

Sector expertise

We continually review and analyse our chosen sectors, building our understanding of market trends and new business models, seeking out investment opportunities and getting to know successful business leaders.

Business Services

Amadeus	28
Coor	30
Spice	32

Consumer

Camaïeu	34
Gondola	36
Maxeda	38

Financial Services

Avolon	40
Partnership Assurance	42

Healthcare

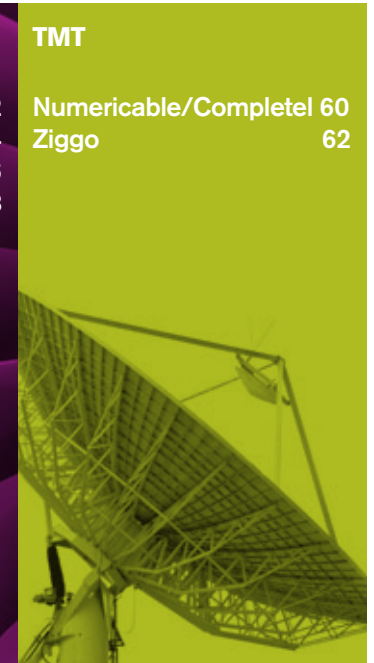
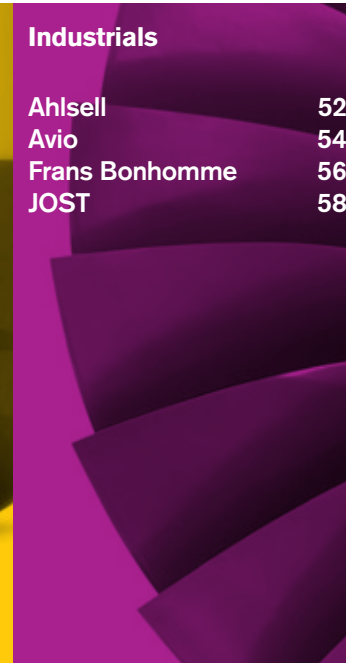
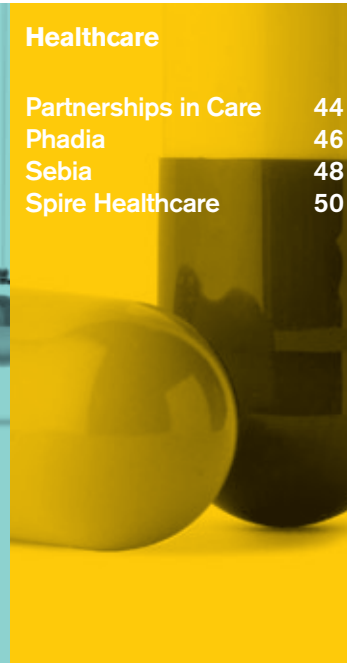
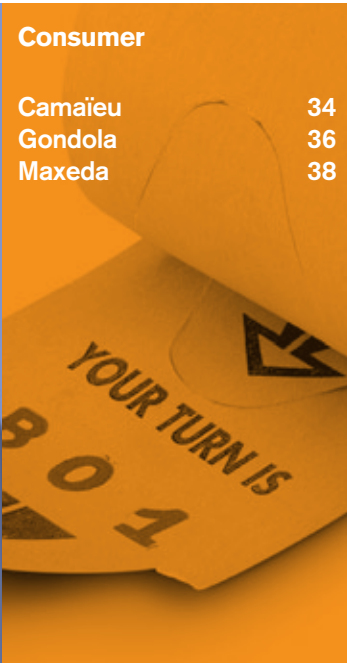
Partnerships in Care	44
Phadia	46
Sebia	48
Spire Healthcare	50

Industrials

Ahlsell	52
Avio	54
Frans Bonhomme	56
JOST	58

TMT

Numericable/Comptel	60
Ziggo	62



Sector expertise
continued

Business Services

Cinven has a lengthy track record in the business services sector, reaching back to the firm's early days.

