

SEE WHAT'S NEW AND NOTEWORTHY IN PRIVATE EQUITY THIS WEEK /// ISSUE 44

- 1** **eCommerce Sites in Turkey Lure Silicon Valley VCs**
- 1** **M&A Increasing After Slow Start in 2012**
- 2** **Turkey's First PE Exits**
- 2** **European IPO Window Opens**
 - Will PE Funds Find An Exit?
- 2** **Asia Acquirers to Dominate M&A**
 - New research from Brunswick
- 3** **Family Office Balks at Capital Calls**
- 3** **Next Gen TV Sought By Google, Apple and Co.**
 - M&A and Investments in InternetTV
- 4** **Quote of the Week: A Lyrical Look at PE**

ECOMMERCE SITES IN TURKEY LURE SILICON VALLEY VCS

Last week, we posted news about Stockholm’s increasing allure for international VC and some of the billion dollar startups there. This week, VC news from Turkey suggests a wider trend of US interest in European ventures. Markafoni, a member-only shopping network has attracted investment from EBay Inc., Amazon.com Inc., Kleiner Perkins Caufield & Byers, Naspers Ltd. and Tiger Global, reports [Bloomberg](#).

The site competes with Trendyol.com, which had sales of USD100 million in recent months, and raised capital from Kleiner Perkins and Tiger Global to the tune of USD50 million.

M&A INCREASING AFTER SLOW START IN 2012

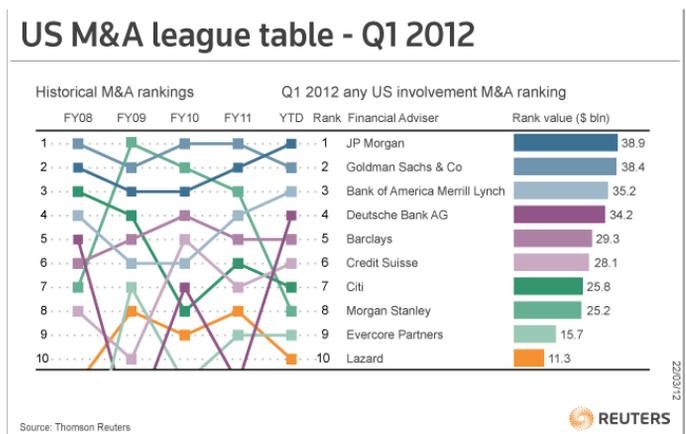


Image source: Reuters

Exit by M&A is typical for many PE funds these days. Global private equity-backed M&A deals generated USD43.9 billion in the first quarter of 2012, down by a quarter year-on-year but dealmakers expect volumes to rise, according to [Reuters](#).

The overall volume of M&A deal activity dropped to USD416 billion in the first quarter of 2012 from USD737 billion a year ago, according to preliminary Thomson Reuters data. In the US rankings JPMorgan Chase & Co rose to the top from number five, displacing Goldman Sachs in the M&A advisory league tables.

TURKEY'S FIRST PE EXITS

While Turkey is a relatively young market for PE, it is starting to generate some exit activity for PE funds. According to [Dealbook](#), Abraaj Capital recently sold its stake in the Turkish hospital chain Acibadem Saglik Hizmetleri & Ticaret for about USD1 billion to Integrated Healthcare, and last year TPG Capital sold Mey Icki Sanayi, a Turkish beverage company, to Diageo for USD2.1 billion. The deal was Turkey's biggest private equity sale on record, according to Dealbook. Privcap, a media company that covers special topics in PE, has a panel discussion [video](#) about private equity exits in Turkey. The panel said that further exits in 2012 are in the works, with the largest expected to be Migros, backed by BC Partners and Turkven. Carlyle is also expected to exit its investment in a Turkish medical company.

