FINANCIAL NEWS

PRIVATE EQUITY NEWS

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FEATURE
The transparency toy starts to lose its appeal
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U-turn on Porterbrook exit but sale pressure mounts

Toby Lewis

Deutsche Bank and Lloyds Banking Group ended plans to sell their majority holding in a large deal shortly before the US government proposed banning banks from owning or investing in private equity groups and assets.

The two European banks have postponed a sale of their remaining holdings in the £1.4bn (€1.6bn) train leasing company Porterbrook Leasing after Deutsche sold about 10% to another shareholder, Antin Infrastructure Partners, according to sources familiar with the negotiations.

The move leaves Deutsche and Lloyds with equal stakes of about 40% and Antin, an affiliate of French bank BNP Paribas, with 20%.

All parties declined to comment or were unavailable, but Porterbrook's ownership could be affected by US president Barack Obama's proposal last Thursday that "banks will no longer be allowed to own, invest, or sponsor hedge funds, private equity funds, or proprietary trading operations for their own profit, unrelated to serving their customers".

It was feared by some that European bank sales of individual holdings in private equity could increase.

Neil Campbell, head of alternative investments at stockbroker Tullett Prebon, said the uncertainty of what would happen to banks in Europe could lead to a wave of activity in the secondaries market as sellers attempted to pre-empt a surge of bank asset sales.

He said: "There was a lot of talk last year about secondaries activity increasing which I do not think has materialised. This may act as a catalyst to make people sell now instead of waiting."

Banks' holdings in private equity made up about half the asset class in the 1980s, according to industry insiders, but subsequently fell to 9% of fund investments, according to data provider Preqin.

Globally, Switzerland-based Credit Suisse has more than $33bn (€23.3bn) of private equity managed assets while Goldman Sachs, Morgan Stanley and Citigroup have large operations in the asset class.

In the UK, Lloyds Banking Group has significant ties to private equity through LloydsTSB Development Capital, which manages £2bn of investments, and Bank of Scotland Integrated Finance, which is running a sale process handled by UBS and has deployed more than £10bn since 2000.

Across Europe, Barclays, HSBC and BNP Paribas, among others, have significant ties to the asset class but one private equity executive at a European bank said its US peers had invested more heavily from their balance sheets.

REUTERS

Private equity firms, including Doughty Hanson and TowerBrook Capital Partners, have used their charitable foundations to donate to the Haiti appeal after two earthquakes struck the island, *writes Paul Hodkinson.* Industry individuals and other firms across Europe have also made donations. Some private equity executives are supporting medical relief charity Merlin – to donate, visit *www.merlin.org.uk*

Angels Den appoints fund manager

James Mawson

Pre-X Capital Management, a UK-based investment manager for small companies, has formed a joint venture with one of Europe's largest angel networks to start raising a fund to tap into the growing importance of entrepreneurial investors backing nascent companies.

Angel investors are regarded as an increasingly important source of start-up funding for companies after a number of venture capital firms, including Apax Partners and 3i, retreated in the past decade.

The Best of Angels Den fund will aim to raise £3m (€3.4m) in a UK tax-efficient fund which will be managed by Pre-X. The target companies will be selected from the estimated 5,000 that apply for funding through Angels Den.

Angels Den, an investment club bringing wealthy investors and entrepreneurs together, was founded in 2007 by Bill Morrow, a former Kleinwort Benson investment banker, and Lois Cook, business manager and sister of music DJ Norman Cook, aka Fat Boy Slim.

The wealthy investors, called angels, typically decide what deals to back, but by raising a fund Pre-X said it would enable Best of Angels Den fund investors to have the same exposure to companies without devoting large amounts of time and money.

John Blowers, managing director at Pre-X and previous head of AngelBourse between 2002 and 2005, will manage the fund alongside investment director Tom Kristensen. It is structured as an Enterprise Investment Scheme (EIS). Blowers said: "We are looking to make money grow rather than just being a protected fund with a tax break attached.

Gresham opens in Bristol

Tom Fairless

Mid-market firm Gresham has given a vote of confidence to the UK's regional markets by opening an operation in Bristol as it seeks to build a network of outposts it hopes will fuel new deals.

The London-based firm has put the new office in the hands of Mitch Titley, a former partner in the firm's Birmingham office.

Titley, who joined Gresham in 2005 from Pricewaterhouse-Cooper's corporate finance division, said he would target companies in south-west England and Wales valued between £5m (€5.8m) and £100m.

The new office joins existing outposts in Birmingham, opened in 1999, and Manchester, opened in 2001. It will aim to be self-sufficient, tapping Bristol's "strong financial community and good local lawyers", according to Titley.

He said: "We are likely to be slightly favoured over rivals that lack a local presence by local accountants, boutique corporate financial advisers and banks, which tend to be introducers of dealflow."

Gresham has already done deals in the region, including the purchase of Wales-based drug delivery business Penn Pharmaceuticals, which generated a 12 times return on investment when it was sold for £67m in 2007, and the acquisition of Wales-based Medical Support Systems, which makes foam products for the healthcare market, in 2000. It was sold to US-based Invacare in 2005.

Titley said Gresham had "plenty of committed capital left in our latest £340m fund [that] we aim to put to good use over the next couple of years".

He added: "The establishment of the Bristol office is a key part of this, but our commitment is wider, including the recent recruitment of senior deal-doers to supplement our achievements in the Yorkshire and south-east markets."

Firms with regional networks include Lloyds Development Capital, the private equity arm of Lloyds Banking Group. LDC currently runs 11 UK offices outside London, with recent openings in Edinburgh in 2007, Bristol in 2008 and Aberdeen in 2009.

Other firms, such as 3i, have pulled back from the UK regions.

Rising multiples slow dealflow

The multiples paid by private equity firms rose slightly last year amid increased confidence on public markets and greater competition from trade buyers.

The multiples paid to acquire private companies hit 12-times earnings in the fourth quarter compared with 11.6 in the fourth quarter of 2008, according to an index compiled by accountancy firm BDO.

Meanwhile, trade buyers paid an average of 11.9-times earnings to buy private companies in the final quarter of 2009, up 18% since the start of 2009 and the highest since the first quarter of 2008.

A rally in public markets also pushed the value of companies in the Financial Times Non-Financials Index to 15.1-times earnings in the fourth quarter, 78% higher than the first quarter of 2009 and the highest since the peak of the mergers and acquisitions boom.

Christopher Clark, M&A partner at BDO, said: "We have seen a pretty dramatic recovery in public market multiples, particularly during the second half of 2009, as well as a mini-recovery in private company valuations. This is due to rising public company valuations giving buyers greater confidence to pay higher prices, a lack of supply of quality assets and a pent-up supply of private equity capital."

BDO's report added: "The [results] highlight that trade buyers will be able to pay similar or even higher prices for businesses than their private equity counterparts. This is due to trade buyers' ability to extract operational synergies from acquisitions, while private equity houses are no longer able to rely on raising as high a level of bank debt to support acquisitions as was possible in the past."

The combination of higher prices and lack of debt crushed private equity dealflow, according to a separate survey by Candover. The value of European buyouts slumped to €23bn ($32.5bn) in 2009 from €72bn the previous year. **TF**

News in brief

Merlin secures bolt-on

Merlin Entertainments Group, the Madame Tussauds and Alton Towers operator, bought a theme park in Florida as a precursor to an expected £2bn-plus (€3bn) stock market float before Easter, according to UK newspaper The Times. Merlin, controlled by Blackstone Group, is understood to have paid $22.3m (€15.8) for Cypress Gardens and is tipped to invest more than $100m converting it into the world's biggest Legoland.

Nesta hires industry stalwart

A UK government quango that promotes investment in growth companies has hired one of the UK's leading entrepreneurs. The National Endowment for Science, Technology and the Arts, founded in 1998 with a £250m (€287m) grant from the UK National Lottery, appointed Mike Lynch, founder of UK software giant Autonomy, to chair its investment committee. Lynch founded Autonomy in 1996 with backing from Apax Partners.

Buyout activity boosted

The value and volume of leveraged buyouts rose last year, with fourth-quarter deal amounts in the UK alone up 48% over the third quarter, and a larger number of big transactions, according to the Centre for Management Buyout Research.

Advent raises book price

Advent International has increased the price of its public tender offer for the outstanding shares of Polish educational publisher WSiP. The takeover bid is now valued at PLN424.62m (€103.4m). Pahoa Investments, owned by Advent, made the move after talks with shareholders.

Private Equity News past and…

On this day in PEN, and most read on…

EQT writes down fourth fund in large buyout hit

1 YEAR

Nordic buyout firm EQT Partners made one of the largest writedowns of a fund in an indication of what was expected to be a dire fourth quarter reporting season. The 50% writedown from EQT Fund IV was larger than the 20% investors were expecting to take on average from all firms in the final three months of 2008 and came from one of Europe's most successful groups.

KKR swoop sends Sun Micro into orbit

3 YEARS

Shares in Sun Microsystem surged after $800m of the computer server maker's high-yield convertible bonds were bought by KKR Private Equity Investor, the alternative investment firm's then Euronext-listed $5bn fund, borrowed $350m from Citigroup to part-fund the purchase. KKR said up to a quarter of its listed fund could be invested in public companies.

Apax in strategic shift away from VC

5 YEARS

Apax Partners, the largest venture capital investor in Europe, was making a strategic shift away from funding start-ups towards investing in the development of more mature businesses. Apax had a balanced fund strategy – around 20% of funds were ploughed into early-stage investments. However, the returns on early-stage investment in Europe have declined.

present

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1. EQT mourns murdered colleague
2. Blackstone prepares high street bank launch
3. New twist in PAI fund saga as investor calls in lawyers
4. Three buyout funds worth €3bn fuel recovery hopes
5. Apollo and Cerberus buy key Gala Coral debt

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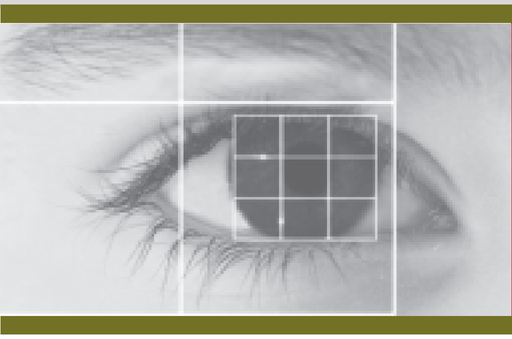

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Bridging the 'partnership gap' in private equity

Guest comment

Amyn Hassanally
of Coller Capital
and
Timothy Spangler
of Kaye Scholer

At the heart of private equity is a relationship of trust between the firm and the institutional investors that back the firm and its key investment professionals. The limited partnership structure commonly used for these funds has as its cornerstone certain fiduciary (and other) duties that partners owe to one another, due to the position of trust they enjoy.

In the current market, general partners require innovative structural adaptations for their funds to ensure limited partners receive the returns they require. Internal sources of capital, such as management fee waivers and recycling capital, may not alone provide sufficient capital to meet portfolio company needs (particularly for more mature funds). External sources of capital, such as debt facilities, are costly and can lead to a deferral of vital proceeds to limited partners, and cross-fund investing is riddled with conflicts of interest and would not be available to general partners without successor funds already in place.

As a result, general partners are increasingly focusing on "top-up funds" and "annex funds" as more promising methods of sourcing the requisite capital in a compressed timeframe.

A top-up fund effectively reopens the original fund (with the original investors' consent) to new limited partners who commit fresh capital to support certain of the portfolio companies in exchange for a share of all the fund's distributions.

The benefit of this unusual technique for the existing investors is that this approach avoids a "wipe-out" of the original fund's prior investment in remaining portfolio companies by opening them up to "cram-down" rounds of financing from third-party investors, while avoiding potential conflicts of interest in two funds managed by the same general partner investing in the same companies but on different terms.

An annex fund is a new fund managed by the same general partner as the predecessor fund but with a potentially different investor base and is formed solely to invest only in certain portfolio companies of the predecessor fund. In most cases, the capital of an annex fund is injected as "senior" equity into only those portfolio companies of the predecessor fund requiring follow-on capital. Other portfolio companies of the original fund are unaffected. Some annex funds are used to buy back portfolio company debt to ease pressure on the company's capital structure. The investors participating in the annex fund would receive a preference in distributions from the companies the annex fund supports.

