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European buyouts watch
Q1 2013

Slow start, but still all to play for

As confidence picks up in some markets, can private equity find the right growth strategy?

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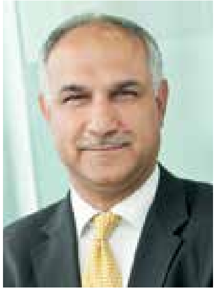

"The start of the year has seen confidence pick up in some markets but overall, European buyout levels are down. Although the market is subdued, there is still a lot to play for in 2013.

"The top ten exits this quarter show a healthy split across IPOs, trade sales and secondary buyout. The resurgence of IPO activity is encouraging and it is positive to see corporates still finding good, strategic businesses to acquire. The fundamentals for a healthier deal environment are in place but market recovery still relies on confidence levels stabilizing and improving."

Sachin Date, EMEIA Private Equity Leader, Ernst & Young

"Italy contributed the third largest buyout of the quarter with CVC's acquisition of Cerved Business Information. In Q1 2013, the Italian buyout market broke through the €1b barrier for only the second time since 2009.

"The backdrop of political uncertainty remains, but there are opportunities in the deal pipeline which, if completed, would create a positive Italian buyout market for the rest of 2013."

Umberto Nobile, Mediterranean Private Equity Leader, Ernst & Young

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About Multiple

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

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

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).

Headlines

The following analysis is based on research recorded by the Centre for Management Buyouts Research at Imperial College (CMBOR), sponsored by Ernst & Young and Equistone Partners Europe.

Q1 levels are down but certain markets pick up

- The overall value of European buyouts totaled €11.6b in Q1 2013, a 13% decrease from €13.3b in Q4 2012 and 18% below the value for the same period last year (€14.1b). However, pockets of activity in certain markets provide some comfort.

IPO market shows signs of life

- In 2012, the IPO market remained frozen, with only one PE-backed IPO, but signs point to the market starting to thaw. Q1 2013 has seen some surprisingly good news, with three PE-backed IPOs coming to the London Stock Exchange. This uptick in activity has pushed up exit values at the end of a fairly slow starting quarter by more than €2.7b.

UK still leading the market with France almost matching on deal volumes

- With €4.1b from 39 deals, the UK continues to lead the European market in terms of value but has almost been matched by France in terms of deal volumes. The number of deals completed in France (33) has improved significantly in Q1 2013 compared with the previous quarter (13), as has the total value, up to €1.6b from €1.3b in Q4 2012.

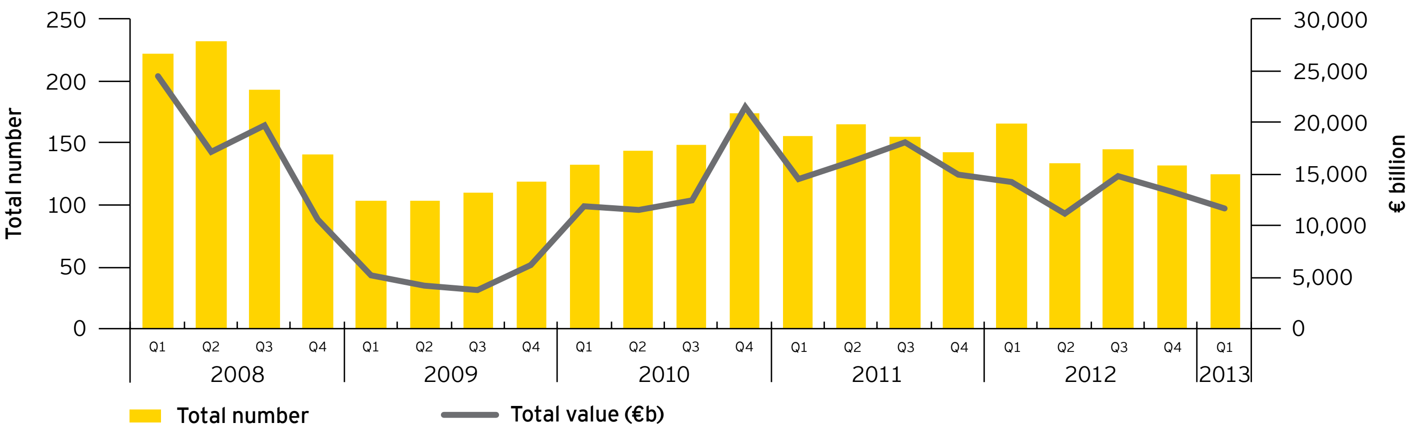
Germany and Nordics see decline but pipeline is strong

- There were only 13 deals in Germany and 12 deals combined in the Nordic countries, compared with 23 for Germany and 19 in the Nordics in the previous quarter. Germany saw a 26% drop in deal value from €2.7b in Q4 2012 to €2b in Q1 2013. However, we will hopefully see confidence returning across these regions, thanks to a strong pipeline of European deals.

