And the winner is…

As a reader of PEI, you will be familiar with our longstanding awards philosophy: at the end of a busy year (and 2014 was nothing if not that), no one can better determine who the standout performers were than the industry itself. Which is why last November, we drew up another shortlist of four worthy candidates per category, posted it on our website along with a blank box for an alternative fifth option, and invited you, our expert readership, to vote online. Thousands of votes were cast, and that’s how this year’s winners came to be.

We present them on the following 29 pages, and we congratulate them very warmly indeed.

Just one more thing before you turn the page: there is one category we like to decide ourselves – the Private Equity International Leadership Award. This year, as you’re about to discover, we’ve tweaked the concept slightly, for reasons we think are compelling. We’d love to know what you think, so do let us know…
<table>
<thead>
<tr>
<th>EMEA</th>
<th>Americas</th>
<th>Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>LARGE-CAP FIRM OF THE YEAR IN EUROPE</td>
<td>LARGE-CAP FIRM OF THE YEAR IN NORTH AMERICA</td>
<td>LARGE-CAP FIRM OF THE YEAR IN ASIA</td>
</tr>
<tr>
<td>CVC Capital Partners</td>
<td>Bain Capital</td>
<td>KKR</td>
</tr>
<tr>
<td>MID-MARKET FIRM OF THE YEAR IN EUROPE</td>
<td>MID-MARKET FIRM OF THE YEAR IN NORTH AMERICA</td>
<td>Navis Capital Partners</td>
</tr>
<tr>
<td>PAI Partners</td>
<td>The Riverside Company</td>
<td>LIMITED PARTNER OF THE YEAR IN ASIA</td>
</tr>
<tr>
<td>LIMITED PARTNER OF THE YEAR IN EUROPE</td>
<td>LIMITED PARTNER OF THE YEAR IN NORTH AMERICA</td>
<td>Government of Singapore Investment Corporation</td>
</tr>
<tr>
<td>PGGM</td>
<td>Ontario Teachers’ Pension Plan</td>
<td>EXIT OF THE YEAR IN ASIA</td>
</tr>
<tr>
<td>EXIT OF THE YEAR IN EUROPE</td>
<td>NORTH AMERICAN DEAL OF THE YEAR</td>
<td>Oriental Brewery (KKR, Affinity Equity Partners)</td>
</tr>
<tr>
<td>Numericable (Cinven/The Carlyle Group)</td>
<td>MultiPlan</td>
<td>DEAL OF THE YEAR IN ASIA</td>
</tr>
<tr>
<td>DEAL OF THE YEAR IN EUROPE</td>
<td>(Starr Investments, Partners Group)</td>
<td>Alibaba Group</td>
</tr>
<tr>
<td>PizzaExpress (Hony Capital)</td>
<td>NORTH AMERICAN EXIT OF THE YEAR</td>
<td>FIRM OF THE YEAR IN AUSTRALASIA</td>
</tr>
<tr>
<td>SECONDARIES FIRM OF THE YEAR IN EUROPE</td>
<td>Sheridan Healthcare</td>
<td>Pacific Equity Partners</td>
</tr>
<tr>
<td>Ardian</td>
<td>(Hellman &amp; Friedman)</td>
<td>FIRM OF THE YEAR IN CHINA</td>
</tr>
<tr>
<td>DISTRESSED INVESTMENT FIRM OF THE YEAR</td>
<td>SECONDARIES FIRM OF THE YEAR</td>
<td>Hony Capital</td>
</tr>
<tr>
<td>IN EUROPE</td>
<td>IN NORTH AMERICA</td>
<td>FIRM OF THE YEAR IN JAPAN</td>
</tr>
<tr>
<td>AnaCap Financial Partners</td>
<td>Lexicon Partners</td>
<td>J-STAR</td>
</tr>
<tr>
<td>SPECIAL SITUATIONS/TURNAROUND FIRM OF</td>
<td>SPECIAL SITUATIONS/TURNAROUND FIRM</td>
<td>FIRM OF THE YEAR IN KOREA</td>
</tr>
<tr>
<td>THE YEAR IN EUROPE</td>
<td>OF THE YEAR IN NORTH AMERICA</td>
<td>The Carlyle Group</td>
</tr>
<tr>
<td>Endless</td>
<td>The Blackstone Group</td>
<td>FIRM OF THE YEAR IN INDIA</td>
</tr>
<tr>
<td>FIRM OF THE YEAR IN AFRICA</td>
<td>CREDIT/DISTRESSED INVESTMENT FIRM</td>
<td>Everstone Capital</td>
</tr>
<tr>
<td>Actis</td>
<td>OF THE YEAR IN NORTH AMERICA</td>
<td>FIRM OF THE YEAR IN SOUTHEAST ASIA</td>
</tr>
<tr>
<td>FIRM OF THE YEAR IN BENELUX</td>
<td>Oaktree Capital</td>
<td>Navis Capital Partners</td>
</tr>
<tr>
<td>EQT</td>
<td>FIRM OF THE YEAR IN CANADA</td>
<td>FRONTIER MARKET FIRM OF THE YEAR</td>
</tr>
<tr>
<td>FIRM OF THE YEAR IN CENTRAL AND EASTERN</td>
<td>Onex</td>
<td>Mekong Capital</td>
</tr>
<tr>
<td>EUROPE</td>
<td>FIRM OF THE YEAR IN LATIN AMERICA</td>
<td>FUND OF FUNDS MANAGER OF THE YEAR</td>
</tr>
<tr>
<td>Mid Europa Partners</td>
<td>Advent International</td>
<td>IN ASIA</td>
</tr>
<tr>
<td>FIRM OF THE YEAR IN FRANCE</td>
<td>FUND OF FUNDS MANAGER OF THE YEAR IN</td>
<td>HarbourVest Partners</td>
</tr>
<tr>
<td>Equistone Partners Europe</td>
<td>NORTH AMERICA</td>
<td>DISTRESSED/SPECIAL SITUATIONS FIRM</td>
</tr>
<tr>
<td>FIRM OF THE YEAR IN GERMANY</td>
<td>HarbourVest</td>
<td>OF THE YEAR IN ASIA</td>
</tr>
<tr>
<td>Deutsche Beteiligungs</td>
<td>Placement Agent of the Year</td>
<td>SSG Capital Management</td>
</tr>
<tr>
<td>FIRM OF THE YEAR IN IBERIA</td>
<td>IN NORTH AMERICA</td>
<td>PLACEMENT AGENT OF THE YEAR IN ASIA</td>
</tr>
<tr>
<td>Portobello Capital</td>
<td>Credit Suisse Private Fund Group</td>
<td>Mercury Capital Advisors</td>
</tr>
<tr>
<td>FIRM OF THE YEAR IN ITALY</td>
<td>LAW FIRM OF THE YEAR IN NORTH AMERICA</td>
<td>LAW FIRM OF THE YEAR IN ASIA</td>
</tr>
<tr>
<td>Clessidra</td>
<td>(FUND FORMATION)</td>
<td>(FUND FORMATION)</td>
</tr>
<tr>
<td>FIRM OF THE YEAR IN MENA</td>
<td>Kirkland &amp; Ellis</td>
<td>Clifford Chance</td>
</tr>
<tr>
<td>Gulf Capital</td>
<td>LAW FIRM OF THE YEAR IN NORTH AMERICA</td>
<td>LAW FIRM OF THE YEAR IN ASIA</td>
</tr>
<tr>
<td>FIRM OF THE YEAR IN THE NORDICS</td>
<td>(TRANSACTIONS)</td>
<td>(TRANSATIONS)</td>
</tr>
<tr>
<td>Nordic Capital</td>
<td>Kirkland &amp; Ellis</td>
<td>Clifford Chance</td>
</tr>
<tr>
<td>FIRM OF THE YEAR IN RUSSIA</td>
<td>MID-CAP LENDER OF THE YEAR</td>
<td>SECONDARIES FIRM OF THE YEAR IN ASIA</td>
</tr>
<tr>
<td>VTB Capital</td>
<td>IN NORTH AMERICA</td>
<td>NewQuest Capital Partners</td>
</tr>
<tr>
<td>FIRM OF THE YEAR IN SWITZERLAND</td>
<td>Ares Management</td>
<td></td>
</tr>
</tbody>
</table>
It’s rare for one person’s intervention to set off a chain of events that ends up changing the terms of engagement for an entire industry. Yet this is what happened in May 2014 when Andrew Bowden, the Director of the SEC’s Office of Compliance Inspections and Examinations, took to the stage at one of our conferences in New York City to deliver a speech that sent waves through the world of private equity, fast.

