



PSERS PRIVATE INVESTMENT PROGRAM

**Recommendation for Investment in
Permira IV, L.P.**

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Permira IV, L.P.

Executive Summary

Permira, one of the world's leading private equity firms, is seeking to form a new fund, Permira IV. Permira has been in operation for over 20 years and has raised 12 buy-out funds. The Permira Funds, in aggregate, have generated superior returns for their investors over both comparable stock markets and private equity industry benchmarks. Permira IV, with a target size of €8.5 billion, will aim to capitalize on the expanding opportunities for private equity internationally, particularly in Europe.

Highlights

- Top decile performance from each of the predecessor funds, Permira Europe I, Permira Europe II and Permira Europe III, with an aggregate net IRR of 33% per annum
- The only European private equity firm with an integrated office network covering Europe, the US and Japan, totalling 92 professionals in eight offices
- A differentiated, non-hierarchical firm culture with the largest investment team and partner base of any European private equity firm focused on large buy-outs
- An investment strategy focused on direct deal generation and operational value creation

Firm History

Permira's first offices in Europe were opened in the 1980s with teams established in the UK in 1985, Germany in 1986, Italy in 1988 and France in 1989. The original country teams worked in partnership with Schroders plc and operated under the name Schroder Ventures.

At that time the markets were still in their early stages of development and Permira was among the pioneers in each country. For example, Permira raised the first buy-out funds ever in Germany and Italy.

These early funds were country specific and required the local teams to focus on their own markets. As a result, they built strong ties with their local business communities, deal sources, professional advisers and management. This tradition of strong local presence – experienced nationals on the ground – remains a core characteristic of Permira.

In the mid 1990s Permira saw the major opportunity in Europe shifting decisively from smaller transactions, involving domestically focused businesses, to larger deals embracing multi-national companies. The process of European integration and industrial restructuring favored private equity firms capable of functioning cross-border. Permira responded by integrating its European teams and raising a single pan-European fund in 1997, Permira Europe I (€0.9 billion). This fund was followed by successors, Permira Europe II (€3.5 billion) in 2000 and Permira Europe III (€5.1 billion) in 2003.

In 2001 the partnerships with Schrodgers were terminated by mutual agreement and Permira became wholly owned by its Partners. Schroder Ventures Europe was renamed Permira to acknowledge these changes formally.

Permira opened offices in New York in 2002, Stockholm in 2003, Madrid in 2004 and Tokyo in 2005.

Investment Strategy

The market opportunity favors firms, which have an infrastructure and reach commensurate with both the growth in the market and the complexities and international operations of large companies. Permira has therefore continued to invest in its infrastructure, resources and investment process:

- The firm has the largest investment team of any private equity firm focused on large buy-out opportunities in Europe
- Its six offices in Europe and offices in New York and Tokyo make Permira the only European private equity firm with an integrated resource in the US and Japan
- Its 20 year history, investment experience and record give Permira a strong and distinctive brand
- The firm's local networks and sector teams enable the Permira Funds to focus on innovative deal origination, often via direct sourcing strategies, and to concentrate on "Primary Value" opportunities – assets that have not been previously owned by other financial buyers
- Permira emphasises operational value creation throughout the investment process – "Impact Investing": the formulation and implementation of strategic and operational actions aimed at changing the businesses acquired, not just their balance sheets
- A well disciplined, rigorous and controlled investment process is consistently applied by the Permira Funds

Competitive Advantage

Transaction Expertise

Permira has been active in private equity since 1985. The Permira Funds have completed over 170 transactions, spanning a number of market cycles, with over 130 of these investments now realized.

Permira has the largest investment team of any private equity firm focused on large buy-out opportunities in Europe. As well as having broad industry and consulting skills, this team includes members with specialist expertise in various aspects of leveraged acquisitions including financial due diligence, deal structuring, contract negotiation, exit planning and risk management.

Between 2000 and 2005, the Permira Funds completed more European deals with an enterprise value of over €1 billion than any other private equity firm.

