

Fig. 1: Number and Aggregate Value of Deals Globally: Q1 2006 - Q2 2011

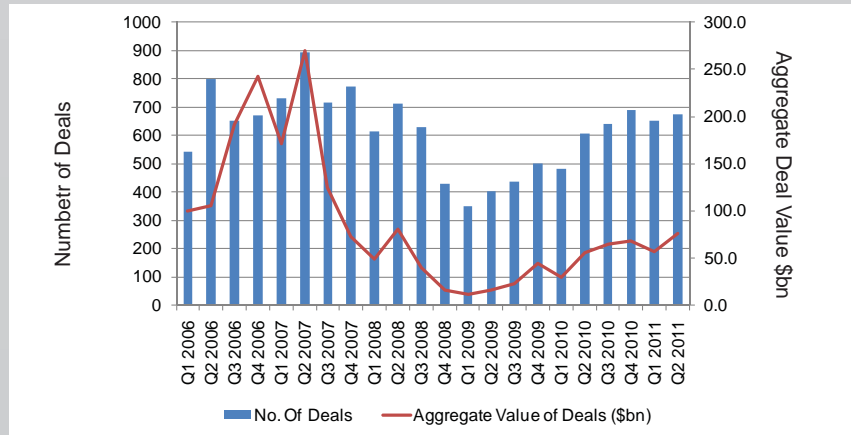


Fig. 2: Aggregate Deal Value by Region: Q1 2008 - Q2 2011

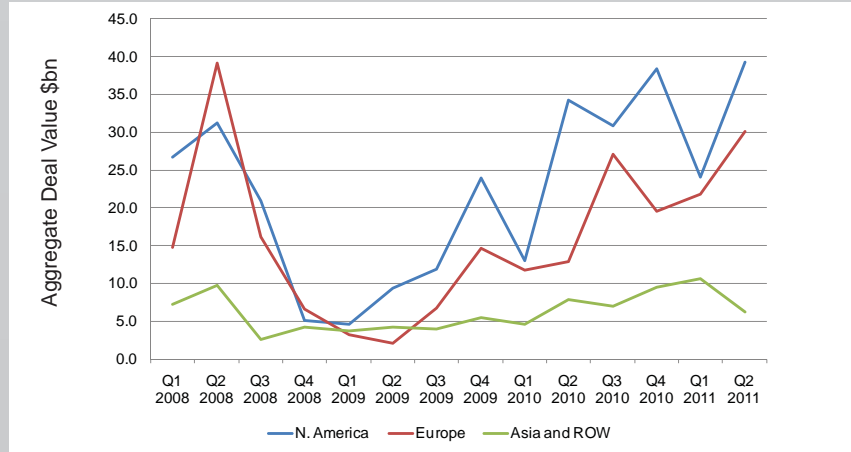
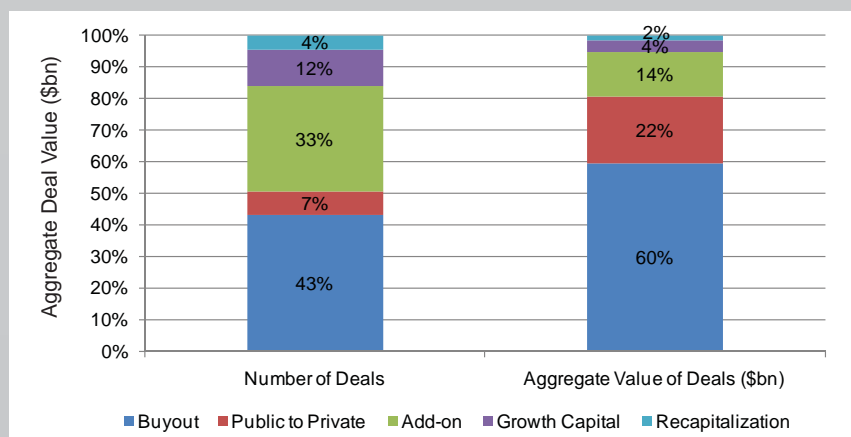


Fig. 3: Number and Aggregate Value of Deals by Type: Q2 2011



A post-Lehman high of 674 PE buyout deals were announced globally in Q2 2011, with an aggregate value of \$75.6bn. Global deal flow was at its highest level since Q2 2008, when 713 deals valued at \$80bn were completed. Deal flow for Q2 2011 is 33% up on the previous quarter, which witnessed \$56.5bn in buyouts, and 37% higher than the \$55bn in deals announced during the same quarter in 2010. This increase in deal flow is partially attributed to an increase in larger deals, with 21 deals valued at over \$1bn announced during

