

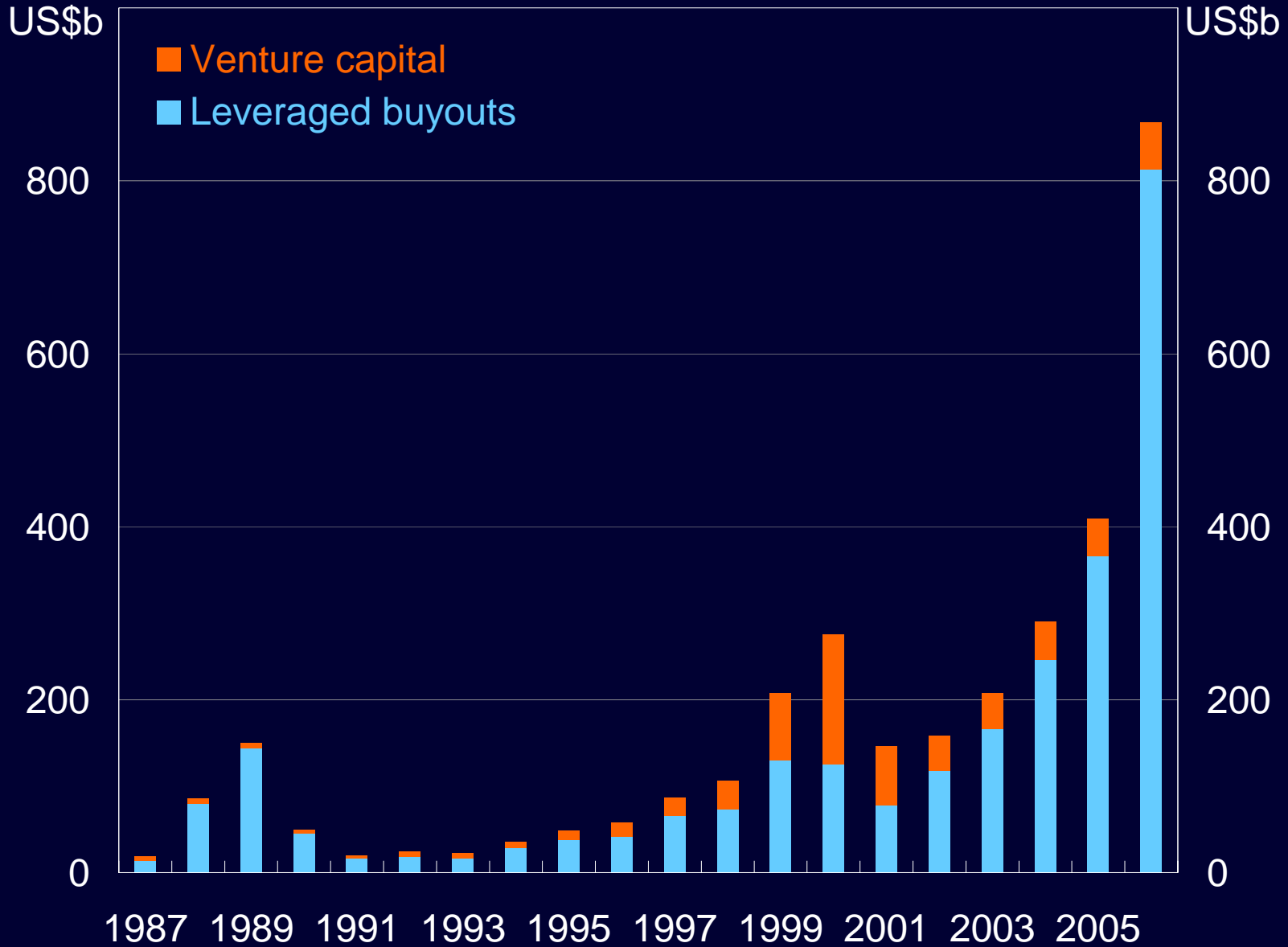
# **Senate Standing Committee on Economics**

