

KnowledgeNow

Apax Partners Portfolio Support Group Conference 2012
New York, September 2012



New York,
September 2012

The Apax Partners KnowledgeNow Conference took place at The Sentry Centres in New York, on 5th and 6th September 2012.



Supporting our portfolio

Apax Partners ('Apax') is one of the world's leading private equity firms. Our funds invest across five sectors: **Financial & Business Services**, **Healthcare**, **Media**, **Retail & Consumer** and **Tech & Telecom**. We use our deep sector expertise to help release the potential of the companies in which our funds invest.

Vital to our success in this is our **Portfolio Support Group** ('PSG'), which advises on key strategic and operational initiatives within portfolio companies to help drive value.

The PSG complements our deal teams with different skills and expertise. It is a group of operating specialists with functional expertise in areas such as IT, recruitment, procurement and financing.

The **KnowledgeNow** conference is a forum for sharing experiences and discussing the common challenges and opportunities our portfolio businesses face.

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In attendance...

96 Executives and partners

19 Portfolio companies

Representing...

\$29bn+ Enterprise value invested

115,000+ Employees

Watch our Portfolio Support Group film at www.apax.com/news/video-library



Introduction

Why do we need KnowledgeNow?

Maximising expertise across Apax's portfolio companies.

Apax Partner **Seth Brody** introduces the conference and outlines the benefits of sharing knowledge and experience across our portfolio.

In the ten months since our last gathering...

+181%

Avg growth in mobile traffic at top 10 portfolio company websites

\$220m+

Value of procurement contracts optimised

\$2.1bn+

Equity invested by Apax Partners' funds

3

New Portfolio Support Group hires

“As the owner of approximately 40 large companies based around the world, Apax Partners is well positioned to help you face these challenges by sharing knowledge gleaned at one company with others facing similar issues.”

Seth Brody Partner, PSG, Apax Partners

Seth Brody Partner,
PSG, Apax Partners

KnowledgeNow? continued

“The portfolio support team works with sector experts in our deal teams and our extensive network of preferred suppliers to help drive lasting value.”

Seth Brody Partner, PSG, Apax Partners

Releasing the potential of the Apax portfolio

Business is changing with a daunting velocity, and those that fail to adapt will be left behind.

Globalisation, the Internet, digitalisation, the explosion of data; these mega-trends are impacting businesses big and small and the pace is accelerating. Companies that spent a decade getting online are going mobile in a couple of years. In our own portfolio, we have witnessed a 363% growth in mobile traffic in the last year. The reliable touch-points that used to define your interaction with customers have now changed into a huge amorphous soup of petabytes of data. How do you store it? Mine it? Use it? Is it of any use? What do our customers want?

As the owner of approximately 40 large companies based around the world, Apax Partners is well positioned to help you face these challenges by sharing knowledge gleaned at one company with others facing similar issues.

Supporting our portfolio

It has built a team dedicated to helping portfolio companies release their true potential by assisting them on specific areas. Be it devising a new mobile strategy, testing the sales effectiveness of a new website or cutting procurement costs, Apax has world class talent on offer so that management is not left facing these challenges alone.

The Portfolio Support Group ('PSG') is on hand to help management drive value on specific projects and, importantly, it does so under their guidance. It is a team of operational experts not a bunch of retired CEOs. It works with management not against it.

There is also great strength in numbers, and the Apax network is a powerful resource. The 19 portfolio companies that attended had a combined enterprise value of more than \$29bn, annual sales in excess of \$26bn and over 115,000 employees. That represents a lot of purchasing power.

Knowledge Now

The aim of our second Portfolio Support Group conference, on which this brochure is based, was to bring together this vast pool of operational expertise from across the portfolio to share best-practice and network with professionals facing similar challenges. As the name suggests, KnowledgeNow is about sharing embedded knowledge and generating practical ideas that can be implemented quickly.

More than 100 senior level operators joined the Apax Portfolio Support Group and a select group of 'preferred suppliers' to brainstorm the major challenges and opportunities in global business. It was our clear intention that this should not be a talking shop; we wanted to demystify the minefield of hype and jargon to deliver practical insights that help drive growth or cut costs.

As well as a chance to swap stories, war wounds and best practice, it also gave our team an opportunity to showcase many of the projects that have already borne fruit across the portfolio.

Apax portfolio companies have a huge resource at their disposal. The portfolio support team works with sector experts in our deal teams and our extensive network of preferred suppliers to help drive lasting value.

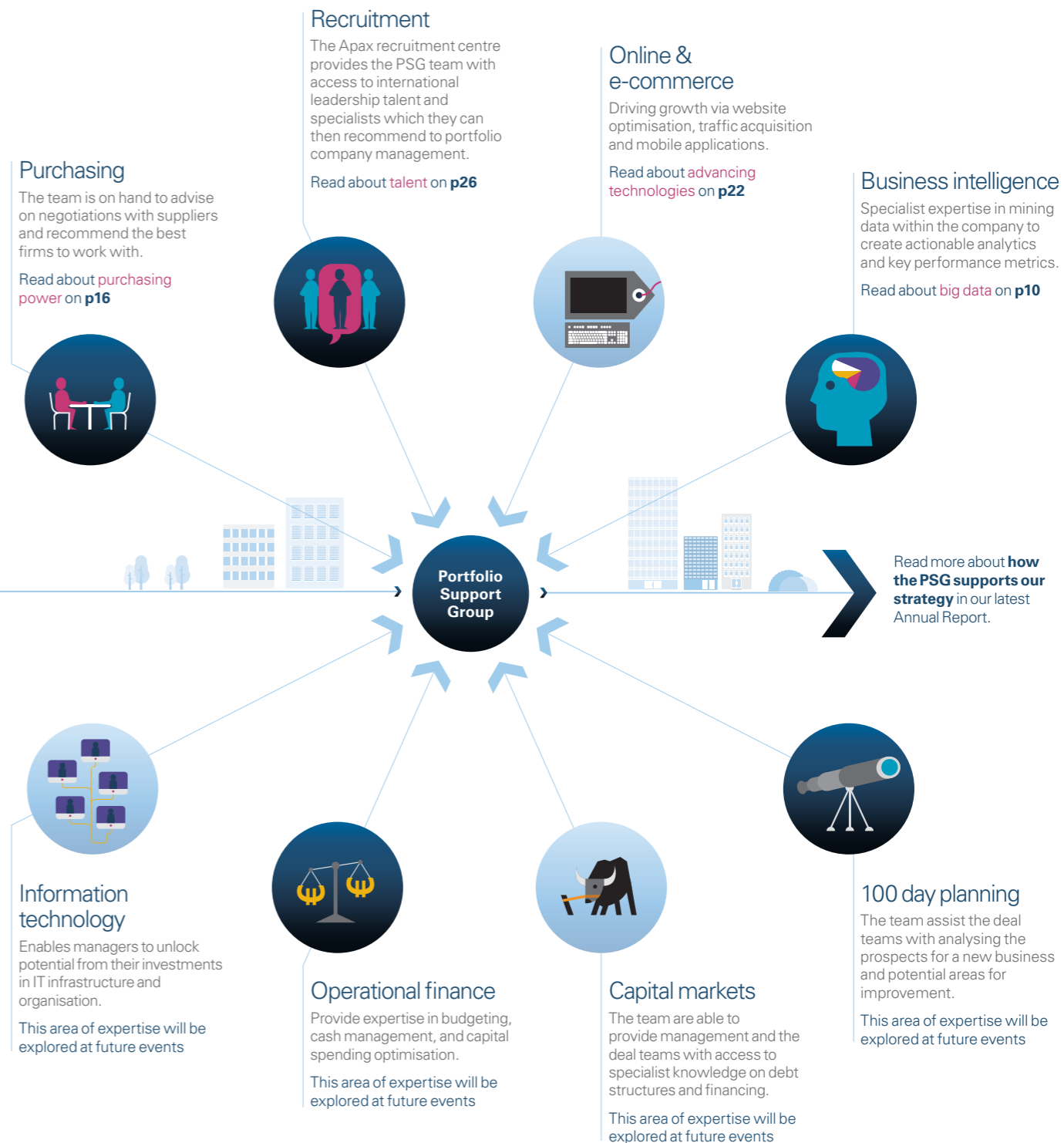
This brochure provides a snapshot of the topics and conversations that were discussed but it can only ever be a snapshot. We would love the opportunity to share the full picture with you and help your business release its true potential.

