/1/2008: KBC Arkiv invests 1 million euros in the growth of Tailormade Logistics and Tailormade Transport**

KBC Arkiv, joint subsidiary of KBC Private Equity and Arkimedes, has invested 1 million euros in Tailormade Logistics and Tailormade Transport, two fast-growing Flemish companies specialising in integrated logistics services (warehousing, in-house logistics, value-added logistics, international transport and goods distribution for third parties). This is a follow-up investment to the 1 million euros KBC Arkiv already invested in both companies in July 2006.

**18/1/2008: KBC Private Equity invests 8 million euros in Lenaerts–Blommaert group**

The Lenaerts-Blommaert family has chosen KBC Private Equity to partner the Lenaerts-Blommaert group, based in Temse. Headed by Annette Lenaerts, the group sells and leases mobile units (including office containers, construction site containers and couplable containers), as well as machinery and equipment for the building sector and industry.

**29/1/2008: KBC Private Equity and Defiac acquire Dark**

KBC Private Equity and Defiac acquire Dark, a Belgian lighting manufacturer, having previously taken over Wever & Ducré in the summer of 2007. The activities of Dark and Wever & Ducré have been brought together under the new holding company "2 B delighted".

**12/2/2008: GIMV and KBC Private Equity sign partnership agreement to invest in Russia**

Venture capital providers, GIMV and KBC Private Equity (KBC group) are entering into a partnership agreement for private equity investments in the Russian market.



Each partner is planning to invest about 10 million euros per year in medium-sized Russian companies operating in fast-growing economic sectors.

This move fits in with KBC Private Equity's strategy of expanding its private equity activities in Central and Eastern Europe. For GIMV, it is a follow-up to the Eagle Russia Fund it launched in 2006.

#### **14/5/2008: KBC Private Equity sells its stake in Corelio**

KBC Private Equity - the private equity company of the KBC group – is selling its entire 27% stake in Corelio; the major part to existing Corelio shareholders, and the balance to Corelio itself.

With its 27% stake, KBC Private Equity was one of the largest shareholders in Corelio. KBC Private Equity (or its legal predecessors), which has been a stakeholder in Corelio since the late 70s, acquiring additional shares in 1994 and again in 2005, has reached agreement with existing shareholders regarding the sale of its participation. KBC Private Equity will use the freed-up resources to further expand its investment strategy in Belgium, Central and Eastern Europe and Russia.

***For more information, please contact Mr. Philippe de Vicq: +32/2/429.22.49***

### **PARTNERS@VENTURE** REPORTED THE FOLLOWING NEWS TO US:

#### **12/11/2007: Ecuphar**

Partners@Venture nv subscribes to the capital increase of Ecuphar for the sum of EUR 1,000,000.

#### **27/12/2007: U&I Learning**

U&I Learning, a participation of Partners@Venture, announces the final agreement for takeover of the French e-learning player and market leader HyperOffice. The agreement plans the takeover of 100% of the shares of HyperOffice. The company employs an experienced team of 27 e-learning specialists and achieved a turnover of

EUR 2.7 m in 2006. For 2007 HyperOffice expects growth with a turnover of EUR 3 m. This acquisition will enable U&I Learning to achieve a significant breakthrough on the French market, a territory with excellent growth opportunities. U&I Learning has successfully concluded the capital increase from 30 November to 24 December. 307,675 new shares with VVPR-strips were issued in the context of the offering, which generated a capital increase of EUR 2,230,643.75.

***Voor meer informatie contacteert u: Mr. Piet Van Waes: +32/498/90.38.03***

### **QUEST MANAGEMENT** REPORTED THE FOLLOWING NEWS TO US:

**In November 2007 Quest for Growth completed an investment of £ 1,083,322 as part of a total funding of £ 5 million in Prosonix Ltd, a leading ultrasonic particle engineering and process**

**chemistry solution provider for the pharmaceutical and related industries.**

Quest for Growth joins Solon Ventures, advised by Solon Ventures Ltd (London, UK), and The Entrepreneurs Fund

(Amsterdam, Netherlands) as new investors in the company.