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

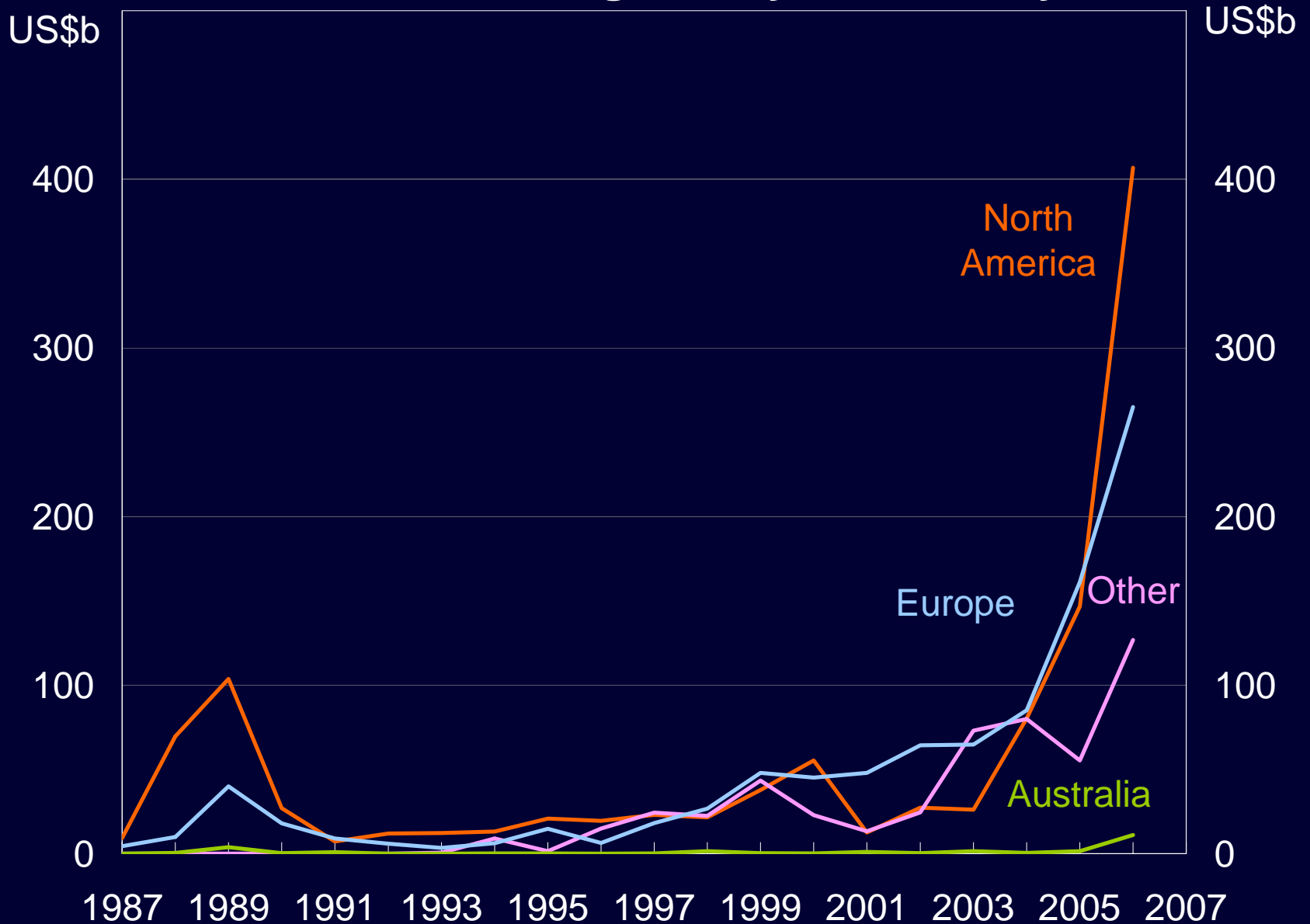
**Briefing by the Reserve Bank of Australia**