Local Presence & International Networks

Permira has six European offices in Frankfurt, London, Madrid, Milan, Paris and Stockholm and two further offices in New York and Tokyo. The largest European offices have been operating for between 18 and 21 years, with Permira being the first firm to raise a specialist private equity fund for the UK in 1985, and the first to raise funds for Germany and Italy in 1986 and 1988, respectively.

The offices consist largely of local nationals. In total, the team comprises 18 nationalities, fluent in 15 languages. Permira has the largest private equity teams in Germany, Italy and the UK each of those countries focused on large buy-out transactions. More detail is given on the team in Section 5 of this Information Memorandum.

Permira sees its long-term commitment to local markets and its policy of having local nationals on the ground as a major competitive advantage at all stages of the investment process. The success of many private equity deals is based on trust and mutual understanding, which are often reliant on a shared language and culture. Investment in both private and public companies requires intensive due diligence, which is often both local and international in character. These businesses usually need significant support while implementing agreed change programs. Local teams are therefore essential to the effective implementation of the Impact Investing strategy.

Furthermore, in a strategy where there is no pre-allocation of capital by either geography or sector, the ability to move resource around the group is essential to ensure that the most appropriate teams are brought to bear on each transaction. This requires a collegiate, non-hierarchical structure, mutual respect, alignment and understanding between team members. Permira's remuneration and incentive structures are designed so that the interests of team members are aligned closely to the success of the Fund rather than individual deals alone.

Sector Focus

Permira has a sector-focused approach to deal initiation and selection. The Permira Funds have considerable experience and track record in investing in the Consumer, TMT (Technology, Media & Telecoms), Chemicals and Industrial Products & Services sectors. In-depth understanding of and experience within specific sectors enables the team to identify value in underrated sub-sectors and companies and to build relationships with both prospective vendors and management teams. Sector focus provides the firm with a marked advantage in sourcing transactions as well as identifying value creating strategies, recruiting new management and optimizing exits.

It is the combination of these three factors – Permira's long established experience in private equity; its international networks with local teams; and its sector focus – that gives Permira its distinctive market positioning.

Investment Focus

The Fund will focus on investments in established businesses, capable of performance improvement and/or significant growth.

The core focus will be European buy-out opportunities. Investment will flow to where the deal opportunities are considered greatest and where targeted returns are expected to be most attractive. There will be no pre-set investment allocations by individual country or sector, although levels of portfolio exposure will be monitored from an overall Fund perspective to ensure appropriate diversification.

The Fund will also consider opportunities originated by the Permira offices in New York and Tokyo. In the former case, these will be international as opposed to purely domestic US buy-outs. Since the opening of the New York office in 2002, Permira Europe III has undertaken three such transactions – Intelsat, Jet Aviation and Aearo Technologies. Although these companies have substantial US operations, a significant part of their activities are either European or more global in nature. Permira feels that its international office structure can add considerable value in assessing and executing such opportunities.

The launch of operations in Tokyo illustrates the firm's commitment to investing in the infrastructure required to access new markets offering exciting growth prospects. Permira feels that Japan shares a number of similarities with the Europe of over a decade ago, particularly in the conglomerate structure of Japanese industry, the emerging emphasis on shareholder value, the prevalence of family businesses and the signs of early regulatory reform. Where appropriate, investments in Japan will be considered by the Fund.

Both international opportunities emanating from the US as well as opportunities originated by the Tokyo office will be subject to the same investment discipline and selection criteria, including return expectations, as all other opportunities under consideration.

Consistent with the market opportunity and Permira's experience, the Fund will target larger transactions where the typical enterprise value is anticipated to be at least €500 million.

Larger deals represent an attractive proposition both due to the intrinsic nature of larger assets and because of the competitive dynamic within this segment of the market. Between 2000 and 2005, Permira Funds undertook more European deals with an enterprise value of over €1 billion in size than any other private equity firm.

