

## Best-in-class

### *Your guide to the winners of the PE Asia Awards 2011*

As we honour 2011's stand-out firms, transactions and advisors, one thing that's clear is Asia's homegrown private equity groups are by no means taking a backseat to global private equity franchises. With only a couple of exceptions – including Bain Capital's win as 'Firm of the year in Japan' – nearly all of the awards for private equity fund managers went to local specialists including CITIC Private Equity Funds Management, Archer Capital and Everstone Capital, to name a few. In many cases, older, global firms were runners-up.

These awards, voted on by thousands of *PE Asia* readers, showcase the firms that have – in the eyes of their peers – excelled and set the industry benchmark. The results of these awards also reflect some of the wider themes prevalent in the world of Asian private equity during 2011. Chinese deals, for example, were what readers had in mind when thinking about the region's most impressive deal and exit of 2011. And those winning transactions involved a number of large global players – a reminder that even if Asia's domestic fund managers are indeed maturing and rising in prominence, Western firms still comprise a key part of the Asian private equity landscape and are expected to continue to do so as they scour the region for outsized return opportunities.

In the following pages, we've worked to provide some detail on why these firms, more so than others, were voted best-in-class by their peers. Congratulations to all our winners.




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**PE ASIA**  
**AWARDS 2011**

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## 2011 WINNERS

**LARGE-CAP FUND OF THE YEAR IN ASIA**  
CITIC Private Equity Funds Management

**MID-MARKET FIRM OF THE YEAR IN ASIA**  
Headland Capital Partners

**FIRM OF THE YEAR IN AUSTRALASIA**  
Archer Capital

**FIRM OF THE YEAR IN CHINA**  
CITIC Private Equity Funds Management

**FIRM OF THE YEAR IN JAPAN**  
Bain Capital

**FIRM OF THE YEAR IN KOREA**  
Morgan Stanley Private Equity Asia

**FIRM OF THE YEAR IN INDIA**  
Everstone Capital

**FIRM OF THE YEAR IN SOUTHEAST ASIA**  
Navis Capital

**FUND OF FUNDS OF THE YEAR IN ASIA**  
Squadron Capital

**SECONDARIES FIRM OF THE YEAR IN ASIA**  
Paul Capital

**LIMITED PARTNER OF THE YEAR IN ASIA**  
China Investment Corporation

**DIRECT/CO-INVESTOR OF THE YEAR IN ASIA**  
Temasek Holdings

**RESPONSIBLE INVESTOR OF THE YEAR IN ASIA**  
Tsing Capital

**PLACEMENT AGENT OF THE YEAR IN ASIA**  
Park Hill Group

**LAW FIRM (FUND FORMATION) OF THE YEAR IN ASIA**  
O'Melveny & Myers

**LAW FIRM (TRANSACTIONS) OF THE YEAR IN ASIA**  
Debevoise & Plimpton

**LENDER/ADVISOR OF THE YEAR IN ASIA**  
JPMorgan

**MEZZANINE PROVIDER OF THE YEAR IN ASIA**  
Kendall Court

**LARGE DEAL OF THE YEAR IN ASIA**  
Alibaba - Silver Lake Partners, DST Global,  
Temasek Holdings and Yunfeng Capital

**LARGE EXIT OF THE YEAR IN ASIA**  
China Pacific - The Carlyle Group

**MID-SIZED DEAL OF THE YEAR IN ASIA**  
Constellation Brands - CHAMP Private Equity

**MID-SIZED EXIT OF THE YEAR IN ASIA**  
Hsu Fu Chi - Baring Private Equity Asia

**SMALL DEAL OF THE YEAR IN ASIA**  
Magma Fincorp. - Kohlberg Kravis Roberts,  
International Finance Corporation

**SMALL EXIT OF THE YEAR IN ASIA**  
Japan Bike Auction - Ant Capital

### THE PE ASIA LEADERSHIP AWARD 2011

**John Zhao**, founder and chief executive, **Hony Capital**



In 2010, *PE Asia* began honouring one individual who, over the course of their career, has made a crucial contribution to the development of Asian private equity as an industry and an asset class.

This year, the award goes to a man who is laying bricks for the foundation of a solid private equity industry while balancing

the need for generating desired returns. Further, he's walking this tightrope in one of the world's largest, most attractive yet undeveloped private equity markets – China.

