Attracting interest
As the deal pipeline continues to strengthen and exits are increasing, is the private equity market set for more activity?

Inside the deal
OMERS Private Equity on their acquisition of Civica and Vue Entertainment
Axcel on their sale of Cimbria
About Multiple

Multiple is a quarterly publication summarizing trends in buyouts* across Europe.

EY and Equistone Partners Europe are proud to sponsor CMBOR, the Centre for Management Buyout Research, whose data is analyzed in Multiple.

The following analysis and commentary is based on research recorded by CMBOR.

Countries covered: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, Turkey and the UK.

*Buyouts: CMBOR defines buyouts as over 50% of shares changing ownership with management or private equity, or both having a controlling stake upon deal completion. Equity funding must primarily be from private equity funds and the bought-out company must have its own financing structure, e.g., management buyout (MBO), management buy-in (MBI).

For full details on the CMBOR methodology please refer to page 29.
“The PE market continues to attract interest, but the level of deals actually completing in 2013 remains low. However, these subdued levels of buyout activity are not reflective of what we are seeing in the marketplace in terms of the pipeline and deals in progress.

“There are encouraging signs that a more active deal market is achievable. Confidence is increasing, there is an appetite for deals and the debt market is buoyant. Yet, despite these positive signs, the market is still challenging and deals are taking longer to complete.”

Sachin Date, EMEIA Private Equity Leader, EY, UK
Deal value and volume down in first half of 2013

- With 256 deals valued at €21.0b, the first half of the year has seen a slowdown in both the number and value of completed deals when compared with the previous six months and the same time period in 2012. H1 value and volume are the lowest since the second half of 2009. Activity in Q2 2013 was below Q1 2013 for both volume and value.

Pipeline for deal completion good for H2 2013

- Despite the slowdown in the first six months of the year, the buyout market for the second half of the year is poised for takeoff. A number of large deals that were announced during H1 2013 are set to complete in the second half, driving expectations of an active final six months in the year.

Exits outstrip new deals

- The value of exits continues to outstrip the value of new deals in Europe – 199 exits, with a combined value of more than €29.1b, were recorded in the first half of the year. This represents good news because private equity houses are divesting their portfolio companies ahead of making new investments and raising new funds.

IPO route back in favor

- As a form of exit, the resuscitated IPO market is proving an increasingly popular way of divesting large companies. There have been eight such exits so far this year – raising €8.0b for investors – compared with one for the whole of 2012. But how long will this window of opportunity remain open?

Non-euro currency territories proving attractive

- Non-euro currency countries, led by the UK and Norway, appear to be particularly attractive markets for outside investors. Twelve of the top 20 largest deals in H1 2013 were made by investors based outside the Eurozone.

Trade sales appeal to overseas buyers

- In terms of deal volumes, trade sales accounted for 47% of the 199 exits so far this year. Thirty-five percent of the trade sales in H1 2013 went to overseas investors, including those based in North America.
European buyouts — value and volume (quarterly)

- **H1 2013**: 256 deals, €21.0 billion
- **Q2 2013**: 126 deals, €8.4 billion

Source: CMBOR; Equistone Partners Europe; EY – Year 2013 to end Q2 only

European buyouts — value and volume (half-year)

- **H1 2013**: 256 deals, €21.0 billion
- **Q2 2013**: 126 deals, €8.4 billion

Source: CMBOR; Equistone Partners Europe; EY – Year 2013 to end Q2 only
Exits restart the deal cycle

The most striking figure has to be the number of IPOs launched during the first six months of the year. H1 2013 saw eight portfolio companies floated on European stock exchanges, raising more than €8.0b between them. In fact, five out of the top ten exits in H1 2013 were IPOs. Even as we see a reduction of quantitative easing, it is unlikely this market will close completely. There are no real changes in the fundamentals of the market to cause us to think the window of opportunity will close at this point.

This development is significant because it opens up a third viable route for PE houses to divest their portfolio companies ahead of making new investments. It has been clear for some time that the backlog of exits necessary to free up investment resources was weighing on the European buyout market. Continuing exit activity will help the buyout market return to growth. With a total of €16.2b the value of exits in Q2 2013 was almost double the total value of new investments (€8.4b). This is another signal of the impending return to growth.

According to EY’s recent study on European buyout exits, *Myths and challenges – how do private equity investors create value?*, some 80% of exited companies increased their value under PE ownership, with 34% increasing their enterprise value by more than 200%. Such evidence will add to the drive for growth in the coming months.

### Largest European exits, H1 2013

<table>
<thead>
<tr>
<th>Company name</th>
<th>Country</th>
<th>Exit month</th>
<th>PE vendor</th>
<th>Exit value (€m)</th>
<th>Exit type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnership Assurance, Partnership Group Holdings</td>
<td>UK</td>
<td>6</td>
<td>Cinven</td>
<td>1,802</td>
<td>Flotation</td>
</tr>
<tr>
<td>Esure Insurance</td>
<td>UK</td>
<td>3</td>
<td>Electra Partners and Penta Capital Partners</td>
<td>1,398</td>
<td>Flotation</td>
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<tr>
<td>Alcan Engineered Products, Constellium</td>
<td>France</td>
<td>5</td>
<td>Apollo Global Management</td>
<td>1,380</td>
<td>Flotation</td>
</tr>
<tr>
<td>One GmbH, Orange Austria Telecommunication</td>
<td>Austria</td>
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<td>Mid Europa Partners</td>
<td>1,300</td>
<td>Trade sale</td>
</tr>
<tr>
<td>Aibel</td>
<td>Norway</td>
<td>4</td>
<td>Ferd Private Equity</td>
<td>1,165</td>
<td>Secondary buyout</td>
</tr>
<tr>
<td>Cerved Business Information</td>
<td>Italy</td>
<td>3</td>
<td>Bain Capital and Clessidra</td>
<td>1,130</td>
<td>Secondary buyout</td>
</tr>
<tr>
<td>Taminco</td>
<td>Belgium</td>
<td>4</td>
<td>Apollo Global Management</td>
<td>963</td>
<td>Flotation</td>
</tr>
<tr>
<td>Cabot Financial, Apex</td>
<td>UK</td>
<td>5</td>
<td>AnaCap Financial Partners</td>
<td>944</td>
<td>Secondary buyout</td>
</tr>
<tr>
<td>Countrywide</td>
<td>UK</td>
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<td>Oaktree Capital Management, Apollo Management, Alchemy Partners</td>
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<td>Flotation</td>
</tr>
<tr>
<td>Dematic</td>
<td>Germany</td>
<td>2</td>
<td>Triton</td>
<td>800</td>
<td>Secondary buyout</td>
</tr>
<tr>
<td>Ruetgers Chemicals</td>
<td>Germany</td>
<td>1</td>
<td>Triton</td>
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<tr>
<td>Fortis Intertrust</td>
<td>Switzerland</td>
<td>4</td>
<td>Waterland Private Equity</td>
<td>675</td>
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</tr>
<tr>
<td>Permobil</td>
<td>Sweden</td>
<td>5</td>
<td>Nordic Capital</td>
<td>655</td>
<td>Trade sale</td>
</tr>
<tr>
<td>SMCP, Sandro, Maje, Claudie Pierlot</td>
<td>France</td>
<td>6</td>
<td>L Capital and Florac</td>
<td>650</td>
<td>Secondary buyout</td>
</tr>
<tr>
<td>Matas</td>
<td>Denmark</td>
<td>6</td>
<td>CVC Capital Partners</td>
<td>630</td>
<td>Flotation</td>
</tr>
<tr>
<td>Global Design Technologies, Permaswage</td>
<td>France</td>
<td>6</td>
<td>Bridgepoint Capital</td>
<td>600</td>
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</tr>
<tr>
<td>Active Pharmaceutical Ingredients, Xellia</td>
<td>Norway</td>
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<td>3i</td>
<td>540</td>
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</tr>
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<td>Doughty Hanson</td>
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</table>