**Sydney, 25 July 2007**

# Global Private Equity Activity



# Global Leveraged Buyout Activity



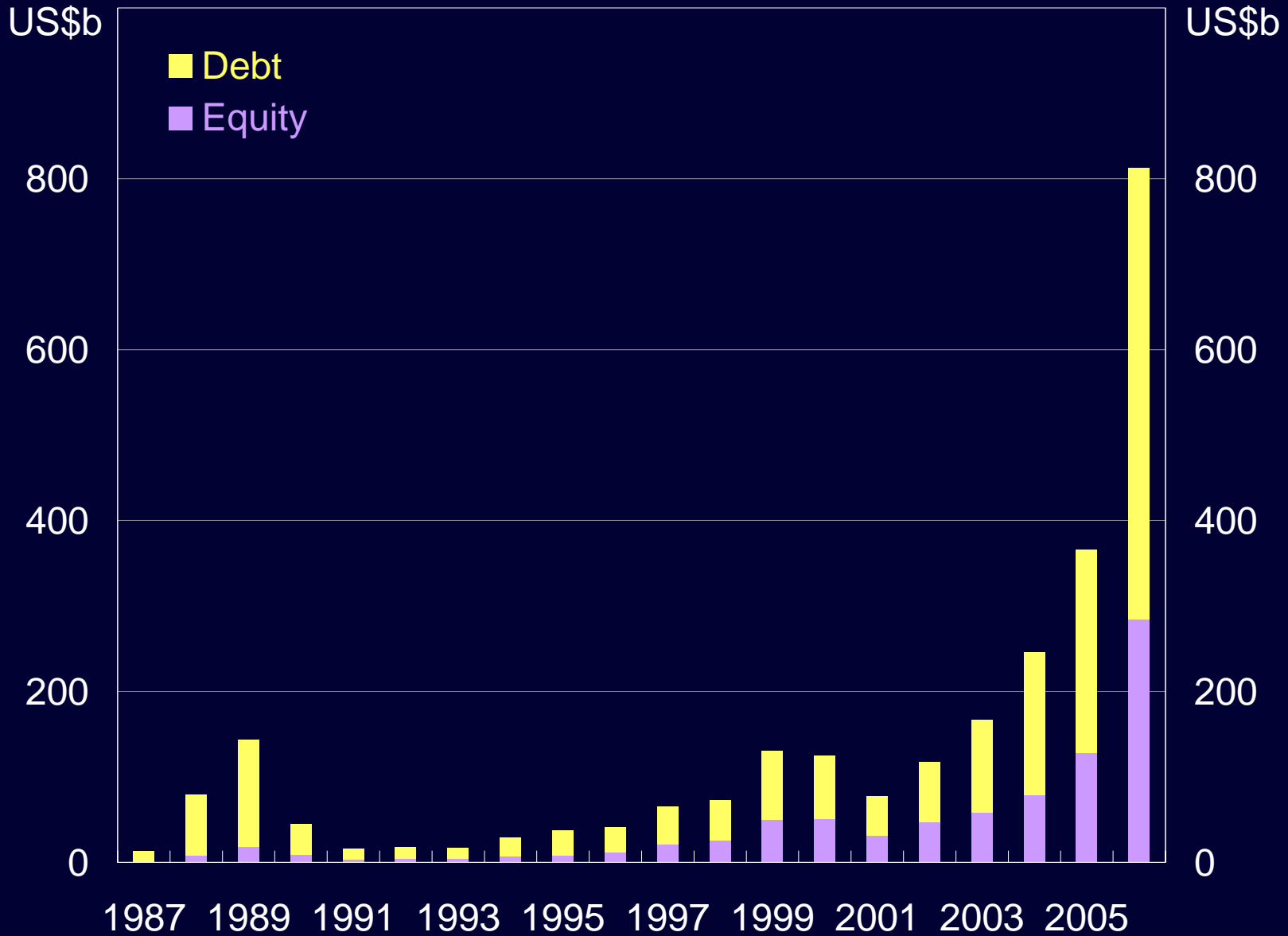
# Typical Capital Structure for Leveraged Buyouts

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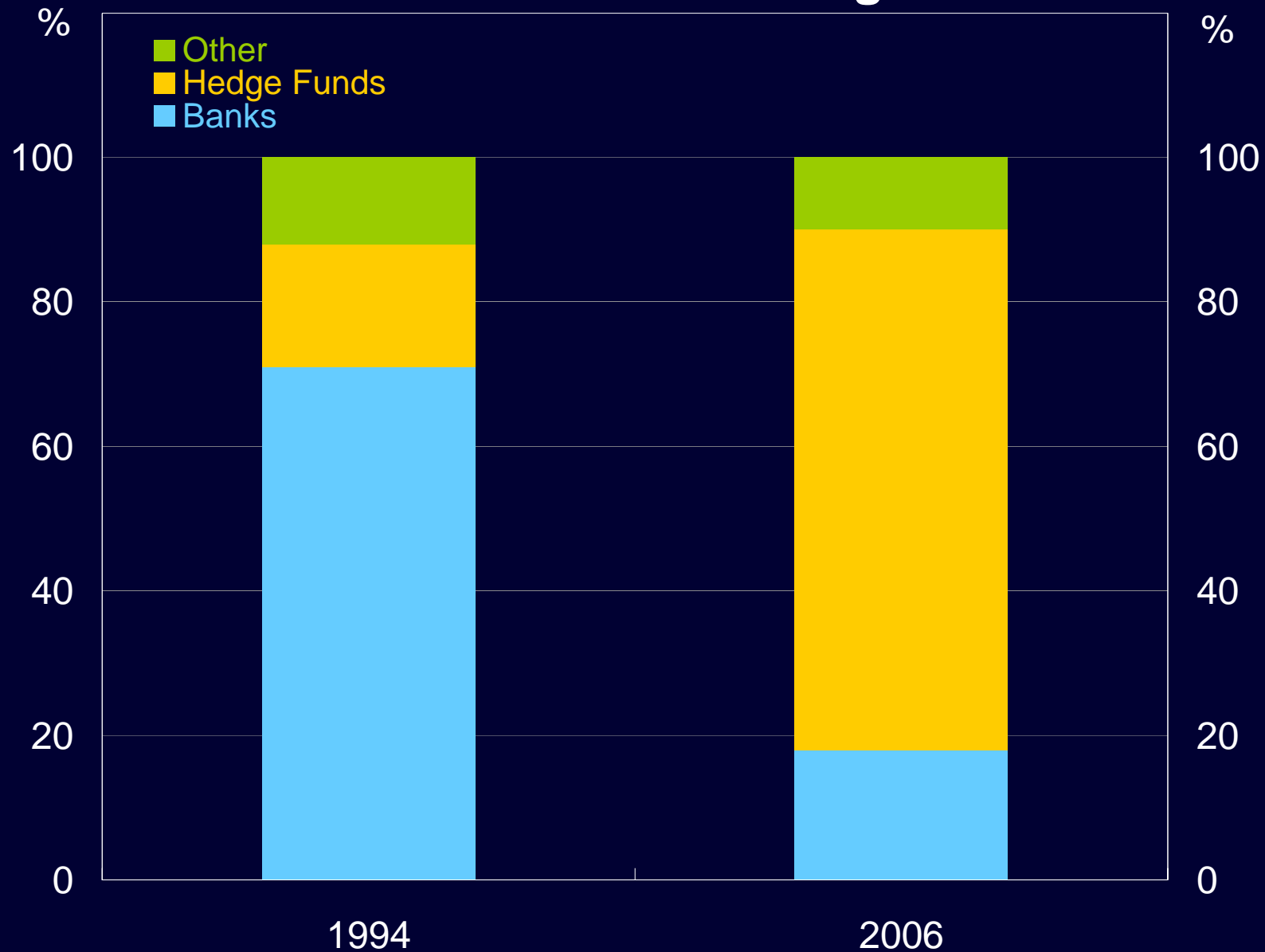
	Leveraged Buyouts Per cent of total capitalisation	Listed Company Per cent of total capitalisation
<b>Equity</b>	<b>30</b>	<b>60</b>
<b>Debt</b>	<b>70</b>	<b>40</b>
- Senior debt	50	
- Subordinated debt	10	
- Mezzanine debt	10	

