

Portfolio

Business building in the building business

Cinven has successfully completed the purchase of Ahlsell, the Nordic region's leading distributor of heating, plumbing and electrical installation products.

Acquired for in excess of €1 billion in January 2006, Ahlsell has an annual turnover of around SEK 17 billion (€1.8 billion). It operates from 175 outlets established across the region and concentrates on five core markets: Heating and Plumbing, Electrical, Tools and Machinery, Refrigeration and DIY. Ahlsell's customers have access to over 125,000 products from the company's outlets and can access a further 200,000 products from Ahlsell's suppliers.

Cinven was attracted by Ahlsell's track record and the way its growth is based on a robust, repeatable model that has allowed it to expand successfully over a large and disparate region. The company aims to offer its broad customer base big chain resources combined with local flexibility. It achieves this by building its strategy around five main competencies: a wide product range; local presence; skilled specialists; centralised logistics, purchasing and administration; and growth through acquisition.

The wide product range, local presence and skilled specialists ensure the outlets capture maximum consumer spend, whilst offering convenience and expert advice. The centralised systems deliver cost synergies and economies of scale as well as providing high standards in logistics and delivery.

Cinven partner Guy Davison is delighted at the prospect of working with Ahlsell's management. "We've been aware of Ahlsell for a long time and we know the sector well through working with businesses in other territories such as Frans Bonhomme. Ahlsell is in an excellent position with regard to its chosen products and

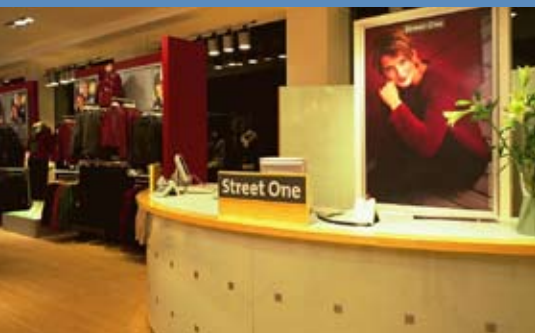


regions. The management has a clear strategic vision and a strong track record of successful growth, both organically and through acquisition."

Whilst the business is number one across the region as a whole, there are opportunities to make the network denser and broaden the range of products on offer. Cinven has experience of helping distribution businesses in this sector

enjoy exceptional growth and looks forward to supporting the exceptional management team.

Goran Nasholm, CEO and President of Ahlsell acknowledges this. "We are impressed by Cinven's knowledge of the sector and their track record in it. Their input will be invaluable as we expand our network and product range throughout the region."



Refashioning the future: CBR performance returns €160 million to investors

Strong cash generation and a significant growth in sales and profits are the main factors behind the December 2005 refinancing of CBR, the Germany based fashion group.

An accumulation of cash on the balance sheet and a strong increase in earnings has enabled a total of over €160 million to be returned to investors, and a further €195 million to be used to repay mezzanine debt and a vendor loan note. This follows a period of active management on Cinven's part and strong performance from the business.

When Cinven purchased CBR in November 2004, it bore all the hallmarks of a highly successful, entrepreneurially driven business. Building on prior experience and analysis of winners and losers, the Cinven sector team had picked out a number of features that would deliver success in the rather difficult German retail market. CBR was the first opportunity to match these priorities, with its winning business model, high cash generation, limited fashion and retail risks and significant growth potential.

CBR is one of the fastest-growing and most profitable fashion clothing groups in Europe. The company concentrates its resources on design, sourcing and distribution but does not own production or retail facilities of its own.

CBR produces goods to order and wholesales to independent retailers, distributing its products through more than 7,000 points of sale across Europe. Germany is its main market but the company is expanding in adjacent territories.

While Cinven's investment strategy was built around the successful roll-out of the business, the team immediately started working with management on analysing potential improvement areas and how best practice could be implemented. To support the implementation of these developments, Hans Andersson, who previously oversaw H&M's highly successful expansion programme in Germany, was brought on board as Chairman.

"From the start, the Cinven team worked with management to identify key areas of opportunity. These include being more systematic in how we expand, optimising performance and building a state of the art infrastructure," Cinven Partner Christian Dosch comments. "The changes have brought immediate benefits to the business and will continue to do so into the future.

Clearly, implementing the plan has been crucial and we are very pleased to be able to draw on Hans Andersson's experience in overseeing the successful expansion of a leading fashion network."

"Cinven have been active owners and have brought far more to the table than their financial skills and resources," Hans Andersson comments. "They've worked with management to ensure that all aspects of the business are operating at their full potential and, as a result, the business is seeing enormous benefits."



Cinven has won the Acquisitions Monthly "Domestic Deal of the Year" Award for Coral Eurobet and "European Deal of the Year" Award for Amadeus. The awards ceremony took place in London on 19th January.

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