The PSG supports Apax Partners' proven investment strategy

Identify
Apax has a well-established investment selection process based on identifying companies in the €1-5bn size range with the potential for significant future growth.

Support
The large sector teams work closely with management throughout the period of the investment to transform the company. This is supplemented by the specific functional expertise of the in-house Portfolio Support Group.

Realise
Once the growth objectives have been achieved, we begin discussions about the most appropriate next owner of the business. The average length of an investment is around five years.



Purchasing
The team is on hand to advise on negotiations with suppliers and recommend the best firms to work with.
Read about **purchasing power** on **p16**

Recruitment
The Apax recruitment centre provides the PSG team with access to international leadership talent and specialists which they can then recommend to portfolio company management.
Read about **talent** on **p26**

Online & e-commerce
Driving growth via website optimisation, traffic acquisition and mobile applications.
Read about **advancing technologies** on **p22**

Business intelligence
Specialist expertise in mining data within the company to create actionable analytics and key performance metrics.
Read about **big data** on **p10**

Information technology
Enables managers to unlock potential from their investments in IT infrastructure and organisation.
This area of expertise will be explored at future events

Operational finance
Provide expertise in budgeting, cash management, and capital spending optimisation.
This area of expertise will be explored at future events

Capital markets
The team are able to provide management and the deal teams with access to specialist knowledge on debt structures and financing.
This area of expertise will be explored at future events

100 day planning
The team assist the deal teams with analysing the prospects for a new business and potential areas for improvement.
This area of expertise will be explored at future events

Read more about **how the PSG supports our strategy** in our latest Annual Report.



Jeff Boyd CEO,
priceline.com

Tom Evans CEO,
Bankrate, Inc.

John King Chair of
Trader Canada, Former
CEO Trader UK

Seth Brody Partner,
PSG, Apax Partners



KnowledgeNow: Organisational focus

Building alignment

Leading executives discuss the practical implications of building organisational focus. Tying in many of the themes that were touched on throughout the conference, we gathered three senior CEOs with plenty of scars on their backs for a wide-ranging discussion. Two themes stood out and chimed with many of the other conversations that were had over the two days, namely the importance of focus and talent. **Jeff Boyd** at priceline.com, **Tom Evans** at Bankrate and Trader's **John King** discuss how to laser in on the things that really matter in such a fast-moving business environment.

Building alignment continued

Building the Focus Factory

The key role of the CEO is to rise above the noise and identify what is really important. Never has this been more so than in the dynamic market in which modern digital businesses operate. CEOs are facing a daily bombardment of competing and conflicting options. Their job is to identify which of these options is critically important and build a team that is capable of focusing and executing. Focus and talent therefore felt like the crucial questions for our CEO panel to wrestle to the ground.

As we discussed in the introduction, the job of building this internal 'Focus Factory' was a key theme of the conference discussion and a natural first question for a group of CEOs who are all too aware of the critical importance of laser-like focus. How many major initiatives is it realistic for the company to undertake?

When priceline.com wanted to adapt its successful consumer-driven airline ticket price model to the hotel market, CEO **Jeff Boyd** had to think about how to first change the internal mindset of the company. Just as the dot.com bubble was bursting, Boyd walked into an internal town hall meeting and told his staff:



Jeff Boyd CEO, priceline.com

Jeff has been the CEO of priceline.com since 2002. He led a comprehensive turnaround of Priceline's business right after the dot-com bubble. Since that turnaround Priceline has

"If you aren't thinking about selling hotel rooms when you come to work in the morning, you are in the wrong place."

In the wrong hands, this statement could have a very unsettling impact on staff who primarily thought they were in the business of airline ticket sales. While selling airline tickets would clearly remain hugely important for some in the company, he wanted them to think differently about the business, to change focus and mindset and envisage a different future. Boyd continues: "I wanted everybody to understand what the fundamental thrust of the business was going to be going forward so that even if you were selling airline tickets today, you were still part of building a brand that was going to be known for selling hotel rooms in the future."

While the Priceline example is very good in terms of how CEOs can begin to change the focus and perception of a business, former Trader Media CEO **John King** talked about the challenge of setting targets and ensuring that the business is aligned behind them. For King, his experience has boiled down to one insight in this regard, namely businesses can only focus on delivering five major projects at any one time: "I was told very early in my career to remember what the K stands for in KPI, and that was very good advice.

“We are all in such velocity driven businesses, speed is really everything. If you've got somebody who thinks they are moving fast and you think they are not, that's a problem.”

Jeff Boyd CEO, priceline.com

delivered a decade of stellar growth both organic and inorganic and Priceline's market value has increased by more than 70 times under Jeff's leadership, which is pretty impressive.



John King Chair of Trader Canada, Former CEO Trader UK

A leading force for change in the publishing industry, John has helped to transform traditional print media businesses into digital media performance. John currently serves as the Chairman of Trader Canada, and was formerly the CEO of Trader Media Group in the UK.

"I am an operator and I love to keep things simple. I focus on five things that really make a difference in the business so that I can create an integrated focus to really get behind these projects."

For King, the rule of five has borne fruit, and problems only started creeping in when the team got too comfortable and started to push the envelope. "We have been very successful executing against our list of five priorities until last year when we got a bit cocky and thought, 'this is easy – there is so much to do and we should push ourselves to do a bit more than five things.' So we came up with a big five priorities and a little five, and guess what? When we reviewed our performance we had achieved five of the ten."

Bankrate's CEO **Tom Evans** agreed on the rule of five, stressing the vital importance of communicating this to the firm after the Board has brought the tablets down from the mount: "Yeah, we also laser in on the five big priorities for us as a management team and then we do a big launch for all of the top leaders in the organisation. And then those messages are taken out on the road and everyone gets a deep brief of the big five."