Retail takes the lead over manufacturing by value for the first time

- Retail dominates the sector picture in terms of value (€3.4b), with two of the biggest deals of the quarter – Douglas Holding and B&M Retail. Many retailers across Europe are experiencing significant signs of distress as discretionary consumer spending decreases and technology fundamentally changes their business models. This changing landscape presents significant opportunities for PE, leading to an increase in activity.

European buyouts – value and volume



Source: CMBOR; Equistone Partners Europe; Ernst & Young – Year 2013 to end Q1 only

Market watch

European PE IPOs bounce back

European PE-backed IPOs only raised €1.7b through one IPO in 2012, the Dutch cable operator Ziggo. Despite the low volumes last year, sentiment may be reaching an inflection point at the end of this quarter, thanks to the recent PE-backed IPOs, including Countrywide, raising €866m, Esure Group plc, raising €1.4b, and Hellermann Tyton Ltd's recent listings for €483m, all on the London Stock Exchange. Moleskine also listed on the Milan Stock Exchange in early April.

Healthy mix of exits

Looking at the top 10 exits so far this year, we can see a healthier mix of IPOs (three), trade sales (three) and secondary buyouts (four). Secondary buyouts dominated during 2012; out of the largest ten exits for the whole of 2012, there were six secondary buyouts, three trade sales and one IPO.

Trade sales seen in Q1 2013 are still dominated by US or Asian corporates buyers, as the European corporates are still staying away from the market. Secondary buyouts are down from the previous quarter in terms of volume and value, with only 35 deals and €5.7b, so far this year. Notably, foreign divestment levels were low, with only four deals and €68m in Q1 2013, compared with 12 deals and nearly €2b in Q4 2012.

PE-backed IPO activity

2012

1 IPO

€1.7b

Q1 2013

3 IPOs

€2.7b

"The resurgence of IPO activity at the end of the first quarter is encouraging for the exit market. As long as the IPO market remains open, we expect to see more PE-backed companies make it to a public listing this year."

Sachin Date, EMEIA Private Equity Leader, Ernst & Young

Pipeline prospects

All to play for in 2013

Deal prospects for 2013 are encouraging, with reports of a number of €1b-plus deals at the planning stages. If only a handful of the headline-grabbing deals come to fruition, then momentum will build as the year progresses.

Silverfleet's €137m acquisition of Cimbria, the grain and seed processing equipment maker, and Nordic Capital's €275m buyout of Ellos and Jotex, the home shopping and decorating brands, are both waiting for clearance before completion. Also pending are Blackstone's €675m acquisition of Intertrust, the Dutch trust administrator.

A number of high-value exits are also on the cards. Medical technology company, Gambro, is seeking clearance for its €3b acquisition by US-based Baxter Inc. Similarly, General Electric's acquisition of Avio, the Italian aviation business, is awaiting approval.

We also saw the exit of Moleskine take place in early April, this deal is therefore not included in the Q1 data used in this report. This IPO of Moleskine, the Italian notebook and luxury fashion brand, is the first PE backed floatation in Italy since 2007, and values the company at more than €500m. The timing is interesting, in that it is testing the Italian markets in a post-election environment and will be watched carefully in the context of a possible comeback for Europe's IPO markets.

"Although the market has not grown in the first quarter there is still a lot to play for in 2013. There is a healthy deal pipeline; the IPO market has regained some momentum; and as businesses continue to adapt and accept the new norm of today's market conditions, we expect deal activity to pick up."

Sachin Date, EMEIA Private Equity Leader, Ernst & Young

Pipeline

€7b from nine deals

Deal dynamics

Largest European buyouts, Q1 2013

Company name	Country	Deal month	Investor	Value (€m)	Value type
Douglas Holding/Beauty Holding Three	Germany	1	Advent International	1,498	Actual
B & M Retail	UK	1	Clayton Dubilier & Rice	1,147	Actual
Cerved Business Information	Italy	3	CVC Capital Partners	1,130	Actual
Mediq NV (AL Garden)	Netherlands	2	Advent International	819	Actual
Dematic Holding	Belgium	2	AEA Investors/Teachers PC	800	Estimated
IPH/Industrial Parts Holding	France	3	PAI Partners	500	Actual
Principal Hayley	UK	2	Starwood Capital Group	464	Actual
Socotec SA	France	2	Cobepa/Five Arrows	400	Estimated
Jemella Group (GHD)/Good Hair Day	UK	3	Lion Capital	346	Estimated
LR Health & Beauty Systems	Germany	3	Quadrico Capital/Bregal	250	Actual
Cala	UK	3	Patron Capital	243	Actual
Wireless Infrastructure Group (WIG)	UK	1	Wood Creek Capital Management	238	Estimated
Admiral Taverns	UK	1	Cerebus Capital Management	238	Estimated
ADB Air Field Solutions	Belgium	3	PAI Partners	208	Actual
Malmaison and Hotel Du Vin Proprty Holdings	UK	3	KSL Capital Partners	207	Estimated
Aurum Holdings	UK	3	Apollo Global Management	202	Actual
Suomen Lahikauppa	Finland	2	Triton	150	Range
D & F Group/Dalseide & Floysand/Beerenberg	Norway	2	Segulah	150	Range
Countryside Properties (Copthorn)	UK	2	Oaktree Capital Management	145	Range
Thomsons Online Benefits	UK	1	ABRY Partners	119	Actual
Hydrasun	UK	3	Investcorp	116	Actual
Sofitel Paris Le Faubourg Hotel	France	2	Mount Kellett Capital Management	113	Actual
Biffa	UK	1	Angelo Gordon/Babson CP/ Avenue Cap	100 plus	Range

