

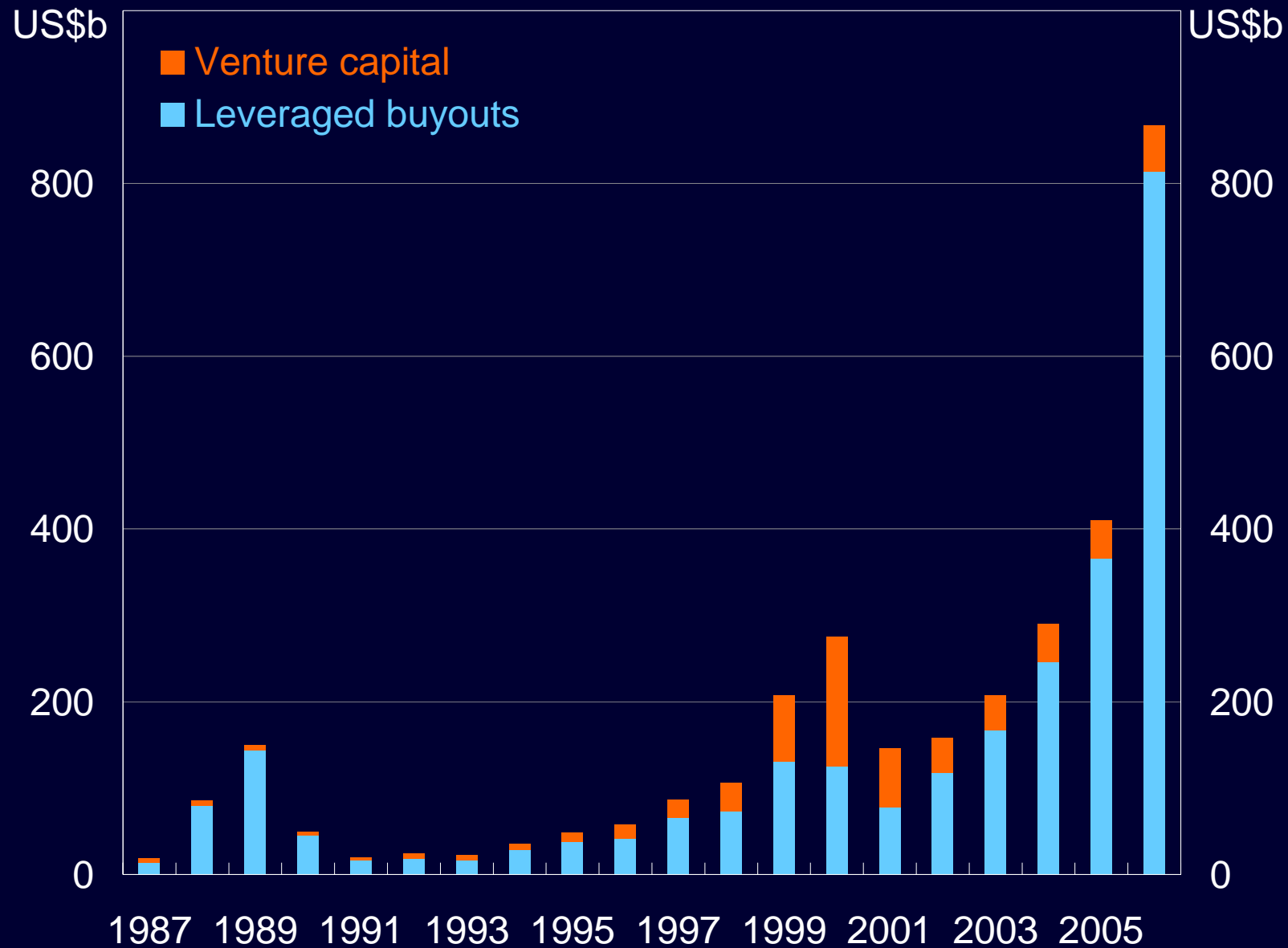
Senate Standing Committee on Economics

Inquiry into Private Equity and its effects on Capital Markets and the Australian Economy