Source: CMBOR; Equistone Partners Europe; EY — Year 2013 to end Q2 only
It has been encouraging to see capital markets open up and these recent flotations have traded successfully, which has helped build confidence among investors that PE-backed IPOs are again an attractive proposition. Higher valuation and lower volatility levels across main European markets should further support more IPO activity over the coming months with good PE assets coming to market, unless, of course, macroeconomic conditions change dramatically and make investors more cautious.

Martin Steinbach, EMEIA IPO Leader, EY

###PE-backed IPO activity

<table>
<thead>
<tr>
<th>Period</th>
<th>IPOs</th>
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<tr>
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</tr>
<tr>
<td>H1 2013</td>
<td>8</td>
<td>€8.0b</td>
</tr>
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</table>

###Buyouts

<table>
<thead>
<tr>
<th>Period</th>
<th>Deals</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2013</td>
<td>256</td>
<td>€21.0b</td>
</tr>
<tr>
<td>Q2 2013</td>
<td>126</td>
<td>€8.4b</td>
</tr>
</tbody>
</table>

###Exits

<table>
<thead>
<tr>
<th>Period</th>
<th>Deals</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2013</td>
<td>199</td>
<td>€29.1b</td>
</tr>
<tr>
<td>Q2 2013</td>
<td>103</td>
<td>€16.2b</td>
</tr>
</tbody>
</table>
Pipeline prospects

Despite the muted performance of the European buyout market in the first half of the year, there is every reason to be optimistic about how the full year will turn out. A number of €1b-plus deals are expected to complete in the coming months.

Cinven’s €1.5b buyout of CeramTec, the German manufacturer of ceramic parts for the automotive, industrial and medical sectors, was announced in June. The deal is expected to complete during the third quarter of this year. At the same time, the sale of CSM’s bakery division to US-based Rhone Capital, valued at €1.1b, is awaiting approval before completion.

In the UK, the €1.1b deal for Vue Entertainment, the cinema chain, is expected to complete in Q3 2013. The secondary buyout will see Doughty Hanson sell the group to two Canadian pension funds, OMERS PE and Alberta Investment Management.

Other significant deals set to complete in the remainder of the year, include ista and Springer Science. On completion, BC Partners’ €3.3b acquisition of Springer Science + Business Media from EQT Partners and the Government of Singapore Investment Corp could be the largest deal seen in continental Europe since the beginning of the financial crisis. When completed, the acquisition of ista International GmbH by CVC Capital Partners, is also likely to have a multi-€b deal value.
Pipeline

€14b from 12 deals

“Although values and volumes of deals are down, all the indications point to a healthy pipeline, and while we might not reach the record levels previously achieved there should be an increase in the number of deals completed.

“There are plenty of attractive assets out there and we will continue to see some prime assets come to market over the coming months.”

Sachin Date, EMEIA Private Equity Leader, EY
Deal dynamics

Buoyant debt markets
The debt-to-equity ratio in the €100m-plus sector has seen a reversal of recent trends. Since 2009, the levels of equity injected into such deals have outweighed debt, sometimes at a ratio of 60:40. But so far in 2013, average debt for €100m-plus deals now stands at 53.1%, with equity making up 43.2%. Loan notes account for 2.7%, with mezzanine finance supplying the remaining 1%.

The squeezed middle
There has been a slowdown in mid-market deals (€100m to €500m) between the first and second quarters of 2013. In the first three months of the year, there were 22 deals with a combined value of €4.5b. But during the second quarter, the number fell to 15, valued at just over €3.1b.

Such companies tend to be single-country, single-market businesses, and as a result are more susceptible to economic slowdown.

Refinancing takes off
So far this year, the CMBOR figures show that there have been 58 refinancings, involving a total value of €20.0b. This compares very favorably with 2012 when, for the whole of the year, there were 89 refinancings, valued at €24.1b. In terms of value, it has already surpassed that of the whole of 2011.

With the availability of debt, PE houses have taken the opportunity to seek more favorable terms on their current debt provision and, as a result, we have seen a significant increase in the number of refinancing transactions. These more favorable debt terms are, in some cases, making these assets more attractive to acquirers because of the portability provisions that allow PE houses to transfer the refinanced debt to the benefit of the buyer.

Euro currency risk keeping investors away
In the second quarter of 2013, 9 out of the 10 largest buyout deals were based in countries that are outside the euro currency. These included deals involving Norway’s Aibel (€1.2b), the UK’s Cabot Financial (€944m) and Switzerland’s Intertrust Group (€675m).

In fact, only two euro currency countries made it into the top 20 largest buyouts in the quarter: one deal from the Netherlands and two from France. This shows that there is still real caution in the marketplace and that concerns about the currency’s stability still remain.

Deal size

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th>H1 2013</th>
<th>Q1 2013</th>
<th>Q2 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>€1b plus</td>
<td>6</td>
<td>4</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>€500m–€1b</td>
<td>6</td>
<td>6</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>€100m–€500m</td>
<td>34</td>
<td>37</td>
<td>22</td>
<td>15</td>
</tr>
<tr>
<td>Up to €100m</td>
<td>256</td>
<td>209</td>
<td>102</td>
<td>107</td>
</tr>
<tr>
<td>Total number of deals</td>
<td>302</td>
<td>256</td>
<td>130</td>
<td>126</td>
</tr>
</tbody>
</table>

“Another positive sign for European PE companies, who typically rely more on bank financing, is that the volatility seen in the bond market is not coming through in the banking markets where conditions remain stable.”