The person is John Zhao, founder and chairman of Beijing-based Honky Capital. Led by Zhao, Honky has become a household name in international private equity and built up \$6.8 billion in assets under management across five US dollar-denominated funds and two RMB funds, the last two nearly

double the size of their predecessors. Zhou has attracted Western institutional investors and large domestic LPs, including the first investment from a Chinese insurance company. And he's managed to accomplish all this without chasing the pre-IPO and PIPE deals that are common in China.

He's also been ahead of the curve, globally: four years ago, Zhou installed an in-house operational team to advise and guide portfolio companies – something private equity firms the world over are realising they must adopt to stay competitive.

Zhou has also been clear about the need to help develop China's private equity industry. Last year, Honky made a pioneering RMB investment through China's new Qualified Foreign LP (QFLP) programme in Shanghai – the first such investment ever. The QFLP is new, unpolished and thus problematic, as Zhao has pointed out to *PE Asia*. But he felt he had to make the investment as a leading firm to show others he's confident the programme will, in future iterations, live up to its intention to level the playing field for foreign and domestic GPs.

## LARGE-CAP FUND OF THE YEAR IN ASIA

1. CITIC Private Equity Funds Management
2. Kohlberg Kravis Roberts
3. TPG Capital

It's a measure of the importance of the Chinese market that CITIC PE, which focuses solely on China, was voted the biggest large-cap player in the entire region last year.

But it's also a measure of its success in building a genuine institutional brand in less than four years – and raising an awful lot of money. Having burst onto the scene in 2010 by closing what was then the biggest RMB fund to date (RMB9 billion, equivalent to \$1.3 billion or €940 million), last year CITIC also closed a \$990 million fund, well above its \$900 million hard cap. It's now raising a RMB6 billion mezzanine fund and, according to reports, a new RMB12 billion buyout fund.

CITIC PE, led by president Yibing Wu, says it wants to be among the industry's global leaders in 10 years' time, as it helps more international companies build presence in China. Few would bet against it.



Wu: thinking global

## MID-CAP FIRM OF THE YEAR IN ASIA

1. Headland Capital Partners
2. CLSA Capital Partners
3. Affinity Equity Partners

A strong start to life as an independent entity for Headland: the Hong Kong-based firm, previously the Asian private equity arm of HSBC, won the mid-market category by a distance.

It had a busy year on the investment front: it spent \$141 million buying a 26.45 percent stake in Miclyn Express Offshore, a Singapore-based firm that provides vessels to the oil and gas industry, while portfolio companies Bosideng and Unison eTech both made sizeable bolt-on acquisitions.

But perhaps its most noteworthy action of 2011 was a partial exit: the IPO of supermarket chain Yonghui, which Headland has backed since 2007, yielded a return multiple of almost 9x – and the firm retains a stake of more than 20 percent.

Headland's currently still investing from the Headland Private Equity Fund 6, a 2008 vintage vehicle closed on \$1.34 billion. Exits like this will help considerably as it returns to the fundraising trail.



Yonghui: super-sized exit for Headland

## FIRM OF THE YEAR IN AUSTRALASIA

1. Archer Capital
2. Quadrant Private Equity
3. Advent Private Capital

All hail the rock stars of Australian private equity... Early in 2011, Archer Capital MD Peter Wiggs said only the “rock stars of the industry” would be able to raise funds in the current climate (given that lots of Australian LPs were reducing their allocations to the asset class). Well, that clearly includes Archer. The firm closed its fifth fund on A\$1.5 billion (€1.16 billion; \$1.5 billion) in December after only four months in the market – and was “strongly oversubscribed”, it said.

It followed a busy year for Archer. The firm invested about A\$600 million across four transactions, acquiring Brownes Foods, Quick Service Restaurants, V8 Supercars and Healthe Care. It also enjoyed no fewer than four exits – the most impressive of which was the sale of software vendor MYOB to Bain Capital for A\$1.2 billion, more than twice as much as Archer (along with HarbourVest) originally paid. Music to its LPs' ears.



V8 Supercars: driving Archer's growth

## FIRM OF THE YEAR IN CHINA

1. CITIC Private Equity Funds Management
2. Hony Capital
3. CDH Investments

After being voted the top large-cap firm in Asia, it's no surprise that CITIC PE also took the top spot in its home territory, China.