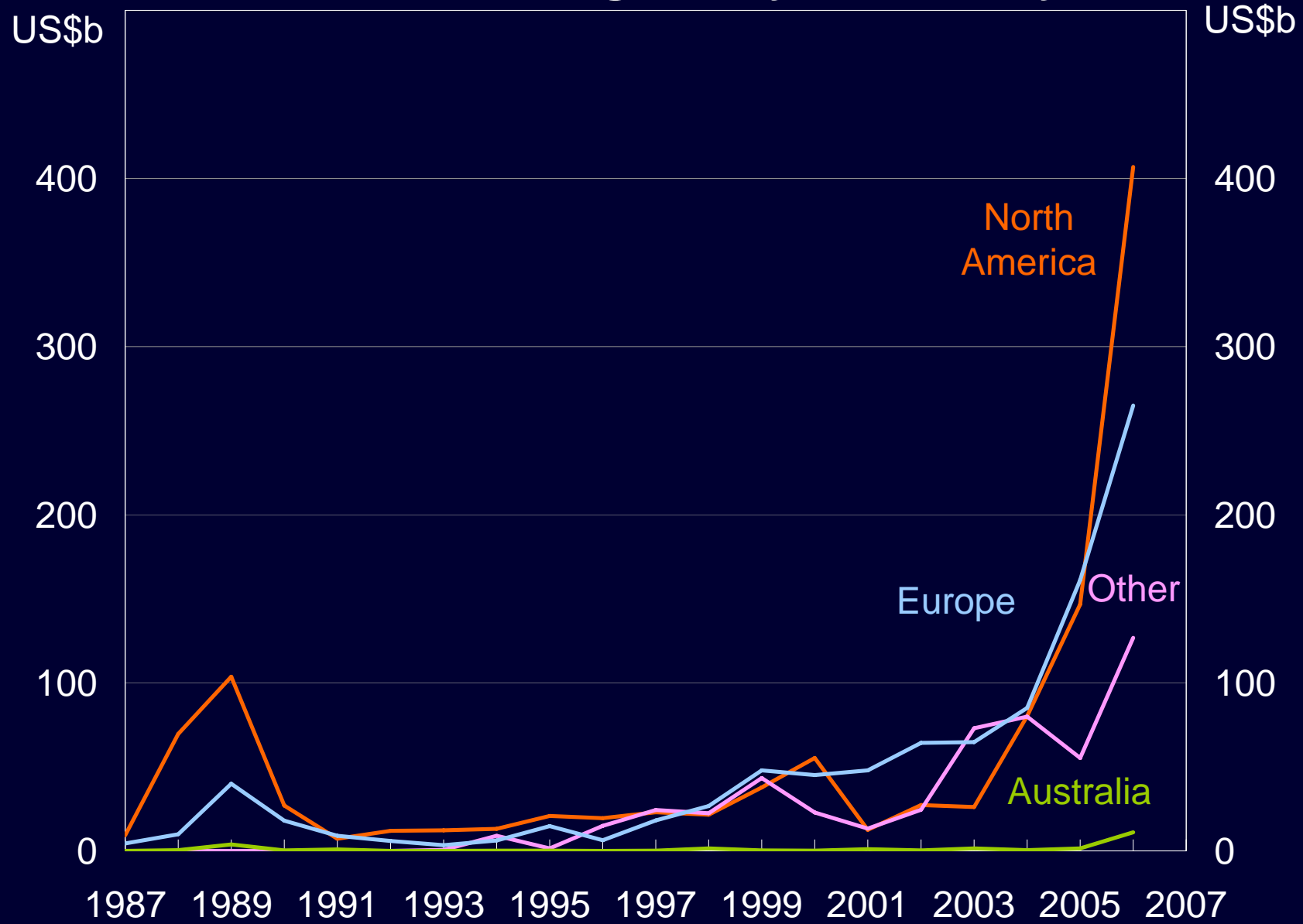
Briefing by the Reserve Bank of Australia