Chris Lowe, Debt and Capital Advisory Partner, UK, EY
## Largest European buyouts, H1 2013

<table>
<thead>
<tr>
<th>Company name</th>
<th>Country</th>
<th>Deal month</th>
<th>Investor</th>
<th>Value (€m)</th>
<th>Value type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas Holding, Beauty Holding Three</td>
<td>Germany</td>
<td>1</td>
<td>Advent Capital</td>
<td>1,498</td>
<td>Actual</td>
</tr>
<tr>
<td>Aibel</td>
<td>Norway</td>
<td>4</td>
<td>Ratos and Ferd Capital Partners</td>
<td>1,165</td>
<td>Actual</td>
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<td>B &amp; M Retail</td>
<td>UK</td>
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<td>Clayton Dublier and Rice</td>
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<td>1,130</td>
<td>Actual</td>
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<td>Cabot Financial, Cabot Credit</td>
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<td>5</td>
<td>JC Flowers</td>
<td>944</td>
<td>Actual</td>
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<tr>
<td>MedIQ NV (AL Garden)</td>
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<td>2</td>
<td>Advent International</td>
<td>819</td>
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<td>AEA Investors and Teachers Private Capital</td>
<td>800</td>
<td>Estimated</td>
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<td>Intertrust Group</td>
<td>Switzerland</td>
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<td>Blackstone Group</td>
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<td>Actual</td>
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<td>SMCP, Sandro, Maje, Claudie Pierlot</td>
<td>France</td>
<td>6</td>
<td>Kohlberg Kravis Roberts</td>
<td>650</td>
<td>Estimated</td>
</tr>
<tr>
<td>IPH, Industrial Parts Holding</td>
<td>France</td>
<td>3</td>
<td>PAI Partners</td>
<td>500</td>
<td>Actual</td>
</tr>
<tr>
<td>Principal Hayley</td>
<td>UK</td>
<td>2</td>
<td>Starwood Capital Group</td>
<td>464</td>
<td>Actual</td>
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<tr>
<td>Civica (Cornwall bidco)</td>
<td>UK</td>
<td>5</td>
<td>OMERS PE</td>
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<td>Unifeeder</td>
<td>Denmark</td>
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<td>Nordic Capital</td>
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<td>Socotec SA</td>
<td>France</td>
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<td>Cobepa and Five Arrows</td>
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<td>Carlyle Group</td>
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<td>Jemella Group (GHD), Good Hair Day</td>
<td>UK</td>
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<td>UK</td>
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<td>Patron Capital</td>
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Source: CMBOR; Equistone Partners Europe; EY – Year 2013 to end Q2 only

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Despite European market conditions continuing to prove difficult and deals taking longer to complete, there have been a number of significant acquisitions by overseas investors, particularly into the UK and other non-euro currency countries.

Among these investors is OMERS PE, part of the Canadian pension fund OMERS, who have recently acquired two UK assets, Civica and Vue Entertainment (still pending). The UK continues to attract investors looking to enter into Europe but without being exposed to the current risks associated with the Eurozone.

Ian Scott, Transaction Advisory Services Partner and OMERS UK Relationship Partner, EY, speaks to Simon Jones, Director, OMERS PE, on their recent acquisitions of Civica and Vue Entertainment and their approach to new deals.

You have recently completed the acquisition of Civica and are currently awaiting clearance for your acquisition of Vue Entertainment. Why were these assets most attractive to you?

“Both assets are good demonstrations of our key investment criteria – investing alongside best-in-class management teams of market leading businesses in growing sectors that have demonstrated resilience in the recent challenging economic environment. Civica and Vue Entertainment are also cash-generative, geographically diversified businesses with multiple levers for growth, both organic and through continued market consolidation.”

What were the biggest challenges you faced during the Civica deal process and how did you overcome these?

“Civica is a diverse business covering multiple products, divisions and geographies. As always, doing the diligence on such businesses in a competitive process requires good planning, focus and real commitment from our advisors. Having a preferred team with whom we work consistently, who understand our approach and who are prepared to roll up their sleeves at all levels and deliver across financial due diligence, tax, IT and operations was critical to our success.”

How do you approach new deals?

“We have always tried to be extremely diligent and granular in our assessment of opportunities through either off-market transactions or performing considerable pre-work in advance of competitive auctions. Given the limited volume of high-quality assets, competition across Europe is extremely high with little opportunity to really understand target businesses through the limited timeframe of a process.”

What is your focus over the next 12 months?

“Given our opportunity development horizon is at least 6 to 12 months, we are unlikely to be announcing any new deals this year. However, the next 12 months are hopefully going to continue to be pretty busy for us with a number of bolt-on opportunities for all four of our platform investments (including Lifeways and V.Group) – in fact we recently signed the sales and purchase agreement (SPA) for our first bolt-on for Civica so we’re not resting for summer just yet!”

What do you see as the biggest challenge to the European buyout market in 2013?

“Continued economic uncertainty, particularly with regards to the peripheral economies. While we seek to focus on investments in demonstrably stable sectors, localized economic factors can outweigh overall industry trends.”
The Q2 results from CMBOR bring some positive news to the PE market as the level of European exit values and volumes has increased in Q2 2013. Contributing to this uptick is Axcel’s successful DKK1b sale of Cimbria, after just under two years’ ownership. As the market looks to reignite the deal cycle, PE firms are focusing on their exit strategies and finding the right buyers for their portfolio assets.

Jakob Fogt, Transaction Advisory Services Partner, Denmark, and Axcel Relationship Partner, EY, speaks to Axcel Partner, Per Christensen, about this exit and their ongoing deal strategy.

What was your rationale when acquiring Cimbria and how did you grow the business so quickly and successfully?

“We acquired Cimbria for the following reasons:

1. Market-leading position, not just in Europe but also globally within certain product areas
2. Significant internal improvement opportunities e.g., growing sales by bringing more sales competencies to the company, increasing margins through better procurement and increasing production in low cost areas
3. Attractive acquisition opportunities where available”

This is your first exit from Fund: Axcel IV, how did you know it was the right time to sell Cimbria at this point and how did you approach the sale process?

“As you may know, we were not actually contemplating an exit when we were approached with a serious offer. Moreover, Axcel IV’s fund was only two to three years old at the time so exits were not really on our agenda yet. “We were able to sell after just 1½ years driven by a combination of hard work and professional luck. We decided to launch a narrow process following a very serious approach by a potential buyer and managed to exit Cimbria in an extremely tight three month process.

