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Eurazeo takes 45% of Moncler in €1.2bn deal

FRENCH INVESTMENT FIRM Eurazeo has acquired a 45% stake in Moncler, a Milan-based manufacturer of high-end sportswear products, for €418m in an SBO from Carlyle Group.

The all-equity deal, which gives the group an enterprise value of €1.2bn (or 12x EBITDA), sees existing shareholders Carlyle Group and chairman and creative director Remo Ruffini retain respective stakes of 17.8% and 32%. The remaining 5% is in the hands of Mittel Private Equity.

Eurazeo, which was advised on the deal by investment bank Lazard, has syndicated part of the equity to its Eurazeo Partners fund, and plans to syndicate the deal further, due to the strong interest demonstrated in the luxury sector by numerous investment groups.

Founded in 1952, Moncler is a manufacturer of high-end sportswear products under the brands Moncler, Henry Cotton's, Marina Yachting and Coast Weber & Ahaus. Its growth strategy will consist of further expansion of its geographic reach, particularly in China and the US, opening new stores in top-end locations, launching online sales and widening the product offering.

The aim is to increase recognition of Moncler as a global luxury brand, as well as continuing to develop the other brands the group owns and manages. The retail channel will be further exploited so that it grows to represent 50% of turnover in the mid-term (compared to 25% at present).

The investment represents Eurazeo's first foray into the luxury goods sector. The investor had been seeking investment opportunities in the area for some time and believes Moncler will be complementary to its existing assets and help diversify its portfolio, which is heavily exposed to low-growth defensive stocks.

Led by Patrick Sayer, chairman, and Virginie Morgon, executive board member, Eurazeo perceives the trust it built with Moncler and its shareholders as instrumental to its success in securing the deal. It was attracted by the company's heritage, brand, growth potential, business model and "extraordinary" management team. Moncler, in turn, was impressed that the investor shared its vision.

As for the luxury goods market, Eurazeo believes European companies have a competitive advantage in this sector and continue to grow irrespective of the problems in the wider economy. The entire market is said to be worth €185bn, with the clothing and accessories niche generating €100bn and growing at a rate of 10% per annum. The luxury outerwear segment is displaying even stronger growth indicators.

Half of the 10 positions on Moncler's board have been allocated to Eurazeo, with the investor holding the post of vice-chairman.

The deal, which is scheduled to close in Q3, comes after Moncler applied for a listing on the Italian Stock Exchange in April. Plans to list the company have, however, been postponed due to Eurazeo's investment. The ultimate goal remains to be to list the company, which continues to monitor opportunities in the public markets.

Eurazeo's entry into Moncler represents a partial exit for Carlyle, which acquired a 48% stake in the firm from Mittel Private Equity in August 2008. Carlyle paid approximately €200m for its shareholding in a deal that valued the company at €460m.

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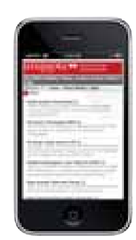

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Name
Explorer III
Target
€300m
Announced
2009
Closed on
€270, May 2011
Focus
Iberia - all sectors, except real estate and finance
Fund manager
Explorer Investments

Explorer Investments closes fund at €270m

Fund

Portuguese private equity firm Explorer Investments has held a final close of its third fund at €270m. Explorer III had an original target of €300m when it launched in 2009. Carry and hurdle were described as in line with industry standards.

Explorer III is larger than the firm's previous fund, launched in 2007, which closed at €200m.

Investors

The fund attracted European institutional investors, mainly from Iberia.

Investments

Explorer manages three funds for a total of €530m and is currently looking for opportunities to invest in Iberia, especially in the Portuguese market. The firm plans to invest in profitable Iberian companies with growth potential through internationalisation and/or sector consolidation. Explorer focuses on businesses that are in the process of restructuring their shareholder base, in all sectors – except real estate and finance. Each investment will range from €12-45m.

Explorer III made its first investment at the end of 2010, when Lisbon-based wholesaler and retailer of home appliances Totalmedia Entregas ao Domicilio was acquired in a buyout transaction. Explorer aims to build a portfolio of 10-15 companies.

People

The fund was structured by Cuatrecasas Gonçalves Pereira. Rodrigo Guimarães, Elizabeth Rothfield and Marco Lebre are Explorer's founding partners.

Name
Nauta III
Target
$145m
Announced
July 2009
Closed on
$150m, June 2011
Focus
Europe, early-stage technology companies
Fund manager
Nauta Capital

Nauta Capital closes latest fund at $150m

Fund

Nauta Capital's third fund has closed with $150m in commitments, surpassing its original target of $145m. Launched in July 2009, Nauta III is a 10-year fund with an investment period of five years. Carry and hurdle were described as industry standard.

Investors

Fund investors include the European Investment Fund, BBVA. The Catalan Institute of Finance, La Caixa's pension fund, Barcelona City Council and Spain's Ministry of Economy, as well as Spanish family offices.

Investments

The vehicle focuses on companies based in Western Europe, especially in Spain and the UK, as well as the US. The firm expects that Nauta III will be made up of 20 early-stage companies, including both seed companies and businesses in more advanced stages of development (series-A and series-B).

The fund will target mobile/telecommunications, enterprise software/security and e-commerce/internet firms, Nauta's traditional sectors of investment. The investments will range from $700,000 to $10m, with an average of $7m per investment.

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Since the launch of its investment period in early 2010, Nauta III has made seven new investments, including Abiquo, Groupalia and Yuilop in Spain, Cluster Mobile in the US and Flirtomatic, Basekit and Site Intelligence in the UK.

Nauta currently manages $240m across three funds. Its portfolio has achieved a compound annual growth rate (CAGR) of 70% since 2008. Nauta III will invest most of the portfolio during 2011 and 2012. The firm's latest vehicle is approximately twice the size of its previous fund, Nauta II, closed at $72m in July 2006.

People

The fund is managed by Nauta Capital. Garrigues acted as legal advisor.

Nauta Capital's private equity team includes six GPs: Javier Rubio, Marcel Rafart, Jordi Vinas, Dominic Endicott, Daniel Sánchez and Charles Ferrer.

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Spanish state invests €35m in venture firms

THE SPANISH GOVERNMENT has ring-fenced €35m to support investment rounds led by venture firms in local technology companies.

Part of Emprendedores en Red, an initiative designed to give a boost to the local venture scene, this funding will take the form of loans of between €150,000 and €1.25m per business with an interest rate of 5.73%. No extra guarantees will be required of companies and the amortisation period will be seven years.

The financing will be channelled via the public company Red.es, which is run by Spain's Ministry of Industry. However, Spanish venture funds are only allowed to finance transactions with a maximum of 50% of the total deal value hailing from public sources. Additionally, at least 50% of the debt used per deal must come from private sources.

AIAC disputes Ramón Vizcaíno sale by Ezten fund

THE OWNERSHIP OF struggling Spanish industrial company Ramón Vizcaíno, previously backed by Gestión de Capital Riesgo del País Vasco (GCRPV), is in dispute.

An 87% stake in the business, which specialises in the design, manufacture and installation of temperature control systems and services, was meant to have been bought by US investment group AIAC – via its subsidiary GRV Acquisitions – last year. However, AIAC is now claiming that the contract it signed with the Basque government's private equity firm is no longer valid because it was dependent on various conditions, which have not been met.

Stipulations made in the initial agreement, signed last July, included that GCRPV would contribute a debt package worth €2.5m to the company via its Ezten fund, as well as injecting a separate loan worth €500,000 via Ezten and its Zuztapen vehicle.

If the courts rule in AIAC's favour, the company's share capital would revert to its structure before the deal was made, with GCRPV retaining its 16.3% stake and Jesús Gómez Montoya holding 21.75% through his company Yatpinde Tatso Brahmande. AIAC would maintain a mere 0.03%.

GCRPV and local savings banks BBK, Kutxa and Vital acquired their 16.3% in a deal valued at €4.5m in March 2008. The remaining stake was retained by Ramón Vizcaíno's owners. The investment consisted of a €1.5m capital increase and €3m in long-term loans.

Private equity hungry for €215m Bimbo deal

BUYOUT HOUSES MAGNUM Capital Industrial Partners, MCH Private Equity and Portobello Capital are among the potential bidders for Spanish bakery business Bimbo.

The company, which is currently owned by US multinational Sara Lee Corp, could sell for between €175-215m, in an auction run by Rabobank Groep and NM Rothschild & Sons, according to Spanish newspaper Expansión.

International firms Bimbo México, Barilla, CSM and Aryzta, and Spanish competitors Panrico (backed by Oaktree Capital) and Panasa (owned by Mercapital) are also said to have expressed an interest. However, MCH-backed Europastry, Spain's largest frozen pastry manufacturer, is not thought to be tempted by the deal. Bimbo was founded by Jaime Jorba in 1945 and generated losses of €11.7m last year. Non-binding bids are due by the end of July.

Simbiosis considers €35m Cacaolat rescue

SIMBIOSIS VENTURE CAPITAL is considering rescuing Cacaolat, the beleaguered Spanish chocolate shakes-to-biscuits company owned by food group Nueva Rumasa.

According to Spain's El Periódico, local investors Hiperion Capital and Victory Corporate Turnaround may also be potential suitors for the milkshake manufacturer, which is undergoing high profile bankruptcy proceedings alongside nine other Nueva Rumasa-owned businesses.

The owner of chocolate powder brand Cola-Cao plans to temporarily dismiss 200 staff, although the firm's production will continue. Prospective corporate buyers to approach the Spanish bankruptcy court include Nestle, brewer Damm, water company Vichy Catalan, Llet Nostra and Nutrexpa. Cacaolat is expected to sell for around €35m. Oaktree Capital was reportedly considering an investment in Nueva Rumasa earlier this year.

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CVC acquires extra 15% of R

CVC CAPITAL PARTNERS has acquired a further 10-15% of Spanish fibre optics company R Cable, bringing its total shareholding to around 85%.

Led by CVC managing partner for Spain Javier de Jaime, the Luxembourg-based private equity firm bought the shares from local savings bank Novacaixagalicia, from which it had purchased a 35% stake for €157.4m last November.

Prior to that, in April 2010, it paid the same price for another 35% from Caixanova (1.24%) and other minority shareholders such as Banco Pastor (9.91%), Cable Total (9.72%), Emalcsa (1.89%), Grupo Moll (1.54%), Inversiones Telecom Galicia (0.82%), Olsines (0.28%) and Inversiones Gallega del Cable (9.6%).

The investor injected the capital via the CVC European Equity Partners V fund, which held its final close on €11bn in December 2008.

This latest deal was approved in July at a meeting of R Cable's board of directors.

R Cable provides television, mobile, internet and advanced telecommunications services. The company was established in Galicia in 2000 and employs 1,700 staff. With CVC's support, it plans to extend its operations within Spain and Portugal, as well as internationally.

The cable company generated a turnover of £185.44m and an EBITDA of £82.36m in 2009.

Honorato López Isla, Julio Fernández and Arturo Dopico are R Cable's president, vice-president and managing director respectively.

JC Flowers in talks to acquire €1bn CAM stake

US PRIVATE EQUITY firm JC Flowers is in negotiations with Spanish savings bank Caja de Ahorros del Mediterraneo (CAM) to buy a stake for between €400m-1bn.

The investor has spent the past month and a half in talks over the prospective deal, which is dependent on the Spanish state's restructuring fund, the Frob, agreeing to be a guarantor for up to €2bn of losses. The Bank of Spain has so far only agreed to guarantee against losses in cases where it has taken over savings banks because of their financial instability, steadied them and sold them at public auction.

Such was the case for CCM and CajaSur, but experts claim it is unlikely to apply to CAM, which means JC's best bet could be to invest in the bank once the Frob has completed its bail-out.

If JC does decide to wait, the state will inject €2.8bn of public funds, thus taking control and fully nationalising the entity. The capital is necessary for CAM to comply with the solvency requirements imposed by the local government in February with a view to calming the markets.

Santander and BBVA banks have also expressed an interest in investing in CAM if an auction process is held.

Carlyle Group *et al.* circle Spain's Mare Nostrum

BUYOUT FIRMS CARLYLE Group, Apax Partners, Cerberus Capital Management and TPG have placed first-round bids for a stake in Spanish savings bank group Mare Nostrum.

According to sources, the investors are competing for a 20% stake in the entity, which has €71bn in assets. The sales process is being run by Nomura, and JC Flowers is also said to have expressed an interest, having contemplated a number of similar deals within the Spanish market.

Banco Mare Nostrum initially attracted 20 bidders, but only five or six of these placed non-binding bids in late June. They will now have the chance to examine the bank's loans portfolio and revenues before binding bids are due at the end of July.

The prospective sale is expected to complete by the end of August and could raise €150-200m, based on the valuations at which fellow lenders Bankia and Banca Civica began selling shares for their IPOs July. The company, which has a book value of €2.5bn, received €915m from the Spanish bailout fund, the Frob, in 2010, which must be repaid within five years.

Mare Nostrum has future plans to list on the stock exchange.

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Jorge Quemada joins Cinven from 3i


Jorge Quemada

Jorge Quemada has joined Cinven as a partner heading the firm's investment activities in Iberia.

Quemada will join Cinven in September from 3i, where he worked for more than 13 years. Prior to leaving the firm, he was one of two full-time partners leading investments based in 3i's Madrid office. At Cinven, Quemada will be part of the business services sector team.

3i hires investment banker

3i has appointed Simon Borrows, a senior City banker, as chief investment officer.

The appointment of Borrows, who will take up the role in the autumn, is thought to be driven by shareholder anger over 3i's recent performance.

Borrows is currently chairman of the international operations of investment bank Greenhill and market analysts say his appointment is a good move for 3i.

He will replace Ian Nolan, who has been in the role for the past two years. Nolan is expected to move to a new unspecified role.

Appleby names new MP


David Benest

Appleby, an offshore provider of legal, fiduciary and administration services, has appointed David Benest as office managing partner for its Jersey office.

Benest has been at Appleby in Jersey since 1997 and became a partner in 2001. He practises in the firm's litigation and insolvency department and advises on all types of commercial litigation, primarily specialising in professional negligence, trust and property matters and insurance-related work. Benest was named as a leader in his field by Chambers Europe 2011 and 2010.

He was called to the bar of England and Wales in 1995, and re-qualified as an advocate of the Royal Court of Jersey in 1999. He is a member of the editorial board of the Jersey Law Review, the board of examiners for the Jersey bar examinations, and the Jersey Criminal Injuries Compensation Board.

Benest replaces the previous office managing partner, Michael O'Connell, who has recently been appointed as group managing partner elect of the Appleby Group.

Strategic Value Partners recruits managing director

Strategic Value Partners has hired Michael Hewett as a managing director to lead business development in Europe and the Middle East.

Previously, Hewett spent six years at Terra Firma Capital Partners, where he was a managing director and head of investor relations. Prior to that, he was a member of the senior team at Atlantic-Pacific Capital.

Portobello Capital takes on García as CFO

Rebeca García García has been appointed as chief financial officer (CFO) at Madrid-based private equity firm Portobello Capital.

García has nearly 10 years of experience in similar positions. She previously served as financial director at Devil Dirt, the Spanish subsidiary of German firm Medisana.

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Power to the people

The strength of a management team is roundly considered the single most important factor in determining the success of a private equity deal. So why is management due diligence the process to which most acquirers pay the least amount of attention? *Susannah Birkwood* finds out

Not even the smallest of fish in the PE pond would consider investing in a company without first checking its financials are in order. Conducting rigorous financial due diligence is vital for getting a deal off the starting blocks. However, carrying out systematic checks on a firm's human capital currently remains the preserve of only a few investors, which is surprising given that any fund manager worth his carry knows the management team is usually what makes or breaks an investment.

Of course, many large-cap firms would argue that unlike financial due diligence, where if the condition of the entity is poor then you end up with a real problem, if management turns out to be not fit for purpose, you can always change it. "One of the things that the bigger ticket private equity firms was always able to say was that it had access to the best quality management money could buy. So if it didn't like the existing team, it would just go and find "best of breed" executives and sort out the issue that way," concurs ex-LDC CEO Michael Joseph, who is also chairman of Northedge Capital Partners.