Deals of this size benefit from the key strengths of its organization: the international office network and the experience, credibility and strength of the team, particularly its ability where necessary to commit considerable resources to complex cross-border transactions.

The Fund will generally seek, alone or with others, to acquire a majority or controlling ownership position in target companies. However, there may be situations where minority ownership is appropriate, as for example with the Marazzi Group investment in Permira Europe II. Investments may be made in both private and publicly listed companies.

The Fund will regularly invest in the debt securities of portfolio companies. While this will usually be alongside an investment in the companies' equity, there may be instances where an investment in debt is in itself attractive to the Fund.

Deal Origination – Sources of Opportunity

The majority of the Permira Funds' investments have been sourced through direct deal generation, where the businesses were acquired on a confidential basis in a relatively non-competitive bidding process.

The main sources of transactions are:

Family Businesses

A number of family owned businesses, not only in Europe but also internationally, including in Japan, face succession or generational issues. Building relationships and trust and finding confidential solutions in sometimes difficult situations are often key to success. Permira's local office networks are important in identifying such opportunities and in building trust with family vendors.

Quasi-Governmental Entities

Quasi-governmental or former governmental entities often have disparate shareholder bases with goal incongruence between the different shareholder constituencies. In Inmarsat for instance there were 86 such shareholders, dispersed internationally. Some were customers or suppliers to the company, some wanted to sell, while others sought to reinvest in the deal. Finding a solution acceptable to all parties required an innovative approach and deal structure combined with an international perspective.

Conglomerates & Corporates

Credible sector knowledge and track record are pre-requisites for pro-active deal generation programs and the formulation of business ideas and solutions for conglomerates and corporates looking to focus on core operations. Permira, with its strong brand franchise, its sector experience and its senior external advisory networks is well positioned to make such approaches to these entities.

Distressed Vendors

Vendors under liquidity or other pressures may prefer the speed of a negotiated sale over the uncertainty of an open auction. Indeed with many distressed companies a full sale process is not a viable option due to the time critical nature of the situation. Certainty of delivery is often the key factor in such circumstances and the Permira Funds bring credibility based on past performance. The Fund will invest in either or both of the debt or the equity in such instances, depending on the individual company's circumstances and the rights and value attaching to each type of instrument.

Public Companies

With the increasing attractions of private ownership, Permira feels that there is likely to be a greater opportunity within the public market area for private equity strategies. This will often involve public to private situations, where public companies seek to delist in their entirety. To date the Permira Funds have completed public to private situations in Austria, Denmark, Germany, Italy, the Netherlands, Spain and the UK.

In some circumstances it will be more appropriate to take a controlling stake in a company, which remains listed, as in the Seat PG transaction in Permira Europe II, or to invest in minority positions that give the Permira Funds sufficient influence over a listed target.

Deal Origination – Primary Value & Creative Deal Structuring

The firm's key focus in deal origination is on finding situations offering potential for operational improvement and/or significant growth.

These are often businesses, which, despite having strong products, brands and market positions, are not performing to the operating metrics of which they are capable. In Permira's view, the potential impact of change programs in these businesses is generally greater where the target companies have not been subject to prior ownership by other financial buyers.

Only 5% of the investments made by the Permira Funds since 2000 have been secondary deals. This compares to an average for other large buy-out firms in Europe of over 20%. Although secondary opportunities will be considered by the Fund where there is genuine scope for impact investing, its own organization and infrastructure lend themselves particularly well to the generation of primary opportunities.

Primary opportunities can involve significant lead times from initial origination to final consummation. A number of the investments undertaken by the Permira Funds, such as Vögele, Inmarsat and Jet Aviation, have involved processes of approximately two years or more before final deal completion.

