

Private Equity-Backed Buyout Exits Reach Highest Quarterly Value since Q2 2011

Aggregate value of private equity-backed buyout exits in Q2 2013 was \$92bn, the highest level since \$128bn in Q2 2011

There were 324 private equity-backed buyout exits in Q2 2013 valued at an aggregate \$92bn, an increase from the \$50bn in Q1 2013 and second only to Q2 2011 when 364 exits were valued at a total of \$128bn.

However, private equity-backed buyout deal flow was down in the second quarter, with 606 deals announced globally totalling \$62bn, compared to 678 deals in Q1 2013 valued at \$86bn.

Other Key Facts:

- European aggregate deal value was \$27bn in Q2 2013, compared to \$8bn in Q1 2013. Though this is a substantial increase, Q1 2013 was particularly low. European aggregate deal value in Q4 2012 was \$27bn.
- North America witnessed 306 buyouts valued at \$29bn in Q2 2013, a drop of 59% in terms of aggregate value from the previous quarter of \$71bn, which saw several mega-cap deals take place.
- Asian aggregate deal value dropped to just \$2bn in Q2 2013, the lowest total value of deals in the region since Q3 2008 which saw just \$1bn of deals.
- 73% of deals in Q2 2013 fell into the small-cap bracket of less than \$250mn. 59% of all deals in Q2 2013 were valued at less than \$100mn.
- Industrials and information technology were the most prominent areas of buyout activity in Q2 2013, representing a combined 43% of aggregate deal value.
- Private equity-backed exits via IPO and follow-on offerings witnessed a strong quarter, with 73 exits via the public market during Q2 2013, the second highest quarterly number of this type in the period since 2006, surpassed only by the 84 investments realized by this exit route in Q4 2010.

For more information and analysis, please see the factsheet that follows.

Comment:

“At \$92bn, the aggregate value of private equity-backed buyout exits in Q2 2013 represents the second strongest quarter for private equity-backed exits in terms of value in the period since 2006. Additionally, the exit environment proved to be positive for IPOs and follow-on offerings with 73 exits via the public market during the quarter. Conversely, the aggregate value of private equity-backed buyout deals announced globally in Q2 2013 dropped from a total of \$86bn in Q1 2013 to \$62bn in Q2 2013. While the aggregate value of North American buyouts decreased by more than half from the previous quarter and Asian deals witnessed the lowest total value of deals in the region since Q3 2008, European aggregate deal value showed signs of recovery”.

Ignatius Fogarty – Head of Private Equity Products, Preqin

About Preqin:

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Note to Editors:

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

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Q2 2013 Private Equity-Backed Buyout Deals and Exits

July 2013

Fig 1: Quarterly Number and Aggregate Value of Private Equity-Backed Buyout Deals Globally, Q1 2006 - Q2 2013

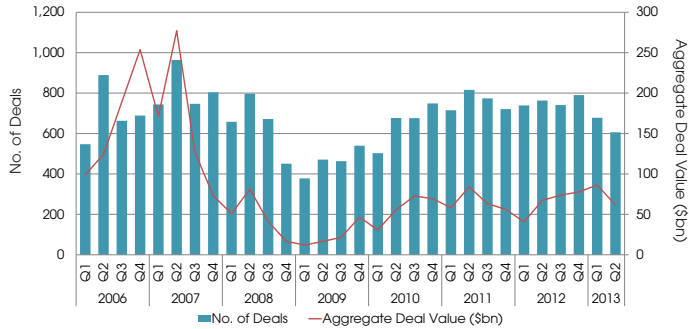


Fig 3: Global Number of Private Equity-Backed Exits by Type and Aggregate Exit Value, Q1 2006 - Q2 2013

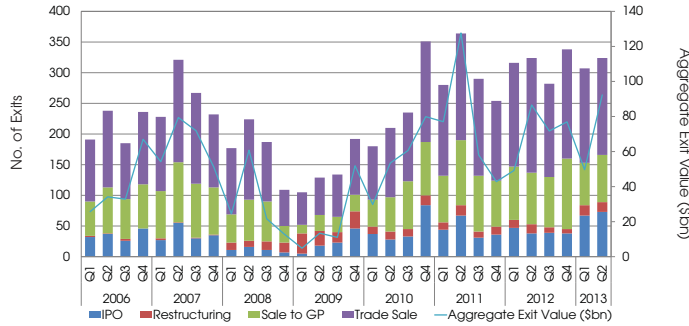


Fig 5: Breakdown of Number and Aggregate Value of Private Equity-Backed Buyout Deals in Q2 2013 by Value Band