However, even in the lower and mid-market arena and where expansion deals are concerned, it is often the case that a GP won't meet with a management team until the point at which a transaction becomes a possibility – and by then they're expected to act fast. "A common attitude is just to check to make sure there's no deal-breakers among the team, it's more 'I better make sure I'm not making a silly mistake' due diligence than looking objectively at the aims of the deal and finding out whether the management is aligned with them," Joseph says.

Another disincentive to doing more extensive checks during an auction process is the worry that the deal could be lost altogether. "Some people are a reticent to upsetting the management by doing something that's slightly different," continues Joseph. "My reaction to that is most teams would like to be reassured that they were fit for the deal and if the process was sold properly, it wouldn't actually be a negative, it would be a positive."

LDC, ECI and 3i are among the big private equity names that have recently realised the merits of conducting more thorough management checks pre-deal. ECI has carried out around five exercises on senior teams over the past six months and is utterly convinced that the process is worth undergoing, despite never having focused its efforts on this area in the past. Sometimes all it takes is one bad experience to turn an investor into an MDD convert.

"I once found myself bowled over by a management team, which presented itself outstandingly and talked a very

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competent game, but when it came to it, they were in fact lacking in harmony with our investment strategy and goals," recalls Joseph. "We ended up having to make quite a lot of changes after the event, whereas if we'd done some more expensive investigations earlier, we might have been less persuaded by them and brought in a hands-in chairman to improve the situation. We might even have decided against doing the deal."

Blind enthusiasm

Nevertheless, for most firms, due diligence in this area is usually still restricted to limited referencing, exposure to several partners and the introduction of a non-executive chairman once the deal is signed. The close-your-eyes-and-hope-the-team-gels approach appears to be widely adopted by firms who fail to realise MDD is no longer about conducting a few psychometric tests and getting individuals to talk about their childhood.

It is now a process that is ruthlessly grounded in the investment strategy, combining skills in strategy, operations and psychology with sector and functional expertise, as Jana Klimecki of leadership consultancy Tyler Mangan explains. "The management teams we work with call us up and tell us the process was the most useful thing they've ever done, because we get them thinking about their business, their goals and their growth projections. We spend a lot of time not only with senior executives, but also with the next layers down to find out who the people are, who can drive and execute the plan and what the likelihood is of them being successful."

Liaising with other due diligence providers is a useful step that allows management assessors to really understand how the business is performing and examine areas in which the management may have faltered. And rather than being to merely establish the CFO hasn't committed any offences, extensive referencing can help to ascertain the management style different individuals employ. "The most valuable part of the process is when we talk about what we've learnt," says Klimecki. "We ask ourselves what's missing in order to fulfil the investment strategy and consider how the private equity house can best support the team. At times we have to say we believe the deal shouldn't go ahead without a restructuring – or even that it shouldn't proceed at all."

But what happens if the CEO of the prospective portfolio company is an existing business, or worse, personal contact? Klimecki believes the need to conduct costly procedures may be greater than ever when personal contacts are concerned. "If you know someone personally, it's unlikely you'll be taking an objective view or have a benchmark to measure the person against," she says. "When it comes to giving negative feedback, you won't necessarily have the language or framework to have these conversations on a professional level, so you do risk endangering relationships by tackling these issues on your own."

> "I once found myself bowled over by a management team … but when it came to it, they were in fact lacking in harmony with our strategy and goals. If we'd done some more expensive investigations earlier, we might have been less persuaded. We might even have decided against doing the deal"
>
> **Michael Joseph, former LDC CEO**

So, if management is the key to generating an outstanding IRR, perhaps mid-market firms need to look at upping their game in this area. With private equity being rebranded from an industry that manages success to one that manages disappointment, due diligence in all its guises is needed now more than ever, as greater understanding of a firm increases an investor's chances of backing a deal that performs as desired.

Private equity houses already seem to have all bases covered when it comes to more traditional forms of due diligence, as Joseph affirms: "People spend quite large sums of money on financial due diligence and reasonably large sums on commercial checks. Management due diligence on a four-man team would cost about £25,000-40,000, which in the context of a private equity deal strikes me as money quite well spent." ■

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AIFMD – Parallel LP funds and the importance of PR

Susannah Birkwood speaks to HarbourVest's Amanda McCrystal and EVCA's new chairman, Karsten Langer, in Barcelona, about the implications of the AIFMD on the private equity industry

The AIFMD could lead to separate fundraising strands for EU and non-EU investors, said HarbourVest's head of strategic development in Barcelona last month. Amanda McCrystal spoke about the practical implications of the Alternative Investment Fund Management Directive as part of a panel discussion at a CFO-COO Summit held by the European Venture Capital Association (EVCA).

McCrystal – who sits on EVCA's technical committee – believes it is highly probable that private equity firms will end up splitting their fundraising efforts in two to avoid alienating foreign LPs. "It's likely we'll see GPs marketing one fund to non-EU investors and another fund targeting those based within the EU," she said. "There would almost certainly be different costs for each vehicle."

> "It's likely we'll see GPs marketing one fund to non-EU investors and another fund targeting those based within the EU"
>
> **Amanda McCrystal, Harbourvest**

This is because, though the AIFMD only pertains to EU investors, in cases where EU and non-EU LPs are together in the same fund, all will be forced to share the costs that will arise because of the directive, regardless of whether it will affect them or not. "The question is, how willing will non-EU investors be to suddenly find themselves faced with more bureaucracy and more costs, only because there are EU investors in that fund with them?" McCrystal questioned.

In its present state, the AIFMD could also prevent a number of existing LPs from continuing to invest in private equity. Though currently at the level 2 stage (meaning that the actual rules haven't yet been finalised), the directive has so far stipulated that those LPs who do not meet the Markets in Financial Instruments Directive (MiFID)'s definition of the term "professional investor" will not be able to invest in the asset class.

"Adopting MiFID's definition excludes a lot of typical private equity LPs, such as business angels, high-net-worth individuals and industry specialists," reveals McCrystal. "Private equity firms therefore need to work out how many of their investors are so-called non-professional investors, according to this definition."

Those LPs who fall within this bracket must be identified so that when GPs look to raise a new fund, they can tailor their marketing strategy so as not to waste time on those who are unable to participate.

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The good news is that the whole of MiFID is currently under review, so there will be an opportunity to revise the present definition of "professional investors" to better accommodate private equity and venture capital. The decision as to whether to allow private individuals and retail investors to hold stakes in alternative investment funds will ultimately come down to the EU member states. "GPs need to look at where their LPs are based so as to determine what rules will apply in the country where that person lives," adds McCrystal.

The very existence of venture capital firms, meanwhile, could be threatened by the need to recruit extra staff. "Most GPs are going to need more operational staff than they already have to cope with the directive, which is particularly worrying for the venture capital model, because having to recruit a compliance officer, for example, could make the difference between it being a viable business model and an unviable one," warns McCrystal.

"Once the private equity industry becomes regulated, the chances are it will remain that way"

Karsten Langer, EVCA

Counting the costs

What is surprising is the speed with which firms such as HarbourVest have installed compliance officers on their pitch teams to reassure prospective investors. "Soon, pitch teams won't be just about fielding investment professionals; they'll be about fielding reporting specialists, compliance specialists, structuring specialists and general counsels because the fund manager selection process will no longer just focus on your investment track record. Compliance and reporting are already on several LPs' lists of selection criteria."

EVCA is urging its members who have concerns about the AIFMD to liaise with their national trade bodies as well as itself and to lobby the European Securities and Markets Authority (ESMA), which is establishing the finer points of the directive. Karsten Langer, who was elected chairman of EVCA in June, thinks that one way to encourage greater leniency from regulators is for firms to up their efforts to improve the industry's public image.

Referring to the PR disaster of Southern Cross, which has monopolised headlines, Riverside Company partner Langer said: "When private equity has received attention, it's very often been in a negative light, which fails to recognise the powerful force that this industry is for growth in the economy. If we're understood to be a positive force and our true mission is perceived correctly, we'll encounter more favourable conditions from regulators." He added: "Once the private equity industry becomes regulated, the chances are it will remain that way. We might as well prepare for it as best we can now." ■

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An uneven playing field

Despite being an American law that doesn't come into force until 2013, the Foreign Account Tax Compliance Act (FATCA) must be dealt with immediately by all international GPs with US portfolio companies.

Susannah Birkwood reports

Some say FATCA is a sledgehammer-to-cut-a-nut response to US tax evasion. Many non-US funds will have to comply with it when it comes into force on 1 January 2013, and that includes any European private equity firms that own businesses with a US presence. However, the reach of the law ignores the fact that only a minority of investors ever seek to evade tax – and that those that do, rarely use foreign private equity as an instrument for doing so.

"One of the big problems for the industry is the fact that FATCA creates different parameters for US funds versus non-US funds. US funds are not subject to the Act, so it therefore creates a bit of unfair competition," points out Sara Clarke, director of UK private equity fund tax services at PricewaterhouseCoopers. "There's been a fair degree of concern in the industry, which is why some people are talking about lobbying the European Commission."

Another major issue for private equity is the way the law requires foreign financial institutions (FFIs) to declare all US investors in their funds to the US Inland Revenue Service (IRS). Should it fail to do so, this individual will be labelled a "recalcitrant account holder" and the IRS will withhold 30% (gross) of any payment travelling to the fund outside the US.

The issues don't just become a problem in 2013; the 10+1+1 lifespan of the majority of GPs, coupled with the effect of the credit crunch, means that many are still nurturing assets within vehicles they launched in the late 1990s.

"Some of the guidance information that's been sent out suggests that we should kick out those recalcitrant investors from our funds, but how can you do that?" asks Clarke. "First of all, your partnership agreement doesn't allow you to, so you would be in breach of your own legal parameters, and secondly, how on earth do you get the liquidity to be able to throw them out?"

The impact on US subsidiaries of European portfolio companies has sparked much debate of late. One question to arise is whether FATCA will consider a private equity-backed holding company, which owns a US subsidiary as a genuine holdco or as an FFI. "At the moment I don't think we know," admits Clarke, "but in theory it could be classified as an FFI

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because it's just there to access the capital structure and enable you to do more efficient investments."

Furthermore, unlike with the AIFM Directive, which may offer a lighter touch for venture capital firms, FATCA looks set to affect all VCs to the extent they have US investors in their funds. "If you don't ever invest in the US, then you don't have to pay," adds Clarke. "But there is a feeling that although you may not hold US assets now, if you buy one at some point in the future, it's too late then to try and comply." There are minimal exceptions however – funds do not have to comply for any account holders holding investments of less than $50,000, but this rule is clearly more applicable to insurance companies and banks than private equity firms.

> "If you don't ever invest in the US, then you don't have to pay"
> **Sara Clarke, PricewaterhouseCoopers**

The cost of compliance

While the precise nature of the Act is still unknown, complying with FATCA is likely to place a huge administrative burden on GPs. Some believe it will affect the way European outfits structure funds, as they attempt to find a way to segregate their US LPs to avoid reporting on the entire investor population. The process will involve applying to the IRS for a participation number and supplying quarterly reports detailing the name, address and identification number of any US LPs, alongside the value of their interest in one's fund.

In the case of the likes of CVC and Apax Partners, for example, there will be literally hundreds of FFIs that must be identified in this way, which means that preparations are best made as soon as possible. "If you wait until we get the final information to begin putting the systems into place to deal with this, you'll be playing catch-up and you'll drive yourselves mad," warns Clarke. "Our advice for the larger houses is to start looking at the structures you have and identify where your FFIs are. We are hoping to get greater clarity in the autumn so the smaller, mid-market houses should perhaps wait until then."

Amid all this imminent doom and gloom, it appears time to consider what the best-case scenario would be. For Clarke, the following is imperative: "Absolute clarity as soon as possible, some sensible grandfathering rules, and an acceptance that European private equity funds are probably not the target of US tax evaders at all." As the FATCA ball is already rolling, this could be the best that any of us can hope for. ■

UK returns: Think small

The UK's small buyout sector will continue its decoupling from the larger market, and should provide better returns than large-cap players in the coming years.

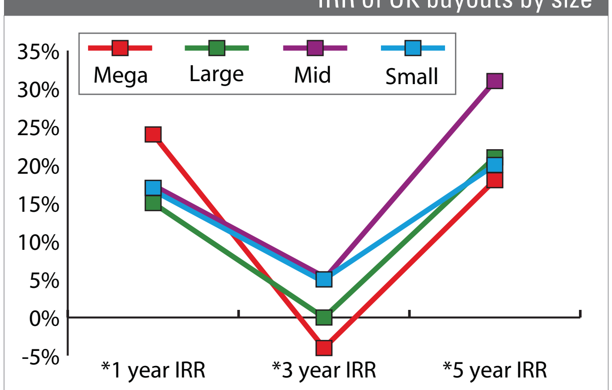
Susannah Birkwood reports

According to some, the small-cap buyout sector's ascendancy will become most apparent in 2013, as the current subdued nature of the M&A landscape means that scores of firms are waiting until then to realise their existing investments.

This is not a new phenomena, however, with *unquote"* data showing that the average money multiple for European buyouts valued at £100m generated returns of less than 2x in this period. Statistics from other data providers also support this pattern; the graph below, by Preqin, shows that in the years to June 2010, the highest IRRs were reaped by funds in the small to mid-cap bracket.

The reduced degree of competition at the smaller end of the market is one of the reasons this pattern will continue, or so believes Tim Levett, chairman of NVM Private Equity, whose deals span £2-10m equity. "There are less funds operating in the small to mid category right now and quite a large population of companies. Entry prices are thus staying low," he explains. "This area used to be popular with a lot of VCs, but many have been successful in raising bigger funds meaning they will be doing bigger deals."

IRR of UK buyouts by size



Source: Preqin

Another important factor is the reduced availability of financing, which stands to impact larger players more than their smaller counterparts. Deals in the smaller space require little to no debt, after all, meaning they incur lower financial risk.

"Also, with smaller businesses, you can quadruple them in size, so leverage becomes less relevant to your returns," points out Yann Souillard of LDC, who is responsible for transactions in the £2-100m range. "A much larger business is far more difficult to quadruple in size, so the magnitude of change you can generate is much lower."

Levett agrees that it is more straightforward for SMEs to expand dramatically than it is for larger companies. "It's easier to grow a business from a £20m to a £30m turnover than from £200m to £300m. Once businesses are seen to be past growth and provide an opportunity to enhance their bigger acquirer's earnings, then that is reflected in the multiples."

NVM is hopeful that if small MBOs continue to provide superior returns, the ability of smaller funds to raise money will improve correspondingly. "People will become less enchanted with big deals and more interested in small transactions," predicts Levett.

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Size matters

Not all in the market agree with this perspective, however. The following is a warning from one large-cap GP who won't be changing his investment strategy any time soon: "The problem with small buyouts is that when you hit downturns, a smaller business is inherently less safe. In the good times, the smaller buyouts might do well, but in bad times, the larger deals are less risky because the companies involved have a lot more cost base to play with and more organisational structure."

This investor is also unconvinced by the argument that smaller companies will grow more. "Does a smaller company grow just because it's small?" he asks. "If I were a betting man, I could take your savings and put them into Tesco, or I could put them into two-shop grocers in Scotland instead. If you cared about the money, you'd say, 'hold on a minute, two shops in Glasgow? What if we enter another downturn in the UK? What if Ireland goes bust?' You wouldn't risk it. So you're actually sacrificing downturn protection for the potential upside."

Souillard maintains though, that at the large end of the market, there's too many fish in a small pond, which makes it more difficult to differentiate oneself as an investor. Taking as an example LDC's recent sale of aircraft data provider Ascend, which the firm spun out from Airclaims (the aviation risk manager it acquired in 2005), Souillard said: "In Ascend, we invested in a business which wasn't a business and created something successful. At the larger end of the market, it's much harder to do that because those opportunities are few and far between."

He concludes: "At the top of the market there are points in the cycle where it's not the best place to be. At the lower end, it's consistently a place where you can deliver strong returns if you know what you're doing. You can't just buy them and sell though; you have to really add something along the way."

