

## Private Equity

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### Integrated approach to benefit from opportunities in current markets

#### Current challenges for private equity

The private equity industry is one of the industries which was affected first by the credit crisis. As a result of lower availability of and more expensive acquisition, finance, private equity deals have decreased both in number as well as in average size from the third quarter of 2007 and onwards.

Some portfolio companies, especially those acquired during 2006 up to mid 2008, may experience difficulties as a result of the high acquisition and debt multiples. The financial difficulties can be the result of the inability to refinance current debt levels at maturity combined with pressure on operating performance of the portfolio companies given the recession.

For the near future, we expect that the number of private equity transactions will be gradually increase in 2010. After the dip in the summer of 2009, the M&A market shows signs of recovery and the interest of private equity firms for new transactions, both acquisitions and divestments, is rising. A considerable part of the transactions to be completed in the near future will be resulting from restructurings and refinancing following the recession, which furnishes private equity firms with interesting and reasonable priced acquisition targets in a modest competitive environment.

A key differentiator for private equity companies is the ability to deliver a smooth transaction without financing as a condition precedent.

#### Deloitte's assistance to private equity

We are offering fully integrated M&A support in acquisition and divestiture processes. This approach entails integrated corporate finance advisory (including debt advisory) and due diligence on the commercial, financial, tax, pension and IT aspects of a contemplated transaction. Especially in the tough current (re)financing market, Deloitte's debt advisory services can be a competitive advantage for our clients. Deloitte adjusts its product offering to the specific client needs, which could result in delivering our services on a standalone basis.

Additionally, we can perform an objective and independent (financial) analysis of private equity portfolio companies to gain insight in the scenarios and the available options going forward. Furthermore, Deloitte Audit Private Equity services focus on delivering added value audit services to portfolio companies and its shareholders by assisting the management in handling the additional challenges they face under private equity ownership, such as reporting to financing banks and on progress made on the key initiatives (working capital reduction plans, acquisitions, divestitures of non-core assets).

#### More information:

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[Financial Advisory Services](#)

**CVC Capital Partners, Kohlberg Kravis Roberts & Co. and Oranje-Nassau Groep**  
have acquired  
**AVR Holding**  
January 2006

**Deloitte Transaction Services**  
acquisition due diligence services

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[Financial Advisory Services](#)

**Rabo Participaties and Management**  
have acquired  
**Luzac**  
  
June 2006

**Deloitte Transaction Services**  
acquisition due diligence services

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**Fortis Private Equity**  
has acquired  
**Bakkerij J.M. Smithuis and J.M. Smithuis Pre Pain**  
January 2008

**Deloitte Transaction Services**  
integrated acquisition support

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[Financial Advisory Services](#)

**Funds managed by 3i Group and 3i Group**  
have acquired  
**ABX Logistics Worldwide**  
from **SNCB/NMBS**  
December 2006

**Deloitte Corporate Finance**  
acted as financial advisor to the acquirer

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[Financial Advisory Services](#)

**The Carlyle Group and Providence Equity Partners**  
have sold  
**Casema**  
To **Cinven and Warburg Pincus**  
July 2006

**Deloitte Transaction Services**  
vendor due diligence services

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[Financial Advisory Services](#)

**AlpInvest**  
has sold  
**Itho Holding**  
to **Rabo Participaties**  
July 2007

**Deloitte Corporate Finance**  
acted as financial advisor to the vendor

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[Financial Advisory Services](#)

**HgCapital**  
has acquired  
**SiTel Semiconductor**  
the digital cordless business unit of  
National Semiconductor Corp.  
June 2006

**Deloitte Corporate Finance**  
acted as financial advisor to the acquirer

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[Financial Advisory Services](#)

**3i**  
has acquired  
**Dockwise Transport**  
  
December 2006

**Deloitte Transaction Services**  
acquisition due diligence services

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[Financial Advisory Services](#)

**Gilde**  
has acquired  
**Royal Nedischroef**  
  
July 2007

**Deloitte Transaction Services**  
acquisition due diligence services

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