Executing the Big Five: The People Factor

The key to building the 'Focus Factory' that will deliver these mission-critical projects is first in identifying the right team to execute the job. For Evans, three factors are critical: "Commitment, effort and judgement."

Large projects in the kinds of businesses being run by our panel are by their nature complex and likely to encounter pretty major bumps in the road and this is where, according to Evans, a real level of commitment and ownership comes in: "I've never seen a project that goes perfectly all the time or the way you've planned it so you need people who are going to be committed and take ownership." The second thing to look for in Evans' mind is work ethic and work effort, "are they prepared to really deal with all of the added 'twiddle' that goes with managing a big project."

The last and most important trait that Evans cites is judgement. He continues: "Over time you learn to evaluate people and give them more or less responsibility based on their judgement. I don't care how smart they are, you have to find people with good judgement about problems, good

judgement about people, good judgement about behaviour and an ability to order priorities in a project."

Getting the decision right on the person you want to execute the project is even more critical in the modern, digital business arena because of the pressure to get things right first time or be left behind as technology, and your customers, move on.

The Trader Canada case study later in the report (see p25) illustrates all too well the perils of execution failure in the digital world. Boyd explains how this change is impacting his thinking: "As we moved into a more data enabled and digital world, the bar has got higher. What I thought was good to go in the past may not be good to go now."

The pace of technological change also means that project managers have to fulfil to a higher standard in a shorter timeframe, as Boyd explains: "We are all in such velocity driven businesses, speed is really everything. If you've got somebody who thinks they are moving fast and you think they are not, that's a problem."

“I've never seen a project that goes perfectly all the time or the way you've planned it so you need people who are going to be committed and take ownership.”

Tom Evans CEO, Bankrate, Inc.

Tom is an internet industry veteran who has been the CEO of Bankrate since 2004. Apax backed the take-private of Bankrate in 2009. Because of the performance that Tom and his team were able to deliver, Apax was able to take the company public less than two years later.



KnowledgeNow: Business Intelligence

Big Data

Over the last decade, technological advances have effectively digitised the modern world. As more of our time is spent online, we are leaving an increasingly complex and potentially valuable digital 'vapour trail'. Clearly the business world can't ignore the Big Data phenomenon – it's just too big and the data trails left are too valuable. But is all the buzz surrounding 'Big Data' just hype, or is it, put simply, a new reality?

35

ZettaBytes
by 2020

The digital universe is expected to grow by

20x
in 10 years

1.8 ZB in 2011

Source: IDC, Digital Universe Study, June 2011



Brad Brown
Director, McKinsey & Company

By 2016...

The number of **devices connected to the internet** is forecast to rise to

3 times
the global population

Source: Hilbert and Lopez, Science, 2011

Mobile data traffic is expected to increase

18-fold

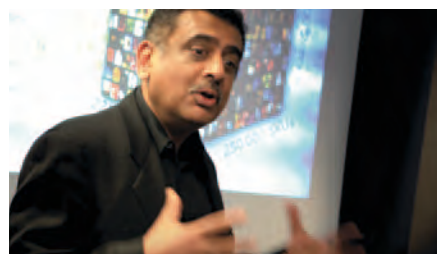
Video footage is predicted to cross the internet at

20,000
hours per second

Mobile data traffic volumes Exabytes per month



Big Data continued



Arnab Gupta CEO, Opera Solutions

There is evidence to suggest that 'Big Data' is having major economic implications in many areas from retail and consumer industries (see WGSN case study on p14/15) to healthcare, and from manufacturing to supply chain logistics.

What is Big Data?

Big Data as a concept is emerging due to a dramatic shift away from traditional corporate technology infrastructures (Oracle, IBM, Microsoft, etc) towards the use of multiple devices and data sources which are generating an ever-growing amount of potentially valuable information.



Dave Cowing Managing Director, TandemSeven

The technology to store, sort and analyse these vast data is also changing. New platforms rely on virtual, cloud-based architecture unlike their physical, scale-hungry predecessors. What's more, these platforms are able to trawl through structured and unstructured data at an unbelievable pace: analysis that may have taken 24 hours on an Oracle platform can be run today in ten minutes.

The result is huge volumes of data being produced by a new generation of data analysis platforms and this should be at the centre of everything that happens in a

business. Yet extracting and analysing this data to good effect is far from straightforward.

Bringing Big Data into play

At a simplistic level, making the most of Big Data is about three things: integrating internally-generated data and making it transparent across a company's departments or divisions; integrating externally generated data; and finally, applying analytical and modelling tools to that data to tackle business problems or unlock revenue generating opportunities.

But these are still young technologies and given the pace of technological change, putting Big Data strategies into play in a company context is not like following a cookbook recipe – it has to be a fluid, creative process based on understanding what questions you are seeking answers to. Clarity is key. Therefore, when looking at Big Data projects, it is vital to fully understand the priorities of the business and how they can be tackled using data before you begin the job of analysing and segmenting it. Only then can it be used effectively to help focus on key decisions and create new business opportunities.

Tom Evans at **Bankrate** commented on the inherent difficulty CEOs face when trying to address this giant subject, "There is a fear around this idea of big data because you could spend unlimited amounts of money trying to get more information, more analytics, more data. I always look at it in terms of 'Is it a need to know or is it a nice to know?' If it's a need to know you spend money, and if it's a nice to know don't waste your time. Secondly, you have to think, 'if we get hold of this information, what are we going to do with it?' You really have to differentiate between what is possible and what is useful."

As an example of how to focus on what really matters for your business, **Brad Brown** at **McKinsey** cites a recent Big Data summit at JP Morgan Chase where CEO Jamie Dimon asked external providers to think about 17 specific business critical areas for the company and how they could be improved by more efficient use of data. He highlighted these areas precisely because they are in business functions that will really move the needle. This exercise enabled suppliers to understand the most important issues for the firm and to align their efforts with those of management.

Big Data Continues >



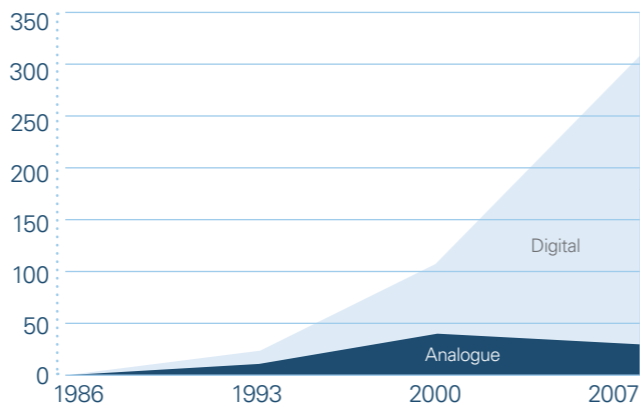
“If it's a need-to-know, you spend money, and, if it's a nice-to-know, don't waste your time.”

Tom Evans CEO, Bankrate, Inc.