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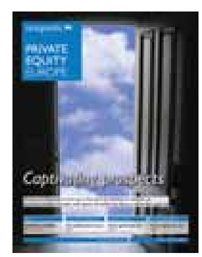

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Benelux unquote”

unquote” recorded just two deals in the Benelux region in June, though market rumours suggest more activity is on the horizon. Prime Ventures joined a consortium to provide a $10m cash injection for Netherlands-based Service2Media. The firm provides application solutions for smartphones, tablets and other Internet connected devices.

An investment group including Sofinnova Partners and Aster Capital invested €25m in specialist chemicals developer Avantium, which enabled the company to claim a €5m subsidy and innovation credit from the Dutch Ministry of Economy, bringing the total value of the round to €30m.

While activity in the Benelux has been subdued in June, a number of major exits have been rumoured recently. Permira has put Dutch Provimi up for sale, in a deal that could fetch as much as €1.8bn. The investor already disposed of the firm's pet food division earlier this year, raising €188m. Furthermore, Parcom is looking to offload Amsterdam-based See Tickets, and has reportedly reached a second round of bidding. The firm, which sells tickets to theatre, music shows and events, is thought to be worth between €100-120m, and a number of trade buyers are thought to be interested.

Deutsche unquote”

Recent trends show that private equity houses have been investing and divesting in equal measure as the number of recent buyouts and exits is almost balanced with seven sales on the exit side and nine acquisitions. The largest buyout this month was the €205m deal for garden-fertilizer distributor Compo which was bought by Triton from trade seller K+S.

Capiton completed the month's only SBO, of portable measurement specialist Metrawatt to M Cap Finance for around €50-100m. On the secondaries front, Vision Capital acquired three portfolio companies active in the fields of industrial services, engineering and construction from Paragon Partners.

The pace of exits has slowed down, from 12 in May to seven last month. On the venture front, Earlybird sold network audio developer Bridgeco to semiconductor solution supplier SMSC. Another trade sale was achieved by private equity house Ventizz, which divested electronic equipment supplier Exceet Group to Helikos for €110.5m in cash and company shares.

The DACH region also saw a surprisingly high number of expansions in the last month. The largest acquisition finance deal was carried out by Bridgepoint-backed CABB which acquired Finnish chemical business KemFine from private equity house 3i for €140m. Early-stage deals were primarily seen in the biotechnology and medical equipment sector. Examples include Wellington Partners and Edmond de Rothschild Investment Partners investing €13m in medical device company Sapiens Steering Brain Stimulation, and Crédit Agricole Private Equity backing biotechnology researcher Themis Bioscience with €5m.

Nordic unquote”

With eight buyouts recorded, June proved to be the most active month in terms of Nordic buyouts so far in 2011. Notably, five of the deals completed in June were secondary buyouts, which represents half of all Nordic secondary buyouts in 2011. The largest was Bain Capital and Hellman & Friedman's SEK 21bn acquisition of Securitas Direct – a secondary buyout from EQT.

Altor has been the most active Nordic GP this year, adding two more deals in June to bring its 2011 total to five new investments. Both acquisitions were also SBOs: CTEK/Creator Group from FSN Capital in early June; and the SEK 2.2bn acquisition of Ålö

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from CapMan. Other notable buyouts included Axcel buying Cimbria from EQT Opportunity; HgCapital acquiring Finnish social care company Mainio Vire Oy from MB Funds Oy; and Priveq buying a stake in El-Björn AB.

The region has seen a significant drop in early-stage activity lately. The only notable deal recorded was the SEK 15m investment in Swedish technology company Actiwave AB, led by SEB Venture Capital. Expansion deal activity was boosted by Industrifonden, which invested in Triventus, BoneSupport and Apica. Another significant deal saw a consortium, that included Life Sciences Partners, invest €8.1m in Finnish medical devices company Mendor.

France unquote”

The sale of PAI-owned SPIE ended just in time to cap off an impressive first half of the year for French buyouts. Clayton Dubilier & Rice teamed up with AXA Private Equity to acquire the engineering group for €2.1bn, enabling PAI to reap around 4x its original investment. The deal was initially to be run as an auction process by Société Générale, but the consortium made a pre-emptive offer that was accepted by the vendor.

Driven by a string of sizeable deals, the French buyout market has recovered significantly from last year: unquote” recorded 40 transactions worth a total €8.8bn since January, well on the way to surpassing the 66 deals worth €9.1bn seen for the whole of 2010. Surprisingly, the total value of French buyouts exceeds the €7.9bn recorded for the UK market for H1 2011.

Activity should slow down over the summer, but France still witnessed another couple of upper mid-cap transactions in June. Carlyle offered The Gores Group around $500m for Sagemcom, a manufacturer of network equipment and television set-top boxes. In addition, Charterhouse has just taken call centre operator Webhelp off the hands of Astorg and Barclays Private Equity for €300m.

The French state has taken a voluntary stance to finance the growth of innovative technology companies, by launching a €400m FCPR vehicle to be managed by CDC Entreprises. While other tech-focused investors could see the move as unwelcome competition, FCPR FSN PME will only co-invest alongside traditional VCs, contributing around a third of the targets' financing needs.

UK & Ireland unquote”

UK market sentiments were mixed in June, after a series of high-profile business failures, including Endless-owned TJ Hughes. Endless acquired the department store business for a nominal sum in March this year. However, poor performance on Britain's high streets, and recent problems at other retailers including Thorntons and Habitat, meant the risks of the business were simply too high, and Endless was forced to call in the administrators.

However, the bad news was tempered somewhat as the UK saw its first mega-buyout since the beginning of the year, with Carlyle buying motoring group RAC for £1bn. Despite a flurry of mega-buyouts in other parts of Europe – which have been somewhat rare in recent years – the UK has instead seen a more modest array of mid-cap and large buyouts.

Investments were generally subdued in June, though the UK witnessed several major exits. Towerbrook successfully exited its stake in designer shoe brand Jimmy Choo. The fashion business, which was on its third private equity owner, raised £550m in a trade sale to luxury goods group Labelux. Meanwhile, Graphite Capital sold Kurt Geiger, another luxury shoe brand, for £215m to The Jones Group. Kurt Geiger was snapped up by Graphite in an SBO in 2008 for £95m.

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SECTOR	VALUE	TYPE	NAME	LEAD BACKERS	REGION	PAGE
BIOTECHNOLOGY	€800,000	Early-stage	Biótica Bioquímica Analítica	Clave Mayor	Villa Real	21
BUSINESS SUPPORT SERVICES	€74m	Buyout	Ombuds	JZ International	Madrid	32
COMPUTER SERVICES	€500,000	Early-stage	Codeoscopic	Inveready	Madrid	23
	n/d (€25-55m)	Buyout	Telindus España	Corpfin Capital	Madrid	34
CONTAINERS & PACKAGING	€7m	Expansion	Ramondin Capsulas	Gestión de Capital Riesgo del País Vasco	Laguardia, La Rioja	26
DELIVERY SERVICES	n/d (€10-20m)	Expansion	Grupo Postigo	AC Desarrollo	Valencia	25
ELECTRICAL COMPONENTS & EQUIPMENT	n/d (€50-150m)	Buyout	Rymsa and Teltronic	N+1 Private Equity	Madrid & Zaragoza	33
FOOD PRODUCTS	€30m	Expansion	Europastry	MCH Private Equity	Barcelona	24
	n/d (€50-150m)	Buyout	Seda Coffee	Magnum Capital Industrial Partners	Palencia	31
INDUSTRIAL MACHINERY	€300m	Buyout	Savio Macchine Tessili	Alpha	Pordenone	31
INTERNET	€500,000	Early-stage	Iahorro Business Solutions	Inveready	Madrid	23
	€3m	Expansion	Mequedouno	Tiger Global Management	Barcelona	27
	€2.4m	Expansion	Social Point	Nauta Capital	Barcelona	27
	€1m	Expansion	Restalo.es	Active Venture Partners	Barcelona	28
	€1m	Expansion	eyeOS	Inveready	Barcelona	28
MEDICAL EQUIPMENT	€2m	Early-stage	STAT Diagnostica	Ysios Capital Partners, Axis Participaciones Empresariales	Barcelona	21
RECREATIONAL SERVICES	n/d ($30m)	Buyout	Hispania Racing	Thesan Capital	Madrid	34
RENEWABLE ENERGY	n/d	Expansion	EISSL	Banco Sabadell	Spain	30
SPECIALITY RETAILERS	€750,000	Early-stage	Ulabox	Cabiedes & Partners	Barcelona	22
TRAVEL & TOURISM	€650,000	Expansion	Club Santa Monica	Cabiedes & Partners SCR	Madrid	29
TRUCKING	€16m	Buyout	Great Lorry And Transport	SES Iberia Private Equity	Oyarzun, Basque Country	35

EXITS	RETURNS	TYPE	NAME	VENDOR (EQUITY)	ACQUIRER	REGION	PAGE
DIVERSIFIED INDUSTRIALS	5x	Management buy-back	Dinak	GesCaixa Galicia, Vigo Activo	Management	Vigo	36
INDUSTRIAL ENGINEERING	Loss	Trade sale	Núcleo de Comunicaciones y Control	Gala Capital	Duro Felgueras	Madrid	38
SOFTWARE	€42.9m	Exit	AIVE group	PM&Partners, Fidia, Athena Private Equity	Cap Gemini	Marcon	36
	n/d (<€30m)	Management buy-back	Polymita Technologies	Adara Venture Partners, Active Venture Partners, CorporaciónCan	Management	Barcelona	37

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Early-stage transactions include start-up/seed and early-stage equity investments. Start-up/seed financing is provided to companies for use in product development and initial marketing. Companies may be in the process of being set up or may have been in business for a short time, but have not sold their product commercially. Early-stage financing allows companies which have completed the product development stage and require further funds to initiate commercial manufacturing and sales. They may not yet be generating any revenues.

Ysios leads €2m round for STAT Diagnostica

SPAIN

EARLY-STAGE

STAT Diagnostica

€2m

Location	Barcelona
Sector	Medical equipment
Founded	2010
Staff	2

Transaction

Ysios Capital Partners and Axis Participaciones Empresariales have provided Spanish medical diagnostics company STAT Diagnostica with a €2m series-A round of funding. Ysios, Axis and the company's founders now hold similarly sized minority stakes, giving them each around a third of the share capital. Following a direct approach by the firm, Ysios invested through its maiden vehicle BioFund I, which was launched in 2008 with an €80m hard-cap. Axis contributed via the FESpyme FCR fund.

The fresh capital will be used to fund the initial development of STAT Diagnostica's Point of Care diagnostics solution; the team will also be bolstered with 10 new appointments within the next three months.

Ysios was attracted to the deal as it fits in well with its investment philosophy and it was impressed by the commitment and stability of the management team. It believes STAT's solutions have competitive advantages over other already commercialised products, and values the cost and time benefits they provide to both patients and healthcare professionals. The "point of care" market is predicted to grow significantly over the coming years and the nature of the diagnostic segment means the investment maturity will be shorter than most others in the biotech field.

STAT plans to close a further round of funding, which brings in international investors within the next 12 months. Its ultimate goal is to license its products to a multinational company in the diagnostics sector.

Company

Based in the Barcelona Science Park, STAT Diagnostica was founded in 2010 with the support of €1m in soft loans from Acció and ENISA. It focuses on the development of point of care solutions for the rapid diagnosis of illnesses and claims to be able to bring about a reduction in diagnosis waiting times from several days to as little as 15 minutes. The company currently employs two people.

People

Ysios partner Julia Salaverria and investment director Raul Martin-Ruiz led the deal and join the company's board as board member and chairman respectively. Jordi Carrera is CEO and co-founder of STAT.

Advisers

Equity – Roca Junyent, Xavier Foz (*Legal*).
Company – RCD Asesores Legales, Carles Ros (*Legal*).

Clave Mayor in €800,000 Biótica round

EARLY-STAGE

Biótica Bioquímica Analítica

€800,000

Location	Villa Real
Sector	Biotechnology
Founded	2005
Staff	8

Transaction

Clave Mayor has subscribed to the €800,000 capital increase carried out by Spanish biotech firm Biótica Bioquímica Analítica. Investing via the Comval Emprende fund, the private equity firm injected €400,000 alongside the Fundación Genoma España, a project that promotes biotech business initiatives, which contributed the remaining equity.

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This deals follows on from Clave Mayor's acquisition of a significant minority stake in Biótica in September 2008. The investor initially supplied €290,000 in a series-A round, which saw a total of €1m released over a one-year period. It became acquainted with the company at an investment in innovation forum.

Clave Mayor was persuaded to re-invest in Biótica due to the continued strong performance of the management team, who possess a good knowledge of microbiology, and the business' horizontal technology, from which various product lines may be developed. Biótica's Kit Bioalarm Legionella product, which Clave Mayor originally invested to support, has now reached the commercialisation phase.

The latest funding will support the development of an automated E.Coli detection kit. The company is not discounting the possibility of seeking further investment to help expand its commercial activities in Asia and Europe. Biótica's founders and management team retain a majority stake.

Company

Headquartered in Villa Real, Biótica Bioquímica Analítica was founded at the Universitat Jaume I de Castellón in 2005 and specialises in the development and commercialisation of an E.Coli detection kit. The main objective is to develop fast techniques for the separation, detection and quantification of particular molecules or micro-organisms. The principle advantage of the company's technique is that it can provide E.Coli tests in an hour, significantly reducing the time it takes to perform this kind of test with standard technology. The firm employs around eight people.

People

Pedro de Álava led the deal for Clave Mayor and is a member of the company's board.

Advisers

Equity – Arpa Abogados (*Legal*).

EARLY-STAGE

Ulabox

€750,000

Location	Barcelona
Sector	Speciality retailers
Staff	12

Cabiedes & Partners back Ulabox

Transaction

Venture capital house Cabiedes & Partners has backed a financing round for online retailer Ulabox worth €750,000. Business angels also participated in the round. The investment emerged from a long established relationship between Cabiedes & Partners and Ulabox's entrepreneurs Jaume Gom and David Baratec.

Cabiedes was attracted to the model and capability of the firm to scale up revenues quickly. The management team, which has experience in both internet and distribution businesses was also attractive to the investor. Furthermore, because of the success of US company soap.com in providing a similar service as Ulabox for a US audience, the investor is convinced that it is the right time to back the company.

The online retailer is planning to grow rapidly on the Spanish household goods market and acquire a significant market share. Following that, the company will look to expand internationally.

Company

Barcelona-based Ulabox is an online retailer for household goods, including cleaning, hygiene, makeup and beauty products. Founded in November 2010, the business currently employs 12 people.

People

Luis and Jose are partners at Cabiedes & Partners.

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Inveready invests €500,000 in Iahorro

EARLY-STAGE

Iahorro Business Solutions

€500,000

Location	Madrid
Sector	Internet
Founded	2008
Turnover	€2m
Staff	5

Transaction

Spanish venture firm Inveready has invested €500,000 for a minority stake in Iahorro Business Solutions, the company that manages personal finance comparison website iahorro.com, via a capital increase. The portal has also received loans from the national innovation company, Enisa, the Centre for the Development of Industrial Technology (CDTI) and other public sources dedicated to technological innovation, totalling a combined €1m.

Online business incubator JOT Internet Media España remains as the company's main shareholder following the funding round, which is designed to boost Iahorro's expansion within Spain and abroad over the next four years. The management team retains a minority stake. Having met Iahorro in Madrid, Inveready was attracted to the company due to its consolidated status, its fast expansion and its positioning within the Spanish market.

The investor also believes that financial comparison sites offer excellent growth potential, as 50% of banking transactions taking place in the UK now originate through comparison sites. Spain, meanwhile, continues to witness a rise in internet usage in homes, numerous technological advances, an improvement in data management and the increasing maturity of customers who rely on sites such as Iahorro.

While Inveready – which invested via its Seed Capital fund – has no plans to inject further capital, it does intend to safeguard its shareholding against dilution, as well as securing cheaper debt facilities on behalf of the company.

Company

Madrid-based Iahorro Business Solutions runs iahorro.com, a personal finance comparison website that allows users to compare the prices of a range of financial products, including savings, bank accounts, mortgages, brokers and insurance. The company was founded in 2008 and the first version of the site was launched in March 2009. Iahorro now employs around five people and expects to generate a turnover of €2m in 2011 and €9m in 2014 in the Spanish market alone.

