



PSERS PRIVATE INVESTMENT PROGRAM

Recommendation for Investment in Providence Equity Partners VI L.P.

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PROVIDENCE EQUITY PARTNERS VI L.P.

OVERVIEW

Providence Equity Partners Inc. ("Providence" or the "Firm") is the world's leading private equity firm specializing in the media, entertainment, communications and information services industries. During its 23-year history, Providence has raised and managed approximately \$9 billion of committed capital, invested in over 100 companies and generated a gross compounded annual rate of return of 144% on all investments. With offices in Providence, London, and New York, the Firm has 45 investment professionals (the "Professionals") with over 350 years of experience investing in media, entertainment, communications and information services companies. Providence is forming Providence Equity Partners VI L.P. ("Providence VI") with targeted committed capital of \$8 billion. The Professionals will commit to participate in Providence VI's investment program in an amount equal to at least \$250 million.

Providence VI will have a similar strategy to that of Providence Equity Partners V L.P. (together with related entities, "Providence V"), a \$4.3 billion fund that was raised in 2004 and is currently 92% committed; Providence Equity Partners IV L.P. (together with related entities, "Providence IV"), a \$2.8 billion fund that was raised in 2000; Providence Equity Partners III L.P. (together with related entities, "Providence III"), a \$950 million fund that was raised in 1998; Providence Equity Partners L.P. (together with related entities, "Providence II"), a \$363 million fund that was raised in 1996; and Providence Media Partners L.P. ("Providence I"), a \$171 million fund that was raised in 1991 (collectively referred to as the "Prior Funds"). Providence VI is expected to share many of the characteristics of the Prior Funds, building upon Providence's substantial industry expertise and relationships.

Providence VI will target individual investments of \$150 million to \$800 million in approximately 15 to 20 companies. As with the Prior Funds, Providence VI will typically acquire either a controlling interest or a non-controlling interest accompanied by certain negative control features and board representation in its portfolio companies. For the Prior Funds, a member of Providence's investment team served on the board of directors in over 90% of Providence's 100+ portfolio companies. Providence works closely with the management teams of its portfolio companies to develop and execute strategies to substantially increase value. Providence has invested in the following segments of the media, entertainment, communications and information services industries: wireless telephony and data, broadband providers, cable television content and distribution, motion picture content and distribution, satellites, incumbent telephony, local exchange telephony, radio and television broadcasting, publishing/print media, recorded music and music publishing, Internet content and infrastructure, alternative media, education, marketing services, business outsourcing providers, transaction processing services and other sectors. Providence VI will continue to seek investment opportunities in these and other attractive segments of Providence's target sectors.

Providence Funds

Providence V	\$4,259 million committed capital / \$2,680 million total portfolio value
Providence IV	\$2,764 million committed capital / \$6,162 million total portfolio value
Providence III	\$950 million committed capital / \$1,529 million total portfolio value
Providence II	\$363 million committed capital / \$1,605 million total portfolio value
Providence I	\$171 million committed capital / \$835 million total portfolio value
Providence Growth	\$276 million committed capital / \$353 million total portfolio value
Other Prior Funds	\$199 million total portfolio value

The Firm's headquarters in Providence, Rhode Island is the home base for 20 Professionals as well as the Firm's entire accounting team. The Firm also has offices in London and New York. The Firm's London office was established in 1999 and has 16 Professionals. The Firm's New York office was established in 2003 and has nine Professionals. The Firm has 91 employees in total.

CONCEPT/STRATEGY/DISCIPLINE

Investment Strategy

Providence VI will employ similar investment strategies to those followed successfully in the Prior Funds. Providence VI will continue to specialize in media, entertainment, communications and information services transactions, targeting opportunities with attractive industry fundamentals and appropriate risk-adjusted rates of return.

Providence expects that Providence VI will have a larger average investment size than Providence V. Providence also expects that Providence VI will invest in a greater number of portfolio companies than Providence V. This growth is supported by the ongoing expansion in the number of Providence investment professionals. At present, Providence V has 13 commitments and a mean commitment size of approximately \$340 million.