Bowden’s standout observation of the speech was, to quote: “By far the most common observation our examiners have made when examining private equity firms has to do with the adviser’s collection of fees and allocation of expenses. When we have examined how fees and expenses are handled by advisers to private equity funds, we have identified what we believe are violations of law or material weaknesses in controls over 50 percent of the time.”

The reverberations were instant, the effect on the market profound. Limited partners scrambled to understand whether they’d been affected by any manager misconduct, and went on to demand clarification and reform. General partners promised to review their ways of charging and disclosing fees.

Fast forward to today, and private equity firms big and small have taken action to overhaul their practices, a process that is still ongoing.

It is worth noting that since Bowden’s salvo, the SEC has taken few private equity fee-related enforcement cases against specific firms, and none against marquee names. This has prompted questions about the breadth and depth of the alleged problem, and GPs have privately voiced misgivings about the blanket criticism of their industry.

But even so: it has been widely acknowledged that in the long run, Bowden and his SEC colleagues’ shining a light into a hitherto dimly-lit corner of private equity will move the industry forward. Better disclosure and greater transparency on fund economics and deal costs will prove invaluable as the asset class safeguards its legitimacy and competitiveness.
THE PEI AWARDS 2014: EMEA

LARGE-CAP FIRM OF THE YEAR IN EUROPE

1. CVC Capital Partners
2. Warburg Pincus
3. Advent International

2014 saw European giant CVC secure $2 billion for a 15-year "strategic opportunities" fund, reportedly from Singaporean sovereign wealth fund GIC, and under new hire John Clark, raise half of its freshly-launched growth technology fund targeting $750 million.

Notable investments include a controlling stake in Sky Betting & Gambling in a deal valuing the company at £800 million, and the acquisition of Finnish stone wool insulation company ParocGroup for €700 million.

The firm also picked up a 62 percent stake in Spanish hospital group Quirón from Doughty Hanson in a deal valuing the business at €1.6 billion. CVC then merged Quirón with Spanish portfolio company IDCsalud, a private healthcare operator.

On the exit side, CVC sold down its stake in Merlin Entertainments, reportedly generating £366 million (€490 million; $558 million), and alongside Charterhouse, Acromas and Permira listed UK roadside assistance provider and auto insurer AA on the London Stock Exchange, a transaction that gave AA an enterprise value of £4 billion (€5.3 billion; $6 billion).

EDITOR’S CHOICE

MID-MARKET FIRM OF THE YEAR IN EUROPE

PAI Partners

Remember 2009? Dark days in Paris as far as PAI was concerned. The firm went through a big management reshuffle, which triggered a key-man clause and led investors to reduce their commitments to PAI’s Fund V from €5.4 billion to €2.7 billion.

If the resizing gave the firm a new lease of life, then PAI appears to have used it well. Fast forward to the end of 2014, and a new, oversubscribed Fund VI was nearing its €3 billion hard-cap, which PAI is currently seeking to increase to €3.2 billion.

The firm also secured a number of successful exits: In November, together with Blackstone, it sold United Biscuits for more than £2 billion and a 3.7x return; in June it sold the Nuance Group, a retailer, to book a 3x return. And by that time, Fund VI had already made a number of new investments.

All told, it’s a story of a strong recovery, and PAI is very much back in business.

NB: Don’t remember voting for Mid-market Firm of the Year in Europe? That’s right: when we published this year’s award survey online, a technical glitch meant the category was left out. Clearly the best way to make amends was for the editorial team to use their market knowledge and discretion to determine a winner, and we decided the worthy recipient should be PAI. (The other firms on the shortlist were Bridgepoint, HgCapital and Nordic Capital.)

LIMITED PARTNER OF THE YEAR IN EUROPE

1. PGGM
2. Skandia Life
3. Allianz Capital Partners

Since PGGM sold its stake in AlpInvest Partners in 2011 with the view to establishing its own private equity business, the Dutch pension fund manager has not been sitting on its hands. Over the past five years, it has committed more than €8 billion to the asset class globally.

In 2014, approximately €400 million of PGGM money went into private equity in Europe, – proving that it continues to be a force to be reckoned with. One highlight was the backing of buyout firm Nordian Capital Partners, a spin-out from Dutch bank Rabobank, by investing 20 percent in the firm’s €300 million Nordian Fund II. It also bought a 20 percent stake in Nordian Fund I, which consists of 15 portfolio companies in the Netherlands.
On the direct side, PGGM completed five European co-investments last year. Unusually for a limited partner, the team led by head of private equity Eric-Jan Vink has started to help underwrite the deals it co-invests in (and to share the due diligence costs with the lead-investing managers), rather than waiting to be invited into post-acquisition syndications.

**EXIT OF THE YEAR IN EUROPE**

1. **Numericable (Cinven/The Carlyle Group)**
2. **Poundland (Warburg Pincus)**
3. **AVG Technologies (Enterprise Investors)**

In its second sale of a major European cable operator in two years, Cinven booked a whopping 4.1x return and €1.9 billion in realised value with the sale of French cable operator Numericable in 2014.

Created in 2005 through the merger of France Télécom, Canal+, and TDF – acquired for €528 million – Numericable pursued a buy-and-build strategy to create the sole major cable operator in France.

Cinven sold down its stake in 2008, off-loading 38 percent to The Carlyle Group in a deal valuing the company at €6.5 billion, and went on to float Numericable on the NYSE Euronext Paris in 2013 at an issue price of €24.80 per share.

In April 2014 Cinven and Carlyle sold Numericable to fellow owner Altice in a cash-plus-stock deal which left Cinven with a 6.8 percent share of Altice. Carlyle declined to comment on the deal, which – including the remaining Altice shares – generated €2.2 billion and a 4.8x return for Cinven’s third fund.

**DEAL OF THE YEAR IN EUROPE**

1. **PizzaExpress (Hony Capital)**
2. **Visma Group (HgCapital)**
3. **NETS (Advent/Bain Capital)**

With consumer confidence and spending power still relatively suppressed, it is understandable that some investors remained reluctant to invest in Europe’s leisure and hospitality sector this year. But not Hony Capital.

The Chinese private equity firm was confident it would be able to generate a tasty return when it acquired PizzaExpress from Cinven’s Gondola Group for £900 million (€1.2 billion, $1.4 billion) last July. The transaction was one of the largest European restaurant sector deals in the past five years.

The Italian restaurant chain currently operates 436 sites in the UK and 68 sites internationally, with 22 of these sites in China, of which 12 are in Hong Kong, nine in Shanghai, and one in Beijing.

So it’s easy to see why Hony was keen to tuck into PizzaExpress: the expansion opportunities for the well-known brand seem strong, especially abroad and in Hony’s home market. All in all a mouthwatering deal – and, in terms of its broader significance, confirmation that Chinese capital is continuing to push into overseas markets.

**SECONDARIES FIRM OF THE YEAR IN EUROPE**

1. **Ardian**
2. **Lexington Partners**
3. **HarbourVest Partners**

It was another record-breaking season for Parisian powerhouse Ardian, where Vincent Gobault heads up the fund investment platform. The firm closed its sixth secondaries vehicle on $9 billion in April, the largest fund ever to be raised for the secondaries market. Ardian also raised an additional $1 billion sidecar for primary fund of funds commitments.

During 2014 Ardian invested more than $10.8 billion in 10 secondaries deals and co-investments, more than $7.5 billion.
of which came from Ardian VI and its sidecar. That fund is now more than 75 percent invested.

Just weeks after the fund close Ardian announced it had purchased a $1.3 billion portfolio of LP interests in private equity funds from GE Capital. Last year the firm also picked up 17 LP interests from the Pennsylvania Public School Employees’ Retirement System for $1.75 billion and a portfolio of 40 LP interests in private equity funds from a sovereign wealth fund for $2.38 billion. A prolific player, and a worthy winner.

1. AnaCap Financial Partners
2. CVC Credit Partners
3. Lone Star

DISTRESSED INVESTMENT FIRM OF THE YEAR IN EUROPE

AnaCap Financial Partners

Following the financial crisis, banks in peripheral European countries like Ireland, Italy and Spain were having to dispose of some of their bad assets. Many expected this would lead to a large pool of deal flow, but in reality it took a lot longer for these deals to materialise.

