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Corporate Finance

One larger deal funder commented to us that his firm had not done a deal for 18 months, and his team is now “really hungry” to get a transaction over the finishing line. Another firm, fed up with finding itself the under-bidder in too many auctions, is increasingly prepared to bid at higher multiples than in recent months. At the same time, debt funders are coming back into the fray, as evidenced by the decreasing ratio of all-equity deals. So, the market certainly appears to expect a continued increase in deal activity.

Our view, based on the activity of our own clients and contacts, is that market confidence is well-placed. Assuming that, as the survey also indicates, deal

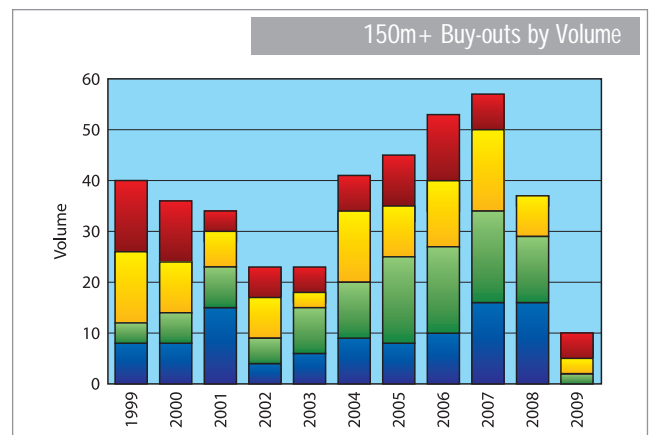
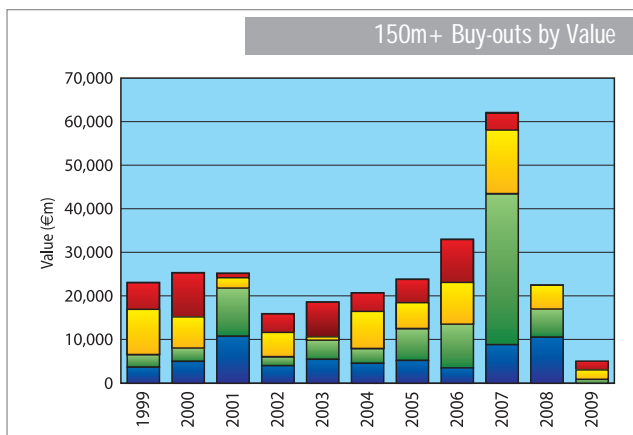
prices do indeed still have further to fall and that trading visibility must improve from its current low level, we see all the more reason to expect a recovery in deal volumes and values across the board.

So, we look forward to 2010!