Source: CMBOR, Equistone Partners Europe, Ernst & Young — Year 2013 to end of Q1 only

Mid-market deal volume slows down

The first quarter of 2013 has been marked by a slowdown in the middle-market range of €100m to €250m. In this bracket, there were 13 deals with a combined value of €2.3b during the first three months of the year. In the previous quarter, there were 17 such deals, valued at €2.7b.

However, the average size of deal in this band during Q1 2013 was €177m, compared with €159m in Q4 2012. The average for the whole of 2012 was €161m. So, although fewer deals were completed in this year's first quarter, their average value is higher than last year.

The number of smaller deals is also in decline, in line with the overall trend this quarter. Just 101 deals were completed in the sub-€100m group, compared with 140 in Q1 last year.

Larger deals still appeal

The figures for the first three months of 2013 confirm the trend that larger deals are still attracting investors and financiers. In Q1 2013, there were three €1b-plus deals, maintaining a level consistent with recent quarters. In the €500m to €1b segment, there were three deals – with a combined value of €2.1b – which is down on the previous quarter.

However, there is still the view that investors are willing to back the very largest buyouts, and that the banks are willing to provide the debt for such deals. In these situations, it would appear that size goes hand in hand with quality. The debt-to-equity ratio of all deals so far in 2013 is 39.2% : 59.4% (1.3% was mezzanine). However, in the €100m-plus bracket, this changes to 51% : 46.7% equity, with 2.2% mezzanine.

Public to private returns

While secondary buyouts proved to be the most significant source of deals by value (€5.7b) in Q1 2013, public-to-private deals were the second largest source. Their combined value of €2.4b was the highest quarterly figure since before 2009. There were only three deals in this group, but two of them (Douglas Holding and Mediq NV) were among the five largest overall deals of the quarter.

Refinancing increases as PE houses amend and extend

There is still an overhang of portfolio assets originally scheduled for exit being delayed because of the gap between buyer and seller valuation expectations. The result has been more PE houses taking an "amend and extend" approach, rather than reduce their price expectations. In 2009, only €3b of refinancing was recorded, compared with over €17b in 2012. This trend of refinancing existing assets is likely to continue in 2013.

Deal value range

	Q1 2012	Q4 2012	Q1 2013
€1b plus	4	3	3
€500m-€1b	3	5	3
€250m-€500m	1	5	4
€100m-€250b	17	17	13
Up to €100m	140	101	101
Total number of deals	**165**	**131**	**124**

Inside the deal

Living in the new norm

The market remains subdued and deal activity levels have fallen. There continues to be a disparity between vendor and investor price expectations, and the transactions that do happen are taking longer to complete. To add to these challenging market conditions, there are fewer assets coming to market, and competition is fierce for those that do.

With fewer traditional auction processes and more "off-market" processes, many PE houses are focusing on identifying potential assets a long time before they come to market. It is important to ensure that a potential deal fits into their investment strategy and to build strong relationships with management teams before a sales process starts.

Umberto Nobile, Mediterranean PE Leader, Ernst & Young, Italy, interviews Giampiero Mazza, Managing Director, CVC, Italy

Q. You've recently completed the acquisition of Cerved for €1.1b, can you tell us a little bit about the deal and how it fits into your current deal strategy?

"Having a full team in Italy, CVC was able to follow Cerved closely for some time, understanding its key end markets and establishing a relationship with management. The investment in Cerved fits well into our investment strategy. Cerved is a high quality asset that has shown the ability to grow in very challenging macro conditions.

"We were attracted by the resiliency of the business, the high and consistent cash flow generation, the track record and commitment of the management team, and the possibility to leverage the existing platform to grow into adjacent markets. For example we believe the credit serving division, Jupiter, is in a great position to capture the significant market potential arising out of the growth in NPL stocks in Italy."