One buyer who did manage to take advantage of banks’ discomfort was AnaCap Financial Partners, which illustrated last year that large deals were available. AnaCap bought a €1.9 billion ($2.4 billion) portfolio of Italian non-performing loans from UniCredit, which included secured and unsecured credit facilities, many of which were in bankruptcy proceedings or subject to enforcement claims. It was AnaCap’s second deal involving UniCredit, and marked the completion of the process that started with the firm’s purchase of another €700 million bundle of loans from the bank.

AnaCap, which is run by the painstakingly detail-oriented Joe Giannamore, also acquired a €495 million portfolio of non-performing loans from Volksbank Romania, thus proving its commitment as a financial sector player.

SPECIAL SITUATIONS/TURNAROUND FIRM OF THE YEAR IN EUROPE

1. Endless
2. Rutland Partners
3. Perceva Capital

This is the second win in a row for Leeds-based Endless. 2014 saw the firm deploy almost £150 million (€202m; $231m) of capital and close its fourth fund on £525 million, substantially above its initial £400 million target and considerably above the £220 million raised for Fund III.

“We got fantastic support from our current LP base,” founder Garry Wilson said of the fundraise. “That enthusiasm and vote of confidence really helped us along the way.”

FIRM OF THE YEAR IN AFRICA

1. Actis
2. The Carlyle Group
3. Emerging Capital Partners

This is the third consecutive African title for Actis, which inked a number of interesting deals across the continent this year, including picking up a stake in Egypt’s Alexander Forbes: a successful listing for Actis on the Johannesburg Stock Exchange
Integrated Diagnostics Holdings from The Abraaj Group and in East African tyre wholesaler and retailer AutoXpress.

In May Actis partially exited Umeme, Uganda’s largest electricity distributor, via a share sale through the Uganda Securities Exchange and the Nairobi Stock Exchange, on which it had joint-listed the business in 2012.

“That was a particularly interesting story and a very successful listing, but also a fantastic turnaround story of a state-owned distribution business under private ownership,” said Actis head of Africa John van Wyk.

In July Actis pulled off an IPO on the Johannesburg Stock Exchange, listing financial services business Alexander Forbes in a deal valuing the company at 9.7 billion rand (£740 million; $849 million).

Actis also announced plans to launch a new renewable energy platform in Africa, which will be funded from its $1.15 billion Energy Fund III.

FIRM OF THE YEAR IN BENELUX

1. EQT
2. H2 Equity Partners
3. Nordian

With the acquisition of data provider Bureau van Dijk Electronic Publishing (BvD), EQT secured its first ever Benelux deal in 2014. EQT bought the company, a business and financial publisher specialising in private company information, from UK-based Charterhouse Capital Partners.

Amsterdam-headquartered BvD, which has more than 650 employees operating from 33 offices across Europe, the Americas and the Asia-Pacific region, integrates data from over 100 sources and covers more than 130 million companies. According to EQT, the company is growing 5-10 percent per year.

The deal was led by Kristiaan Nieuwenburg, a former partner at IK Investment Partners, who joined the firm in 2013 to establish EQT’s presence in Benelux. Since then, the firm has expanded its team even further with a number of hires including Jeroen Regeur, a former vice president at TPG Capital, and Rob van der Zande, a former analyst at Goldman Sachs, as it eyes more deals in the region. Watch this space.

FIRM OF THE YEAR IN CENTRAL AND EASTERN EUROPE

1. Mid Europa Partners
2. Innova Capital
3. Enterprise Investors

During the crisis, private equity returns from Central and Eastern Europe weren’t great, and fundraising for the region hasn’t been easy as a result. So the fact that Mid Europa Partners managed to garner €800 million for its fourth fund was certainly noteworthy. More impressive still, it also raised an additional pre-allocated co-investment pool of €650 million.

It helped that several exits worked out nicely: the Thierry Baudon-led group managed to sell T-Mobile Czech Republic to Deutsche Telekom; SBB Telemach, a Serbian cable business, to Kohlberg Kravis Roberts; and Norican, a Danish provider of metallic equipment, to Altor.

Mid Europa didn’t make any new investments, but completed a number of add-on acquisitions. By year-end, it was also gearing up to put its new fund to work, and its efforts bore fruit. In February 2015, it agreed to acquire Danube Foods Group.

FIRM OF THE YEAR IN FRANCE

1. Equistone Partners Europe
2. Edmond de Rothschild Investment Partners
3. Activa Capital

It was another strong year in France for the pan-European mid-market firm, which saw the team make two new investments and exit four portfolio companies.

The two investments came in April, when Equistone backed two French apartment hotels businesses, Appart’City and Park&Suites, which then merged to create a market leader, and also French insurance broker Finaxy Group.

The firm also made several add-ons, including the acquisition of UK-based The Handmade Cake Company by Euro-céine des Desserts, harnessing the power of Equistone’s local teams to expand a portfolio company internationally. “That was a very positive indication of the strength of Equistone’s pan-European investment model with a strong local presence in France, in the UK, and in Germany,” said Guillo-maume Jac-quez, a man-aging partner in Paris.

A highlight on the exit side was the sale of the firm’s remaining holding in Scaff’Holding in July. In total, this investment, from Equistone’s €888 million Fund II, generated a 2.5x money multiple.
FIRM OF THE YEAR IN GERMANY

1. Deutsche Beteiligungs
2. Paragon Partners
3. Constellation Capital

Long heralded as a market full of untapped potential, managers notoriously have a hard time convincing German business owners that they want to sell to private equity.

Despite this, listed German stalwart Deutsche Beteiligungs (DBAG) was once again the most active investor in Germany’s Mittelstand last year. The firm backed four businesses, including Huhtamaki Films, a manufacturer and finisher of films, in a deal valuing the company at €141 million, and Gienanth iron foundry, which was acquired in December.

In mid-June DBAG sold its remaining stake in mechanical engineering company Homag Group, which it had partially exited through an IPO in 2007, for €26.00 per share after 17 years of ownership. The complete sale bagged the firm a 3.5x return, making Homag one of the most profitable investments in the firm’s history. Then, in October, DBAG exited its longest-held investment: automotive dealership Dr. Vogler, which had been in the firm’s portfolio for 39 years.

FIRM OF THE YEAR IN IBERIA

1. Portobello Capital
2. ProA Capital
3. Black Toro Capital

Convincing an investment committee to back Spanish private equity funds has been a difficult task since the country’s financial crisis began in 2008. For Portobello Capital, a raft of investors managed to do it: last September it closed its oversubscribed third fund on an increased hard-cap of €375 million. Soon after, Portobello put the first asset into the fund when it bought IAN Group, a canned vegetable business.

Why was Portobello able to market so effectively to investors? Improving economic fundamentals certainly played a part in the firm’s fundraising success, according to Juan Luis Ramirez, a partner at the firm. But it’s clearly also down to past performance – which hasn’t been bad at all considering the hefty downturn everyone in Spain has had to go through. So far, Portobello has exited three investments from its Fund II, a €331 million 2006 vintage, returning more than the fund’s invested capital.

FIRM OF THE YEAR IN ITALY

1. Clessidra
2. Xenon
3. Ambiента

Clessidra proved that despite macro concerns, Italy can still be a source of quality returns. In May, the Milan-based house led by Claudio Sposito sold tire manufacturer Pirelli to Russian state-owned oil company Rosneft in a deal valuing the business at €553 million. A month prior, Clessidra floated Anima Holding, an Italian asset management business, which netted Clessidra a 3.5x return.

Throw in the €1.13 billion exit from Cerved Group, which Clessidra sold alongside Bain Capital to CVC Capital Partners in 2013, and the firm returned more than €900 million of its €1.1 billion Fund II, which still owns four companies.

In addition to distributing cash, the firm also began raising its third fund, which has a €1 billion target, and started exclusive negotiations to acquire Italian fashion house Roberto Cavalli. That high profile investment, if it comes through, would likely coincide with a first close of approximately €400m on the firm’s Fund III, according to sources.

FIRM OF THE YEAR IN MENA

1. Gulf Capital
2. Apax Partners
3. The Abraaj Group

It’s a first-time win for Abu Dhabi-headquartered Gulf Capital, and what a year the firm has had, pulling off both a highly successful fund-raise and one of the most profitable transactions in the history of private equity in the Middle East.

