

## **Madison Dearborn raises capital in Australia**

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Major US private equity firm Madison Dearborn Partners has raised about \$150 million in Australia for a US\$6 billion fund to invest in buyouts in the US.

The Australian capital was raised from four investors believed to be large superannuation funds with well established private equity programs.

Chicago-based Madison Dearborn Partners will invest the fund in mid-market and larger buyout transactions. That will probably mean deals with enterprise values of no less than US\$500 million in the current market.

The fund raising was led in the US by placement agency Monument Group and in Europe by Helix Associates. Helix organised an allocation to Australia through its local partner, Principle Advisory Services.

Les Fallick, managing director of Principle, said the investments marked a key stage in the development of private equity investing by Australian super funds. Local super funds had not had much opportunity to invest in the world's most active private equity market in the past and this was a window of opportunity which was only available for a short time.

Mr Fallick said the decision to make a specific allocation to Australia showed the US market now recognised Australia as an market for fundraising as well as investing.

In the current strong fund raising market in the US and Europe there would have been no need for the fund manager to look further afield for investors so he believes Madison Dearborn was mainly interested in forming relationships with new investors for even larger future funds, in addition to spreading investment risk.

Mr Fallick said he believed a number of other US funds were also interested in raising funds in Australia.