As its recent fundraising success demonstrates, investors clearly love its strategy – which focuses on Chinese state-owned enterprises in the financial, retail, healthcare and energy sectors whose primary exit target will be a public listing on China's A-share markets. This way, the firm says, it avoids the “crazy valuation stories” common in those areas of the Chinese market more popular with foreign buyout firms.

CITIC prides itself on its operational value-add. Last year president Yibing Wu told *PEI* that around 10 percent of his staff are operating executives, who work closely with portfolio companies like liquor company Kuaiji Shan Shaoxing.

Either way, the CITIC approach seems to work: according to Wu, the weighted average profit growth within its portfolio last year was more than 70 percent. Investors clearly expect juicy returns to follow.

## FIRM OF THE YEAR IN JAPAN

1. Bain Capital
2. Ant Capital
3. Advantage Partners

There was only ever going to be one winner in this category: Bain Capital's blockbuster \$2.1 billion acquisition of restaurant chain Skylark was the biggest deal in Japan's notoriously tricky buyout market for two years (and one of only a few \$1 billion-plus deals in the country's history).

Skylark, owner of the Gusto chain, has burned private equity fingers in the past. But Bain hopes that its knowledge of Japan's fast food industry will stand it in good stead: the US-based firm already owns fast food chain Domino's Pizza's Japanese operations.

Bain, which opened a Tokyo office in 2006, intends to keep investing in the country as it raises a new \$2 billion Asia-focused fund – for which investors are being given the option of a 2&20 or a 1&30 fee and carry structure. It's currently investing from its first Asia fund, which as of 30 June last year had generated a 1.6x capital return and a 24.8 percent IRR.



*Gusto: big in Japan*

## FIRM OF THE YEAR IN KOREA

1. Morgan Stanley Private Equity Asia
2. MBK Partners
3. Hahn & Co

South Korea hasn't always been on the radar of international LPs, but insiders say that's slowly changing thanks to a number of firms developing solid track records in the country, like Morgan Stanley Private Equity Asia (MSPEA). A veteran Asia-Pacific investor, MSPEA has been investing in Korea since 2001.

In 2011 its hunger for fast-growing, local franchise businesses brought it to the Korean restaurant franchiser Nolboo. It reportedly invested \$108 million for a majority stake in the company, which has more than 700 'Bossam' restaurants in South Korea and overseas locations including China, Singapore and Thailand.

It's clear the 19-year-old firm will be plotting more such mid-market deals in the near future: while it's been investing from its \$1.5 billion, 2007 vintage fund, MSPEA is reportedly in the market to raise a fourth fund of similar size. The firm was also raising an RMB-denominated fund, its first, with a target of RMB1.5 billion.



*Nolboo: spicing up MSPEA's portfolio*

## FIRM OF THE YEAR IN INDIA

1. Everstone Capital
2. Warburg Pincus
3. Tata Capital

Everstone Capital is certainly among the emerging markets fund managers subscribing to the "go big or go home" theory. The five-year-old, operationally focused Indian firm has now closed two oversubscribed funds, the latest of which raised \$580 million in 2011 and was the largest-ever Indian private equity fund raised to date. No mean feat in a market fighting for investors' attention.

The scale and depth of Everstone's 110-person team – which also includes an in-house economist – with offices in Mumbai, Delhi, Singapore, Bangalore and Mauritius, and a platform that also includes real estate investment, is unusual for India, says co-founder Sameer Sain, "especially given that we are a mid-market firm that manages a total of about \$1.7 billion".

And the firm continues to expand its investment activities: in 2011 it partnered Goldman Sachs and Ashmore Group to form Indostar Capital Finance, a non-banking financial company that aims to fill the credit gap for Indian businesses in much the same way groups like IDFC help fund infrastructure projects.



*Sain: setting records in India*

## FUND OF FUNDS OF THE YEAR IN ASIA

1. Squadron Capital
2. Asia Alternatives
3. Pantheon

Manager selection in Asia can be a daunting task for many foreign LPs, given distance and language barriers, not to mention the rapid changes taking place in the region's private equity markets. That, coupled with increased investor demand, has given rise to an increasingly crowded Asian fund of funds market. Among the groups that continue to stand out from the crowd is industry veteran Squadron Capital, which has backed managers including Australia's Archer Capital and China's Hony Capital. A subsidiary of Hong Kong-based Search Investment Group, Squadron's track record dates back to the 80s.