Q2 2011, an increase from the previous quarter, when 13 deals valued at over \$1bn were completed. In addition, there has been an increase in deal volume, with an average of 664 deals per quarter in 2011, up from an average of 603 buyouts announced per quarter in 2010. With buyout fund managers currently sitting on approximately \$390bn in dry powder, it is expected that buyout deal flow will continue at these levels during the second half of 2011, and most likely surpassing this post-Lehman high. Notable deals in Q2 2011 include the

Fig. 4: Number and Aggregate Value of Deals by Value Band - Q2 2011

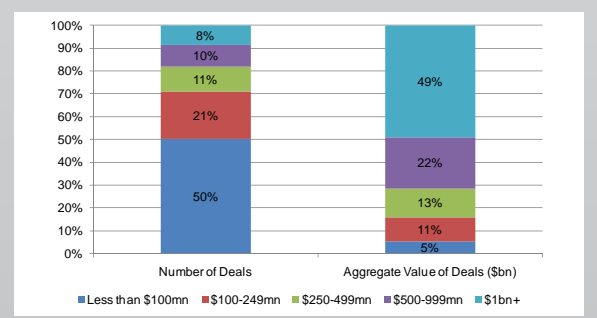


Fig. 5: Number and Aggregate Value of Deals by Industry - Q2 2011

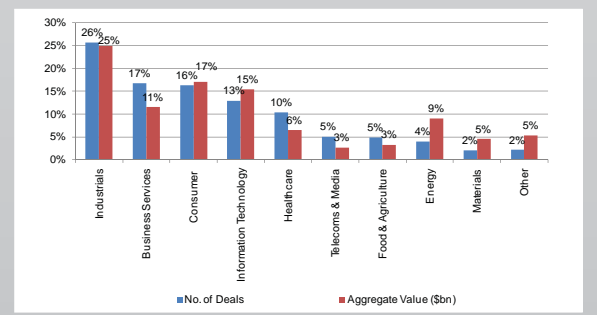
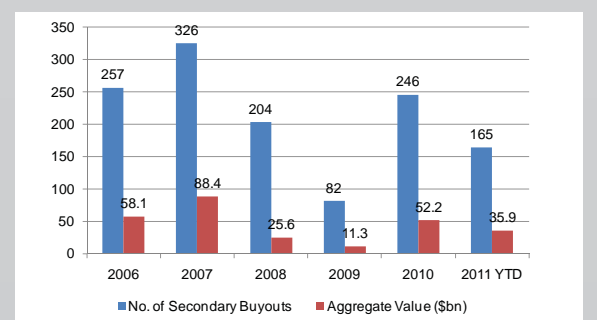


Fig. 6: Number and Aggregate Value of Global Secondary Buyouts: 2006 - 2011



acquisition of 70% stake in Frac Tech for \$3.5bn by RRJ Management, Temasek Holdings, Chesapeake Energy Corporation and the CPP Investment Board in April 2011, and the SEK21bn (\$3.3bn) acquisition of Securitas Direct by Hellman & Friedman and Bain Capital from EQT Partners in June 2011.

In Q2 2011, the total global value of buyout deals increased to \$75.6bn, from \$56.5bn in Q1 2011. Of this, the biggest increase was seen in North America, where, after a dip in activity in the first quarter, aggregate deal value rebounded to \$39.2bn in Q2 2011, its highest level in the post-Lehman era. There was also a significant increase in aggregate deal value in Europe, with a Q2 total of \$30bn, compared to \$21.9bn in Q1. By contrast, Asia and Rest of World saw a fall in buyout activity. In Q1, a post-crisis high of \$10.6bn was invested in this region, but the second quarter saw aggregate deal value fall to \$6.3bn, its lowest level in over a year. However, deal flow in the region remains at similar levels to those seen in 2010, and remains at about 50% higher than the average of \$4.3bn per quarter registered in 2009.