“Our approach to knowing when is the right time to sell a company is when we have achieved the goals we and the company’s management set for the company’s development (turnover, earnings, geographical expansion, etc.) and found an obvious better owner of the company that we believe is the right choice to continue developing the company.”

EY advised Axcel on their acquisition of Cimbria and provided high level sell-side advisory work on the subsequent DKK1b sale of Cimbria.
Has your deal strategy changed over the last 12 months? If so, how?

“We do not feel that we have changed our approach as such. However, we try to avoid very structured processes and spend most of our energy on pursuing exclusive dialogues.”

What is next for you in terms of new acquisitions?

“We acquired the Danish-based IT company EG in June 2013 in an exclusive process (turnover more than €200m). In addition, Axcel just announced the acquisition of Delete Group in Finland and Sweden, which is active within environmental services, so our spring has been busy. Furthermore, earlier this year we acquired Exhausto, Denmark, and Netel, Sweden.”

What do you see as the biggest challenge to the European buyout market in 2013?

“A general challenge for the market is that many companies acquired in the period 2005 to 2007 are priced at a very high level, and the present owners cannot realize an acceptable return by selling them. This slows down the improvement in the market. On the positive side, the financing situation is improving and we generally feel that the banks are open to leveraged buyouts again and not just a few – and increasingly at terms that facilitate transactions that could not be combined 12 months ago.”
Current conditions

“Looking at the results from our latest Capital Confidence Barometer we can see that capital is on the move again. Corporates are looking for returns and are willing to actually make bets, but they also look at relative growth rates. “When it comes to the Eurozone, its relative growth looks poor compared with northern Europe, Asia and North America, so that’s where the challenge is in terms of getting deals away.”

Mark Gregory, UK Chief Economist, EY

Do the figures for the first half of 2013 reflect the market sentiment? Despite low value and volume compared with the previous six months, the first half of 2013 has seen a number of €1b-plus deals announced. Taken together with a healthy pipeline in the lower value ranges, there is a real sense of optimism in the marketplace.

Just over a third of trade sales went to American companies, indicating that these investors can certainly see the opportunities that are available in Europe. The majority of these acquisitions were made in the UK with only a handful of assets being acquired from Germany, France, The Nordics and The Netherlands.

When we look at the results country-by-country, the two countries that are showing promise are the UK, which remains the market leader, and Germany, which has improved its performance since Q1 2013 in terms of deal volume.

According to Mark Gregory, UK Chief Economist, EY, this makes sense when we consider the broader economic situation. The UK is certainly recovering; all the indicators continue to be positive. They may not be entering a period of hyper-growth but are likely to grow this year and, driven by consumer spending, strengthen next year. Germany, despite the weaknesses in the Eurozone, remains one of the stronger economies. The EY Inward investment study a trend of Chinese investment into Germany, particularly in the manufacturing sector. Looking at the deals announced in Q2 2013, we know there is still demand for deals in Germany.

However, concerns still remain. For instance, what will happen in the bond market as central banks pull back from quantitative easing measures? Rising interest rates could put the brakes on some deals as they are re-evaluated, though historically they will remain low.

For more information visit www.ey.com/ccb
Sector insights

**Telecommunications, media and technology (TMT)**

**Q2: 23 deals, €774m**

Activity in the TMT sector has picked up in the second quarter of the year after a slow start. In Q2 2013, the value and number of deals completed in the sector more than doubled compared with Q1, to reach 23 deals valued at €774m.

The most notable deal in the second quarter was for UK software developer Civica, which was sold by 3i in a secondary buyout to OMERS PE. This was preceded by the €83m acquisition of Nebula, the Finnish cloud technology provider, by Swedish private equity house Ratos.

In the third-largest deal of the quarter, Dunedin Capital acquired UK-based computer software retailer Trustmarque Solutions from LDC for €50m.

**Business and support services**

**Q2: 15 deals, €1.2b**

Over the first six months of the year, the business and support services sector saw €3.6b of deals completed.

Cerved Business Information, an Italian database developer, was acquired by CVC Capital Partners from Bain Capital and Clessidra for €1.1b.

The second-largest deal was Switzerland’s Intertrust Group, a management consultancy that was bought by Blackstone for €675m. This deal is another example of North America’s push into Europe.

**Manufacturing**

**Q2: 34 deals, €2.0b**

The manufacturing sector continues to produce the largest volume and value of deals. There have been 73 deals so far in 2013 with a total value of €4.7b, putting the sector safely ahead of business and support services, which has 37 deals at a total value of €3.6b.

France saw the sector’s largest number of deals during the first half of the year, with 15 deals completed for a total value of €718m. Norway scored the highest value. Its four deals were valued at €1.3b, though the majority of this amount was accounted for by the largest deal in the sector so far in 2013 – the €1.2b secondary buyout of oil service company Aibel.

The Helly Hansen deal has now completed. This acquisition of the outdoor clothing specialist by Sweden’s IK Investment is the second-largest buyout in the Q2 in the manufacturing sector.

It is worth noting that in terms of value the manufacturing and retail sectors are both valued at nearly €4.7b. However, there were 73 deals in the manufacturing sector compared with only 20 deals in the retail sector.

View our video series for more insights into sector activity at www.ey.com/multiple.
Country spotlight
“The relative safety that sterling offers in light of Eurozone volatility has made UK PE assets extremely attractive, in particular to North American investors. The US buyers accounted for 42% of trade sales in the UK. This highlights its attractiveness of the UK as a footprint into Europe without exposing investors to the current risks associated with the Eurozone.”

Sachin Date, EMEIA Private Equity Leader, EY

With nearly €3.1b of deals completed in Q2 2013, the UK market recorded its lowest quarterly value since the fourth quarter of 2009. It was nearly €1b down on the previous quarter. The number of deals stood at 45 for Q2 2013, which is a small increase from the previous quarter, but more than double the volume seen in both France and Germany.

There were no €1b-plus deals in the UK during the second quarter. Indeed, there has only been one such deal so far this year – the sale of B&M Retail for €1.2b. The largest deal in Q2, for Cabot Financial, completed in May with a valuation of €944m.

Other notable deals during the year include Principal Hayley (€464m) and Civica (see TMT section). Both of these deals, as well as B&M Retail and Cabot, saw investment coming from North America.

H1: €7.2b from 85 deals
Q2 largest deal: €994m
“In addition to the largest buyout in H1 2013, Germany has seen a number of large deals be announced but these are yet to complete. A number of the deals in the pipeline will become €b plus transactions, such as ista and Springer Science. These deals show that there is still appetite in Germany and despite challenging conditions mega deals are still achievable.