Top-up funds and annex funds have traditionally been unpopular with limited partners because the potential for conflicts of interest and dilution abound. However, general partners can employ various mechanisms to manage these inherent conflicts of interest.

For example, original limited partners need not be excluded from participating in these bridging vehicles – indeed they should be offered the right to commit a certain amount of the additional capital as a means of safeguarding their investment.

In the case of annex funds, the tension between original limited partners and contributors of fresh capital centres on the valuation of the portfolio companies to be supported, and one method for managing this tension is to empower an independent advisory board of limited partners to oversee the valuation process and provide its consent for the transaction.

Editor's comment: Highlights from penews.com

Teachers' Acorn purchase highlights significant issues for industry

James Mawson – January 19

The benefits of buying a company can be many and varied but it certainly helps to get comfortable with a potential portfolio company if your money comes from people in the same sector.

The purchase by Ontario Teachers' Pension Plan, the C$87.8bn (€59bn) in-house investment manager of the Canadian retirement scheme, of Acorn Care and Education from Phoenix Equity Partners, fits firmly into this bracket.

With 10 special needs schools and fostering services across seven counties, Acorn has grown quickly since its launch in 2005 under its experienced management team of Kevin McNeany, chairman and former founder of founder and executive chairman of UK-listed Nord Anglia Education, and Steve Page, a former chief executive of Oxleas NHS Trust and managing director of recovery hospital Priory Healthcare.

McNeany has sold his stake in Acorn through the secondary buyout with Page and the remaining executive management reinvesting for a minority stake.

Phoenix has made an estimated four-times return on its deal. James Thomas, a managing partner of Phoenix, said in a statement: "By investing substantial growth capital since 2005, and by working hard alongside Acorn's excellent management team, we have together succeeded in establishing Acorn in its leading position."

The Canadian pension fund's private equity arm, Teachers' Private Capital, has succeeded in making its first European buyout. But the wider significance is what the investment might mean for its future limited partner commitments. The deal was struck at about £150m (€172m), and Teachers'

Political pressure will continue to dominate the industry

Editorial comment

James Mawson
editor, Private Equity News

Banning banks from "owning, investing in or sponsoring" private equity groups is pretty clear but, as always with regulation, the implementation of US President Barack Obama's phrase will be down to interpretation.

The impact could be significant. One definition of "sponsor" is someone taking official responsibility for the actions of another. Loosely interpreted this could affect lending or advisory decisions, but this is unlikely as Obama's speech targeted their proprietary trading "unrelated to serving their customers".

More likely, therefore, is the spin-off or sale of banks' private equity assets, whether direct equity stakes in portfolio companies or indirect interests in third-party funds. This is a trend already under way as bank capital adequacy rules are tightened under Basel II.

Banks also play vital roles as intermediaries for third parties to access private equity deals – through underwriting equity or debt bridges or effectively as funds of funds or wealth managers to individuals and institutions.

The US has some of the world's largest and most important banks and the biggest private equity market, so the impact could be significant before the possibility that other countries will follow suit.

If banks' roles in private equity is severely cut, the industry will struggle to find compensating mechanisms. Most likely, however, ways round the issue and lobbying will ameliorate the effects.

But the chances the industry will continue to face political and regulatory opprobrium remains high. Private equity and hedge funds were not the reasons behind the credit crisis but are a visible face of capitalism to be attacked. People understand banks are needed to help an economy function by lending and storing money, but not the extra functions they have taken on, or the innovation that has spawned financial engineered-buyouts, high-frequency trading, securitisation and derivatives.

As Paul Volcker, former chairman of the Federal Reserve and a primary Obama adviser, said last month at the Wall Street Journal Future of Finance conference in the UK: "I hear about these wonderful innovations in the financial markets, and they sure as hell need a lot of innovation. I can tell you of two – credit default swaps and collateralised debt obligations – which took us right to the brink of disaster. Were they wonderful innovations that we want to create more of?

"I wish somebody would give me some shred of neutral evidence about the relationship between financial innovation recently and the growth of the economy, just one shred of information…

"How many other innovations can you tell me that have been as important to the individual as the automatic teller machine, which is in fact more of a mechanical innovation than a financial one?"

Judging by these comments, finance itself will be under attack.

The biggest pitfalls facing banks remain property lending and derivatives these products, as this column has previously pointed out. Obama said as much: "We intend to close loopholes that allowed big financial firms to trade risky financial products like credit defaults swaps and other derivatives without oversight; to identify system-wide risks that could cause a meltdown; to strengthen capital and liquidity requirements to make the system more stable; and to ensure the failure of any large firm does not take the entire economy down with it. Never again will the American taxpayer be held hostage by a bank that is 'too big to fail'."

The motive behind the political and regulatory attacks is understandable, whether it is Obama's latest onslaught or the European Commission's nonsensical Alternative Investment Fund Managers Directive. The financial industry has taken too much of people's money and negatively affected their lives in the credit crunch to just be shaken off and, unfortunately, private equity, which can be a help to companies and society when applied correctly, is bearing the brunt of the pushback.

Private Capital told the Financial Times it was aiming for direct deals between £125m and £400m so as to avoid clashing with its existing fund commitments to general partners, such as BC Partners and Phoenix, which generally look for bigger and smaller deals, respectively.

This division is sensible – if Teachers' has recruited staff able to do buyouts in this area and has an angle, such as with Acorn, there is no reason why it cannot compete and achieve success similar to the best independent private equity firms.

The risk comes from a captive buyout team, such as Teachers', trying to keep talented staff and maintain the alignment of interests and discipline from regularly buying and selling companies for a profit.

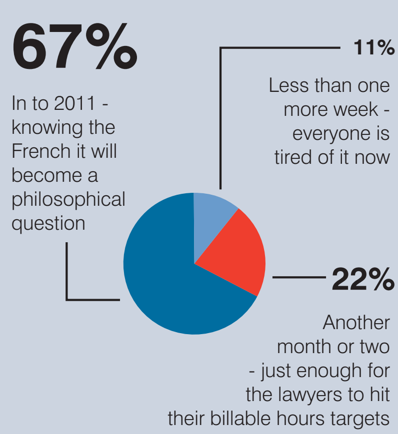
There also remains a potential conflict of interest in buying portfolio companies from a fund where it also acts as a limited partner. Banks and insurers have faced issues similar to this, and others the Canadian pension scheme can automatically avoid, such as trying to invest to earn advisory and other fees.

The past year's dearth of UK and European buyouts has partly been a response to the disappearance of a large number of non-traditional private equity investors, such as integrated finance operations of banks or financial entrepreneurs that had made up half the market at its peak.

Teachers' return to the fray with some signs of life in debt markets and undrawn capital at buyout funds means the near-75% drop in activity to £5.5bn in the UK last year is likely to be a low point.

Online poll

How long will the PAI fund dispute last?



Source: penews.com

Obama's bank proposal: major implications for private equity

Wall Street Journal blog Private Equity Beat

President Barack Obama's proposal to prevent banks from owning, investing in or sponsoring a hedge fund or a private equity fund has major implications for buyout firms.

The first, and most obvious, is for any private equity firm that is run by a bank. The number of these has decreased in recent years, as many banks have spun out their merchant banking operations, and it is also not entirely clear yet whether this proposal affects all banks equally. Nonetheless, there are still a few banks with significant buyout operations.

Among them, most notably, is Goldman Sachs, which has some $145bn (€103bn) in alternative assets under management as of September 30.

Goldman Sachs runs some of the biggest private equity funds around, including the $20.3bn GS Capital Partners VI and the $13bn GS Mezzanine Partners V. The bank has been a big investor in its own funds, with close to half of the capital in its sixth main fund, for instance, coming from the parent company and its employees. Several other banks have direct investing arms or major fund of funds operations which might be affected.

Tough talk: President Obama means business

"[The proposal] is a big deal," said a senior executive at one bulge-bracket firm. "It hurts Goldman Sachs the worst because of its reliance on proprietary trading."

A spokeswoman for Goldman Sachs declined to comment.

Second is the potentially broad impact of the ruling on fundraising by private equity and venture firms of all types. Banks are not huge investors in private equity funds – in 2008 they accounted for only 10.3% of overall US fundraising, according to the Private Equity Analyst Sources of Capital survey, and that percentage likely declined in 2009 as banks tend to pull back from private equity during down periods.

But in what is already a tough fundraising environment, their removal from the capital pool will just make things that much harder. And depending on how the administration's proposal is enacted, it could result in a real logjam on the secondary market and major headaches for firms that count banks among their limited partners, as banks may have to exit their existing fund stakes.

"The regulations may cause some wholesale spin-offs," said Kelly DePonte, a partner at placement agent Probitas Partners. "This is good news for the secondary market as attractive partnerships will be offloaded."

European buyout firm plans 20% growth in staff

Tom Fairless

Mid Europa Partners, the central and eastern Europe-focused buyout house, is to boost its staff numbers by 20% to take advantage of resurgent private equity activity in the region.

The firm is looking to hire six associates by the start of the second quarter, three in London and the remainder in its Budapest and Warsaw offices, according to its managing partner Thierry Baudon. The move would increase staff numbers by 20%, he said.

The firm also announced six promotions, including the elevation to director of Nikolaus Bethlen, based in Budapest, and Stefan Tzvetkov in London.

The news came after private equity activity in central and eastern Europe appeared to turn a corner in the third quarter of last year, with deal values topping $1bn (€667m) for the first time since mid-2008.

Baudon said: "We slowed recruitment in 2009 because we expected activity to drop off. However, business was pretty brisk because growth in many central and eastern European countries, particularly Poland, outpaced that in western Europe, and the level of debt in buyouts remained relatively low, so that financing was less of a problem. The banks serving the region have also been less affected than their western peers."

According to data provider Dealogic, there were 13 deals across the region during the period with a combined value of $1.02bn, up from a low in the first quarter of the year when 12 deals tallied a combined value of just $31m. Buyouts accounted for 8% of regional merger and acquisition activity, a level not breached since 2006.

Much of the activity was driven by Mid Europa, which announced the $745m buyout of Hungarian telecoms and broadband operator Invitel and closed the $160m acquisition of UPC Slovenia, the leading cable TV business in the country.

The resurgence followed a difficult period during which US-based Carlyle Group closed its central and eastern European operations in late 2008, and other firms reduced exposure to the region.

Last month, Austrian firm Syntaxis Capital secured investment from the European Bank for Reconstruction and Development for one of the largest central and eastern European mezzanine funds, taking the fund's capital to €140m ($205m) of a targeted €250m.

Goldman, Apollo and Cerberus buy Gala Coral debt

Toby Lewis

A consortium comprising Goldman Sachs, Apollo Management and Cerberus Capital Management has acquired an important tranche in Gala Coral's debt which gives them and an incumbent mezzanine holder a chance to take control of the company from its private equity owners, according to sources.

Mezzanine lender Intermediate Capital Group and one other debt investor advised by Park Square Capital have sold €130m of debt, according to sources. Another source confirmed ICG's sale.

The consortium and Park Square will now have the opportunity to take control of the company from incumbent owners Permira, Candover and Cinven if they choose to inject fresh equity.

ICG, Gala Coral, Goldman, Apollo, Cerberus and Permira declined to comment. Cinven and Candover did not respond to requests for comment.

ICG and Park Square are understood to have put the stake up for sale following a request by senior lenders for the mezzanine lenders to inject a further £150m (€173m) into the company to take control.

This would wipe out the existing equity held by the private equity owners of the company, according to sources familiar with ICG and Park Square's talks with the market.

The sale of the debt also attracted the interest of Blackstone Group, which, like Apollo, had put forward proposals to take over the company. One of the existing owners, Permira, had also expressed interest in injecting new money into the company alongside Blackstone. Blackstone declined to comment.

External bidders CVC Capital Partners and Providence Equity Partners had also expressed interest in taking over Gala Coral, according to UK newspaper The Times.

The Times has also reported UK entrepreneur Hugh Osmond was interested in bidding.