Every digital interaction leaves a data vapour trail...

Mobile
Social
Transactions
Internet
Scientific/engineering
Audio/video

So global data storage is growing fast...



Global compressed storage Exabytes
Source: Hilbert and Lopez, Science, 2011

With three key characteristics...

| | |
|---------------------------|--|
| Integrated internal data | Integration of disparate data across the organisation |
| External data sources | Different data types from outside the organisation – structured, semi-structured and unstructured data |
| Analytic tools and models | Complex array of analytic tools and models to derive new business insights |

Creating significant potential value

| | |
|-------------------------------|---|
| US retail | 60%+ increase in net margin |
| Manufacturing | Up to 50% decrease in product development assembly costs Up to 7% reduction in working capital |
| US healthcare | \$300bn value per year |
| Global personal location data | \$100bn+ revenue for service providers Up to \$700bn value to end users |



Big Data continued

The people part

It is crucial to recognise that these are not projects that can be delegated to an in-house technical team with no management input: they are inherently cross-functional animals that absolutely require the buy-in and leadership of company executives at the highest levels.

It is also worth bearing in mind that for a company to make the shift to effectively mining and using the data available they will need to invest in the right people. The technical skills required are still relatively hard to find and attract a premium. There is also a frequent gap in understanding between the technical specialists that understand how to warehouse and mine the data and the management and salesforce of the company that need the practical tools to make it a competitive advantage.

Simply collecting terabytes of data is of no use if no one can see through to the other end of the company and build the dashboards that will be of practical help. From a talent point of view this is the key, if scarce, skill set to target.

There are also generational issues at play. But on the positive side, the latest generation of 'socially-networked' graduates typically think about data in a more up-to-the-minute way. This means they are naturally more attuned to thinking along Big Data lines, meaning less training is required at that level.

At the end of the day, though, the essential ingredient for capitalising on the Big Data concept is to get on board as early as possible and see the scale of the opportunity rather than the scale of the task. And right along the process, from the technology element to the people side, Apax's portfolio support group and its network of preferred partners is ideally placed to assist in the jump into this new reality.



Support

Putting big data into practice at WGSN

WGSN is the world's leading fashion forecasting company. It sits within **4C**, the information division of **Top Right Group** (formerly Emap), which has 12,500 customers and over 100,000 users worldwide. And it has access to a huge pool of data - 600,000 pages of information, 4 million images, over 1,000 catwalk shows, 300 global experts and customers in 87 countries, as well as many thousands of people engaging on social networking sites.

WGSN 

12,500 Customers

100,000 Users

87 Countries



Making data valuable

Despite the proliferation of data in the business, WGSN realised some time ago that it actually had very little actionable and useful information about the behaviour of its customers. So, CEO Julie Harris (pictured above) set about evolving WGSN from being a market-leading fashion business run on 'gut feel' into a data-led company that would redefine the industry standard in its space. A team from Apax's PSG, led by Jason Glaun, helped to turn Julie's vision into reality. In an intense 12-week project, the PSG helped produce data tools and dashboards that empowered both the salesforce and the design team.

Consolidation and clarity

The main task for the team was to bring together the many different silos of information that had evolved on different IT platforms in different departments. Unifying these and creating clear accountability required a massive motivational effort from the executive level down to change the pattern of thinking. Training all the teams globally was critical, as was a focus on generating transparency of information across five key areas of the business – customer use, website usage, financials, business profiles and campaign effectiveness.

Although not without its challenges, the project has shown real wins. Just a few months after the conclusion of the initial 12-week project, the changes in the business are clear to see: a culture of accountability has evolved rapidly and the business is better informed and more agile. As for results: the average global renewal rate has risen from 79% last year to 86% in July, well on its way to the goal of 90%; and customer numbers have grown by 6% year on year.

Ultimately, what started as a short, sharp project has enabled WGSN to build a robust three-year plan to solidify its position as the standard bearer in its field.



KnowledgeNow: Purchasing

Boxing clever on procurement

Leveraging Apax's scale to drive value in procurement across the portfolio. The 40 strong Apax portfolio generates annual revenues of \$40bn around the world, generating huge procurement advantages and a wealth of knowledge and insight.

Steven Zolman CEO, Net(net)



Boxing clever on procurement continued



Generating value from procurement

You could say, using boxing parlance, that most of Apax's portfolio firms are heavyweights in their respective industries. And, due to our focus on secular growth trends in key sectors and geographies, many continue to grow rapidly despite the economic downturn. Nevertheless, while company growth might remain the number one priority, it is impossible in the current economic landscape to ignore the importance of those cost savings that can be generated by tighter, more sophisticated procurement strategies.

Leveraging collective scale

Of course, on their own the purchasing power of each portfolio company remains limited in the grand scheme of things. But if you take them as a whole, the stats are quite different: together, the 40-strong Apax portfolio generates annual revenues of some \$40 billion – easily the equivalent of a business well up in the Fortune 500 listings. In procurement terms, this can give our investees a long reach and a knockout punch.

In order to help harness this power, our portfolio support group launched a dedicated procurement and preferred

partner programme in 2011. The aim of this opt-in service is to give procurement executives at Apax's portfolio of companies access to the sort of cost savings that they simply would not be able to generate alone, and it is driven both by internal and external elements.

Maximising mutual benefits

The PSG team can introduce a network of preferred suppliers with whom it has worked on numerous projects and can provide a quality guarantee. Intra-portfolio offers can provide world-leading products and services for best-in-class prices.

In addition, as the adviser to funds that control major shareholdings in the 40 businesses, Apax itself can help with contract negotiation, securing discounted pricing in areas like IT storage, business intelligence and e-procurement technologies.

Finally, it can also play a pivotal role in nurturing and sharing the combined knowledge via mechanisms like monthly procurement committee conference calls – in which portfolio firms can track cost savings progress, discuss priorities and share best practices – special events and an online procurement forum on LinkedIn.

Working as one, with third party purchasing specialists

Perhaps more importantly, Apax has begun to form relationships with highly specialised group purchasing organisations (GPOs) – companies which are able to drive major cost savings for their clients by aggregating procurement spend in a range of different sectors. These partners range from groups like Core Trust, a GPO offering procurement savings in almost 50 different general categories (offices supplies, car rental, parcel mail, etc), to companies in more specialist verticals: Advantage Communications offers typical savings of 20-30% on global telecoms services; Sharebridge and Macquarie offer US and global insurance savings respectively; Fulton Francis guarantees 15-20% savings on print and copier services, handling account management tasks as well as procurement; and Net(net) uses its scale in IT purchasing to drive strong negotiating power with giants like Microsoft, SAP and Salesforce.com.



Preferred partner at work

| | |
|---------------------------------------|---------------------------|
| Leveraging Apax's scale | 39 companies |
| Total portfolio revenues | \$40bn revenue |
| Estimated indirect procurement spend | \$8.5bn costs |
| Addressable costs for Apax programmes | \$1.3bn addressable costs |



Boxing clever on procurement continued

Support



Generating indirect savings at KCI

One of Apax's investees has already made substantial progress in procurement savings.