Having originally acquired an 80 percent stake in Gulf Marine Services for around $62 million in 2007, in March Gulf Capital sold a 40 percent stake through an initial public offering on the London Stock Exchange, netting a return of 10x and returning its entire $530 million second fund in the process. “It was a very profitable transaction, and it was actually a good case study of buyouts in the Gulf,” managing partner and CEO Karim El Solh told PEI.

Gulf Capital followed this up with the partial exit of water company Metito, reaping a 3.5x return, and the raise of GC Partners III, which smashed its $550 million cover to close on $750 million in October.

FIRM OF THE YEAR IN THE NORDICS

1. Nordic Capital
2. EQT
3. Hitech Vision

With a brand new €3.5 billion eighth fund under its belt, Nordic Capital was fully focused on investing last year, and it showed. The firm...
secured seven new investments including Euroline, AniCura, Gina Tricot and Lindorff.

Nordic, which is led by Joakim Karlsson (pictured) and Kristoffer Melinder, also took advantage of the benign exit environment: netting a 4.5x return and a 20 percent IRR on Denmark-based Kompan, an outdoor playground and play equipment manufacturer. Nordic also sold a minority stake in logistics company Unifeeder to Danish pension fund Danica Pension. It listed Swedish manufacturer Bufab last year, as well as sport and cargo carrier company Thule.

Then, in November, the Supreme Administrative Court denied the Swedish Tax agency’s appeal of a decision made in 2013, clearing Nordic of a retrospective tax bill (a reported $108 million). For Nordic, this meant that it had finally won its longstanding fight with the Swedish tax authority – a welcome finish to the season.

FIRM OF THE YEAR IN RUSSIA

1. VTB Capital
2. TPG Capital
3. Elbrus Capital

In the current geopolitical and economic climate Russia may not be the most obvious investment destination at the moment. But it wasn’t long ago that private equity investors were still achieving good results in the country. VTB Capital, the private equity affiliate of Russian bank VTB, is one of the locally active houses that can look back on 2014 and point to instances of success.

Last February, VTB Capital and its global co-investor TPG made international headlines by listing Russian supermarket chain Lenta on the London Stock Exchange, in an IPO valuing the business at $4.3 billion. Under private equity ownership, Lenta’s store numbers increased by 51 to 87, and employee headcount almost doubled to 28,000. Divesting a portion of its 11.7 percent stake in the IPO netted the firm a return of almost 5x, and an IRR of 72 percent, according to a spokesperson.

It is worth noting also that VTB hasn’t stopped looking for new investment opportunities. At press time, sources said a potentially “substantial” investment in a Russia-based IT services company was at an advanced stage of negotiation.

FIRM OF THE YEAR IN SWITZERLAND

1. Partners Group
2. Capvis Equity Partners
3. Kohlberg Kravis Roberts

The Swiss-flavoured connotations of the Partners Group brand are instantly recognisable by private equity investors around the world, and have helped the Zug-based, Zurich-listed multi-strategy investor – currently with more than €37 billion under management – build a sharply differentiated international franchise. For many investors in its home market and across the DACH region, Partners is an important conduit into private markets globally.

2014 was another year in which it continued to build out its platform: highlights included the opening of new offices in Mumbai, India and Houston, Texas, as well as, on the deal side, notable direct investments in MultiPlan in America (see also p. 68) and Voyage Healthcare in the UK. In addition, a new private equity direct investment programme closed on a €1.5 billion hard-cap.

Back on Swiss soil, Partners completed its acquisition of VAT Holding (together with this year’s runner-up Capvis), and saw its real estate specialists invest in the Plan-les-Ouates high-tech and business park in Geneva.
FIRM OF THE YEAR
IN THE UK

1. Sovereign Capital
2. Exponent Private Equity
3. ECI Partners

It was a busy year for Sovereign Capital, with the firm carrying out 20 transactions on top of raising its fourth fund.

With the sale of healthcare businesses Tracscare and Alkare earlier in the year Sovereign fully realised its first fund, SCLP I, a 2001 vintage £120 million vehicle, delivered a total return multiple of 3.5x and an internal rate of return of around 54 percent. “[It was] a great fund to have as a backdrop when we went out fundraising,” Sovereign managing partner Andrew Hayden said.

In August, Sovereign closed its fourth fund on its £395 million (€497 million; $655 million) hard-cap just five months after coming to market. In December, the firm picked up Nurse Plus, the first deal from the new fund, and rounded off the year with a big exit, selling global compliance and regulatory services provider Cordium to European Capital for around £100 million, netting a return of more than 4x.

FUND OF FUNDS MANAGER OF THE YEAR
IN EUROPE

1. Pantheon
2. SL Capital Partners
3. Aberdeen SVG Private Equity

2014 saw Pantheon raise $4 billion of capital globally and win some interesting new clients along the way.

As well as securing more capital from German pension fund Bayerische Versorgungskammer, Pantheon won a €100 million mandate from Finnish State Pension Fund Valtion Eläkerahasto to be used across its primary private equity buyout and growth funds in Asia and other emerging markets. The firm also won new mandates in Switzerland and Poland, according to Pantheon managing partner Paul Ward.

In March, Orange County Employees Retirement System chose Pantheon to manage a new fund of funds platform offering public pension plans a flexible private equity portfolio structure.

PLACEMENT AGENT OF THE YEAR IN EUROPE

1. Campbell Lutyens
2. Asante Capital
3. Quest

For many years now, Campbell Lutyens has operated with three well-established lines of sectoral expertise: secondary advisory (which last year helped clients transact on more than $3.5 billion of secondary deal flow), fundraising for infrastructure, and of course fundraising for private equity under Richard Allsopp.

The latter area is booming: in 2014, the firm was one of the most active placement agents in Europe with $5.1 billion raised across primary fundraisings. The London-headquartered firm, which has more than 80 employees and offices in London, New York and Hong Kong, raised an estimated €1.7 billion for European private equity firms.

It helped Italy’s Xenon to close its Fund VI on €184 million in March 2014, supported Metric Capital Partners to collect Pantheon backed 10 GPs in Europe last year, as well as making around 15 co-investments worldwide. Among its primary commitments were Ambienta’s €323.5 million second fund and Mid Europa’s €800 million Fund IV, according to PEI’s Research and Analytics division. The firm also backed Herkules Fund IV, which closed in November on NOK 2.5 billion (€300 million; $370 million).

Nurse Plus: the first company in freshly-raised SCLP IV
€465m in Jul 2014 for its second fund, and raised €280 million for German captive Holtzbrinck Ventures VI in December. And by the end of the year, CL client Exponent Private Equity had nearly raised €1 billion for its latest fund.

**LAW FIRM OF THE YEAR IN EUROPE (FUND FORMATION)**

1. King & Wood Mallesons  
2. Simpson Thacher & Bartlett  
3. Proskauer Rose

The platform built by Jonathan Blake has been a permanent feature in this category over the years, and 2014 was no exception, with the firm’s fund formation team winning yet another resounding victory.

2014 was as busy for them as you would expect in a crowded fundraising environment, advising on more European fund closings in the 12 months to 29 January 2015 than any other firm. Preqin data puts the firm’s fund closings at 13, worth just under $8 billion combined. The next firm barely came close, with 5 fund closings.

Among the firm’s notable clients for 2014 were Bowmark Capital in the UK, which raised £375 million for Bowmark Capital Partners V in just 10 weeks; Spain’s Sherpa Capital, which the firm advised on the structuring of its €100 million second fund; and Keensight Capital in France, which closed its fourth fund on its €250 million hard cap in October. The team also worked with Earlybird Venture Capital on its Turkey and CEE-focused tech fund, which held a first close on $110 million.

Clifford Chance had another big year, working on 30 European PE buyouts worth more than €8.4 billion, according to Mergermarket. This propelled the Magic Circle firm to its 14th consecutive win in this category.

During 2014, CC worked on Permira’s acquisition of CABB International from Bridgepoint and advised The Carlyle Group on its $147 million investment in Diamond Bank, its first investment in the Nigerian banking sector. CC also advised Cinven and Carlyle on the sale of 7.5 million shares in European cable and telecoms company Altice, which they acquired as part of the sale of Numericable.