Many of the transactions undertaken by the Permira Funds have been sourced through direct deal generation programs. But even in more competitive processes, it is often possible to reduce the effective entry price, secure greater value or otherwise reduce competitive pressures through creative structuring and deal insight gained ahead of the initiation of more formal sale processes. This can involve the introduction of trade partners into a transaction and the monetization of non-core assets either pre-deal completion (as in the case of Homebase and Memec) or subsequently post-acquisition (as in the case of DinoSol, SBS and Vendex). Permira regularly works with experienced potential buy-in candidates to identify key value drivers and to formulate strategic plans for businesses ahead of sales processes. These managers are often identified through proactive sector marketing programs or in some cases through previous association with Permira.

Impact Investing

The Permira Funds are focused on impact rather than arbitrage, the formulation and implementation by portfolio companies of strategic and operational initiatives designed to effect change in the businesses themselves rather than just their balance sheets ("Impact Investing"). While Permira has considerable expertise in financial structuring, the emphasis is on creating value through the introduction by portfolio companies of new strategies, more appropriate cost structures, better asset utilization and stronger, more focused management.

Active Ownership

During the acquisition process, key value drivers are identified and plans for operational and strategic change are formulated. Permira's experience suggests that concerted change needs to happen early in an investment's life in order for the fundamental change programs implemented by the portfolio companies to have genuine impact. This can involve substantial changes to senior management. For example, in the majority of investments made by Permira Europe III to date, the CEO and senior management have been changed or supplemented.

Impact Investing Strategies

Different opportunities such as deconglomeration and family businesses lend themselves to different value creation strategies and techniques. These include the following five broad strategies:

- Strategic Refocus – repositioning businesses to focus on core competence or redefining companies' competitive market positioning
- Leveraged Build-Ups – consolidating fragmented industries through synergistic acquisitions
- Maximizing Operational Potential – helping businesses to restore competitiveness through the redeployment of resources, cost restructuring and maximizing efficiencies and asset utilization – this can include turnaround situations
- Growth Buy-Outs – investment in sectors and businesses which may offer significant growth dynamics
- Development of Family Businesses – the introduction of professional management, systems and disciplines to family businesses

Planned Exits

The Permira Funds have now exited over 130 investments, generating €7.4 billion in cash proceeds for investors – with 55% of exits by value being achieved through trade sales, 36% through IPO's and 9% from other routes such as secondary sales. As a result, Permira has built considerable expertise in realization and exit planning.

An important objective is to maintain flexibility on exit routes. Large companies can often offer multiple routes to exit and liquidity including IPO, recapitalization and trade sale. In a number of instances significant work is conducted on different exit possibilities simultaneously in order to maximize value for the Permira Funds.

Value Creation versus Financial Arbitrage

Permira expects the European private equity market to continue to grow and the average size of transactions to rise further. However, despite public market weakness, the private equity market in Europe remains competitive as more entrants compete for deal flow while sophisticated intermediaries improve market transparency and encourage competition between participants.

Strategies based on financial arbitrage and innovative deal structuring alone are no longer sufficient to maintain investment returns. Instead, competitive differentiation is increasingly based on the creation and implementation of strategies to increase the growth prospects and operating earnings of businesses. Financial skills must be matched by strategic and operational expertise to identify and grow fundamental business value.

A Different Approach

Permira is a Latin word meaning “very surprising, very different”. This aspiration guides Permira's approach to business and, in particular, the investment strategy of the Permira Funds.

Team

Permira has a team of 92 professionals. Seventy professionals (76%) are directly involved in the investment advisory process: identifying investment opportunities, structuring and executing transactions, working with portfolio companies and realizing investments.

The remaining 22 (24%) provide essential in-house support in financial administration, risk management, marketing, legal, HR, IT and investor relations.

The Paris team is integrated into the London office and divides its time between the UK and France.

The skill mix among the investment professionals is evenly balanced between those with transactional and financial backgrounds (investment banking, financial and legal) on the one hand, and those with more commercially orientated backgrounds (consulting and industrial) on the other. Permira works to ensure a similar balance is reflected in the individual deal teams, underpinning the business-focused investment strategy of the Permira Funds.