Blackstone named in talks over new UK bank

Margot Patrick and **Marietta Cauchi,** Dow Jones

Another new entrant in the UK retail banking has emerged with plans to bring back-to-basics service to the market, according to sources.

A management team led by banking heavyweights Peter Birch and Stuart Sinclair is trying to raise capital for the new venture, to be called the Home and Savings Bank.

Sources said talks had been held with potential investors, including Blackstone Group, and the Pears family, best known for its vast UK real estate portfolio.

The idea for a "safe, fair and simple" bank was formulated last year and a banking licence application has been made, according to a source. Initially, the bank would offer internet, telephone and postal banking – possibly as soon as this year – with physical branches to be added later.

Birch is a former chief executive officer of Abbey National, now part of Banco Santander. Sinclair is a former chief executive of Tesco's personal finance busines and a former director of Royal Bank of Scotland's retail division.

Meanwhile, Walton & Co is meeting investors in pursuit of a £200m (€230m) initial public offering to cover start-up costs.

The team behind that venture include Panmure Gordon banks analyst Sandy Chen, Paul Walton, a former risk consultant to the UK Financial Services Authority, and Peter Middleton, a former chairman of Barclays.

The UK government has said it is keen to see new players in British banking after a set of mergers and acquisitions resulted in much of the retail market being dominated by a clutch of institutions, including part state-owned Lloyds Banking Group and Royal Bank of Scotland.

Private equity deal-making picks up after slow 2009

Toby Lewis

Following weak activity last year, the private equity industry has begun this year with a bang, with a slew of new deal announcements in the space of a few days.

Buyouts reported so far this week include Ontario Teachers' Pension Plan's buyout of Acorn Care and Education for around £150m (€172m) from Phoenix Equity Partners and a more than $100m (€70m) venture funding round raised by Kleiner Perkins-backed electric car company, Fisker Automotive (*see page 9*).

Fashionable: Acton Capital Partners bought into mytheresa.com

Additionally, Dubai-based Abraaj Capital has secured a $128m contract to manufacture tugboats for industrial portfolio company GMMOS Group (*see report, right*).

This activity is in marked contrast to much of 2009 – according to data from the Centre for Management Buyout Research, it was the worst year for UK private equity dealflow in 25 years.

James Moore, head of the private funds group at Swiss bank UBS, said: "The first two weeks of 2010 certainly feel a lot better than the first two weeks of 2009. While this year will continue to be a tough year for fundraising, the underlying trend is one of a slow, steady recovery."

Smaller-cap deals have been particularly active.

Acton Capital Partners acquired a stake in Munich-based mytheresa.com, a retailer of luxury women's fashion and accessories, for an undisclosed sum.

Meanwhile, a private equity arm of asset manager Franklin Templeton, Darby Overseas Investments, backed Prestolite Electric Beijing, a Chinese division of US firm Prestolite, with a $33.5m convertible loan.

US venture capital firm closes London office

Shanny Basar

Atlas Venture, the US venture capital firm which closed its latest fund with just over half of its original target raised, is shutting its London office.

Atlas said in statement that during 2010 the firm will bring all operations together at a new office in Boston, US.

Peter Barrett, partner, said: "Having all of us together in a single location will streamline decision-making and increase overall operating effectiveness."

Fred Destin, a partner in the technology group, is relocating to Boston. He had joined Atlas Venture's London office in 2004 from Dresdner Kleinwort Wasserstein, where he served as a partner in the bank's technology investments group.

News round-up

Abraaj wins tug boat order

Dubai-based Abraaj Capital announced last week its majority owned GMMOS Group had secured a $128m (€91m) contract for the construction of three new salvage tugs for a port in Algeria. Grandweld – a UAE-based shipbuilding, ship-repair and conversion specialist and a division of GMMOS – won the order to build three tugs from Sogeport-GICEP of Algeria.

Firms face Seoul tax move

Tax authorities in Seoul are seeking to impose a capital gains tax on US private equity firms exiting deals in South Korea, a move industry insiders say is directed at Dallas-based Lone Star Funds which is slated to sell its investment in Korea Exchange Bank as soon as this year. According to sources, the proposed tax, under discussion for several years, resurfaced recently. Lawyers say the form or level of any capital gains tax if and when the existing bilateral tax treaty is amended remains unclear.

Seat bond in two parts

Private equity-backed Seat Pagine Gialle's planned €650m ($935.6m) seven-year bond issue will consist of two parts, according to a source. The Italian yellow pages publisher is planning to issue a fixed-rate high-yield bond that will be non-callable for three years, and a floating rate note, non-callable for two years. BNP Paribas, Citigroup, Deutsche Bank, JPMorgan Chase, and Royal Bank of Scotland Group are managing the sale.

PE slams insurance rules

The private equity industry has voiced fears that planned European reforms will drive insurers away from investing in the sector, despite receiving a boost when German insurer Allianz revealed it may double its investment in alternatives assets. Fears over the changes persist even though Allianz's finance director Paul Achleitner revealed he was considering doubling the insurer's investments in alternative assets to €30bn ($42bn).

Wallenberg vehicle rises

Sweden's Wallenberg family's Investor vehicle left its proposed 2009 dividend unchanged from the previous year at 4 Swedish kronor per share ($0.57), as its closely-watched net asset value per share rose 3.3% in the fourth quarter from the previous quarter following financial market improvements. Investor performed better than analysts predicted.

Buyout funds worth a combined €3bn fuel hopes of recovery

Toby Lewis

Three private equity fund closing announcements totalling €3bn ($4.2bn) this month have added to hopes the European fundraising market may be recovering from its nadir at the end of last year.

An infrastructure affiliate of French bank BNP Paribas, Antin Infrastructure Partners, and the former buyout arm of UK merchant bank Close Brothers are the latest to join the select band of firms successfully riding out the poor fundraising environment. Last week UK buyout firm HgCapital announced it had raised a £1.85bn (€2.1bn) fund.

Antin has raised €515m, with €300m of that coming from two divisions of the bank, and the remainder raised from third-party investors. Antin is looking to raise €1bn by June, and is confident it can raise more than €700m in the first quarter, according to Alain Rauscher, chief executive.

CBPE, the former buyout arm of Close Brothers which became independent from the bank in 2008, has also raised £405m, hitting a target it had revised downwards from its initial plans to raise £500m before the financial crisis worsened, according to John Snook, CBPE's managing partner.

The rush of closes has fuelled hopes private equity firms are beginning to bounce back from the worst quarter in more than six years for fundraising in the fourth quarter of 2009, when a total of $35.1bn (€25bn) was raised, based on data provider Preqin's statistics.

Rauscher said the funds raised by his firm outside the cornerstone backing it had from its bank affiliate had been secured during the second half of 2009, as the fundraising market picked up. He said the environment for fundraising in the first half had been extremely difficult. Rauscher said: "In many cases investors said 'We are still counting our losses – this is not a proper time to talk, so come back later'."

However, some are more sceptical. Snook said he saw limited signs of the wider fundraising market recovering, although he said mid-market funds like CBPE would find it easier to raise money than areas harder hit by the crisis such as large buyouts.

He said: "Investors remain very quizzical. There is a body of limited partners [investors] that remain medium-term out of the market for private equity. I do not think that will change very quickly."

Travelport IPO takes off amid buyout floats

Paul Hodkinson and **Radi Khasawneh**

Private equity firms are lining up to take advantage of a strong period in the capital markets with more than 20 planned portfolio company flotations.

Travelport, the travel company owned by a group of investors that includes private equity firm Blackstone Group, is the latest portfolio company seeking to become a publicly-traded company after confirming last week that it would be the UK's first benchmark share offering of the year.

The deal is an important first case for the UK market. It will also be the third-largest initial public offering in the country since 2000, according to an ECM banker. The last sponsor-led IPO in the UK market was Gartmore's £676m (€767m) deal in December. Gartmore, owned by US buyout firm Hellman & Friedman, floated at the low end of guidance, at 220p a share, in the wake of the Dubai crisis.

Sponsor UBS and joint global co-ordinators Deutsche Bank and Credit Suisse hope to raise at least $1.775bn from the IPO, which will be marketed to institutions globally, according to a statement. Separately, the company has also attracted a $225m investment from the Government of Singapore Investment Corporation. GIC will now own a 7.19% stake. The bookbuilding for the Travelport float begins on February 1.

Travelport: provides services for the travel industry

The deal means the number of European companies being actively considered for listing by sponsors totals 23, according to research of press statements and archive material by Private Equity News.

This would mark a dramatic change from last year when just two sponsor-backed IPOs came to market. Among the most active firms are Apax Partners, which is considering five flotations, and Blackstone Group and BC Partners, each considering four. One market source said many of the potential exits were likely to be dual-track processes, meaning the companies may be sold rather than floated.

Companies in line to be floated (and their sponsors)

- Acision (Atlantic Bridge Ventures)
- Amadeus (BC Partners, Cinven)
- AVG Technologies (TA Associates)
- Betfair (Balderton Capital, Index Ventures)
- Brenntag (BC Partners)
- GHG (Apax Partners)
- Icera Semiconductors (DFJ Esprit)
- ISS (EQT Partners)
- Kabel Deutschland (Providence Equity Partners)
- Medica (BC Partners)
- Merlin Entertainments (Blackstone Group)
- New Look (Apax Partners, Permira)
- Pets at Home (Bridgepoint Capital)
- Poundland (Advent International)
- Promethean (Apax Partners)
- Sophos (TA Associates)
- TDC (Apax Partners, Permira)
- Tragus (Blackstone Group)
- Travelex (Apax Partners)
- Travelport (Blackstone Group)
- United Biscuits (Blackstone Group)
- Unitymedia (Apollo Management, BC Partners)
- Virgin Active (Bridgepoint Capital, Permira)

EQT set for second-round bid against trade buyers for Ratiopharm

Ivan Castano

Prospective buyers for German pharmaceutical company Ratiopharm are building up to a second-round bidding deadline of February 5.

Sources said the handful of bidders, including Swedish private equity firm EQT Partners, consisted mainly of trade buyers such as drug giants Pfizer, Sanofi-Aventis, Israel's Teva and Chinese generics drug maker Fosun.

One source rejected reports EQT was considering teaming up with compatriot drugs group Actavis to mount the bid.

He said: "These were rumours and the firm had no plans to do this. However, the firm is considering bidding alone or in partnership with another firm."

He said EQT had loan commitments from Commerzbank and another large European bank to help finance a prospective bid. He said Commerzbank, which is managing the sale with RBS, had offered to lend as much as €1bn ($1.4bn) as part of staple financing for the deal.

US venture-backed company secures mega-fundraising

Dow Jones Newswires

Electric hybrid car company Fisker Automotive has raised $115.3m (€81.5m) and is on the road to raise more to secure a $500m-plus loan from the US Department of Energy.

"The business plan has always called for $150m in equity," said Ray Lane, a managing partner at venture capital firm Kleiner Perkins Caufield & Byers, which has been a major investor in Fisker since the company's founding in 2007.

Lane said Fisker would grab the investing momentum surrounding the company to complete the $150m funding round in "the next month or two".

The start-up company, based in California, announced the raising of $115.3m to close on a $529m low-cost loan with the US Department of Energy, which required Fisker to raise $113m in equity, according to Lane.

Hybrid: the Fisker Karma

Ontario Teachers' closes unusual Acorn transaction

James Mawson

Ontario Teachers' Pension Plan has caused controversy by completing a rare acquisition of one of its fund managers' portfolio companies.

The C$87.8bn (€59bn) in-house investment manager of the Canadian retirement scheme has bought Acorn Care and Education from Phoenix Equity Partners' 2001 fund, in which the pension fund's private equity arm is an investor. Phoenix bought Acorn in 2005 and agreed 13 subsequent bolt-on acquisitions of special needs schools and independent fostering services in the UK.

As revealed by Private Equity News last week, Ontario Teachers' beat up to 20 other interested parties, including buyout firm HgCapital, to win exclusive talks to buy UK company Acorn Care and Education for £150m (€168m) from Phoenix. Senior debt was arranged by Lloyds Banking Group, GE Capital and Barclays Capital with Ares providing mezzanine finance.