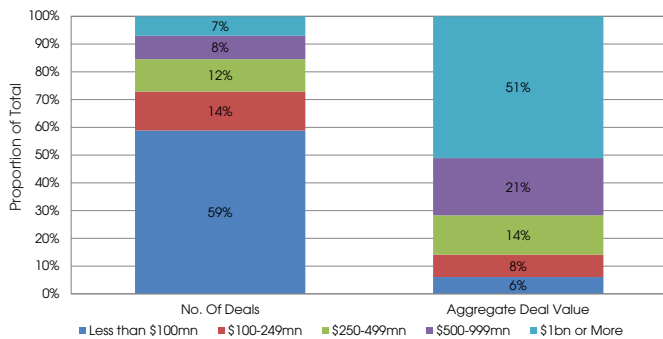


Fig 2: Quarterly Aggregate Value of Private Equity-Backed Buyout Deals by Region, Q1 2008 - Q2 2013

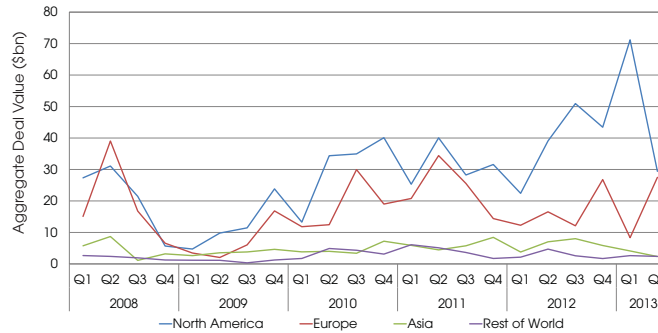


Fig 4: Breakdown of Number and Aggregate Value of Private Equity-Backed Buyout Deals in Q2 2013 by Type

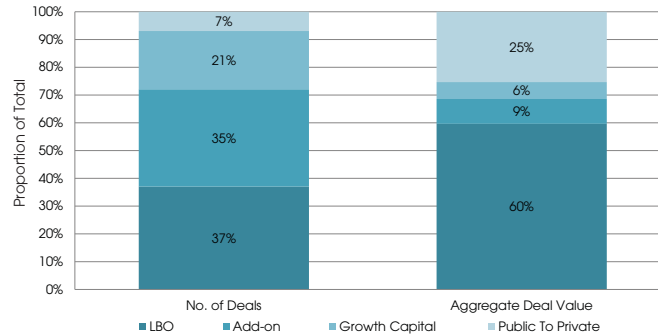
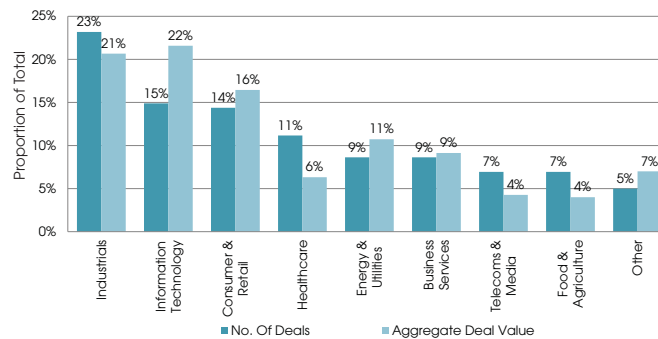


Fig 6: Breakdown of Number and Aggregate Value of Private Equity-Backed Buyout Deals in Q2 2013 by Industry



There were 324 private equity-backed buyout exits in Q2 2013 valued at an aggregate \$92bn, an increase from the \$50bn in Q1 2013 and second only to Q2 2011 when 364 exits were valued at a total of \$128bn.

However, the number and aggregate value of the private equity-backed buyout deals announced globally in Q2 2013 dropped to 606 deals valued at an aggregate \$61.6bn, compared to 678 deals in Q1 2013 valued at \$86bn.

European aggregate deal value was \$27bn in Q2 2013, compared to \$8bn in Q1 2013. Though this is a substantial increase, Q1 2013 was particularly low. European aggregate deal value in Q4 2012 was \$27bn.

North America witnessed 306 buyouts valued at \$29bn in Q2 2013, a drop of 59% in terms of aggregate value from the previous quarter of \$71bn, which saw several mega-cap deals take place.

Asian aggregate deal value dropped to just \$2bn in Q2 2013, the lowest total value of deals in the region since since Q3 2008 saw just \$1bn of deals.

Thirty-seven percent of all deals in Q2 2013 were leveraged buyouts, with 60% of the aggregate value of global buyout deals attributed to this investment type.