Operating Committee

Permira is managed by an Operating Committee (“Opco”), chaired by the Managing Partner. The members of this committee are:

Damon Buffini, Managing Partner

Damon is Chairman of Opco and has overall responsibility for the direction of Permira and its investment advisory policy. Damon became a Partner in 1992, Managing Partner of the UK in 1999 and Managing Partner of Permira in 2000. Damon is Chairman of Permira’s Operating Committee (“Opco”) and has overall responsibility for the direction of Permira and its investment advisory policy. He has worked on numerous buy-outs, buy-ins and growth capital transactions. Damon is also a non-executive board member of SVG Capital plc. Prior to joining, Damon worked for the LEK Partnership and the Imperial Group. Damon is a Law graduate from Cambridge University, England, and has an MBA from Harvard Business School, USA.

Veronica Eng, Partner

Veronica is a member of Opco. She is the fund minder of the Permira European Funds and will perform this role for Permira IV, with responsibility for fund issues such as strategy, portfolio weightings and diversification and currency. She has oversight of Permira’s Financing Group, transaction execution and firm-wide risk management. Veronica has worked on numerous transactions across sectors. Prior to joining, Veronica was Head of Corporate Finance at Schroder Investment Bank in Singapore. Veronica has a degree in Business Administration from the University of Singapore, Singapore.

Guido Paolo Gamucci, Partner

Guido Paolo is Chairman of Permira's operations in Tokyo, having previously managed the Milan office. He is a member of Opco. Guido Paolo has worked on numerous transactions including DinoSol Supermercados, EEMS, Ferretti Group and Seat PG. Prior to joining, Guido Paolo spent six years with UBS Capital in Italy as Founding Partner and Managing Director. Previously Guido Paolo worked at Citicorp in Italy, as Deputy Head of Investment Banking and Country Treasurer for Italy. Guido Paolo has a degree in Mechanical Engineering from the University of Rome, Italy, and an MBA from INSEAD, France.

Thomas Krenz, Partner

Thomas is a member of Opco. He has oversight of the investment process. Thomas also focuses on transactions in the German-speaking countries. He has been involved in numerous transactions including Brandt ECCO, Charles Vögele, Hofmann-Menü, Kässbohrer Geländefahrzeug, Premiere, Richard Schöps, Sirona Dental Systems and Takko. Prior to joining, Thomas worked for the structured finance team at Bankers Trust in Frankfurt, London and Los Angeles. Thomas has an Economics degree from the University of Hamburg, Germany, and an MBA from the Indiana University School of Business, USA.

Charles Sherwood, Partner

Charles is a member of Opco. He has oversight of investor relations and fundraising and was closely involved in the raising of the Permira European Funds. Charles focuses on the consumer sector and has worked on numerous consumer transactions such as The AA, Birthdays, DinoSol Supermercados, Holmes Place, Homebase, Tetley Group and Vendex KBB. Prior to joining, Charles worked as a strategy consultant with the Boston Consulting Group in London. Charles has a degree in History from Cambridge University, England, and an MBA from Harvard Business School, USA.

Investment Team

Gianluca Andena, Partner

Gianluca became a Partner in 1994 and since September 2005 has been Co-Head of the Milan office, together with Nicola Volpi. In 2004, Gianluca established Permira's Spanish office, where he remains Chairman. Gianluca has been involved in numerous transactions including Caravans International, DinoSol Supermercados, Grandi Navi Veloci, EuroDental, Palini & Bertoli and Veneta Cucine. Prior to joining, Gianluca spent seven years with the Pirelli Group, latterly as Sales and Marketing Manager for Rolf Pirelli, the manufacturer of fluid seals for industrial and automotive applications. Gianluca has a degree in Business Administration from Bocconi University, Italy.

Philip Bassett, Partner

Philip became a Partner in 2004. He leads the Investor Relations Team and has responsibility for marketing and investor liaison for the Permira Funds. Prior to joining, Philip worked with the Schroder Ventures international team on fundraising and investor communications. Philip has a degree in Classics from Oxford University, England, and is a Chartered Accountant.