“Credit conditions remain tight but international credit facilities are available for high-quality deals. Financing of small- and medium-sized transactions remains challenging.”

Klaus Sulzbach, Private Equity Leader, Germany, Switzerland & Austria, EY

In the first half of 2013, Germany has been able to claim the largest completed transaction, the €1.5b public-to-private deal for Douglas Holding. The value (£2.3b) and volume (31) of closed deals in Germany in H1 2013 has increased compared with the same point last year (£1.4b from 29 deals in H1 2012). We have also seen an uptick in deal volumes from Q1 to Q2 2013; however, the value of deals completed in Q2 2013 has fallen from £2.1b to £2.35m.

What this picture does not show is the significant value of several multi-€b deals announced in Q2 and expected to close during the remainder of 2013. These pending deals include the acquisition of Springer Science, ista international GmbH and CeramTec GmbH. The Springer Science deal is likely to be the largest buyout of the 2013 with ista a close second.

Other deals that closed in the second quarter of the year include Wilhelm Stoll Maschinenfabrik, a tractor accessory manufacturer valued at an estimated €50m, and Stephan Machinery, a food processor manufacturer, which was acquired for €40m.

H1: €2.3b from 31 deals
Q2 largest deal: €50m
At the half way point of the year, with 51 deals, France is the second-most active buyout market in Europe by volume. By value, it is also in second position, significantly behind the UK and only just ahead of Germany. It is on track to equal its previous year’s total value, but is unlikely to equal or better 2011’s total value of €15b.

The €650m secondary buyout at fashion retailer SMCP, which completed in June, is the largest French deal so far this year. It also represents another significant US investment through KKR.

Other deals in the second quarter include the secondary buyout of professional workwear rental and maintenance company RLD by Vermeer Capital, for an estimated €160m, and the sale of market research organization BVA, another secondary, for around €38m.

"Fund-raising have decreased further but the French transactions mid-market is still in a healthy shape, primarily driven by bolt-on acquisitions. Due to uncertainties on current trading figures in several industries, most deal processes remain relatively slow.

"Significant new deals for robust assets are expected in the coming months, but French senior bankers are also expecting to see some additional debt restructurings or covenant resets."

Laurent Majubert, Private Equity Leader, France, EY

H1: €3.0b from 51 deals
Q2 largest deal: €650m
There has been a low level of activity in Q2 2013; however, several auctions involving PE-owned companies or of interest to PE houses are moving forward and shortlisted bidders are expected to be confirmed in Q3 2013. Depending on the length of the deal process, it is likely that we will see some important transactions agreed, which hopefully will close by the end of 2013.

Recent M&A activity indicates that certain deals might be closed in very short timeframes and it will be interesting to see how these will impact the deal market.”

Umberto Nobile, Private Equity Leader, Italy, EY

After a strong first three months of the year, the second quarter in the Italian market was disappointing. Q1 2013 was the best quarter by value (€1.2b) since Q2 2011, while Q2 (€163m) was the worst in terms of value since Q1 2012. In all, so far this year there have been 13 deals, with a total value of €1.4b.

The largest deal to date in the year was the €1.1b secondary buyout of Cerved Business Information, while the largest deal of the second quarter came when the Buccellati family sold its jewelry business to Clessidra for €80m.

Other deals in the second quarter include Plastiape Group, a medical packaging manufacturer, which was sold in a secondary buyout by Aksia to PM & Partners for €71m, while MCS Italia, a maker of designer women’s clothes and accessories, was sold by its foreign owner Red & Black Holdings to the UK’s Emerisque Group for an undisclosed sum.

In terms of exits, there have been four so far this year, raising a total of €1.7b, including the €490m flotation of Moleskin as well as the €1.1b secondary buyout of Cerved Business Information.

However, the pipeline is looking reasonable for the Italian market; for instance, Carlyle Group is set to acquire Italian motor business Marelli Motori from Melrose, the FTSE 100 engineering company, for €210m (source: FT.com).

H1: €1.4b from 13 deals
Q2 largest deal: €80m
The Nordics

“As a collective group, the Nordics have had a strong start to 2013. We saw Norway claiming the largest buyout in Q2 through Ferd Private Equity’s sale of Aibel to Swedish investor Ratos for €1.2b. The year started slowly in Sweden and Norway, but the buyout market is picking up pace. Seven deals closed in each of these countries during the second quarter, with a combined value of nearly €2.0b.

“Despite a number of sale processes being delayed to later this year or 2014, plans for IPO exits have been declared for several PE-backed portfolio companies. The region continues to benefit from sitting outside the Eurozone and we are optimistic about the remainder of 2013.”

Michel Eriksson, Private Equity Leader, Nordics, EY

So far this year, value in the Nordic countries – Denmark, Finland, Norway and Sweden – is greater than in France.

The region’s top three deals so far in 2013 have come in the second quarter of the year. Completing in June, the standout deal is for Norway’s Aibel, a service company that supplies the oil and gas industries. It was sold in a secondary buyout to Ratos, a Swedish PE house, for €1.2b.

The second-largest deal was for Unifeeder, a Danish transporter, which was sold to Nordic Capital for an estimated €400m. The €275m sale of the home shopping companies Ellos and Jotex, again to Nordic capital, is the third-largest deal of the year so far.

H1: €3.7b from 40 deals
Q2 largest deal: €1.2b
Country profiles

Buyouts: H1 and Q2 2013

Austria

H1 2013: €46m from three deals, largest deal €38m
Q2 2013: €4m (est) from one deal

The top deals in Q2 2013:

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lenzing Plastics</td>
<td>Chemicals</td>
<td>Undisclosed</td>
<td>Local divestment</td>
</tr>
</tbody>
</table>

There was only one deal completed in the Austrian market during the second quarter of 2013, Lenzing Plastics, which brought the total value in Austria for the year so far to an estimated €46m.

Lenzing Plastics was a divestment by parent company Lenzing AG, which sold the polyolefin and fluoropolymer manufacturer to Invest Unternehmensbeteiligung.

So far this year there have been three exits, returning some €1.3b to investors.

Belgium (incl Luxembourg)

H1 2013: €1.1b from six deals, largest deal €800m
Q2 2013: €8m (est) from two deals

The top deals in Q2 2013:

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luciad</td>
<td>Computer services</td>
<td>Undisclosed</td>
<td>Private</td>
</tr>
<tr>
<td>Europochette</td>
<td>Manufacturing</td>
<td>Undisclosed</td>
<td>Private</td>
</tr>
</tbody>
</table>

After a brisk start to the year, when there were four deals with a total value of more than €1b, dominated by the €800m Dematic Holdings deal in February, the second quarter slowed in Belgium, with only two deals, both with undeclared valuations.

