

## PE-Backed Buyout Deal Flow Increases for Third Quarter in Succession in Strongest Quarter since Financial Crisis.

**Private equity-backed deals announced in Q3 2010 have an aggregate value of \$66.7bn, an increase of nearly one-third on the previous quarter.**

Preqin's quarterly deal flow data shows a total of 515 private equity buyout deals announced in Q3 2010, with an aggregate value of \$66.7bn. This represents a 29% increase in the aggregate value from Q2 2010, when 498 deals were announced with an aggregate value of \$51.9bn, and a notable 147% increase on the 396 deals valued at \$27bn reported in Q1 2010. Deal flow in Q3 2010 represents the strongest quarter for buyout deals in the post-financial crisis landscape.

### Other key findings include:

- In Q3 2010, North American aggregate deal value increased 6.5% from the previous quarter, with 249 deals valued at \$34.2 billion announced in Q3 2010, up from the 233 buyouts valued at \$32bn in Q2 2010.
- Furthermore, Q3 2010 deal flow in North America represents a significant 165% increase on the aggregate deal value seen in the region in Q1 2010, and remains notably higher than deal flow witnessed in the region during 2009.
- European aggregate deal value increased significantly from the previous quarter, with 186 buyouts valued at \$26.3bn announced during the quarter, a notable 120% increase from the \$12bn in deal value witnessed during Q2 2010. Notable deals in the region include the take private of UK-based Tomkins plc by Onex Corporation and CPP Investment Board for \$5bn, and the announced acquisition of Switzerland-based Sunrise Communications by CVC Capital Partners from PE-backed TDC A/S for CHF 3.3bn.
- While deal flow in Asia and Rest of World has seen a slight decrease from the previous quarter, it has continued to remain above the levels seen in the previous year, with 80 deals valued at \$6.2bn announced in the region, a 62% increase from the \$3.8bn reported a year earlier in Q3 2009.
- Almost half of all deals announced globally in Q3 2010 were leveraged buyouts, and such deals accounted for nearly two-thirds of the aggregate deal value worldwide during the quarter.
- Growth capital investments accounted for 23% of all deals completed in Q3 2010, and add-on deals made up 20% of all private equity buyout-backed investments.
- Buyouts valued at over \$1bn accounted for 60% of global aggregate deal value of deals in Q3 2010, and public-to-private deals accounted for 23%.
- 54% of all buyout deals globally in Q3 2010 were valued at less than \$100mn.
- 2010 has seen a resurgence in secondary buyout deals in comparison to 2009, with 137 secondary buyouts valued at \$41.4bn announced globally in 2010 to date, more than four times the value of secondary buyouts seen in 2009, which saw 70 secondary buyouts valued at \$9.9bn.
- Buyout activity in Q3 2010 was highest in the industrials sector, with over a quarter of all buyout deals announced globally and over a fifth of the global aggregate value of buyouts attributed to deals in the sector.
- The largest deal of the quarter, and of the year, is the public-to-private acquisition of Tomkins plc by Onex Corporation and CPP Investment Board, in a deal valued at \$5bn, which was both announced and closed during Q3 2010.
- During Q3 2010, 190 PE-backed exits occurred, with an exit transaction size of \$56.7bn. This represents a 22% increase in aggregate exit value from the previous quarter, when 169 exits valued at \$46.4bn took place. Exit activity during Q3 2010 represents the most active quarter for exits in the post-financial crisis landscape, with activity matching the levels of exit activity seen during the pre-financial crisis era.

**Please see the research report that follows this release for full results and analysis.**

### Comment:

"Global private equity deal flow has witnessed a continued resurgence in Q3 2010, surpassing deal flow levels seen during the previous quarter, and therefore representing the strongest quarter for buyouts deals in the post-financial crisis era. In particular, this quarter has been notable for a surge in European deals, with European deal flow in Q3 2010 more than double that witnessed during the previous quarter. In addition, there has been a continued surge in secondary buyouts globally during Q3 2010, with

\$26.8bn of secondary buyouts announced during the quarter, and \$41.1bn in the year to date – more than four times the value of secondary buyouts seen during the whole of 2009. The largest deal of the quarter was the public-to-private acquisition of Tomkins plc by Onex Corporation and CPP Investment Board, in a deal valued at \$5bn, which was both announced and closed during Q3 2010 and is the largest private equity deal of 2010 to date.”