Kurt Björklund, Partner

Kurt joined the London office in 1996 and became a Partner in 2001. He has been responsible for the Nordic office since 2003. He has been involved in a number of transactions including AU System, Inmarsat and TDC. Prior to joining, Kurt worked for the Boston Consulting Group in Stockholm, and prior to that, for an IT reseller in Finland. Kurt has a degree in Economics from SSEBA, Finland, and an MBA from INSEAD, France. He has also conducted graduate studies at the Rensselaer Polytechnic Institute in New York, USA.

Martin Clarke, Partner

Martin became a Partner in 2004 and is Head of the Consumer Sector. He has worked on a number of transactions including Gala Coral Group and New Look. Martin has over 20 years of experience of private equity. Prior to joining, he was one of the founder directors of PPMV, the private equity arm of Prudential plc. Martin was involved in developing the business from a small UK-focused operation to a team of over 35 professionals based in London, Europe and the Far East. He was involved in over 20 deals, with a particular interest in the consumer, leisure and retail sectors. His early career was spent at CIN Industrial Investments, the precursor of Cinven. Martin holds an MA and PhD in History from Cambridge University, England.

Paolo Colonna, Partner

Paolo established the Milan office in 1988 and was Managing Partner of the Italian operation until 1999. He has been involved in numerous transactions including Azelis (formerly Novorchem), Ferretti Group, FIR Elettromeccanica, Grandi Navi Veloci, Marazzi Group, TFL and Tecnologistica. Prior to joining, Paolo co-funded and directly managed a series of small MBOs. This followed two years with Italsider, where he was Vice President of Planning and Marketing. He also spent five years with McKinsey & Company in Chicago and Milan. Paolo has a degree in Chemical Engineering from Politecnico di Torino, Italy, and an MBA from Harvard Business School, USA.

Guy Davies, Partner

Guy became a Partner in 2001 and runs the Financing Group. He has worked on numerous transactions including Birthdays, Cognis, Gala Coral Group, Hogg Robinson, Leica Microsystems, Memec, Micromass, New Look, Seat PG and Sirona Dental Systems. Prior to joining, Guy spent seven years at Price Waterhouse, latterly in Corporate Finance. Guy has a degree in Economics from the London School of Economics, England, and is a Chartered Accountant.

Mike Garland, Partner

Mike became a Partner in 2001. He has worked on numerous transactions including Birthdays, Cortefiel, Hogg Robinson, Homebase, Leica Microsystems, New Look, Tetley Group and Travelodge & Little Chef, specialising in debt finance and financial due diligence. Mike has also worked extensively with the portfolio, having previously been on the boards of Leica Microsystems and Travelodge. He is currently on the boards of Hogg Robinson, Holmes Place and Vendex KBB. Prior to joining, Mike worked at Williams Holdings where he was Finance Director of Smallbone, a manufacturer and retailer of luxury fitted furniture. Prior to this, he worked at Price Waterhouse in London. Mike has a degree in Mechanical Engineering from Southampton University, England, and is a Chartered Accountant.

Allen Haight, Partner

Allen became a Partner in 1998. He relocated from London to New York in 2002 upon the opening of Permira's New York office. Allen has worked on a number of transactions including Intelsat, on which he holds a board seat. Prior to joining, Allen worked for KPMG in the M&A department and prior to that, for Chemical Bank. Allen has a degree in Business Administration and European History from Washington & Lee University, USA, and an MBA from the University of Virginia, USA.

Thomas Jetter, Partner

Thomas became a Partner in 1996 and is Head of the Chemicals Sector. He has worked on a number of transactions including Cognis, ESW-Extel Systems, Hofmann-Menü and Sirona Dental Systems. Prior to joining, Thomas spent nearly six years at McKinsey & Company in Germany and Brazil. He also spent three years with JP Morgan in Frankfurt and New York. Thomas has a Masters and a PhD in Business Administration from Saarbrücken University, Germany.

