Monday 2\textsuperscript{nd} April 2012

UK Fact Sheet

- The UK buyout market has reclaimed its position as the most active country in Europe, recording close to half of all European deals in both value and number for the first quarter of 2012.
- The UK recorded 62 deals with a total value of £5.2bn, accounting for 48\% of the overall value across Europe (€13bn). This compares to the final quarter of 2011 when deal value only reached £2.7bn - the first time that the UK dropped lower than France in terms of the value of deals completed.

Sectors

- The most active UK buyout sector was Business & Support Services which totalled £1.3 deals through 13 transactions. This is already nearly half of the overall value recorded in the sector in the whole of 2011 (£2.5bn).
- The Retail and Manufacturing sectors were also strong in Q1 2012 totalling £1.6bn with seven deals and £1bn with 11 deals respectively.

Source

- The number of buyouts out of insolvency is increasing in the UK indicating an improving confidence in buying distressed companies. Nine insolvency transactions were completed in the UK in Q1 2012, including the acquisition of struggling UK retailer Comet which was bought out of administration by OpCapita in January for an estimated €2. This compares to just 16 insolvency buyouts in the whole of 2011.
- Secondary buyouts in the UK remained the strongest source for private equity deals by value with 13 deals totalling £2.3bn – almost half of the overall value of secondary buyouts in 2011 (£5.5bn).

Small deals

- Q1 2012 saw an increase of small deals (below £10m) in the UK, with 30 buyouts completed compared to 69 in the whole of 2011.

Exits and pipeline

- The overall value of UK exits in Q1 2012 was £3.3bn - more than double the combined total of the third and final quarter of 2011 (£761m and £783m respectively).
- Of the 40 exits completed in the UK in the first quarter of 2012, 10 (25\%) were creditor exits, 16 (40\%) were secondary buyouts and 14 (35\%) were trade sales.
- The overall pipeline for transactions in the UK is looking strong, with a number of high profile pending deals such as the possible acquisition of banking software provider Misys PLC by Vista Equity Partners and CVC Capital Partners, and the sale of HMV Live.
Regional buyout activity

- London failed to regain dominance after a slow 2011, when the overall value of buyouts completed fell to £4.6bn from £9.8bn in 2010. This quarter, the total value of deals in London was £956m, which compares to £1.6bn in the North West of the UK and £1.1bn in the South West. However, London led the UK buyout market this quarter by volume of deals (15).
- Private equity buyouts in the South West region have increased significantly by value and volume this quarter. 11 deals in Q1 2012 equated to £1.1bn, already more than three times the overall value in the region in the whole of 2011.
- The North West of England was the dominant region in the UK in Q1 2012 with £1.6bn of deals recorded. This is already 91% of overall value of deal flow in the region in 2011 (£1.8bn).

- Ends -

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Notes to editors

About CMBOR

- The Centre for Management Buy-out Research (CMBOR) was founded at Nottingham University Business School in 1986 and has been sponsored by Equistone since its establishment. It is now based at Imperial College London and celebrated its 25th anniversary in 2011.
- CMBOR is world-renowned as the long-standing leader in providing robust analysis of the buy-out market.
- CMBOR data covers all buyout activity and therefore includes transactions funded on a cash or debt-only basis as well as traditional private equity-funded buyouts.
- CMBOR only uses completed deals to calculate its data. Any pending deals at the end of each quarter are carried over to the following quarter. The data in this press release are for deals completed by Tuesday 27th March 2012.

About Equistone Partners Europe

- Equistone Partners Europe Limited is an independent investment firm owned and managed by the former executives of Barclays Private Equity.

2 – CMBOR / Barclays Private Equity/ Ernst & Young UK buyout data Q1 2012
• The management company that was formerly Barclays Private Equity was acquired by its former executives from Barclays Capital, the investment banking division of Barclays Bank PLC, in November 2011.

• The Company is one of Europe’s leading investors in mid-market buyouts with a successful track record spanning over 30 years, with more than 350 transactions completed in this period.

• Equistone has a strong focus on change of ownership deals and aims to invest between €25m and €125m of equity in businesses with enterprise values of between €50m and €300m.

• The Company has a team of 33 investment professionals operating across France, Germany, Switzerland and the UK, investing as a strategic partner alongside management teams.

• Equistone Partners Europe Limited is authorised and regulated by the Financial Services Authority.

• For further information, please visit www.equistonepe.com

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