Leveraged buyouts accounted for approximately 60% of all PE-backed buyout deals for Q2 2011. The number and value have remained steady when compared to the previous quarter, but there has been an increase of 10% when compared to the same time last year. Add-ons represented 33% of all deals announced during the quarter but only 14% of total deal flow value. When compared with figures for the same time last year, there has been a 44% and 64%

Fig. 7: Number and Aggregate Value of PE-Backed Exits:

Q1 2006 - Q2 2011

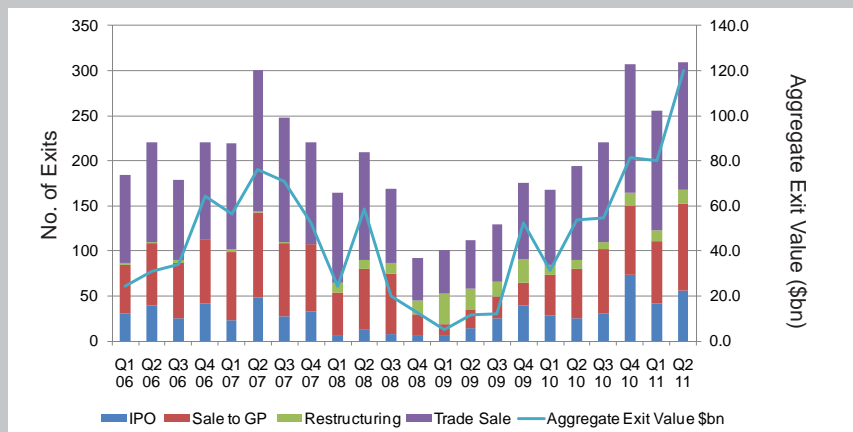


Fig. 8: 10 Largest Buyout Deals Globally 2011

| Name | Date | Type | Deal Size (mn) | Currency | Buyers | Sellers | Industry | Location |
|---------------------------------|--------|-------------------|----------------|----------|---|------------------|-------------------|----------|
| Frac Tech Holdings | Apr-11 | Buyout | 3,500.00 USD | USD | Chesapeake Energy Corporation, CPP Investment Board, RRJ Management, Temasek Holdings | - | Oil & Gas | US |
| Securitas Direct | Jun-11 | Buyout | 21,000.00 SEK | SEK | Bain Capital, Hellman & Friedman | EQT Partners | Technology | Sweden |
| Spie | May-11 | Buyout | 2,100.00 EUR | EUR | AXA Private Equity, Caisse de depot et placement du Quebec, Clayton Dubilier & Rice | PAI Partners | Industrial | France |
| BJ's Wholesale Club, Inc. | Jun-11 | Public To Private | 2,800.00 USD | USD | CVC Capital Partners, Leonard Green & Partners | - | Retail | US |
| Capsugel | Apr-11 | Buyout | 2,375.00 USD | USD | Kohlberg Kravis Roberts | Pfizer | Pharmaceuticals | US |
| Husky Injection Molding Systems | May-11 | Buyout | 2,100.00 USD | USD | Berkshire Partners, OMERS Private Equity | Onex Corporation | Industrial | Canada |
| Lawson Software | Apr-11 | Add-on | 2,000.00 USD | USD | Golden Gate Capital, Infor Global Solutions | - | IT | US |
| SRA International Inc. | Apr-11 | Public To Private | 1,998.00 USD | USD | Providence Equity Partners | - | Business Services | US |
| Gruppo Coin | May-11 | Public To Private | 1,300.00 EUR | EUR | BC Partners | PAI Partners | Retail | Italy |
| RAC | Jun-11 | Buyout | 1,000.00 GBP | GBP | Carlyle Group | Aviva plc | Industrial | UK |

*denotes partial exit

increase in number and value respectively of add-on deals. Growth capital represented only 12% and 4% of the number and aggregate value of deals announced for this quarter respectively. The number and value of investments in growth capital transactions has dropped in number by 56% and in value by over 130% when reviewed against the first quarter of 2011.

The second quarter of 2011 saw a resurgence in the number and aggregate value of deals worth over \$1bn, contributing 8% and 49% of total number and value, respectively. This represents a significant increase over first quarter figures, when deals valued at over \$1bn accounted for 6% of the number of buyout deals globally and 40% of the aggregate value. With this surge in large-cap deals, mid-market buyout deals witnessed a slight fall from the previous quarter in the proportion of value, with mid-market deals representing 35% of deals in Q2, down from 41% in Q1 2011. Small-cap deals, valued at less than \$250mn, also accounted for 71% of all deals, representing 16% of the value of deals.