Tom Lister, Partner

Tom joined Permira as a Partner in 2005 and is Head of the New York office. Tom has worked on a number of transactions including Aearo Technologies, on which he holds a board seat. Prior to joining, Tom was a Partner in the New York leverage buy-out firm Forstmann Little & Co, where he worked for 13 years. Tom has a degree in Chemistry and Political Science from Duke University, USA, and an MBA from Harvard Business School, USA.

Carlos Mallo, Partner

Carlos became a Partner in 2005 and is Head of the Madrid office. He works across a number of sectors but focuses mainly on the consumer sector, and has worked on a number of transactions including Cortefiel and DinoSol Supermercados. Prior to joining, he spent eight years with 3i in Manchester, Madrid and latterly as Head of the Barcelona office. Prior to this, Carlos worked as Product Manager for Centros Comerciales Continente (now known as Carrefour) in Madrid. Carlos has a degree in Engineering from Madrid Politecnica University, Spain, and an MBA from Instituto de Empresa, Spain.

Götz Mäuser, Partner

Götz became a Partner in 2001 and is Head of Permira's Frankfurt office. He also leads the Media effort within the TMT Sector and is responsible for Human Resources within Permira. He has worked on numerous transactions including Cognis, debitel, Euro Dental Holding (Müller & Weygandt, Krugg), Jet Aviation, Kässbohrer Geländefahrzeug, SBS Broadcasting and Sirona Dental Systems (demedis). Prior to joining, Götz spent six years at McKinsey & Company in Germany and Brazil. Götz has a diploma in Business Administration from the University of Cologne, Germany, and an MBA from New York University, Stern School of Business, USA.

Sonja Mikic, Partner

Sonja re-joined Permira as a Partner in 2005. She is Head of the Industrial Products & Services Sector and has worked on a number of transactions including Charles Vögele, Cortefiel, Sirona Dental Systems and Takko. Sonja has private equity experience with Permira and Cinven, where she spent over three years in the Frankfurt and London offices, and was involved in several Continental European acquisitions. Sonja holds a degree in Business Administration from Göttingen University, Germany, and participated in the 1999 Programme for Management Development at Harvard Business School, USA.

Carl Parker, Partner

Carl became a Partner in 1995 and is Head of Permira's London office. He is also Head of the TMT Sector and has worked on numerous transactions including Across Wireless, AU System. Prior to joining, Carl worked for several years at Hewlett Packard. He was previously at Unilever, Altergo Software and Case. Carl has a Chemistry degree from UMIST, England, and an MBA from the London Business School, England.

Cheryl Potter, Partner

Cheryl became a Partner in 2005. She has worked on a number of transactions including DinoSol Supermercados, Gala Coral Group, Homebase and Vendex KBB. Prior to joining, Cheryl was an Investment Manager at Royal Bank Development Capital. Previously she worked for six years at Arthur Andersen in Manchester and in London, including three years in the Corporate Finance division. Cheryl has a degree in Biochemistry from the University of Liverpool, England, and is a Chartered Accountant.

Philippe Robert, Partner

Philippe joined Permira as a Partner in 2002 and focuses on French transactions. Prior to joining, Philippe participated in the creation of the investment banking activities of DLJ (later CSFB) in Paris. At CSFB, Philippe held the position of Managing Director where he focused on financing and M&A activities for several French clients, notably in the telecommunications, financial services and industrial sectors. Prior to this, Philippe worked at BZW/CSFB in Paris and London. Philippe has a Masters in Management from Sup de Co Rouen, France.

Jörg Rockenhäuser, Partner

Jörg became a Partner in 2006. He has worked on a number of transactions including debitel and Jet Aviation. Prior to joining, Jörg was a Principal at AT Kearney, where he managed the Venture Services Practice. He was a member of AT Kearney's European Strategy Core Group and focused on growth and restructuring strategy, risk management and large-scale project management. His industry focus was also in the TMT and Airline/Logistics areas. Jörg has a Masters in Finance and International Management from the University of Münster, Germany, and a PhD from the University of Bochum, Germany.