Selected investments

Spain (global operations)

Amadeus

Global travel transaction processor and provider of advanced technology solutions

UK

Comax

Facilities management

Nordic region

Coor

Integrated facilities management

UK (global operations)

Gardner Merchant

Contract catering

UK

NCP

Parking and traffic management services

UK

Spice

Utility and energy outsourcing

Sector expertise
continued

Business Services



Bruno Schick and Nicolas Paulmier
Business Services sector professionals

The business services sector is diverse and includes many different market segments and business models. Overall, conditions in the sector remain challenging. The fortunes of companies that operate in the business services sector are necessarily linked to the industries they serve, and as a result performance has varied widely.

Many companies have been sustained during the recession by the long-term trend towards outsourcing. Longer-term, Europe's gradual recovery from recession has improved prospects, and economic projections for the business services sector are consistently positive, particularly where services are geared towards the private rather than the public sector.

Cinven has owned businesses that operate in many sub-sectors, including facilities management, building products distribution, contract catering, transportation, plant hire, IT services, oilfield services, car auctions and technical management services.

Our current portfolio includes Amadeus, the global travel distribution services company; Coor, the Nordic integrated facilities management business; and Spice, the UK-based utility and energy outsourcing company.

For the Business Services team, one of the highlights of 2010 was the April flotation of Amadeus on the Madrid Stock Exchange (see the case study of Amadeus on page 8 of this annual review). The team provided the strategic insight that first led us to Amadeus in 2002 and has worked closely with the company's management to grow and develop the business. Against a difficult market backdrop, Amadeus' IPO was very well received. Following a subsequent share sale by Cinven, we retain a 13% stake in the business, which continues to perform strongly.

Another important 2010 event for the Business Services team was the acquisition of Spice plc, a UK-based provider of outsourced infrastructure support services in the fields of utility and energy (see the case study on page 11 of this annual review). This transaction was completed through the acquisition of a London Stock Exchange listed company. Cinven's strategy is to re-energise its four core divisions and improve the overall performance of the group. Spice will also be looking to make bolt-on acquisitions and to develop its US billings business.

Cinven helps high-quality, ambitious businesses to expand outside their home country markets within Europe and to tap into Asia's growth. Working alongside management teams, we provide capital, ideas, knowledge and contacts to help them grow and develop their businesses. We are flexible and have shown our willingness and ability to work alongside corporate partners.

The Business Services team stays closely in touch with senior executives across the region and is confident that prospects in the sector will continue to improve. Against the background of Europe's gradual economic recovery, the team is actively pursuing many promising investment opportunities.

Sector expertise
continued

Consumer

Cinven has been an active investor across the spectrum of consumer facing and consumer product markets for over 25 years.

Selected investments

France, Poland, Italy, Russia

Camaïeu

Clothing retailer

Germany

CBR

Ladies' fashion wholesaler

UK, Benelux, Germany,

Asia, Australia

Fitness First

Health and fitness clubs

UK

Gondola

Casual dining operator

Benelux region

Maxeda

Non-food retailer

UK

Odeon

Cinemas

Sector expertise
continued

Consumer



Guy Davison, Rebecca Gibson and Xavier Geismar
Consumer sector professionals

Cinven has a long and successful history of involvement in all of the main consumer sub-sectors. In retail, we have invested in the clothing, department store, DIY, home furnishing and toy segments. In leisure, we made acquisitions in gaming, health and fitness, pubs, cinemas, travel and restaurants. In consumer goods, Cinven has owned food manufacturing and distribution, household goods, electrical goods, beverages, textiles and clothing businesses.

Our current portfolio includes the French women's clothing retailer Camaïeu; the UK casual dining operator Gondola (owners of PizzaExpress among other brands); and Maxeda, the Benelux-based non-food retailer.

During 2010 Maxeda carried out a strategic review of its Fashion Group, which comprised V&D, La Place, de Bijenkorf, Hunkemöller and M&S Mode, all of which made substantial progress in Cinven's ownership. The company decided to position each business for the future with new strategic partners, and as a result, all have been acquired by owners that can help them take the next step in their evolution. Maxeda will continue to support and invest in its DIY Group, making Brico, Brico Plan-It, Formido and Praxis more successful and positioning Maxeda DIY as a modern, integrated and market-leading Benelux business.