In 2011, the firm ramped up its internal investor relations team, hiring former Siguler Guff professional Chau Ly as its director of IR, and began raising its Fund III, reportedly with a \$400 million target. In May 2011 Squadron also secured a \$150 million mandate from the Finnish Local Government Pensions Institution to make investments in small to medium-sized private equity funds operating in China, India and Southeast Asia.

**FIRM OF THE YEAR IN SOUTHEAST ASIA**

1. Navis Capital
2. Actis
3. Northstar Pacific Capital

Southeast Asia-focused Navis Capital started out 2011 in an enviable position: with a \$1.2 billion buyout fund – its sixth – to deploy. It went on to spend \$30 million on Kuala Lumpur-based cosmetic products distributor Alliance Cosmetics; \$100 million for Classic Stripes, a Mumbai-based auto decal maker; and \$150 million for five marketing and retail agencies and two other related businesses from Photon Group, an Australia-listed marketing and communications company.

The firm also did its first deal from its recently closed RM230 million (€54.1 million; \$76 million) Malaysian Growth Opportunity Fund I, providing RM17m in expansion capital to Kinderdijk Group, a distributor of clothing brands such as Crocs and Fred Perry.

Navis also cheered LPs in 2011 with the exit of King's Safetywear, a company it sold for S\$430 million, having spent S\$97 million to de-list it in December 2008.



*Crocs: Navis tries on Malaysian distributor*

**SECONDARIES FIRM OF THE YEAR IN ASIA**

1. Paul Capital
2. Ant Capital
3. Axiom Asia Private Capital

Secondaries activity hasn't exactly taken off yet in Asia, but when it does Paul Capital expects to be there. Since opening a Hong Kong office in 2007, the firm's been positioning itself for secondaries activity to increase – something most observers expect to occur as the region's primary market continues its rapid growth.

One headline deal the firm participated in during 2011 speaks to the Asian private equity market's changing shape: Paul Capital was part of a syndicate that backed the spin-out of Bank of America Merrill Lynch Private Equity Asia, a four-year-old captive that invested from Merrill's balance sheet. The syndicate helped to establish the spin-out's first fund, a \$400 million vehicle seeded with the entire non-real estate private equity portfolio of BofA Merrill Lynch in Asia.

Other highlights during the year included Paul's promotion of Jason Sambanju to co-head of Asian operations alongside Lucian Wu and its hire of two deal sourcing agents in India to help expand Asian operations.

**LIMITED PARTNER OF THE YEAR IN ASIA**

1. China Investment Corporation
2. CDC Group
3. National Pension Service of Korea

Powerful alliances were the name of the game during 2011 for Chinese sovereign wealth fund China Investment Corporation. In October, it struck a deal with the \$10 billion Russian Direct Investment Fund, a vehicle backed by the Russian government, to launch the Russia-China Investment Fund. Each planned to commit \$1 billion to the fund, which aimed to raise \$3 billion to \$4 billion for investments largely in Russia.

CIC also teamed with The Blackstone Group on a development in China and with Global Logistics Properties on the \$1.6 billion acquisition of a logistics portfolio from LaSalle Investment Management.

In 2011 CIC also opened its first office outside Asia in Toronto, reportedly to bolster its North American investments as well as relationships with local investors. It was also expected to open an office in Europe after appointing Collin Lau, formerly its global head of real estate, to take charge of private equity direct, co-investment and fund investments in the region.



*Lau: CIC's man in Europe*

**DIRECT/CO-INVESTOR OF THE YEAR IN ASIA**

1. Temasek Holdings
2. The Government of Singapore Investment Corporation
3. Partners Group

They say go big or go home; and in 2011, Temasek Holdings went big on natural gas.

In April, the Singaporean firm teamed up with RRJ Capital and US natural gas company Chesapeake to acquire a 70 percent stake in the Texas-based FracTech. Five months later, the company filed to raise \$1.15 billion on the New York Stock Exchange. Though FracTech has yet to price, the quick turnaround from first investment to filing remains an impressive step toward realisation.

