

## Private Equity-Backed IPO Exits top \$10bn in 2011 Year to Date Economic upturn increases number and value of buyout IPO exits to record levels

Preqin data shows that the number of private equity-backed buyout IPO and private placement exits increased significantly during 2010, and the trend is set to continue over the coming 12 months.

### The Facts:

- 145 IPOs and share sales with an aggregate value of \$38.7 billion occurred in 2010. This is twice the aggregate value seen in 2009 and a 12-fold increase from 2008.
- 17% of private equity-backed exits in 2010 came from IPOs; this is a significant increase from 2008 when they accounted for 5%.
- PE-backed IPOs in 2010 surpassed pre-financial crisis era levels with a 12% and 29% increase in the number of PE-backed flotation's in comparison to 2006 and 2007, respectively.
- In 2011 to date there have been 11 IPO exits worth a collective \$10.2 billion. This includes the refloating of Kinder Morgan earlier this month, only the second exit ever to raise over \$2 billion. Shares were priced above the expected range due to strong demand.
- There is an abundance of forthcoming exits in the pipeline. HCA Inc. plans to price its IPO in the 2<sup>nd</sup> week of March. If it prices at the top of its expected range it will be the biggest PE-backed IPO in US history raising approximately \$3.7 billion.
- Trade sales continue to dominate the exit market, accounting for 53% of exits in 2011 to date. Secondary Buyouts and restructurings account for the remaining 25% and 7% respectively.

**For more detailed information, including data tables and statistics, please view our factsheet here:**

[http://www.preqin.com/docs/reports/IPO\\_Exits\\_Factsheet.pdf](http://www.preqin.com/docs/reports/IPO_Exits_Factsheet.pdf)

### Comment:

**“As market conditions have started to improve, private equity firms have been able to exit some of the investments made during the boom era. There have already been several notable private equity-backed buyout exits in 2011, and with numerous forthcoming proposed deals in the pipeline, 2011 looks set to be a record breaking year for these exits. However, investors are now more cautious about the level of leverage at which a company operates, with many now expecting the private equity company to hold stakes in the operating company and use the proceeds from the IPO to pay down debt. This could impact on the success of the IPOs of the more highly leveraged companies from which private equity firms are seeking to exit.”**

**Manuel Carvalho, Manager, Deals Data**

### About Preqin:

Preqin is the leading source of information for the alternative assets industry, providing data and analysis via online databases, publications and bespoke data requests.

Preqin has built a reputation in the alternative assets industry for providing the most comprehensive and extensive information possible. Leading alternative assets professionals from around the world rely on Preqin's services daily, and its data and statistics are regularly quoted by the financial press. For more information, please visit: [www.preqin.com](http://www.preqin.com)

### Note to Editors:

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

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