Luciad is a software consultancy firm that advises on geospatial visualization that was acquired in a buyout by GIMV.

Belgian and Dutch investment fund QAT III acquired a majority stake in Europochette, a maker of paper and tableware goods.

There were three exits during the second quarter, the same as in Q1, which raised a combined total of €1.8b.

Czech Republic

H1 2013: €51m from three deals, largest deal €29m
Q2 2013: €29m from one deal

The top deals in Q2 2013:

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fincentrum AS</td>
<td>Financial services</td>
<td>€29m</td>
<td>Private</td>
</tr>
</tbody>
</table>

After a promising start to 2013, with two deals at an estimated value of €22m, the second quarter for the Czech market continued with the €29m buy-in of Fincentrum, a financial advisory services company, by Switzerland's Capital Dynamics and Czech PE house ARX Equity Partners.
Country profiles  (continued)
Buyouts: H1 and Q2 2013

Denmark

**H1 2013: €1.1b from 10 deals, largest deal €400m**

**Q2 2013: €712m from six deals**

The first three months of the year produced €172m worth of deals in the Danish market, which remained relatively strong in the second quarter with five deals producing an estimated €126m in value.

The largest deal of the second quarter was Unifeeder, a container transport service provider backed by Sweden’s Nordic Capital.

**Unifeeder**  
Transport  
€400m (est)  
Secondary

**Euro Cater**  
Hotels and catering  
€150m (range)  
Secondary

**Cimbitra**  
Engineering  
€137m  
Secondary

The Danish buyout market has picked up speed during the first half of 2013, culminating with the estimated €400m secondary buyout of Unifeeder, a container transport service provider backed by Sweden’s Nordic Capital.

**Euro Cater,** a catering services company, became the second-largest deal of the quarter when Altor Equity sold to the UK’s Intermediate Capital Group in the range of €150m.

The third-largest deal of the quarter was Cimbitra, a seed and grain processing equipment manufacturer, which was bought by the UK’s Silverfleet Capital in a secondary buyout from Axcel for €137m.

So far this year there have been 12 exits, including one flotation, with a combined value of €1.8b.

Finland

**H1 2013: €298m from eight deals, largest deal €150m**

**Q2 2013: €126m from five deals**

The first three months of the year produced €172m worth of deals in the Finnish market, which remained relatively strong in the second quarter with five deals producing an estimated €126m in value.

The largest deal of the second quarter was Nebula, a cloud IT solutions provider, which was bought by Sweden’s Ratos from Rite Internet Ventures in a secondary buyout valued at €83m.

**Nebula**  
Computer services  
€83m  
Secondary

**Espotel**  
Business services  
€18m (range)  
Private

**Ykimuovi Finland**  
Manufacturing  
Undisclosed  
Private

The first three months of the year produced €172m worth of deals in the Finnish market, which remained relatively strong in the second quarter with five deals producing an estimated €126m in value.

The largest deal of the second quarter was Nebula, a cloud IT solutions provider, which was bought by Sweden’s Ratos from Rite Internet Ventures in a secondary buyout valued at €83m.

Espotel, a provider of research and development services for embedded systems, was bought out by Finland’s Sponsor Capital in a deal valued in the range of €18m.

Ykimuovi Finland, a plastic flooring manufacturer, was sold to Finland’s Helmet Business Mentors for an undisclosed sum.

So far this year, there have been six exits, raising €291m, though there were just two exits during the second quarter, which together raised €101m.

France

**H1 2013: €3b from 51 deals, largest deal €650m**

**Q2 2013: €1b from 17 deals**

After a good first three months of the year, the French buyout market has slowed down again – with 17 deals valued at €1b, Q2 was about half the value and volume of Q1 2013.

Nearly two-thirds of the value in Q2 was accounted for by the largest deal of the period – the secondary buyout of SMCP/Sandro/Maje/Claudie Pierlot, a fashion retail group, which was sold by L Capital to KKR for an estimated €650m.

The other two largest deals were also secondary buyouts. RLD, a professional workwear rental and maintenance company, was bought by Vermeer Capital from Sagard for an estimated €160m, while BVA, a market research organization, was sold by Ixen to Montefiore Investments for a value in the range of €38m.

French exits have outweighed the value of buyouts considerably so far in 2013. In the first half of the year there were 31 exits, raising €4.8b. The largest was Alcan Engineered, whose flotation raised €1.4b.

### The top deals in Q2 2013:

#### Denmark

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Unifeeder</td>
<td>Transport</td>
<td>€400m (est)</td>
<td>Secondary</td>
</tr>
<tr>
<td>Euro Cater</td>
<td>Hotels and catering</td>
<td>€150m (range)</td>
<td>Secondary</td>
</tr>
<tr>
<td>Cimbitra</td>
<td>Engineering</td>
<td>€137m</td>
<td>Secondary</td>
</tr>
</tbody>
</table>

#### Finland

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<thead>
<tr>
<th>Company</th>
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<tbody>
<tr>
<td>Nebula</td>
<td>Computer services</td>
<td>€83m</td>
<td>Secondary</td>
</tr>
<tr>
<td>Espotel</td>
<td>Business services</td>
<td>€18m (range)</td>
<td>Private</td>
</tr>
<tr>
<td>Ykimuovi Finland</td>
<td>Manufacturing</td>
<td>Undisclosed</td>
<td>Private</td>
</tr>
</tbody>
</table>

#### France

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<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMCP/Sandro/Maje/Claudie Pierlot</td>
<td>Retail</td>
<td>€650m (est)</td>
<td>Secondary</td>
</tr>
<tr>
<td>RLD</td>
<td>Wholesale</td>
<td>€160m (est)</td>
<td>Secondary</td>
</tr>
<tr>
<td>BVA</td>
<td>Media</td>
<td>€38m (range)</td>
<td>Secondary</td>
</tr>
</tbody>
</table>

The large French buyout in the second quarter was the €650m secondary buyout of SMCP/Sandro/Maje/Claudie Pierlot, a fashion retail group, which was sold by L Capital to KKR for an estimated €650m.