## Manuel Carvalho, Managing Analyst – Buyout Deals

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### 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:

- Please note that Preqin has completely replaced Private Equity Intelligence as the official company name.
- Preqin is spelled without the letter 'U' after the 'Q'.

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# Preqin Research Report

## Q3 2010 Private Equity

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

Fig. 1: 10 Largest Buyout Deals Globally, Q3 2010

Company Name	Date	Deal Value	Investment Type	Acquirer/ Financial Sponsor	Location	Industry
Tomkins plc	Jul-10	USD 5bn	Public To Private	CPP Investment Board, Onex Corporation	UK	Engineering
Dynegy Inc.	Aug-10	USD 4.7bn	Public To Private	Blackstone Group	US	Energy
NBTY	Jul-10	USD 4bn	Public To Private	Carlyle Group	US	Food
Sunrise	Sep-10	CHF 3.3bn	Buyout	CVC Capital Partners		Telecoms
MultiPlan, Inc.	Jul-10	USD 3.1bn	Buyout	BC Partners, Silver Lake	US	Healthcare IT
RBS WorldPay	Aug-10	USD 2.7bn	Buyout	Advent International, Bain Capital	US	Financial Services
Abertis	Aug-10	EUR 1.72bn	Buyout	CVC Capital Partners, Grupo ACS	Spain	Industrial
Picard	Jul-10	EUR 1.5bn	Buyout	Lion Capital	France	Food
Visma	Sep-10	NOK 11bn	Buyout	Kohlberg Kravis Roberts	Norway	Software
Univar	Sep-10	USD 1.79bn	Buyout	Clayton Dubilier & Rice	US	Chemicals