**14/12/2007: Quest for Growth invests a total of € 1,500,000 into TcLand Expression, a company developing biomarkers for transplantation and auto-immune diseases**

In December 2007 Quest for Growth made an investment of € 750,000 as part of a total investment of € 1,500,000 in TcLand Expression, a company developing gene expression biomarkers for transplantation and auto-immune diseases.

Quest for Growth is investing a total of €1,500,000 as part of a € 8.2 million Series A financing round, which was led by Auriga Partners (Paris, France) with additional participation from Beviguen (Paris, France), Debiopharm (Lausanne, Switzerland) and Genzyme Corporation (Boston, USA).

**21/12/2007: Quest for Growth Invests in Certess, an EDA Company Focusing on the Functional Qualification of IC's**

On December 21, 2007, Quest for Growth has made an investment of \$ 1 Million as

part of a total investment of up to \$2 million in Certess, Inc., an electronic design automation (EDA) company focused on developing breakthrough technology to perform functional qualification for system-on-chip (SoC) Designs and intellectual property (IP) blocks. Quest for Growth joins Index Ventures in Certess series B funding round. Funds will be allocated for further development of technology and sales/marketing activities.

**10/3/2008: Quest for Growth invests in iNEWiT, a Belgium-based mobile video communication exp**

On March 6, 2008, Quest for Growth has made an investment of € 750,000 as part of a total investment round of € 2.05 million in iNEWiT. iNEWiT is an emerging leader in mobile IP-based video surveillance solutions.

Quest for Growth joins existing investors Big Bang Ventures and Allegro Investment Fund.

*For more information, please contact Mr. René Avonts: +32 (0)16 28 41 28*

**SOFINDEV REPORTED THE FOLLOWING NEWS TO US:**

**18/6/2007: Sofindev III takes majority stake in Abelag**

Sofindev III, the private equity fund of which the principal shareholders are Sofina, Colruyt and Imocobel, has taken a majority stake in the business aviation group Abelag, alongside its founders/managers and most of the former shareholders.

**21/12/2007: Mitiska and Sofindev co-invest in Belgian fashion retailers Cassis and Paprika**

Mitiska and Sofindev co-invest together with founder and CEO Jacques Hayez and

with the management of the company in the dynamic fashion retail group Cassis – Paprika.

Mitiska and Sofindev plan to invest EUR 13.95 and EUR 9.30 million respectively and will obtain a majority stake (co-control). The valuation and financial structure of the transaction will not be disclosed. The transaction is expected to be closed by the end of January 2008. ING Belgium is providing the debt financing of the transaction. Petercam acted as exclusive advisor of the Cassis-Paprika group. Awaiting the closing of the previously announced successful transactions relating to AS Adventure and

Brantano, Mitiska will further reflect on the optimal use of its available funds.

### **20/2/2008: Sofindev III exit from Bockstael NV**

Sofindev III is pleased to announce the sale of its participation in IP protection and

patent registration bureau Bockstael NV to its management team. The Antwerp based company was the first investment of the Sofindev III fund.

**For more information, please contact Mr. Eric Van Droogenbroeck: +32/2/720.70.07.**

## **SYDES REPORTED THE FOLLOWING NEWS TO US:**

### **25/1/2008: Arkafund investeert 1 miljoen euro in Yuntaa**

Risicokapitaalverstrekker Arkafund zet zijn schouders onder Yuntaa. Yuntaa is een Belgisch, internationaal actief, platform dat zich specialiseert in het online bewaren, beheren, delen en posten van digitale bestanden zoals foto's, muziek en video.

Arkafund investeert 1 miljoen euro in Yuntaa.

### **31/1/2008: Arkafund neemt een participatie in contactcenter Mifratel**

Durfskapitaalbedrijf Arkafund neemt een participatie van 49% in het Belgische contactcenter Mifratel. De overeenkomst stelt Mifratel in staat om haar ambitieuze groeiplannen te realiseren met op de agenda ondermeer de opening van een tweede vestiging.

