



Riverside

Riverside Looks Back On Another Robust Year

Firm has a strong year finish and high activity amidst European turmoil

January 30th, 2012 – The Riverside Company had another successful year despite challenging market conditions, as it invested over €400 million in 29 companies around the world in 2011. Additional highlights for the year included increasing valuations in 80% of active funds, distributing €285 million to investors via seven realizations, closing a fund 37% above target, and opening a London office, its 20th globally.

On the European front, Riverside completed seven acquisitions, consisting of six platforms and one add-on. Platform acquisitions included:

- [Rameder](#), German automotive carrier systems distributor
- [Reima Oy](#), leading children's wear brand in Northern Europe
- [Transporeon](#), German e-logistics provider

Seven exits in 2011 for Riverside achieved a combined 26% gross IRR and gross cash-on-cash return of 3.3x. Exits in Europe included:

- [Sentinel](#), Europe's number one supplier of residential heating and hot water system treatment products
- [EM Test](#), a Swiss manufacturer and supplier of electromagnetic compatibility test equipment

The firm remained active in advocating for the private equity industry and Partner Karsten Langer took an industry leadership role in June of 2011, becoming chairman of the European Private Equity and Venture Capital Association.

"We are very proud of what we have achieved in this time of turmoil for the European market. Private equity can help pull Europe out of crisis," said Riverside Managing Partner Antonio Cabral, "With a myriad of political and regulatory uncertainties, it remains a strong driver of growth and provides expertise to businesses."

Riverside Co-CEOs Béla Szigethy and Stewart Kohl shared their thoughts on a difficult but very successful 2011.

"What a year," said Kohl. "Amid volatile public markets, dysfunctional governments, and impending doom, we kept doing what we do best. We set records for investing, built out more specialisations, refined our processes, and handled almost a billion dollars in transactions. All while increasing the valuations in 80% of our funds and maintaining top-quartile performance in seven out of ten."



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Szigethy called 2011 a remarkable year that saw Riverside successfully adapt to a changing private equity landscape.

“In many ways, last year was our best ever,” said Szigethy. “We’re really excited about the companies we invested in. We bought some beautiful high-growth businesses, and the early signs are all justifying our efforts. We’ve never put more money to work, and we’re thrilled with the promise of our portfolio. It wasn’t easy, but our team got the job done in all the most important areas – fundraising, value creation, and outstanding returns.”

The strong closing of Riverside Micro-Cap Fund II in 2011 came in large part thanks to the continuing strong performance of its top-decile predecessor fund. The closing came despite an extremely challenging fundraising environment. In a first for Riverside, the fund is connected to the U.S. government’s Small Business Administration (SBA) as a Small Business Investment Company (SBIC) fund, providing access to low-interest rate debt from the SBA, that will allow the fund to invest as much as \$287 million. The fund already has five platforms that are performing very well.

The new London office typifies Riverside’s increasingly integrated global team. The firm now has professionals in 14 nations on four continents, and 2011 saw a focused effort to harness the knowledge, contacts and experience of those professionals.

Riverside also expanded its industry specialisations, formalising a fourth in the software/recurring-revenue technology space. The firm’s existing specialisations include healthcare, education & training, and franchising. Well over half of its 2011 investments fell into one of these buckets. The firm plans to continue building its specialisations, which have proven to help evaluate and close deals more quickly while allowing for accelerated growth upon investment. Among these planned specialisations is clean technology, a rapidly growing segment in which Riverside already has considerable experience and dedicated staff.

Riverside has an exciting 2012 ahead of it. The firm plans to remain among the most active buyers and sellers in the private equity world, and looks forward to sharing the news of another excellent year.

“Our industry does a lot of great things, and we should not hide our light under a bushel,” said Szigethy. “We have much to be proud of and we need to tell our stories.”

The Riverside Company www.riversidecompany.com or www.riversideeurope.com

The Riverside Company is a global private equity firm focused on acquiring growing businesses valued at up to \$200 million (€200 million in Europe). Since its founding in 1988, Riverside has invested in more than 275 transactions. The firm’s international portfolio includes more than 75 companies, and it has \$3.2 billion/€2.5 billion in assets under management.

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