In the summer, CC advised UK roadside assistance provider and auto insurer AA, as well as its private equity owners Charterhouse, Acromas, Permira and CVC on the company’s IPO on the London Stock Exchange, a transaction that valued the equity at £1.3 billion (€1.7 billion; $1.96 billion) and gave the AA an enterprise value of £4 billion (€5.3 billion; $6 billion).

**LAW FIRM OF THE YEAR IN EUROPE (TRANSACTIONS)**

1. Clifford Chance  
2. Latham & Watkins  
3. Weil Gotshal & Manges

**LARGE-CAP LENDER OF THE YEAR IN EUROPE**

1. JP Morgan  
2. BNP Paribas  
3. Deutsche Bank

With 25 European LBOs to its name, JP Morgan continued to demonstrate a big appetite for leveraged buyouts. The bank provided $44 billion in loans to some of Europe’s largest private equity-led transactions of the year. These included CVC’s €1.6 billion merger of Quirón, the largest private hospital group in Spain, which it bought from Doughty Hanson, with its existing portfolio company IDCsalud.

In April, JP Morgan also teamed up with Deutsche Bank and Goldman Sachs to coordinate the largest ever high yield bond offering, raising €7.9 billion for French cable operator Numericable Group, which Carlyle and Cinven sold to fellow owner Altice.

On Dealogic’s league table of syndicated lenders in Europe, the bank took the top spot with a 39 percent market share. And according to sources, despite playing leading roles in so many deals, it even showed restraint and didn’t lend overly aggressively. Anyone who can do that in a market place as relentless as this one deserves to win a PEI award.

**MID-CAP LENDER OF THE YEAR IN EUROPE**

1. ICG  
2. Partners Group  
3. Ares Management

The European lending market is becoming increasingly more similar to the US, where private debt providers are banging the drum in the leverage buyout market. And ICG is an important player.

In 2014, the London-listed firm closed its flagship direct lending fund on €1.7 billion (70 percent oversubscribed). By late November, the senior-only strategy was almost fully invested in 22 transactions. ICG arranges all of its facilities itself – thus fully deserving the direct lending label – and can finance deals of between €30 million and €150 million.

The London-based firm had also deployed nearly all of its €2.5 billion ICG Europe Fund V by the end of 2014, according to a trading update in January. Overall, it was the kind of busy season you’d expect this long-established house to have when the market is buoyant. At press time, its share price stood at an 18-month high.
LARGE-CAP FIRM OF THE YEAR IN NORTH AMERICA

1. Bain Capital
2. Warburg Pincus
3. The Carlyle Group

After a second place finish in 2012, Bain Capital bested its large cap rivals to claim this year’s top prize. Even in a year when many firms set new records in terms of funds raised or capital returned, Bain managed to break away from the pack.

The firm closed three funds: Bain Capital Fund XI ($7.3 billion, on a $6bn target), Bain Capital Europe Fund IV (€3.5 billion), and Bain Venture 2014 ($935 million). It also completed 11 transactions in a variety of industries from healthcare to retail, representing a total of $2.2 billion in committed capital.

Finally, the firm’s total portfolio realisations exceeded $10.4 billion, which included high profile IPOs of such companies as Atento, IMCD, Michaels Stores, Skylark and Trinseo. And stock prices surged at existing portfolio companies after their IPOs, including HCA, Burlington Stores and Bright Horizons. Suffice to say, Bain is back.

MID-MARKET FIRM OF THE YEAR IN NORTH AMERICA

1. The Riverside Company
2. Catterton Partners
3. Irving Place Capital

The Riverside Company didn’t rest on its laurels to secure its third consecutive win in this category. Its deal machine was busy even by its own standards, completing 61 transactions, or roughly one every six days. These included 19 disposals, with Retail Zoo marking the firm’s 100th exit since inception, and three that resulted in the largest distributions to LPs in the firm’s history.

Co-CEOs Stewart Kohl and Béla Szegethy stress that scale is their friend and allows them to drive performance at the portfolio level. “We’re as proud of the 24 percent increase in the value of our portfolio companies as any exit this year,” said Szegethy.

As 2015 rolls on, the firm seems poised to keep up the pace, having completed a trio of fund closings, including a second Micro-Cap Fund at $350 million, a second Asian-Pacific Fund over-subscribed at $235 million, and their sixth Riverside Capital Appreciation Fund, oversubscribed at $1.5 billion.

LIMITED PARTNER OF THE YEAR IN NORTH AMERICA

1. Ontario Teachers’ Pension Plan
2. Oregon Public Employees Retirement System
3. Alaska Permanent Fund Corporation

As today’s LPs play direct investors more and more, any credible winner of this category is bound to be recognised as much by their deal activity as their fund commitments. Ontario Teachers’ is a case in point, given that they invested directly in a dozen deals over the last year, including the Flynn Restaurant Group, CSC ServiceWorks, and real estate services business DTZ.

According to Jane Rowe, the SVP of Teachers’ Private Capital, in terms of its co-investing, the firm typically gets involved early and helps work the investment opportunity rather than coming in later during the process and relying on another investor’s due diligence or assessment of the opportunity.

They’ve also expended their geographic footprint, bulking up staff in their London office, and recently setting up shop in Hong Kong. After over 23 years as an LP, Ontario Teachers’ is plotting to be where the deal activity is, right alongside their GPs.

NORTH AMERICAN DEAL OF THE YEAR

1. MultiPlan (Starr Investments, Partners Group)
2. Gates Global (The Blackstone Group)
3. TIBCO (Vista Equity Partners)

Everyone wants a share of the healthcare industry these days, and Starr Investments and Partners Group are no exception, teaming up to acquire the health insurance claims processor from BC Partners and Silver Lake for $4.4 billion.

The firms exclusively negotiated with the sellers, after the opportunity grew out of Starr Investments’ relationship with the MultiPlan’s CEO. Starr tapped Partners
as a co-anchor since the firm was already a minority investor in the business with the prior investment consortium. Starr Investments had previously worked with Partners in 2013 in a secondary position transaction related to Garden Ridge, the US-based home decoration retailer.

The deal was more or less evenly split between the two firms, resulting in what currently stands as the largest direct equity investment by Partners Group. “Trends in healthcare are poised to serve the company well, particularly given the increased focus on healthcare cost containment,” said Joel Schwartz, a managing director at the firm.

**NORTH AMERICAN EXIT OF THE YEAR**

1. Sheridan Healthcare (Hellman & Friedman)
2. Waupaca Foundry (KPS Capital Partners)
3. Answers.com (Summit Partners, TA Associates)

This past May, Hellman & Friedman enjoyed an approximately 3.5x return on invested capital when it sold the outsourced physician services business to Amsurg Corp for $2.35 billion. The San Francisco-based house initially acquired Sheridan back in 2007, drawn by its belief that this high-quality, physician-centric business could grow across the country by partnering with hospitals and doctors everywhere.

Over the next seven years of ownership, the firm’s assumptions proved prescient. The company nearly tripled in size, growing from approximately $75m of EBITDA to over $200m via a combination of significant organic growth (new contract wins) and numerous accretive acquisitions. According to Hellman, some smart recruiting also helped, as new joiners John Carlyle (CEO) and Tom Kiraly (CFO) proved central to Sheridan’s successful growth.

Just a few days after selling the company, Hellman & Friedman went on to win a second eye-catching realization, when KKR spent $1.1 billion on the acquisition of Internet Brands.

**SECONDARIES FIRM OF THE YEAR IN NORTH AMERICA**

1. Lexington Partners
2. Strategic Partners
3. Landmark Partners

Lexington Partners has been steadily climbing the ranks to this year’s win, landing in third place in 2012, and second place last year. In 2014, global private equity secondary volume reached a record level of more than $40 billion, and Lexington certainly had their fair share, with 18 transactions that collectively totalled $6.3 billion of committed capital, including syndications.

Of those, seven deals, accounting for 76 percent of the firm’s underwritten exposure, were acquisitions from banks and financial institutions. This included Lexington leading a group to acquire a subset of portfolio companies held by JP Morgan Chase in One Equity Partners. Twenty percent of Lexington’s 2014 buying was from five fiduciary investors that were rationalising and de-risking assets. And two transactions totaling $129 million were related to fund restructurings.

Going forward, Lexington Partners has plenty of dry powder to defend its title, having motored toward raising $8 billion for its global fund and another $1 billion for its second mid-market product, as once again the firm’s fundraising team delivered in spades.

