

PE-Backed Exits Break Quarterly Record...Again Exit Value in Q2 2011 to date tops record set in Q4 2010

Preqin's exit data shows that there have been 201 PE-backed exits valued at \$85bn in Q2 2011 to date. This is 5% higher than the record level reached in Q4 2010 when 325 exits with an aggregate value of \$81.3bn were announced. Deals have been particularly prevalent in Europe, with 82 exits valued at \$57.9bn taking place so far this quarter, double the \$28.6bn seen in the previous quarter.

The Facts

- The largest PE buyout-backed exit announced in Q2 2011 to date is the acquisition of Nycomed by Takeda Pharmaceutical Company in a €9.6bn deal; sellers include Nordic Capital, DLJ Merchant Banking Partners (Credit Suisse) and Avista Capital Partners.
- The \$85bn in aggregate exit value already announced in Q2 2011 is 10% higher than the total \$77.3bn in exits completed in Q1 2011.
- Half of the 10 largest exits announced so far in Q2 2011 are realizations of deals made during the buyout boom-era of 2005-2007, and three deals represent realizations of deals made within the last two years.
- European exit value has reached \$57.9bn, double that of Q1 2011 and almost five times the \$12.7bn in exits seen during the same quarter in 2010.
- North American exits currently stand at \$23.7bn, and look set to remain at similar levels to previous quarters; there were over \$43bn in exits in both Q4 2010 and Q1 2011.
- Asia and Rest of World exit value is likely to match the \$5.2bn of Q1 2011; there have been \$3.4bn worth in Q2 2011 to date.
- Asia and Rest of World exits have declined since they reached a record \$14.1bn in Q4 2010. Almost half of the exit value in Q2 2011 to date has been in the industrials (23%) and healthcare sectors (22%).
- The technology sector accounts for one fifth of exits and 15% of exit value. The consumer and retail sector represents 17% of the number and 12% of the value of exits in Q2 2011 to date.
- The materials sector accounts for 4% of the number of exits, but 14% of total exit value, largely due to Glencore's £6.8bn IPO.
- There have been 380 buyouts announced globally in Q2 2011 to date, valued at \$43.3bn, indicating that the current value of deal flow is likely to near the post-Lehman high of \$67.3bn announced in Q4 2010, while remaining well below the all-time peak of \$369.5bn from the boom-era in Q2 2007.

Please see the factsheet that follows this press release for full details and analysis.

Comment:

'In recent quarters we have witnessed a surge in exit activity. Exit values are at record levels as fund managers take advantage of current market conditions to exit investments made both during the buyout boom-era and post-financial crisis.

While buyout deal flow as a whole has rebounded from the lows seen in 2009, entry deal flow is still a long way from the highs seen in 2006 and 2007, with exits accounting for the largest proportion of fund manager activity. However, the increase in exit activity looks set to ease the difficult fundraising conditions; capital is increasingly being returned to investors, and this will be committed to new funds if investors intend to maintain their current allocation levels.

Manuel Carvalho, Manager - Private Equity Deals

About Preqin:

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Note to Editors:

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

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Preqin Research Report

PE-Backed Exits Break Quarterly Record...Again

Fig. 1: Notable Exits, April/May 2011

Firm	Entry Investment Date	Investment Type	Entry Deal Size (mn)	Investors (Entry)	Exit Date	Exit Type	Exit Value (mn)	Acquiror (Exit)	Primary Industry	Location	Partial Exit
Nycomed	Mar-05	Buyout	-	Nordic Capital (2005), DLJ Merchant Banking (2002), Avista Capital (2006)	May-11	Trade Sale	9,600 EUR	Takeda Pharmaceutical Company Limited	Pharmaceuticals	Switzerland	No
Glencore International AG	Dec-09	Buyout	1,000 USD	BlackRock, First Reserve Corporation, Government of Singapore Investment Corporation (GIC)	May-11	IPO	6,800 GBP	-	Materials	Switzerland	Yes
Skype Technologies	Sep-09	Buyout	1,900 USD	Andreessen Horowitz, CPP Investment Board, Index Ventures, Silver Lake	May-11	Trade Sale	8,560 USD	Microsoft	Technology	Luxembourg	No
Graham Packaging	Feb-98	Buyout	2,308 USD	Blackstone Group	Apr-11	Trade Sale	4,100 USD	Silgan Holdings Inc.	Manufacturing	US	No
Phadia	Nov-06	Buyout	1,285 EUR	Cinven	May-11	Trade Sale	3,500 USD	Thermo Fisher Scientific Inc.	Healthcare	Sweden	No
Warner Music Group	Nov-03	Buyout	2,600 USD	Bain Capital, Providence Equity Partners, Thomas H Lee Partners	May-11	Trade Sale	3,300 USD	Access Industries	Entertainment	US	No
Landis+Gyr	Apr-10	Growth Capital	-	Credit Suisse Customized Fund Investment Group, Propel Investments, Sofina, Allianz Capital, DIC	May-11	Trade Sale	186,300 JPY	Toshiba Corp.	Energy	Switzerland	No
Husky Injection Molding Systems	Sep-07	Public To Private	960 USD	Onex Corporation	May-11	Sale to GP	2,100 USD	Berkshire Partners, OMERS Private Equity	Industrial	Canada	No
Gruppo Coin	Mar-05	PIPE	181 EUR	PAI Partners	May-11	Sale to GP	1,300 EUR	BC Partners	Retail	Italy	No
ProSiebenSat.1 Media	Dec-06	Public To Private	3,100 EUR	Kohlberg Kravis Roberts, Permira	Apr-11	Trade Sale	1,230 EUR	SanomaWSOY Corporation	Media	Germany	Yes