The other two largest deals were also secondary buyouts. RLD, a professional workwear rental and maintenance company, was bought by Vermeer Capital from Sagard for an estimated €160m, while BVA, a market research organization, was sold by Ixen to Montefiore Investments for a value in the range of €38m.
Country profiles  (continued)
Buyouts: H1 and Q2 2013

Germany

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wilhelm Stoll Maschinenfabrik</td>
<td>Manufacturing</td>
<td>€50m (est)</td>
<td>Foreign divest</td>
</tr>
<tr>
<td>Stephan Machinery</td>
<td>Manufacturing</td>
<td>€40m</td>
<td>Foreign divest</td>
</tr>
<tr>
<td>Aqua Vital Quell</td>
<td>Manufacturing</td>
<td>€38m (range)</td>
<td>Secondary</td>
</tr>
</tbody>
</table>

H1 2013: €2.3b from 31 deals, largest deal €1.5b
Q2 2013: €235m from 18 deals

The largest deal of the second quarter was Wilhelm Stoll Maschinenfabrik, a manufacturer of front loaders for tractors, which was sold by its foreign parent company to DMB for an estimated €50m.

Stephan Machinery, a food processing machinery manufacturer, also a foreign divestment, was sold to Deutsche Beteiligungs for €40m.

Aqua Vital Quell, a water dispenser manufacturer, was sold in a secondary buyout to Halder Beteiligungsberatung by Aheim Capital, formerly Buchanan Capital Partners, for a value in the range of €38m.

There were 15 exits during the first half of the year, valued at just over €3b. The largest of these was the secondary buyout at Dematic in February, which was valued at €800m, followed by January’s trade sale of Ruetgers Chemicals.

Ireland

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<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Xtra-vision Retail</td>
<td>Retail</td>
<td>Undisclosed</td>
<td>N/A</td>
</tr>
</tbody>
</table>
| So far this year there have only been two deals recorded in the Irish market. The larger of the two was ATA Tools, a manufacturer and wholesaler of carbide rotary tools, which was sold by US group SGS Tools to MML Capital Partners for €17m.

The second also counts as the only exit recorded so far in 2013 – entertainment retailer Xtra-vision, having gone into administration, was bought out by Hilco, the PE house that also bought high street entertainment retailer HMV out of administration.

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buccellati</td>
<td>Manufacturing</td>
<td>€80m</td>
<td>Private</td>
</tr>
<tr>
<td>Plastiape Group</td>
<td>Manufacturing</td>
<td>€71m</td>
<td>Secondary</td>
</tr>
<tr>
<td>MCS Italia</td>
<td>Footwear and clothing</td>
<td>Undisclosed</td>
<td>Foreign divest</td>
</tr>
</tbody>
</table>

H1 2013: €21m from two deals
Q2 2013: €4m (est) from one deal

Italy

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
<th>Source</th>
</tr>
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<tbody>
<tr>
<td>Xtra-vision Retail</td>
<td>Retail</td>
<td>Undisclosed</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The largest deal of the quarter came when the Buccellati family sold its jewelry business to Clessidra for €80m.

Plastiape Group, a medical packaging manufacturer, was sold in a secondary buyout by Aksia to PM & Partners for €71m.

MCS Italia, a maker of designer women’s clothes and accessories, was sold by its foreign owner Red & Black Holdings to the UK’s Emerisque Group for an undisclosed sum.

After a strong first three months of the year, the second quarter in the Italian market was disappointing. Q1 2013 was the best quarter by value (€1.2b) since Q2 2011, while Q2 was the worst in terms of value since Q1 2012.

The largest deal of the quarter came when the Buccellati family sold its jewelry business to Clessidra for €80m.

Plastiape Group, a medical packaging manufacturer, was sold in a secondary buyout by Aksia to PM & Partners for €71m.

MCS Italia, a maker of designer women’s clothes and accessories, was sold by its foreign owner Red & Black Holdings to the UK’s Emerisque Group for an undisclosed sum.

In terms of exits, there have been four so far this year, raising a total of €1.7b, including the €490m flotation of Moleskin and the €1.1b secondary buyout of Cerved Business Information.
Country profiles (continued)
Buyouts: H1 and Q2 2013

Netherlands

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estro Group</td>
<td>Business services</td>
<td>€819m (range)</td>
<td>Secondary</td>
</tr>
<tr>
<td>USG Energy</td>
<td>Business services</td>
<td>€80m</td>
<td>Local divestment</td>
</tr>
<tr>
<td>Connexys</td>
<td>Computer software</td>
<td>€18m (range)</td>
<td>Private</td>
</tr>
</tbody>
</table>

The largest deal of the second quarter was Estro Group, a childcare provider, which was sold in a secondary buyout to Providence Equity to KKR and Bayside Capital for a value in the range of €819m. However, the volumes were only slightly down – seven in Q1, six in Q2.

The single deal in Q2 2013 was the buy-in at Cabelte Cabos Electricos & Telefonicos, a wire and cable manufacturer.

Norway

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aibel</td>
<td>Mechanical</td>
<td>€1.2b</td>
<td>Secondary</td>
</tr>
<tr>
<td>Pharmaq Holding</td>
<td>Medical/pharma</td>
<td>€250m</td>
<td>Local divestment</td>
</tr>
<tr>
<td>Helly Hansen Pro/Hansen Protection</td>
<td>Clothing</td>
<td>Undisclosed</td>
<td>Secondary</td>
</tr>
</tbody>
</table>

Pharmaq Holding, an aquatic vaccines developer, was a local divestment from Orkla ASA and Kverva AS, acquired by the UK’s Permira for €250m.

As for exits, the value so far this year has equaled that for the whole of 2012 – €2.3b from seven exits in the first six months of 2013.

Poland

<table>
<thead>
<tr>
<th>Company</th>
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<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rockfin SP Zoo</td>
<td>Engineering</td>
<td>€18m (range)</td>
<td>Private</td>
</tr>
</tbody>
</table>

Poland last year saw 10 deals complete with a total value of €384m. So far this year there have only been three deals, and only one in the second quarter: Rockfin, a filtration and engineering services business, which was acquired by Tar Heel Capital.

Portugal

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cabelte Cabos Electricos &amp; Telefonicos</td>
<td>Manufacturing</td>
<td>Undisclosed</td>
<td>Private</td>
</tr>
</tbody>
</table>

Portugal’s buyout market has been quiet since 2008, registering one or two deals per quarter since then, a trend that continues into 2013 – two deals in the first quarter, one deal in the second, valued at a total of €83m.

The single deal in Q2 2013 was the buy-in at Cabelte Cabos Electricos & Telefonicos, a wire and cable manufacturer.

There has been only one exit in Portugal so far this year, the €75m secondary buyout at Probos-Resinas e Plásticos, a chemical and plastics manufacturer.
Country profiles (continued)

Buyouts: H1 and Q2 2013

Romania

H1 2013: €4m (est) from one deal  
Q2 2013: €4m (est) from one deal

The top deals in Q2 2013:

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cargus SRL</td>
<td>Transport and communications</td>
<td>Undisclosed</td>
<td>Foreign divest</td>
</tr>
</tbody>
</table>

The one deal so far this year in Romania was the sale of Cargus SRL, Deutsche Post's Romania courier service.