Other key components of the Firm's strategy include:

- *Carefully Target Opportunities.* The Firm will continue to target opportunities typically exhibiting one or more of the following characteristics:
 - Leveraged Buyouts. The acquisition of businesses with a history of strong cash flow generation, cost rationalization opportunities, and defensible market positions (past examples include Casema N.V., eircom Ltd., Kabel Deutschland GmbH, Metro-Goldwyn-Mayer Inc., PanAmSat Holding Corp., ProSiebenSat.1, Digiturk and TDC);
 - Growth Capital. Existing companies that require equity to support or accelerate business growth or the creation of new companies utilizing proven business models and experienced management teams (past examples include MetroNet Communications Corp., Brooks Fiber Properties, Inc., Song Networks Holding A.B., VoiceStream Wireless Corp., Western Wireless Corp., Yankees Entertainment and Sports Network, LLC and Education Management Corp.);
 - Consolidations. The consolidation of multiple operating properties into larger entities with better access to capital, management resources and exit opportunities (past examples include American Cable, Verio, Nextel (Powerfone Holdings) and Grupo Corporativo Ono);

- Undermanaged Companies/Turn-Arounds. Undermanaged or turn-around situations where the company would benefit from new management provided either by one of the Firm's operating partners or by other outstanding managers (past examples include Language Line, American Cellular, Mountain States Cable Television, Warner Music Group and Univision Communications, Inc. (pending).
- *Lead Transactions.* As with the Prior Funds, Providence VI typically will originate and serve as a lead/co-lead investor or sole investor. For the Prior Funds, a member of Providence's investment team served on the board of directors in over 90% of their collective 100+ portfolio companies.
- *Actively Work with Portfolio Company Management.* Consistent with its practice in the Prior Funds, the Firm expects to work closely with management in formulating the strategies of the portfolio companies. Since Providence specializes in media, communications and information services investing, its views on major strategic matters are sought out by management and other board members.
- *Pursue Follow-On Investments.* When a portfolio company is achieving or exceeding its objectives, or when operating management has identified new opportunities for growth, the Firm may seek to make one or more follow-on investments in that company.
- *Build a Diversified Portfolio.* As with the Prior Funds, it is expected that Providence VI will invest in a broad range of media, entertainment, communications and information services companies. Certain sectors follow distinct economic cycles and may have different prospects at any given point in time. Consequently, the relative valuations of these sectors are not synchronous. It is expected that the Fund's portfolio also will be diversified geographically.
- *Implement Appropriate Financial Structures.* The Firm will continue to structure transactions with a focus on moderating risk while achieving attractive equity returns. The Prior Funds frequently structured investments with downside investment protection by purchasing securities that offered preferred returns and liquidity preferences. Moreover, it is expected that investments typically will be structured to produce liquidity over a reasonable time frame.
- *Require Management to Purchase Significant Equity Stakes.* The Firm generally requires portfolio company management teams to have or to acquire an ownership stake in the business that is financially significant to them personally. In addition, strong equity incentives are employed so that management teams can expect to be well rewarded financially if transactions are successful for Providence VI.

The Firm seeks industry niches in which the Firm believes it possesses a competitive advantage in assessing investment opportunities. In addition, the Firm pursues investment opportunities in industries that exhibit strong growth trends, limited competition, low levels of required capital expenditures, and little technology risk. The Firm does not invest in companies with significant, unproven technology risk. The Firm seeks investments that will result in the creation of strategic assets with the potential for multiple exit strategies.

Differentiators

Providence benefits from a number of important competitive advantages as a result of consistent specialization for over 23 years. These advantages include the following:

