

2013 Sees Highest Aggregate Value of Private Equity-Backed Buyout Deals Since the Buyout Boom Era

2,830 private equity-backed buyout deals were announced throughout 2013 with an aggregate value of \$274bn, the highest value since \$661bn worth of deals were announced in 2007

Private equity buyout firms have had their strongest year of deal making since before the global financial crisis, announcing 2,830 investments valued at \$274bn. Although this is the highest value of buyout investments since 2007, the number of deals taking place has actually fallen by 11% from the year before. The exit environment has also improved in 2013, with the largest number of private equity-backed exits taking place since 2006, with the aggregate value of exits at \$303bn.

Other Key Facts:

- North America experienced its strongest year since 2007 in terms of total value of buyout deals, with 1,516 deals valued at \$171bn, a 10% increase compared to the total value of private equity-backed buyout deals in 2012.
- The number of deals in Europe decreased by 4% from 2012 to 2013, while aggregate deal value increased by 6% over the same period, due to the average deal size increasing from \$203mn in 2012 to \$227mn in 2013.
- Thirty-eight percent of all deals in 2013 were leveraged buyouts, representing 43% of the aggregate value of deals globally during the year, down from 59% of the aggregate deal value in 2012. This was predominantly due to the investments in Dell Inc. and H.J. Heinz Company which meant public-to-private deals accounted for 31% of aggregate deal value in 2013.
- Three-quarters of all private equity-backed buyout deals in 2013 were small-cap investments, classed as those valued at under \$250mn.
- 1,348 private equity-backed exits valued at \$303bn were witnessed in 2013, which is the highest annual number of exits in the period from 2006 to present, and the second highest annual aggregate exit value in the same time period.
- There were 255 private equity-backed IPOs and follow-on share offerings valued at \$80bn, the highest annual number and aggregate value of such exits in the period 2006-2013.

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

Comment:

“2013 has seen notable growth in deal making activity for the private equity industry. Although the number of deals being made has dropped compared to 2012, the aggregate value of deals that took place is at its highest point since before the global financial crisis. With exit activity also buoyant, particularly for the IPO market, and fundraising experiencing notable gains, 2014 looks set to be a very positive year for the industry.”

While there have been strong deal levels in developed economies such as Europe and North America, there has been a significant drop off since 2011 in the value of deals taking place in Asia and other emerging markets. This trend is reflected in fundraising figures, demonstrating that both investors and fund managers are becoming more risk averse.”

Ignatius Fogarty – Head of Private Equity Products, Preqin

**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

Note to Editors:

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

For more information, please contact: Ignatius Fogarty +44 (0)20 7645 8858 or ifogarty@preqin.com

For general press information, please contact: Nicholas Jelfs +44 (0)20 7645 8882 or press@preqin.com

New York: One Grand Central Place, 60 E 42nd Street, Suite 630, New York NY 10165 Tel: +1 212 350 0100

London: Equitable House, 47 King William Street, London EC4R 9AF Tel: +44 (0)20 7645 8888

Singapore: One Finlayson Green, #11-02, Singapore, 049246 Tel: +65 6305 2200

San Francisco: 580 California Street, Suite 1638, San Francisco, CA 94104 Tel: +1 415 635 3580

Web: www.preqin.com / info@preqin.com

2013 Private Equity-Backed Buyout Deals and Exits

January 2014

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

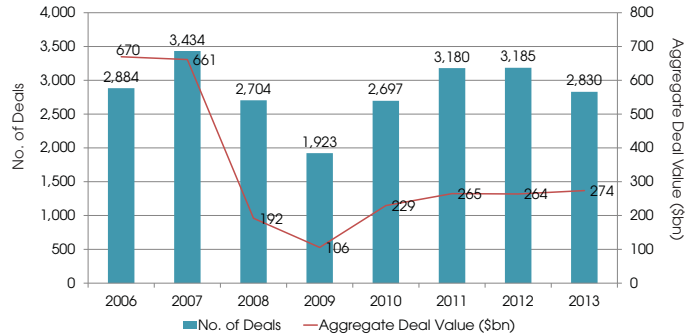
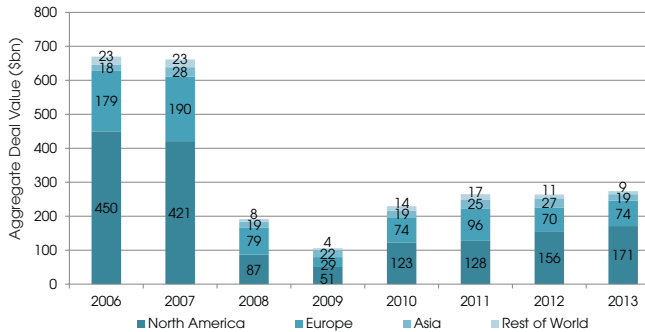


Fig. 2: Aggregate Value of Private Equity-Backed Buyout Deals by Region, 2006 - 2013



274

the aggregate value (\$bn) of private equity-backed buyout deals announced globally in 2013, the highest value since 2007.