The transaction highlights the potential difficulties of investors juggling investing in and co-investing with third-party buyout funds, and buying companies directly themselves, potentially from firms with whom they have built long-standing relationships as limited partners.

Limited partners, which act as investors in private equity funds, have been re-evaluating their strategy to the asset class, particularly since the credit crisis started in mid-2007, with many of the largest turning towards direct investments as a way of cutting fees and improving returns. The Acorn transaction is one of the first examples where a formerly big limited partner has bought a portfolio company from a fund it had invested in.

Investment chief tells the tale

James Mawson, editor of Private Equity News, talks to Ben Hewetson, head of Teachers' Private Capital's London office responsible for making direct investments across Europe.

Mawson: What is the importance of the Acorn transaction to Teachers' Private Capital?

Hewetson: This deal is one of many steps we have made and are making to cement our position in Europe.

Mawson: How was it funded?

Hewetson: It is about 50:50 debt to equity with a consortium of Lloyds Banking Group, Barclays Capital and GE Capital with Ares on mezzanine. However, the deal is still at lower leverage than Acorn had before the money went through to complete the deal.

Mawson: How is Teachers' able to compete against traditional private equity firms?

Hewetson: It is a crowded market. At Teachers', we are focused on using our differences to help, such as our capital structure being more open-ended and elastic to help with buy-and-build deals. Acorn's management was interested in us for that reason, and us them. However, we will sell at some point as we look for cash-on-cash returns but we can be patient.

Mawson: Acorn is a secondary buyout with management about 50% of the original equity. How can you incentivise them?

Hewetson: Kevin McNeany, chairman, has exited completely but the remaining executive team are fully incentivised.

Mawson: How did you deal with potential conflicts of interest?

Hewetson: Conflicts are dealt with by everyone playing a very straight bat and that is exactly what everyone did here. If ever there was a question that Phoenix favoured us in the Acorn deal, because we are a large investor or considering re-upping to its next fund, the consequences to their firm would be severe, so why on earth would they do so? Rothschild ran a very open and professional auction as they always do. Buying Acorn will have no impact on whether Teachers' commits to Phoenix's next fund.

Read more of this interview on www.penews.com

UK firm faces dilution of stake in game maker

Tom Fairless

Balderton Capital, the UK spin-off of Silicon Valley venture capital firm Benchmark Capital, is set to see its stake in a UK computer games maker fall in value, just seven months after writing off its €40m ($58m) stake in broadcaster Setanta.

According to a source, Balderton is in talks with investors about raising new funds for Codemasters, one of Britain's oldest video game developers and creator of the Colin McRae Rally series.

Last year was difficult for game makers – peers such as Paris-based UbiSoft have reported a sharp drop in sales. This environment has necessitated Balderton's fundraising.

The London-based firm paid less than $50m (€35m) for a majority stake in Codemasters in June 2007. Balderton may also invest in the new financing round, according to a source.

A spokesman for Balderton declined to comment.

Balderton also held a 20% stake in Setanta, the Dublin-based sports broadcaster that went into administration last June. Barry Maloney, co-founder and a general partner at Balderton, said at the time that the firm expected four deals out of 10 to fail, another four to return its investment and two to return more than 10 times.

EQT mourns death of colleague

Toby Lewis and **James Mawson**

Nordic buyout firm EQT Partners branded the killing of one of its Munich office executives "a horrible tragedy".

Dirk von Poschinger-Camphausen, a 36-year-old Munich-based EQT executive, was found dead on Saturday, having been shot at least 10 times. Police arrested three men who are being investigated for robbery and murder.

EQT's spokesman said in a statement: "It is with great sadness and dismay we learned that our dear colleague Dirk von Poschinger-Camphausen was found dead by the Munich police this weekend.

"This is a horrible tragedy for Dirk's family as well as for EQT, and our thoughts go to Dirk's wife and two young daughters. We are doing everything we can to support them at this difficult time.

"Dirk was a highly-valued member of EQT."

Von Poschinger-Camphausen joined EQT from Morgan Stanley last year. The firm said it was supporting the police in their investigation.

Police said von Poschinger-Camphausen may have been murdered for his Audi, which he was looking to sell for €54,000 ($77,000) in preparation for a move to the US. He was last seen alive on Thursday, January 14.

Istithmar World CEO resigns amid debt woes

Dow Jones Newswires

David Jackson, chief executive of Dubai World's investment arm Istithmar World, has resigned as the troubled government-owned conglomerate struggles to manage some of the huge investments made under his leadership.

Dubai World said Jackson had left the company, which was in the process of trying to restructure about $22bn (€15.7bn) of debt, to "pursue other opportunities". Jackson, a former Saks Fifth Avenue assistant buyer, declined to comment.

Dubai World said in a statement: "Today, Istithmar World is focused on the steady-state management of existing assets to maximise value rather than on private equity investment."

Since its creation in 2003, Istithmar World has spent nearly $20bn on a variety of investments, using less than $3bn in cash and the rest in borrowed capital, according to estimates from Roubini Global Economics. Much of it was spent at the market peak in 2006 and 2007.

Cirque du Soleil: one of the deals done under Jackson

REUTERS

Some of the investments made under Jackson include deals for New York boutique investment bank Perella Weinberg Partners and Cirque du Soleil, the Montreal-based entertainment company.

Speculation about Jackson's departure from Istithmar has grown in recent months. In September, Dubai World tried to quash media reports that Jackson had left the company, saying he continued "to lead the investment house with Dubai World's full support".

Permira Asia head replaced by Veronica Eng

Paul Hodkinson

Permira's head of Asia, Guido Paolo Gamucci, has retired from the buyout firm and has been replaced in the role by Veronica Eng.

Gamucci, 55, set up the firm's Tokyo office in 2005 and later moved to oversee the launch of its Hong Kong office. He announced his intention to retire in June and stood down at the end of the year.

A Permira spokesman said: "We can confirm he retired at the end of the year as planned following the successful set-up of the Asia operations over the last four years."

Eng, originally from Singapore, will now be responsible for the two offices. Eng, who also chairs Permira's investment committee, has been named in Financial News's annual FN100 Women for the last two years. She was judged to be the most influential woman in European private equity in a Private Equity News poll in August.

Alex Emery heads Permira'a four-strong Japanese office and Henry Lin Chen, based in its five-person Hong Kong office, heads its greater China operations. Both previously reported to Gamucci.

The firm has completed only two deals in Asia. In 2007 it took a minority stake in Chinese casino company Galaxy Entertainment for HK$6.5bn (€562m) and bought Japanese agrichemical company Arysta LifeScience for $2.2bn (€1.5bn).

Gamucci served on Permira's board and investment committee. Prior to joining the firm, he spent six years with UBS Capital in Italy. He also worked at Citicorp.

People moves round-up

Broker names Moulton chairman

Jon Moulton, founder of Alchemy Partners and Better Capital, has joined UK adviser and broker FinnCap as non-executive chairman. Moulton, who left Alchemy in September, said the small-caps area, on which FinnCap focuses, offered "lots of potential". He added: "Small-cap and growth companies stand a much better chance of doing well in a weak economy." Moulton recently founded Guernsey-incorporated investment company Better Capital, which joined the Alternative Investment Market in December and raised £142.4m (€163m) on floating. Better Capital plans to target distressed companies and will benefit from an investment advisory team led by Moulton. Sam Smith, founder and chief executive of FinnCap, said Moulton's experience and knowledge would help take the company to the next stage of its growth.

Natixis adds to loans distribution

French bank Natixis has hired Rikki Chui to lead its loans distribution business in Asia-Pacific. Chui joins from Dutch bank KBC Bank in Hong Kong where he is regional head of syndications. He will remain in Hong Kong for his new role, which begins in February.

Carlyle promotes three in Asia

Carlyle Group has promoted three investment professionals in its Carlyle Asia Partners division. Hong Kong-based Alex Ying has been named a managing director, focusing on investments in Taiwan. Singapore-based Anand Balasubrahmanyan was also named a managing director to handle Carlyle's investments in south-east Asia. Manoj Dengla was promoted to a director in the firm's Mumbai office. Carlyle has more than 40 investment professionals across Asia.

Private equity's 'pass the parcel' comes under fire

Questions are being raised about an increasingly popular strategy employed by private equity firms, writes Toby Lewis

The phrase "pass the parcel" evokes memories of the childhood parlour game. But it has taken on a less positive connotation in the private equity industry, where it refers to secondary buyouts, the sale of a company from one firm to another.

Such deals have been one of the most heavily criticised aspects of the industry, with observers and investors previously claiming that each deal piles on more debt and allows buyout firms, lawyers and investment banks to extract profits in fees. The increasing prominence of secondary buyouts has even raised eyebrows within the industry.

One private equity-focused investment banker said: "Fund investors should rightly be concerned if firms are just passing the parcel… It is important private equity does more than buying off each other."

But practitioners argue secondary buyouts are valid and often lucrative. Neil MacDougall, managing partner of European mid-market firm Silverfleet Capital, said: "There is absolutely nothing wrong in principle with secondary buyouts.There are many reasons why secondary buyouts can be successful investments."

In spite of the criticism, the practice is becoming increasingly popular. According to Dealogic, secondary transactions accounted for 59% of all private equity buyouts in Europe by value so far this year, up from 22% last year. The surge follows a decline in the share of secondary buyouts during the financial crisis, from a high of 39% in 2007, when secondary deals worth $76.7bn (€54.5bn) were completed.

The surge is likely to continue throughout 2010 because much of the private equity deal-flow coming up is driven by secondary transactions, according to bankers. Planned secondary deals includes the auctions of Bridgepoint Capital-owned Pets at Home for about £800m (€919m), Istithmar World-owned shipping company Inchcape Shipping Services for between $600m and $700m and LGV Capital's planned sale of laboratory testing group LGC for £200m, as well as Barclays Private Equity's sale of skin care company Deb Group for £300m.

Simon Tilley, a managing director at Close Brothers Corporate Finance, said: "Over recent months a number of private equity asset disposals have resulted in feeding frenzies from other buyout firms, particularly given their continued inability to generate much real traction around other types of investment opportunities such as public-to-privates, distressed sales and non-core disposals."

One reason for this trend is the buoyancy of equity markets, which have allowed corporates to avoid selling assets by pulling off rights issues, thereby increasing price expectations, according to Tilley. That effectively leaves secondary buyouts as the major source of deal-flow.

But the increase in secondary buyouts risks aggravating investors and harming firms' ability to raise funds, according to James Moore, head of the private funds group at Swiss bank UBS. He said: "Let's hope not too many exits are achieved through secondary buyouts. Ultimately the problem many limited partners [investors] face is one of liquidity. If they're facing such constraints in the aggregate, secondary buyouts won't relieve the situation."

That is because one investor's gain through a secondary deal is another's loss, according to Moore. He said: "For some with broad portfolios, it may well be money out of one pocket and into another, minus costs. Too many secondary buyouts may raise the question from limited partners that there is still too much money chasing too few opportunities."

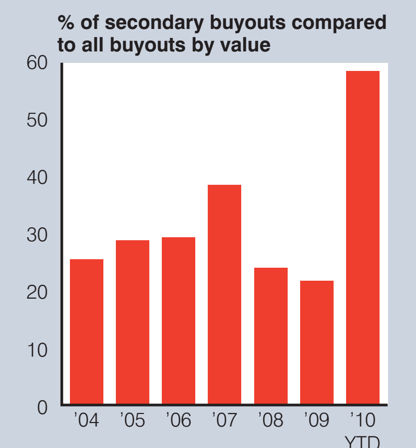
But MacDougall said: "I have little sympathy with the argument that it is ultimately the same investors investing because they are limited partners in different funds. Provided investments are being done for the right reasons, and the businesses expand, I don't think the argument stacks up."

According to Tilley, secondary buyouts may fall as a share of all buyouts later in the year because vendors still need cash, and it is only a matter of time before assets seized by banks and companies' non-core divisions are brought to market.

MacDougall argues that secondary buyouts will remain popular because many management teams enjoy working with private equity firms and have had a productive spell under buyout ownership.