Sydney, 25 July 2007

Global Private Equity Activity



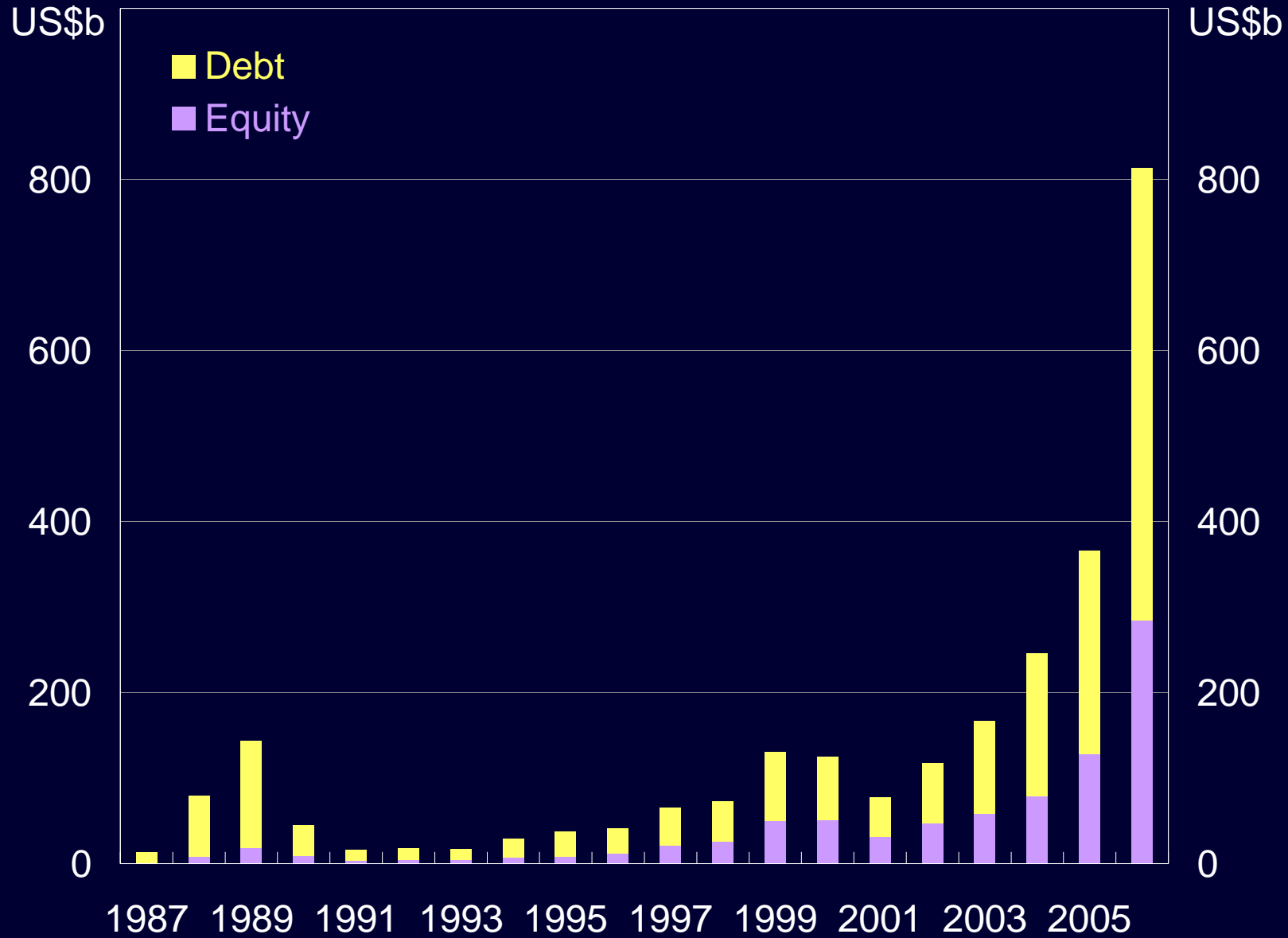
