

GENESIS EXCHANGE

THE PRIVATE EQUITY MARKETPLACE

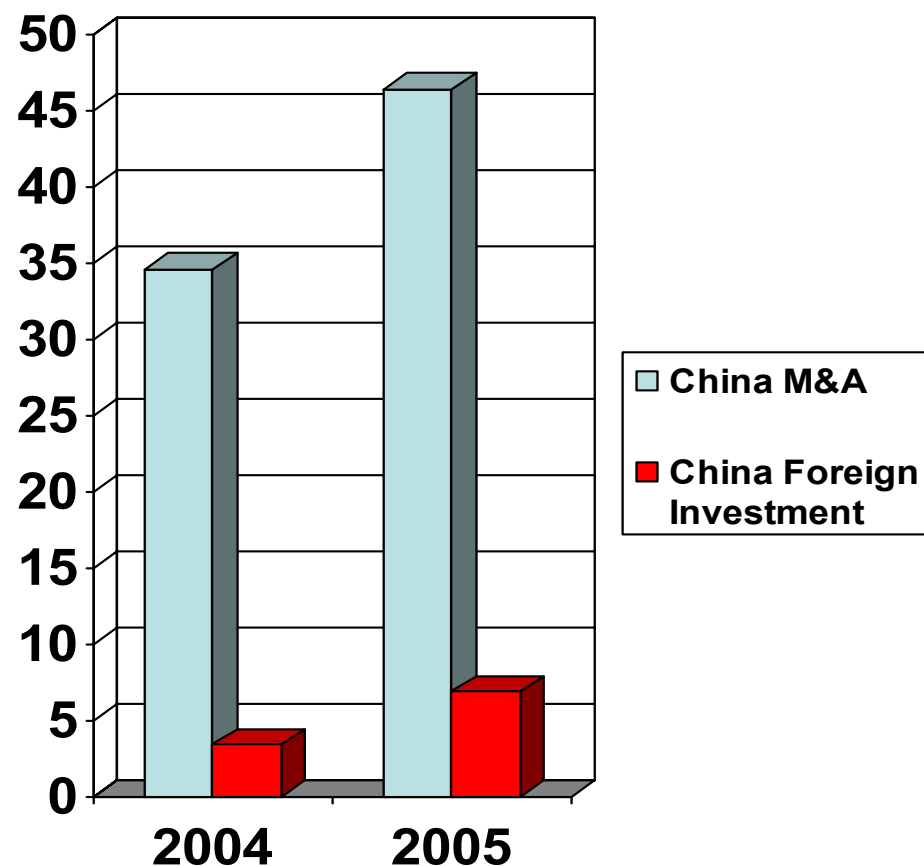
China & USA

Investment & Venture Trends

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China M&A & Foreign Investment

- Foreign Investors are investing in Chinese financial institutions
- Information Technology Flat
- Retail Flat
- Telecommunications Flat
- Q4 2005 Positive New Legislation re Foreign Direct Investment into China Co's
- Outbound Investment gaining momentum Oil & Gas – China purchaser of PetroKazakhstan from Canada



Source: Forbes & Price Waterhouse Coopers Hong Kong

China Foreign Investment

(Investment By Foreign Held Entities Into China)

Information Technology

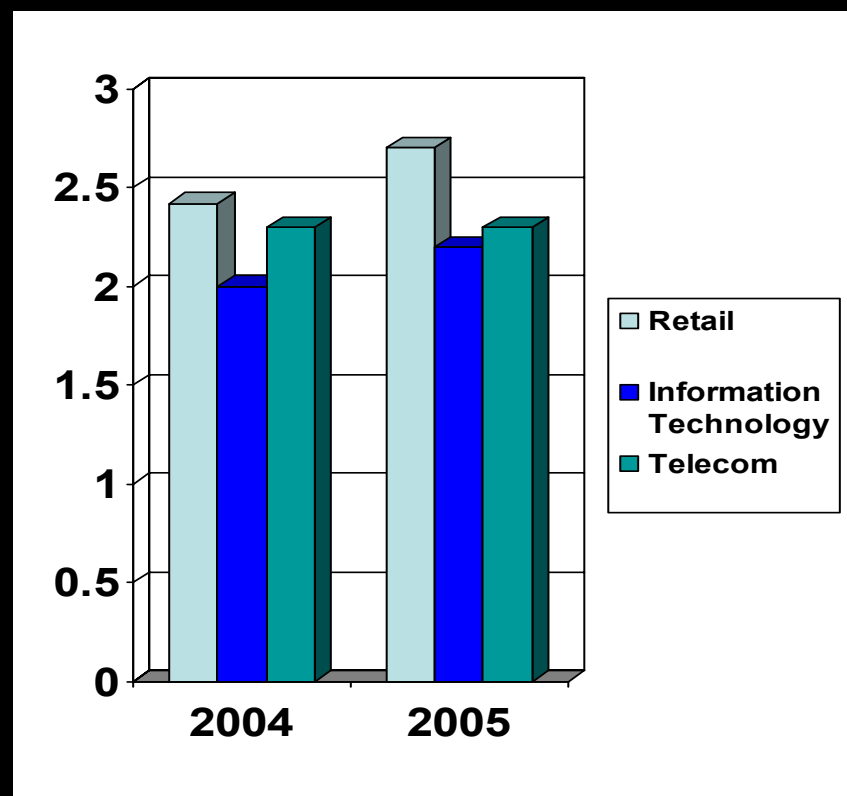
- Yahoo obtains 35% of Alibaba for \$1.1 Billion