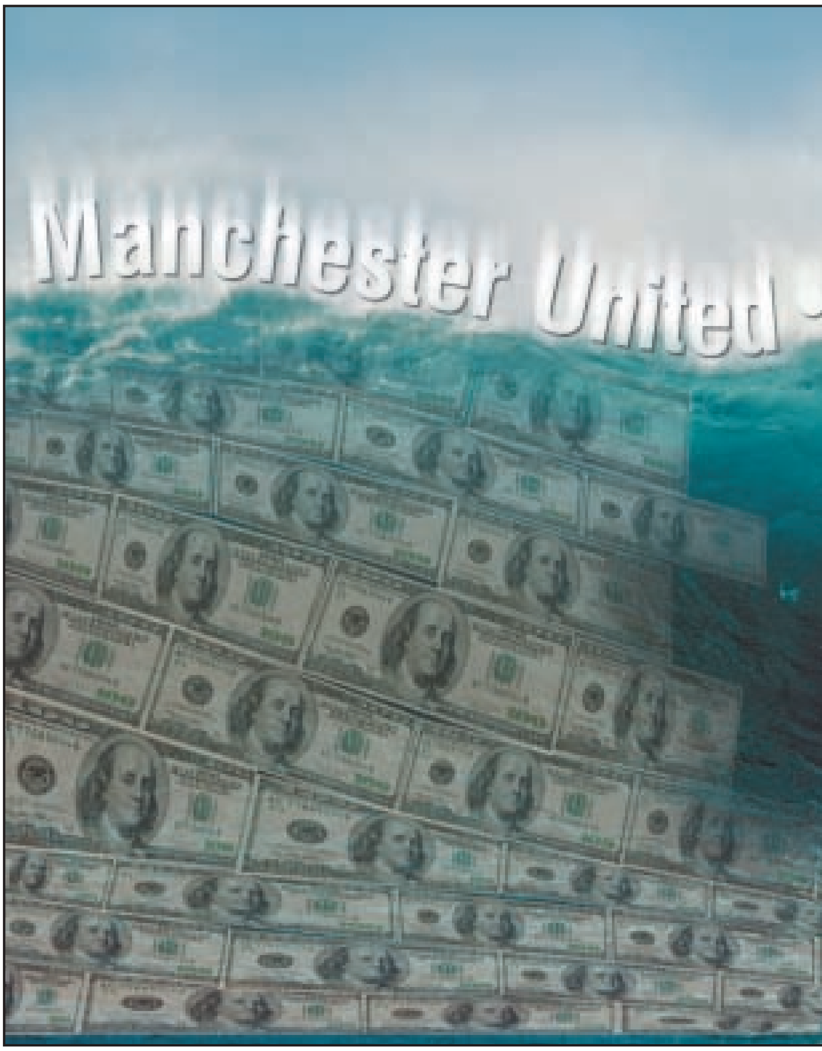
The key issue is whether firms pay too much for investments, according to MacDougall. He said: "I would say maintaining a disciplined approach to pricing is one of the core differentiators between general partners [buyout firms]. This is something which has been massively underestimated by the limited partner [investor] community. To say secondary buyouts are a bad idea because some general partners did get carried away and overpaid for them is not getting to the essence of the problem."

Secondary buyouts surge



Source: Dealogic

Junk bonds float on sickly debt ocean



Bankers see a surge in high-yield bond issuance, but problems remain for the overall leveraged finance business, writes James Mawson

The junk bond market, traditionally the poor relation for buyout debt issuance in Europe, is proving one of the few bright spots in the financing world this year. But while bankers expect buyout firms to make increasing use of high-yield, or junk, bonds in the months ahead, they caution there are continuing problems in the loan market, which is far more important to the overall health of leveraged finance.

Although occasionally issued in the cable sector, private equity firms in general have rarely issued junk bonds in Europe, except for a time in the late 1980s. But according to bankers, firms are now examining the potential of junk bonds to fund a host of deals.

A number of private equity-backed European companies, including French electrical supplier Rexel, backed by Clayton Dubilier & Rice and Paris-based Eurazeo, and Italian yellow pages publisher Seat Pagine Gialle, backed by CVC Capital Partners and Permira, have started to issue bonds to refinance existing senior loans arranged by banks. The latest moves follow an inaugural high-yield bond launch in October by German industrial group Evonik, in which CVC owns a minority stake, that raised €750m ($1.1bn) and was seven times oversubscribed.

According to data provider Thomson Reuters, a record €8.3bn worth of junk bonds came to market in the second week of the year, if non- or quasi-private equity-owned companies, such as football club Manchester United, are included. Further issuance is expected from these types of companies, including Wind Telecommunications, as part of up to €50bn of junk bond issuance this year, according to data provider CapitalStructure.

By comparison, just five bonds, worth a combined $2.4bn (€1.7bn), were issued to private equity-backed companies last year, two-thirds down by value from 2007, according to data provider Dealogic.

Company refinancings using junk bonds are usually a last resort for financial sponsors because, despite carrying fewer or no covenants, they are often more expensive than the existing notes, according to bankers, and since they are rated by external agencies, they also attract greater public attention.

However, they are becoming more attractive. The yield on junk bonds, which moves in inverse proportion to the price, has fallen from a high of 22.6% at the end of 2008 to 8.7% at the start of the year, as investors search for higher returns and fears of large defaults and low recoveries recede.

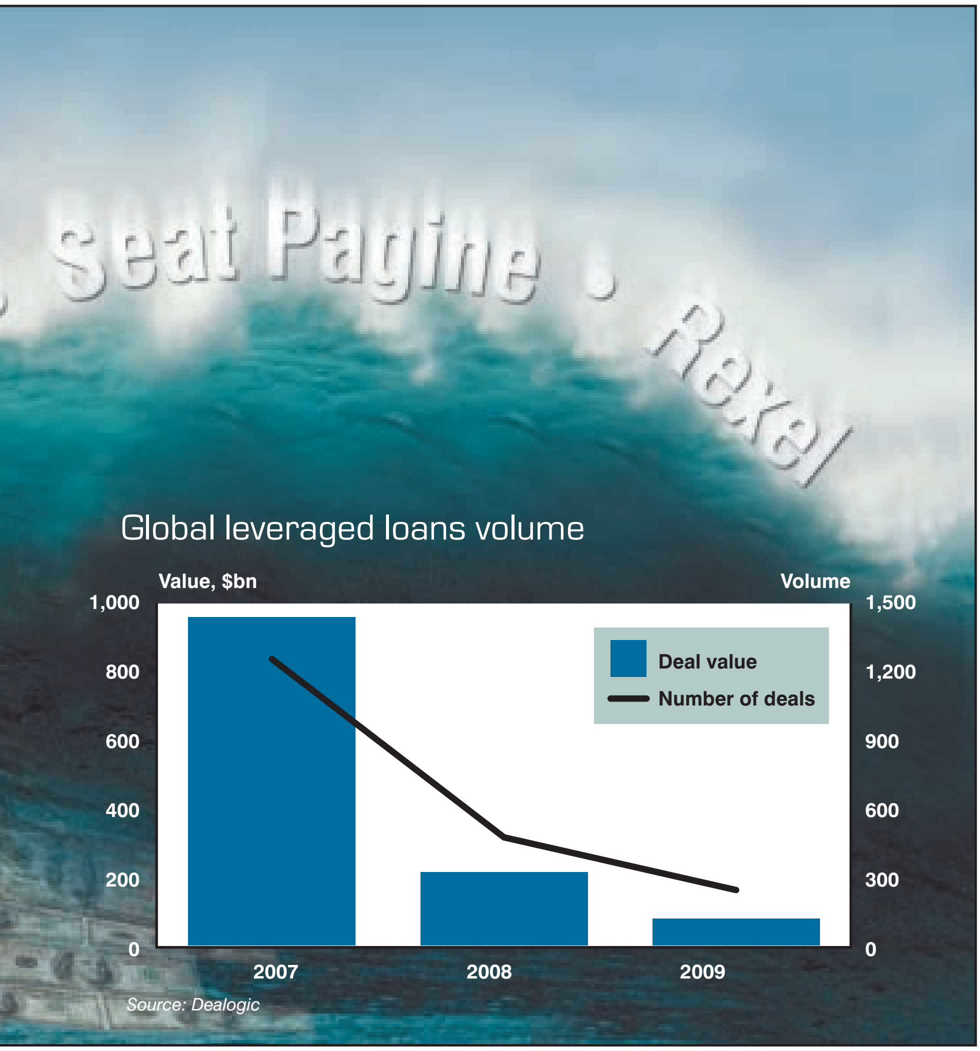
Bankers said they expected private equity firms to try to use junk bonds to replace bridge financing for potential large acquisitions of more than £1bn (€1.15bn), including £350m to £390m for Bridgepoint Capital's Pets at Home retailer and a similar sum for Matalan, a UK store chain.

Mathew Cestar, co-head of credit capital markets at Credit Suisse, said: "Financial sponsors have in many cases been focused on their portfolio companies for the past 18 to 24 months. Last year, activity in the capital markets was concentrated in the non-sponsor corporate issuers, where there has been substantial need to refinance existing debt. Last year's purchase of German cable company Unitymedia by [international media group] Liberty Global, using high-yield bonds was a siren call to others that the bond market was open and willing to finance acquisitions in meaningful size.

"One of the key themes this year will be sponsors coming back to bond and leveraged loan markets as the credit market normalises."

The overall leveraged finance industry remains challenged, however. Leveraged loans, arranged by banks to support acquisitions, traditionally make up half to three-quarters of the enterprise value of a private equity-backed company.

However, issuance tumbled last year. In Europe, banks arranged $13bn of loans for 40 financial sponsor-backed companies last year, according to Dealogic. That compares with loans worth $349bn for 389 deals in 2007. Globally, the data was similar, with leveraged loans to financial sponsors dropping to $78.7bn last year from $963bn in 2007, although there was a slight improvement in the fourth quarter after



> **"Leveraged loans will always be bigger than the junk bond markets, and for private equity to re-emerge they need this lending"**
> head of leveraged capital markets at a European bank

the April-to-June three-month nadir, according to Dealogic.

One head of leveraged capital markets at a European bank said: "Leveraged loans will always be bigger than the junk bond markets, and for private equity to re-emerge they need this lending. There is demand with appropriate pricing as collateralised loan funds are starting to have capacity after some of their portfolio, such as Virgin Media and [Dutch cable group] UPC, are repaid out of bonds; some credit hedge funds are still around; and banks are prepared to underwrite for the right relationships or deal, and their ability to originate-and-distribute to third parties is just round the corner. There is potentially up to €1bn, with multiples of that now available in bonds."

A managing director a UK bank that provides debt for mergers and acquisitions agreed limited liquidity was coming back to the leveraged loan market. He said: "The first sign of a return was three lenders underwriting the £553m Wood Mackenzie secondary buyout [by Charterhouse Capital Partners from Candover Partners] in June and the sole underwriting of [Apax Partners'] purchase of Marken [from ICG for £1.3bn] at the end of the year. For credits we know, or high-quality names, there is a chance of underwriting. Other arrangers and debt funds, such as GE Capital and Ares, which were on Teachers' Private Capital's secondary buyout of Acorn Care and Education [last week], have also started to come back."

Other large banks, including Calyon, Lloyds, Credit Suisse, HSBC and Barclays, as well as US investment banks Bank of America Merrill Lynch and Goldman Sachs, are also underwriting or arranging loans. And although Royal Bank of Scotland, which used to be Europe's largest arranger of debt to financial sponsors, closed its leveraged finance group after being nationalised by the UK government, it still lends to mid-market private equity deals through its corporate division.

However, a chief investment officer at a large asset manager said: "I sense investor appetite for financials' debt has remained quite cautious. As yields have compressed in corporate high-yield, the bankers think financials may become more popular again.

"Action is still very much in the debt markets, where issuers are looking to lock in low absolute rates and extend financing, rather than in the initial public offering market."

Nevertheless, private equity firms are looking to list their portfolio companies on the stock markets, partly as a way of cutting debt on existing portfolio companies. Last week, Blackstone Group's Travelport portfolio company said its London listing would cut its net debt by $1.8bn to $2.3bn.

Despite this anticipated success, the debt overhang overall remains large. Fitch Ratings, a credit rating agency, said an estimated €400bn to €500bn of debt on highly leveraged companies needed to be refinanced over the next few years.