In Q2 2011, as with the previous quarter, the industrial sector accounted for the highest proportion of buyout deals in both number and value. While the number of deals in this sector remained at 26%, the aggregate value rose considerably from 18% to 25%. The second most common area for buyout deals this quarter was business services, which saw a slight increase in the number of deals, from 15% to 17%, and aggregate value of buyout activity in this sector also increased, from 9% to 12% from Q1 2011 to Q2 2011. Other notable sectors include the consumer & retail sector, which accounted for 17% of deals in Q2 2011, and IT sector which accounted for 15% of the value of deals in the quarter. The most notable contrast between Q1 and Q2 2011 can be seen as the fall in value of deals in the telecoms & media industry, which represented 17% of the total value of buyouts in Q1 2011, but just 3% in Q2 2011.

In Q2 2011, 309 exits valued at \$120.1bn were announced, representing a record quarter for PE-backed exits, surpassing the previous record of \$81.5bn from 307 exits in Q4 2010. This indicates a 47% increase in the value of exits from Q4 2010, and a significant 50% increase in exit value from the previous quarter, when \$80.1bn in exits were recorded in Q1 2011. With market conditions currently relatively robust - in comparison to during the immediate post-financial crisis era of 2009 - and with buyout houses now beginning to exit investments made during the buyout boom era of 2005-2007, it is expected that this surge in exit activity will continue in the coming months.

During 2010, secondary buyouts witnessed a resurgence, and this has continued in 2011, with 165 secondary buyouts valued at \$35.9bn announced during the year. In Q2 2011, we have seen 96 secondary buyouts valued at \$24.4bn, more than double the \$11.5bn in secondary buyouts announced during the first quarter of 2011. As the year progresses it is expected that the levels of these transactions will continue at a similar frequency to that witnessed in recent quarters, with secondary buyout levels in 2011 likely to surpass the levels set during 2010. Notable secondary buyouts announced in Q2 2011 include the SEK 21bn (\$3.3bn) acquisition of Securitas Direct by Hellman & Friedman and Bain Capital from EQT Partners in June 2011, and AXA Private Equity, Clayton Dubilier & Rice and Caisse de depot et placement du Quebec's announced acquisition of Spie for €2.1bn from PAI Partners.

Fig. 9: Notable PE-Backed Exits Globally Q2 2011

| Firm | Investment Date | Investors (Entry) | Deal Size | Currency | Exit Type | Exit Date | Acquiror (Exit) | Exit Value | Currency | Primary Industry | Location |
|----------------------------|-----------------|--|-----------|----------|------------|-----------|---|------------|----------|-------------------|-------------|
| Nycomed | Mar-05 | Nordic Capital | | | Trade Sale | May-11 | Takeda Pharmaceutical Company Limited | 9,600 | EUR | Pharmaceuticals | Switzerland |
| Glencore International AG* | Dec-09 | BlackRock, First Reserve Corporation, Government of Singapore Investment Corporation (GIC) | 1,000 | USD | IPO | May-11 | - | 6,800 | GBP | Industrial | Switzerland |
| Skype Technologies | Sep-09 | Andreessen Horowitz, CPP Investment Board, Index Ventures, Silver Lake | 1,900 | USD | Trade Sale | May-11 | Microsoft | 8,560 | USD | Technology | Luxembourg |
| Graham Packaging | Feb-98 | Blackstone Group | 2,308 | USD | Trade Sale | Jun-11 | Reynolds Packaging Group | 4,500 | USD | Manufacturing | US |
| Diversey, Inc. | Nov-09 | Clayton Dubilier & Rice | 477 | USD | Trade Sale | Jun-11 | Sealed Air | 4,300 | USD | Consumer Products | US |
| Phadia | Nov-06 | Cinven | 1,285 | EUR | Trade Sale | May-11 | Thermo Fisher Scientific Inc. | 3,500 | USD | Healthcare | Sweden |
| Securitas Direct | Nov-07 | EQT Partners | 10,100 | SEK | Sale to GP | Jun-11 | Bain Capital, Hellman & Friedman | 21,000 | SEK | Technology | Sweden |
| Warner Music Group | Nov-03 | Bain Capital, Providence Equity Partners, Thomas H Lee Partners | 2,600 | USD | Trade Sale | May-11 | Access Industries | 3,300 | USD | Entertainment | US |
| Spie | Jul-06 | PAI Partners | 1,040 | EUR | Sale to GP | May-11 | AXA Private Equity, Caisse de depot et placement du Quebec, Clayton Dubilier & Rice | 2,100 | EUR | Industrial | France |
| Landis+Gyr | Apr-10 | Credit Suisse Customized Fund Investment Group | | | Trade Sale | May-11 | Toshiba Corp. | 186,300 | JPY | Energy | Switzerland |



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