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# Global Leveraged Buyout Activity

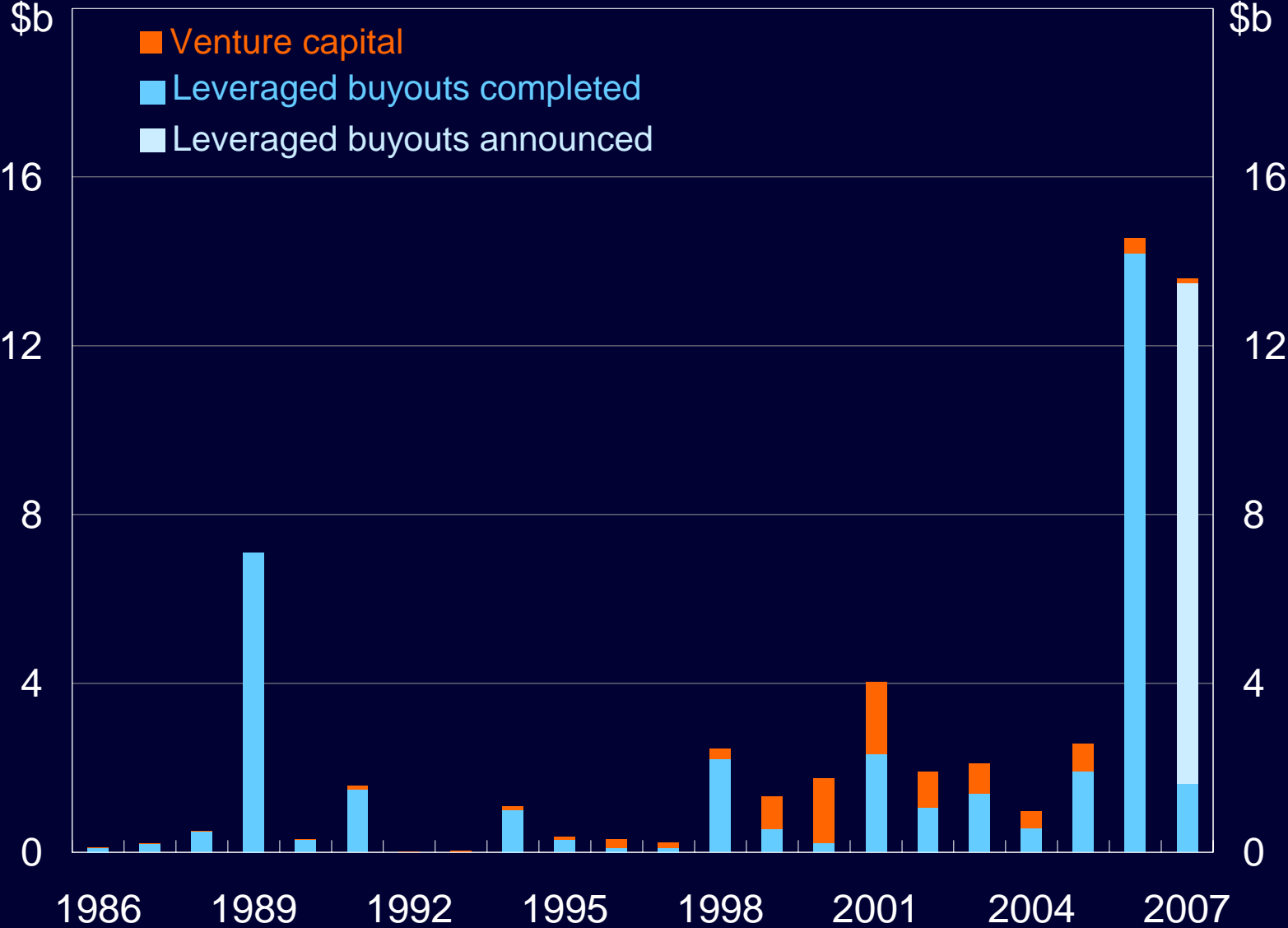


# Global Investors in Leveraged Loans



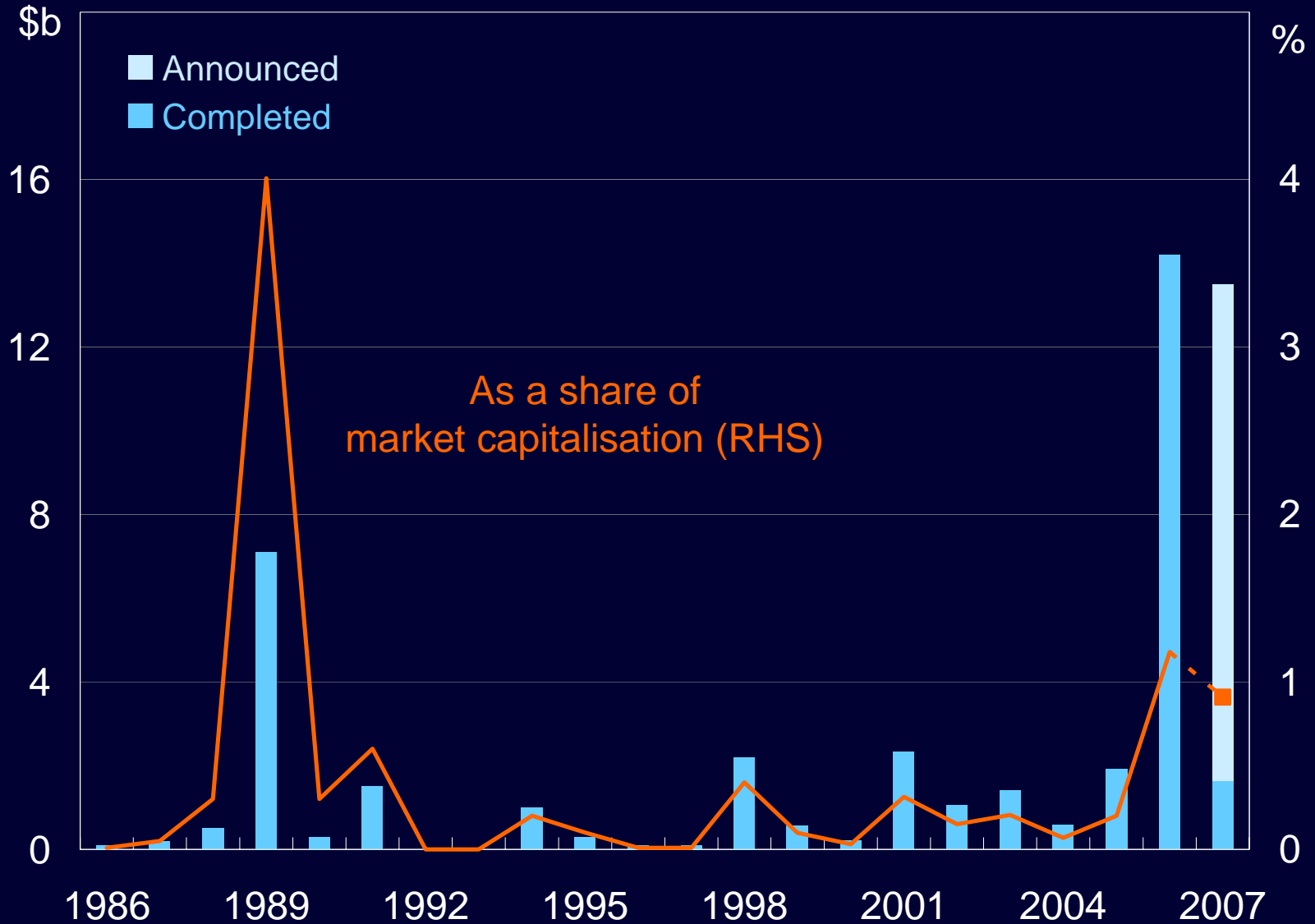
# Private Equity Activity in Australia

Based on announcement date