Global Leveraged Buyout Activity



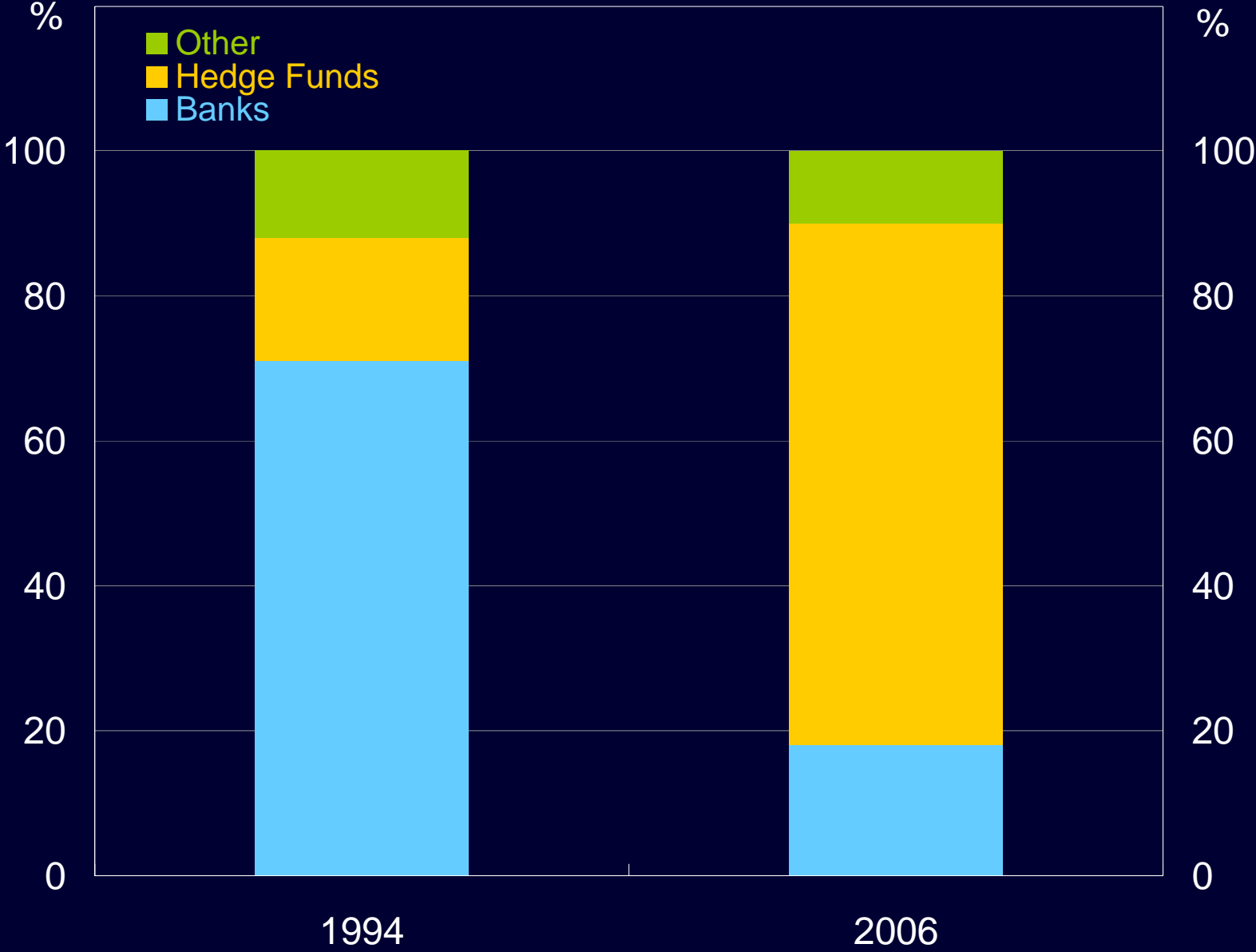
Typical Capital Structure for Leveraged Buyouts

