

# Preqin Research Report

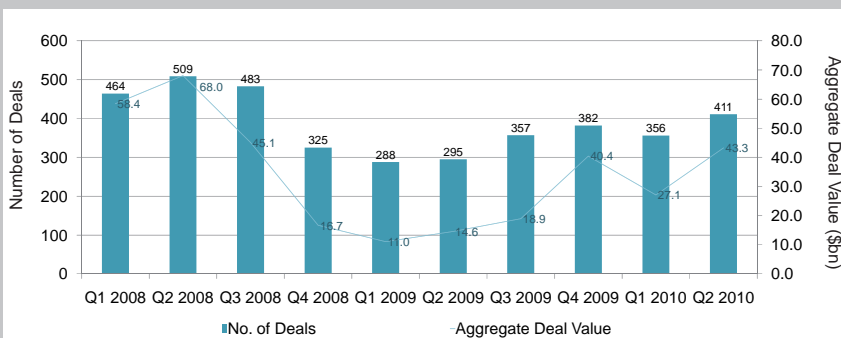
## Q2 2010 Private Equity

### Global Buyout Deals Update (Page 1 of 2)

Fig. 1: 10 Largest Buyout Deals Globally, Q2 2010

Company Name	Date	Deal Value	Investment Type	Acquiror/ Financial Sponsor	Location	Industry
Extended Stay	May-10	USD 3.9bn	Buyout	Blackstone Group, Centerbridge Capital Partners, Paulson & Co.	US	Hotels
Interactive Data Corporation	May-10	USD 3.4bn	Public To Private	Silver Lake, Warburg Pincus	US	Financial Services
Michael Foods, Inc.	May-10	USD 1.7bn	Buyout	Goldman Sachs Private Equity Group	US	Food
DynCorp International	Apr-10	USD 1.5bn	Public To Private	Cerberus Capital Management	US	Business Services
Vertafore, Inc.	Jun-10	USD 1.4bn	Buyout	TPG	US	IT
Avolon	May-10	USD 1.4bn	Recapitalization	Cinven, CVC Capital Partners, Oak Hill Capital Partners	Ireland	Transportation
American Tire Distributors	Apr-10	USD 1.3bn	Buyout	TPG	US	Distribution
Kroll	Jun-10	USD 1.1bn	Add-on	Altegrity, Providence Equity Partners	US	Business Services
Sedgwick CMS	Apr-10	USD 1.1bn	Buyout	Hellman & Friedman, Stone Point Capital	US	Business Services
InVentiv Health	May-10	USD 1.1bn	Public To Private	Thomas H Lee Partners	US	Healthcare

Fig. 2: Number and Aggregate Value of Deals Globally by Quarter, Q1 2009 - Q2 2010



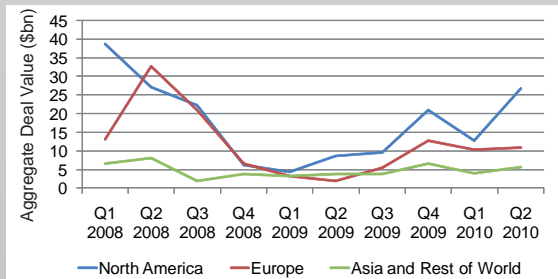
Global dealflow in Q2 2010 represents the strongest quarter for buyout deals in the post-credit crunch landscape, a total of 411 private equity buyout deals were announced, with an aggregate value of \$43.3bn. This represents a 60% increase in aggregate deal value from the previous quarter, when 356 deals were announced with an aggregate value of \$27.1bn.

The buyout industry witnessed a significant decline in dealflow during 2009, with the aggregate deal value reaching its lowest point in Q1 2009, when it stood at \$11bn. But dealflow

began picking up momentum in Q4 2009, when it reached pre-crisis levels with 382 deals announced with an aggregate value of \$40.4bn. Despite a disappointing first quarter in 2010, when aggregate deal value decreased by a third from the previous quarter, Q2 2010 shows that the environment has improved for buyout deals.

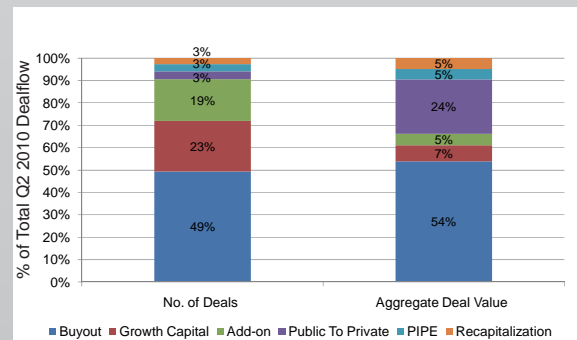
In Q2 2010, aggregate deal value in North America rose sharply in comparison with the previous quarter with 175 deals accounting for \$26.7bn. Deal activity in this quarter was stronger in terms of aggregate

Fig. 3: Aggregate Value of Deals by Region, Q1 2009 - Q2 2010



“... Global dealflow in Q2 2010 represents the strongest quarter for buyout deals in the post-credit crunch landscape...”

