



LAVCA 5th Annual Summit

“Conveying the Story of LatAm Opportunities”

Guatemala - March 16th, 2007

Mexican Association of Private Equity AMEXCAP

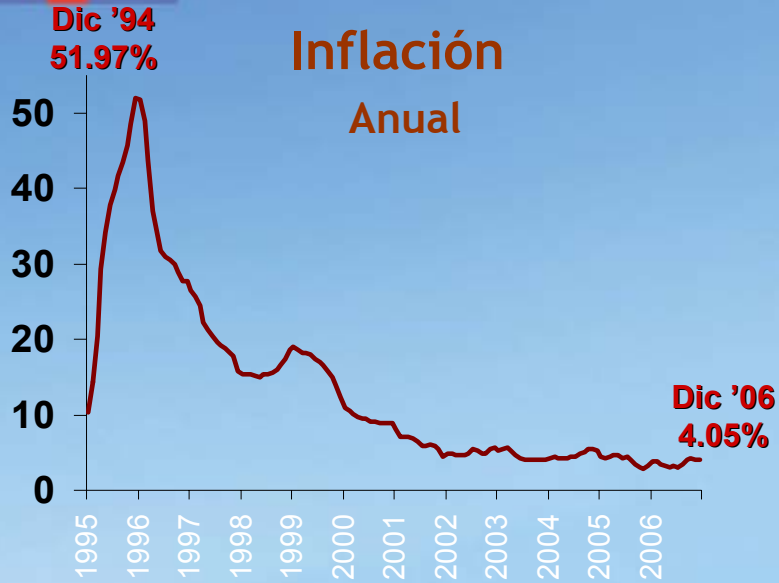
AMEXCAP Mission and Initiatives

- **Our mission is to further the role of VC/PE in Mexico**
 - **Propose public policy for VC/PE development**
 - **Train investors, entrepreneurs and advisors**
 - **Foster public awareness of our industry**
- **2006 Initiatives**
 - **9 national conferences**
 - **6 venture capital seminars**
 - **3 representations at international events**
 - **Bi-monthly e-mail bulletin**
 - **Website Q&A with entrepreneurs**
 - **Census of VC/PE activity in Mexico w/Deloitte**

AMEXCAP Lobbying and Training

- We helped develop key regulations that will facilitate VC/PE fund investing
 - FICAPs (domestic tax-transparent vehicles)
 - SAPIs (more flexible and secure incorporation statutes)
- In coordination with Nafin's Fund of Funds, we had our First Annual Conference (200 participants, 15 presentations)
- Our training effort multiplied through joint programs with leading universities IPADE and ITAM in 6 key cities
- We also tailored seminars for Focir in Mexico and for BMI in El Salvador

Mexico's Positive Indicators



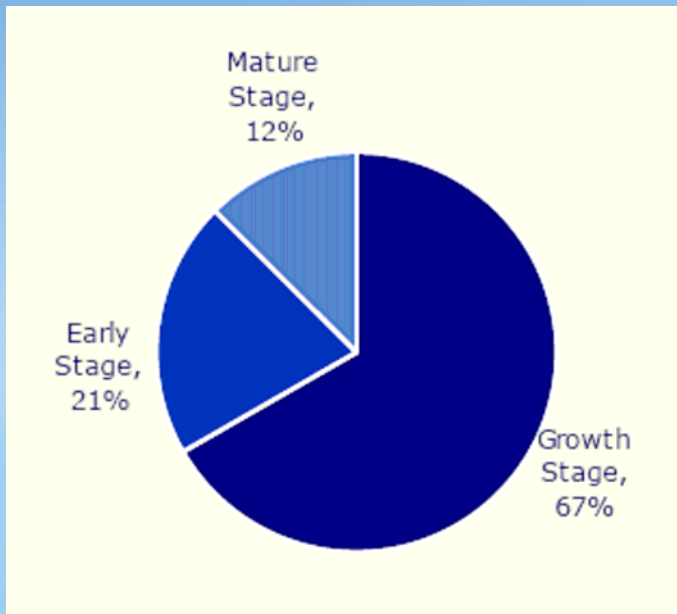
Riesgo País América Latina	Puntos Base (Dic 06)
México	98
Argentina	223
Brasil	196
Uruguay	175
Chile	83

Key Survey Findings

- 32 active funds, 21 participated in Deloitte survey
- 13 are subs of foreign managers, 8 are local
- 40% of respondents manage 2 or more funds
- Pledged capital had 36% CAGR to **\$ 2,8 billion in 2006 !!**
- Average fund size also almost doubled to **\$ 160 million**
- Annual investments averaged **\$ 900 million in 2004-06**
- Average investment size ranges from \$ 6 to 27 million
- One-third of situations lead to minority ownerships

Key Survey Findings

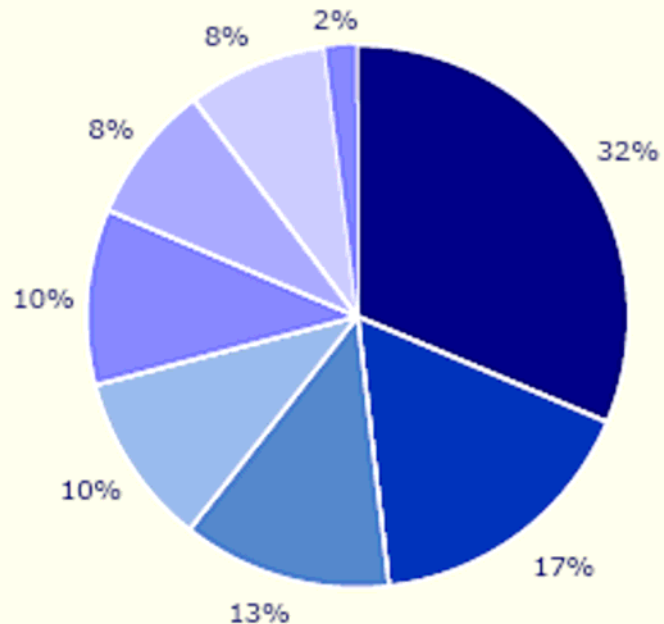
Focus on growth equity...



No IPO expectations...



Obstacles



- Falta de cultura de inversión por parte de las empresas
- Falta de seguridad jurídica
- Otro impedimento
- Falta de habilidades de la Administración
- Alta regulación o leyes más restrictivas
- Falta de políticas de Gobierno Corporativo
- Falta de normatividad
- Rendimientos esperados fuera de realidad

- The most important obstacle is lack of VC/PE culture
- Second most important is legal security
- AMEXCAP efforts are now geared towards more intensive promotion:
 - Product
 - Legal Framework
 - Success Stories

Current AMEXCAP Issues

1. How can we best convey the Mexico story to LP's?
2. How can we foster the VC/PE culture to entrepreneurs?
3. How can we gather complete industry stats? **\$\$\$ and IRR**
4. How can we increase domestic funding for VC/PE?

www.amexcap.com