	Leveraged Buyouts	Listed Company
	Per cent of total capitalisation	Per cent of total capitalisation
Equity	30	60
Debt	70	40
- Senior debt	50	
- Subordinated debt	10	
- Mezzanine debt	10	

Global Leveraged Buyout Activity

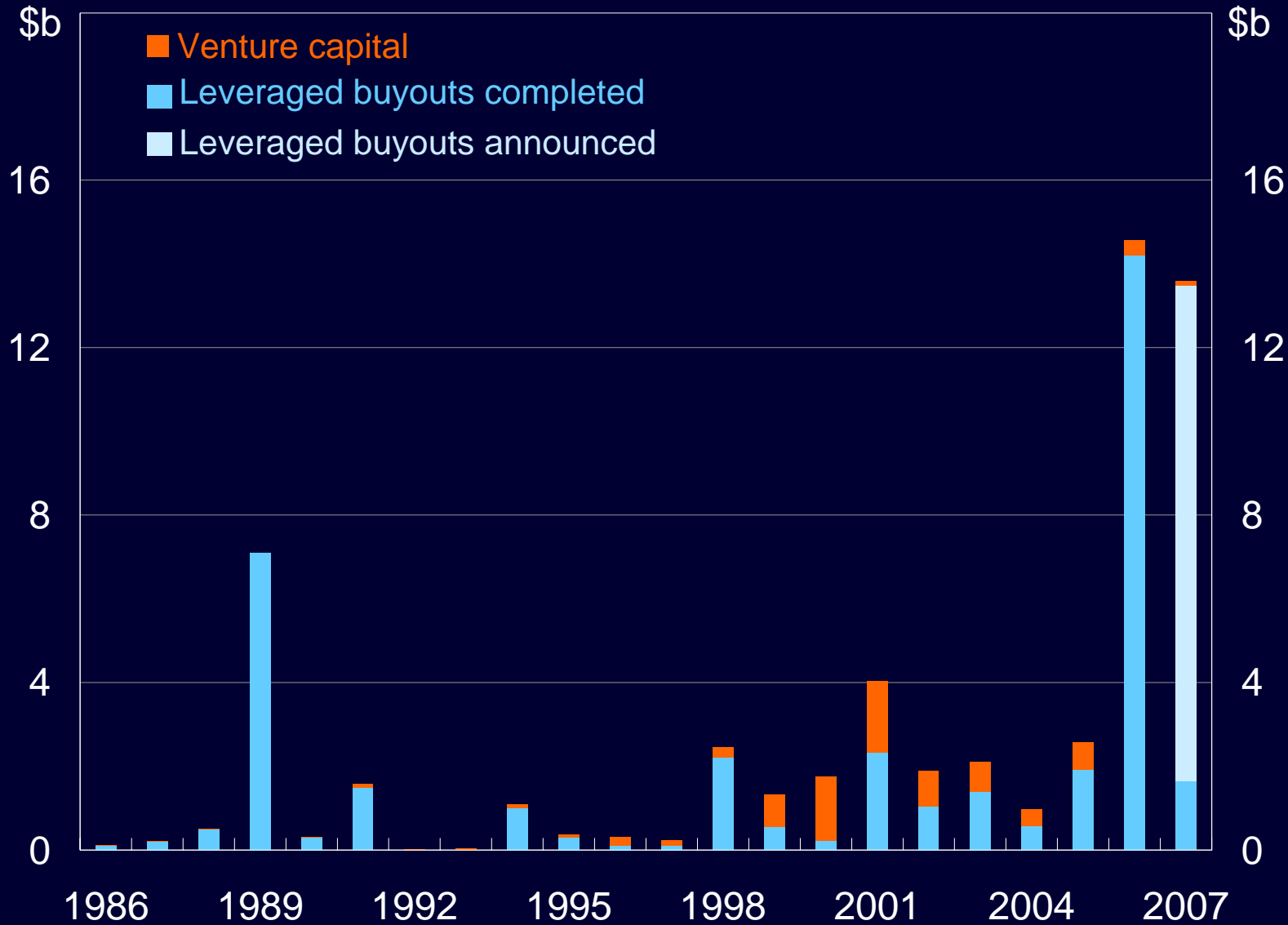


Global Investors in Leveraged Loans