2,830

the number of private equity-backed buyout deals announced in 2013, down from 3,185 in 2012.

10%

increase in aggregate value for North American deals in 2013 compared to 2012. Europe witnessed a 6% increase, while Asia saw a drop of 28%.

Fig. 3: Breakdown of Number and Aggregate Value of Private Equity-Backed Buyout Deals in 2013 by Type

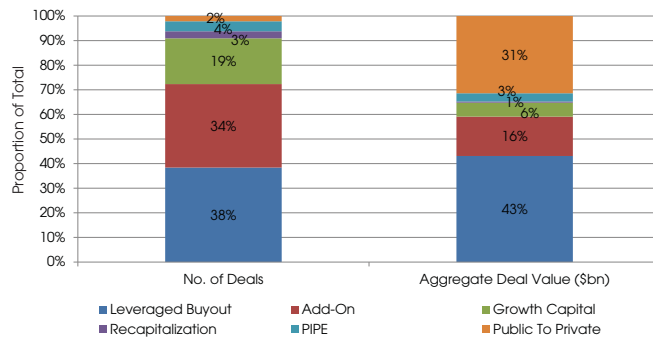
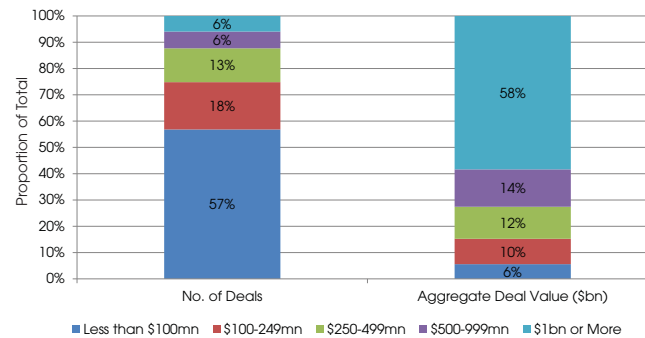


Fig. 4: Breakdown of Number and Aggregate Value of Private Equity-Backed Buyout Deals in 2013 by Value Band



38%

of all private equity-backed buyout deals in 2013 were leveraged buyouts, accounting for 43% of aggregate deal value.

75%

of private equity-backed buyout deals in 2013 were small-cap investments (deals of less than \$250mn in size).

1,348

private equity-backed buyout exits valued at \$303bn were witnessed in 2013, the highest number in the period from 2006 to present.

Fig. 5: Five Largest Private Equity-Backed Buyout Deals in 2013

Firm	Investment Type	Deal Date	Deal Size (bn)	Deal Status	Investors	Bought From/Exiting Company	Location	Primary Industry
H.J. Heinz Company	Public To Private	Feb-13	28.0 USD	Completed	3G Capital, Berkshire Hathaway	-	US	Food
Dell Inc.	Public To Private	Feb-13	24.9 USD	Completed	MSD Capital, Silver Lake	-	US	Hardware
BMC Software	Public To Private	May-13	6.9 USD	Completed	Bain Capital, Elliott Management Corporation, GIC Special Investments, Golden Gate Capital, Insight Venture Partners	-	US	Software
Neiman Marcus Inc.	Buyout	Sep-13	6.4 USD	Completed	Ares Management, CPP Investment Board	TPG, Warburg Pincus	US	Retail
Smithfield Foods	Add-on	May-13	4.7 USD	Completed	CDH Investments, Goldman Sachs, Henan Shuanghui, New Horizon Capital, Temasek Holdings	-	US	Food