# Leveraged Buyout Activity in Australia

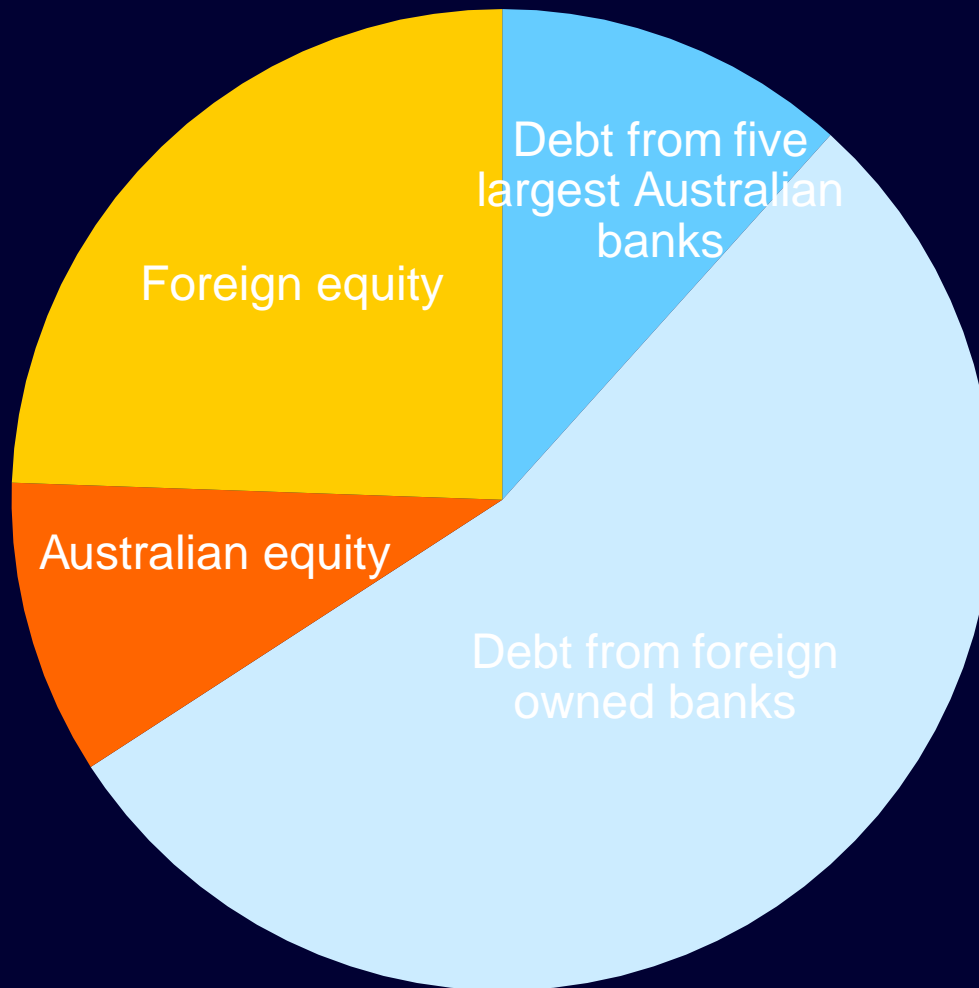
Based on announcement date





# RBA Estimates of Funding of Australian Leveraged Buyouts

Percentage of funding (5 years to 2006)