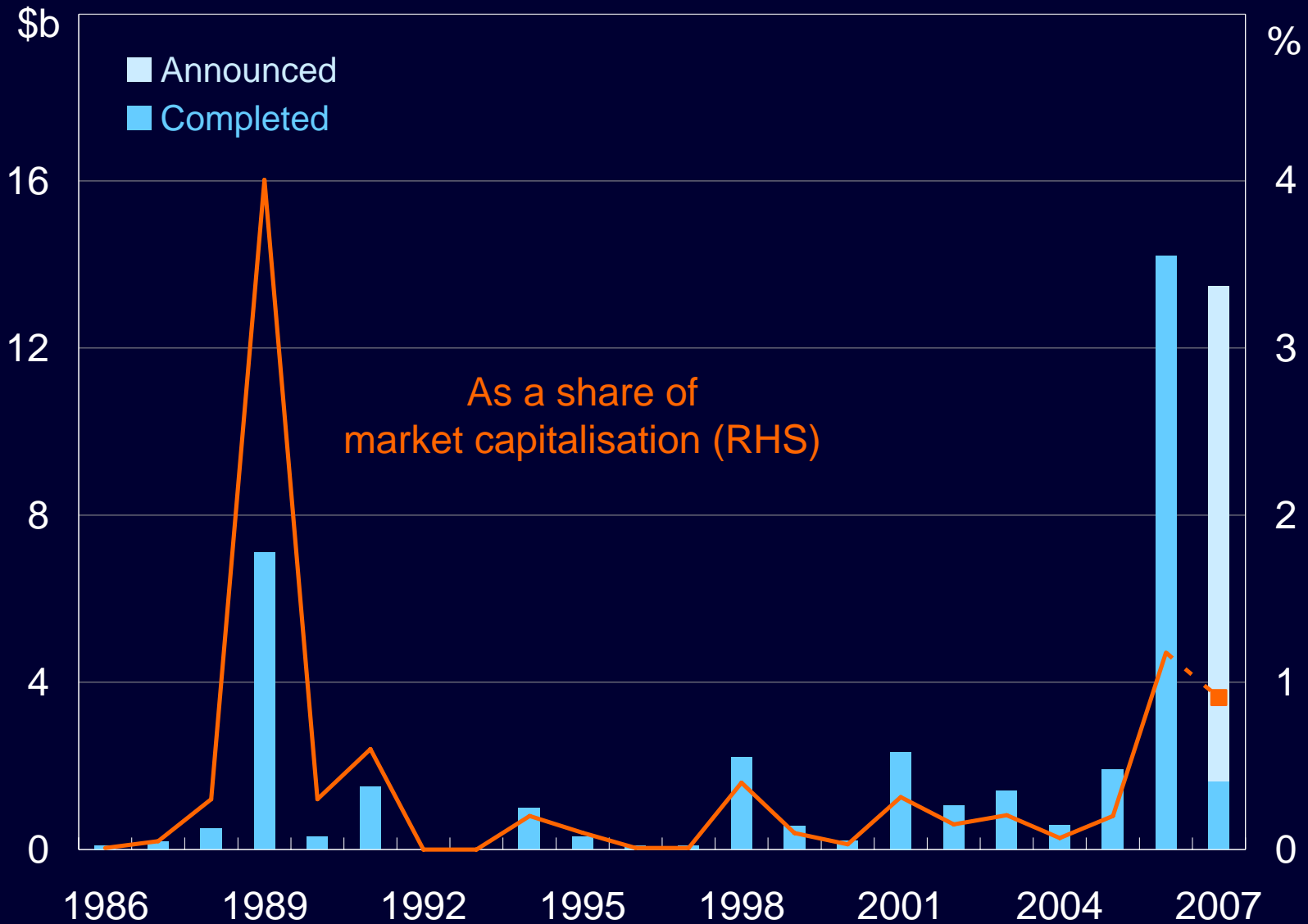
Private Equity Activity in Australia

Based on announcement date



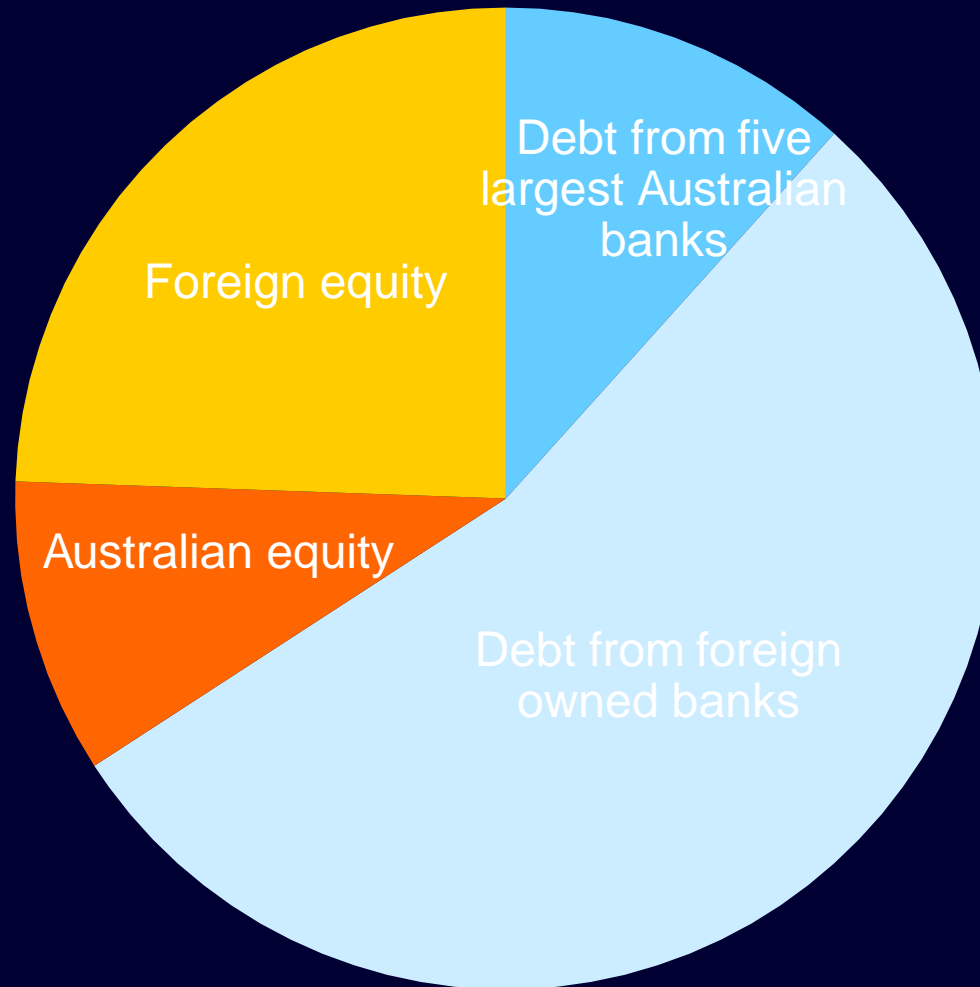
Leveraged Buyout Activity in Australia

Based on announcement date



RBA Estimates of Funding of Australian Leveraged Buyouts

Percentage of funding (5 years to 2006)