Q. What was most important to you during this transaction process, in terms of ensuring a successful completion, and what challenges did you face?

"The key challenge was performing thorough due diligence in an accelerated time-frame. We needed to assess in detail the dynamics of Cerved's key end markets, in particular the banking sector. The vendors were keen to complete a transaction in an off-market process before year-end. We were able to achieve this thanks to having started working on the asset in 2010, by prioritizing the key diligence issues, and thanks to our team of advisors who worked expeditiously and seamlessly even during the holiday period."

Private equity

March 2013

Ernst & Young advised CVC Capital Partners on their €1.1b acquisition of Cerved Business Information

Transaction Support Advisors

Q. Has the way you approach deals changed over the last 12 months?

"Not really. We continue to see a decent number of good companies that can do well even in a tough Italian economy, in most cases because they are export driven and in others because they show little correlation with the broader economy. Our approach continues to be focused on local origination, alignment of interest with strong management teams, and price discipline."

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

"Economic growth in the broader Eurozone will be limited in the foreseeable future. The challenge will be the bid-ask spread when vendors expectations on value do not realistically reflect this macro scenario."

Current conditions

It is easy to be pessimistic about market conditions, particularly with the Cyprus crisis and fear of contagion. However, there are global factors that also need to be considered. The US private equity market had a slow start to 2013, but there has been a real pickup in activity since then.

There is still an appetite for good deals. Anecdotal evidence suggests there can be tough competition when a good business becomes available. We might not be seeing many auctions at the moment, and deals are taking longer to complete than in the past, but the building blocks are there for a return to growth. Renewed confidence in stock markets will, in time, be reflected in a return of confidence in the buyout sector, as momentum builds.

Other European markets are also revealing mixed messages. France has picked up in terms of number, if not value, and the largest deal of the quarter (Douglas Holding) was German. Italy, despite the uncertainty caused by its recent elections, recorded the third-largest buyout of the quarter and, as noted earlier, saw an IPO exit on its stock exchange, in early April.

"We are seeing some improvements in the Eurozone but a permanent solution is proving elusive because the Eurozone still needs major economic reform. There are some positive signs with GDP forecasts stabilizing ... but reform is going to take a long time."

Mark Gregory, Chief Economist, Ernst & Young, UK

"When we look at new investments, we know that competition is fierce for the strong businesses that come to market. We also know that the buyer landscape in the exit market has changed, and that corporate buyers from the US and Asia continue to dominate trade sales. The PE houses that focus on both sides of the deal market, and seek out the right buyers for their assets, are the ones that will succeed in 2013."

Sachin Date, EMEIA Private Equity Leader, Ernst & Young

Sector insights

Retail and consumer

The retail sector has come back with a vengeance this quarter, with nearly 10 times the value recorded in the first three months of the year when compared with the last quarter of 2012. Indeed, by value, it was the most active sector in the quarter. In Q1 2013, there were 12 deals with a combined value of some €3.4b; in Q4 2012, there were only five deals, valued at €355m. There were 13 deals in Q1 2012, but they only raised €2b. This strong performance should also be judged against the continuing lack of confidence among consumers and austerity measures across Europe.

The top two deals of the quarter were in the retail sector. Germany's Douglas Holding, which operates a large chain of retailers, was acquired for €1.5b, while Clayton Dubilier & Rice acquired a significant stake in the UK high street discount retailer B&M Retail in a deal valued at €1.2b.

The third-largest deal was again in Germany: LR Health & Beauty Systems, a beauty product maker and retailer, was sold in a secondary buyout for €250m.

This news comes amid continuing troubles on the high street. Though, even here, there may be opportunities for PE houses. Both HMV, the UK high street retailer, and Blockbuster, the UK video retail operation, are currently being taken out of administration through buyout deals.

Hotels and leisure

With four deals in the top 20 this quarter, the leisure sector had its strongest quarter by value since Q2 2011. Its total of 10 deals were valued at €1.2b. Interestingly, US-based private equity investors backed all the top four deals in this sector.

The top three leisure deals were all based in the UK: Principal Hayley, the hotel operator whose properties include the Grand Connaught Rooms in central London, was acquired in a secondary buyout by US-based Starwood Capital Group for €464m. Pub operator Admiral Taverns was acquired by another US-based investor, Cerebus Capital, for an estimated €238m. And hotel group Malmaison and Hotel du Vin Property Holdings was bought out by KSL Capital Partner, again based in the US, for an estimated €207m.

The next largest deal was France's Sofitel Paris Le Faubourg Hotel, which was acquired by the US investor Mount Kellett Capital for €113m.