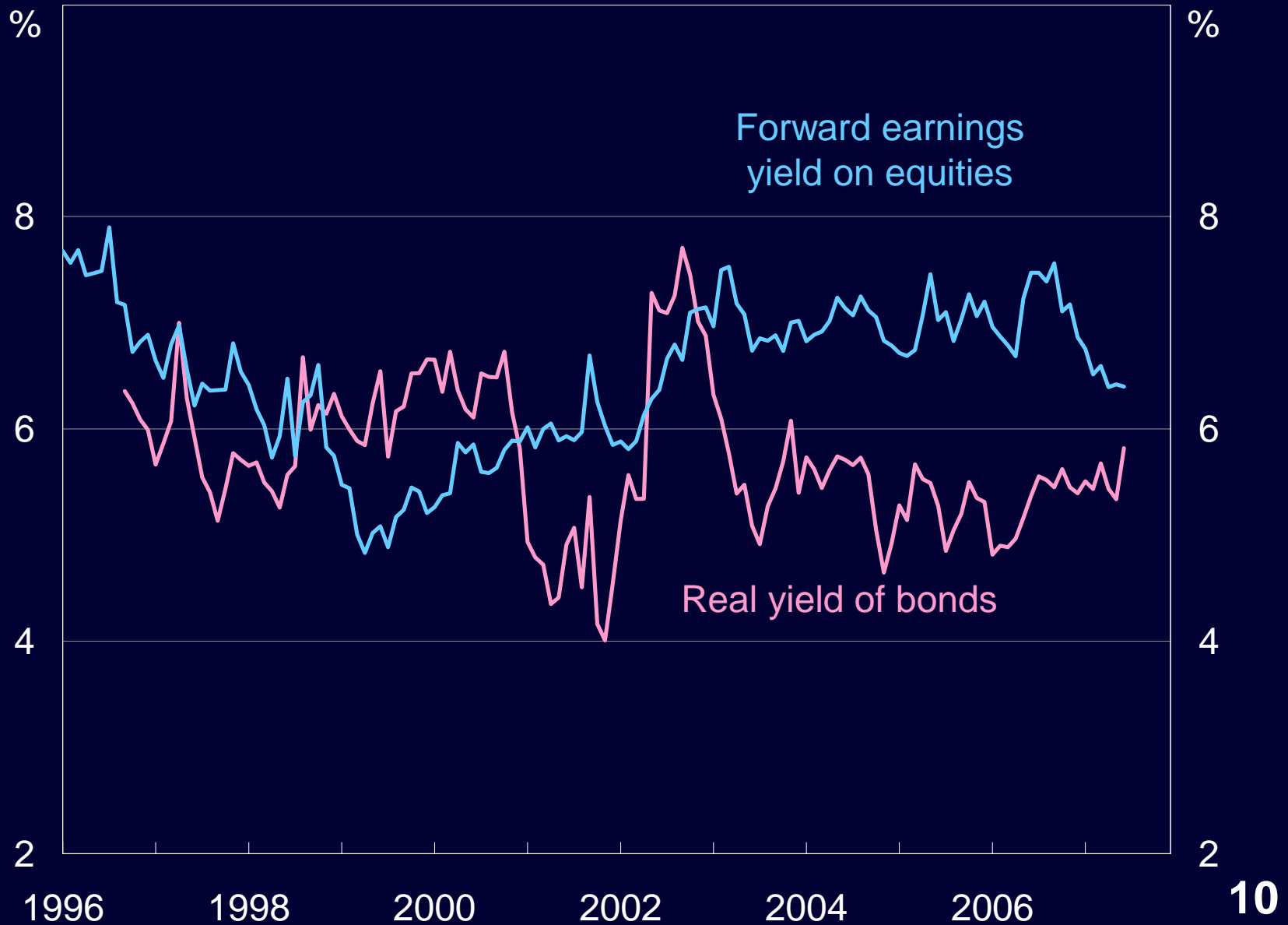


# Superannuation Funds' Contribution to Private Equity Financing

Share of domestic equity funds committed

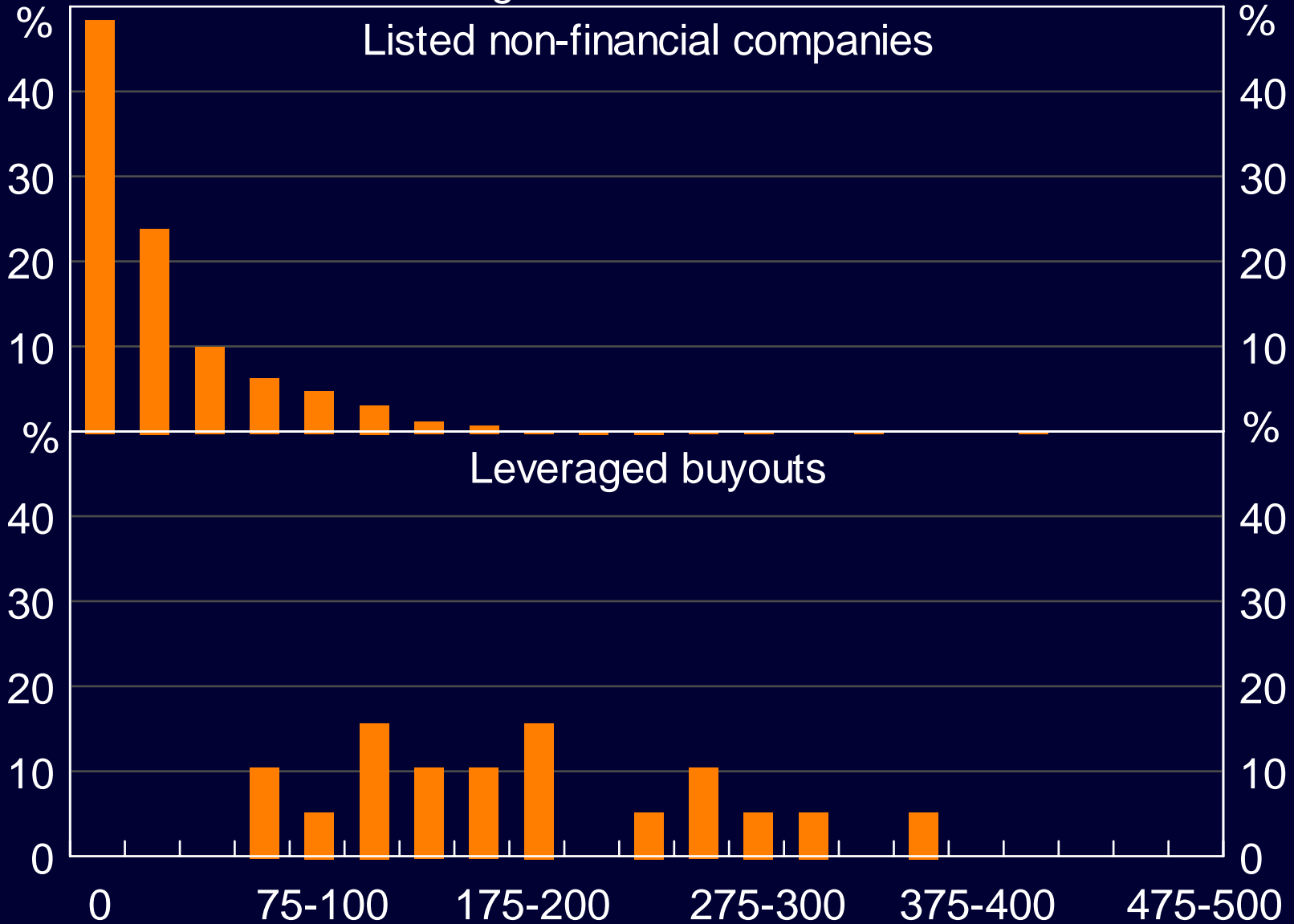