Edward Eyerman, an analyst at Fitch, said none of the companies that borrowed primarily in 2006 and 2007 could repay obligations from projected cashflow.

Mark Vickers, finance partner at law firm Ashurst, said the overhang of private equity-backed portfolio company debt needing to be refinanced over the next few years would affect the amount of new loans that could be arranged, and partly explained the increased issuance of junk bonds. As a result, the debt markets were effectively back to their position in the early 1990s, when the ratio of senior debt to a company's earnings before interest, tax, depreciation and amortisation was around four times. That compares with a ratio of 6.2 times for larger deals in the boom years of 2006 to 2007, according to rating agency Standard & Poor's.

Private equity firms are also still struggling to find loans for new deals. Christian Hollenberg, managing partner at German turnround investor Perusa, said only one of the five deals struck since the firm launched in 2008 had used traditional leverage, with the rest requiring unusual arrangements, such as using existing pension liabilities, vendor notes, earnouts or similar instruments. Partly as a result of this creativity, deals are still being agreed in which financial sponsors can meet both their expected equity returns and vendors' price expectations without recourse to the debt levels seen during the credit boom era before 2008.

Jacques Callaghan, a managing director at investment boutique Hawkpoint, said: "This year it is not just about debt markets, although that is an important factor, but just as important is the supply side. Of the 57 European buyouts above £100m last year, 60% were completed in the final three months. The first quarter will be pretty active as approximately 25 assets above £100m enterprise value came on the market in the the UK in the third quarter, half from other private equity firms, and the narrowing of vendors' and buyers' price expectations will mean that by far the majority of those disposals will complete."

The transparency toy starts to lose its appeal

The industry is asking more portfolio companies to reveal their inner workings to meet impending regulation, writes Paul Hodkinson

Children are often fascinated by their friends' toys, but quickly lose interest when handed the new plaything. That basic human desire for what we do not have might explain why the transparency of private equity-backed companies is sliding off the public agenda just as firms are opening up.

A year ago, public interest in how much information firms disclosed was at its height. A report into the effectiveness of Sir David Walker's disclosure guidelines suggested compliance was, at best, patchy. Newspaper headlines ranged from "Private equity, public shame" to "Report highlights private equity failings" and "Half of private equity firms are ignoring transparency guidelines".

The same review of Walker's report this year – which found an improved level of disclosure by firms – generated barely any interest. The review was conducted by the Guidelines Monitoring Group, an independent body set up in 2008 to track the success of Walker's voluntary rules, which had been drawn up the previous year.

An internet search for "private equity" and "transparency" showed there were 2,630 news articles written in 2007 that included those words. That figure fell to 1,750 last year. There have been 29 in the year to date.

The decline in interest in private equity comes as attention has shifted to the banks' compensation practices. Nevertheless, it appears the UK buyout industry's efforts to open up have taken the wind out of critics' sails.

Transparency is set for another boost this year. Private Equity News last month revealed the GMG was consulting on lowering the disclosure threshold further, to portfolio companies acquired for at least £210m (€241m), or £350m if through a secondary buyout. The current level is £300m, or £500m through a secondary buyout (*see panel*). A decision will be made before the end of the month.

The move would bring another 15 companies within Walker's remit, according to research by Private Equity News based on data from information provider Dealogic. That would mean 6%, rather than 5%, of private equity-backed businesses in the UK would be required to meet the disclosure code.

The political importance of such a move might be considerable. It aims to counter the threat of increased regulation from Europe, and in particular the European Union's Alternative Investment Fund Managers Directive, which threatens to force private equity-owned companies to disclose additional information, according

GETTY IMAGES

The disclosure imperative…

The Walker report, the industry's first attempt at transparency, followed criticism from politicians, media and trade unions that buyout firms were making money by shedding staff and stripping assets to fund large debt loads.

The guidelines required companies owned by private equity firms to disclose information on areas such as their financial position and risks, if most of their revenue came from the UK, they were acquired for at least £300m (€345m), or £500m if through a secondary buyout, and they had more than 1,000 employees. The rules initially applied to 27 companies, the largest 2% of those owned by private equity.

Early last year, the Guidelines Monitoring Group tweaked its criteria without external prompting, in order to deflect future criticism. The new criteria included companies either acquired for £300m or £500m through a secondary buyout, or with more than 1,000 employees. That increased the number of companies captured by the guidelines to 45, while a further 15 companies below the threshold complied on a voluntary basis last year.

The GMG's move was criticised by mid-market firms, which complained the group had moved beyond its original goals. Yet the new criteria still covered only 5% of the roughly 1,300 UK companies owned by private equity. The British Private Equity and Venture Capital Association argued that 80% of private equity deals were worth less than £2m, and that it would be unreasonable for such small companies to have to hit transparency targets, but that still leaves 260 companies acquired for more than £2m.

to sources. In one early form, the AIFM Directive threatened to force all companies bought out from the public markets to display the same level of transparency as a listed firm for two years.

The latest effort to lower the disclosure threshold is an attempt to show politicians and regulators that the buyout industry does not need to be forced to reveal information. In short, it is the industry's way of showing it is able to self-regulate.

Critics argue the industry will never be able to regulate itself effectively. But the GMG's report, published last month in conjunction with auditor PricewaterhouseCoopers, demonstrated that firms are abiding by the rules, although it did not show high levels of compliance across the board.

The review examined 32 of the 45 companies that met the disclosure criteria last year and found that "all 32 portfolio companies reviewed by the [GMG] this year have met the … disclosure requirements". The report added: "A substantial majority of the portfolio companies made good or acceptable disclosures with only a limited number of exceptions."

On balance, the standard of disclosure made by the portfolio companies reviewed was "broadly consistent with the average standard of disclosure within the FTSE 350" companies, the report said.

Success in adhering to the guidelines was assessed in three areas, based on companies' annual reviews for the financial year to April 2009. The first area was specific information required by the Walker guidelines, such as the make-up of the board and a financial review. These requirements were met in most cases, the report found.

New portfolio companies to fall under transparency threshold

Company	Sector	Sponsor
Polypipe	Manufacturing	Castle Harlan Partners
HellermannTyton	Manufacturing	Doughty Hanson & Co
TSL Education	Publishing	Exponent Private Equity Partners
Center Parcs UK Group	Leisure	Blackstone Group
Principal Hotels	Leisure	Permira
Vertex Data Science	Outsourcing	Oak Hill Capital Partners, Knox Lawrence International, GenNx360 Capital Partners
Foster + Partners (Minority%)	Architecture	3i Group
CI Traders	Retail	Uberior Investments
Inspicio	Food testing	3i Group
Civica	Software	3i Group
Dynacast International	Manufacturing	Melrose
Park Resorts	Leisure	GI Partners
Fat Face	Retail	Bridgepoint Capital
Iris Software	Software	Hellman & Friedman
Freightliner Group	Transport	Arcapita Ventures

Source: Dealogic and Private Equity News

Features UK companies acquired for between £210m and £300m (£350m and £500m if a secondary buyout) held by sponsors

The standard of disclosure made by the portfolio companies reviewed was "broadly consistent with the average standard of disclosure within the FTSE 350" companies

Report of the Guidelines Monitoring Group

Second, companies were required to provide information relating to their financial position, financial risks and principle risks and uncertainties of the business. This was generally well met, although it is worth noting that the UK Companies Act also requires this information. But disclosure of non-financial key performance indicators, such as number of clients, remained an area for improvement. The report said: "While the majority of companies met the requirement, few companies clearly aligned their KPIs with their strategy."

The third area reviewed was the standard of disclosure in respect of social and community issues and environmental matters. Many companies provided detailed disclosures in these areas, but "several fell short of the requirements", the report found. Given that this requirement was relatively new, there were few previous examples available to companies, it said.

French firms watch for second bounce

Activity has fallen to its lowest point in eight years following a brief rebound, writes Tom Fairless

In his seminal work on entrepreneurship, British private equity grandee Sir Ronald Cohen described the art of anticipating "the second bounce of the ball" as a means of profiting from unseen opportunities. French buyout chiefs would do well to return to Cohen's text, whose bouncing ball analogy accurately portrays the state of their market.

Dealflow in France plunged to just $87m (€62m) across 32 transactions in the fourth quarter, according to data provider Dealogic, taking the market to its lowest point since the fourth quarter of 2001. The share of all mergers and acquisitions accounted for by buyouts fell below 0.5%, compared with 2% in the third quarter and 22% in the third quarter of 2008, Dealogic said.

The renewed slump surprised some financial sponsors who thought activity had bottomed out at $275m in the second quarter, before bouncing to $609m in the third. The decline was particularly surprising given the rebound across the Channel, where UK buyouts worth $2.8bn were agreed in the fourth quarter, more than triple the $840m transacted in the previous period.

Part of the decline can perhaps be attributed to the turbulence surrounding France's largest buyout firm, PAI Partners. The sudden departure of executives Dominique Mégret and Bertrand Meunier in August triggered a so-called key-man clause that thrust the firm into 100 days of negotiations with investors, culminating in a decision to halve the size of its latest fund to €2.7bn ($3.8bn) in December.

French buyout firms argue that the fourth quarter result was a "blip". Bruno Deschamps, managing director of 3i in France, said: "There was not much difference in terms of the number of deals done in the UK and France,

$87m	86%	1013%
Total value of buyouts	Drop in buyout value from third quarter	Rise in leveraged loan issuance

although the value was higher in the UK. Some parts of the French market are currently broken, but there is an encouraging flow of growth capital deals, such as Paris-based insurance broker Gras Savoye. There have also been signs of a recovery in buyouts this month."

Jean-Lou Rihon, a partner with European mid-market firm Silverfleet Capital, said: "The dip in French private equity activity in the fourth quarter is not that relevant. The market is looking up, partly because people are more confident. Some deals are being done, particularly sales of minority stakes."

The biggest buyout of the quarter was the $47m acquisition of a 46% stake in French travel website Easyvoyage by Belgian firm Gimv and French investor UFG Private Equity, which runs innovation-focused and fund of funds investment vehicles. The second-biggest deal was the $10m purchase of a stake in music website Deezer.com by French fund of funds AGF Private Equity and Paris-based firm CM-CIC Capital Privé.

According to Charles Diehl, founder and partner of French mid-market firm Activa Capital, the reasons for the dearth of activity in France mirror those elsewhere in the private equity world.

First, sellers and buyers have been unable to agree on price given limited economic visibility and poor performance by companies throughout 2009. Deschamps said: "Good businesses remain relatively expensive due to the continued increase in the stock market, and no one knows how reliable that is."

Second, bank financing was "almost non-existent in 2009 because conditions were onerous", according to Diehl. Deschamps said: "French banks are being very prudent, and their boards currently see buyout firm involvement in a deal as a red flag."

Such scarcity of financing will hamper the market's recovery, according to Rihon. He said: "French banks appear to be more conservative than UK banks. Still, LBO loan issuance should pick up slowly, and the multiples that banks are willing to lend may show a slight increase, but no one is taking an underwriting risk as far as I know."

The weak financing market also hindered fourth-quarter exits. Firms executed 10 trade sales worth $801m in the period, compared with four deals worth $3.9bn in the previous period, according to Dealogic. The biggest announced exit was the $505m sale of Novexel, a pharmaceutical company backed by Paris-based venture capital firm Sofinnova Partners, to drugs giant AstraZeneca.

Trade sales were likely to drive exit volumes this year because "corporates across the world are in a better financial position than private equity houses for the first time in five or six years, and they see this as a very interesting buying opportunity", Diehl said.

Meanwhile, private equity-backed initial public offerings were absent in the fourth quarter, as they had been all year, according to Dealogic. Diehl said: "Firms are talking about IPOs but none has happened yet, perhaps because it is not clear whether there is true and deep demand in the equity markets."

Sofinnova taps appetite for healthcare

Sofinnova Partners, a Paris-based venture capital firm, sealed the largest French exit of the fourth quarter after drugs company AstraZeneca offered up to $505m for pharmaceutical portfolio company Novexel.

Sofinnova effectively returned more than €300m to investors in 2009 – the most from any VC according to Dow Jones VentureSource – following four portfolio company exits, including the €97.8m flotation of Movetis, a developer of gastrointestinal drugs, on Euronext in Brussels earlier in December.