Country spotlight

UK

Q1: €4.1b from **39 deals**, largest deal: **€1.1b**

With 39 deals completed during the first three months of 2013, the UK continues to lead the European market, although volumes are considerably down when compared with Q1 2012, when 68 deals were completed. However, values have held up well. The total value for Q1 2013 was just under €4.1b, making the average deal size €105m. This is down from the previous quarter's €113m average deal size, but higher than the same quarter last year (€97m).

The low levels of activity are a clear reflection of low levels of confidence from the second half of 2012. This time last year, the number reached its highest level since before 2009, but that proved the exception rather than the rule. It is worth remembering that Q1 2013's combined value of €4.1b makes the UK market more than twice the size of its nearest rival, Germany.

The largest deal in the quarter for the UK was B&M Retail, the discount high street retailer, which was sold for nearly €1.2b in January. 10 out of the top 20 deals across Europe were based in the UK. Other deals included hotel and conference center group Principal Hayley, bought out for €464m in February, and Jemella Group, which trades under the ghd haircare brand, was sold for an estimated €346m.

Exits have been encouraging. They were bolstered by insurer Esure's IPO, which raised nearly €1.4b on the London Stock Exchange in March. Another IPO, Countrywide, the UK's largest estate agent by revenue, became the fourth-largest European exit when it raised €866m, again in March.

"The UK buyout market remained resilient in the first quarter of 2013, with UK activity accounting for almost a third of all European deals (39 of 124) by volume, and over a third by value (€4.1b of €11.6b). Despite the fluctuating value of GBP, the UK remains an attractive prospect for global buyers, with four of the ten largest UK exits of Q1 2013 going to acquirers outside of Europe. The end of Q1 2013 saw three private equity-backed London Market IPOs complete — Countrywide, Esure and HellermannTyton — the first listings of private equity backed companies in the UK since Q2 2010 and there is a strong UK IPO pipeline for the rest of 2013."

Sachin Date, EMEIA Private Equity Leader, Ernst & Young

Germany

Q1: €2b from **13 deals**, largest deal: **€1.5b**

By value, Germany was the second most active market in Europe during the first three months of the year, with €2b of deals completed. But the number of finalized deals is down on previous quarters. Thirteen deals were recorded in Q1 2013, compared with 23 in the last quarter of 2012 and 15 in Q1 2012.

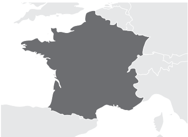
But Germany was able to claim the largest deal of the quarter when the public-to-private acquisition of Douglas Holding completed in January, valued at nearly €1.5b. The second-largest deal was in the retail sector, where LR Health & Beauty Systems' secondary buyout was valued at €250m.

Exits were healthy during the quarter. Ten German portfolio companies returned just under €2.4b to their investors.

"The development of the economic outlook and the political successes in containing the still lingering sovereign debt crisis will be the decisive factors determining how the German private equity market develops this year. However, we are seeing a healthy pipeline for 2013 and the sentiment from private equity firms is more optimistic about fundraising, investments and sales of investment holdings this year.

"Many see the greatest opportunities in trade sales and in sales to other private equity firms. Exits through initial public offerings are considered to be more challenging, although we know there are many portfolio assets ready to go public."

Klaus Sulzbach, Private Equity Leader, Germany, Switzerland & Austria, Ernst & Young



France

Q1: €1.6b from **33 deals**, largest deal: **€500m**

In terms of numbers, France had a strong quarter, with 33 deals completing. This was six less than in the UK, but more than twice the number of deals seen in the previous quarter. However, the combined value of these deals was €1.6b, which was lower than the 13 German deals valued at €2b in Q1 2013.

A number of these deals may have been initiated by concerns over tax increases to be brought in by the new government. It will be interesting to see how the rest of the year plays out in terms of size of deal.

The largest deal of the quarter was the secondary buyout at IPH, an industrial supplies distributor, which was valued at €500m. Socotec, also a secondary buyout, was the second largest deal in France during the quarter. The risk management group deal was valued at an estimated €400m. Both these deals ranked in the top three largest French exits.

"Despite the flat macro-economic situation in France and some uncertainties about the implication of tax regulations, the private equity market performed well during Q1 2013. We have seen that the small and mid cap markets are positively oriented but looking ahead to the rest of 2013, we also expect a return of bigger deals."

Paul Gerber, Private Equity Leader, Ernst & Young, France

Italy

Q1: €1.2b from **8 deals**, largest deal: **€1.1b**

In Q1 2013, the Italian buyout market broke through the €1b-plus barrier for only the second time since 2009. Eight deals, with a combined value of €1.2b, were completed. However, the quarter was dominated by the €1.1b buyout of Cerved Business Information, a secondary deal that completed in March. This deal was the quarter's third largest in Europe.

The other Italian deals finalized during the quarter include Antex srl, a human resources management business valued at an estimated €40m, and wine producer and wholesaler Farnese Vini, which was bought out for a value of around €18m.

