

Consumer Sector insights

Our investments

Consumer

We invest in consumer-related businesses spanning from the international 'fast-moving consumer goods' market, the mainly regional leisure segment, through to the largely domestic business of retailing. As a Europe-centric international investor, Cinven is perfectly placed to support aspirational consumer-related companies across all three segments.

Our Consumer team comprises seven investment professionals and has invested €3.3 billion into 17 consumer-related businesses over the past 26 years.

Our Consumer portfolio in 2014

Camaïeu
current

Gondola
realised

Maxeda
partially realised

Partners

4

Portfolio companies in 2014

3

Our investments

Consumer

Sector insights continued

“We have deep experience of expanding innovative consumer companies internationally.”

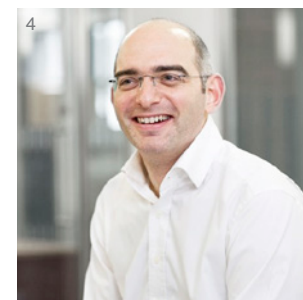
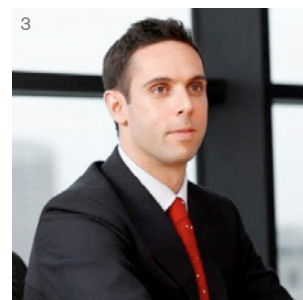
Peter Catterall Cinven Partner

Challenges and opportunities

A prolonged economic downturn across Europe and beyond has provided a challenging operating environment for all sorts of consumer-facing businesses. However, strong brands tend to be more resilient to the cycle and we believe there are always sub-segments that continue to grow in spite of more challenging economic circumstances. For instance, demand is strong for premium consumer goods, those with health benefits and those that allow for convenience/on-the-go consumption.

Despite the otherwise weak consumer environment, we are excited about companies with an innovation culture, international potential and strong routes to market. The next part of the cycle may also present corporate carve-out opportunities.

We continue to be particularly attracted to leisure businesses, where we have an exceptional track record with investments such as Fitness First, Parques Reunidos and William Hill.



Consumer sector Partners

- 1 Peter Catterall
Partner
- 2 Guy Davison
Partner
- 3 Maxim Crewe
Partner
- 4 Xavier Geismar
Partner

Generating exceptional value
During 2014 we realised our investment in Gondola having transformed the business and provided a strong return for our investors. Following a major international roll-out of Gondola's PizzaExpress brand through the Middle East and Asia, this business was acquired by a Chinese private equity firm in July 2014. The sale of Gondola's other major brands, Zizzi and Ask, were agreed in December 2014, while the burger brand Byron, conceived under Cinven's ownership, was sold earlier in October 2013. Gondola's success was one of expansion and tangible value creation independent of the wider economic backdrop, and generated 2.4x cost in sterling.

Retailing has been a more challenging story lately, but as patient investors we have been able to ride out the wider market turbulence to see Maxeda – an investment that has already generated 2.6x cost – begin to benefit from a recovering market for house improvement products, and ensure Camaieu is positioned to exploit the recovery ahead.

Our investments

Consumer

CAMAÏEU

Overview

Camaïeu is a women's clothing retailer with over a thousand stores globally, including 646 in France. At the time of Cinven's take-private of the business from the Paris Stock Exchange, it operated 557 stores, primarily in France.

Investment thesis

Camaïeu's attractive mix of growth potential, strong margins and resilience in previous downturns due to its focus on value-for-money, attracted our French and Consumer teams. They saw the opportunity to help expand the business internationally and develop its e-commerce sales.

Progress in 2014

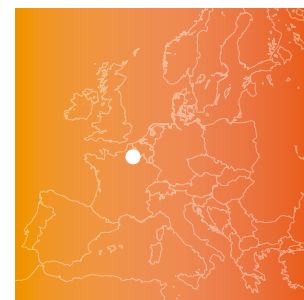
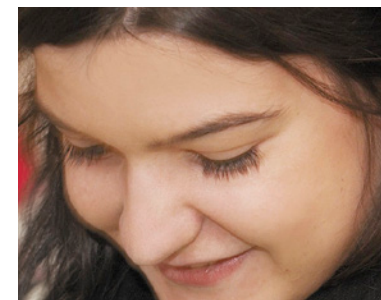
The weak consumer environment in France during the downturn, combined with mild weather, provided a challenging backdrop for Camaïeu. Cinven and management continue to focus on protecting and preserving cash and value through operational improvements and cost saving measures.

Following the appointment of Elisabeth Cunin as CEO in September 2013, the company has further enhanced its leadership, with a new CFO, a new Head of Retail in France and a new Head of Franchise. In addition, during 2014 the company completed a balance sheet restructuring that reset covenants and extended maturities. The business is now well positioned to exploit any upturn in consumer spending.