Temasek doubled down on its natural gas play when it joined RRJ again for a \$150 million investment in Clean Energy Fuels, which provides natural gas fuel to vehicle fleets in the US.

Temasek made some key additions this year as well. Former Bank of America Merrill Lynch executive Tan Chong Lee joined the firm as its chief investment officer, and former China International Capital Corporation investment banking chief Ding Wei was tapped to head up the firm's efforts in China.

**RESPONSIBLE INVESTOR OF THE YEAR IN ASIA**

1. Tsing Capital
2. Kendall Court
3. Aureos Capital

Cleantech investing has taken China by storm and cleantech businesses have Tsing Capital to thank for it. Founder Don Ye began investing in cleantech before it was fashionable, and way before it was winning the equivalent of China's popularity contest.

One of the first firms to focus on cleantech in the country, Tsing has come a long way since raising its \$13 million maiden fund in 2002. The firm spent all of 2011 on the fundraising trail with its fourth vehicle targeting \$350 million. Tsing has invested in 30 companies since its founding seven of which it has fully exited.

Cleantech investment in China now ranks second only to the internet sector both in terms of number of deals done and capital put to work.

"Cleantech is mushrooming on almost all fronts," Ye told *Private Equity International*. "I think the bubble is inevitable."



Ye: cleaning up in China

**PLACEMENT AGENT OF THE YEAR IN ASIA**

1. Park Hill Group
2. Mercury Capital Advisors
3. Campbell Lutyens

Park Hill Group, the placement agent affiliate of The Blackstone Group, has been making a big splash in Asia, helping local managers raise money from around that world that has fuelled the frenetic growth of the region's private equity industry.

The firm worked with well-known Asian manager PAG to close its debut distressed investment fund on \$900 million, beating its target of around \$700 million. The capital was raised at a propitious time, as financial institutions in the US and Europe have had to sell assets in the volatile financial markets.

While PAG's focus is Asia, Park Hill was able to help the firm attract commitments from limited partners around the world, giving the fund manager a diverse base of limited partners.

Park Hill has been working hard to find new pools of capital for the asset class; last year, The Blackstone Group's president Tony James said the firm had identified about 1,200 potential LPs "still to be conquered".

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

1. O'Melveny & Myers
2. Clifford Chance
3. Debevoise & Plimpton

Asia, especially China, has been one of the most exciting destinations for private equity around the world. As the industry has evolved, managers have emerged either locally or from other places to launch funds in the region.

O'Melveny & Myers has been part of the evolution of the industry in the region, working as a trusted advisor to fund managers helping them form their funds for investments in the region.

The firm worked on forming funds including the Fortune VC China Fund, Primavera Capital, LionRock Capital, Lok Capital and the China-ASEAN Cooperation Fund. The firm also worked with GPs on RMB-based funds in Beijing, Shanghai, Tianjin, Chengdu, Zhejiang and Chongqing.

Because of the young nature of industry in the region, the firm also worked with limited partners on their investments in Asian funds, including sovereign wealth funds, fund of funds and pension funds. The firm has also advised clients in the region on secondaries and manager spin-outs.

**LAW FIRM OF THE YEAR FOR TRANSACTIONS IN ASIA**

1. Debevoise & Plimpton
2. Paul, Weiss, Rifkind, Wharton & Garrison
3. Norton Rose

For the second year, Debevoise & Plimpton has won readers' votes for law firm of the year for its work on Asian private equity transactions.

Debevoise has a long track record in Asia transactional work dating back to the mid-1990s. Most private equity-related activity has been in China and India but they also serve clients looking at pan-regional deals.

A highlight for the firm last year was its work on the acquisition for \$1.6 billion of shares in Alibaba by a consortium of private equity heavyweights. The deal saw Silver Lake, Temasek and Russia's Digital Sky Technologies buy in to the business, which operates online trading platform Alibaba.com. Debevoise had worked for Alibaba before, when Yahoo! Invested \$1 billion in the company.

Hong Kong-based partner Thomas Britt, who leads the transactional team, says Debevoise is known within Asia for work on novel and complex transactions. Given the fast-developing Asian markets, there should be plenty more of those.