The other two trade sales by Sofinnova this year were CoreValve to Medtronic in February for more than $700m, and Fovea Pharmaceuticals to Sanofi-Aventis in October for €370m.

But practitioners pointed to several signs of recovery. First, leveraged loan issuance rose 10-fold in the fourth quarter compared with the previous period, to $356m. While that figure was "not yet significant" according to Diehl, banks will be motivated to issue more leveraged loans as they seek to justify the existence of their expensive leveraged loan teams.

Diehl said: "Banks need to put their assets to work or close down those departments. My belief is leveraged loans will come back because most existing loans have been restructured after constructive talks, demonstrating that private equity firms could act as good shareholders in a difficult environment."

Second, vendors have had time to adjust to lower prices, and there is now pent-up demand for deals, according to Diehl. He said: "When the dam bursts, there could be a lot of very interesting opportunities. There were signs of the dam bursting in the second half of 2009, and there are currently cracks and trickles of opportunity."

Third, firms are sitting on a pile of uninvested capital and investors are putting pressure on them to invest it quickly, according to Olivier Deren, a partner at law firm Paul Hastings. He said: "Firms are looking hard for good deals and are considering alternative types of investment, such as minority stakes."

Fourth, activity is likely to be driven by two new players, according to Deschamps. The first is the Fonds Stratégique d'Investissement, a state-backed body that has already invested €800m in minority and growth capital in its first year, while the second is a new investment vehicle introduced by President Sarkozy that is similar to venture capital trusts in the UK, offering a tax-efficient way to invest in small and mid-cap companies.

Nevertheless, some observers remain cautious. Eric Cartier Millon, a partner at Paris-based law firm Gide Loyrette Nouel, said he expected few deals to close in the coming months. He said: "Firms need eight to 10 banks to raise €100m, which makes the process cumbersome and more difficult. It is very unlikely that a bank will underwrite a deal alone, and because deals involve most of the main banks, the banking market is less competitive and aggressive than it was in the past as far as the financial conditions and the structure are concerned."

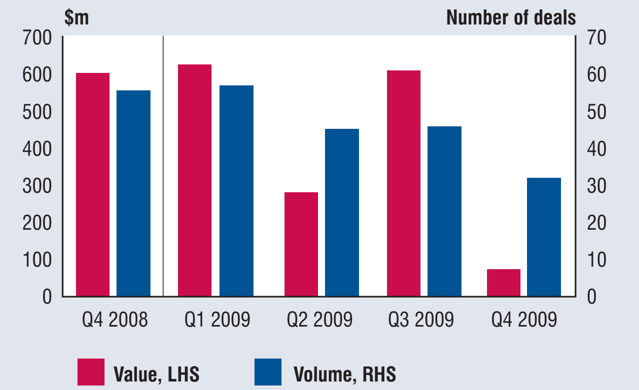
Diehl agreed. He said: "The availability of bank financing has not changed significantly. Deals worth less than €50m continue to be feasible, with regional banks keen to back reputable private equity firms."

The regional data below, upon which the analysis on previous pages is based, is provided by research group Dealogic. It covers the previous quarter's private equity deal activity and fees.

Regional reports operate on a rotating basis. Covering global review, UK, France, Germany, southern Mediterranean region, Spain, Nordic region, Global, central & eastern Europe, global emerging markets, the Middle East and north Africa, and the US.

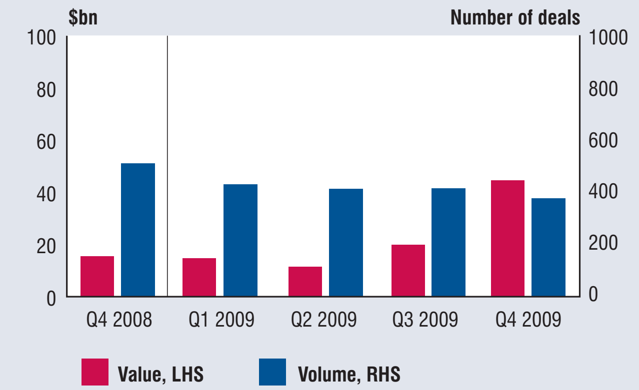
The macroeconomic data which follows, provided by Thomson Reuters, sets the region-specific private equity data in a global context.

France buyouts activity



Source: Dealogic

Global buyouts activity



Source: Dealogic

France financial sponsor volume

Rank	Financial sponsor	Deal value, $m

Source: Dealogic

France buyouts by sector

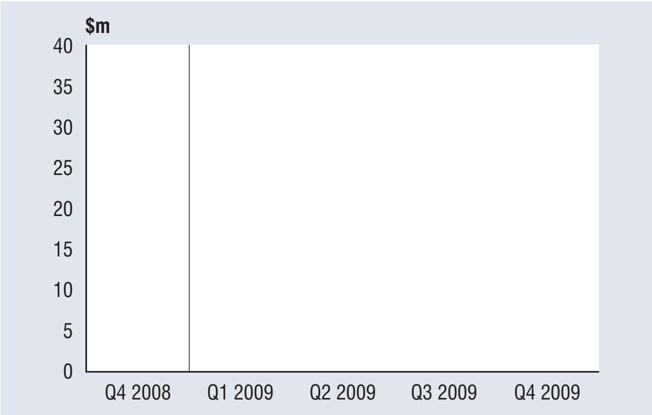
Rank	Sector	Deal value, $m Q3 2009	Deal volume Q3 2009
1	Professional Services	59	11
2	Healthcare	10	3
3	Publishing	4	1
4	Chemicals	4	1
5	Computers & Electronics	4	3
6	Food & Beverage	4	1
7	Retail	2	3
8	Transportation	N/A	1
8	Auto/Truck	N/A	1
8	Forestry & Paper	N/A	1

Source: Dealogic

France buyouts by deal size, Q4 2009

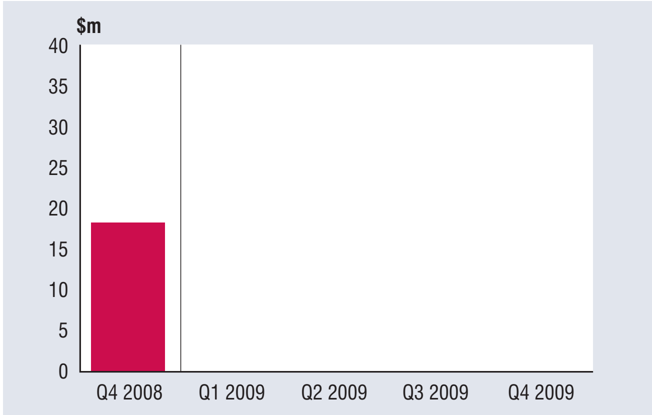
Source: Dealogic

France lending fees paid



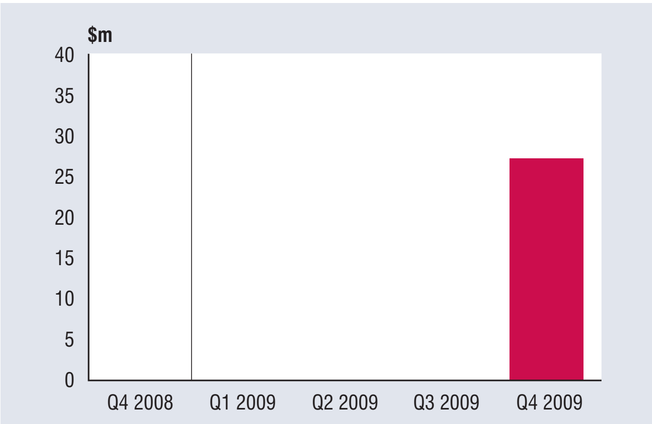
Source: Dealogic

France M&A fees paid



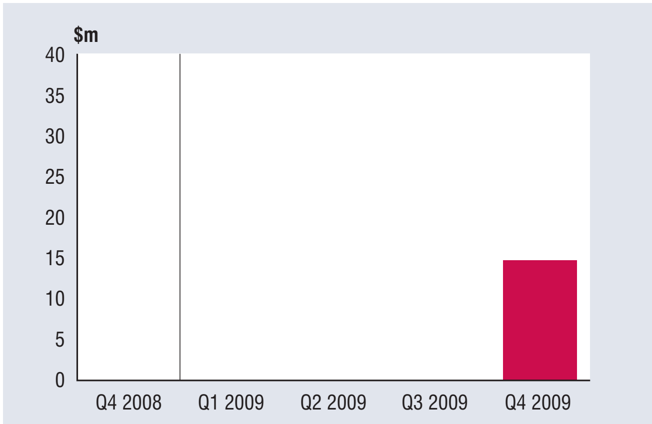
Source: Dealogic

France ECM fees paid



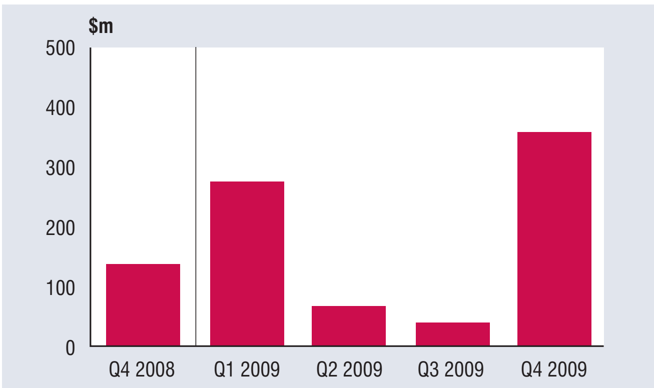
Source: Dealogic

France DCM fees paid



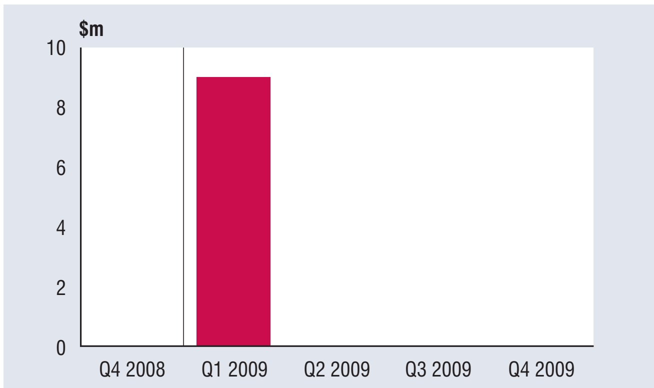
Source: Dealogic

LBO loans France issuance



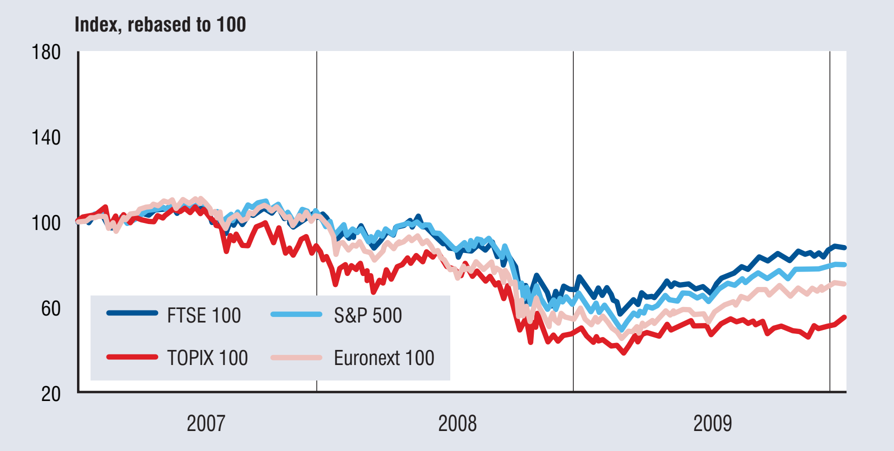
Source: Dealogic

France secondary buyout volume



Source: Dealogic

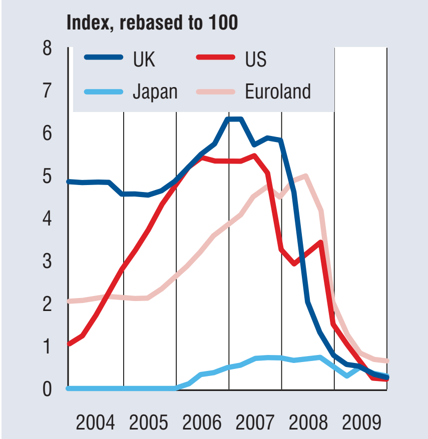
Index price performance



Index	Current price	Price 1 year ago	% change current to a year ago
FTSE 100	5513.14	4108.47	34.19
S&P 500	1150.23	850.12	35.3
TOPIX 100	668.01	569.3	17.34
Euronext 100	695.87	517.25	34.53

