



## Investing in brands

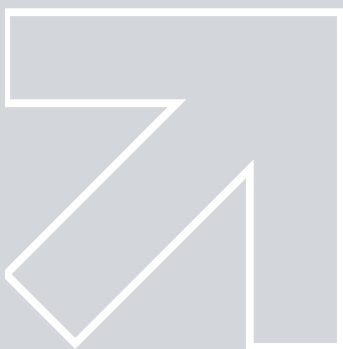
We target distinctive consumer businesses with strong growth potential and work in partnership to build robust and powerful brands.



# Our investment approach



The consumer sector is vast, with household consumption globally representing approximately 60% of global GDP.



In the last five years, we have invested in more than 20 consumer businesses across the globe.

We focus our consumer investing in four key areas:

**Consumer Goods:**

Powerful brands capable of internationalisation and innovation, commanding and protecting attractive margins.

**Retail:**

Retailers with well-developed customer propositions, strong retail brands and well-defined target markets. We support store rollout, international expansion, and the development of new channels to market.

**Food and Drink:**

Products which meet consumers' growing demand for convenience and indulgence. Businesses that recognise the increasing importance of health, food provenance and resource sustainability.

**Leisure:**

We focus on restaurant and hospitality companies with roll-out potential, niche travel providers and others who can benefit from leisure's growing share of consumer spend.

When you partner with us, you can:

- Access our experience and network in 12 countries across Europe, Asia and North America. Our consumer team has in-depth knowledge of local businesses and potential partners for new market entry.
- Work with business leaders from across the sector. We can introduce you to highly capable and experienced individuals, who advise (and sometimes join) the businesses we partner.

Our partnership approach is individual and personal. It starts before we invest, as we spend time understanding the business and its key people, continuing through our investment right up to the eventual exit. We aim to help you accelerate the growth of a strong and successful business with sound financials and an exciting future.

We have identified key value levers to support the acceleration in the growth of our investee companies in the consumer sector:

- International expansion
- Online growth
- Brand development

# Our view on the market



**These have been unprecedented times for the consumer sector – a global economic downturn, a lack of credit for companies and consumers, increasing margin pressure from both customers and suppliers, and an extended period of uncertainty over demand.**

Our experience is that this environment creates clearer distinctions between truly successful businesses and the rest. In a period of sustained economic and consumption growth, it is easier for the majority of businesses to thrive and make money. In more difficult times, with lower levels of overall market growth, the winners succeed by taking market share through:

- winning customers from competitors who have weaker customer offerings, management or balance sheets;
- acquiring these competitors to consolidate markets; and
- entering new markets, by both product and geography (e.g. Asia).

At 3i, the businesses that we see succeeding are those which, as well as having high quality management and sound balance sheets:

**Develop distinctive customer propositions:**

Low-cost and premium models offer more interesting opportunities than undifferentiated players in the mid-market.

**Own successful brands:**

Engaging the consumer, above and beyond function or price, so that sales and margins can be sustained through the economic cycle.

**Build strong delivery capabilities:**

Creating robust supply chains and slick roll-out execution models that can be rapidly migrated to new markets.

**Ongoing investment in innovation and people:**

Continuing to improve product and service quality, functionality, value and appeal.

**Harness the power of technology:**

Maximising the opportunity presented by the internet as a channel to market, and using technology to collect customer information, to better understand and predict consumer behaviour.

Across three continents, 3i's expertise is helping consumer businesses fine-tune their positioning, build their operational effectiveness, and achieve domestic and international expansion.

# Our track record

## Case Study



**MAYBORN**  
GROUP

### Driving growth through domestic and international expansion

**Mayborn | UK** Mayborn is a market leading manufacturer and distributor of baby and child products under the Tommee Tippee and Sanganic brands. We identified the opportunity to invest in Mayborn to drive growth through; the development of an established and well respected brand, new product development and international expansion. Mayborn benefits from operating in the robust and non-cyclical global baby products market.

We introduced Nish Kankiwala as Chief Executive to lead the business through this next stage of growth. Nish has a strong track record of growing brands internationally having previously held senior positions at Unilever, PepsiCo and Burger King.