Cinven's Consumer team operates from all four of our European offices and maintains a wide circle of relationships with senior executives and advisors in the sector. The team is supported by colleagues from Cinven's Hong Kong office, who use their regional network and local knowledge to help our consumer companies enter new markets, reduce costs and improve operations.

Cinven's most successful consumer investments tend to share certain characteristics, which we look for when we are considering any new investment opportunity. We are particularly interested in companies that outperform in growing markets and show resilience in recessionary conditions.

The businesses Cinven backs are usually differentiated market-leaders with strong brands, active in markets that are supported by long-term consumer trends. We like 'high volume, low ticket' businesses with multi-site operations and a broad geographical presence. We are attracted by companies that combine 'bricks and mortar' operations and online distribution. Every business we invest in must show potential for growth – either growth in its current markets (like-for-like growth and new store roll-out), or by expanding into new geographical markets, or through market consolidation.

Investment prospects are good. We continue to examine businesses that do well in recessionary times, such as online retailers, food retailers, manufacturers of essential household and personal care products, and retailers with a 'value for money' offer. As economic growth picks up, consumer businesses that benefit from an economic upturn are also beginning to look attractive. Over the next 12 months, we expect the continuing economic recovery in Europe to generate a flow of exciting investment opportunities.

Sector expertise
continued

Financial Services

The financial services sector has entered a period of accelerated change, creating attractive investment opportunities.

Selected investments

Ireland (global operations)

Avolon

Aircraft leasing

UK

Holmwoods

Insurance broking

UK

Partnership Assurance

Provider of retirement solutions

UK

Sabre

Speciality motor insurance

Sector expertise
continued

Financial Services



Caspar Berendsen and Peter Catterall
Financial Services sector professionals

In the post-credit crisis era, financial institutions are re-shaping their strategies and business models, sometimes radically. Businesses are being spun out as major corporate and financial institutions reconsider their operations, often under pressure from regulators, and opportunities for new businesses are emerging as established ones pull back. At Cinven, we expect this phase to continue. Our Financial Services team is actively seeking opportunities to invest in businesses with growth potential and attractive market positions.

Cinven invests in both the regulated and non-regulated segments of the financial services sector. We apply Cinven's traditional investment approach of identifying market-leaders in attractive growth markets. Often, we work with corporate institutions, industry advisers and former executives who help us to develop and execute investment strategies.

We invest in market-leaders operating in attractive markets, with cash-generative business models and strong management teams. We focus on growth businesses as well as 'yield plays', and are open to acquisitions that involve low debt-to-equity ratios.

Our current portfolio includes Partnership Assurance, the UK's leading provider of specialised annuity products for people with medical conditions; and Avolon, the global aircraft leasing business. Partnership Assurance has continued to perform strongly and has gained momentum since Cinven acquired the business in 2008. Our 2010 investment in Avolon was another landmark investment for the Financial Services team, which developed the strategic insight that led to the origination of the transaction (see the case study of Avolon on page 9 of this annual review).

Cinven believes that there will be continued opportunity for private equity investment in the coming years of transition in the financial services industry, which has witnessed:

- the sale of non-core assets by financial institutions that need to bolster their balance sheets;
- de-mergers enforced by regulators as a condition of their continuing support;
- mergers as businesses seek the 'critical mass' they need in order to attract capital;
- changes in behaviour by consumers, as they react to low rates of return, repay loans instead of saving, and become more risk-averse;
- disposals spurred by financial services companies' more selective approach to globalisation; and
- the prospect of an end to government support for the banking industry, at some point in the future, as yet unknown.

These trends are still playing out and our Financial Services team expects the industry to remain in flux for some years. We are tracking a number of sub-sectors closely and confidently expect investment opportunities to emerge in the short- and medium-term.

Sector expertise
continued

Healthcare

Cinven is one of the most prominent private equity firms in healthcare, having completed nine investments in six different countries totalling €7.4 billion.