Telecom

- Hong Kong's China Netcom picked up 20% of PCCW for \$1.0 billion
- Egypt's Orascom took 19.3% of Hutchison Telecom for \$1.3 Billion

Entertainment

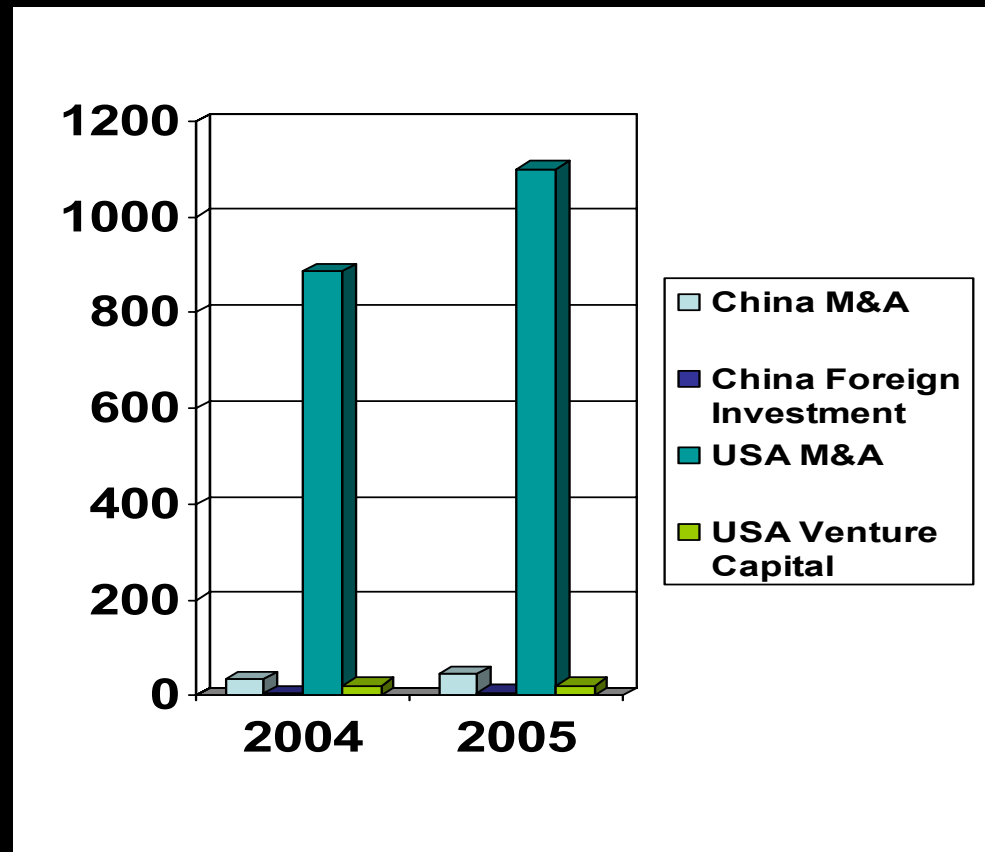
- K Wah bought Galaxy casino in Macau for \$2.4 Billion



Source: Forbes & Price Waterhouse Coopers Hong Kong

China vs. USA Numbers

- China is still a very small fraction compared to the USA
- High stakes game where land grab is occurring
- Foreign investors into China taking minority positions – placing bets and hedging
- Risk and difficulty level still not worth the effort for the non-multinational



Source: Forbes, Price Waterhouse Coopers Hong Kong, PWC MoneyTree Survey

USA Numbers

2005

21.4 Billion in 2,939 Venture Deals

“Creative Destruction”

