

Our investments  
continued

## Consumer



### Camaïeu

[www.camaieu.fr](http://www.camaieu.fr)

<b>Activity</b>	Clothing retailer
<b>Location</b>	France, Poland, Italy, Russia
<b>Acquired</b>	May 2007
<b>Transaction value</b>	€1,470 million
<b>Sales*</b>	€809.7 million
<b>Employees</b>	Approximately 5,700
<b>Cinven representatives</b>	Benoît Valentin, Xavier Geismar
<b>Senior management</b>	

*Président du Conseil de Surveillance Jean-François Duprez  
Président du Directoire Thierry Jaugeas*

\*to end December 2010 (unaudited)

### Company description

Camaïeu is a leading European retailer of 'Prêt à Porter' clothing targeting women between the ages of 20 to 40 years old. It operates a fast-fashion model with a flexible supply chain, enabling it to react quickly to fashion trends and offer its customers fashionable clothing at value-for-money prices through its extensive store network and growing e-commerce channel. At acquisition, Camaïeu had 557 stores. By the end of 2010, the company had grown to more than 940 stores, of which 571 were in France and the balance in Poland, Italy, Russia and other countries.

### Cinven origination

Ahead of Cinven's acquisition of Camaïeu, its Consumer and French teams had followed the company for some time and developed a strong relationship with the original management team. Their clear understanding of the business model was based, in part, on Cinven's successful investment in CBR, the German value-for-money retailer. In the consumer sector, Camaïeu offers a unique mix of growth potential, best-in-class margins, strong cash flows and relative resilience to customer spending cycles as a result of its value-for-money product offering. In April 2007, Modamax, a holding

company controlled by Cinven, acquired a controlling 65% stake in Camaïeu (with 75% voting rights). Under the rules of the Paris Stock Exchange, upon closing in May 2007, Modamax made a mandatory offer for the balance of the publicly held shares. At the conclusion of the process, Modamax owned 67% of Camaïeu's equity; therefore it is still publicly listed.

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### Investment rationale and strategy

Cinven was attracted to Camaïeu by its high return on capital and cash-generative model, similar to CBR in the third Cinven fund. The company had proved to be resilient in previous downturns because of its focus on value-for-money basics. Cinven's strategy for Camaïeu is focused on helping the company build on its market leadership position in France through the accelerated roll-out of new stores in France and internationally, in order to create a highly profitable and successful international clothing retailer. This includes:

- accelerating the roll-out of stores in existing markets, particularly in France, Italy and Poland, where returns on capital are very attractive;
- further internationalising the business by expanding the store network into new markets with a focus on other Central and Eastern European countries, building on Camaïeu's successful entry into the Polish market;
- continuing its strong, profitable growth track record through the implementation of best practices across the existing store portfolio, increasing footfall and improving sales conversion;
- developing the e-commerce sales channel; and
- maintaining the current high-margin and cash-generative business model.

### Cinven value creation

Under Cinven's ownership, revenue growth and operational improvement initiatives have been the main focus. These have included:

- reorganising and reinforcing the management team with the appointment of the new CEO, Thierry Jaugeas, a new CFO, a new marketing director, and other external hires and internal promotions;
- accelerating the store roll-out programme both in France and in other high-growth geographies to more than 115 stores per year, while maintaining attractive returns on investment. Today Camaïeu has 944 stores, up from 557 at acquisition;
- rebalancing Camaïeu's geographic exposure so that approximately 40% of stores were outside France at the end of 2010, compared to 24% prior to Cinven's acquisition;
- working with the Cinven Portfolio team to assess market entry opportunities in Asia and other markets;
- launching a series of initiatives to increase like-for-like sales growth and footfall, including upgraded store fronts with new window displays, the launch of a fully transactional website and pricing optimisation across the product range and store portfolio;
- implementing a cost reduction programme, notably involving the renegotiation of rental agreements; and
- moving towards a more customer-centric model by investing in customer relationship management (CRM), branding and the customer retail experience.