

Update

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Over €1 billion returned to investors through refinancings

A series of refinancings have created benefits for Cinven portfolio companies and fund investors alike.

Capitalising on the strong operating performance of companies within its portfolio, Cinven has successfully implemented debt refinancing transactions for seven of its portfolio companies since June 2006. These refinancings have yielded benefits to Cinven portfolio companies by providing more flexible capital on improved terms, and in the majority of cases have also resulted in a significant return of capital to Cinven's investors.

The refinancings for Ahlsell, Amadeus, Frans Bonhomme, Maxeda and Springer involved a re-levering to fund a distribution to shareholders. More than €1 billion has been returned to investors as a result of these transactions. Cinven adopted a different strategy for the recent refinancings of World Directories and Numéricable, which were structured to reduce the cost of capital and to provide increased operational flexibility, rather than to return capital to investors.

All these refinancings incorporated improvements in the terms of the companies' debt facilities, reflecting strong operating performance and value creation, as well as the attractive terms,



Matthew Sabben-Clare



Soren Christensen



Strong operating performance and value creation

with typically a reduction in the average cost of debt. The level of leverage used in each case is prudent, consistent with the multiples used when Cinven acquired these companies. In all the companies concerned Cinven's strategy is one of growth and therefore in structuring the refinancings Cinven has been careful to align leverage levels with the future operating requirements of each business.

Cinven established a specialist debt financing team two years ago to manage the firm's relationships with debt providers, structure and negotiate loans and other debt instruments,

and to assist with acquisitions and refinancings. Matthew Sabben-Clare and Soren Christensen are particularly pleased with the strong market response to the innovative syndicated loan used to refinance World Directories' existing senior debt facilities. Known in the United States as 'covenant-lite', this type of loan has very limited covenant requirements. "The refinancing improves the cost of capital for World Directories and significantly increases its operational flexibility", says Matthew Sabben-Clare. Adds Soren Christensen: "This loan was a first for Europe. The debt markets are highly liquid at the moment, which facilitates this kind of innovation".

Cinven realises investment in UB

Growth strategy refocuses United Biscuits on its core European markets.

United Biscuits ('UB') – one of Europe's leading manufacturers and marketers of branded biscuits and snack foods – was sold to Blackstone Partners and PAI in December 2006 for an enterprise value of just over €2.4 billion (£1.6 billion). United Biscuits' Southern European operations had previously been sold for €860 million (£575m). The sale was the culmination of a successful investment for Cinven.

Cinven originally invested in UB in 2001. UB has focused on improving operational performance by increasing sales and EBITDA margin, and has made a number of strategic acquisitions (including Jacob's) and disposals to refocus the business on its core markets in Western Europe. Kraft Inc acquired United Biscuits' Southern European operations in 2006.

Yagnish Chotai, Partner at Cinven, said: "United Biscuits has successfully dealt with a number of challenges during our period of ownership and we have worked closely with the management team to focus the business on core brands, accretive strategic acquisitions and meeting the challenges of evolving consumer tastes. We wish the business well for the future."

Cinven sells fashion group CBR

Growth strategy leaves CBR in strong competitive position.

Cinven has sold CBR, one of Germany's leading fashion companies. Cinven invested in CBR – the owner of fashion brands Street One, Cecil and One Touch – in November 2004. With support from Cinven the company has performed strongly, increasing turnover at double-digit rates to more than €600 million in 2006 and adding new stores to its European network.



Fashion brand One Touch

CBR is one of the fastest-growing women's clothing companies in Europe and creates a new collection for each of its brands every month. Cinven worked with the management team to strengthen CBR's established brands, expand the business internationally and develop the new One Touch brand.

Strong cash generation and the significant growth in sales and profits allowed a 4x return on Cinven's original investment.

Christian Dosch, Partner at Cinven, said: "Our growth strategy for CBR has delivered real value. We have expanded the business and enhanced its internal structures. CBR has now established a much stronger competitive position, which is opening up further growth opportunities. CBR has been an extremely successful investment for us and we wish the company, its management and staff continued success in the future."

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