- *Deal Sourcing Capabilities.* As a long-standing specialist in media, entertainment, communications and information services investing, Providence enjoys a competitive advantage in sourcing transactions. Providence believes it has the largest and most qualified team of investment professionals dedicated to investing in these sectors. As focused investors with in-depth knowledge of the industries in which Providence invests, the Professionals proactively originate many of Providence's new investment ideas in-house and benefit from an existing network of operating partners and industry contacts. Providence's professionals, senior advisors, and operating partners generate proprietary deal flow and often uncover or develop attractive investment opportunities before they come to the attention of intermediaries or other investors. Additional deal flow sources include investment banks, lenders and other private equity investors who have worked with Providence on other transactions and who recognize the value of Providence's industry-specific expertise.
- *Ability to Attract Top-quality Management.* As a long-time investor in media, entertainment, communications and information services companies with a successful track record and reputation for being a good partner, Providence is able to recruit the highest quality, experienced management teams to its portfolio companies. This is a key differentiator both in terms of sourcing new deals and creating value post-investment. Providence identifies senior management from its extensive networks within the media, entertainment, communications and information services industries, including operating partners, current and former portfolio companies, portfolio company suppliers and customers, and other industry experts.
- *Reputation in Capital Markets.* Providence's extensive knowledge of the media, entertainment, communications and information services sectors is recognized by investment banks, commercial lenders and institutional investors. This reputation helps ensure that Providence is exposed to a breadth of investment opportunities and is able to secure deals at attractive valuations with favorable financing terms.
- *Hands-on Approach to Adding Value.* Providence seeks to add substantial value to its portfolio companies by committing significant time and resources to each investment. Providence does not attempt to manage the operations of a portfolio company on a day-to-day basis. However, in addition to the board-level oversight typically provided by financial sponsors, Providence also participates in many business level functions such as recruitment of key management, capital market fundraising, negotiation of strategic partnerships, and identification and evaluation of merger and acquisition candidates. Providence's 45 Professionals possess a combination of prior operating and financial experience and are generally viewed as extensions of a portfolio company's senior management team. In evaluating financial sponsors, entrepreneurs often view Providence as quasi-strategic and believe that Providence may be able to enhance their company's potential market opportunity and increase the likelihood of its success.

Anticipated Exit Options for Providence VI Investments

Providence typically seeks investments that will result in the creation of strategic assets with the potential for multiple exit strategies. These exit strategies may take the form of an initial public offering followed by secondary sales or distributions, an initial public offering followed by a

subsequent sale to a strategic buyer, a private company sale to a strategic buyer, or a recapitalization of the company.

<u>Exit Method</u>	<u>Companies (#)</u>
Public Stock Sale or merger with Public Company	19
Private Company Sale to Strategic Buyer	31
Management Buyout, Share Redemptions, Asset Liquidations, and Other Exits	20
Recapitalization	12

Providence sold 50% of its holdings in Consolidated Communications, Inc. at its July 21, 2005 initial public offering and sold the remaining 50% of its share holdings back to the company on July 28, 2006.

Eight of the 12 recapitalizations represent partial realizations of investments for which Providence still maintains an equity interest.

Competition for Deals

Providence competes for investment opportunities against a variety of investors, the most important of which are generalist private equity funds, strategic investors, and the public debt and equity markets. In many cases, these same competitors seek to co-invest with Providence due to Providence's extensive industry experience, knowledge and track record. Recognizing this important potential source of deal flow, Providence seeks to position itself as the partner of choice for any media, entertainment, communications or information services investment and, as such, has developed an extensive network within the corporate and investor community.

The Investment Decision-making Process

Investment decisions are reached through a consensus-driven process. Partner meetings are held twice a month. At these meetings the Professionals review investment opportunities throughout various stages of the deal process. In addition, informal discussions about investment opportunities are frequent and ongoing.

An investment committee (the "Investment Committee") reviews and approves all investments, monitors due diligence practices and provides advice in connection with key commercial and legal terms of potential investments. The Investment Committee consists of Messrs. Nelson, Creamer, Salem, Angelakis, Hahn and Masiello. In addition to frequent informal discussions, the Investment Committee meets regularly with the investment teams that are actively pursuing investment opportunities and reviews progress on the diligence process as well as key issues related to prospective investments. While investment decisions are generally based on an established consensus of the Investment Committee, Mr. Nelson and either Mr. Creamer or Mr. Salem must agree to approve an investment.

INTERNAL DUE DILIGENCE PROCESS

Providence's Due Diligence Process

Once a potential investment is identified, it typically is reviewed and analyzed by the Professionals (with teams assigned to individual deals) and, where appropriate, an operating partner. Those prospective investments that pass the initial review then proceed to an intensive due diligence review. This process typically involves extensive analysis of historical and projected operating results. Providence also spends significant time with all key operating managers involved with the proposed transaction and on associated reference checks. Where

appropriate, Providence interviews industry sources, such as customers, suppliers and/or trade organizations. In addition, Providence utilizes the diligence support of attorneys, accountants, consultants and other experts as may be required in a given situation. In certain transactions, operating partners can be valuable additional resources in helping Providence identify potential operating problems or faulty business assumptions or practices.