# Australian Return on Equity and Cost of Debt



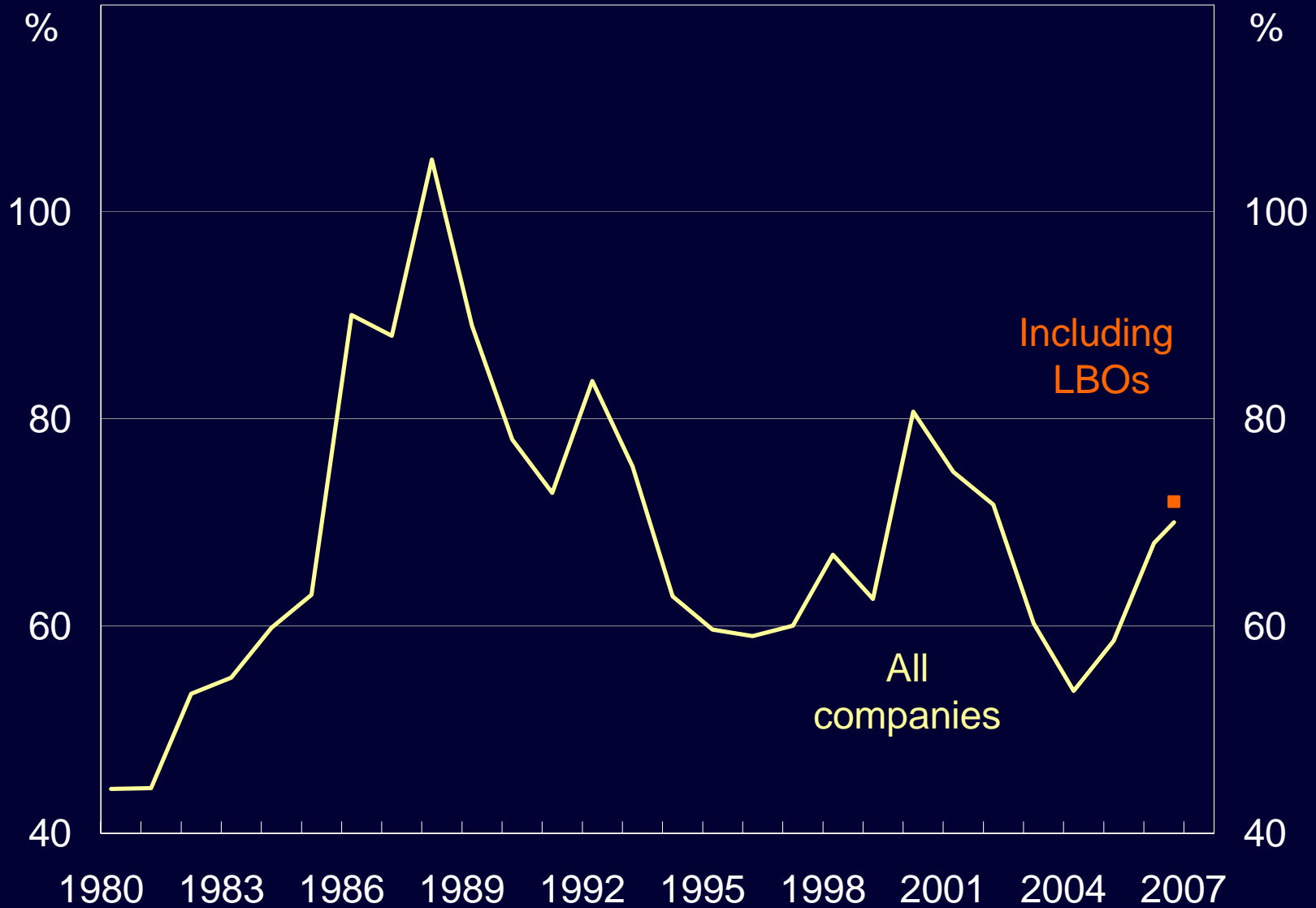
# Distribution of Gearing Ratios

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