People

Pablo Gasalla is the CEO of Iahorro. Angel Alonso and Andrés Dancausa are managing director and marketing and business development director respectively. Antoni Subirà is the president of Inveready. CEO and partner Josep Maria Echarri led the deal on behalf of the investor and joins the company's board.

Advisers

Equity – Pleta Auditores, Javier de Leon (*Financial due diligence*); **RCD Asesores Legales y Tributarios**, Carles Ros (*Legal*).

Inveready in €500,000 round for Codeoscopic

EARLY-STAGE

Codeoscopic

€500,000

Location	Madrid
Sector	Computer services
Turnover	€1.2m
EBITDA	€150,000
Staff	14

Transaction

Spanish venture firm Inveready has led a €500,000 funding round for a minority stake in technology consultancy Codeoscopic. The investment, made via a capital increase, will allow the company to finalise the second version of its Enterprise Resource Planning product for the insurance sector and launch its insurance tariff calculator. It will also help it consolidate its position in the insurance segment, in which it specialises, with a view to becoming the world's leading provider of integrated technology solutions.

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Inveready contributed €300,000 to the round, while the remaining equity was provided by the management team, who retain a majority stake. Having been introduced through industry contacts, the investor was attracted by the enthusiasm of the team, the excellence of their products and the fact that they target a very specific market.

Spain's insurance sector is a stable, mature market that generated premiums of €59.9m in 2009, having grown at a rate of 3.2% since 2006. There are 300 national and 650 international providers operating within the local scene, with the 10 biggest groups (led by Mapfre) generating around 60% of total turnover.

Loans to the value of €1.5m were also secured at the same time, including €250,000 from ENISA and €500,000 from the Centre for the Development of Industrial Technology (CDTI).

Company

Madrid-based Codeoscopic is a technology firm that specialises in the development and commercialisation of new-generation Rich Internet Applications and solutions, mainly for the insurance sector. It forecasts a negative EBITDA of -€150,000 on revenues of €1.2m in 2011 and an EBITDA of €3.2m on sales of €8.5m in 2014. Founded in 2009, the company intends to triple its workforce over the next two years, from 14 to 45 employees.

People

Investment director Roger Piqué led the deal for Inveready and joins the company's board alongside CEO Josep Maria Echarri. Carlos Muiño, Norman Castro, Carlos Rovira and Angel Blesa are the respective CEO, chief business development officer, chief technology officer and COO of Codeoscopic.

Advisers

Equity – RCD Asesores Legales y Tributarios (*Legal*); **BDO** (*Financial due diligence*).

expansion

Expansion capital is provided to support the growth and expansion of an established company and must include an element of equity financing. Funds may be used to enable increased production capacity, market or product development and/or to provide additional working capital. Acquisition finance provided to a new or existing investee company to support its acquisition of a target or targets is also included in this section.

SPAIN

EXPANSION

Europastry

€30m

Location	Barcelona
Sector	Food products
Founded	1987
Turnover	€370m
EBITDA	€45m
Staff	2,500
Vendor	Vall Companys

MCH acquires 18% of Europastry

Transaction

Spanish mid-market investor MCH Private Equity has acquired an 18% stake in Europastry, its country's largest frozen pastry manufacturer, via a replacement capital deal. MCH invested approximately €30m via its €250m Iberian Capital Fund III.

The Gallés family, which founded the company, has simultaneously increased its shareholding from 71% to 80%. The remaining 2% of share capital will remain in the hands of the management team. MCH's shares were acquired from the Vall Companys cattle group, which sold its 24% stake in the firm.

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MCH was attracted to the firm due to its strong management team and because it operates within a anti-cyclical sector which it perceives as capable of achieving sustained growth. Europastry currently has a 30% growth rate overseas, with international sales representing 15% of its turnover.

In partnership with MCH, Europastry now plans to focus on its international expansion strategy. This will involve opening new sites (while maintaining Portugal as its commercial base outside Spain) and realising a bolt-on acquisition from the frozen dough segment in Europe, Brazil or the US, for which purpose the company has secured a four-year syndicated loan to the value of €200m. The debt package, which was provided by ING, BBVA, La Caixa, Santander, Bankia, Banco Sabadell, Banesto, Banco Pastor and Banco Popular, will allow the business to restructure its debt, which was at €105m as of last December. MCH is likely to inject more capital into Europastry in the future to facilitate further acquisitions.

Exports currently represent just 15% of Europastry's sales, but the company plans to increase this to 25%. It is currently present in 20 markets and, in addition to its status within Spain, is considered the third-largest frozen pastry manufacturer in Europe. The firm's main competitors are Panamar and Berlys/Panasa, which was acquired in 2010 by Mercapital and Artá Capital.

MCH is not the first private equity firm to invest in Europastry. AB Asesores-Dinamia, Ibersuizas, Inveralia, Fingalicia and Bidsa (Banco Sabadell) have all held stakes in the firm in the past. Dinamia acquired its 26% stake in 1997 for £5.72m, before selling it back to Europastry's El Moli Vell business line in 2000. Around the same time, Inveralia, Paul Capital and Fingalicia divested their 27.5% stake to the company's founder and Josep Val Palou, owner of Vall Companys.

This latest investment comes after MCH and Trilantic Capital Partners revealed they are preparing to float the Tren Articulado Ligero Goicoechea Oriol (TALGO) train manufacturer they acquired in 2006.

Company

Barcelona-based Europastry makes and sells frozen dough, pastries and breads under the Fripan, Frida, Dots and Yaya Maria brands. The company was founded in 1987 and employs 2,500 people. It generated a turnover of €370m alongside an EBITDA of €45m in 2010 and aims to grow by 5-10% per annum to reach sales of between €500-600m within five years.

People

Ramón Nuñez, principal, led the deal for MCH. He joins the company's board alongside partner José María Muñoz. Jordi Morral and Jordi Gallés are the respective CEO and general manager of Europastry. Gallés' father, Pere, was the company's founder.

Advisers

Equity – Garrigues (*Legal*); **Deloitte** (*Corporate finance*); **KPMG** (*Financial due diligence*).

AC Desarrollo acquires 21% of Postigo

EXPANSION

Grupo Postigo

n/d (€10-20m)

Location	Valencia
Sector	Delivery services
Founded	1972
Turnover	€70m
Staff	300

Transaction

AC Desarrollo, the private equity arm of banking group Ahorro Corporación, has acquired a 21.28% stake in Spanish road safety firm Grupo Postigo via a capital increase.

The investor, which made direct contact with the business through its Valencia office, aims to ultimately increase its shareholding to 31.2%. It was drawn to the company due to its solid track record and perceived potential to grow through new business lines.

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AC Desarrollo recognises that growth within the road safety sector is likely to be modest due to the relatively consolidated nature of the market. However, it has identified a number of opportunities in the data management arena, which it hopes to harness by incorporating new products and services into Postigo's portfolio. In particular, it plans to improve its IT offerings in the areas of transport management and human mobility by developing a number of new systems and applications.

The capital for the investment was channelled via the vehicle AC Capital Premier II, which launched in 2006 with a target of £83m. Postigo's management team retains the remaining share capital.

Company

Valencia-based Postigo is a major Spanish firm specialising in road safety equipment and data transportation services. The companies in the group's stable are: Postigo Obras y Servicios, Funtam, Soluciones de Imagen Corporativa, Gestora de Energía Eléctrica, 3C Construcciones y Conservaciones Canarias, Ivent and Alba Electronic. The business was founded in 1972 and generated a turnover of €70m last year. It has an EBITDA margin of 7% and expects to reach sales of €77m in 2011. It employs a workforce of 300.

People

Jose Manuel de Bartolomé, who directs AC Desarrollo's Valencia office, led the deal and joins the company's board alongside investment analyst Pablo Gutiérrez Hernández.

Advisers

Equity – KPMG, Fernando Garcia, Alvaro Urquija (*Corporate finance*); **Broseta Abogados**, Juan Manuel Martin (*Legal*).
Management – Alameda 3 Abogados, Manuel Ferriol (*Legal*).

EXPANSION

Ramondin Capsulas

€7m

Location	Laguardia, La Rioja
Sector	Containers & packaging
Founded	1890
Turnover	€90m
Staff	500

GCRPV subscribes to €7m Ramondin round

Transaction

Gestión de Capital Riesgo del País Vasco (GCRPV), the venture arm of the Basque Country government, has subscribed €3m to the €7m capital increase carried out by Ramondin. The new funding will allow the Spanish company, which manufactures hoods and capsules for sealing corked bottles, to reinforce its capital structure at a time when the local economy is undergoing severe economic challenges. It will kick-start Ramondin's investment strategy (known as 'New Ramondin 2015'), which involves starting to manufacture screw tops, increasing production capacity for two-part capsules and developing a new type of machine for the manufacture of tin and aluminium capsules for sealing wine, spirits and other products. The cash injection will also enable the firm to retain its current workforce.

GCRPV has increased its stake in the firm to 20%. It has also converted to equity the €2m loan it provided after being approached by the company late last year. Ramondin's management team and existing shareholders also contributed to the round.

The Basque government, which invested via its Ezten vehicle, described the company as a "niche" multinational company and a good example of a business that is beneficial to local industry. A total of 80% of Ramondin's sales in 2010 were realised in overseas markets, mainly France, Argentina, the US, Scotland, Italy, Chile, Germany, Mexico and Australia.

Company

Based in Laguardia, in the middle of La Rioja wine country, Ramondin Capsulas produces polylaminate, PVC, aluminium, and tin capsules for wine, spirits, cava, champagne, sparkling wine and oil bottles. It has a turnover of $90m. The company was founded in 1890 and currently employs 500 people.

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People
Jorge Aranzabe is the finance director of GCRPV. José Miguel Munilla is managing director of Ramondin.

Advisers
Equity – Deloitte (*Financial due diligence*).

Tiger subscribes to €3m Mequedouno round

EXPANSION

Mequedouno

€3m

Location	Barcelona
Sector	Internet
Founded	2009
Turnover	€1.5m

Transaction
US private equity firm Tiger Global Management has subscribed to the €3m capital increase carried out by Spanish online sales website Mequedouno. The company's founders contributed €200,000 to the round, while Tiger Global provided the rest of the capital.

Mequedouno will direct this new funding towards its international expansion in Brazil and Mexico, which it believes are the countries that show the greatest growth potential within Latin America. If successful, it intends to extend the website into other South American markets in 2012.

Company
Mequedouno is a website that sells a product per day at a discount of between 30-70%. It was founded in November 2009 and is based in Barcelona. The company generated a turnover of €1.5m in 2010 and forecasts sales of €3m this year.

People
Borja Recolons, Pablo Recolons and Nacho Giral are the founders of Mequedouno. Recolons is the company's CEO.

Nauta backs Social Point with €2.4m

EXPANSION

Social Point

€2.4m

Location	Barcelona
Sector	Internet
Founded	2008
Turnover	€3m
Staff	14

Transaction
Spanish venture firm Nauta Capital has invested €2.4m as part of a series-A round for social games company Social Point, via its Tech Invest III vehicle. The funding will allow the business to increase its user numbers by continuing to invest in marketing its games, hiring more staff and launching two to three new games per year. It will also support its expansion into the rest of Europe as well as the US, Canada and Australia.

The social games market is already a multi-billion euro industry and continues to enjoy exceptional growth. Social Point, which currently ranks among the top 12 game developers on Facebook and draws 50% of its traffic from the US and Europe, hopes to further consolidate this positioning.

Nauta acquired a significant minority stake after being impressed with the capabilities of the founding team and the success thus far of its flagship game, Social Empires. The deal came about after the investor approached the business directly. The remaining share capital has been retained by the founders and their friends and family.

Company
Based in Barcelona, Social Point has a portfolio of around 25 social games, monetised through the Facebook platform. Founded in 2008, the firm forecasts €3m turnover in 2011, with 90% of sales expected from outside Spain. The company employs 14 people, which it intends to increase to 30 by the end of the year.

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People

General partner Javier Rubio led the transaction for Nauta and joins the company's board. Andrés Bou and Horacio Martos are the co-founders and CEOs of Social Point, while Marc Canaleta, the third co-founder, is chief technology officer.

Advisers

Equity – Garrigues, Alex Pujol (Legal); **Fornesa Prada Fernández**, Simeón García-Nieto (*Legal*).

EXPANSION

Restalo.es

€1m

Location	Barcelona
Sector	Internet
Founded	2008
Turnover	€14m
Staff	25

Active invests €1m in Restalo.es

Transaction

Technology investor Active Venture Partners has injected €1m into Spanish online restaurant bookings platform Restalo.es via a capital increase. The funding round, which came about after Active made direct contact with the company's founders, will help to finance Restalo's national and international expansion plans, as well as enabling it to enhance its technology.

Active was impressed by the founders' experience of the restaurant sector and of providing technological solutions to this market. It was also convinced by the product and internalisation strategy Restalo put forward, as well as by the positive feedback received from diners and restaurants with regards to the quality of the business's products.

The venture capital firm – which invested via Active Venture II, which held its first close on €25m late last year – now holds a minority stake in Restalo, with the remainder of the share capital in the hands of the management team.

Company

Barcelona-based Restalo.es is a restaurant guide that allows users to make reservations at eateries in Madrid and Barcelona, across the Spanish provinces, in London, Paris, Rome and Milan. It was founded in late 2008 and now generates a turnover of €14m. The company has more than 2,000 venues in its bookings system and 8,000 in its guide. It employs 25 people.

People

Blair MacLaren, investment manager, led the deal on behalf of Active and joins the company's board. Juan Otero is the CEO of Restalo.es.

Advisers

Equity – PricewaterhouseCoopers, Lucas Palomar (*Legal*).
Management – Fornesa Prada Fernández, Simeón García Nieto (*Legal*).

EXPANSION

eyeOS

€1m

Location	Barcelona
Sector	Internet
Founded	2005
Turnover	€400,000
Staff	35

Inveready leads €1m eyeOS round

Transaction

Spanish venture capital firm Inveready has led a €1m series-A round of funding for open source web operating system eyeOS.

Inveready channelled its €400,000 contribution to the round via its Inveready Seed Capital and Inveready First Capital I vehicles, while various private investors from the ESADE Business Angels

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Network (BAN) injected a further €600,000. Following a deal which originated when eyeOS was showcased at the ESADE BAN investment forum last November, they now hold a minority stake.

The investment will help eyeOS offer better quality to its largest clients and consolidate its international expansion. This will involve launching a new product designed to help businesses make the transition to cloud computing, as well as opening offices in European and South American markets. England, Germany and the US are a priority. The aim is to transform the firm from a technology-focused business into one that monetises its work more effectively.

Inveready perceives eyeOS as a strong example of Spanish entrepreneurship and was impressed by the company's efforts to commercialise its products on a global scale.

A further €1m has been injected in the form of soft loans from public bodies. eyeOS intends to carry out another capital increase in Q3 2012.

Company

Barcelona-based eyeOS is an open source web operating system based on the cloud computing concept, which seeks to enable collaboration and communication among users. It is mainly written in PHP, XML and JavaScript, and acts as a platform for web applications written using the eyeOS Toolkit.

The company was founded in 2005 and has 35 employees. It generated a positive EBITDA last year on a turnover of €400,000 and expects to end 2011 with a negative EBITDA on revenues of less than €1m.

People

Ignacio Fonts, CEO of Inveready First Capital, and investment director Roger Pique, led the deal on behalf of Inveready. Fonts joins the company's board. Pau Garcia-Milà is the co-founder and manager of eyeOS.

Advisers

Equity – RCD Asesores Legales y Tributarios (*Legal*); **BDO** (*Financial due diligence*); **Impulse 2Grow** (*Corporate finance*); **Canny Cap** (*Strategic due diligence*).

Cabiedes backs €650,000 Santa Monica round

Transaction

Spanish venture firm Cabiedes & Partners SCR has participated in the €650,000 capital increase carried out by its portfolio company, Club Santa Monica.

A group of business angels also participated in this second funding round, which is designed to help the company increase its user numbers, better its marketing efforts and improve its product selection process. Club Santa Monica will also make a number of key appointments, reinforce its operations department and finalise the validation of its business model.