Jim Keeling,
Joint Chairman, Corbett Keeling
www.corbettkeeling.com

VALUE & VOLUME

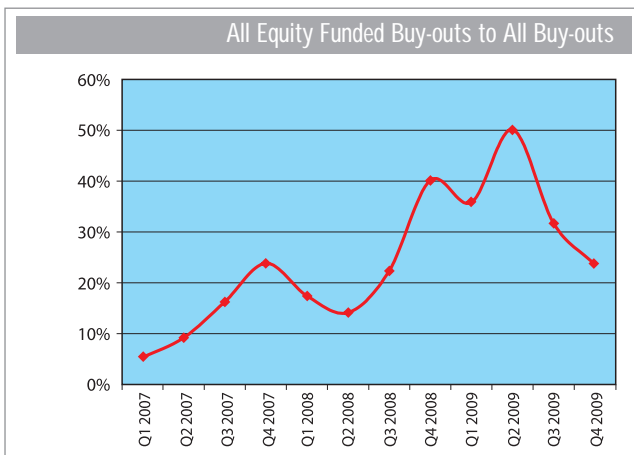
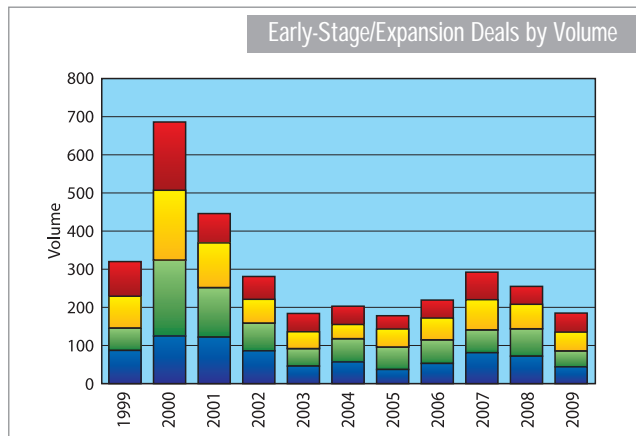
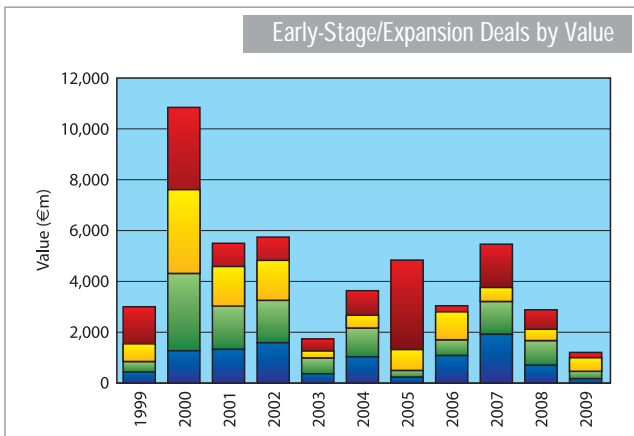
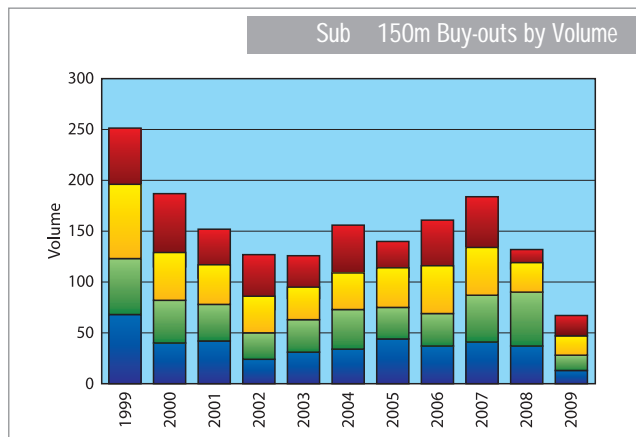
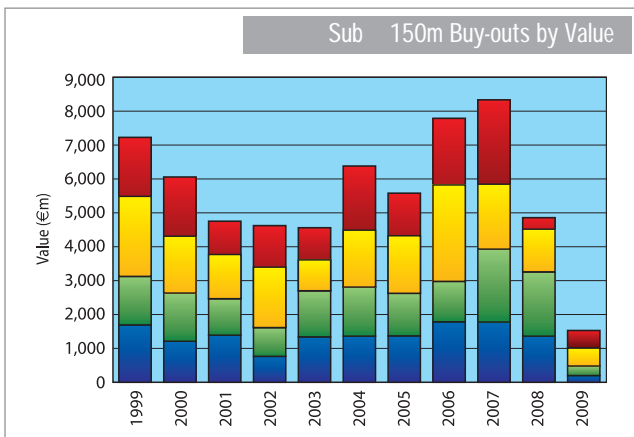


Corbett Keeling is a corporate finance advisory firm focused on the private equity sector. We specialise in:

- RAISING FUNDS FOR MANAGEMENT BUY-OUT TEAMS
- DEBT ADVISORY
- SELLING BUSINESSES

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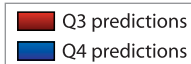
Figures are based on all deals that were confirmed, at the time of going to press, as having an institutional private equity or mezzanine investor as a lead or syndicate partner investing in a UK-based business. Sourced from Private Equity Insight.