**SPECIAL SITUATIONS/TURNAROUND FIRM OF THE YEAR IN NORTH AMERICA**

1. The Blackstone Group
2. KPS Capital Partners
3. TPG Capital

While The Blackstone Group didn’t crack the top three in this category last year, it soared to first place on a productive year under the leadership of the irrepressible David Blitzer. Already endowed with $6 billion of special situations capital, BX’s Tactical Opportunities Group could grow much larger according to people familiar with the fund. Investment activity was high in 2014, with the group making 18 investments totaling $3 billion of committed capital. And Blitzer bulked up staff to match the unit’s ambitions, adding 15 investment professionals in the past year as well.

Blackstone only launched this business three years ago, but it’s already fully invested the first vintage of its fund in investments, which the firm says have performed well. For example, Tactical Opportunities acquired a run-off US consumer loan portfolio in 2013 at a discount, in a bet on US economic growth making a comeback. This investment is currently posting an IRR in excess of 70 percent, and in 2014 returned 2x investor’s money, with BX still owning the portfolio.

**CREDIT/DISTRESSED INVESTMENT FIRM OF THE YEAR IN NORTH AMERICA**

1. Oaktree Capital
2. Apollo Management
3. Z Capital Partners

This is Oaktree Capital’s seventh consecutive win in the category and there are no signs the firm will be toppled anytime soon. By the third quarter of 2014, the publicly traded
multi-alternatives giant had raised almost $17 billion in gross capital in the previous twelve months, whilst distributing $7 billion from its closed ended funds over that same period. The firm also named Jay Wintrob the first CEO in Oaktree’s history, while the firm’s president, Bruce Karsh, became co-chairman alongside Howard Marks (pictured).

In a recent earnings call, Marks admitted that defaults and distress may be in short supply currently, but added that “virtuous cycles don’t go on forever”. No wonder, then, that even after the 2014 haul Oaktree’s fundraising drive is still accelerating, as the firm launched new funds for real estate, mezzanine, energy and its very first infrastructure fund. And sources say its bellwether distressed debt platform is out there raising $10 billion for investments in overleveraged businesses in a bid to ready itself for the next downturn.

And in the second half of 2014, the firm completed five new investments: the final investment from Fund III, York Risk Services; the first two investments from Fund IV: AIT and SIG Comibibloc and finally its lower midmarket platform, ONCAP, invested in Mavis Discount Tire. At this rate, Onex will be a contender for some time to come.

FIRM OF THE YEAR IN LATIN AMERICA

1. Advent International
2. Pátria Investimentos
3. BTG Pactual

Advent International’s win shouldn’t be a surprise, particularly because of its size and the 18 years of investing in Latin America under its belt, and partly because 2014 was a big year, with some major transactions and a fundraise that would have been the envy of its regional peers.

The firm completed four Latin American investments in 2014: Cataratas do Iguacu, a national parks concessionaire and service operator in Brazil; Alianza Fiduciaria, Colombia’s largest independent trust and custody services provider and asset manager; Alianza Valores, a brokerage house in Colombia; and Grupo Transmerquim, the second-largest chemical distributor in the region.

Advent then finished the year with a bang, reaching the $2.1 billion hard cap for its highly anticipated LAPEFVI fund, after being in market for less than six months. The new fund is the largest private equity vehicle dedicated to Latin America, according to PEI’s Research & Analytics division.

FUND OF FUNDS MANAGER OF THE YEAR IN NORTH AMERICA

1. HarbourVest
2. Pantheon
3. Goldman Sachs Asset Management

This was HarbourVest’s third straight win in this category, and the Bostonian manager did plenty to keep hold of their title this year. For one, they distributed more than $6.4 billion to investors, a new record for the firm.

FIRM OF THE YEAR IN CANADA

1. Onex
2. CPPIB
3. Clairvest Group

While not ranked here for the last two years, Onex managed to trump the reigning two-time champ in this category, the Canadian Pension Plan Investment Board. But tally the firm’s string of recent successes, and it’s easy to see why they came out on top.

In May, Onex finished fundraising for its fourth commingled private equity vehicle on $5.15 billion. The firm also enjoyed a record year in realisations, distributing more than $6 billion back to investors, largely due to the exits from five major investments: industrial conglomerate Gates, The Warranty Group, Mister Car Wash, Spirit AeroSystems and Allison Transmission.
The realisations weren’t coming from a few isolated big hits, but stretched across the portfolio, from fund investments to secondaries and co-investments, including a number of IPOs such as Lending Club, Box.com, online furnishing retailer Wayfair and Zayo, a telecoms company. And the firm saw a 2x return on its investment in the online and mobile banking firm Digital Insight when it was sold to NCR in January of last year.

More direct co-investment is sure to come, after 2014 also delivered a $1 billion oversubscribed fundraising against an initial target of $750 million, ergo a step-up from the firm’s previous co-investment effort, which brought in $734 million back in 2007.

Credit Suisse’s Private Funds Group grabbed the top spot after finishing second last year, having racked up successful closes across strategies ranging from leveraged buyouts to mezzanine, senior debt, energy, natural resources and health care royalties.

In 2014, the global group closed a total of 21 funds, with 20 over the cover amount. These included middle market funds such as a $4.13 billion close for New Mountain Capital and a $1.2 billion for Wynnchurch. In the energy sector, CS helped Energy & Minerals’ Group romp home with $4 billion raised for its third funds, and advised HitecVision, the Norwegian house, on raising $1.9 billion for a new oil and gas vehicle.

Internally, the firm was busy too. It tackled succession, naming Kevin Naughton and Michael Murphy global co-heads after former co-head Tony Bowe retired and John Robertshaw was named chairman of the Private Funds Group.

The race for lucrative assignments is never easy, but Kirkland & Ellis managed to keep the top spot in this category for a second year in a row, with a mix of both existing client work and notable new business.

This year, K&E did first-time work for Rhone Capital, SK Capital ($1 billion close), Warburg Pincus ($4 billion close on its energy fund) and Siris Capital ($650 million close). It also helped organise plenty of funds from existing clients, such as Vista Equity Partners V ($5.8 billion close), Energy Capital III ($5 billion), GTCR Fund XI ($3.85 billion) and Landmark’s latest secondaries fund ($3.25 billion).

John O’Neil, who leads the fund formation group, notes that advising clients these days is as much an art as a science, with questions surrounding regulators, co-investment opportunities and early commitment discounts making even this friendly fundraising climate a complex one to navigate. Based on the number of votes cast in its favour, K&E appears to have a knack for it.
Year, the $4.4 billion acquisition of Multi-Plan from Silver Lake and BC Partners. The firm also moved aggressively into the energy sector, opening a new office in Houston to service new and existing clients, including the energy buyout arms of Blackstone and KKR.

### MID-CAP LENDER OF THE YEAR IN NORTH AMERICA

1. Ares Management  
2. GE Antares Capital  
3. Golub Capital

Ares Management did what no other mid-cap lender was able to do in the past three years: unseat GE from the top spot in this category. In 2014, the US direct lending arm of newly listed Ares Management made gross commitments of approximately $4.6 billion, financing well over 100 transactions.

On its way to this year’s win, the firm partnered with the likes of Behrman Capital, Chrysalis Ventures, Moelis Capital, Riverside and many others. Some notable transactions include Bregal Partners’ acquisition of Shock Doctor, Charlesbank Partners’ acquisition of American Residential Services and Varsity Brands, as well as the Isotoner Group acquisition by Freeman Spogli & Co. and Investcorp.

In speaking to us about its dealflow, Ares described 2014 as a game of two halves: during the first two quarters, it found attractive, risk-adjusted returns by investing in companies with slightly smaller average EBITDA. In the second half of the year, in the midst of greater volatility and a more cautious tone from investors, it was able to finance larger companies at desirable valuations.

### LARGE-CAP LENDER OF THE YEAR IN NORTH AMERICA

1. Bank of America Merrill Lynch  
2. Morgan Stanley  
3. Deutsche Bank

Usually this category is a tight race, but this year Bank of America Merrill Lynch managed to handily beat out JPMorgan, the bank that had owned this award for the last six years straight. In 2013, BOAML landed in third place in our poll, but came out swinging in 2014, topping the league tables with work on $174 billion worth of LBO-related funding, according to Dealogic, and racking up far more votes from PEI readers than its competitors.

