



Riverside

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STRONG 2010 POSITIONS RIVERSIDE FOR SURGE IN 2011

Firm Expands Funds, Completes 35 Transactions For the Year

The Riverside Company had a successful 2010 that ended with a record-setting December, positioning the firm for another year of growth for its portfolio and investments. As the lending market slowly thawed and the buyout market gradually recovered, Riverside had one of the best years in its history, highlighted by 24 acquisitions, 11 exits that provided significant returns to investors, and continued global expansion – including opening the firm’s first Australian office.

Riverside’s Co-CEOs Stewart Kohl and Béla Szigethy were delighted with the performance of the firm in another challenging year.

“The well-worn path pursued by high-quality private equity firms is to do bigger and bigger deals using more and more leverage. For 23 years, we’ve been bushwhacking on a trek through the dense but rich jungle of smaller deals. Instead of bigger and bigger, our mantra is more and more small deals in more geographies that are hospitable to our flavor of investing, done better and better with increasing resources. And in 2010, we and our investors reaped the benefits of this contrarian approach,” said Kohl. “Our 195-strong team delivered in terms of successful realizations, exciting new investments, strong portfolio company and fund performance and continued fundraising. We enter this year with great conviction around our unique model and with a strong pipeline of deals predicting a rich 2011.”

“With \$175 million of Riverside equity already slated to be invested during the first quarter alone, 2011 looks very exciting,” said Szigethy. “Value multiples are ticking up across all fund families as portfolio companies continue to improve both sales and earnings. Most importantly, we expect to sell 10 companies this year, thereby generating significant cash returns to our investors, continuing the strong momentum from 2010 when we generated \$634 million from realized gains – the highest amount in our history.”

Riverside bolstered its longtime reputation for being among the most active private equity firms in the world in 2010, completing the 300th overall transaction in the history of the 23-year-old company. Additional Riverside highlights for 2010 included:

- Once again increasing the value of its global portfolio year-over-year.
- Opening an office in Melbourne, Australia to support the growth of the Riverside Asia-Pacific Fund I (RAF I). The office has already completed two platform acquisitions.
- Growing geographically and making the firm’s first investments in Australia, France, Italy, Spain and Turkey.
- Generating \$634 million via 11 exits that resulted in a cash-on-cash return of 3.0x and a combined IRR of 21%. Among the exits were four of the 10 largest gains in Riverside’s history – Veritext, Commonwealth Laminating & Coating, Teufel GmbH, The Dwyer Group.
- Closing 24 acquisitions, including 13 platforms.
- Closing Riverside Europe Fund IV at €420 million.

- Closing Riverside Asia-Pacific Fund I at \$28 million.

Riverside's 2010 acquisitions included the firm's 20th training & education investment and its 50th healthcare investment. After nearly hundreds of investments, the firm is a proven generalist, but has developed specializations in select industries such as healthcare, training & education, franchising, and software.

Coming off of the busiest December in the firm's history, Riverside is poised for another remarkable year, further geographic expansion, continued portfolio growth and more shared success for investors.

The Riverside Company (<http://www.riversidecompany.com> or <http://www.riversideeurope.com>)

The Riverside Company is a global private equity firm focused on acquiring growing enterprises valued at up to \$200 million (€200 million in Europe). The firm partners with strong management teams and enhances its investments through acquisitions and organic growth. Since its founding in 1988, Riverside has invested in more than 245 transactions with a total enterprise value of more than \$5.8 billion/€4.7 billion. The firm's portfolio in North America, Europe and the Asia-Pacific region includes 73 companies with roughly 13,000 employees. Riverside completes acquisitions smoothly thanks to \$3.2 billion/€2.4 billion in assets under management, more than 195 professionals in 19 offices, and longstanding relationships with partner lenders.

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