

## Triple Play for Cinven in Dutch Cable Market

In September 2006, Cinven purchased Casema and Multikabel, two leading Dutch cable companies, for a combined value of €2.85 billion. These businesses are ideally positioned to sell additional telephony, broadband and TV services to their existing subscriber base. In addition, Cinven has signed an agreement to acquire a third cable operator, Essent Kabelcom, for €2.6 billion. This remains subject to regulatory clearance which is expected early next year.

The Netherlands is one of the most attractive cable markets in Europe. Most households have received their TV through cable since the 1970s and roughly 90% of all Dutch households still receive their analogue TV signal through the cable network. Casema, Multikabel and Kabelcom have all upgraded their networks in recent years in order to offer additional services such as broadband, telephony and digital TV to their existing analogue TV subscribers. The direct billing relationship between the cable companies and the Dutch households enables the cable companies to market and sell these additional services more effectively.

Casema and Multikabel are respectively the 3rd and 4th largest cable companies in the Dutch market. Together they have 1.6 million subscribers, and total pro forma revenues of approximately €416m in 2005. Kabelcom serves a further 1.7 million subscribers, and the combination of all three businesses will cover over half of all households in the Netherlands.

The strategy for the businesses going forward is to drive growth in revenues from the existing cable customer base by offering additional triple-play services. In addition, there are opportunities



to improve the operational efficiencies of the businesses and to eliminate overlapping costs between them. In all these areas, we are able to draw on our highly successful experience in France, where we have successfully created significant value by bringing separate cable operations together.

Cinven Partner David Barker comments: "This is the first investment from Fund 4 and

a great result for the team. We have been talking to senior management in these companies for a number of years and so were able to move quickly when the opportunities arose. It's also an outstanding opportunity for the companies' customers. Once the transactions have been completed, we will be in a position to deliver state of the art triple-play services to over half the households in the Netherlands."

## Springer: performance delivers dividends

Consistent high performance across the board has allowed Springer to refinance for a third time, returning approximately €300 million to investors and repaying a large tranche of mezzanine debt.

Springer has now returned over €1.3 billion to its investors. This is a 1.6 X multiple of original investment cost, with no dilution of ownership.

Springer was formed when Cinven merged KAP and BertelsmannSpringer to create the world's second largest STM publisher. Guided with great

success by its new senior management team, the business has outperformed expectations since it was established, achieving exceptional topline growth accompanied by operational improvements leading to a doubling of profits since acquisition.

Cinven Partner Brian Linden comments: "CEO Derk Haank and his team have done an exceptional job in making the original strategy work so successfully. Best practice is continuing to drive change, leading to impressive sales and profit growth throughout the group."



## Success Brings Change: Vendex rebrands as Maxeda

Dutch retailing giant Vendex has been relaunched under the name Maxeda.

The change marks the success of wide ranging operational and cultural developments that have been introduced since the company was purchased in 2004. Alongside the rebranding, improvements in working capital have led to a €460m refinancing, bringing the multiple of investment costs recovered up to 1.1X.

Headquartered in the Netherlands and with 1800 outlets in seven countries, Maxeda is one of Europe's largest retail groups. It has three main formats: department stores, DIY, and clothing, each made up of a number of number of major brands.

Other lines include restaurant chains and jewellers.

A sharp focus on the business culture has awakened a new sense of ambition within the group. Building on the growth of key lines, management is aiming to find new synergies within the group, apply shared values across it and maximise the full potential of each format with individual businesses aiming to become best in class.

Operationally, Maxeda is focusing on customers, costs, and creating a virtuous cycle based on disciplined buying, operational

improvements and a reinvigorated service culture. Changes are being driven by CEO Tony DeNunzio, who is uniting the company and moving it forward behind a more dynamic leadership style.

Cinven Partner Guy Davison comments, "Tony DeNunzio has brought a new dynamism to the group and has managed to build a culture that is all about empowerment and getting people to move forward together. As a result, we're seeing positive developments across the entire company."



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