January 2014

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

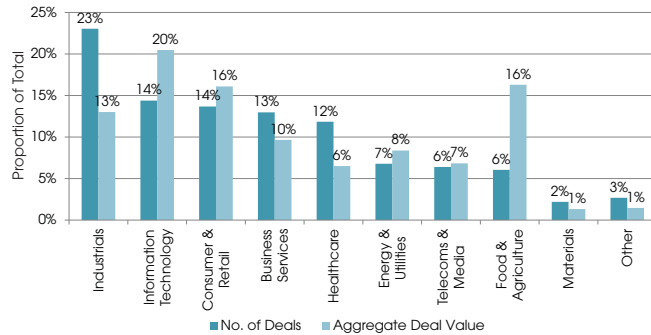


Fig. 7: Global Number and Aggregate Value of Private Equity-Backed Exits, 2006 - 2013

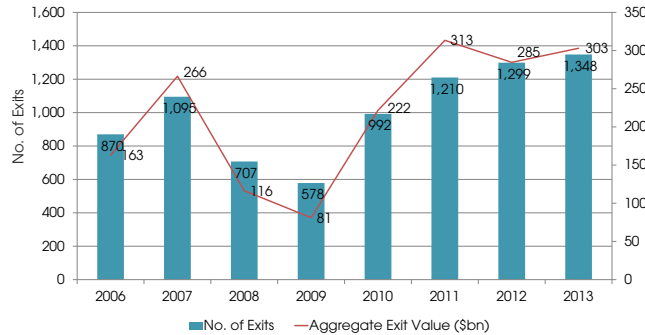


Fig. 8: Global Number of Private Equity-Backed Exits by Type, 2006 - 2013

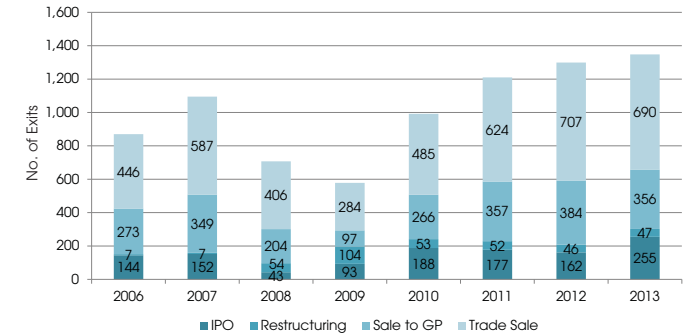


Fig 9: Notable Private Equity-Backed Exits in 2013

Firm	Investment Date	Entry Investment Type	Entry Deal Size (bn)	Investors (Entry)	Exit Date	Exit Type	Exit Value (bn)	Acquirer (Exit)	Primary Industry	Location
Bausch & Lomb	May-07	Public To Private	4.6 USD	Warburg Pincus, Welsh, Carson, Anderson & Stowe	May-13	Trade Sale	8.7 USD	Valeant Pharmaceuticals	Healthcare	US
Warner Chilcott	Jan-05	Buyout	3.1 USD	Bain Capital, CCMP Capital Advisors, GCM Customised Fund Investment Group, JPMorgan Partners, Thomas H Lee Partners	May-13	Trade Sale	8.5 USD	Actavis Group	Pharmaceuticals	US
US Foodservice Inc.*	Nov-06	Buyout	7.1 USD	Clayton Dubilier & Rice, Kohlberg Kravis Roberts	Dec-13	Trade Sale	8.2 USD	Sysco Corporation	Food	US
Neiman Marcus Inc.	May-05	Public To Private	5.1 USD	TPG, Warburg Pincus	Sep-13	Sale to GP	6.4 USD	Ares Management, CPP Investment Board	Retail	US
GeoSouthern	Jan-11	Buyout	0.8 USD	Blackstone Group	Nov-13	Trade Sale	6.0 USD	Devon Energy Corporation	Oil & Gas	US

*Denotes partial exit

New York: One Grand Central Place, 60 E 42nd Street, Suite 630, New York NY 10165
Tel: +1 212 350 0100

London: Equitable House, 47 King William Street, London EC4R 9AF
Tel: +44 (0)20 7645 8888

Singapore: One Finlayson Green, #11-02, Singapore, 049246
Tel: +65 6305 2200

San Francisco: 580 California Street, Suite 1638, San Francisco, CA 94104
Tel: +1 415 635 3580

Preqin provides information, products and services to private equity firms, funds of funds, investors, placement agents, law firms, advisors and other professionals across the following areas:

- Fund Performance
- Fundraising
- Fund Manager Profiles
- Compensation and Employment
- Investor Profiles
- Fund Terms
- Buyout Deals
- Venture Capital Deals

For more information, or to arrange a demo, please visit:
www.preqin.com/privateequity