

Dear CEFS newsletter subscriber,
you will find two short descriptions of CEFS projects and a selection of CEFS news in this issue of our newsletter.
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WEF World Economic Forum publishes Vol. 1 of Working Papers on 'The Global Economic Impact of Private Equity'

The report focuses on the demography of global private equity deals, the willingness of private equity-backed firms to make long-term investments globally, and the impact of private equity investments on the employment levels of firms in the US and corporate governance in the UK. The core research team was led by Prof. Lerner (Harvard Business School), and includes Prof. Achleitner (CEFS), Prof. Cornelli (London Business School), Prof. Fang (INSEAD), Prof. Leeds (Johns Hopkins University) and Prof. Strömberg (Stockholm School of Economics, Swedish Institute for Financial Research). Prof. Achleitner, Dr. Nathusius (CEFS), Prof. Lerner and Dr. Herman (Harvard Business School) jointly published two detailed case studies examining the globalization of the private equity industry in Germany (Messer Griesheim) and U.K. (New Look).

[more information](#)

Governing Board of the Private Equity Research Exchange Platform (PEREP Analytics) established in Brussels

The European Private Equity and Venture Capital Association (EVCA) launched a new pan-European data collection platform for the venture capital and private equity industry. The independent platform will cover research on private equity and venture capital activity in Europe and will be conducted by a ten-person team that is closely monitored by a six-person governing body. On March 6th 2008, the governing board of PEREP Analytics was established in Brussels. It is made up exclusively by academics and a representative of Eurostat, the Luxembourg-based statistics agency. Members include Prof. Kaserer (CEFS) as chairman as well as Prof. Caselli (Bocconi University, Milan), Prof. Maula (Helsinki University of Technology), Prof. Levis (Cass Business School, London), Prof. Desbrières (Université de Bourgogne) and Mr. Felix (Eurostat). The independent data collection platform attempts to answer the criticism that data the industry produced about itself is often biased and lacks scientific rigour.

[more information](#)

News

First Report of the Commission of Experts (EFI-Kommission) published



On February 27th, the Commission of Experts (Expertenkommission Forschung und Innovation) published its first report on research and development, innovation and technological potential in Germany. With regard to the handover of the report, Germany's chancellor Merkel declared "Innovation is a key issue for the conservation and enrichment of wealth in the Federal Republic of Germany". The Commission of Experts provides political advice to the German Government. Prof. Achleitner is part of the commission as a leading expert in financial and innovation issues. The report as well as the accompanying study can be downloaded

[here](#).

Prof. Kaserer speaks at DLM-Symposium

Prof. Kaserer presented preliminary results taken from the CEFS-expertise on private equity investments (see Newsletter November 2007) in German media companies ('Finanzinvestoren im Medienbereich') in Zurich on behalf of the German State Media Authorities (ALM/DLM). The study is being conducted in cooperation with the Hans Bredow Institute for Media Research and the IPMZ (Institut f. Publizistikwissenschaft und Medienforschung).

[more information](#)

Paper "The Accrual Anomaly Under Different Accounting Standards - Lessons Learned from the German Experiment" accepted in A-Journal (JBFA)

The above mentioned paper by Prof. Kaserer and former CEFS scientific assistant Carmen Adamek was accepted for publication in the Journal of Business Finance and Accounting (JBFA). The journal is ranked as an A-Journal in the VHB-Ranking.

News

Dr. Nathusius participates in EFER Bologna Faculty Exchange Program with TU Delft

Dr. Nathusius was accepted to participate in the faculty exchange program by the European Foundation for Entrepreneurship Research (EFER) with Prof. Trott from TU Delft as exchange partner. The program supports faculty exchange to encourage cross-border sharing and collaboration of faculty members engaged in entrepreneurship teaching. During the exchange, Dr. Nathusius is going to spend one week at TU Delft teaching a graduate level class in the summer term and, in exchange, Prof. Trott is going to come to TU München for a week as lecturer.

IPO Sentiment Indicator (ISI) for Spring 2008

The IPO Sentiment Indicator (ISI) has declined against the fourth quarter of 2007. It has dropped by 12 percent to 30.21 points thereby reaching its lowest level since the introduction of the survey. The ISI is a mood barometer for the primary market developed by Deutsche Börse, together with Prof. Kaserer (CEFS). It consists of two components, namely the IPO Climate and the perceived underpricing, and is expressed in a point value. One reason for the drop of the ISI lies within a significant decline of its first component, the IPO Climate (30.02 points as compared to 33.81 points in q4 2007). This development can be attributed to the circumstance that, in contrast to the previous quarter, investors do not count on a rapid recovery of the IPO activity. In addition, the perceived underpricing dropped by almost 0.5 percent. The underpricing sentiment reflects how successful previous IPOs had been in the eyes of market participants. As this value benefits from issuing prices and first market prices of previous IPOs, this development can be explained by the fact that for the first time since the first quarter of 2004, there were no new listings in the previous quarter. Even though the IPO Sentiment Indicator does not yet show a recovery of IPO activity in the second quarter a small number of successful IPOs is likely to reverse the trend.