It should be remembered that these deals were completed against the backdrop of political uncertainty in the country, following elections in February. How this affects deal volumes and values in the future remains to be seen, as does the impact of any Eurozone uncertainty in the wake of the Cypriot financial crisis.

It is worth noting the exit of Moleskine, the Italian notebook and luxury fashion brand, which took place in early April and is, therefore, not included in the Q1 data used in this report. Valuing the company as a whole at more than €500m, the IPO was the the first PE-backed floatation in Italy since 2007, and will be watched carefully in the context of a possible comeback for Europe's IPO markets.

"The Italian political uncertainty remains the most significant impediment of transactions, leaving the outlook very unclear. Furthermore, the country's high public debt and low internal demand completely overshadows the low public deficit compared with most Western countries.

"In Q2 2013 and following quarters, several sizable investment opportunities are expected to occur which, if completed, would create a positive Italian buyout market for FY13. In addition, there remains several global leading Italian companies that could strengthen their market position with the support of an equity sponsor.

"Cost effective leverage is still a scarce resource; however we expect that a convergence between bid and ask prices and more use of equity, vendor loans and alternative financing sources will help closing transactions."

Umberto Nobile, Mediterranean Private Equity Leader, Ernst & Young, Italy

Country profiles

Q1 2013

Austria

The top deals:

Company	Sector	Value	Source
St Gilgen International School	Business services	€38m (range)	Private
K-Uni Kunststoffproduktions und Handels	Manufacturing	Undisclosed	Private

There were only two deals completed in the Austrian market during the first quarter of 2013, the same as the first and third quarters of 2012 (there were no deals completed in the fourth quarter and only one in the second).

St Gilgen International School was completed in February for a value in the range of €38m. Its management and HIG Europe bought the company, which operates an international day and boarding school.

K-Uni Kunststoffproduktions und Handels, which makes plastic exterior insulation products, was sold to Afinium Management.

Belgium

The top deals:

Company	Sector	Value	Source
Dematic Holding	Manufacturing	€800m (estimate)	Secondary
ADB Air Field Solutions	Engineering	€208m	Secondary
Vemedia	Pharmaceutical	€75m (range)	Secondary

In all, there were four deals completed in Belgium during the first three months of 2013, valued at a total of €1.1b. This was significantly higher than the previous three quarters, though only half the value of the same period last year (six deals, valued at €2.2b).

The largest deal of the quarter was Dematic Holding, a manufacturer of storage and retrieval systems, which was sold on to a syndicate led by Canada's Teachers Private Capital by Triton Beteilungsberatung in a secondary buyout for an estimated €800m.

The second-largest deal was ADB Air Field Solutions, a provider of airfield lighting systems, sold in another secondary buyout by Montague Private Equity to PAI Partners for €208m.

Vemedia, a manufacturer and wholesaler of "over-the-counter" pharmaceutical products, was yet another secondary buyout, acquired by IK Investment Partners for a value in the range of €75m.

The Czech Republic

The top deals:

Company	Sector	Value	Source
Bohemia Interactive Simulations	Wholesale	€18m (range)	Private
HSW Signall	Wholesale	Undisclosed	Foreign divestment

There were only two deals completed in the Czech Republic during the whole of 2012, so a similar number of deals in one quarter marks a promising start to 2013. With an estimated value of €22m, this is the highest value in a quarter since Q2 2011 (three deal values at €25.5m).

Bohemia Interactive Simulations, a wholesaler of computer programming services, was acquired by the Riverside Company for a value in the range of €18m, while HSW Signall, which is a wholesaler for printers and digital printing hardware, was sold by Neschen Benelux to Genesis Capital.

Denmark

The top deals:

Company	Sector	Value	Source
Zebra/Tiger	Retail	€75m (range)	Private
UV Data	Computer software	Undisclosed	Private
Ellegaard	Manufacturing	Undisclosed	Local divestment

With three deals and a total value of €83m, Q1 2013 was the least active quarter in Denmark since Q4 2011 by volume (two deals) and Q3 2011 by value (€79m). By value, it was less than 10% of the previous quarter, which was boosted by KMD, the IT management services company.

Zebra/Tiger, a chain of retail stores, was sold in the range of €75m to Sweden's EQT Partners. UV Data, a provider of educational software, was sold to Via Venture Partners, while Capidea Management acquired Ellegaard, which makes sustainable plant propagation equipment.

Source: CMBOR; Equistone Partners Europe; Ernst & Young.

Finland

The top deals:

Company	Sector	Value	Source
Suomen Lahikauppa	Retail	€150m (range)	Secondary
Solita	Business services	Undisclosed	Private
EVAC	Manufacturing	Undisclosed	Local divestment

There may have only been three deals completed in Finland during the first quarter of 2013, but the total value of the deals (€172m) was three times that of the previous quarter's five deals (€54m).

