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**RIVERSIDE HAS PRETTY DARN GOOD 2009**  
*Firm Bucks Global Economic Trends*

Riverside thrived in 2009, rather than just survived. During a year that many would prefer to forget, the Riverside Company prospered despite the worldwide turbulence in 2009. The year saw the international private equity firm close on its largest fund ever, increase the value of its portfolio, complete 15 acquisitions, and exit four platforms, including the 50<sup>th</sup> realization in Riverside's 22-year history.

Highlights of 2009 for Riverside include:

- Joining a very small class of LBO firms with 50 or more realizations. Riverside's 50 exits over more than 20 years generated a combined gross IRR of 55% and a gross cash-on-cash return of 3.6x.
- Closing fundraising at \$1.17 billion for Riverside Capital Appreciation Fund V, well above its \$900 million target in a year that saw LBO fundraising decline 73% overall.
- Completing 15 total acquisitions (six platforms and nine add-ons) and put \$200 million to work.
- Exiting four companies for a total equity gain of \$305 million.
- Increasing the value of its portfolio by 6.5% (as of September 2009) despite strong headwinds.

Thanks to deal flow that actually exceeded the level achieved in 2008, Riverside was one of the most active firms in the world last year. The firm's 15 acquisitions helped it conclude the year with 70 platform companies in its global portfolio. The six new platforms include (in order of acquisition):

- [Sencore](#), a South Dakota-based designer and manufacturer of a variety of products serving the global video, audio and data transmission industries.
- [Kaul](#), a German firm that makes anti-sticking and polishing agents used by the confectionary, agricultural and pharmaceutical industries.
- [Crioestaminal](#), a Portuguese provider of umbilical cord blood preservation services.
- [FairPay](#), a Texas-based reviewer and auditor of workers' compensation bills.
- [Precision Wire Components](#), an Oregonian designer and manufacturer of medical guidewires for use in a variety of non-invasive procedures.
- [PharmMD Solutions](#), a medication therapy management firm based in Tennessee.

It is notable that the last four of these companies work in the healthcare sector, an area of increased focus for Riverside in recent years. Riverside continues to hone its skills as a generalist acquirer while building specializations in select areas such as healthcare and training and education.

Riverside exited four companies in 2009, including:

- Nordco, a railway maintenance-of-way firm based in Wisconsin.
- Hudson-Sharp, a manufacturer of plastic-bag making machinery based in Wisconsin.
- AIS Group, a German provider of IT and technology solutions principally for the steelmaking industry.
- ATI Enterprises, a career-training institution based in Texas with campuses throughout the Southwest.

## Quotes:

*Béla Szigethy, Riverside Co-CEO*

“It was certainly a challenging 2009, but we’re pleased with Riverside’s performance. It’s especially gratifying to have sold four companies during this most difficult environment for exits. Over the past 22 years, Riverside has returned over \$1.9 billion to our investors while remaining true to our core strategy of focusing exclusively on the smaller end of the middle market.”

*Stewart Kohl, Riverside Co-CEO*

“In 2009, Riverside professionals and management teams around the world worked tirelessly in the face of daunting economic realities. As a result, our investors actually saw the value of their investments in all of our funds go up during the year, and we were able to return more cash to our investors than we called from them. We’ve weathered the storm, and we’re looking forward to the coming year.”

**The Riverside Company** ([www.riversidecompany.com](http://www.riversidecompany.com) or [www.riversideeurope.com](http://www.riversideeurope.com))

The Riverside Company is a global private equity firm focused on acquiring leading small and medium-sized enterprises (with a value of up to \$150 million) and partnering with strong management teams to enhance the success of its companies through acquisitions and organic growth. Since its founding in 1988, the firm has invested in 223 transactions with a total enterprise value of \$5.0 billion/€4.2 billion. The investment portfolio in North America, Europe and Asia includes 70 companies with annual sales totaling \$3.3 billion/€2.5 billion, EBITDA of \$506 million/€384 million and more than 13,000 employees (June 2009). Riverside offers the resources to complete acquisitions smoothly - thanks to its more than \$3.0 billion/€2.4 billion in assets under management, its more than 180 professionals in 18 offices (Atlanta, Brussels, Budapest, Chicago, Cleveland, Dallas, Hong Kong, Los Angeles, Luxembourg, Madrid, Munich, New York, Prague, San Francisco, Seoul, Stockholm, Tokyo and Warsaw) and its longstanding relationships with partner lenders. According to Thomson Venture Economics, eight of Riverside’s nine mature funds rank in the top 25% of all funds (as of 30 June 2009). The firm’s investors include the world’s leading pension funds, endowments, funds of funds, insurance companies and banks.

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