

# Buyouts

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## BUYOUTS BEAT

### FIVE QUESTIONS WITH...



**GARY NUSBAUM**  
MANAGING DIRECTOR,  
PALLADIUM EQUITY PARTNERS

**1 You ran Warburg Pincus' office in Sao Paulo, Brazil. How viable a market is Latin America for U.S. private equity investors?**

At Palladium we believe that partners can achieve the alpha of investing in emerging markets by investing in the U.S. Hispanic market. That would include Latin America...While we believe that the Latin American markets are highly attractive particularly to an investor who has long-term staying power and a long-term view, we also believe that the opportunity to invest in the U.S. Hispanic sector is a highly attractive one that we're uniquely positioned to exploit. We believe that we can be a good conduit for Latin American companies that want to invest in the fast-growing U.S. Hispanic space. That's probably the first place you'll see us in Latin America.

**2 Palladium is one of the few U.S.-based private equity firms that specifically focus on the Hispanic market. Do you expect more firms like Palladium will spring up?**

We absolutely think that you will see more private

equity firms focused on the Hispanic market. The market opportunity is too big and growing too fast for people to ignore it and for that not to happen. We do believe in the next decade and beyond, successful companies in the U.S. will be the ones that specifically target U.S. Hispanics, especially in some key verticals like media, food, financial services and consumer products. At Palladium, we have developed an expertise, a focus and a network in a horizontal segment, Hispanic investing, that cuts across all the verticals to target and identify the companies and consumers that are poised to grow by selling to the U.S. Hispanic market.

**3 What new opportunities do you see coming to fruition for buyout firms in media?**

In media we've already seen strong deal flow in the traditional segments, including broadcast and print. We're also generating some very interesting opportunities in business-to-business as companies develop the need for targeted information about the growing Hispanic market and about

Hispanic consumers. With the growth of the Hispanic market...the companies have a need to develop some knowledge about the consumer. That ends up being a big driver of the business-to-business segment: information about consumers.

**4 What does the exit market look like today?**

Palladium recently raised a \$520 million fund of which more than 90% is available for investment. At this point in our investment cycle we're far more concerned with entrances than exits.

**5 What should people know about making private equity investments in the Hispanic market?**

The combined purchasing power of the U.S. Hispanic population ranks it among world's largest economies and its population is the 4th largest when compared to Spanish speaking countries worldwide...We think all these are favorable characteristics for private equity investing. Anyone who approaches the market has to look at it in the context of how large and how growing it is. ❖