Fig. 3: Aggregate Value of Deals by Region, Q1 2009 - Q3 2010

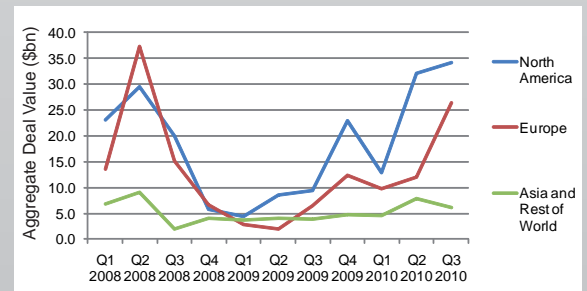


Fig. 4: Number and Aggregate Value of Deals by Type, Q3 2010

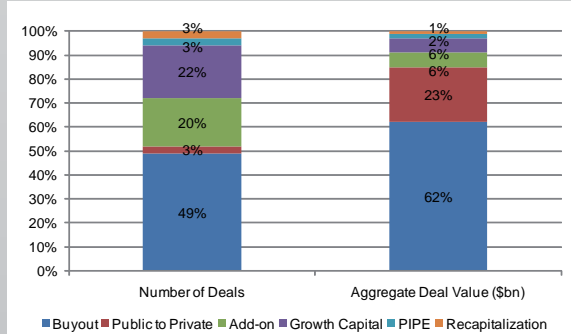


Fig. 2: Quarterly Number and Value of Deals Globally, Q1 2007 - Q3 2010

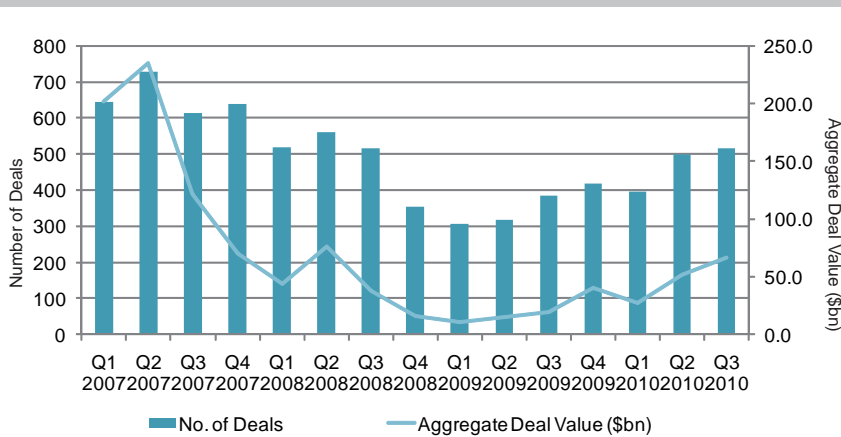
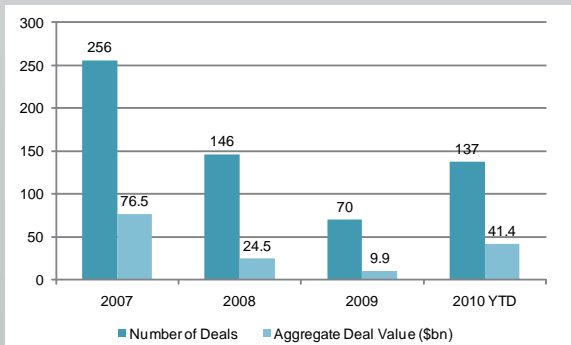


Fig. 5: Number and Value of Global Secondary Buyouts, 2007 - 2010 YTD



A total of 515 private equity buyout deals were announced in Q3 2010, with an aggregate value of \$66.7bn. This represents a 29% increase in the aggregate value from Q2 2010, when 498 deals were announced with an aggregate value of \$51.9bn, and a notable 147% increase on the value reported in Q1 2010, which saw 396 deals valued at \$27bn. Deal flow globally in Q3 2010 represents the strongest quarter for buyout deals in the post-financial crisis landscape, with the aggregate value of deals announced in Q3 2010 more than quadruple the value of

deals seen during the same period in 2009.

Q3 2010 has seen aggregate deal value remain strong globally in comparison to the previous year, with deal values in North America and Europe significantly higher than during 2009. In Q3 2010, North American aggregate deal value increased 6.5% from the previous quarter, with 249 deals valued at \$34.2 billion announced in Q3 2010, up from the 233 buyouts valued at \$32bn in Q2 2010. Furthermore, Q3 2010 deal flow in North America



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Full results and report on Q3 2010 global buyout deals will be available in Preqin's monthly newsletter, Spotlight.

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Fig. 6: Notable Exits, Q3 2010

Company Name	Date Acquired	Firms Investing	Transaction Size	Exit Type	Exit Date	Sold to	Exit Transaction Size
TDC A/S	Jan-06	Apax Partners, Blackstone Group, Kohlberg Kravis Roberts, Permira, Providence Equity Partners	USD 12.8bn	Secondary Buyout Sale*	Sep-10	CVC Capital Partners	CHF 3.3bn*
Burger King	Dec-02	Bain Capital, Goldman Sachs Private Equity Group, TPG	USD 1.5bn	Sale to Investment Company	Sep-10	3G Capital	USD 3.26bn
MultiPlan, Inc.	Apr-06	Carlyle Group, Welsh Carson Anderson & Stowe	USD 1bn	Secondary Buyout Sale	Jul-10	BC Partners, Silver Lake	USD 3.1bn
Impress Cooperative	May-97	Doughty Hanson & Co		Trade Sale	Sep-10	Ardagh Glass Group	EUR 1.7bn
Intergraph Corporation	Nov-06	Hellman & Friedman, JMI Equity, TPG	USD 1.3bn	Trade Sale	Jul-10	Hexagon AB	USD 2.13bn