In March 2012, **Kinetic Concepts (KCI)** began the *Indirect Savings Project*, tasked with making \$43 million of indirect spend savings.



Wound care solutions business KCI kicked off this major programme in March of 2012, with the direct support of its senior executives and the assistance of Apax and some of its preferred procurement partners.

Already, the group is on track to deliver some \$49m of savings in indirect spending.

Though these initiatives take different forms, the crucial thing for our portfolio businesses is that all external partners involved in the preferred partner programme have been assessed and vetted by Apax. Only this way can we be confident that our partners are able to provide material cost savings through smart, heavy-hitting procurement strategies. You could call it boxing clever.

Preferred partners engaged



Key project facts

Programme started March 2012

Formed Indirect Savings project team

Assigned dedicated project manager

Senior leadership support

Implemented staged gating approach

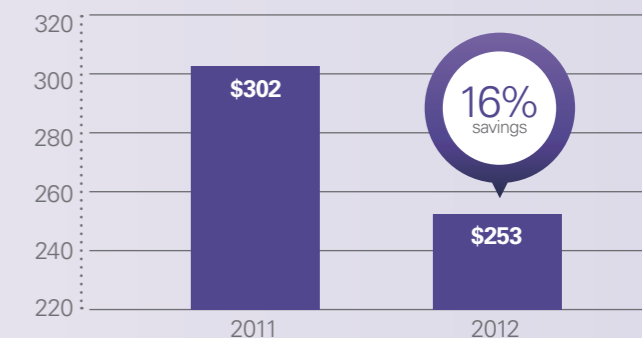
Partnered with Finance to quantify, track & validate savings

Utilised Tracker to capture every potential project

Collaborated with Apax and other portfolio companies to leverage scale opportunities

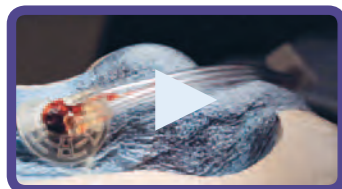
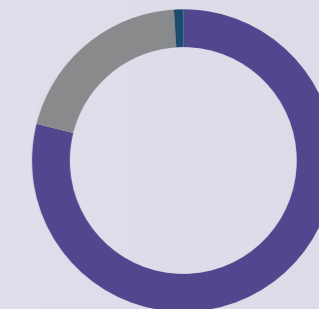
Achieving visible results

Indirect spend, year-on-year \$MMs



Geographic distribution of savings

USA 79%
Europe 20%
Other 1%



Watch the KCI investment film at www.apax.com/news/video-library

Below: KCI is an undisputed leader in the use of negative wound pressure therapies, typically employed in the treatment of the most severe surgical and trauma wounds.



“This time last year, KCI had a \$43 million spending bogey to resolve and the last time I heard they were on track to deliver \$49 million in indirect spend savings.”

Brendan Tobin, Operating Specialist, Apax Partners



KnowledgeNow: Online & e-commerce

Mobile internet: surf the wave

Evaluating changing consumer behaviour across mobile platforms.

As crazy as it sounds, you could say that the digital revolution has been pedestrian so far. As an example, many media companies have taken a decade to make the leap from print to online. But the meteoric rise of the mobile device is forcing the pace of change, and the power-shift from desktop to mobile will not be so forgiving. **Edwin Ulak** of Trader Canada and **Jon Simmons** of Apax Partners, explore some of the implications.

Edwin Ulak VP,
Marketplace, Trader CA

Mobile internet continued

The stats very clearly show the consumer shift to mobile. In July 2012, 11% of all web visits came via mobile devices, more than double the number the previous year. And across the Apax portfolio, the top ten websites in traffic terms have seen mobile use grow by 363% year-on-year.

But, this is just the gentle swelling of what is becoming a huge wave. There are estimated to be 6 billion mobile users globally, only 1 billion of whom are using smartphone technologies. As these become the norm and 3/4G penetration builds, web traffic will surge.

Embrace the user

So clearly, being ahead of the game in mobile really matters: it affects how companies gain new customers and how they interact with them; it also has a big impact on how they drive online revenues.

But it does not necessarily require jaw-dropping investment. What it does require is a strong focus on the end-user experience. This is absolutely key: unlike other channels in the media realm, mobile applications are driven by ratings and momentum is critical.

Perhaps the best advice is to do the basics first – the sexy stuff can come later. Mobile consumers want the core experience from a desktop platform, without having to re-learn it, and they want it to be stable.

Once the basics have been achieved, the introduction of new, 'killer' features can further drive take-up and keep applications high up in the rankings. And by the way, tech savvy mobile consumers won't be conned if your new App launch turns out to be nothing more than a bug-fixing update.

As a result, it is critical to use any available tools to help in the testing of new mobile platforms, both internally and externally, before launch because the price of getting it wrong can be very painful indeed, as Trader Canada found out the hard way when it first launched its mobile platform.

Get your house in order

For this to happen it is vital that companies invest in creating a vertical function, as much as is possible, across their organisations with dedicated expertise and resources. Outsourcing the development side to a third party can be cumbersome and result in a loss of precious IP while also tying you into that provider for ongoing development work.

The Apple factor

It is also very important to consider the 'Apple factor'. iTunes is a powerful market maker and many businesses build their mobile application launch programmes specifically to drive rankings in the iTunes Store. Consequently, marketing to Apple and iTunes store managers should be a key consideration: 'App of the Week' can provide a major boost.

Challenges

Of course, there are also challenges. To begin with not all business models work well on mobile platforms and generally mobile sites are not perceived to be strong in advertising terms. At this stage in the curve it may be possible to squeeze additional spend out of advertisers because a platform has a strong mobile element, but increasingly this will be harder to achieve.

But mostly it's about coping with the pace of change. The market is not so far away from a key shift in emphasis, whereby companies will develop their online products for mobile first, not as a bolt-on to a desktop site. And this has obvious implications in recruitment: getting access to talent with mobile experience will become a priority.

Again, this is where we come in: leveraging the experience of Apax's network can unlock major synergies, both from the recruitment angle and via opportunities to use cross-licensed technologies from non-competing businesses in our portfolio.

A good example of this is the work we did with Trader Canada to develop their product for mobile, which duplicated many successful strategies we had previously employed at Auto Trader in the UK.

Support

Moving into mobile at Trader Canada

AutoTrader.ca is Canada's leading online automotive classifieds website. It has undergone a significant transformation over the past few years from being a print-based offering to one that is now predominantly online. As part of this, the business developed mobile apps to tap into the growing number of customers using mobile devices to access the internet.

The initial process was rushed and although the new apps quickly accounted for approximately 10% of website traffic, there were some serious usability and stability issues. This led to the app being hammered on iTunes, where it quickly acquired a rating of just 1.5 stars, putting off potential new users.

Trader blames this initial failure on three things: outsourcing the development in order to accelerate the process, not focusing on iPhone / iPad users, and not building in any customer feedback functionality.