Suomen Lahikauppa, a grocery store operator, was acquired by Triton in a secondary buyout from IK Investment, for a value in the range of €150m.

EVAC, which makes waste systems for the building and shipping industries, was a partial secondary buyout led by Oaktree Capital.

Toward the end of the quarter, Finnish PE house Vaaka Partners led a management buyout of Solita, a digital business consultancy with revenues of €27m.

France

The top deals:

Company	Sector	Value	Source
IPH/Industrial Parts Holding	Manufacturing	€500m	Secondary
Socotec SA	Business services	€400m (est)	Secondary
Sofitel Paris Le Faubourg Hotel	Leisure	€113m	Local divestment

With 33 deals completed, the first quarter of 2013 saw a good level of activity in the French market, with a total value of €1.6b. However, only the three deals listed above were valued at more than €100m; 24 of the deals were valued at less than €50m.

IPH/Industrial Parts Holding was the largest deal of the quarter, valued at €500m. The secondary buyout of the industrial machinery parts manufacturer saw PAI Partners acquire the company from Investcorp.

Socotec SA, a business performance improvement consultancy, was another secondary buyout, which saw CDC Capital sell the company on to Cobepa for an estimated €400m.

Sofitel Paris Le Faubourg Hotel, the luxury hotel, was sold by its parent Accor SA to Mount Kellett Capital Management for €113m.

Germany

The top deals:

Company	Sector	Value	Source
Douglas Hldg/Beauty Hldg	Retail & consumer	€1.5b	Public to private
LR Health & Beauty Systems	Retail	€250m	Secondary
GHM Messtechnik	Engineering	€75m (range)	Secondary

By volume, the 13 deals completed in Q1 2013 was the lowest in Germany since Q1 2010, though by value (€2b), it was higher than the same quarter last year, albeit lower than the previous quarter, Q4 2012, which saw €2.7b in completed deals.

However, Germany did record the largest deal of the quarter — the public-to-private acquisition of books to perfumes retailer Douglas Holding was valued at €1.5b.

LR Health & Beauty Systems, a retailer that also makes health and beauty products, was the second largest deal in Germany, valued at €250m when sold by Apax Partners in a secondary buyout to Quadrico Capital.

GHM Messtechnik, which makes measurement technology, was another secondary buyout, with a value in the range of €75m.

Ireland

The top deals:

Company	Sector	Value	Source
ATA Tools/ATA Group	Manufacturing	€17m	Foreign divestment

There was just one deal in Ireland during the first three months of 2013, following a similar pattern of the previous year.

ATA Tools, a manufacturer and wholesaler of carbide rotary tools, was sold by US group SGS Tools to MML Capital Partners for €17m.

Source: CMBOR; Equistone Partners Europe; Ernst & Young.

Country profiles (continued)

Q1 2013

Italy

The top deals:

Company	Sector	Value	Source
Cerved Business Information	Media	€1.1b	Secondary
Antex srl/FIS	Business services	€40m (est)	Private
Farnese Vini	Drink	€18m (range)	Private

Q1 2013 was the best quarter in Italy by value (€1.2b) since Q2 2011, though the number of deals completed was similar to previous quarters.

However, the quarter was boosted by the €1.1b sale of business information group Cerved by Bain Capital to CVC Capital Partners in a secondary buyout.

Antex srl, a human resources management and outsourcing service provider, was sold to Argos Soditic for an estimated €40m, while wine producer Farnese Vini was acquired by 2I Invest for a value in the range of €18m.

Netherlands

The top deals:

Company	Sector	Value	Source
Mediq NV	Pharmaceutical	€819m	Public to private
Emesa	Leisure	€95m	Secondary
Hypo Wholesale BV	Distribution	€18m (range)	Private

The six Dutch deals that completed in Q1 2013 recorded a combined value of €944m, the highest quarterly value since Q3 2011. However, it was the lowest number of deals since Q2 2011.

The bulk of the deal value came from the €819m public-to-private acquisition of Mediq NV, a medical and pharmaceutical device supplier, by Advent International.

Emesa, an online consumer travel platform operator, was sold on in a secondary buy out by Oakley Capital to Cyrte Investments for €95m.

Hypo Wholesale, a branded equestrian fashion wholesaler, was acquired by Vendis Capital for a value in the range of €18m.

Norway

The top deals:

Company	Sector	Value	Source
D & F Group/Dalseide & Floysand/Beerenberg	Business services	€150m	Secondary
Acona	Business services	€18m (range)	Private
Elite Foto	Retail	Undisclosed	Local divestment

Following a low key fourth quarter of 2012, three deals with a combined value of €46m (the lowest since Q2 2009) were completed. Q1 2013 had an overall value of €172m, buoyed by a €150m deal.