Providence requires detailed operating projections before undertaking a portfolio company investment, and Providence monitors actual results in relation to original expectations. Operating projections are prepared by portfolio company management, not by Providence, so that management subsequently can be measured against and held to their own projections. In parallel, the Providence investment team independently creates its own financial model, which forecasts business performance and isolates key business drivers. Providence's role in this process is to question all operating assumptions and apply rigorous "reality tests" to management's projections. Such projections also form the starting point for management's budgets, which are prepared annually and typically are approved by the portfolio company's board of directors as the plan against which management is measured and compensated on an annual basis.

Critical Deal Killers

Critical deal killers typically include, but are not limited to: unrealistically aggressive valuation expectations by sellers, weak management teams, negative reference checks, sellers or management teams with poor reputations, unattractive industry trends/dynamics, high levels of sector competition that make securing a competitive advantage infeasible, meaningful or immeasurable technology risk, and excessive operational risk. Since weak management teams are often replaced by Providence if the investment is consummated, this factor is likely the most surmountable of all the critical deal killers highlighted.

Involvement of Third Parties in the Due Diligence Process

The Professionals use the services of lawyers, accountants, private investigation firms (for additional reference checks) and industry consultants when appropriate during the due diligence process.

RISK MANAGEMENT

Procedures for Risk Reduction with Respect to Portfolio Companies

As discussed above, Providence frequently structures investments with downside investment protection; Providence's due diligence process and industry focus also reduce risk. As part of the accounting due diligence process when evaluating a proposed investment, Providence hires professionals who are focused on risk management and assessment to help analyze the company. Typically, a thorough analysis is completed and reported to the deal team that is responsible for the proposed investment.

Providence monitors portfolio companies, typically through board membership and frequent conversations with senior management. In the case of a failing company, deal teams spend the necessary time to identify the cause of the company's poor performance and quantify the extent of the problem. The required experts are brought in as necessary on a case by case basis for assistance.

Projections Required of Portfolio Companies

Requirements for financial projections are rigorous, but differ according to the type and stage of the portfolio company. In addition, the Professionals seek to understand the detailed

assumptions on which the portfolio company's financial projections are based. These assumptions provide an insight into the overall health of the company.

Once Providence makes an investment, Providence compares projections to actual performance as needed. If projections are not achieved, the Professionals evaluate the reasons for the underperformance. Once the cause of the underperformance is identified, the Professionals address them in the appropriate manner.

Financial and Management Reports Required from Portfolio Companies

Providence requires detailed financial and management reports from portfolio companies on a regular basis. The format and frequency of these reports differ according to the particular circumstance of the portfolio company.

INVESTMENT PROFESSIONALS

Duties, Responsibilities and Time Commitments

Each Professional is responsible for assessing investment opportunities, executing transactions and monitoring portfolio companies. All Professionals focus on opportunities in the media, entertainment, communications and information services industries. The percentage breakdown of time dedicated to each of these areas varies depending on the circumstances at the time.

Providence I is fully liquidated and has been wound-up. Providence II has one remaining portfolio company. A few Professionals spend a portion of time on Providence Growth, whose investment period will terminate in December 2006. Providence III has three active investments, all of which are cross fund investments with Providence IV. Providence IV currently has 16 active investments. Providence V currently has 11 active investments (of which four are cross fund investments with Providence IV) and two pending investments. The primary focus of the investment team is on Providence IV, Providence V and Providence VI.

PERSONNEL

Jonathan M. Nelson, *Chief Executive Officer*. Jonathan Nelson has been investing in private equity transactions for 23 years and is the Chief Executive Officer of Providence. Mr. Nelson has been responsible for Providence's investments in wireless and wireline communications, broadcasting, entertainment and other areas. Mr. Nelson currently serves on the boards of directors of Bresnan Communications (also known as Mountain States Cable Television), Metro-Goldwyn-Mayer Inc., Warner Music Group and Yankees Entertainment and Sports Network, LLC. Previously, he was a founder and Managing Director of Narragansett Capital Inc., where he specialized in private equity investments in the broadcasting, publishing and cable television sectors. Mr. Nelson received a Master of Business Administration from Harvard Business School and a Bachelor of Arts from Brown University. Mr. Nelson is currently a director of Trinity Repertory Company in Providence, Rhode Island and a Trustee of Brown University.