## LENDER/ADVISOR OF THE YEAR IN ASIA

1. JPMorgan
2. Goldman Sachs
3. HSBC

JPMorgan displaced Goldman Sachs as the lender of the year in Asia as it showed up in several geographies to advise on key deals. In Korea, Consus Investment's first major exit from a portfolio company – the sale of medical equipment makers Medison and Prosonic to Samsung Electronics for an undisclosed amount – was a key mandate for the bank.

Demonstrating its cross-border expertise, JPMorgan was also the exclusive financial advisor on CVC Capital Partner's divestiture of a 30 percent stake in Hong Kong's Hung Hing Printing Group to Japan's Rengo Co for \$183 million. JP Morgan has a close relationship with CVC, working with it previously on trade sales and acquisition financing, according to Anand Narayan, head of the bank's financial sponsors group in Asia.

It wasn't all advisory work either – JPMorgan was the region's top debt provider last year, issuing \$7.9 billion of debt according to Mergermarket. At a time when most banks are laying off staff and reining in lending in Western markets, that represents a strong year for the bank.



*Narayan: getting others to shake hands*

## MEZZANINE FIRM OF THE YEAR IN ASIA

1. Kendall Court
2. CLSA Capital Partners (MezzAsia Capital)
3. Partners Group

Leading the pack this year was Kendall Court, a mezzanine firm that's been around seven years and continues to expand – today it manages assets of more than \$300 million across two funds, with plans to raise a third. New offices are also planned to better capture Southeast Asian dealflow – one in Vietnam and the other in Thailand. In China the firm will set up a listening post rather than participate in inter-China deals, says Chris Chia, managing partner.

The firm has presciently identified that mezzanine financing seems well-suited to family-run businesses in Asia who need investment yet don't want to significantly dilute their equity. But it takes perseverance. Entrepreneurs and potential limited partners haven't embraced mezz like their counterparts in the West. One obstacle is Asia's regulatory environment; another is that mezzanine financing often needs more explanation. Things may change this year. Global economic woes have tightened bank lending criteria in Asia, providing mezzanine – and Kendall Court – the chance to blossom.

## LARGE DEAL OF THE YEAR

1. Alibaba - Silver Lake Partners, DST Global, Temasek Holdings and Yunfeng Capital
2. Hero Honda - Bain Capital, Government of Singapore Investment Corporation
3. Skylark - Bain Capital

The Silver Lake Partners-led consortium's \$1.6 billion investment in e-commerce company Alibaba wasn't just the biggest deal in the region last year, it was also one of the most widely-reported. The deal dwarfed Bain Capital's two runner-up contenders Hero Honda and Skylark, and valued the company at about \$32 billion.

But size isn't everything, and the deal won plaudits for bringing together a high class international consortium of experienced technology investors.

US-based Silver Lake, Russia's DST Global, Singapore's Temasek Holdings and Chinese group Yunfeng Capital pulled off an investment that had been long in gestation – several years in fact.

Although the investors reportedly didn't win any voting rights as part of the deal, in order to comply with China's foreign ownership laws, it did gain them a toehold in a rapidly-growing market. And then there's the speculation about Silver Lake eyeing a bid for US web portal Yahoo!, which just happens to own 40 percent of Alibaba...

## LARGE EXIT OF THE YEAR IN ASIA

1. China Pacific - Carlyle Group
2. MYOB - Archer Capital, HarbourVest Partners
3. Galaxy Entertainment - Permira

It's been a protracted process, but a lucrative one. Carlyle has been selling down its stake in China Pacific Insurance since late 2010, and the results have been impressive. Proceeds to date are in the vicinity of \$3.6 billion, making its investment in the Chinese insurer one of the most profitable in the US-headquartered alternatives firm's long history. If its share price remains stable, the firm could be eyeing a return, once its remaining stock is sold, of about six times its original investment.

When Carlyle bought in to the company in late 2005, the business was struggling. Carlyle built a 17 percent stake in the business for about \$800 million, and set to work turning it around along with co-investor Prudential. Initiatives included a management overhaul, performance-related incentive schemes, a move to guaranteed products, and a more returns-orientated asset management unit. All in, the deal is a great example of what Carlyle, and private equity generally, can do. The firm's LPs are probably popping champagne corks too.

