Global Leveraged Buyout Activity

US$b

North America
Europe
Other
Australia

1987 1989 1991 1993 1995 1997 1999 2001 2003 2005 2007
## Typical Capital Structure for Leveraged Buyouts

<table>
<thead>
<tr>
<th></th>
<th>Leveraged Buyouts</th>
<th>Listed Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per cent of total capitalisation</td>
<td>Per cent of total capitalisation</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>30</td>
<td>60</td>
</tr>
<tr>
<td><strong>Debt</strong></td>
<td>70</td>
<td>40</td>
</tr>
<tr>
<td>- Senior debt</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>- Subordinated debt</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>- Mezzanine debt</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>
Private Equity Activity in Australia
Based on announcement date

Venture capital
Leveraged buyouts completed
Leveraged buyouts announced

$bn

Leveraged Buyout Activity in Australia
Based on announcement date

$\text{b}$

As a share of market capitalisation (RHS)

- Announced
- Completed


%
RBA Estimates of Funding of Australian Leveraged Buyouts
Percentage of funding (5 years to 2006)
Superannuation Funds' Contribution to Private Equity Financing

Share of domestic equity funds committed

%
Australian Return on Equity and Cost of Debt

Real yield of bonds
Forward earnings yield on equities

X-axis: 1996 to 2006
Y-axis: %

Graph showing trends in real yield of bonds and forward earnings yield on equities from 1996 to 2006.
Distribution of Gearing Ratios
Percentage of total number of firms

Listed non-financial companies

Leveraged buyouts
Exits of Private Equity Investments
By exit method; share of value of investment; 5 years to June 2006

- Trade Sales
- IPOs
- Management Buybacks
- Write-offs