



PRESS RELEASE

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IVSC and IPEV to co-operate on valuation standard-setting

London: The International Valuations Standards Council (IVSC), the international standard-setter for valuations across a wide range of assets, today signed a memorandum of understanding (MoU) with the International Private Equity Valuations (IPEV) board.

The parties have agreed to co-operate with a view to ensuring that the IPEV Valuation Guidelines are consistent with the International Valuation Standards and that the IVSC considers the needs of private equity and venture capital investors in its future work plan.

From now, the two bodies will collaborate in the preparation and publication of technical guidance and methodology for valuations of private equity and venture capital investments.

The agreement is a further landmark in the global acceptance of IPEV's valuation best-practice for companies backed by private equity and venture capital funds.

The IVSC produced its first standards in the 1980s and today has a set of comprehensive standards covering a wide range of assets, especially those that will be relied upon by investors and other third party stakeholders. The financial crisis brought renewed focus on valuation issues and has led to a significant expansion in the organisation's work plan.

Michel Prada, Chairman of IVSC said:

“Establishing a set of comprehensive valuation standards that are accepted and followed globally is an essential contribution towards better financial governance and very much in the public interest. International standards are only built through consensus and collaboration between all those with a stake in the process, and therefore we are delighted to have formalised this agreement with the IPEV Board as it represents an important part of the global investment community.”

Herman Daems, Chairman of the IPEV board, said:

“This agreement is further testament to the robust and relevant nature of the IPEV guidelines and their acceptance among institutions globally. On behalf of IPEV, I am delighted to enter this agreement with the IVSC, the recognised standard-setter for valuations.

“The positive impact of the IPEV Valuation Guidelines has been clearly seen over the last crisis. Consistent valuation processes – during good times and bad times – have delivered stakeholders of our industry with the required level of transparency regarding the value of their investments.”

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NOTES TO EDITORS

About the IVSC

The objective of the International Valuation Standards Council (IVSC) is to build confidence and public trust in the valuation process by creating a framework for the delivery of credible valuation opinions by suitably trained valuation professionals acting in an ethical manner. It does this through the development of the International Valuation Standards (a new edition of which was published in July 2011) and by developing guidance and technical information to assist valuation practitioners in identifying best practice, thereby reducing diversity in the way in which the standards are applied in different countries.

The 2011 International Valuation Standards cover valuation of a range of assets – financial instruments, real property, intangible assets, and business interests. They aim to promote consistency and transparency throughout the valuation process and include explanations of common valuation methods and principles, as well as procedures that valuation professionals should follow during the conduct of an assignment.

The governance structure of the IVSC, a non-profit organisation incorporated in the US, includes two independent technical Boards – the International Valuation Standards Board and the International Valuation Professional Board – and a global Board of Trustees responsible for the overall strategic direction and funding of the IVSC.

More information can be found on the IVSC website at www.ivsc.org

About IPEV

The International Private Equity and Venture Capital Valuation (IPEV) Guidelines are designed to meet the need for transparency and comparability across the global private equity and venture capital industry for both general partners and their investors.

The IPEV Board monitors market practices in the use of the Valuation Guidelines and gives guidance on the application of the Guidelines to all stakeholders in the private equity and venture capital industry including practitioners, investors, regulators and auditors. IPEV Board's Private Equity and Venture Capital Valuation Guidelines were last updated in 2009.

The IPEV Guidelines have become the worldwide standard for use by buy-out and venture capital managers around the globe. Investors in Private Equity increasingly require fund managers to comply with the IPEV Valuation Guidelines when estimating the fair value of investments for their financial statements and for reports to investors.

More information can be found on the IPEV website at www.privateequityvaluation.com.