BOAML backed a slate of big ticket transactions, including Leonard Green and CVC’s $2.8 billion acquisition of Advantage Sales & Marketing, Carlyle’s $2.1 billion deal for Signode Packaging, Clayton Dubilier & Rice’s $1.6 billion acquisition of specialty chemical company Solenis, the $1.1 billion acquisition of Catalina Marketing by Berkshire Partners and Oak Hill’s deal for Berlin Packaging.

### CONGRATULATIONS TO ALL OUR WINNERS

Private Equity International Awards 2014
LARGE-CAP FIRM OF THE YEAR IN ASIA

1. Kohlberg Kravis Roberts
2. The Carlyle Group
3. Baring Private Equity Asia

The winner of this award last year, Kohlberg Kravis Roberts (KKR) takes the title again, continuing to make innovative investments across Asian markets from its record-breaking $6 billion Asia Fund II.

Kicking off the year by closing the $1.6 billion corporate carve-out of Japan’s Panasonic Healthcare, KKR kept itself busy with a number of investments. To name a few: the firm agreed the spin-out of Pioneer DJ and the $1 billion buyout of UEL with CITIC Group, as well as venturing into Australia’s agricultural market with Sundrop Farms, and a pioneering investment into China’s food safety market.

The firm strengthened its Southeast Asia hand, as well as adding operating partners to the Capstone unit. It also claimed PEI’s Exit of the Year in Asia, making 5x its money from an investment in Oriental Brewery, a landmark deal in Korea.

MID-MARKET FIRM OF THE YEAR IN ASIA

1. Navis Capital Partners
2. Morgan Stanley Private Equity Asia
3. Warburg Pincus

Once mainly known for its activities in Southeast Asia, Navis Capital Partners has been spreading its wings over the years. In 2014, the firm showed its pan-regional colours, investing $650 million in deals spanning Singapore, Australia and Hong Kong, among other markets.

The firm strengthened its Southeast Asia hand, as well as adding operating partners to the Capstone unit. It also claimed PEI’s Exit of the Year in Asia, making 5x its money from an investment in Oriental Brewery, a landmark deal in Korea.

LIMITED PARTNER OF THE YEAR IN ASIA

1. Government of Singapore Investment Corporation
2. China Investment Corporation
3. Government Pension Investment Fund of Japan

The Government of Singapore Investment Corporation (GIC) is well known as one of private equity’s biggest Asia-based supporters, and in terms of sophistication tends to be grouped with North American LPs rather than less experienced Asian institutions.

This perception is likely to continue. “Investing in private equity is a higher-risk activity, but the strategy has worked well for GIC so far,” the fund said in its 2014 annual report. “Returns from the asset class since its introduction into the GIC Portfolio have exceeded returns from public equities.”

Moreover, as well as investing heavily outside of Asia, last year GIC continued to commit directly to markets closer to home, including joining Olympus Capital in a $100 million China milk deal and investing $84 million in Philippine hospitals business Neptune Stroika Holdings.

GIC had increased its allocation to private equity to 9 percent, as of 31 March 2014, up from 8 percent, with its target allocation currently between 11 and 15 percent.

EXIT OF THE YEAR IN ASIA

1. Oriental Brewery – KKR, Affinity Equity Partners
2. HCM Holdings – J-STAR
3. Mobile World – Mekong Capital

This year’s winning exit in Asia came from a large, traditional buyout deal—through which, Kohlberg Kravis Roberts and Affinity Equity Partners demonstrated that applying the private equity model in Asia can be effective.

Once part of the conglomerate Doosan Group and maker of the popular Cass Beer, OB changed hands in May 2009, KKR buying the business from Anheuser-Busch InBev in a $1.8 billion deal. Subsequently, KKR sold 50 percent to Affinity.
After making operational changes, which entailed KKR Capstone spending between 10 and 15 days per month with the business, OB’s sales and EBITDA rose 80 percent and 108 percent respectively – the brewer regaining its leading market position after 15 years.

The $5.8 billion sale back to OB’s previous owner garnered the firms a 5.3x return and 42 percent IRR on their investments.

DEAL OF THE YEAR IN ASIA
1. Alibaba Group
2. Fujian Sunner Development
3. DTZ

It was highly-anticipated, but still heads turned when the initial public offering (IPO) of private equity-backed Alibaba Group, the e-commerce firm owned by Chinese business tycoon Jack Ma, was priced at the top of its range at $68 per share, raising at least $25 billion.

The deal, watched by investors globally, valued the entire business at $168 billion and was welcome news for its private equity backers.

The firm counted among its investors China Investment Corporation, Boyu Capital and CITIC Capital, as well as CDB Capital, the equity investment arm of China Development Bank, Silver Lake Partners, General Atlantic, Temasek and the Canada Pension Plan Investment Board (CPPIB).

Alibaba had decided to move its listing to the US after battling over strict shareholder rules with Hong Kong regulators. The deal, which served as a partial exit for many of the private equity investors, was hailed as the world’s biggest IPO ever.

FIRM OF THE YEAR IN AUSTRALASIA
1. Pacific Equity Partners
2. The Blackstone Group
3. CHAMP Private Equity

Pacific Equity Partners (PEP) continues to be Australia’s largest country fund, and, judging by its recent activities, intends to remain so.

In 2014 PEP made some impressive exits, allowing the firm to distribute large amounts of capital back to its investors.

Exits included the sale of feminine hygiene products maker Asaleo Care on the Australian Stock Exchange in June, with PEP selling its 49.5 percent stake for about A$320 million (€221 million; $301 million) in an IPO that raised about A$656 million. One month later, PEP sold New Zealand-based portfolio company Griffin’s Foods in a deal worth NZ$700 million (€444 million; $507 million).

Return information was not disclosed, but given the firm’s momentum in raising its latest A$2 billion fund – of which PEP has raised about A$1 billion and counting – investors appear to be happy with the results they are seeing.

FIRM OF THE YEAR IN CHINA
1. Hony Capital
2. Warburg Pincus
3. Orchid Asia

Last year John Zhao reminded us what an influential firm Hony Capital is in China’s private equity market. After a quiet couple of years, in 2014 it demonstrated it is still a force to be reckoned with.

Zhao, who founded Hony in 2003, first spoke about the potential for cross-border deals between the West and China long ago, but the trend has only just become apparent. The $6.8 billion firm is leading the way, having closed a landmark $1.5 billion investment in the UK’s PizzaExpress last year – a high-profile deal that is expected to result in the roll out of the restaurant chain further into the Chinese Mainland.

Other deals included supporting Baring Private Equity Asia in the $3 billion take-private of US-listed Chinese gaming company Giant Interactive; a $113 million investment in farming business Chery Heavy Industry; and joining a consortium subscribing to $148 million worth of shares in online travel business Tuniu.com.

FIRM OF THE YEAR IN JAPAN
1. J-STAR
2. Kohlberg Kravis Roberts
3. Bain Capital

Japanese small-cap firm J-STAR has taken on the global giants that have piled resources into Japan’s buyout market – and made a pretty decent fist of the fight.

Winning the award for the third year, J-STAR is clearly a major force in the
small- to mid-cap market in Japan, consistently doing deals and generating impressive returns.

During 2014, the firm netted an 8x multiple on its sale of portfolio company Burn Holdings to Shinsei Corporate Investment and Creation Capital in a deal valued at around $50 million.

One month later, J-STAR sold HCM Holdings – which provides nursing care and housekeeping services to seniors – to Sohgo Security Services. In the process it delivered a multiple on its investment of approximately 5.1x and a 60 percent IRR.

FIRM OF THE YEAR IN KOREA

1. The Carlyle Group
2. IMM Private Equity
3. Morgan Stanley Private Equity Asia

It is not easy for foreign private equity firms to crack Korea. Made challenging by negative public sentiment and a difficult regulatory environment, getting access to good deals is tough to say the least – one of the reasons country managers tend to prevail.

However, in 2014 attention was drawn to The Carlyle Group’s acquisition of a 100 percent stake in ADT Korea, Tyco International’s Korean security business, for $1.93 billion. It joined a number of firms buying up the Korea businesses of large multinationals.

Carlyle bought Tyco Fire & Security Services Korea and its subsidiaries (ADT Caps, Capstec and ADT Security), which together form ADT Korea – at the time marking Korea’s largest US dollar buyout since 2008, according to the firm.

Sanghyun Lee, managing director in the Carlyle Asia buyout team, said: “Korea is one of the few countries in Asia that generate stable economic growth along with consistent deal flow of large buyout transactions.”