\*partial exit

Fig. 7: Number of Deals and Aggregate Value by Industry Sector, Q3 2010

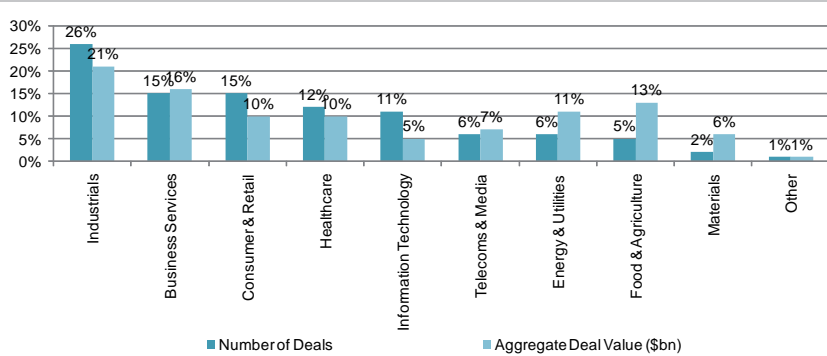
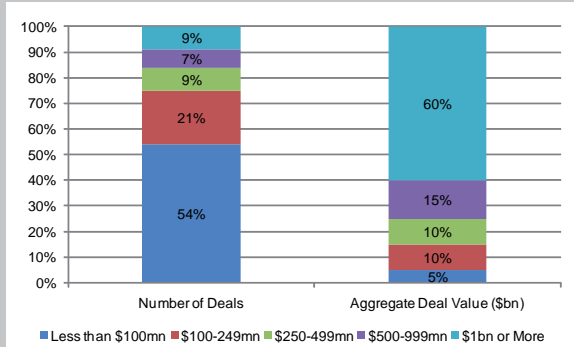


Fig. 8: Number and Aggregate Value of Deals by Value Band, Q3 2010



represents a significant 165% increase on the aggregate deal value seen in the region in Q1 2010, and remains notably higher than deal flow witnessed in the region during 2009. However, North American deal flow remains significantly lower in comparison to the buyout boom era of 2007, which saw \$124.3bn and \$173.1bn in aggregate deal value during Q1 2007 and Q2 2007 respectively.

European aggregate deal value has increased significantly from the previous quarter, with 186 buyouts valued at \$26.3bn announced during the quarter, a notable 120% increase from the \$12bn in deal value witnessed during Q2 2010, and close to treble the European aggregate deal value seen in Q1 2010. Deal flow in Asia and Rest of World has continued to hover above the levels seen in the previous year, with 80 deals valued at \$6.2bn announced in the region, a 62% increase from the \$3.8bn in value reported a year earlier in Q3 2009. However, the value of deals in Asia and Rest of World has dipped slightly from the \$7.8bn in value witnessed during Q2 2010.

Almost half of all deals announced globally in Q3 2010 were leveraged buyouts, accounting for almost two-thirds of the aggregate deal value worldwide during the quarter.

Growth capital accounted for 22% of deals and 6% of total deal value worldwide in Q3 2010. In addition, public-to-private transactions accounted for 23% of aggregate deal value, yet only represented 3% of all announced deals during the past quarter. Notable public-to-private deals for this quarter include the announced \$4.7bn acquisition of Dynegy, Inc. by Blackstone Group, and the \$5bn take-private of Tomkins plc by Canada Pension Plan Investment Board and Onex Corporation.

Q3 2010 figures on the number and aggregate value of deals shows an increase in the bracket of deals exceeding \$1 billion in comparison to the previous quarter. In Q3 2010, deals valued at over \$1bn accounted for 60% of global aggregate deal value. In comparison, deal in this size range made up 46% of aggregate deal value in the previous quarter. Deals between \$250mn and \$999mn in size accounted for 25% of the global aggregate value of buyouts in Q3 2010, down from the 36% of total aggregate that deals in this size bracket represented in Q2 2010. Deals that were valued at less than \$100 million represented over half of the number of deals in Q3 2010, and accounted for approximately 5% of total value in the quarter.

“... European aggregate deal value has increased significantly from the previous quarter...”



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