Fig. 2: Number of PE-Backed Exits by Type and Aggregate Exit Value, Q1 2007 - Q2 2011

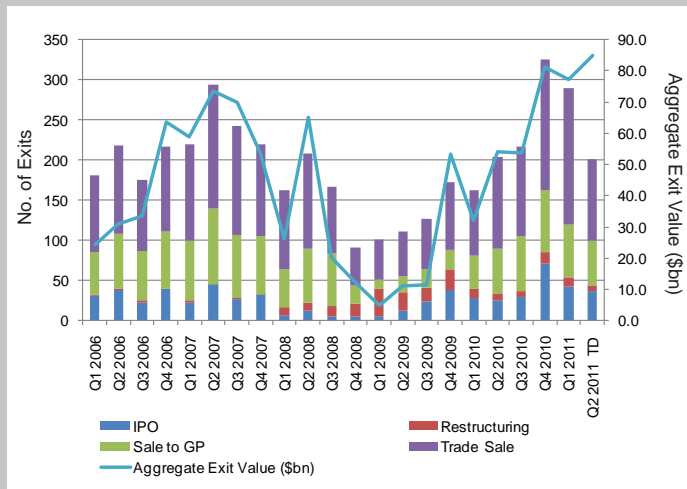


Fig. 3: Aggregate Exit Value by Region, Q1 2006 - Q2 2011

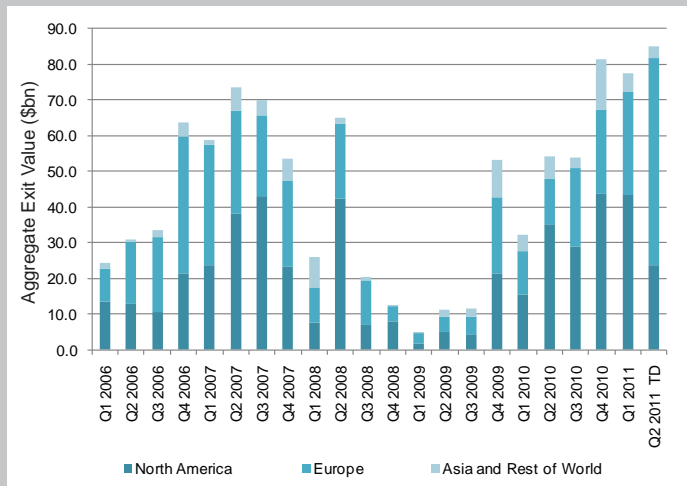


Fig. 4: Breakdown of Number and Value of Exits by Industry, April/May 2011

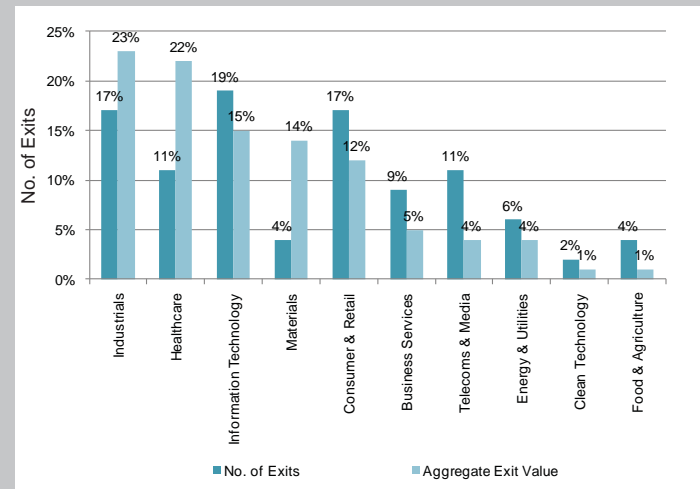


Fig. 5: Number and Aggregate Value of PE-Backed Buyouts, Q1 2006 - Q2 2011