Glenn M. Creamer, *Senior Managing Director*. Glenn Creamer has been investing in private equity for 18 years and is a Senior Managing Director of Providence. During this period, Mr. Creamer has been responsible for investments in many segments of media and communications, including fixed line and mobile telephony systems, cable television, broadcasting, newspaper and directory publishing, alternative media and other areas. He is currently a director of Medical Media Holdings and Telcordia Technologies Inc. Previously, Mr. Creamer was a Vice President of Narragansett Capital Inc., which he joined in 1988. He was involved in Narragansett Capital's private equity investments in broadcasting, newspaper

publishing and cable television. Previously, Mr. Creamer worked in investment banking at Merrill Lynch & Co. and J.P. Morgan & Co. Mr. Creamer received a Master of Business Administration from Harvard Business School and a Bachelor of Arts from Brown University. Mr. Creamer is currently a director of Mustard Seed Communities and the Rhode Island School of Design Museum.

Paul J. Salem, *Senior Managing Director*. Paul Salem has been investing in private equity for 14 years and is a Senior Managing Director of Providence. In 1999, Mr. Salem moved to London to establish Providence's European office and continues to be involved in all European activity. He has been responsible for investments in wireline telephone companies, wireless data networks, publishing, Internet content, satellites and other areas. He is currently a director of Education Management Corp. Previously, Mr. Salem worked for Morgan Stanley & Co. in corporate finance and mergers and acquisitions. Prior to that time, Mr. Salem spent four years with Prudential Investment Corporation, an affiliate of Prudential Insurance, where his responsibilities included private placement financings, leveraged buyout transactions and establishing Prudential's European investment office. Mr. Salem received a Master of Business Administration from Harvard Business School and a Bachelor of Arts from Brown University. Mr. Salem is currently Chairman of Year Up Rhode Island and serves as a Trustee of St. John's High School.

Michael J. Angelakis, *Managing Director*. Michael Angelakis has been investing in private equity for seven years and is a Managing Director of Providence. Mr. Angelakis has been involved in many of Providence's investment activities, including in broadband providers, cable television content and distribution, entertainment and publishing/print media. He is currently a director of Bresnan Communications (also known as Mountain States Cable Television), Metro-Goldwyn-Mayer Inc. and Northland Cable Networks, LLC. He is also actively involved in Providence's relationship with Yankees Entertainment and Sports Network, LLC. Prior to joining Providence in 1999, Mr. Angelakis was President & Chief Executive Officer of State Cable TV Corporation and its affiliated company, Aurora Telecommunications LLC. Prior to that time, Mr. Angelakis was a Vice President at Manufacturers Hanover Trust Company in New York with responsibility for one of the bank's media and communications portfolios. Mr. Angelakis also spent several years in London developing Manufacturers Hanover's acquisition finance and merchant banking activities throughout Western Europe. Mr. Angelakis is a graduate of the O/P Management Program at Harvard Business School and received a Bachelor of Science from Babson College.

Albert J. Dobron, Jr., *Managing Director*. Al Dobron has been investing in private equity for seven years and is a Managing Director of Providence. Mr. Dobron has been involved in many of Providence's investment activities in the Internet, cable television content and distribution, marketing services, television and radio broadcasting, network television, cellular telephony and business outsourcing providers. He is currently a director of BlueStone Television, LLC, Bustos Media, ProSiebenSat.1 Media AG and Trumper Communications III, LLC and is an observer to the board of whitepages.com. Prior to joining Providence, Mr. Dobron worked for Morgan Stanley & Co. in mergers and acquisitions. Previously, he held positions with the K.A.D. Companies, a private equity investment group, working primarily in an operating role with one of the firm's portfolio companies. Mr. Dobron received a Master of Business Administration from Harvard Business School and a Bachelor of Science from the University of New Hampshire.