Under 3i's ownership, Mayborn has experienced rapid growth expanding into new territories including Asia and the USA. International sales of the Feeding division have increased from 9% of turnover in 2005 to 35% in 2009 demonstrating the power and continuing growth potential of Mayborn's brands.

This strong growth has been supported by the introduction of the Closer to Nature and Explora sub brands which have enabled Mayborn to increase its market share and transition from being the 15th largest player in the global baby accessories market in 2005 to 6th in 2009. This success has further been demonstrated by Tommee Tippee being included in the list of the UK's top 500 Superbrands (2009/10) as voted for by consumers.

## Consumer Goods



**MOSA  
ICON**

**Italy** The holding company for brands: Francesco Biasia; Braccialini; Coccinelle and Mandarinina Duck.

**GANT®**

**Sweden** An international lifestyle brand and designer of premium branded apparel.

**Pepe Jeans®**  
LONDON

**Spain** Designs and distributes fashion clothing.

**JOHN HARDY**

**China** The second largest designer jewellery brand in the US.

**VENDOME**  
LABORATOIRE DES PEAUX SENSIBLES

**France** French market leader in branded and personal cleansing products.

## Retail



**HOBBS**  
LONDON

**UK** A fashion retailer of high quality women's clothing and footwear.

**Agent Provocateur**

**UK** A leading luxury retailer of lingerie and associated products.

**pets**  
at home

**UK** The UK's leading pet superstore.

**Interflora®**  
the flower experts

**UK** The UK's largest floral delivery service.

**la Sirena**  
- LES CONGELATS -

**Spain** The leading Spanish frozen food specialist retailer.

**迪信通**  
D.PHONE

**China** Leading mobile handsets retailer in China.

**巴黎春天百货**  
PCD STORES

**China** A concession based department store operator focused on branded fashion.

## Food and Drink



**Refresco**  
HOLDING

**Benelux** A leading European supplier of private label soft drinks and fruit juice.

**SENOBLE**

**France** A leading European manufacturer of fresh dairy desserts.



**Italy** A manufacturer of premium price bread substitutes.

## Leisure



**giraffe**

**UK** A chain of UK family-friendly restaurants.

**EAT.**  
THE REAL FOOD COMPANY

**UK** A chain of premium sandwich shops.

**SHEARINGS HOLIDAYS**  
*More than you expected...*

**UK** Operator of coach tours and holidays throughout the UK and Europe.



**Spain** A market leader of organised coffee shops and 'cafeterias'.



**Korea** Korea's largest cinema multiplex chain.

## Case study



**Driving growth through roll-out and refining the business model**

**Little Sheep | China** Little Sheep is China's third largest food service restaurant chain with over 350 outlets. It is rated as one of the top retail brands in the country. It operates company-owned and franchise restaurants in China, Hong Kong, Macau, Japan, South Korea, USA, Canada and Indonesia.

3i has been a highly active partner to Little Sheep via its Board position. Our previous experience of foodservice roll-outs was invaluable to the business. Our team was central to sharpening Little Sheep's strategic focus on company-owned restaurants, developing its franchise model and aligning standards. This also created operational efficiencies and improved quality control, customer service and restaurant design, which all significantly enhanced Little Sheep's brand image over the last few years.

Additionally, we used our extensive network within the consumer sector to introduce two independent directors with extensive track records in food service retail. The introduction of Yuka Yeung, the former CEO of KFC's Hong Kong master franchisee, was vital to improving the franchise model and upgrading operational capabilities. He subsequently went on to join Little Sheep as COO. We also introduced the ex-President of Burger King International to identify the right balance between international expansion and the considerable opportunities in the domestic market.

Finally, we played a pivotal role in supporting Little Sheep's highly successful IPO in Hong Kong in June 2008.

## About 3i

3i is an international leader in private equity. We focus on Buyouts, Growth Capital and Infrastructure and invest across Europe, Asia and North America. Our competitive advantage comes from our international network and the strength and breadth of our business relationships. These underpin the value that we deliver.

## Internationally connected

**Asia:** Beijing, Mumbai, Singapore

**Europe:** Aberdeen, Amsterdam, Copenhagen, Frankfurt, London, Madrid, Manchester, Milan, Paris, Stockholm

**North America:** New York



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