Source: Thomson Reuters

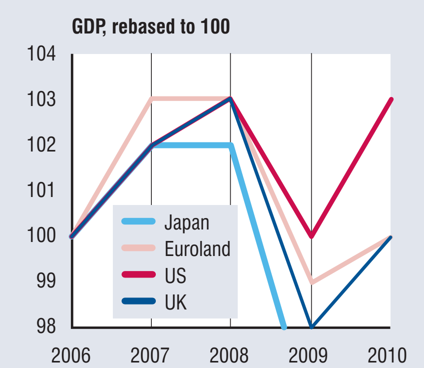
3-month interbank rates



Series	Current Rate	Forecast rate for Q1 2010
UK	2.06	0.58
US	2.56	0.27
JP	0.18	0.33
EA	2.3	0.7

Source: Thomson Reuters

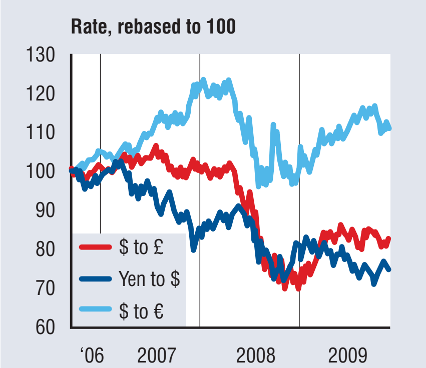
GDP



Country	2009 Annual GDP, $bn	Forecast % growth mean estimate for the 2010 annual GDP
UK	1,268,221	1.49
US	12,985,780	2.91
Euroland	7,610,420	1.35
Japan	527,213,300	1.33

Source: Thomson Reuters

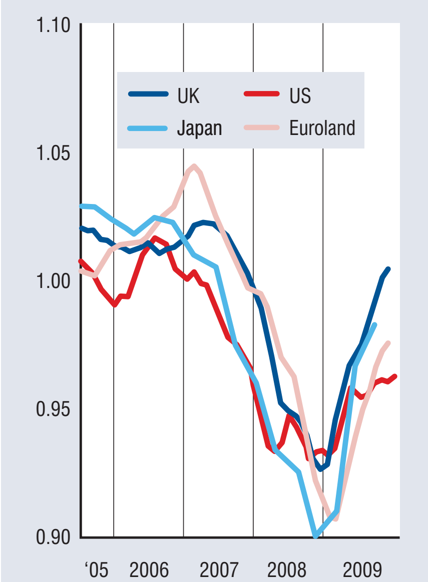
Exchange rate



Series	Current rate	Forecast for Q1 2010
USD to GBP	1.64	1.63
JPY to USD	91.19	92.08
USD to Euro	1.43	1.49

Source: Thomson Reuters

Consumer confidence



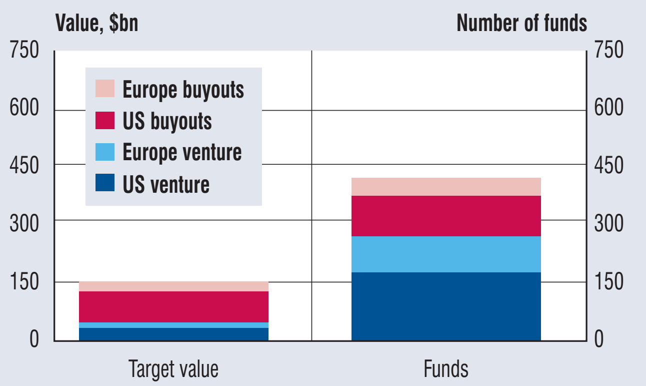
Source: Thomson Reuters

Private Equity News works alongside specialist data provider Preqin to provide information on the fundraising market and the performance of those funds.

Over four-week cycles these pages explore the state of fundraisings and fund performance in the following sectors: European buyout, US buyout, European venture and US venture.

This includes figures on the overall state of the fundraising market and average performance data for the last 10 to 15 years as well as individual examples of funds on the road, recently closed funds and the top performing funds.

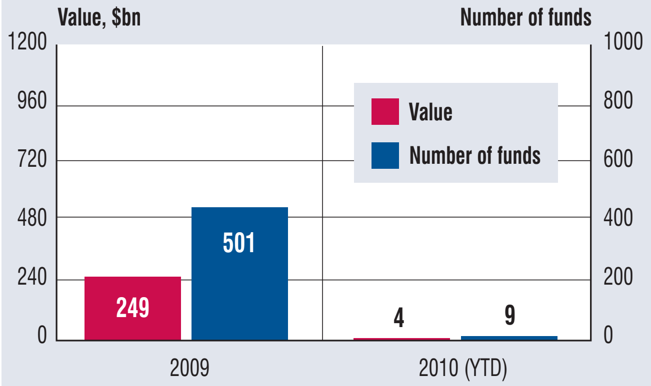
Funds on the road*



Source: Preqin

*NB the definition of e.g. 'US Venture' is a venture fund aimed at investments in US, irrespective of where the GP is based. Thus if a fund is targeted at investments in both Europe and the US it will appear in two categories. The number of funds included in two categories is limited. Buyouts include mezzanine funds.

Final fund closes, globally**



Source: Preqin

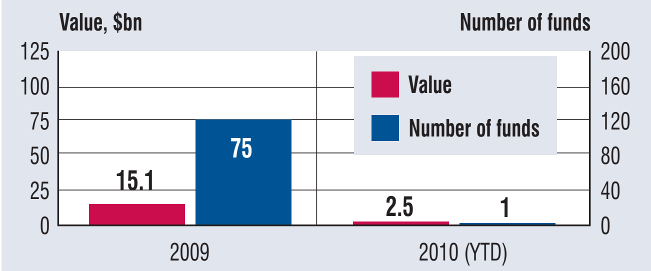
**NB this analysis shows the funds that have achieved a final close in the period stated. In many cases these funds may have had a previous interim close(s), that may have occurred in a prior period. The analysis covers final closes because this is the most reliable information available for fund closings. Also please note the final close data for 'all private equity global' includes all regions and fund types - I.e. not just Europe and US buyout and venture.

US venture funds in market

Number of US venture funds in market:		173
Aggregate target value, $bn		33.4
Average target size, $m		193
Size profile of funds in market:	- above $300m	34
	- $200m to <$300m	31
	- $100m to <$200m	63
	- $50m to <$100m	25
	- below $50m	20

Source: Preqin

Final fund closes, US venture funds



Source: Preqin

Listing of larger US venture funds in market

Fund	Firm	Target Size $m	Industry focus	Geographical focus
Oak Investment Partners XIII	Oak Investment Partners	1,500	Technology, Healthcare, Consumer Products, Communications, Media, Financial Services, Any	US
Yucaipa Corporate Initiatives Fund II	Yucaipa Companies	800	Retail, Distribution, Manufacturing, Food	US, North America
Celtic Pharma Holdings II	Celtic Pharma	750	Biotechnology	UK, US, North America, Europe
Edgewater Growth Capital Partners III	Edgewater Funds	750	Healthcare, Consumer Products, Industrial, IT, Computer Services, Business Services, Any	US, North America
Riverwood Capital I	Riverwood Capital	750	Technology, IT, High-Tech, Software, Hardware, Semiconductors, Outsourcing, IT Security, Any	China, US, Emerging Markets
White Deer Energy I	White Deer Energy	750	Oil & Gas, Energy, Clean Technology	North America, Global
Columbia Capital Equity Partners V	Columbia Capital	650	Media, Wireless	US
Caduceus Private Investments IV	OrbiMed Advisors	500	Pharmaceuticals, Healthcare, Biotechnology, Medical Instruments, Medical Technologies	US, Europe
DCM VI	DCM	500	Communications, Business Services, Digital Media, Clean Technology	China, Japan, US
Drug Royalty II	DRI Capital	500	Pharmaceuticals, Biotechnology	Canada, US, North America

Source: Preqin

9	$4bn	173
Global fund closes	Aggregate value of global fund closes	Number of US venture funds

US venture, top-performing funds

Vintage	Fund	Size	Called (%)	Distributed (%)	Unrealised value (%)	Multiple (X)	IRR (%)	Date as at
2001	Granite Global Ventures	175 USD	98.2	129.7	82	2.12	27.6	30-Jun-2009
2001	Whitney V	1,100 USD	96.6	173.6	45.3	2.19	25.8	31-Mar-2009
2001	Perseus Soros Bio Pharm	450 USD	98.7	139.2	34.6	1.74	20.2	30-Jun-2009
2001	Merlin Nexus I	46 USD	100	137	15.9	1.53	15.9	30-Jun-2009
2001	Summit Partners Private Equity Fund VI	2,000 USD	100	75.3	70.1	1.45	12.6	30-Jun-2009

The funds listed here are a sample of the best-performing US Venture Funds, drawn from a range of vintage years. Examples of top-performing US Venture Funds from other vintage years will be included the next time Databank covers the US Venture sector.

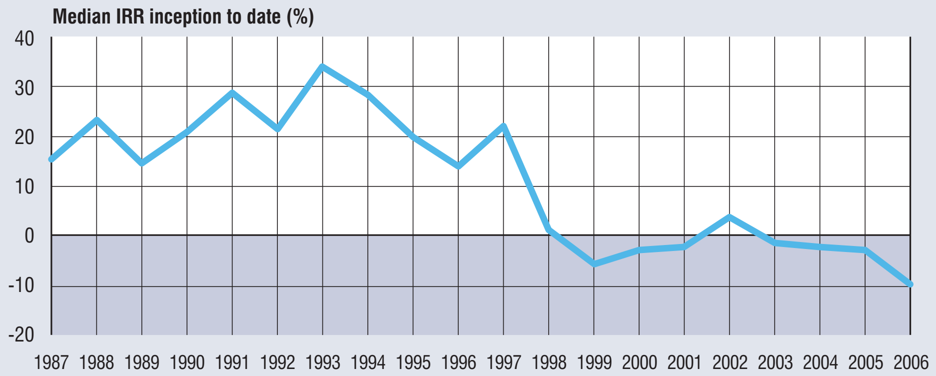
Source: Preqin

US venture funds, examples of LPs in recent fund closes

Fund	Size m (actual or target)	Examples of LPs in fund
Tandem Expansion Fund	300 USD	BDC Venture Capital, Export Development Canada and Teralys Capital
Greylock XIII	575 USD	DUMAC, Harvard Management Company, Princeton University Investment Company (Princo) and Stanford Management Company
Khosla Ventures III	750 USD	Alameda County Employees' Retirement Association, California Public Employees' Retirement System (CalPERS) and Tennessee Consolidated Retirement System
NGEN Partners III	250 USD	California Public Employees' Retirement System (CalPERS) and Los Angeles City Employees' Retirement System
GRP III	192 USD	Fort Washington Capital Partners, Hartford Investment Management, NB Alternatives, Partners Group and TIAA-CREF
TGAP Venture Capital Fund II	30 USD	Credit Suisse Customized Fund Investment Group and Renaissance Venture Capital Partners
NGP Energy Technology Partners II	348 USD	New Mexico Educational Retirement Board and New Mexico State Investment Council

Source: Preqin

US venture fund performance



Source: Preqin

SOFINNOVA PARTNERS

December 2009

We are pleased to announce the closing of

Sofinnova Capital VI

€260,000,000

Building on a history of leadership, innovation and landmark exits as an investor in European start-up and early-stage companies in life sciences and technology.

THE UNDERSIGNED ACTED AS GLOBAL PLACEMENT AGENT

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