Cabiedes injected €300,000 to increase its stake to 18.87%, while the founders have seen their share capital diluted to 49.06%. The venture firm was originally introduced to the firm by a personal contact, and was attracted to its experienced management team, which it believes has forged strong relationships with travel companies and employs sophisticated marketing techniques.

EXPANSION

Club Santa Monica

€650,000

Location	Madrid
Sector	Travel & tourism
Founded	2010
Turnover	€2.5m
Staff	5

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The business angels hold the remaining 32.07%. They include Yago Arbeloa, CEO of hosting company Sync, Alejandro Suárez, CEO of Ocio Networks and vice-president of AIEI, and Real Madrid footballer Alvaro Arbeloa, all of whom invested in Club Santa Monica's €500,000 first round of funding last October. At that time, Cabiedes & Partners invested between €100,000-150,000 for an equity stake of around 15%, while the firm's founders also invested to retain around 65%.

Partner Luís Martin Cabiedes said last October that he believes the online travel market is entering into a stage in which club purchases will play an important role.

Company
Santa Monica is an invitation-only travel club, which began operations in June 2010 and now has more than 300,000 users. It is based in Madrid and employs five staff.

The company expects to generate a turnover of €2.5m this year, while it forecasts a 50% higher EBITDA than it expected to achieve this time last year.

People
Juan Domínguez and Miguel Ángel Jiménez are the company's founders. Luís Martin Cabiedes and Alejandro Suárez already hold seats on Club Santa Monica's board.

EXPANSION

EISSL

Location	Spain
Sector	Renewable energy
Founded	1957
Turnover	>€20m
Staff	27

Banco Sabadell acquires 19% of EISSL

Transaction
Banco Sabadell, through venture capital firm Sinia Renovables, has acquired a 19% stake in wind farm operator EISSL from construction group Copcisa. The value of the transaction was not disclosed.

Sabadell now owns 46% of the shares, Copcisa holds 25% and CatalunyaCaixa, through Invercartera Energía, holds 29.25%.

Sinia has decided to increase its stake because it considers EISSL a strategic investment. Sinia is the private equity vehicle in renewable energies of Sabadell. It is managed by BS Capital, which also has an industrial private equity fund, Aurica XXI.

BS Capital has its own team and is part of Sabadell's corporate banking and global business department. BS, by means of Sinia, has been active for a number of years in the Spanish renewable energies market.

Company
EISSL accounts for 19 hydro plants; one in Aragón and the rest in Catalonia. The company also has two wind farms in Andalusia. EISSL was founded in 1957 and started in the hydro business in the 1980s. It currently employs 27 people. The company has a typical turnover of more than €20m, depending on the production and the tariff.

People
EISSL's CEO is Guzmán Sans. The company's chairman is Ramon Carbonell from Copcisa. The deal was performed by Sinia's team. Copcisa also worked on the deal internally.

Advisers
Fornesa Prada Fernandez provided legal advice on the transaction.

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Leveraged buyouts and buy-ins involving equity investments by formalised private equity investors through the formation of a newco based in the UK or Ireland.

Alpha buys Savio group

Transaction

French private equity house Alpha has acquired textile machinery producer Savio group in a deal thought to be worth around €300m from Itema Holding. Alpha has provided between €130-140m of equity for the deal. The investor is looking to support the existing management team and to develop the company's international presence.

Alpha backed the manufacturer because it is well positioned in a growing market. The investment was made from the €720m Alpha Private Equity Fund and Alpha Private Equity Fund VI, which held its first closing on €500m and has a target of €800m.

In the past, Savio has been backed by Intesa Sanpaolo, which acquired the company in 1995 before it was sold to Itema Holding.

Debt

A debt structure of between €160m and €170m was provided by a syndicate of banks led by Intesa Sanpaolo.

Company

Pordenone-based Savio Macchine Tessili is a provider of winder and yarn quality control systems. The company employs 1,350 people and had a turnover of €333m in 2010. Savio expects a turnover of €400m and an EBITDA of €80m for 2011. It operates two plants in Italy and six across China, India, Switzerland, Belgium and Germany.

People

Edoardo Lanzavecchia, partner, represented Alpha.

Advisers

Equity – Intesa (*Financial due diligence*).

ITALY

BUYOUT

Savio Macchine Tessili

€300m

Debt ratio	€130-140m
Location	Pordenone
Sector	Industrial machinery
Founded	1911
Turnover	€333m
EBITDA	€80m
Staff	1,350
Vendor	Itema Holding

Magnum acquires 50% of Seda Coffee

Transaction

Private equity firm Magnum Capital Industrial Partners has acquired a 50% stake in Seda Coffee, a newly-created subsidiary of Spanish coffee company Seda Solubles. The newco was created with the aim of bringing together all of the parent company's manufacturing, commercialisation and distribution activities. The remaining 50% of share capital will be held by the Serrano family, which entered into an exclusive agreement with Magnum after feeling it could trust the investor due to its speed of delivery.

Seda Coffee intends to use its current financial stability to execute an ambitious international growth strategy, expanding globally across the instant coffee segment. Seda Solubles is already present in more than 40 countries – overseas exports represent 80% of its sales.

SPAIN

BUYOUT

Seda Coffee

n/d (€50-150m)

Location	Palencia
Sector	Food products
Founded	1957
Turnover	€100m
EBITDA	€18m
Staff	350

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Magnum was attracted to the deal due to Seda's positioning in the global market and the quality of both its products and reputation. The company boasts a number of exclusive agreements with large distributors. The investment, channelled via the Mangum Capital Industrial Partners I vehicle, comes after Magnum acquired a 95% stake in Teknon Healthcare last summer.

Debt
No leverage was used to finance this transaction, but the existing debt on Seda's books has been rolled over by the relevant banks.

Company
Palencia-based Seda Solubles is a major Spanish producer and distributor of freeze-dried coffee. It was founded in 1957 and generated a turnover of €100m last year. It was the first European company – after Nescafe – to produce instant coffee and now commands a 5% market share alongside Sara Lee. Swiss multinational Nestle has 50% of the market, while another competitor, Kraft, has 10%. Seda Coffee employs 350 people and has an EBITDA of €18m.

People
Angel Corcóstegui is the founder of Magnum.

Advisers
Equity – Herbert Smith (*Legal*); **Bain** (*Management due diligence*); **Deloitte** (*Financial due diligence*).
Company – Rothschild (*Corporate finance*); **Rabobank** (*Corporate finance*); **Pérez-LLorca** (*Legal*).

BUYOUT

Ombuds

€74m

Debt ratio	27%
Location	Madrid
Sector	Business support services
Founded	1995
Turnover	€100m
EBITDA	€13.5m
Staff	3,000
Vendor	Management/ founders

JZI acquires 75% of Ombuds

Transaction
JZ International (JZI) has acquired a 75% stake in Spanish security group Ombuds as part of a management buyout transaction. The deal had an enterprise value of €74m. Rodrigo Cortina, the company's founder, retains the remaining 25% of share capital and will continue in his current role as CEO. The management and founders were impressed by JZI's buy-and-build approach and its plans to consolidate the security market. The investor intends to support the development of Ombuds' strategy within Spain and within international markets in the long term. In the short term, it aims to turn the business into a main provider of security services in Europe.

JZI invested via JZ Capital Partners, a $700m London-listed closed-end investment company. It was attracted to Ombuds due to its strong management team and knowledge of the security sector, especially the bodyguard and armed security segments. The market, meanwhile, is in constant growth and features a large number of small companies. JZI expects Ombuds' particular niche to grow by 10% per year.

This latest transaction is just one of more than 30 investments made by the private equity firm in service sector firms in Spain.

Debt
La Caixa was the lead arranger of the €20m debt facility secured to support the deal, while Lloyds Bank and Banco de Valencia made up the creditor syndicate.

Company
Founded in 1995, Grupo Ombuds specialises in a range of security and protection services. It is based in Madrid and employs a staff of 3,000. The company has a turnover of €100m and an EBITDA of €13.5m.

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People

Miguel Rueda, partner and managing director, led the deal for JZ International and joins the company's board as president and adviser. JZ president Jock Green-Armytage also joins the board as an adviser. Rodrigo Cortina is the founder and CEO of Grupo Ombuds.

Advisers

Equity – CW Downer & Co, Guido Siebiera (*Corporate finance*); **Garrigues**, Jesus Fariza (*Legal*).

BUYOUT

Rymsa and Teltronic

n/d (€50-150m)

Location	Madrid and Zaragoza
Sector	Electrical components & equipment
Founded	1974
Turnover	€63m
Staff	584
Vendor	IBV Corporation

N+1 acquires Rymsa and Teltronic

Transaction

N+1 Private Equity has acquired 100% of Spanish companies Radiación y Microondas (Rymsa) and Teltronic from IBV Corporation. Following more than 16 months of negotiations with the vendor, the private equity firm invested €40m of equity via the vehicles Dinamia and N+1 Private Equity Fund II for a 100% stake in each of the businesses. Dinamia contributed €10m of the total amount for 25% of the firms. IBV was reassured by N+1's strong relationship with the management team.

N+1, meanwhile, was attracted to the companies due to the quality of their management teams and their positioning in an active niche market place with high barriers to entry. Both businesses are believed to have excellent growth potential, a number of prestigious clients and strong brand identity. Teltronic in particular has a good international presence, with sales outside of Spain representing around 90% of total company revenues last year. It will now be integrated with Rymsa into a single business dedicated to the design and manufacture of electronic systems with high technology components.

Rymsa and Teltronic plan to expand in an organic and inorganic way, targeting key sectors such radio communication and the telecoms industry. The new group's strategy is to expand into markets in which it does not currently have a presence and to strengthen existing product lines by enhancing its technology. N+1 will have a presence on the board.

The transaction is expected to close in July, once approval has been obtained from competition authorities.

Debt

No new debt was supplied to support this transaction.

Company

Headquartered in Madrid, Rymsa designs, manufactures and markets antennas and components for the telecommunications industry. It was founded in 1974 and registered sales of €30.5m in 2010.

Zaragoza-based Teltronic, meanwhile, specialises in the design and manufacture of electronic equipment and systems for the professional radio communications market. It was established in 1975 and its 2010 sales amounted to €33m. Once combined, Rymsa-Teltronic will employ a workforce of 584 and generate a turnover of €63m.

People

Javier Arana, partner and investment director, and CEOs Federico Pastor Arnauda and Ignacio Moreno Martínez led the deal on behalf of N+1 Private Equity.

Advisers

Equity – Ashurst (*Legal*); **Deloitte** (*Financial due diligence and tax*).

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BUYOUT

Telindus España

n/d (€25-55m)

Location	Madrid
Sector	Computer services
Founded	1991
Turnover	€65m
Staff	235
Vendor	Belgacom Group

Corpfin Capital acquires Telindus España

Transaction

Private equity firm Corpfin Capital has acquired the Spanish subsidiary of Telindus Group, a unit of Belgium's biggest telephone company. The acquisition marks the start of a new business plan for Telindus España, involving organic growth (new products and services) and selective acquisitions within Spain. In particular, the company's exposure to the network integration market will be increased. Its structure, operations and services will remain the same, however, as will the management team.

Corpfin's perceived respect for Telindus España's values was an influencing factor in its success in the auction run by Alegro Capital. The investor was in turn attracted to the business' positioning in the market, as well as the quality and commitment of its staff.

The acquirer channelled the investment through its Fund III, which closed in 2006 at €223m, and holds a 100% stake. It spent two years studying the sector and this represents its first transaction in IT services, an area it believes has strong growth potential.

Debt

This acquisition was funded using equity only, but the company's existing debt (provided by Belgacom) has been refinanced by Spanish banks Banesto, Popular-Credit Mutuel and La Caixa.

Company

Madrid-based Telindus España provides IT and networking solutions to large enterprise customers. Its services include network integration, IP convergence, virtualisation, storage and online security solutions.

The company was established in 1991 and employs 235 people. It expects to generate a turnover of €65m this year, equalling its sales in 2007. Telindus registered operating profits of €6.6m in 2006.

People

Partner Fernando Trueba led the deal for Corpfin and joins the company's board.

José Manuel Sánchez is the CEO of Telindus España.

Advisers

Equity – Uría Menéndez, Christian Hoedl, Diana Linage; **Accuracy**, Miguel Viejo, Ignacio Lliso (*Financial due diligence*).
Vendor – Alegro Capital, Piotr Nowosad, Vikas Lamba (*Corporate finance*); **Linklaters** (*Legal*); **Oliver Wyman**, Fernando Oliveros (*Commercial due diligence*); **Intralinks** (*Virtual data room*).

BUYOUT

Hispania Racing

n/d ($30m)

Location	Madrid
Sector	Recreational services
Founded	2010
Vendor	José Ramón Carabante

Thesan Capital buys Hispania Racing

Transaction

Private equity firm Thesan Capital has acquired a majority stake in Grupo Inversor Hispania, which owns the Spanish Formula 1 team, Hispania Racing.

The acquisition of the company, formerly known as Campos Meta 1, from José Ramón Carabante cost an estimated $30m. It was motivated by Thesan's belief in the growth potential of the

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Formula 1 market for the upcoming years. There is an increasing appetite for the sport in Spain thanks to native Fernando Alonso's involvement in the Ferrari F1 team.

Despite planning to strengthen the strategic management of the group, Thesan intends to maintain Hispania Racing's current directors and staff, as it considers them one of the company's biggest assets. It will search for opportunities to improve the performance of the team in the upcoming seasons, as well as making it increasingly Spanish and establishing it in Spain for good.

Company

Grupo Inversor Hispania is the main shareholder of Hispania Racing, which owns the only Formula 1 license in Spain. Hispania Racing was the first Spanish team to take part in the Formula 1 World Championship, making its debut in Bahrain in March last year.

Hispania Racing's official drivers since the start of the season have been Narain Karthikeyan and Vitantonio Liuzzi. They were recently joined by Daniel Ricciardo, following a collaboration deal signed with Red Bull Racing.

People

Hispania Racing was owned and managed until now by José Ramón Carabante. It was founded by Adrian Campos and is currently directed by Colin Kolles.

SES Iberia buys 45% of trucking firm GLT

Transaction

SES Iberia Private Equity has acquired a 45% stake in Basque company Great Lorry And Transport (GLT) as part of an owner buyout deal valued at €16m.

The private equity firm's strategy will be to reinforce and restructure the management team and support the business' existing clients during a period of strong growth in the number of interchanges between Europe and Morocco. SES Iberia channelled this investment via its Fund I, which closed on €50m in 2005.

Debt

The debt structure for this transaction was undisclosed.

Company

Founded in 1998, Great Lorry And Transport specialises in providing commercial transport services between Morocco and Europe. It employs 100 people and is based in Oyarzun, the Basque Country.

The company experienced an average growth rate of 25% over the past five years, generating a turnover of €18m in 2010. Its biggest markets are overseas, principally in France, the UK, Belgium, Germany, Czech Republic and Morocco.

Advisers

Equity – Americal Appraisal (*Financial due diligence*); **CMS Albiñana & Suárez de Lezo** (*Legal*).
Vendor – Eurohold (*Corporate finance*).

BUYOUT

Great Lorry And Transport

€16m

Location	Oyarzun, the Basque Country
Sector	Trucking
Founded	1998
Turnover	€10m
Staff	100

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ITALY

EXIT

AIVE group

€42.9m

Location	Marcon
Sector	Software
Founded	1984
Turnover	€56m
EBITDA	€7m
Staff	550
Vendor	PM&Partners, Athena Private Equity, Fidia

PM&Partners, Fidia and Athena exit AIVE

Transaction

Private equity houses PM&Partners, Fidia and Athena Private Equity have sold IT services provider AIVE Group to Cap Gemini for €42.9m. The investors decided on Cap Gemini as the buyer due to interesting potential industrial synergies in the companies' system integration and banking products.

Previous funding

In 2002, a syndicate of investors including PM&Partners, Athena and Fidia backed the management buyout of AIVE with €21m from founders Adriano Maschio and Luigi Stivanello. Together the investors held a 76.7% stake in the company. The largest shareholder was PM&Partners with a 38.3% stake, while Athena and Fidia each had a 19.2% holding in the company. The remaining equity was held by management.