Michael J. Dominguez, *Managing Director*. Michael Dominguez has been investing in private equity for eight years and is a Managing Director of Providence. He has been involved in many of Providence's investment activities in publishing, cable television, satellites, local exchange carriers and other areas. He is currently a director of Bresnan Communications (also known as

Mountain States Cable Television), Freedom Communications and Metro-Goldwyn-Mayer Inc. Prior to joining Providence in 1998, Mr. Dominguez worked for Salomon Smith Barney in corporate finance, where he focused on the communications industry. Previously, he held positions with Morgan Stanley & Co. and was a senior consultant at Andersen Consulting. Mr. Dominguez received a Master of Business Administration from Harvard Business School and a Bachelor of Arts from Bucknell University.

Alexander D. Evans, *Managing Director*. Alex Evans has been investing in private equity for 10 years and is a Managing Director of Providence. He has been involved in many of Providence's investment activities in wireless communications, business process outsourcing, transaction processing services, Internet infrastructure and publishing / print media. Mr. Evans joined Providence in 1996, relocated to the London office in 2001 and returned to the New York office in 2004. Previously, Mr. Evans worked for Morgan Stanley & Co. in corporate finance. He was also a consultant with the Boston Consulting Group with a focus on wireless communications. Mr. Evans received a Master of Business Administration from the Stanford Graduate School of Business and a Bachelor of Arts from Princeton University.

John C. Hahn, *Managing Director*. John Hahn has been investing in private equity for six years and is a Managing Director of Providence. Mr. Hahn leads the London-based team responsible for Providence's European investment activities. He is a member of the Supervisory Boards of Casema Holdings BV and Kabel Deutschland GmbH, and is a director of Nordic Cable Acquisition Company AB (also known as com hem), Digiturk Digital Platform İletişim Hizmetleri A.Ş., Grupo Corporativo Ono, S.A. and Recoletos Grupo de Comunicación S.A. Prior to joining Providence in 2000, Mr. Hahn was a Managing Director at Morgan Stanley & Co. and co-head of the London Telecommunications Investment Banking Group. During his eleven-year career at Morgan Stanley, Mr. Hahn was responsible for relationships with, among others, British Telecom, France Telecom, Telecom Italia, Mannesmann, COLT Telecom, Vodafone, and Telefonica. Prior to Morgan Stanley, Mr. Hahn worked with Price Waterhouse and Federal Data Corporation, both in Washington, D.C. Mr. Hahn received a Master of Business Administration from the Anderson School at the University of California at Los Angeles and a Bachelor of Business Administration from the University of Notre Dame.

Mark J. Masiello, *Managing Director*. Mark Masiello has been investing in private equity for 17 years and is a Managing Director of Providence. Mr. Masiello has been involved in many of Providence's investment activities in competitive local exchange carriers, Internet service providers, application service providers, Internet portals, recorded music and music publishing, cable television, publishing, and alternative media. He is currently a director of Freedom Communications. Prior to joining Providence, Mr. Masiello was an Associate with Narragansett Capital Inc., which he joined in 1989. He was directly involved in Narragansett Capital's investments in cable television, broadcast television, radio broadcasting, and publishing. Mr. Masiello received a Bachelor of Arts from Brown University.

Jörg Mohaupt, *Managing Director*. Jörg Mohaupt is a Managing Director of Providence. He is a member of the Supervisory Board of Casema Holdings BV and is a director of Nordic Cable Acquisition Company AB (also known as com hem) and Digiturk Digital Platform İletişim Hizmetleri A.Ş. Prior to joining Providence in 2004, he co-founded and managed Continuum Group Limited (CGL), a communications services venture business. Prior to CGL, Mr. Mohaupt was an Executive Director at Morgan Stanley & Co. and Lehman Brothers in their respective media and telecommunications groups. He has been active in media and telecommunications finance since 1990. Mr. Mohaupt holds a History degree from Rijksuniversiteit Leiden (Netherlands) and a degree in Communications Science from Universiteit van Amsterdam (Netherlands).

Mark A. Pelson, *Managing Director*. Mark Pelson has been investing in private equity for 10 years and is a Managing Director of Providence. He has been responsible for many of Providence's investment activities in international long distance carriers, fiber infrastructure providers, wireless data services, communications software providers and cellular telephony. Mr. Pelson is currently a director of Madison River Communications and Telcordia Technologies Inc. Prior to joining Providence in 1996, Mr. Pelson was a co-founder and director of TeleCorp, Inc., a wireless telecommunications company. He previously served in various management positions with AT&T, most recently as a general manager of strategic planning and mergers and acquisitions. Mr. Pelson received a Juris Doctorate from Boston University and a Bachelor of Arts from Cornell University.

