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Press release

**First-ever forward-looking ranking of private equity firms:
The HEC-Dow Jones Private Equity Fitness Ranking™
by Prof. Oliver Gottschalg**

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HEC Paris Professor Oliver Gottschalg has just published another landmark ranking for the Private Equity sector, drawing on a long-running academic study into the industry's performance drivers.

The HEC-Dow Jones Private Equity Fitness Ranking™ lists the Top 25 PE firms in terms of their competitive fitness, specifically, their expected ability to yield a superior performance over the next 5-10 years. With this ranking, Professor Gottschalg answers the question: *“Which firms are best positioned to generate strong long-term performance in the future?”*

Private equity is notorious for being opaque and access to any data continues to prove difficult. In particular, little is known about the most important performance drivers of the industry and the competitive positioning of the key private equity firms. In November 2009, HEC Paris and Dow Jones published the first-ever Private Equity Performance Ranking™ of global PE firms in the Wall Street Journal, Financial News and Private Equity News based on an innovative aggregated measure of past performance to identify and rank the top 10 GPs worldwide.

Now Oliver Gottschalg presents the second, complementary ranking that analyzes the world's leading PE firms in terms of their “competitive fitness”. It evaluates each firm's competitive positioning based on 10 different empirically validated criteria and then derives an overall future competitiveness score based on the historic link between firm performance and each of these criteria. Collectively, these criteria capture some of the most relevant drivers of value creation, including scale, quality of deal flow, ability to time debt and equity markets, and strategic positioning.

“This study builds on over 10 years of empirical research. Supported by the HEC Foundation, it sheds light on the fundamental success factors of a notoriously secretive industry and points to the PE Firms that are most likely to yield a superior performance even in a difficult economic environment”, says Professor Gottschalg.

Rank	Firm Name	Fitness Score (Standardized)
1	AXA Private Equity	3,10
2	CDC Entreprises Equity Capital (IXIS Equity Cap/Priv Equity)	3,07
3	Providence Equity Partners, Inc. (FKA: Providence Ventures)	2,68
4	Goldman, Sachs & Co.	2,46
5	TPG (FKA: Texas Pacific Group)	2,44
6	Oak Hill Capital Management, Inc.	2,40
7	Norwest Equity Partners	2,33
8	Madison Dearborn Partners LLC	2,14
9	Carlyle Group, The	2,11
10	Welsh, Carson, Anderson & Stowe	2,00
11	3i Group PLC	1,89
12	Warburg Pincus LLC	1,78
13	Apax Partners Worldwide	1,66
14	GMT Communications Partners, Ltd.	1,63
15	Parcom Capital (FKA: Parcom Ventures BV)	1,62
16	AIG Capital Partners	1,45
17	Barclays Private Equity, Ltd.	1,31
18	Kohlberg, Kravis, Roberts & Co. (AKA: KKR)	1,29
19	Charterhouse Capital Partners LLP	1,27
20	Hellman & Friedman	1,15
21	Bain Capital	1,09
22	American Capital, Ltd. (FKA: American Capital Strategies)	0,96
23	Odyssey Investment Partners, LLC	0,95
24	Thomas H. Lee Partners (AKA: TH Lee Partners)	0,75
25	TowerBrook Capital Partners L.P. (FKA: Soros Private Equity)	0,68

Oliver Gottschalg is associate professor of strategy and business policy at HEC Paris. He serves as academic director of the TRIUM Global Executive MBA, director of the Entrepreneurship Track in the HEC MBA program and teaches courses on strategy, entrepreneurship, business plan design and management buyouts. His current research focuses on the strategic logic and the performance determinants of private equity investments.

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Press Contact, HEC Paris: Elisabeth de Réals +33 1 39 67 94 23 dereals@hec.fr