

Private Equity-Backed Buyout Deals Reach Highest Quarterly Value Since Q3 2007

The first quarter of 2013 saw \$87bn of buyout deals, the highest level since the \$127bn seen in Q3 2007

There were 665 private equity-backed buyout deals announced globally in Q1 2013, valued at a total of \$87bn, a 112% increase from the \$41bn in the same quarter last year. However, the number of deals fell from 770 in Q4 2012 to 665 in the first quarter of 2013.

Food & agriculture and IT were the most prominent areas of buyout activity in Q1 2013, with 38% and 30% of the aggregate deal value invested in these sectors respectively. This was driven by the two largest deals in the quarter, the \$24.4bn Silver Lake-backed privatization of Dell Inc. and the \$28bn Berkshire Hathaway and 3G Capital-backed buyout of H.J. Heinz Company.

Other Key Facts:

- The two largest deals accounted for 60% of the aggregate value of deals announced in Q1 2013 and are the largest private equity-backed transactions announced since the buyout boom era.
- 82% of the aggregate value and 56% of the number of private equity-backed buyout deals occurred in North America.
- European aggregate deal value in Q1 2013 stood at \$9bn, representing a decrease of 64% on Q4 2012 levels.
- Public-to-private transactions, although representing only 6% of the number of private equity-backed deals in Q1 2013, accounted for 73% of the total value of deals, which is largely due to the announced privatizations of Dell Inc. and H.J. Heinz Company.
- 40% of all deals in Q1 2013 were leveraged buyouts, with 14% of the aggregate value of global deals attributed to this investment type.
- Two-thirds of all deals in Q1 2013 were valued at less than \$100mn, and 80% of deals fell into the small-cap bracket of less than \$250mn.
- 290 private equity-backed exits were announced during Q1 2013, with an aggregate value of \$47bn, in comparison to 329 private equity-backed exits valued at \$77bn announced in Q4 2012.

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

Comment:

“At \$87bn, the total value of buyout deals in Q1 2013 represented the strongest quarter for private equity-backed buyouts in terms of value in over five years. The announcements of two mega-sized public-to-private transactions was the main contributor to the significant increase in the aggregate value of buyouts during the quarter. Nonetheless, it is worth noting that while deal activity was thriving in North America in the quarter, the value of buyouts in Europe was significantly lower than the levels seen in Q4 2012”.

Anna Strumillo, Manager - Buyout and Venture Capital Deals

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Note to Editors:

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

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Q1 2013 Private Equity-Backed Buyout Deals and Exits

April 2013

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

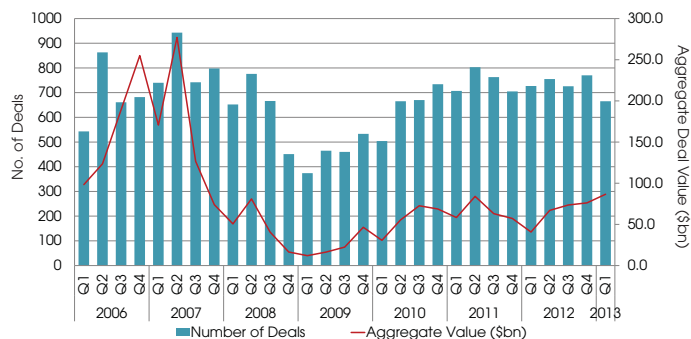


Fig. 3: Global Number of Private Equity-Backed Exits by Type and Aggregate Exit Value, Q1 2006 - Q1 2013

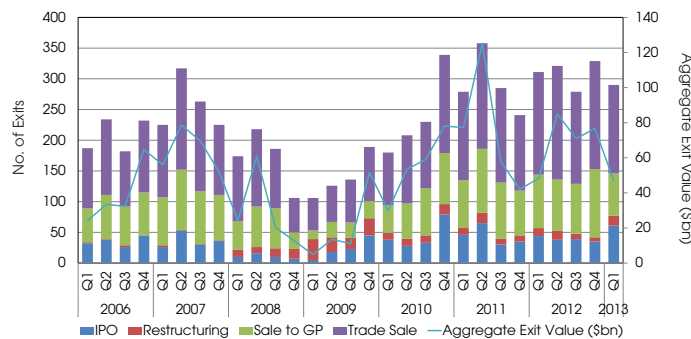


Fig. 5: Breakdown of Number and Aggregate Value of Private Equity-Backed Buyout Deals in Q1 2013 by Value Band

