

## Portfolio

# Winning Partnership

Cinven has completed the €800 million purchase of Partnerships in Care, the UK's leading provider of secure psychiatric care

The acquisition, completed in March 2005, stands out for three main reasons: the underlying strength of the business, the opportunities it offers for growth and the quality of a senior management team with which Cinven has worked successfully in the past.

Cinven had got to know Partnerships in Care when it owned its parent company, General Healthcare Group. The business was deemed "non-core", allowing Cinven to put together a strategy to develop the company independently and to make an attractive offer to acquire it.

Cinven Partner Simon Rowlands explains: "For a number of years we have watched Partnerships in Care grow under the guidance of its excellent management team. The opportunity to purchase came at a time when we judged the business had reached critical mass and was ready to move into a new phase of development."

Partnerships in Care enjoys strong, long-standing relationships with its customers, NHS Primary Care Trusts. It provides three services: specialist units for people with learning difficulties, brain injury rehabilitation units and its largest, medium secure psychiatric care.

The business's underlying strength derives from its leading share in the UK market – it has three times the market share of its nearest rival in its core mental illness division – along with high cash generation and good returns. It operates over 800 beds in 12 UK facilities and employs over 2,500 staff delivering the highest standards of care.

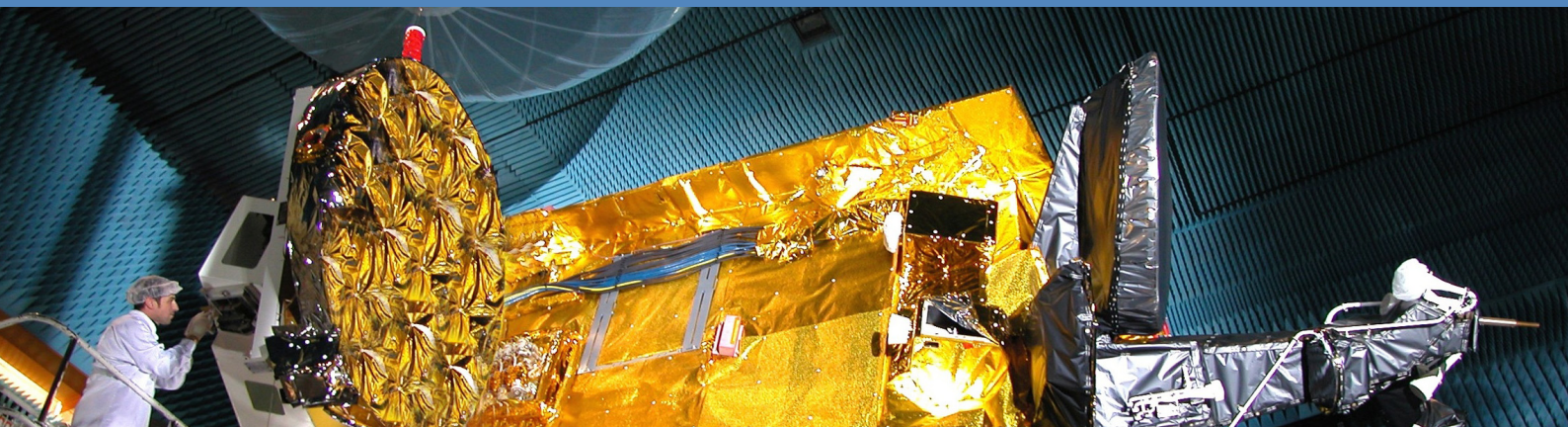


Occupancy rates within the sector are high and Partnerships in Care's services are directed towards long-stay patients with an average of two years in care.

Cinven anticipates building up the business by investing to accelerate organic growth and potential strategic acquisitions. The company is well placed to help meet the pressing demand for psychiatric services which is expected to grow in the medium and long term.

Cinven brought an innovative financing package to the transaction: it financed the portfolio of properties in the property debt market at excellent rates and with long-term finance. This allows the company plenty of headroom to accelerate its growth.

Peter Farrier, Chief Executive of Partnerships in Care, sums it up: "We're delighted to renew our relationship with Cinven. They can provide strategic input as well as the capital resources to move the business on and make it stronger."



## Eutelsat investment brings early returns for Cinven

Although Cinven only acquired its stake in Eutelsat in December, the investment is already paying dividends

Cinven's 19% investment in Eutelsat means that Cinven is one of the two largest shareholders in one of the world's leading satellite operators.

Cinven bought its stake in two tranches in December 2004. The purchases were timed to effect a shift in Eutelsat's ownership into private equity control, to allow the company to exploit the opportunities arising in the rapidly evolving satellite

communication industry. The company has already been recapitalised allowing Cinven to return €175 million to its investors in April 2005.

Eutelsat's 23 satellites provide coverage for Europe, North and South America and Asia, and its services cover public broadcasting, professional video broadcasting, corporate networks, internet services and mobile communications. In 2004,

it generated revenues of €737 million and EBITDA of €576 million.

Cinven Partner David Barker commented: "We have been tracking Eutelsat's progress for a number of years. With a leading position in its markets, strong cash flows and a highly experienced management team, Eutelsat is a highly attractive investment proposition and is strategically very well placed."

## Foseco delivers successful IPO

Cinven's flotation of Foseco in May 2005 brings its three and a half year ownership of the business to a highly successful conclusion

"We purchased Foseco from BP in 2001 with a clear idea of how to build on its success and brand," Cinven Partner Guy Davison explains. "Our strategy was to dispose of non-core divisions, focus management on operational improvements and implement a series of strategic initiatives."

The strategy proved highly successful, with disposals and cash generation enabling the company to repay all the shareholders' equity within three years. Furthermore, the track record of growing earnings helped Foseco to float successfully on the London Stock Exchange. The investment has returned a total cash multiple

of approximately three times to Cinven's clients, with a further €73 million still held in Foseco stock.

When Cinven bought the business, Foseco comprised five manufacturing and chemical businesses that provided services and consumables to a number of industries, including the foundry and steel industries which formed the core business.

Under Cinven's ownership, the company invested in initiatives to grow the core business. The foundry business has broadened its product range and a new facility was built in the USA. Investment is in place for the construction of a new factory in China for the steel business. Today, Foseco enjoys a

worldwide leadership in its key products and has successfully built up a strong presence in the rapidly expanding Asian markets.

"The senior management team under Jamie Pike has done an exceptional job in ensuring that the new strategic initiatives have come together and delivered. The focus on core activities and the time spent on operational improvements have meant that we leave the business in better shape than when we acquired it" Guy Davison concludes. "We're confident that Foseco will continue to develop as a business and enjoy outstanding success."