### **08/4/2008: Wissel aan de top bij Sydes/Arkafund**

Jean-Christophe Massart, gedelegeerd bestuurder bij Sydes en lid van het Directiecomité Arkafund, is ingegaan op een vraag van Corelio-dochter Caviar om daar vanaf 1 juli de functie van CFO op te nemen. Daarmee neemt Jean-Christophe afscheid van Sydes/Arkafund. Wij willen Jean-Christophe graag bedanken voor de talrijke projecten die hij de voorbije jaren met succes afrondde, zijn bijdrage bij de verdere ontwikkeling van de verschillende participaties en de professionele ingesteldheid die hij daarbij hanteerde. Wij

wensen Jean-Christophe veel succes toe in zijn nieuwe uitdaging.

Het team van Sydes en Arkafund komt vanaf 1 mei onder de leiding van **Thierry Geerts, Director Business Development**. Thierry heeft zijn sporen binnen de groep verdiend als directeur van Passe-Partout en is erin geslaagd om via één en hetzelfde Passe-Partout merk een nationaal bereik te realiseren van meer dan 4 miljoen lezers per week. Thierry wordt tevens verantwoordelijk voor Corelio's audiovisuele activiteiten zoals de Nederlandstalige en Franstalige radiozender Nostalgie en het regionale televisiestation VBM/ROBtv.

### **29/4/2008: Sydes and Arkafund acquire participation in ONE Agency**

ONE Agency, a Belgian market leader in Web 2.0 online services and interactive communication concepts announces today that Sydes and Arkafund will contribute to the further expansion of the young Ghent-based company. A total of € 1 million is being invested in the further expansion and internationalization of ONE Agency. Management and existing shareholders have also made additional investments in contributing to this development. The new partnership is aimed at allowing ONE Agency to focus further on innovative solutions and services in the broad media sector while expanding and internationalizing its existing service package.

**For more information, please contact Mr. Jean-Christophe Massart: +32/2/467.49.12**

**WATERLAND PRIVATE EQUITY REPORTED  
THE FOLLOWING NEWS TO US:**

**16/4/2008: Waterland Private Equity (Waterland) acquires majority stake in Windrose high-end travel agency**

Waterland announced today that it acquired a majority stake in Windrose Fernreisen Touristik GmbH (Windrose), a leading travel agency for high-end adventure and luxury travel, active in Germany and Austria.

**21/4/2008: Waterland Private Equity Investments sells majority stake in Löwen Play to AXA Private Equity**

Waterland announced today that it has sold its majority stake in Löwen Play, a leading gaming arcade operator in Germany, to AXA Private Equity. As a result of Waterland's active buy & build strategy, Löwen Play's revenues nearly doubled during the 18 month investment period.

**06/5/2008: Waterland Private Equity heeft het bericht in De Tijd van 6 mei 2008 met betrekking tot Senior Living Group (SLG) met verbazing gelezen en ontkent dat haar participatie in SLG te koop staat.**

Waterland is zeer tevreden met het parcours dat ze tot dusver met SLG heeft

afgelegd en ziet nog heel wat verdere groeimogelijkheden, zowel in België als daarbuiten. In het kader van de toekomstige ontwikkelingen op middellange termijn zijn wij een interne strategische denkoefening aan het voeren die er mogelijk kan toe leiden dat wij een partner aantrekken bij SLG. Dit kan zowel een externe partner zijn als één van de andere Waterland fondsen. Een exit van Waterland uit SLG zelf staat momenteel echter niet ter discussie. Waterland heeft de intentie om de verdere groei van SLG ook in de toekomst als controlerende aandeelhouder actief te blijven ondersteunen.

**13/5/2008: Waterland Private Equity Investments acquires stake in Dutch financial intermediary Aevitae**

Waterland Private Equity Investments (Waterland) announced today that it has acquired a stake in Aevitae, one of the largest financial intermediaries in The Netherlands. Waterland and Aevitae's management will implement an accelerated growth strategy.

***For more information, please contact Mr. Frank Vlayen: +32/3/218.21.36***