Company

Marcon-based AIVE offers products and services in the fields of integration and consulting, banking and insurance, and business solutions. Founded in 1984, the firm had a turnover of €56m in 2010 with an EBITDA margin of 13% representing an amount of €7m. AIVE employs around 550 people and operates on nine additional locations throughout Italy.

People

Francesco Panfilo from PM&Partners managed the exit.

Advisers

Equity – Mediobanca (*Corporate finance*); **Studio Alpeggiani** (*Legal*).

SPAIN

MANAGEMENT BUY-BACK

Dinak

n/d (€50-100m)

Location	Vigo
Sector	Diversified industrials
Founded	1983
Turnover	€31m
Staff	150
Vendor	GesCaixa Galicia & Vigo Activo
Returns	31%

GesCaixa Galicia, Vigo Activo reap 5x on Dinak

Transaction

Spanish private equity firms GesCaixa Galicia and Vigo Activo have reaped a money multiple of 5x on their initial investment in Vigo-based manufacturing firm Dinak. The management team has bought back the 49.2% held by the investors, thus providing them with a net profit of €1.35m and an IRR of 31%.

Previous funding

GesCaixa Galicia (the private equity arm of the Novacaixagalicia savings bank) and Vigo Activo led the MBO of Dinak in July 2005. The total value of the transaction was €12.6m. The groups each invested €1.65m for a 24.6% stake, while the management team acquired the remaining 50.8%. BBVA, Caixa Galicia, Banco Sabadell and Banesto provided €8.6m of financing for the transaction.

The strategy for growth had been to support Dinak's industrial plan and maintain the company's headquarters in Galicia.

Dinak was previously owned by industrial company Slink SL (45%), investment group Sodiga Galicia SCR (25%), Juan Ramón Pereiro Santos (15%), and the company's founder and president (15%).

Since GesCaixa Galicia and Vigo Activo's investment, the firm has grown to become a major Spanish player in the metal chimney sector. As well as succeeding in keeping the HQ in Vigo, the private equity-backed firm internationalised its activities to have a presence via agents and distributors in more than 20 countries. It also now has offices in France, Italy, Belgium, the UK, Germany, Poland and Russia and its present-day activity is thus mostly directed at external markets.

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The exit via management buy-back is in line with an agreement between the management and investors made in 2005.

Company

Dinak specialises in the manufacture of metal chimneys for clients in industry and construction. It invests heavily in independent research and development. Dinak's designs and products are patented and can be seen in a variety of places such as the Guggenheim Museum, Zarzuela Palace, and the opera house in Venice.

The Vigo-based company, which generated a turnover of around €20m in 2005, has increased its sales by 53% to around €31m since then. It was founded in 1983 and has a workforce of 150.

People

Javier Carral managed the deal for GesCaixa Galicia and held a place on the board. Pedro Núñez represented Vigo Activo.Eduardo Castro García is the founder of Dinak.

Advisers

Equity – GesCaixa Galicia (*Legal and financial due diligence*); **Gómez-Acebo & Pombo** (*Legal*).

Adara, Active and CAN exit Polymita

MANAGEMENT BUY-BACK

Polymita Technologies

n/d (<€30m)

Location	Barcelona
Sector	Software
Founded	2002
Staff	45
Vendor	Adara Venture Partners, Active Venture Partners, CorporaciónCan

Transaction

Adara Venture Partners, Active Venture Partners and CorporaciónCan have exited Spanish software firm Polymita Technologies via a management buyback.

Company founders Erik Brieva, group chairman, and Luis Ignacio Cortes, vice-chairman, have repurchased the capital held by the venture firms, increasing their own stake to 90%. The remaining 10% has been retained by minority shareholders and employees, who also participated in the buyback.

This exit follows on from Active's sale of its shares in online sales club BuyVip last autumn. The investor held a first close on its second fund, Active Venture II, on €25m in December.

Previous funding

In 2008, CorporaciónCan acquired a minority stake in Polymita via its Eurecan venture fund. It increased its shareholding through an additional cash injection at a later date.

Previously, in 2006, Adara Ventures and Molins Capital Inversión (managed by Active Capital Partners) made a joint €2.5m investment in the business. Both groups took a significant stake in the firm, although at that time the founders remained the majority shareholders. The deal was sourced privately and the aim of this series-A round was to build the team and accelerate the company's commercial activities. Polymita's short-term priority was to consolidate its position in the Spanish Business Process Management (BPM) market. It also planned to continue its R&D efforts, with a view to becoming one of the world's leading BPM companies.

Roberto Saint-Malo from Adara and Active's Christopher Pommerening held places on the company's board. Their achievements include appointing Ricardo Maté as CEO, who in turn increased the size of Polymita's sales team in Madrid. They also expanded the firm's partners network to include Kruger Corporation, while Polymita was selected by the Council of Guadalajara to develop its e-administration systems. Verticalisation also helped the company, which developed strongly within the niches of healthcare, financial and public administration.

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Company

Based in Barcelona, Polymita Technologies is a major global BPM and Enterprise Content Management (ECM) software provider, which aims to help organisations to achieve significant productivity improvements.

In December 2005, the company was selected as one of Europe's 13 most promising IT companies by the Gate2Growth contest promoted by the European Commission. The previous year, the company received a cash prize granted by Spain's Centre for the Development of Industrial Technology.

Polymita's clients have included the European Union, Caja Madrid, Corporación Uninser (Grupo Unicaja) and Barcelona City Council, and it currently has users in more than 20 countries, as well as having a direct presence in Spain, the UK, the US and Argentina. The company expects its revenues to increase by 40% in 2011.

People

Roberto Saint-Malo managed the transaction for Adara Ventures, while Christopher Pommerening and Philipp Schroeder represented Molins Capital Inversión. Erik Brieva is chairman and Luis Ignacio Cortes vice-chairman of Polymita Technologies.

Advisers

Equity – Prat Roca Abogados, Daniel Roca (*Legal*); **Vialegis Dutilh**, Isabel Dutilh (*Legal*).
Management – Task Consultores (*Legal*).

TRADE SALE

Núcleo de Comunicaciones y Control

n/d

Location	Madrid
Sector	Industrial engineering
Founded	2007
Turnover	€120m
Staff	520
Vendor	Gala Capital
Returns	Loss

Gala sells Núcleo to trade buyer

Transaction

Spanish private equity firm Gala Capital has sold its 62% stake in Núcleo de Comunicaciones y Control to engineering group Duro Felgueras at a loss. The sale of the firm, which has faced severe economic challenges since its establishment in 2007, was viewed by many as its only option to avoid ending up in the hands of its creditors.

Some had expressed doubt that the transaction would be signed due to the guarantees the buyer had requested from Gala, but the deal has gone ahead through a restructuring deal, towards which Núcleo's new owner has contributed €20m.

This news comes after Núcleo sold its infrastructure division to Construcciones y Auxiliar de Ferrocarriles (CAF) last October. In September, meanwhile, Coronel Tapiocca, a Spanish fashion label owned by Gala, went into administration. Another Gala portfolio company, Jimmy Choo, however, was sold to Labelux for €575m earlier this month.

Previous funding

Núcleo was formed in 2007 through the merger of technology firms Page and Eliop (in which Gala held a 30% stake), which resulted in the third largest business in the train maintenance sector in Spain. Gala became owner of a 62% stake in the firm, which at that time employed 520 people, via its €150m Gala Capital Partners Equity fund.

The former owners and management team of Page and Eliop retained the remaining share capital, while Banco Santander was the lead arranger on the debt package which supported the deal. The syndicate was formed of eight banks: BBVA, Banco Sabadell, Bancaja (now Bankia), Baninter, Banco de Valencia, Banca March and Deutsche Bank. Jaime Bergel and Leopoldo Reaño were appointed vice-chairman and CEO respectively of the company's board.

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The economic crisis and the paralysis of a number of the company's projects due to lack of financing began to affect the group shortly after the merger. Despite plans to implement a build-up strategy within the engineering sector, a drop in demand caused cash flow difficulties at the company.

In 2009, Núcleo experienced a sharp decline in both sales and profits, rendering the company incapable of repaying the substantial loans taken out by Gala to buy Page in 2006. Though the firm was refinanced that year, further refinancings became impossible due to the restriction of bilateral financing within the Spanish market.

Company

Madrid-based Núcleo concentrates its activities in five main divisions: aeronautical and maritime engineering, industrial engineering, defence, environment and energy, and infrastructure. It has offices in the Canary Islands and subsidiaries in Brazil, Chile, Ecuador, India, Morocco, Mexico and Turkey. The company was founded in 2007 and employs 520 people. It has a turnover of almost €120m.

People

Gala Capital's founding partner, managing partner and chairman, Jaime Bergel, Leopoldo Reaño, partner, and José Mª de León, senior associate, led the deal for the private equity firm.

Advisers

Vendor – Ventura Garcés López Ibor, Francisco Redondo, Juan Tassara (*Legal*).
Equity – PricewaterhouseCoopers, Javier Gomez Dominguez, Goretti Álvarez (*Legal and financial due diligence*).

portfolio management

Applus+

Carlyle Group

Applus+, a Carlyle Group portfolio company based in Spain, has acquired UK firm Brake Testing International (BTI).

This acquisition will aid Applus+ in its internationalisation strategy. The company expects to achieve revenues in excess of €1bn for the first time this year, with 70% of sales hailing from overseas markets. This would represent a growth rate of around 20%, as the business reached a €900m turnover last year.

Leicestershire-based BTI, which tests brakes for product development and standardisation, will be incorporated into Applus+ IDIADA, a unit specialising in engineering and testing for the automotive industry. This will allow the division to reinforce its strengths in brake development and give it access to a laboratory featuring an inertia dynamometer in Luton, an area whose economy has traditionally been focused on car manufacture. It will also strengthen Tarragona-based Applus+'s positioning in the UK and enhance the range and quality of its local services.

Law firm Field Fisher Waterhouse conducted workforce due diligence on BTI prior to the deal.

Applus+, which was acquired by Carlyle for an enterprise value of €1.4bn in late 2007, recently purchased business support services provider Velosi in a deal valued at €105m. Based in Barcelona, the company provides testing, inspection and certification services for vehicles. It was founded in 1996 and employs a staff of 11,000 people.

Conservas Garavilla

MCH Private Equity

Conservas Garavilla, a portfolio company of Spanish investor MCH Private Equity, has wholly acquired the Galician firm Conservas Cuca from the Pita family.

The acquisition will result in a combined turnover of €280m for the group, as well as four factories in Spain and a workforce of 2,650 people. MCH was attracted to Cuca due to its positioning in the premium market and its strong brand identity in central Spain and Valencia, which Garavilla plans to take nationwide. The business is also believed to have a competent management team.

Bolt-on acquisitions have been part of the canned fish producer's business plan since MCH Private Equity III entered

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into the company last August. While the total value of that leverage-free deal was in the range of €100-200m, €60m of this was to be put towards consolidating the canned fish segment – which remains highly fragmented – across Spain and the EU. MCH predicts that the sector will become more concentrated in the coming years, with a number of fish producers disappearing.

Family business Cuca was established 75 years ago. In 2010 it generated sales of €40m and employed a staff of 150 people. In contrast, Garavilla already has 2,500 employees and registered revenues of €240m and an EBITDA of €22m last year. The company produces canned fish and other fish products under its Isabel brand. It was founded in 1887 and is based in Bermeo.

Jaime Hernández Soto is the MCH partner responsible for managing the Garavilla investment, while Deloitte provided corporate finance advice on the Cuca deal.

Grupo Empresarial Alimentario Palacios

ProA Capital

Grupo Empresarial Alimentario Palacios, a portfolio company of ProA Capital, has acquired the frozen pizza business of food company Desarrollos Alimentarios (Dealsa).

Investing through Palacios' newly-created subsidiary, Pizzas Guadalajara, the ProA-backed company will acquire the new business line alongside Dealsa's assets located in its Guadalajara factory. Advisers on the deal included Non Nominus on the legal side, KPMG, which provided financial, legal and fiscal due diligence, and Garrigues, which provided further legal due diligence.

The acquisition follows on from the company's purchase of meat product manufacturer Tortilla Palacios earlier this year. Last October and November Palacios carried out two capital increases, in which ProA injected €1.47m and Industrias Cárnicas Floristán, which ProA recently purchased from Palacios, invested €500,000. The tortilla-based business activity of Cárnicas Floristán and Tortilla Palacios were then combined within Tortilla Palacios.

A Logroño-based chorizo manufacturer, Palacios was founded in 1983 and employs a staff of 580. In 2009, ProA acquired a 60% stake in the firm in a deal valued at €120m. Partners Group and Talde took 35% and the management team retained the remaining 5%. Optima Corporate initiated contact between ProA and the company and senior debt was provided by BNP Paribas, Santander, BBVA, La Caixa, Caja Madrid and IKB. Last year Palacios generated a turnover of £150

Image Group

Prince Capital Partners

Image Group, the Spanish corporate communications firm owned by Prince Capital Partners, has merged with struggling marketing agency Conmunica Mediotrader.

The resulting group will use the Image Group brand name and focus on offering communications consulting services, press clipping and content development and online marketing solutions to companies and banks.

Image and Conmunica, whose shareholders have known each other for some time, identified a number of synergies between the two companies. Image was attracted to Conmunica due to its strong positioning in the communications sector. Spanish media agencies have suffered markedly from the adverse macroeconomic situation however, although Prince maintains that signs of recovery are emerging, giving it optimism about the sector's future growth potential.

The newly merged entity will have a total turnover of €6.5m and an EBITDA of €600,000, with 90 employees, who will be managed by CEO Jesús Alloza. Prior to the merger, Alloza wholly owned Conmunica (formerly known as Agencia del Grupo Vocente) alongside three other shareholders, having bought the company for the discount rate of €176,000 in May. The business, which was established in 2000, has sales of €4m and an EBITDA of €200,000 and employs 40 people.

Headquartered in Madrid, Image Group was established in 1996, composed of communication and PR firms Perception & Image and Image Profile, as well as media monitoring and corporate intelligence company Press Tracking. Up until now, it had 50 employees and generated an EBITDA of 0 on revenues of €4m.

Prince has seen its stake in the group diluted to 41% (jointly held with two company executives, Victor Sanchez de Real and Enrique Pascual), down from the 80% it acquired in December 2008. The majority, 59%, is held by a consortium of shareholders led by Alloza.

IBL Global Abogados, led by Jose Luis Cobo, provided legal advice on the transaction.

Prince acquired Image Group in 2008 as part of an MBO, which took close to two years to complete. Sanchez de Real and Pascual then retained the remaining 20%, with the former being appointed managing director and the latter becoming director general of Perception & Image. Jesus Torres led the deal for the venture capital firm and joined the board as president.

Image Group's client portfolio has included Imaginarium, Telefónica, Cisco, Unisys, Junta de Castilla y León, Diageo, L'Oreal Profesionelle, Entel, YELL- Páginas Amarillas, Warner Bros Interactive Entertainment, Aldesa, DGT and Grupo Cortefiel.

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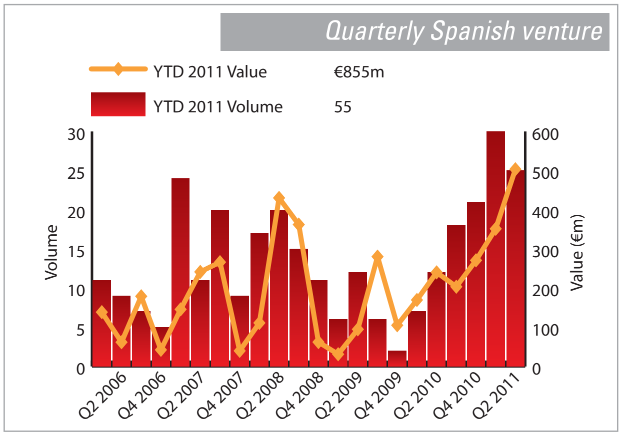
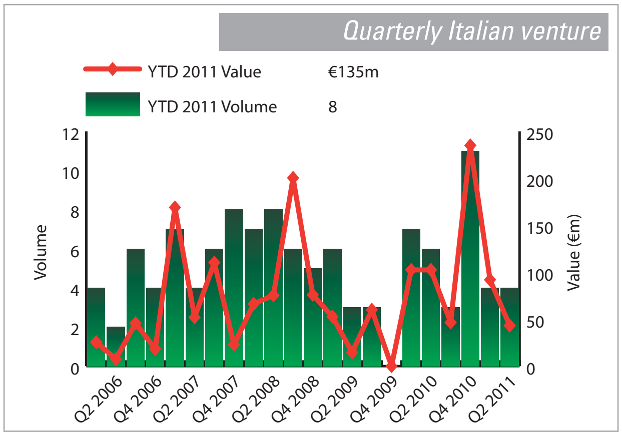
PERIOD TO END JUNE 2011

Figures are based on all expansion/early-stage transactions in Italy and Spain that were confirmed as having an institutional private equity or mezzanine investor as a lead or syndicate partner.