FIRM OF THE YEAR IN INDIA

1. Everstone Capital
2. ICICI Venture
3. Tata Capital

Everstone Capital continues to hold the number one spot in India. Four times the winner of this award, the firm continued to actively invest during 2014, revealing a renewed focus on buyout opportunities – something investors are keen to hear more about.

“Buyouts are beginning to happen in this country. You are beginning to see that you can actually go and buy businesses, I see it on a daily basis. You’ll find that our current fund we are investing will end up with two-thirds control transactions,” founder Sameer Sain said at PEI’s Mumbai event last year.

As well as investing consistently in a market where good deals are hard to find, Everstone ventured into new markets, with its first-ever investment in the IT sector, paying $66 million for a majority stake in software firm Servion.

The firm significantly strengthened its management last year too, bringing in Goldman Sachs veteran Brooks Entwistle as co-CEO, just as it launched its third private equity vehicle targeting $650 million.

FIRM OF THE YEAR IN SOUTHEAST ASIA

1. Navis Capital Partners
2. Kohlberg Kravis Roberts
3. Creador

Despite our voters’ acknowledgement of the firm’s progression into a true pan-Asian player, with Navis winning Mid-Market Firm of the Year in Asia, the 16-year-old firm also continues to be recognised as the leading private equity investor in Southeast Asia.

Undoubtedly, a significant portion of the firm’s $1.5 billion Asia fund will be deployed in this part of the region, with other investments having some kind of growth angle which involves the region.

For example, its investment in Hong Kong-based Amazon Papyrus Chemicals Group, which closed in January, will be used to accelerate the company’s growth plans regionally, as well as to streamline operations.

Navis, where Nick Bloy is co-managing partner, also closed a number of deals in Singapore in 2014, including Tri-Star, a Singapore-based oil and gas component manufacturer, which was its seventh deal in the country. Months later it took a significant majority equity stake in gas pipe business Cladtek Holdings.
FRONTIER MARKET FIRM OF THE YEAR

1. Mekong Capital
2. TPG Capital
3. The Abraaj Group

It was a great year for Mekong Capital, the Vietnam-focused firm that had to sit on the sidelines as the country went through a down-cycle. But with hints of a reinvigorated Vietnamese economy, Mekong has been taking advantage.

Its exit from MobileWorld stood out as founder Chris Freund’s biggest achievement of the year. In April 2014, the firm sold over 5.6 million shares in the company, a domestic mobile phone retailer known as TheGioDiDong. The deal reaped the firm 21.8x its original investment in the business.

Similar success was seen at restaurant chain Golden Gate, which Mekong sold to Standard Chartered Private Equity in September, netting a 9.1x return.

The exits are timely for the firm, which came back to market last year with a $150 million vehicle – its third in a series of Vietnam-focused funds. As of year-end, Mekong was closing in on about $73 million in investor commitments.

FUND OF FUNDS MANAGER OF THE YEAR IN ASIA

1. HarbourVest Partners
2. ROC Capital Partners
3. Hamilton Lane

Global fund of funds player HarbourVest Partners is building a busy practice in Asia Pacific, with the firm increasingly named as a partner on deals or an LP in funds in the region.

HarbourVest joined two other firms as anchor investors in the Hong Kong-based NewQuest Capital Partners’ second vehicle, which closed on $316 million in June last year. The firm has also expressed a revived interest in the Indian market. Jaganath Swamy, vice president at HarbourVest Partners, says the firm intends to have an active year in India in 2015.

As well as cultivating its secondaries deal pipeline, HarbourVest enlisted Hemal Mirani to rejoin the firm as managing director. Formerly senior managing director at CVC Capital Partners in Asia, Mirani joins to strengthen the firm’s administrative capabilities in the region as it continues to grow.

The move serves as a homecoming for Mirani, as she returns to the firm where she worked from 1997 until joining CVC in 2009.

DISTRESSED/SPECIAL SITUATIONS FIRM OF THE YEAR IN ASIA

1. SSG Capital Management
2. KKR
3. Oaktree Capital Management

There are few Asia-focused firms in the special situations space that have built up a reputation like SSG Capital.

The firm launched an $800 million special situations fund for Asia in February, which then closed on $915 million in May. According to media reports, a hard cap was imposed when it became evident that the fund would be substantially oversubscribed, with total demand exceeding $1 billion.

SSG is optimistic it can deploy the capital. “From a buy-side perspective, things have been a lot more interesting for us [over] the last 18 months or so [in China],” Edwin Wong, managing partner and chief investment officer at SSG, said.

“[There has been] a lot of slowdown, and a lot of it has been driven by the fact that a lot of the hot money has gone away or [become] inactive, especially on the RMB side.”

PLACEMENT AGENT OF THE YEAR IN ASIA

1. Mercury Capital Advisors
2. UBS
3. Eaton Partners

Mercury Capital Advisors had a successful year globally, but its Asia achievements were well-regarded in the industry.

The firm helped SSG Capital Management, winner of this year’s Special Situations Firm of the Year Award (see above), reach its final close on its third Asia fund.

Mercury also advised on some funds that were a little less in the spotlight – thereby demonstrating a differentiated approach. Limetree China Car Parks Investment Fund I was a unique first-time fund that Mercury...
successfully raised, achieving an over-subscribed outcome of $339 million in capital commitments against the original $300 million target.

“The process was much more focused from a positioning and education standpoint, requiring the experience necessary to speak with the relevant senior-level professionals at each LP who would have the ability to sell the fund internally to their respective organisations,” Mercury said of the Limetree fundraise.

LAW FIRM OF THE YEAR IN ASIA (FUND FORMATION)

1. Clifford Chance
2. Weil, Gotshal & Manges
3. Dechert

Clifford Chance had numerous mandates in 2014 spanning China-focused vehicles to sovereign wealth funds to co-investment products across the region – working with some of the biggest names in the industry.

Examples of its successes included assisting IDG Capital Management in setting up its QFII fund in the Cayman Islands as an exempted limited partnership, and being instrumental in the establishment of Hopu Investment Management’s Hopu USD Master Fund II.

The firm also helped many Middle Eastern and Asian sovereign wealth funds with their commitments to funds including, but not limited to: Blackstone Strategic Capital Holdings; Boyu Capital Fund II; and Carlyle Acosta Co-investment LP, a co-investment fund. The firm also worked on various confidential fund mandates during the year.

LAW FIRM OF THE YEAR IN ASIA (TRANSACTIONS)

1. Clifford Chance
2. Weil, Gotshal & Manges
3. King & Wood Mallesons

As well as being crowned PEI’s Law Firm of the Year in Fund Formation, Clifford Chance garnered over one-third of the votes for Law Firm of the Year in the Deals category.

In 2014, Clifford Chance’s portfolio of private equity deals was impressive.

The firm helped Temasek buy a stake in the $5.7 billion Hong Kong AS Watsons deal, and advised on The Carlyle Group’s $25 million cornerstone investment in Fu Shou Yuan and EQT Partners’ acquisition of F&B Group. It also acted on The Carlyle Group’s $1.93 billion buyout of Tyco’s Korea unit, ADT.

Clifford Chance acted for CVC Capital Partners on numerous occasions in an active year of investing for the firm, working on deals including the SPi Healthcare buyout, and acquisitions of majority stakes in restaurant chains South Beauty and Da Niang Dumplings.

SECONDARIES FIRM OF THE YEAR IN ASIA

1. NewQuest Capital Partners
2. Hamilton Lane
3. Deutsche Asset Wealth Management

Last year’s winner of this award was HarbourVest, a firm that has backed this year’s champion – which must be some indication of the latter’s merits.

Hong Kong-based NewQuest Capital Partners, a Bank of America Merrill Lynch spin-out, invests in direct secondaries opportunities only, a strategy that has proved attractive to investors. Counting LGT Capital Partners, Axiom Asia and HarbourVest among its anchor LPs, the firm closed its second direct secondaries fund on $316 million in July and, by the end of that month, had deployed half the fund’s capital.

The firm, led by Amit Gupta and Darren Massara (pictured), focuses on China and India, countries it believes are beginning to present attractive secondaries opportunities.

Massara told PEI: “While the fund is pan-Asian, at this stage Fund II is likely to be invested in Greater China and India because that is where we see the greatest need to provide liquidity to private equity firms.”