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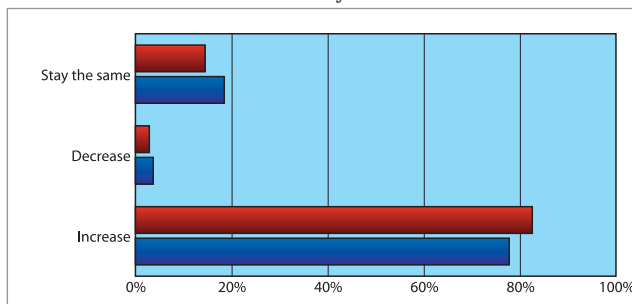
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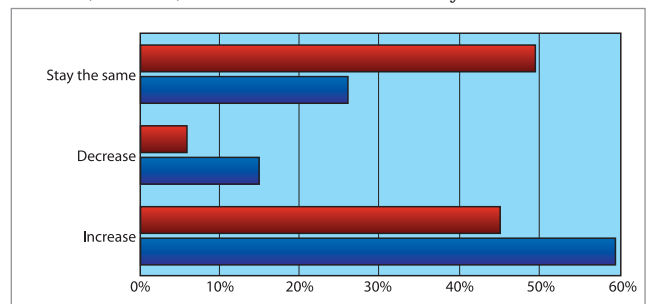
In order to produce these statistics, more than 500 key players in the UK private equity and venture capital markets were surveyed.



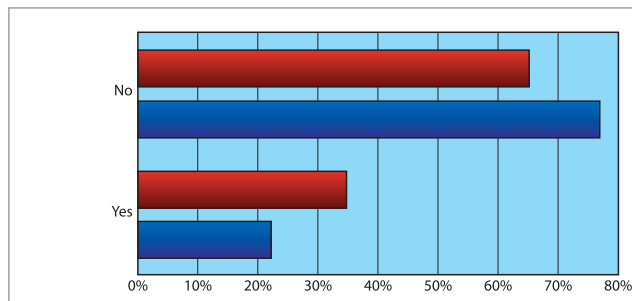
1 Over the next six months do you expect activity levels in the lower mid-market buyout segment (less than 150m) to increase, decrease or stay the same?



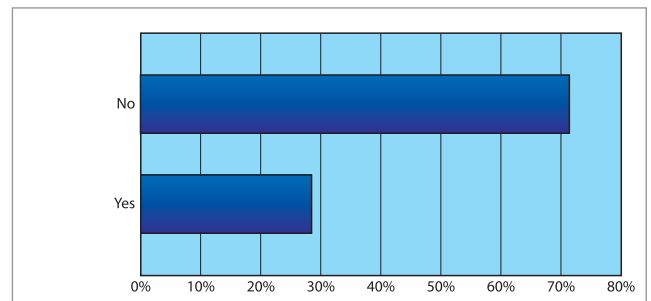
2 Over the next six months do you expect activity levels in the upper mid-market and larger buyout segment (> 150m) to increase, decrease or stay the same?



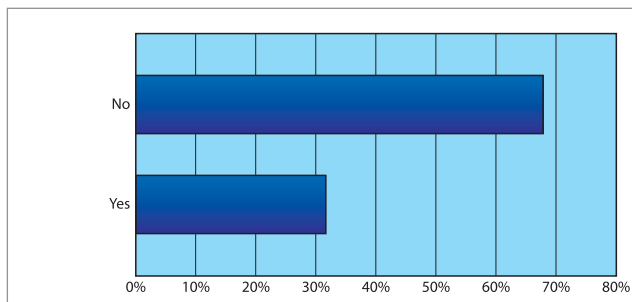
3 Have entry prices fallen sufficiently to reflect the current outlook for UK businesses?



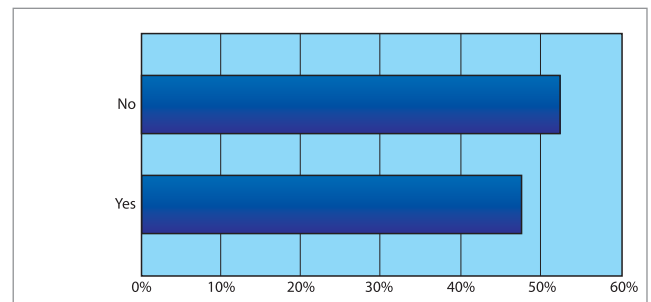
4 Has trading visibility improved sufficiently to give GPs and lenders confidence when structuring transactions?



5 Will the current debate over remuneration result in a significant shift away from the traditional 2:20 model?



6 The government is forecasting that the UK will officially be out of recession by end of Q4 2010. Do you agree?



Corbett Keeling

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