Richard Sanders, Partner

Richard became a Partner in 2006. He focuses on the TMT sector and has worked on a number of transactions including Inmarsat, Intelsat and Wireless Information Network. Prior to joining, Richard worked for Morgan Stanley in London in the M&A and High Yield Capital Markets divisions. Richard has a degree in Classics from Oxford University, England, and an MBA from Stanford Business School, USA.

Federico Saruggia, Partner

Federico became a Partner in 2006 and specializes in the structuring of transactions across sectors. He has been involved in numerous transactions including Cognis, Cortefiel, DinoSol Supermercados, Ferretti Group, Grandi Navi Veloci, Marazzi Group, Seat PG, TDC and TFL. Prior to joining, Federico was a Tax Manager at Sanpaolo Finance, the merchant banking arm of IMI Sanpaolo Group in Milan, for six years. Before this, he was an analyst at Mediocredito Lombardo in Milan. Federico has a degree in Business Administration and an Advanced Degree in Taxation, both from Bocconi University, Italy, and is a Chartered Accountant.

Ian Sellars, Partner

Ian joined Permira as a Partner in 1993 and provides support on deal negotiation and execution. He has worked on numerous transactions including The AA, DinoSol Supermercados, Gala Coral Group, Hogg Robinson, Memec, New Look and TDC. Prior to joining, Ian was a partner at Clifford Chance, where he was Head of the Leveraged Buy-Out Group. Ian has a Law degree from Sheffield University, England, and is a Solicitor.

Peter Smitham, Partner

Peter joined in 1985, the year the London office was founded. He was Managing Partner of the London office from 1994 until 1998 and led the European business from 1996 until 2000. Peter has worked on numerous transactions focusing on electronics and turnarounds including Memec, The Roxboro Group, Solartron and Technology plc. Prior to joining, Peter spent the majority of his career working with high growth electronics companies. He was Managing Director of Jermyn Holdings. After its acquisition by Lex Services Group, he took over responsibility for Lex's European electronics businesses. Peter has a degree in Geography from Swansea University, Wales, and attended the Senior Executive Programme at Stanford Business School, USA.

Nicola Volpi, Partner

Nicola became a Partner in 1997 and has been Co-Head of Permira's Milan office, together with Gianluca Andena, since September 2005. He works across all sectors, with particular focus on the consumer sector, and has been involved in numerous transactions including Ferretti Group, FIR Elettromeccanica, Marazzi Group, Seat PG, TDC, TFL and Veneta Cucine. Prior to joining, Nicola spent eight years with Sanpaolo Finance, the merchant banking arm of IMI Sanpaolo Group, where he worked in the private equity division on several leveraged buy-outs. Nicola has a degree in Business Administration and a degree in Finance from Bocconi University, Italy.

Martin Weckwerth, Partner

Martin became a Partner in 2002. He is fund minder of Permira Europe III with Veronica Eng and has worked on numerous transactions including Jet Aviation, Kiekert, Memorex Telex, Premiere, Sirona Dental Systems, Takko and TFL. Prior to joining, Martin undertook a PhD and worked on a freelance basis with Accenture. Martin has a degree in Business Administration & Mechanical Engineering and a PhD in Economics from the Technische Universität Darmstadt, Germany, and the University of Illinois, USA.

CONCLUSION/RECOMMENDATION

Based upon the successful track record, experience of the principals and the recommendation of PSERS' consultant, Portfolio Advisors, staff recommends that the Board invests an amount equal to 25 percent of the committed capital but not to exceed 300 million Euros plus reasonable normal investment expenses in Permira IV, L.P., subject to final terms and conditions satisfactory to the Investment Office, the Office of Chief Counsel, and the Executive Director.