Selected investments

UK

General Healthcare

Hospital operator

France

Générale de Santé

Hospital operator

UK

Partnerships in Care

Psychiatric care homes

Sweden (global operations)

Phadia

In-vitro diagnostics – Allergy testing

France (global operations)

Sebia

In-vitro diagnostics – Protein testing

UK

Spire Healthcare

Hospital operator

Sector expertise
continued

Healthcare



Stuart McAlpine, Pascal Heberling and Simon Rowlands
Healthcare sector professionals

Cinven's Healthcare team has expertise across the entire sector, encompassing healthcare services, medical technology and pharmaceuticals, and has been a driving force within the industry in areas such as the consolidation of the UK private hospital market and the development of the niche in-vitro diagnostic market.

Cinven's current healthcare portfolio includes Sebia, a protein diagnostics testing business; Spire Healthcare, a leading UK-based hospital group; Partnerships in Care, a UK psychiatric care home operator; and Phadia, the market-leader in allergy and autoimmunity diagnostics. In addition, we have previously invested in medical services, medical technology and pharmaceuticals, in many European jurisdictions.

Cinven acquired Sebia in June 2010. The business has made considerable progress, continuing to grow in all its major markets since the acquisition as it pursues its strategy of geographical expansion and product innovation (see case study on page 10 of this annual review).

An underlying theme across our healthcare portfolio is revenue growth driven by Cinven's investment in the businesses, including investment in the salesforce, R&D, expansion capital expenditure and in acquisitions.

Healthcare benefits from strong demographic drivers: ageing populations increase the demand for healthcare. In addition, medical science is advancing, leading to new technologies and treatments which drive up the cost of healthcare. In a period when government budgets are under pressure, identifying the right areas to invest in is critical to success in this sector.

Cinven targets businesses which benefit from demographic change, both in developed and emerging markets, and which operate in areas that have favourable reimbursement dynamics that insulate them against the general pressure on healthcare costs. Areas where we see particular opportunity today include:

- medical technology businesses active in niche markets that have potential to grow through global expansion and are insulated from general reimbursement pressures;
- companies with resilient payors (e.g. medical insurers and those governments with stronger balance sheets), making them less vulnerable to consumer downturns;

- companies that can help reduce the cost of public healthcare provision, either through early identification of disease (e.g. diagnostics) or through improving the cost-effectiveness of provision (e.g. outsourcing); and
- businesses that can benefit from the significant shifts occurring in the large pharmaceutical sector, which is undergoing significant consolidation.

Through the experience we have from our long investment history and the strong network of relationships developed over that time, we are often able to identify proprietary angles on investment opportunities. In addition, our Asian office has a proven record in helping European healthcare companies within the Cinven portfolio to tackle the challenge of emerging market growth. This capability makes us a value-adding shareholder, which is especially appealing where management teams want a partner who can contribute operational expertise as well as capital.

Sector expertise
continued

Industrials

Cinven has been active in the industrials sector for more than 30 years and has undertaken over 100 transactions.

Selected investments

Nordic region

Ahlsell

Building materials distribution

Italy (global operations)

Avio

Aerospace engine component
manufacturer

UK and international

Foseco

Industrial consumables

France, Spain

Frans Bonhomme

Plastic pipe distributor

Germany

JOST

Truck component manufacturer

Sector expertise
continued

Industrials



Roberto Italia and Benoît Valentin
Industrials sector professionals

Cinven has invested in all of the main industrials sub-sectors:

- **building materials and construction, from the light to the heavy end of the building materials product range;**
- **energy and natural resources, including metals and mining, oil and gas, utilities and renewables, and chemicals; and**
- **engineering and manufacturing, including industrial machinery, power and infrastructure equipment, and supply to the transport, aerospace and defence end-markets.**

Our Industrials team has extensive knowledge and experience in the sector and its global network of company executives and industry participants helps Cinven to originate proprietary transactions. Cinven's current portfolio includes Avio, the aerospace engine component manufacturer, and JOST, the manufacturer of components for trucks and trailers.

