



**For immediate release**

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## **Private equity industry sets fundraising record for philanthropy in Central & Eastern Europe**

*Over 20 CEE private equity professionals, firms and their advisors have committed nearly €300,000 to the 2008 Private Equity Shares Campaign to benefit the work of international charity NESsT in supporting social enterprises across the region.*

**BUDAPEST, HUNGARY, [OCTOBER 1, 2008]** –The fund size, deal size and number of private equity players in Central and Eastern Europe (CEE) have grown significantly in recent years with returns outperforming “Western” peers. This “coming of age” has now extended into the philanthropic arena as well, with the announcement today by international nonprofit NESsT that the CEE private equity industry has raised nearly €300,000 to benefit the Budapest-based charity’s efforts to support social enterprises across CEE.

Six professionals representing firms with long-standing private equity investment activity in CEE came together in early 2008 to launch “**Private Equity Shares**” ([www.privateequityshares.org](http://www.privateequityshares.org)) with the goal of raising €125,000 for NESsT’s portfolio of social enterprises in CEE. “NESsT had been doing incredible work with communities across CEE on a very small scale with very limited resources. We knew NESsT could scale this activity and have greater impact if only they had more significant financial backing,” says Brian Wardrop of Arx Equity Partners. Wardrop is joined by **Joanna James (Advent International), Daniel Lynch (3TS Capital Partners), Robert Manz (Enterprise Investors), Zoltan Toth (3i) and William Watson (Société Générale Asset Management, SGAM)**, each of whom personally contributed and rallied other colleagues.

The six have found a groundswell of support and have raised nearly €300,000, more than double the original goal, to support NESsT’s portfolio of social enterprises. To date, over 20 CEE private equity firms and their advisors, including accounting, banking, consulting and law firms, have come forward to “give back” to the region in which they have invested over the last decade. Leading global and regional private equity firms have made commitments to Private Equity Shares, including: **Alpha Associates, Argus Capital, KPMG, Mezzanine Management, Mid Europa Partners, Oresa Ventures, Squire Sanders & Dempsey, Syntaxis Capital, Vienna Capital Partners (VCP) and Warburg Pincus**; as well as individuals from **Bedminster Capital, Benson Oak, CRG Partners, Darby Overseas Investments, Ernst & Young**, among others.

The venture philanthropy approach that NESsT applies is a good match for the private equity industry. NESsT assists nonprofits to develop viable “**social enterprises**” – businesses that both generate income and further the mission of the nonprofits that own and manage them. The nonprofit **Barka Foundation** in Hungary, for example, operates three social enterprises employing adults with intellectual disabilities. Barka creates economic opportunity and independent living for its clients by employing them in making high-quality design home products in paper-making, weaving



and candle-making workshops. The enterprises further Barka's mission while also generating income to finance its operations.

"NESsT's goal is to help the nonprofits in our portfolio to achieve financial returns that can be used to increase their social returns," says Lee Davis, NESsT Co-Founder & CEO. "We have demonstrated that, by investing in social enterprises, nonprofits are able to diversify their financing and generate new, more sustainable resources in support of their social purpose, enabling them to reach more beneficiaries and create more opportunities for people in need."

The **NESsT Venture Fund** provides both financial and business management support to nonprofits to help them plan for, launch and better manage their social enterprises. The NESsT Venture Fund has operated in CEE since 2001, assisting hundreds of local charities in the region. NESsT's portfolio includes social enterprises in five CEE countries (**Croatia, Czech Republic, Hungary, Romania and Slovakia**) and five in South America (Argentina, Brazil, Chile, Ecuador and Peru).

"Through NESsT we're able to give back in a way that relates well with our core investment strategy," says Joanna James, Managing Director for CEE at Advent International. "NESsT applies a 'venture philanthropy' approach. They 'invest' philanthropic capital in social enterprises and further support them with time and advice. Ultimately they seek to exit their investment by ensuring the social enterprise is able to stand on its own feet financially. We believe this approach is one of the best and smartest ways to invest in long-term development of the social sector in the region."

Many of the Private Equity Shares supporters are also providing pro bono assistance and expertise to NESsT and to social enterprises in its portfolio. NESsT's **Business Advisory Network (BAN)** allows private equity professionals to volunteer their skills to have a big impact on the social sector "The combination of professional advice, financial and in-kind support that will result from Private Equity Shares will provide critical momentum to our ambitious philanthropic goals in CEE," says Eva Varga, director of the NESsT Venture Fund in Europe.

The NESsT Private Equity Shares 2008 Campaign will close in late November. Interested private equity firms and others can still get involved by contacting NESsT directly or visiting NESsT information booths at the **CEE Private Equity Forum** (London, October 8-9) and at the **Emerging Market Private Equity Forum** (London, November 4-5). NESsT is launching a similar campaign to benefit social enterprises in Latin America later in October.

NESsT is hosting a reception for current and prospective supporters of the Private Equity Shares 2008 CEE Campaign on Wednesday, 8 October at 17:45 at the CEE Private Equity Forum, at the Millennium Gloucester Hotel in London. The reception is sponsored by Squire Sanders & Dempsey with special gifts provided by Bonbonetti and CRG Partners Group LLC. Further information is available at: <http://www.nesst.org/privateequityshares/supporters.asp>

**For more information:**

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NESsT: [www.nesst.org](http://www.nesst.org)

Private Equity Shares: [www.privateequityshares.org](http://www.privateequityshares.org).

Current campaign supporters: <http://www.nesst.org/privateequityshares/supporters.asp>.