Fig. 4: Number and Aggregate Value of Deals by Type, Q2 2010



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Full results and report on Q2 2010 global buyout deals will be available in Preqin's monthly newsletter, Spotlight.

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Fig. 5: Notable Exits, Q2 2010

Company Name	Date Acquired	Firms Investing	Transaction Size	Exit Type	Date	Sold To	Exit Transaction Size
Cognis	Nov-01	Goldman Sachs Private Equity Group, Permira, Schroder Ventures	EUR 3bn	Trade Sale	Jun-10	BASF plc	EUR 3.1bn
Vertafore, Inc.	Nov-04	Hellman & Friedman, JMI Equity		Secondary Buyout Sale	Jun-10	TPG	USD 1.4bn
Michael Foods, Inc.	Nov-03	Thomas H Lee Partners		Secondary Buyout Sale	May-10	Goldman Sachs Private Equity Group	USD 1.7bn
Sedgwick CMS	Jan-06	Evercore Partners, Fidelity National Financial, Thomas H Lee Partners	USD 635mn	Secondary Buyout Sale	Apr-10	Hellman & Friedman, Stone Point Capital	USD 1.1bn
Amadeus	Jul-05	Air France, BC Partners, Cinven, Deutsche Lufthansa, Iberia	EUR 4.3bn	IPO*	Apr-10	n/a	EUR 1.3bn

\*partial exit

Fig. 7: Number of Deals and Aggregate Value by Industry Sector, Q2 2010

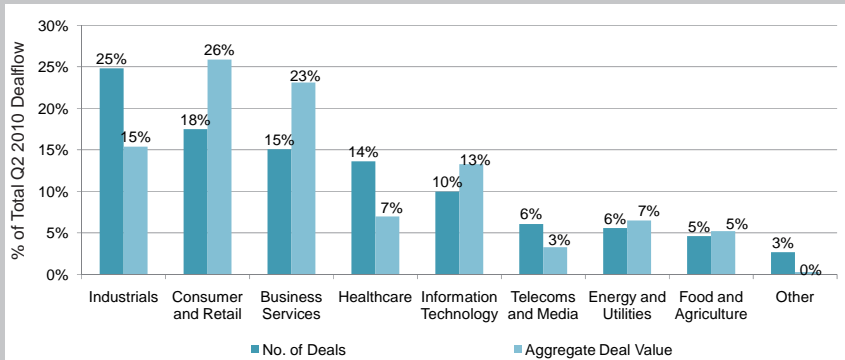
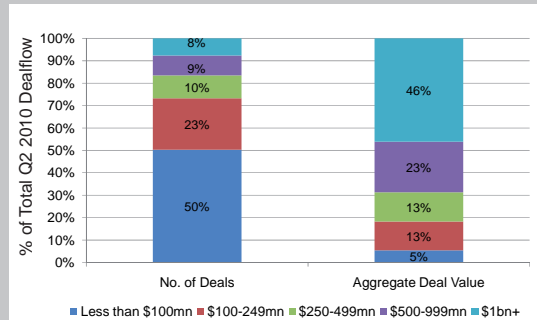


Fig. 8: Number and Aggregate Value of Deals by Value Band, Q2 2010



value than for any quarter in the post-credit crunch buyout landscape in North America. Dealflow in Europe remained relatively stable with 169 deals announced this quarter with aggregate deal value of \$11bn compared with \$10.3bn seen in the previous quarter. Asia and Rest of the World witnessed increased deal activity in Q2 2010 with 67 deals announced with an aggregate deal value of \$5.6bn. This represents a 40% increase in aggregate deal value in comparison with Q1 2010, which saw 39 deals with an aggregate deal value of \$4bn.

Almost half of all deals announced globally in Q2 2010 were leveraged buyouts, accounting for 54% of the aggregate deal value worldwide during the quarter. Growth capital investments accounted for 23% of deals announced during the quarter and make up 7% of the aggregate deal value. Additionally, public to private transactions accounted for only 3% of deals announced in Q2 2010 but claim 24% of the aggregate value globally. Significant public to privates announced in Q2 2010 include the \$3.4bn acquisition of Interactive Data Corporation by Warburg Pincus and Silver Lake, and the announced take private of DynCorp International in a \$1.5bn transaction by Cerberus Capital Management.

Mid-market and large deals represent the vast majority of buyout investments made globally by fund managers, with deals valued at \$500-999mn and over \$1bn representing 23% and 46%, respectively, of total aggregate deal value. 50% of all buyout deals globally in Q2 2010 were valued at less than \$100mn, with deals in this value band representing 5% of the aggregate deal value globally.

Buyout activity in Q2 2010 saw the highest dealflow in the industrial sector with a quarter of all buyout deals announced globally and 15% of the aggregate deal value globally attributed to deals in the sector. The consumer and retail sector was the most prominent sector in terms of aggregate deal value accounting for 26% of aggregate deal value and 18% of buyout deals announced in Q2 2010. The business services sector, which covers business, financial and legal services, accounted for 15% of all deals announced globally and 23% of aggregate deal value in Q2 2010.

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