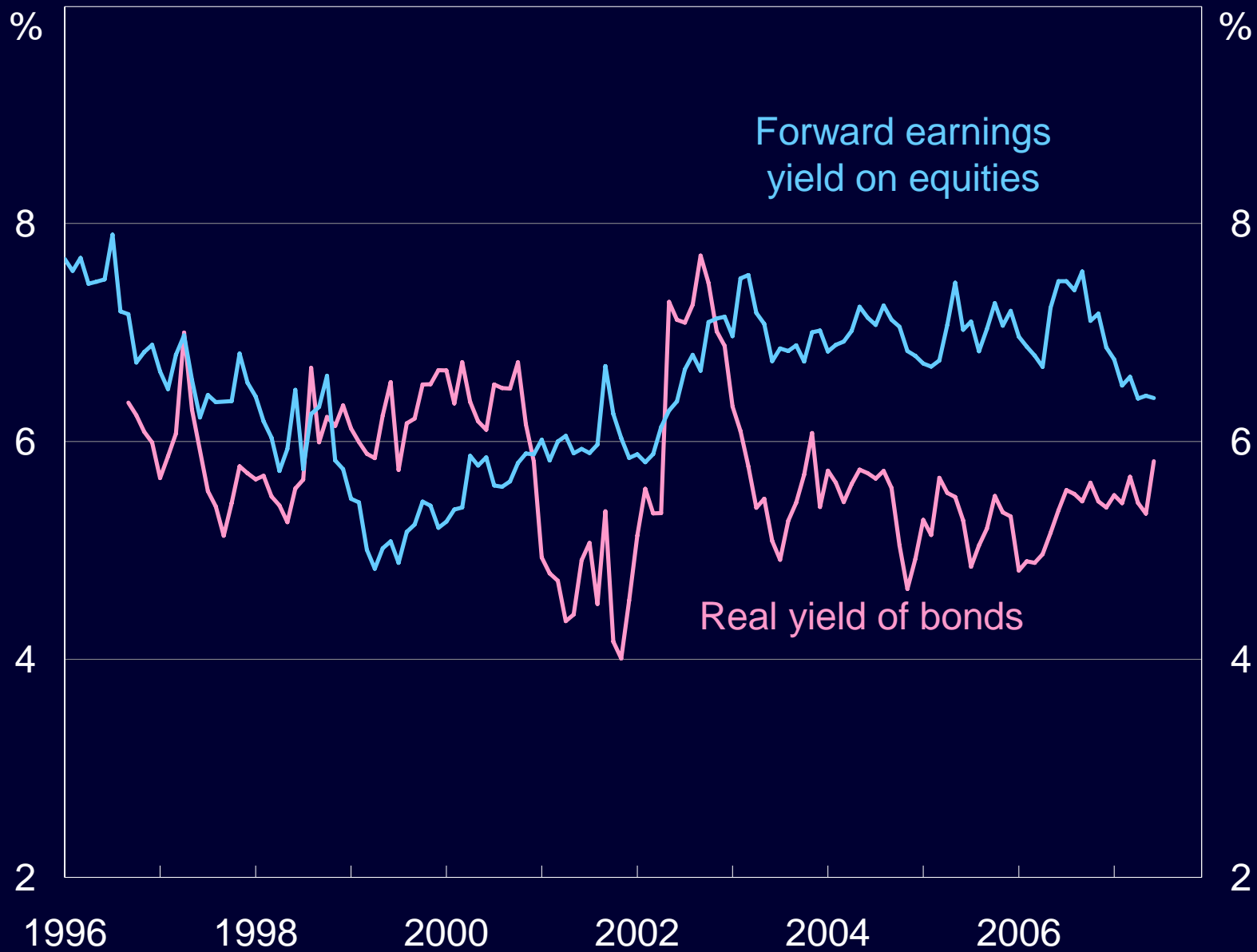


Superannuation Funds' Contribution to Private Equity Financing

Share of domestic equity funds committed

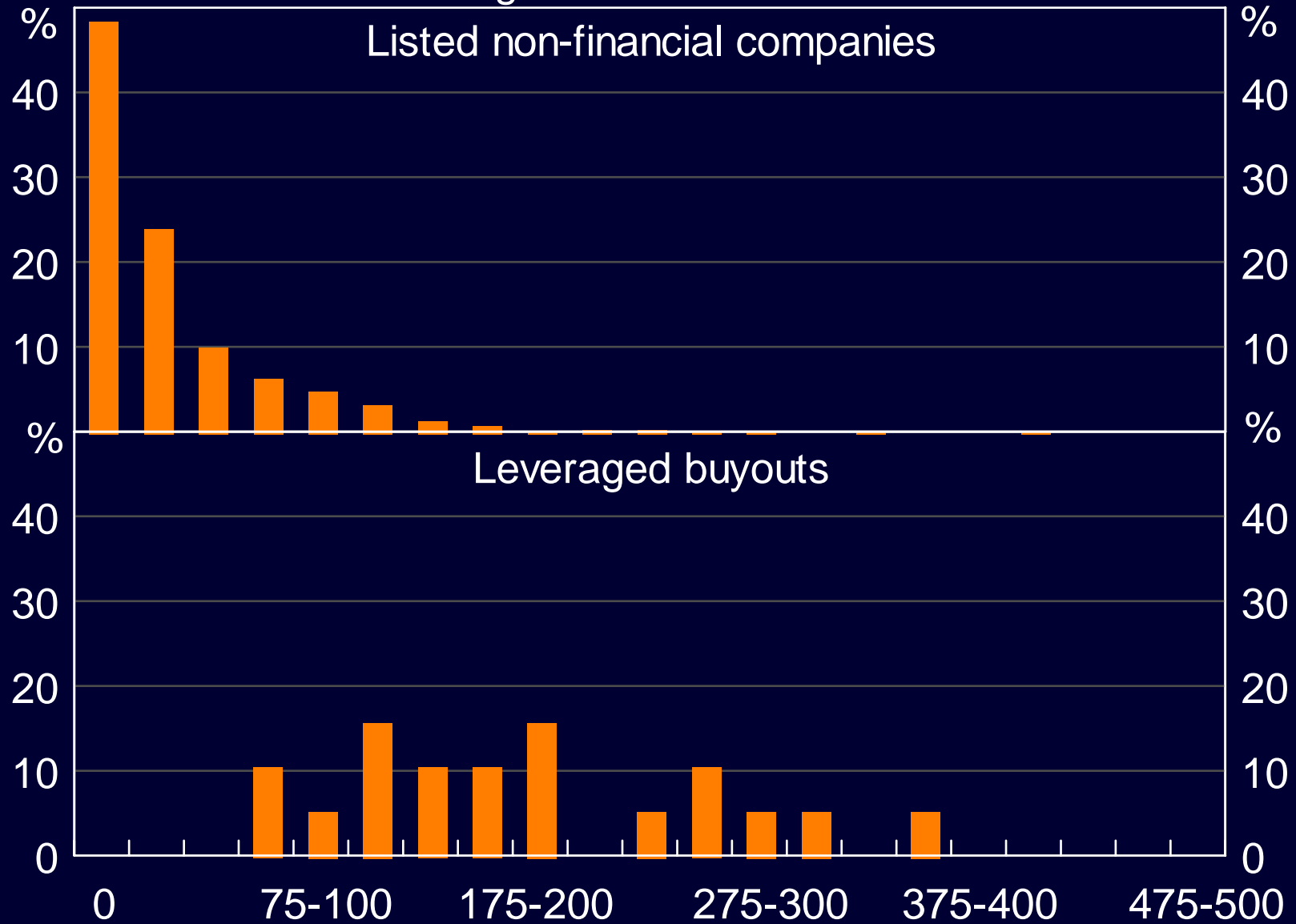


Australian Return on Equity and Cost of Debt