Cinven's long experience as investors in industrial businesses enables us to develop early insights into market trends and developments, allowing us to identify businesses that will do well at different points in the business cycle.

Cinven usually invests in businesses that display the following characteristics:

- defensive market leadership with high barriers to entry;
- strong and relevant technology;
- a supply chain that supports long-term, partnership-type relationships;
- customers in dynamic end-markets, with opportunities to promote superior organic growth and/or sector consolidation; and
- profitable, sustainable growth with an appropriate return on capital.

Although the economic downturn has eased and prospects are gradually improving, most of Europe's industrial companies still face major challenges and the picture varies widely by region and market segment.

With lower cost competition from Eastern Europe and Asia, European industrial companies need to address continuously the competitiveness of their products and core technologies. The strong investment cycle in emerging economies is driving a significant portion of incremental demand for industrial goods and local competition is emerging there, too.

Close interaction with Cinven's Portfolio team helps industrial companies in our portfolio to pursue sustainable value creation strategies, through initiatives to reduce costs, penetrate new markets and improve operations. For example, our Industrials

and Portfolio teams have been working with the Avio team over the last two years to open up new markets for the company. Two joint ventures have been established with AVIC Dongan, AVICOPTER and Xian Aero Engines, with the aim to gain access to promising opportunities in the Chinese aerospace market and to establish a high-quality manufacturing base in the region.

A number of industrial sub-sectors are benefiting from a general cyclical recovery, which is currently led mainly by restocking effects, together with growing demand from emerging economies. Cinven's Industrials team is actively investigating opportunities in sub-sectors which will benefit from such a recovery and will also offer structural growth opportunities.

A key area of focus for the team are technologies that facilitate more efficient utilisation of natural resources, systems and components, in line with advanced European standards, in areas such as transportation and security. These technologies offer an opportunity for superior growth in developed and emerging economies. Leading European industrial companies that have mastered these technologies and can package solutions and products effectively are an important target for Cinven's Industrials team.

Sector expertise
continued

TMT

With a track record of over 20 years in the sector, Cinven has been responsible for landmark TMT transactions.

Selected investments

France

Aprovia

B2B magazines and exhibitions

France, US

MediMedia

Healthcare publisher

France, Belgium, Luxembourg

Numericable/Completel

Cable operator

Netherlands, Germany, US

Springer

Academic publishing

Netherlands

Ziggo

Cable operator

Sector expertise
continued

TMT



David Barker and Brian Linden
TMT sector professionals

Cinven has invested in consumer publishing, B2B media, academic publishing, directories and cable and satellite businesses. Our portfolio includes Numericable/Completel, the only major cable operator in France, which Cinven created through a three-way merger; and Ziggo, the Netherlands' largest cable operator, which was also created via a three-way merger led by Cinven.

In April and October 2009, Cinven's TMT and Financing teams helped Ziggo to refinance €2 billion of its senior and mezzanine debt, cutting its cost of capital and lengthening the maturity of its debt. The €1.2 billion tranche launched in April 2009 was the largest of its kind by a first-time issuer in Europe since 2007 and was named European High Yield Bond of the Year in 2010 by International Financing Review.

Technological progress and the effects of the economic downturn continue to drive change in the TMT sector. Consumer behaviour in the telecoms and media sub-sectors is shifting as telephony, television and the internet converge, with new devices driving the change. Patterns of demand are changing and audiences are fragmenting, posing a major challenge for businesses whose revenues depend heavily on advertising. In addition, the long-term shift from printed media to online channels continues to alter many media business-models. During the downturn, most telecoms and cable businesses have done well, but in the media sub-sector, the downturn in advertising has affected many companies.

TMT acquisition activity has slowed in recent years, but prospects are improving, led by economic recovery and the re-opening of debt markets. Activity is increasing across all areas of TMT, with interesting opportunities emerging in sub-sectors of telecoms, media and technology.

Our TMT sector team closely tracks the continuously-changing TMT landscape. We are in regular contact with senior TMT entrepreneurs throughout Europe and are constantly looking at opportunities to acquire robust, stable, growing, cash-generative TMT businesses.