For further information on Incisive Media's data and research please call Emanuel Eftimiu on: +44 20 7004 7464.

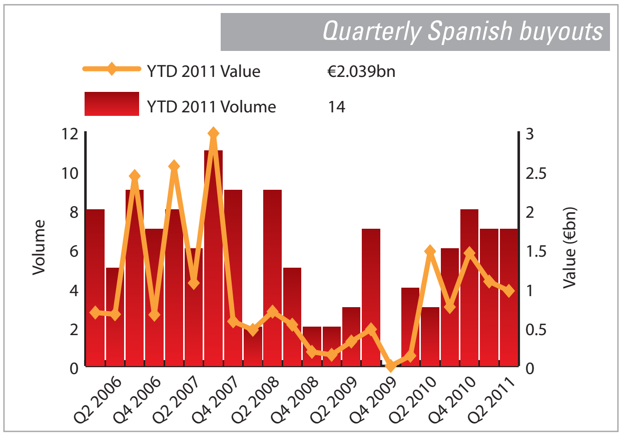


Source: unquote"/Private Equity Insight
Number and total value of early-stage and expansion deals in Spain per quarter

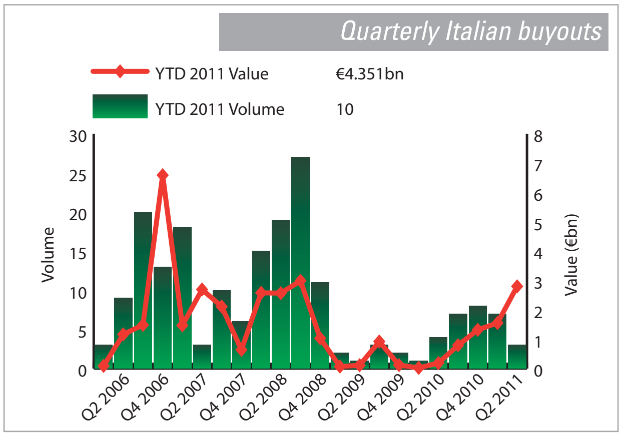


Source: unquote"/Private Equity Insight
Number and total value of early-stage and expansion deals in Italy per quarter

Figures are based on all buyouts in Italy and Spain with a recorded or estimated value of €10m+ that were confirmed as having an institutional private equity or mezzanine investor as a lead or syndicate partner.



Source: unquote"/Private Equity Insight
Number and total value of €10m+ buyouts in Spain per quarter



Source: unquote"/Private Equity Insight
Number and total value of €10m+ buyouts in Italy per quarter

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The table below tracks the performance of previously private equity-backed Southern European companies as listed stock

Company	ICB sub-sector name	Original deal	Equity syndicate
Amadeus IT Holding	Support services	€4.3bn, 2005	BC Partners, Cinven
Gruppo MutuiOnline	Mortgage finance	€1m, 2000	Net Partners, Jupiter Ventures
NoemaLife	Software	n/d, 2000	Wellington Partners, Earlybird
Renta Corporacion Real Estate	Real estate holding & development	€10m, 2004	3i
Vueling Airlines	Airlines	n/d, 2004	Apax Partners, Inversiones Hemisferio

* country specific sector index.

Source: Bloomberg

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IPO date	Prime exchange	Issue price	Market cap at IPO	Company PE ratio	Industry benchmark PE ratio *	Share price 20/07/2011	Price change since IPO	3-month trend
May-10	Madrid	€11	€4.93bn	n/a	n/a	€13.72	25%	▼
Jun-07	Milan	€5.6	€77m	n/a	8.34	€4.36	-22%	▲
May-06	Milan	€9	€8m	17.94	n/a	€5.77	-36%	▼
Apr-06	Madrid	€29	€209m	n/a	8.53	€1.26	-96%	▲
Dec-06	Madrid	€30	€191m	8	5.97	€7.58	-75%	▼

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A	Austria	D	Germany	EI	Ireland	FIN	Finland
BE	Belgium	DEN	Denmark	ES	Spain	I	Italy
CH	Switzerland	EE	Estonia	F	France	LT	Lithuania

Group	Fund name	Base	Target (m)	Close	Closed on (m)
Active Venture Partners	Active Venture II	ES	n/d	1st	€25
Alchemy Partners	Special Opportunities Fund II	UK	£500	1st	£280
Alpha	Alpha Private Equity Fund 6 (APEF 6)	F	€750	1st	€500
Argos Soditic	Argos Expansion	F	€120	1st	€45
Aster Capital	Aster II	F	€120-150	FA	n/d
Atlantic Bridge	Atlantic Bridge	UK	€130	1st	€85
BC Partners	BC European Capital IX	UK	€6,000	1st	€4,000
BeCapital IA	BeCapital Private Equity SCA SICAR	BE	€100	1st	€80
Beechbrook Capital	Beechbrook Mezzanine I	UK	€125	1st	€35
Boehringer Ingelheim GmbH	Boehringer Ingelheim Venture Fund (BIVF)	D	€100	FA	n/d
Cabiedes & Partners	Cabiedes & Partners Fund	ES	n/d	1st	€25
Capricorn Venture Partners	Capricorn Health-tech Fund	BE	n/d	1st	€42
Carlyle Group	Carlyle Global Financial Services Partners	US	n/d	1st	$1,100
Centre for the Development of Industrial Technology (CDTI)	Innvierte	ES	€500	FA	€250
Credo Ventures	Credo Stage 1	CZ	€20	1st	€11
Cross Road Biotech	CRB Bio II	ES	€60	FA	€12
Diana Capital	Diana Capital II	ES	€175	FA	€100
Earth Capital	ECP Renewable Energy Fund One	UK	€750	1st	n/d
Eurolight Ventures	Eurolight Ventures Fund	ES	€80-90	FA	n/d
Gamesa	Gamesa Fund	ES	€50	FA	n/d
General Motors	General Motors Ventures	US	$100	FA	n/d
Grupo Inveready	Inveready First Capital I	ES	€5	FA	€3
IDeA Capital Funds	IDeA Energy Efficiency and Sustainable Development	I	€100	FA	n/d
Idinvest	Idinvest Private Debt	F	€250	1st	€167
Impax Asset Management Group	Impax New Energy Investors II	UK	€300-400	2nd	€259
Intesa Sanpaolo	Atlante Private Equity	I	€250	1st	€150
Life Sciences Partners	LSP Life Sciences Fund N.V.	NL	€250	FA	n/d
Meidlinger Partners	Meidlinger Partners Sustainable Investments	US	$100	1st	$15
Nazca Private Equity	Fondo Nazca III	ES	€150	1st	€190
Northzone Ventures	Northzone VI	NOR	€150	1st	€90
Sepides	Enisa Fespyme Sepides	ES	€15	FA	€15
Sherpa Capital	Sherpa Capital	ES	€30	FA	n/d
SODENA	Nabio	ES	€600	FA	€350
Suanfarma	Suan Biotech II	ES	€30	FA	n/d
Synergo SGR	Sinergia II	I	£350	FA	n/d
Unipol Private Equity	Preludio	I	€150	FA	n/d
WestBridge	WestBridge SME Fund	UK	€50	1st	€10

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LX	Luxembourg	P	Portugal	UK	United Kingdom	FC	Fund closed
NL	Netherlands	PL	Poland	US	United States	1st	First close
NOR	Norway	SWE	Sweden	FA	Fund announced	2nd	Second close

Date	Stage	Geographic	Contact	Telephone No.
Jan-11	Early-stage, expansion – technology	Spain, Germany, Scandinavia	Christopher Pommerening	+34 93 487 6666
Aug-10	Buyout, distressed companies	Europe	Ian Cash, Frits Prakke	+44 207 240 9596
Jul-11	Buyout, mid-market	F, I, BE, NL, DACH	Patricia Desquesnes	+33 1 56 60 20 20
Jul-10	Mezzanine	Europe	Olivier Bossan	+33 153672050
Feb-11	Early-stage – technology	Europe, North America and Asia	Jean-Marc Bally	+33 1 45 61 34 58
Nov-10	Buyout, expansion – technology	Europe	n/d	+353 1 603 4450
Mar-11	Buyout	Europe	Charlie Bott	+44 20 7009 4800
Jun-10	Expansion – cleantech SMEs	US, Europe	Alexandre Schmitz	+32 2 213 32 66
Apr-10	Mezzanine	Europe	Paul Shea	+44 20 3178 2536
Apr-10	Early-stage – healthcare	Europe	Michel Pairet	+49 32 77 8740
Mar-11	Early-stage – technology	Spain	José Cabiedes	+34 670 278 750
Dec-10	Early-stage, expansion – healthcare	Europe	n/d	+32 16 28 41 00
Apr-10	Buyout, expansion	Global	James Burr	+1 202 729 5626
Oct-10	Early-stage – technology	ES	n/d	+34 91 581 55 00
Nov-10	Early-stage	Europe	n/d	+420 222 317 377
Nov-10	Early-stage – biotech	ES	n/d	+34 91 446 78 97
Jan-11	Buyout, expansion	ES	Javier Fernández Las Heras	+34 914 262 329
Jan-10	Expansion – renewable energy, infrastructure	EMEA	Ben Cotton	+44 20 7811 4500
Feb-11	Early-stage – photonic SMEs	Europe	Victor Sunyer	n/d
May-11	Early-stage, expansion – renewable technology	Global	David Mesonero	+34 944 03 73 52
Jun-10	Early-stage	US, Europe	Jon Lauckner	+1 313-667-1669
Oct-10	Early-stage – technology	ES	Ignacio Fonts	+34 93 447 30 63
Nov-10	Buyout, expansion – cleantech sector	I, DACH, Israel	n/d	+39 02 2906 631
Oct-10	Mezzanine, secondaries	Europe	n/d	+33 1 55 27 80 00
Nov-10	Buyout – renewable energy sector	Europe	Peter Rossbach	+44 20 7434 1122
Jan-11	Buyout – Italian SMEs	I	Walter Comelli	+39 0516566023
Apr-11	Expansion, small and mid cap – biotech	Europe, US	Mark Wegter, Joep Muijrers and Geraldine O'Keeffe	+31 20 664 55 00
Dec-09	Early-stage – cleantech, water, energy	Global	Kevin Brophy	+1 215 701 32 99
Sep-10	Buyout, expansion	ES	n/d	+34 91 7000 501
Feb-10	Early-stage, expansion	Nordic, Europe	Tellef Thorliefsson	+47 221250 10
Oct-10	Early-stage	ES	n/d	+34 91 396 14 94
Oct-10	Buyout, distressed situations	Europe, Latin America	Eduardo Navarro	+34 902 702526
Nov-10	Early-stage – healthcare	ES	n/d	+34 848 421942
Nov-10	Early-stage – biotech	ES	n/d	+34 91 344 68 90
Mar-10	Buyout	I	Gianfillipo Cuneo	+39 02 859 111
Apr-08	Buyout, expansion	I	Luca De Bartolomeo	+39 051 631 8210
Jul-10	Buyout	Europe	Guy Davies	+44 2920 546250

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This table lists all fully-raised funds known to be actively seeking investment opportunities in the Southern Europe markets. Information regarding any additional fund that doesn't feature on our list would be well received.

BUYOUT FUNDS

Group	Fund name	Base
21 Investimenti	21 Investimenti II	I
3i	Eurofund V	UK
Access Capital Partners	Capital Fund IV	F
Aksia Group	Aksia Capital III	I
Alcedo Sgr	Alcedo III	I
Alto Partners	Alto Capital II	I
Altor Equity Partners	Altor Fund III	SWE
Ambienta	Ambienta I	I
AnaCap Financial Partners	AnaCap Financial Partners II	UK
Apax Partners Worldwide	Apax Europe VII	UK
Apollo Investment Corporation	Apollo Investment Fund VII	US
Argan Capital	Argan Capital Fund	UK
Argos Soditic	Euroknights VI	F
Bain Capital	Bain Europe III	US
Barclays Private Equity	Barclays Private Equity Europe III	UK
BC Partners	BC European Capital VIII	UK
Blackstone Group	BCP VI	US
Bregal Capital	The Bregal Fund III	UK
Bridgepoint	Bridgepoint Development Capital I	UK
Bridgepoint	Bridgepoint Europe IV	UK
Carlyle Group	Carlyle Europe Partners III	UK
CCMP Capital Advisors	CCMP Capital Investors II	US
Charterhouse	Charterhouse Capital Partners IX	UK
Cinven	The Fourth Cinven Fund	UK
Clayton Dubilier & Rice	Clayton Dubilier & Rice Fund VIII	US
Climate Change Capital Ltd	Climate Change Capital Private Equity fund	UK
Cognetas	Cognetas Fund II	UK
Corpfin Capital	Corpfin Capital Fund III	ES
CVC Capital Partners	CVC European Equity Partners IV	UK
DLJ Merchant Banking Partners	DLJ Merchant Banking Partners IV	UK
Doughty Hanson	Doughty Hanson & Co Fund V	UK
Duke Street Capital	Duke Street Capital VI	UK
Electra Partners	Electra Partners Club 2007	UK
EQT	EQT V	SWE
Ergon Capital Partners	Ergon Capital Partners II	BE
Explorer Investments	Explorer III	P
First Reserve Corporation	First Reserve Fund XII	US
Fortis Private Equity	Fortis Private Equity	NL, BE
GI Partners	GI Partners Fund III	US
GIMV	GIMV	BE
GMT Communications Partners	GMT Communications Partners III	UK
Goldman Sachs	GS Capital Partners VI	US
H.I.G. Capital	H.I.G. European Partners	US

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Size (m)	Closed	Stage	Region
€280	Sep-08	Buyout, expansion	I
€5,000	Oct-06	Buyout	Europe
€413	Apr-08	Buyout, expansion	Europe
€147	Feb-07	Buyout	I
€178	Jan-09	Buyout, expansion	I
€112	Feb-07	Buyout, expansion	I
€2,000	Aug-08	Buyout, distressed companies	Global
€218	Oct-09	Buyout, expansion	Europe
€575	May-05	Buyout, expansion	Europe
€11,200	Oct-07	Buyout	Global
$14,800	Feb-09	Buyout, distressed companies	Global
€425	Oct-06	Buyout	Europe
€400	Dec-10	Buyout, small and mid-market	Europe
€3,500	Jun-05	Buyout	Europe
£2,400	Sep-07	Buyout, expansion	Europe
€5,500	May-05	Buyout	Europe
$15,000	Jan-11	Buyout	US, Europe
€1,000	Feb-10	Buyout	UK, Europe
€300	Jun-05	Buyout	Europe
€4,850	Nov-08	Buyout	Europe
€5,350	Sep-07	Buyout	US, Europe
$3,400	Nov-07	Buyout	US, Europe, Asia
€4,000	Apr-09	Buyout	Europe
€6,500	Jun-06	Buyout	Europe
$5,000	Jan-10	Buyout	Europe, US
€200	Sep-07	Buyout, expansion – clean energy	Europe
€1,260	Jul-05	Buyout	Western Europe
€230	Jun-06	Buyout, expansion	ES
€6,000	Aug-05	Buyout	Europe
$2,100	Oct-06	Buyout	Europe, US
€3,000	May-07	Buyout	Europe
€1,000	Aug-07	Buyout	Europe
£100	Jun-08	Buyout	Western Europe
€4,250	Dec-06	Buyout	Europe
€150	Feb-05	Buyout	BE, F, I
€270	May-11	Buyout	P, ES
$9,000	Mar-05	Buyouts, expansion – energy	Global
€1,250	n/d	Buyout, expansion	Europe, US, Asia
$1,900	Jan-10	Buyout, distressed companies	Europe, North-America
€1,200	n/d	Buyout, expansion, early-stage	Europe
€250	Jul-07	Buyout	Europe
$20,300	Jun-05	Buyout	Global
€600	Jul-07	Buyout	Europe