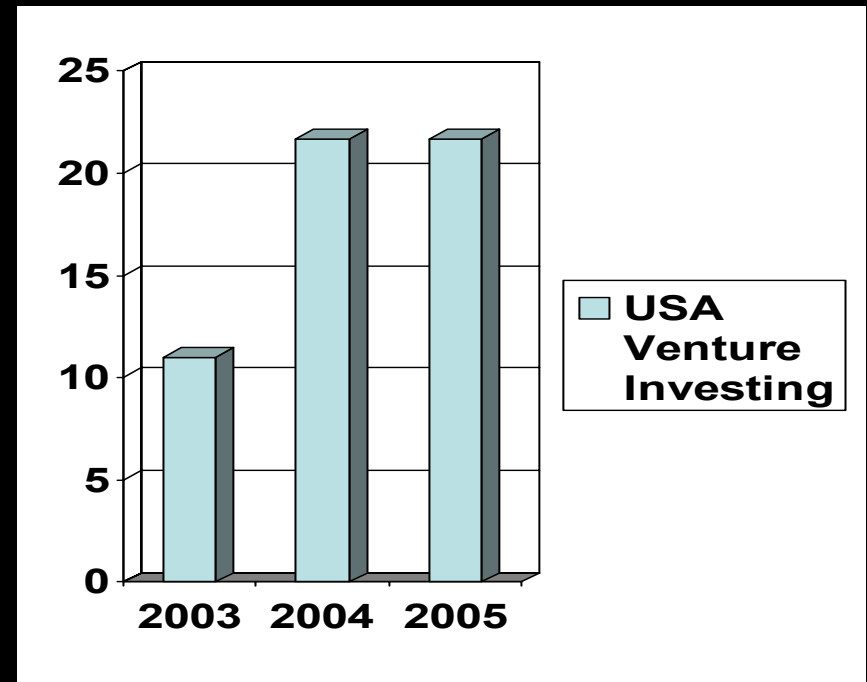
1990's = change how we work

2000+ = focus on how we live & play

Mobile computing

Faster Richer content

Chronic & Life Threatening Diseases



Source: PricewaterhouseCoopers/Thomson Venture Economics/National Venture Capital Association MoneyTree™ Survey

USA Numbers

21.7 Billion Invested By VCs 2005
holding steady from 2004's 21.6

Major Trends

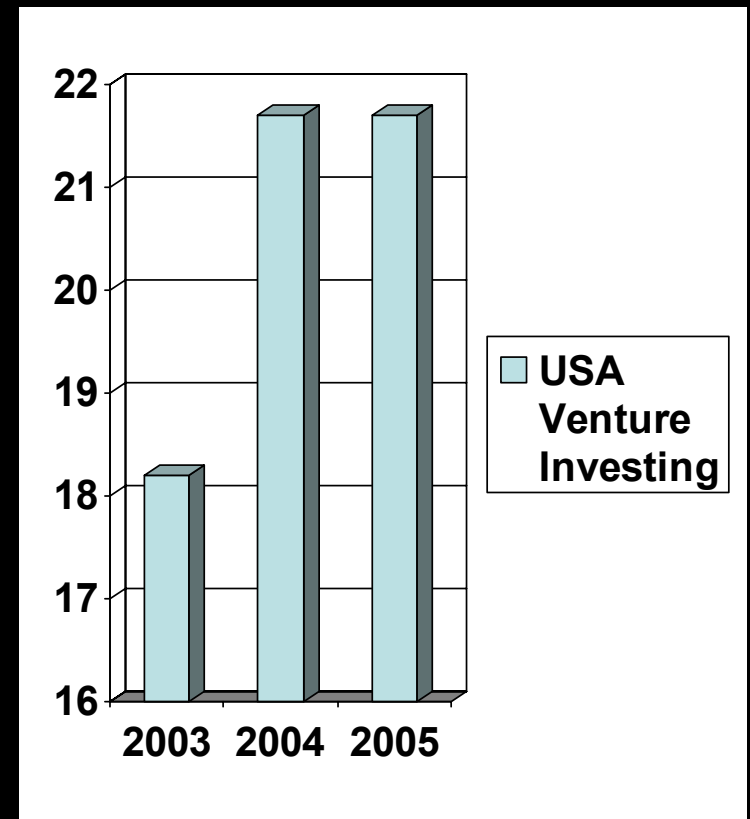
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What's Hot in Private Equity Market

Wireless

Especially Sub-Sector of Mobile Computing

VCs are Hot Again

901 New VCs received their first funding totaling \$5.3 Billion

Internet Is Hot Again

\$840 million went to 161 companies 89% increase over 2004

Later Stage Deals

Venture funds are stepping up for later stage rounds (up 22% to 9.7 Billion) – not a trend though - IPO market still stagnant

Public Markets

Showing signs of IPO life in first month of 2006.

...Opportunity to exit

+ high amounts of new venture capital

+ flush angel communities

= Higher Valuation, More Deals, High Profile IPOs

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