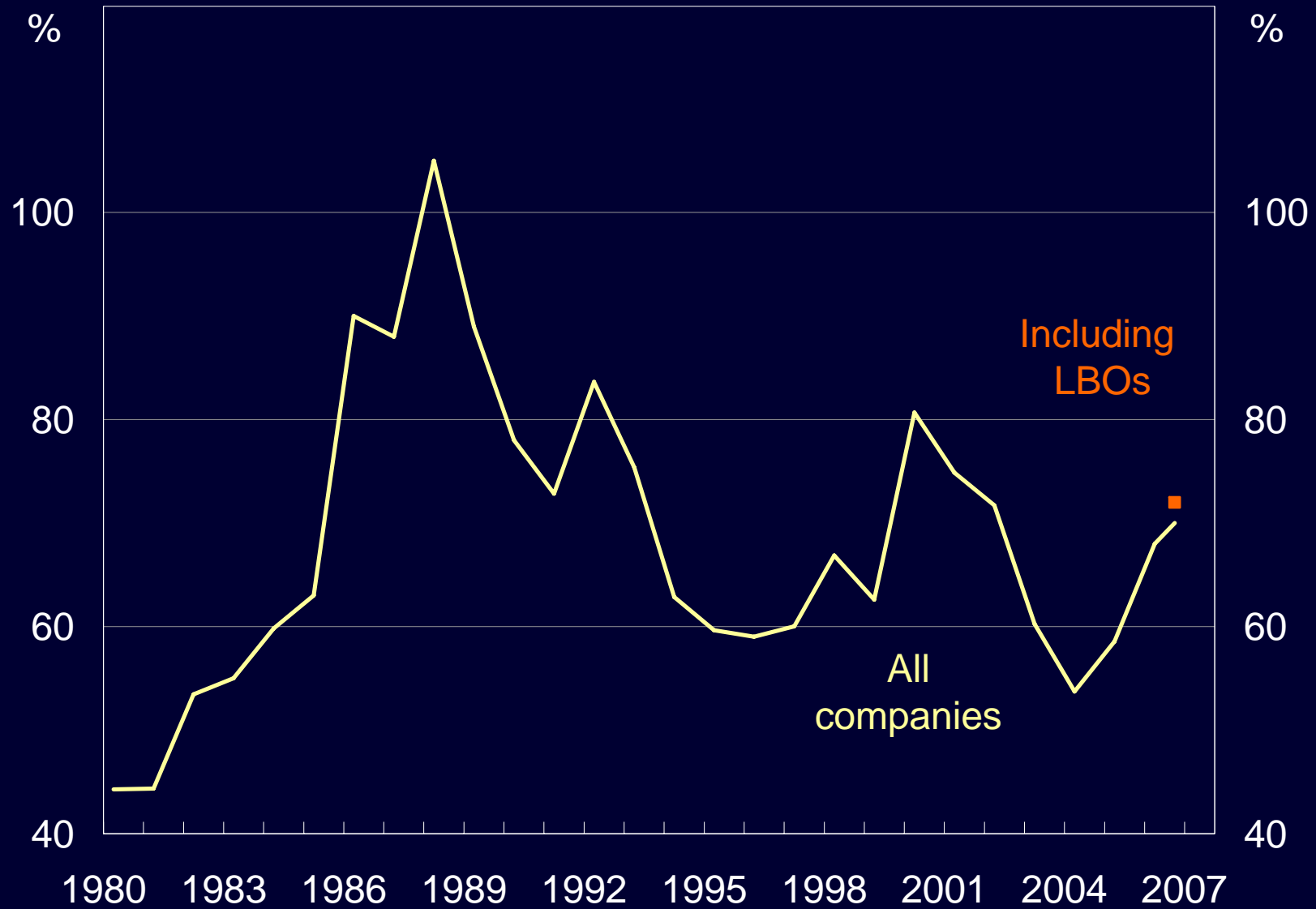
Distribution of Gearing Ratios

Percentage of total number of firms



Debt-to-equity Ratio

Listed non-financial corporates



Exits of Private Equity Investments

By exit method; share of value of investment; 5 years to June 2006