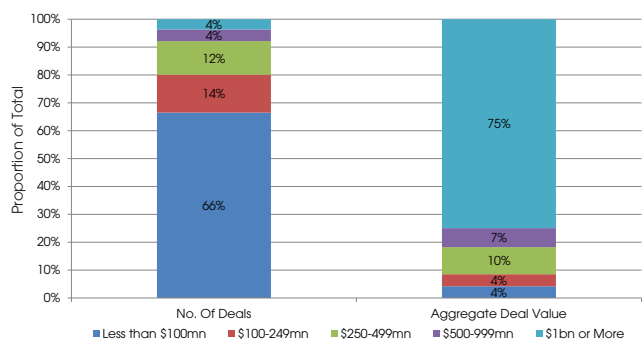


Fig. 2: Quarterly Aggregate Value of Private Equity-Backed Buyout Deals by Region, Q1 2008 - Q1 2013

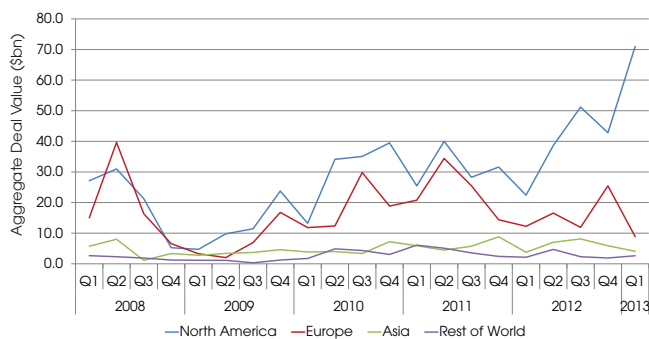


Fig. 4: Breakdown of Number and Aggregate Value of Private Equity-Backed Buyout Deals in Q1 2013 by Type

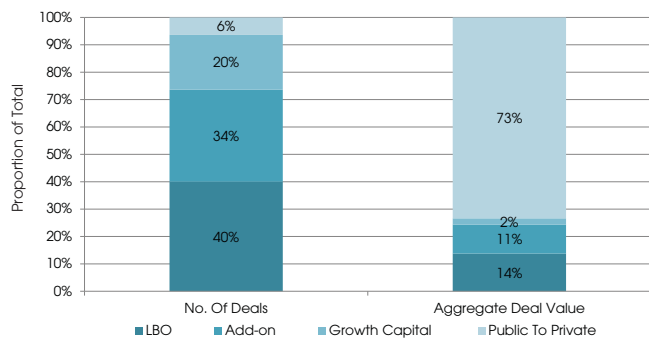
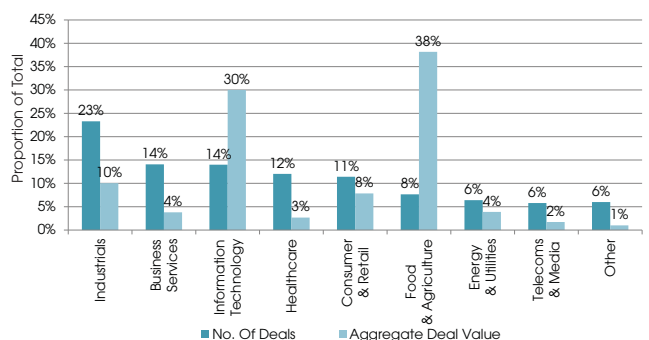


Fig. 6: Breakdown of Number and Aggregate Value of Private Equity-Backed Buyout Deals in Q1 2013 by Industry



The \$87bn in deals in Q1 2013 represents the highest quarterly value since the \$127bn seen in Q3 2007. This was driven by the two largest deals in the quarter, the \$24.4bn Silver Lake-backed privatization of Dell Inc. and the \$28bn Berkshire Hathaway and 3G Capital-backed buyout of H.J. Heinz Company.

There were 665 private equity-backed buyout deals announced globally in Q1 2013, a decline from 770 in Q4 2012.

A total of 290 private equity-backed exits were announced during Q1 2013, with an aggregate value of \$47bn, in comparison to 329 private equity-backed exits valued at \$77bn announced in Q4 2012.