When Apax acquired the company in July 2011 it brought with it the insights – and a number of experts – from its more advanced investment in Trader in the UK. They quickly set about developing new mobile solutions and, by taking out a

licensing agreement with Trader UK, they were able to save two years of code development work.

Key elements of the successful development process this time were: using the same code for both apps, albeit with different user interfaces; matching the functionality of the main website; focusing on customer satisfaction; and putting mobile at the core of the business.

In the first quarter of 2012, new iPad and iPhone applications were launched. **After just seven months, around one in six iOS handsets in Canada had the AutoTrader app – an extraordinary adoption rate for a niche product.** Mobile now accounts for approximately 25% of website traffic and is set to increase as the offering continues to evolve.



TRADER



“There is a lot of sex appeal with Apple. When they sprinkle their magic dust on your organisation, people just walk a little taller.”

Edwin Ulak VP, Marketplace, Trader CA



Jon Simmons Operating Specialist, Apax Partners

Annual mobile traffic growth*

363%

*Across Apax Partners' top ten most-visited websites

Proportion of web visits made on mobile devices*

11%
+100%

*July 2012

Mobile users worldwide

6bn
(only 1bn on smartphone)



Connie Adair
CEO, Taylor Winfield

Rae Sedel
Managing Director, Russell Reynolds Associates



KnowledgeNow: Recruitment

Talent show

Meeting the global challenge to recruit the right people, for the right roles at the right time. In recent years, the already tough task of hiring the right calibre of staff into senior and business-critical positions has become even harder. On the one hand you have global economic imbalances, which are seeing Western economies stagnate while the likes of China, India and Brazil boom. On the other, you have the relentless pace of change in the IT environment, which is radically altering how business is conducted in a huge range of industries.

Talent show continued



The search for talent

This global environment is putting more pressure than ever on businesses to fill their top positions wisely and recruitment consultants are working flat out to satisfy this need. In certain industries executive search activity is especially high, with areas like healthcare and consumer standing out as particular hotspots in most regions. Only sectors like financial services are comparatively quiet.

By region, the new economies are of course the most active, even though growth in recent times has slowed, while the US is generally gaining pace. The Eurozone countries are clearly the worst hit by economic issues, but even here recruitment specialists report having launched three times the number of CEO searches compared with last year.

Technology matters

Evidently, in challenging trading conditions it is more important than ever that companies have the right leaders, both in the shape of CEOs, who define the

strategy, vision and culture of a firm, and CFOs, who take care of the checks and balances.

But in today's landscape, there is the added complexity of an increasingly digitised world. And, while it is clear that the top-level executives need to have a firm hand in steering the push into Big Data territories (see Big Data on p10), this area is also creating the need for the recruitment of additional more specialised talents. These recruits can take a number of different forms. On one side you have the theorists, who are at the heart of the thought leadership in 'Big Data World'. Very often with strong academic backgrounds, these are the people who can analyse giant datasets and mould them into a business resource. Meanwhile, on the other side you need to have the technical staff that can integrate that data into your workflows.

But the search does not stop at finding the talent to fill these roles. It is also important to have people in the middle who have a deep understanding of your business' mechanics and are able to maximise the actual impact of Big Data strategies.

These are the employees who will provide the link between the data and your sales staff or operational heads. And, arguably, of the three categories, these are unfortunately also often the most difficult experts to locate.

Finding the right carrot

So what does it take to land the best talent in today's market? Interestingly, it appears to be less about the remuneration on offer than in previous times; though clearly that remains a key ingredient in the overall recipe. For many, especially at the senior end of the recruitment spectrum, one of the big attractions today is the ability to make a difference, to steer the culture of the company and to break new ground.

Certainly location is also another ingredient and it can inevitably be much more difficult filling positions in companies based in less desirable geographies. Despite this, as positions become more mobile and working practices become more virtual, this is less of an issue.

In addition, according to executive search specialists, the chance of working within businesses associated with top private equity houses can be a real draw, especially in some of the emerging markets. And this can be where we, the PSG team, come in...

Recruitment support from Apax's PSG

Digital strategists are certainly becoming harder and harder to find as more traditional businesses gain an awareness of the digital world in which they now operate and try to hire in the talent to help them to capitalise on the opportunities that this new world presents.

For our investees, Apax's Portfolio Support Group can play a pivotal role in helping with the recruitment of senior and specialist staff. Drawing on our own expertise, the support of preferred partners and the experiences of Apax's portfolio companies worldwide we can tackle recruitment issues at a pace that will allow our businesses to ensure that they too can keep up with the developments in the digital world.



Steve Hare Apax Partners



Conference attendees

Who's who?

Conference speakers

Connie Adair CEO,
Taylor Winfield

Jeff Boyd CEO, priceline.com

Brad Brown Director,
McKinsey & Company

Seth Brody Partner, PSG,
Apax Partners

Bill Cook President, Greenplum
(a division of EMC²)

Dave Cowing Managing
Director, TandemSeven

Tom Evans CEO, Bankrate, Inc.

Jason Glaun Operating
Specialist, Apax Partners

Arnab Gupta CEO,
Opera Solutions

Steve Hare Global Head of
PSG, Apax Partners

Julie Harris CEO, WGSN

Nick Hartman Operating
Specialist, Apax Partners

John King Chair of Trader
Canada, Former CEO Trader UK

Simon McCall
Director, BoxWood

Rae Sedel Managing Director,
Russell Reynolds Associates

Jon Simmons Operating
Specialist, Apax Partners

Andrew Swinand CEO,
Cardinal Path

Brendan Tobin Operating
Specialist, Apax Partners

Frank Torbey CEO,
TandemSeven

Edwin Ulak VP,
Marketplace, Trader CA

Chris Wakerley MBE
Managing Director, Boxwood

Steven Zolman CEO, Net(net)



Conference attendees



NB. PSG attendees are not listed.
The Portfolio Support Group team is
on pages 34 & 35.

Connie Adair CEO,
Taylor Winfield

Bill Andrulevich CCO North
America, 4C-Group

Dave Ball SVP, Operations, KCI

Jonathan Ball Client Director,
EMC²

Brett Batchelder Senior
Director, Private Equity, EMC²

Zvi Bichler VP, IT & Asset
Management, Paradigm

Jay Black Director, CoreTrust

Jeff Boyd CEO, priceline.com

Brad Brown Director,
McKinsey & Company

Paul Butka SVP, CIO,
Bob's Discount Furniture

Zillah Byng-Maddick
CFO, Trader Media Group

Bill Carter President &
CEO, ALM Media

Bill Cook President, EMC²

Dave Cook CEO, Netrada
North America

Barry Cordeiro CIO,
HUB International

David Cortese CIO,
Advantage Sales & Marketing

Dave Cowing Managing
Director, TandemSeven

Martyn Curragh Partner,
PricewaterhouseCoopers

Peter DeFrancesco VP/GM,
Bankrate

Maurizio Delloca CIO, SISAL

Sarah Eames Managing
Director, Russell Reynolds
Associates

Dave Eckley President/
COO, Netrada

Onur Erzan Partner,
McKinsey & Company

Tom Evans President & CEO,
Bankrate

Poul Flagstad Principal,
Opera Solutions

Robert Geib EVP, Client
Services, NET(net)