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BUYOUT FUNDS

Group	Fund name	Base
Hellman & Friedman	HFCP VII	US
HgCapital	HgCapital V	UK
HitecVision	HitecVision V	NOR
Hudson Clean Energy Partners	Hudson Clean Energy Partners	UK
Ibersuizas	Ibersuizas Capital Fund II	ES
IDeA Alternative Investments	IDeA Co-Investment Fund I	I
Industri Kapital	IK2007	UK
Infinity	Infinity III	UK
Intermediate Capital Group	ICG Recovery Fund	UK
Investcorp	Investcorp Technology Partners III	UK
Investindustrial	Investindustrial Fund IV	I
Invision Private Equity	Invision IV	CH
J Hirsch & Co	ILP III	LX
L Capital Management	L Capital FCPR 2	F
Lime Rock Partners	Lime Rock Partners V	US
Lion Capital	Lion Capital Fund II	UK
Madison Dearborn Partners	Madison Capital Partners VI	US
Montagu Private Equity	Montagu IV	UK
Morgan Stanley	Global Secondary Opportunities Fund	US
N+1 Private Equity	N+1 Private Equity Fund II	ES
NBGI Private Equity	NBGI Private Equity Fund II	UK
NBGI Ventures	NBGI Private Equity France Fund LP	UK
Nordic Capital	Nordic Capital Fund VII	Jersey
Oaktree Capital Management	OCM European Principal Opportunities Fund II	US
PAI partners	PAI Europe V	F
Palamon Capital Partners	Palamon Europe Equity II	UK
Partners Group	Partners Group Direct Investments 2009	CH
Permira	Permira IV	UK
Perusa Partners	Perusa Partners I	UK
Platinum Private Equity Partners	Platinum Private Equity Partners II	US
PM & Partners	PM & Partners II	I
Primary Capital	Primary III	UK
Proa Capital	ProA Capital Iberian Buyout Fund I	ES
Realza Capital	Realza Capital I	ES
Riverside Company	Riverside Europe Fund IV	BE
Robeco Alternative Investments	Robeco European Private Equity II	NL
Sator Capital	The Sator Private Equity Fund	I
SG Capital Europe Advisors	SG Capital Europe Fund III	UK
SGAM	SGAM Private Value Fund	F
Summit Partners	Summit Partners Europe Private Equity Fund	US
TA Associates	TA XI	US
Terra Firma	Terra Firma Capital Partners III	UK
The Gores Group	Gores Capital Partners III	US
TowerBrook Capital Partners	TowerBrook Investor III	UK
Triton Partners	Triton Partners III	D
Vendis Capital	Vendis Capital I	BE
Vitruvian Partners	Vitruvian Investment Partnership	UK

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Size (m)	Closed	Stage	Region
$8,800	Nov-09	Buyout	Global
£830	Feb-06	Buyout	Europe
$816	Feb-08	Buyout, expansion	Europe, US
$1,000	Jan-10	Buyout – renewable energy	Global
€331	Jul-06	Buyout	Europe
€217	Jun-05	Buyout, expansion, co-investment	Europe
€1,675	Oct-07	Buyout	Europe
$200	Mar-11	Buyout, expansion	UK, Europe, North America
€843	Mar-11	Buyout, expansion	Europe
$400	Jan-08	Buyout	Europe
€1,000	Feb-08	Buyout	Europe
CHF300	Oct-08	Buyout, expansion	Europe
€270	Oct-08	Buyout	I, D
€325	Mar-08	Buyout	Europe, US
$1,400	Jun-08	Buyout	Global
€2,000	Jun-07	Buyout	Europe
$4,100	May-10	Buyout	Global
£2,500	Apr-11	Buyout	Europe
$585	May-10	Buyout, mid-market	US, Europe
€300	Apr-08	Buyout	ES
€100	Dec-08	Buyout, expansion, turnaround	UK
€100	Jan-10	Buyout	Europe
€4,300	Nov-08	Buyout	Global, focus on Europe
€1,800	Dec-08	Buyout, expansion, distressed	Global
€5,400	May-08	Buyout	Europe
€670	Jun-06	Buyout, expansion	Europe
€650	Sep-10	Buyout	Europe
€9,600	Sep-06	Buyout	Europe, US, Japan
€155	Ap-08	Buyout	Europe
$2,750	Sep-08	Buyout	Global
€340	Jan-09	Buyout, expansion	I
€200	Apr-06	Buyout	Europe
€250	Apr-08	Buyout	Europe
€170	Nov-08	Buyout	ES
€420	Nov-10	Buyout, small- and mid-cap	Europe
$100	Jun-05	Buyout	Europe
€500	Mar-11	Buyout	I
€245	May-05	Buyout, small- and mid-cap	DACH, Benelux, I, F
€267	Jun-07	Buyout, expansion, early-stage	Europe, US, Asia
€1,000	Apr-08	Buyout	Global
$4,000	Aug-05	Buyout, expansion	US, Europe, India
€5,400	May-07	Buyout	Europe
$2,000	Feb-11	Buyout	US, Europe
$2,800	Nov-08	Buyout	Europe, North America
€2,250	Feb-10	Buyout	Europe
€112	Jan-11	Buyout, expansion	Europe
€925	Mar-08	Buyout	Europe

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BUYOUT FUNDS		
Group	**Fund name**	**Base**
Warburg Pincus	Warburg Pincus X	US
Xenon Private Equity	Xenon V	CH

EARLY-STAGE/EXPANSION FUNDS		
Group	**Fund name**	**Base**
360° Capital Partners	360° Capital Fund	F
3i	Growth Capital Fund	UK
4D Global Energy Advisors	SGAM/4D Global Energy Development Capital Fund II	FIN
Acton Capital Partners	Heureka Expansion Fund	D
Advent Venture Partners	Advent Life Science	UK
Alliance Venture Partners	Alliance Venture Polaris	NOR
Amadeus Capital Partners	Amadeus III	UK
Atlas Venture	Atlas Venture Fund VIII	UK
Atomico Ventures	Atomico Ventures II	US
BankInvest	BankInvest BioMedical Annex Funds	DEN
BB Biotech Venures	BB Biotech Ventures III	UK
Brú II Venture Capital	Brú II Venture Capital Fund	Iceland
CapMan	CapMan Life Science IV	SWE
Demeter Partners	Demeter 2	F
Draper Fisher Jurvetson (DFJ)	DFJ Fund X	US
Emerald Technology Ventures	SAM Private Equity Sustainability Fund II	UK
EQT	EQT Expansion Capital II	SWE
Essex Woodland Health Ventures	Essex Woodland Health Ventures VIII	US
Everis	Everis Fund	ES
Explorer Investments	Explorer III	P
Forbion Capital Partners	FCF I Co-Invest Fund	NL
Foresight Group	Foresight Solar VCT	UK
Fountain Healthcare Partners	Fountain Healthcare Partners I	UK
Hasso Plattner Ventures	Hasso Plattner Ventures Europe	D
HIG Capital	HIG Growth Equity Fund II LP	US
HitecVision	HitecVision Asset Solutions	NOR
Index Ventures	Index Ventures V	UK
Innovacom	Innovacom 6	F
Kennet Partners	Kennet III	UK
Kohlberg Kravis Roberts	KKR European Annex Fund	UK
Milk Capital	Milk Capital	F
Nauta Capital	Nauta III	ES
NBGI Ventures	NBGI Technology Fund II	UK
NeoMed	NeoMed Innovation IV	NOR
Platina Partners	European Renewable Energy Fund	UK
Pond Venture Partners	Pond III	US
Prime Technology Ventures	Prime Technology Ventures III	NL
Quest for expansion	Quest for expansion NV	BE
Sofinnova Partners	Sofinnova Capital VI	F
SV Life Sciences (SVLS)	SV Life Sciences (SVLS) Fund V	US
Wellington Partners	Wellington Partners IV Technology	UK
WHEB Ventures	WHEB Ventures Private Equity Fund 2	UK/D

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Size (m)	Closed	Stage	Region
$15,000	Apr-08	Buyout	Global
€150	Nov-09	Buyout, expansion	I

Size (m)	Closed	Stage	Region
€100	Feb-08	Early-stage	Europe
€1,200	Mar-10	Expansion	Europe, Asia, North America
$181	Apr-07	Expansion	Europe, US, Africa, Middle East
€150	May-10	Expansion – technology	Europe, North America
$120	Nov-10	Early-stage – life science	Europe, US
NOK340	Nov-06	Early-stage	Global
$310	Mar-07	Early-stage	Europe
$283	Jan-05	Early-stage	Europe, US
$165	Mar-10	Early-stage	Europe
n/d	Jul-05	Early-stage	Europe
€68	Jul-05	Early-stage, expansion	Global
€65	Apr-07	Expansion	Europe,US
€54	May-07	Expansion	Europe
€203	Jan-10	Expansion – cleantech, renewable energy	F, ES, D
$350	Oct-10	Early-stage	I, Asia, US
€135	Apr-07	Early-stage, expansion	North America, Europe
€474	Jun-07	Early-stage, expansion	Europe
$900	Mar-05	Early-stage, expansion – healthcare	Europe, Asia
€5	Apr-11	Early-stage	ES
€270	May-11	Early-stage, expansion	Iberia
€54	Sep-10	Early-stage	Europe
€31	Apr-11	Early-stage – infrastructure	Europe
€75	May-08	Early-stage – life sciences	Europe
€100	Jun-08	Early-stage, expansion	Europe, Israel
$500	Jul-11	Early-stage, expansion	Europe, North America
$420	Jun-10	Expansion – oil & gas	Global
€350	Mar-09	Early-stage – technology, biotech, cleantech	Europe, Global
€150	Oct-07	Early-stage, expansion	Europe
€200	Jul-08	Expansion – technology	Europe, US
€400	Aug-09	Expansion	Global
€20	Jul-08	Early-stage	Global
$150	Jun-11	Early-stage	Europe, US
€60	Oct-07	Early-stage	Europe
€104	Dec-05	Early-stage, expansion	Europe
€209	Mar-10	Expansion – renewable energy	Europe
$145	Feb-06	Early-stage	Europe
€150	Jan-09	Early-stage, expansion – technology	Europe
€103	Nov-05	Early-stage	Europe
€260	Feb-10	Early-stage, expansion	Europe
$523	Jul-10	Early-stage – healthcare	US, Europe
€265	Jan-08	Expansion	Europe
€105	Jun-10	Expansion – cleantech	Europe

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OTHER FUNDS

Group	Fund name	Base
17Capital	17Capital Fund	UK
Abbott Capital Management	Abbott Capital Private Equity Fund VI	US
Altamar Private Equity	Altamar Secondary Opportunities IV	ES
Amanda Capital	Amanda III	FIN
Arcano Capital	Global Opportunity Fund II	ES
Arcis Group	ESD Fund IV	UK, F
ATP Private Equity Partners	ATP IV K/S	DEN
Babson Capital Europe	Almack Mezzanine I	UK
Coller Capital	Coller International Partners V	UK
Committed Advisors	Committed Advisors	F
Danske Private Equity	Danske PEP IV	DEN
Environmental Technologies Fund	Environmental Technologies Fund	UK
F&C Private Equity	F&C European Capital Partners	UK
F&C Private Equity	Aurora Fund	UK
Goldman Sachs Asset Management	GS Vintage Fund V	US
GSO Capital Partners, Blackstone Group	GSO Capital Solutions Fund	UK
HarbourVest Partners	Dover Street VII	US
Headway Capital Partners	Headway Investment Partners II (HIP II)	UK
Hermes Private Equity	Hermes Private Equity Partners III (HPEP III)	UK
IDeA Alternative Investments SpA	ICF II	I
IFE Conseil	IFE Conseil II	LX
Indigo Capital	Indigo Capital V (ICV)	UK
Intermediate Capital Group	European Mezzanine Fund IV	UK
J.P. Morgan Asset Management	J.P. Morgan Private Equity Limited	UK
Lexington Partners	Lexington Capital Partners VII LP	UK
LGT Capital Partners	Crown Global Secondaries II	CH
LODH Private Equity AG	Euro Choice IV	D
Morgan Stanley AIP	Morgan Stanley Private Markets Fund IV	UK
Neuberger Berman	NB Distressed Debt Investment Fund Limited	US
Park Square	Park Square Capital II	UK
Park Square Capital	Park Square Capital Partners	UK
Partners Group	Partners Group Global Opportunities	CH
Partners Group	Partners Group Secondary 2008	CH
Pohjola Private Equity	Selected Mezzanine Funds I	FIN
Pomona Capital	Pomona Capital VII	US
Portfolio Advisors	Portfolio Advisors Private Equity Fund V	US
Robeco	Robeco Responsible Private Equity II	NL
Siemens	Siemens Global Innovation Partners I (SGIP I)	D
Siguler Guff & Co	Siguler Guff Distressed Opportunities Fund III	US
SL Capital Partners	European Strategic Partners 2008	UK
Unigestion	Unigestion Secondary Opportunity Fund II	CH
Unigestion	Unigestion Environmental Sustainability Fund of Funds	CH
Vision Capital	Vision Capital Partners VII	UK
Wiltshire Private Markets	Wiltshire Private Markets Fund VIII	US

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Size (m)	Closed	Stage	Region
€88	Sep-10	Mezzanine	Europe
$1,020	Apr-05	Fund-of-funds	Global
€65	Jan-10	Secondaries	Global
€100	May-07	Fund-of-funds	Europe, US, Russia, Asia
€150	Jan-10	Fund-of-funds	Europe, Asia, US
€354	Oct-08	Secondaries	Europe
€1,000	Dec-10	Fund-of-funds	Europe, US
€800	Jun-06	Mezzanine	Europe
$4,500	Apr-07	Secondaries	Europe, US
€257	Jul-11	Secondaries, small- and mid-cap	North America, Europe and Asia
€600	Jan-05	Fund-of-funds	Europe, North America
£110	Mar-08	Mezzanine – clean energy	Europe
€173	Jul-08	Fund-of-funds	Europe
€45	Jul-10	Secondaries	Europe
$5,500	Mar-05	Secondaries	Global
$3,250	Jul-10	Mezzanine	US, Europe
$2,900	Apr-09	Secondaries	Global
n/d	Apr-08	Secondaries	Global
n/d	Jul-07	Fund-of-funds	Europe
€281	Aug-10	Fund-of-funds	Europe, US
€300	Nov-06	Mezzanine	Benelux, D, F, ES, I
€550	Jun-07	Mezzanine	Europe
£1,250	Apr-07	Mezzanine	Europe
$93	Sep-05	Secondaries	Global
$7,000	Jul-11	Secondaries	Europe, US
€1,200	Jun-10	Secondaries	Europe, Australia, US, Asia
€513	May-05	Fund-of-funds	Europe
$1,140	May-09	Fund-of-funds	Global
$197	Jun-10	Debt fund, distressed, special situations	Europe
€850	Apr-11	Mezzanine	Europe
€1,050	Jan-05	Mezzanine	Europe
€400	Oct-06	Co-investment	Global
€2,500	Dec-09	Secondaries	Global
€102	Jun-09	Fund-of-funds, mezzanine, co-investment	Europe
€1,300	Jul-08	Secondaries	Global
$1,000	Apr-09	Fund-of-funds	US, Europe
€50	May-05	Fund-of-funds	Global
n/d	May-10	Fund-of-funds, early-stage	Global
$2,400	May-09	Fund-of-funds	US, Europe
€700	Sep-10	Fund-of-funds	Europe
€190	May-11	Secondaries	Europe, US, Asia
€61	Jun-11	Fund-of-funds	US, Europe, Asia
€680	Jan-09	Direct secondaries	Europe
$615	Apr-05	Fund-of-funds	Global

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