EUROPEAN IPO WINDOW OPENS

After an almost eight month slowdown, the European stock markets are opening slowly for capital raising, according to [Reuters](#). With a full pipeline of deals, many of which are private equity-backed businesses, discussions about IPOs have picked up significantly, says the report. Elsewhere is the news that Paris is now the place to float healthcare and pharma companies. France is one of the few countries where biotech and med-tech IPOs are getting done, according to [Bloomberg](#).

ASIA ACQUIRERS TO DOMINATE M&A

WHAT REGION DO YOU ANTICIPATE FOREIGN ACQUIRERS COMING FROM IN 2012?



For the fifth consecutive year, advisors expect that Asian buyers will be most active in the North American deal market.

Brunswick, the legal advisory firm, has issued its [Fifth Annual M&A Survey](#), polling North American M&A bankers and lawyers on their views about the current deal landscape and trends. Over 100 top deal advisors responded to the 2012 poll.

Key findings

- Deal flow in 2012 is expected to be on par or better than 2011. Nearly half of top bankers and lawyers predict an increase over last year, while 42 percent expect deal flow to stay the same as last year.
- Global M&A volume is forecasted to be steady (77 percent predict flow will be steady or will increase this year) with the strongest activity in Brazil and China.
- Asian buyers are expected to drive inbound U.S. transactions – a view that has grown steadily over the past five years.

FAMILY OFFICE BALKS AT CAPITAL CALLS

A leading Australian family office has criticized PE firms that have been slow to invest their mega funds raised in the latter part of the last decade because some of them still have a third of their capital left to spend before the cycle is up, reports [WSJ Dealjournal blog](#). Calling capital now for an investor who expected her or his money to be called in that earlier vintage of first four or five years is unfair, according to the Family Office executive who made the newspapers with his critique. He has requested that certain fund managers close the earlier funds and return the money, and then invite the same investors to participate in a new vintage.

NEXT GEN TV SOUGHT BY GOOGLE, APPLE AND CO.

TV programs have come to the Internet, and the Internet has gone to mobile devices. Now the Internet is coming back to TV, and savvy software engineers and smart TV producers are finding ways to create new "hybrid" services that bring it all together, says a new [NPD In-Stat research report](#), which forecasts that 100 million households will actively use a hybrid service delivered to their TV set by 2016. It is not just engineers and creative types, but also Google, Apple, and major consumer electronics companies that are aiming for the next big thing to unleash investment and M&A. Dealmarket Digest rounded up news to help follow the money.

- [Streaming TV service launched in New York market](#)
- [Cisco bought Internet TV leader](#)
- [Hon Hai \(Foxconn\) a contract manufacturer based in Taiwan and major supplier to Apple, acquired 10 percent of Sharp Corp., mainly for advanced TV assets. The Taiwanese company's billionaire founder Terry Gou put his own money into the deal to position his company to make Apple TVs.](#)
- [PE Company Buys Trio, a digital media production company](#)
- [China's Youkou acquires rival Tudou for one billion in stock](#)

QUOTE OF THE WEEK: A LYRICAL LOOK AT PE



“This as strategy, the art of how we build until management in turn builds us, elegant the logic used. To draw out more than what is put in. Everyone wants beyond; even with the one last page. As exit plan it is the return that is watched and how we will be known. To end up where we start again, and to look as if we gained”.

Who said it: Sophie Cabot Black, an American prize-winning poet that teaches writing at Columbia University

In Context: This may be the first time ever that the private equity business model is used as the metaphor in a poem about love.

Where we found it: [The New Yorker](#)

The Dealmarket Digest empowers members of Dealmarket by providing up-to-date and high-quality content. Each week our in-house editor sifts through scores of industry and academic sources to find the most noteworthy news items, scoping trends and current events in the global private equity sector. The links to the sources are provided, as well as an editorialized abstract that discusses the significance of the articles selected. It is a free service that embodies the values of the Dealmarket platform delivers: Professional, Accessible, Transparent, Simple, Efficient, Effective, and Global.

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Editor: Valerie Thompson, Zurich

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