Russia

H1 2013: €46m from one deal  
Q2 2013: No deal activity

There has been only one deal so far in 2013, and only three since the beginning of 2011, but it remains by some way the largest with a value of €46m. It was the secondary buyout at OSG Records Management, an archive and document management company, completed in March.

Spain

H1 2013: €349m from six deals, largest €80m  
Q2 2013: €85m from three deals

The top deals in Q2 2013:

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iberchem</td>
<td>Chemicals</td>
<td>€80m</td>
<td>Secondary</td>
</tr>
<tr>
<td>Sage Aytos</td>
<td>Computer services</td>
<td>Undisclosed</td>
<td>Foreign divest</td>
</tr>
<tr>
<td>Comunidad Aragon Gesenergia</td>
<td>Energy</td>
<td>€1m</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Q2 2013 remained one of the worst quarters on record in Spain since Q1 2012. The secondary buyout at Iberchem, a commercial fragrance manufacturer, was valued at €80m, while IT and software consultancy Sage Aytos was sold to Argos Soditic for an undisclosed value.

There have been five exits so far this year valued at a combined €243m.

Sweden

H1 2013: €541m from 11 deals, largest €275m  
Q2 2013: €397m from seven deals

The top deals in Q2 2013:

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ellos and Jotex</td>
<td>Retail</td>
<td>€275m</td>
<td>Foreign divest</td>
</tr>
<tr>
<td>Lantmännchen Kronfagel</td>
<td>Food</td>
<td>€75m (range)</td>
<td>Secondary</td>
</tr>
<tr>
<td>Freedom Finance Holding</td>
<td>Energy</td>
<td>€18m (range)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The year started slowly in the Swedish buyout market – in the first quarter the four deals recorded only reached a total value of €144m. But the market has picked up pace since then, with seven deals in the second quarter valued at €397m.

The home shopping companies Ellos and Jotex is so far the largest deal of the year, valued at €275m when its French parent PPR sold it to Nordic Capital.

Poultry processor Lantmännchen Kronfagel, which also includes Cardinal Foods, Kronfagel, SweHatch, Skanefagel and Danpo, was the subject of a secondary buyout valued in a range of €75m when acquired by Cap Vest.

Freedom Finance Holding, a real estate credit business, was bought by the UK’s Hig European Capital, for a value in the range of €18m.

Encouragingly, the five exits recorded in the first half of the year have achieved a combined value of more than €1b.
Country profiles (continued)
Buyouts: H1 and Q2 2013

Switzerland

H1 2013: €750m from three deals, largest €675m
Q2 2013: €713m from two deals

The top deals in Q2 2013:

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intertrust Group</td>
<td>Business services</td>
<td>€675m</td>
<td>Secondary</td>
</tr>
<tr>
<td>KADI</td>
<td>Food</td>
<td>€38m (range)</td>
<td>Secondary</td>
</tr>
</tbody>
</table>

After a quiet couple of quarters, the Swiss market came back to life with the completion of the Intertrust Group deal, which valued the management consultancy group at €675m when it was acquired in a secondary buyout by US PE firm Blackstone from Waterland.

The other deal to complete in the second quarter was KADI, a frozen food manufacturer, which was acquired by Germany’s Paragon Partners in a secondary buyout from ECM Equity for a value in the range of €38m.

There have been four exits so far this year, raising €735m between them.

UK

H1 2013: €7.2b from 85 deals, largest €1.2b
Q2 2013: €3.1b from 45 deals

The top deals in Q2 2013:

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cabot Financial</td>
<td>Financial services</td>
<td>€944m</td>
<td>Secondary</td>
</tr>
<tr>
<td>Civica</td>
<td>Computer software</td>
<td>€460m</td>
<td>Secondary</td>
</tr>
<tr>
<td>Addison Lee</td>
<td>Transport and communications</td>
<td>€352m (est)</td>
<td>Private</td>
</tr>
</tbody>
</table>

Although still the most active buyout market in Europe, the second quarter of the year saw the lowest total value of deals since the fourth quarter of 2009.

The largest deal in Q2 2013 was the secondary buyout at Cabot Financial/Cabot Credit. The debt management services business was sold on to JC Flowers by AnaCap for €944m.

Civica, a computer consultancy and software developer, was also a secondary buyout. The business was acquired by OMERS PE, part of the Canadian pension fund OMERS, from 3i for €460m.

The third-largest deal in Q2 2013, was Addison Lee, the private taxi provider, which was acquired by Carlyle Group for an estimated €352m.

The exit market has, however, remained buoyant in the first half of 2013, with more than €9.4b raised through IPOs, secondary buyouts and trade sales. This included the Partnership Assurance flotation in June, which was valued at €1.8b and Cabot secondary buyout, as mentioned above.

Turkey

H1 2013: One deal (undisclosed value)
Q2 2013: No activity recorded

The only deal to complete so far this year in Turkey is the secondary buyout: Standard Profil Otomotiv, which makes rubber for cars, was acquired from Bancroft by Actera Group.
CMBOR Methodology

Data only includes the buyout stage of the private equity market (Management Buyout (MBO), Management Buyin (MBI), Institutional Buyout (IBO), Buyin Management buyout (BIMBO)) and does not include any other stage such as Seed, Start up, Development or Expansion capital.

Unless otherwise stated, data includes all buyouts whether private equity backed or not and there is no size limit to deals recorded.

In order to be included as a buyout over 50 percent of the issued share capital of the company has to change ownership with either management or a private equity company or both jointly having a controlling stake upon deal completion.

Buyouts and buy-ins must be either management led or led by a private equity company using equity capital primarily raised from one or more private equity funds.

Transactions which are deemed not to adhere to the private equity or MBO/MBI model are not included.

Transactions which are funded from other types of funds such as Real Estate funds and Infrastructure funds are not included. Deals in which a private equity firm buys property as an investment are not included.

In order to be included, the target company (the buyout) must have its own separate financing structure and must not be held as a subsidiary of a parent holding company after the buyout.

Firms that are purchased by companies owned by a private equity firm are treated as acquisitions and are not included in the buyout statistics. However, these deals are recorded in the ‘Acquisitions by buyout companies’ statistics.

All quoted values derive from the total transaction value of the buyout (Enterprise value) and include both equity and debt.

The buyout location is the location of the headquarters of the target company and it is not related to the location of the private equity company.

The quarterly data only counts information on transactions that formally close in that quarter and does not include announced deal information.
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