Add-on transactions, although representing 35% of the number of private equity-backed deals in Q2 2013, accounted for only 9% of the aggregate value of deals.

Seventy-three percent of deals in Q2 2013 fell into the small-cap bracket of less than \$250mn. Fifty-nine percent of all deals in Q2 2013 were valued at less than \$100mn.

Industrials and information technology were the most prominent areas of buyout activity in Q2 2013, representing a combined 43% of aggregate deal value.

Private equity-backed exits via IPO and follow-on offerings witnessed a strong quarter, with 73 exits via the public market during Q2 2013, the second highest number of this type in the period since 2006, surpassed only by the 84 investments realized by this exit route in Q4 2010.

July 2013

Fig. 7: 10 Largest Private Equity-Backed Buyout Deals in Q2 2013

| Firm | Investment Date | Investment Type | Deal Size (mn) | Deal Status | Investors | Bought From/Exiting Company | Location | Primary Industry |
|-----------------------------------|-----------------|-------------------|----------------|-------------|--|--|----------|------------------------|
| BMC Software | May-13 | Public To Private | 6,900 USD | Announced | Bain Capital, GIC Special Investments, Golden Gate Capital, Insight Venture Partners | - | US | Software |
| Springer SBM | Jun-13 | Buyout | 3,300 EUR | Announced | BC Partners | EQT Partners, Government of Singapore Investment Corporation (GIC) | Germany | Publishing |
| ista | Apr-13 | Buyout | 3,100 EUR | Announced | CVC Capital Partners | Charterhouse Capital Partners | Germany | Energy |
| CeramTec GmbH | Jun-13 | Buyout | 1,490 EUR | Announced | Cinven | Rockwood Holdings | Germany | Manufacturing |
| Vue Entertainment | Jun-13 | Buyout | 935 GBP | Announced | Alberta Investment Management Corporation, OMERS Private Equity | Doughty Hanson & Co | UK | Entertainment |
| CSC ServiceWorks Inc. | May-13 | Merger | 1,440 USD | Announced | AIR-Serv Holding, LLC., Coinmach, Pamplona Capital Management | - | US | Industrial |
| Befesa Medio Ambiente | Apr-13 | Buyout | 1,075 EUR | Announced | Triton | Abengoa, First Reserve Corporation | Spain | Environmental Services |
| National Financial Partners Corp. | Apr-13 | Public To Private | 1,300 USD | Announced | Madison Dearborn Partners | - | US | Financial Services |
| Allflex | May-13 | Buyout | 1,300 USD | Announced | BC Partners | Intermediate Capital Group, Motion Equity Partners | US | Manufacturing |
| PRA International | Jun-13 | Buyout | 1,300 USD | Announced | Kohlberg Kravis Roberts | Caisse de depot et placement du Quebec, Genstar Capital Partners | US | Medical Technologies |

Fig. 8: Five Notable Private Equity-Backed Buyout Exits in Q2 2013

| Firm | Investment Date | Investment Type | Deal Size (mn) | Investors (Entry) | Exit Date | Exit Type | Exit Value (mn) | Acquiror (Exit) | Location | Primary Industry |
|-------------------------|-----------------|-------------------|----------------|---|-----------|------------|-----------------|------------------------------|----------|------------------|
| Bausch & Lomb | May-07 | Public To Private | 4,580 USD | Warburg Pincus, Welsh, Carson, Anderson & Stowe | May-13 | Trade Sale | 8,700 USD | Valeant Pharmaceuticals | US | Healthcare |
| Warner Chilcott | Jan-05 | Buyout | 3,100 USD | Bain Capital, CCMP Capital Advisors, Credit Suisse Customized Fund Investment Group, JPMorgan Partners, Thomas H Lee Partners | May-13 | Trade Sale | 8,500 USD | Actavis Group | US | Pharmaceuticals |
| Springer SBM* | Dec-09 | Buyout | 2,300 EUR | EQT Partners, Government of Singapore Investment Corporation (GIC) | Jun-13 | Sale to GP | 3,300 EUR | BC Partners | Germany | Publishing |
| Vanguard Health Systems | Jul-04 | Buyout | 1,750 USD | Blackstone Group | Jun-13 | Trade Sale | 4,300 USD | Tenet Healthcare Corporation | US | Healthcare |
| ista* | Mar-07 | Buyout | 2,400 EUR | Charterhouse Capital Partners, CVC Capital Partners | Apr-13 | Sale to GP | 3,100 EUR | CVC Capital Partners | Germany | Energy |

*Denotes partial exit

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