Eighty-two percent of the aggregate value and 56% of the number of private equity-backed buyout deals occurred in North America. European aggregate deal value in Q1 2013 stood at \$9bn, representing a decrease of 64% on Q4 2012 levels.

Buyout deal flow in Asia in Q1 2013 increased by 15%; however, the aggregate value of deals fell by a third from \$6bn in Q4 2012 to \$4bn in Q1 2013.

Forty percent of all deals in Q1 2013 were leveraged buyouts, with 14% of the aggregate value of global deals attributed to this investment type.

Food & agriculture and IT were the most prominent areas of buyout activity in Q1 2013, with 38% and 30% of the aggregate deal value invested in these sectors respectively.

Public-to-private transactions, although representing only 6% of private equity-backed deals in Q1 2013, accounted for 73% of the total value of deals largely due to the announced privatizations of Dell Inc. and H.J. Heinz Company.

Two-thirds of all deals in Q1 2013 were valued at less than \$100mn, with 80% of deals falling into the small-cap bracket of less than \$250mn.

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Fig. 7: 10 Largest Private Equity-Backed Buyout Deals in Q1 2013

Firm	Investment Type	Deal Date	Deal Size (mn)	Investors	Bought From/Exiting Company	Location	Primary Industry
H.J. Heinz Company	Public To Private	Feb-13	28,000 USD	3G Capital, Berkshire Hathaway	-	US	Food
Dell Inc.	Public To Private	Feb-13	24,400 USD	MSD Capital, Silver Lake	-	US	Hardware
Gardner Denver	Public To Private	Mar-13	3,900 USD	Kohlberg Kravis Roberts	-	US	Industrial
New Albertson's, Inc.	Add-on	Jan-13	3,300 USD	Albertsons LLC, Cerberus Capital Management, Kimco Realty Corporation, Klaff Realty LP, Lubert-Adler Partners, L.P, Schottenstein Real Estate Group	SUPERVALU Inc.	US	Retail
Cerved	Buyout	Jan-13	1,130 EUR	CVC Capital Partners	Bain Capital, Clessidra Capital Partners	Italy	Financial Services
CSM Bakery Supplies	Buyout	Mar-13	1,050 EUR	Rhone Capital	-	Netherlands	Food
Office Max	Merger	Feb-13	1,200 USD	BC Partners, Office Depot	-	US	Computer Services
Mold Masters	Add-on	Feb-13	963 USD	CCMP Capital Advisors, Milacron Inc	3i	Canada	Industrial
Inghams	Buyout	Mar-13	880 AUD	TPG	-	Australia	Food
7 Days Inn Group	Public To Private	Mar-13	688.00 USD	Actis, Carlyle Group, Sequoia Capital	Actis, Warburg Pincus	China	Leisure

Fig. 8: 5 Notable Private Equity-Backed Buyout Exits in Q1 2013

Firm	Investment Date	Investment Type	Deal Size	Investors (Entry)	Exit Date	Exit Type (mn)	Exit Value	Acquiror (Exit)	Location	Primary Industry
AssuraMed	Jul-10	Buyout	898 USD	Clayton Dubilier & Rice, Goldman Sachs Merchant Banking Division	Feb-13	Trade Sale	2,070 USD	Cardinal Health	US	Healthcare
Dollar General*	Mar-07	Public To Private	7,650 USD	Goldman Sachs Merchant Banking Division, Kohlberg Kravis Roberts, StepStone Group	Mar-13	Private Placement	1,523 USD	-	US	Retail
Cerved	Dec-08	Buyout	-	Bain Capital Europe, Clessidra Capital Partners	Jan-13	Sale to GP	1,130 EUR	CVC Capital Partners	Italy	Financial Services
Matahari Department Store*	Jan-10	Buyout	892 USD	CVC Capital Partners	Mar-13	IPO	1,300 USD	Azentus Capital Management, BlackRock, Fidelity Investment Managers, Government of Singapore Investment Corporation (GIC), Och-Ziff Capital Management, Schroder & Co. Bank, Temasek Holdings	Indonesia	Retail
Open Solutions	Jan-07	Public To Private	1,400 USD	Carlyle Group, Providence Equity Partners	Jan-13	Trade Sale	1,150 USD	Fiserv Inc.	US	Financial Services

*Denotes partial exit



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