President du Conseil de Surveillance
Jean-Francois Duprez
President du Directoire
Elisabeth Cunin

Cinven representatives
Xavier Geismar
David Giroflier

www.camaieu.fr



Acquired

May 2007

HQ

France

(global operations)

Sales

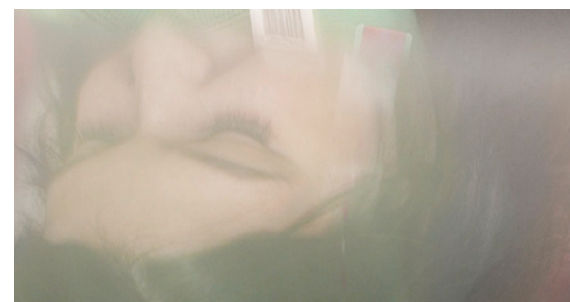
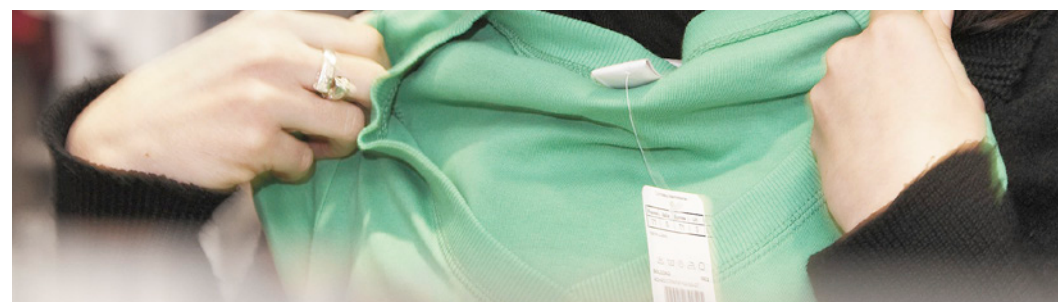
€799m

12 months ending March 2015
(unaudited)

Employees

6,000

(approximate)



Our investments

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Overview

Gondola was a UK-headquartered restaurant group with casual dining operations including PizzaExpress, ASK, Zizzi and Byron. Cinven took the company private in 2007 following an exclusive arrangement with its two main shareholders. Then in 2010 we acquired the international franchise business of PizzaExpress, which was previously independent of Gondola.

GONDOLA GROUP LIMITED

Investment thesis

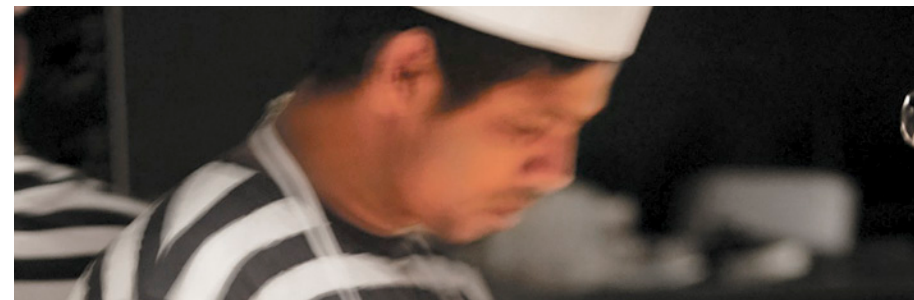
Cinven's Consumer team recognised Gondola's potential from successful investments in other 'high volume-low ticket' branded businesses such as Fitness First, Odeon, Unique Pubs and William Hill. The company was failing to realise the potential of its existing estate and its expansion opportunities. Cinven appointed a new CEO and made other senior management appointments.

Progress in 2014

2014 was the culmination of Cinven's value creation plan that involved increasing Gondola's restaurant opening programme to around 35 a year, increasing the return on capital employed per site, upgrading Gondola's promotional strategy, repositioning the ASK and Zizzi brands, and driving the growth of PizzaExpress in international markets, including through franchises in Hong Kong, Shanghai, the Middle

East and rolling out fully-owned restaurants in mainland China. In the UK, more than 130 restaurants were opened, bringing the UK estate to 436 restaurants and creating around 2,500 jobs.

In 2013, Cinven sold Byron, a new burger restaurant brand created in 2007, to Hutton Collins for £100 million; in July 2014 Chinese private equity firm Hony Capital agreed to purchase PizzaExpress for c. £900 million; and in December 2014, private equity firm Bridgepoint agreed to acquire ASK and Zizzi for c. £250 million. Total proceeds from the Gondola investment are £690 million, representing 2.4x cost.



Chairman
Chris Woodhouse
CEO **Harvey Smyth**

Cinven representatives
Peter Catterall
Yagnish Chotai
Charles Miller-Jones

www.gondolaholdings.com

Acquired

**Nov 2006/
Jan 2007**

HQ

UK

(global operations)

Sales

£595m

12 months ending December 2014
(actual). Excluding Byron sales.

Employees

15,100

(approximate)



Our investments

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Overview

Maxeda is a DIY retailer and the last remaining division of the Maxeda Group, which at the time was the largest non-food retailer in the Benelux acquired in a 2004 take-private by an investor consortium led by Cinven.

Investment thesis

Maxeda's share price had fallen in 2003 and was underperforming across a number of metrics. Cinven saw an opportunity to focus Maxeda on its core retailing business while making operational improvements and rationalising the business.

Progress in 2014

Cinven's Portfolio team in Hong Kong has worked closely with the DIY management team with a successful pilot sourcing project in Asia that is now being rolled out further. Revenues in Maxeda's remaining DIY business remained broadly flat during 2014 against 2013, due to subdued consumer confidence and a lack of recovery in the housing market. To date, successful divisional sales have returned 2.6x cost to Cinven's fund investors.



Chairman
Tony DeNunzio
Group CEO
Roel van Neerbos

Cinven representatives
Xavier Geismar
Johannes Berkmann

www.maxeda.com

Acquired

September 2004

HQ

The Netherlands

Sales

€1,314m

12 months ending January 2015
(actual)

Employees

7,000

(approximate)