The deal in question was Herkules PE's €150m secondary buyout of Beerenberg, an oil services company. The company was formed following the buyout of Dalseide & Fløysand Group in 2006, which was renamed as Beerenberg in 2009.

The other two deals were CapMan's acquisition of Acona, a well and drilling consultancy, and Elite Foto, a photographic retail chain, which was sold to Jotunfjell Partners.

Poland

The top deals:

Company	Sector	Value	Source
Zaklady Wyrobow Cukierniczych	Food	Undisclosed	Local divestment

Last year, Poland saw 10 deals complete, with a total value of €384m. So far this year, there has only be one deal: Zaklady Wyrobow Cukierniczych, a biscuit manufacturer, which was acquired by Horizon Equity.

Portugal

The top deals:

Company	Sector	Value	Source
Probos-Resinas e Placticos	Chemicals	€75m	Secondary
Cifial/Sociedada Gestora de Participacoes	Manufacturing	Undisclosed	Private

Portugal's buyout market has been quiet since 2008, registering one or two deals per quarter since then. The two deals that completed in Q1 2013 produced a combined value of €79m, the highest value since Q3 2010 (€97m).

Probos-Resinas e Placticos, a plastic edging manufacturer, was a €75m secondary buyout by Nmas 1 Capital Privado.

Cifial/Sociedada Gestora de Participacoes Socias, a plumbing hardware products manufacturer, was acquired by ECS Sociedade de Capital de Risco.

Source: CMBOR; Equistone Partners Europe; Ernst & Young.

Russia

The top deals:

Company	Sector	Value	Source
OSG Records Management	Business services	€46m	Secondary

There was only one deal in Q1 2013, the third since the beginning of 2011, but 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.

Spain

The top deals:

Company	Sector	Value	Source
Betapack	Manufacturing	€40m	Private
Gestion Tributaria Territorial	Financial services	Undisclosed	Private

With only two deals valued at €44m, Q1 2013 was the lowest quarter in Spain, both for value and volume, since Q2 2010 (two deals, €9m). It is in marked contrast to the previous quarter, which saw eight deals complete, with a combined total value of €1.4b.

Betapack, a plastic cup manufacturer, was acquired by Mercapital for €40m. Realza Capital acquired Gestion Tributaria Territorial, a tax management service provider.

Sweden

The top deals:

Company	Sector	Value	Source
Troax Group	Manufacturing	€85m (est)	Secondary
Neonet AB	Financial services	Undisclosed	Local divestment
Robust	Manufacturing	Undisclosed	Local divestment

By volume, Q1 2013 was Sweden's lowest quarter since Q1 2009, and by value, it was the lowest since Q4 2008. The three deals completed during the first three months of 2013 were valued at €93m.

Troax Group, a company that specializes in machine safety solutions, was sold on in a secondary buyout by Accent Equity to FSN Equity for an estimated €85m.

Neonet, an online brokering service provider, was acquired by Haytor Capital, while Robust, a fire door manufacturer, was acquired by Norvester Equity.

Switzerland

The top deals:

Company	Sector	Value	Source
ITX SA	Business services	€38m (range)	Private

At €38m, Q1 2013's value was up on last quarter's €21.5m, which was the lowest quarter since Q1 2009, but this was the first quarter since Q1 2010 in which there was only one deal completed.

ITX SA, an expatriate services operator, was acquired by Milestone Capital Partners for a value in the €38m range.

Turkey

The top deals:

Company	Sector	Value	Source
Standard Profil Otomotive	Manufacturing	Undisclosed	Secondary

There may have only been one deal completed in Turkey in the first three months of 2013, but it was the first secondary buyout in the country's buyout market. Standard Profil Otomotive, which makes rubber for cars, was acquired from Bancroft by Actera Group.

UK

The top deals:

Company	Sector	Value	Source
B&M Retail	Retail	€1.2b	Private
Principal Hayley	Leisure	€464m	Secondary
Jemella Group (GHD)/Good Hair Day	Manufacturing	€346m (est)	Secondary

With 39 deals completed during the first three months of 2013, the UK led the European market. However, volumes are considerably down when compared with Q1 2012, when 68 deals were completed. However, value is holding up reasonably well — at €4.1b, it was lower than three out of the four quarters of last year, but higher than three of the four quarters of 2011.

B&M Retail, a discount retail chain, was one of only three €1b-plus deals completed throughout Europe during the quarter — with a value of €1.2b, it became the second largest deal when it was acquired by Clayton Dubilier & Rice.

Principal Hayley, an hotel operator, was sold on through a secondary buyout to Starwood Capital Group for €464m, while Jemella Group, which trades under the ghd haircare brand, was sold by Montagu Private Equity to Lion Capital, in a secondary buyout valued at an estimated €346m.

Source: CMBOR; Equistone Partners Europe; Ernst & Young.

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