Julie G. Richardson, *Managing Director*. Julie Richardson is a Managing Director of Providence. Ms. Richardson is currently a director of SunGard Data Systems. Prior to joining Providence in 2003, Ms. Richardson served as Vice Chairman of JP Morgan's investment banking division and Chairman of the firm's Telecom, Media and Technology group. In this capacity, Ms. Richardson has worked with a wide variety of media and telecommunications companies, including AOL Time Warner, Comcast, CenturyTel, Citizens Communications, Liberty Media, MGM, Nextel, and Verizon. Prior to joining JP Morgan in 1998, Ms. Richardson was a Managing Director at Merrill Lynch, where she spent over 11 years. She received a Bachelors of Business Administration from the University of Wisconsin-Madison, and spent a year studying Finance at the Stanford Graduate School of Business. Ms. Richardson serves on the Dean's Advisory Board of the University of Wisconsin-Madison.

Gustavo R. Schwed, *Managing Director*. Gus Schwed has been investing in private equity for 18 years and is a Managing Director of Providence. He is currently a director of TDC. Mr. Schwed joined Providence in 2004 from Morgan Stanley Capital Partners, where he was one of the Managing Directors leading Morgan Stanley's European private equity activities and was Chairman of the firm's Global Emerging Markets Fund. Prior to Morgan Stanley, Mr. Schwed was a Principal at Bassini, Playfair + Associates, an emerging markets private equity firm, and held several positions in the private equity and venture capital units of Donaldson, Lufkin & Jenrette. Mr. Schwed received a Master of Business Administration from the Stanford Graduate School of Business and a Bachelor of Arts from Swarthmore College.

Biswajit A. Subramanian, *Managing Director*. Bis Subramanian has been investing in private equity for six years and is a Managing Director of Providence. Mr. Subramanian is currently a member of the Supervisory Board of Kabel Deutschland GmbH and serves as a director of Hallmark International (also known as Crown Media International) and Recoletos Grupo de Comunicación S.A. Prior to joining Providence in 2000, Mr. Subramanian was a Vice President at Morgan Stanley & Co., where he was part of the European telecommunications investment banking team. During his tenure at Morgan Stanley, Mr. Subramanian had extensive corporate finance and mergers and acquisitions transaction experience and worked with a wide range of communications sectors, such as cable (NTL), incumbent telcos (British Telecom), directories (Telegate), and alternative telcos (COLT Telecom and KPNQwest). Prior to Morgan Stanley, Mr. Subramanian worked at Credit Suisse First Boston, McKinsey & Co. and Intel Corporation. He received a Master of Business Administration from the Wharton School of the University of Pennsylvania, a Masters degree in Electrical Engineering from the University of California, Santa Barbara and a Bachelors degree in Electrical Engineering from the Indian Institute of Technology.

Peter O. Wilde, *Managing Director*. Peter Wilde is a Managing Director of Providence. Mr. Wilde is currently a director of Education Management Corp., Kerasotes Theatres, Inc., Medical Media Holdings, Pluris Inc. and Survey Sampling International and is chairman of Colorado

Cinema Group and The Vendome Group. Prior to joining Providence in 2002, Mr. Wilde had most recently been a General Partner at BCI Partners, where he began his career in private equity investing in 1992. While at BCI, he was involved in many of BCI's investment activities in traditional media (broadcasting, cable and content), education and marketing services (data services, direct marketing and teleservices). Prior to BCI, Mr. Wilde had been at LaSalle Partners in the acquisitions group. Mr. Wilde received a Master of Business Administration from Harvard Business School and a Bachelor of Arts from Colorado College.

CONCLUSION/RECOMMENDATION

Based upon the successful track record and experience of the principals and the recommendation of PSERS' consultant, Portfolio Advisors, staff recommends that the Board invest an amount equal to 25 percent of the committed capital, but not to exceed \$300 million plus reasonable normal investment expenses, in Providence Equity Partners VI L.P, subject to the Fund size being in excess of \$8 billion. The final terms and conditions of the investment must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Executive Director.