

March 13, 2012

Dear Bain Capital Limited Partners,

As the first quarter unfolds, we thought it would be helpful to discuss our private equity portfolio progress from last year with you and also address the media attention on the firm due to the presidential campaign of our former partner, Mitt Romney, who retired from Bain Capital more than 13 years ago.

Portfolio Update

As highlighted in our year-end letter, 2011 was a productive year for our global private equity business, with our funds generating \$4.1 billion in realizations. Thanks to strong underlying company results, we were able to harvest a portion of the value we have worked hard to build during the past several years. Over half of the proceeds came from public stock sales, for which our weighted average multiple of money was 3.1x our cost basis. In 2011, we also committed \$3.6 billion to nine new investments. As a result of our global reach, we continued to find opportunities in developing economies and value in the developed markets, particularly where transactional complexity or difficult turnaround situations offered high upside potential. Coming off a strong rebound in 2010 following the recession, our global private equity portfolio continued its growth trajectory, with over 7 percent overall revenue gains in 2011.

We are optimistic about liquidity and investment prospects in 2012, particularly given the positive backdrop of the capital markets during the first two months of this year. On the new deal side for 2012, we are focused on opportunities where our integrated global platform, differentiated diligence insights and operational capabilities give us a significant advantage.

The Political Landscape

Most of you have been our partners for many years, and you know that we prefer to maintain a low public profile and to devote our energies to the work we do on your behalf. That hard work continues with enthusiasm, despite an unusual amount of media attention on the firm due to the presidential campaign. We have been most heartened by your support, since you are the ones who know us the best. It also has been gratifying to see and read the unsolicited support of numerous commentators and experts, and that many reporters and editorial pages have made a concerted effort to explain the strong record of our firm despite a lot of sensationalist rhetoric and political noise.

While we have a great deal of respect across our partnership for all those who pursue public service, including President Obama and Governor Romney, we are not a political organization and take no public position on any candidate. Many of our Managing Directors and employees make individual decisions to support causes and political candidates espousing a range of views, but we assure you that Bain Capital itself is separate from politics.

Mark Twain's famous witticism, "Get your facts first, and then you can distort them as much as you please," has unfortunately become a hallmark of today's political process. *The Washington Post Fact Checker* recently labeled one of the widely publicized attacks on Bain Capital's business record an "over-the-top assault," and admonished that there is "no excuse for this highly misleading portrayal." We thought you might appreciate some facts about the real record of our firm from its founding in 1984 to today:

- **Growth and Revenue Analysis.** We have helped the companies in which we have invested grow their revenues well over twice as fast as both the S&P and the U.S. economy over the last 28 years. Our companies have grown their revenues by more than \$105 billion globally since our investment, including \$80 billion of growth in the United States. Despite political attacks that tend to emphasize the few companies that struggled, the facts are that revenues grew during our ownership in 80 percent of the more than 350 companies in which we have invested. Our growth-oriented approach is reflected by our current portfolio companies, which have opened over 5,000 stores and facilities during our ownership. Today, our companies employ over one million people worldwide (including in every U.S. state) and generate over \$155 billion of annual revenue.
- **Growth Built on Bain Capital's Unique Strategic Approach.** The strong growth in our companies has come from the hands-on, company-building method of investing that we helped to pioneer in the 1980s and which continues today with the 900 members of our team. Fundamental to our success, this strategic approach would not be possible without having the right people with the right skills working closely with our management teams. Importantly, more than 80 percent of our senior team has strategic, consulting and operating backgrounds. In 2011 alone, Bain Capital employees devoted over 190,000 hours to working with our management teams to grow and improve the operations of our companies.
- **Business Model.** At its core, our business model has always been to build great companies and improve their operations. In fact, approximately 70 percent of the private investments we have made over our history have been start-up, growth capital, turnaround or transformational investments. The operating experience we bring to our investments is vital in turnaround situations, or when a healthy company suddenly encounters a difficult economic or competitive environment. Through more than a generation of investing, less than 5 percent of our companies filed for bankruptcy while under our control, a figure that is consistent with the broader economy and compares favorably considering the risks associated with private investing. In the vast majority of these cases, our work has resulted in better, more competitive companies.

Revenue growth of the magnitude achieved by our companies has had positive overall impacts on local economies, which is a source of great pride for us and our management teams. While experts agree that calculating net job growth across a portfolio of companies is difficult to do with precision, the revenue growth in our companies has created hundreds of thousands of jobs over our 28-year history at our companies and their franchisees, suppliers and customers, not to mention countless other businesses in the communities served by our companies. While not every business can be successful, any fair-minded assessment must also take into account the jobs preserved in the businesses that we have turned around, transformed and then grown. This sharply politicized issue attracts enormous attention and lends itself to misleading anecdotes and cherry-picking of the record, but there should be no doubt that \$105 billion of revenue growth is an economic engine with widespread benefits.

Your support, combined with our track record and commitment to integrity and leadership, has allowed us to build great companies while delivering superior returns to our investors. We understand and fully appreciate the vital role we play in investing prudently and successfully on behalf of the pensions, endowments, foundations and families who entrust us with the responsibility of generating the returns they require to meet the needs of their beneficiaries. Our firm seeks to instill the same sense of ethics and integrity to which we ourselves adhere in the companies with which we work. Like Bain Capital, our companies espouse responsible corporate governance and practices, and work to better the communities in which they live. Moreover, today Bain Capital individuals support hundreds of charities and serve on over 75 charitable boards.

We take this notion of stewardship very seriously. As you know, we are aligned with you -- Bain Capital's professionals are collectively the single largest investor in every fund we raise and every investment we make. This level of commitment to mutual, long-term success is unique to Bain Capital and an important point of pride for our firm.

We remain focused on building great businesses and delivering strong returns to our investors. We appreciate your continued support and extend our thanks to our management teams for their patience. We intend to maintain an open dialogue with you throughout this period, and you should feel free to reach out to any of us if you have questions or concerns.

Sincerely,

The Managing Directors of Bain Capital Partners, LLC