[more information](#)

Prof. Achleitner speaks at ECON-Committee of the European Parliament

Prof. Ann-Kristin Achleitner was entrusted to speak at the Public Hearing on Hedge Funds and Private Equity in Brussels on April 8th. Her speech dealt with central topics like the leverage and capital depletion of portfolio companies financed by private equity. Furthermore, she discussed the current regulation concerning differences in the taxation of equity and debt financing. Finally she picked up the current debate on the claimed enhancement of transparency levels of portfolio companies as well as private equity funds.

[more information](#)

OMV continues the funding of the Seminar on Technology Financing and Commercialization

OMV continues the funding of the Seminar on Technology Financing and Commercialization. The seminar is held by Dr. Gerhard Plasonig at the KfW Endowed Chair in Entrepreneurial Finance and explores the creation of economic value through exploiting scientific achievements and innovation. Field trips to companies in the respective industries strengthen the practical orientation of this course. The seminar has always been a great success in the past semesters. Therefore we are very happy to continue this course offer to our students with the generous support of OMV.

Bastian Hinterramskogler invited for a research stay at Saïd Business School, Oxford University

We are delighted to announce that CEFS Scientific Assistant Bastian Hinterramskogler was invited by Prof. Jenkinson for a research stay at Saïd Business School, Oxford University from April 2008 to March 2009. Bastian will use this research stay to audit PhD-courses and independently progress with his dissertation project. The research stay is generously supported by a grant from the European Corporate Governance Training Network (ECGTN) of the European Commission and a scholarship by the German Academic Exchange Service (DAAD).

New CEFS members



We welcome Daniel Paulus and Philipp Schaller as our new colleagues at the CEFS. Daniel joined our team after finishing his diploma in mechanical engineering at Technische Universität München. Apart from studies abroad, he gained experience in banking, private equity consulting and entrepreneurship. Philipp holds a diploma in business engineering from the university of Karlsruhe. We are very happy that both came to join our team.



New working papers available at the social science research network (ssrn):

- Achleitner, A.-K.; Andres, C.; Betzer, A.; Weir, C.: Economic Consequences of Private Equity Investments on the German Stock Market. Available at SSRN: <http://ssrn.com/abstract=1086598>
- Achleitner, A.-K.; Braun, R.; Bender, M.; Geidner, A.: Community Development Venture Capital: Concept and Status Quo in Germany. Available at SSRN: <http://ssrn.com/abstract=1094942>
- Achleitner, A.-K., Nathusius, E., Herman, K. and Lerner, J.: Messer Griesheim, in: World Economic Forum (2008): Globalization of Alternative Investments Working Papers Volume 1 – The Global Economic Impact of Private Equity Report 2008, Cologny/Geneva 2008, p. 91-102. Available at SSRN: <http://ssrn.com/abstract=1120222>
- Achleitner, A.-K., Nathusius, E., Herman, K. and Lerner, J.: New Look, in: World Economic Forum (2008): Globalization of Alternative Investments Working Papers Volume 1 – The Global Economic Impact of Private Equity Report 2008, Cologny/Geneva 2008, p. 103-111. Available at SSRN: <http://ssrn.com/abstract=1120230>
- Achleitner, A.-K., Schraml, S. and Kloeckner, O.: Financing Family Firms (Finanzierung von Familienunternehmen - Wie professionell ist die Unternehmensfinanzierung tatsächlich?). Available at SSRN: <http://ssrn.com/abstract=1117971>
- Achleitner, A.-K., Schraml, S. and Tappeiner, F.: Private Equity in Familienunternehmen (Erfahrungen mit Minderheitsbeteiligungen). Available at SSRN: <http://ssrn.com/abstract=1117903>
- Buchner, A., Kaserer, C. and Wagner, N. F.: Stochastic Modeling of Private Equity - An Equilibrium Based Approach to Fund Valuation. Available at SSRN: <http://ssrn.com/abstract=1102471>
- Dickgiesser, S., Kaserer, C.: Market Efficiency Reloaded: Why Insider Trades Do Not Reveal Exploitable Information. Available at SSRN: <http://ssrn.com/abstract=1099460>
- Kaserer, C., Berg, T.: Credit Risk Premia and a Link to the Equity Premium. Available at SSRN: <http://ssrn.com/abstract=1019279>

Further working papers available via the social science research network (ssrn):

- Achleitner, A.-K.; Kaserer, C.: Private Equity Funds and Hedge Funds: A Primer. Available at SSRN: <http://ssrn.com/abstract=1109100>
- Achleitner, A.-K.; Kloeckner, O.: Employment Contribution of Private Equity and Venture Capital in Europe. Available at SSRN: <http://ssrn.com/abstract=1113782>
- Nathusius, E.; Achleitner, A.-K.; Schraml, S.: Quantitative Valuation of Platform Technology Based Intangibles Companies. Available at SSRN: <http://ssrn.com/abstract=1088643>