Marcelo Gigliani Partner,
Apax Partners

Thomas Godward Principal,
PricewaterhouseCoopers

Mitch Gross Global President,
Insurance Services, Travelex

Buddy Gumina Co-head,
Healthcare, Apax Partners

Arnab Gupta Founder &
CEO, Opera Solutions

Heather Hammond Managing
Director, Russell Reynolds
Associates

Pete Hanlon CTO,
Trader Media Group

Sean Harley IT, 4C-Group

Julie Harris CEO, WGSN

Peter Holton SVP, Business
Intelligence, Advantage Sales &
Marketing

Dan Hoogterp SVP &
CTO, Bankrate

Mark Howe EVP, Human
Resources, Cengage Learning

Lenny Izzo SVP,
Marketing, ALM Media

W. Kirk James COO,
HUB International

Teresa Johnson
Interim CFO, KCI

Tim Jones CIO, Trader
Media Group

Eugene Kiel VP, Research
Platform Services, Cengage
Learning

John King Chair of Trader
Canada, Former CEO Trader UK

Kellsey Le President &
COO, NET(net)

Larry Lineker Chief Sales
Officer, HUB International

Michael Lisowski Strategy
Director, TopRight Group

Guy Lister Customer & Multi-
channel Managing Director,
New Look

Eric Lundberg SVP & CFO,
ALM Media

David Marantes VP, Global
Procurement, KCI

Borja Martinez Partner,
Apax Partners

Simon McCall Director,
Boxwood

John Megrue Co-head, Retail
& Consumer, Apax Partners

Kevin Michielsen Senior Vice
President & Chief Strategy
Officer, ALM Media

Scott Miller VP, Sales,
CoreTrust

David Mulligan CIO, KCI

Bob Murray Treasurer,
Advantage Sales & Marketing

Harish Mysore SVP, Corporate
Development, The TriZetto
Group

Duncan Painter CEO,
TopRight Group

Neil Patel IT Director,
Apax Partners

Alex Pellegrini Parther, Retail &
Consumer, Apax Partners

Alan Phillips Team Lead
Corporate Systems Engineer,
Sophos

Joachim Reinhardt
Global CEO, Netrada

Mike Ricciardelli SVP,
Business Development &
Consumer Marketing, Bankrate

Tuck Rickards Managing
Director, Russell Reynolds
Associates

Don Ross SVP, Chief Revenue
Officer, Bankrate

Arik Schor CEO, TNUVA

Rae Sedel Managing Director,
Russell Reynolds Associates

Bryan Smith CIO,
Cengage Learning

Michele Sweeney Chief
Revenue Officer, Cardinal Path

Andrew Swinand CEO,
Cardinal Path

Shivani Tejuja eCommerce
Director, New Look

Laura Teller Chief Strategy
Officer, Opera Solutions

Sara Tisdale Program
Director, Trader Canada

Frank Torbey CEO,
TandemSeven

Mitch Truwit Equity Partner,
Apax Partners

Sanjay Tugnait EVP & Head
Of Sales, North America &
Global Head Of Alliances, iGATE
Technologies

Edwin Ulak VP, Marketplace,
Trader Canada

Derek Usher CIO, Travelex

Christopher Vento EVP, LRS
Technology & Development,
Cengage Learning

Chris Wakerley MBE
Managing Director, Boxwood

Allen Wales VP, Technology,
Trader Canada

Jeff Whittle Chief Technology
& Digital Products Officer,
ALM Media

Roger Willmott CTO,
4C-Group

Stephen Wilson CEO,
4C-Group

Michael Wright Partner,
PricewaterhouseCoopers

Steven Zolman CEO, NET(net)



About Portfolio Support Group

The advantage of scale

The Portfolio Support Group is a resource for all Apax portfolio companies.

By sharing our collective knowledge, scale and experience across all the other companies (and dozens of preferred partners) the portfolio can grow their businesses, save time and save money.



“Being an Apax portfolio company makes you part of something bigger.”

Seth Brody Partner, PSG, Apax Partners



Leveraging knowledge, scale and experience

Preferred Partner Programme has established relationships with speciality providers at preferred rates and terms

Group Purchasing leverages our portfolio scale to drive recurring cost savings and EBITDA



'KnowledgeNow' programmes proactively engage portfolio management to share ideas, establish best practices and cross sell relevant services

Commercial Optimisation empowers management with competitive intelligence to improve contract terms and save money.

Apax's global presence

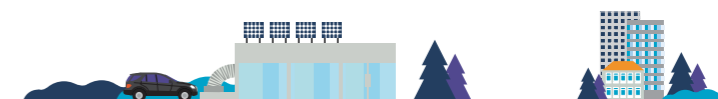
39 portfolio companies

15 countries worldwide

Key to map

Apax Partners offices

300,000 employees worldwide



About Portfolio Support Group

The PSG team

Steve Hare
Global Head of PSG



Steve Hare is Head of the Portfolio Support Group and is a member of the Portfolio Review Committee. Steve joined Apax in 2009 and is based in London. He is on the Operating Board of D+S Netrada.

Prior to joining Apax, Steve served as a public company CFO with Invensys, Spectris and Marconi.

Steve is a Chartered Accountant with a Bachelor of Commerce from Liverpool University and has a wealth of global industrial experience, having worked and lived in Europe, America and Asia.

Seth Brody
Partner, Portfolio Support Group



Seth Brody has been with Apax Partners since 2008 as an Operating Partner based in the New York office.

His prior executive operating experience includes roles as Executive Vice President and General Manager at Razorgator Interactive Group, as Group Vice President and General Manager at Orbitz Worldwide, and as Director of Marketing at priceline.com.

Seth serves on the Board of Directors for Bankrate, Inc. (NYSE:RATE) and is a member of the Operating Board at NETRADA Management GmbH. He also serves as a Director of Tagman, Inc. and an advisor to Greycroft Partners, a leading venture capital firm focused on digital media and technology.

He received his BA from Yale University and his MBA from Harvard Business School.

Nick Hartman
Operating Specialist



Nick Hartman is an operations specialist in the Portfolio Support Group and joined Apax Partners in 2009.

Prior to joining Apax, Nick held senior management positions at Orbitz Worldwide and Accenture, which included profit/loss responsibilities, international expansion, and consulting for Fortune 500 retail and high technology clients.

Nick holds a BSc from the Kelley School of Business at Indiana University and an MBA from the Kellogg School of Management at Northwestern University.

Jason Glaun
Operating Specialist, IT



Jason is an Operations Specialist in the PSG team having previously held the role of Interim Global Technology Director at Apax Partners.

Prior to joining Apax in 2009, Jason founded a management consulting business in the Channel Islands. He has operated in retail, digital, technology alternative investments, finance, law and consulting industries.

Holding previous operating positions at board and executive level, his specialty areas revolve around supply chain, business operations and technology.

