

Record-Breaking Quarter for Exits from Private Equity-Backed Buyouts

265 exits worth \$71.8bn occurred in Q4 2010; 593 new PE deals worth \$64.2bn announced
2,171 buyout deals worth \$204.9bn announced in all 2010 – over double total value of 2009 deals

End of year results suggest the private equity deals sector has recovered following the financial crisis, with both the value and volume of deals and exits returning to, or exceeding, pre-crisis levels.

Private equity-backed exits in 2010

- 811 PE-backed exits occurred in 2010, with an aggregate exit transaction size of \$203bn. This is almost three times the aggregate exit value seen in 2009, (\$73.6bn), with Q4 exit value at \$71.8bn – the highest quarterly figure on record.

Private equity-backed deals in 2010

- The largest deal announced during 2010 was the \$5.3bn public-to-private acquisition of Del Monte Foods Company by Kohlberg Kravis Roberts, Vestar Capital Partners and Centerview Partners, which was announced in November 2010.
- Almost half of all deals announced globally in 2010 were leveraged buyouts, accounting for 53% of the aggregate deal value worldwide during the quarter.
- Public-to-private deals contributed 26% of the aggregate value of deals globally during 2010, but made up less than 5% of the number of deals.
- Almost half of all deals announced globally in 2010 were leveraged buyouts, accounting for 53% of the aggregate deal value worldwide during the quarter.
- In Q4 2010, 593 private equity buyout deals were announced, with an aggregate value of \$64.2bn. This is a 6% increase in aggregate value from Q3, when 593 deals worth \$60.6bn were announced

North America

- 2010 deal flow increased 130% from 2009, and 35% from 2008.
- In Q4 2010, aggregate deal value in the region increased 40% from the previous quarter, with 323 deals valued at \$38 billion announced in Q4 2010, up from the 296 buyouts valued at \$27.2bn in Q3 2010.

Europe

- European deal flow stood at \$68.1 in aggregate value in 2010, almost three times the \$24.2bn announced in Europe in 2009.
- There was a 35% dip in European aggregate deal value in Q4. 204 buyouts valued at \$17.6bn were announced, down from the \$27.3bn in deal value witnessed during Q3 2010. However, European deal flow in Q4 2010 was 39% higher than the same period in 2009.

Asia and Rest of World

- 39% increase from Q3 during Q4; 66 deals valued at \$8.6bn were announced in the region during the period in comparison to the \$6.1 in buyouts reported in Q3 2010.

For complete results, please see a full factsheet at: <http://www.preqin.com/docs/reports/2010dealstats.pdf>

Comment:

“Global private equity deal flow has witnessed a resurgence during 2010 as a whole, with deal flow globally this year representing the strongest year for PE deals since the onset of the global financial crisis. In particular, this year has been notable for a surge in both North American and European deals, with North American deal flow in 2010 more than double that witnessed during 2009, and European deal flow in 2010 almost three times the value of deals seen in the region in 2009. In addition, there has been a continued surge in secondary buyouts globally during 2010, with \$49bn of secondary buyouts announced during the year— almost five times the value of secondary buyouts seen during 2009. The largest deal announced during 2010 was the \$5.3bn public-to-private acquisition of Del Monte Foods Company by Kohlberg Kravis Roberts, Vestar Capital Partners and Centerview Partners, which was announced in November 2010. The increase in activity should also signal an improvement in the fundraising market, with institutional investors’ confidence towards the market increasing, while high distribution levels will lead to more capital being reinvested in new vehicles as investors maintain their allocations to the asset class.”

- **Manuel Carvalho, Managing Analyst – Buyout Deals**

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Note to Editors:

- Preqin is spelled without the letter 'U' after the 'Q'.

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