## MID-SIZED DEAL OF THE YEAR IN ASIA

1. Constellation Brands - CHAMP Private Equity
2. First Media - CVC Asia Pacific
3. Golden Jaguar - Apax Partners

The stereotypical Australian enjoys the odd drink, and perhaps fittingly therefore it was a beverage company that won Sydney-based buyout group CHAMP Private Equity mid-sized deal of the year in Asia.

CHAMP bought the British and Australian subsidiaries of NYSE-listed Constellation Brands, giving it ownership of well-known wine labels Hardys, Banrock Station, Kumala and Echo Falls, amongst others. Hardys, for example, is the most popular Australian wine in the UK market, whilst Kumala is the most popular South African label. Sadly, from a mischief-maker's perspective, Constellation's 'Blackstone' winery wasn't part of the deal.

The firm paid about A\$290 million (€219 million; \$293 million) for the assets in a complex cross-border deal – a sign of the firm's increasingly international reach and appetite. CHAMP has since re-named the business Accolade Wines, but it faces a fight to return the company to profitability. Part of that process will be building strategic relationships with retailers in the UK and Australia, according to the firm's managing director, John Haddock, and a firm with CHAMP's clout could well help it achieve that aim.

## MID SIZED EXIT OF THE YEAR IN ASIA

1. Hsu Fu Chi - Baring Private Equity Asia
2. Pokka - Advantage Partners, CITIC Capital
3. King's Safetywear - Navis Capital Partners

Baring Private Equity Asia's \$1.7 billion sale of Chinese confectionary group Hsu Fu Chi to Nestlé in July last year probably left the firm's investors smacking their lips in delight. The exit came a mere two years after BPEA acquired its 16.5 percent stake in the business for \$135 million, proving it's possible to turn a substantial profit in double-quick time with a little nous and a lot of hard work.

BPEA's big exit wasn't the only thing the firm had to smile about last year either, as it signed-off its Fund V at its hard cap of \$2.5 billion, only five months after its launch. Not only did it hit its target but the fund investor interest skyrocketed, with \$1 billion of oversubscriptions. "That was a good problem to have," Jean Eric Salata, BPEA's founder and chief executive said to *PE Asia* at the time. "We'll probably never have that problem again."



*BPEA: bagged a sweet return for chocolatier*

## SMALL DEAL OF THE YEAR IN ASIA

1. Magma Fincorp. - Kohlberg Kravis Roberts, International Finance Corporation
2. GDC Technology - Carlyle Group, Yunfeng Capital
3. AGS Transact Technologies - TPG Growth

Profit and service to the social good sometimes overlap. Kohlberg Kravis Roberts in May teamed with the International Finance Corporation, the World Bank's investment arm, to co-invest INR4.4 billion (€68m; \$88m) in Indian nonbanking finance company Magma Fincorp, which provides consumer credit and vital loans to SMEs in underserved rural and semi-urban areas.

The pairing of expertise makes the deal unique. IFC, with the core developmental mission, combined with the savvy operational teams at KKR, plan to expand Magma's presence through nearly equal minority stakes.

KKR's India activity picked up last year. The Magma deal came around the time of two key India appointments: Dhiren Mehta as director of KKR India and DS Brar, the former CEO of Indian pharmaceutical company Ranbaxy, as a senior advisor. KKR is probably eyeing more growth capital deals in India's booming healthcare and life science industry.

## SMALL EXIT OF THE YEAR IN ASIA

1. Japan Bike Auction - Ant Capital
2. Havells India - SAIF Partners
3. Medplus - Arcapita

An earthquake, stagnant economy and weak exit market in Japan didn't stop Ant Capital from selling Japan Bike Auction to USS, Japan's largest used car company and IK Corp, Japan's largest bike dealer. Why? The plans of the two trade buyers – and of the portfolio company – aligned nicely, making the timing just right, explained Ryosuke Iinuma, managing partner. The proposed price exceeded Ant Capital's expectations, he said, and Ant netted a 2.2x return on its investment after a holding period of only 1 year and 10 months.

But Japan Bike Auction wasn't the only exit the firm had last year. Ant actually cashed out of three other portfolio companies, Maruboshi, Vario Secure Networks and Honma Golf, the first two each with 2x ROI, the firm said. In 2012, the activity continues. The firm is raising fund four with the expectation of a final close in April. And management is already preparing an MOU – for yet another exit.



*Ant Capital: key exit timing*