Jason holds a Post Graduate Diploma in Commerce & Industry and an MBA in Technology Management from the Open University.

Irene Liebler
Head of Portfolio Recruiting



Irene Liebler is Head of Portfolio Recruiting and a member of the Portfolio Support Group. Based in Munich she serves Apax portfolio companies internationally.

Irene joined Apax Partners in 2002. She advises portfolio companies on recruiting and human resources topics. As an integral part of the investment team she also works closely with the deal team during the due diligence phase.

Prior to joining Apax Partners, Irene was a consultant with Heidrick & Struggles Int. Inc., a global executive search firm, where she specialised in recruiting senior management and directors for clients in the technology, telecommunication, ecommerce and media sector.

Irene holds a master's degree in business administration from Ludwig-Maximilians-University of Munich.

Gary Hughes
Operating Executive



Gary Hughes joined Apax Partners in October 2012.

He is an experienced public company CFO who has extensive operating experience, particularly in the media and retail sectors with companies such as Gala Coral, United Business Media and Scottish Media.

He is currently on the board of J. Sainsbury plc and chairs their Audit Committee. He is also a Non Executive Director of the Scottish Exhibition and Conference Centre Ltd.

Mark Zubko
Principal of the Financing team



Mark Zubko joined Apax Partners in 2010 and is a Principal leading the Financing Team. His Apax deal experience includes iGATE, Epicor, autotrader.ca, KCI and Orange Switzerland.

Prior to joining Apax, Mark was at Terra Firma Capital Partners and before that worked at Goldman Sachs and Co. and MidOcean Capital Partners.

Mark holds an MBA from Stanford University and has a BA in Economics from Wesleyan University.

Nishant Nayyar
Senior Financing Associate



Nishant Nayyar joined Apax Partners in 2009 as a member of the Media team and works in the London office. He is currently an observer on the board of Emap.

Prior to joining Apax Partners, Nishant worked at Warburg Pincus, a global private equity firm, on a wide variety of transactions across industry groups.

Before his time at Warburg, he worked with Bain & Co. in Boston and Singapore.

Nishant has a BA from Williams College in Politics and Economics as well as an MBA from Harvard Business School.

Jonathan Simmons
Operating Specialist



Jon Simmons is an Operating Specialist in the Portfolio Support Group and joined Apax Partners in 2012.

Prior to joining Apax, Jon was the Founder and Principal at Clearsearch Media, where he led digital strategy for a diverse portfolio of clients ranging from early stage ventures to global companies.

Prior to founding Clearsearch in 2006, Jon was the Director of Marketing Operations at Walkaway Media, an online lead aggregator in the travel industry, and also held various positions at priceline.com.

Jon holds a BA in Economics and German from Middlebury College.

Jodi Krakower
PSG Analyst



Jodi Krakower is an Analyst in the Portfolio Support Group and joined Apax Partners in 2010.

Prior to joining Apax, Jodi worked at [x+1], a premier digital marketing agency, where she specialised in Web Analytics. Jodi holds a BA in Economics from Harvard University.

Brendan Tobin
Operating Specialist



Brendan Tobin is an Operating Specialist in the Portfolio Support Group and joined Apax Partners in 2012.

Prior to joining Apax, Brendan was an independent procurement consultant working with Fortune 500 consumer products and business services clients. He also worked with a turnaround management team where

he held senior management positions in purchasing at Cenveo, Inc. and Moore Wallace Inc.

Brendan holds a Bachelor of Business Administration from the Mendoza College of Business at University of Notre Dame.



About Apax Partners

Releasing potential

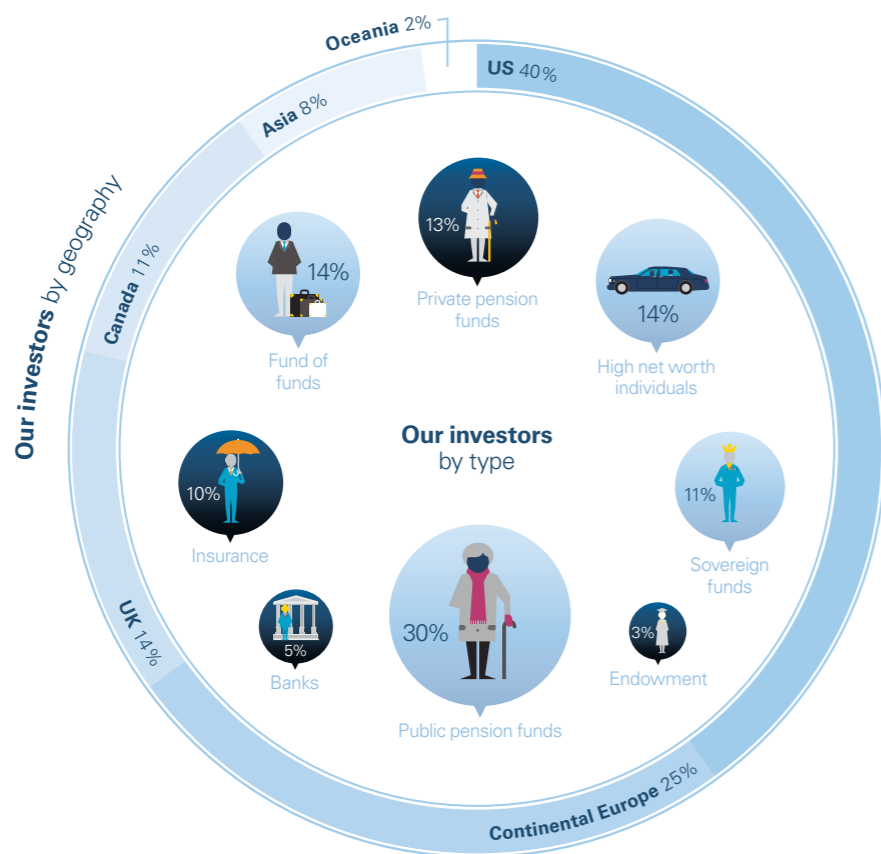
Apax Partners is an independent, global firm focused on advising on **long-term investment** in growth companies.

Our mission is to release the potential of companies, management teams and portfolio company employees to generate superior returns for our investors: the millions of individuals, corporates and sovereigns whose pension funds and investment plans commit to funds advised by Apax Partners ('Apax Funds').

Our funds typically invest in companies with a value between €1bn and €5bn, across five sectors: **Financial & Business Services, Healthcare, Media, Retail & Consumer, Tech & Telecom.**

Our funds have a proven strategy of finding opportunities where capital, experience and insight can release the potential of businesses and generate significant growth

We currently operate a global network of ten offices, in three continents, and employ over 300 people.



Apax Funds

Apax Partners funds' portfolio includes:

| | |
|--|--|
| <p>Financial & Business Services</p> | |
| | |
| <p>Healthcare</p> | |
| | |
| <p>Media</p> | |
| | |
| <p>Retail & Consumer</p> | |
| | |
| <p>Tech & Telecom</p> | |
| | |

